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FINAL
CITY COUNCIL

CITY OF WICHITA
KANSAS

City Council Meeting
09:00 a.m. July 19, 2016

City Council Chambers
455 North Main

OPENING OF REGULAR MEETING

-- Call to Order

-- Invocation

-- Pledge of Allegiance

-- Approve the minutes of regular meeting on July 12, 2016

AWARDS AND PROCLAMATIONS

None

I. PUBLIC AGENDA

NOTICE: No action will be taken relative to items on this agenda other than referral for information. Requests to appear will be placed on a "first-come, first-served" basis. This portion of the meeting is limited to thirty minutes and shall be subject to a limitation of five minutes for each presentation with no extension of time permitted. No speaker shall be allowed to appear more frequently than once every fourth meeting. Members of the public desiring to present matters to the Council on the public agenda must submit a request in writing to the office of the city clerk prior to twelve noon on the Tuesday preceding the council meeting. Matter pertaining to personnel, litigation and violations of laws and ordinances are excluded from the agenda. Rules of decorum as provided in this code will be observed.

None

II. CONSENT AGENDA ITEMS 1 THROUGH 14

NOTICE: Items listed under the "Consent Agendas" will be enacted by one motion with no separate discussion. If discussion on an item is desired, the item will be removed from the "Consent Agendas" and considered separately

*(The Council will be considering the City Council Consent Agenda as well as the Planning, Housing, and Airport Consent Agendas. Please see **"ATTACHMENT 1 – CONSENT AGENDA ITEMS"** for a listing of all Consent Agenda Items.)*

COUNCIL BUSINESS

III. UNFINISHED COUNCIL BUSINESS

None

IV. NEW COUNCIL BUSINESS

1. Public Hearing and Issuance of Industrial Revenue Bonds, WSF Holdings, Inc. (District II)

   RECOMMENDED ACTION: Close the public hearing and place on first reading the Bond Ordinance authorizing the execution and delivery of documents for the issuance of Industrial Revenue Bonds in the amount not to exceed $3,000,000 and authorize the necessary signatures.

2. 2017 Cultural Funding Allocation Recommendations.

   RECOMMENDED ACTION: Approve the funding allocations recommended for arts and cultural organizations by the Cultural Funding Committee.

3. Amendments to Section 2.20.030 and 11.48.180 of the Code of the City of Wichita regarding the Sale of Abandoned or Seized Property.

   RECOMMENDED ACTION: Place the Ordinance on first reading and authorize the necessary signatures.

4. Water and Sewer Utility Revenue Bond and Refunding Revenue Bond Sale.

   RECOMMENDED ACTION: 1) Ratify the award of the bids by the City Manager or his designee for each series of bonds; 2) adopt the Bond Ordinances on a Declaration of Emergency basis; 3) adopt the Bond Resolutions; and 4) authorize the necessary signatures.

5. Improvements to 9th Street North between Hillside and I-135. (District I)

   RECOMMENDED ACTION: Approve the design concept and Supplemental Design Agreement No. 1, adopt the amending resolution, and authorize the necessary signatures.

6. Wichita Housing Authority Semi-Annual Report.

   RECOMMENDED ACTION: Approve the Wichita Housing Authority semi-annual report and authorize submission to the U.S. Department of Housing and Urban Development (HUD).

7. Comprehensive Housing Policy.

   RECOMMENDED ACTION: Adopt the Comprehensive Housing Policy and authorize the two-year implementation strategy.

8. 2016 - 2025 Capital Improvement Program (CIP).

RECOMMENDED ACTION: Adopt the 2016 - 2025 Capital Improvement Program.

COUNCIL BUSINESS SUBMITTED BY CITY AUTHORITIES

PLANNING AGENDA

NOTICE: Public hearing on planning items is conducted by the MAPC under provisions of State law. Adopted policy is that additional hearing on zoning applications will not be conducted by the City Council unless a statement alleging (1) unfair hearing before the MAPC, or (2) alleging new facts or evidence has been filed with the City Clerk by 5p.m. on the Wednesday preceding this meeting. The Council will determine from the written statement whether to return the matter to the MAPC for rehearing.

V. NON-CONSENT PLANNING AGENDA

None

HOUSING AGENDA

NOTICE: The City Council is meeting as the governing body of the Housing Authority for consideration and action on the items on this Agenda, pursuant to State law, HUD, and City ordinance. The meeting of the Authority is deemed called to order at the start of this Agenda and adjourned at the conclusion. Carole Trapp Housing Member is also seated with the City Council.

VI. NON-CONSENT HOUSING AGENDA

None

AIRPORT AGENDA

NOTICE: The City Council is meeting as the governing body of the Airport Authority for consideration and action on items on this Agenda, pursuant to State law and City ordinance. The meeting of the Authority is deemed called to order at the start of this Agenda and adjourned at the conclusion.

VII. NON-CONSENT AIRPORT AGENDA

None

COUNCIL AGENDA

VIII. COUNCIL MEMBER AGENDA

None

IX. COUNCIL MEMBER APPOINTMENTS AND COMMENTS

1. Board Appointments.

   RECOMMENDED ACTION: Approve the appointments.

Adjournment

(ATTACHMENT 1 – CONSENT AGENDA ITEMS 1 THROUGH 14)

II. CITY COUNCIL CONSENT AGENDA ITEMS

1. Report of Board of Bids and Contracts dated July 18, 2016.

RECOMMENDED ACTION: Receive and file report; approve the contracts; and authorize the necessary signatures.

2. Applications for Licenses to Retail Cereal Malt Beverages:

Renew	2016	(Consumption off Premises)
Todd Gibson	Kwik Shop 716***	2424 West 37th North
Todd Gibson	Kwik Shop 722***	3959 South Hydraulic
Todd Gibson	Kwik Shop 727***	7107 West 37th North
Todd Gibson	Kwik Shop 731***	710 West 29th North
Todd Gibson	Kwik Shop 746***	2424 West 37th Street North
Todd Gibson	Kwik Shop 748***	2809 East Douglas
Todd Gibson	Kwik Shop 754***	4811 South Seneca
Todd Gibson	Kwik Shop 758***	6327 East 13th North
Todd Gibson	Kwik Shop 772***	2750 South Oliver

***Retailer (Grocery stores, convenience stores, etc.)

RECOMMENDED ACTION: Approve licenses subject to staff review and approval.

3. Preliminary Estimates:
   a. List of Preliminary Estimates.

RECOMMENDED ACTION: Receive and file.

4. Design Services Agreements:
   a. Supplemental Agreement No. 2 for 21st Street and Oliver Improvements. (District I)

RECOMMENDED ACTION: Approve agreements/contracts, adopt the resolution and authorize the necessary signatures.

5. Change Orders:
   a. Public Exigency-Change Order No. 4 for Wastewater Treatment Plant 2 UV Disinfection Expansion and Modification. (District III)
   b. Change Order No. 4 for Stormwater Improvements to Estancia Commercial Addition. (District V)

RECOMMENDED ACTION: Approve the change orders and authorize the necessary signatures.

6. Property Acquisitions:
   a. Partial Acquisition of 5910 East 37th Street North for the 37th Street North from Oliver Avenue to Woodlawn Boulevard Improvement Project. (District I)

   RECOMMENDED ACTION: Approve budgets and contracts and authorize necessary signatures.

7. Minutes of Advisory Boards/Commissions:
   Design Council, May 18, 2016
   Design Council, June 29, 2016

   RECOMMENDED ACTION: Receive and file.

8. Contracts and Agreements for June 2016.

   RECOMMENDED ACTION: Receive and file.

9. Arkansas River Path, Gander Mountain Site to Lincoln Street - Kansas Department of Wildlife, Parks and Tourism Recreational Trails Program Grant Application. (Districts I and III)

   RECOMMENDED ACTION: Approve the grant application in the amount of $250,000 from the RTP and authorize the necessary signatures.

10. Pracht Wetlands Park - Kansas Department of Wildlife, Parks and Tourism Recreational Trails Program Grant Application. (District V)

    RECOMMENDED ACTION: Approve the grant application in the amount of $400,000 from the RTP and authorize the necessary signatures.

11. 2015-2016 Arterial Sidewalk and Wheelchair Ramp Program.

    RECOMMENDED ACTION: Approve the project and locations, adopt the resolution, and authorize the necessary signatures.

12. Second Reading Ordinances: (First Read July 12, 2016)

    RECOMMENDED ACTION: Adopt the Ordinances.

II. CONSENT PLANNING AGENDA ITEMS

NOTICE: Public hearing on planning items is conducted by the MAPC under provisions of State law. Adopted policy is that additional hearing on zoning applications will not be conducted by the City Council unless a statement alleging (1) unfair hearing before the MAPC, or (2) alleging new facts or evidence has been filed with the City Clerk by 5p.m. on the Wednesday preceding this meeting. The Council will determine from the written statement whether to return the matter to the MAPC for rehearing.

13. *ZON2016-00019 and CUP2016-00021 – Zone Change from SF-5 Single-family Residential and LC Limited Commercial to TF 3 Two family Residential and CUP Amendment to DP-299 to Remove Parcels 13, 14 and 15 from the CUP to Allow Residential Development, Generally Located South of West 55th Street North and West of North Meridian Avenue. (District VI)

    RECOMMENDED ACTION: Adopt the findings of the MAPC, approve the requested Zone Change and CUP amendment subject to staff recommended conditions and place the ordinance on the first reading (simple majority vote).

14. *ZON2016-00021 – City Zone Change from Single-Family Residential and Limited Commercial to Industrial Park on Property Generally Located on the East of North Hoover Road and on the South Side of West 21st Street North. (District VI)

    RECOMMENDED ACTION: Adopt the findings of the MAPC, approve the requested zone change and place the ordinance on the first reading (simple majority vote).

II. CONSENT HOUSING AGENDA ITEMS

NOTICE: The City Council is meeting as the governing body of the Housing Authority for consideration and action on the items on this Agenda, pursuant to State law, HUD, and City ordinance. The meeting of the Authority is deemed called to order at the start of this Agenda and adjourned at the conclusion.

None

II. CONSENT AIRPORT AGENDA ITEMS

NOTICE: The City Council is meeting as the governing body of the Airport Authority for consideration and action on items on this Agenda, pursuant to State law and City ordinance. The meeting of the Authority is deemed called to order at the start of this Agenda and adjourned at the conclusion.

None

City of Wichita
City Council Meeting
July 19, 2016

TO: Mayor and City Council

SUBJECT: Public Hearing and Issuance of Industrial Revenue Bonds (WSF Holdings, Inc.) (District II)

INITIATED BY: Office of Urban Development

AGENDA: New Business

Recommendations: Close the public hearing and place the ordinance on first reading.

Background: On January 22, 2013, the City Council adopted the Phase 1 STAR Bond Project Plan which provided the details of a mixed-use commercial development located within the K-96 Greenwich STAR Bond District, including the development of a major multi-sport athletic facility. On September 10, 2013, the City Council approved a development agreement with Wichita Destination Developers, Inc. (WDD) outlining the Phase I STAR bond project and setting forth the rights, duties and obligations of the City and WDD.

In 2015, WDD entered into an agreement with WSF Holdings, Inc. to become the developer and operator of the multi-sport athletic facility at an estimated cost of approximately $14,025,000 under the name Wichita Sports Forum, LLC. On August 11, 2015, the City Council approved a letter of intent to issue Industrial Revenue Bonds (IRBs) for WSF Holdings, Inc. in an amount not-to-exceed $4,500,000 to achieve a sales tax exemption on the purchase of materials for the construction of the facility. WSF Holdings, Inc. is now requesting the issuance of bonds in an amount not to exceed $3,000,000.

Analysis: WSF Holdings, Inc. is the holding company for Wichita Sports Forum, LLC (WSF), which was created for the purpose of constructing and operating the multi-sport facility at K-96 and Greenwich. The members of WSF include Tymber Lee (Lee Companies, real estate and business development), John Wadsworth (Piping and Equipment and investor), and Scott McLain (McLain Group, real estate development, construction and finance).

WSF constructed a 145,000 square foot facility designed to host local, regional and national basketball, volleyball and soccer competitions in addition to cheer, softball, baseball, football, dodgeball and more. A 20,000 square foot, state-of-the-art Extreme Air Sport Trampoline Park was also included in the facility.

The facility supports ten hard surface regulation volleyball courts, six full size high school basketball courts, six sand volleyball courts, two full size sand soccer fields, one full size turf soccer field, one full size baseball/softball infield, four batting cages and supporting amenities such as food services, spectator lounges, team rooms, and a spacious mezzanine overlooking the hard and sand courts.

Financial Considerations: According to WSF, final project costs were $12,700,000. STAR bond financing for a portion of the development costs had previously been approved by the City Council and the State of Kansas for a multi-sport athletic facility in this location. The breakdown of funding is as follows:

STAR bonds – Vertical construction	$ 5,500,000
STAR bonds – Infrastructure	$ 2,200,000
Developer Equity	$ 5,000,000
TOTAL INVESTMENT	$12,700,000

The STAR bond financing provided a sales tax exemption on eligible items. The Developer Equity portion is not currently exempt from sales tax without IRBs. Of the Developer Equity, $2,000,000 is for land acquisition and the balance is dedicated to construction of the facility. The land acquisition expense is not subject to a sales tax therefore, the developer is requesting IRBs in an amount not to exceed the balance of $3,000,000.

WSF Holdings, Inc. agrees to pay all costs of the City relative to the issuance of the bonds. The company also agrees to pay the City's $2,500 annual IRB administrative fee for the term of the bonds.

Based on the latest available mill levy, the estimated tax value that could be generated by the new facility for the first full year of the fully completed project could be $329,208. This estimate assumes that 80% of the cost of improvements to real property will be reflected in an increase in property value. This percentage is used as a conservative approach to estimating the value of new tax revenues. The actual increase in valuation, if any, will be determined by the Sedgwick County Appraisers Office in the future as part of its ongoing reappraisal process. The estimated annual value of the new real property tax revenue as applicable to taxing jurisdictions is:

City	$ 91,589
State	$ 4,207
County	$ 82,686
USD 375	$150,726

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

City of Wichita General Fund	44.67 to 1
City of Wichita Debt Service Fund	NA
Sedgwick County	100.23 to 1
USD 375	NA
State of Kansas	65.28 to 1

Legal Considerations: The City's bond counsel, Gilmore & Bell, P.C., is serving as bond counsel in the transaction. WSF Holdings, Inc./Wichita Sports Forum, LLC agrees to comply with the City's Standard Letter of Intent Conditions.

The attached Bond Ordinance has been approved as to form by the Law Department. Documents required for the issuance of the bonds will be prepared by bond counsel and will be subject to review and approval as to form by the Law Department prior to the issuance of bonds.

Recommendation/Action: It is recommended that the City Council close the public hearing and place on first reading the Bond Ordinance authorizing the execution and delivery of documents for the issuance of Industrial Revenue Bonds in the amount not to exceed $3,000,000 and authorize the necessary signatures.

Attachment: Bond Ordinance

GILMORE & BELL, P.C.
06/06/2016

ORDINANCE NO. 50-289

OF THE
CITY OF WICHITA, KANSAS

AUTHORIZING THE ISSUANCE OF
$3,000,000 TAXABLE INDUSTRIAL REVENUE BONDS
SERIES IV, 2016
(WICHITA SPORTS FORUM PROJECT)

(Published in *The Wichita Eagle*, July 29, 2016)

ORDINANCE NO. 50-289

AN ORDINANCE AUTHORIZING THE CITY OF WICHITA, KANSAS TO ISSUE ITS TAXABLE INDUSTRIAL REVENUE BONDS, SERIES IV, 2016 (WICHITA SPORTS FORUM PROJECT) FOR THE PURPOSE OF THE ACQUISITION, CONSTRUCTION AND EQUIPPING A COMMERCIAL FACILITY; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS HAS FOUND AND DETERMINED:

A. The City of Wichita, Kansas (the "Issuer") is authorized by K.S.A. 12-1740 *et seq*., as amended (the "Act"), to acquire, construct, improve and equip certain facilities (as defined in the Act) for commercial, industrial and manufacturing purposes, to enter into leases and lease-purchase agreements with any person, firm or corporation for such facilities, and to issue revenue bonds for the purpose of paying the costs of such facilities.

B. The City Council (the "Governing Body") of the Issuer has determined that it is desirable in order to promote, stimulate and develop the general economic welfare and prosperity of the Issuer and the State of Kansas that the Issuer issue its Taxable Industrial Revenue Bonds, Series IV, 2016 (Wichita Sports Forum Project) in the aggregate principal amount of $3,000,000 (the "Series IV, 2016 Bonds"), for the purpose of paying the costs of the acquisition, construction and equipping of a certain commercial facility (the "Project") as more fully described in the Indenture and in the Lease authorized in this Ordinance, for lease toWSF Holdings Inc., a Kansas corporation (the "Tenant").

C. The Governing Body finds that it is necessary and desirable in connection with the issuance of the Series IV, 2016 Bonds to execute and deliver the following documents (collectively, the "Bond Documents"):

(i) a Trust Indenture dated as of July 1, 2016 (the "Indenture"), with Emprise Bank, Wichita, Kansas, as Trustee (the "Trustee"), prescribing the terms and conditions of issuing and securing the Series IV, 2016 Bonds;

(ii) a Base Lease dated as of July 1, 2016 (the "Base Lease") with the Tenant, under which the Tenant will lease the Project to the Issuer;

(iii) a Lease dated as of July 1, 2016 (the "Lease"), with the Tenant, under which the Issuer will lease its interest in the Project to the Tenant in consideration of Basic Rent and other payments; and

(iii) a Bond Purchase Agreement (the "Bond Purchase Agreement") providing for the sale of the Series IV, 2016 Bonds by the Issuer to WSF Holdings Inc., Valley Center, Kansas (the "Purchaser").

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS:

Section 1. **Definition of Terms**. All terms and phrases not otherwise defined in this Ordinance will have the meanings set forth in the Indenture and the Lease.

Section 2. **Authority to Cause the Project to Be Purchased and Constructed**. The Issuer is authorized to cause the Project to be acquired, constructed and equipped in the manner described in the Indenture and the Lease.

Section 3. **Authorization of and Security for the Bonds**. The Issuer is authorized and directed to issue the Series IV, 2016 Bonds, to be designated "City of Wichita Kansas Taxable Industrial Revenue Bonds, Series IV, 2016 (Wichita Sports Forum Project)" in the aggregate principal amount of $3,000,000, for the purpose of providing funds to pay the costs of the acquisition, construction and equipping of the Project. The Series IV, 2016 Bonds will be dated and bear interest, will mature and be payable at such times, will be in such forms, will be subject to redemption and payment prior to maturity, and will be issued according to the provisions, covenants and agreements in the Indenture. The Series IV, 2016 Bonds will be special limited obligations of the Issuer payable solely from the Trust Estate under the Indenture, including revenues derived from the Lease of the Project. The Series IV, 2016 Bonds will not be general obligations of the Issuer, nor constitute a pledge of the faith and credit of the Issuer, and will not be payable in any manner by taxation.

Section 4. **Authorization of Indenture**. The Issuer is authorized to enter into the Indenture with the Trustee in the form approved in this Ordinance. The Issuer will pledge the Trust Estate described in the Indenture to the Trustee for the benefit of the owners of the Series IV, 2016 Bonds on the terms and conditions in the Indenture.

Section 5. **Lease of the Project**. The Tenant will lease the Project to the Issuer in accordance with the provisions of the Base Lease in the form approved in this Ordinance. The Issuer will lease its interest in the Project to the Tenant according to the provisions of the Lease in the form approved in this Ordinance. The proposed sublease of the Project to Wichita Sports Forum, LLC, a Kansas limited liability company (the "Subtenant") is approved by the Issuer."

Section 6. **Authorization of Bond Purchase Agreement**. The Issuer is authorized to sell the Series IV, 2016 Bonds to the Purchaser, according to the terms and provisions of the Bond Purchase Agreement, in the form approved in this Ordinance.

Section 7. **Execution of Bonds and Bond Documents**. The Mayor of the Issuer is authorized and directed to execute the Series IV, 2016 Bonds and deliver them to the Trustee for authentication on behalf of the Issuer in the manner provided by the Act and in the Indenture. The Mayor or member of the Governing Body authorized by law to exercise the powers and duties of the Mayor in the Mayor's absence is further authorized and directed to execute and deliver the Bond Documents on behalf of the Issuer in substantially the forms presented for review prior to final passage of this Ordinance, with such corrections or amendments as the Mayor or other person lawfully acting in the absence of the Mayor may approve, which approval shall be evidenced by his or her signature. The authorized signatory may sign and deliver all other documents, certificates or instruments as may be necessary or desirable to carry out the purposes and intent of this Ordinance and the Bond Documents. The City Clerk or the Deputy City Clerk of the Issuer is hereby authorized and directed to attest the execution of the Series IV, 2016 Bonds, the Bond Documents and such other documents, certificates and instruments as may be necessary or desirable to carry out the intent of this Ordinance under the Issuer's corporate seal.

Section 8. **Pledge of the Net Lease Rentals**. The Issuer hereby pledges the net rentals generated under the Lease to the payment of the Series IV, 2016 Bonds in accordance with K.S.A. 12-1744. The lien created by the pledge will be discharged when all of the Series IV, 2016 Bonds are paid or deemed to have been paid under the Indenture.

Section 9. **Authority To Correct Errors, Etc**. The Mayor or member of the Governing Body authorized to exercise the powers and duties of the Mayor in the Mayor's absence, the City Clerk and any

Deputy City Clerk are hereby authorized and directed to make any alterations, changes or additions in the instruments herein approved, authorized and confirmed which may be necessary to correct errors or omissions therein or to conform the same to the other provisions of said instruments or to the provisions of this Ordinance.

Section 10. **Further Authority**. The officials, officers, agents and employees of the Issuer are authorized and directed to take whatever action and execute whatever other documents or certificates as may be necessary or desirable to carry out the provisions of this Ordinance and to carry out and perform the duties of the Issuer with respect to the Series IV, 2016 Bonds and the Bond Documents.

Section 11. **Effective Date**. This Ordinance shall take effect after its final passage by the Governing Body and publication once in the Issuer's official newspaper.

[BALANCE OF THIS PAGE LEFT BLANK INTENTIONALLY]

PASSED by the City Council of the City of Wichita, Kansas on July 26, 2016 and **SIGNED** by the Mayor.

(SEAL)

_____
Mayor

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
Jennifer Magaña, Director of Law and
City Attorney

[BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK]

JLN\600809.70398\ORDINANCE

CERTIFICATE

I hereby certify that the attached copy is a true and correct copy of Ordinance No. ____ of the City of Wichita, Kansas duly passed by the Governing Body, signed by the Mayor and published in the official City newspaper on the respective dates stated in this ordinance, and that the signed original of such Ordinance is on file in my office.

[SEAL]

_____
City Clerk

JLN\600809.70398\ORDINANCE

EXCERPT OF MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF WICHITA, KANSAS
HELD ON JULY 19, 2016

The governing body of the City of Wichita, Kansas met in regular session at the usual meeting place in the City, at 9:00 a.m., the following members being present and participating, to-wit:

Absent:

The Mayor declared that a quorum was present and called the meeting to order.

* * * * * * * * * * * * * *

(Other Proceedings)

Among other business, in accordance with notice published on July 11, 2016, in the *Wichita Eagle*, a public hearing was held by the governing body relating to the proposed issuance of $3,000,000 principal amount of Taxable Industrial Revenue Bonds, Series IV, 2016 (Wichita Sports Forum Project). All interested persons were afforded an opportunity to present their views on the issuance of the Bonds and the location and nature of the Project to be financed with the proceeds of the Bonds. Thereupon, the public hearing was closed.

Thereupon, there was presented for first reading an Ordinance entitled:

AN ORDINANCE AUTHORIZING THE CITY OF WICHITA, KANSAS TO ISSUE ITS TAXABLE INDUSTRIAL REVENUE BONDS, SERIES IV, 2016 (WICHITA SPORTS FORUM PROJECT) FOR THE PURPOSE OF THE ACQUISITION, CONSTRUCTION AND EQUIPPING A COMMERCIAL FACILITY; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

Thereupon, Councilmember _____ moved that said Ordinance be passed. The motion was seconded by Councilmember _____. Said Ordinance was duly read and considered, and upon being put, the motion for the passage upon first reading of said Ordinance was carried by the vote of the governing body, the vote being as follows:

Aye:

Nay:

* * * * * * * * * * * * * *

(Other Proceedings)

* * * * * * * * * * * * * *

JLN\600809.70398\ORDINANCE (06-06-16)

CERTIFICATE

I certify that the foregoing Excerpt of Minutes is a true and correct excerpt of the proceedings of the City Council of the City of Wichita, Kansas held on the date stated therein, and that the official minutes of such proceedings are on file in my office.

[SEAL]

_____

Karen Sublett, City Clerk

JLN\600809.70398\ORDINANCE

(Clerk's Certificate)

EXCERPT OF MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF WICHITA, KANSAS
HELD ON JULY 26, 2016

The governing body of the City of Wichita, Kansas met in regular session at the usual meeting place in the City, at 9:30 a.m., the following members being present and participating, to-wit:

Absent:

The Mayor declared that a quorum was present and called the meeting to order.

* * * * * * * * * * * * * *

(Other Proceedings)

Thereupon, there was presented for second reading on the governing body's consent agenda an Ordinance entitled:

AN ORDINANCE AUTHORIZING THE CITY OF WICHITA, KANSAS TO ISSUE ITS TAXABLE INDUSTRIAL REVENUE BONDS, SERIES IV, 2016 (WICHITA SPORTS FORUM PROJECT) FOR THE PURPOSE OF THE ACQUISITION, CONSTRUCTION AND EQUIPPING A COMMERCIAL FACILITY; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

Thereupon, Councilmember _____ moved that the consent agenda be passed. The motion was seconded by Councilmember _____. The motion that the consent agenda be passed, including final passage of said Ordinance, was carried by the vote of the governing body, the vote being as follows:

Aye:

Nay:

Thereupon, the Ordinance was then duly numbered Ordinance No. 50-[___], was signed by the Mayor and attested by the Clerk, and the Ordinance was directed to be published one time in the official newspaper of the City.

(Other Proceedings)

* * * * * * * * * * * * * *

JLN\600809.70398\ORDINANCE (06-06-16)

CERTIFICATE

I certify that the foregoing Excerpt of Minutes is a true and correct excerpt of the proceedings of the City Council of the City of Wichita, Kansas held on the date stated therein, and that the official minutes of such proceedings are on file in my office.

[SEAL]

_____

Karen Sublett, City Clerk

JLN\600809.70398\ORDINANCE

City of Wichita
City Council Meeting
July 19, 2016

TO: Mayor and City Council

SUBJECT: 2017 Cultural Funding Allocation Recommendations (All Districts)

INITIATED BY: Division of Arts & Cultural Services

AGENDA: New Business

Recommendation: Approve the 2017 funding allocations recommended for arts and cultural organizations by the Cultural Funding Committee.

Background: In 2005, the City Council approved the formation of the Cultural Funding Committee consisting of 11 members. Members of the City Council appointed seven members. The Arts Council appointed four members. The committee consists of representatives from government, education, business, philanthropy, arts organizations and the public at large. The committee was assigned the responsibility to make recommendations to the City Manager and members of the City Council on allocation of additional funding through operational grants for arts and cultural organizations.

On July 16, 2013, the Wichita City Council approved the update to the 2008 Cultural Arts Plan. Notable changes in the plan included:

- A change in the definition of an arts and cultural organization that resulted in the elimination of zoological and botanical organizations. This change made the Sedgwick County Zoological Society ineligible to apply for Cultural Funding.
- The placement of Botanica under the management of the City's Park and Recreation Department, eliminating the need for Botanica to apply for Cultural Funding and the need to negotiate an Operating Partnership agreement.
- A redefinition of the "Group One" organizations to "Cultural Institutions" that are now defined as "organizations which have operations and activities in facilities that are owned and/or operated by the City of Wichita and which have annual revenues in excess of $50,000 for at least two preceding years."
- The creation of three separate grant categories: Cultural Funding Operational grants that are open to application from 501(c)(3) arts and cultural organizations in Wichita; Developing Arts grants that are open to 501(c)(3) organizations with annual operating budgets less than $50,000 for technical assistance; and Artist Access grants, given to professional and emerging artists for professional development.
- The grouping of Cultural Funding Operational grant applications by the size of the applying organization's annual operating budget so like-sized organizations compete against like-sized organizations.

Analysis: The Cultural Funding Committee completed its review of the submitted applications and recommends funding 20 Cultural Funding Operational grants and two Artist Access grants. Organizations are grouped and reviewed by size. Small organizations have annual operating budgets of $249,999 or less. Medium organizations have annual operating budgets of $250,000 to $499,999 and large organizations have operating budgets of $500,000 or more. The organizations will enter into contracts with the City once the funding amounts have been approved as part of the City of Wichita Budget. These contracts require organizations to demonstrate that they meet excellence criteria developed for Performance

Measures. The contracts also allow the City to audit organizations in order to ascertain how the funding was used. The funding recommendations as part of the budget are listed below:

Organization Name	FY2016 Amount Approved	Average Score	FY2017 Amount Recommended
Small - American Guild of Organist	$600	60	$500
Small - Ballet Wichita	$8,643	66	$8,286
Small - Chamber Music at the Barn	$14,585	71	$14,615
Small - Emerald City Chorus	$441	58	$0
Small - Fisch Bowl, Inc.	$2,741	68	$2,360
Small - Friends of Great Plains Nature Center	$4,801	69	$5,732
Small - Griot's Storytelling Institute	$4,054	Disqualified	$0
Small - Midwest Historical & Genealogical Society	$1,485	Did not apply	Did not apply
Small - Music Theatre for Young People	$5,467	62	$5,979
Small - Newman University Theater Department	$2,235	59	$0
Small - Opera Kansas	$2,752	76	$5,858
Small - Tallgrass Film Association	$29,997	80	$32,957
Small - The Seed House	$4,036	Did not apply	Did not apply
Small - Wichita Chamber Chorale	$3,234	64	$3,188
Small Wichita Jazz Festival	Did not apply	64	$958
Medium - Arts Partners, Inc.	$36,018	72	$29,480
Medium - Wichita Children's Theatre	$16,521	71	$18,391
Medium - The Kansas African American Museum	$22,875	76	$25,171
Medium - Wichita Public Library Foundation	$23,841	80	$26,695
Large - Exploration Place	$41,619	74	$49,029
Large - Music Theatre of Wichita	$59,345	84	$59,751
Large - Orpheum Performing Arts Centre	Did not apply	61	$12,948
Large - Ulrich Museum	$21,279	80	$26,047

Large - Wichita Grand Opera	$24,004	68	$21,120
Large - Wichita Symphony Society	$61,543	80	$56,233
Total Cultural Funding Allocation	**$392,116**		**$405,298**
Developing Arts Applications	**2016 Amount Approved**		**2017 Amount Recommended**
Emerald City Chorus	$1,000		Did not apply
Griot's Storytelling Institute	$0		$0
Opera Kansas	$2,500		Did not apply
Wichita Chamber Chorale	$1,000		Did not apply
Total Developing Arts Allocation	**$4,500**		**$0**
Artist Access	**2016 Amount Approved**		**2017 Amount Recommended**
Megan St. Clair	Did not apply		$0
Laura Scholl	Did not apply		$0
Wendy Vallaredes	Did not apply		$0
Hal Ray Cozart	$1,000		Did not apply
Angeline Edmondson	$0		$500
Mike Westemeir	Did not apply		$995
David Hunsicker	$884		Did not apply
Meridith Radke-Gannon	$500		Did not apply
Twyla Smith	$750		$0
Joshua Tripoli	$1,000		Did not apply
Total Artist Access Allocation	**$4,134**		**$1,495**
Total City of Wichita Arts Funding Allocations	**$400,750**		**$406,793**

As part of the Cultural Arts Plan Update, the former Group One organizations were reclassified as "Cultural Institutions." Organizations that were classified as Cultural Institutions entered into separate Operating Partnership Agreements with a designated funding amount that is changed annually to ensure a funding level that provides a consistent millage equivalent. Maintenance responsibilities were also identified in each of the organization's agreements. Organizations that have entered into Operating Partnership Agreements with the City include Wichita Art Museum, Museum of World Treasures, Kansas Aviation Museum, Mid-America All-Indian Center, the Arts Council, Old Cowtown Museum*, CityArts* and the Wichita Historical Museum.

Organizations that have Operating Partnership Agreements with the City are expected to submit an annual performance report, which is reviewed on an annual basis by a committee comprised of the City Manager or his designee, a representative from Law, a representative from Finance, two ex-officio City Council members who serve on the Arts Council, the chair person for the Cultural Funding Committee, the president of the Arts Council and the Division Manager of Arts and Cultural Services. Performance measures are outlined in the Operating Agreements for each organization. The committee reviews the annual report and performance measures for each Cultural Institution to determine the overall health of the organization and makes recommendations for improvement if needed.

(*Daily operations are managed by the Division of Arts & Cultural Services for Cowtown and CityArts so it is not possible to have an Operating Partnership Agreement with the facility. However, they are held to the same Performance Measures as the other Cultural Institutions.)

Financial Consideration: The total estimated mill levy equivalent of funding for arts institutions and grants estimated for 2016 is 1.32 mills, or a total of $4,211,847. Based on projected assessed valuation growth of 2.6%, a total of $4,307,142 is estimated to be available for arts institutions and grants in 2017, maintaining a consistent mill levy equivalent of approximately 1.32. Funding for these organizations is included within that amount.

Legal Consideration: Upon City Council approval for the funding recommendations, the Law Department will create and modify contracts with the Cultural Funding, Developing Arts and Artist Access recipients, which will be brought back at a future date for final City Council approval.

Recommendations/Action: It is recommended that the City Council approve the funding allocations recommended for arts and cultural organizations by the Cultural Funding Committee.

Attachments: None

City of Wichita
City Council Meeting
July 19, 2016

To: Mayor and City Council

Subject: Amendments to Sections 2.20.030 and 11.48.180 of the Code of the City of Wichita regarding the Sale of Abandoned or Seized Property (All Districts)

Initiated By: Police Department

Agenda: New Business

Recommendation: Place the ordinances on first reading.

Background: Section 11.48.180 of the Code of the City of Wichita sets forth procedures regarding unclaimed or impounded bicycles. When read in conjunction with Section 2.20.030, the ordinance mandates an auction of seized or abandoned bicycles with proceeds directed to the Police Benefit Fund. The Homeless Outreach Team participates in a program that repairs bicycles and distributes them free of charge to homeless citizens to help them gain employment and housing. This program is dependent on donated bicycles.

Analysis: The amendments would allow the Wichita Police Department, in lieu of auctioning seized bicycles, to distribute them so long as it is done for public welfare. The Wichita Police Department auctions more than 250 bicycles each year with payments exceeding $3,500. It is unlikely the outreach team would use all the bicycles available. The amendments require the remainder of bicycles be sold at public auction in the same manner as other personal property with proceeds to the Police Benefit Fund.

Financial Consideration: The funds from auctioned bicycles are currently donated to the Police Benefit Fund. The proceeds exceed $3,500. Diverting bicycles from auction to the Homeless Outreach Team will reduce the payments to the Police Benefit Fund.

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

Recommendation/Actions: It is recommended that the City Council place the ordinance on first reading and authorize the necessary signatures.

Attachment: Ordinances.

First Published in The Wichita Eagle on _____

DELINEATED
OCA #083303

7/29/16

ORDINANCE NO._____

AN ORDINANCE AMENDING SECTION 2.20.030 OF THE CODE OF THE CITY OF WICHITA, KANSAS, PERTAINING TO NOTICE OF INTENT TO SELL; REQUIREMENTS AS TO SALE, ETC., AND REPEALING THE ORIGINAL OF SAID SECTION.

BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS:

SECTION 1. Section 2.20.030 of the Code of the City of Wichita, Kansas, is hereby amended to read as follows:

Sec. 2.20.030. - Notice of intent to sell; requirements as to sale, etc.

If the owner or person entitled to the possession of property as described in this chapter, shall fail to claim such property within thirty days, then at such time or at any time thereafter, ~~the director of department of administration may cause a notice to~~ *notification shall* be published in the official city paper, setting forth a detailed description of such property and stating that unless the same be claimed within ten days, such property will be sold at public auction (*which may include on-line auction)* to the highest bidder ~~there for cash~~, and stating the time and place of such sale; provided, that if such property be livestock, the value of which is less than the cost of keeping the same for the periods described in this section such property shall be advertised immediately and sold after a three days' notice given as herein provided. *In lieu of sale, bicycles may be disposed of by the Wichita Police Department at its discretion pursuant to 11.48.180.*

(Ord. No. 7451 § 3)

SECTION 2. The original of Section 2.20.030 of the Code of the City of Wichita, Kansas, is hereby repealed.

SECTION 3. This ordinance shall be included in the Code of the City of Wichita, Kansas, and shall be effective upon its passage and publication once in the official city paper.

PASSED by the governing body of the City of Wichita, Kansas, this _____ day of _____, 2016.

_____
Jeff Longwell, Mayor

ATTEST:

_____
Karen Sublett, City Clerk

Approved as to Form:

_____
Jennifer Magana, Director of Law and City Attorney

First Published in The Wichita Eagle on _____

CLEAN
OCA #083303

7/29/16

ORDINANCE NO._____

AN ORDINANCE AMENDING SECTION 2.20.030 OF THE CODE OF THE CITY OF WICHITA, KANSAS, PERTAINING TO NOTICE OF INTENT TO SELL; REQUIREMENTS AS TO SALE, ETC., AND REPEALING THE ORIGINAL OF SAID SECTION.

BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS:

SECTION 1. Section 2.20.030 of the Code of the City of Wichita, Kansas, is hereby amended to read as follows:

Sec. 2.20.030. - Notice of intent to sell; requirements as to sale, etc.

If the owner or person entitled to the possession of property as described in this chapter, shall fail to claim such property within thirty days, then at such time or at any time thereafter, notification shall be published in the official city paper, setting forth a detailed description of such property and stating that unless the same be claimed within ten days, such property will be sold at public auction (which may include on-line auction) to the highest bidder, and stating the time and place of such sale; provided, that if such property be livestock, the value of which is less than the cost of keeping the same for the periods described in this section such property shall be advertised immediately and sold after a three days' notice given as herein provided. In lieu of sale, bicycles may be disposed of by the Wichita Police Department at its discretion pursuant to 11.48.180.

(Ord. No. 7451 § 3)

SECTION 2. The original of Section 2.20.030 of the Code of the City of Wichita, Kansas, is hereby repealed.

SECTION 3. This ordinance shall be included in the Code of the City of Wichita, Kansas, and shall be effective upon its passage and publication once in the official city paper.

PASSED by the governing body of the City of Wichita, Kansas, this _____ day of _____, 2016.

_____
Jeff Longwell, Mayor

ATTEST:

_____
Karen Sublett, City Clerk

Approved as to Form:

_____
Jennifer Magana, Director of Law and City Attorney

First Published in The Wichita Eagle on _____

DELINEATED
OCA #083303

7/26/16

ORDINANCE NO._____

AN ORDINANCE AMENDING SECTION 11.48.180 OF THE CODE OF THE CITY OF WICHITA, KANSAS, PERTAINING TO SALE OF UNCLAIMED OR IMPOUNDED BICYCLES AND REPEALING THE ORIGINAL OF SAID SECTION.

BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS:

SECTION 1. Section 11.48.180 of the Code of the City of Wichita, Kansas, is hereby amended to read as follows:

Sec. 11.48.180. - Sale of unclaimed or impounded bicycles.

Whenever a bicycle has been impounded for a period of 30 days and no claim of ownership or the right to possession thereof has been made and established to the satisfaction of the police department, such bicycle ~~shall~~ *may* be sold at public auction *or distributed to benefit public welfare at the discretion of the Wichita Police Department* after legal publication of the time, date and location of such sale *or disposition.*

(Ord. No. 32-708 (part); Ord. No. 48-754, § 7, 6-22-2010)

SECTION 2. The original of Section 11.48.180 of the Code of the City of Wichita, Kansas, is hereby repealed.

SECTION 3. This ordinance shall be included in the Code of the City of Wichita, Kansas, and shall be effective upon its passage and publication once in the official city paper.

PASSED by the governing body of the City of Wichita, Kansas, this _____ day of _____, 2016.

_____
Jeff Longwell, Mayor

ATTEST:

_____
Karen Sublett, City Clerk

Approved as to Form:

for Jennifer Magana
Jennifer Magana, Director of Law and City Attorney

First Published in The Wichita Eagle on _____

CLEAN
OCA #083303

7/26/16

ORDINANCE NO._____

AN ORDINANCE AMENDING SECTION 11.48.180 OF THE CODE OF THE CITY OF WICHITA, KANSAS, PERTAINING TO SALE OF UNCLAIMED OR IMPOUNDED BICYCLES AND REPEALING THE ORIGINAL OF SAID SECTION.

BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS:

SECTION 1. Section 11.48.180 of the Code of the City of Wichita, Kansas, is hereby amended to read as follows:

Sec. 11.48.180. - Sale of unclaimed or impounded bicycles.

Whenever a bicycle has been impounded for a period of 30 days and no claim of ownership or the right to possession thereof has been made and established to the satisfaction of the police department, such bicycle may be sold at public auction or distributed to benefit public welfare at the discretion of the Wichita Police Department after legal publication of the time, date and location of such sale or disposition.

(Ord. No. 32-708 (part); Ord. No. 48-754, § 7, 6-22-2010)

SECTION 2. The original of Section 11.48.180 of the Code of the City of Wichita, Kansas, is hereby repealed.

SECTION 3. This ordinance shall be included in the Code of the City of Wichita, Kansas, and shall be effective upon its passage and publication once in the official city paper.

PASSED by the governing body of the City of Wichita, Kansas, this _____ day of _____, 2016.

_____
Jeff Longwell, Mayor

ATTEST:

_____
Karen Sublett, City Clerk

Approved as to Form:

_____
Jennifer Magana, Director of Law and City Attorney

City of Wichita
City Council Meeting
July 19, 2016

TO: Mayor and City Council Members

SUBJECT: Water and Sewer Utility Revenue Bond and Refunding Revenue Bond Sale

INITIATED BY: Department of Finance

AGENDA: New Business

Recommendation: Ratify the award of the bids.

Background: On June 21, 2016, Resolution No. 16-167 was adopted by the City Council authorizing the sale of one series of Water and Sewer Utility Revenue Bonds (Series 2016A) in the principal amount not to exceed $27,000,000 and one series of Water and Sewer (W&S) Utility Refunding Revenue Bonds (Series 2016B) in the principal amount not to exceed $130,000,000. The resolution also provided authority for the City Manager or his designee to accept the best conforming bids with ratification of the bids and approval of the bond ordinances and resolutions by the City Council at its next regularly scheduled meeting.

Analysis: The proceeds from the sale of the Series 2016A Bonds will be used to provide permanent financing for capital improvement projects of the Water and Sewer Utilities. The proceeds from the sale of the Series 2016B Bonds will be used for the advance refunding of the City's outstanding W&S Revenue Bonds, Series 2009A, by providing the necessary funds to pay the principal on the redemption date of October 1, 2019.

Bids were accepted electronically through ***PARITY*** Electronic Bid Submission System on Thursday, July 14, 2016 until 10:00 a.m. Central Time (CT) in the Finance Conference Room, at which time the bids were publicly received. By law, the City must award the sale of the bonds to the bidder whose proposed interest rates result in the lowest overall cost to the City.

Four bids were received for the Series 2016A Bonds with the lowest bid at a true interest cost (TIC) of 2.39% received from Bank of America Merrill Lynch. Seven bids were received for the Series 2016B Bonds with the lowest bid at a TIC of 2.36 % received from Bank of America Merrill Lynch.

Financial Considerations: The Series 2016A Bonds will mature serially over 15 and 20 years and will be paid from revenues of the Water and Sewer Utilities. The Series 2016A Bonds will be callable on and after October 1, 2027 at par.

The City has established a minimum 3% threshold as an appropriate level of savings in connection with a bond refunding. The calculated net present value benefit resulting from the sale of the Water and Sewer Utility Refunding Revenue Bonds, Series 2016B is $14.5 million or 13.89%. The Series 2016B Bonds will mature from the years 2017 through 2039, with average annual savings of $902,245 for the years 2017 through 2034 and average annual savings of $374,116 for the years 2035 through 2039. The Series 2016B Bonds are callable on and after October 1, 2027 at par.

Legal Considerations: The ordinances and resolutions have been prepared by Bond Counsel and approved as to form by the Law Department.

Recommendations/Actions: It is recommended that the City Council: (1) ratify the award of the bids by the City Manager or his designee for each series of bonds; (2) adopt the Bond Ordinances on a Declaration of Emergency basis; (3) adopt the Bond Resolutions; and (4) authorize the necessary signatures.

Attachment(s):
For each Bond series – Bond Ordinance, Bond Resolution and Declaration of Emergency
Parity Bid Results – Series 2016A
Parity Bid Results – Series 2016B

3:36:02 p.m. CDST	Upcoming Calendar	Overview	Compare	Summary

Bid Results

Wichita
$26,090,000 Water and Sewer Utility Revenue Bonds, Series 2016A

The following bids were submitted using ***PARITY***® and displayed ranked by lowest TIC.
Click on the name of each bidder to see the respective bids.

Bid Award*	Bidder Name	TIC
☑ Reoffering	Bank of America Merrill Lynch	2.387363
☐	Hutchinson, Shockey, Erley & Co.	2.421619
☐	J.P. Morgan Securities LLC	2.459793
☐	Robert W. Baird & Co., Inc.	2.481614

*Awarding the Bonds to a specific bidder will provide you with the Reoffering Prices and Yields.

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3:35:51 p.m. CDST	Upcoming Calendar	Overview	Compare	Summary

Bid Results

Wichita
$103,055,000 Water and Sewer Utility Refunding Revenue Bonds, Series 2016B

The following bids were submitted using ***PARITY***® and displayed ranked by lowest TIC.
Click on the name of each bidder to see the respective bids.

Bid Award*	Bidder Name	TIC
☑ Reoffering	Bank of America Merrill Lynch	2.358579
☐	Hutchinson, Shockey, Erley & Co.	2.407873
☐	Wells Fargo Bank, National Association	2.425460
☐	Mesirow Financial, Inc.	2.429584
☐	J.P. Morgan Securities LLC	2.436228
☐	Raymond James & Associates, Inc.	2.443596
☐	Robert W. Baird & Co., Inc.	2.482562

*Awarding the Bonds to a specific bidder will provide you with the Reoffering Prices and Yields.

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Gilmore & Bell, P.C.
07/14/2016

REQUEST FOR DECLARATION OF EMERGENCY

REQUEST OF THE MAYOR OF THE CITY OF WICHITA, KANSAS, FOR THE DECLARATION BY THE CITY COUNCIL OF SAID CITY OF THE EXISTENCE OF A PUBLIC EMERGENCY REQUIRING THE FINAL PASSAGE OF AN ORDINANCE AS DESIGNATED BELOW.

I, JEFF LONGWELL, Mayor of the City of Wichita, Kansas, hereby request that the City Council declare that a public emergency exists requiring the final passage on the date of its introduction, to wit, July 19, 2016, of an ordinance entitled:

AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF WATER AND SEWER UTILITY REVENUE BONDS, SERIES 2016A, OF THE CITY OF WICHITA, KANSAS; MAKING CERTAIN COVENANTS AND AGREEMENTS TO PROVIDE FOR THE PAYMENT AND SECURITY THEREOF; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

The general nature of such public emergency is due to bond market expectations that the authorization of the issuance of the Series 2016A Bonds occur on the same date bids are received and to enable the City to deliver the Series 2016A Bonds authorized by said Ordinance on August 11, 2016.

It is, therefore, expedient at this time that the City Council find and declare that a public emergency exists by reason of the foregoing, and that the above entitled Ordinance be finally passed on the date of its introduction.

EXECUTED at Wichita, Kansas on July 19, 2016.

_____
Jeff Longwell, Mayor

(Seal)

ATTEST:

_____
Karen Sublett, City Clerk

APPROVED AS TO FORM:

_____
Jennifer Magaña, Director of Law and
City Attorney

JLN\600809.70416\BASICDOCS 2016A (07-14-16)

Gilmore & Bell, P.C.
07/14/2016

**EXCERPT OF MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF WICHITA, KANSAS
HELD ON JULY 19, 2016**

The governing body met in regular session at the usual meeting place in the City, at 9:00 a.m., the following members being present and participating, to-wit:

Absent:

The Mayor declared that a quorum was present and called the meeting to order.

* * * * * * * * * * * * * *

(Other Proceedings)

The Director of Finance reported that pursuant to the Notice of Bond Sale heretofore duly given, bids for the purchase of Water and Sewer Utility Revenue Bonds, Series 2016A, dated August 1, 2016 (the "Series 2016A Bonds"), of the City had been received. A tabulation of said bids is set forth as ***EXHIBIT A*** hereto.

Thereupon, the governing body reviewed and considered the bids and it was found and determined that the bid of Bank of America Merrill Lynch, New York, New York, was the best bid for the Series 2016A Bonds, a copy of which is attached hereto as ***EXHIBIT B***.

MAYOR, JEFF LONGWELL moved that said bid be accepted, that the City Manager's execution of the bid form selling the 2016A Bonds to the best bidder on the basis of said bid and the terms specified in the Notice of Bond Sale be ratified, to pass an ordinance hereinafter captioned on an emergency basis pursuant to a Declaration of Emergency and to adopt a resolution hereinafter captioned:

AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF WATER AND SEWER UTILITY REVENUE BONDS, SERIES 2016A, OF THE CITY OF WICHITA, KANSAS; MAKING CERTAIN COVENANTS AND AGREEMENTS TO PROVIDE FOR THE PAYMENT AND SECURITY THEREOF; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

A RESOLUTION PRESCRIBING THE FORM AND DETAILS OF AND AUTHORIZING AND DIRECTING THE SALE AND DELIVERY OF WATER AND SEWER UTILITY REVENUE BONDS, SERIES 2016A, OF THE CITY OF WICHITA, KANSAS, PREVIOUSLY AUTHORIZED BY ORDINANCE NO. 50-294 OF THE ISSUER; MAKING CERTAIN COVENANTS AND AGREEMENTS TO PROVIDE FOR THE PAYMENT AND SECURITY THEREOF; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS CONNECTED THEREWITH.

The motion was seconded by VICE-MAYOR LAVONTA WILLIAMS. Said motion was carried by a vote of the governing body with the vote being as follows:

Yea: _____.

Nay: _____.

Thereupon, the Mayor declared: (a) said Ordinance duly passed and numbered Ordinance No. 50-294; (b) said Resolution duly adopted and numbered Resolution No. 16-200; and (c) that the Ordinance or a summary thereof was directed to be published one time in the official newspaper of the City.

* * * * * * * * * * * * *

(Other Proceedings)

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CERTIFICATE

I hereby certify that the foregoing Excerpt of Minutes is a true and correct excerpt of the proceedings of the governing body of the City of Wichita, Kansas held on the date stated therein, and that the official minutes of such proceedings are on file in my office.

(SEAL)

_____

Karen Sublett, City Clerk

EXHIBIT A
BID TABULATION

CITY OF WICHITA, KANSAS
WATER AND SEWER UTILITY REVENUE BONDS

Dated: August 1, 2016
Series 2016A
Good Faith Deposit: $521,800

Sale Date: July 14, 2016
10:00 a.m., C.D.T.
Max Interest Rate: 7.367%

BIDDERS

Bidder	Interest Rates		Price	Net Interest Cost	True Interest Rate
BANK OF AMERICA MERRILL LYNCH	2.00%	2017	$28,995,316.99[(b)]	$7,296,441.34[(b)]	2.3873%[(b)]
	5.00%	2018-2026			
	4.00%	2027			
	3.00%	2028-2036			
HUTCHINSON, SHOCKEY, ERLEY & CO.	5.00%	2017-2023	$28,752,887.99	$7,384,253.68	2.4216%
	4.00%	2024-2026			
	3.00%	2027-2029			
	2.50%	2030			
	4.00%	2031-2032			
	3.00%	2033-2036			
J.P. MORGAN SECURITIES LLC	5.00%	2017-2024	$30,011,927.54	$7,763,455.79	2.4597%
HILLTOP SECURITIES	4.00%	2025-2026			
ESTRADA HINOJOSA & COMPANY, INC.	5.00%	2027-2028			
ACADEMY SECURITIES, INC.	3.00%	2029-2031			
INTERCOASTAL CAPITAL MARKETS INC.	4.00%	2032-2036			

(a) *Subsequent to bid opening, the issue size decreased from $26,090,000 to $23,810,000.*

(b) *Subsequent to bid opening, the price, net interest cost, and true interest rate have changed to $26,383,618.33, $7,058,906.67, and 2.4246%, respectively.*

Public Sector Advisors

Bidder	Interest Rates		Price	Net Interest Cost	True Interest Rate
ROBERT W. BAIRD & COMPANY	2.00%	2017-2018	$29,370,643.31	$7,757,919.19	2.4816%
INCORPORATED	4.00%	2019-2020			
C.L. KING & ASSOCIATES WMBE	5.00%	2021-2026			
CRONIN & CO.	2.00%	2027-2028			
ROSS, SINCLAIRE & ASSOCIATES, LLC	2.125%	2029			
EDWARD D. JONES & COMPANY	4.00%	2030-2036			
WNJ CAPITAL					
COASTAL SECURITIES, INC.					
FIDELITY CAPITAL MARKETS					
CREWS & ASSOCIATES, INC.					
SAMCO CAPITAL MARKETS					
LOOP CAPITAL MARKETS					
VINING-SPARKS IBG, LIMITED PARTNERSHIP					
COUNTRY CLUB BANK					
GEORGE K. BAUM & COMPANY					
DUNCAN-WILLIAMS, INC.					
DAVENPORT & CO. LLC					
NORTHLAND SECURITIES, INC.					
R. SEELAUS & COMPANY., INC.					
BERNARDI SECURITIES, INC.					
SUMRIDGE PARTNERS					
OPPENHEIMER & CO.					
SIERRA PACIFIC SECURITIES					
CENTRAL STATES CAPITAL MARKETS					
COMMERCE BANK, N.A.					
ISAAK BOND INVESTMENTS, INC.					
BANK OF NEW YORK MELLON CAPITAL MARKETS					
ALAMO CAPITAL WMBE					
WAYNE HUMMER & CO.					
WEDBUSH SECURITIES INC.					
UMB BANK, N.A.					
IFS SECURITIES					
VALDES AND MORENO					
FIRST EMPIRE SECURITIES					
RAFFERTY CAPITAL MARKETS					
MIDLAND SECURITIES					
DOUGHERTY & COMPANY, LLC					
RBC CAPITAL MARKETS					
J.J.B. HILLIARD, W.L. LYONS, LLC					
FMS BONDS INC.					
FIRST KENTUCKY SECURITIES CORP.					

EXHIBIT B

(BID OF PURCHASER)

Bank of America Merrill Lynch - New York, NY's Bid PARITY
City of Wichita, Kansas
~~$26,090,000~~ $23,810,000 Water and Sewer Utility Revenue Bonds, Series 2016A

For the aggregate principal amount of ~~$26,090,000.00~~ $23,810,000.00, we will pay you ~~$28,995,316.99~~ $26,383,618.33, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount $	Coupon %	Yield %	Dollar Price	Bond Insurance
10/01/2017	~~1,020M~~ 695M	2.0000	0.6500	101.529	
10/01/2018	~~1,145M~~ 860M	5.0000	0.7200	109.067	
10/01/2019	~~1,170M~~ 900M	5.0000	0.8200	112.925	
10/01/2020	~~1,190M~~ 945M	5.0000	0.9500	116.397	
10/01/2021	~~1,215M~~ 995M	5.0000	1.1100	119.377	
10/01/2022	~~1,240M~~ 1,040M	5.0000	1.2900	121.827	
10/01/2023	~~1,265M~~ 1,095M	5.0000	1.3800	124.528	
10/01/2024	~~1,290M~~ 1,150M	5.0000	1.5200	126.544	
10/01/2025	~~1,315M~~ 1,205M	5.0000	1.6100	128.700	
10/01/2026	~~1,345M~~ 1,265M	5.0000	1.7500	130.071	
10/01/2027	~~1,385M~~ 1,330M	4.0000	1.9000	119.281	
10/01/2028	~~1,420M~~ 1,385M	3.0000	2.1500	107.704	
10/01/2029	~~1,460M~~ 1,430M	3.0000	2.3400	105.924	
10/01/2030	~~1,490M~~ 1,475M	3.0000	2.4700	104.726	
10/01/2031	~~1,530M~~ 1,515M	3.0000	2.6300	103.272	
10/01/2032	~~1,240M~~ 1,225M	3.0000	2.7000	102.643	
10/01/2033					
10/01/2034					
10/01/2035					
10/01/2036	~~5,370M~~ 5,300M	3.0000	2.9600	100.345	

Total Interest Cost:	~~$10,201,758.33~~	$9,632,525.00
Premium:	~~$2,905,316.99~~	$2,573,618.33
Net Interest Cost:	~~$7,296,441.34~~	$7,058,906.67
TIC:	~~2.387363%~~	2.424648%

Time Last Bid Received On:07/14/2016 9:59:44 CDST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: Bank of America Merrill Lynch, New York, NY
Contact: David Andersen
Title: Managing Director
Telephone:212-449-5081
Fax: 212-449-3733

Issuer Name:	City of Wichita, KS	Company Name:	Bank of America Merrill Lynch
Accepted By:	_____	Accepted By:	_____
Date:	July 14, 2016	Date:	July 14, 2016

Gilmore & Bell, P.C.
07/14/2016

ORDINANCE NO. 50-294

OF

THE CITY OF WICHITA, KANSAS

PASSED

JULY 19, 2016

WATER AND SEWER UTILITY REVENUE BONDS
SERIES 2016A

ORDINANCE NO. 50-294

AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF WATER AND SEWER UTILITY REVENUE BONDS, SERIES 2016A, OF THE CITY OF WICHITA, KANSAS; MAKING CERTAIN COVENANTS AND AGREEMENTS TO PROVIDE FOR THE PAYMENT AND SECURITY THEREOF; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

WHEREAS, the City of Wichita, Kansas (the "City") is a city of the first class, duly created, organized and existing under the Constitution and laws of the State; and

WHEREAS, the City Council (the "Governing Body") of the City has heretofore by Ordinance No. 39-888, adopted May 26, 1987, and published in the official newspaper of the City on May 29, 1987, as required by law, authorized the combining of the City-owned and operated municipal water utility and municipal sewer utility thereby creating the "City of Wichita, Kansas Water and Sewer Utility" (the "Utility"); and

WHEREAS, the City is authorized under the provisions of the Act, to issue and sell revenue bonds for the purpose of paying all or part of the cost of the acquisition, construction, reconstruction, alteration, repair, improvement, extension or enlargement of the Utility, provided that the principal of and interest on such revenue bonds shall be payable solely from the Net Revenues derived by the City from the operation of the Utility; and

WHEREAS, the Governing Body has heretofore by various resolutions, duly adopted, found and determined it to be necessary and advisable to construct, reconstruct, alter, repair, improve, extend or enlarge the Utility (the "Projects"), and found and determined it to be necessary and advisable to issue revenue bonds pursuant to the provisions of the Act in order to pay the costs thereof; and

WHEREAS, the Governing Body caused to be published in the City's official newspaper, notices of the City's intention to construct the Projects and issue such revenue bonds determined necessary by the aforesaid resolutions; and within the 15-day period after the publication of each such notice as required by the Act, no written protest was filed in the Office of the City Clerk against the Projects and the issuance of such revenue bonds, and the City is, therefore, now authorized to construct the Projects and to issue said revenue bonds; and

WHEREAS, other than the Outstanding Parity Bonds, the City does not have outstanding any bonds payable from the Net Revenues of the Utility; and

WHEREAS, the Governing Body hereby finds and determines that each and all of the conditions precedent to the issuance of additional Revenue bonds on a parity with and co-equal in priority and lien to the existing revenue bond indebtedness of the Utility have, or can and will be satisfied prior to or upon the issuance of such additional revenue bonds; and

WHEREAS, the Governing Body hereby finds it necessary and desirable to provide for the issuance and delivery of the Series 2016A Bonds payable from Net Revenues of the Utility and to authorize and provide for the execution and delivery of certain agreements and supporting documents.

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

Section 1. Definitions of Words and Terms. In addition to words and terms defined elsewhere herein or in the Outstanding Parity Bond Resolutions, the following words and terms in this Ordinance shall have the meanings hereinafter set forth. Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

"Act" means the Constitution and statutes of the State including K.S.A. 10-101 to 10-125, inclusive, specifically including K.S.A. 10-620 *et seq*. and K.S.A. 10-1201 *et seq*., as amended by Charter Ordinance No. 211, all as amended and supplemented from time to time.

"Additional Bonds" means any bonds secured by the Revenues hereafter issued pursuant to the Bond Resolution.

"Additional Indebtedness" means, collectively, Additional Bonds and Additional Obligations.

"Additional Obligations" means any leases or other obligations of the Issuer payable from the Revenues, other than the Bonds.

"Bond Reserve Account" means the Water and Sewer Utility Bond Service Reserve Account.

"Bond Resolution" means collectively the Outstanding Parity Bond Resolutions, the Series 2016A Bond Resolution, the Series 2016B Bond Resolution and any supplemental resolution authorizing any Additional Indebtedness.

"Bonds" means, collectively, Outstanding Parity Bonds, the Series 2016A Bonds, the Series 2016B Bonds and any Additional Bonds.

"City" means the City of Wichita, Kansas.

"Clerk" means the duly appointed and acting Clerk of the City or, in the Clerk's absence, the duly appointed Deputy, Assistant or Acting Clerk.

"Current Expenses" means, as applied to either component of the Utility, the Issuer's reasonable and necessary current expenses of operation, repair and maintenance, and shall include, without limiting the generality of the foregoing, (a) all ordinary and usual expenses of maintenance, repair and operation, which may include expenses not annually recurring, (b) all administrative expenses, (c) any reasonable payments to pension or retirement funds properly chargeable to each component of the Utility, (d) insurance premiums, (e) engineering expenses relating to operation, repair and maintenance, (f) legal expenses, (g) any lawful fiscal agency commissions and expenses in connection with the payment of the principal of and the interest and any redemption premium on Outstanding Bonds, (h) any taxes which may be lawfully imposed on either component of the Utility or the income therefrom and reserves for such taxes, (i) the expenses of collecting rates, fees and charges for the use of and for the services furnished or to be furnished by the Utility, (j) if required by law, the payment of the principal of and the interest on outstanding bonds and other obligations heretofore issued by the Issuer or by improvement districts heretofore annexed by the City to pay the cost of any portion of the Utility to the extent that the special assessments and taxes pledged for the payment of such principal and interest shall be insufficient for such purposes and to the extent that such payment shall not be made from the Improvement Account, and (k) any other expenses required to be paid by the Issuer under the provisions of this Resolution or by law. "Current Expenses" shall ***not*** include any reserves for extraordinary maintenance or repair, or any allowance for depreciation, the Payment to the City, or any deposits or transfers to the credit of the

Principal and Interest Account, the Bond Reserve Account, the Depreciation and Replacement Account or the Improvement Account.

"Depreciation and Replacement Account" means the Water and Sewer Utility Depreciation and Replacement Account.

"Fiscal Year means the twelve month period ending on December 31.

"Governing Body" means the duly elected and/or appointed and acting persons comprising the City Council of the Issuer.

"Gross Revenues" means all income and revenues derived and collected by the Issuer from the operation of the Utility, including investment and rental income, net proceeds from business interruption insurance and any amounts deposited in escrow in connection with the acquisition, construction, remodeling, renovation and equipping of facilities to be applied during the period of determination to pay interest on Utility Indebtedness, but excluding non-cash contributions capital contributions, any profits or losses on the early extinguishment of debt or on the sale or other disposition, not in the ordinary course of business, of investments or fixed or capital assets.

"Improvement Account" means the Water and Sewer Utility Improvement Account.

"Issuer" means the City and any successors or assigns.

"Mayor" means the duly elected and acting Mayor or, in the Mayor's absence, the duly appointed and/or elected Vice Mayor or Acting Mayor of the City.

"Net Revenues" means, for the period of determination, the amount of the excess of Gross Revenues deposited to the credit of the Revenue Fund, over the Current Expenses of the respective components of the Utility paid from the Revenue Fund during such period; such amount specifically excluding Debt Service Requirements paid, depreciation, amortization and capital expenditures for improvements to the Utility.

"Ordinance" means this Ordinance authorizing the issuance of the Bonds.

"Outstanding Parity Bonds" means the Outstanding Series 2005B Bonds, Series 2009B Bonds, Series 2010 Bonds, Series 2011A Bonds, Series 2012A Bonds, Series 2014A Bonds, Series 2015B Bonds, Series 2015C Bonds and Series 2015D Bonds.

"Outstanding Parity Bond Resolution" means the ordinances and resolutions authorizing the issuance of the Outstanding Parity Bonds.

"Parity Bonds" means the Outstanding Parity Bonds, the Series 2016A Bonds, the Series 2016B Bonds and any Additional Bonds hereafter issued or incurred pursuant to the Bond Resolution and standing on a parity and equality with the Series 2016A Bonds with respect to the Net Revenues.

"Parity Indebtedness" means, collectively, the Parity Bonds and Parity Obligations.

"Parity Obligations" means any Additional Obligations hereafter issued or incurred pursuant to the Bond Resolution and standing on a parity and equality with the Parity Bonds with respect to the lien on the Net Revenues.

"Payment to the City" shall mean the payment to the City's general fund as a payment for operation of the Utility. The amount of the annual Payment to the City shall be governed by the terms of such ordinances of the City which are then in effect with respect to the then outstanding Utility Indebtedness.

"Project" shall mean, collectively, the repairs, alterations, extensions, reconstructions, enlargements or improvements to the Utility referred to in the Preamble hereto, as more fully delineated in the City Clerk's Certificate as to Proceedings, dated July 19, 2016 and any Substitute Project.

"Series 2005B Bonds" means the Issuer's Water and Sewer Utility Refunding Revenue Bonds, Series 2005B, dated August 17, 2005.

"Series 2009B Bonds" means the Issuer's Water and Sewer Utility Revenue Bonds, Series 2009B (Taxable Under Federal Law), dated June 30, 2009.

"Series 2010 Bonds" means, collectively, the Series 2010A Bonds and the Series 2010B Bonds.

"Series 2010A Bonds" means the Issuer's Water and Sewer Utility Revenue Bonds, Series 2010A, dated October 15, 2010.

"Series 2010B Bonds" means the Issuer's Water and Sewer Utility Revenue Bonds, Series 2010B (Taxable Under Federal Law), dated October 15, 2010.

"Series 2011A Bonds" means the Issuer's Water and Sewer Utility Refunding Revenue Bonds, Series 2011A, dated November 17, 2011.

"Series 2012A Bonds" mean the Issuer's Water and Sewer Utility Revenue Bonds, Series 2012A, dated May 1, 2012.

"Series 2014A Bonds" means the Issuer's Water and Sewer Utility Refunding Revenue Bonds, Series 2014A, dated August 1, 2014.

"Series 2014B Bonds" means the Issuer's Water and Sewer Utility Revenue Bonds, Series 2014B, dated December 1, 2014.

"Series 2015B Bonds" means the Issuer's Water and Sewer Utility Refunding Revenue Bonds, Series 2015B, dated April 1, 2015.

"Series 2015C Bonds" means the Issuer's Water and Sewer Utility Revenue Bonds, Series 2015C, dated November 1, 2015.

"Series 2015D Bonds" means the Issuer's Water and Sewer Utility Refunding Revenue Bonds, Series 2015D, dated November 1, 2015.

"Series 2016A Bond Reserve Subaccount" shall mean the Water and Sewer Utility Revenue Bonds, Series 2016A, Bond Reserve Subaccount created within the Bond Reserve Account.

"Series 2016A Bonds" means the Issuer's Water and Sewer Utility Revenue Bonds, Series 2016A, dated August 1, 2016, authorized by this Ordinance.

"Series 2016B Bonds" means the Issuer's Water and Sewer Utility Refunding Revenue Bonds, Series 2016B, dated August 1, 2016.

"State" means the State of Kansas.

"**Substitute Project**" means a substitute or additional project of the Utility authorized in the manner set forth in the Bond Resolution.

"Utility" shall mean the combined City of Wichita, Kansas Water Utility and Sewer Utility, and any improvements, extensions and enlargements thereto hereafter constructed or acquired.

"Utility Indebtedness" means collectively the Bonds and any Additional Obligations which are secured by an interest in, the Gross Revenues.

Section 2. Authorization of the Series 2016A Bonds. There shall be issued and hereby are authorized and directed to be issued the Water and Sewer Utility Revenue Bonds, Series 2016A, of the City in the principal amount of 23,810,000, for the purpose of providing a portion of the funds to: (a) pay all or a portion of the costs of the Project; (b) make a deposit to the Series 2016A Bond Reserve Subaccount; and (c) pay costs of issuance of the Series 2016A Bonds.

Section 3. Security for the Series 2016A Bonds. The Series 2016A Bonds shall be special obligations of the City payable solely from, and secured as to the payment of principal and interest by a pledge of, the Net Revenues, and the City hereby pledges said Net Revenues to the payment of the principal of and interest on the Series 2016A Bonds. The Series 2016A Bonds shall not be or constitute a general obligation of the City, nor shall they constitute an indebtedness of the City within the meaning of any constitutional, statutory or charter provision, limitation or restriction, and the taxing power of the City is not pledged to the payment of the Series 2016A Bonds, either as to principal or interest.

The covenants and agreements of the City contained herein and in the Series 2016A Bonds shall be for the equal benefit, protection and security of the legal owners of any or all of the Series 2016A Bonds, all of which Series 2016A Bonds shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the funds herein pledged to the payment of the principal of and the interest on the Series 2016A Bonds, or otherwise, except as to rate of interest, date of maturity and right of prior redemption as provided in this Ordinance. The Series 2016A Bonds shall stand on a parity and be equally and ratably secured with respect to the payment of principal and interest from the Net Revenues with any Parity Indebtedness. The Series 2016A Bonds shall not have any priority with respect to the payment of principal or interest from said Net Revenues or otherwise over the Parity Indebtedness; and the Parity Indebtedness shall not have any priority with respect to the payment of principal or interest from said Net Revenues or otherwise over the Series 2016A Bonds.

Section 4. Terms, Details and Conditions of the Series 2016A Bonds. The Series 2016A Bonds shall be dated and bear interest, shall mature and be payable at such times, shall be in such forms, shall be subject to redemption and payment prior to the maturity thereof, and shall be issued and delivered in the manner prescribed and subject to the provisions, covenants and agreements set forth in the Bond Resolution hereafter adopted by the governing body of the City.

Section 5. Rate Covenant. The City will fix, establish, maintain and collect such rates, fees and charges for the use and services furnished by or through the Utility, including all repairs, alterations, extensions, reconstructions, enlargements or improvements thereto hereafter constructed or acquired by the City, as will produce Gross Revenues sufficient to (a) pay Current Expenses; (b) pay the principal of and interest on the Utility Indebtedness as and when the same become due; and (c) provide reasonable and

adequate reserves for the payment of the Parity Bonds and the interest thereon and for the protection and benefit of the Utility as provided in this Ordinance and the Bond Resolution. The Bond Resolution may establish requirements in excess of the requirements set forth herein.

Section 6. Further Authority. The Mayor, City Manager, Director of Finance, City Clerk and other City officials are hereby further authorized and directed to execute any and all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of the Ordinance to make alterations, changes or additions in the foregoing agreements, statements, instruments and other documents herein approved, authorized and confirmed which they may approve and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

Section 7. Governing Law. This Ordinance and the Series 2016A Bonds shall be governed exclusively by and construed in accordance with the applicable laws of the State.

Section 8. Effective Date. This Ordinance shall take effect and be in full force from and after its passage by the governing body of the City and publication in the official City newspaper.

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PASSED by the City Council of the City of Wichita, Kansas, on July 19, 2016.

(SEAL)

_____
Jeff Longwell, Mayor

ATTEST:

_____
Karen Sublett, City Clerk

APPROVED AS TO FORM:

_____
Jennifer Magaña, Director of Law and
City Attorney

[BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK]

CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of the original ordinance; that said Ordinance was passed on July 19, 2016; that the record of the final vote on its passage is found on page ____ of journal ____; and that the Ordinance or a summary thereof was published in ***The Wichita Eagle*** on July 22, 2016.

DATED: July 22, 2016.

_____
Karen Sublett, City Clerk

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(PUBLISHED IN ***THE WICHITA EAGLE*** ON JULY 22, 2016)

SUMMARY OF ORDINANCE NO. 50-294

On July 19, 2016, the governing body of the City of Wichita, Kansas passed an ordinance entitled:

AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF WATER AND SEWER UTILITY REVENUE BONDS, SERIES 2016A, OF THE CITY OF WICHITA, KANSAS; MAKING CERTAIN COVENANTS AND AGREEMENTS TO PROVIDE FOR THE PAYMENT AND SECURITY THEREOF; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

The Series 2016A Bonds approved by the Ordinance are being issued in the principal amount of 23,810,000, to finance improvements to the Water and Sewer Utility of the City (the "Utility"), and constitute special obligations of the City payable solely from, and secured as to the payment of principal and interest by a pledge of, the Net Revenues derived by the City from the operation of the Utility. A complete text of the Ordinance may be obtained or viewed free of charge at the office of the City Clerk, 13th Floor, City Hall, 455 North Main, Wichita, Kansas 67202-1679. A reproduction of the Ordinance is available for not less than 7 days following the publication date of this Summary at www.wichita.gov.

This Summary is hereby certified to be legally accurate and sufficient pursuant to the laws of the State of Kansas.

DATED: July 19, 2016.

/s/ Jennifer Magaña
Jennifer Magaña, Director of Law
and City Attorney

JLN\600809.70416\BASICDOCS 2016A

Gilmore & Bell, P.C.
07/14/2016

RESOLUTION NO. 16-200

OF

THE CITY OF WICHITA, KANSAS

ADOPTED

JULY 19, 2016

23,810,000
WATER AND SEWER UTILITY REVENUE BONDS
SERIES 2016A

JLN\600809.70416\BASICDOCS 2016A (07-14-16)

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EXHIBIT A – FORM OF SERIES 2016A BONDS A-1

RESOLUTION NO. 16-200

A RESOLUTION PRESCRIBING THE FORM AND DETAILS OF AND AUTHORIZING AND DIRECTING THE SALE AND DELIVERY OF WATER AND SEWER UTILITY REVENUE BONDS, SERIES 2016A, OF THE CITY OF WICHITA, KANSAS, PREVIOUSLY AUTHORIZED BY ORDINANCE NO. 50-294 OF THE ISSUER; MAKING CERTAIN COVENANTS AND AGREEMENTS TO PROVIDE FOR THE PAYMENT AND SECURITY THEREOF; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS CONNECTED THEREWITH.

WHEREAS, the Issuer has heretofore passed the Ordinance authorizing the issuance of the Series 2016A Bonds; and

WHEREAS, the Ordinance authorized the governing body of the Issuer to adopt a resolution prescribing certain details and conditions and to make certain covenants with respect to the issuance of the Series 2016A Bonds.

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

ARTICLE I

DEFINITIONS

Section 101. Definitions of Words and Terms. In addition to words and terms defined elsewhere herein and in the Outstanding Parity Bond Resolutions, the following words and terms as used in this Bond Resolution shall have the meanings hereinafter set forth. Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

"Act" means the Constitution and statutes of the State including K.S.A. 10-101 to 10-125, inclusive, specifically including K.S.A. 10-620 *et seq*. and K.S.A. 10-1201 *et seq*., as amended by Charter Ordinance No. 211, all as amended and supplemented from time to time.

"Additional Bonds" means any bonds secured by the Gross Revenues hereafter issued pursuant to the Bond Resolution; provided that any General Obligation Indebtedness shall not constitute Additional Bonds.

"Additional Obligations" means any leases or other obligations of the Issuer payable from the Gross Revenues, other than the Bonds.

"Annual Budget" means with respect to the Utility, the City's budget of estimated receipts and expenditures on account of all Funds and Accounts created under the provisions of the Bond Resolution, including a budget of Current Expenses, for any Fiscal Year and adopted pursuant to the provisions of ***Section 806*** of the Bond Resolution.

"Authorized Denomination" means $5,000 or any integral multiples thereof.

"Authorized Investments" shall mean, as long as the Series 2005B Bonds are Outstanding, any of the following securities, and to the extent the same are at the time permitted for investment of funds held by the Issuer pursuant to the Bond Resolution:

(a) obligations of any of the following Federal agencies which obligations represent the full faith and credit of the United States of America, including:

- Export - Import Bank
- Farmers Home Administration
- General Services Administration
- U.S. Maritime Administration
- Small Business Administration
- Government National Mortgage Association (GNMA)
- U.S. Department of Housing & Urban Development (PHA's)
- Federal Housing Administration;

(b) bonds, notes or other evidences of indebtedness rated *"AA "* by Standard & Poor's, and *"Aa2"* by Moody's issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with remaining maturities not exceeding three years;

(c) investments in shares or units of a money market fund or trust, the portfolio of which is comprised entirely of securities in direct obligations of the United States Government or any agency thereof or obligations of the Federal National Mortgage Association, Federal Home Loan Banks or Federal Home Loan Mortgage Corporation;

(d) Pre-refunded Municipal Obligations defined as follows: Any bonds or other obligations of the State or of any agency, instrumentality or local governmental unit of the State which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and (1) which are rated, based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of S&P and Moody's, or any successors thereto; or (2) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph (1) above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to above, as appropriate;

(e) investment agreements with or other obligations of a financial institution the obligations of which at the time of investment are rated in either of the three highest rating categories by Moody's or Standard &Poor's

(f) Repurchase agreements secured by direct obligations of the United States Government or any agency thereof or obligations of the Federal National Mortgage Association, Federal Home Loan Banks or Federal Home Loan Mortgage Corporation; and

(g) Receipts evidencing ownership interests in securities or portions thereof in direct obligations of the United States Government or any agency thereof or obligations of the Federal National Mortgage Association, Federal Home Loan Banks or Federal Home Loan Mortgage Corporation.

and thereafter shall mean the investments hereinafter described, provided, however, no moneys or funds shall be invested in a Derivative:

(a) investments authorized by K.S.A. 12-1675 and amendments thereto;

(b) the municipal investment pool established pursuant to K.S.A. 12-1677a, and amendments thereto;

(c) direct obligations of the United States Government or any agency thereof;

(d) the Issuer's temporary notes issued pursuant to K.S.A. 10-123 and amendments thereto;

(e) interest-bearing time deposits in commercial banks or trust companies located in the county or counties in which the Issuer is located which are insured by the Federal Deposit Insurance Corporation or collateralized by securities described in (c);

(f) obligations of the federal national mortgage association, federal home loan banks or the federal home loan mortgage corporation;

(g) repurchase agreements for securities described in (c) or (f);

(h) investment agreements or other obligations of a financial institution the obligations of which at the time of investment are rated in either of the three highest rating categories by Moody's or Standard & Poor's;

(i) investments and shares or units of a money market fund or trust, the portfolio of which is comprised entirely of securities described in (c) or (f);

(j) receipts evidencing ownership interests in securities or portions thereof described in (c) or (f);

(k) municipal bonds or other obligations issued by any municipality of the State as defined in K.S.A. 10-1101 which are general obligations of the municipality issuing the same;

(l) bonds of any municipality of the State as defined in K.S.A. 10-1101 which have been refunded in advance of their maturity and are fully secured as to payment of principal and interest thereon by deposit in trust, under escrow agreement with a bank, of securities described in (c) or (f); or

(m) other investment obligations authorized by the laws of the State and approved in writing by the Bond Insurer, all as may be further restricted or modified by amendments to applicable State law.

"Balloon Indebtedness" means Long-Term Indebtedness, 25% or more of the original principal amount of which becomes due (either by maturity or mandatory redemption) during any consecutive twelve-month period, if such principal amount becoming due is not required to be amortized below such percentage by mandatory redemption or prepayment prior to such twelve-month period.

"Beneficial Owner" of Bonds includes any Owner of Bonds and any other Person who, directly or indirectly has the investment power with respect to any such Bonds.

"Bond Counsel" means the firm of Gilmore & Bell, P.C., or any other attorney or firm of attorneys whose expertise in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized and acceptable to the Issuer.

"Bond Insurance Policy" means the municipal bond insurance policy or financial guaranty insurance policy issued by the Bond Insurer concurrently with the delivery of any Utility Indebtedness guaranteeing the scheduled payment when due of the principal of and interest on such Utility Indebtedness.

"Bond Insurer" means: (a) FGIC with respect to the Series 2005B Bonds; and (b) with respect to Additional Indebtedness, the entity set forth in the supplemental resolution authorizing the Additional Indebtedness.

"Bond Payment Date" means any date on which principal of or interest on any Bond is payable.

"Bond Register" means the books for the registration, transfer and exchange of Bonds kept at the office of the Bond Registrar.

"Bond Registrar" means: (a) with respect to the Series 2016A Bonds, the State Treasurer, and its successors and assigns; and (b) with respect to Additional Bonds, the entity designated as Bond Registrar in the supplemental resolution authorizing such Additional Bonds.

"Bond Reserve Account" means the Water and Sewer Utility Bond Service Reserve Account.

"Bond Reserve Requirement" means, collectively, the bond reserve requirement for each series of Outstanding Parity Bonds, the Series 2016A Bond Reserve Requirement and any bond reserve requirement for any subsequent series of Parity Bonds.

"Bond Resolution" means collectively the Outstanding Parity Bond Resolutions, the Series 2016A Bond Resolution, the Series 2016B Bond Resolution and any supplemental resolution authorizing any Additional Indebtedness.

"Bonds" means, collectively, Outstanding Parity Bonds, the Series 2016A Bonds, the Series 2016B Bonds and any Additional Bonds.

"Business Day" means a day other than a Saturday, Sunday or any day designated as a holiday by the Congress of the United States or by the Legislature of the State and on which the Paying Agent is scheduled in the normal course of its operations to be open to the public for conduct of its operations.

"Cede & Co." means Cede & Co., as nominee of DTC and any successor nominee of DTC.

"City" means the City of Wichita, Kansas.

"City Manager" means the duly appointed and acting City Manager of the Issuer or, in the Manager's absence, the duly appointed Deputy, Assistant or Acting City Manager of the Issuer.

"Clerk" means the duly appointed and/or elected Clerk or, in the Clerk's absence, the duly appointed Deputy Clerk or Acting Clerk of the Issuer.

"Code" means the Internal Revenue Code of 1986, as amended, and the applicable regulations promulgated thereunder by the United States Department of the Treasury.

"**Consultant**" means the Consulting Engineer, the Independent Accountant or an independent consultant qualified and having a favorable reputation for skill and experience in financial affairs selected by the Issuer for the purpose of carrying out the duties imposed on the Consultant by the Bond Resolution.

"Consulting Engineer" means an independent engineer or engineering firm or architect or architectural firm, having a favorable reputation for skill and experience in the construction, financing and operation of public utilities, at the time employed by the Issuer for the purpose of carrying out the duties imposed on the Consulting Engineer by the Bond Resolution.

"Costs of Issuance" means all costs of issuing any series of Bonds, including all publication, printing, signing and mailing expenses in connection therewith, registration fees, financial advisory fees, all legal fees and expenses of Bond Counsel and other legal counsel, expenses incurred in connection with compliance with the Code, all expenses incurred in connection with receiving financial ratings on any series of Bonds, and any premiums or expenses incurred in obtaining any credit enhancement.

"Costs of Issuance Account" means Costs of Issuance Account for Water and Sewer Utility Revenue Bonds, Series 2016A.

"Current Expenses" means, as applied to either component of the Utility, the Issuer's reasonable and necessary current expenses of operation, repair and maintenance, and shall include, without limiting the generality of the foregoing, (a) all ordinary and usual expenses of maintenance, repair and operation, which may include expenses not annually recurring, (b) all administrative expenses, (c) any reasonable payments to pension or retirement funds properly chargeable to each component of the Utility, (d) insurance premiums, (e) engineering expenses relating to operation, repair and maintenance, (f) legal expenses, (g) any lawful fiscal agency commissions and expenses in connection with the payment of the principal of and the interest and any redemption premium on Outstanding Bonds, (h) any taxes which may be lawfully imposed on either component of the Utility or the income therefrom and reserves for such taxes, (i) the expenses of collecting rates, fees and charges for the use of and for the services furnished or to be furnished by the Utility, (j) if required by law, the payment of the principal of and the interest on outstanding bonds and other obligations heretofore issued by the Issuer or by improvement districts heretofore annexed by the City to pay the cost of any portion of the Utility to the extent that the special assessments and taxes pledged for the payment of such principal and interest shall be insufficient for such purposes and to the extent that such payment shall not be made from the Improvement Account, and (k) any other expenses required to be paid by the Issuer under the provisions of this Resolution or by law. "Current Expenses" shall ***not*** include any reserves for extraordinary maintenance or repair, or any allowance for depreciation, the Payment to the City, or any deposits or transfers to the credit of the Principal and Interest Account, the Bond Reserve Account, the Depreciation and Replacement Account or the Improvement Account.

"Dated Date" means, with respect to the Series 2016A Bonds, August 1, 2016.

"Debt Service Coverage Ratio" means, for any Fiscal Year: (a) with respect to the rate covenants, the ratio determined by dividing (i) a numerator equal to the Net Revenues Available for Debt Service for such Fiscal Year by (ii) a denominator equal to the Debt Service Requirements for such Fiscal Year; and (b) with respect to Additional Indebtedness, the ratio determined by dividing (i) a numerator equal to the average Net Revenues Available for Debt Service for the two (2) prior Fiscal Years by (ii) a denominator equal to the Maximum Annual Debt Service; provided that with respect to Additional Indebtedness that are proposed to be Parity Indebtedness, Debt Service Requirements on Subordinate Lien Obligations and General Obligation Indebtedness shall be disregarded.

"Debt Service Requirements" means the aggregate principal payments (whether at maturity or pursuant to scheduled mandatory sinking fund redemption requirements) and interest payments on the Bonds for the period of time for which calculated; provided, however, that for purposes of calculating such amount, principal and interest shall be excluded from the determination of Debt Service Requirements to the extent that such principal or interest is payable from amounts deposited in trust, escrowed or otherwise set aside for the payment thereof with the Paying Agent or other commercial bank or trust company located in the State and having full trust powers.

"Defaulted Interest" means interest on any Bond which is payable but not paid on any Interest Payment Date.

"Defeasance Obligations" means, so long as the Series 2005B Bonds are Outstanding, any of the following obligations:

(a) Cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized by with obligations described in the following (b); or

(b) Direct obligations (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America;

and thereafter shall mean:

(a) United States Government Obligations that are not subject to redemption in advance of their maturity dates; or

(b) obligations of any state or political subdivision of any state, the interest on which is excluded from gross income for federal income tax purposes and which meet the following conditions:

(1) the obligations are (i) not subject to redemption prior to maturity or (ii) the trustee for such obligations has been given irrevocable instructions concerning their calling and redemption and the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;

(2) the obligations are secured by cash or United States Government Obligations that may be applied only to principal of, premium, if any, and interest payments on such obligations;

(3) such cash and the principal of and interest on such United States Government Obligations (plus any cash in the escrow fund) are sufficient to meet the liabilities of the obligations;

(4) such cash and United States Government Obligations serving as security for the obligations are held in an escrow fund by an escrow agent or a trustee irrevocably in trust;

(5) such cash and United States Government Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and

(6) such obligations are rated in a rating category by Moody's or Standard & Poor's that is no lower than the rating category then assigned by that Rating Agency to United States Government Obligations.

"Depreciation and Replacement Account" means the Water and Sewer Utility Depreciation and Replacement Account.

"Depreciation and Replacement Account Requirement" means an amount equal fifteen percent (15%) of the Operating Revenues of the Utility for the preceding Fiscal Year

"Derivative" means any investment instrument whose market price is derived from the fluctuating value of an underlying asset, index, currency, futures contract, including futures, options and collateralized mortgage obligations.

"Director of Finance" means the duly appointed and acting Director of Finance of the Issuer or, in the Director's absence, the duly appointed Deputy, Assistant or Acting Director of Finance of the Issuer.

"Disclosure Undertaking" means the Issuer's Omnibus Continuing Disclosure Undertaking for Utility Indebtedness relating to certain obligations contained in the SEC Rule.

"Discount Indebtedness" means Long-Term Indebtedness that is originally sold at a price (excluding accrued interest, but without deduction of any underwriters' discount) of less than 75% of the maturity amount including the amount of principal and interest to accrete at maturity of such Long-Term Indebtedness.

"DTC" means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors and assigns, including any successor securities depository duly appointed.

"Event of Default" means each of the following occurrences or events:

(a) Payment of the principal and of the redemption premium, if any, of any of the Utility Indebtedness shall not be made when the same shall become due and payable, either at Stated Maturity or by proceedings for redemption or otherwise; or

(b) Payment of any installment of interest on any Utility Indebtedness shall not be made when the same shall become due; or

(c) The Issuer shall for any reason be rendered incapable of fulfilling its obligations hereunder; or

(d) Any substantial part of the Utility shall be destroyed or damaged to the extent of impairing its efficient operation or adversely affecting its Gross Revenues and the Issuer shall not within a reasonable time commence the repair, replacement or reconstruction thereof and proceed thereafter to complete with reasonable dispatch the repair, replacement or reconstruction thereof; or

(e) Final judgment for the payment of money shall be rendered against the Issuer as a result of the ownership, control or operation of the Utility and any such judgment shall not be discharged within one hundred twenty (120) days from the entry thereof or an appeal shall not be taken therefrom or from the order, decree or process upon which or pursuant to which such judgment shall have been granted or entered, in such manner as to stay the execution of or levy under such judgment, order, decree or process or the enforcement thereof; or

(f) An order or decree shall be entered, with the consent or acquiescence of the Issuer, appointing a receiver or receivers of the Utility or any part thereof or of the Gross Revenues thereof, or if such order or decree, having been entered without the consent or acquiescence of the Issuer, shall not be vacated or discharged or stayed on appeal within sixty (60) days after the entry thereof; or

(g) Any proceeding shall be instituted, with the consent or acquiescence of the Issuer, for the purpose of effecting a composition between the Issuer and its creditors or for the purpose of adjusting the claims of such creditors pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are under any circumstances payable from the Net Revenues Available for Debt Service; or

(h) The Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in Utility Indebtedness or in the Bond Resolution (other than the covenants relating to continuing disclosure) on the part of the Issuer to be performed, and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to the Issuer by the Owner of any of Utility Indebtedness then Outstanding; or

In determining whether an Event of Default shall have occurred with respect to the due and prompt payment of the Debt Service Requirements on any Insured Bonds no effect shall be given to payments made under any Bond Insurance Policy.

"Federal Tax Certificate" means the Issuer's Federal Tax Certificate dated as of the Issue Date, as the same may be amended or supplemented in accordance with the provisions thereof.

"FGIC" means Financial Guaranty Insurance Company, or any successor thereto.

"Financeable Costs" means the amount of expenditure for a Project which has been duly authorized by action of the Governing Body to be financed by Utility Indebtedness, less: (a) the amount of any Utility Indebtedness of the Issuer which is currently Outstanding and available to pay such Financeable Costs; and (b) any amount of Financeable Costs which has been previously paid by the Issuer or by any eligible source of funds unless such amounts are entitled to be reimbursed to the Issuer under State or federal law.

"Fiscal Year" means the twelve month period ending on December 31.

"Funds and Accounts" means funds and accounts created pursuant to or referred to in the Bond Resolution.

"General Obligation Indebtedness" means any of the Issuer's general obligation bonds issued for improvements to the Utility.

"Governing Body" means the duly elected and/or appointed and acting persons comprising the City Council of the Issuer.

"Gross Revenues" means all income and revenues derived and collected by the Issuer from the operation of the Utility, including investment and rental income, net proceeds from business interruption insurance and any amounts deposited in escrow in connection with the acquisition, construction, remodeling, renovation and equipping of facilities to be applied during the period of determination to pay interest on Utility Indebtedness, but excluding non-cash contributions capital contributions, any profits or losses on the early extinguishment of debt or on the sale or other disposition, not in the ordinary course of business, of investments or fixed or capital assets.

"Improvement Account" means the Water and Sewer Utility Improvement Account.

"Independent Accountant" means an independent certified public accountant or firm of independent certified public accountants at the time employed by the Issuer for the purpose of carrying out the duties imposed on the Independent Accountant by the Bond Resolution.

"Index Rate" means the rate of interest set forth in *The Bond Buyer* Revenue Bond Index (or, in the event that *The Bond Buyer* does not compile such index or ceases publication, another comparable publication recognized in the municipal bond market) published for the week immediately preceding the date of determination.

"Insured Bonds" means any Utility Indebtedness of which the scheduled payment of principal and interest is guaranteed by a Bond Insurance Policy.

"Interest Payment Date(s)" means: (a) with respect to the Series 2016A Bonds, the Stated Maturity of an installment of interest on the Series 2016A Bonds which shall be April 1 and October 1 of each year, commencing April 1, 2017; (b) with respect to the Outstanding Parity Bonds, the Stated Maturity of an installment of interest on such Outstanding Parity Bond Resolutions, and (c) with respect to Additional Indebtedness, the Stated Maturity of an installment of interest on such Additional Indebtedness, as set forth in the supplemental resolution authorizing such Additional Indebtedness.

"Interim Indebtedness" means Utility Indebtedness having a term not less than one year, and not in excess of five years, incurred or assumed in anticipation of being refinanced or refunded with Long-Term Indebtedness.

"Issue Date" means the date when the Issuer delivers any series of Utility Indebtedness to the Purchaser in exchange for the Purchase Price.

"Issuer" means the City and any successors or assigns.

"Long-Term Indebtedness" means Utility Indebtedness having an original stated maturity or term greater than five years, or renewable or extendible at the option of the debtor for a period greater than one year from the date of original issuance or incurrence thereof.

"Maturity" when used with respect to any Utility Indebtedness means the date on which the principal of such Utility Indebtedness becomes due and payable as therein and herein provided, whether at the Stated Maturity thereof or call for redemption or otherwise.

"Mayor" means the duly elected and acting Mayor, or in the Mayor's absence, the duly appointed and/or elected Vice Mayor or Acting Mayor of the Issuer.

"Maximum Annual Debt Service" means the maximum amount of Debt Service Requirements as computed for the then current or any future Fiscal Year; provided that the Debt Service Requirements in the final Stated Maturity of any series of Utility Indebtedness shall be reduced by the value of cash and Permitted Investments on deposit in the Bond Reserve Subaccount for such series, so long as the Bond Reserve Subaccount for such Utility Indebtedness is maintained at the Bond Reserve Requirement.

"Moody's" means Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

"Net Proceeds" shall mean any insurance proceeds or condemnation awards, paid with respect to the Utility, remaining after the payment therefrom of all expenses incurred in the collection thereof.

"Net Revenues" means, for the period of determination, the amount of the excess of Gross Revenues deposited to the credit of the Revenue Fund, over the Current Expenses of the respective components of the Utility paid from the Revenue Fund during such period; such amount specifically excluding Debt Service Requirements paid, depreciation, amortization and capital expenditures for improvements to the Utility.

"Net Revenues Available for Debt Service" means the Net Revenues.

"Notice Address" means with respect to the following entities:

(a) To the Issuer at:

Department of Finance
12th Floor, City Hall
455 North Main
Wichita, Kansas 67202-1679
Fax: (316) 858-7520

(b) To the Paying Agent at:

Series 2016A Bonds:

State Treasurer of the State of Kansas
Landon Office Building
900 Southwest Jackson, Suite 201
Topeka, Kansas 66612-1235
Fax: (785) 296-6976

(c) To the Purchaser:

Series 2016A Bonds:

Bank of America Merrill Lynch

One Bryant Park, 9th Floor
New York, New York 10036
Fax: (212) 449-3733

(d) To the Rating Agency(ies):

Moody's Municipal Rating Desk
7 World Trade Center
250 Greenwich Street
23rd Floor
New York 10007

S&P Global Ratings, a division of S&P Global Inc.
55 Water Street, 38th Floor
New York 10004

or such other address as is furnished in writing to the other parties referenced herein.

"Notice Representative" means:

(a) With respect to the Issuer, the Clerk.

(b) With respect to the Bond Registrar and Paying Agent, the Director of Bond Services.

(c) With respect to any Purchaser, the manager of its Municipal Bond Department.

(d) With respect to any Rating Agency, any Vice President thereof.

"Official Statement" means Issuer's Official Statement relating to the Series 2016A Bonds.

"Operating Revenues" shall mean the Gross Revenues, less investment income and less Current Expenses.

"Ordinance" means Ordinance No. 50-294 of the Issuer authorizing the issuance of the Series 2016A Bonds, as amended from time to time.

"Outstanding" means, when used with reference to any Utility Indebtedness, as of a particular date of determination, all Utility Indebtedness theretofore, authenticated and delivered, except the following Utility Indebtedness:

(a) Utility Indebtedness theretofore canceled by the Paying Agent or delivered to the Paying Agent for cancellation pursuant to the Bond Resolution;

(b) Utility Indebtedness deemed to be paid in accordance with the provisions of the Bond Resolution;

(c) Utility Indebtedness in exchange for or in lieu of which other Utility Indebtedness has been authenticated and delivered under the Bond Resolution; and

(d) Utility Indebtedness, the principal or interest of which has been paid by the Bond Insurer.

"Outstanding Parity Bond Resolution" means the ordinances and resolutions authorizing the issuance of the Outstanding Parity Bonds.

"Outstanding Parity Bonds" means the Outstanding Series 2005B Bonds, Series 2009B Bonds, Series 2010 Bonds, Series 2011A Bonds, Series 2012A Bonds, Series 2014A Bonds, Series 2015B Bonds, Series 2015C Bonds and Series 2015D Bonds.

"Owner" when used with respect to any Utility Indebtedness means the Person in whose name such Utility Indebtedness is registered on the Bond Register. Whenever consent of the Owners is required pursuant to the terms of the Bond Resolution, and the Owner of the Utility Indebtedness, as set forth on the Bond Register, is Cede & Co., the term Owner shall be deemed to be the Beneficial Owner of the Utility Indebtedness.

"Parity Bonds" means the Outstanding Parity Bonds, the Series 2016A Bonds, the Series 2016B Bonds and any Additional Bonds hereafter issued or incurred pursuant to the Bond Resolution and standing on a parity and equality with the Series 2016A Bonds with respect to the Net Revenues.

"Parity Indebtedness" means, collectively, the Parity Bonds and Parity Obligations.

"Parity Obligations" means any Additional Obligations hereafter issued or incurred pursuant to the Bond Resolution and standing on a parity and equality with the Parity Bonds with respect to the lien on the Net Revenues.

"Parity Resolution" means, collectively, the Outstanding Parity Bond Resolution, the Series 2016A Bond Resolution, the Series 2016B Bond Resolution and the ordinances and/or resolutions under which any Additional Bonds which constitute Parity Bonds are hereafter issued.

"Participants" means those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

"Paying Agent" means: (a) with respect to the Outstanding Parity Bonds, the Series 2016A Bonds and the Series 2016B Bonds, the State Treasurer, and its successors and assigns; and (b) with respect to Additional Indebtedness, the entity designated as Paying Agent in the supplemental resolution authorizing such Additional Indebtedness.

"Payment to the City" shall mean the payment to the City's general fund as a payment for operation of the Utility. The amount of the annual Payment to the City shall be governed by the terms of such ordinances of the City which are then in effect with respect to the then outstanding Utility Indebtedness.

"Person" means any natural person, corporation, partnership, joint venture, association, firm, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof or other public body.

"Pre-2010 Bonds" means, collectively, the Series 2005B Bonds and the Series 2009B Bonds.

"Pre-2014 Bonds" means, collectively, the Pre-2010 Bonds, the Series 2010 Bonds, the Series 2011A Bonds and the Series 2012A Bonds.

"Principal and Interest Account" shall mean the Water and Sewer Utility Principal and Interest Account.

"Project Costs" shall mean, as applied to the Projects, any and all costs and expenses incurred in connection with the acquisition or construction of the Projects, and shall include, without intending thereby to limit or restrict any proper definition of such words under the provisions of the Act, the following:

(a) Obligations incurred for labor and to contractors, builders and materialmen in connection with the construction of the Projects, for machinery and equipment, and for the restoration of property damaged or destroyed in connection with such construction;

(b) Taxes or other municipal or governmental charges lawfully levied or assessed during construction upon the Projects or any property acquired therefor, and premiums on insurance (if any) in connection with the Projects during the construction thereof;

(c) Fees and expenses of engineers, including the Consulting Engineers, for studies, surveys and estimates, engineering, and the preparation of plans and supervision of construction, as well as for the performance of all other duties of engineers in relation to the acquisition and construction of the Projects or the issuance of financing therefor;

(d) Expenses of administration properly chargeable to the Projects, legal expenses and fees, financing charges, costs of audits and of preparing and issuing the Bonds, and all other items of expense not elsewhere in this definition specified but incident to the acquisition and construction of the Projects and the placing of the same in operation and to the acquisition of real estate, franchises and rights-of-way therefor, including abstracts of title and title insurance, and the financing thereof, including specifically the Costs of Issuance;

(e) The costs of acquiring by purchase, if such purchase shall be deemed expedient, and the amount of award or final judgment in or any settlement or compromise of any proceedings to acquire by condemnation, such property, lands, property rights, rights-of-way, franchises, easements and other interests in land as may be deemed necessary or convenient for the acquisition or construction of the Projects, or the operation thereof, options and partial payments thereon, and the amount of any damages incident to or consequent upon the acquisition or construction of the Projects; and

(f) Any obligation or expense heretofore or hereafter incurred by the City and any amounts heretofore or hereafter advanced by the City or by any agency of the State or the Federal Government for any of the foregoing purposes, specifically including the payment and retirement of any temporary financing which may have previously been issued for any individual Project.

"Project" shall mean, collectively, the repairs, alterations, extensions, reconstructions, enlargements or improvements to the Utility referred to in the Ordinance and any Substitute Project.

"Project Funds" with respect to the Series 2016A Bonds, shall mean, collectively, the Series 2016A Sewer Projects Fund and the Series 2016A Water Projects Fund.

"Purchase Price" means, with respect to the Series 2016A Bonds, 100% of the principal amount of the Series 2016A Bonds, plus accrued interest to the date of delivery, plus a premium of $2,573,618.33.

"Purchaser" means, with respect to the Series 2016A Bonds, Bank of America Merrill Lynch, New York, New York, the original purchaser of the Series 2016A Bonds, and any successor and assigns.

"Put Indebtedness" means Long-Term Indebtedness which is (a) payable or required to be purchased or redeemed from the holder by or on behalf of the underlying obligor, at the option of the holder thereof, prior to its stated maturity date, or (b) payable or required to be purchased or redeemed from the holder by or on behalf of the underlying obligor, other than at the option of the holder, prior to its stated maturity date, other than pursuant to any mandatory sinking fund or other similar fund, or other than by reason of acceleration upon the occurrence of an Event of Default under this Bond Resolution.

"Rating Agency" means any company, agency or entity that provides financial ratings for any Utility Indebtedness.

"Rebate Fund" means the Rebate Fund for Water and Sewer Revenue Bonds, Series 2016A.

"Record Dates" for the interest payable on any Interest Payment Date means the fifteenth day (whether or not a Business Day) of the calendar month next preceding such Interest Payment Date.

"Redemption Date" when used with respect to any Utility Indebtedness to be redeemed means the date fixed for the redemption of such Utility Indebtedness pursuant to the terms of the Bond Resolution.

"Redemption Price" when used with respect to any Utility Indebtedness to be redeemed means the price at which such Utility Indebtedness is to be redeemed pursuant to the terms of the Bond Resolution, including the applicable redemption premium, if any, but excluding installments of interest whose Stated Maturity is on or before the Redemption Date.

"Refunding Indebtedness" means Utility Indebtedness issued for the purpose of refunding any Outstanding Utility Indebtedness.

"Replacement Bonds" means Bonds issued to the Beneficial Owners of the Bonds in accordance with ***Section 209*** hereof.

"Revenue Fund" means the Water and Sewer Utility Revenue Fund.

"SEC Rule" means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

"Securities Depository" means, initially, DTC, and its successors and assigns.

"Series 2005B Bond Resolution" means collectively the Issuer's Ordinance No. 46-634 and Resolution No. 05-406, which authorized the Series 2005B Bonds.

"Series 2005B Bonds" means the Issuer's Water and Sewer Utility Refunding Revenue Bonds, Series 2005B, dated August 17, 2005.

"Series 2009B Bond Resolution" means collectively the Issuer's Ordinance No. 48-351 and Resolution No. 09-174, which authorized the Series 2009B Bonds.

"Series 2009B Bonds" means the Issuer's Water and Sewer Utility Revenue Bonds, Series 2009B (Taxable Under Federal Law), dated June 30, 2009.

"Series 2010 Bond Resolution" means collectively the Issuer's Ordinance No. 48-834 and Resolution No. 10-257, which authorized the Series 2010 Bonds.

"Series 2010 Bonds" means, collectively, the Series 2010A Bonds and the Series 2010B Bonds.

"Series 2010A Bonds" means the Issuer's Water and Sewer Utility Revenue Bonds, Series 2010A, dated October 15, 2010.

"Series 2010B Bonds" means the Issuer's Water and Sewer Utility Revenue Bonds, Series 2010B (Taxable Under Federal Law), dated October 15, 2010.

"Series 2011A Bond Resolution" means collectively the Issuer's Ordinance No. 49-148 and Resolution No. 11-260, which authorized the Series 2011A Bonds.

"Series 2011A Bonds" means the Issuer's Water and Sewer Utility Refunding Revenue Bonds, Series 2011A, dated November 17, 2011.

"Series 2012A Bond Resolution" means collectively the Issuer's Ordinance No. 49-266 and Resolution No. 12-090 which authorized the Series 2012A Bonds.

"Series 2012A Bonds" mean the Issuer's Water and Sewer Utility Revenue Bonds, Series 2012A, dated May 1, 2012.

"Series 2014A Bond Resolution" means collectively the Issuer's Ordinance No. 49-786 and Resolution No. 14-188 which authorized the Series 2014A Bonds.

"Series 2014A Bonds" means the Issuer's Water and Sewer Utility Refunding Revenue Bonds, Series 2014A, dated August 1, 2014.

"Series 2014B Bond Resolution" means collectively the Issuer's Ordinance No. 49-901 and Resolution No. 14-370, which authorized the Series 2014B Bonds.

"Series 2014B Bonds" means the Issuer's Water and Sewer Utility Revenue Bonds, Series 2014B, dated December 1, 2014.

"Series 2015B Bond Resolution" means collectively the Issuer's Ordinance No. 49-975 and Resolution No. 15-086, which authorized the Series 2015B Bonds.

"Series 2015B Bonds" means the Issuer's Water and Sewer Utility Refunding Revenue Bonds, Series 2015B, dated April 1, 2015.

"Series 2015C Bond Resolution" means collectively the Issuer's Ordinance No. 50-096 and Resolution No. 15-341, which authorized the Series 2015C Bonds.

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"Series 2015C Bonds" means the Issuer's Water and Sewer Utility Revenue Bonds, Series 2015C, dated November 1, 2015.

"Series 2015D Bond Resolution" means collectively the Issuer's Ordinance No. 50-097 and Resolution No. 15-342, which authorized the Series 2015D Bonds.

"Series 2015D Bonds" means the Issuer's Water and Sewer Utility Refunding Revenue Bonds, Series 2015D, dated November 1, 2015.

"Series 2016A Bond Reserve Requirement" shall mean a sum equal to greater of the amount of interest which shall become due and payable on the Series 2016A Bonds during the next Fiscal Year (determined in each year) or the maximum amount of interest which shall become due and payable on the Series 2016A Bonds in any subsequent year, except that, in no event shall the amount of the 2016A Bond Reserve Requirement ever exceed the amount which is the lesser of ten percent (10%) of the original principal amount of the Series 2016A Bonds (determined as of the date of issuance of the Series 2016A Bonds), the maximum annual principal and interest requirements on the Series 2016A Bonds (determined as of the date of issuance of the Series 2016A Bonds), or one hundred twenty-five percent (125%) of the average annual debt service on the Series 2016A Bonds (determined as of the date of issuance of the Series 2016A Bonds).

"Series 2016A Bond Reserve Subaccount" shall mean the Water and Sewer Utility Revenue Bonds, Series 2016A, Bond Reserve Subaccount created within the Bond Reserve Account.

"Series 2016A Bond Resolution" means collectively the Issuer's Ordinance and Resolution, which authorized the Series 2016A Bonds.

"Series 2016A Bonds" means the Issuer's Water and Sewer Utility Revenue Bonds, Series 2016A, dated August 1, 2016, authorized and issued by the Issuer pursuant to the Ordinance and the Bond Resolution.

"Series 2016A Costs of Issuance Account" shall mean the Water and Sewer Utility Revenue Bonds, Series 2016A, Costs of Issuance Account created by this Resolution.

"Series 2016A Principal and Interest Subaccount" shall mean the Water and Sewer Utility Revenue Bonds, Series 2016A, Principal and Interest Subaccount created by this Resolution within the Principal and Interest Account.

"Series 2016A Sewer Projects" means the Sewer Utility projects financed, in whole or in part, by the Series 2016A Bonds, as described in the Series 2016A Bond Resolution.

"Series 2016A Sewer Utility Projects Fund" means the Sewer Utility Projects Fund for the Series 2016A Bonds.

"Series 2016A Term Bonds" means the Series 2016A Bonds maturing in the year 2036.

"Series 2016A Water Projects" means the Water Utility projects financed, in whole or in part, by the Series 2016A Bonds, as described in the Series 2016A Bond Resolution.

"Series 2016A Water Utility Projects Fund" means the Water Utility Projects Fund for the Series 2016A Bonds.

"Series 2016B Bond Resolution" means collectively the Issuer's Ordinance and Resolution, which authorized the Series 2016B Bonds.

"Series 2016B Bonds" means the Issuer's Water and Sewer Utility Refunding Revenue Bonds, Series 2016B, dated August 1, 2016.

"Sewer Utility" shall mean and include the sanitary sewer system now owned and operated by the City, and consisting of sewage disposal works, sewers, drains, pumping plants, force mains, service

connections, canals, ponds, machinery, equipment and other property appurtenant thereto and any improvements, extensions and enlargements to the Sewer Utility hereafter constructed or acquired.

"Short-Term Indebtedness" means Utility Indebtedness having an original maturity less than or equal to one year from the date of original incurrence thereof, and not renewable or extendible at the option of the obligor thereon for a term greater than one year beyond the date of original issuance.

"Special Record Date" means the date fixed by the Paying Agent pursuant to ***Section 204*** hereof for the payment of Defaulted Interest.

"Standard & Poor's" means Standard & Poor's Ratings Services, a division of McGraw Hill Financial Inc., a corporation organized and existing under the laws of the State of New York, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Standard & Poor's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

"State" means the state of Kansas.

"State Treasurer" means the duly elected Treasurer or, in the Treasurer's absence, the duly appointed Deputy Treasurer or acting Treasurer of the State.

"Stated Maturity" when used with respect to any Utility Indebtedness or any installment of interest thereon means the date specified in such Utility Indebtedness and the Bond Resolution as the fixed date on which the principal of such Utility Indebtedness or such installment of interest is due and payable.

"Subordinate Indebtedness" means, collectively the Subordinate Lien Bonds and Subordinate Lien Obligations

"Subordinate Lien Bonds" means any Additional Bonds payable from the Revenues, and issued on a subordinate lien basis to any Parity Bonds.

"Subordinate Lien Obligations" means any Additional Obligations payable from, and secured by a lien on, the Revenues, which lien is junior to that of any Parity Obligations.

"**Substitute Project**" means a substitute or additional project of the Utility authorized in the manner set forth in this Resolution.

"Term Bonds" means any Bonds designated as Term Bonds in this Bond Resolution or in any supplemental resolution authorizing the issuance of Additional Bonds.

"Treasurer" means the duly appointed and/or elected Treasurer or, in the Treasurer's absence, the duly appointed Deputy Treasurer or acting Treasurer of the Issuer.

"United States Government Obligations" means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States of America, including evidences of a direct ownership interest in future interest or principal payment on obligations issued by the United States of America (including the interest component of obligations of the Resolution Funding Corporation), or securities which represent an undivided interest in such obligations, which obligations are rated in the highest rating category by a nationally recognized rating service and such obligations are held in a custodial account for the benefit of the Issuer.

"Utility" shall mean the combined City of Wichita, Kansas Water Utility and Sewer Utility, and any improvements, extensions and enlargements thereto hereafter constructed or acquired.

"Utility Indebtedness" means collectively the Bonds and any Additional Obligations which are secured by an interest in, the Gross Revenues.

"Value" means, for purposes of the Bond Resolution, the value of the Authorized Investments (which Value shall be determined as of the end of each month), calculated as follows:

(a) as to investments the bid and asked prices of which are published on a regular basis in ***The Wall Street Journal*** (or, if not there, then in *The New York Times)* -- the average of the bid and asked prices for such investments so published on or most recently prior to such time of determination;

(b) as to investments the bid and asked prices of which are not published on a regular basis in ***The Wall Street Journal*** or in ***The New York Times*** - the average bid price at such time of determination for such investments by any two nationally recognized government securities dealers (selected by the Issuer in its absolute discretion) at the time making a market in such investments or the bid price published by a nationally recognized pricing service; and

(c) as to certificates of deposit and bankers acceptances -- the face amount thereof, plus accrued interest.

Provided, however, that when the Pre-2010 Bonds are no longer Outstanding, "Value" shall be the amortized cost of an obligation or the market cost thereof, whichever is lower. Should the value of the Authorized Investments be required for any other legal purpose, the Value shall be calculated in accordance with the applicable laws and regulations.

"Variable Rate Indebtedness" means any Utility Indebtedness which provides for interest to be payable thereon at a rate per annum that may vary from time to time over the term thereof in accordance with procedures provided in the instrument creating such Utility Indebtedness.

"Water Utility" shall mean and include the waterworks system now owned and operated by the Issuer and consisting of real estate, water rights, purification and pumping plants, reservoirs, mains, wells, pipelines, meters, hydrants, service connections, machinery, equipment and other property appurtenant thereto, and any improvements, extensions and enlargements to the Water Utility hereafter constructed or acquired.

ARTICLE II

AUTHORIZATION AND DETAILS OF THE BONDS

Section 201. Authorization of the Series 2016A Bonds. The Series 2016A Bonds have been heretofore authorized and directed to be issued pursuant to the Ordinance in the principal amount of 23,810,000, for the purpose of providing a portion of the funds to: (a) pay Project Costs; (b) make a deposit to the Series 2016A Bond Reserve Subaccount; and (c) pay Costs of Issuance. The Series 2016A Bonds shall be Parity Bonds and shall constitute Long-Term Indebtedness.

Section 202. Description of the Series 2016A Bonds. The Series 2016A Bonds shall consist of fully registered bonds in Authorized Denominations, and shall be numbered in such manner as the

Bond Registrar shall determine. All of the Series 2016A Bonds shall be dated as of the Dated Date, shall become due in the amounts, on the Stated Maturities, subject to redemption and payment, prior to their Stated Maturities as provided in ***Article III*** hereof and shall bear interest at the rates per annum as follows:

SERIAL BONDS

Stated Maturity October 1	Principal Amount	Annual Rate of Interest	Stated Maturity October 1	Principal Amount	Annual Rate of Interest
2017	$ 695,000	2.00%	2025	$1,205,000	5.00%
2018	860,000	5.00%	2026	1,265,000	5.00%
2019	900,000	5.00%	2027	1,330,000	4.00%
2020	945,000	5.00%	2028	1,385,000	3.00%
2021	995,000	5.00%	2029	1,430,000	3.00%
2022	1,040,000	5.00%	2030	1,475,000	3.00%
2023	1,095,000	5.00%	2031	1,515,000	3.00%
2024	1,150,000	5.00%	2032	1,225,000	3.00%

TERM BONDS

Stated Maturity October 1	Principal Amount	Annual Rate of Interest
2036	$5,300,000	3.00%

The Series 2016A Bonds shall bear interest at the above specified rates (computed on the basis of a 360-day year of twelve 30-day months) from the later of the Dated Date or the most recent Interest Payment Date to which interest has been paid on the Interest Payment Dates in the manner set forth in ***Section 204*** hereof. The Series 2016A Bonds shall be issued as Book-Entry-Only Bonds and administered in accordance with the provisions of ***Section 209*** hereof.

Each of the Series 2016A Bonds, as originally issued or issued upon transfer, exchange or substitution, shall be printed in accordance with the format required by the Attorney General of the State and shall be substantially in the form attached hereto as ***Exhibit A*** or as may be required by the Attorney General pursuant to the Notice of Systems of Registration for Kansas Municipal Bonds, 2 Kan. Reg. 921 (1983), in accordance with the Kansas Bond Registration Law, K.S.A. 10-620 *et seq.*

Section 203. Designation of Paying Agent and Bond Registrar. The State Treasurer is hereby designated as the Paying Agent for the payment of principal of and interest on the Series 2016A Bonds and Bond Registrar with respect to the registration, transfer and exchange of the Series 2016A Bonds. The Mayor of the Issuer is hereby authorized and empowered to execute on behalf of the Issuer an agreement with the Bond Registrar and Paying Agent for the Series 2016A Bonds.

The Issuer will at all times maintain a Paying Agent and Bond Registrar meeting the qualifications herein described for the performance of the duties hereunder. The Issuer reserves the right to appoint a successor Paying Agent or Bond Registrar by (a) filing with the Paying Agent or Bond Registrar then performing such function a certified copy of the proceedings giving notice of the termination of such Paying Agent or Bond Registrar and appointing a successor, and (b) causing notice of appointment of the successor Paying Agent and Bond Registrar to be given by first class mail to each Owner. No resignation or removal of the Paying Agent or Bond Registrar shall become effective until a successor has been appointed and has accepted the duties of Paying Agent or Bond Registrar.

Every Paying Agent or Bond Registrar appointed hereunder shall at all times meet the requirements of K.S.A. 10-501 *et seq.* and K.S.A. 10-620 *et seq.*, respectively.

Section 204. Method and Place of Payment of the Bonds. The principal of, or Redemption Price, and interest on the Bonds shall be payable in any coin or currency which, on the respective dates of payment thereof, is legal tender for the payment of public and private debts.

The principal or Redemption Price of each Bond shall be paid at Maturity to the Person in whose name such Bond is registered on the Bond Register at the Maturity thereof, upon presentation and surrender of such Bond at the principal office of the Paying Agent.

The interest payable on each Bond on any Interest Payment Date shall be paid to the Owner of such Bond as shown on the Bond Register at the close of business on the Record Date for such interest (a) by check or draft mailed by the Paying Agent to the address of such Owner shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Owner or (b) in the case of an interest payment to any Owner of $500,000 or more in aggregate principal amount of Bonds, by electronic transfer to such Owner upon written notice given to the Bond Registrar by such Owner, not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank, ABA routing number and account number to which such Owner wishes to have such transfer directed.

Notwithstanding the foregoing provisions of this Section, any Defaulted Interest with respect to any Bond shall cease to be payable to the Owner of such Bond on the relevant Record Date and shall be payable to the Owner in whose name such Bond is registered at the close of business on the Special Record Date for the payment of such Defaulted Interest, which Special Record Date shall be fixed as hereinafter specified in this paragraph. The Issuer shall notify the Paying Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment (which date shall be at least 30 days after receipt of such notice by the Paying Agent) and shall deposit with the Paying Agent at the time of such notice an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Paying Agent for such deposit prior to the date of the proposed payment. Following receipt of such funds the Paying Agent shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment. The Paying Agent shall promptly notify the Issuer of such Special Record Date and, in the name and at the expense of the Issuer, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, by first class mail, postage prepaid, to each Owner of a Bond entitled to such notice at the address of such Owner as it appears on the Bond Register not less than 10 days prior to such Special Record Date.

The Paying Agent shall keep a record of payment of principal and Redemption Price of and interest on all Bonds and at least annually shall forward a copy or summary of such records to the Issuer.

Section 205. Registration, Transfer and Exchange of Bonds. The Issuer covenants that, as long as any of the Bonds remain Outstanding, it will cause the Bond Register to be kept at the office of the Bond Registrar as herein provided. Each Bond when issued shall be registered in the name of the Owner thereof on the Bond Register.

Bonds may be transferred and exchanged only on the Bond Register as provided in this Section. Upon surrender of any Bond at the principal office of the Bond Registrar, the Bond Registrar shall transfer or exchange such Bond for a new Bond or Bonds in any Authorized Denomination of the same Stated Maturity and in the same aggregate principal amount as the Bond that was presented for transfer or exchange.

Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Bond Registrar, duly executed by the Owner thereof or by the Owner's duly authorized agent.

In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Bond Registrar shall authenticate and deliver Bonds in accordance with the provisions of this Bond Resolution. The Issuer shall pay the fees and expenses of the Bond Registrar for the registration, transfer and exchange of Bonds provided for by this Bond Resolution and the cost of printing a reasonable supply of registered bond blanks. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Bond Registrar, are the responsibility of the Owners of the Bonds. In the event any Owner fails to provide a correct taxpayer identification number to the Paying Agent, the Paying Agent may make a charge against such Owner sufficient to pay any governmental charge required to be paid as a result of such failure. In compliance with Code § 3406, such amount may be deducted by the Paying Agent from amounts otherwise payable to such Owner hereunder or under the Bonds.

The Issuer and the Bond Registrar shall not be required (a) to register the transfer or exchange of any Bond that has been called for redemption after notice of such redemption has been mailed by the Paying Agent pursuant to ***Section 303*** hereof and during the period of 15 days next preceding the date of mailing of such notice of redemption; or (b) to register the transfer or exchange of any Bond during a period beginning at the opening of business on the day after receiving written notice from the Issuer of its intent to pay Defaulted Interest and ending at the close of business on the date fixed for the payment of Defaulted Interest pursuant to ***Section 204*** hereof.

The Issuer and the Paying Agent may deem and treat the Person in whose name any Bond is registered on the Bond Register as the absolute Owner of such Bond, whether such Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price of and interest on said Bond and for all other purposes. All payments so made to any such Owner or upon the Owner's order shall be valid and effective to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Issuer nor the Paying Agent shall be affected by any notice to the contrary.

At reasonable times and under reasonable regulations established by the Bond Registrar, the Bond Register may be inspected and copied by the Owners (or a designated representative thereof) of 10% or more in principal amount of the Bonds then Outstanding or any designated representative of such Owners whose authority is evidenced to the satisfaction of the Bond Registrar.

Section 206. Execution, Registration, Authentication and Delivery of Bonds. Each of the Bonds, including any Bonds issued in exchange or as substitutions for the Bonds initially delivered, shall be executed for and on behalf of the Issuer by the manual or facsimile signature of the Mayor, attested by the manual or facsimile signature of the Clerk and the seal of the Issuer shall be affixed thereto or imprinted thereon. The Mayor and Clerk are hereby authorized and directed to prepare and execute the Bonds in the manner herein specified, and to cause the Bonds to be registered in the office of the Clerk, which registration shall be evidenced by the manual or facsimile signature of the Clerk with the seal of the Issuer affixed thereto or imprinted thereon. The Bonds shall also be registered in the office of the State Treasurer, which registration shall be evidenced by the manual or facsimile signature of the State Treasurer with the seal of the State Treasurer affixed thereto or imprinted thereon. In case any officer whose signature appears on any Bonds ceases to be such officer before the delivery of such Bonds, such signature shall nevertheless be valid and sufficient for all purposes, as if such person had remained in office until delivery. Any Bond may be signed by such persons who at the actual time of the execution of such Bond are the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

The Mayor and Clerk are hereby authorized and directed to prepare and execute the Bonds as herein specified, and when duly executed, to deliver the Bonds to the Paying Agent for authentication.

The Series 2016A Bonds shall have endorsed thereon a certificate of authentication substantially in the form attached hereto as ***Exhibit A*** hereof, which shall be manually executed by an authorized officer or employee of the Bond Registrar, but it shall not be necessary that the same officer or employee sign the certificate of authentication on all of the Bonds that may be issued hereunder at any one time. No Series 2016A Bond shall be entitled to any security or benefit under this Bond Resolution or be valid or obligatory for any purpose unless and until such certificate of authentication has been duly executed by the Bond Registrar. Such executed certificate of authentication upon any Series 2016A Bond shall be conclusive evidence that such Series 2016A Bond has been duly authenticated and delivered under this Bond Resolution. Upon authentication, the Bond Registrar shall deliver the Series 2016A Bond to the Purchaser upon instructions of the Issuer or its representative.

Section 207. Mutilated, Lost, Stolen or Destroyed Bonds. If (a) any mutilated Bond is surrendered to the Bond Registrar or the Bond Registrar receives evidence to its satisfaction of the destruction, loss or theft of any Bond, and (b) there is delivered to the Issuer and the Bond Registrar such security or indemnity as may be required by each of them, then, in the absence of notice to the Issuer or the Bond Registrar that such Bond has been acquired by a bona fide purchaser, the Issuer shall execute and, upon the Issuer's request, the Bond Registrar shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Bond, a new Bond of the same Stated Maturity and of like tenor and principal amount.

If any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the Issuer, in its discretion, may pay such Bond instead of issuing a new Bond.

Upon the issuance of any new Bond under this Section, the Issuer and the Paying Agent may require the payment by the Owner of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Paying Agent) connected therewith.

Every new Bond issued pursuant to this Section shall constitute a replacement of the prior obligation of the Issuer, and shall be entitled to all the benefits of this Bond Resolution equally and ratably with all other Outstanding Bonds.

Section 208. Cancellation and Destruction of Bonds Upon Payment. All Bonds that have been paid or redeemed or that otherwise have been surrendered to the Paying Agent, either at or before Maturity, shall be cancelled by the Paying Agent immediately upon the payment, redemption and surrender thereof to the Paying Agent and subsequently destroyed in accordance with the customary practices of the Paying Agent. The Paying Agent shall execute a certificate in duplicate describing the Bonds so cancelled and destroyed and shall file an executed counterpart of such certificate with the Issuer.

Section 209. Book-Entry Bonds; Securities Depository. Any series of Bonds may be issued as Book-Entry-Only Bonds. If so, such series of Bonds shall initially be registered to Cede & Co., the nominee for the Securities Depository, and no Beneficial Owner will receive certificates representing their respective interests in the Bonds, except in the event the Bond Registrar issues Replacement Bonds as provided in this Section. It is anticipated that during the term of the Bonds, the Securities Depository will make book-entry transfers among its Participants and receive and transmit payment of principal of, premium, if any, and interest on, the Bonds to the Participants until and unless the Bond Registrar authenticates and delivers Replacement Bonds to the Beneficial Owners as described in the following paragraph.

(a) If the Issuer determines (1) that the Securities Depository is unable to properly discharge its responsibilities, or (2) that the Securities Depository is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, or (3) that the continuation of a book-entry system to the exclusion of any Bonds being issued to any Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Bonds, or (b) if the Bond Registrar receives written notice from Participants having interests in not less than 50% of the Bonds Outstanding, as shown on the records of the Securities Depository (and certified to such effect by the Securities Depository), that the continuation of a book-entry system to the exclusion of any Bonds being issued to any Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Bonds, then the Bond Registrar shall notify the Owners of such determination or such notice and of the availability of certificates to owners requesting the same, and the Bond Registrar shall register in the name of and authenticate and deliver Replacement Bonds to the Beneficial Owners or their nominees in principal amounts representing the interest of each, making such adjustments as it may find necessary or appropriate as to accrued interest and previous calls for redemption; provided, that in the case of a determination under (a)(1) or (a)(2) of this paragraph, the Issuer, with the consent of the Bond Registrar, may select a successor securities depository in accordance with the following paragraph to effect book-entry transfers. In such event, all references to the Securities Depository herein shall relate to the period of time when the Securities Depository has possession of at least one Bond. Upon the issuance of Replacement Bonds, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Bond Registrar, to the extent applicable with respect to such Replacement Bonds. If the Securities Depository resigns and the Issuer, the Bond Registrar or Owners are unable to locate a qualified successor of the Securities Depository in accordance with the following paragraph, then the Bond Registrar shall authenticate and cause delivery of Replacement Bonds to Owners, as provided herein. The Bond Registrar may rely on information from the Securities Depository and its Participants as to the names of the Beneficial Owners of the Bonds. The cost of printing, registration, authentication, and delivery of Replacement Bonds shall be paid for by the Issuer.

In the event the Securities Depository resigns, is unable to properly discharge its responsibilities, or is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, the Issuer may appoint a successor Securities Depository provided the Bond Registrar receives written evidence satisfactory to the Bond Registrar with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such successor Securities

Depository shall be a securities depository which is a registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. The Bond Registrar upon its receipt of a Bond or Bonds for cancellation shall cause the delivery of Bonds to the successor Securities Depository in appropriate denominations and form as provided herein.

Section 210. Nonpresentment of Bonds. If any Bond is not presented for payment when the principal thereof becomes due at Maturity, if funds sufficient to pay such Bond have been made available to the Paying Agent all liability of the Issuer to the Owner thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds, without liability for interest thereon, for the benefit of the Owner of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Bond Resolution or on, or with respect to, said Bond. If any Bond is not presented for payment within four years following the date when such Bond becomes due at Maturity, the Paying Agent shall repay, without liability for interest thereon, to the Issuer the funds theretofore held by it for payment of such Bond, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the Issuer, and the Owner thereof shall be entitled to look only to the Issuer for payment, and then only to the extent of the amount so repaid to it by the Paying Agent, and the Issuer shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

Section 211. Calculation of Debt Service Requirements.

(a) ***Debt Service Requirements on Balloon, Put, Short-Term and Interim Indebtedness***.

(1) The principal of Balloon Indebtedness, Put Indebtedness or Short-Term Indebtedness being treated as Long-Term Indebtedness under ***Section 902*** hereof, or Interim Indebtedness shall be deemed due and payable at its Stated Maturity; provided, however, that at the election of the Issuer for the purpose of any computation of Debt Service Requirements, whether historical or projected, the principal deemed payable on Balloon Indebtedness, Put Indebtedness or Short-Term Indebtedness being treated as Long-Term Indebtedness under ***Section 902*** hereof, or Interim Indebtedness, shall be deemed to be payable as set forth below:

(A) If the Issuer has obtained a binding commitment of a bank or other financial institution (whose senior debt obligations, or the senior debt obligations of the holding company of which such bank or financial institution is the principal subsidiary, are then rated "A" or better by any Rating Agency) to refinance such Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness, or a portion thereof, including without limitation, a letter of credit or a line of credit, the Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness, or portion thereof to be refinanced, may be deemed to be payable in accordance with the terms of the refinancing arrangement;

(B) If the Issuer has entered into a binding agreement providing for the deposit by the Issuer with a bank or other financial institution (whose senior debt obligations, or the senior debt obligations of the holding company of which such bank or financial institution is the principal subsidiary, are then rated "A" or better by any Rating Agency), in trust (herein called a "Special Redemption Fund") of amounts, less investment earnings realized and retained in the Special Redemption Fund, equal in aggregate to the principal amount of such Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness, or a portion thereof, when due from the sums so deposited and investment earnings realized

thereon, then the principal amount of the Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness, or portion thereof, may be deemed to be payable in accordance with the terms of such agreement;

(C) If the Issuer has entered into arrangements or agreements with respect to the principal amount of such Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness, other than those referred to in subsections (A) and (B) above, which a Consultant in a certificate filed with the Issuer determines, taking into account the interests of the Owners of Utility Indebtedness, provides adequate assurances that the Issuer will be able to meet the Debt Service Requirements due on such Indebtedness, the Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness may be deemed to be payable in accordance with the terms of such arrangement or agreement; or

(D) Such Balloon Indebtedness, Put Indebtedness or Short-Term Indebtedness may be deemed to be Utility Indebtedness which, at the date of its original incurrence, was payable over a term not to exceed twenty (20) years in equal annual installments of principal and interest at the Index Rate.

A Consultant shall deliver to the Issuer a certificate stating that it is reasonable to assume that installment obligations of such term of the Issuer can be incurred and stating the interest rate then applicable to installment obligations of such term of comparable quality. Interim Indebtedness may be deemed to be Indebtedness which, at the date of its original incurrence, would meet the conditions specified in the statement of the Consultant as required in ***Section 902;*** provided that the Consultant shall for each annual period that the Debt Service Requirement is computed, provide a supplemental statement that at such period, the certifications contained in the statement are reasonable.

(2) Interest that is payable prior to the Stated Maturity of any Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness shall be taken into account for such appropriate period in computation of Debt Service Requirements. Interest payable at maturity or early redemption on Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness may either be amortized over the anticipated maturity or such longer period as is permitted under ***Section 902*** or ***Section 211(a)(1)(D)*** or may be treated as principal payable on the principal maturity date of such Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness.

(3) In measuring compliance with the applicable tests hereunder in connection with incurring Put Indebtedness and generally for purposes of determining the Debt Service Requirements relating thereto, Put Indebtedness shall be deemed to mature based upon the actual amortization requirements for the Put Indebtedness, only to the extent that the Issuer has a commitment to refinance such Put Indebtedness.

(b) ***Debt Service Requirements on Discount Indebtedness.*** At the election of the Issuer for the purpose of any computation of Debt Service Requirements, whether historical or projected, the principal and interest deemed payable on Discount Indebtedness shall be deemed to be payable as set forth below:

(1) If the Issuer has obtained a binding commitment of a bank or other financial institution (whose senior debt obligations, or the senior debt obligations of the holding company of which such bank or financial institution is the principal subsidiary, are then rated "A" or better by any Rating Agency) to refinance such Discount Indebtedness, or a portion thereof, including without limitation, a letter of credit or a line of credit, the Discount Indebtedness, or portion thereof to be

refinanced, may be deemed to be payable in accordance with the terms of the refinancing arrangement;

(2) If the Issuer has entered into a binding agreement providing for the deposit with a bank or other financial institution (whose senior debt obligations, or the senior debt obligations of the holding company of which such bank or financial institution is the principal subsidiary, are then rated "A" or better by any Rating Agency), in trust (herein called a "Special Redemption Fund") of amounts, less investment earnings realized and retained in the Special Redemption Fund, equal in aggregate to the principal amount of such Discount Indebtedness, or a portion thereof, and providing for the payment of such principal amount when due from the sums so deposited, and investment earnings realized thereon, then the Discount Indebtedness, or portion thereof, may be deemed to be payable in accordance with the terms of such agreement;

(3) If the Issuer has entered into arrangements or agreements with respect to the principal amount of such Discount Indebtedness, other than those referred to in subsections (1) and (2) above, which a Consultant in a certificate filed with the Issuer determines, taking into account the interests of the holders of Utility Indebtedness, provides adequate assurances that the Issuer will be able to meet the Debt Service Requirements due on such Indebtedness, the Discount Indebtedness may be deemed to be payable in accordance with the terms of such arrangement or agreement; or

(4) As of any time the maturity amount represented by Discount Indebtedness shall be deemed to be the accreted value of such Indebtedness computed on the basis of a constant yield to maturity.

When calculating interest requirements on Variable Rate Indebtedness which bears a variable rate of interest for periods as to which the rate of interest has not been determined, the rate of interest on Outstanding Variable Rate Indebtedness shall be the average annual rate of interest which was payable on such Variable Rate Indebtedness during the twelve (12) months immediately preceding the date as of which the calculation is made; and the rate of interest on Variable Rate Indebtedness to be incurred (or incurred less than twelve (12) months preceding such date) shall be the average annual rate of interest which would have been payable on such Variable Rate Indebtedness had it been outstanding for a period of twelve (12) months immediately preceding the date as of which the calculation is made, as evidenced in a certificate of a Consultant, delivered to the Issuer.

Section 212. Preliminary and Final Official Statement. The Preliminary Official Statement dated July 6, 2016, is hereby ratified and approved. The final Official Statement is hereby authorized to be prepared by supplementing, amending and completing the Preliminary Official Statement, with such changes and additions thereto as are necessary to conform to and describe the transaction. The Mayor and Director of Finance are hereby authorized to execute the final Official Statement as so supplemented, amended and completed, and the use and public distribution of the final Official Statement by the Purchaser in connection with the reoffering of the Bonds is hereby authorized. The proper officials of the Issuer are hereby authorized to execute and deliver a certificate pertaining to such Official Statement as prescribed therein, dated as of the date of payment for and delivery of the Series 2016A Bonds.

The Issuer agrees to provide to the Purchaser within seven business days of the date of the sale of Bonds sufficient copies of the final Official Statement to enable the Purchaser to comply with the requirements of the SEC Rule and with the requirements of Rule G-32 of the Municipal Securities Rulemaking Board.

Section 213. Sale of the Series 2016A Bonds. The sale of the Series 2016A Bonds to the Purchaser is hereby ratified and confirmed. Delivery of the Series 2016A Bonds shall be made to the Purchaser as soon as practicable after the adoption of this Bond Resolution, upon payment of the Purchase Price.

Section 214. Parity Bond Certification.
The Issuer hereby represents and covenants that the Series 2016A Bonds directed to be issued by this Resolution are so issued in full compliance with the restrictions and conditions upon which the Issuer may issue Additional Bonds which stand on a parity of lien with the Net Revenues with the Parity Indebtedness heretofore issued and Outstanding, as set forth and contained in the Outstanding Parity Bond Resolution, and that the Series 2016A Bonds herein directed to be issued are so issued in all respects on a parity and equality with the Parity Indebtedness heretofore issued and Outstanding.

ARTICLE III

REDEMPTION OF BONDS

Section 301. Redemption by Issuer. The Bonds shall be subject to redemption and payment prior to their Stated Maturity, as follows:

(a) ***Optional Redemption***.

(1) *Series 2016A Bonds*. At the option of the Issuer, Series 2016A Bonds maturing on October 1, in the years 2027 and thereafter will be subject to redemption and payment prior to their Stated Maturity on October 1, 2026, and thereafter as a whole or in part (selection of maturities and the amount of Series 2016A Bonds of each maturity to be redeemed to be determined by the Issuer in such equitable manner as it may determine) at any time, at the Redemption Price of 100% (expressed as a percentage of the principal amount), plus accrued interest thereon to the Redemption Date.

(2) *Additional Bonds*. Additional Bonds are subject to redemption and payment prior to Stated Maturity in accordance with the provisions of the supplemental resolution authorizing the issuance of such Additional Bonds.

(b) ***Mandatory Redemption***.

(1) *General*. The Term Bonds shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. At its option, to be exercised on or before the 45th day next preceding any mandatory Redemption Date, the Issuer may: (1) deliver to the Paying Agent for cancellation Term Bonds subject to mandatory redemption on said mandatory Redemption Date, in any aggregate principal amount desired; or (2) furnish the Paying Agent funds, together with appropriate instructions, for the purpose of purchasing any Term Bonds subject to mandatory redemption on said mandatory Redemption Date from any Owner thereof whereupon the Paying Agent shall expend such funds for such purpose to such extent as may be practical; or (3) receive a credit with respect to the mandatory redemption obligation of the Issuer under this Section for any Term Bonds subject to mandatory redemption on said mandatory Redemption Date which, prior to such date, have been redeemed (other than through the operation of the mandatory redemption requirements of this subsection) and cancelled by the Paying Agent and not theretofore applied as a credit against any redemption obligation

under this subsection. Each Term Bond so delivered or previously purchased or redeemed shall be credited at 100% of the principal amount thereof on the obligation of the Issuer to redeem Term Bonds of the same Stated Maturity on such mandatory Redemption Date, and any excess of such amount shall be credited on future mandatory redemption obligations for Term Bonds of the same Stated Maturity as designated by the Issuer, and the principal amount of Term Bonds to be redeemed by operation of the requirements of this Section shall be accordingly reduced. If the Issuer intends to exercise any option granted by the provisions of clauses (1), (2) or (3) above, the Issuer will, on or before the 45th day next preceding each mandatory Redemption Date, furnish the Paying Agent a written certificate indicating to what extent the provisions of said clauses (1), (2) and (3) are to be complied with, with respect to such mandatory redemption payment.

(2) *The Series 2016A Term Bonds*. The Issuer shall from the payments specified in ***Article VI*** hereof which are to be deposited into the 2016A Principal and Interest Subaccount redeem on October 1 in each year, the following principal amounts of Series 2016A Term Bonds:

Principal Amount	**Year**
$1,265,000	2033
1,305,000	2034
1,345,000	2035
1,385,000	2036*

*Final Maturity

Section 302. Selection of Bonds to be Redeemed. Bonds shall be redeemed only in an Authorized Denomination. When less than all of the Bonds are to be redeemed and paid prior to their Stated Maturity, such Bonds shall be redeemed in such manner as the Issuer shall determine. Bonds of less than a full Stated Maturity shall be selected by the Bond Registrar in a minimum Authorized Denomination of principal amount in such equitable manner as the Bond Registrar may determine.

In the case of a partial redemption of Bonds by lot when Bonds of denominations greater than a minimum Authorized Denomination are then Outstanding, then for all purposes in connection with such redemption a minimum Authorized Denomination of face value shall be treated as though it were a separate Bond of the denomination of a minimum Authorized Denomination. If it is determined that one or more, but not all, of a minimum Authorized Denomination of face value represented by any Bond is selected for redemption, then upon notice of intention to redeem a minimum Authorized Denomination, the Owner or the Owner's duly authorized agent shall forthwith present and surrender such Bond to the Bond Registrar: (1) for payment of the Redemption Price and interest to the Redemption Date of a minimum Authorized Denomination of face value called for redemption, and (2) for exchange, without charge to the Owner thereof, for a new Bond or Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such Bond. If the Owner of any such Bond fails to present such Bond to the Paying Agent for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the redemption date to the extent of a minimum Authorized Denomination of face value called for redemption (and to that extent only).

Section 303. Notice and Effect of Call for Redemption. In the event the Issuer desires to call the Bonds for redemption prior to maturity, written notice of such intent shall be provided to the Bond Registrar in accordance with K.S.A. 10-129, as amended, not less than 45 days prior to the Redemption Date. The Bond Registrar shall call Bonds for redemption and payment and shall give notice of such redemption as herein provided upon receipt by the Bond Registrar at least 45 days

prior to the Redemption Date of written instructions of the Issuer specifying the principal amount, Stated Maturities, Redemption Date and Redemption Prices of the Bonds to be called for redemption. The foregoing provisions of this paragraph shall not apply in the case of any mandatory redemption of Term Bonds hereunder, and Term Bonds shall be called by the Paying Agent for redemption pursuant to such mandatory redemption requirements without the necessity of any action by the Issuer and whether or not the Paying Agent holds moneys available and sufficient to effect the required redemption.

Unless waived by any Owner of Bonds to be redeemed, if the Issuer shall call any Bonds for redemption and payment prior to the Stated Maturity thereof, the Issuer shall give written notice of its intention to call and pay said Bonds to the Bond Insurer and the Purchaser. In addition, the Issuer shall cause the Bond Registrar to give written notice of redemption to the Owners of said Bonds. Each of said written notices shall be deposited in the United States first class mail not less than 30 days prior to the Redemption Date.

All official notices of redemption shall be dated and shall contain the following information:

(a) the Redemption Date;

(b) the Redemption Price;

(c) if less than all Outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption of any Bonds, the respective principal amounts) of the Bonds to be redeemed;

(d) a statement that on the Redemption Date the Redemption Price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after the Redemption Date; and

(e) the place where such Bonds are to be surrendered for payment of the Redemption Price, which shall be the principal office of the Paying Agent.

The failure of any Owner to receive notice given as heretofore provided or an immaterial defect therein shall not invalidate any redemption.

Prior to any Redemption Date, the Issuer shall deposit with the Paying Agent an amount of money sufficient to pay the Redemption Price of all the Bonds or portions of Bonds that are to be redeemed on such Redemption Date.

For so long as the Securities Depository is effecting book-entry transfers of any series of Bonds, the Bond Registrar shall provide the notices specified in this Section to the Securities Depository. It is expected that the Securities Depository shall, in turn, notify its Participants and that the Participants, in turn, will notify or cause to be notified the Beneficial Owners. Any failure on the part of the Securities Depository or a Participant, or failure on the part of a nominee of a Beneficial Owner of a Bond (having been mailed notice from the Bond Registrar, the Securities Depository, a Participant or otherwise) to notify the Beneficial Owner of the Bond so affected, shall not affect the validity of the redemption of such Bond.

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall become due and payable on the Redemption Date, at the Redemption Price therein specified, and from and after the Redemption Date (unless the Issuer defaults in the payment of the Redemption Price) such Bonds or portion of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with such notice, the Redemption Price of such Bonds shall be paid by the Paying Agent.

Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the Owner a new Bond or Bonds of the same Stated Maturity in the amount of the unpaid principal as provided herein. All Bonds that have been surrendered for redemption shall be cancelled and destroyed by the Paying Agent as provided herein and shall not be reissued.

In addition to the foregoing notice, the Issuer shall provide such notices of redemption as are required by the Disclosure Undertaking. Further notice may be given by the Issuer or the Bond Registrar on behalf of the Issuer as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if official notice thereof is given as above prescribed:

(a) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (1) the CUSIP numbers of all Bonds being redeemed; (2) the date of issue of the Bonds as originally issued; (3) the rate of interest borne by each Bond being redeemed; (4) the maturity date of each Bond being redeemed; and (5) any other descriptive information needed to identify accurately the Bonds being redeemed.

(b) Each further notice of redemption shall be sent at least one day before the mailing of notice to Owners by first class, registered or certified mail or overnight delivery, as determined by the Bond Registrar, to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds and to one or more national information services that disseminate notices of redemption of obligations such as the Bonds.

(c) Each check or other transfer of funds issued for the payment of the Redemption Price of Bonds being redeemed shall bear or have enclosed the CUSIP number of the Bonds being redeemed with the proceeds of such check or other transfer.

The Paying Agent is also directed to comply with any mandatory standards then in effect for processing redemptions of municipal securities established by the State or the Securities and Exchange Commission. Failure to comply with such standards shall not affect or invalidate the redemption of any Bond.

ARTICLE IV

SECURITY FOR BONDS

Section 401. Security for the Bonds. The Series 2016A Bonds shall be special obligations of the Issuer payable solely from, and secured as to the payment of principal and interest by a pledge of, the Net Revenues, and the City hereby pledges said Net Revenues to the payment of the principal of and interest on the Series 2016A Bonds. The Series 2016A Bonds shall not be or constitute a general obligation of the City, nor shall they constitute an indebtedness of the City within the meaning of any constitutional, statutory or charter provision, limitation or restriction, and the taxing power of the City is not pledged to the payment of the Series 2016A Bonds, either as to principal or interest.

The covenants and agreements of the City contained herein and in the Series 2016A Bonds shall be for the equal benefit, protection and security of the legal owners of any or all of the Series 2016A Bonds, all of which Series 2016A Bonds shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the funds herein pledged to the payment of the principal of and the

interest on the Series 2016A Bonds, or otherwise, except as to rate of interest, date of maturity and right of prior redemption as provided in this Bond Resolution. The Series 2016A Bonds shall stand on a parity and be equally and ratably secured with respect to the payment of principal and interest from the Net Revenues with any Parity Indebtedness. The Series 2016A Bonds shall not have any priority with respect to the payment of principal or interest from said Net Revenues or otherwise over the Parity Indebtedness; and the Parity Indebtedness shall not have any priority with respect to the payment of principal or interest from said Net Revenues or otherwise over the Series 2016A Bonds.

ARTICLE V

ESTABLISHMENT OF FUNDS AND ACCOUNTS DEPOSIT AND APPLICATION OF BOND PROCEEDS AND OTHER MONEYS

Section 501. Creation of Funds and Accounts. Simultaneously with the issuance of the Series 2016A Bonds, there shall be created within the Treasury of the Issuer the following Funds and Accounts:

(a) Principal and Interest Subaccount for Water and Sewer Utility Revenue Bonds, Series 2016A;

(b) Bond Reserve Subaccount for Water and Sewer Utility Revenue Bonds, Series 2016A;

(c) Rebate Fund for Water and Sewer Utility Revenue Bonds, Series 2016A;

(d) Costs of Issuance Account for Water and Sewer Utility Revenue Bonds, Series 2016A;

(e) Sewer Utility Projects Fund for Water and Sewer Utility Revenue Bonds, Series 2016A; and

(f) Water Utility Projects Fund for Water and Sewer Utility Revenue Bonds, Series 2016A.

The Funds and Accounts established herein shall be administered in accordance with the provisions of this Series 2016A Bond Resolution so long as the Series 2016A Bonds are Outstanding.

The following separate Funds and Accounts created and established in the treasury of the Issuer are hereby ratified and confirmed:

(a) Water and Sewer Utility Revenue Fund;

(b) Water and Sewer Utility Bond Reserve Account;

(c) Water and Sewer Utility Depreciation and Replacement Account;

(d) Water and Sewer Utility Improvement Account;

(e) Principal and Interest Subaccounts for Outstanding Parity Bonds; and

(f) Bond Reserve Subaccounts for Outstanding Parity Bonds.

The Funds and Accounts referred to in this paragraph shall be administered in accordance with the provisions of Bond Resolution so long as the Utility Indebtedness is Outstanding.

Section 502. Deposit of Series 2016A Bond Proceeds. The net proceeds received from the sale of the Series 2016A Bonds shall be deposited simultaneously with the delivery of the Series 2016A Bonds as follows:

(a) All accrued interest and any excess proceeds received from the sale of the Series 2016A Bonds shall be deposited in the Series 2016A Principal and Interest Subaccount.

(b) An amount necessary to pay Costs of Issuance shall be shall be deposited in the Series 2016A Costs of Issuance Account.

(c) An amount necessary to bring the Series 2016A Bond Reserve Subaccount to the Series 2016A Bond Reserve Requirement shall be deposited in the 2016A Bond Reserve Subaccount.

(d) An amount necessary to pay the costs of the Series 2016A Sewer Projects shall be deposited in the Series 2016A Sewer Utility Projects Fund.

(e) An amount necessary to pay the costs of the Series 2016A Water Projects shall be deposited in the Series 2016A Water Utility Projects Fund.

Section 503. Application of Moneys in the Rebate Fund.

(a) There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Federal Tax Certificate. All money at any time deposited in the Rebate Fund shall be held in trust, to the extent required to satisfy the Rebate Amount (as defined in the Federal Tax Certificate), for payment to the United States of America, and neither the Issuer nor the Owner of any Series 2016A Bonds shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section and the Federal Tax Certificate.

(b) The Issuer shall periodically determine the rebatable arbitrage, if any, under Code § 148(f) in accordance with the Federal Tax Certificate, and the Issuer shall make payments to the United States of America at the times and in the amounts determined under the Federal Tax Certificate. Any moneys remaining in the Rebate Fund after redemption and payment of all of the Series 2016A Bonds and payment and satisfaction of any Rebate Amount, or provision made therefor, shall be deposited into the Revenue Fund.

(c) Notwithstanding any other provision of this Bond Resolution, including in particular ***Article XI*** hereof, the obligation to pay rebatable arbitrage to the United States of America and to comply with all other requirements of this Section and the Federal Tax Certificate shall survive the defeasance or payment in full of the Series 2016A Bonds.

Section 504. Application of Moneys in the Costs of Issuance Account. Moneys in the Costs of Issuance Account shall be used by the Issuer to pay the Costs of Issuance. Any funds remaining in the Costs of Issuance Account, after payment of all Costs of Issuance, but not later than the later of 30 days prior to the first Stated Maturity of principal or one year after the date of issuance of the Series 2016A Bonds, shall be transferred to the Issuer for deposit into the Series 2016A Principal and Interest Subaccount.

Section 505. Application of Moneys in the Project Fund. Moneys in the Project Fund shall be used for the sole purpose of : (a) paying Project Costs; (b) for paying Costs of Issuance, if necessary; (c) paying interest on the Series 2016A Bonds during construction of the Project, if necessary; and (d) transferring any amounts required to be deposited into the Rebate Fund. Withdrawals from the Project Fund for payment of Project Costs shall be supported by a certificate or statement of the Director of Finance that such payment is being made for a purpose within the scope of the Bond Resolution and is a proper Project Cost. Authorizations for withdrawals for other purposes shall be supported by a certificate of the Director of Finance stating that such payment is being made for a purpose within the purpose of the Bond Resolution. Upon completion of the Project, any surplus remaining in the Project Fund shall be deposited in the Series 2016A Principal and Interest Subaccount.

Section 506. Substitute Project; Reallocation of Proceeds. The Issuer may elect for any reason to substitute or add other Utility improvements to be financed with proceeds of the Series 2016A Bonds provided the following conditions are met: (a) the Substitute Project and the issuance of Bonds to pay the cost of the Substitute Project has been duly authorized by the Governing Body in accordance with the laws of the State; (b) a resolution authorizing the use of the proceeds of the Series 2016A Bonds to pay the Financeable Costs of the Substitute Project has been duly adopted by the Governing Body pursuant to this Section, (c) the Attorney General of the State has approved the amendment made by such resolution to the transcript of proceedings for the Series 2016A Bonds to include the Substitute Project; and (d) the use of the proceeds of the Series 2016A Bonds to pay the Financeable Cost of the Substitute Project will not adversely affect the tax status of the Series 2016A Bonds under State or federal law.

The Issuer may reallocate expenditure of Series 2016A Bond proceeds among all Projects financed by the Series 2016A Bonds; provided the following conditions are met: (a) the reallocation is approved by the Governing Body; (b) the reallocation shall not cause the proceeds of the Series 2016A Bonds allocated to any Project to exceed the Financeable Costs of the Project; and (c) the reallocation will not adversely affect the tax-exempt status of the Series 2016A Bonds under State or federal law.

ARTICLE VI

COLLECTION AND APPLICATION OF REVENUES

Section 601. Revenue Fund. The Issuer covenants and agrees that from and after the delivery of the Series 2016A Bonds, and continuing as long as any of the Utility Indebtedness remains Outstanding, all of the Gross Revenues shall as and when received be paid and deposited into the Revenue Fund. Said Revenues shall be segregated and kept separate and apart from all other moneys, revenues, Funds and Accounts of the Issuer and shall not be commingled with any other moneys, revenues, Funds and Accounts of the Issuer. The Revenue Fund shall be administered and applied solely for the purposes and in the manner provided in this Bond Resolution, except as may be modified by the provisions of the Outstanding Parity Bond Resolutions.

Section 602. Application of Moneys in Funds and Accounts. The Issuer covenants and agrees that from and after the delivery of the Series 2016A Bonds and continuing so long as any of the Bonds shall remain Outstanding, it will administer and allocate all of the moneys then held in the Revenue Fund as follows:

(a) ***Operation and Maintenance***. The cost of Current Expenses shall be paid currently as bills accrue. Such amount as may be necessary in the opinion of the Governing Body to pay the reasonable and

proper Current Expenses for the ensuing sixty (60) days may be retained and accumulated in the Revenue Fund before making transfers to other Funds and Accounts.

Parity Resolutions. The following transfers shall be made on a parity of lien basis with the transfers and requirements of the Bond Resolution with respect to any Parity Indebtedness, and the term Parity Obligations shall be substituted for Bonds, as appropriate.

(b) ***Principal and Interest Account***. There shall next be paid and credited on the first day of each month to the Principal and Interest Account, for credit to the respective Subaccounts thereof, a proportionate amount necessary to meet on each Bond Payment Date the payment of all interest on and principal of the Parity Bonds. All amounts paid and credited to the various Principal and Interest Subaccounts shall be expended and used by the Issuer for the sole purpose of paying the Debt Service Requirements of respective Parity Bonds as and when the same become due at Maturity and on each Interest Payment Date.

Any amounts deposited in the Principal and Interest Account in accordance with ***Section 502(a)*** hereof shall be credited against the Issuer's payment obligations as set forth in subsection (b) of this Section.

If at any time the moneys in the Revenue Fund are insufficient to make in full the payments and credits at the time required to be made to the Principal and Interest Account and to the subaccounts established to pay the principal of and interest on any Parity Bonds, the available moneys in the Revenue Fund shall be divided among such debt service accounts in proportion to the respective principal amounts of said series of Parity Bonds at the time Outstanding which are payable from the moneys in said Principal and Interest Subaccounts.

(c) ***Bond Reserve Account***. There shall next be set aside and credited monthly to the Bond Reserve Account, for the credit of the respective subaccounts thereof as appropriate, the amount, if any, required to restore the Bond Reserve Account to the Bond Reserve Requirement. Except as hereinafter provided, all amounts paid and credited to the Bond Reserve Account shall be expended and used by the Issuer solely to prevent any default in the payment of interest on or principal of the Parity Bonds on any Maturity date or Interest Payment Date if the moneys in the respective Principal and Interest Subaccounts are insufficient to pay the Debt Service Requirements of said Parity Bonds as they become due. So long as the Bond Reserve Account aggregates the Bond Reserve Requirement, no further payments into said Account shall be required, but if the Issuer is ever required to expend and use a part of the moneys in any subaccount for the purpose herein authorized and such expenditure reduces the amount of such subaccount below the Bond Reserve Requirement for such subaccount, or if the Value of the any such subaccount is below the Bond Reserve Requirement, the Issuer shall make monthly payments into such subaccount so that such subaccount shall again aggregate the Bond Reserve Requirement within twelve (12) months of such deficiency.

(d) ***Debt Service Accounts-Subordinate Lien Indebtedness***. There shall next be paid and credited monthly to the debt service account(s) for any Subordinate Lien Indebtedness, to the extent necessary to meet on each Bond Payment Date an amount equal to the payment of all interest on and principal of any Subordinate Lien Indebtedness. The amounts required to be paid and credited to the debt service account(s) for any Subordinate Lien Indebtedness shall be made at the same time and on a parity with the amounts at the time required to be paid and credited to other debt service accounts established for the payment of the Debt Service Requirements on any Subordinate Lien Indebtedness.

(e) ***Depreciation and Replacement Account***. There shall next be paid and credited monthly to the Depreciation and Replacement Account minimum monthly amounts to the end that the Depreciation and Replacement Account will reach the Depreciation and Replacement Account Requirement within a

period of thirty (30) months from the date of the first such transfer. Except as hereinafter provided, moneys in the Depreciation and Replacement Account shall be expended and used by the Issuer for the purpose of: (1) making extraordinary maintenance and repairs to the Utility, (2) making capital improvements in and to the Utility, and (3) keeping the Utility in good repair and working order so that it may continue in effective and efficient operation. If no other funds are available therefor, moneys in the Depreciation and Replacement Account may be used to pay Current Expenses. After the Depreciation and Replacement Account aggregates the Depreciation and Replacement Account Requirement, no further payments into the Depreciation and Replacement Account shall be required, but if the Issuer is ever required to expend a part of the moneys in the Depreciation and Replacement Account for its authorized purposes and such expenditure reduces the amount of the Depreciation and Replacement Account below the Depreciation and Replacement Requirement, then the Issuer shall resume and continue minimum monthly payments into the Depreciation and Replacement Account aggregates the Depreciation and Replacement Requirement within a period of eighteen (18) months of such deficiency.

(f) ***General Obligation Indebtedness***. There shall next be paid and credited monthly to such of the Issuer's funds or accounts determined by the Director of Finance, proportionate monthly amounts equal to the Debt Service Requirements on General Obligation Indebtedness accruing in the next twelve (12) months.

(g) ***Payment to the City***. There shall next be paid and credited monthly to such of the Issuer's funds or accounts determined by the Director of Finance, proportionate monthly amounts equal to the next required Payment to the City.

(h) ***Improvement Account***. All moneys in the Revenue Fund on each January 1 not required for payment of the Current Expenses and all transfers required by subsections (a) to (f) hereof for the next ninety (90) days shall be credited to the Improvement Account. When the Pre-2014 Bonds are no longer Outstanding, transfers from the Revenue Fund to the Improvement Fund may be made on a monthly basis in such amounts as may be determined by the Director of Finance. Moneys in the Improvement Account may be expended and used for the following purposes:

(1) Paying the Current Expenses.

(2) Paying the cost of extending, enlarging or improving the Utility.

(3) Preventing default in, making payments into or increasing the amounts in any of the Funds and Accounts or other payments required by subsections (a) to (g) hereof

(4) Calling, redeeming and paying prior to Stated Maturity, or, at the option of the Issuer, purchasing in the open market at fair market value, any Utility Indebtedness or General Obligation Indebtedness.

(5) Any other lawful purpose in connection with the operation of the Utility and benefiting the Utility.

(6) To make transfers to the Revenue Fund.

(i) ***Deficiency of Payments into Funds and Accounts***. If at any time the Gross Revenues are insufficient to make any payment on the date or dates hereinbefore specified, the Issuer will make good the amount of such deficiency by making additional payments or credits out of the first available Gross Revenues, such payments and credits being made and applied in the order hereinbefore specified in this Section.

Section 603. Transfer of Funds to Paying Agent. The Treasurer of the Issuer shall withdraw from the Principal and Interest Account, and, to the extent necessary to prevent a default in the payment of either principal of or interest on the Utility Indebtedness, from the Bond Reserve Account, and the Improvement Account, sums sufficient to pay the principal of and interest on the Utility Indebtedness as and when the same become due on any Bond Payment Date, and to forward such sums to the Paying Agent in a manner which ensures the Paying Agent will have available funds in such amounts on or before the Business Day immediately preceding each Bond Payment Date. All moneys deposited with the Paying Agent shall be deemed to be deposited in accordance with and subject to all of the provisions contained in this Bond Resolution.

Section 604. Payments Due on Saturdays, Sundays and Holidays. In any case where a Bond Payment Date is not a Business Day, then payment of principal, Redemption Price or interest need not be made on such Bond Payment Date but may be made on the next succeeding Business Day with the same force and effect as if made on such Bond Payment Date, and no interest shall accrue for the period after such Bond Payment Date.

ARTICLE VII

DEPOSIT AND INVESTMENT OF MONEYS

Section 701. Deposits and Investment of Moneys.

(a) Moneys in each of the Funds and Accounts shall be deposited and shall be adequately secured as provided by the laws of the State.

(b) Moneys held in any Fund or Account may be invested in accordance with the Bond Resolution and the Federal Tax Certificate, in Permitted Investments; provided, however, that no such investment shall be made for a period extending longer than to the date when the moneys invested may be needed for the purpose for which such Fund or Account was established; and provided, further, that Authorized Investments in the Bond Reserve Account shall have an average aggregate weighted term to maturity not greater than five years. All earnings on any investments held in any Fund or Account shall accrue to and become a part of such Fund or Account, other than earnings required to be deposited into the Rebate Fund pursuant to the Federal Tax Certificate. All earnings on investments held in the Bond Reserve Account shall accrue to and become a part of the Bond Reserve Account until the amount on deposit in the Bond Reserve Account shall aggregate the Bond Reserve Requirement; thereafter, all such earnings shall be credited to the Principal and Interest Account. All earnings on investments held in the Depreciation and Replacement Account shall accrue to and become a part of the Depreciation and Replacement Account until the amount on deposit in the Depreciation and Replacement Account shall aggregate the Depreciation and Replacement Requirement; thereafter, all such earnings shall be credited to the Revenue Fund.

(c) The Value of any Fund or Account shall be determined at the end of each calendar month. Such valuation shall also be made in conjunction with redemption of any Utility Indebtedness.

ARTICLE VIII

GENERAL COVENANTS AND PROVISIONS

The Issuer covenants and agrees with each of the Owners of any of the Utility Indebtedness that so long as any of the Utility Indebtedness remain Outstanding and unpaid it will comply with each of the following covenants:

Section 801. Efficient and Economical Operation. The Issuer will continuously own and will operate the Utility as a revenue producing facility in an efficient and economical manner and will keep and maintain the same in good repair and working order.

Section 802. Rate Covenant. The Issuer, in accordance with and subject to applicable legal requirements, will fix, establish, maintain and collect such rates and charges for the use and services furnished by or through the Utility as will produce Gross Revenues sufficient to: (a) pay the Current Expenses; (b) pay the Debt Service Requirements on the Utility Indebtedness as and when the same become due at the Maturity thereof or on any Interest Payment Date; (c) provide reasonable and adequate reserves for the payment of the Utility Indebtedness and for the protection and benefit of the Utility as provided in the Bond Resolution; and (d) enable the Issuer to have in each Fiscal Year, a Debt Service Coverage Ratio of not less than 1.20 on all Parity Indebtedness at the time Outstanding; 1.00 on all Subordinate Lien Indebtedness at the time Outstanding; 1.00 on all General Obligation Indebtedness at the time Outstanding; and 1.00 with respect to the Payment to the City; provided however, in determining the Net Revenues Available for Debt Service, estimated additional net income to be derived from rate increases in effect and being charged prior to the end of the applicable Fiscal Year, as determined by the Consultant, may be taken into account, and that, without giving effect to any such adjustments from rate increases, the Debt Service Coverage Ratio shall be not less than 1.00 of the current Fiscal Year's Debt Service Requirements for all Utility Indebtedness.

The Issuer will, from time to time as often as necessary, in accordance with and subject to applicable legal requirements, revise the rates and charges aforesaid in such manner as may be necessary or proper so that the Net Revenues Available for Debt Service will be sufficient to cover the obligations under the provisions of the Bond Resolution. If in any Fiscal Year, Net Revenues Available for Debt Service are an amount less than as hereinbefore provided, the Issuer will make adjustments to such rates, fees and charges to bring the Utility into compliance with this covenant. It shall be the policy of the Issuer that the rates, fees and charges established for the Water Utility and the Sewer Utility shall each be sufficient to provide Net Revenues Available for Debt Service with respect to Utility Indebtedness issued for improvements to each such component of the Utility which meet the coverage requirements set forth herein to the extent reasonably practical.

Section 803. Restrictions on Mortgage or Sale of Utility. The Issuer will not mortgage, pledge or otherwise encumber the Utility or any part thereof, nor will it sell, lease or otherwise dispose of the Utility or any material part thereof; provided, however, the Issuer may:

(a) sell at fair market value any portion of the Utility which has been replaced by other similar property of at least equal value, or which ceases to be necessary for the efficient operation of the Utility, and in the event of sale, the Issuer will apply the proceeds to either (1) redemption of Outstanding Utility Indebtedness in accordance with the provisions governing repayment of Utility Indebtedness in advance of Stated Maturity, or (2) replacement of the property so disposed of by other property the revenues of which shall be incorporated into the Utility as hereinbefore provided;

(b) cease to operate, abandon or otherwise dispose of any property which has become obsolete, nonproductive or otherwise unusable to the advantage of the Issuer;

(c) grant a security interest in equipment to be purchased with the proceeds of any loan, lease or other obligation undertaken in accordance with ***Article IX*** hereof; or

(d) sell, lease or convey all or substantially all of the Utility to another entity or enter into a management contract with another entity if:

(1) The transferee entity is a political subdivision organized and existing under the laws of the State, or instrumentality thereof, or an organization described in Code § 501(c)(3), and expressly assumes in writing the due and punctual payment of the principal of and premium, if any, and interest on all outstanding Utility Indebtedness according to their tenor, and the due and punctual performance and observance of all of the covenants and conditions of this Bond Resolution;

(2) If there remains unpaid any Utility Indebtedness which bears interest that is not includable in gross income under the Code, the Issuer receives an opinion of Bond Counsel, in form and substance satisfactory to the Issuer, to the effect that under then existing law the consummation of such sale, lease or conveyance, whether or not contemplated on any date of the delivery of such Utility Indebtedness, would not cause the interest payable on such Utility Indebtedness to become includable in gross income under the Code;

(3) The Issuer receives a certificate of the Consultant which demonstrates and certifies that immediately upon such sale or conveyance the transferee entity will not, as a result thereof, be in default in the performance or observance of any covenant or agreement to be performed or observed by it under this Bond Resolution;

(4) Such transferee entity possesses such licenses to operate the Utility as may be required if it is to operate the Utility; and

(5) The Issuer receives an opinion of Bond Counsel, in form and substance satisfactory to the Issuer, as conclusive evidence that any such sale, lease or conveyance, and any such assumption, is permitted by law and complies with the provisions of this Section.

(6) The Issuer receives the written consent of the Bond Insurer.

Section 804. Insurance. The Issuer will carry and maintain such reasonable amount of all risk insurance on all properties and all operations of the Utility as would be carried by a privately owned utility with similar property and performing similar functions, insofar as the properties are of an insurable nature; and in the event of loss or damage, the Issuer will use the Net Proceeds of such insurance to reconstruct or replace the damaged or destroyed property, or if such reconstruction or replacement be unnecessary, then such Net Proceeds shall be used in redeeming or paying off Outstanding Utility Indebtedness, in accordance with their call provisions. The Issuer also will carry general liability insurance in amounts not less than the then maximum liability of a governmental entity for claims arising out of a single occurrence, as provided by the State's tort claims act or other similar future law (currently $500,000.00 per occurrence). In lieu of the foregoing, the Issuer may establish a self-insurance program which will provide substantially the same protection for the Owners.

Section 805. Books, Records and Accounts. As long as any Utility Indebtedness are Outstanding, the Issuer shall keep proper and separate books of records and accounts in which complete and correct entries shall be made showing the Gross Revenues collected for services by the Utility and all sums expended in the operation thereof and all sums deposited in the Funds and Accounts above mentioned and all disbursements, transfers and transactions relating to the Utility as a whole, and to the several components of the Utility separately. The books and accounts shall be kept in accordance with generally accepted accounting principles.

The Utility shall make comparative quarterly reports to the Office of the City Manager relative to Utility incomes, Utility expenses and net income from operations. If any such quarterly report shall disclose that the Issuer will not have available the necessary funds for carrying out and complying with all of the requirements of this Resolution, then the Issuer shall within sixty (60) days proceed to cause to be charged and collected rates, fees and charges for the use and services of the Utility which will provide adequate funds to meet such requirements.

Section 806. Annual Budget. The Issuer shall prepare an Annual Budget in its customary form estimating anticipated expenditures and income and containing a statement relative to the amounts of insurance being carried and to be carried. As long as the Series 2005B Bonds are Outstanding, the Annual Budget shall contain normal budgetary items, including:

(a) An estimate of the receipts from the Utility during the next ensuing Fiscal Year.

(b) A statement of the estimated cost of operating the Utility during the next ensuing Fiscal Year.

(c) A statement of any anticipated unusual expenses for the Utility during the next Fiscal Year.

(d) A statement of any necessary replacements to the Utility which may be anticipated during the next Fiscal Year.

(e) A statement of the amount of principal and interest to be paid on Outstanding Utility Indebtedness and any General Obligation Indebtedness to be paid from Gross Revenues of the Utility during the next Fiscal Year.

(f) A statement of the total estimated expenditures to be made from the Gross Revenues of the Utility during the next Fiscal Year.

(g) A statement of the estimated Net Revenues Available for Debt Service during the next Fiscal Year.

As long as the Series 2005B Bonds are Outstanding, copies of the Annual Budget shall be mailed to the Underwriter and to the Bond Insurer, if any, within thirty (30) days after the same are received by the Issuer.

Section 807. Annual Audit. The Issuer shall annually cause an audit to be made by an Independent Accountant of the operation of the Utility, which audit shall be open to public inspection and shall be completed within six (6) months after the completion of the Fiscal Year. If the audit shall disclose that proper provision has not been made for carrying out and complying with all of the requirements of this Resolution, then the Issuer shall within sixty (60) days proceed

to cause to be charged and collected rates, fees and charges for the use of services of the Utility which will provide adequate funds to meet all such requirements.

As long as the Series 2005B Bonds are Outstanding, the audit shall include the following information:

(a) A classified statement of the Gross Revenues received, the expenditures for operation and maintenance, the expenditures for all other purposes, the net Operating Revenues and the amount of any capital expenditures made from such Operating Revenues during the year.

(b) A complete balance sheet of the Fiscal Year's operations, particularly indicating the amount of moneys set aside for the various Funds and Accounts as herein provided for.

(c) A statement showing all Outstanding Utility Indebtedness which have been called, purchased, matured or paid during the year and a statement of all interest thereon paid during the year.

(d) A statement of the number of customers served by the Utility at the end of the year.

(e) A statement of the gross amount of insurance carried on the Utility's properties, showing the names of the insurers, the expiration dates of the policies and the premiums thereon.

(f) A statement by the auditor of any recommendations suggested as to financial procedures and accounting practices employed by the Issuer.

(g) A statement of the Net Revenues Available for Debt Service of the Utility.

(h) A statement of any amounts to be deposited in the Rebate Account.

As long as the Series 2005B Bonds are Outstanding, copies of such audit shall be mailed to the Underwriter, to the Bond Insurer, if any, and to the Kansas Bank Commissioner within thirty (30) days after the same are received by the Issuer.

As soon as possible after the completion of the annual audit, the governing body of the Issuer shall review the report of such audit, and if the audit report discloses that proper provision has not been made for all of the requirements of this Bond Resolution and the Act, the Issuer will promptly cure such deficiency and will promptly proceed to modify the rates and charges to be charged for the use and services furnished by the Utility or take such other action as may be necessary to adequately provide for such requirements.

Section 808. Right of Inspection. The Owner of any Bond or such Owner's duly authorized attorney, accountant or investment counselor and, the Bond Insurer, if any, shall have the right at all reasonable times during normal business hours to inspect the any records, accounts or data relating thereto in accordance with State law.

Section 809. Performance of Duties and Covenants. The Issuer will faithfully and punctually perform all duties, covenants and obligations with respect to the operation of the Utility now or hereafter imposed upon the Issuer by the Constitution and laws of the State and by the provisions of this Bond Resolution.

Section 810. Report on Utility Condition. The Issuer shall annually cause a qualified employee of the Issuer to make an examination of and report on the condition and operations of the Utility. Not less than every three (3) years, the Issuer will cause the Consulting Engineers to make an examination and written report on the condition and operation of the Utility, such report to include recommendations as to any changes in such operation deemed desirable. Such report shall also make references to any unusual or extraordinary items of maintenance and repair and any extensions, enlargements or improvements that may be needed in the period prior to the preparation of the next consultant's report required by this Section. A copy of such report will be filed with the Clerk.

ARTICLE IX

ADDITIONAL BONDS AND OBLIGATIONS

Section 901. Prior Lien Bonds. So long as any of the Parity Bonds remain Outstanding, the Issuer will not issue any Utility Indebtedness payable out of the Gross Revenues which are superior to the Parity Indebtedness with respect to the lien on the Net Revenues.

Section 902. Parity Indebtedness. The Issuer will not issue any Utility Indebtedness which stands on a parity or equality of lien against the Net Revenues with the Parity Indebtedness unless the following conditions are met:

(a) The Issuer shall not be in default in the payment of the Debt Service Requirements on any Parity Indebtedness at the time Outstanding or in making any payment at the time required to be made into the respective Funds and Accounts created by and referred to in the Bond Resolution (unless such Utility Indebtedness is being issued to provide funds to cure such default) nor shall any other Event of Default have occurred and be continuing;

(b) The Issuer shall deliver the following:

(1) *Long-Term Indebtedness*. A certificate signed by the Issuer evidencing that the Debt Service Coverage Ratio for the two (2) Fiscal Years immediately preceding the issuance of such Utility Indebtedness, as reflected by information provided by the Independent Accountant, shall be not less than 1.20, including the Utility Indebtedness proposed to be issued. In the event that the Issuer has instituted any increase in rates for the use and services of the Utility and such increase shall not have been in effect during the full two (2) Fiscal Years immediately preceding the issuance of such proposed Utility Indebtedness, the additional Net Revenues Available for Debt Service which would have resulted from the operation of the Utility during said two (2) preceding Fiscal Years had such rate increase been in effect for the entire period may be added to the stated Net Revenues for the calculation of the Debt Service Coverage Ratio, provided that such estimated additional Net Revenues shall be determined by a Consultant.

(2) *Short-Term Indebtedness*. A certificate signed by the Issuer evidencing any ***one*** of the following:

(i) The principal amount of all Outstanding Short-Term Indebtedness does not exceed 15% of the Gross Revenues for the most recently ended Fiscal Year for which financial information is available from the Independent Accountant;

(ii) The Short-Term Indebtedness could be incurred assuming it was Long-Term Indebtedness.

(iii) There is delivered to the Issuer a certificate of a Consultant to the effect that it is such Consultant's opinion that it is reasonable to assume that the Issuer will be able to refinance such Short-Term Indebtedness prior to its Stated Maturity and the conditions are met with respect to such Short-Term Indebtedness when it is assumed that such Short-Term Indebtedness is Long-Term Indebtedness maturing over 20 years (or such shorter period as such Consultant indicates is reasonable to assume in such statement) from the date of issuance of the Short-Term Indebtedness and bears interest on the unpaid principal balance at the Index Rate and is payable on a level annual debt service basis over a 20-year period (or such shorter period as such Consultant indicates is reasonable to assume in such statement).

(3) *Interim Indebtedness.* A certificate signed by the Issuer evidencing any ***either*** of the following:

(i) The Interim Indebtedness could be incurred assuming it was Long-Term Indebtedness.

(ii) There is delivered to the Issuer a certificate of a Consultant to the effect that it is such Consultant's opinion that it is reasonable to assume that the Issuer will be able to refinance such Interim Indebtedness prior to its Stated Maturity and the conditions are met with respect to such Interim Indebtedness when it is assumed that such Interim Indebtedness is Long-Term Indebtedness maturing over 20 years (or such shorter period as such Consultant indicates is reasonable to assume in such statement) from the date of issuance of the Interim Indebtedness and bears interest on the unpaid principal balance at the Index Rate and is payable on a level annual debt service basis over a 20-year period (or such shorter period as such Consultant indicates is reasonable to assume in such statement).

(c) When the issuance of Utility Indebtedness of equal stature and priority is permitted by the laws of the State.

(d) With respect to the issuance of Additional Bonds, an additional deposit to the Bond Reserve Account shall be made to bring the Bond Reserve Account to an amount equal to the Bond Reserve Requirement.

(e) The ordinance and/or resolution authorizing such Utility Indebtedness shall contain or provide for substantially the same terms, conditions, covenants and procedures as established in the Bond Resolution.

Additional Utility Indebtedness issued under the conditions hereinbefore set forth shall stand on a parity with other Parity Indebtedness and shall enjoy complete equality or lien on and claim against the Net Revenues, and the Issuer may make equal provision for paying the Debt Service Requirements on such Utility Indebtedness out of the Revenue Fund and may likewise provide for the creation of reasonable debt service accounts and debt service reserve accounts for the payment of the Debt Service Requirements on such Utility Indebtedness and the interest thereon out of moneys in the Revenue Fund.

Section 903. Subordinate Lien Indebtedness. Nothing shall prohibit or restrict the right of the Issuer to issue Subordinate Lien Indebtedness for any lawful purpose in connection with the operation of and benefiting the Utility and to provide that the Debt Service Requirements on such

Subordinate Lien Indebtedness shall be payable out of the Net Revenues Available for Debt Service, provided at the time of the issuance of such Subordinate Lien Indebtedness the Issuer is not in default in the performance of any covenant or agreement contained in the Bond Resolution (unless such Utility Indebtedness shall be issued to cure such default and shall be junior and subordinate to the Parity Indebtedness) so that if at any time the Issuer shall be in default in paying either interest on or principal of the Parity Indebtedness, or of the Issuer is in default in payment of Current Expenses, Debt Service Requirements on Parity Indebtedness or transfers required by the Bond Resolution prior to the payment of Debt Service Requirements on Subordinate Lien Indebtedness, the Issuer shall make no payments of Debt Service Requirements on said Subordinate Lien Indebtedness until said default or defaults be cured.

Section 904. Refunding Indebtedness. The Issuer shall have the right, without complying with the provisions of ***Section 902*** hereof, to issue Refunding Indebtedness for the purpose of refunding any of the Utility Indebtedness under the provisions of any law then available, and the Refunding Indebtedness so issued shall enjoy complete equality of pledge as did the Utility Indebtedness that was refunded.

ARTICLE X

DEFAULT AND REMEDIES

Section 1001. Remedies. The Bond Resolution and all of the provisions thereof shall constitute a contract between the Issuer, the Bond Insurer and each of the Owners of Utility Indebtedness, and any such Owner may by suit, action, mandamus, injunction or other proceeding, either at law or in equity, enforce and compel performance of all duties, obligations and conditions determined and required by the Bond Resolution, subject to the limitations of hereinafter set forth; provided however, that no Owner of Subordinate Indebtedness shall have the ability to impair the rights of Owners of Parity Indebtedness. Upon the happening and continuance of any Event of Default, then and in every such case any Owner may proceed, subject to the provisions of the Bond Resolution, to protect and enforce the rights of the Owners by a suit, action or special proceeding in equity, or at law, either for the specific performance of any covenant or agreement contained therein or in aid or execution of any power therein granted or for the enforcement of any proper legal or equitable remedy as such Owner shall deem most effectual to protect and enforce such rights.

Anything in the Bond Resolution to the contrary notwithstanding, if at any time moneys in the Principal and Interest Account shall not be sufficient to pay the interest on or the principal of the Utility Indebtedness as the same shall become due and payable, such moneys, together with any moneys then available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for in this Section or otherwise, shall be applied as follows:

(a) If the principal of all the Parity Indebtedness shall not have become due and payable, all such moneys shall be applied:

first: to the payment of the persons entitled thereto of all installments of interest then due and payable in the order in which such installments became due and payable, and, if the amount available shall not be sufficient to pay in full any particular installments, then to the payment, ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Parity Indebtedness;

second: to the payment to the persons entitled thereto of the unpaid principal of any of the Parity Indebtedness which shall have become due and payable (other than Parity Indebtedness called for redemption for the payment of which moneys are held pursuant to the provisions of the Bond Resolution), in the order of their due dates, with interest on the principal amount of such Parity Indebtedness at the respective rates specified therein from the respective dates upon which such Parity Indebtedness` became due and payable, and, if the amount available shall not be sufficient to pay in full the principal of the Parity Indebtedness due and payable on any particular date, together with such interest, then to the payment first of such interest, ratably, according to the amount of such interest due on such date, and then to the payment of such principal, ratably, according to the amount of such principal due on such date, to the persons entitled thereto without any discrimination or preference; and

third: to the payment of the interest on and the principal of the Parity Indebtedness, to the purchase and retirement of the Parity Indebtedness and to the redemption of the Parity Indebtedness, all in accordance with the provisions of the Bond Resolution.

(b) If the principal of all of the Parity Indebtedness shall have become due and payable, all such moneys shall be applied:

first: to the payment to the persons entitled thereto of all installments of interest due and payable on or prior to maturity, if any, in the order in which such installments became due and payable and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Parity Indebtedness, and then to the payment of any interest due and payable after maturity on the Parity Indebtedness, ratably, to the person entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Parity Indebtedness; and

second: to the payment of the principal of the Parity Indebtedness, ratably, to the persons entitled thereto, without preference or priority of any Parity Indebtedness over any other Parity Indebtedness.

(c) If the principal of all the Subordinate Lien Indebtedness shall not have become due and payable, all such moneys shall be applied:

first: to the payment of the persons entitled thereto of all installments of interest then due and payable in the order in which such installments became due and payable, and, if the amount available shall not be sufficient to pay in full any particular installments, then to the payment, ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Subordinate Lien Indebtedness;

second: to the payment to the persons entitled thereto of the unpaid principal of any of the Subordinate Lien Indebtedness which shall have become due and payable (other than Subordinate Lien Indebtedness called for redemption for the payment of which moneys are held pursuant to the provisions of the Bond Resolution), in the order of their due dates, with interest on the principal amount of such Subordinate Lien Indebtedness at the respective rates specified therein from the respective dates upon which such

Subordinate Lien Indebtedness` became due and payable, and, if the amount available shall not be sufficient to pay in full the principal of the Subordinate Lien Indebtedness due and payable on any particular date, together with such interest, then to the payment first of such interest, ratably, according to the amount of such interest due on such date, and then to the payment of such principal, ratably, according to the amount of such principal due on such date, to the persons entitled thereto without any discrimination or preference; and

third: to the payment of the interest on and the principal of the Subordinate Lien Indebtedness, to the purchase and retirement of the Subordinate Lien Indebtedness and to the redemption of the Subordinate Lien Indebtedness, all in accordance with the provisions of the Bond Resolution.

(d) If the principal of all of the Subordinate Lien Indebtedness shall have become due and payable, all such moneys shall be applied:

first: to the payment to the persons entitled thereto of all installments of interest due and payable on or prior to maturity, if any, in the order in which such installments became due and payable and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Subordinate Lien Indebtedness, and then to the payment of any interest due and payable after maturity on the Subordinate Lien Indebtedness, ratably, to the person entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Subordinate Lien Indebtedness; and

second: to the payment of the principal of the Subordinate Lien Indebtedness, ratably, to the persons entitled thereto, without preference or priority of any Subordinate Lien Indebtedness over any other Subordinate Lien Indebtedness.

Whenever moneys are to be applied by the Issuer pursuant to the foregoing provisions, such moneys shall be applied at such times, and from time to time, as the Director of Finance, in his or her sole discretion shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future; the deposit of such moneys with the Paying Agent in trust for the proper purpose shall constitute proper application by the Issuer; and the Issuer shall incur no liability whatsoever to any Owner or to any other person for any delay in applying any such moneys, so long as the Issuer acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of this Resolution as may be applicable at the time of application by the Director of Finance. Whenever the Director of Finance shall exercise such discretion in applying such moneys, she shall fix the date (which shall be an Interest Payment Date unless she shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Director of Finance shall give such notice as she may deem appropriate of the fixing of any such date, and shall not be required to make payment to the Owner of any unpaid Utility Indebtedness until the same shall be surrendered to the Paying Agent for appropriate endorsement, or for cancellation if fully paid.

In case any proceeding taken by any Owner on account of any default shall have been discontinued or abandoned for any reason, then and in every such case the Issuer and the Owners shall be restored to their former positions and rights hereunder, respectively, and all rights and remedies of the Owners shall continue as though no such proceedings had been taken. No Owner of any of any Utility Indebtedness shall have any right in any manner whatever to affect, disturb or prejudice the security of the Bond Resolution

or to enforce any right hereunder, except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Owners of the same class of Utility Indebtedness. No remedy herein conferred on the Owners is intended to be exclusive of any other remedy or remedies, and each and every remedy conferred shall be cumulative and shall be in addition to every other remedy given hereunder and under the Act or now or hereafter existing at law or in equity or by statute. No delay or omission of any Owner to exercise any right or power accruing upon any default occurring and continuing as aforesaid shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given to the Owners may be exercised from time to time and as often as may be deemed expedient.

Section 1002. Limitation on Rights of Owners. No Owner of any Utility Indebtedness shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Bond Resolution or for the execution of any trust hereunder or for the appointment of a receiver or any other remedy hereunder, unless (a) an Event of Default shall have occurred, (b) the Owners of twenty-five percent (25%) in aggregate principal amount of same class of the Utility Indebtedness then Outstanding shall have made written request to the Issuer, shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, and (c) the Issuer shall thereafter fail or refuse to exercise the powers herein granted or to institute such action, suit or proceeding in its own name; and such notification, request and offer of indemnity are hereby declared in every case, at the option of the Issuer, to be conditions precedent to the execution of the powers and trusts of the Bond Resolution, and to any action or cause of action for the enforcement of the Bond Resolution, or for the appointment of a receiver or for any other remedy hereunder, it being understood and intended that no one or more Owners of the Utility Indebtedness shall have any right in any manner whatsoever to affect, disturb or prejudice the Bond Resolution by its, his or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the Owners of the Utility Indebtedness then Outstanding. Nothing in the Bond Resolution contained shall, however, affect or impair the right of any Owner to payment of Debt Service Requirements on any Utility Indebtedness at and after the maturity thereof or the obligation of the Issuer to pay the Debt Service Requirements on each of the Utility Indebtedness issued hereunder to the respective Owners thereof at the time, place, from the source and in the manner herein and in the Utility Indebtedness expressed.

Section 1003. Remedies Cumulative. No remedy conferred upon the Owners is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred. No waiver of any default or breach of duty or contract by the Owner of any Bond shall extend to or affect any subsequent default or breach of duty or contract or shall impair any rights or remedies thereon. If action or proceedings taken by any Owner on account of any default or to enforce any right or exercise any remedy has been discontinued or abandoned for any reason, or shall have been determined adversely to such Owner, then, and in every such case, the Issuer and the Owners shall be restored to their former positions and rights, respectively, and all rights, remedies, powers and duties of the Owners shall continue as if no such suit, action or other proceedings had been brought or taken.

Section 1004. No Obligation to Levy Taxes. Nothing contained in this Bond Resolution shall be construed as imposing on the Issuer any duty or obligation to levy any taxes either to meet any obligation incurred herein or to pay the principal of or interest on the Utility Indebtedness.

Section 1005. Control of Remedies Upon an Event of Default and Event of Insolvency. Notwithstanding anything herein to the contrary, upon the occurrence and continuance of an Event of Default, the Bond Insurer, provided the Bond Insurance Policy is in full force and effect and the Bond Insurer shall not be in default thereunder, shall be entitled to control and direct the enforcement of all rights and remedies granted to the Owners under this Bond Resolution. Any reorganization or liquidation plan with respect to the Issuer must be acceptable to the Bond Insurer. In the event of any reorganization or liquidation, the Bond Insurer shall have the right to vote on behalf of all Owners who hold the Insured Bonds insured by the Bond Insurer absent a default by the Bond Insurer under the applicable Bond Insurance Policy insuring such Insured Bonds.

ARTICLE XI

DEFEASANCE

Section 1101. Defeasance. When any or all of the Utility Indebtedness, redemption premium, if any, or scheduled interest payments thereon have been paid and discharged, then the requirements contained in the Bond Resolution and the pledge of the Gross Revenues hereunder and all other rights granted hereby shall terminate with respect to the Bonds or scheduled interest payments thereon so paid and discharged. Utility Indebtedness, redemption premium, if any, or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of the Bond Resolution if there has been deposited with the Paying Agent, or other commercial bank or trust company located in the State and having full trust powers, at or prior to the Stated Maturity or Redemption Date of said Utility Indebtedness or the interest payments thereon, in trust for and irrevocably appropriated thereto, moneys and/or Defeasance Obligations which, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the principal or Redemption Price of said Utility Indebtedness and/or interest accrued to the Stated Maturity or Redemption Date, or if default in such payment has occurred on such date, then to the date of the tender of such payments. If the amount to be so deposited is based on the Redemption Price of any Bonds, no such satisfaction shall occur until: (a) the Issuer has elected to redeem such Utility Indebtedness, and (b) either notice of such redemption has been given, or the Issuer has given irrevocable instructions, or shall have provided for an escrow agent to give irrevocable instructions, to the Bond Registrar to give such notice of redemption in compliance with the Bond Resolution. Any money and Defeasance Obligations that at any time shall be deposited with the Paying Agent or other commercial bank or trust company by or on behalf of the Issuer, for the purpose of paying and discharging any of the Utility Indebtedness, shall be and are hereby assigned, transferred and set over to the Paying Agent or other bank or trust company in trust for the respective Owners of the Utility Indebtedness, and such moneys shall be and are hereby irrevocably appropriated to the payment and discharge thereof. All money and Defeasance Obligations deposited with the Paying Agent or such bank or trust company shall be deemed to be deposited in accordance with and subject to all of the provisions of the Bond Resolution. The Issuer shall notify the Bond Insurer of any defeasance of any Insured Bonds insured by the Bond Insurer.

Notwithstanding anything in the Bond Resolution to the contrary, in the event that the principal and/or interest due on the Insured Bonds shall be paid by the Bond Insurer pursuant to the Bond Insurance Policy, the Insured Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Issuer and the covenants, agreements and other obligations of the Issuer to the Owners shall continue to exist and shall run to the benefit of the Bond Insurer, and the Bond Insurer shall be subrogated to the rights of such Owners.

ARTICLE XII

TAX COVENANTS

Section 1201. General Covenants. The Issuer covenants and agrees that it will comply with: (a) all applicable provisions of the Code necessary to maintain the exclusion from gross income for federal income tax purposes of the interest on the Series 2016A Bonds; and (b) all provisions and requirements of the Federal Tax Certificate. The Mayor and Clerk are hereby authorized and directed to execute the Federal Tax Certificate in a form approved by Bond Counsel, for and on behalf of and as the act and deed of the Issuer. The Issuer will, in addition, adopt such other ordinances or resolutions and take such other actions as may be necessary to comply with the Code and with all other applicable future laws, regulations, published rulings and judicial decisions, in order to ensure that the interest on the Series 2016A Bonds will remain excluded from federal gross income, to the extent any such actions can be taken by the Issuer.

Section 1202. Survival of Covenants. The covenants contained in this Article and in the Federal Tax Certificate shall remain in full force and effect notwithstanding the defeasance of the Series 2016A Bonds pursuant to ***Article XI*** hereof or any other provision of this Bond Resolution until such time as is set forth in the Federal Tax Certificate.

ARTICLE XIII

CONTINUING DISCLOSURE REQUIREMENTS

Section 1301. Disclosure Requirements. The Issuer hereby covenants with the Purchaser and the Beneficial Owners to provide and disseminate such information as is required by the SEC Rule and as further set forth in the Disclosure Undertaking, which are incorporated herein by reference. Such covenant shall be for the benefit of and enforceable by the Purchaser and the Beneficial Owners.

Section 1302. Failure to Comply with Continuing Disclosure Requirements. In the event the Issuer fails to comply in a timely manner with its covenants contained in the preceding section, the Purchaser and/or any Beneficial Owner may make demand for such compliance by written notice to the Issuer. In the event the Issuer does not remedy such noncompliance within 10 days of receipt of such written notice, the Purchaser or any Beneficial Owner may in its discretion, without notice or demand, proceed to enforce compliance by a suit or suits in equity for the specific performance of such covenant or agreement contained in the preceding section or for the enforcement of any other appropriate legal or equitable remedy, as the Purchaser and/or any Beneficial Owner shall deem effectual to protect and enforce any of the duties of the Issuer under such preceding section. The Purchaser or Beneficial Owner shall provide a copy of any such demand or notice to the Bond Insurer.

ARTICLE XIV

MISCELLANEOUS PROVISIONS

Section 1401. Amendments. The rights and duties of the Issuer and the Owners, and the terms and provisions of the Utility Indebtedness or of this Bond Resolution, may be amended or modified at any time in any respect by resolution of the Issuer with the written consent of the Owners of not less than a

majority in principal amount of the Utility Indebtedness then Outstanding, such consent to be evidenced by an instrument or instruments executed by such Owners and duly acknowledged or proved in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the Clerk, but no such modification or alteration shall:

(a) extend the maturity of any payment of principal or interest due upon any Utility Indebtedness;

(b) effect a reduction in the amount which the Issuer is required to pay as principal of or interest on any Utility Indebtedness;

(c) permit preference or priority of any Utility Indebtedness over any other Utility Indebtedness;

(d) reduce the percentage in principal amount of Utility Indebtedness required for the written consent to any modification or alteration of the provisions of this Bond Resolution; or

(e) permit the creation of a lien on the Revenues prior or equal to the lien of the Parity Indebtedness.

Any provision of the Utility Indebtedness or of this Bond Resolution may, however, be amended or modified by resolution duly adopted by the governing body of the Issuer at any time in any legal respect with the written consent of the Owners of all of the Utility Indebtedness at the time Outstanding.

Without notice to or the consent of any Owners, the Issuer may amend or supplement this Bond Resolution for the purpose of curing any formal defect, omission, inconsistency or ambiguity herein, to grant to or confer upon the Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners, to more precisely identify the Project, to reallocate proceeds of the Series 2016A Bonds among Projects, to provide for a Substitute Project, to conform this Bond Resolution to the Code or future applicable federal law concerning tax-exempt obligations, or in connection with any other change therein which is not materially adverse to the interests of the Owners.

Every amendment or modification of the provisions of the Utility Indebtedness or of this Bond Resolution, to which the written consent of the Owners is given, as above provided, shall be expressed in a resolution adopted by the governing body of the Issuer amending or supplementing the provisions of this Bond Resolution and shall be deemed to be a part of this Bond Resolution. A certified copy of every such amendatory or supplemental resolution, if any, and a certified copy of this Bond Resolution shall always be kept on file in the office of the Clerk, and shall be made available for inspection by the Owner of any Utility Indebtedness or a prospective purchaser or owner of any Utility Indebtedness authorized by this Bond Resolution, and upon payment of the reasonable cost of preparing the same, a certified copy of any such amendatory or supplemental resolution or of this Bond Resolution will be sent by the Clerk to any such Owner or prospective Owner.

Any and all modifications made in the manner hereinabove provided shall not become effective until there has been filed with the Clerk a copy of the resolution of the Issuer hereinabove provided for, duly certified, as well as proof of any required consent to such modification by the Bond Insurer and the Owners of the Utility Indebtedness then Outstanding. It shall not be necessary to note on any of the Outstanding Utility Indebtedness any reference to such amendment or modification.

The Issuer shall furnish to the Paying Agent a copy of any amendment to the Utility Indebtedness or this Bond Resolution which affects the duties or obligations of the Paying Agent under this Bond Resolution.

Section 1402. Notices, Consents and Other Instruments by Owners. Any notice, consent, request, direction, approval or other instrument to be signed and executed by the Owners may be in any number of concurrent writings of similar tenor and may be signed or executed by such Owners in person or by agent appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent and of the ownership of Utility Indebtedness, if made in the following manner, shall be sufficient for any of the purposes of this Bond Resolution, and shall be conclusive in favor of the Issuer and the Paying Agent with regard to any action taken, suffered or omitted under any such instrument, namely:

(a) The fact and date of the execution by any person of any such instrument may be proved by a certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such instrument acknowledged before such officer the execution thereof, or by affidavit of any witness to such execution.

(b) The fact of ownership of Utility Indebtedness, the amount or amounts, numbers and other identification of Utility Indebtedness, and the date of holding the same shall be proved by the Bond Register.

In determining whether the Owners of the requisite principal amount of Utility Indebtedness Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under this Bond Resolution, Utility Indebtedness owned by the Issuer shall be disregarded and deemed not to be Outstanding under this Bond Resolution, except that, in determining whether the Owners shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Utility Indebtedness which the Owners know to be so owned shall be so disregarded. Notwithstanding the foregoing, Utility Indebtedness so owned which have been pledged in good faith shall not be disregarded as aforesaid if the pledgee establishes to the satisfaction of the Owners the pledgee's right so to act with respect to such Utility Indebtedness and that the pledgee is not the Issuer.

Section 1403. Notices. Any notice, request, complaint, demand or other communication required or desired to be given or filed under this Bond Resolution shall be in writing, given to the Notice Representative at the Notice Address and shall be deemed duly given or filed if the same shall be: (a) duly mailed by registered or certified mail, postage prepaid; or (b) communicated via fax, with electronic or telephonic confirmation of receipt. Copies of such notices shall also be given to the Paying Agent and the Bond Insurer. The Issuer, the Paying Agent, the Bond Insurer and the Purchaser may from time to time designate, by notice given hereunder to the others of such parties, such other address to which subsequent notices, certificates or other communications shall be sent.

All notices given by: (a) certified or registered mail as aforesaid shall be deemed duly given as of the date they are so mailed; (b) fax as aforesaid shall be deemed duly given as of the date of confirmation of receipt. If, because of the temporary or permanent suspension of regular mail service or for any other reason, it is impossible or impractical to mail any notice in the manner herein provided, then such other form of notice as shall be made with the approval of the Paying Agent shall constitute a sufficient notice.

Section 1404. Inconsistent Provisions. In case any one or more of the provisions of the Series 2016A Bond Resolution or of the Utility Indebtedness issued hereunder shall for any reason be inconsistent with the provisions of the Outstanding Parity Bond Resolutions or the Parity Indebtedness: (a) the provisions of any Outstanding Parity Bond Resolution adopted prior to the Series 2016A Bond Resolution shall prevail with respect to Parity Indebtedness issued prior in

time, so long as such Parity Indebtedness is Outstanding; and (b) the provisions of the Series 2016A Bond Resolution shall prevail with respect to any Parity Bond Resolution adopted subsequent to the Series 2016A Bond Resolution, so long as any Parity Indebtedness issued under the Series 2016A Bond Resolution is Outstanding.

Section 1405. Electronic Transactions. The issuance of the Series 2016A Bonds and the transactions related thereto and described herein may be conducted and documents may be stored by electronic means.

Section 1406. Further Authority. The officers and officials of the Issuer, including the Mayor and Clerk, are hereby authorized and directed to execute all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Bond Resolution and to make ministerial alterations, changes or additions in the foregoing agreements, statements, instruments and other documents herein approved, authorized and confirmed which they may approve, and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

Section 1407. Severability. If any section or other part of this Bond Resolution, whether large or small, is for any reason held invalid, the invalidity thereof shall not affect the validity of the other provisions of this Bond Resolution.

Section 1408. Governing Law. This Bond Resolution shall be governed exclusively by and construed in accordance with the applicable laws of the State.

Section 1409. Effective Date.
This Bond Resolution shall take effect and be in full force from and after its adoption by the governing body of the Issuer.

[BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK]

ADOPTED by the City Council of the City of Wichita, Kansas, on July 19, 2016.

(SEAL)

_____
Jeff Longwell, Mayor

ATTEST:

_____
Karen Sublett, City Clerk

APPROVED AS TO FORM:

_____
Jennifer Magaña, Director
of Law and City Attorney

CERTIFICATE

I, the undersigned, hereby certify that the above and foregoing is a true and correct copy of the Resolution No. 16-200 (the "Bond Resolution") of the City of Wichita, Kansas, adopted by the Governing Body on July 19, 2016, as the same appears of record in my office, and that the Bond Resolution has not been modified, amended or repealed and is in full force and effect as of this date.

DATED: July 19, 2016.

_____
Karen Sublett, City Clerk

EXHIBIT A
(FORM OF SERIES 2016A BONDS)

REGISTERED NUMBER ___ **REGISTERED $_____**

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York Corporation ("DTC"), to the Issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

UNITED STATES OF AMERICA
STATE OF KANSAS
COUNTY OF SEDGWICK
CITY OF WICHITA
WATER AND SEWER UTILITY REVENUE BOND
SERIES 2016A

Interest Rate:	Maturity Date:	Dated Date: August 1, 2016	CUSIP:

REGISTERED OWNER:

PRINCIPAL AMOUNT:

KNOW ALL PERSONS BY THESE PRESENTS: That the City of Wichita, in the County of Sedgwick, State of Kansas (the "Issuer"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner shown above, or registered assigns, but solely from the source and in the manner herein specified, the Principal Amount shown above on the Maturity Date shown above, unless called for redemption prior to said Maturity Date, and to pay interest thereon at the Interest Rate per annum shown above (computed on the basis of a 360-day year of twelve 30-day months), from the Dated Date shown above, or from the most recent date to which interest has been paid or duly provided for, payable semiannually on April 1 and October 1 of each year, commencing April 1, 2017 (the "Interest Payment Dates"), until the Principal Amount has been paid.

Method and Place of Payment. The principal or redemption price of this Series 2016A Bond shall be paid at maturity or upon earlier redemption to the person in whose name this Series 2016A Bond is registered at the maturity or redemption date thereof, upon presentation and surrender of this Series 2016A Bond at the principal office of the Treasurer of the State of Kansas, Topeka, Kansas (the "Paying Agent" and "Bond Registrar"). The interest payable on this Series 2016A Bond on any Interest Payment Date shall be paid to the person in whose name this Series 2016A Bond is registered on the registration books maintained by the Bond Registrar at the close of business on the Record Date(s) for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding the Interest

Payment Date. Such interest shall be payable (a) by check or draft mailed by the Paying Agent to the address of such Registered Owner shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Registered Owner or, (b) in the case of an interest payment to any Registered Owner of $500,000 or more in aggregate principal amount of Series 2016A Bonds, by electronic transfer to such Registered Owner upon written notice given to the Bond Registrar by such Registered Owner, not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank, ABA routing number and account number to which such Registered Owner wishes to have such transfer directed. The principal or redemption price of and interest on the Series 2016A Bonds shall be payable in any coin or currency that, on the respective dates of payment thereof, is legal tender for the payment of public and private debts. Interest not punctually paid will be paid in the manner established in the within defined Bond Resolution.

Definitions. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the hereinafter defined Bond Resolution.

ADDITIONAL PROVISIONS OF THIS SERIES 2016A BOND ARE CONTINUED ON THE REVERSE HEREOF AND SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH AT THIS PLACE.

Authentication. This Series 2016A Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the hereinafter defined Bond Resolution until the Certificate of Authentication and Registration hereon shall have been lawfully executed by the Bond Registrar.

IT IS HEREBY DECLARED AND CERTIFIED that all acts, conditions, and things required to be done and to exist precedent to and in the issuance of this Series 2016A Bond have been properly done and performed and do exist in due and regular form and manner as required by the Constitution and laws of the State of Kansas, that the total indebtedness of the Issuer, including this series of bonds, does not exceed any constitutional or statutory limitation, and that provision has been duly made for the collection and segregation of the Gross Revenues of the Water and Sewer Utility (the "Utility") and for the application of the same as provided in the hereinafter defined Bond Resolution.

IN WITNESS WHEREOF, the Issuer has caused this Series 2016A Bond to be executed by the manual or facsimile signature of its Mayor and attested by the manual or facsimile signature of its Clerk, and its seal to be affixed hereto or imprinted hereon.

CITY OF WICHITA, KANSAS

(Facsimile Seal) _____(facsimile)_____
Mayor

ATTEST:

By _____(facsimile)_____
Clerk

JLN\600809.70416\BASICDOCS 2016A (07-14-16)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Series 2016A Bond is one of a series of Water and Sewer Utility Revenue Bonds, Series 2016A, of the City of Wichita, Kansas, described in the within-mentioned Bond Resolution.

Registration Date _____

Office of the State Treasurer,
Topeka, Kansas,
as Bond Registrar and Paying Agent

By _____

Registration Number: 0709-087-080116-___

(FORM OF REVERSESIDE OF BOND)

ADDITIONAL PROVISIONS

Authorization of Series 2016A Bonds. This Series 2016A Bond is one of an authorized series of bonds of the Issuer designated "Water and Sewer Utility Revenue Bonds, Series 2016A," aggregating the principal amount of 23,810,000 (the "Series 2016A Bonds") issued for the purposes set forth in the Ordinance of the Issuer authorizing the issuance of the Series 2016A Bonds and the Resolution of the Issuer prescribing the form and details of the Series 2016A Bonds (collectively the "Bond Resolution"). The Series 2016A Bonds are issued by the authority of and in full compliance with the provisions, restrictions and limitations of the Constitution and laws of the State of Kansas, including K.S.A. 10-620 *et seq*. and K.S.A. 10-1201 *et seq*., as amended by Charter Ordinance No. 211, all as amended, and all other provisions of the laws of the State of Kansas applicable thereto.

Special Obligations. The Series 2016A Bonds are special obligations of the Issuer payable solely from, and secured as to the payment of principal and interest by a pledge of, the Net Revenues, and the taxing power of the Issuer is not pledged to the payment of the Series 2016A Bonds either as to principal or interest. The Series 2016A Bonds shall not be or constitute a general obligation of the Issuer, nor shall they constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter provision, limitation or restriction. The Series 2016A Bonds stand on a parity and are equally and ratably secured with respect to the payment of principal and interest from the Net Revenues and in all other respects with the Outstanding Parity Bonds of the Issuer and any Parity Indebtedness to be issued. ***Under the conditions set forth in the Bond Resolution, the Issuer has the right to issue additional Utility Indebtedness payable from the same source and secured by the Net Revenues on a parity with said Net Revenues; provided, however, that such additional Utility Indebtedness may be so issued only in accordance with and subject to the covenants, conditions and restrictions relating thereto set forth in the Bond Resolution.***

The Issuer hereby covenants and agrees with the Registered Owner of this Series 2016A Bond that it will keep and perform all covenants and agreements contained in the Bond Resolution, and will fix, establish, maintain and collect such rates, fees and charges for the use and services furnished by or through the Utility, as will produce Net Revenues sufficient to pay the costs of operation and maintenance of the

Utility, pay the principal of and interest on the Series 2016A Bonds as and when the same become due, and provide reasonable and adequate reserve funds. Reference is made to the Bond Resolution for a description of the covenants and agreements made by the Issuer with respect to the collection, segregation and application of the Revenues, the nature and extent of the security for the Series 2016A Bonds, the rights, duties and obligations of the Issuer with respect thereto, and the rights of the Registered Owners thereof.

Redemption Prior to Maturity. The Series 2016A Bonds are subject to redemption prior to maturity as set forth in the Bond Resolution.

Book-Entry System. The Series 2016A Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Bond Resolution. One certificate with respect to each date on which the Series 2016A Bonds are stated to mature or with respect to each form of Series 2016A Bonds, registered in the nominee name of the Securities Depository, is being issued and required to be deposited with the Securities Depository and immobilized in its custody. The book-entry system will evidence positions held in the Series 2016A Bonds by the Securities Depository's participants, beneficial ownership of the Series 2016A Bonds in Authorized Denominations being evidenced in the records of such participants. Transfers of ownership shall be effected on the records of the Securities Depository and its participants pursuant to rules and procedures established by the Securities Depository and its participants. The Issuer and the Bond Registrar will recognize the Securities Depository nominee, while the Registered Owner of this Series 2016A Bond, as the owner of this Series 2016A Bond for all purposes, including (i) payments of principal of, and redemption premium, if any, and interest on, this Series 2016A Bond, (ii) notices and (iii) voting. Transfer of principal, interest and any redemption premium payments to participants of the Securities Depository, and transfer of principal, interest and any redemption premium payments to Beneficial Owners of the Series 2016A Bonds by participants of the Securities Depository will be the responsibility of such participants and other nominees of such Beneficial Owners. The Issuer and the Bond Registrar will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, the Securities Depository nominee, its participants or persons acting through such participants. While the Securities Depository nominee is the Owner of this Series 2016A Bond, notwithstanding the provision hereinabove contained, payments of principal of, redemption premium, if any, and interest on this Series 2016A Bond shall be made in accordance with existing arrangements among the Issuer, the Bond Registrar and the Securities Depository.

Transfer and Exchange. **EXCEPT AS OTHERWISE PROVIDED IN THE BOND RESOLUTION, THIS GLOBAL BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF THE SECURITIES DEPOSITORY OR TO A SUCCESSOR SECURITIES DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY.** This Series 2016A Bond may be transferred or exchanged, as provided in the Bond Resolution, only on the Bond Register kept for that purpose at the principal office of the Bond Registrar, upon surrender of this Series 2016A Bond together with a written instrument of transfer or authorization for exchange satisfactory to the Bond Registrar duly executed by the Registered Owner or the Registered Owner's duly authorized agent, and thereupon a new Series 2016A Bond or Series 2016A Bonds in any Authorized Denomination of the same maturity and in the same aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Bond Resolution and upon payment of the charges therein prescribed. The Issuer shall pay all costs incurred in connection with the issuance, payment and initial registration of the Series 2016A Bonds and the cost of a reasonable supply of bond blanks. The Issuer and the Paying Agent may deem and treat the person in whose name this Series 2016A Bond is registered on the Bond Register as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes. The Series 2016A Bonds are issued in fully registered form in Authorized Denominations.

LEGAL OPINION

The following is a true and correct copy of the approving legal opinion of Gilmore & Bell, P.C., Bond Counsel, which was dated and issued as of the date of original issuance and delivery of such Series 2016A Bonds:

GILMORE & BELL, P.C.
Attorneys at Law
100 N. Main Suite 800
Wichita, Kansas 67202

(PRINTED LEGAL OPINION)

BOND ASSIGNMENT

FOR VALUE RECEIVED, the undersigned do(es) hereby sell, assign and transfer to

_____
(Name and Address)

_____
(Social Security or Taxpayer Identification No.)

the Series 2016A Bond to which this assignment is affixed in the outstanding principal amount of $_____, standing in the name of the undersigned on the books of the Bond Registrar. The undersigned do(es) hereby irrevocably constitute and appoint _____ as agent to transfer said Series 2016A Bond on the books of said Bond Registrar with full power of substitution in the premises.

Dated _____

_____
Name

_____
Social Security or
Taxpayer Identification No.

_____
Signature (Sign here exactly as name(s)
appear on the face of Certificate)

Signature guarantee:

By _____

JLN\600809.70416\BASICDOCS 2016A (07-14-16)

CERTIFICATE OF CLERK

STATE OF KANSAS)
) SS.
COUNTY OF SEDGWICK)

The undersigned, Clerk of the City of Wichita, Kansas, does hereby certify that the within Series 2016A Bond has been duly registered in my office according to law as of August 1, 2016.

WITNESS my hand and official seal.

(Facsimile Seal) _____(facsimile)_____
Clerk

CERTIFICATE OF STATE TREASURER

OFFICE OF THE TREASURER, STATE OF KANSAS

RON ESTES, Treasurer of the State of Kansas, does hereby certify that a transcript of the proceedings leading up to the issuance of this Series 2016A Bond has been filed in the office of the State Treasurer, and that this Series 2016A Bond was registered in such office according to law on _____.

WITNESS my hand and official seal.

(Facsimile Seal) By: _____(facsimile)_____
Treasurer of the State of Kansas

Gilmore & Bell, P.C.
07/14/2016

REQUEST FOR DECLARATION OF EMERGENCY

REQUEST OF THE MAYOR OF THE CITY OF WICHITA, KANSAS, FOR THE DECLARATION BY THE CITY COUNCIL OF SAID CITY OF THE EXISTENCE OF A PUBLIC EMERGENCY REQUIRING THE FINAL PASSAGE OF AN ORDINANCE AS DESIGNATED BELOW.

I, JEFF LONGWELL, Mayor of the City of Wichita, Kansas, hereby request that the City Council declare that a public emergency exists requiring the final passage on the date of its introduction, to wit, July 19, 2016, of an ordinance entitled:

AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF WATER AND SEWER UTILITY REFUNDING REVENUE BONDS, SERIES 2016B, OF THE CITY OF WICHITA, KANSAS; MAKING CERTAIN COVENANTS AND AGREEMENTS TO PROVIDE FOR THE PAYMENT AND SECURITY THEREOF; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

The general nature of such public emergency is due to bond market expectations that the authorization of the issuance of the Series 2016B Bonds occur on the same date bids are received and to enable the City to deliver the Series 2016B Bonds authorized by said Ordinance on August 11, 2016.

It is, therefore, expedient at this time that the City Council find and declare that a public emergency exists by reason of the foregoing, and that the above entitled Ordinance be finally passed on the date of its introduction.

EXECUTED at Wichita, Kansas on July 19, 2016.

_____
Jeff Longwell, Mayor

(Seal)

ATTEST:

_____
Karen Sublett, City Clerk

APPROVED AS TO FORM:

_____
Jennifer Magaña, Director of Law and
City Attorney

Gilmore & Bell, P.C.
07/14/2016

EXCERPT OF MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF WICHITA, KANSAS
HELD ON JULY 19, 2016

The governing body met in regular session at the usual meeting place in the City, at 9:00 a.m., the following members being present and participating, to-wit:

Absent:

The Mayor declared that a quorum was present and called the meeting to order.

* * * * * * * * * * * * * *

(Other Proceedings)

The Director of Finance reported that pursuant to the Notice of Bond Sale heretofore duly given, bids for the purchase of Water and Sewer Utility Refunding Revenue Bonds, Series 2016B, dated August 1, 2016 (the "Series 2016B Bonds"), of the City had been received. A tabulation of said bids is set forth as ***EXHIBIT A*** hereto.

Thereupon, the governing body reviewed and considered the bids and it was found and determined that the bid of Bank of America Merrill Lynch, New York, New York, was the best bid for the Series 2016B Bonds, a copy of which is attached hereto as ***EXHIBIT B***.

MAYOR, JEFF LONGWELL moved that said bid be accepted, that the City Manager's execution of the bid form selling the 2016B Bonds to the best bidder on the basis of said bid and the terms specified in the Notice of Bond Sale be ratified, to pass an ordinance hereinafter captioned on an emergency basis pursuant to a Declaration of Emergency and to adopt a resolution hereinafter captioned:

> **AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF WATER AND SEWER UTILITY REFUNDING REVENUE BONDS, SERIES 2016B, OF THE CITY OF WICHITA, KANSAS; MAKING CERTAIN COVENANTS AND AGREEMENTS TO PROVIDE FOR THE PAYMENT AND SECURITY THEREOF; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.**
>
> **A RESOLUTION PRESCRIBING THE FORM AND DETAILS OF AND AUTHORIZING AND DIRECTING THE SALE AND DELIVERY OF WATER AND SEWER UTILITY REFUNDING REVENUE BONDS, SERIES 2016B, OF THE CITY OF WICHITA, KANSAS, PREVIOUSLY AUTHORIZED BY ORDINANCE NO. 50-295 OF THE ISSUER; MAKING CERTAIN COVENANTS AND AGREEMENTS TO PROVIDE FOR THE PAYMENT AND SECURITY THEREOF; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS CONNECTED THEREWITH.**

The motion was seconded by VICE-MAYOR LAVONTA WILLIAMS. Said motion was carried by a vote of the governing body with the vote being as follows:

Yea: _____.

Nay: _____.

Thereupon, the Mayor declared: (a) said Ordinance duly passed and numbered Ordinance No. 50-295; (b) said Resolution duly adopted and numbered Resolution No. 16-201; and (c) that the Ordinance or a summary thereof was directed to be published one time in the official newspaper of the City.

* * * * * * * * * * * * *

(Other Proceedings)

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CERTIFICATE

I hereby certify that the foregoing Excerpt of Minutes is a true and correct excerpt of the proceedings of the governing body of the City of Wichita, Kansas held on the date stated therein, and that the official minutes of such proceedings are on file in my office.

(SEAL)

_____

Karen Sublett, City Clerk

JLN\600809.70417\BASICDOCS 2016B

(Signature Page to Excerpt of Minutes)

EXHIBIT A
BID TABULATION

CITY OF WICHITA, KANSAS
WATER AND SEWER UTILITY REFUNDING REVENUE BONDS

Dated: August 1, 2016
Series 2016B
Good Faith Deposit: $2,061,100

Sale Date: July 14, 2016
10:00 a.m., C.D.T.
Max Interest Rate: 7.367%

BIDDERS

Bidder	Interest Rates		Price	Net Interest Cost	True Interest Rate
BANK OF AMERICA MERRILL LYNCH	2.00%	2017	$114,586,866.40[(b)]	$29,913,058.60[(b)]	2.3585%[(b)]
	5.00%	2018-2025			
	4.00%	2026-2027			
	3.00%	2028-2039			
HUTCHINSON, SHOCKEY, ERLEY & CO.	5.00%	2017-2024	$114,594,742.03	$30,585,822.55	2.4078%
	4.00%	2025			
	5.00%	2026			
	3.00%	2027			
	2.00%	2028			
	3.25%	2029			
	3.00%	2030			
	4.00%	2031-2032			
	2.75%	2033			
	3.00%	2034-2039			
WELLS FARGO BANK, NATIONAL ASSOCIATION	5.00%	2017-2024	$115,228,112.25	$30,953,121.08	2.4254%
	4.00%	2025-2027			
	3.00%	2028-2031			
	4.00%	2032-2033			
	3.00%	2034-2039			
MESIROW FINANCIAL, INC.	4.00%	2017-2019	$115,899,384.74	$31,213,765.26	2.4295%
	5.00%	2020-2024			
	4.00%	2025-2027			
	3.00%	2028-2031			
	4.00%	2032-2034			
	3.00%	2035-2039			

(a) *Subsequent to bid opening, the issue size decreased from $103,055,000 to $101,445,000.*

(b) *Subsequent to bid opening, the price, net interest cost, and true interest rate have changed to $112,903,348.25, $29,182,268.42, and 2.3506%, respectively.*

Public Sector Advisors

Bidder	Interest Rates		Price	Net Interest Cost	True Interest Rate
J.P. MORGAN SECURITIES LLC	5.00%	2017-2024	$115,968,838.85	$31,502,377.82	2.4362%
HILLTOP SECURITIES	4.00%	2025-2026			
ESTRADA HINOJOSA & COMPANY, INC.	2.00%	2027-2028			
ACADEMY SECURITIES, INC.	3.00%	2029-2031			
INTERCOASTAL CAPITAL MARKETS INC.	4.00%	2032-2039			
RAYMOND JAMES & ASSOCIATES, INC.	5.00%	2017-2024	$116,989,793.85	$31,746,606.15	2.4435%
	4.00%	2025-2027			
	2.00%	2028			
	3.00%	2029-2031			
	4.00%	2032-2039			
ROBERT W. BAIRD & COMPANY	2.00%	2017	$117,793,014.50	$32,234,693.83	2.4825%
INCORPORATED	5.00%	2018-2024			
C.L. KING & ASSOCIATES	4.00%	2025-2026			
CRONIN & CO.	5.00%	2027			
ROSS, SINCLAIRE & ASSOCIATES, LLC	2.50%	2028			
EDWARD D. JONES & COMPANY	4.00%	2029-2034			
WNJ CAPITAL	3.00%	2035-2039			
COASTAL SECURITIES, INC.					
FIDELITY CAPITAL MARKETS					
CREWS & ASSOCIATES, INC.					
SAMCO CAPITAL MARKETS					
LOOP CAPITAL MARKETS					
VINING-SPARKS IBG, LIMITED PARTNERSHIP					
COUNTRY CLUB BANK					
GEORGE K. BAUM & COMPANY					
DUNCAN-WILLIAMS, INC.					
DAVENPORT & CO. LLC					
NORTHLAND SECURITIES, INC.					
R. SEELAUS & COMPANY., INC.					
BERNARDI SECURITIES, INC.					
SUMRIDGE PARTNERS					
OPPENHEIMER & CO.					
SIERRA PACIFIC SECURITIES					
CENTRAL STATES CAPITAL MARKETS					
COMMERCE BANK, N.A.					
ISAAK BOND INVESTMENTS, INC.					
BANK OF NEW YORK MELLON CAPITAL MARKETS					
ALAMO CAPITAL WMBE					
WAYNE HUMMER & CO.					
WEDBUSH SECURITIES INC.					
UMB BANK, N.A.					
IFS SECURITIES					
VALDES AND MORENO					
FIRST EMPIRE SECURITIES					
RAFFERTY CAPITAL MARKETS					
MIDLAND SECURITIES					
DOUGHERTY & COMPANY, LLC					
RBC CAPITAL MARKETS					
J.J.B. HILLIARD, W.L. LYONS, LLC					
FMS BONDS INC.					
FIRST KENTUCKY SECURITIES CORP.					

EXHIBIT B

(BID OF PURCHASER)

PARITY

Bank of America Merrill Lynch - New York, NY's Bid
City of Wichita, Kansas
~~$103,055,000~~ $101,445,000 Water and Sewer Utility Refunding Revenue Bonds, Series 2016B

For the aggregate principal amount of ~~$103,055,000.00~~ $101,445,000.00, we will pay you ~~$114,586,866.40~~ $112,903,348.25, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount $	Coupon %	Yield %	Dollar Price	Bond Insurance
10/01/2017	~~3,130M~~ 3,105M	2.0000	0.6500	101.529	
10/01/2018	~~3,250M~~ 3,235M	5.0000	0.7200	109.067	
10/01/2019	~~3,365M~~ 3,350M	5.0000	0.8200	112.925	
10/01/2020	~~4,655M~~ 4,645M	5.0000	0.9500	116.397	
10/01/2021	~~4,775M~~ 4,765M	5.0000	1.1100	119.377	
10/01/2022	~~4,910M~~ 4,890M	5.0000	1.2900	121.827	
10/01/2023	~~5,045M~~ 5,035M	5.0000	1.3800	124.528	
10/01/2024	~~5,190M~~ 5,170M	5.0000	1.5200	126.544	
10/01/2025	~~5,340M~~ 5,320M	5.0000	1.6100	128.700	
10/01/2026	~~5,495M~~ 5,480M	4.0000	1.7500	120.818	
10/01/2027	~~5,665M~~ 5,590M	4.0000	1.9000	119.281	
10/01/2028	~~5,750M~~ 5,700M	3.0000	2.1500	107.704	
10/01/2029	~~5,850M~~ 5,765M	3.0000	2.3400	105.924	
10/01/2030	~~5,940M~~ 5,830M	3.0000	2.4700	104.726	
10/01/2031	~~6,040M~~ 5,895M	3.0000	2.6300	103.272	
10/01/2032	~~6,140M~~ 5,970M	3.0000	2.7000	102.643	
10/01/2033	~~6,225M~~ 6,045M	3.0000	2.7500	102.196	
10/01/2034	~~6,305M~~ 6,115M	3.0000	2.8000	101.752	
10/01/2035					
10/01/2036					
10/01/2037					
10/01/2038					
10/01/2039	~~9,985M~~ 9,540M	3.0000	2.9500	100.433	

Total Interest Cost:	~~$41,444,925.00~~	$40,640,616.67
Premium:	~~$11,531,866.40~~	$11,458,348.25
Net Interest Cost:	~~$29,913,058.60~~	$29,182,268.42
TIC:	~~2.3585778%~~	2.3506064%

Time Last Bid Received On: 07/14/2016 9:59:13 CDST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: Bank of America Merrill Lynch, New York, NY
Contact: David Andersen
Title: Managing Director
Telephone: 212-449-5081
Fax: 212-449-3733

Issuer Name: City of Wichita, KS
Accepted By: Arthur Holdeman
Date: July 14, 2016

Company Name: Bank of America Merrill Lynch
Accepted By:
Date: July 14, 2016

Gilmore & Bell, P.C.
07/14/2016

ORDINANCE NO. 50-295

OF

THE CITY OF WICHITA, KANSAS

PASSED

JULY 19, 2016

WATER AND SEWER UTILITY REFUNDING REVENUE BONDS
SERIES 2016B

ORDINANCE NO. 50-295

AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF WATER AND SEWER UTILITY REFUNDING REVENUE BONDS, SERIES 2016B, OF THE CITY OF WICHITA, KANSAS; MAKING CERTAIN COVENANTS AND AGREEMENTS TO PROVIDE FOR THE PAYMENT AND SECURITY THEREOF; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

WHEREAS, the City of Wichita, Kansas (the "City") is a city of the first class, duly created, organized and existing under the Constitution and laws of the State; and

WHEREAS, the City Council (the "Governing Body") of the City has heretofore by Ordinance No. 39-888, adopted May 26, 1987, and published in the official newspaper of the City on May 29, 1987, as required by law, authorized the combining of the City-owned and operated municipal water utility and municipal sewer utility thereby creating the "City of Wichita, Kansas Water and Sewer Utility" (the "Utility"); and

WHEREAS, the City is authorized under the provisions of the Act, to issue and sell revenue bonds for the purpose of paying all or part of the cost of the acquisition, construction, reconstruction, alteration, repair, improvement, extension or enlargement of the Utility, provided that the principal of and interest on such revenue bonds shall be payable solely from the Net Revenues derived by the City from the operation of the Utility; and

WHEREAS, the City heretofore issued and has Outstanding several series of revenue bonds payable from the net revenues of the Utility and is authorized by K.S.A. 10-116a to issue refunding revenue bonds of the City for the purpose of refunding a portion of said revenue bonds hereinafter described (collectively, the "Refunding Bonds"); and

WHEREAS, in order to achieve interest cost savings through early redemption of the Refunded Bonds, to reduce debt service requirements of the City for certain years and to provide an orderly plan of finance for the City, it has become desirable and in the best interest of the City and the Utility to refund the Refunded Bonds; and

WHEREAS, other than the Outstanding Parity Bonds, the City does not have outstanding any bonds payable from the Net Revenues of the Utility; and

WHEREAS, the Governing Body hereby finds and determines that each and all of the conditions precedent to the issuance of additional Revenue bonds on a parity with and co-equal in priority and lien to the existing revenue bond indebtedness of the Utility have, or can and will be satisfied prior to or upon the issuance of such additional revenue bonds; and

WHEREAS, the Governing Body hereby finds it necessary and desirable to provide for the issuance and delivery of the Series 2016B Bonds payable from Net Revenues of the Utility and to authorize and provide for the execution and delivery of certain agreements and supporting documents.

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

Section 1. Definitions of Words and Terms. In addition to words and terms defined elsewhere herein or in the Outstanding Parity Bond Resolutions, the following words and terms in this Ordinance shall have the meanings hereinafter set forth. Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

"Act" means the Constitution and statutes of the State including K.S.A. 10-101 to 10-125, inclusive, specifically including K.S.A. 10-116a, K.S.A. 10-620 *et seq*. and K.S.A. 10-1201 *et seq*., as amended by Charter Ordinance No. 211, all as amended and supplemented from time to time.

"Additional Bonds" means any bonds secured by the Revenues hereafter issued pursuant to the Bond Resolution.

"Additional Indebtedness" means, collectively, Additional Bonds and Additional Obligations.

"Additional Obligations" means any leases or other obligations of the Issuer payable from the Revenues, other than the Bonds.

"Bond Reserve Account" means the Water and Sewer Utility Bond Service Reserve Account.

"Bond Resolution" means collectively the Outstanding Parity Bond Resolutions, the Series 2016A Bond Resolution, the Series 2016B Bond Resolution and any supplemental resolution authorizing any Additional Indebtedness.

"Bonds" means, collectively, Outstanding Parity Bonds, the Series 2016A Bonds, the Series 2016B Bonds and any Additional Bonds.

"City" means the City of Wichita, Kansas.

"Clerk" means the duly appointed and acting Clerk of the City or, in the Clerk's absence, the duly appointed Deputy, Assistant or Acting Clerk.

"Current Expenses" means, as applied to either component of the Utility, the Issuer's reasonable and necessary current expenses of operation, repair and maintenance, and shall include, without limiting the generality of the foregoing, (a) all ordinary and usual expenses of maintenance, repair and operation, which may include expenses not annually recurring, (b) all administrative expenses, (c) any reasonable payments to pension or retirement funds properly chargeable to each component of the Utility, (d) insurance premiums, (e) engineering expenses relating to operation, repair and maintenance, (f) legal expenses, (g) any lawful fiscal agency commissions and expenses in connection with the payment of the principal of and the interest and any redemption premium on Outstanding Bonds, (h) any taxes which may be lawfully imposed on either component of the Utility or the income therefrom and reserves for such taxes, (i) the expenses of collecting rates, fees and charges for the use of and for the services furnished or to be furnished by the Utility, (j) if required by law, the payment of the principal of and the interest on outstanding bonds and other obligations heretofore issued by the Issuer or by improvement districts heretofore annexed by the City to pay the cost of any portion of the Utility to the extent that the special assessments and taxes pledged for the payment of such principal and interest shall be insufficient for such purposes and to the extent that such payment shall not be made from the Improvement Account, and (k) any other expenses required to be paid by the Issuer under the provisions of this Resolution or by law. "Current Expenses" shall ***not*** include any reserves for extraordinary maintenance or repair, or any allowance for depreciation, the Payment to the City, or any deposits or transfers to the credit of the

Principal and Interest Account, the Bond Reserve Account, the Depreciation and Replacement Account or the Improvement Account.

"Depreciation and Replacement Account" means the Water and Sewer Utility Depreciation and Replacement Account.

"Fiscal Year means the twelve month period ending on December 31.

"Governing Body" means the duly elected and/or appointed and acting persons comprising the City Council of the Issuer.

"Gross Revenues" means all income and revenues derived and collected by the Issuer from the operation of the Utility, including investment and rental income, net proceeds from business interruption insurance and any amounts deposited in escrow in connection with the acquisition, construction, remodeling, renovation and equipping of facilities to be applied during the period of determination to pay interest on Utility Indebtedness, but excluding non-cash contributions capital contributions, any profits or losses on the early extinguishment of debt or on the sale or other disposition, not in the ordinary course of business, of investments or fixed or capital assets.

"Improvement Account" means the Water and Sewer Utility Improvement Account.

"Issuer" means the City and any successors or assigns.

"Mayor" means the duly elected and acting Mayor or, in the Mayor's absence, the duly appointed and/or elected Vice Mayor or Acting Mayor of the City.

"Net Revenues" means, for the period of determination, the amount of the excess of Gross Revenues deposited to the credit of the Revenue Fund, over the Current Expenses of the respective components of the Utility paid from the Revenue Fund during such period; such amount specifically excluding Debt Service Requirements paid, depreciation, amortization and capital expenditures for improvements to the Utility.

"Ordinance" means this Ordinance authorizing the issuance of the Bonds.

"Outstanding Parity Bonds" means the Outstanding Series 2005B Bonds, Series 2009B Bonds, Series 2010 Bonds, Series 2011A Bonds, Series 2012A Bonds, Series 2014A Bonds, Series 2015B Bonds, Series 2015C Bonds and Series 2015D Bonds.

"Outstanding Parity Bond Resolution" means the ordinances and resolutions authorizing the issuance of the Outstanding Parity Bonds.

"Parity Bonds" means the Outstanding Parity Bonds, the Series 2016A Bonds, the Series 2016B Bonds and any Additional Bonds hereafter issued or incurred pursuant to the Bond Resolution and standing on a parity and equality with the Series 2016A Bonds with respect to the Net Revenues.

"Parity Indebtedness" means, collectively, the Parity Bonds and Parity Obligations.

"Parity Obligations" means any Additional Obligations hereafter issued or incurred pursuant to the Bond Resolution and standing on a parity and equality with the Parity Bonds with respect to the lien on the Net Revenues.

"Payment to the City" shall mean the payment to the City's general fund as a payment for operation of the Utility. The amount of the annual Payment to the City shall be governed by the terms of such ordinances of the City which are then in effect with respect to the then outstanding Utility Indebtedness.

"Project" shall mean, collectively, the repairs, alterations, extensions, reconstructions, enlargements or improvements to the Utility referred to in the Preamble hereto and any Substitute Project.

"Refunded Bonds" means the Series 2009A Bonds maturing in the years 2016 to 2039, inclusive, in the aggregate principal amount of $104,235,000.

"Series 2005B Bonds" means the Issuer's Water and Sewer Utility Refunding Revenue Bonds, Series 2005B, dated August 17, 2005.

"Series 2009 Bonds" means, collectively, the Series 2009A Bonds and the Series 2009B Bonds.

"Series 2009A Bonds" means the Issuer's Water and Sewer Utility Revenue Bonds, Series 2009A, dated June 30, 2009.

"Series 2009B Bonds" means the Issuer's Water and Sewer Utility Revenue Bonds, Series 2009B (Taxable Under Federal Law), dated June 30, 2009.

"Series 2010 Bonds" means, collectively, the Series 2010A Bonds and the Series 2010B Bonds.

"Series 2010A Bonds" means the Issuer's Water and Sewer Utility Revenue Bonds, Series 2010A, dated October 15, 2010.

"Series 2010B Bonds" means the Issuer's Water and Sewer Utility Revenue Bonds, Series 2010B (Taxable Under Federal Law), dated October 15, 2010.

"Series 2011A Bonds" means the Issuer's Water and Sewer Utility Refunding Revenue Bonds, Series 2011A, dated November 17, 2011.

"Series 2012A Bonds" mean the Issuer's Water and Sewer Utility Revenue Bonds, Series 2012A, dated May 1, 2012.

"Series 2014A Bonds" means the Issuer's Water and Sewer Utility Refunding Revenue Bonds, Series 2014A, dated August 1, 2014.

"Series 2014B Bonds" means the Issuer's Water and Sewer Utility Revenue Bonds, Series 2014B, dated December 1, 2014.

"Series 2015B Bonds" means the Issuer's Water and Sewer Utility Refunding Revenue Bonds, Series 2015B, dated April 1, 2015.

"Series 2015C Bonds" means the Issuer's Water and Sewer Utility Revenue Bonds, Series 2015C, dated August 1, 2016.

"Series 2015D Bonds" means the Issuer's Water and Sewer Utility Refunding Revenue Bonds, Series 2015D, dated November 1, 2015.

"Series 2016A Bonds" means the Issuer's Water and Sewer Utility Revenue Bonds, Series 2016A, dated August 1, 2016.

"Series 2016B Bond Reserve Subaccount" shall mean the Water and Sewer Utility Refunding Revenue Bonds, Series 2016B, Bond Reserve Subaccount created within the Bond Reserve Account.

"Series 2016B Bonds" means the Issuer's Water and Sewer Utility Refunding Revenue Bonds, Series 2016B, dated August 1, 2016, authorized by this Ordinance.

"State" means the State of Kansas.

"**Substitute Project**" means a substitute or additional project of the Utility authorized in the manner set forth in the Bond Resolution.

"Utility" shall mean the combined City of Wichita, Kansas Water Utility and Sewer Utility, and any improvements, extensions and enlargements thereto hereafter constructed or acquired.

"Utility Indebtedness" means collectively the Bonds and any Additional Obligations which are secured by an interest in, the Gross Revenues.

Section 2. Authorization of the Series 2016B Bonds. There shall be issued and hereby are authorized and directed to be issued the Water and Sewer Utility Refunding Revenue Bonds, Series 2016B, of the City in the principal amount of $101,445,000, for the purpose of providing a portion of the funds to: (a) refund the Refunded Bonds; (b) make a deposit to the Series 2016B Bond Reserve Subaccount; and (c) pay costs of issuance of the Series 2016B Bonds.

Section 3. Security for the Series 2016B Bonds. The Series 2016B Bonds shall be special obligations of the City payable solely from, and secured as to the payment of principal and interest by a pledge of, the Net Revenues, and the City hereby pledges said Net Revenues to the payment of the principal of and interest on the Series 2016B Bonds. The Series 2016B Bonds shall not be or constitute a general obligation of the City, nor shall they constitute an indebtedness of the City within the meaning of any constitutional, statutory or charter provision, limitation or restriction, and the taxing power of the City is not pledged to the payment of the Series 2016B Bonds, either as to principal or interest.

The covenants and agreements of the City contained herein and in the Series 2016B Bonds shall be for the equal benefit, protection and security of the legal owners of any or all of the Series 2016B Bonds, all of which Series 2016B Bonds shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the funds herein pledged to the payment of the principal of and the interest on the Series 2016B Bonds, or otherwise, except as to rate of interest, date of maturity and right of prior redemption as provided in this Ordinance. The Series 2016B Bonds shall stand on a parity and be equally and ratably secured with respect to the payment of principal and interest from the Net Revenues with any Parity Indebtedness. The Series 2016B Bonds shall not have any priority with respect to the payment of principal or interest from said Net Revenues or otherwise over the Parity Indebtedness; and the Parity Indebtedness shall not have any priority with respect to the payment of principal or interest from said Net Revenues or otherwise over the Series 2016B Bonds.

Section 4. Terms, Details and Conditions of the Series 2016B Bonds. The Series 2016B Bonds shall be dated and bear interest, shall mature and be payable at such times, shall be in such forms, shall be subject to redemption and payment prior to the maturity thereof, and shall be issued and delivered in the

manner prescribed and subject to the provisions, covenants and agreements set forth in the Bond Resolution hereafter adopted by the governing body of the City.

Section 5. Rate Covenant. The City will fix, establish, maintain and collect such rates, fees and charges for the use and services furnished by or through the Utility, including all repairs, alterations, extensions, reconstructions, enlargements or improvements thereto hereafter constructed or acquired by the City, as will produce Gross Revenues sufficient to (a) pay Current Expenses; (b) pay the principal of and interest on the Utility Indebtedness as and when the same become due; and (c) provide reasonable and adequate reserves for the payment of the Parity Bonds and the interest thereon and for the protection and benefit of the Utility as provided in this Ordinance and the Bond Resolution. The Bond Resolution may establish requirements in excess of the requirements set forth herein.

Section 6. Further Authority. The Mayor, City Manager, Director of Finance, City Clerk and other City officials are hereby further authorized and directed to execute any and all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of the Ordinance to make alterations, changes or additions in the foregoing agreements, statements, instruments and other documents herein approved, authorized and confirmed which they may approve and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

Section 7. Governing Law. This Ordinance and the Series 2016B Bonds shall be governed exclusively by and construed in accordance with the applicable laws of the State.

Section 8. Effective Date. This Ordinance shall take effect and be in full force from and after its passage by the governing body of the City and publication in the official City newspaper.

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PASSED by the City Council of the City of Wichita, Kansas, on July 19, 2016.

(SEAL)

_____
Jeff Longwell, Mayor

ATTEST:

_____
Karen Sublett, City Clerk

APPROVED AS TO FORM:

_____
Jennifer Magaña, Director of Law and
City Attorney

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CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of the original ordinance; that said Ordinance was passed on July 19, 2016; that the record of the final vote on its passage is found on page ____ of journal ____; and that the Ordinance or a summary thereof was published in ***The Wichita Eagle*** on July 22, 2016.

DATED: July 22, 2016.

_____
Karen Sublett, City Clerk

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(PUBLISHED IN ***THE WICHITA EAGLE*** ON JULY 22, 2016)

SUMMARY OF ORDINANCE NO. 50-295

On July 19, 2016, the governing body of the City of Wichita, Kansas passed an ordinance entitled:

AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF WATER AND SEWER UTILITY REFUNDING REVENUE BONDS, SERIES 2016B, OF THE CITY OF WICHITA, KANSAS; MAKING CERTAIN COVENANTS AND AGREEMENTS TO PROVIDE FOR THE PAYMENT AND SECURITY THEREOF; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

The Series 2016B Bonds approved by the Ordinance are being issued in the principal amount of $101,445,000, to refund previously issued revenue bonds issued to finance improvements to the Water and Sewer Utility of the City (the "Utility"), and constitute special obligations of the City payable solely from, and secured as to the payment of principal and interest by a pledge of, the Net Revenues derived by the City from the operation of the Utility. A complete text of the Ordinance may be obtained or viewed free of charge at the office of the City Clerk, 13th Floor, City Hall, 455 North Main, Wichita, Kansas 67202-1679. A reproduction of the Ordinance is available for not less than 7 days following the publication date of this Summary at www.wichita.gov.

This Summary is hereby certified to be legally accurate and sufficient pursuant to the laws of the State of Kansas.

DATED: July 19, 2016.

/s/ Jennifer Magaña
Jennifer Magaña, Director of Law
and City Attorney

JLN\600809.70417\BASICDOCS 2016B

Gilmore & Bell, P.C.
07/14/2016

RESOLUTION NO. 16-201

OF

THE CITY OF WICHITA, KANSAS

ADOPTED

JULY 19, 2016

$101,445,000
WATER AND SEWER UTILITY REFUNDING REVENUE BONDS
SERIES 2016B

JLN\600809.70417\BASICDOCS 2016B (07-14-16)

TABLE OF CONTENTS

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EXHIBIT A – FORM OF SERIES 2016B BONDS A-1

RESOLUTION NO. 16-201

A RESOLUTION PRESCRIBING THE FORM AND DETAILS OF AND AUTHORIZING AND DIRECTING THE SALE AND DELIVERY OF WATER AND SEWER UTILITY REFUNDING REVENUE BONDS, SERIES 2016B, OF THE CITY OF WICHITA, KANSAS, PREVIOUSLY AUTHORIZED BY ORDINANCE NO. 50-295 OF THE ISSUER; MAKING CERTAIN COVENANTS AND AGREEMENTS TO PROVIDE FOR THE PAYMENT AND SECURITY THEREOF; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS CONNECTED THEREWITH.

WHEREAS, the Issuer has heretofore passed the Ordinance authorizing the issuance of the Series 2016B Bonds; and

WHEREAS, the Ordinance authorized the governing body of the Issuer to adopt a resolution prescribing certain details and conditions and to make certain covenants with respect to the issuance of the Series 2016B Bonds; and

WHEREAS, in order to provide for the payment of the Refunded Bonds it is desirable to enter into an Escrow Trust Agreement, by and between the Issuer and the Escrow Agent.

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

ARTICLE I

DEFINITIONS

Section 101. Definitions of Words and Terms. In addition to words and terms defined elsewhere herein and in the Outstanding Parity Bond Resolutions, the following words and terms as used in this Bond Resolution shall have the meanings hereinafter set forth. Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

"Act" means the Constitution and statutes of the State including K.S.A. 10-101 to 10-125, inclusive, specifically including K.S.A. 10-116a, K.S.A. 10-620 *et seq*. and K.S.A. 10-1201 *et seq*., as amended by Charter Ordinance No. 211, all as amended and supplemented from time to time.

"Additional Bonds" means any bonds secured by the Gross Revenues hereafter issued pursuant to the Bond Resolution; provided that any General Obligation Indebtedness shall not constitute Additional Bonds.

"Additional Obligations" means any leases or other obligations of the Issuer payable from the Gross Revenues, other than the Bonds.

"Annual Budget" means with respect to the Utility, the City's budget of estimated receipts and expenditures on account of all Funds and Accounts created under the provisions of the Bond Resolution,

including a budget of Current Expenses, for any Fiscal Year and adopted pursuant to the provisions of ***Section 806*** of the Bond Resolution.

"Assured Guaranty" means Assured Guaranty Corp., a Maryland corporation, or any successor thereto.

"Authorized Denomination" means $5,000 or any integral multiples thereof.

"Authorized Investments" shall mean, as long as the Series 2005B Bonds are Outstanding, any of the following securities, and to the extent the same are at the time permitted for investment of funds held by the Issuer pursuant to the Bond Resolution:

(a) obligations of any of the following Federal agencies which obligations represent the full faith and credit of the United States of America, including:

- Export - Import Bank
- Farmers Home Administration
- General Services Administration
- U.S. Maritime Administration
- Small Business Administration
- Government National Mortgage Association (GNMA)
- U.S. Department of Housing & Urban Development (PHA's)
- Federal Housing Administration;

(b) bonds, notes or other evidences of indebtedness rated *"AA "* by Standard & Poor's, and *"Aa2"* by Moody's issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with remaining maturities not exceeding three years;

(c) investments in shares or units of a money market fund or trust, the portfolio of which is comprised entirely of securities in direct obligations of the United States Government or any agency thereof or obligations of the Federal National Mortgage Association, Federal Home Loan Banks or Federal Home Loan Mortgage Corporation;

(d) Pre-refunded Municipal Obligations defined as follows: Any bonds or other obligations of the State or of any agency, instrumentality or local governmental unit of the State which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and (1) which are rated, based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of S&P and Moody's, or any successors thereto; or (2) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph (1) above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to above, as appropriate;

(e) investment agreements with or other obligations of a financial institution the obligations of which at the time of investment are rated in either of the three highest rating categories by Moody's or Standard &Poor’s

(f) Repurchase agreements secured by direct obligations of the United States Government or any agency thereof or obligations of the Federal National Mortgage Association, Federal Home Loan Banks or Federal Home Loan Mortgage Corporation; and

(g) Receipts evidencing ownership interests in securities or portions thereof in direct obligations of the United States Government or any agency thereof or obligations of the Federal National Mortgage Association, Federal Home Loan Banks or Federal Home Loan Mortgage Corporation.

and thereafter shall mean the investments hereinafter described, provided, however, no moneys or funds shall be invested in a Derivative:

(a) investments authorized by K.S.A. 12-1675 and amendments thereto;

(b) the municipal investment pool established pursuant to K.S.A. 12-1677a, and amendments thereto;

(c) direct obligations of the United States Government or any agency thereof;

(d) the Issuer's temporary notes issued pursuant to K.S.A. 10-123 and amendments thereto;

(e) interest-bearing time deposits in commercial banks or trust companies located in the county or counties in which the Issuer is located which are insured by the Federal Deposit Insurance Corporation or collateralized by securities described in (c);

(f) obligations of the federal national mortgage association, federal home loan banks or the federal home loan mortgage corporation;

(g) repurchase agreements for securities described in (c) or (f);

(h) investment agreements or other obligations of a financial institution the obligations of which at the time of investment are rated in either of the three highest rating categories by Moody's or Standard & Poor's;

(i) investments and shares or units of a money market fund or trust, the portfolio of which is comprised entirely of securities described in (c) or (f);

(j) receipts evidencing ownership interests in securities or portions thereof described in (c) or (f);

(k) municipal bonds or other obligations issued by any municipality of the State as defined in K.S.A. 10-1101 which are general obligations of the municipality issuing the same;

(l) bonds of any municipality of the State as defined in K.S.A. 10-1101 which have been refunded in advance of their maturity and are fully secured as to payment of principal and

interest thereon by deposit in trust, under escrow agreement with a bank, of securities described in (c) or (f); or

(m) other investment obligations authorized by the laws of the State and approved in writing by the Bond Insurer, all as may be further restricted or modified by amendments to applicable State law.

"Balloon Indebtedness" means Long-Term Indebtedness, 25% or more of the original principal amount of which becomes due (either by maturity or mandatory redemption) during any consecutive twelve-month period, if such principal amount becoming due is not required to be amortized below such percentage by mandatory redemption or prepayment prior to such twelve-month period.

"Beneficial Owner" of Bonds includes any Owner of Bonds and any other Person who, directly or indirectly has the investment power with respect to any such Bonds.

"Bond Counsel" means the firm of Gilmore & Bell, P.C., or any other attorney or firm of attorneys whose expertise in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized and acceptable to the Issuer.

"Bond Insurance Policy" means the municipal bond insurance policy or financial guaranty insurance policy issued by the Bond Insurer concurrently with the delivery of any Utility Indebtedness guaranteeing the scheduled payment when due of the principal of and interest on such Utility Indebtedness.

"Bond Insurer" means: (a) FGIC with respect to the Series 2005B Bonds; and (b) with respect to Additional Indebtedness, the entity set forth in the supplemental resolution authorizing the Additional Indebtedness.

"Bond Payment Date" means any date on which principal of or interest on any Bond is payable.

"Bond Register" means the books for the registration, transfer and exchange of Bonds kept at the office of the Bond Registrar.

"Bond Registrar" means: (a) with respect to the Series 2016B Bonds, the State Treasurer, and its successors and assigns; and (b) with respect to Additional Bonds, the entity designated as Bond Registrar in the supplemental resolution authorizing such Additional Bonds.

"Bond Reserve Account" means the Water and Sewer Utility Bond Service Reserve Account.

"Bond Reserve Requirement" means, collectively, the bond reserve requirement for each series of Outstanding Parity Bonds, the Series 2016B Bond Reserve Requirement and any bond reserve requirement for any subsequent series of Parity Bonds.

"Bond Resolution" means collectively the Outstanding Parity Bond Resolutions, the Series 2016A Bond Resolution, the Series 2016B Bond Resolution and any supplemental resolution authorizing any Additional Indebtedness.

"Bonds" means, collectively, Outstanding Parity Bonds, the Series 2016A Bonds, the Series 2016B Bonds and any Additional Bonds.

"Business Day" means a day other than a Saturday, Sunday or any day designated as a holiday by the Congress of the United States or by the Legislature of the State and on which the Paying Agent is scheduled in the normal course of its operations to be open to the public for conduct of its operations.

"Cede & Co." means Cede & Co., as nominee of DTC and any successor nominee of DTC.

"City" means the City of Wichita, Kansas.

"City Manager" means the duly appointed and acting City Manager of the Issuer or, in the Manager's absence, the duly appointed Deputy, Assistant or Acting City Manager of the Issuer.

"Clerk" means the duly appointed and/or elected Clerk or, in the Clerk's absence, the duly appointed Deputy Clerk or Acting Clerk of the Issuer.

"Code" means the Internal Revenue Code of 1986, as amended, and the applicable regulations promulgated thereunder by the United States Department of the Treasury.

"**Consultant**" means the Consulting Engineer, the Independent Accountant or an independent consultant qualified and having a favorable reputation for skill and experience in financial affairs selected by the Issuer for the purpose of carrying out the duties imposed on the Consultant by the Bond Resolution.

"Consulting Engineer" means an independent engineer or engineering firm or architect or architectural firm, having a favorable reputation for skill and experience in the construction, financing and operation of public utilities, at the time employed by the Issuer for the purpose of carrying out the duties imposed on the Consulting Engineer by the Bond Resolution.

"Costs of Issuance" means all costs of issuing any series of Bonds, including all publication, printing, signing and mailing expenses in connection therewith, registration fees, financial advisory fees, all legal fees and expenses of Bond Counsel and other legal counsel, expenses incurred in connection with compliance with the Code, all expenses incurred in connection with receiving financial ratings on any series of Bonds, and any premiums or expenses incurred in obtaining any credit enhancement.

"Costs of Issuance Account" means Costs of Issuance Account for Water and Sewer Utility Refunding Revenue Bonds, Series 2016B.

"Current Expenses" means, as applied to either component of the Utility, the Issuer's reasonable and necessary current expenses of operation, repair and maintenance, and shall include, without limiting the generality of the foregoing, (a) all ordinary and usual expenses of maintenance, repair and operation, which may include expenses not annually recurring, (b) all administrative expenses, (c) any reasonable payments to pension or retirement funds properly chargeable to each component of the Utility, (d) insurance premiums, (e) engineering expenses relating to operation, repair and maintenance, (f) legal expenses, (g) any lawful fiscal agency commissions and expenses in connection with the payment of the principal of and the interest and any redemption premium on Outstanding Bonds, (h) any taxes which may be lawfully imposed on either component of the Utility or the income therefrom and reserves for such taxes, (i) the expenses of collecting rates, fees and charges for the use of and for the services furnished or to be furnished by the Utility, (j) if required by law, the payment of the principal of and the interest on outstanding bonds and other obligations heretofore issued by the Issuer or by improvement districts heretofore annexed by the City to pay the cost of any portion of the Utility to the extent that the special assessments and taxes pledged for the payment of such principal and interest shall be insufficient for such purposes and to the extent that such payment shall not be made from the Improvement Account, and (k) any other expenses required to be paid by the Issuer under the provisions of this Resolution or by law.

"Current Expenses" shall ***not*** include any reserves for extraordinary maintenance or repair, or any allowance for depreciation, the Payment to the City, or any deposits or transfers to the credit of the Principal and Interest Account, the Bond Reserve Account, the Depreciation and Replacement Account or the Improvement Account.

"Dated Date" means, with respect to the Series 2016B Bonds, August 1, 2016.

"Debt Service Coverage Ratio" means, for any Fiscal Year: (a) with respect to the rate covenants, the ratio determined by dividing (i) a numerator equal to the Net Revenues Available for Debt Service for such Fiscal Year by (ii) a denominator equal to the Debt Service Requirements for such Fiscal Year; and (b) with respect to Additional Indebtedness, the ratio determined by dividing (i) a numerator equal to the average Net Revenues Available for Debt Service for the two (2) prior Fiscal Years by (ii) a denominator equal to the Maximum Annual Debt Service; provided that with respect to Additional Indebtedness that are proposed to be Parity Indebtedness, Debt Service Requirements on Subordinate Lien Obligations and General Obligation Indebtedness shall be disregarded.

"Debt Service Requirements" means the aggregate principal payments (whether at maturity or pursuant to scheduled mandatory sinking fund redemption requirements) and interest payments on the Bonds for the period of time for which calculated; provided, however, that for purposes of calculating such amount, principal and interest shall be excluded from the determination of Debt Service Requirements to the extent that such principal or interest is payable from amounts deposited in trust, escrowed or otherwise set aside for the payment thereof with the Paying Agent or other commercial bank or trust company located in the State and having full trust powers.

"Defaulted Interest" means interest on any Bond which is payable but not paid on any Interest Payment Date.

"Defeasance Obligations" means, so long as the Series 2005B Bonds are Outstanding, any of the following obligations:

(a) Cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized by with obligations described in the following (b); or

(b) Direct obligations (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America;

and thereafter shall mean:

(a) United States Government Obligations that are not subject to redemption in advance of their maturity dates; or

(b) obligations of any state or political subdivision of any state, the interest on which is excluded from gross income for federal income tax purposes and which meet the following conditions:

(1) the obligations are (i) not subject to redemption prior to maturity or (ii) the trustee for such obligations has been given irrevocable instructions concerning their calling and redemption and the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;

(2) the obligations are secured by cash or United States Government Obligations that may be applied only to principal of, premium, if any, and interest payments on such obligations;

(3) such cash and the principal of and interest on such United States Government Obligations (plus any cash in the escrow fund) are sufficient to meet the liabilities of the obligations;

(4) such cash and United States Government Obligations serving as security for the obligations are held in an escrow fund by an escrow agent or a trustee irrevocably in trust;

(5) such cash and United States Government Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and

(6) such obligations are rated in a rating category by Moody's or Standard & Poor's that is no lower than the rating category then assigned by that Rating Agency to United States Government Obligations.

"Depreciation and Replacement Account" means the Water and Sewer Utility Depreciation and Replacement Account.

"Depreciation and Replacement Account Requirement" means an amount equal fifteen percent (15%) of the Operating Revenues of the Utility for the preceding Fiscal Year

"Derivative" means any investment instrument whose market price is derived from the fluctuating value of an underlying asset, index, currency, futures contract, including futures, options and collateralized mortgage obligations.

"Director of Finance" means the duly appointed and acting Director of Finance of the Issuer or, in the Director's absence, the duly appointed Deputy, Assistant or Acting Director of Finance of the Issuer.

"Disclosure Undertaking" means the Issuer's Omnibus Continuing Disclosure Undertaking for Utility Indebtedness relating to certain obligations contained in the SEC Rule.

"Discount Indebtedness" means Long-Term Indebtedness that is originally sold at a price (excluding accrued interest, but without deduction of any underwriters' discount) of less than 75% of the maturity amount including the amount of principal and interest to accrete at maturity of such Long-Term Indebtedness.

"DTC" means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors and assigns, including any successor securities depository duly appointed.

"Escrow Agent" means Security Bank of Kansas City, Wichita, Kansas, and its successors and assigns.

"Escrow Agreement" means the Escrow Trust Agreement, dated as of August 1, 2016, between the Issuer and the Escrow Agent.

"Escrow Fund" means the Escrow Fund for Refunded Bonds.

"Escrowed Securities" means the securities that satisfy the requirement of Defeasance Obligations as set forth in the Refunded Bonds Resolution, as described in the Escrow Agreement.

"Event of Default" means each of the following occurrences or events:

(a) Payment of the principal and of the redemption premium, if any, of any of the Utility Indebtedness shall not be made when the same shall become due and payable, either at Stated Maturity or by proceedings for redemption or otherwise; or

(b) Payment of any installment of interest on any Utility Indebtedness shall not be made when the same shall become due; or

(c) The Issuer shall for any reason be rendered incapable of fulfilling its obligations hereunder; or

(d) Any substantial part of the Utility shall be destroyed or damaged to the extent of impairing its efficient operation or adversely affecting its Gross Revenues and the Issuer shall not within a reasonable time commence the repair, replacement or reconstruction thereof and proceed thereafter to complete with reasonable dispatch the repair, replacement or reconstruction thereof; or

(e) Final judgment for the payment of money shall be rendered against the Issuer as a result of the ownership, control or operation of the Utility and any such judgment shall not be discharged within one hundred twenty (120) days from the entry thereof or an appeal shall not be taken therefrom or from the order, decree or process upon which or pursuant to which such judgment shall have been granted or entered, in such manner as to stay the execution of or levy under such judgment, order, decree or process or the enforcement thereof; or

(f) An order or decree shall be entered, with the consent or acquiescence of the Issuer, appointing a receiver or receivers of the Utility or any part thereof or of the Gross Revenues thereof, or if such order or decree, having been entered without the consent or acquiescence of the Issuer, shall not be vacated or discharged or stayed on appeal within sixty (60) days after the entry thereof; or

(g) Any proceeding shall be instituted, with the consent or acquiescence of the Issuer, for the purpose of effecting a composition between the Issuer and its creditors or for the purpose of adjusting the claims of such creditors pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are under any circumstances payable from the Net Revenues Available for Debt Service; or

(h) The Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in Utility Indebtedness or in the Bond Resolution (other than the covenants relating to continuing disclosure) on the part of the Issuer to be performed, and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to the Issuer by the Owner of any of Utility Indebtedness then Outstanding; or

In determining whether an Event of Default shall have occurred with respect to the due and prompt payment of the Debt Service Requirements on any Insured Bonds no effect shall be given to payments made under any Bond Insurance Policy.

"Federal Tax Certificate" means the Issuer's Federal Tax Certificate dated as of the Issue Date, as the same may be amended or supplemented in accordance with the provisions thereof.

"FGIC" means Financial Guaranty Insurance Company, or any successor thereto.

"Fiscal Year" means the twelve month period ending on December 31.

"Funds and Accounts" means funds and accounts created pursuant to or referred to in the Bond Resolution.

"General Obligation Indebtedness" means any of the Issuer's general obligation bonds issued for improvements to the Utility.

"Governing Body" means the duly elected and/or appointed and acting persons comprising the City Council of the Issuer.

"Gross Revenues" means all income and revenues derived and collected by the Issuer from the operation of the Utility, including investment and rental income, net proceeds from business interruption insurance and any amounts deposited in escrow in connection with the acquisition, construction, remodeling, renovation and equipping of facilities to be applied during the period of determination to pay interest on Utility Indebtedness, but excluding non-cash contributions capital contributions, any profits or losses on the early extinguishment of debt or on the sale or other disposition, not in the ordinary course of business, of investments or fixed or capital assets.

"Improvement Account" means the Water and Sewer Utility Improvement Account.

"Independent Accountant" means an independent certified public accountant or firm of independent certified public accountants at the time employed by the Issuer for the purpose of carrying out the duties imposed on the Independent Accountant by the Bond Resolution.

"Index Rate" means the rate of interest set forth in *The Bond Buyer* Revenue Bond Index (or, in the event that *The Bond Buyer* does not compile such index or ceases publication, another comparable publication recognized in the municipal bond market) published for the week immediately preceding the date of determination.

"Insured Bonds" means any Utility Indebtedness of which the scheduled payment of principal and interest is guaranteed by a Bond Insurance Policy.

"Interest Payment Date(s)" means: (a) with respect to the Series 2016B Bonds, the Stated Maturity of an installment of interest on the Series 2016B Bonds which shall be April 1 and October 1 of each year, commencing April 1, 2017; (b) with respect to the Outstanding Parity Bonds, the Stated Maturity of an installment of interest on such Outstanding Parity Bond Resolutions, and (c) with respect to Additional Indebtedness, the Stated Maturity of an installment of interest on such Additional Indebtedness, as set forth in the supplemental resolution authorizing such Additional Indebtedness.

"Interim Indebtedness" means Utility Indebtedness having a term not less than one year, and not in excess of five years, incurred or assumed in anticipation of being refinanced or refunded with Long-Term Indebtedness.

"Issue Date" means the date when the Issuer delivers any series of Utility Indebtedness to the Purchaser in exchange for the Purchase Price.

"Issuer" means the City and any successors or assigns.

"Long-Term Indebtedness" means Utility Indebtedness having an original stated maturity or term greater than five years, or renewable or extendible at the option of the debtor for a period greater than one year from the date of original issuance or incurrence thereof.

"Maturity" when used with respect to any Utility Indebtedness means the date on which the principal of such Utility Indebtedness becomes due and payable as therein and herein provided, whether at the Stated Maturity thereof or call for redemption or otherwise.

"Mayor" means the duly elected and acting Mayor, or in the Mayor's absence, the duly appointed and/or elected Vice Mayor or Acting Mayor of the Issuer.

"Maximum Annual Debt Service" means the maximum amount of Debt Service Requirements as computed for the then current or any future Fiscal Year; provided that the Debt Service Requirements in the final Stated Maturity of any series of Utility Indebtedness shall be reduced by the value of cash and Permitted Investments on deposit in the Bond Reserve Subaccount for such series, so long as the Bond Reserve Subaccount for such Utility Indebtedness is maintained at the Bond Reserve Requirement.

"Moody's" means Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

"Net Proceeds" shall mean any insurance proceeds or condemnation awards, paid with respect to the Utility, remaining after the payment therefrom of all expenses incurred in the collection thereof.

"Net Revenues" means, for the period of determination, the amount of the excess of Gross Revenues deposited to the credit of the Revenue Fund, over the Current Expenses of the respective components of the Utility paid from the Revenue Fund during such period; such amount specifically excluding Debt Service Requirements paid, depreciation, amortization and capital expenditures for improvements to the Utility.

"Net Revenues Available for Debt Service" means the Net Revenues.

"Notice Address" means with respect to the following entities:

(a) To the Issuer at:

Department of Finance
12th Floor, City Hall
455 North Main
Wichita, Kansas 67202-1679
Fax: (316) 858-7520

(b) To the Paying Agent at:

Series 2016B Bonds:

State Treasurer of the State of Kansas
Landon Office Building
900 Southwest Jackson, Suite 201

Topeka, Kansas 66612-1235
Fax: (785) 296-6976

(c) To the Purchaser:

Series 2016B Bonds:

Bank of America Merrill Lynch
One Bryant Park, 9th Floor
New York, New York 10036
Fax: (212) 449-3733

(d) To the Rating Agency(ies):

Moody's Municipal Rating Desk
7 World Trade Center
250 Greenwich Street
23rd Floor
New York 10007

S&P Global Ratings, a division of S&P Global Inc.
55 Water Street, 38th Floor
New York 10004

(e) To the Escrow Agent at:

Security Bank of Kansas City
Corporate Trust Department
200 W. Douglas, Suite 612
Wichita, Kansas 67202

with a copy to:

Security Bank of Kansas City
Corporate Trust Department
701 Minnesota Avenue
Suite 206, P.O. Box 171297
Kansas City, Kansas 66117
Fax: (913) 279-7960

or such other address as is furnished in writing to the other parties referenced herein.

"Notice Representative" means:

(a) With respect to the Issuer, the Clerk.

(b) With respect to the Bond Registrar and Paying Agent, the Director of Bond Services.

(c) With respect to any Purchaser, the manager of its Municipal Bond Department.

(d) With respect to any Rating Agency, any Vice President thereof.

(e) With respect to the Escrow Agent, the Manager of the Corporate Trust Department.

"Official Statement" means Issuer's Official Statement relating to the Series 2016B Bonds.

"Operating Revenues" shall mean the Gross Revenues, less investment income and less Current Expenses.

"Ordinance" means Ordinance No. 50-295 of the Issuer authorizing the issuance of the Series 2016B Bonds, as amended from time to time.

"Outstanding" means, when used with reference to any Utility Indebtedness, as of a particular date of determination, all Utility Indebtedness theretofore, authenticated and delivered, except the following Utility Indebtedness:

(a) Utility Indebtedness theretofore canceled by the Paying Agent or delivered to the Paying Agent for cancellation pursuant to the Bond Resolution;

(b) Utility Indebtedness deemed to be paid in accordance with the provisions of the Bond Resolution;

(c) Utility Indebtedness in exchange for or in lieu of which other Utility Indebtedness has been authenticated and delivered under the Bond Resolution; and

(d) Utility Indebtedness, the principal or interest of which has been paid by the Bond Insurer.

"Outstanding Parity Bond Resolution" means the ordinances and resolutions authorizing the issuance of the Outstanding Parity Bonds.

"Outstanding Parity Bonds" means the Outstanding Series 2005B Bonds, Series 2009B Bonds, Series 2010 Bonds, Series 2011A Bonds, Series 2012A Bonds, Series 2014A Bonds, Series 2015B Bonds, Series 2015C Bonds and Series 2015D Bonds.

"Owner" when used with respect to any Utility Indebtedness means the Person in whose name such Utility Indebtedness is registered on the Bond Register. Whenever consent of the Owners is required pursuant to the terms of the Bond Resolution, and the Owner of the Utility Indebtedness, as set forth on the Bond Register, is Cede & Co., the term Owner shall be deemed to be the Beneficial Owner of the Utility Indebtedness.

"Parity Bonds" means the Outstanding Parity Bonds, the Series 2016A Bonds, the Series 2016B Bonds and any Additional Bonds hereafter issued or incurred pursuant to the Bond Resolution and standing on a parity and equality with the Series 2016A Bonds with respect to the Net Revenues.

"Parity Indebtedness" means, collectively, the Parity Bonds and Parity Obligations.

"Parity Obligations" means any Additional Obligations hereafter issued or incurred pursuant to the Bond Resolution and standing on a parity and equality with the Parity Bonds with respect to the lien on the Net Revenues.

"Parity Resolution" means, collectively, the Outstanding Parity Bond Resolution, the Series 2016A Bond Resolution, the Series 2016B Bond Resolution and the ordinances and/or resolutions under which any Additional Bonds which constitute Parity Bonds are hereafter issued.

"Participants" means those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

"Paying Agent" means: (a) with respect to the Outstanding Parity Bonds, the Series 2016A Bonds and the Series 2016B Bonds, the State Treasurer, and its successors and assigns; and (b) with respect to Additional Indebtedness, the entity designated as Paying Agent in the supplemental resolution authorizing such Additional Indebtedness.

"Payment to the City" shall mean the payment to the City's general fund as a payment for operation of the Utility. The amount of the annual Payment to the City shall be governed by the terms of such ordinances of the City which are then in effect with respect to the then outstanding Utility Indebtedness.

"Person" means any natural person, corporation, partnership, joint venture, association, firm, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof or other public body.

"Pre-2010 Bonds" means, collectively, the Series 2005B Bonds and the Series 2009B Bonds.

"Pre-2014 Bonds" means, collectively, the Pre-2010 Bonds, the Series 2010 Bonds, the Series 2011A Bonds and the Series 2012A Bonds.

"Principal and Interest Account" shall mean the Water and Sewer Utility Principal and Interest Account.

"Purchase Price" means, with respect to the Series 2016B Bonds, 100% of the principal amount of the Series 2016B Bonds plus accrued interest to the date of delivery, plus a premium of $11,458,348.25.

"Purchaser" means, with respect to the Series 2016B Bonds, Bank of America Merrill Lynch, New York, New York, the original purchaser of the Series 2016B Bonds, and any successor and assigns.

"Put Indebtedness" means Long-Term Indebtedness which is (a) payable or required to be purchased or redeemed from the holder by or on behalf of the underlying obligor, at the option of the holder thereof, prior to its stated maturity date, or (b) payable or required to be purchased or redeemed from the holder by or on behalf of the underlying obligor, other than at the option of the holder, prior to its stated maturity date, other than pursuant to any mandatory sinking fund or other similar fund, or other than by reason of acceleration upon the occurrence of an Event of Default under this Bond Resolution.

"Rating Agency" means any company, agency or entity that provides financial ratings for any Utility Indebtedness.

"Rebate Fund" means the Rebate Fund for Water and Sewer Revenue Bonds, Series 2016B.

"Record Dates" for the interest payable on any Interest Payment Date means the fifteenth day (whether or not a Business Day) of the calendar month next preceding such Interest Payment Date.

“Redemption Date” when used with respect to any Utility Indebtedness to be redeemed means the date fixed for the redemption of such Utility Indebtedness pursuant to the terms of the Bond Resolution.

“Redemption Price” when used with respect to any Utility Indebtedness to be redeemed means the price at which such Utility Indebtedness is to be redeemed pursuant to the terms of the Bond Resolution, including the applicable redemption premium, if any, but excluding installments of interest whose Stated Maturity is on or before the Redemption Date.

“Refunded Bonds” means the Series 2009A Bonds maturing in the years 2016 to 2039, inclusive, in the aggregate principal amount of $104,235,000.

“Refunded Bonds Paying Agent” means the paying agent for the Refunded Bonds as designated in the Refunded Bonds Resolution, and any successor or successors at the time acting as paying agent for any of the Refunded Bonds.

“Refunded Bonds Redemption Date” means October 1, 2019.

“Refunded Bonds Resolution” means the Series 2009A Bond Resolution.

“Refunding Indebtedness” means Utility Indebtedness issued for the purpose of refunding any Outstanding Utility Indebtedness.

“Replacement Bonds” means Bonds issued to the Beneficial Owners of the Bonds in accordance with ***Section 209*** hereof.

“Revenue Fund” means the Water and Sewer Utility Revenue Fund.

“SEC Rule” means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

“Securities Depository” means, initially, DTC, and its successors and assigns.

“Series 2005B Bond Resolution” means collectively the Issuer's Ordinance No. 46-634 and Resolution No. 05-406, which authorized the Series 2005B Bonds.

“Series 2005B Bonds” means the Issuer’s Water and Sewer Utility Refunding Revenue Bonds, Series 2005B, dated August 17, 2005.

“Series 2009 Bond Resolution” means collectively the Issuer's Ordinance No. 48-351 and Resolution No. 09-174, which authorized the Series 2009 Bonds.

“Series 2009 Bonds” means, collectively, the Series 2009A Bonds and the Series 2009B Bonds.

“Series 2009A Bonds” means the Issuer’s Water and Sewer Utility Revenue Bonds, Series 2009A, dated June 30, 2009.

“Series 2009B Bonds” means the Issuer’s Water and Sewer Utility Revenue Bonds, Series 2009B (Taxable Under Federal Law), dated June 30, 2009.

“Series 2010 Bond Resolution” means collectively the Issuer's Ordinance No. 48-834 and Resolution No. 10-257, which authorized the Series 2010 Bonds.

"Series 2010 Bonds" means, collectively, the Series 2010A Bonds and the Series 2010B Bonds.

"Series 2010A Bonds" means the Issuer's Water and Sewer Utility Revenue Bonds, Series 2010A, dated October 15, 2010.

"Series 2010B Bonds" means the Issuer's Water and Sewer Utility Revenue Bonds, Series 2010B (Taxable Under Federal Law), dated October 15, 2010.

"Series 2011A Bond Resolution" means collectively the Issuer's Ordinance No. 49-148 and Resolution No. 11-260, which authorized the Series 2011A Bonds.

"Series 2011A Bonds" means the Issuer's Water and Sewer Utility Refunding Revenue Bonds, Series 2011A, dated November 17, 2011.

"Series 2012A Bond Resolution" means collectively the Issuer's Ordinance No. 49-266 and Resolution No. 12-090 which authorized the Series 2012A Bonds.

"Series 2012A Bonds" mean the Issuer's Water and Sewer Utility Revenue Bonds, Series 2012A, dated May 1, 2012.

"Series 2014A Bond Resolution" means collectively the Issuer's Ordinance No. 49-786 and Resolution No. 14-188 which authorized the Series 2014A Bonds.

"Series 2014A Bonds" means the Issuer's Water and Sewer Utility Refunding Revenue Bonds, Series 2014, dated August 1, 2014.

"Series 2014B Bond Resolution" means collectively the Issuer's Ordinance No. 49-901 and Resolution No. 14-370, which authorized the Series 2014B Bonds.

"Series 2014B Bonds" means the Issuer's Water and Sewer Utility Revenue Bonds, Series 2014B, dated December 1, 2014.

"Series 2015B Bond Resolution" means collectively the Issuer's Ordinance No. 49-975 and Resolution No. 15-086, which authorized the Series 2015B Bonds.

"Series 2015B Bonds" means the Issuer's Water and Sewer Utility Refunding Revenue Bonds, Series 2015B, dated April 1, 2015.

"Series 2015C Bond Resolution" means collectively the Issuer's Ordinance No. 50-096 and Resolution No. 15-341, which authorized the Series 2015C Bonds.
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"Series 2015C Bonds" means the Issuer's Water and Sewer Utility Revenue Bonds, Series 2015C, dated November 1, 2015.

"Series 2015D Bond Resolution" means collectively the Issuer's Ordinance No. 50-097 and Resolution No. 15-342, which authorized the Series 2015D Bonds.

"Series 2015D Bonds" means the Issuer's Water and Sewer Utility Refunding Revenue Bonds, Series 2015D, dated November 1, 2015.

"Series 2016A Bonds" means the Issuer's Water and Sewer Utility Revenue Bonds, Series 2016A, dated August 1, 2016.

"Series 2016B Bond Reserve Requirement" shall mean a sum equal to greater of the amount of interest which shall become due and payable on the Series 2016B Bonds during the next Fiscal Year (determined in each year) or the maximum amount of interest which shall become due and payable on the Series 2016B Bonds in any subsequent year, except that, in no event shall the amount of the 2016B Bond Reserve Requirement ever exceed the amount which is the lesser of ten percent (10%) of the original principal amount of the Series 2016B Bonds (determined as of the date of issuance of the Series 2016B Bonds), the maximum annual principal and interest requirements on the Series 2016B Bonds (determined as of the date of issuance of the Series 2016B Bonds), or one hundred twenty-five percent (125%) of the average annual debt service on the Series 2016B Bonds (determined as of the date of issuance of the Series 2016B Bonds).

"Series 2016B Bond Reserve Subaccount" shall mean the Water and Sewer Utility Refunding Revenue Bonds, Series 2016B, Bond Reserve Subaccount created within the Bond Reserve Account.

"Series 2016B Bond Resolution" means collectively the Issuer's Ordinance and this Resolution, which authorized the Series 2016B Bonds.

"Series 2016B Bonds" means the Issuer's Water and Sewer Utility Refunding Revenue Bonds, Series 2016B, dated August 1, 2016.

"Series 2016B Costs of Issuance Account" shall mean the Water and Sewer Utility Refunding Revenue Bonds, Series 2016B, Costs of Issuance Account created by this Resolution.

"Series 2016B Principal and Interest Subaccount" shall mean the Water and Sewer Utility Revenue Bonds, Series 2016B, Principal and Interest Subaccount created by this Resolution within the Principal and Interest Account.

"Series 2016B Term Bonds" means the Series 2016B Bonds maturing in the year 2039.

"Sewer Utility" shall mean and include the sanitary sewer system now owned and operated by the City, and consisting of sewage disposal works, sewers, drains, pumping plants, force mains, service connections, canals, ponds, machinery, equipment and other property appurtenant thereto and any improvements, extensions and enlargements to the Sewer Utility hereafter constructed or acquired.

"Short-Term Indebtedness" means Utility Indebtedness having an original maturity less than or equal to one year from the date of original incurrence thereof, and not renewable or extendible at the option of the obligor thereon for a term greater than one year beyond the date of original issuance.

"Special Record Date" means the date fixed by the Paying Agent pursuant to ***Section 204*** hereof for the payment of Defaulted Interest.

"Standard & Poor's" means Standard & Poor's Ratings Services, a division of McGraw Hill Financial Inc., a corporation organized and existing under the laws of the State of New York, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Standard & Poor's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

"State" means the state of Kansas.

"State Treasurer" means the duly elected Treasurer or, in the Treasurer's absence, the duly appointed Deputy Treasurer or acting Treasurer of the State.

"Stated Maturity" when used with respect to any Utility Indebtedness or any installment of interest thereon means the date specified in such Utility Indebtedness and the Bond Resolution as the fixed date on which the principal of such Utility Indebtedness or such installment of interest is due and payable.

"Subordinate Indebtedness" means, collectively the Subordinate Lien Bonds and Subordinate Lien Obligations

"Subordinate Lien Bonds" means any Additional Bonds payable from the Revenues, and issued on a subordinate lien basis to any Parity Bonds.

"Subordinate Lien Obligations" means any Additional Obligations payable from, and secured by a lien on, the Revenues, which lien is junior to that of any Parity Obligations.

"**Substitute Project**" means a substitute or additional project of the Utility authorized in the manner set forth in this Resolution.

"Term Bonds" means any Bonds designated as Term Bonds in this Bond Resolution or in any supplemental resolution authorizing the issuance of Additional Bonds.

"Treasurer" means the duly appointed and/or elected Treasurer or, in the Treasurer's absence, the duly appointed Deputy Treasurer or acting Treasurer of the Issuer.

"United States Government Obligations" means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States of America, including evidences of a direct ownership interest in future interest or principal payment on obligations issued by the United States of America (including the interest component of obligations of the Resolution Funding Corporation), or securities which represent an undivided interest in such obligations, which obligations are rated in the highest rating category by a nationally recognized rating service and such obligations are held in a custodial account for the benefit of the Issuer.

"Utility" shall mean the combined City of Wichita, Kansas Water Utility and Sewer Utility, and any improvements, extensions and enlargements thereto hereafter constructed or acquired.

"Utility Indebtedness" means collectively the Bonds and any Additional Obligations which are secured by an interest in, the Gross Revenues.

"Value" means, for purposes of the Bond Resolution, the value of the Authorized Investments (which Value shall be determined as of the end of each month), calculated as follows:

(a) as to investments the bid and asked prices of which are published on a regular basis in ***The Wall Street Journal*** (or, if not there, then in *The New York Times)* -- the average of the bid and asked prices for such investments so published on or most recently prior to such time of determination;

(b) as to investments the bid and asked prices of which are not published on a regular basis in ***The Wall Street Journal*** or in ***The New York Times*** - the average bid price at such time of determination

for such investments by any two nationally recognized government securities dealers (selected by the Issuer in its absolute discretion) at the time making a market in such investments or the bid price published by a nationally recognized pricing service; and

(c) as to certificates of deposit and bankers acceptances -- the face amount thereof, plus accrued interest.

Provided, however, that when the Pre-2010 Bonds are no longer Outstanding, "Value" shall be the amortized cost of an obligation or the market cost thereof, whichever is lower. Should the value of the Authorized Investments be required for any other legal purpose, the Value shall be calculated in accordance with the applicable laws and regulations.

"Variable Rate Indebtedness" means any Utility Indebtedness which provides for interest to be payable thereon at a rate per annum that may vary from time to time over the term thereof in accordance with procedures provided in the instrument creating such Utility Indebtedness.

"Verification Report" means the verification report relating to the sufficiency of money and obligations deposited in the Escrow Fund to be applied in accordance with the Escrow Agreement.

"Water Utility" shall mean and include the waterworks system now owned and operated by the Issuer and consisting of real estate, water rights, purification and pumping plants, reservoirs, mains, wells, pipelines, meters, hydrants, service connections, machinery, equipment and other property appurtenant thereto, and any improvements, extensions and enlargements to the Water Utility hereafter constructed or acquired.

ARTICLE II

AUTHORIZATION AND DETAILS OF THE BONDS

Section 201. Authorization of the Series 2016B Bonds. The Series 2016B Bonds have been heretofore authorized and directed to be issued pursuant to the Ordinance in the principal amount of $101,445,000, for the purpose of providing a portion of the funds to: (a) refund the Refunded Bonds; (b) make a deposit to the Series 2016B Bond Reserve Subaccount; and (c) pay Costs of Issuance. The Series 2016B Bonds shall be Parity Bonds and shall constitute Long-Term Indebtedness.

Section 202. Description of the Series 2016B Bonds. The Series 2016B Bonds shall consist of fully registered bonds in Authorized Denominations, and shall be numbered in such manner as the Bond Registrar shall determine. All of the Series 2016B Bonds shall be dated as of the Dated Date, shall become due in the amounts, on the Stated Maturities, subject to redemption and payment, prior to their Stated Maturities as provided in ***Article III*** hereof and shall bear interest at the rates per annum as follows:

SERIAL BONDS

Stated Maturity October 1	Principal Amount	Annual Rate of Interest	Stated Maturity October 1	Principal Amount	Annual Rate of Interest
2017	$3,105,000	2.00%	2026	$5,480,000	4.00%
2018	3,235,000	5.00%	2027	5,590,000	4.00%
2019	3,350,000	5.00%	2028	5,700,000	3.00%

2020	4,645,000	5.00%	2029	5,765,000	3.00%
2021	4,765,000	5.00%	2030	5,830,000	3.00%
2022	4,890,000	5.00%	2031	5,895,000	3.00%
2023	5,035,000	5.00%	2032	5,970,000	3.00%
2024	5,170,000	5.00%	2033	6,045,000	3.00%
2025	5,320,000	5.00%	2034	6,115,000	3.00%

TERM BONDS

Stated Maturity October 1	Principal Amount	Annual Rate of Interest
2039	$9,540,000	3.00%

The Series 2016B Bonds shall bear interest at the above specified rates (computed on the basis of a 360-day year of twelve 30-day months) from the later of the Dated Date or the most recent Interest Payment Date to which interest has been paid on the Interest Payment Dates in the manner set forth in ***Section 204*** hereof. The Series 2016B Bonds shall be issued as Book-Entry-Only Bonds and administered in accordance with the provisions of ***Section 209*** hereof.

Each of the Series 2016B Bonds, as originally issued or issued upon transfer, exchange or substitution, shall be printed in accordance with the format required by the Attorney General of the State and shall be substantially in the form attached hereto as ***Exhibit A*** or as may be required by the Attorney General pursuant to the Notice of Systems of Registration for Kansas Municipal Bonds, 2 Kan. Reg. 921 (1983), in accordance with the Kansas Bond Registration Law, K.S.A. 10-620 *et seq.*

Section 203. Designation of Paying Agent and Bond Registrar. The State Treasurer is hereby designated as the Paying Agent for the payment of principal of and interest on the Series 2016B Bonds and Bond Registrar with respect to the registration, transfer and exchange of the Series 2016B Bonds. The Mayor of the Issuer is hereby authorized and empowered to execute on behalf of the Issuer an agreement with the Bond Registrar and Paying Agent for the Series 2016B Bonds.

The Issuer will at all times maintain a Paying Agent and Bond Registrar meeting the qualifications herein described for the performance of the duties hereunder. The Issuer reserves the right to appoint a successor Paying Agent or Bond Registrar by (a) filing with the Paying Agent or Bond Registrar then performing such function a certified copy of the proceedings giving notice of the termination of such Paying Agent or Bond Registrar and appointing a successor, and (b) causing notice of appointment of the successor Paying Agent and Bond Registrar to be given by first class mail to each Owner. No resignation or removal of the Paying Agent or Bond Registrar shall become effective until a successor has been appointed and has accepted the duties of Paying Agent or Bond Registrar.

Every Paying Agent or Bond Registrar appointed hereunder shall at all times meet the requirements of K.S.A. 10-501 *et seq.* and K.S.A. 10-620 *et seq.*, respectively.

Section 204. Method and Place of Payment of the Bonds. The principal of, or Redemption Price, and interest on the Bonds shall be payable in any coin or currency which, on the respective dates of payment thereof, is legal tender for the payment of public and private debts.

The principal or Redemption Price of each Bond shall be paid at Maturity to the Person in whose name such Bond is registered on the Bond Register at the Maturity thereof, upon presentation and surrender of such Bond at the principal office of the Paying Agent.

The interest payable on each Bond on any Interest Payment Date shall be paid to the Owner of such Bond as shown on the Bond Register at the close of business on the Record Date for such interest (a) by check or draft mailed by the Paying Agent to the address of such Owner shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Owner or (b) in the case of an interest payment to any Owner of $500,000 or more in aggregate principal amount of Bonds, by electronic transfer to such Owner upon written notice given to the Bond Registrar by such Owner, not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank, ABA routing number and account number to which such Owner wishes to have such transfer directed.

Notwithstanding the foregoing provisions of this Section, any Defaulted Interest with respect to any Bond shall cease to be payable to the Owner of such Bond on the relevant Record Date and shall be payable to the Owner in whose name such Bond is registered at the close of business on the Special Record Date for the payment of such Defaulted Interest, which Special Record Date shall be fixed as hereinafter specified in this paragraph. The Issuer shall notify the Paying Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment (which date shall be at least 30 days after receipt of such notice by the Paying Agent) and shall deposit with the Paying Agent at the time of such notice an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Paying Agent for such deposit prior to the date of the proposed payment. Following receipt of such funds the Paying Agent shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment. The Paying Agent shall promptly notify the Issuer of such Special Record Date and, in the name and at the expense of the Issuer, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, by first class mail, postage prepaid, to each Owner of a Bond entitled to such notice at the address of such Owner as it appears on the Bond Register not less than 10 days prior to such Special Record Date.

The Paying Agent shall keep a record of payment of principal and Redemption Price of and interest on all Bonds and at least annually shall forward a copy or summary of such records to the Issuer.

Section 205. Registration, Transfer and Exchange of Bonds. The Issuer covenants that, as long as any of the Bonds remain Outstanding, it will cause the Bond Register to be kept at the office of the Bond Registrar as herein provided. Each Bond when issued shall be registered in the name of the Owner thereof on the Bond Register.

Bonds may be transferred and exchanged only on the Bond Register as provided in this Section. Upon surrender of any Bond at the principal office of the Bond Registrar, the Bond Registrar shall transfer or exchange such Bond for a new Bond or Bonds in any Authorized Denomination of the same Stated Maturity and in the same aggregate principal amount as the Bond that was presented for transfer or exchange.

Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Bond Registrar, duly executed by the Owner thereof or by the Owner's duly authorized agent.

In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Bond Registrar shall authenticate and deliver Bonds in accordance with the provisions of this Bond Resolution. The Issuer shall pay the fees and expenses of the Bond Registrar for the registration, transfer and exchange of Bonds provided for by this Bond Resolution and the cost of printing a reasonable supply of registered bond blanks. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Bond Registrar, are the responsibility of the Owners of the Bonds. In the event any Owner fails to provide a correct taxpayer identification number to the Paying Agent, the Paying Agent may make a charge

against such Owner sufficient to pay any governmental charge required to be paid as a result of such failure. In compliance with Code § 3406, such amount may be deducted by the Paying Agent from amounts otherwise payable to such Owner hereunder or under the Bonds.

The Issuer and the Bond Registrar shall not be required (a) to register the transfer or exchange of any Bond that has been called for redemption after notice of such redemption has been mailed by the Paying Agent pursuant to ***Section 303*** hereof and during the period of 15 days next preceding the date of mailing of such notice of redemption; or (b) to register the transfer or exchange of any Bond during a period beginning at the opening of business on the day after receiving written notice from the Issuer of its intent to pay Defaulted Interest and ending at the close of business on the date fixed for the payment of Defaulted Interest pursuant to ***Section 204*** hereof.

The Issuer and the Paying Agent may deem and treat the Person in whose name any Bond is registered on the Bond Register as the absolute Owner of such Bond, whether such Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price of and interest on said Bond and for all other purposes. All payments so made to any such Owner or upon the Owner's order shall be valid and effective to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Issuer nor the Paying Agent shall be affected by any notice to the contrary.

At reasonable times and under reasonable regulations established by the Bond Registrar, the Bond Register may be inspected and copied by the Owners (or a designated representative thereof) of 10% or more in principal amount of the Bonds then Outstanding or any designated representative of such Owners whose authority is evidenced to the satisfaction of the Bond Registrar.

Section 206. Execution, Registration, Authentication and Delivery of Bonds. Each of the Bonds, including any Bonds issued in exchange or as substitutions for the Bonds initially delivered, shall be executed for and on behalf of the Issuer by the manual or facsimile signature of the Mayor, attested by the manual or facsimile signature of the Clerk and the seal of the Issuer shall be affixed thereto or imprinted thereon. The Mayor and Clerk are hereby authorized and directed to prepare and execute the Bonds in the manner herein specified, and to cause the Bonds to be registered in the office of the Clerk, which registration shall be evidenced by the manual or facsimile signature of the Clerk with the seal of the Issuer affixed thereto or imprinted thereon. The Bonds shall also be registered in the office of the State Treasurer, which registration shall be evidenced by the manual or facsimile signature of the State Treasurer with the seal of the State Treasurer affixed thereto or imprinted thereon. In case any officer whose signature appears on any Bonds ceases to be such officer before the delivery of such Bonds, such signature shall nevertheless be valid and sufficient for all purposes, as if such person had remained in office until delivery. Any Bond may be signed by such persons who at the actual time of the execution of such Bond are the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

The Mayor and Clerk are hereby authorized and directed to prepare and execute the Bonds as herein specified, and when duly executed, to deliver the Bonds to the Paying Agent for authentication.

The Series 2016B Bonds shall have endorsed thereon a certificate of authentication substantially in the form attached hereto as ***Exhibit A*** hereof, which shall be manually executed by an authorized officer or employee of the Bond Registrar, but it shall not be necessary that the same officer or employee sign the certificate of authentication on all of the Bonds that may be issued hereunder at any one time. No Series 2016B Bond shall be entitled to any security or benefit under this Bond Resolution or be valid or obligatory for any purpose unless and until such certificate of authentication has been duly executed by the Bond

Registrar. Such executed certificate of authentication upon any Series 2016B Bond shall be conclusive evidence that such Series 2016B Bond has been duly authenticated and delivered under this Bond Resolution. Upon authentication, the Bond Registrar shall deliver the Series 2016B Bond to the Purchaser upon instructions of the Issuer or its representative.

Section 207. Mutilated, Lost, Stolen or Destroyed Bonds. If (a) any mutilated Bond is surrendered to the Bond Registrar or the Bond Registrar receives evidence to its satisfaction of the destruction, loss or theft of any Bond, and (b) there is delivered to the Issuer and the Bond Registrar such security or indemnity as may be required by each of them, then, in the absence of notice to the Issuer or the Bond Registrar that such Bond has been acquired by a bona fide purchaser, the Issuer shall execute and, upon the Issuer's request, the Bond Registrar shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Bond, a new Bond of the same Stated Maturity and of like tenor and principal amount.

If any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the Issuer, in its discretion, may pay such Bond instead of issuing a new Bond.

Upon the issuance of any new Bond under this Section, the Issuer and the Paying Agent may require the payment by the Owner of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Paying Agent) connected therewith.

Every new Bond issued pursuant to this Section shall constitute a replacement of the prior obligation of the Issuer, and shall be entitled to all the benefits of this Bond Resolution equally and ratably with all other Outstanding Bonds.

Section 208. Cancellation and Destruction of Bonds Upon Payment. All Bonds that have been paid or redeemed or that otherwise have been surrendered to the Paying Agent, either at or before Maturity, shall be cancelled by the Paying Agent immediately upon the payment, redemption and surrender thereof to the Paying Agent and subsequently destroyed in accordance with the customary practices of the Paying Agent. The Paying Agent shall execute a certificate in duplicate describing the Bonds so cancelled and destroyed and shall file an executed counterpart of such certificate with the Issuer.

Section 209. Book-Entry Bonds; Securities Depository. Any series of Bonds may be issued as Book-Entry-Only Bonds. If so, such series of Bonds shall initially be registered to Cede & Co., the nominee for the Securities Depository, and no Beneficial Owner will receive certificates representing their respective interests in the Bonds, except in the event the Bond Registrar issues Replacement Bonds as provided in this Section. It is anticipated that during the term of the Bonds, the Securities Depository will make book-entry transfers among its Participants and receive and transmit payment of principal of, premium, if any, and interest on, the Bonds to the Participants until and unless the Bond Registrar authenticates and delivers Replacement Bonds to the Beneficial Owners as described in the following paragraph.

(a) If the Issuer determines (1) that the Securities Depository is unable to properly discharge its responsibilities, or (2) that the Securities Depository is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, or (3) that the continuation of a book-entry system to the exclusion of any Bonds being issued to any Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Bonds, or (b) if the Bond Registrar receives written notice from Participants having interests in not less than 50% of the Bonds Outstanding, as shown on the records of the Securities Depository (and certified to such effect by the

Securities Depository), that the continuation of a book-entry system to the exclusion of any Bonds being issued to any Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Bonds, then the Bond Registrar shall notify the Owners of such determination or such notice and of the availability of certificates to owners requesting the same, and the Bond Registrar shall register in the name of and authenticate and deliver Replacement Bonds to the Beneficial Owners or their nominees in principal amounts representing the interest of each, making such adjustments as it may find necessary or appropriate as to accrued interest and previous calls for redemption; provided, that in the case of a determination under (a)(1) or (a)(2) of this paragraph, the Issuer, with the consent of the Bond Registrar, may select a successor securities depository in accordance with the following paragraph to effect book-entry transfers. In such event, all references to the Securities Depository herein shall relate to the period of time when the Securities Depository has possession of at least one Bond. Upon the issuance of Replacement Bonds, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Bond Registrar, to the extent applicable with respect to such Replacement Bonds. If the Securities Depository resigns and the Issuer, the Bond Registrar or Owners are unable to locate a qualified successor of the Securities Depository in accordance with the following paragraph, then the Bond Registrar shall authenticate and cause delivery of Replacement Bonds to Owners, as provided herein. The Bond Registrar may rely on information from the Securities Depository and its Participants as to the names of the Beneficial Owners of the Bonds. The cost of printing, registration, authentication, and delivery of Replacement Bonds shall be paid for by the Issuer.

In the event the Securities Depository resigns, is unable to properly discharge its responsibilities, or is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, the Issuer may appoint a successor Securities Depository provided the Bond Registrar receives written evidence satisfactory to the Bond Registrar with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such successor Securities Depository shall be a securities depository which is a registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. The Bond Registrar upon its receipt of a Bond or Bonds for cancellation shall cause the delivery of Bonds to the successor Securities Depository in appropriate denominations and form as provided herein.

Section 210. Nonpresentment of Bonds. If any Bond is not presented for payment when the principal thereof becomes due at Maturity, if funds sufficient to pay such Bond have been made available to the Paying Agent all liability of the Issuer to the Owner thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds, without liability for interest thereon, for the benefit of the Owner of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Bond Resolution or on, or with respect to, said Bond. If any Bond is not presented for payment within four years following the date when such Bond becomes due at Maturity, the Paying Agent shall repay, without liability for interest thereon, to the Issuer the funds theretofore held by it for payment of such Bond, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the Issuer, and the Owner thereof shall be entitled to look only to the Issuer for payment, and then only to the extent of the amount so repaid to it by the Paying Agent, and the Issuer shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

Section 211. Calculation of Debt Service Requirements.

(a) ***Debt Service Requirements on Balloon, Put, Short-Term and Interim Indebtedness***.

(1) The principal of Balloon Indebtedness, Put Indebtedness or Short-Term Indebtedness being treated as Long-Term Indebtedness under ***Section 902*** hereof, or Interim Indebtedness shall be deemed due and payable at its Stated Maturity; provided, however, that at the election of the Issuer for the purpose of any computation of Debt Service Requirements, whether historical or projected, the principal deemed payable on Balloon Indebtedness, Put Indebtedness or Short-Term Indebtedness being treated as Long-Term Indebtedness under ***Section 902*** hereof, or Interim Indebtedness, shall be deemed to be payable as set forth below:

(A) If the Issuer has obtained a binding commitment of a bank or other financial institution (whose senior debt obligations, or the senior debt obligations of the holding company of which such bank or financial institution is the principal subsidiary, are then rated "A" or better by any Rating Agency) to refinance such Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness, or a portion thereof, including without limitation, a letter of credit or a line of credit, the Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness, or portion thereof to be refinanced, may be deemed to be payable in accordance with the terms of the refinancing arrangement;

(B) If the Issuer has entered into a binding agreement providing for the deposit by the Issuer with a bank or other financial institution (whose senior debt obligations, or the senior debt obligations of the holding company of which such bank or financial institution is the principal subsidiary, are then rated "A" or better by any Rating Agency), in trust (herein called a "Special Redemption Fund") of amounts, less investment earnings realized and retained in the Special Redemption Fund, equal in aggregate to the principal amount of such Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness, or a portion thereof, when due from the sums so deposited and investment earnings realized thereon, then the principal amount of the Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness, or portion thereof, may be deemed to be payable in accordance with the terms of such agreement;

(C) If the Issuer has entered into arrangements or agreements with respect to the principal amount of such Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness, other than those referred to in subsections (A) and (B) above, which a Consultant in a certificate filed with the Issuer determines, taking into account the interests of the Owners of Utility Indebtedness, provides adequate assurances that the Issuer will be able to meet the Debt Service Requirements due on such Indebtedness, the Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness may be deemed to be payable in accordance with the terms of such arrangement or agreement; or

(D) Such Balloon Indebtedness, Put Indebtedness or Short-Term Indebtedness may be deemed to be Utility Indebtedness which, at the date of its original incurrence, was payable over a term not to exceed twenty (20) years in equal annual installments of principal and interest at the Index Rate.

A Consultant shall deliver to the Issuer a certificate stating that it is reasonable to assume that installment obligations of such term of the Issuer can be incurred and stating the interest rate then applicable to installment obligations of such term of comparable quality. Interim Indebtedness may be deemed to be Indebtedness which, at the date of its original incurrence, would meet the conditions specified in the statement of the Consultant as required in ***Section 902****;* provided that the Consultant shall for each annual period that the Debt Service Requirement is computed, provide a supplemental statement that at such period, the certifications contained in the statement are reasonable.

(2) Interest that is payable prior to the Stated Maturity of any Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness shall be taken into account for such appropriate period in computation of Debt Service Requirements. Interest payable at maturity or early redemption on Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness may either be amortized over the anticipated maturity or such longer period as is permitted under ***Section 902*** or ***Section 211(a)(1)(D)*** or may be treated as principal payable on the principal maturity date of such Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness.

(3) In measuring compliance with the applicable tests hereunder in connection with incurring Put Indebtedness and generally for purposes of determining the Debt Service Requirements relating thereto, Put Indebtedness shall be deemed to mature based upon the actual amortization requirements for the Put Indebtedness, only to the extent that the Issuer has a commitment to refinance such Put Indebtedness.

(b) ***Debt Service Requirements on Discount Indebtedness.*** At the election of the Issuer for the purpose of any computation of Debt Service Requirements, whether historical or projected, the principal and interest deemed payable on Discount Indebtedness shall be deemed to be payable as set forth below:

(1) If the Issuer has obtained a binding commitment of a bank or other financial institution (whose senior debt obligations, or the senior debt obligations of the holding company of which such bank or financial institution is the principal subsidiary, are then rated "A" or better by any Rating Agency) to refinance such Discount Indebtedness, or a portion thereof, including without limitation, a letter of credit or a line of credit, the Discount Indebtedness, or portion thereof to be refinanced, may be deemed to be payable in accordance with the terms of the refinancing arrangement;

(2) If the Issuer has entered into a binding agreement providing for the deposit with a bank or other financial institution (whose senior debt obligations, or the senior debt obligations of the holding company of which such bank or financial institution is the principal subsidiary, are then rated "A" or better by any Rating Agency), in trust (herein called a "Special Redemption Fund") of amounts, less investment earnings realized and retained in the Special Redemption Fund, equal in aggregate to the principal amount of such Discount Indebtedness, or a portion thereof, and providing for the payment of such principal amount when due from the sums so deposited, and investment earnings realized thereon, then the Discount Indebtedness, or portion thereof, may be deemed to be payable in accordance with the terms of such agreement;

(3) If the Issuer has entered into arrangements or agreements with respect to the principal amount of such Discount Indebtedness, other than those referred to in subsections (1) and (2) above, which a Consultant in a certificate filed with the Issuer determines, taking into account the interests of the holders of Utility Indebtedness, provides adequate assurances that the Issuer will be able to meet the Debt Service Requirements due on such Indebtedness, the Discount Indebtedness may be deemed to be payable in accordance with the terms of such arrangement or agreement; or

(4) As of any time the maturity amount represented by Discount Indebtedness shall be deemed to be the accreted value of such Indebtedness computed on the basis of a constant yield to maturity.

When calculating interest requirements on Variable Rate Indebtedness which bears a variable rate of interest for periods as to which the rate of interest has not been determined, the rate of interest on

Outstanding Variable Rate Indebtedness shall be the average annual rate of interest which was payable on such Variable Rate Indebtedness during the twelve (12) months immediately preceding the date as of which the calculation is made; and the rate of interest on Variable Rate Indebtedness to be incurred (or incurred less than twelve (12) months preceding such date) shall be the average annual rate of interest which would have been payable on such Variable Rate Indebtedness had it been outstanding for a period of twelve (12) months immediately preceding the date as of which the calculation is made, as evidenced in a certificate of a Consultant, delivered to the Issuer.

Section 212. Preliminary and Final Official Statement. The Preliminary Official Statement dated July 6, 2016, is hereby ratified and approved. The final Official Statement is hereby authorized to be prepared by supplementing, amending and completing the Preliminary Official Statement, with such changes and additions thereto as are necessary to conform to and describe the transaction. The Mayor and Director of Finance are hereby authorized to execute the final Official Statement as so supplemented, amended and completed, and the use and public distribution of the final Official Statement by the Purchaser in connection with the reoffering of the Bonds is hereby authorized. The proper officials of the Issuer are hereby authorized to execute and deliver a certificate pertaining to such Official Statement as prescribed therein, dated as of the date of payment for and delivery of the Series 2016B Bonds.

The Issuer agrees to provide to the Purchaser within seven business days of the date of the sale of Bonds sufficient copies of the final Official Statement to enable the Purchaser to comply with the requirements of the SEC Rule and with the requirements of Rule G-32 of the Municipal Securities Rulemaking Board.

Section 213. Sale of the Series 2016B Bonds. The sale of the Series 2016B Bonds to the Purchaser is hereby ratified and confirmed. Delivery of the Series 2016B Bonds shall be made to the Purchaser as soon as practicable after the adoption of this Bond Resolution, upon payment of the Purchase Price.

Section 214. Parity Bond Certification.
The Issuer hereby represents and covenants that the Series 2016B Bonds directed to be issued by this Resolution are so issued in full compliance with the restrictions and conditions upon which the Issuer may issue Additional Bonds which stand on a parity of lien with the Net Revenues with the Parity Indebtedness heretofore issued and Outstanding, as set forth and contained in the Outstanding Parity Bond Resolution, and that the Series 2016B Bonds herein directed to be issued are so issued in all respects on a parity and equality with the Parity Indebtedness heretofore issued and Outstanding.

Section 215. Authorization of Escrow Agreement.
The Issuer is hereby authorized to enter into the Escrow Agreement, and the Mayor and Clerk are hereby authorized and directed to execute the Escrow Agreement with such changes therein as such officials may deem appropriate, for and on behalf of and as the act and deed of the Issuer. The Escrow Agent is hereby authorized to carry out, on behalf of the Issuer, the duties, terms and provisions of the Escrow Agreement, and the Escrow Agent, the Purchaser and Bond Counsel are authorized to take all necessary actions for the subscription and purchase of the Escrowed Securities described therein, including the subscription for United States Treasury Securities - State and Local Government Series.

ARTICLE III

REDEMPTION OF BONDS

Section 301. Redemption by Issuer. The Bonds shall be subject to redemption and payment prior to their Stated Maturity, as follows:

(a) ***Optional Redemption***.

(1) *Series 2016B Bonds*. At the option of the Issuer, Series 2016B Bonds maturing on October 1, in the years 2027 and thereafter will be subject to redemption and payment prior to their Stated Maturity on October 1, 2026, and thereafter as a whole or in part (selection of maturities and the amount of Series 2016B Bonds of each maturity to be redeemed to be determined by the Issuer in such equitable manner as it may determine) at any time, at the Redemption Price of 100% (expressed as a percentage of the principal amount), plus accrued interest thereon to the Redemption Date.

(2) *Additional Bonds*. Additional Bonds are subject to redemption and payment prior to Stated Maturity in accordance with the provisions of the supplemental resolution authorizing the issuance of such Additional Bonds.

(b) ***Mandatory Redemption***.

(1) *General*. The Term Bonds shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. At its option, to be exercised on or before the 45th day next preceding any mandatory Redemption Date, the Issuer may: (1) deliver to the Paying Agent for cancellation Term Bonds subject to mandatory redemption on said mandatory Redemption Date, in any aggregate principal amount desired; or (2) furnish the Paying Agent funds, together with appropriate instructions, for the purpose of purchasing any Term Bonds subject to mandatory redemption on said mandatory Redemption Date from any Owner thereof whereupon the Paying Agent shall expend such funds for such purpose to such extent as may be practical; or (3) receive a credit with respect to the mandatory redemption obligation of the Issuer under this Section for any Term Bonds subject to mandatory redemption on said mandatory Redemption Date which, prior to such date, have been redeemed (other than through the operation of the mandatory redemption requirements of this subsection) and cancelled by the Paying Agent and not theretofore applied as a credit against any redemption obligation under this subsection. Each Term Bond so delivered or previously purchased or redeemed shall be credited at 100% of the principal amount thereof on the obligation of the Issuer to redeem Term Bonds of the same Stated Maturity on such mandatory Redemption Date, and any excess of such amount shall be credited on future mandatory redemption obligations for Term Bonds of the same Stated Maturity as designated by the Issuer, and the principal amount of Term Bonds to be redeemed by operation of the requirements of this Section shall be accordingly reduced. If the Issuer intends to exercise any option granted by the provisions of clauses (1), (2) or (3) above, the Issuer will, on or before the 45th day next preceding each mandatory Redemption Date, furnish the Paying Agent a written certificate indicating to what extent the provisions of said clauses (1), (2) and (3) are to be complied with, with respect to such mandatory redemption payment.

(2) *The Series 2016B Term Bonds*. The Issuer shall from the payments specified in ***Article VI*** hereof which are to be deposited into the 2016B Principal and Interest Subaccount redeem on October 1 in each year, the following principal amounts of Series 2016B Term Bonds:

Principal Amount	Year
$2,005,000	2035
1,960,000	2036
1,910,000	2037
1,860,000	2038
1,805,000	2039*

*Final Maturity

Section 302. Selection of Bonds to be Redeemed. Bonds shall be redeemed only in an Authorized Denomination. When less than all of the Bonds are to be redeemed and paid prior to their Stated Maturity, such Bonds shall be redeemed in such manner as the Issuer shall determine. Bonds of less than a full Stated Maturity shall be selected by the Bond Registrar in a minimum Authorized Denomination of principal amount in such equitable manner as the Bond Registrar may determine.

In the case of a partial redemption of Bonds by lot when Bonds of denominations greater than a minimum Authorized Denomination are then Outstanding, then for all purposes in connection with such redemption a minimum Authorized Denomination of face value shall be treated as though it were a separate Bond of the denomination of a minimum Authorized Denomination. If it is determined that one or more, but not all, of a minimum Authorized Denomination of face value represented by any Bond is selected for redemption, then upon notice of intention to redeem a minimum Authorized Denomination, the Owner or the Owner's duly authorized agent shall forthwith present and surrender such Bond to the Bond Registrar: (1) for payment of the Redemption Price and interest to the Redemption Date of a minimum Authorized Denomination of face value called for redemption, and (2) for exchange, without charge to the Owner thereof, for a new Bond or Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such Bond. If the Owner of any such Bond fails to present such Bond to the Paying Agent for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the redemption date to the extent of a minimum Authorized Denomination of face value called for redemption (and to that extent only).

Section 303. Notice and Effect of Call for Redemption. In the event the Issuer desires to call the Bonds for redemption prior to maturity, written notice of such intent shall be provided to the Bond Registrar in accordance with K.S.A. 10-129, as amended, not less than 45 days prior to the Redemption Date. The Bond Registrar shall call Bonds for redemption and payment and shall give notice of such redemption as herein provided upon receipt by the Bond Registrar at least 45 days prior to the Redemption Date of written instructions of the Issuer specifying the principal amount, Stated Maturities, Redemption Date and Redemption Prices of the Bonds to be called for redemption. The foregoing provisions of this paragraph shall not apply in the case of any mandatory redemption of Term Bonds hereunder, and Term Bonds shall be called by the Paying Agent for redemption pursuant to such mandatory redemption requirements without the necessity of any action by the Issuer and whether or not the Paying Agent holds moneys available and sufficient to effect the required redemption.

Unless waived by any Owner of Bonds to be redeemed, if the Issuer shall call any Bonds for redemption and payment prior to the Stated Maturity thereof, the Issuer shall give written notice of its intention to call and pay said Bonds to the Bond Insurer and the Purchaser. In addition, the Issuer shall cause the Bond Registrar to give written notice of redemption to the Owners of said Bonds. Each of said

written notices shall be deposited in the United States first class mail not less than 30 days prior to the Redemption Date.

All official notices of redemption shall be dated and shall contain the following information:

(a) the Redemption Date;

(b) the Redemption Price;

(c) if less than all Outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption of any Bonds, the respective principal amounts) of the Bonds to be redeemed;

(d) a statement that on the Redemption Date the Redemption Price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after the Redemption Date; and

(e) the place where such Bonds are to be surrendered for payment of the Redemption Price, which shall be the principal office of the Paying Agent.

The failure of any Owner to receive notice given as heretofore provided or an immaterial defect therein shall not invalidate any redemption.

Prior to any Redemption Date, the Issuer shall deposit with the Paying Agent an amount of money sufficient to pay the Redemption Price of all the Bonds or portions of Bonds that are to be redeemed on such Redemption Date.

For so long as the Securities Depository is effecting book-entry transfers of any series of Bonds, the Bond Registrar shall provide the notices specified in this Section to the Securities Depository. It is expected that the Securities Depository shall, in turn, notify its Participants and that the Participants, in turn, will notify or cause to be notified the Beneficial Owners. Any failure on the part of the Securities Depository or a Participant, or failure on the part of a nominee of a Beneficial Owner of a Bond (having been mailed notice from the Bond Registrar, the Securities Depository, a Participant or otherwise) to notify the Beneficial Owner of the Bond so affected, shall not affect the validity of the redemption of such Bond.

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall become due and payable on the Redemption Date, at the Redemption Price therein specified, and from and after the Redemption Date (unless the Issuer defaults in the payment of the Redemption Price) such Bonds or portion of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with such notice, the Redemption Price of such Bonds shall be paid by the Paying Agent. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the Owner a new Bond or Bonds of the same Stated Maturity in the amount of the unpaid principal as provided herein. All Bonds that have been surrendered for redemption shall be cancelled and destroyed by the Paying Agent as provided herein and shall not be reissued.

In addition to the foregoing notice, the Issuer shall provide such notices of redemption as are required by the Disclosure Undertaking. Further notice may be given by the Issuer or the Bond Registrar on behalf of the Issuer as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if official notice thereof is given as above prescribed:

(a) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (1) the CUSIP numbers of all Bonds being redeemed; (2) the date of issue of the Bonds as originally issued; (3) the rate of interest borne by each Bond being redeemed; (4) the maturity date of each Bond being redeemed; and (5) any other descriptive information needed to identify accurately the Bonds being redeemed.

(b) Each further notice of redemption shall be sent at least one day before the mailing of notice to Owners by first class, registered or certified mail or overnight delivery, as determined by the Bond Registrar, to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds and to one or more national information services that disseminate notices of redemption of obligations such as the Bonds.

(c) Each check or other transfer of funds issued for the payment of the Redemption Price of Bonds being redeemed shall bear or have enclosed the CUSIP number of the Bonds being redeemed with the proceeds of such check or other transfer.

The Paying Agent is also directed to comply with any mandatory standards then in effect for processing redemptions of municipal securities established by the State or the Securities and Exchange Commission. Failure to comply with such standards shall not affect or invalidate the redemption of any Bond.

ARTICLE IV

SECURITY FOR BONDS

Section 401. Security for the Bonds. The Series 2016B Bonds shall be special obligations of the Issuer payable solely from, and secured as to the payment of principal and interest by a pledge of, the Net Revenues, and the City hereby pledges said Net Revenues to the payment of the principal of and interest on the Series 2016B Bonds. The Series 2016B Bonds shall not be or constitute a general obligation of the City, nor shall they constitute an indebtedness of the City within the meaning of any constitutional, statutory or charter provision, limitation or restriction, and the taxing power of the City is not pledged to the payment of the Series 2016B Bonds, either as to principal or interest.

The covenants and agreements of the City contained herein and in the Series 2016B Bonds shall be for the equal benefit, protection and security of the legal owners of any or all of the Series 2016B Bonds, all of which Series 2016B Bonds shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the funds herein pledged to the payment of the principal of and the interest on the Series 2016B Bonds, or otherwise, except as to rate of interest, date of maturity and right of prior redemption as provided in this Bond Resolution. The Series 2016B Bonds shall stand on a parity and be equally and ratably secured with respect to the payment of principal and interest from the Net Revenues with any Parity Indebtedness. The Series 2016B Bonds shall not have any priority with respect to the payment of principal or interest from said Net Revenues or otherwise over the Parity Indebtedness; and the Parity Indebtedness shall not have any priority with respect to the payment of principal or interest from said Net Revenues or otherwise over the Series 2016B Bonds.

ARTICLE V

ESTABLISHMENT OF FUNDS AND ACCOUNTS
DEPOSIT AND APPLICATION OF BOND PROCEEDS AND OTHER MONEYS

Section 501. Creation of Funds and Accounts. Simultaneously with the issuance of the Series 2016B Bonds, there shall be created within the Treasury of the Issuer the following Funds and Accounts:

(a) Principal and Interest Subaccount for Water and Sewer Utility Refunding Revenue Bonds, Series 2016B;

(b) Bond Reserve Subaccount for Water and Sewer Utility Refunding Revenue Bonds, Series 2016B;

(c) Rebate Fund for Water and Sewer Utility Refunding Revenue Bonds, Series 2016B; and

(d) Costs of Issuance Account for Water and Sewer Utility Refunding Revenue Bonds, Series 2016B.

The Funds and Accounts established herein shall be administered in accordance with the provisions of this Series 2016B Bond Resolution so long as the Series 2016B Bonds are Outstanding.

In addition to the Funds and Accounts described above, the Escrow Agreement establishes the Escrow Fund for Refunded Bonds to be held and administered by the Escrow Agent in accordance with the provisions of the Escrow Agreement.

The following separate Funds and Accounts created and established in the treasury of the Issuer are hereby ratified and confirmed:

(a) Water and Sewer Utility Revenue Fund;

(b) Water and Sewer Utility Bond Reserve Account;

(c) Water and Sewer Utility Depreciation and Replacement Account;

(d) Water and Sewer Utility Improvement Account;

(e) Principal and Interest Subaccounts for Outstanding Parity Bonds; and

(f) Bond Reserve Subaccounts for Outstanding Parity Bonds.

The Funds and Accounts referred to in this paragraph shall be administered in accordance with the provisions of Bond Resolution so long as the Utility Indebtedness is Outstanding.

Section 502. Deposit of Series 2016B Bond Proceeds and Other Moneys. The net proceeds received from the sale of the Series 2016B Bonds and certain other moneys shall be deposited simultaneously with the delivery of the Series 2016B Bonds as follows:

(a) All accrued interest and any excess proceeds received from the sale of the Series 2016B Bonds shall be deposited in the Series 2016B Principal and Interest Subaccount.

(b) An amount necessary to pay Costs of Issuance shall be shall be deposited in the Series 2016B Costs of Issuance Account.

(c) An amount necessary to bring the Series 2016B Bond Reserve Subaccount to the Series 2016B Bond Reserve Requirement shall be deposited in the 2016B Bond Reserve Subaccount.

(d) The remaining balance of the proceeds derived from the sale of the Series 2016B Bonds shall be transferred to the Escrow Agent and deposited in the Escrow Fund and applied in accordance with the Escrow Agreement.

(e) Simultaneously with the issuance of the Series 2016B Bonds, the Issuer shall transfer to the Escrow Agent all funds in the Series 2009A Bond Reserve Subaccount and the Series 2009A Principal and Interest Subaccount.

Section 503. Application of Moneys in the Rebate Fund.

(a) There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Federal Tax Certificate. All money at any time deposited in the Rebate Fund shall be held in trust, to the extent required to satisfy the Rebate Amount (as defined in the Federal Tax Certificate), for payment to the United States of America, and neither the Issuer nor the Owner of any Series 2016B Bonds shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section and the Federal Tax Certificate.

(b) The Issuer shall periodically determine the rebatable arbitrage, if any, under Code § 148(f) in accordance with the Federal Tax Certificate, and the Issuer shall make payments to the United States of America at the times and in the amounts determined under the Federal Tax Certificate. Any moneys remaining in the Rebate Fund after redemption and payment of all of the Series 2016B Bonds and payment and satisfaction of any Rebate Amount, or provision made therefor, shall be deposited into the Revenue Fund.

(c) Notwithstanding any other provision of this Bond Resolution, including in particular ***Article XI*** hereof, the obligation to pay rebatable arbitrage to the United States of America and to comply with all other requirements of this Section and the Federal Tax Certificate shall survive the defeasance or payment in full of the Series 2016B Bonds.

Section 504. Application of Moneys in the Costs of Issuance Account. Moneys in the Costs of Issuance Account shall be used by the Issuer to pay the Costs of Issuance. Any funds remaining in the Costs of Issuance Account, after payment of all Costs of Issuance, but not later than the later of 30 days prior to the first Stated Maturity of principal or one year after the date of issuance of the Series 2016B Bonds, shall be transferred to the Issuer for deposit into the Series 2016B Principal and Interest Subaccount.

Section 505. Application of Moneys in the Escrow Fund. Under the Escrow Agreement, the Escrow Agent will apply moneys in the Escrow Fund to purchase the Escrowed Securities and to establish an initial cash balance in accordance with the Escrow Agreement. The cash and Escrowed Securities held in the Escrow Fund will be applied by the Escrow Agent solely in the manner authorized by the Escrow Agreement. All money deposited with the Escrow Agent shall be deemed to be deposited in accordance with and subject to all of the provisions contained in the Refunded Bond Resolution(s) and the Escrow Agreement.

Section 506. Verification of Certified Public Accountant. Prior to or concurrently with the issuance and delivery of the Series 2016B Bonds and the creation of the Escrow Fund, the Issuer shall obtain a Verification Report from an Independent Accountant that such Independent Accountant has verified the accuracy of the calculations that demonstrate that the money and obligations required to be deposited in the Escrow Fund pursuant to ***Section 502*** of this Bond Resolution and the Escrow Agreement, together with the earnings to accrue thereon, will be sufficient for the timely payment of the principal of, redemption premium, if any, and interest on the Refunded Bonds in accordance with the Escrow Agreement.

ARTICLE VI

COLLECTION AND APPLICATION OF REVENUES

Section 601. Revenue Fund. The Issuer covenants and agrees that from and after the delivery of the Series 2016B Bonds, and continuing as long as any of the Utility Indebtedness remains Outstanding, all of the Gross Revenues shall as and when received be paid and deposited into the Revenue Fund. Said Revenues shall be segregated and kept separate and apart from all other moneys, revenues, Funds and Accounts of the Issuer and shall not be commingled with any other moneys, revenues, Funds and Accounts of the Issuer. The Revenue Fund shall be administered and applied solely for the purposes and in the manner provided in this Bond Resolution, except as may be modified by the provisions of the Outstanding Parity Bond Resolutions.

Section 602. Application of Moneys in Funds and Accounts. The Issuer covenants and agrees that from and after the delivery of the Series 2016B Bonds and continuing so long as any of the Bonds shall remain Outstanding, it will administer and allocate all of the moneys then held in the Revenue Fund as follows:

(a) ***Operation and Maintenance***. The cost of Current Expenses shall be paid currently as bills accrue. Such amount as may be necessary in the opinion of the Governing Body to pay the reasonable and proper Current Expenses for the ensuing sixty (60) days may be retained and accumulated in the Revenue Fund before making transfers to other Funds and Accounts.

Parity Resolutions. The following transfers shall be made on a parity of lien basis with the transfers and requirements of the Bond Resolution with respect to any Parity Indebtedness, and the term Parity Obligations shall be substituted for Bonds, as appropriate.

(b) ***Principal and Interest Account***. There shall next be paid and credited on the first day of each month to the Principal and Interest Account, for credit to the respective Subaccounts thereof, a proportionate amount necessary to meet on each Bond Payment Date the payment of all interest on and principal of the Parity Bonds. All amounts paid and credited to the various Principal and Interest Subaccounts shall be expended and used by the Issuer for the sole purpose of paying the Debt Service Requirements of respective Parity Bonds as and when the same become due at Maturity and on each Interest Payment Date.

Any amounts deposited in the Principal and Interest Account in accordance with ***Section 502(a)*** hereof shall be credited against the Issuer's payment obligations as set forth in subsection (b) of this Section.

If at any time the moneys in the Revenue Fund are insufficient to make in full the payments and credits at the time required to be made to the Principal and Interest Account and to the subaccounts established to pay the principal of and interest on any Parity Bonds, the available moneys in the Revenue

Fund shall be divided among such debt service accounts in proportion to the respective principal amounts of said series of Parity Bonds at the time Outstanding which are payable from the moneys in said Principal and Interest Subaccounts.

(c) ***Bond Reserve Account***. There shall next be set aside and credited monthly to the Bond Reserve Account, for the credit of the respective subaccounts thereof as appropriate, the amount, if any, required to restore the Bond Reserve Account to the Bond Reserve Requirement. Except as hereinafter provided, all amounts paid and credited to the Bond Reserve Account shall be expended and used by the Issuer solely to prevent any default in the payment of interest on or principal of the Parity Bonds on any Maturity date or Interest Payment Date if the moneys in the respective Principal and Interest Subaccounts are insufficient to pay the Debt Service Requirements of said Parity Bonds as they become due. So long as the Bond Reserve Account aggregates the Bond Reserve Requirement, no further payments into said Account shall be required, but if the Issuer is ever required to expend and use a part of the moneys in any subaccount for the purpose herein authorized and such expenditure reduces the amount of such subaccount below the Bond Reserve Requirement for such subaccount, or if the Value of the any such subaccount is below the Bond Reserve Requirement, the Issuer shall make monthly payments into such subaccount so that such subaccount shall again aggregate the Bond Reserve Requirement within twelve (12) months of such deficiency.

(d) ***Debt Service Accounts-Subordinate Lien Indebtedness***. There shall next be paid and credited monthly to the debt service account(s) for any Subordinate Lien Indebtedness, to the extent necessary to meet on each Bond Payment Date an amount equal to the payment of all interest on and principal of any Subordinate Lien Indebtedness. The amounts required to be paid and credited to the debt service account(s) for any Subordinate Lien Indebtedness shall be made at the same time and on a parity with the amounts at the time required to be paid and credited to other debt service accounts established for the payment of the Debt Service Requirements on any Subordinate Lien Indebtedness.

(e) ***Depreciation and Replacement Account***. There shall next be paid and credited monthly to the Depreciation and Replacement Account minimum monthly amounts to the end that the Depreciation and Replacement Account will reach the Depreciation and Replacement Account Requirement within a period of thirty (30) months from the date of the first such transfer. Except as hereinafter provided, moneys in the Depreciation and Replacement Account shall be expended and used by the Issuer for the purpose of: (1) making extraordinary maintenance and repairs to the Utility, (2) making capital improvements in and to the Utility, and (3) keeping the Utility in good repair and working order so that it may continue in effective and efficient operation. If no other funds are available therefor, moneys in the Depreciation and Replacement Account may be used to pay Current Expenses. After the Depreciation and Replacement Account aggregates the Depreciation and Replacement Account Requirement, no further payments into the Depreciation and Replacement Account shall be required, but if the Issuer is ever required to expend a part of the moneys in the Depreciation and Replacement Account for its authorized purposes and such expenditure reduces the amount of the Depreciation and Replacement Account below the Depreciation and Replacement Requirement, then the Issuer shall resume and continue minimum monthly payments into the Depreciation and Replacement Account aggregates the Depreciation and Replacement Requirement within a period of eighteen (18) months of such deficiency.

(f) ***General Obligation Indebtedness***. There shall next be paid and credited monthly to such of the Issuer's funds or accounts determined by the Director of Finance, proportionate monthly amounts equal to the Debt Service Requirements on General Obligation Indebtedness accruing in the next twelve (12) months.

(g) ***Payment to the City***. There shall next be paid and credited monthly to such of the Issuer's funds or accounts determined by the Director of Finance, proportionate monthly amounts equal to the next required Payment to the City.

(h) ***Improvement Account***. All moneys in the Revenue Fund on each January 1 not required for payment of the Current Expenses and all transfers required by subsections (a) to (f) hereof for the next ninety (90) days shall be credited to the Improvement Account. When the Pre-2014 Bonds are no longer Outstanding, transfers from the Revenue Fund to the Improvement Fund may be made on a monthly basis in such amounts as may be determined by the Director of Finance. Moneys in the Improvement Account may be expended and used for the following purposes:

(1) Paying the Current Expenses.

(2) Paying the cost of extending, enlarging or improving the Utility.

(3) Preventing default in, making payments into or increasing the amounts in any of the Funds and Accounts or other payments required by subsections (a) to (g) hereof

(4) Calling, redeeming and paying prior to Stated Maturity, or, at the option of the Issuer, purchasing in the open market at fair market value, any Utility Indebtedness or General Obligation Indebtedness.

(5) Any other lawful purpose in connection with the operation of the Utility and benefiting the Utility.

(6) To make transfers to the Revenue Fund.

(i) ***Deficiency of Payments into Funds and Accounts***. If at any time the Gross Revenues are insufficient to make any payment on the date or dates hereinbefore specified, the Issuer will make good the amount of such deficiency by making additional payments or credits out of the first available Gross Revenues, such payments and credits being made and applied in the order hereinbefore specified in this Section.

Section 603. Transfer of Funds to Paying Agent. The Treasurer of the Issuer shall withdraw from the Principal and Interest Account, and, to the extent necessary to prevent a default in the payment of either principal of or interest on the Utility Indebtedness, from the Bond Reserve Account, and the Improvement Account, sums sufficient to pay the principal of and interest on the Utility Indebtedness as and when the same become due on any Bond Payment Date, and to forward such sums to the Paying Agent in a manner which ensures the Paying Agent will have available funds in such amounts on or before the Business Day immediately preceding each Bond Payment Date. All moneys deposited with the Paying Agent shall be deemed to be deposited in accordance with and subject to all of the provisions contained in this Bond Resolution.

Section 604. Payments Due on Saturdays, Sundays and Holidays. In any case where a Bond Payment Date is not a Business Day, then payment of principal, Redemption Price or interest need not be made on such Bond Payment Date but may be made on the next succeeding Business Day with the same force and effect as if made on such Bond Payment Date, and no interest shall accrue for the period after such Bond Payment Date.

ARTICLE VII

DEPOSIT AND INVESTMENT OF MONEYS

Section 701. Deposits and Investment of Moneys.

(a) Moneys in each of the Funds and Accounts shall be deposited and shall be adequately secured as provided by the laws of the State.

(b) Moneys held in any Fund or Account other than the Escrow Fund may be invested in accordance with the Bond Resolution and the Federal Tax Certificate, in Permitted Investments; provided, however, that no such investment shall be made for a period extending longer than to the date when the moneys invested may be needed for the purpose for which such Fund or Account was established; and provided, further, that Authorized Investments in the Bond Reserve Account shall have an average aggregate weighted term to maturity not greater than five years. All earnings on any investments held in any Fund or Account shall accrue to and become a part of such Fund or Account, other than earnings required to be deposited into the Rebate Fund pursuant to the Federal Tax Certificate. All earnings on investments held in the Bond Reserve Account shall accrue to and become a part of the Bond Reserve Account until the amount on deposit in the Bond Reserve Account shall aggregate the Bond Reserve Requirement; thereafter, all such earnings shall be credited to the Principal and Interest Account. All earnings on investments held in the Depreciation and Replacement Account shall accrue to and become a part of the Depreciation and Replacement Account until the amount on deposit in the Depreciation and Replacement Account shall aggregate the Depreciation and Replacement Requirement; thereafter, all such earnings shall be credited to the Revenue Fund.

(c) The Value of any Fund or Account shall be determined at the end of each calendar month. Such valuation shall also be made in conjunction with redemption of any Utility Indebtedness.

ARTICLE VIII

GENERAL COVENANTS AND PROVISIONS

The Issuer covenants and agrees with each of the Owners of any of the Utility Indebtedness that so long as any of the Utility Indebtedness remain Outstanding and unpaid it will comply with each of the following covenants:

Section 801. Efficient and Economical Operation. The Issuer will continuously own and will operate the Utility as a revenue producing facility in an efficient and economical manner and will keep and maintain the same in good repair and working order.

Section 802. Rate Covenant. The Issuer, in accordance with and subject to applicable legal requirements, will fix, establish, maintain and collect such rates and charges for the use and services furnished by or through the Utility as will produce Gross Revenues sufficient to: (a) pay the Current Expenses; (b) pay the Debt Service Requirements on the Utility Indebtedness as and when the same become due at the Maturity thereof or on any Interest Payment Date; (c) provide reasonable and adequate reserves for the payment of the Utility Indebtedness and for the protection and benefit of the Utility as provided in the Bond Resolution; and (d) enable the Issuer to have in each Fiscal Year, a Debt Service Coverage Ratio of not less than 1.20 on all Parity Indebtedness at the time Outstanding; 1.00 on all Subordinate Lien Indebtedness at the time Outstanding; 1.00 on all General Obligation Indebtedness at the time Outstanding; and 1.00 with respect to the Payment to the City;

provided however, in determining the Net Revenues Available for Debt Service, estimated additional net income to be derived from rate increases in effect and being charged prior to the end of the applicable Fiscal Year, as determined by the Consultant, may be taken into account, and that, without giving effect to any such adjustments from rate increases, the Debt Service Coverage Ratio shall be not less than 1.00 of the current Fiscal Year's Debt Service Requirements for all Utility Indebtedness.

The Issuer will, from time to time as often as necessary, in accordance with and subject to applicable legal requirements, revise the rates and charges aforesaid in such manner as may be necessary or proper so that the Net Revenues Available for Debt Service will be sufficient to cover the obligations under the provisions of the Bond Resolution. If in any Fiscal Year, Net Revenues Available for Debt Service are an amount less than as hereinbefore provided, the Issuer will make adjustments to such rates, fees and charges to bring the Utility into compliance with this covenant. It shall be the policy of the Issuer that the rates, fees and charges established for the Water Utility and the Sewer Utility shall each be sufficient to provide Net Revenues Available for Debt Service with respect to Utility Indebtedness issued for improvements to each such component of the Utility which meet the coverage requirements set forth herein to the extent reasonably practical.

Section 803. Restrictions on Mortgage or Sale of Utility. The Issuer will not mortgage, pledge or otherwise encumber the Utility or any part thereof, nor will it sell, lease or otherwise dispose of the Utility or any material part thereof; provided, however, the Issuer may:

(a) sell at fair market value any portion of the Utility which has been replaced by other similar property of at least equal value, or which ceases to be necessary for the efficient operation of the Utility, and in the event of sale, the Issuer will apply the proceeds to either (1) redemption of Outstanding Utility Indebtedness in accordance with the provisions governing repayment of Utility Indebtedness in advance of Stated Maturity, or (2) replacement of the property so disposed of by other property the revenues of which shall be incorporated into the Utility as hereinbefore provided;

(b) cease to operate, abandon or otherwise dispose of any property which has become obsolete, nonproductive or otherwise unusable to the advantage of the Issuer;

(c) grant a security interest in equipment to be purchased with the proceeds of any loan, lease or other obligation undertaken in accordance with ***Article IX*** hereof; or

(d) sell, lease or convey all or substantially all of the Utility to another entity or enter into a management contract with another entity if:

(1) The transferee entity is a political subdivision organized and existing under the laws of the State, or instrumentality thereof, or an organization described in Code § 501(c)(3), and expressly assumes in writing the due and punctual payment of the principal of and premium, if any, and interest on all outstanding Utility Indebtedness according to their tenor, and the due and punctual performance and observance of all of the covenants and conditions of this Bond Resolution;

(2) If there remains unpaid any Utility Indebtedness which bears interest that is not includable in gross income under the Code, the Issuer receives an opinion of Bond Counsel, in form and substance satisfactory to the Issuer, to the effect that under then existing law the consummation of such sale, lease or conveyance, whether or not contemplated on any date of the delivery of such Utility Indebtedness, would not cause the interest payable on such Utility Indebtedness to become includable in gross income under the Code;

(3) The Issuer receives a certificate of the Consultant which demonstrates and certifies that immediately upon such sale or conveyance the transferee entity will not, as a result thereof, be in default in the performance or observance of any covenant or agreement to be performed or observed by it under this Bond Resolution;

(4) Such transferee entity possesses such licenses to operate the Utility as may be required if it is to operate the Utility; and

(5) The Issuer receives an opinion of Bond Counsel, in form and substance satisfactory to the Issuer, as conclusive evidence that any such sale, lease or conveyance, and any such assumption, is permitted by law and complies with the provisions of this Section.

(6) The Issuer receives the written consent of the Bond Insurer.

Section 804. Insurance. The Issuer will carry and maintain such reasonable amount of all risk insurance on all properties and all operations of the Utility as would be carried by a privately owned utility with similar property and performing similar functions, insofar as the properties are of an insurable nature; and in the event of loss or damage, the Issuer will use the Net Proceeds of such insurance to reconstruct or replace the damaged or destroyed property, or if such reconstruction or replacement be unnecessary, then such Net Proceeds shall be used in redeeming or paying off Outstanding Utility Indebtedness, in accordance with their call provisions. The Issuer also will carry general liability insurance in amounts not less than the then maximum liability of a governmental entity for claims arising out of a single occurrence, as provided by the State's tort claims act or other similar future law (currently $500,000.00 per occurrence). In lieu of the foregoing, the Issuer may establish a self-insurance program which will provide substantially the same protection for the Owners.

Section 805. Books, Records and Accounts. As long as any Utility Indebtedness are Outstanding, the Issuer shall keep proper and separate books of records and accounts in which complete and correct entries shall be made showing the Gross Revenues collected for services by the Utility and all sums expended in the operation thereof and all sums deposited in the Funds and Accounts above mentioned and all disbursements, transfers and transactions relating to the Utility as a whole, and to the several components of the Utility separately. The books and accounts shall be kept in accordance with generally accepted accounting principles.

The Utility shall make comparative quarterly reports to the Office of the City Manager relative to Utility incomes, Utility expenses and net income from operations. If any such quarterly report shall disclose that the Issuer will not have available the necessary funds for carrying out and complying with all of the requirements of this Resolution, then the Issuer shall within sixty (60) days proceed to cause to be charged and collected rates, fees and charges for the use and services of the Utility which will provide adequate funds to meet such requirements.

Section 806. Annual Budget. The Issuer shall prepare an Annual Budget in its customary form estimating anticipated expenditures and income and containing a statement relative to the amounts of insurance being carried and to be carried. As long as the Series 2005B Bonds are Outstanding, the Annual Budget shall contain normal budgetary items, including:

(a) An estimate of the receipts from the Utility during the next ensuing Fiscal Year.

(b) A statement of the estimated cost of operating the Utility during the next ensuing Fiscal Year.

(c) A statement of any anticipated unusual expenses for the Utility during the next Fiscal Year.

(d) A statement of any necessary replacements to the Utility which may be anticipated during the next Fiscal Year.

(e) A statement of the amount of principal and interest to be paid on Outstanding Utility Indebtedness and any General Obligation Indebtedness to be paid from Gross Revenues of the Utility during the next Fiscal Year.

(f) A statement of the total estimated expenditures to be made from the Gross Revenues of the Utility during the next Fiscal Year.

(g) A statement of the estimated Net Revenues Available for Debt Service during the next Fiscal Year.

As long as the Series 2005B Bonds are Outstanding, copies of the Annual Budget shall be mailed to the Underwriter and to the Bond Insurer, if any, within thirty (30) days after the same are received by the Issuer.

Section 807. Annual Audit. The Issuer shall annually cause an audit to be made by an Independent Accountant of the operation of the Utility, which audit shall be open to public inspection and shall be completed within six (6) months after the completion of the Fiscal Year. If the audit shall disclose that proper provision has not been made for carrying out and complying with all of the requirements of this Resolution, then the Issuer shall within sixty (60) days proceed to cause to be charged and collected rates, fees and charges for the use of services of the Utility which will provide adequate funds to meet all such requirements.

As long as the Series 2005B Bonds are Outstanding, the audit shall include the following information:

(a) A classified statement of the Gross Revenues received, the expenditures for operation and maintenance, the expenditures for all other purposes, the net Operating Revenues and the amount of any capital expenditures made from such Operating Revenues during the year.

(b) A complete balance sheet of the Fiscal Year's operations, particularly indicating the amount of moneys set aside for the various Funds and Accounts as herein provided for.

(c) A statement showing all Outstanding Utility Indebtedness which have been called, purchased, matured or paid during the year and a statement of all interest thereon paid during the year.

(d) A statement of the number of customers served by the Utility at the end of the year.

(e) A statement of the gross amount of insurance carried on the Utility's properties, showing the names of the insurers, the expiration dates of the policies and the premiums thereon.

(f) A statement by the auditor of any recommendations suggested as to financial procedures and accounting practices employed by the Issuer.

(g) A statement of the Net Revenues Available for Debt Service of the Utility.

(h) A statement of any amounts to be deposited in the Rebate Account.

As long as the Series 2005B Bonds are Outstanding, copies of such audit shall be mailed to the Underwriter, to the Bond Insurer, if any, and to the Kansas Bank Commissioner within thirty (30) days after the same are received by the Issuer.

As soon as possible after the completion of the annual audit, the governing body of the Issuer shall review the report of such audit, and if the audit report discloses that proper provision has not been made for all of the requirements of this Bond Resolution and the Act, the Issuer will promptly cure such deficiency and will promptly proceed to modify the rates and charges to be charged for the use and services furnished by the Utility or take such other action as may be necessary to adequately provide for such requirements.

Section 808. Right of Inspection. The Owner of any Bond or such Owner's duly authorized attorney, accountant or investment counselor and, the Bond Insurer, if any, shall have the right at all reasonable times during normal business hours to inspect the any records, accounts or data relating thereto in accordance with State law.

Section 809. Performance of Duties and Covenants. The Issuer will faithfully and punctually perform all duties, covenants and obligations with respect to the operation of the Utility now or hereafter imposed upon the Issuer by the Constitution and laws of the State and by the provisions of this Bond Resolution.

Section 810. Report on Utility Condition. The Issuer shall annually cause a qualified employee of the Issuer to make an examination of and report on the condition and operations of the Utility. Not less than every three (3) years, the Issuer will cause the Consulting Engineers to make an examination and written report on the condition and operation of the Utility, such report to include recommendations as to any changes in such operation deemed desirable. Such report shall also make references to any unusual or extraordinary items of maintenance and repair and any extensions, enlargements or improvements that may be needed in the period prior to the preparation of the next consultant's report required by this Section. A copy of such report will be filed with the Clerk.

ARTICLE IX

ADDITIONAL BONDS AND OBLIGATIONS

Section 901. Prior Lien Bonds. So long as any of the Parity Bonds remain Outstanding, the Issuer will not issue any Utility Indebtedness payable out of the Gross Revenues which are superior to the Parity Indebtedness with respect to the lien on the Net Revenues.

Section 902. Parity Indebtedness. The Issuer will not issue any Utility Indebtedness which stands on a parity or equality of lien against the Net Revenues with the Parity Indebtedness unless the following conditions are met:

(a) The Issuer shall not be in default in the payment of the Debt Service Requirements on any Parity Indebtedness at the time Outstanding or in making any payment at the time required to be made into the respective Funds and Accounts created by and referred to in the Bond Resolution (unless such Utility Indebtedness is being issued to provide funds to cure such default) nor shall any other Event of Default have occurred and be continuing;

(b) The Issuer shall deliver the following:

(1) *Long-Term Indebtedness*. A certificate signed by the Issuer evidencing that the Debt Service Coverage Ratio for the two (2) Fiscal Years immediately preceding the issuance of such Utility Indebtedness, as reflected by information provided by the Independent Accountant, shall be not less than 1.20, including the Utility Indebtedness proposed to be issued. In the event that the Issuer has instituted any increase in rates for the use and services of the Utility and such increase shall not have been in effect during the full two (2) Fiscal Years immediately preceding the issuance of such proposed Utility Indebtedness, the additional Net Revenues Available for Debt Service which would have resulted from the operation of the Utility during said two (2) preceding Fiscal Years had such rate increase been in effect for the entire period may be added to the stated Net Revenues for the calculation of the Debt Service Coverage Ratio, provided that such estimated additional Net Revenues shall be determined by a Consultant.

(2) *Short-Term Indebtedness*. A certificate signed by the Issuer evidencing any ***one*** of the following:

(i) The principal amount of all Outstanding Short-Term Indebtedness does not exceed 15% of the Gross Revenues for the most recently ended Fiscal Year for which financial information is available from the Independent Accountant;

(ii) The Short-Term Indebtedness could be incurred assuming it was Long-Term Indebtedness.

(iii) There is delivered to the Issuer a certificate of a Consultant to the effect that it is such Consultant's opinion that it is reasonable to assume that the Issuer will be able to refinance such Short-Term Indebtedness prior to its Stated Maturity and the conditions are met with respect to such Short-Term Indebtedness when it is assumed that such Short-Term Indebtedness is Long-Term Indebtedness maturing over 20 years (or such shorter period as such Consultant indicates is reasonable to assume in such statement) from the date of issuance of the Short-Term Indebtedness and bears interest on the unpaid principal balance at the Index Rate and is payable on a level annual debt service basis over a 20-year period (or such shorter period as such Consultant indicates is reasonable to assume in such statement).

(3) *Interim Indebtedness*. A certificate signed by the Issuer evidencing any ***either*** of the following:

(i) The Interim Indebtedness could be incurred assuming it was Long-Term Indebtedness.

(ii) There is delivered to the Issuer a certificate of a Consultant to the effect that it is such Consultant's opinion that it is reasonable to assume that the Issuer will be able to refinance such Interim Indebtedness prior to its Stated Maturity and the conditions are met with respect to such Interim Indebtedness when it is assumed that such Interim

Indebtedness is Long-Term Indebtedness maturing over 20 years (or such shorter period as such Consultant indicates is reasonable to assume in such statement) from the date of issuance of the Interim Indebtedness and bears interest on the unpaid principal balance at the Index Rate and is payable on a level annual debt service basis over a 20-year period (or such shorter period as such Consultant indicates is reasonable to assume in such statement).

(c) When the issuance of Utility Indebtedness of equal stature and priority is permitted by the laws of the State.

(d) With respect to the issuance of Additional Bonds, an additional deposit to the Bond Reserve Account shall be made to bring the Bond Reserve Account to an amount equal to the Bond Reserve Requirement.

(e) The ordinance and/or resolution authorizing such Utility Indebtedness shall contain or provide for substantially the same terms, conditions, covenants and procedures as established in the Bond Resolution.

Additional Utility Indebtedness issued under the conditions hereinbefore set forth shall stand on a parity with other Parity Indebtedness and shall enjoy complete equality or lien on and claim against the Net Revenues, and the Issuer may make equal provision for paying the Debt Service Requirements on such Utility Indebtedness out of the Revenue Fund and may likewise provide for the creation of reasonable debt service accounts and debt service reserve accounts for the payment of the Debt Service Requirements on such Utility Indebtedness and the interest thereon out of moneys in the Revenue Fund.

Section 903. Subordinate Lien Indebtedness. Nothing shall prohibit or restrict the right of the Issuer to issue Subordinate Lien Indebtedness for any lawful purpose in connection with the operation of and benefiting the Utility and to provide that the Debt Service Requirements on such Subordinate Lien Indebtedness shall be payable out of the Net Revenues Available for Debt Service, provided at the time of the issuance of such Subordinate Lien Indebtedness the Issuer is not in default in the performance of any covenant or agreement contained in the Bond Resolution (unless such Utility Indebtedness shall be issued to cure such default and shall be junior and subordinate to the Parity Indebtedness) so that if at any time the Issuer shall be in default in paying either interest on or principal of the Parity Indebtedness, or of the Issuer is in default in payment of Current Expenses, Debt Service Requirements on Parity Indebtedness or transfers required by the Bond Resolution prior to the payment of Debt Service Requirements on Subordinate Lien Indebtedness, the Issuer shall make no payments of Debt Service Requirements on said Subordinate Lien Indebtedness until said default or defaults be cured.

Section 904. Refunding Indebtedness. The Issuer shall have the right, without complying with the provisions of ***Section 902*** hereof, to issue Refunding Indebtedness for the purpose of refunding any of the Utility Indebtedness under the provisions of any law then available, and the Refunding Indebtedness so issued shall enjoy complete equality of pledge as did the Utility Indebtedness that was refunded.

ARTICLE X

DEFAULT AND REMEDIES

Section 1001. Remedies. The Bond Resolution and all of the provisions thereof shall constitute a contract between the Issuer, the Bond Insurer and each of the Owners of Utility Indebtedness, and any such Owner may by suit, action, mandamus, injunction or other proceeding, either at law or in equity, enforce and compel performance of all duties, obligations and conditions determined and required by the Bond Resolution, subject to the limitations of hereinafter set forth; provided however, that no Owner of Subordinate Indebtedness shall have the ability to impair the rights of Owners of Parity Indebtedness. Upon the happening and continuance of any Event of Default, then and in every such case any Owner may proceed, subject to the provisions of the Bond Resolution, to protect and enforce the rights of the Owners by a suit, action or special proceeding in equity, or at law, either for the specific performance of any covenant or agreement contained therein or in aid or execution of any power therein granted or for the enforcement of any proper legal or equitable remedy as such Owner shall deem most effectual to protect and enforce such rights.

Anything in the Bond Resolution to the contrary notwithstanding, if at any time moneys in the Principal and Interest Account shall not be sufficient to pay the interest on or the principal of the Utility Indebtedness as the same shall become due and payable, such moneys, together with any moneys then available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for in this Section or otherwise, shall be applied as follows:

(a) If the principal of all the Parity Indebtedness shall not have become due and payable, all such moneys shall be applied:

first: to the payment of the persons entitled thereto of all installments of interest then due and payable in the order in which such installments became due and payable, and, if the amount available shall not be sufficient to pay in full any particular installments, then to the payment, ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Parity Indebtedness;

second: to the payment to the persons entitled thereto of the unpaid principal of any of the Parity Indebtedness which shall have become due and payable (other than Parity Indebtedness called for redemption for the payment of which moneys are held pursuant to the provisions of the Bond Resolution), in the order of their due dates, with interest on the principal amount of such Parity Indebtedness at the respective rates specified therein from the respective dates upon which such Parity Indebtedness` became due and payable, and, if the amount available shall not be sufficient to pay in full the principal of the Parity Indebtedness due and payable on any particular date, together with such interest, then to the payment first of such interest, ratably, according to the amount of such interest due on such date, and then to the payment of such principal, ratably, according to the amount of such principal due on such date, to the persons entitled thereto without any discrimination or preference; and

third: to the payment of the interest on and the principal of the Parity Indebtedness, to the purchase and retirement of the Parity Indebtedness and to the redemption of the Parity Indebtedness, all in accordance with the provisions of the Bond Resolution.

(b) If the principal of all of the Parity Indebtedness shall have become due and payable, all such moneys shall be applied:

first: to the payment to the persons entitled thereto of all installments of interest due and payable on or prior to maturity, if any, in the order in which such installments became due and payable and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Parity Indebtedness, and then to the payment of any interest due and payable after maturity on the Parity Indebtedness, ratably, to the person entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Parity Indebtedness; and

second: to the payment of the principal of the Parity Indebtedness, ratably, to the persons entitled thereto, without preference or priority of any Parity Indebtedness over any other Parity Indebtedness.

(c) If the principal of all the Subordinate Lien Indebtedness shall not have become due and payable, all such moneys shall be applied:

first: to the payment of the persons entitled thereto of all installments of interest then due and payable in the order in which such installments became due and payable, and, if the amount available shall not be sufficient to pay in full any particular installments, then to the payment, ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Subordinate Lien Indebtedness;

second: to the payment to the persons entitled thereto of the unpaid principal of any of the Subordinate Lien Indebtedness which shall have become due and payable (other than Subordinate Lien Indebtedness called for redemption for the payment of which moneys are held pursuant to the provisions of the Bond Resolution), in the order of their due dates, with interest on the principal amount of such Subordinate Lien Indebtedness at the respective rates specified therein from the respective dates upon which such Subordinate Lien Indebtedness` became due and payable, and, if the amount available shall not be sufficient to pay in full the principal of the Subordinate Lien Indebtedness due and payable on any particular date, together with such interest, then to the payment first of such interest, ratably, according to the amount of such interest due on such date, and then to the payment of such principal, ratably, according to the amount of such principal due on such date, to the persons entitled thereto without any discrimination or preference; and

third: to the payment of the interest on and the principal of the Subordinate Lien Indebtedness, to the purchase and retirement of the Subordinate Lien Indebtedness and to the redemption of the Subordinate Lien Indebtedness, all in accordance with the provisions of the Bond Resolution.

(d) If the principal of all of the Subordinate Lien Indebtedness shall have become due and payable, all such moneys shall be applied:

first: to the payment to the persons entitled thereto of all installments of interest due and payable on or prior to maturity, if any, in the order in which such installments

became due and payable and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Subordinate Lien Indebtedness, and then to the payment of any interest due and payable after maturity on the Subordinate Lien Indebtedness, ratably, to the person entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Subordinate Lien Indebtedness; and

second: to the payment of the principal of the Subordinate Lien Indebtedness, ratably, to the persons entitled thereto, without preference or priority of any Subordinate Lien Indebtedness over any other Subordinate Lien Indebtedness.

Whenever moneys are to be applied by the Issuer pursuant to the foregoing provisions, such moneys shall be applied at such times, and from time to time, as the Director of Finance, in his or her sole discretion shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future; the deposit of such moneys with the Paying Agent in trust for the proper purpose shall constitute proper application by the Issuer; and the Issuer shall incur no liability whatsoever to any Owner or to any other person for any delay in applying any such moneys, so long as the Issuer acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of this Resolution as may be applicable at the time of application by the Director of Finance. Whenever the Director of Finance shall exercise such discretion in applying such moneys, she shall fix the date (which shall be an Interest Payment Date unless she shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Director of Finance shall give such notice as she may deem appropriate of the fixing of any such date, and shall not be required to make payment to the Owner of any unpaid Utility Indebtedness until the same shall be surrendered to the Paying Agent for appropriate endorsement, or for cancellation if fully paid.

In case any proceeding taken by any Owner on account of any default shall have been discontinued or abandoned for any reason, then and in every such case the Issuer and the Owners shall be restored to their former positions and rights hereunder, respectively, and all rights and remedies of the Owners shall continue as though no such proceedings had been taken. No Owner of any of any Utility Indebtedness shall have any right in any manner whatever to affect, disturb or prejudice the security of the Bond Resolution or to enforce any right hereunder, except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Owners of the same class of Utility Indebtedness. No remedy herein conferred on the Owners is intended to be exclusive of any other remedy or remedies, and each and every remedy conferred shall be cumulative and shall be in addition to every other remedy given hereunder and under the Act or now or hereafter existing at law or in equity or by statute. No delay or omission of any Owner to exercise any right or power accruing upon any default occurring and continuing as aforesaid shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given to the Owners may be exercised from time to time and as often as may be deemed expedient.

Section 1002. Limitation on Rights of Owners. No Owner of any Utility Indebtedness shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Bond Resolution or for the execution of any trust hereunder or for the appointment of a receiver or any other remedy hereunder, unless (a) an Event of Default shall have occurred, (b) the Owners of twenty-five percent (25%) in aggregate principal amount of same class of the Utility Indebtedness then Outstanding shall have made written request to the Issuer, shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action,

suit or proceeding in its own name, and (c) the Issuer shall thereafter fail or refuse to exercise the powers herein granted or to institute such action, suit or proceeding in its own name; and such notification, request and offer of indemnity are hereby declared in every case, at the option of the Issuer, to be conditions precedent to the execution of the powers and trusts of the Bond Resolution, and to any action or cause of action for the enforcement of the Bond Resolution, or for the appointment of a receiver or for any other remedy hereunder, it being understood and intended that no one or more Owners of the Utility Indebtedness shall have any right in any manner whatsoever to affect, disturb or prejudice the Bond Resolution by its, his or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the Owners of the Utility Indebtedness then Outstanding. Nothing in the Bond Resolution contained shall, however, affect or impair the right of any Owner to payment of Debt Service Requirements on any Utility Indebtedness at and after the maturity thereof or the obligation of the Issuer to pay the Debt Service Requirements on each of the Utility Indebtedness issued hereunder to the respective Owners thereof at the time, place, from the source and in the manner herein and in the Utility Indebtedness expressed.

Section 1003. Remedies Cumulative. No remedy conferred upon the Owners is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred. No waiver of any default or breach of duty or contract by the Owner of any Bond shall extend to or affect any subsequent default or breach of duty or contract or shall impair any rights or remedies thereon. If action or proceedings taken by any Owner on account of any default or to enforce any right or exercise any remedy has been discontinued or abandoned for any reason, or shall have been determined adversely to such Owner, then, and in every such case, the Issuer and the Owners shall be restored to their former positions and rights, respectively, and all rights, remedies, powers and duties of the Owners shall continue as if no such suit, action or other proceedings had been brought or taken.

Section 1004. No Obligation to Levy Taxes. Nothing contained in this Bond Resolution shall be construed as imposing on the Issuer any duty or obligation to levy any taxes either to meet any obligation incurred herein or to pay the principal of or interest on the Utility Indebtedness.

Section 1005. Control of Remedies Upon an Event of Default and Event of Insolvency. Notwithstanding anything herein to the contrary, upon the occurrence and continuance of an Event of Default, the Bond Insurer, provided the Bond Insurance Policy is in full force and effect and the Bond Insurer shall not be in default thereunder, shall be entitled to control and direct the enforcement of all rights and remedies granted to the Owners under this Bond Resolution. Any reorganization or liquidation plan with respect to the Issuer must be acceptable to the Bond Insurer. In the event of any reorganization or liquidation, the Bond Insurer shall have the right to vote on behalf of all Owners who hold the Insured Bonds insured by the Bond Insurer absent a default by the Bond Insurer under the applicable Bond Insurance Policy insuring such Insured Bonds.

ARTICLE XI

DEFEASANCE

Section 1101. Defeasance. When any or all of the Utility Indebtedness, redemption premium, if any, or scheduled interest payments thereon have been paid and discharged, then the requirements contained in the Bond Resolution and the pledge of the Gross Revenues hereunder and all other rights granted hereby shall terminate with respect to the Bonds or scheduled interest payments thereon so paid and discharged. Utility Indebtedness, redemption premium, if any, or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of the Bond Resolution if there has been deposited with the Paying Agent, or other commercial bank or trust company located in the State and having full trust powers, at or prior to the Stated Maturity or Redemption Date of said Utility Indebtedness or the interest payments thereon, in trust for and irrevocably appropriated thereto, moneys and/or Defeasance Obligations which, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the principal or Redemption Price of said Utility Indebtedness and/or interest accrued to the Stated Maturity or Redemption Date, or if default in such payment has occurred on such date, then to the date of the tender of such payments. If the amount to be so deposited is based on the Redemption Price of any Bonds, no such satisfaction shall occur until: (a) the Issuer has elected to redeem such Utility Indebtedness, and (b) either notice of such redemption has been given, or the Issuer has given irrevocable instructions, or shall have provided for an escrow agent to give irrevocable instructions, to the Bond Registrar to give such notice of redemption in compliance with the Bond Resolution. Any money and Defeasance Obligations that at any time shall be deposited with the Paying Agent or other commercial bank or trust company by or on behalf of the Issuer, for the purpose of paying and discharging any of the Utility Indebtedness, shall be and are hereby assigned, transferred and set over to the Paying Agent or other bank or trust company in trust for the respective Owners of the Utility Indebtedness, and such moneys shall be and are hereby irrevocably appropriated to the payment and discharge thereof. All money and Defeasance Obligations deposited with the Paying Agent or such bank or trust company shall be deemed to be deposited in accordance with and subject to all of the provisions of the Bond Resolution. The Issuer shall notify the Bond Insurer of any defeasance of any Insured Bonds insured by the Bond Insurer.

Notwithstanding anything in the Bond Resolution to the contrary, in the event that the principal and/or interest due on the Insured Bonds shall be paid by the Bond Insurer pursuant to the Bond Insurance Policy, the Insured Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Issuer and the covenants, agreements and other obligations of the Issuer to the Owners shall continue to exist and shall run to the benefit of the Bond Insurer, and the Bond Insurer shall be subrogated to the rights of such Owners.

ARTICLE XII

TAX COVENANTS

Section 1201. General Covenants. The Issuer covenants and agrees that it will comply with: (a) all applicable provisions of the Code necessary to maintain the exclusion from gross income for federal income tax purposes of the interest on the Series 2016B Bonds; and (b) all provisions and requirements of the Federal Tax Certificate. The Mayor and Clerk are hereby authorized and directed to execute the Federal Tax Certificate in a form approved by Bond Counsel, for and on behalf of and as the act and deed of the Issuer. The Issuer will, in addition, adopt such other ordinances or resolutions and take such other actions as may be necessary to comply with the Code

and with all other applicable future laws, regulations, published rulings and judicial decisions, in order to ensure that the interest on the Series 2016B Bonds will remain excluded from federal gross income, to the extent any such actions can be taken by the Issuer.

Section 1202. Survival of Covenants. The covenants contained in this Article and in the Federal Tax Certificate shall remain in full force and effect notwithstanding the defeasance of the Series 2016B Bonds pursuant to ***Article XI*** hereof or any other provision of this Bond Resolution until such time as is set forth in the Federal Tax Certificate.

ARTICLE XIII

CONTINUING DISCLOSURE REQUIREMENTS

Section 1301. Disclosure Requirements. The Issuer hereby covenants with the Purchaser and the Beneficial Owners to provide and disseminate such information as is required by the SEC Rule and as further set forth in the Disclosure Undertaking, which are incorporated herein by reference. Such covenant shall be for the benefit of and enforceable by the Purchaser and the Beneficial Owners.

Section 1302. Failure to Comply with Continuing Disclosure Requirements. In the event the Issuer fails to comply in a timely manner with its covenants contained in the preceding section, the Purchaser and/or any Beneficial Owner may make demand for such compliance by written notice to the Issuer. In the event the Issuer does not remedy such noncompliance within 10 days of receipt of such written notice, the Purchaser or any Beneficial Owner may in its discretion, without notice or demand, proceed to enforce compliance by a suit or suits in equity for the specific performance of such covenant or agreement contained in the preceding section or for the enforcement of any other appropriate legal or equitable remedy, as the Purchaser and/or any Beneficial Owner shall deem effectual to protect and enforce any of the duties of the Issuer under such preceding section. The Purchaser or Beneficial Owner shall provide a copy of any such demand or notice to the Bond Insurer.

ARTICLE XIV

MISCELLANEOUS PROVISIONS

Section 1401. Amendments. The rights and duties of the Issuer and the Owners, and the terms and provisions of the Utility Indebtedness or of this Bond Resolution, may be amended or modified at any time in any respect by resolution of the Issuer with the written consent of the Owners of not less than a majority in principal amount of the Utility Indebtedness then Outstanding, such consent to be evidenced by an instrument or instruments executed by such Owners and duly acknowledged or proved in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the Clerk, but no such modification or alteration shall:

(a) extend the maturity of any payment of principal or interest due upon any Utility Indebtedness;

(b) effect a reduction in the amount which the Issuer is required to pay as principal of or interest on any Utility Indebtedness;

(c) permit preference or priority of any Utility Indebtedness over any other Utility Indebtedness;

(d) reduce the percentage in principal amount of Utility Indebtedness required for the written consent to any modification or alteration of the provisions of this Bond Resolution; or

(e) permit the creation of a lien on the Revenues prior or equal to the lien of the Parity Indebtedness.

Any provision of the Utility Indebtedness or of this Bond Resolution may, however, be amended or modified by resolution duly adopted by the governing body of the Issuer at any time in any legal respect with the written consent of the Owners of all of the Utility Indebtedness at the time Outstanding.

Without notice to or the consent of any Owners, the Issuer may amend or supplement this Bond Resolution for the purpose of curing any formal defect, omission, inconsistency or ambiguity herein, to grant to or confer upon the Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners, to conform this Bond Resolution to the Code or future applicable federal law concerning tax-exempt obligations, or in connection with any other change therein which is not materially adverse to the interests of the Owners.

Every amendment or modification of the provisions of the Utility Indebtedness or of this Bond Resolution, to which the written consent of the Owners is given, as above provided, shall be expressed in a resolution adopted by the governing body of the Issuer amending or supplementing the provisions of this Bond Resolution and shall be deemed to be a part of this Bond Resolution. A certified copy of every such amendatory or supplemental resolution, if any, and a certified copy of this Bond Resolution shall always be kept on file in the office of the Clerk, and shall be made available for inspection by the Owner of any Utility Indebtedness or a prospective purchaser or owner of any Utility Indebtedness authorized by this Bond Resolution, and upon payment of the reasonable cost of preparing the same, a certified copy of any such amendatory or supplemental resolution or of this Bond Resolution will be sent by the Clerk to any such Owner or prospective Owner.

Any and all modifications made in the manner hereinabove provided shall not become effective until there has been filed with the Clerk a copy of the resolution of the Issuer hereinabove provided for, duly certified, as well as proof of any required consent to such modification by the Bond Insurer and the Owners of the Utility Indebtedness then Outstanding. It shall not be necessary to note on any of the Outstanding Utility Indebtedness any reference to such amendment or modification.

The Issuer shall furnish to the Paying Agent a copy of any amendment to the Utility Indebtedness or this Bond Resolution which affects the duties or obligations of the Paying Agent under this Bond Resolution.

Section 1402. Notices, Consents and Other Instruments by Owners. Any notice, consent, request, direction, approval or other instrument to be signed and executed by the Owners may be in any number of concurrent writings of similar tenor and may be signed or executed by such Owners in person or by agent appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent and of the ownership of Utility Indebtedness, if made in the following manner, shall be sufficient for any of the purposes of this Bond Resolution, and shall be conclusive in favor of the Issuer and the Paying Agent with regard to any action taken, suffered or omitted under any such instrument, namely:

(a) The fact and date of the execution by any person of any such instrument may be proved by a certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such instrument acknowledged before such officer the execution thereof, or by affidavit of any witness to such execution.

(b) The fact of ownership of Utility Indebtedness, the amount or amounts, numbers and other identification of Utility Indebtedness, and the date of holding the same shall be proved by the Bond Register.

In determining whether the Owners of the requisite principal amount of Utility Indebtedness Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under this Bond Resolution, Utility Indebtedness owned by the Issuer shall be disregarded and deemed not to be Outstanding under this Bond Resolution, except that, in determining whether the Owners shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Utility Indebtedness which the Owners know to be so owned shall be so disregarded. Notwithstanding the foregoing, Utility Indebtedness so owned which have been pledged in good faith shall not be disregarded as aforesaid if the pledgee establishes to the satisfaction of the Owners the pledgee's right so to act with respect to such Utility Indebtedness and that the pledgee is not the Issuer.

Section 1403. Notices. Any notice, request, complaint, demand or other communication required or desired to be given or filed under this Bond Resolution shall be in writing, given to the Notice Representative at the Notice Address and shall be deemed duly given or filed if the same shall be: (a) duly mailed by registered or certified mail, postage prepaid; or (b) communicated via fax, with electronic or telephonic confirmation of receipt. Copies of such notices shall also be given to the Paying Agent and the Bond Insurer. The Issuer, the Paying Agent, the Bond Insurer and the Purchaser may from time to time designate, by notice given hereunder to the others of such parties, such other address to which subsequent notices, certificates or other communications shall be sent.

All notices given by: (a) certified or registered mail as aforesaid shall be deemed duly given as of the date they are so mailed; (b) fax as aforesaid shall be deemed duly given as of the date of confirmation of receipt. If, because of the temporary or permanent suspension of regular mail service or for any other reason, it is impossible or impractical to mail any notice in the manner herein provided, then such other form of notice as shall be made with the approval of the Paying Agent shall constitute a sufficient notice.

Section 1404. Inconsistent Provisions. In case any one or more of the provisions of the Series 2016B Bond Resolution or of the Utility Indebtedness issued hereunder shall for any reason be inconsistent with the provisions of the Outstanding Parity Bond Resolutions or the Parity Indebtedness: (a) the provisions of any Outstanding Parity Bond Resolution adopted prior to the Series 2016B Bond Resolution shall prevail with respect to Parity Indebtedness issued prior in time, so long as such Parity Indebtedness is Outstanding; and (b) the provisions of the Series 2016B Bond Resolution shall prevail with respect to any Parity Bond Resolution adopted subsequent to the Series 2016B Bond Resolution, so long as any Parity Indebtedness issued under the Series 2016B Bond Resolution is Outstanding.

Section 1405. Electronic Transactions. The issuance of the Series 2016B Bonds and the transactions related thereto and described herein may be conducted and documents may be stored by electronic means.

Section 1406. Further Authority. The officers and officials of the Issuer, including the Mayor and Clerk, are hereby authorized and directed to execute all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Bond Resolution and to make ministerial alterations, changes or additions in the foregoing agreements,

statements, instruments and other documents herein approved, authorized and confirmed which they may approve, and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

Section 1407. Severability. If any section or other part of this Bond Resolution, whether large or small, is for any reason held invalid, the invalidity thereof shall not affect the validity of the other provisions of this Bond Resolution.

Section 1408. Governing Law. This Bond Resolution shall be governed exclusively by and construed in accordance with the applicable laws of the State.

Section 1409. Effective Date.
This Bond Resolution shall take effect and be in full force from and after its adoption by the governing body of the Issuer.

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ADOPTED by the City Council of the City of Wichita, Kansas, on July 19, 2016.

(SEAL)

_____
Jeff Longwell, Mayor

ATTEST:

_____
Karen Sublett, City Clerk

APPROVED AS TO FORM:

_____
Jennifer Magaña, Director
of Law and City Attorney

CERTIFICATE

I, the undersigned, hereby certify that the above and foregoing is a true and correct copy of the Resolution No. 16-201 (the "Bond Resolution") of the City of Wichita, Kansas, adopted by the Governing Body on July 19, 2016, as the same appears of record in my office, and that the Bond Resolution has not been modified, amended or repealed and is in full force and effect as of this date.

DATED: July 19, 2016.

_____
Karen Sublett, City Clerk

EXHIBIT A
(FORM OF SERIES 2016B BONDS)

REGISTERED NUMBER ___ **REGISTERED $_____**

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York Corporation ("DTC"), to the Issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

UNITED STATES OF AMERICA
STATE OF KANSAS
COUNTY OF SEDGWICK
CITY OF WICHITA
WATER AND SEWER UTILITY REFUNDING REVENUE BOND
SERIES 2016B

Interest Rate:	Maturity Date:	Dated Date: August 1, 2016	CUSIP:

REGISTERED OWNER:

PRINCIPAL AMOUNT:

KNOW ALL PERSONS BY THESE PRESENTS: That the City of Wichita, in the County of Sedgwick, State of Kansas (the "Issuer"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner shown above, or registered assigns, but solely from the source and in the manner herein specified, the Principal Amount shown above on the Maturity Date shown above, unless called for redemption prior to said Maturity Date, and to pay interest thereon at the Interest Rate per annum shown above (computed on the basis of a 360-day year of twelve 30-day months), from the Dated Date shown above, or from the most recent date to which interest has been paid or duly provided for, payable semiannually on April 1 and October 1 of each year, commencing April 1, 2017 (the "Interest Payment Dates"), until the Principal Amount has been paid.

Method and Place of Payment. The principal or redemption price of this Series 2016B Bond shall be paid at maturity or upon earlier redemption to the person in whose name this Series 2016B Bond is registered at the maturity or redemption date thereof, upon presentation and surrender of this Series 2016B Bond at the principal office of the Treasurer of the State of Kansas, Topeka, Kansas (the "Paying Agent" and "Bond Registrar"). The interest payable on this Series 2016B Bond on any Interest Payment Date shall be paid to the person in whose name this Series 2016B Bond is registered on the registration books maintained by the Bond Registrar at the close of business on the Record Date(s) for such interest,

which shall be the 15th day (whether or not a business day) of the calendar month next preceding the Interest Payment Date. Such interest shall be payable (a) by check or draft mailed by the Paying Agent to the address of such Registered Owner shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Registered Owner or, (b) in the case of an interest payment to any Registered Owner of $500,000 or more in aggregate principal amount of Series 2016B Bonds, by electronic transfer to such Registered Owner upon written notice given to the Bond Registrar by such Registered Owner, not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank, ABA routing number and account number to which such Registered Owner wishes to have such transfer directed. The principal or redemption price of and interest on the Series 2016B Bonds shall be payable in any coin or currency that, on the respective dates of payment thereof, is legal tender for the payment of public and private debts. Interest not punctually paid will be paid in the manner established in the within defined Bond Resolution.

Definitions. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the hereinafter defined Bond Resolution.

ADDITIONAL PROVISIONS OF THIS SERIES 2016B BOND ARE CONTINUED ON THE REVERSE HEREOF AND SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH AT THIS PLACE.

Authentication. This Series 2016B Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the hereinafter defined Bond Resolution until the Certificate of Authentication and Registration hereon shall have been lawfully executed by the Bond Registrar.

IT IS HEREBY DECLARED AND CERTIFIED that all acts, conditions, and things required to be done and to exist precedent to and in the issuance of this Series 2016B Bond have been properly done and performed and do exist in due and regular form and manner as required by the Constitution and laws of the State of Kansas, that the total indebtedness of the Issuer, including this series of bonds, does not exceed any constitutional or statutory limitation, and that provision has been duly made for the collection and segregation of the Gross Revenues of the Water and Sewer Utility (the "Utility") and for the application of the same as provided in the hereinafter defined Bond Resolution.

IN WITNESS WHEREOF, the Issuer has caused this Series 2016B Bond to be executed by the manual or facsimile signature of its Mayor and attested by the manual or facsimile signature of its Clerk, and its seal to be affixed hereto or imprinted hereon.

CITY OF WICHITA, KANSAS

(Facsimile Seal) _____(facsimile)_____
Mayor

ATTEST:

By _____(facsimile)_____
Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Series 2016B Bond is one of a series of Water and Sewer Utility Refunding Revenue Bonds, Series 2016B, of the City of Wichita, Kansas, described in the within-mentioned Bond Resolution.

Registration Date _____

Office of the State Treasurer,
Topeka, Kansas,
as Bond Registrar and Paying Agent

By _____

Registration Number: 0709-087-080116-___

(FORM OF REVERSESIDE OF BOND)

ADDITIONAL PROVISIONS

Authorization of Series 2016B Bonds. This Series 2016B Bond is one of an authorized series of bonds of the Issuer designated "Water and Sewer Utility Refunding Revenue Bonds, Series 2016B," aggregating the principal amount of $101,445,000 (the "Series 2016B Bonds") issued for the purposes set forth in the Ordinance of the Issuer authorizing the issuance of the Series 2016B Bonds and the Resolution of the Issuer prescribing the form and details of the Series 2016B Bonds (collectively the "Bond Resolution"). The Series 2016B Bonds are issued by the authority of and in full compliance with the provisions, restrictions and limitations of the Constitution and laws of the State of Kansas, including K.S.A. 10-116a, K.S.A. 10-620 *et seq*. and K.S.A. 10-1201 *et seq*., as amended by Charter Ordinance No. 211, all as amended, and all other provisions of the laws of the State of Kansas applicable thereto.

Special Obligations. The Series 2016B Bonds are special obligations of the Issuer payable solely from, and secured as to the payment of principal and interest by a pledge of, the Net Revenues, and the taxing power of the Issuer is not pledged to the payment of the Series 2016B Bonds either as to principal or interest. The Series 2016B Bonds shall not be or constitute a general obligation of the Issuer, nor shall they constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter provision, limitation or restriction. The Series 2016B Bonds stand on a parity and are equally and ratably secured with respect to the payment of principal and interest from the Net Revenues and in all other respects with the Outstanding Parity Bonds of the Issuer and any Parity Indebtedness to be issued. ***Under the conditions set forth in the Bond Resolution, the Issuer has the right to issue additional Utility Indebtedness payable from the same source and secured by the Net Revenues on a parity with said Net Revenues; provided, however, that such additional Utility Indebtedness may be so issued only in accordance with and subject to the covenants, conditions and restrictions relating thereto set forth in the Bond Resolution.***

The Issuer hereby covenants and agrees with the Registered Owner of this Series 2016B Bond that it will keep and perform all covenants and agreements contained in the Bond Resolution, and will fix, establish, maintain and collect such rates, fees and charges for the use and services furnished by or through the Utility, as will produce Net Revenues sufficient to pay the costs of operation and maintenance of the

Utility, pay the principal of and interest on the Series 2016B Bonds as and when the same become due, and provide reasonable and adequate reserve funds. Reference is made to the Bond Resolution for a description of the covenants and agreements made by the Issuer with respect to the collection, segregation and application of the Revenues, the nature and extent of the security for the Series 2016B Bonds, the rights, duties and obligations of the Issuer with respect thereto, and the rights of the Registered Owners thereof.

Redemption Prior to Maturity. The Series 2016B Bonds are subject to redemption prior to maturity as set forth in the Bond Resolution.

Book-Entry System. The Series 2016B Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Bond Resolution. One certificate with respect to each date on which the Series 2016B Bonds are stated to mature or with respect to each form of Series 2016B Bonds, registered in the nominee name of the Securities Depository, is being issued and required to be deposited with the Securities Depository and immobilized in its custody. The book-entry system will evidence positions held in the Series 2016B Bonds by the Securities Depository's participants, beneficial ownership of the Series 2016B Bonds in Authorized Denominations being evidenced in the records of such participants. Transfers of ownership shall be effected on the records of the Securities Depository and its participants pursuant to rules and procedures established by the Securities Depository and its participants. The Issuer and the Bond Registrar will recognize the Securities Depository nominee, while the Registered Owner of this Series 2016B Bond, as the owner of this Series 2016B Bond for all purposes, including (i) payments of principal of, and redemption premium, if any, and interest on, this Series 2016B Bond, (ii) notices and (iii) voting. Transfer of principal, interest and any redemption premium payments to participants of the Securities Depository, and transfer of principal, interest and any redemption premium payments to Beneficial Owners of the Series 2016B Bonds by participants of the Securities Depository will be the responsibility of such participants and other nominees of such Beneficial Owners. The Issuer and the Bond Registrar will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, the Securities Depository nominee, its participants or persons acting through such participants. While the Securities Depository nominee is the Owner of this Series 2016B Bond, notwithstanding the provision hereinabove contained, payments of principal of, redemption premium, if any, and interest on this Series 2016B Bond shall be made in accordance with existing arrangements among the Issuer, the Bond Registrar and the Securities Depository.

Transfer and Exchange. **EXCEPT AS OTHERWISE PROVIDED IN THE BOND RESOLUTION, THIS GLOBAL BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF THE SECURITIES DEPOSITORY OR TO A SUCCESSOR SECURITIES DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY.** This Series 2016B Bond may be transferred or exchanged, as provided in the Bond Resolution, only on the Bond Register kept for that purpose at the principal office of the Bond Registrar, upon surrender of this Series 2016B Bond together with a written instrument of transfer or authorization for exchange satisfactory to the Bond Registrar duly executed by the Registered Owner or the Registered Owner's duly authorized agent, and thereupon a new Series 2016B Bond or Series 2016B Bonds in any Authorized Denomination of the same maturity and in the same aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Bond Resolution and upon payment of the charges therein prescribed. The Issuer shall pay all costs incurred in connection with the issuance, payment and initial registration of the Series 2016B Bonds and the cost of a reasonable supply of bond blanks. The Issuer and the Paying Agent may deem and treat the person in whose name this Series 2016B Bond is registered on the Bond Register as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes. The Series 2016B Bonds are issued in fully registered form in Authorized Denominations.

LEGAL OPINION

The following is a true and correct copy of the approving legal opinion of Gilmore & Bell, P.C., Bond Counsel, which was dated and issued as of the date of original issuance and delivery of such Series 2016B Bonds:

GILMORE & BELL, P.C.
Attorneys at Law
100 N. Main Suite 800
Wichita, Kansas 67202

(PRINTED LEGAL OPINION)

BOND ASSIGNMENT

FOR VALUE RECEIVED, the undersigned do(es) hereby sell, assign and transfer to

_____
(Name and Address)

_____
(Social Security or Taxpayer Identification No.)

the Series 2016B Bond to which this assignment is affixed in the outstanding principal amount of $_____, standing in the name of the undersigned on the books of the Bond Registrar. The undersigned do(es) hereby irrevocably constitute and appoint _____ as agent to transfer said Series 2016B Bond on the books of said Bond Registrar with full power of substitution in the premises.

Dated _____

_____
Name

_____
Social Security or
Taxpayer Identification No.

_____
Signature (Sign here exactly as name(s)
appear on the face of Certificate)

Signature guarantee:

By _____

CERTIFICATE OF CLERK

STATE OF KANSAS)
) SS.
COUNTY OF SEDGWICK)

The undersigned, Clerk of the City of Wichita, Kansas, does hereby certify that the within Series 2016B Bond has been duly registered in my office according to law as of August 1, 2016.

WITNESS my hand and official seal.

(Facsimile Seal) _____(facsimile)_____
Clerk

CERTIFICATE OF STATE TREASURER

OFFICE OF THE TREASURER, STATE OF KANSAS

RON ESTES, Treasurer of the State of Kansas, does hereby certify that a transcript of the proceedings leading up to the issuance of this Series 2016B Bond has been filed in the office of the State Treasurer, and that this Series 2016B Bond was registered in such office according to law on _____.

WITNESS my hand and official seal.

(Facsimile Seal) By: _____(facsimile)_____
Treasurer of the State of Kansas

Agenda Item No. IV-5

City of Wichita
City Council Meeting
July 19, 2016

TO: Mayor and City Council

SUBJECT: Improvements to 9th Street North between Hillside and I-135 (District I)

INITIATED BY: Department of Public Works & Utilities

AGENDA: New Business

Recommendation: Approve the design concept, Supplemental Design Agreement No. 1, and revised budget.

Background: On April 19, 2016, the City Council approved an agreement with Baughman Company to design improvements to 9th Street North between Hillside and I-135. Baughman and staff, including Engineering and Planning, have met with the neighborhood to discuss options such as on-street parking, pedestrian and bicycle facilities, configurations of the 9th and Grove Intersection, and projected future land use. These options are important to serve the existing area, while promoting future mixed-use redevelopment. The design criteria above were identified as needs for future development in the following documents: Infill Development Strategies; Central Northeast Area Plan; Community Investments Plan; and the Wichita Pedestrian Master Plan. The proposed improvements will maximize public investment, reduce the vacancy rate in the area, improve safety, and help revitalize the neighborhood.

Analysis: This section of 9th Street is currently a four-lane roadway with curb and gutter and minimal underground storm sewer between I-135 and Grove, and a two-lane roadway built to rural standards between Grove and Hillside. There is on-street parking for some of the multi-family housing near Volutsia, and the 9th and Grove intersection is currently signalized.

The proposed design concept will be a two-lane curb and gutter section between Hillside and east of Volutsia, that transitions to a three-lane section between Volutsia and Piatt, which includes drainage improvements where possible. The section of 9th between Minnesota and I-135 will be rehabilitated as necessary for drainage improvements and as funding allows, with the four-lane configuration remaining. The existing on-street parking will be reconstructed where room is available. A 10-foot multi-use path and six-foot wide sidewalk will also be constructed with the project. Construction is planned to begin in the spring of 2018 and be completed by the end of the year.

The project will provide necessary upgrades to deteriorated pavement and drainage, as well as construction of the east half of the project to current urban standards, all of which will allow enhanced pedestrian access throughout the corridor. Planning Department staff estimates that the proposed improvements will promote positive redevelopment of the corridor and adjacent neighborhoods.

Financial Considerations: On April 19, 2016, the City Council approved a budget of $35,000. The original design services agreement is $25,000, which was also approved on April 19, 2016. The cost of the additional services is $297,000, which brings the total design fee to $322,000. The 2015-2024 Adopted CIP includes $350,000 in 2015 and $250,000 in 2016 in General Obligation bond funding for design and right-of-way. At this time, staff recommends initiating $565,000 to allow for payment of design fees and right-of-way costs for a total project budget of $600,000. The project will be returned to the City Council at a later date for approval of construction funding.

Legal Considerations: The amending resolution and Supplemental Design Agreement No. 1 have been reviewed and approved as to form by the Law Department.

Recommendation/Actions: It is recommended that the City Council approve the design concept and Supplemental Design Agreement No. 1, adopt the amending resolution, and authorize the necessary signatures.

Attachments: Supplemental Design Agreement No. 1, budget sheet, and amending resolution.

Project Request

(•) CIP ( ) Non-CIP CIP YEAR: 2016 CIP #:

☐ NEIGHBORHOOD IMPROVEMENT

DEPARTMENT: 13 Public Works & Utilities DIVISION: Engineering RESOLUTION/ORDINANCE #:

ENGINEERING REFERENCE #: 472-85283

FUND: 400 Street Improvements SUBFUND: 405 Arterial Paving

COUNCIL DISTRICT: 01 Council District 1 DATE COUNCIL APPROVED: 7-19-2016 REQUEST DATE:

PROJECT # : 211557 PROJECT TITLE: 9TH ST, I-135 TO HILLSIDE

PROJECT DETAIL # : 01 PROJECT DETAIL DESCRIPTION: 9TH ST, I-135 TO HILLSIDE

OCA # : 707103 OCA TITLE: 9TH ST, I-135 TO HILLSIDE

PERSON COMPLETING FORM: Kim Pelton PHONE #: 268-4499

PROJECT MANAGER: Shawn Mellies PHONE #: 268-4632

( ) NEW BUDGET (•) REVISED BUDGET

Revenue Object Level 3	Original Budget	Adjustment	New Budget
9720 G.O. Bonds	$35,000.00	$565,000.00	$600,000.00
	$0.00	$0.00	$0.00
	$0.00	$0.00	$0.00
	$0.00	$0.00	$0.00
	$35,000.00	$565,000.00	$600,000.00

Expense Object Level 3			
2999 Contractuals	$35,000.00	$565,000.00	$600,000.00
	$0.00	$0.00	$0.00
	$0.00	$0.00	$0.00
	$0.00	$0.00	$0.00
Total Expense:	$35,000.00	$565,000.00	$600,000.00

NOTES:

SIGNATURES REQUIRED

Print Form

DIVISION HEAD: DATE: 07/05/16

DEPARTMENT HEAD: DATE: 7/5/16

BUDGET OFFICER: DATE: 6/23/16

CITY MANAGER: DATE:

RESOLUTION NO. ____-_____

A RESOLUTION AMENDING AND SUPPLEMENTING RESOLUTION NO. 16-184 OF THE CITY OF WICHITA, KANSAS WHICH AUTHORIZED THE ISSUANCE OF GENERAL OBLIGATION BONDS TO PAY THE COSTS OF CERTAIN PUBLIC IMPROVEMENTS IN THE CITY.

WHEREAS, the City of Wichita, Kansas (the "City") is a municipal corporation, duly created, organized and existing under the Constitution and laws of the State; and

WHEREAS, the Governing Body is authorized, pursuant to K.S.A. 13-1024c, as amended by Charter Ordinance No. 156 of the City (the "Act") to issue general obligation bonds of the City without an election for the purpose of paying for the construction, purchase or improvement of any public improvement, including the land necessary therefore, and for the purpose of rebuilding, adding to or extending the same as the necessities of the City may require and for the purpose of paying for certain personal property therefore; and

WHEREAS, the Governing Body has heretofore by Resolution No. 16-184 of the City (the "Prior Resolution"), authorized the following described public improvements:

Preliminary design of improvements and staff oversight to 9th Street, from I-135 to Hillside, as necessary for a major traffic facility (472-85287).

(the "Project") and provided for the payment of all or a portion of the costs thereof by the issuance of general obligation bonds of the City pursuant to the Act; and

WHEREAS, the Governing Body now deems it necessary and desirable to expand the scope of work to include additional design services and right-of-way acquisition in the following described public improvement **and the correction of the project number**:

Design, right-of-way acquisition and staff oversight for improvements to 9th Street, from I-135 to Hillside, as necessary for a major traffic facility (472-85283).

(the "Amended Project") and to provide for the payment of all or a portion of the costs thereof by the issuance of general obligation bonds of the City pursuant to the Act.

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

Section 1. Amendment. ***Sections 1 and 3*** of the Prior Resolutions are hereby amended to read as follows:

> **Section 1. Project Authorization.** It is hereby authorized, ordered and directed that the Amended Project be acquired and/or constructed at an estimated cost of **$600,000** in accordance with specifications prepared or approved by the City Engineer.
>
> **Section 3. Project Financing.** All or a portion of the costs of the Amended Project, interest on financing and administrative and financing costs shall be financed with

the proceeds of general obligation bonds of the City (the "Bonds"). The Bonds may be issued to reimburse expenditures made on or after the date which is 60 days before **April 19, 2016,** to the extent of Bonds authorized under the original version of **Resolution No. 16-083**, and expenditures made on or after the date which is 60 days prior to the **July 12, 2016,** adoption of **Resolution No 16-184** , to the extent of Bonda authorized thereunder and expenditures made on or after the date 60 days prior to the adoption of this Resolution, to the extent of the increased authorization contained herein, all pursuant to Treasury Regulation §1.150-2.

Section 2. Repealer; Ratification. ***Sections 1 and 3*** of the Prior Resolutions are hereby repealed; and the rest and remainder thereof is hereby ratified and confirmed.

Section 3. Effective Date. This Resolution shall be in full force and effect from and after its adoption by the Governing Body.

ADOPTED by the City Council of the City of Wichita, Kansas, on _____.

(SEAL)

_____
Jeff Longwell, Mayor

ATTEST:

_____
Karen Sublett, City Clerk

APPROVED AS TO FORM:

Brian K. McFord
for Jennifer Magaña, City Attorney and Director of Law

SUPPLEMENTAL AGREEMENT NO. 1

TO THE

AGREEMENT FOR PROFESSIONAL SERVICES DATED APRIL 19, 2016

BETWEEN

THE CITY OF WICHITA, KANSAS

PARTY OF THE FIRST PART, HEREINAFTER CALLED THE

"CITY"

AND

BAUGHMAN COMPANY, P.A.

PARTY OF THE SECOND PART, HEREINAFTER CALLED THE

"ENGINEER"

WITNESSETH:

WHEREAS, there now exists an Agreement (dated April 12, 2016) between the two parties covering engineering services to be provided by the ENGINEER in conjunction with the construction of improvements to **9TH STREET, HILLSIDE TO I-135** (Project No.472-85283_707103).

WHEREAS, Paragraph IV. B. of the above referenced Agreement provides that additional work be performed and additional compensation be paid on the basis of a Supplemental Agreement duly entered into by the parties, and

WHEREAS, it is the desire of both parties that the ENGINEER provide additional services required for the PROJECT and receive additional compensation (as revised herein):

NOW THEREFORE, the parties hereto mutually agree as follows:

A. PROJECT DESCRIPTION

The description of the improvements that the CITY intends to construct and thereafter called the "PROJECT" as stated on page 1 of the above referenced Agreement is hereby amended to include the following:

Prepare additional design improvements for 9th Street, Hillside to I-135
(see Attached for details)

B. PAYMENT PROVISIONS

The fee in Section IV. A. shall be amended to include the following:

Payment to the ENGINEER for the performance of the professional services as outlined in this Supplemental Agreement shall be made on the basis of the not to exceed fee as follows:

Additional improvements (707103): $297,000.00

C. COMPLETION

The ENGINEER agrees to complete and deliver the field notes, preliminary and final plans (including final tracings), specifications and estimates to the CITY within the time allotted for the project as stipulated below; EXCEPT that the ENGINEER shall not be responsible or held liable for delays occasioned by the actions or inactions of the CITY or other agencies, or for other unavoidable delays beyond the control of the ENGINEER.

(a) Field check plans of the project for distribution to utilities by **September 12, 2016**.
(b) Office check plans by **December 5, 2016**.
(c) Completion of all work required by this agreement (including submittal of final approved plans, field notes, and related project documents by **January 15, 2017**.

D. PROVISIONS OF THE ORIGINAL AGREEMENT

The parties hereunto mutually agree that all provisions and requirements of the original Agreement, not specifically modified by this Supplemental Agreement, are hereby ratified and confirmed.

IN WITNESS WHEREOF, the CITY and the ENGINEER have executed this Supplemental Agreement as of this _____ day of _____, 2016.

CITY OF WICHITA

_____
Jeff Longwell, Mayor

ATTEST:

_____
Karen Sublett, City Clerk

APPROVED AS TO FORM:

_____
Jennifer Magaña, City Attorney and
Director of Law

BAUGHMAN COMPANY, P.A.

_____
Tim Aziere, P.E., PTOE
Director of Transportation Engineering

RESOLUTION NO. 16-197

A RESOLUTION AMENDING AND SUPPLEMENTING RESOLUTION NO. 16-184 OF THE CITY OF WICHITA, KANSAS WHICH AUTHORIZED THE ISSUANCE OF GENERAL OBLIGATION BONDS TO PAY THE COSTS OF CERTAIN PUBLIC IMPROVEMENTS IN THE CITY.

WHEREAS, the City of Wichita, Kansas (the "City") is a municipal corporation, duly created, organized and existing under the Constitution and laws of the State; and

WHEREAS, the Governing Body is authorized, pursuant to K.S.A. 13-1024c, as amended by Charter Ordinance No. 156 of the City (the "Act") to issue general obligation bonds of the City without an election for the purpose of paying for the construction, purchase or improvement of any public improvement, including the land necessary therefore, and for the purpose of rebuilding, adding to or extending the same as the necessities of the City may require and for the purpose of paying for certain personal property therefore; and

WHEREAS, the Governing Body has heretofore by Resolution No. 16-184 of the City (the "Prior Resolution"), authorized the following described public improvements:

Preliminary design of improvements and staff oversight to 9th Street, from I-135 to Hillside, as necessary for a major traffic facility (472-85287).

(the "Project") and provided for the payment of all or a portion of the costs thereof by the issuance of general obligation bonds of the City pursuant to the Act; and

WHEREAS, the Governing Body now deems it necessary and desirable to expand the scope of work to include additional design services and right-of-way acquisition in the following described public improvement **and the correction of the project number**:

Design, right-of-way acquisition and staff oversight for improvements to 9th Street, from I-135 to Hillside, as necessary for a major traffic facility (472-85283).

(the "Amended Project") and to provide for the payment of all or a portion of the costs thereof by the issuance of general obligation bonds of the City pursuant to the Act.

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

Section 1. **Amendment**. ***Sections 1 and 3*** of the Prior Resolutions are hereby amended to read as follows:

> **Section 1**. **Project Authorization**. It is hereby authorized, ordered and directed that the Amended Project be acquired and/or constructed at an estimated cost of **$600,000** in accordance with specifications prepared or approved by the City Engineer.
>
> **Section 3**. **Project Financing**. All or a portion of the costs of the Amended Project, interest on financing and administrative and financing costs shall be financed with

the proceeds of general obligation bonds of the City (the "Bonds"). The Bonds may be issued to reimburse expenditures made on or after the date which is 60 days before **April 19, 2016,** to the extent of Bonds authorized under the original version of **Resolution No. 16-083**, and expenditures made on or after the date which is 60 days prior to the **July 12, 2016,** adoption of **Resolution No 16-184** , to the extent of Bonda authorized thereunder and expenditures made on or after the date 60 days prior to the adoption of this Resolution, to the extent of the increased authorization contained herein, all pursuant to Treasury Regulation §1.150-2.

Section 2. **Repealer; Ratification**. ***Sections 1 and 3*** of the Prior Resolutions are hereby repealed; and the rest and remainder thereof is hereby ratified and confirmed.

Section 3. **Effective Date**. This Resolution shall be in full force and effect from and after its adoption by the Governing Body.

ADOPTED by the City Council of the City of Wichita, Kansas, on July 19, 2016.

(SEAL)

_____
Jeff Longwell, Mayor

ATTEST:

_____
Karen Sublett, City Clerk

APPROVED AS TO FORM:

_____
Jennifer Magaña, City Attorney and Director of Law

City of Wichita
City Council Meeting
July 19, 2016

TO: Mayor and City Council

SUBJECT: Wichita Housing Authority Semi-Annual Report

INITIATED BY: Housing and Community Services Department

AGENDA: New Business

Recommendation: Approve the Wichita Housing Authority Semi-Annual Report and authorize submission to the U.S. Department of Housing and Urban Development (HUD).

Background: On January 23, 2001, the City Council created Charter Ordinance Number 189 that established the Housing Advisory Board to oversee the Wichita Housing Authority. The membership of the Wichita Housing Authority Board shall consist of the members of the governing body of the City of Wichita, and one additional member who shall be a tenant receiving public housing or Section 8 assistance from the City of Wichita. Such additional member shall be appointed by the Mayor with approval of the City Council.

Whereas the Wichita Housing Authority does not have existing bylaws, quarterly programmatic reports to the Housing Advisory Board are necessary so that the City Council remains engaged in the public housing authority's service delivery.

Analysis: The Wichita Housing Authority (Authority) consists of two program divisions: (1) Public Housing and; (2) Section 8 Housing Choice Voucher (HCV). Public Housing manages 578 apartment units while HCV administers rental assistance for 2,636 tenants. The Authority receives its funding wholly from HUD. Public Housing receives $3,917,126 for operating purposes and $810,174 restricted to the Capital Fund Program each year. HUD also provides nearly $13 million annually to the HCV for administration of its voucher program.

On June 27, 2016, the Authority's Public Housing program received a Public Housing Assessment (PHAS) of 72 out of 100 possible points and was designated as Sub-Standard by HUD for Fiscal Year 2015. This label marks the fifth time since 2011 that the Authority has been Sub-Standard. Key deficiencies were in property management and financial management.

Public Housing has a significant vacancy issue. On average, there are nearly 40 units that remain vacant each month resulting in a vacancy rate of seven percent since the last quarter of 2013. Consequently, the Authority cannot receive its full administration fee from HUD, which is approximately $109,000 annually. The Authority has been depleting its operating reserve in order to fully fund the program's expenditures. As of May 31, 2016, Public Housing only has $545,553 in reserves to last through December 31, 2016. Public Housing only has six months to increase its PHAS and revenue or the Sub-Standard designation may occur again in Fiscal Year 2016.

The Authority is in this predicament due to net operating deficits from 2011-2015 totaling $1,898,897. Eligible internal transfers from 2011-2014 allowed the Authority to offset most of the shortfalls for these years. In 2015, private contractors were retained in an effort to get vacant units ready for move-in. This activity resulted in a net loss of $600,169, further reducing the reserve.

The current financial status and forecast for the Authority are as follows:

	2011	2012	2013	2014	2015	2016
Operating Net Income (Loss)-PHA Wide*	**(355,572)**	**(392,688)**	**(120,046)**	**(97,121)**	**(933,470)**	**(413,283)**
Capital Fund - Operating Transfers	322,000	234,230	144,105	112,000	233,301	202,543
AMP transfers	-	-	-	-	-	-
Central Office Cost Center (COCC)	50,000	160,200	-	-	100,000	-
TOTAL TRANSFERS - IN	**372,000**	**394,430**	**144,105**	**112,000**	**333,301**	**202,543**
NET INCOME AFTER TRANSFERS	**16,428**	**1,742**	**24,059**	**14,879**	**(600,169)**	**(210,740)**
*From annual operations for AMPS no COCC included for this total, prior to CF, COCC and AMP transfers.						
All AMPs included.						
Operating Reserve - CY2015 for AMPS Only		**410,066**				
Estimated Loss Projection for CY2016		**(210,740)**				
Estimated Net Operating Reserves - 12/31/2016		**199,326**				
Estimated COCC Reserves - 12/31/2016		**274,333**				

The Authority contacted HUD for technical assistance in order to improve its program management. HUD will assist the Authority to address weaknesses in admissions and leasing, succession planning, financial systems, and the design of a web-based portal so that program participants can receive and update information without physically completing paperwork.

Action has already begun to make corrective measures to remedy Public Housing's sub-standard status. Marketing, human capital recruitment, process improvement and goal setting are key activities that will guide program performance to higher achievement. Cross-program coordinated efforts are now occurring to optimize outreach and participation throughout the Department.

In collaboration with Communications and Information Technology, the Authority now has web-based marketing. This feature will capture social media users. The web-based marketing is already live at the City of Wichita's website where a prospective tenant can view available units and complete an application electronically. Circular advertising has been modified for the appropriate demographics and will run through December 31, 2016.

Recruitment has been completed and an offer extended to fill the vacant Customer Service Clerk II position. This slot is mission critical for the Authority to determine participant eligibility, develop a viable waitlist and coordinate tenant activities to make people love where they live. By doing so, occupancy will stabilize and vacancies will be reduced.

Relevant goals have been established for staff and will be memorialized with revised Performance Plans by the end of July. Staff is now expected to develop a waitlist of a minimum of 100 prospective tenants for large bedroom units. The Public Housing portfolio should never exceed 17 vacant units in order to maintain 97 percent occupancy and qualify for

HUD's full administration fee of $109,000 per annum. The current 37 vacancies shall be reduced to no more than 22 by September 30, 2016. Thereafter, the Authority will endeavor to have no more than 17 vacancies by December 31, 2016, with an ultimate goal of having no more than 10 vacancies in any given month.

On the other hand, the HCV program was designated by HUD on April 15, 2016, as a High Performer for Fiscal Year Ended December 31, 2015. A 97 percent rating was attained based upon 140 of 145 points on the Section 8 Management Assessment Program.

The HCV program endeavors to increase its voucher utilization and has processed 2,374 voucher applications to date this year. The goal is to issue 500 new vouchers due to program attrition.

HUD also awarded HCV with 10 additional vouchers for veterans in its Veterans' Affairs Supportive Housing Program. The additional rental assistance helps to fulfill the Mayor's Challenge of Ending Homelessness among Veterans.

Financial Consideration: There is no impact to the General Fund as a result of this action at this time. If utilization of the capital fund and reserves are not sufficient to cover future shortfalls, interim funding measures or operational adjustments may be required for Public Housing.

Legal Consideration: The Law Department has reviewed and approved the Semi-Annual Report as to form.

Recommendation/Actions: It is recommended that the City Council approve the Wichita Housing Authority Semi-Annual Report and authorize submission to HUD.

Attachment: Wichita Housing Authority Semi-Annual Report

WICHITA HOUSING AUTHORITY

Semi-Annual Report

July 19, 2016

EXECUTIVE SUMMARY

On January 23, 2001, City Council created Charter Ordinance Number 189 that established the Housing Advisory Board to oversee the Wichita Housing Authority. The membership of the Wichita Housing Authority Board shall consist of the members of the governing body of the City of Wichita, and one additional member who shall be a tenant receiving public housing or Section 8 assistance from the City of Wichita. Such additional member shall be appointed by the mayor with approval of the city council. Whereas the Wichita Housing Authority does not have existing bylaws, quarterly programmatic reports to the Housing Advisory Board are necessary so that City Council remains engaged in the public housing authority's service delivery.

The Wichita Housing Authority (Authority) consists of two program divisions: (1) Public Housing and; (2) Section 8 Housing Choice Voucher. Public Housing manages 578 apartment units while HCV administers 2,636 tenant based rental assistance. The Authority receives its funding wholly from HUD. Public Housing receives $3,917,126 for operating purposes and $810,174 restricted to the Capital Fund Program each year. HUD also provides nearly $13 million annually to the HCV for administration of its voucher program.

On June 27, 2016, the Authority's Public Housing program received a Public Housing Assessment (PHAS) of 72 out of 100 possible points and was designated as Sub-Standard by HUD for Fiscal Year 2015. This label marks the fifth time since 2011 that the Authority has been Sub-Standard. Key deficiencies were in property management and financial management. Public Housing has a severe vacancy issue. On average, there are nearly 40 units that remain vacant each month resulting in a vacancy rate of 7 percent. Consequently, the Authority cannot receive its full administration fee from HUD, which is approximately $109,000 annually. The Authority has been depleting its operating reserve in order to fully fund the program's expenditures. As of May 31, 2016, Public Housing only has $545,553 in reserves whereas $778,748 has been needed annually to cover shortfalls. Public Housing only has until December 31, 2016, to increase its PHAS and revenue or there will be insufficient funds to cover all expenses and the Sub-Standard designation will occur for Fiscal Year 2016 as well.

On the other hand, the HCV program was designated by HUD on April 15, 2016, as a High Performer for Fiscal Year Ended December 31, 2015. A 97 percent rating was attained based upon 140 of 145 points on the Section 8 Management Assessment Program.

The HCV program endeavors to increase its voucher utilization and has processed 2,374 voucher applications to date this year. The goal is to issue 500 new vouchers due to program attrition.

HUD also awarded HCV with 10 additional vouchers for veterans in its Veterans' Affairs Supportive Housing Program. The additional rental assistance helps to fulfill the Mayor's Challenge of Ending Homelessness among Veterans.

The Authority contacted HUD for technical assistance in order to improve its program management. HUD will assist the Authority to address weaknesses in admissions and leasing, succession planning, financial systems, and the design of a web-based portal so that program participants can receive and update information without having to physically complete paperwork.

Public Housing

On June 27, 2016, the Authority's Public Housing program received a Public Housing Assessment (PHAS) of 72 out of 100 possible points and was designated as Sub-Standard by HUD for Fiscal Year 2015. This label marks the fifth time since 2011 that the Authority has been Sub-Standard. Key deficiencies were in property management and financial management. Public Housing has a severe vacancy issue. On average, there are nearly 40 units that remain vacant each month resulting in a vacancy rate of seven percent. Consequently, the Authority cannot receive its full administration fee from HUD, which is approximately $109,000 annually. As of May 31, 2016, Public Housing only has $545,553. Public Housing only has until December 31, 2016, to increase its PHAS and revenue or there will be insufficient funds to cover all expenses and the Sub-Standard designation will occur for Fiscal Year 2016 as well.

Public Housing has a significant vacancy issue. On average, there are nearly 40 units that remain vacant each month resulting in a vacancy rate of seven percent since the last quarter of 2013. Consequently, the Authority cannot receive its full administration fee from HUD, which is approximately $109,000 annually. The Authority has been depleting its operating reserve in order to fully fund the program's expenditures. As of May 31, 2016, Public Housing only has $545,553 in reserves to last through December 31, 2016. Public Housing only has six months to increase its PHAS and revenue or the Sub-Standard designation may occur again in Fiscal Year 2016.

The Authority is in this predicament due to net operating deficits from 2011-2015 totaling $1,898,897. Eligible internal transfers from 2011-2014 allowed the Authority to offset shortfalls. In 2015, private contractors were retained in an effort to get vacant units ready for move-in. This activity resulted in a net loss of $600,169, further reducing the reserve.

The current financial status and forecast for the Authority are as follows:

	2011	**2012**	**2013**	**2014**	**2015**	**2016**
Operating Net Income (Loss)-PHA Wide*	**(355,572)**	**(392,688)**	**(120,046)**	**(97,121)**	**(933,470)**	**(413,283)**
Capital Fund - Operating Transfers	322,000	234,230	144,105	112,000	233,301	202,543
AMP transfers	-	-	-	-	-	-
Central Office Cost Center (COCC)	50,000	160,200	-	-	100,000	-
TOTAL TRANSFERS - IN	**372,000**	**394,430**	**144,105**	**112,000**	**333,301**	**202,543**
NET INCOME AFTER TRANSFERS	**16,428**	**1,742**	**24,059**	**14,879**	**(600,169)**	**(210,740)**
*From annual operations for AMPS no COCC included for this total, prior to CF, COCC and AMP transfers.						
All AMPs included.						

Operating Reserve - CY2015 for AMPS Only		**410,066**				
Estimated Loss Projection for CY2016		**(210,740)**				
Estimated Net Operating Reserves - 12/31/2016		**199,326**				
Estimated COCC Reserves - 12/31/2016		**274,333**				

The Authority contacted HUD for technical assistance in order to improve its program management. HUD will assist the Authority to address weaknesses in admissions and leasing, succession planning, financial systems, and the design of a web-based portal so that program participants can receive and update information without physically completing paperwork.

Action has already begun to make corrective measures to remedy Public Housing's sub-standard status. Marketing, human capital recruitment, process improvement and goal setting are key activities that will guide program performance to higher achievement. Cross-program coordinated efforts are now occurring to optimize outreach and participation throughout the Department.

In collaboration with Communications and Information Technology, the Authority now has web-based marketing. This feature will capture social media users. The web-based marketing is already live at the City of Wichita's website where a prospective tenant can view available units and complete an application electronically. Circular advertising has been modified for the appropriate demographics and will run through December 31, 2016.

Recruitment has been completed and an offer extending to fill the vacant Customer Service Clerk II position. This slot is mission critical for the Authority to determine participant eligibility, develop a viable waitlist and coordinate tenant activities to make people love where they live. By doing so, occupancy will stabilize and vacancies will be wieldy.

The City Manager has provided a Management Fellow to augment program management. Marketing, lease-up and continuous improvement exercises are duties being administered and examined to increase service delivery. The Housing Director has also assumed direct oversight of Public Housing. A triage approach is being employed to resolve bottleneck issues. A recent quick win has been resolving an 18 month vacancy with a unit that no one wanted. By ordering smaller appliances, the unit became functional and was leased in less than a week.

Relevant goals have been established for staff and will be memorialized with revised Performance Plans by the end of July. Staff is now expected to develop a waitlist of a minimum of 100 prospective tenants for large bedroom units. Public Housing portfolio should never exceed 17 vacant units in order to maintain 97 percent occupancy and qualify for HUD's full administration fee of $109,000 per annum. The current 37 vacancies as a result shall be reduced to no more than 22 by September 30, 2016. Thereafter, the Authority will endeavor to

have no more than 17 vacancies by December 31, 2016, with an ultimate goal of having no more than 10 vacancies in any given month.

The portfolio as of July 1, 2016, shows the Authority with 576 units. Two units are currently offline for modernization and are not counted against vacancy. There are 36 vacant units, and the Authority aims to lease as many as 15 during July.

Asset Management Portfolio (AMP)	June Move Ins	June Move Outs	# of Units Ready for Occupancy	# of Units Not Ready For Occupancy
Amp -1	3	0	10	3
Amp- 2	0	0	2	0
Amp -3	2	3	3	7
Amp -4	2	3	2* *1 moved in 7.5/other one 7.29	11
Total	**7**	**6**	**15**	**21**

Housing Choice Voucher Program

The Housing Choice Voucher program is a division of the Housing and Community Services Department and the City of Wichita Housing Authority (WHA). It is federally funded through the U.S. Department of Housing and Urban Development (HUD). The 2016 assistance level for Housing Choice Voucher Program will provide assistance to 2636 families by contract with over 800 private landlords.

The Housing Choice Voucher division administers the following programs in accordance with HUD rules and regulations and the Housing Choice Voucher Administrative Plan.

1) Housing Choice Voucher Program provides Housing Choice Vouchers (HCV) to low-income families who meet the income eligibility criteria. Families contribute the highest of 30% of their adjusted income or 10%R of gross monthly income toward rent. The program pays the balance of rent due the landlord. The maximum rent allowable in this program, is established by payment standards.

2) The Mainstream Program provides Housing Choice Vouchers for non-elderly persons and families with disabilities, to assist them in renting affordable, accessible and accommodating private dwellings to fit their particular needs due to their disability.

3) The Designated Housing Program provides Housing Choice Vouchers for non-elderly persons and families with disabilities on the Public housing waiting list, to assist them in renting affordable and accommodating private dwellings to fit their disability-related needs.

4) The Family Self-Sufficiency (FSS) Program is designed to help low-income HCV families become self-sufficient. The program helps families establish an escrow account that may be used as a down payment

to purchase a home, further educational needs, or repair credit. Families graduating from this program have met their self-sufficiency goal.

5) The Housing Choice Voucher Homeownership Program allows HCV assistance to be used for mortgage payments. Recipients must participate in the FSS program, attend homeowner training and secure a mortgage loan.

6) The Veterans' Affairs Supportive Housing (VASH) program provides rental assistance through Housing Choice Vouchers for homeless veterans with case management and clinical services provided by the Veterans administration staff located at the local VA Medical Center, and in collaboration with other services in the community.

Department Mission
… To provide housing and related services to benefit the citizens and neighborhoods of Wichita.

Housing Choice Voucher Mission
… To provide affordable, decent, safe and sanitary housing choices for Wichita citizens who meet eligibility criteria through a variety of programs, while promoting self-sufficiency.

Two Year Forecasting Tool for Housing Authorities' Housing Choice Voucher Programs

The U.S. Department of Housing and Urban Development has developed a spreadsheet tool for use by Public Housing Authorities to assist in projecting HCV leasing, spending and funding over a two year period. The purpose of the tool is to facilitate decision making by Housing Authorities and to guide HUD oversight and technical assistance to achieve optimal use of the HCV funds while stabilizing the program.

The Wichita Housing Authority's Housing Choice Voucher management team utilizes this tool and in early 2016 to develop planning activities to ensure that appropriate leasing, spending and maximizing funding will lead the program into another successful "high performing" year.

Management determined that the Housing Choice Voucher program team would need to accomplish the following activities:

- Open HCV program waiting list as it closed on October, 2014 and all families who made application were contacted by December, 2015.
- Waiting list to remain open until 5,000 families complete on-line preliminary application
- Conduct formal applications meetings for 5,000 households on the waiting list
- Determine eligibility and issue 1200 vouchers to provide rental assistance to 2,636 households. This goal would assist the Housing Choice Voucher program in decreasing rental assistance reserves to 8.6 percent.
- Overall goal is to provide 500 new families with rental assistance. The number of new families includes attrition that is projected to occur in 2016.

Department of Housing and Urban Development national initiative is to decrease reserves to a level that will sustain all HCV programs and provide additional rental assistance to families in need of affordable, safe and decent household. The Wichita's Housing Authority's Housing Choice Voucher program goal is to decrease

reserves to 8.6 percent in 2016 and this will lead to reserves leveling off at 4-6 percent to meet HUD's initiatives in 2017.

Activities for the first and second quarters included:

- Opening the HCV waiting list on February 22, 2015
- Contacting 3500 households during January through June 2016
- Determining Eligibilities
- Issuing 600 Vouchers
- Leasing up 250 new households

Month	**Type of Meeting**	**Number of Households Contacted**	**Number of Households Attended or Rescheduled**	**Voucher Issuance**	**New Admission**
Jan 2016	Formal Application	500	185	223	31
Feb 2016		0	0	46	26
Mar 2016	Formal Application	1,000	400	96	56
Apr 2016		0	0	34	58
May 2016	Formal Application	1,538	1,100	117	39
Jun 2016	Formal Application	1,700	789	420	44
Total		4,738	2,374	936	254

The Housing Choice Voucher program met its overall six months goal of issuing over 900 vouchers to households in Wichita community and 254 new families leasing up.

Accomplishments

- On April 15, 2016, HCV received verification from HUD that the Wichita Housing Authority's Housing Choice Voucher is a "high performer."
- Fifty three new landlords were added to the WHA's HCV program during the first six months in 2016.
- Completed 2016 Utility Allowances that is utilized for both programs of WHA; Low Income Housing Tax Credit (LIHTC) projects; and other housing programs in Wichita community.
- Housing Choice Voucher Veteran Affairs Supportive Housing program (VASH) met the Mayor's Challenge initiative of ending chronic homelessness among veterans by end of 2015.
- VASH program was successful in applying and receiving additional ten vouchers for homeless veterans. The total number of vouchers for the program is 208.
- HCV program is on target with City's Performance Measures.

City of Wichita's Performance Measures

Average Dollar Value of Vouchers Redeemed Over the Course of the Reporting Period per Household

Benchmark	2015 Actual	2016 Target	2016 Semi-Annual	2016 Actual
TBD	$5,127	$5,100	$5,100	

Households That Redeemed Rental Assistance Vouchers

Benchmark	2015 Actual	2016 Target	2016 Semi- Annual	2016 Actual
1,338	2,374	2,300	2,326	

Percentage of Budget and Vouchers Redeemed During the Reporting Period

Benchmark	2015 Actual	2016 Target	2016 Semi-Annual	2016 Actual
98% Budget	100%	98%	98%	
2636 Vouchers	2,374	2,300	2,326	

Household Participating in Family Self-Sufficiency

Benchmark	2015 Actual	2016 Target	2016 Semi-Annual	2016 Actual
125	155	150	148	

Households that Graduated from the Self-Sufficiency Program

Benchmark	2015 Actual	2016 Target	2016 Semi-Annual	2016 Actual
10	14	10	6	

Waiting List Numbers

Benchmark	2015 Actual	2016 Target	2016 Semi-Annual	2016 Actual
2,000	1,997	5,000	4,841	

U. S. Department of Housing & Urban Development's Section Eight Management Assessment Program (SEMAP)
Performance Measures

Number	Indicator	2015 Actual	Possible Points	2016 Semi Annual	2016 Actual
1	Selection from Waiting List	15	15/0	15	
2	Reasonable Rent	20	20/15/0	20	
3	Determination of Adjusted Income	15	20/15/0	15	
4	Utility Allowance Schedule	5	5/0	5	
5	Housing Quality Standard (HQS) Control	5	5/0	5	
6	HQS Enforcement	10	10/0	10	
7	Expanding Housing Opportunities	5	5/0	5	
8	Payment Standards	5	5/0	5	
9	Timely Annual Reexaminations	10	10/5/0	10	
10	Correct Tenant Rent Calculations	5	5/0	5	
11	Pre-Contract HQS Inspections	5	5/0	5	
12	Annual HQS Inspections	10	10/5/0	10	
13	Lease-Up	20	20/15/0	20	
14	Family Self-Sufficiency	10	10/8/5/3/0	10	
Total			**145 Max**	**140**	**97%**

High Performance Rating	**90% & Above**
Standard Rating	60% to 89%
Troubled Rating	59% & Below

City of Wichita
City Council Meeting
July 19, 2016

TO: Mayor and City Council

SUBJECT: Comprehensive Housing Policy

INITIATED BY: Housing and Community Services Department

AGENDA: New Business

Recommendation: Adopt the Comprehensive Housing Policy and authorize the Housing and Community Services Department two-year implementation strategy outlined herein.

Background: The Housing and Community Services Department has developed the Comprehensive Housing Policy (CHP) to guide current and future housing–related decisions made by officials in City government. However, the CHP document also recognizes the importance of community partnerships in developing and strengthening this important community building block – housing and related services. In the CHP, housing is examined in the context of the greater community. Having access to safe, affordable, and quality housing is essential for community residents to be able to contribute to and participate in, all that this community has to offer.

Housing choice is an important principle of the CHP. While many stakeholders in the housing community prioritize homeownership, the CHP recognizes that ownership is not appropriate for or of interest to all residents. However, the CHP affirms the importance of being intentional in ensuring that there is a balance of housing choices for persons choosing to live in Wichita. To that end, this policy emphasizes the importance of strengthening housing options within the Redevelopment Incentives Area, and to provide balance for housing which is being developed outside this area. Additionally, the CHP places importance on development of strong neighborhoods by encouraging diversity of residents and offering a variety of services and amenities.

The CHP is divided into four policy sections, with an introductory review of the current status of housing and resources, and a brief needs assessment. Each policy section was developed by using all available data followed by review and analysis by subject matter experts and community stakeholders. Conclusions were reached as to barriers to effective housing development and strategies necessary to address them. Following are highlights of the policy discussions in the CHP.

Housing Affordability looks at affordability from all perspectives. This topic begins with the premise that "the ability to select the location and type of housing a household can 'afford' is based upon household income and the supply/cost of housing." This section then examines issues related to housing that is affordable to buy and build. Strategies include the use of financial as well as legislative tools.

Housing Availability looks closely at the housing needs of special population groups. While these needs often overlap with affordability principles, there are additional issues to consider including location, special physical accommodations, and availability of supportive services. The special groups addressed in this section include ex-offenders, the homeless, persons with mental or physical disabilities, as well as the needs of youth and seniors.

The Neighborhood Stability section considers an underlying principle related to housing – and that is the neighborhood in which housing exists. A housing policy would be incomplete without considering the condition of neighborhoods – whether or not there are blighted properties, paved streets and sidewalks, and proximity to schools and shopping, etc. Crime and code violations are additional neighborhood considerations which are addressed in this section. Neighborhood stability is explored from the perspectives of physical, economic and social characteristics. Quality and functionality are also components of this discussion.

The creation of housing and improvements to neighborhoods require resources. The Resources section explores a variety of implementation methodologies for single family and multifamily housing, as well as neighborhood stability. This section outlines current allocations which are primarily federal or otherwise government-based, with recommendations to expand the resource base to develop and maintain affordable housing and stabilize neighborhoods.

Analysis: Two City Council workshops were conducted on March 22, 2016, and April 26, 2016, in order to discuss the CHP's four core components at length. The discussion resulted with consensus to align any implementation strategy with previous plans such as the 2015-2035 Community Investments Plan, 21st Street Corridor Revitalization Plan and the Building Blocks Infill Initiative.

The Department's implementation strategy for the next 24 months is outline as follows:

Activities will be performed using a placed based community development approach. The Department will concentrate investments in specific locations to achieve measurable community revitalization results. By doing so, the objective is to create viable neighborhoods that offer the same goods and services as in any other district. Both governmental and non-governmental modules will be used to address housing affordability, neighborhood stability, housing availability and resources throughout the city.

The Department will identify a viable neighborhood so that an application can be submitted under the U.S. Department of Housing and Urban Development's (HUD) CHOICE Neighborhoods Program. HUD has historically awarded four national grants totaling $120,000,000.
Choice Neighborhoods is focused on three core goals:

1. **Housing:** Replace distressed public and assisted housing with high-quality mixed-income housing that is well-managed and responsive to the needs of the surrounding neighborhood;

2. **People:** Improve educational outcomes and intergenerational mobility for youth with services and supports delivered directly to youth and their families; and

3. **Neighborhood:** Create the conditions necessary for public and private reinvestment in distressed neighborhoods to offer the kinds of amenities and assets, including safety, good schools, and commercial activity, that are important to families' choices about their community.

In order to achieve the three goals listed above, all successful applicants must have a comprehensive neighborhood revitalization strategy and must develop metrics based on the following objectives in order to measure performance.

Housing Objectives: Housing transformed with the assistance of CHOICE Neighborhoods should be energy efficient, sustainable, accessible, healthy, and free from discrimination**.** Housing that is well-designed, embraces not only the requirements of accessible design but also concepts of visitability and universal design, has low per unit energy consumption and healthy indoor air quality, is built to be resistant to local disaster risk, has affordable broadband internet access, and is free from all types of discrimination.

The CHOICE Neighborhood must also have mixed-income. Housing affordable to families and individuals with a broad range of incomes including low-income, moderate-income, and market rate or unrestricted.

Proposed developments within the CHOICE Neighborhood have to be well-managed and financially viable. Developments that have budgeted appropriately for the rental income that can be generated from the project and meet or exceed industry standards for quality management and maintenance of the property.

People Objectives: People that live in the neighborhood, with a primary focus on residents of the housing targeted for revitalization, benefit from:

Effective Education. A high level of resident access to high quality early learning programs and services so children enter kindergarten ready to learn; significant improvement in the quality of schools nearest to the target development that prepare students to graduate from high school college- and career-ready; and significant growth in existing individual resident educational outcomes over time relative to the state average.

Employment Opportunities. The income of neighborhood residents and residents of the target housing development, particularly wage income for non-elderly/non-disabled adult residents, increases over time.

Quality Health Care. Residents have increased access to health services and have improved health over time.

Housing Location, Quality, and Affordability. Residents who, by their own choice, do not return to the development have housing and neighborhood opportunities as good as or better than the opportunities available to those who occupy the redeveloped site.

Neighborhood Objectives: Through investments catalyzed with Choice Neighborhoods, the neighborhood enjoys improved:

Private and Public Investment in the Neighborhood. The neighboring housing has a very low vacancy/abandonment rate, the housing inventory is of high quality, and the neighborhood is mixed income and maintains a mixture of incomes over time.

Amenities. The distance traveled from the neighborhood to basic services is equal to or less than the distance traveled from the median neighborhood in the metropolitan area. Those basic services include grocery stores, banks, health clinics and doctors' offices, dentist offices, and high quality early learning programs and services.

Effective Public Schools. Public schools in the target neighborhood are safe and welcoming places for children and their families. In addition, schools have test scores that are as good as or better than the state average or are implementing school reforms that raise student achievement over time and graduate students from high school prepared for college and a career.

Safety. Residents are living in a safer environment as evidenced by the revitalized neighborhood having significantly lower crime rates than the neighborhood had prior to redevelopment and maintaining a lower crime rate over time.

The Department will also pursue a non-governmental module, Purpose Built Communities. Efforts will be continued to break cycles of intergenerational poverty. A private sector collaboration will be established to transform struggling neighborhoods and bring together vital components for holistic community revitalization.

In addition to the two implementation modules, the Department will endeavor to establish five initiatives that will assist Wichita residents to achieve housing affordability: (1) Issue permanent supportive housing vouchers to assist ex-offenders with supportive services; (2) Participate in HUD's Family Unification Program will facilitate the Department to prioritize housing and job training for youth exiting foster care; (3) Create lender pools to mitigate risk with loan originations for first-time homebuyers; (4) Rehabilitate Public Housing scattered site single-family dwellings under HUD's Rental Assistance Demonstration Pilot and U.S. Treasury's Low-Income Housing Tax Credit Program pursuant to Section 42 and; (5) Forge joint ventures with the private sector to renovate deteriorating commercial shopping strips using available resources such as U.S. Department of Health and Human Services' Office of Community Services and foundations.

Financial Consideration: There is no impact to the General Fund as a result of this action.

Legal Consideration: The Law Department will review and approve any funding documents as to form.

Recommendation/Actions: It is recommended that the City Council adopt the Comprehensive Housing Policy and authorize the two-year implementation strategy.

Attachments: Comprehensive Housing Policy

City of Wichita

Comprehensive Housing Policy
September, 2015

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Wichita
Comprehensive Housing Policy

Mission

… to provide housing and related services to benefit the citizens and neighborhoods of Wichita

Vision

The City of Wichita and its housing partners envision the housing environment in Wichita will:

- Provide safe, affordable housing and basic shelter for all people
- Eliminate blight in neighborhoods
- Develop housing in established neighborhoods (in-fill)
- Use a coordinated approach to housing that is balanced between enhancing established neighborhoods and creating new developments
- Involve collaboration between city, county, state and federal government, as well as for-profit businesses and nonprofit agencies
- Promote the availability of housing services and programs in Wichita

Note: Mission and Vision statements were developed for the Housing & Community Services Department; staff agreed they apply to the Comprehensive Housing Policy as well.

Community Investments Plan 2015-2035

This Comprehensive Housing Policy document has been prepared independent of, but consistent with the recently released Community Investments Plan 2015-2035. The latter document was prepared by staff in the Wichita Sedgwick County Planning Department and Steering Committee and presented to the City Council and County Commission during the month of June, 2015.

There will be references throughout this housing policy to the investments plan where the discussion applies to both. To that end it is important to note that the Comprehensive Housing Policy Vision is consistent with key elements of the Community Investments Plan Vision Statement

… "*Building on our rich aviation and entrepreneurial heritage, Wichita-Sedgwick County is a global center of advanced manufacturing and high-tech industry and is a premier service, education, health and retail center for South Central Kansas. People feel safe and enjoy affordable housing choices in diverse, vibrant neighborhoods offering unique quality of living environments and active, healthy lifestyles with access to arts, culture and recreation.*"

The Comprehensive Housing Policy Vision is also consistent with the following Plan Guiding Policy Principle: "*Provide for Balanced Growth but with Added Focus on Our Established Neighborhoods.*"

An overview of the Community Investments Plan 2015-2035 can be found in the Appendix.

COMPREHENSIVE HOUSING POLICY – CITY OF WICHITA

EXECUTIVE SUMMARY

September, 2015

The City of Wichita has developed a comprehensive housing policy to guide current and future housing–related decisions made by officials in City government. However, the policy document also recognizes the importance of community partnerships in developing and strengthening this important community building block – housing and related services.

In this policy document, the reader is encouraged to consider housing in the context of the greater community. Having access to safe, affordable, and quality housing is essential for community residents to be able to contribute to and participate in, all that this community has to offer.

Housing choice is an important principle of this document. While many stakeholders in the housing community prioritize homeownership, this policy recognizes that ownership is not appropriate for or of interest to all residents. However, the policy affirms the importance of being intentional in ensuring that there is a balance of housing choices for persons choosing to live in Wichita. To that end this policy emphasizes the importance of strengthening housing options within the Redevelopment Incentives Area, to provide balance for housing which is being developed outside this area. Additionally, the policy places importance on development of strong neighborhoods which encourage diversity of residents and which offer a variety of services and amenities.

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Regional planning efforts led by the Regional Economic Area Partnership examined many of the issues presented in this housing policy. Staff participation in those discussions is one of many efforts to include and represent community input into this document. Special efforts were made to invite stakeholders to comment on the findings and recommendations. Their feedback is included at the end of the policy document.

This housing policy considers housing to be a basic human need and right – and beyond the human implications, it is also a tremendous community economic engine. This policy provides recommendations and strategies to achieve and support that goal.

Since this policy was originally drafted, input was solicited from stakeholders who are referenced in the document as potential partners in implementing various strategies which are presented. Stakeholders were invited to a meeting on August 27, 2015, to discuss the housing policy document and in particular the top staff recommended strategies which begin on page 60. The invitation for input included a written feedback form, as well as the invitation to attend the August 27 meeting, so that those unable to attend could share their thoughts as well.

Throughout the policy document stakeholder feedback is presented in green-shaded boxes, and reflects input from all sources. However additional comments are included in notes taken at the August meeting which are include at the end of the Appendix. Comments reported in the notes should be included in follow-up discussions leading to implementation of strategies in this document.

City staff is extremely appreciative of the input which has been provided, and believes the document has been strengthened as a result.

Wichita
Comprehensive Housing Policy

Current* Conditions (*2010 unless otherwise noted)

HOUSING INVENTORY

The following is a review of the city of Wichita's housing characteristics. Information sources are the 2010 Census, 2014/2018 City of Wichita Consolidated Plan, Wichita Metropolitan Area Building and Construction Department, Wichita-Sedgwick County Planning Department and Wichita State University Real Estate Center. Data was compiled in September, 2014.

WICHITA HOUSING INVENTORY					
	1970	**1980**	**1990**	**2000**	**2010**
Total Housing Units	99,920	116,649	135,069	152,119	167,310
Owner Occupied	57,254	65,907	72,667	85,711	93,134
Renter Occupied	35,472	44,443	50,651	53,376	58,684
Vacant	7,094	6,299	11,886	13,032	15,492

HOUSING CONSTRUCTION BY YEAR							
1939 & Earlier	1940 to 1959	1960 to 1969	1970 to 1979	1980 to 1989	1990 to 1999	2000 to 2009	2010 or later
18,266	51,878	16,165	21,767	20,955	20,666	17,980	345

Given the large number of older homes, it is not surprising that many have code violations. The Metropolitan Area Building and Construction Department (MABCD) has approximately 3,100 active housing cases throughout the city. Over 700 of these cases have been placarded for non-occupancy. The sections of the city with the greatest number of active substandard housing cases are areas where the majority of the structures were built prior to and during World War II, and areas which have large populations of low to moderate income households.

MABCD initiates approximately 1,000 new housing code cases representing approximately 1,500 units annually. (Note: one housing case/property may have several housing units such as apartment buildings). Nuisance complaints outnumber housing complaints by over 6:1. MABCD initiates approximately 8,600 nuisance (which includes over 3,000 tall grass/weeds) cases annually. In 2014,

MABCD closed out 1,309 housing cases (over 1,700 units), took over 500 Minimum Housing Code cases to Neighborhood Court, closed out 8,206 Nuisance Code cases, took almost 800 to Neighborhood Court, and abated and or mowed 805 properties.

In 2014, MABCD staff performed approximately 32,000 inspections on minimum housing code and “neighborhood” zoning and environmental nuisance code cases (including tall weeds) and issued approximately 10,000 notices (initial “advisory” notices are no longer sent for housing cases and extensions are limited on all cases).

When a structure is vacant, badly deteriorated, not properly secured, and the owner has not responded to notices of violation, MABCD initiates the condemnation process. The condemnation process takes approximately one year from the time the initial condemnation case is generated to the actual removal of the structure and leveling of the lot. For example, a total of 40 condemnation cases were ‘worked’ by staff in 2014. Of that number 14 were demolished by the City’s contractor using both CDBG and MABCD funds.

DEMOGRAPHICS

The type and condition of housing is tied closely to the demographics of Wichita’s population. The following chart provides such demographics taken from the 2010 Census.

HOUSEHOLD BY TYPE		
Types	**Number**	**Percent[1]**
Total Households	151,818	100%
Family Households[2]	94,862	62%
Family Households with related children under 18 years	50,001	33%
Married-couple Family	66,937	44%
Married-couple with related children under 18 years	30,690	21%
Female Head of Household	19,901	13%
Female Head of Household with own children under 18 years	12,416	14%
Non-family Households	56,956	38%
Householder Living Alone.	47,287	32%
Householder Living Alone, 65 Years and Over	13,811	9%

[1]Percentages reflect representation in the total (100%) population.

[2]According to the U.S. Census Bureau, a household that has at least one member of the household related to the householder by birth, marriage, or adoption is a "Family household." Same-sex couple households are included in the family households category if there is at least one additional person related to the householder by birth or adoption. Same-sex couple households with no relatives of the householder present are tabulated in nonfamily households. Responses of "same-sex spouse" were edited during processing to "unmarried partner."

The median age of Wichita residents has held constant at 33.4 years in 2000 and 33.9 in 2010. From 2000 to 2010, persons under the age of 19 remained constant at 30 percent of the City's population. The number of residents 65 years or older remained constant at12% in 2000 and 2010, which is just under the 2010 national average of 13%.

The Community Investments Plan goes into greater detail as to demographic projections and particularly the shifts which are forecast. Following is a synopsis of that information which identifies these shifts.

- The WSU CEDBR projects that the percentage of Sedgwick County residents over the age of 65 will increase from 10.9% in 2010 to 17.5 % by 2030 (a 60% increase).

- From 2000 to 2010, the percentage of households with children in Wichita dropped slightly from 32.1% to 30.7%. Some researchers are anticipating that by 2030, only 20-25% of all households nationwide will have children.

- Between 2000 and 2010, the percentage of single person households in Wichita remained unchanged at 31% (2010 national average was 26.7%). Some researchers are projecting that by 2025, between a third and half of all households nationwide could be single person households.

- Between 2012 and 2035, the Community Investments Plan forecasts a population increase of 101,458 people for Wichita based on a countywide annual population growth rate of 1.25%. Wichita's average household size is anticipated to fall from 2.53 persons/household in 2012 to 2.25 persons/ household by 2035. These trends translate into an additional 66,067 new housing units for Wichita by 2035. The Community Investments Plan projects that increased levels of residential infill and redevelopment in Wichita's Established Central Area (comprised of the downtown core and the mature neighborhoods surrounding it in a roughly three mile radius) will represent 12% (7,928 dwelling units) of the 66,067 new dwelling units forecasted for Wichita. This represents a three-fold increase from current infill trends.[1]

[1]Community Investments Plan 2015-2035 Appendix

DEVELOPMENT TRENDS

The housing market in Wichita has favored new construction in outlying areas, for single-family residences and apartments. Most of the housing units built since 2000 are located in the outlying areas of the city and marketed to middle and upper income households. Housing developments have been primarily focused in the northeast and western edges of the city. These developments are providing an important infusion into the local economy and are taking place primarily as a result of market forces, as opposed to government incentives.

Private developers cite many reasons for not building in older sections of the city. The most commonly given reasons are:

- Lack of buildable lots in central parts of the city.
- Difficulty and cost of assembling land from many owners.
- Lack of a market for single-family housing in the inner city.
- Negative perceptions about the Wichita School District.
- Lack of flexibility in regulations & conditions to accommodate newer housing styles and/or historic restrictions.
- Lack of sufficient incentives from government.

The Wichita Sedgwick County Planning Department has prepared a development trends summary report with maps that confirm that the majority of buildable lots are in the outer fringe areas of the city. However, despite the perceived difficulties associated with development in older sections of Wichita, some developers have realized success with center city housing development. Developers have converted vacant buildings in the Central Business District, into multi-family housing, both with and without government subsidies. According to the Wichita Downtown Development Corporation (WDDC) over 1800 persons lived downtown in 2014.

City recognized non-profit Community Housing Development Organizations (CHDOs) and for-profit developers have also experienced success in developing new housing within the city's Neighborhood Revitalization Area (NRA). In some cases, existing blighted structures in these areas, are being demolished in order to accommodate new home construction. However it should be noted that in many cases federal funding was needed to make the projects cash out, especially given the appraisal process with regards to existing structures in depressed areas.

Some of the advantages of central city housing development include:

- City services are already in place.
- Amenities are easily accessible.
- Government incentives are available.
- Reduced transportation costs.
- Greater access to jobs within the city.
- Older city areas present opportunities for unique and creative development.

STANDARDS THAT AFFECT HOUSING

Housing that is developed or rehabilitated in Wichita, must meet certain standards. Following is a list of general and program-specific housing standards.

- International Building Code (IBC)
- International Residential Code (IRC)
- Wichita Existing Building Rehabilitation and Change of uses Code
- Zoning Code
- Uniform Plumbing Code
- National Electrical Code
- International Mechanical Code
- Wichita's Minimum Housing Code
- Housing Quality Standards (HQS)
- Lead-Based Paint Regulation (HUD, State & EPA)
- International Energy Conservation Code

NEEDS ASSESSMENT

The following sections of the Comprehensive Housing Policy describe specific needs and strategies, however the population and development trends listed herein, suggest a need for housing policies which address persons who have limited incomes and an aging housing stock. The following assessments address both the general and unique circumstances facing certain populations and City planners, with regards to access to safe, affordable housing for all.

Wichita
Comprehensive Housing Policy
Affordability

Housing affordability is not complicated – everyone, regardless of income wants to be able to afford safe, comfortable housing. However just beneath the surface are two reasons that the lack of affordable housing can indeed complicate the goals of communities and their residents. Michael Rubinger, president and CEO of the Local Initiatives Support Corporation, responded to a Harvard housing study that found more than half of low-income tenants today spend more than half of their income on rent, by posing the question: "Why should the rest of us care?" He then answers the question: "We should care because the supply of decent and affordable housing is crucial to any local economy. When millions of people spend the bulk of what they earn on rent, it's bad for business."[1] In addition to the economic impact of having sufficient affordable housing, there is also an educational impact. Research by Johns Hopkins University reveals that in families that spent more than half their income on housing, the children's reading and math abilities suffered. Interestingly in families that spent less than 20% of their income, the same results occurred with their children, with the assumption being such housing is likely to be of poor quality and in challenging neighborhoods.[2]

For all of these reasons and more, this report explores issues related to housing affordability, and strategies to address them.

Definition. Affordable housing, whether rented or owned, is commonly defined as housing which costs (including taxes, insurance, and utilities), 30% or less of a household's gross annual income. Using this definition housing affordability becomes a function of household incomes, housing costs, and the cost of borrowing money. It is also very localized. For example, the Fair Market Rent (FMR) for a two-bedroom unit in the Wichita metro area is $723. It is $959 in Tampa, $1,093 in Chicago, and $1,809 in Sunnyvale, CA, according to the U.S. Department of Housing and Urban Development (HUD). Local differences in affordable home sales prices are equally distinct in these same areas. HUD has established the following maximum sales prices for homes purchased by first time homebuyers with HOME Investment Partnerships (HOME) funds: $117,964 in Wichita; $222,300 in Tampa; $259,350 in Chicago; and $551,000 in Sunnyvale. In Wichita officials lowered the cap to $95,500 for new or existing homes subsidized with HOME funds.

The relationship between affordability and household income drives public policy in many ways, based upon the (perhaps oversimplified) assumption of three categories of households: those who have the desire and income to purchase/rent housing at any cost, including high end housing; those who have insufficient income to purchase/rent safe, decent housing without public assistance; and persons in the middle who may need assistance but who generally do not qualify for typical housing assistance programs. It is those who have insufficient income to which most public policy is directed, and this report follows that trend to a large degree. However the housing affordability needs of the middle-income group merit discussion as well. And as discussed later in this document, transportation costs are also a factor in determining affordability as it relates to household income.

[1]CNN Opinion, Why U.S. Desperately Needs Affordable Homes, Michael Rubinger, April 28, 2014
[2]Governing.com, Affordable Housing Leads to Smarter Kids, Jonathan Walters, July 15, 2014

Stakeholder feedback supports focus on those who have insufficient income to purchase or rent safe housing and those whose income is above the level of most programs but who may need assistance. It was noted, however, that a conscious effort should be made to address the housing needs of persons at 0-30% of the income tables.

Goal. The fundamental goal is that every individual should have access to housing that is safe, decent, and affordable.

Current Status Real estate projections for Wichita reflect a growing market fueled to some degree by favorable interest rates. According to the J.P. Weigand annual real estate forecast, home sales are expected to remain steady in 2014. And although the National Association of Realtors would suggest the rising interest rates, escalating prices and lack of inventory might weaken sales, the relative affordability in Wichita may offset those factors. Similar optimism is noted in the 2014 Housing Market Forecast prepared by the Wichita State University (WSU) Center for Real Estate. The WSU report notes that mortgage rates will likely remain below 5.25% through 2015.

Based on work with non-profits in the development of affordable housing for moderate to low income persons, the recovery from the housing crisis has had a significant impact on the ability of this population group to qualify for home mortgages. While interest rates are favorable lenders have increased the credit score threshold from 625 to 640 in some cases. Also, new federal regulations imposed as a result of the housing loan crisis resulted in the tightening of credit standards and underwriting standards on the part of lenders, which has resulted in the inability of some otherwise creditworthy homebuyers to obtain mortgage credit.

Transportation and Housing Affordability

One factor which bears consideration in a discussion of affordable housing, is the impact of transportation costs on household budgets. There is a large body of evidence which closely links the relationship between these two. According to a publication from the Federal Highway Administration transportation is the second largest expense for most households after housing. Households living in auto-dependent locations spend 25 percent of their income on transportation costs. Housing that is located closer to employment, shopping, restaurants and other amenities can reduce household transportation costs to nine percent of household income.[1]

The Federal Highway Administration publication references findings from a report produced by the 2010 Center for Neighborhood Technology. According to that report which utilizes a Housing + Transportation (H+T) Affordability Index, 69% of communities in the U.S. are considered affordable using the standard measure of 30% of income. However that number drops to 39% when the H+T index is applied. In those cases, housing and transportation costs measure 45% of income.[2] The index is calculated by adding the housing and transportation costs and dividing by the household income.

[1]Center for Transit Oriented Development (2008) "The Affordability Index Toolbox" (Oakland, CA: Reconnecting America)
[2]2010 Center for Neighborhood Technology

Locally, the Partnership for Sustainable Communities initiative was created (and funded) to continue the discussion begun with Congressional directives to the Federal Transit Administration and HUD to explore and document the housing-transportation connection. The REAP-led South Central Kansas Prosperity plan received a Sustainable Communities planning grant for this purpose and its final report features a discussion on housing and transportation choices. A theme which resonated throughout the discussions of this plan was the need to 'connect' communities within segments of the region, and between regional jurisdictions. That connection could have a positive impact on housing and transportation costs for all segments of the population. During discussions of the Prosperity Plan, the Built Environment task force created the following goal statement: "to create connected communities that link people to jobs and services that enhance quality of life in urban, suburban, and rural environments", and identified one of the greatest challenges as the need to enhance the availability and effectiveness of transportation choices.[3] Similarly the Transportation task force goal statement reflects the connectivity theme as well: "achieve a safe regional transportation system that includes strategic, responsive, and sustainable transportation choices", and identifies one of the challenges as the need for better work-home connectivity.[3]

Stakeholder feedback is split as to whether housing policies should be considered on a regional basis, however they support including transportation in the affordable housing discussion. They also support establishment of a Transportation/Housing Development team to explore ways to better coordinate these two industries.

Because the research on this topic is limited in the local community, the balance of the affordability discussion will primarily focus on housing costs only. However it is done with a clear understanding and acknowledgment of the very direct relationship between housing and transportation costs on housing affordability.

Affordable to Buy

The following analysis uses the generally accepted definition of housing affordability – housing costs that do not exceed 30 percent of household income. It further accepts the Center for Housing Policy's definition of housing costs as being rent or principal, interest, taxes & insurance combined (PITI).

The 2013 average sales price in Wichita was $140,311, according to the Weigand Residential Forecast. In order for a house at that sales price to be affordable, household income would need to be at least $34,500, with a 5% down payment ($7,016). That salary would require an hourly wage of $16.59. According to census information approximately 10% of households in owner occupied units and 17% of households in rental units have incomes in this range. Jobs in Wichita which pay these wages include dental lab technicians, paving, surfacing and tamping equipment operators, butchers and meat cutters, substance abuse counselors and animal control workers. These calculations demonstrate that a family earning less than the median income could in fact afford homes at the

[3]South Central Kansas State of the Region, September 11, 2014 Draft

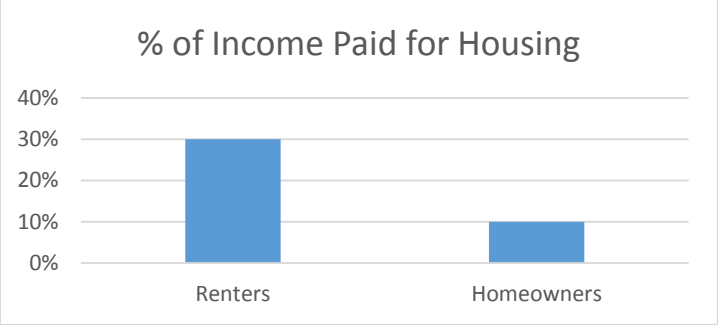
2013 average sales price, however this represents front end calculations. Whether or not this household can afford the home must also consider all other debt – the back end calculation. Lenders typically want that figure to be no more than 36%-43% of the monthly income.

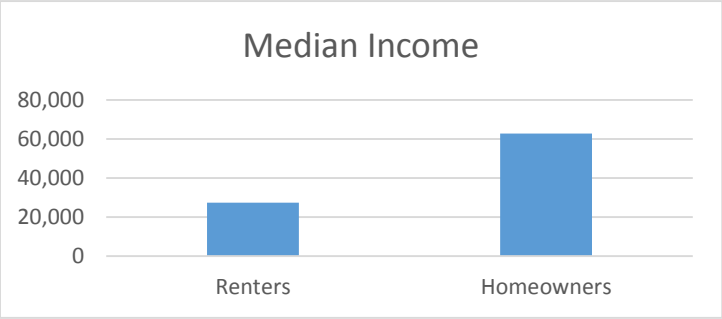
Section 8 Housing Choice Voucher holders have an option to pursue homeownership through the Homeownership Voucher program which is administered through Local Housing Authorities. The program allows eligible families to utilize their vouchers for mortgage payments for a period of up to 10 or 15 years (depending upon the term of the mortgage). The Wichita Housing Authority requires families with the goal of homeownership to participate in Family Self-Sufficiency program during which they receive counseling and workshop training on a variety of topics in support of their goals of homeownership.

Affordable to Rent

These favorable statistics for homeowners are not reflected in the rental market, however. According to 2010 Census data, rent payments consume more than 30% of the household income for 48% of renters in Wichita, while only 10% of owners pay more than 30% of their household income for their housing. The median income for homeowners is $62,735 and for renters is $27,400. To put these facts in perspective consider the circumstances of a two-parent, two-child household where the parents earn minimum wage (the 2015 minimum wage in Kansas is $7.25/hour). Their annual income will be $30,160 gross and approximately $21,112 net, just under the $23,550 federal poverty income for a household of four. If the minimum wage workers in Wichita paid unsubsidized Fair Market rent of $723 for a two-bedroom apartment, the annual total rent would be $8,676 or 37% of the household's estimated net annual income.

When asked, stakeholders offered moderate support of the idea of increasing the minimum wage to housing affordability.





Another view on the rental dilemma was presented by the National Low Income Housing Coalition. The following statement is included in that Coalition's report titled, Out of Reach. "In the United States, the 2014 two-bedroom Housing Wage is $18.92. This national average is more than two-and-a-half times the federal minimum wage, and 52% higher than it was in 2000. In no state can a full-time minimum wage worker afford a one-bedroom or a two-bedroom rental unit at Fair Market Rent."

The obvious conclusion may be that there is a need for increased affordable rental housing, especially considering homeownership forecasts in the WSU and Weigand reports which identify trends that may impact homeownership affordability. In the Weigand report the average price in 2013 for new and existing homes was $140,311 which was a 6.3% increase over 2012. This data suggests that more Wichitans may soon experience increased homeownership costs, which could lead to a less affordable homeownership market, and greater need for affordable rental units.

In Wichita, the Housing Authority is the primary housing provider with affordable housing as its mission. Currently the housing authority has 578 units of Public Housing and over 2,600 Housing Choice Vouchers. Unfortunately however, reduced federal funding needed to administer these programs results in less than 100% occupancy in Public Housing (90%), and less than 100% utilization rate for vouchers (approximately 2,377 vouchers in service) as of June, 2015. This funding dilemma has led the Wichita Housing Authority to consider policy decisions which favor housing offerings to potential tenants and clients who are working and can therefore afford to contribute toward their rental costs. While that strategy addresses the need for administrative funding it is at the cost of reducing housing options for those who are among the lowest income persons and who are obviously most in need.

Despite the fact that many current residents face housing challenges related to the changing employment environment, all indicators continue to support the fact that housing affordability (current and projected) will most likely continue to be much more favorable than in other parts of the country. This asset can and should be an important economic development tool when negotiating with companies to move to or expand their operations in Wichita.

Affordable to Build

One major factor in affordability is the cost to produce housing. Builder groups often claim—and government statistics support these claims—that home building traditionally leads the nation out of recession. Home building benefits not only the trades but also manufacturing, professional services, and even transportation. But the demand for new housing can cause shortages in labor and materials, which can lead to increased costs. Delays due to weather or permit issues also add to costs and these costs get passed on to the buyer. Builders of new homes typically operate on fairly narrow net profit margins of five to ten percent, so even a small spike in costs can cut drastically into a builder's profit and increase housing costs to buyers.

According to experts in the building industry, an experienced builder can help the homebuyer keep costs down through careful design and material selection. This process is called "value-engineering", and it is in best interest of the buyer to find a builder who thoroughly understands it. They also note, however, that while the building industry in general benefits from innovations in materials and methods, the independent builder is often not able to have much of an impact on overall housing affordability, due to size and cost.

There are also policy options which can bring down the cost of developing affordable housing. Those options include establishing measures and expanding incentives to preserve existing affordable housing, revising restrictive regulations which add to the cost of new housing construction, and establishing requirements or incentives to include affordable housing as part of all or certain new housing developments (inclusionary zoning). These options are discussed in greater detail in this housing policy.

Bringing Housing Costs Down

One of the key ways to achieve affordability in housing development is to increase housing density. Density restrictions are found at federal, state, and local levels, and can have a tremendous impact on housing affordability. For instance, zoning codes can impact the cost of building housing from several perspectives. Codes that permit five-acre plots for each single-family home add pressure to land supply. In addition, certain fixed costs for development of any parcel of land including site planning and permits, roads, power, sewer, and water, are factored into the selling price of the home that is built on the parcel. If zoning or other regulations limit the parcel to the construction of one house, all of those development costs will have to be borne by that single home, and will likely increase the price. If zoning regulations allow a higher density of housing—more houses per parcel—the builder can spread the land development costs over all of the housing units, so that each house would actually cost less to build and buy. The report of the Partnership for Sustainable Communities discusses the need for this type of flexibility as a means of supporting creative re-use (and reduced construction costs), particularly on infill housing projects.

Stakeholder feedback supports changes to zoning codes to increase density and lower construction costs, especially to facilitate infill housing. While this was the majority opinion an alternate thought suggested pros and cons to this strategy.

Another strategy that reduces housing costs for the homebuyer is the active participation of non-profit organizations and programs that specifically address housing affordability. Most of these programs utilize government subsidies for construction and homebuyer assistance. A key to the success of these entities in reducing the cost of housing development is their non-profit status and lower profit margin. Locally Wichita Habitat for Humanity, Mennonite Housing and Rehabilitation Services and Power Community Development Corporation have constructed the majority of affordable single family homes within the last 10 years: 228 out of 254 total constructed with City financial assistance/development subsidies. Those programs also include a focus on homebuyer education and in the case of Habitat for Humanity, homebuyer investment of sweat equity. These strategies tend to create a more responsible homeowner, which addresses the next discussion.

Community Attitudes Toward Affordable Housing

A major obstacle in the development and location of affordable housing is public perception. Historically middle and upper middle income community residents have opposed the development of ‘affordable housing’ in their neighborhoods. The opposition is based largely on myths and misperceptions of what affordable housing is, and on appraisal practices. Most homeowners have the perception that less costly housing in their neighborhoods will threaten their ability to maximize market appreciation and therefore negatively impact the appraisal value of their homes. Since homes are the owners’ major financial assets, they often oppose government plans which reduce housing prices and/or allow apartments or other lower-cost housing to be developed in their neighborhoods. This is based on a myth that persons of different socio-economic classes and/or ethnic backgrounds, will be ‘bad’ for the neighborhood. Additionally homeowners generally oppose rental housing because of the transient nature of tenants and the belief that tenants will not care for the property with the ‘pride of ownership’.

A key strategy to overcoming these fears is providing information. Local jurisdictions have used a variety of information and educational campaigns to overcome this barrier. When people learn that the starting salaries of police officers and teachers are

within the eligibility criteria for Housing Authority rental programs and HOME-funded homeownership programs, opinions quite often change. The occupations below are most often used in public education campaigns and all would qualify for Public Housing with incomes under the maximum of $50,150 for a family of four. Two of the Department of Labor's projected fastest growing jobs in Wichita (personal care aides and retail salespersons) would also qualify for Section 8's family of four income cap of $31,350.

Employee Group	Annual Mean Wage
Wichita Police Officer	$44,761
Elementary Teacher	$44,650
Licensed Practical Nurse	$39,870

Employee Group	Annual Mean Wage
Personal Care Aides	$20,730
Retail Salespersons	$25,710

Samples of poster campaigns are included in the Appendix.

Most (99%) of stakeholders who provided feedback, indicated that they were not aware of the fact that the above referenced professions would be eligible for affordable housing prior to reading this report.

According to the Useful Community Development website, another strategy which could be considered involves developing affordable housing among commercial buildings, which would be less likely to generate outcry from the neighbors. That strategy does, however, require a shift in traditional thinking about where housing is located, especially in the Midwest where yards and space are a premium housing amenity.[1]

Affordable Housing Education for Future Homeowners

Many would-be homeowners' dreams are dashed when years of credit overuse, poor spending and saving habits, and overall poor money management skills result in being turned down for a mortgage. Even if those with sub-par credit histories find a lender willing to finance a mortgage, the rates will reflect the risk and can increase the likelihood of default and the eventual loss of the home. In addition, personal financial illiteracy leaves people, especially low-income people, destined for a life of lack and dependency upon systems that do not always operate in the best interests of the consumer. A Brookings Institute report states:

> *"In a variety of studies that measure financial literacy in different ways, households or individuals who are less financially literate have been found to be: less likely to own a checking account, an emergency fund, a retirement plan or stocks (Christelis, Jappeli, and Padula 2008; Hilgert and Hogarth 2003; van Rooij, Lusardi, and Alessie 2007) and more likely to take pay-day loans, pay only the minimum balance on a credit card, take on high-cost mortgages, have higher debt levels, and be delinquent on debt (Gerardi, Goette and Meier 2010; Lusardi and Tufano 2008; Moore 2003; Stango and Zinman 2008).[2]"*

[1]Useful Community Development – www.useful-community-development.org/mixed-use-development.html
[2]Brookings Institute, Financial Literacy: What Works? How Could It Be More Effective?

Educational programs are available for families in need of credit counseling. One such program is the Freddie Mac CreditSmart program, which provides comprehensive credit education to assist individuals to build and maintain good credit which can lead to homeownership. The program is available online and through local agencies.

Educators and financial experts agree that while remedial personal financial education is helpful, the time to learn to be a responsible money manager is as a child. The earlier children begin learning good spending and saving habits, the more likely he or she will develop good financial skills which will be useful to them as adults.

Toward that end, the 2003 Kansas Legislature enacted a law that requires the Kansas State Board of Education to implement a set of learning standards for personal financial literacy for grades K-12. Subsequently in December 2004, the State Board of Education adopted a set of personal financial literacy standards for grades K-12 as part of the State's History, Government, Economics and Geography standards. K.S.A. 72-7535 establishes financial literacy as a requirement for public and nonpublic schools, and will include financial literacy questions on the state assessments when they are next amended. USD 259 students must have one-half (0.5) credit in financial literacy, taken in the junior or senior year, as a graduation requirement.

Financial literacy education specifically and education in general, will have a significant impact on earnings, how money is managed and ultimately the ability to afford safe and decent housing. The following table, which is taken from the 2008-2012 American Community Survey, illustrates this point.

Supporters of economic and financial literacy in Kansas have been working to develop tools for teachers to use to help teach the next generation of Kansas students how to take care of themselves financially. The Kansas Council on Economic Education (KCEE), a 501(c)(3) organization based at Wichita State University, has developed web-based curricula for kindergarten through 12th grades which is provided at no cost to language arts and math programs in schools across the state. Many of their programs are in game format and are often created for competition within schools and between schools in Kansas. Program titles and artwork are youth-friendly: Gen i Revolution Personal Finance Game; Stock Market Game (for grades 3 to adult); and Financial Foundations for Kansas Kids. Sample artwork is located in the Appendix.

Median earnings for Wichita population over the age of 25:

Less than high school graduate	$19,573
High school graduate (includes equivalency)	$26,294
Some college or associate's degree	$31,915
Bachelor's degree	$44,163
Graduate or professional degree	$57,556

Following are strategies to address the challenges related to affordability. These and all other strategy charts in this document have been presented to and discussed with a variety stakeholders for community validation.

HOUSING AFFORDABILITY STRATEGIES

Barriers: Affordable to Buy	Strategies	Potential Partners
Lack of jobs paying above poverty levels	Invest in job training, placement and retention for persons earning very low or no wages	Workforce Alliance
	Include financial literacy in the job training program	Workforce Alliance
	Increase level of educational attainment for all residents	
Financing for low-income home buyers	Reduce the cost of financing for low cost housing Create and maintain list of lenders who offer low cost financing	City Housing & Community Services Dept. Nonprofit agencies
	Consider Limited-Equity Cooperatives to provide low cost, high density, resident controlled housing Introduce this concept to private investors and nonprofits Pilot the concept if interest is generated	City Redevelopment Authority City Housing & Community Services Dept. Private Investors Nonprofits Federal Government
	Provide comprehensive financial literacy training for homebuyers	Urban League of Kansas Non-profit organizations
	Provide financial education programs for K through 12	USD 259/Area school districts Kansas Council on Economic Education Nonprofit agencies
	Continue to allow Section 8 vouchers for home purchases	Wichita Housing Authority
	Develop a bond program to raise funds for an expanded lenders pool, provide low interest rates and low costs for eligible homebuyers	City Redevelopment Authority* City Housing & Community Services Dept. Private lenders Nonprofit lenders
	Continue to subsidize first time home buyers with down payment and closing costs	City Housing & Community Services Dept. Private lenders Nonprofit organizations
	Provide post-purchase counseling	Urban League of Kansas Nonprofit organizations
Lack of coordination of low cost housing construction and transportation planning	Establish transportation/housing development team to explore ways to better coordinate	Special task force
	Follow up on REAP Sustainability recommendations on these two areas	City Housing & Community Services Metropolitan Area Planning Department
No connection between affordable housing and economic development	Designate economic development and housing staff for discussions on workforce housing and other related connections between the two, when recruitment packages are being considered	Special task force City Office of Urban Development
	Explore availability of funds from economic development sources to offset the cost of developing workforce housing,	Special task force City Office of Economic Development

Lack of sufficient low cost housing	Continue infill/new construction Continue boarded up building project	City Housing & Community Services Dept. Community Housing Development Organizations
	Update housing needs based on income and populations (annual)	Metropolitan Area Planning Department
	Prioritize incentives for construction in designated areas	City Office of Urban Development
	Encourage local builders to use available incentives	Wichita Area Builders Association Community Housing Development Organizations Nonprofit organizations
	Provide education to developers on Low Income Housing Tax Credit option for non-traditional financing for lease/purchase property development Developers pass savings on to eligible home buyers	City Housing & Community Services Dept.

Barriers: Affordable to Rent	**Strategies**	**Potential Partners**
Lack of affordable rental housing	Maximize use of Housing Authority Programs $11.3M (new money) to house all on the S.8 waitlist (2,269 families)	City budget Alternate funding source
	Provide incentives to developers for rental housing, esp. for workforce housing	City Office of Urban Development City Housing & Community Services Dept.

Barriers: Affordable to Build	**Strategies**	**Potential Partners**
Increasing costs of housing materials	Research and develop alternative housing materials and methods	Wichita State University Metropolitan Area Building & Construction Dept. Kansas State University KOCH Industries
	Support Value-Engineering concepts in material selection and design, to keep costs down	Wichita Area Builders Association
	Relocate companies to Wichita that produce housing materials to increase the availability of housing materials produced in Wichita	Chamber of Commerce The Greater Wichita Partnership
Zoning	Increase allowable housing density	Metropolitan Area Building and Construction Dept. Wichita Sedgwick County Planning Department
Lack of incentives to create mixed income areas	Develop variety of incentives to encourage mixed income development	Wichita Area Builders Association City Office of Urban Development
Costs of energy efficient construction	Identify price point where the cost of energy star construction methods produce operational savings to the homebuyer	Wichita Area Builders Association

Barriers: Policy, Regulatory, Community	Strategies	Potential Partners
Lack of legislation which would increase availability of affordable housing options	Research legislative means to increase affordable housing opportunities Create a Community Land Trust/Bank	City Redevelopment Authority* City Office of Urban Development Wichita Area Builders Association
Appraisal systems discourage mixed income areas	Research appropriate mix for economic success Establish special appraisal system to encourage mixed income areas	Wichita Area Association of Realtors Economic Development Council City Office of Urban Development
The best infrastructure supports are in fringe areas, which results in higher profitability than is possible with core-area development	Create incentives to level the playing field with respect to infrastructure enhancements in the core Subsidize site prep and infrastructure costs	City Redevelopment Authority* City Finance Department City Housing & Community Services Dept. Metropolitan Area Business & Construction Dept. Wichita City Council
Lack of incentives to develop lower priced housing	Create incentives Create partnerships Promote successful programs Continue HOME 80 program Reduce or eliminate fees for low cost housing	City Housing & Community Services Dept. Wichita City Council Sedgwick County Metropolitan Area Building and Construction Dept.
Community attitudes toward mixed income neighborhoods	Educate the public on affordable housing through media campaigns Promote the message that affordable housing in suburban areas is acceptable and doesn't have to devalue property Review successful initiatives in other communities Partner with community groups to deliver these messages	City Housing & Community Services Dept. City Office of Urban Development District Advisory Boards (DABs) Wichita City Council Nonprofit organizations Community Housing Development Organizations
	Create incentives for homeowners to accept mixed income housing plans such as offering reduced insurance rates for homes located near affordable housing (for example)	City Redevelopment Authority* City Housing Advisory Board Wichita City Council Kansas Insurance Commissioner

*The concept of a Redevelopment Authority is explored in a special section in the Appendix, and is presented as a possible tool for implementing several strategies presented throughout this document.

Wichita
Comprehensive Housing Policy

Availability

Definition. Housing availability refers to housing which meets the diverse needs of all community members, accounting for mental and physical circumstances, income and household size. It should be considered a companion discussion to affordability issues as there are often very clear connections between the two.

Goal. The goal is to make safe, decent and affordable housing **available** to all persons.

- Safe – housing that meets minimum codes, is a deterrent to criminal activity, and is safe from lead, asbestos and other environmental hazards.

- Decent – housing that is well maintained and is of such quality that maintains or increases property values in the neighborhood.

- Affordable – housing that provides choices which meet the variety of the community's housing needs and which costs no more than 30-40% of household income. In Wichita there are a number of scattered affordable resources, however it is the Wichita Housing Authority (WHA) which is the largest provider of affordable housing in this community. WHA resources include 352 units of scattered site single family homes and 226 units in four multi-family structures. The WHA also provides appr. 2,600 Section 8 Housing Choice Vouchers. Both programs are 100% federally funded.

Current Status. The current status discussion will identify and explore the housing needs of various special needs population groups. These groups represent people whose situations place them in need of affordable housing, and for whom there are very limited housing options.

1. Very Low Income. There are two measures that the City of Wichita uses for identifying households as having very low incomes. The U.S. Department of Housing and Urban Development (HUD) defines very low income as households with less than 30% of the area median family income (AMFI). The U.S. Department of Health and Human Services (HHS) identifies families in poverty using specific income ranges. For a family of four, the HUD very low income level is $23,850; the HHS poverty level income for a family of four is $23,550.

   Using the more 'generous' HHS poverty level, 16.5% (62,894) of the Wichita population have incomes at or below the federal poverty level, according to data from the 2008-2012 American Community Survey. Those persons are in 11,668 families.

Most federal and non-federal sources agree that 30% of household income is the threshold for calculating affordable housing expenses. In order for a family of four at the HHS poverty level to pay no more than 30% of their income for housing expenses, their rent or mortgage payments could not exceed $589/month. In Wichita, the 2015 fair market rent for a two-bedroom apartment is $723/month – without utilities. Using this as a guide, low income families would be forced to pay more than 30% of their income for housing expenses or live in substandard housing, or worse.

Low income persons and many of the following categories of special needs populations, also have transportation needs which must be factored into their housing choices. Having safe, decent and affordable housing with access to public transportation, is crucial for such persons to maintain employment, keep medical appointments, and access services such as grocery stores and other essential resources necessary to maintain a stable, functioning household.

Stakeholder feedback agreed that safe, decent, affordable housing should be considered together with access to transportation for people with low incomes.

2. Persons with Disabilities. According to the Americans with Disabilities Act 'disability' means, with respect to an individual:

   A. a physical or mental impairment that substantially limits one or more major life activities;
   B. a record of such an impairment; or
   C. being regarded as having such an impairment.

   Using this definition persons with disabilities are included among special populations because of the strong likelihood that their housing needs include physical modifications as well as supportive services. Additionally persons with mental illness are very likely to have low incomes. Thus they are represented in two special needs groups.

   A large majority of low income persons with disabilities rely solely on federal Social Security Insurance (SSI) payments as income, which results in their classification as among the nation's poorest citizens. This is most likely to be the case for SSI recipients in Wichita since Kansas is one of a few states which does not supplement the SSI payment. The 2015 social security Cost of Living (COLA) increase raised the monthly payment for a single person to $733. When annualized, this amount is far below the HUD and HHS poverty levels; rent for a one bedroom unit at FMR would cost 75% of the SSI recipient's monthly income.

   The Technical Assistance Collaborative (TAC) and the Consortium for Citizens with Disabilities published a report in 2013, titled "Priced Out in 2012". TAC is a national nonprofit organization that works to achieve positive outcomes on behalf of people with disabilities and people who are homeless, by providing state of the art information, capacity building, and technical expertise to organizations and policymakers in the areas of mental health, substance abuse, human services, and affordable housing. The

report confirms the Kansas situation noted above and is reflected in the following for Wichita, using 2015 SSI payments and 2015 Fair Market Rents.

SSI Monthly Payment	SSI As % of Median Income	% SSI for 1-bedroom ($544)	% SSI for Efficiency Apt. ($439)
$733	21%	75%	60%

A quote by the TAC executive director is worthy of policy consideration: "Nowhere in the United States can people with disabilities receiving SSI afford a safe, decent place to live," said Kevin Martone, executive director of the Technical Assistance Collaborative. "Yet taxpayer resources are spent exponentially on the costs associated with institutionalization and homelessness when more cost effective, proven solutions exist."

One especially effective solution is the combined housing and supportive services model which HUD funds through its Shelter Plus Care (SPC) and Permanent Supportive Housing (PSH) programs. In 2014, there were 413 total permanent Supportive housing beds/vouchers in Wichita: 112 SPC and 301 PSH. According to American Community Survey data for 2013, 12.6% (over 4,800 persons) of the Wichita population has one or more disabilities. Clearly there is a large gap between need and availability.

Stakeholder feedback supports the need for and importance of providing housing with supportive services for persons with disabilities.

People with disabilities are often priced out of every housing market with few affordable housing options from a strictly financial perspective. In Wichita affordable housing options for this population includes the Wichita Housing Authority and programs like The Timbers and Kansas Elks Training Center for the Handicapped (KETCH). Aside from cost considerations this data does not reflect the variety of special housing features that may be needed to address certain disabilities among this population. Locally, the Independent Living Resource Center provides a variety of supportive services to help persons with physical, mental and developmental disabilities live as independently as possible, including identifying housing which includes modifications for certain disabilities. This agency also administers funds to make modifications to housing to accommodate the special needs of the over 2,000 individuals and families they serve each year.

The Shelter Plus Care program which is operated by Sedgwick County COMCARE, also provides support services to households who qualify for housing subsidy vouchers due to a mental or physical disability.

A basic premise of this policy document is the need to preserve and increase the stock of permanent affordable housing for those living in poverty. This includes many persons who have disabilities, who also need to have access to mainstream support services including mental health services, employment, Medicaid, financial support and other community resources to find and sustain long-term housing stability.

3. Seniors. According to the 2010 U.S. Census, 24% of all homeowner households in Wichita were headed by persons age 65 and over; 13% of renter households are reported to be over 65 according to the 2010 census. Statistics from the Wichita Housing Authority (October, 2014) indicate 5.9% of all Public Housing tenants (approximately 96 persons) and 3.5% of Section 8 Housing Choice Voucher households (230 persons) are headed by persons over age 65. The overall statistics are fairly constant with the 2000 census (24.5% homeowners and 11% renters).

   Just as is the case for the disabled population, many seniors over the age of 65 rely on social security as their main source of income. In Wichita, the 2008-2012 American Community Survey reports that 9% of persons over the age of 65 are living below the poverty level. Additionally no significant growth in that age group is projected by the WSU CEDBR. Hence addressing the housing needs of this population is an achievable goal given a focus on proven strategies and best practices.

   The Central Plains Area Agency on Aging describes housing options available to seniors as: independent living; assisted living; home plus facilities; and nursing homes. As has been noted elsewhere in this report, these types of facilities are also sought for persons of any age who have physical or mental disabilities. However with this focus, the housing needs of these populations can be addressed with positive results.

Stakeholder feedback supports a recommendation to prioritize addressing the housing needs of low-income seniors since the census data suggest this population is small enough to make this goal achievable in the short term. Suggestions include options which allow seniors to age in place or downsize to smaller units in neighborhoods with access to services and transportation.

4. Single heads of household. The 2010 U.S. Census data reports 14% of owner-occupied housing is headed by single persons (up from 12.4% in 2000), and 26% of renter households are headed by single persons (up from 21.4% in 2000). The City's Public Housing and Section 8 Housing Choice Voucher program participants confirm this data for their renter households. Statistics gathered in October, 2014, report that 92% of Public Housing households are single persons. Similarly 95% of the Section 8 households were headed by single persons at that time. These data suggest that single heads of households by virtue of the one income source, are more likely to require some type of housing subsidy.

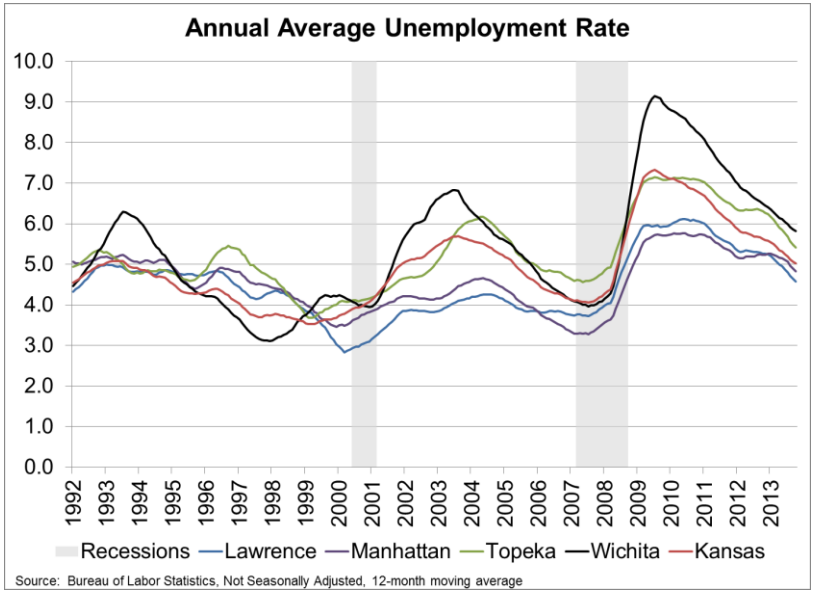
   A special subset of this population is victims of domestic violence. Local program providers indicate that housing for this group is made more difficult due to safety concerns and the need for ongoing counseling for the survivors. In addition the survivors often have to deal with the court system relative to the abuser, continuation of the children in school, and the challenge of obtaining and/or maintaining employment. Local service providers included the following statistics in their application for 2015 Community Development Block Grant funding: according to the latest statistics available from the Kansas Bureau of Investigation (2013) Sedgwick County accounted for 6,636 cases of domestic violence (28% of the state total), and Wichita accounted for 94% of the Sedgwick County number; the average stay in shelters is 34 days; over 500 people were turned away from shelter during 2013 due to lack of space. There is only one transitional housing program specifically for this population and their capacity is 15 families who can stay up to two years in one of their housing units.

Stakeholder feedback supports the need for an increase in transitional housing for single heads of households.

One bright spot in this discussion is the City's HOMEownership 80 program which provides assistance to single heads of households with loans for downpayment and closing costs. During a four year period from 2010 through 2013, nearly half (61) of the 125 households assisted with homebuyer assistance, were single persons. With extensive homebuyer education and careful attention to safe mortgage financing, this program has realized significant success in the stability of such households once they make their purchase. That further reinforces the reality of Section 8 and Public Housing households – there is a large and growing need for such programs which subsidize the housing costs for single heads of households.

5. Persons in job transition due to layoffs and new job growth areas

The unemployment rate in Wichita has been in flux for the past 20 years. According to a report from the WSU Center for Economic Development and Business Research (CEDBR), the rate is coming down but is still greater than the state of Kansas and three other metropolitan areas. The following chart is from the June 2014 report published by the CEDBR.



In addition to the local research data, numerous reports confirm that the Wichita area experienced a loss of over 20,000 jobs since 2008. The job loss reflects reductions, closures or company moves associated with the aviation industry upon which much of Wichita's employment economy is based. This data supports the need for affordable housing and in many ways also reflects the need to provide specific assistance to persons who have lost jobs recover from foreclosures, evictions, etc.

Stakeholders believe the job market in Wichita is improving – slowly.

U.S. Department of Labor (DOL) statistics project the occupations with the largest projected growth rate to the year 2022 will be personal care aides, registered nurses and retail salespersons (in that order). The DOL also lists the mean annual wages for these occupations in Wichita: personal care aides - $20,730; registered nurses - $53,070; and retail salespersons - $25,710.

An online mortgage calculator was used to determine the home sales price which would be affordable for each salary range, with the assumptions listed:

Salary	Monthly Debt	Dnpymt	Closing Costs	Prop Tax	Insurance	Interest	Term	PITI	Total Debt	Sales Price	Monthly Payment
$20,730	$300	$9,517	$483	1%	0.5%	4.5%	30 yrs	28%	36%	$48,285	$337
$53,070	$300	$8,176	$1,824	1%	0.5%	4.5%	30 yrs	28%	36%	$190,535	$1,238
$25,710	$300	$9,317	$682	1%	0.5%	4.5%	30 yrs	28%	36%	$77,528	$471

According to the South Central Kansas MLS listings the average home sales price on April 1, 2014 was $128,701; on April 1, 2015 it was $140,056 for existing homes. The situation is more challenging for the average price for new homes for the same periods: $259,435 and $265,863. Based on these figures only the registered nurses in the top three primary job growth categories can afford the average sales prices of existing homes in Wichita.

6. Veterans. According to the 2012 American Community Survey, 11% of Wichita's population over the age of 18, are veterans. That data also list the median income for this population at $36,085, which is slightly higher than the non-veteran population. The U.S. Departments of Housing and Urban Development (HUD) and Veterans Affairs (VA) have partnered since 2008, to provide housing vouchers for veterans through a program known as Veterans Affairs Supportive Housing or VASH. The program combines Housing Choice Voucher (HCV) rental assistance for homeless veterans with case management and clinical services provided by the VA. Although this resource is available, there are a limited number of vouchers for use in Wichita. As of June, 2015, funding is available for 198 vouchers for homeless veterans, with a usage rate of 94%. During the 2014 homeless point in time count, 62 persons self-certified that they were veterans and without housing.

   In October, 2014, the City of Wichita became a part of the Mayor's Challenge to End Veteran Homelessness by the end of 2015. That is being accomplished through the active use of VASH vouchers and the Continuum of Care community collaboration.

Stakeholder feedback supports the need for the City and country to do more to provide safe housing for veterans.

According to the National Coalition for Homeless Veterans website homeless veterans face a series of significant barriers and challenges to housing stability. The following quote from their "Frequently Asked Questions" illustrates this point.

> *"In addition to the complex set of factors influencing all homelessness – extreme shortage of affordable housing, livable income and access to health care – a large number of displaced and at-risk veterans live with lingering effects of post-traumatic stress disorder (PTSD) and substance abuse, which are compounded by a lack of family and social support networks ."*[1]

7. Youth at risk/ Foster care graduates. Some foster care graduates can be defined as youth at risk but not all youth at risk have come through the foster care system. Regardless of how they reached the point of vulnerability, this population does have something in common. They are generally not prepared for independent living and often fall victim to the hazards of life on the streets. Much research has been conducted to identify the common themes and risk factors facing these populations.

   One research report, On Your Own Without A Net: The Transition to Adulthood for Vulnerable Populations presents results of a study that documents the special challenges facing seven vulnerable youth populations during the transition to adulthood: former foster care youth, youth formerly involved in the juvenile justice system, youth in the criminal justice system, runaway and homeless youth, former special education students, young people in the mental health system, and youth with physical disabilities. The starting point in evaluating the needs of this population is captured in the following statement: *During adolescence, government programs have been a major part of their lives, yet eligibility for most programs typically ends between the ages of 18 and 21.*

   The report details what happens as a result of the vulnerability of homeless and runaway youth as it relates to housing. "The instability of shelters and other more precarious housing (e.g. abandoned buildings and public parks) increases the difficulties associated with trying to attend school or find and keep a job."[2] It is clear from this research as well as common sense logic, that in order for young adults to overcome the challenges that resulted in them being on the streets, a first step is stable housing.

   In Kansas the Department for Children and Families provides an Independent Living Program which specifically supports young people who have 'aged out' of foster care at age 18, and enter into what the system refers to as "emancipation". The state offers programs and services made possible through the John H. Chafee Foster Care Independence Program which is federally funded and available to states for implementation. Services in Kansas include education (remedial, high school, post-secondary), career and job planning and training, medical care coverage, and subsidies for room and board.

[1]National Coalition for Homeless Veterans, nchv.org/index.php/news/media/background_and_statistics/#facts
[2]On Your Own Without A Net: Transition to Adulthood for Vulnerable Populations, p. 184.

In 2011 then-Mayor Carl Brewer convened an informal work group to discuss issues related to youth on the streets and to explore strategies for moving them into housing. Participants included nonprofits, faith based groups, providers of temporary shelter and transitional housing, street outreach teams, and City, County and State government officials. One product of those efforts was an identification of needs and resources related to permanent housing and preparation of youth for independent living. When the meetings concluded in 2012 there were 76 transitional housing beds identified, with approximately half designated exclusively for young adults. There are specific requirements necessary to enter many of these programs which results in approximately half being available without application barriers.

That work did not result in identification of permanent affordable housing which would be the next step after transitional living. Thus the need for affordable housing for this population is not unlike that of other special populations with the exception that young people either on the streets as runaways or those who do not participate in programs offered for aged out foster care, have their age and lack of positive adult experiences working against them as well.

Stakeholder feedback agrees that unaccompanied youth are a special population with unique housing needs, and that their numbers are growing. They further noted that this is particularly challenging for 17 year olds who are outside HUD's definition of youth but who are too young to sign leases unless they are emancipated.

8. Homeless. The definition of homelessness was revised by HUD in 2009 with implementation of the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act. It now includes four categories of persons:

(1) Individuals and families who lack a fixed, regular, and adequate nighttime residence and includes a subset for an individual who resided in an emergency shelter or a place not meant for human habitation and who is exiting an institution where he or she temporarily resided;
(2) individuals and families who will imminently lose their primary nighttime residence;
(3) unaccompanied youth and families with children and youth who are defined as homeless under other federal statutes who do not otherwise qualify as homeless under this definition; and
(4) individuals and families who are fleeing, or are attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member.

HUD requires communities to conduct a Point in Time count in January at least every other year to obtain a picture of the homeless population for planning and funding purposes. In Wichita that count is conducted annually. On January 29, 2015, there were 561 homeless persons documented at the Point in Time event which has been held at Century II since 2011. Of that number 462 were in emergency shelter, transitional housing or the Safe Haven; the remaining 99 were presumed to be living on the streets, with family or in places unsuitable for human habitation such as vehicles. The 2014 inventory of year round beds for homeless households included 394 in emergency shelter, 199 in transitional housing, and 418 in 11 different permanent supportive housing programs. While the availability of 1,031 year round beds is somewhat encouraging the non- emergency

shelter programs have little to no capacity for expansion. Thus the emergency shelter programs have limited options for moving participants into more permanent housing.

Permanent housing for the chronically homeless is available through the City's Housing First program, which is jointly funded by the City of Wichita and Sedgwick County. That program has funding to provide up to 64 chronically homeless individuals with permanent housing with no specific requirements other than the individual who is housed must abide by the lease and meet with a case manager once/week in their home. The program has been in place since 2009 and has housed over 200 persons. This initiative was one of five recommendations of a City/County Task Force on Ending Chronic Homelessness.

Stakeholder feedback supports the concept of Housing First. There was also mention of the need to secure funding for unit repairs in order to encourage landlords to remain in the program, when they've had a HF tenant who destroyed their property.

Other programs and resources exist in the community but they too are limited in scope/size and dependent upon federal funds. Rapid Re-Housing is one such program which is federally funded. The goal of the program is to 'rapidly' house persons who are homeless. Homeless service providers make referrals to the City of Wichita where a team of seasoned professionals evaluate the client information and make recommendations which include funding for one or more month's rent, utility payments up to six months in arrears, and deposits. If eligible to do so Rapid Re-Housing clients are also encouraged to apply for Public Housing and Section 8 Housing Choice Vouchers (when the waitlist is open). This program has housed individuals and families, but also runs out of funds three to four months prior to the start of the next funding year.
Service providers agree that homeless families are an important subset of the homeless population. Results from the 2015 Point in Time count indicate that 25% of the 561 persons counted, were members of families. The effects of homelessness are compounded on members of homeless families. Children face the greatest obstacles in terms of school attendance, studying, clothing - to name a few. USD 259's McKinney-Vento program addresses these needs however without affordable housing options homeless children will struggle to succeed in school because of the lack of stability.

9. Ex-Offenders. Available data confirm that a significant number of prisoners in the Kansas Department of Corrections (DOC) system, are from Sedgwick County. In that agency's 2014 annual report Sedgwick County residents accounted for 981 of the total of 3,714 admissions that year, or 27%. In that same year Sedgwick County received nearly one-third of offenders released – 850 or 27% of the 3,154 total releases.

   The Department of Corrections report also notes that the incidence of mental illness in the inmate population is significant and growing. In 2014 37% of inmates had a mental illness diagnosis. The Department noted the difficulty in placing such persons in appropriate housing areas within their system. Community corrections staff face a similar challenge when mentally ill ex-offenders return to the community with no specialized housing available for them.

   The needs facing returning offenders has been the subject of several community efforts to develop and implement strategies to ensure successful reentry. In 2002 Wichita State convened the Wichita Assembly where local and state government and professional services leaders engaged in dialogue on this subject. From that meeting the Joint City/County Offender Reentry

Task Force was named to further explore the recommendations from the Assembly. The Task Force held a series of meetings in 2003 and presented a report and recommendations to the City Council and County Commission in 2004.

There were seven housing recommendations in that report. Following is a list of those recommendations and the current status. They are repeated in this housing policy document because the recommendations which have not been implemented remain valid and necessary to ensure the availability of appropriate housing options for returning offenders.

i. Establish an Offender Housing Specialist to link housing service providers and corrections. *The DOC has four Offender Housing Specialists in different parts of the state, who help returning offenders with housing needs.*

ii. Work with local housing service providers to identify ways to track returning offenders with housing needs, and to establish protocols for making referrals to and access local housing services. *Locally, the DOC Housing Specialist has extensive outreach to local housing services providers, including City and County Housing Authorities. The Housing Specialist also has established and maintained a protocol with staff in correctional facilities as to how to prepare the returning offenders for a success release experience.*

iii. Establish relationships with local landlords to remove barriers to returning offenders accessing affordable housing. *The DOC Housing Specialist has established numerous relationships with landlords across the city and also works with DOC team members who are in the correctional facilities, to identify and address barriers to a released offender's safe return to the community.*

iv. Establish contact with case managers in the facilities to identify offenders scheduled for release with housing needs, so those needs are addressed prior to release. *The Housing Specialist has constant contact with all of the Release Planners in the nine correctional facilities across the state of Kansas. Housing plans made during those contacts are further enhanced by parole officers who make pre-release visits to home addresses where offenders plan to return, confirming suitability, etc.*

v. Dialogue with HUD and local providers to remove barriers to offenders being considered eligible for existing housing services. *The DOC Housing Specialist is a member of the local Continuum of Care and is in regular contact with HUD-funded agencies and thereby aware of housing opportunities for returning offenders.*

vi. Procure technical assistance to assist in developing strategies for accessing future HUD and other funding to meet the housing needs of returning offenders, through a partnership between corrections, local housing/service providers and the city. *This recommendation was not implemented as stated, however local partnerships do exist among these entities.*

vii. Review existing licensing requirements for alternative corrections housing to ensure they are not unduly prohibitive to offenders having access to housing and housing services. *This recommendation was placed on hold by the City of Wichita.*

The Wichita City Council did not approve the implementation plan, but did approve the recommendations. The matter was referred to the District Advisory Boards (DABs) and the original Alternative Correctional Housing Board for further review. This has not come back for public discussion since that time although the original New Communities Initiative program was developed in large part to provide housing and related resources in zip code 67214 for returning ex-offenders.

Stakeholders believe the recommendations from the Wichita Assembly continue to be relevant today, which suggests that they be considered in implementing strategies to address the housing needs of this population.

One housing option for ex-offenders is the Oxford House program. There are three houses in Wichita which serve a population which comes from jails, prisons and other institutions. According to their website, the Oxford House program is a democratically run, self-supporting and drug free home.

Federal regulations do not prohibit admission of ex-offenders into Public Housing or Section 8 programs (except under certain circumstances), however given the long waiting lists, it is unlikely that this resource is a viable housing option for this population in the short or long term.

Stakeholder feedback expanded upon and/or reinforced the barriers identified in the Housing Policy by noting that those with SSI have to apply for reinstatement of that benefit once they are released. Further they acknowledge the difficulty finding landlords to agree to rent to ex-offenders, and the fact that certain offenses are more difficult to house, than others, namely (registered) sex offenders, violent offenders, and drug offenders.

10. Persons Living with AIDS. According to the 2012 Kansas HIV/AIDS Program annual report, there were 55 new cases of HIV and AIDS reported during that year in Region 8 (which includes Sedgwick County), and 797 persons presumed to living with HIV/AIDS, and a cumulative total of 1,246 cases ever reported to that program. According to the same report, over half of the total cases in Region 8 are in Sedgwick County. As in the case of nearly every special population reported in this policy paper, this population is highly likely to be poor and have limited choices for safe, affordable housing. Throughout many communities, persons living with HIV/AIDS risk losing their housing due to compounding factors, such as increased medical costs and limited incomes or reduced ability to keep working due to AIDS-related illnesses. The HOPWA (Housing Opportunities for Persons with AIDS) program is the only federal funding source dedicated to addressing the housing needs of persons living with HIV/AIDS and their families. The Kansas Department of Health and Environment administers the grant by partnering with nonprofit organizations and housing agencies to provide housing and support to these persons.

    Locally, Kansas Care Through Housing (KCTH) is the HOPWA administrator, and helps this population access short term and tenant based rental assistance. Clients are limited to two years of participation on the Long Term/Tenant Based Rental

Assistance program. They can also access transportation, nutrition and counseling services through the entity. In 2012 KCTH helped 148 households with housing assistance; 146 households in 2013; and 102 as of October 6, 2014.

There was nearly unanimous stakeholder feedback that federal funds should not be the only source of support for housing for this population, although no particular alternatives were presented.

Stakeholders suggested that another special population should be added to those with special housing needs: current and past substance abusers. Below is a summary of research conducted based on this recommendation.

11. Current and Past Substance Abusers. A special NPR report defines this need by breaking it down into the simplest of terms. "For recovering drug addicts and alcoholics, it's not just what's *in* a home that matters, but what *isn't.* 'Straight housing' as it's sometimes called, is critical for anyone trying to stay clean and sober". The report goes on to say: "Such housing is at the end of a recovery chain that begins with detox and treatment centers, then, customarily, moves on to halfway houses. At each step along the way, facilities are in short supply".[1] While it is important to consider this obviously unique housing condition, the truth is substance abuse is likely present or a contributing factor in several of the special populations listed in this report: the homeless, youth at risk and ex-offenders. The U.S. Interagency Council on the Homeless lists permanent supportive housing with ongoing case management, as the most effective housing strategy for this population.

It is clear from this review that the availability of affordable housing takes on special significance for the special populations highlighted herein: very low income, persons with disabilities, seniors, single heads of household, persons experiencing layoffs and job transitions, veterans, youth at risk, ex-offenders, persons living with HIV/AIDS, and current and past substance abusers. While there is a common theme of affordability among these populations their unique needs add an additional dimension to the search for housing.

In addition to consideration of these specific population groups and their unique housing needs, it is also important that the comprehensive housing policy discussion include the quality of existing housing. Following are conditions which are likely to be present in much of the housing stock in existing neighborhoods: asbestos laden building products (up to 1960's), lead based paint (up to 1978), homes with no plumbing, HVAC or electricity, mold and insect infestation, substandard wiring and ground outlets, inadequate electrical service, and inadequate insulation. These conditions create safety hazards as well as diminish the life of the structures and the people who occupy them. Unfortunately such conditions often result in reduced rent and the units are often occupied by lower income persons who cannot afford to pay market rent for safer housing.

The following strategies are presented to provide options for addressing the specific needs of Wichita's special populations as well as the availability of housing which is free of hazards associated with age and construction.

HOUSING AVAILABILITY STRATEGIES

Safe: housing that meets minimum codes, is a deterrent to criminal activity, is safe from lead, asbestos & other environmental hazards

Barriers: Safe	Strategies	Potential Partners
Lack of sufficient safe, affordable housing for all special populations	Annually identify number of additional safe housing needed for special populations	City Housing & Community Services Dept. Sedgwick County Department on Aging
Code enforcement challenges	Strengthen code enforcement Identify community-based partnerships	City Housing & Community Services Dept. City Office of Community Engagement Wichita Independent Neighborhoods Metropolitan Area Building & Construction Dept.
Vulnerable neighborhoods, often directly related to household income	Provide home repair upgrades Strengthen neighborhood watch programs Expand community policing	City Housing & Community Services Dept. City Office of Community Engagement Wichita Independent Neighborhoods City Police Department
Deferred maintenance due to age of current housing stock and cost of rehab	Seek funding Support ongoing programs Establish a clearing house of reputable contractors so homeowners know who to trust when they want to hire a contractor	City Housing & Community Services Dept. Wichita Independent Neighborhoods Nonprofits
	Provide information and tools (HCSD handbook; Channel 7) Provide instruction Provide hands-on assistance Provide tools (tool lending) Develop home repair funding pool	City Housing & Community Services Dept. Wichita Independent Neighborhoods Nonprofits Private sector (Home Depot, Lowe's, etc.)
Environmental conditions	Evaluate trouble spots Identify clean up or reuse plans Enforce demolition standards Enforce housing rehab standards	City Housing & Community Services Dept. Metropolitan Area Building & Construction Dept. Kansas State government
Housing that does not meet current codes regarding electrical, plumbing, asbestos, lead-based paint	Strategic deployment of code inspectors in partnership with home repair staff options (similar to START program) Develop fund to address repair needs for low income owner-occupied structures and/or rental property	MABCD Housing and Community Services Redevelopment Authority
Housing that is beyond repair	Identify funds to quickly demolish blighted property and rebuild safe affordable housing	City Housing and Community Services Dept. CHDOs Redevelopment Authority
Sub-prime rental market	Institute a rental registration program	Wichita City Council Metropolitan Area Building & Construction Dept. Landlords

Decent: housing that is well maintained and is of such quality so as to maintain or increase property values in the neighborhood

Barriers: Decent	Strategies	Potential Partners
Neighborhoods with declining housing values	Address poor conditions systematically by neighborhood	Metropolitan Building and Construction Dept. City Office of Community Engagement City Housing & Community Services Department CHDOs Neighborhood Associations Wichita Independent Neighborhoods.
	Implement policy strategies to improve conditions	Metropolitan Building and Construction Dept. City Housing & Community Services Dept. Wichita City Council Kansas State government
	Implement urban redevelopment plans to create/improve housing	City Redevelopment Authority
Lack of incentives for mixed income neighborhoods	See Housing Affordability section	See Housing Affordability section
Pest control	Establish fund to treat bed bugs	Landlords, rental/landlord organizations
Housing maintenance	Provide housekeeping education to owners and renters who exhibit problems	Hoarding Coalition

Affordable: housing that provides choices which meet the variety of the community's housing needs and which costs no more than 30-40% of household income (also see charts in the Affordability section)

Barriers: Affordable	Strategies	Potential Partners
Developer cost for land acquisition, site prep and infrastructure	Establish cost sharing between the City and developers Establish Housing Trust Fund using fees charged for development outside the core, to support inner core development Explore bond financing program for infrastructure	City Finance Department City Office of Urban Development City Housing & Community Services Dept. Wichita Area Builders Association Sedgwick County City Redevelopment Authority
Lack of housing stock which is affordable to persons at 81% and above the AMFI	Reduce site costs Tie to economic development	City Redevelopment Authority City Office of Urban Development
Downpayment and closing costs	Seek funding to expand grant and loan programs Seek and support applications for Affordable Housing Program (AHP)	City Housing & Community Services Dept. Lender pool/Lenders Nonprofits
Limited resources to increase housing options	Explore feasibility of establishing TIF districts for residential development Identify legislative changes required	City Redevelopment Authority City Office Urban Development Wichita City Council Kansas Legislature Sedgwick County USD 259
	Engage lending institutions in aggressive community development	Local banks

Special Needs: housing that meets the specific and unique needs of identifies special population groups

Barriers: Special Needs	Strategies	Potential Partners
Lack of affordable housing for the working poor	Create more housing affordable for very low income persons through current federal programs Explore new funding sources for housing development, including IRBs Explore the feasibility of creating residential TIFs	City Housing & Community Services Dept. City Redevelopment Authority Kansas Dept. for Children and Families City Office of Urban Development Independent Living Resource Center
	Assist low income persons obtain jobs Develop partnerships with employers Create incentives for developers to train the very low income	WSCCAP WABA Workforce Alliance Others to be determined
Lack of housing options for persons with disabilities	Identify housing options tied to services Create or expand supportive housing services	Kansas Dept. for Children & Families Local nonprofits
Lack of housing options for seniors	Create senior housing in a quality, supportive living environment with necessary supportive resources	Sedgwick County Dept. on Aging Wichita Housing Authority Local nonprofits Generational shared living Mennonite Housing Mental Health Association
Lack of housing options for veterans	Identify housing options tied to services Explore funding options Create or expand transitional and permanent housing options Develop 'Oxford' style housing (Columbia, MO) Expand emergency housing options for vets with zero income	Mayor's Challenge Wichita Housing Authority Veterans Administration Local nonprofits SSVF Wounded Warrior Foundation
Lack of housing options for youth at risk/emancipated foster care	Identify housing options tied to services Insure that Kansas accesses available funds to provide supportive housing and services for this population Expand transitional housing for this population	Kansas Dept. for Children and Families Kansas Children's Services League Wichita Children's Home
Lack of affordable housing for homeless individuals and families	Expand the Housing First model to increase capacity Establish preference for homeless in programs	City Housing & Community Services Dept. Sedgwick County Community service providers Continuum of Care
Lack of affordable housing for persons with felony convictions (ex-offenders); lack of access to existing housing by persons with felony convictions	Establish housing inventory among current landlords who accept ex-offenders Investigate options for housing certain ex-offenders, including sex offenders Create a landlord resource guide Create transitional housing and services for ex-offenders	Sedgwick County Wichita Housing Authority Kansas Department of Corrections Kansas Housing Resources Corporation H.O.P.E., Inc./H.O.P.E. Properties

	Seek non-traditional funding partnership with State corrections agencies, to establish more housing and more related supported services Use inmate and offender labor to rehabilitate existing housing to transform neighborhoods	
Lack of affordable supportive housing for persons with disabilities, seniors, youth, and persons with HIV/AIDS	Explore funding options Create public-private partnerships	City Housing and Community Services Dept. Sedgwick County COMCARE and Office on Aging Other nonprofits

Wichita
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Neighborhood Stability

Definition. Neighborhood stability is impacted by the physical, economic and social features of neighborhoods and, according to the Center for Community Progress are those features which, when strong, contribute to the preservation and potential increase in neighborhood property values.

Goal. The goal of this policy component is to make safe, decent, affordable and marketable housing available to all persons in stable neighborhoods using public policy (and public resources as needed), to stimulate and promote rehabilitation, redevelopment and homeownership within the city.

Following is a brief assessment of the three neighborhood features listed above. However it should be noted that neighborhoods that would score high on physical, economic and social indices, often have very little written about them. They are of course a source of pride for the community and are places where people who can afford to, desire to live. The objective of this policy is to increase the number of such neighborhoods in Wichita, with a special focus on the conditions and barriers to that outcome in many current neighborhoods.

Current Status. Wichita has a rich diversity of neighborhood types with varying degrees of investments by residents and stakeholders. For instance, there are seven residential historic districts with housing structures that contribute greatly to the area's culture and sense of place: Bitting; North Market St. Apartments; North Topeka Apartments; North Topeka Avenue/10th Street; Park Place/Fairview; Topeka/Emporia; and Winders. Additionally, many neighborhoods in the city's core have participated in short and long range planning sessions, applying the Strengths, Weaknesses, Opportunities, and Threats (SWOT) approach to identify their challenges and strategy options. Neighborhoods in the city's fringe areas don't participate in the planning process to a great degree but are focused on maintaining their property standards and quality of life.

Wichita also has engaged communities which have produced 10 neighborhood and area plans since 2000. These plans support redevelopment of existing mature neighborhoods, with infill and revitalization guidance and strategies. Housing policy strategies must be developed in accordance with existing planning documents prepared with significant neighborhood input.

It was encouraging to note that the majority of stakeholders reported that they have participated in the development of a neighborhood plan which suggests that the right people were at the table at this phase of the Housing Policy discussion.

Physical Characteristics of Wichita Neighborhoods
Wichita also boasts many neighborhoods where property conditions are at acceptable levels, where property owners have a commitment and the resources necessary to maintain their property. Wichita is also making progress toward increasing the availability of downtown living, where the environment looks much different than the traditional neighborhood, and where there are decidedly more options for shopping, dining and entertainment.

The Sedgwick County Appraiser's office provides data on housing conditions through its CDU (condition, desirability and utility) scoring, which is useful in assessing specific neighborhood housing challenges. Condition is a reflection of the physical condition; desirability considers external influences such as location, etc.; and utility refers to the level of public and private services to the home and whether they are in line with what is expected in a neighborhood. The following chart represents Wichita's housing on the CDU scale:

CDU	Living Units	% of Units	Subtotal % of Units	Category
1	186	0.14%		
2	60	0.05%		**Excellent**
3	390	0.30%	**0.5%**	
4	322	0.24%		
5	2,831	2.15%		**Very Good**
6	2,078	1.58%	**4.0%**	
7	16,846	12.81%		
8	7,248	5.51%		**Average**
9	85,529	65.06%	**83.4%**	
10	3,064	2.33%		
11	11,387	8.66%		**Fair**
12	508	0.39%	**11.4%**	
13	916	0.70%		
14	64	0.05%		**Poor**
15	33	0.03%	**0.8%**	
Totals	**131,462**	100.00%	100.0%	

The Housing Conditions map in the Appendix puts these percentages in perspective. Most of the fair and poor units are in the core, which supports data reported in core area neighborhood plans. The Central Northeast Area Plan Update reports nearly half of the housing units were rated as fair by the County appraiser in 2005, as opposed to 11% overall in 2014. According to the South Central Neighborhood Plan, 12% of the housing in that neighborhood was rated as poor or worse (as compared to a 0.8% poor rating for housing in the city as a whole in 2014.

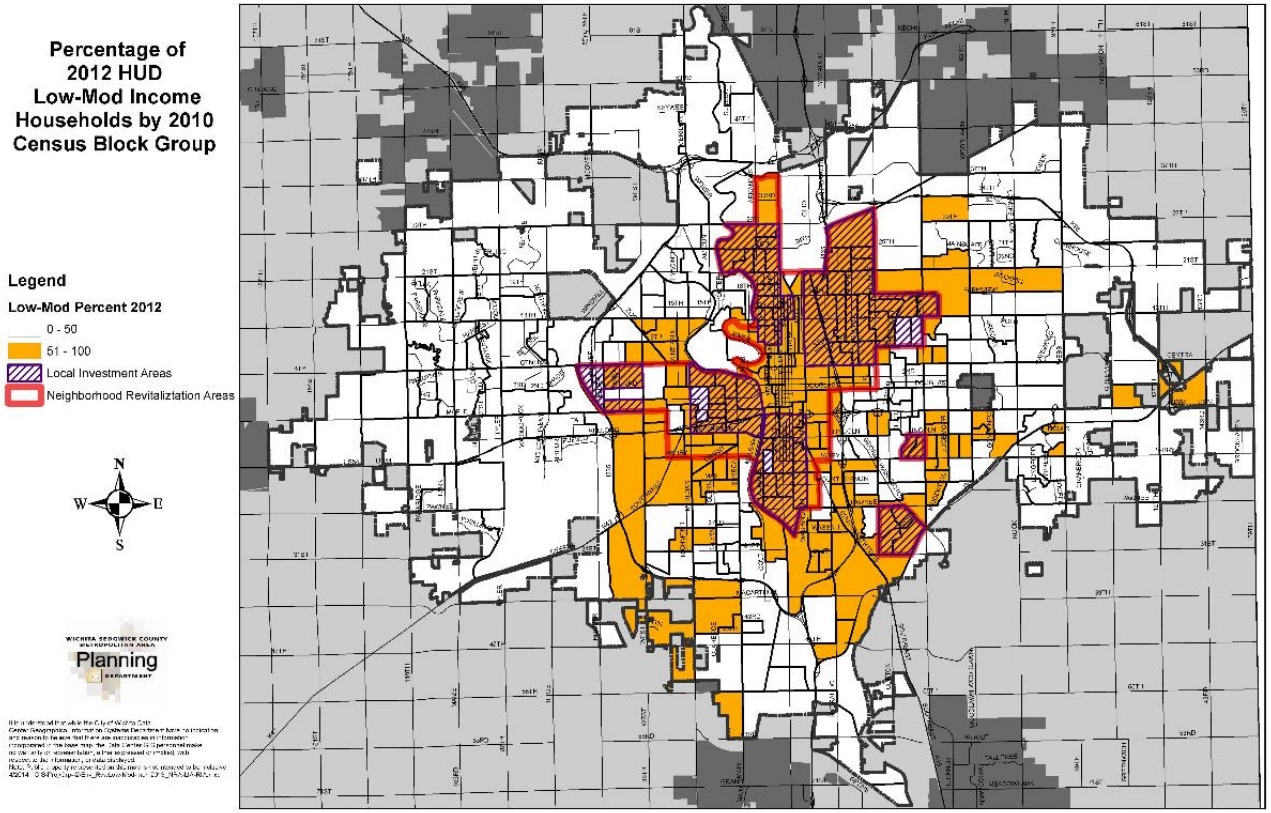
Hilltop and Planeview are two other areas with a large number of poor housing conditions, despite efforts by public and private resources to sponsor improvements and new investments.

Most stakeholders agreed that poor housing conditions are more prevalent in the core however they noted that the definition of 'core' has changed over time. It was suggested that specific core boundaries be identified for future discussions on this subject. The stakeholder discussion of areas of neighborhood deterioration also suggested that the Housing Policy should explore investment priorities in regard to neighborhood stability. Below is a brief discussion.

There are obviously many localized challenges associated with the physical condition of housing in Wichita, not the least of which is – where should re-investment begin? As the County Appraiser's conditions chart reveals, only 4.5% of Wichita's housing conditions are ranked as very good or excellent. Average conditions are the vast majority and as a result it can be assumed that the definition of average varies between neighborhoods in that category. Planners are challenged with focusing on areas where housing conditions are poor – which fortunately is only 0.8% of Wichita neighborhoods, however it is safe to assume that the cost to correct the deficiencies is disproportionately higher than the low numbers suggest. Other investment theories would suggest that attention to areas on the brink of deterioration would be a wiser strategy as the cost would likely be lower and improvements could be achieved over a shorter period of time. That would impact the 11.4% of conditions which are "fair" but could also include some of those which are 'average'. While this policy document does not recommend a strategy this is an area where policy direction must be well thought out and communicated to the affected communities.

Economic Characteristics of Wichita Neighborhoods

Information is available from the 2012 census which identifies neighborhoods by various levels of residents' incomes. Not surprisingly, the areas with the greatest housing challenges are those where a majority of residents have lower incomes. The following map provides a graphic picture of the areas with incomes at 50% or less than the area median.



However beyond the income of residents there are other economic indicators that also reflect the stability of the neighborhood. Access to services (cleaners, grocery stores, etc.) and jobs contribute to economic growth in communities. Unfortunately these components are not present in many of Wichita's neighborhoods, especially those where incomes are less than 50% of the area median. The 0-50% low mod areas are also those identified by the Wichita Health and Wellness Coalition as being food deserts, with few shopping choices for residents to obtain fresh, healthy groceries.

Among stakeholders providing feedback, there was universal agreement that neighborhoods are strengthened by economic investment; general agreement that the City should work to increase cultural and economic diversity in neighborhoods' but not everyone agreed that diverse neighborhoods necessarily have both higher population growth and stronger price growth.

Social Characteristics of Wichita Neighborhoods

For purposes of this discussion social characteristics include cultural diversity or lack thereof, leisure time options, channels for communication between neighbors, crime and family composition. The following discussion provides an overview of these conditions in Wichita neighborhoods.

According to a report in the Wichita Eagle on March 27, 2011, data from the 2010 census reflects an increase in diversity in Sedgwick County and Wichita, when compared to 2000 data. Of the 7,746 census blocks in Sedgwick County, 12 percent were all-white in 2010. A decade earlier, 18 percent of the blocks in the county were 100 percent white. While that is an encouraging change, the other reality is that minority populations have not migrated to a great extent, out of certain neighborhoods in which they are the majority population. Three-fourths of Sedgwick County's minorities live east of the Arkansas River.

Leisure options are provided by the City and private entities. The City's park and recreation systems underwent a comprehensive planning process resulting in presentation of a Park, Recreation and Open Space (PROS) plan in 2008. That plan includes a focus on neighborhood-oriented services, which will provide "a neighborhood or community park easily accessible to most residents, and that has the basic elements needed to support healthy activity and community and family fun".[1] Implementation of components of that plan are under review.

One of the ways communication is fostered in neighborhoods is through neighborhood and homeowner associations. The City of Wichita has a database of 280 homeowner associations, 84 neighborhood associations and four business associations. The City's Office of Community Engagement is the primarily liaison with these organizations regarding City communications.

Crime strikes all parts of the city and its neighborhoods however there are areas which have higher rates of certain crimes according to 2014 crime data available through the Wichita Police Department's crime stats density maps. For instance robbery and burglary cases occurred most frequently in the central part of the city, extending north and south. Assaults also occurred on a slightly higher basis in central northeast and southeast neighborhoods. The relative safety of neighborhoods is often a matter of perception, which suggests policy efforts should be aimed not only at reducing crime overall, but also in dispelling myths about certain areas and promoting the positive features of all neighborhoods.

[1]City of Wichita PROS Plan, 2008, p. 33

Family composition is considered one of the social characteristics that may impact life in neighborhoods on several levels. For example the presence of children in a neighborhood could very easily dictate traffic patterns relative to schools and play areas. Single parent households can also be a factor in neighborhood stability in terms of bearing the costs of property maintenance on a single income.

Policy Discussion

Physical

According to the 2008-2012 American Community Survey estimates 43% of Wichita's housing stock was developed prior to 1960. It is not surprising, therefore, to find that the worst housing conditions are concentrated in the core area. The housing conditions map in the Appendix provides a graphic image of these conditions, based on 2010 census information and housing condition reports compiled by the Sedgwick County Appraiser. Funding (or lack thereof) would seem to be the primary barrier to addressing the physical conditions of housing, particularly in the core area of the city, where household incomes are also generally lower. Funding could address this problem on several fronts.

Many homeowners have the desire to improve their properties but do not have the funds. The primary source of home repair for such homeowners is City programs which are federally funded. In the last three years, over 800 homes received home repair assistance; nearly 275 of those homes received paint grants. Waiting lists for those services are carried forward from year to year. A new source of funding would make it possible for more low to moderate income households to receive home repair assistance.

Some property owners are not responsive to citations for housing conditions in violation of City codes for reasons unrelated to having the funds to make repairs. Funding to support and expand the number of City Code staff to continue the citation pressure and/or to pursue other legal remedies could result in some such owners coming into compliance. In addition funding for City resources would also increase the ability to abate non-housing conditions which impact neighborhood stability such as overgrown vacant properties and the presence of dangerous, vacant structures. Funding is part of the strategy for addressing such properties and property owners, however policy and/or strengthened enforcement tools could also make a difference.

Neighborhood stability is also threatened by the presence of abandoned and otherwise blighted property. Such properties are unsightly, often breed crime and give the neighborhood an image of neglect and disinvestment. These conditions could be turned around through partnerships between the neighborhood residents, local government, private sector investors, and nonprofit agencies who commit to a plan for redevelopment. The benefits are many: the neighborhood's curb appeal is improved; resident pride is restored; and complementary investments are triggered.

The Community Investments Plan 2015-2035 includes an urban infill strategy which complements and in many instances, expands upon strategies relative to improving the physical condition of neighborhoods. The urban infill strategy has a focus on the Established Central Area comprised of the downtown core and the mature neighborhoods surrounding it in a roughly three mile

radius. The areas of opportunity in that plan are consistent with the challenges identified in this housing policy and suggest that areas with greatest incidence of these conditions should be given priority consideration: vacant parcels, vacancy rates, renter-occupied dwelling units, structures in fair or worse condition, nuisance complaints, building demolitions, and below standard infrastructure.[1]

Following are strategies included in the Community Investments Plan, to address the four major barriers to infill development.

Strategy: Establish a participatory neighborhood planning program to prepare neighborhood design guidelines for areas of opportunity prior to construction of large-scale, multi-property infill projects. Also develop basic infill development guidelines that would be applicable throughout the Established Central Area.

When asked about this recommendation in particular, there was general agreement among stakeholders with this strategy.

Strategy: Amend development regulations to better encourage by-right infill development projects.

Strategy: Develop and implement a long-range plan for major infrastructure maintenance projects that focuses infrastructure investment in areas of opportunity in a manner supportive of infill development efforts.

Strategy: Establish a public-private relationship to support infill development through market research, design assistance, and financing opportunities.[1]

Economic

The 2013 average sales price in Wichita was $140,311 which is affordable to a household in Sedgwick County with a median value of $115,200 (Sedgwick County). Neighborhood stability could be achieved by an investment of resources and incentives for infill projects in established neighborhoods, which would then improve the economic health of the area. Providing incentives that reduce sales prices would also benefit residents who wish to live in certain areas but for whom the housing prices are just beyond their reach. A household which is interested in residing in a particular area will very likely become a responsible owner if the economic barriers could be lifted.

Neighborhood economic viability will also be enhanced with the introduction of the ‘right mix’ of retail and consumer services operations. Recent experience has proven that neighborhood businesses can be successful in areas which had been previously abandoned by mainstream companies. However as in the case of homebuyers who would benefit from financial assistance to purchase in certain areas, incentives would likely be needed to encourage private sector investments as well. In identifying the ‘right mix’, however, care needs to be taken to ensure that the retail uses are compatible with residential living, and do not, for example, generate a major increase in traffic through the residential areas.

[1]Community Investments Plan 2015-2035

Social

Wichita's natural cultural diversity is often seen as a barrier to development of a robust housing market, however many communities have capitalized on that diversity to promote popular and sought-after diverse neighborhoods. One reason for embracing the concept of diverse neighborhoods is the fact that according to a 2012 report in Forbes magazine "the more diverse neighborhoods have both higher population growth and stronger price growth in the past year".

In a report published by the Urban Institute, several diversity policy strategies are suggested, two of which are worth noting: 1) expand affordable housing options in exclusive neighborhoods; and, 2) strengthen services and amenities in minority neighborhoods. This combination would also result in increased opportunities for neighborhoods to celebrate their ethnic heritage.[1]

Expansion of affordable housing options in exclusive neighborhoods requires attention to the public education campaign presented in the Affordability section of this report. Often such steps require 'selling' the concept of mixed income neighborhoods to households whose incomes are at or above the median. One concept which has been successfully used in other communities is inclusionary zoning, which is a land use technique for developing diverse mixed-income communities by requiring each new residential development permitted, to make a percentage of the new units affordable to targeted incomes. The Boulder, Colorado inclusionary housing ordinance was reviewed for this report. For housing developments of five or more units, the Boulder ordinance requires 20% of market rate housing developments to be affordable to very low, low or moderate income households. Developments of 4 units or less must set aside one unit as affordable, or designate another off-site unit as affordable. The ordinance also features a cash-in-lieu equivalent of an affordable unit. Those payments go into a housing fund which is used to develop affordable housing. A summary of the Boulder ordinance can be found in the Appendix. In addition case studies of three other communities which have implemented inclusionary zoning policies can be viewed at http://www.inclusionaryzoning.com/case-studies-1.html.

The option of enhancing amenities in minority neighborhoods can be achieved utilizing strategies mentioned elsewhere in this document. Amenities such as park and recreational opportunities as well as the right mix of retail and consumer services create stable, desirable neighborhoods. Additionally neighborhoods which are encouraged and supported in their celebration of ethnic diversity and heritage, also create stability. Visitors to such areas to take advantage of ethnic heritage functions and/or sampling of ethnic cuisines, can serve to erase unfounded fears about other ethnicities and perhaps create the desire to move into such areas.

Following is what USA Today reported on such a community in Kansas City, Mo. (June, 2014):

> "**Kansas City:** The Westside neighborhood, radiating out from the intersection of 17th & Summit Streets, has filled up with pioneering urban dwellers of various ethnicities and infused life into the area. Beautiful homes abound, ranging from historic Victorian and Colonial to postmodern. Centrally located, within walking distance of downtown and adjacent to the Crossroads Arts District, Westside has an eclectic mix of restaurants like Chez Elle Creperie & Coffeehouse, Blue Bird Bistro, and Westside Local Restaurant & Beer Garden as well as a variety of Mexican restaurants and bars on nearby Southwest Boulevard."

[1]Promoting Neighborhood Diversity, Urban Institute, August, 2009

Policies should also consider incentives for households who can afford market rate housing, to remain in areas where mixed income units are being developed. As noted earlier, one such incentive would be reduced insurance or other household expenses. This option should be explored using the TIF investment strategy as a tool.

Stakeholders agree that the City should offer incentives for infill projects, neighborhood improvement/beautification activities, and improvements in low-income neighborhoods.

This stakeholder group also noted that conditions in every neighborhood are entirely dependent on the overall economic prosperity of our community. Without job growth, neither public nor private investments would be adequate to maintain or improve neighborhood conditions.

A key principle among stakeholders in the discussion of neighborhood stability is maintaining an atmosphere of choice. This principle could and does impact the cultural diversity of neighborhoods as well as housing styles, etc. Key to the realization of this principle, however, is the city must create, develop and sustain its neighborhoods so that positive quality of life (or lack thereof) is not the determining factor in that choice.

The barriers, strategies and potential partners outlined on the following pages, should be considered in the context of existing neighborhood plans which are listed below. These plans have been adopted by the City of Wichita and include infill guidance for existing Wichita neighborhoods.

- Hilltop Neighborhood Plan - 2000
- Center City Plan - 2000
- Delano Neighborhood Plan - 2001
- McAdams Neighborhood Plan - 2003
- Midtown Neighborhood Plan - 2004
- Central Northeast Area Plan Update – 2005
- 21st Street North Corridor Revitalization Plan - 2005
- South Central Neighborhood Plan - 2006
- Project Downtown Master Plan -2010

NEIGHBORHOOD STABILITY STRATEGIES

Strategies to address Physical Barriers

Barriers	Strategies	Potential Partners
Lack of common goal relative to neighborhoods	Establish a baseline for all neighborhoods, and develop a plan to bring all to the baseline and beyond Incorporate existing neighborhood and area plans into strategies to enhance neighborhoods	Metropolitan Area Building & Construction Dept. Planning Neighborhood Services Housing and Community Services
Insufficient funding to improve housing conditions	Identify a new and continuing funding source (federal funds are not enough) Options include housing-related fees	City Council
Lack of compliance by property owners	Community education on housing standards Increase enforcement resources Establish protocol for providing funding assistance for repairs for owner-occupied and rental property Provide funding to abate dangerous nuisances and assess the cost to the owner's personal debt	MABCD Law Department Municipal Court
Long delays in addressing abandoned and blighted properties	Create legislation to allow for faster seizure of abandoned and blighted properties when owners can't or won't comply Amend K.S.A. 12-1750 to allow cities to condemn property more expeditiously	City Council Sedgwick County State of Kansas
Boarded-up houses	Regulate property owners thru permit fees to board houses for long term board-ups Pursue a more active approach towards filing liens on the properties for code violations	Metropolitan Area Building & Construction Dept. City Law Department Wichita City Council City Redevelopment Authority Kansas Legislature Sedgwick County
Blight and poor curb appeal	Continue paint and low-interest home repair loan programs Provide incentives for neighborhood beautification efforts	City Housing & Community Services Dept. Metropolitan Area Building & Construction Dept. Sedgwick County Private building supply companies

Vacant lots in older neighborhoods	Reduce inventory through infill home-ownership construction Actively pursue property liens and seizures Create an online database to inventory and market vacant & abandoned lots Create an authority with the power to acquire, consolidate and market vacant properties Encourage non-profits to develop the properties Provide downpayment and closing cost assistance Explore alternate uses such as neighborhood parks Implement the Wichita Urban Infill Strategy	City Housing & Community Services Dept. Community Housing Development Organizations (CHDOs) Wichita Area Builders Association Redevelopment Authority Land Bank
Inadequate retail and consumer services	Promote retail development Provide incentives for retail development	City Housing & Community Services Dept. City Office of Urban Development

Strategies to address Economic Barriers

Barriers	Strategies	Potential Partners
Lack of mixed income neighborhoods	Encourage housing affordable to low-income persons throughout the city Promote mixed income neighborhoods Attach economic development initiatives to housing to increase attractiveness of mixed-income housing Consider Inclusionary Zoning requiring affordable housing or cash contribution to an affordable housing fund for residential permits above an established threshold	Wichita Housing Authority City Housing & Community Services Dept. Wichita Area Builders Association
Need for focus on homeownership	Provide education for potential homeowners Provide financial subsidies to promote homeownership Support development of affordable homeownership opportunities	City Housing and Community Services Dept. Redevelopment Authority Land bank
Lack of basic amenities in core areas	Provide incentives/subsidies for economic development in inner-city neighborhoods Encourage development of neighborhood shopping areas	City Office of Urban Development

Strategies to address Social Barriers

Barriers	Strategies	Potential Partners
Lack of diversity in many neighborhoods	Vigorously enforce fair housing laws Provide information and incentives to encourage white and minority households to broaden their horizons and consider living in diverse neighborhoods	Realtor community Wichita Area Builders Association State laws City Housing & Community Services Dept. Neighborhood Services
	Expand the availability of affordable housing in non-poor neighborhoods and use housing vouchers to enable low-income families to move to better locations	
	Celebrate the diversity of the community Enhance the amenities in historically minority and/or poor neighborhoods to increase their attractiveness to other populations	
Lack of life skills and resident responsibilities	Offer classes on how to be good homeowners and tenants, including housekeeping and maintenance	City Housing & Community Services Dept. Sedgwick County Extension Office Non-profit agencies
Lack of neighborhood associations in all areas	Develop a campaign to encourage establishment of neighborhood associations Consider alternate structures for neighborhood associations, including with the use of social media Consider role of homeowner associations	Neighborhood services

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Resources

Definition: Resources in the context of this discussion includes cash, non-cash incentives, labor, and oversight. Each will be discussed separately.

Goals: To accumulate the appropriate mix of public and private funds to assist non-profit and for-profit housing developers in the development of safe, affordable housing, and strong stable neighborhoods.

Current Status: There are several resources and programs currently available in the Wichita area that can be leveraged by housing developers to finance various types of multi-family and single-family housing projects. Resources and programs are also available to homebuyers. Resources to address neighborhood stability factors are quite often considered outside the context of housing resources. This section will include that perspective. The Appendix includes program and resource inventories, many of which are referenced herein.

Resources for Single-Family Housing

The primary source of cash resources for single-family affordable housing is the City of Wichita. Funds from the U.S. Department of Housing and Urban Development have been invested over the past 20-plus years in home repair, housing development and homebuyer assistance. Yet those programs have also maintained waiting lists from year to year. Additionally the primary source of funding for these programs, the HOME Investment Partnerships Act, also requires a non-federal match of 25% which is met through a variety of non-cash sources. Thus the base amount available to fund these programs is limited to the annual federal allocation.

Stakeholders agree that the City should make more cash available for funding single family affordable housing.

In recent years, the City of Wichita has established non-cash incentive programs as a part of the Neighborhood Revitalization Plan, for the development of housing in the City's emphasis areas. These incentive programs include waiving building permit fees, water and sewer tap/plant equity fees, and providing tax rebates for newly constructed homes and substantial rehabilitation projects in the Neighborhood Revitalization Area. Non-profit Community Housing Development Organizations (CHDO's), for-profit developers, and individual property owners have utilized these programs to leverage HOME Program subsidies to develop or improve affordable single-family housing. However that program is undergoing modifications due to the withdrawal of the local school district from the tax rebate component of the plan and a general review of the impact on the target areas when compared to the administrative efforts which are required.

Stakeholders agree that the City should continue to offer non-cash incentives in the Neighborhood Revitalization Area.

Many lenders in the Wichita area provide housing construction financing. CHDO's and private developers have successfully leveraged HOME funding for single-family housing projects by developing borrowing capacity with local financial institutions to secure participation construction loans. This method of financing enables housing developers to accelerate production in HOME Program-related housing development projects.

Another resource for the construction and purchase of single family homes is Affordable Housing Program (AHP) funding from the Federal Home Loan Bank. This funding is most often provided to first-time homebuyers in the form of down payment/closing costs assistance, and is typically leveraged with first mortgage financing and in some cases, down payment assistance provided by the City of Wichita. Private developers have also utilized AHP funding as a part of the financing package for multi-family projects.

These resources are essential to 'evening the playing field' for homebuyers who face tightened lending standards put in place after the recent housing crisis, such as changes in credit score and other criteria necessary to qualify for standard mortgage products. Those changes have narrowed the choices of many low to moderate income households. In May, 2002, the City supported the creation of a lenders pool in which local lenders formed a collaborative partnership which created an affordable financing opportunity to potential homebuyers who did not typically utilize traditional forms of credit. This lenders pool was successful however is no longer in place.

Stakeholders agree with the concept of a lenders' pool.

Another resource strategy is the City of Wichita's special assessment program for the construction of new infrastructure in connection with new housing developments. This program eliminates the need for builders and housing developers to privately finance and/or pay for infrastructure in advance of housing development. Through the special assessment program, the City sells bonds to pay for infrastructure improvements. These bonds are retired with payments received from homeowners over a period of 15 to 20 years. For-profit and non-profit housing developers have utilized the special assessment financing program in connection with HOME-subsidized single-family housing developments.

The City of Wichita has designed its homebuyer assistance program in order to leverage first mortgage financing for income-eligible homebuyers by providing substantial down payment and closing costs assistance in connection with the purchase of a home. In most cases, the level of assistance eliminates the need for private mortgage insurance, and also minimizes risk for lenders.

Resources for Multi-Family Housing

Cash resources for multi-family housing development generally takes the form of Low-Income Housing Tax Credits. The tax credit program enables housing developers to leverage private sector financing for projects that will feature rent levels which are affordable to families and individuals whose household incomes do not exceed 50% or 60% of the median level. Historic Tax Credits are another option which was utilized in the rehabilitation of the Eaton Place and Harvester Apartments.

Industrial Revenue Bonds have also been leveraged with private financing, tax credits, HOME funding and private financing in connection with mixed-income housing projects such as Innes Station Apartments in Old Town, as well as the Eaton Place Apartments, a mixed-use/mixed-income housing development in the Central Business District.

As noted above, multi-family project developers have also accessed the Federal Home Loan Bank Affordable Housing Program to secure additional financing for multi-family projects. Such projects must serve households whose incomes do not exceed 50% of the area median. In addition, the non-cash tax rebate program available for single-family housing in the City's Neighborhood Revitalization Area is also available for multi-family housing developments.

The City participated in a "CRA Listening Session" in July, 2014, which was organized by the regional officer of the FDIC Community Reinvestment Act (CRA) Examiner. The purpose of the session was for the FDIC to begin to establish a greater presence in Wichita and partnerships with Wichita's community development community. Wichita-area community development representatives also participated in the meeting which was considered a first step to establishing ongoing partnerships between the community and the FDIC. The goal of this relationship is to create greater avenues for local banks to participate in community development activities relative to affordable housing, small business, access to financial services for the unbanked and underserved, and other opportunities which may be identified. The FDIC issued a report on the meeting which identified five challenges: "1*) neighborhoods have limited community support; 2) there is limited commitment from area banks; 3) a lack of good jobs often leads to payday/title lending; 4) banks are not lending to businesses in distressed areas, which subsequently impacts employment in most cases; and 5) organizations need funding for shelters and affordable housing*". A follow up meeting was scheduled in 2015 but cancelled due to logistical problems, and has not been rescheduled as of July, 2015. This partnership has the potential to be an important resource for cash participation by local lenders in addressing the city's affordable housing needs and should be pursued as an implementation strategy for this housing policy.

Stakeholders believe the non-profits have the capacity to impact the need for affordable housing, however it was noted that there are not enough such groups to be able to make a substantial impact.

The City's HOME funds are available to any developer of affordable housing although a minimum of 15% is required by law to be set aside for Community Housing Development Organizations (CHDOs). Wichita has prioritized the use of these funds for single family housing and in Wichita the two active CHDOs and Wichita Habitat for Humanity have utilized HOME funds to subsidize the development of 228 homes in the last 10 years. These agencies have developed skill and capacity however their production has been limited by the availability of local resources. This policy document suggests increasing funds available for affordable housing development, increasing the capacity of CHDOs to participate in development, and providing incentives for private developers to create such housing.

Reliance on federal resources as the primary option for funding or incentivizing affordable housing, will not yield the type and scope of results needed to address the conditions and needs identified in this report. As a result there have been several references to identifying a non-federal, permanent source of funding support for these program. This discussion of resources reiterates that theme and need. There are a number of ways other communities have identified such resources and they are presented in the following tables for consideration and discussion. Another option to be explored is the allocation of unallocated CDBG funds as start-up funding for the other resource suggestions.

Resources for Neighborhood Stability

Most of the neighborhood stability barriers identified in this document require funding sources, with legislative recourse a close second. It has been stated throughout this document that reliance on federal funds alone is not the preferred option for addressing community housing and neighborhood needs. A permanent dedicated source of funding has been suggested and continues to be a priority recommendation.

Following are strategies designed to address the resource needs for homeownership, rental housing and neighborhood stability recommendations.

The stakeholder group identified a number of cross-cutting strategies to address resource development both directly and indirectly. Below are some of the thoughts expressed by this group.

- Encourage partnerships between agencies to help extend the impact of certain resources.
- Practice good stewardship of existing resources, including leveraging, to appeal to potential funding sources.
- Market the impact of housing programs as another tool to secure funding – publish true stories of successful housing interventions.
- Fully explore the use of land banks to create opportunities for the development of affordable housing.
- Establish a focus area around WSU, with mixed income rental properties attractive to students and faculty.
- Include support programs for low-income families so that they can earn a living wage – such as transit-oriented day care facilities.

RESOURCE STRATEGIES

Barriers	Strategies	Potential Partners
Insufficient resources to initiate substantial housing development or re-development projects	Investigate, evaluate and support the use of other funding mechanisms that have not been utilized to leverage current resources for housing development projects.	City Housing & Community Services Dept. City Law Department City Redevelopment Authority*
	Pursue other sources of funding for housing development projects in order to leverage HOME funding, and to provide ongoing, reliable HOME-eligible match resources	
	Establish a Housing Trust Fund to leverage City HOME funding (HOME-eligible match). Consider funding with local mortgage registration fees, tax increment funds from redevelopment districts or cash in lieu of inclusionary zoning housing	City Housing & Community Services Dept. City Redevelopment Authority* City Council
	Investigate use of Tax Increment Financing (TIF)'s for the purpose of financing single-family housing development	City Housing & Community Services Dept. City Redevelopment Authority* City Office of Economic Development
	Continue to support the efforts of CHDO's to apply for additional development subsidy or homebuyer assistance funding.	City Housing & Community Services Dept.
	Review and apply for grant funding opportunities as they become available	City Housing & Community Services Dept. Non-profit agencies
Limited scope of local and State incentive programs to support core area development	Continue Neighborhood Revitalization Program incentives or replace with a similar incentive program	City Housing & Community Services Dept. City Office of Economic Development City Law Department
	Continue to support projects proposing financing with LIHTC program Review City of Wichita's Tax Credit Policy with respect to 20% market-rate unit set-aside requirement	City Housing & Community Services Dept. City Council City Manager

Barriers	Strategies	Potential Partners
Limited financing options for some homebuyers	Encourage the development of lender programs that assist in the leveraging of HOME funding for down payments, closing costs, and first mortgage financing	City Housing & Community Services Dept. FDIC partnership
	Continue to develop programs to make homeownership accessible to low/moderate income families	Lenders Fannie Mae (Lease-Purchase) Freddie Mac (Lease-Purchase) Kansas Housing Resources Corporation FDIC
	Consider re-creation of a lender pool, with funding through a special bond program	Lenders City Housing & Community Services Dept. City Office of Economic Development FDIC
Limited involvement of CDBG funding in affordable housing development	Utilize CDBG funding for infrastructure needs in connection with substantial redevelopment projects	City Housing & Community Services Dept. Wichita City Council Community Housing Development Organizations (CHDOs)
Lack of acknowledgement of the benefits of housing development: increase tax revenue, increased homeownership, increased employment, (construction jobs).	Develop an educational campaign for the public and elected officials Create annual Housing Report for the City Council	City Housing & Community Services Dept. Wichita Area Builders Association Wichita State University Wichita Area Association of Realtors Community Housing Development Organizations (CHDOs)

Closing Thoughts and Special Recommendation

As has been demonstrated in this policy document, Wichita has many strengths and more than a few challenges with regards to improving and enhancing its current housing stock and with regards to planning for the future. The age of the housing as well as the residents are important factors in this strategy. Functionality and safety are also highlighted themes. Partnerships between the public and private sectors are essential. Funding and implementation structures and accountability must also be clearly addressed. Some of the strategies will require departures from past practice and may be considered risky by some. However, unless different paths are explored, the City's housing goals are not likely to progress and the community will continue to reflect a symptom-only approach as opposed to one which is comprehensive and addresses the core problems.

The final recommendation of this housing policy is the creation of an **oversight group** – either permanent or until certain goals have been achieved. This can be achieved in a number of different ways. A Redevelopment Authority was proposed in this document as a strategy tool and could serve in that capacity, with its governing board appointed by the Mayor and Council. Another option would be an oversight group appointed by the City Manager and working in consultation with the City Departments of Housing and Community Services, Planning and Metropolitan Area Building and Construction. Other departments would be called upon for input in specific strategy discussions. The importance of having a group will help ensure that implementation of this policy stays on task, and is a strategy that worked well with the Task Force on Ending Chronic Homelessness which was appointed by the City and County in 2006.

Following are the top recommended strategies for each component of this housing policy. Some of the recommendations are new strategies; others in the following top strategies are currently in practice and are recommended to be continued. Stakeholders were presented with these strategies and the charts reflect their level of agreement with them.

Top Staff-Recommended Strategies: AFFORDABILITY and Percentage of STAKEHOLDERS Who Agreed

BARRIERS	NEW STRATEGIES	STAKE-HOLDERS	POTENTIAL PARTNERS
Lack of coordination of low cost housing construction and ***transportation*** planning	**Establish a transportation/housing development team to explore ways to better coordinate**	**70%**	Special task force
	Follow up on REAP Sustainability recommendations in these two areas	**75%**	Housing & Community Services Metropolitan Area Planning Dept.
No connection between affordable housing and ***economic development***	**Designate economic development and housing staff for discussions on workforce housing and other related connections between the two, when recruitment packages are being considered**	**67%**	Special task force City Office of Urban Development
Financing for low-income home buyers	**Develop a bond program to raise funds for an expanded lenders pool, provide low interest rates and low costs for eligible home buyers**	**67%**	City Redevelopment Authority* City Housing & Community Services Private and nonprofit lenders
Increasing costs of housing materials	**Research and develop alternative housing materials and methods**	**89%**	Wichita State University Metropolitan Area Building & Construction Dept. Kansas State University KOCH Industries
	Support Value-Engineering concepts in material selection and design, to keep costs down	**75%**	Wichita Area Builders Association
Zoning	**Increase allowable housing density**	**88%**	Metropolitan Area Building and Construction Dept. Wichita Sedgwick County Planning
Community attitudes toward mixed income neighborhoods	**Educate the public on affordable housing through media campaigns** **Promote the message that affordable housing in suburban areas is acceptable and doesn't have to devalue property** **Review successful initiatives in other communities** **Partner with community groups to deliver these messages**	**56%** **70%** **80%** **80%**	City Housing & Community Services City Office of Urban Development District Advisory Boards (DABs) Wichita City Council Nonprofit organizations Community Housing Development Organizations

BARRIERS	STRATEGIES TO CONTINUE	STAKE-HOLDERS	POTENTIAL PARTNERS
Financing for low-income home buyers	**Continue to allow Section 8 vouchers to be used for home purchases**	**89%**	Wichita Housing Authority
	Continue to subsidize first time home buyers with down payment and closing costs	**100%**	City Housing & Community Services Private lenders Nonprofit organizations
Lack of sufficient ***low cost housing***	**Continue infill/new construction** **Continue boarded up building project**	**100%** **90%**	City Housing & Community Services Community Housing Development Organizations

Top Staff-Recommended Strategies: AVAILABILITY and Percentage of STAKEHOLDERS Who Agreed

BARRIERS	NEW STRATEGIES	STAKE-HOLDERS	POTENTIAL PARTNERS
Code enforcement challenges	**Strengthen code enforcement** **Identify community-based partnerships**	67% 75%	City Housing & Community Services Dept. City Office of Community Engagement Wichita Independent Neighborhoods Metropolitan Area Building & Construction Dept.
Vulnerable neighborhoods, often directly related to household income	**Provide home repair upgrades** **Strengthen neighborhood watch programs** **Expand community policing**	78% 78% 78%	City Housing & Community Services Dept. City Office of Community Engagement Wichita Independent Neighborhoods City Police Department
Sub-prime rental market	**Institute a rental registration program**	78%	Wichita City Council Metropolitan Area Building & Construction Dept.
Housing that is ***beyond repair***	**Identify funds to quickly demolish blighted property and rebuild safe affordable housing**	75%	City Housing and Community Services Dept. CHDOs Redevelopment Authority
Developer cost for land acquisition, site prep and infrastructure	**Establish cost sharing between the City and developers** **Establish Housing Trust Fund using fees charged for development outside the core, to support inner core development** **Explore bond financing program for infrastructure**	89% 75% 67%	City Finance Department City Office of Urban Development City Housing & Community Services Dept. Wichita Area Builders Association Sedgwick County City Redevelopment Authority
Limited resources to increase housing options	**Engage lending institutions in aggressive community development**	78%	Local banks
Lack of housing options for ***persons with special needs***	**Explore funding options** **Create public-private partnerships**	78% 100%	Establish a task force to consider housing strategies for all special needs

Top Staff-Recommended Strategies: NEIGHBORHOOD STABILITY and Percentage of STAKEHOLDERS Who Agreed

BARRIERS	NEW STRATEGIES	STAKE-HOLDERS	POTENTIAL PARTNERS
Lack of ***common goal*** relative to neighborhoods	**Establish a baseline for all neighborhoods & develop a plan to bring all to the baseline and beyond** **Incorporate existing neighborhood and area plans into strategies to enhance neighborhoods**	43% 86%	MABCD Planning Neighborhood Services Housing and Community Services
Long delays in addressing ***abandoned and blighted properties***	**Create legislation to allow for faster seizure of abandoned and blighted properties when owners can't or won't comply** **Amend K.S.A. 12-1750 to allow cities to condemn property more expeditiously**	90% 90%	City Council Sedgwick County State of Kansas
Insufficient funding to improve housing conditions	**Identify a new and continuing funding source (federal funds are not enough)**	100%	City Council
Vacant lots in older neighborhoods	**Reduce inventory through infill home-ownership construction** **Actively pursue property liens and seizures** **Create an online database to inventory and market vacant & abandoned lots** **Create an authority with the power to acquire, consolidate and market vacant properties** **Encourage non-profits to develop the properties** **Provide downpayment and closing costs assistance** **Explore alternate uses, such as neighborhood parks**	90% 89% 88% 78% 89% 88% 78%	City Housing & Community Services Dept. Community Housing Development Organizations (CHDOs) Wichita Area Builders Association Redevelopment Authority Land Bank
Lack of ***mixed income neighborhoods***	**Encourage housing affordable to low-income persons throughout the city** **Promote mixed income neighborhoods** **Attach economic development initiatives to housing to increase attractiveness of mixed-income housing** **Consider Inclusionary Zoning requiring affordable housing or cash contribution to an affordable housing fund for residential permits above an established threshold**	78% 78% 45% 80%	Wichita Housing Authority City Housing & Community Services Dept. Wichita Area Builders Association

BARRIERS	STRATEGIES TO CONTINUE	STAKE-HOLDERS	POTENTIAL PARTNERS
Blight and poor curb appeal	**Continue paint and low-interest home repair loan programs** **Provide incentives for neighborhood beautification efforts**	100% 78%	City Housing & Community Services Dept. MABCD Sedgwick County Private building supply companies

Top Staff-Recommended Strategies: RESOURCES and Percentage of STAKEHOLDERS Who Agreed

BARRIERS	NEW STRATEGIES	STAKE-HOLDERS	POTENTIAL PARTNERS
Insufficient resources to initiate substantial housing development or re-development projects	**Investigate, evaluate and support the use of other funding mechanisms that have not been utilized to leverage current resources for housing development projects.**	88%	City Housing & Community Services City Law Department City Redevelopment Authority*
	Establish a Housing Trust Fund to leverage City HOME funding (HOME-eligible match). Consider funding with: • **local mortgage registration fees** • **tax increment funds from redevelopment districts** • **cash in lieu of inclusionary zoning housing**	86% 63% 58% 58%	City Housing & Community Services City Redevelopment Authority* City Council
Limited financing options for some homebuyers	**Encourage the development of lender programs that assist in the leveraging of HOME funding for down payments, closing costs, and first mortgage financing**	88%	City Housing & Community Services FDIC partnership
	Consider re-creation of a lender pool, with funding through a special bond program	78%	Lenders City Housing & Community Services City Office of Economic Development FDIC
Lack of acknowledgement of the ***benefits of housing development***: to increase tax revenue, increased homeownership, increased employment, (construction jobs).	**Develop an educational campaign for the public and elected officials** **Create annual Housing Report for the City Council**	78% 75%	City Housing & Community Services Wichita Area Builders Association Wichita State University Wichita Area Association of Realtors Community Housing Development Organizations (CHDOs)

BARRIERS	STRATEGIES TO CONTINUE	STAKE-HOLDERS	POTENTIAL PARTNERS
Insufficient resources to initiate substantial housing development or re-development projects	**Continue to support the efforts of CHDO's to apply for additional development subsidy or homebuyer assistance funding.**	89%	City Housing & Community Services
Limited scope of local and State incentive programs to support core area development	**Continue Neighborhood Revitalization Program incentives or replace with a similar incentive program**	86%	City Housing & Community Services Department City Office of Economic Development City Law Department
	Continue to support projects proposing financing through the LIHTC program **Review City of Wichita's Tax Credit Policy with respect to 20% market-rate unit set-aside requirement**	84%	City Housing & Community Services City Council City Manager

APPENDIX

Plan Overview

Within the broader context of the 2035 Plan Vision Statement, Plan Guiding Policy Principles and the Future Land Use Policies, this Plan provides an Infrastructure Investment Decision-making Framework to guide future public investment decisions that best reflect our community's highest priority needs and wants, and 'willingness to spend' on public infrastructure. This Plan is comprised of the following components:

1. **2035 Plan Vision Statement and Core Community Values**- A general statement describing what we envision our community will be 20 years from now in terms of employment and quality of life opportunities:

   "*Building on our rich aviation and entrepreneurial heritage, Wichita-Sedgwick County is a global center of advanced manufacturing and high-tech industry and a premier service, education, health and retail center for South Central Kansas. People feel safe and enjoy affordable housing choices in diverse, vibrant neighborhoods offering unique quality living environments and active, healthy lifestyles with access to arts, culture and recreation.*"

   Seven core community values also collectively define our community approach and beliefs for the purposes of this Plan:
   - *Common-sense Approach*
   - *Fiscal responsibility*
   - *Growth-oriented*
   - *Inclusiveness and Connectivity*
   - *Cultural Richness*
   - *Vibrant Neighborhoods*
   - *Quality Design*

2. **Plan Guiding Policy Principles**- Five overarching themes and aspirations for our community's future. They help set relative priorities at the broadest and highest levels for future public infrastructure and facility investment decisions:
    1. *Support an Innovative, Vibrant and Diverse Economy*
    2. *Invest in the Quality of Our Community Life*
    3. *Take Better Care of What We Already Have*
    4. *Make Strategic, Valued-added Investment Decisions*
    5. *Provide for Balanced Growth but with Added Focus on Our Established Neighborhoods*

3. **Future Land Use Policies**-

    2035 Urban Growth Areas Map - Depicts the anticipated growth pattern and extension of city limits for the cities of Sedgwick County.

    2035 Wichita Future Growth Concept Map - Depicts the preferred 2035 growth concept for Wichita based on projected population/employment growth rates.
    Locational Guidelines - Encourages compatible and appropriate future land use change in Wichita and unincorporated Sedgwick County.

    Wichita Urban Infill Strategy - Encourages appropriate infill development in Wichita's Established Central Area.

    Neighborhood and area plans adopted as elements of the Wichita-Sedgwick County Comprehensive Plan will provide additional land use policy guidance as applicable.

4. **Plan Elements**- A set of Plan Goals and Strategies to guide public infrastructure and facility investment decisions pertaining to the each of following Plan elements:

    Funding and Financing - Guidance on how we should best fund and finance our public infrastructure and facilities.

    Transportation - Guidance on how we should best invest in our transportation infrastructure and facilities.

Water, Sewer and Stormwater - Guidance on how we should best invest in our water, sewer and stormwater infrastructure and facilities.

Arts, Culture and Recreation - Guidance on how we should best invest in our arts, culture and recreation facilities.

Public Safety - Guidance on how we should best invest in our public safety facilities.

Priority Enhancement Areas for Wichita Public Infrastructure Projects Map - Guidance on priority areas for aesthetic enhancements to planned City of Wichita public improvements.

5. **Plan Implementation**-

   Part 1. Infrastructure Investment Decision-making Framework - This framework is intended to help close the long-term cost/revenue gap between our currently planned future infrastructure expenditures and our projected revenues. Three different levels of evaluation are recommended for both new and replacement infrastructure projects. This encourages best practices for public infrastructure investment decision-makers. It also enables strategic investment decision-making by aligning funding priorities with community priorities as reflected in the 2035 Plan Vision Statement, Core Community Values and Plan Guiding Policy Principles.

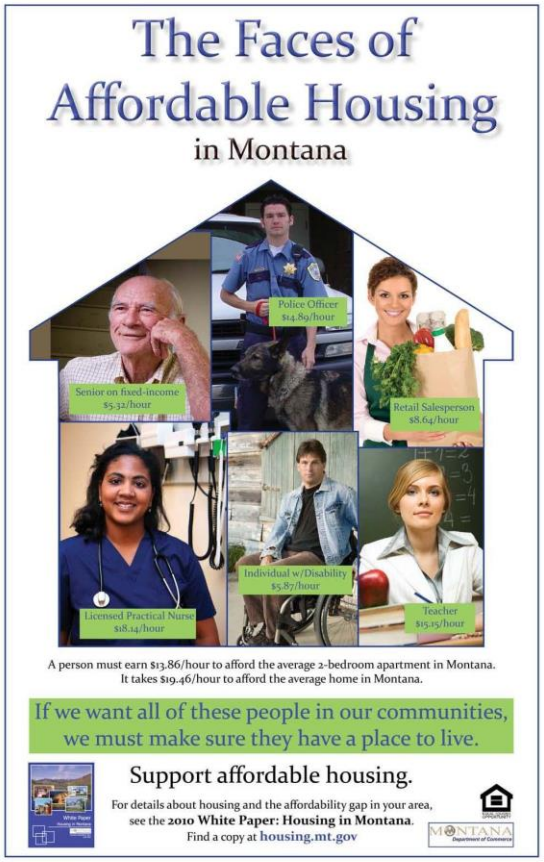
   Part 2. Plan Monitoring, Review and Amendment - An ongoing, systematic approach to monitor community change, and review and amend the Plan so that it remains relevant and appropriate for our community.

Plan Appendix

Under separate documentation, the Plan Appendix contains important and relevant background information listed below that has been helpful in shaping the development of this Plan:

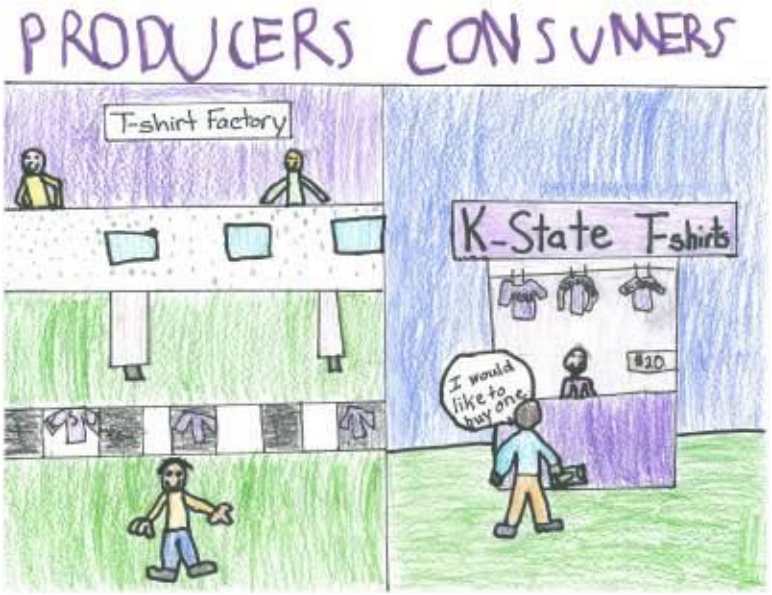
- *Wichita 2035 Growth Scenarios*
- *Community Trends & Challenges Ahead*
- *Existing Conditions & Community Infrastructure Assessment*
- *Community Engagement*

Sample Affordable Housing Educational Posters



Kansas Council on Economic Education Program Artwork

K-2 Grade Winning Entry in the 2013-2014 Poster Contest



Economic and Community Development Tools for Neighborhood Revitalization

During the ACT ICT process, more than 85 percent of residents surveyed believed in preserving the city for future generations, and nine percent of their comments focused on revitalizing neighborhoods and supporting safe communities. This approach was perceived as essential to developing and preserving safe and vibrant communities across the city for current and future residents and businesses, reducing public resources needed for maintenance and restoration, and alleviating the out-migration of residents.

According to the 2008-2012 American Community Survey, there are 16,152 vacant housing units in Wichita (appr. 10 percent of the city's housing stock). Vacant housing units require a disproportionate amount of resources from police, fire, and code compliance. Their often blighted appearances have the potential to drive down nearby property values, discourage current and prospective residents from living in the area, attract criminal activity, and reduce the city's property tax revenue (if the property is tax delinquent).

Many cities have used redevelopment authorities and land bank authorities to assist in the revitalization of their blighted communities. Summaries of these economic development tools are provided below.

REDEVELOPMENT AUTHORITY

A redevelopment authority is an administrative body established by a municipality to eliminate and prevent the spread of blight by promoting the redevelopment of designated areas in ways that reflect the needs and desires of the municipality's constituents.

Authorization
In Kansas, the creation of redevelopment authorities is authorized by the Urban Renewal Law (K.S.A. 17-4743 *et seq*.) and the Neighborhood Revitalization Act (K.S.A. 12-17,115 *et seq*.).

Powers
The aforementioned statutes authorize redevelopment authorities to hold the following powers:

- Implement and amend neighborhood plans
- Establish project areas
- Authorize redevelopment projects
- Issue debt or provide other financial assistance to fund projects
- Acquire property
- Manage income-producing assets
- Employ and terminate staff

Redevelopment authorities do not have the power to levy taxes.

Structure

- An independent agency with the authority to conduct business apart from the regular business and approval of the city council
- Contains a five-member commission, comprised of residents appointed by the Mayor with advice from the city council
- Employs staff as deemed necessary by the commission, which includes, but is not limited to, an executive director, technical experts, counsel, and legal staff

Benefits

The following list outlines some of the most commonly stated benefits of a redevelopment authority:

- Singular focus on redevelopment with dedicated staff
- Coordination of existing city and community resources
- Greater flexibility to generate operating funds
- Ability to make quick operating decisions
- Authorization to act independently with an obligation to only provide status reports to the city council

Challenges

The following challenges have been gathered based on the experiences of existing and former redevelopment authorities:

- Poor financial and organizational management, transparency, and accountability
- Financial instability caused by unpredictable or non-recurring funding sources
- Lack/absence of shortfall agreements to place the burden on developers to meet goals
- Failure to demonstrate effectiveness of redevelopment authorities to achieve goals
- Poor coordination and relationships with related city agencies, such as a zoning board
- Perception of favoritism in selecting developers and contractors

Successful Examples

Many redevelopment authorities exist in cities of various sizes across the country. Successful authorities are highlighted below. The first five authorities are located in Wichita's Index Cities.

Colorado Springs Urban Renewal Authority (Colorado Springs, CO)

- Developed nine projects since inception in 1970 that have resulted in 2,010 permanent jobs, generating $90.5 million in annual personal income
- Projects also resulted in 188 construction jobs, which generated $7.5 million in annual personal income
- Secured $60 million in public investment and $125 million in private investment
- Developed 377 residential units and over 660,000 square feet of commercial space

Land Clearance for Redevelopment Authority (Kansas City, MO)

- Received a $7 million Neighborhood Stabilization Grant in 2008, which has funded 72 affordable homes with an average sale price of $79,000
- Issued 11 tax abatements to support over $1 million in new construction and rehabilitation of single family homes (2012-2013)

Las Vegas Redevelopment Agency (Las Vegas, NV)

- Manages 3,948 acres of land for redevelopment and has received $2.7 billion in capital investment to increase employment and economic activity in the area
- Directly assisted 110 now-completed projects with a combined investment of $1.6 billion
- Public-Private Investment Ratio – 1:15; Total economic impact per public dollar – 1:16

Norfolk Redevelopment and Housing Authority (Norfolk, VA)

- Invested $22.7 million (in 2010 prices) to redevelop a challenged neighborhood over a 20-year period
- Assisted property in one neighborhood increase its total assessed value of $18.6 million in 2010, a 501-percent increase since 2001; the property generated property tax revenue of $206,752 in 2010
- Managed an investment area with an assessed value of $37.4 million, an increase of 360 percent since 2001; it generated a total of $414,925 in property taxes
- Created 435 jobs with an average salary of $45,285

Oklahoma City Urban Renewal Authority (Oklahoma City. OK)

- Participated in planning and/or financing 35 redevelopment projects/activities in 2014-2015
  - Parking garage
  - Municipal court building
  - Downtown public charter elementary school
  - Grocery store
  - Housing (single family in-fill and multi-family) – Ownership and Rental – Market and Affordable
  - Office space
  - Hotel and conference center
  - Mixed use developments (commercial and residential)
  - Property acquisition
- Funding sources include:
  - CDBG
  - HOME
  - Section 108
  - HUD Neighborhood Stabilization Program
  - TIF
  - Private individuals (purchase of infill lots to build homes)
  - Tax credits (historic, low income and New Market)

Invest Atlanta (Atlanta, GA)

- Helped create and retain 4,000 jobs and add $56 million to the state and local tax rolls in 2013 via $350 million in private investments
- Provided thirteen small businesses with loans totaling $600,000 to support 63 employees, which leveraged $1.3 million in private investment. Five of the loans were made to start-up companies
- Received $110 million in New Markets Tax Credits since 2007
- Provided financing for 1,057 new and rehabilitated housing units in 2013, including 721 workforce housing units that leveraged $110 million in private investment

Urban Redevelopment Authority (Pittsburgh, PA)

- During 2006-2012, provided $348 million of direct economic development investment leveraged more than $1 billion in total project costs and created 6,589 jobs
- URA-financed housing units are expected to generate $170 million, or a $2.9 million increase, in annual city/school district tax
- Provided $9.4 million to rehabilitate 611 housing units and $20.3 million in mortgage loans to assist in the purchase of 422 housing units

LAND BANK

A land bank is a public authority established by a municipality to efficiently handle the acquisition, maintenance, and sale of vacant properties. It is an economic development tool that has a streamlined procedure to clear titles, transfer property ownerships, and acquire tax delinquent properties without risking their sale to speculators.

Authorization
In Kansas, the establishment of land banks is authorized by K.S.A.12-5901 *et seq*.

Powers
The aforementioned statute authorizes land banks to hold the following powers:

- Acquire property
- Accept or refuse any property acquired by the city, county, or other taxing subdivision (If accepted, such property is not subject to bidding requirements or public sales)
- Consolidate or subdivide individual parcels of property
- Sell property without competitive bidding
- Retain all proceeds from the sale of properties, except to reimburse municipalities for delinquent special assessments
- Rebate taxes on any property sold or conveyed by the bank
- Establish a neighborhood advisory committees to consult on operations and activities of the bank and any other matter presented to them
- Enter into contracts
- Sue and be sued
- Employ and terminate staff

Structure

- A quasi-independent agency with the authority to conduct business apart from the regular business of the city council
- Governed by a board of trustees, either composed of or appointed by the city council
- Can receive advance funds from the city council to cover expenses of the land bank or board of trustees

Benefits
The following list outlines some of the most commonly stated benefits of a land bank:

- Single agency with a repository of most, if not all, vacant properties in an area
- Streamlined process of obtaining publicly owned land to more quickly return tax-delinquent properties to the tax rolls for productive reuse and reduce need for extraordinary public services
- Allows publicly owned land to be marketed with price and priority uses disclosed upfront
- Increased accountability on property owners to maintain their property and pay taxes by way of code enforcement and tax foreclosure

Challenges
The following list outlines some of the potential challenges that land banks could encounter:

- Lack of consistent funding for acquisitions
- Poor coordination among the major economic and community development players
- Limited staff capacity to complete administrative procedures and land seizure and rehabilitation

Successful Examples
Land banks have existed in the country since the 1970s. Following are three success land bank operations. The Montgomery County Land Bank serves Dayton, OH, which is one of Wichita's Index Cities.

Cuyahoga Land Bank (Cuyahoga County, OH)

- Facilitated 750 home renovations, primarily with private investment, since its founding in 2009
- Demolished 2,000 seriously blighted and hazardous houses
- Serviced and maintained thousands of properties that are now pending disposition
- Facilitated land re-use for homeowner yard expansions, urban agriculture, business expansion, faith-based organizations, and other institutions

Genesee County Land Bank Authority (Genesee County, MI)

- Sold 4,683 properties for a total of more than $20 million since its inception in 2002
- Promotes affordable housing by allowing reliable tenants to purchase homes with short terms and low payments
- Collaborates with community groups to maintain property; In 2013, 46 groups and 250 youth maintained 1,869 lots and completed 10,447 mowings

Greater Syracuse Land Bank (Syracuse, NY)

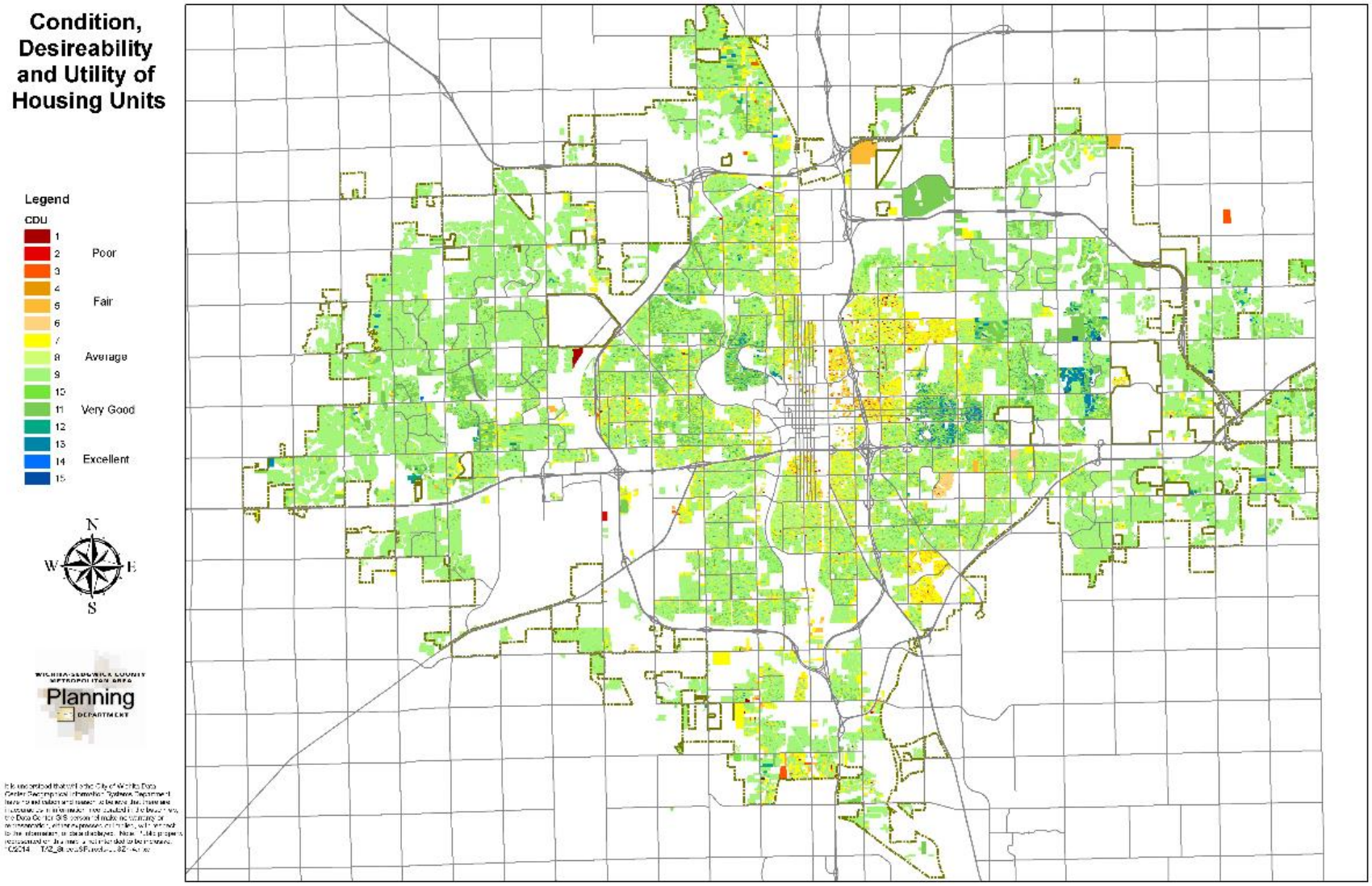
- Acquired 436 properties and demolished 17 properties in its first year of operation
- Sold 54 properties with an estimated $2.6 million of future private investment and $107,796 returned to the tax rolls
- Leveraged more than $1 million for renovations and demolitions

Montgomery County Land Bank (Dayton, OH)

- Acquired 189 properties for demolition and facilitated the removal of 930 residential units in three years of operation (2011-2014)
- Reduced the time of property foreclosures by as much as 18 months, to an average of six months

Regional Locations: Hutchinson, Overland Park, Lyons, Topeka, Wyandotte County, Kansas City, St. Louis

Housing Conditions in Wichita



Boulder Inclusionary Zoning

Summary

This Zoning ordinance requires a certain percentage of all large development projects to be made permanently affordable to low-income residents of the City. The ordinance also has a provision whereby developers can provide a cash contribution to the City's affordable housing fund in lieu of building all or some of the required affordable units.

Ordinance

TITLE 9 LAND USE REGULATION

Chapter 6.5 Inclusionary Zoning[1]

1Adopted by Ordinance No. 7025. Amended by Ordinance No. 7111.

9-6.5-1 **Findings**.

A diverse housing stock is necessary in this community in order to serve people of all income levels. Based upon the review and consideration of recent housing studies, reports and analysis, it has become clear that the provisions of this chapter are necessary in order to preserve some diversity of housing opportunities for the city's residents and working people.

The program defined by this chapter is necessary to provide continuing housing opportunities for very low-, low- and moderate-income and working people. It is necessary to help maintain a diverse housing stock and to allow working people to have better access to jobs and upgrade their economic status. It is necessary in order to decrease social conflict by lessening the degree of separateness and inequality. The increasingly strong employment base in this region, combined with the special attractiveness of Boulder, its increasing University related population and its environmentally sensitive urban service boundaries, all combine to make the continued provision of decent housing options for very low-, low- and moderate-income and working people in Boulder a difficult but vital objective. The regional trend toward increasing housing prices will, without intervention, result in inadequate supplies of affordable housing here for very low-, low- and moderate-income and working people. This in turn will have a negative effect upon the ability of local employers to maintain an adequate local work force.

It is essential that appropriate housing options exist for University students, faculty and staff so that the housing needs of University related populations do not preclude non-University community members from finding affordable housing.

A housing shortage for persons of very low-, low- and moderate-income is detrimental to the public health, safety and welfare. The inability of such persons to reside within the city negatively affects the community's jobs/housing balance and has serious and detrimental transportation and environmental consequences.

Because remaining land appropriate for residential development within the city is limited, it is essential that a reasonable proportion of such land be developed into housing units affordable to very low-, low- and moderate-income residents and working people. This is particularly true because of the tendency, in the absence of intervention, for large expensive housing to be developed within the city which both reduces opportunities for more affordable housing and contributes to a general rise in prices for all of the housing in the community, thus exacerbating the scarcity of affordable housing within the city.

The primary objective of this chapter is to obtain on-site, privately owned, permanently affordable units. Some provisions of this chapter provide for alternatives to the production of such on-site units. Those provisions recognize the fact that individual site and economic factors can make on-site production less desirable than the alternatives for particular developers. However, the intent and preference of this chapter is that wherever possible, permanently affordable units constructed pursuant to these provisions be located on-site and be privately produced, owned and managed.

9-6.5-2 **Purpose**.

The purposes of this chapter are to:

(a) Implement the housing goals of the Boulder Valley Comprehensive Plan;

(b) Promote the construction of housing that is affordable to the community's workforce;

(c) Retain opportunities for people that work in the city to also live in the city;

(d) Maintain a balanced community that provides housing for people of all income levels; and

(e) Insure that housing options continue to be available for very low-income, low-income, and moderate-income residents, for special needs populations and for a significant proportion of those who both work and wish to live in the city.

PROGRAM INVENTORY

Programs funded with Community Development Block Grant (CDBG) funds

- **Emergency Repair** provides up to $5,000 in financial assistance to resolve an emergency health or safety condition in owner-occupied homes, where household income is 50% or less of the Area Median Family Income (AMFI). The assistance comes in the form of a 0% interest loan, payable upon transfer of ownership of the property and forgivable after five years.
- **Direct Loan** provides up to $35,000 in financial assistance to completely rehabilitate an owner-occupied house, and bring it into compliance with the Minimum Housing Code. Zero percent loans are available to households with incomes of 50% or less of the AMFI; loans to households from 51- 80% of AMFI are at 4%.
- **Home Improvement Loan Program** provides funds to reduce the interest rate on home improvement loans to 2%, for owner-occupants of housing located within the Redevelopment Incentive Area. Household income cannot exceed 80% of the AMFI, and the homeowner must meet bank lending criteria, including having enough equity in the property for collateral.
- **Historic Loan Deferred Loan** provides zero percent interest deferred loans to income eligible owner-occupants of structures that have some historic value or are located within a historic district. Maximum amount of assistance is $5,000.
- **Historic Revolving Loan** provides loans at four points below the current prime lending rate to eligible owners of a historic structure (residential or contributing).
- **Paint Grant** provides up to $200 for exterior paint to eligible homeowners. Owner-occupants who are elderly or have a physical disability and no other resources (family, friends) to apply the paint may also receive a paint labor grant.
- **Rental Rehab Loan** provides 4% loans to eligible investment-owners to completely rehabilitate rental properties located within the Local Investment Areas (LIAs). Properties must be residential containing no more than seven units and the tenant's household income cannot exceed eighty percent of median.
- **Voluntary Demolition** provides self-amortizing loan to eligible owner-occupants to remove detached, vacant buildings that are creating a blighting influence within the Local Investment Areas (LIAs).
- **Exterior Improvement Grant** provides funds for exterior improvement on owner-occupied property and 0% loans for investor-owners for correcting exterior deficiencies of properties that have front, or side yard frontage on the streets identified for program participation within the Local Investment Areas (LIAs).

HOME-funded Programs

- **Deferred Loan** provides financial assistance to completely rehabilitate an owner-occupied house located within the Local Investment Area (LIA). The assistance comes in the form of a zero percent interest loan, payable upon transfer of ownership of the improved property. The maximum amount of assistance is $35,000 or the amount required to bring the property into compliance with the Minimum Housing Code, whichever is less. Eligible household income must not exceed fifty percent of median income for applicable family size.
- **New Construction Infill Housing** works in partnership with local lenders, builders, realtors, and title companies, to provide affordable new homes to low-income families. The program provides zero interest-deferred loans to reduce construction costs. Homebuyers are often assisted with down payment and closing costs as well.
- **Homeownership 80** provides assistance to low-income families in purchasing their first home. The assistance comes in the form of deferred loans to help with down payment, closing costs, and in some cases minor home repair.

ASSISTED HOUSING PROGRAMS

Designated Housing helps non-elderly and disabled individuals within Public Housing or a disabled applicant on waiting list with accessible housing vouchers.

Family Self-Sufficiency assists Section 8 Housing Choice Voucher families achieve goals that will lead to economic independence and self-sufficiency.

Family Unification provides housing for Section 8 Housing Choice Voucher families that have been separated because of domestic violence, spousal abuse, child abuse or abandonment,

HOPWA (**Housing Opportunities for Person With AIDS)** makes grants to local communities and nonprofit organizations for projects that benefit low income persons medically diagnosed with HIV/AIDS and their families.

Mainstream assists Section 8 clients who are disabled non-elderly head-of-household and/or spouses with assisted housing.

Public Housing provides City owned rental properties for low and moderate-income families with rent based upon 30% of their household adjusted gross income.

Section 8 Housing Choice Voucher provides low to moderate-income families with rental assistance based upon 30% of their household adjusted gross income.

Section 8 Homeownership allows Section 8 families to use their vouchers to assist with monthly mortgage payment. The program is limited to first-time homeowners.

Shelter Plus Care provides housing for hard-to-house homeless families who are Chronic Substance Abusers, Mentally Ill, or have AIDS.

HOUSING RESOURCE INVENTORY

Government Programs

Community Development Block Grant (CDBG) – a HUD entitlement that provides funding to benefit low- and moderate-income households thru construction, housing, public services, economic development, and related activities. The City of Wichita receives an annual allocation; in 2015 it is approximately $2.6 million.

Emergency Solutions Grant (HUD) – provides funding for the homeless shelter assistance, rapid re-housing, and prevention of homelessness. It can also assist with administration of the grant.

Federal Home Loan Bank (AHP) – funds non-profit/for profit developers and local governments, through local financial institutions to provide homebuyer assistance or other financing for affordable housing projects.

Federal Housing Administration (FHA) – offers loan guarantees for home mortgages and requires only 3 to 5 percent as down payment.

Freddie Mac – a stockholder-owned corporation chartered by Congress in 1970 to keep money flowing to mortgage lenders in support of homeownership and rental housing.

Government-Sponsored Entities (GSEs) that provide a secondary market in home mortgages, by purchasing mortgages from the lenders who originate them.

Historic Tax Credits – Federal/State programs that provide tax credits for the renovation of historic buildings, sometimes in connection with affordable housing projects.

HOME Investment Partnerships Program – a HUD entitlement for the purpose of purchasing, rehabilitating or constructing affordable housing to benefit low- and moderate-income families. The City of Wichita receives an annual allocation; the 2015 amount is $1.1M.

Homestead Rebate Program - a rebate program for the property taxes paid by homeowners and renters, based on a portion of the property tax paid on a Kansas resident's homestead. The rebate is available for homeowners or renters, whose annual income is $33,400 or less, and who meet other criteria.

Industrial Revenue Bonds – finance acquisition and construction of a variety of industrial, commercial and industrial properties on behalf of private businesses or non-profit agencies. The economic benefits include property tax abatement, sales tax exemption and the income earned on IRBs for low-income multifamily housing projects and single-family mortgages are exempt from federal and state income taxes.

Kansas State Housing Trust Fund – assists homeownership, rental housing, and housing with supportive services developments with financing for primarily low-and moderate-income families and persons with disabilities.

Low Income Housing Tax Credits (LIHTC) – HUD program involving the allocation of tax credits to states for the purpose of financing affordable housing projects. The LIHTC is the most important resource for creating affordable housing in the U.S. today.

Mortgage Revenue Bonds – tax exempt bonds issued by state and local governments. Funds raised by the sale of the bonds are used to finance home mortgages. Revenue from mortgage payments is used to repay the bonds.

Neighborhood Revitalization Program – provides incentives (permit and fee waivers) and homeownership program assistance to encourage investment in revitalization areas.*

Public Housing – provides City-owned rental properties to house low to moderate-income families with rents based upon 30% of their household adjusted gross income.

Section 8 Housing Choice Vouchers (City & County) – provides low to moderate-income families with rental assistance based on 30% of their household adjusted gross income.

Sedgwick County – Department on Aging rehab program for emergency assistance

Tax Increment Financing (TIF) – is a method of facilitating development or redevelopment of defined areas of property ("TIF District") by utilizing future tax revenues to pay for some of the necessary improvements. Local officials can designate a TIF district for improvement and then earmark any future growth in property tax revenues in that district to pay for predetermined development expenditures in that district.

U.S. Department of Veterans Affairs (VA) – offers loan guarantees for home mortgages for qualified military veterans, who can borrow up to $203,000 with no down payment required.

Veterans Affairs Supportive Housing (VASH) vouchers - is similar to the Section 8 program and administered by the local VA Hospital and Wichita Section 8 Housing Choice Voucher program (funded by U.S. Departments of Veterans Affairs and Housing and Community Development)

*Currently being reviewed and revised.

Draft Comprehensive Housing Policy
Stakeholders' Meeting
August 27, 2014

Policy Area: Affordability
Facilitator/Scribe: Mark Stanberry, Gail Lotson

Contributors: Richard Marshall, Moji Fanimokun, Steve Spade, Scott Knebel, Sally Frey, Desmond Blake, Lou Confessori, Doug Bruggeman

1) Establish Transportation/Housing Development team to explore ways to better coordinate.

The group consensus was a rating of **5** (Completely Agree).

There were comments to the effect that millennials are more interested in mass transit opportunities, and not so attached to automobiles as is the case with older generations. This is considered to be a wave of the future. There was a comment to the effect that employer representatives should be brought into this discussion (possibly as representatives on the task force), in order to provide input related to wage levels/type of housing needed, locations, and mass-transit needs. (This is related to workforce housing, but there was a thought that these items are linked.)

2) Follow up on REAP Sustainability recommendations on housing and transportation.

The group consensus was a rating of **5** (Completely Agree).

There was agreement that we were becoming more of a regional community. Residents of Wichita attending classes at Butler Community College in El Dorado was noted as just one example. (Students are housed in Wichita, school is in El Dorado.) This is also a "workforce" housing issue, and another area in which employers could be brought to the table, with respect to location of jobs potential wages, and housing needs of workings filling those particular jobs.

3) Designate Economic Development and Housing Staff to discuss the need for Workforce Housing.

The group consensus was a rating of **5** (Completely Agree).

The group agreed that there is most definitely a link between potential employers receiving economic development incentives and the housing needs of their employees. These needs could vary, depending on the type of jobs involved, the number of jobs involved, and the wage levels.

4) Develop a bond program to raise funds for an expanded lenders pool, provide low-interest rates and low costs for eligible homebuyers.

The group consensus was a rating of **5** (Completely Agree).

The group agreed that such a program could assist homebuyers in obtaining mortgage credit. (This said, rates are currently low, and many lenders offer FHA loans which do not require the level of down payment required for conventional loans. The previous lender pool initiative accommodated homebuyers with slightly lower credit scores, but with a demonstrated ability to pay rent and utilities on a consistent basis/timely manner. The increased risk factor was "spread" over the lender group, as a whole. We might want to consider the credit score component as part of any lender pool initiative.)

The group also felt that financial literacy/homebuyer education should be part of this component, along with post-purchase counseling.

5) Research and develop alternative housing materials and methods.

The group consensus was a rating of **5** (Completely Agree).

The group thought this should be continually encouraged, as part of an effort to keep construction costs low, which directly impacts affordability. Longer-lasting, more durable materials can lower maintenance costs, as well.

6) Support value-engineering concepts in material selection and design.

The group consensus was a rating of 5 (Completely Agree).

Again, as with #5 above, the consensus is that this could lead to lower construction and maintenance costs, resulting in affordability. Doug Bruggeman of Mennonite Housing mentioned Energy Star construction, and inquired as to whether or not the City might seek changes in the building code to require this type of construction in single-family housing. He thought it might be a good idea to see what cities in other parts of the country are requiring, in this regard.

7) Increase allowable housing density.

The group consensus was a rating of **5** (Completely Agree).

The group discussed the advent of a newer apartment style, which is basically a design that is slightly above a studio apartment. The per-unit cost is less, and thus, the rent can be less due to increased unit density. The Lux offers some loft-style efficiency apartments, which are all leased. There was a comment to the effect that the developer wanted to allow more of these types of units, but that lenders were reluctant to approve loans with too many of these units, as they did not believe there was a significant market for them in Wichita. While not workable in all situations, increased density is something that should be allowed. Scott Knebel stated that this is actually going to happen.

8) Educate the public on affordable housing through media campaigns

The group consensus was a rating of **2** (Some degree of "Disagree")

See comments in 10) below.

9) Promote the message that affordable housing in suburban areas is acceptable and doesn't necessarily devalue existing property.

The group consensus was a rating of **2** (Some degree of "Disagree")

See comments in 10) below.

10) Review successful affordable housing initiatives in other communities

The group consensus was a rating of **5** (Completely Agree)

The group does not believe that marketing will solve the issue related to affordable housing in market-rate neighborhoods. Ideas in this regard are well-entrenched, and that the best way to overcome the stigma is to be able to show examples of developments where the integration of affordable and market-rate housing have actually been a success.

11) Partner with community groups to deliver these messages.

The group consensus was a rating of **2** (Some degree of "Disagree)

See comments in 10 above.

12) Continue to allow Section 8 vouchers for home purchases.

The group consensus was a rating of **5** (Completely Agree)

Gail provided examples of successes under the program, specifically, how some homebuyers accessing the program are no longer receiving assistance through the Section 8 program. The group felt this initiative provides a means for some individuals to become self-sufficient, and can provide for increased affordability until that time.

13) Continue to subsidize first-time homebuyers with down payment and closing costs.

The group consensus was a rating of **5** (Completely Agree)

The group felt that this continues to be a good way to provide for increased affordability in homeownership, and additional homeownership opportunities.

14) Continue infill/new construction programs.

The group consensus was a rating of **5** (Completely Agree)

Some felt that a higher level of incentives should be provided for infill construction, in addition to permit fee waivers, but specific ideas were not really offered, other than cash incentives. Concern was expressed that permit fee and water/sewer tap fee waivers, which provide for reduced costs and increased affordability, might no longer be provided at some point, based on comments heard from MABCD staff. This program can provide for a cost savings of as much as $5,000 in some cases, for a single-family home. There was discussion/concern about NRA tax rebates no longer being offered. There was some discussion regarding a desire for the City to provide information and resources with respect to what could be made available and how to make them work.

Special Note from Mark S.: The permit fee waiver program is a critical component of the City's matching funds strategy for the HOME Program. This must be brought to light with respect to any discussions regarding potential discontinuing of the program. Possibly the program could be restructured to be provided only in connection with City HOME-funded development projects, or possibly fee reductions for other types of affordable housing development that is subject to long-term deed restrictions to ensure continued affordability.

15) Continue boarded-up building project.

The group consensus was a rating of **5** (Completely Agree)

Mark S. described the program, explained the Mennonite Housing frequently accesses it to develop new single-family housing, and that as part of a substantial amendment to the consolidated plan, CDBG funds were being appropriated to offset site clearance costs in connection with these types of projects.

Additional Ideas and Thoughts:

Extremely-Low Income Populations:

Participant **Sally Fry** commented that she felt that that most of the Affordability discussion involved people who were in the low-mod category of the low-income spectrum. She expressed concern regarding affordability for the population with incomes in the 0% to 30% of median range (poverty). She was concerned about losing track of this particular population group, within the discussion of affordability. She specifically spoke of people receiving Social Security Disability payments in the amount of approximately $600 per month. I commented that I see members of this population group in Project-Based Section 8 housing developments such as Mental Health Association's Pinecrest Place Senior Residences, or The Timbers, which is owned by Cerebral Palsy Research Foundation. Possibly the City could offer incentives for these types of developments.

Housing Tax Credit Policy:

Mark S. brought up the Housing Tax Credit policy, with respect to the market-rate unit requirement, and whether such a requirement was necessary. There was a comment to the effect that mixed-income developments would certainly be more desirable. Also, another comment to the effect that the income level of the surrounding neighborhood could be considered and brought into the equation, with respect to income mix.

Inclusionary Zoning:

This came up as part of the discussion regarding mixed income development. Scott Knebel indicated that he didn't feel that regulated inclusionary zoning would ever be approved in our community. He noted that in other communities, developers "buy out" of it, which basically defeats the purpose of trying to create a mixed-income neighborhood.

Draft Comprehensive Housing Policy
Stakeholders' Meeting
August 27, 2014

Policy Area: Availability
Facilitator/Scribe: Brad Snapp

Contributors: Melissa Gronau, Luella Sanders, Annette Graham, Kate McPheeters, Scott Rigby, Kathy Laws, Lori Ryan
The session opened with a general discussion of the Draft Policy and the participant's general interest in and/or agreement with the overarching principles. The following items were noted:

The contributors wanted substance abusers – current and past users added as an 11th special population to the policy area.

- Persons with Disabilities
    - Service animals are allowed by law, but group stated need for housing that allows companion animals. Many landlords limit companion animals or pets to one or two. One of the group members said she knew of a lady with 5 companion animals.
- Seniors
    - Need to be able to age in place or downsize to a manageable sized unit in neighborhoods or other locations with services and transportation nearby
    - Living longer and outliving their resources – many living to be 85+

- Veterans
    - Barriers: VA not able to assist Veterans with dishonorable discharges

- At-Risk Youth
    - Girard House receives four calls a week from 17 year old parents needing a place to live.
    - Mennonite Housing staff said the same thing. Seventeen year olds are generally too young to sign contracts/lease docs unless they are emancipated.
    - HUD changed the definition of youth to include 18-24 year olds.

- Homeless
    - Contributors requested to include USD 259 Homeless families.
    - Contributors requested more information be added to the Homeless section with homeless family statistics, Rapid Rehousing program numbers, etc.
    - Start a fund for landlords with units damaged by Housing First clients to keep the Landlords in the program.

- Ex-Offenders
    - Barriers
        - have to get SSI reinstated once they get out of prison
        - lack of landlords willing to rent to ex-offenders
    - lack of accessibility
    - Need housing resources for sex offenders, violent offenders, registered sex and drug offenders

Additional Groups that should be at the table:

- Independent Living Resource Center
- Shelter + Care partners: Miracles Inc., Positive Directions, COMCARE

Needed Resources:

- Utility assistance – more than what is available currently
- Transportation assistance

The session continued with discussion of specific strategies identified in the policy document, and the feedback concerning each item was noted. Strategies not noted below were not discussed in detail.

Barriers: Safe

Existing Barrier: Deferred maintenance due to age of current housing stock and cost of rehab. Contributors wanted the following language added to address this.

New Strategy: Establish a clearing house of reputable contractors so homeowners know who to trust when they want to hire a contractor.

- Comment made that some seniors have money to pay for their repairs, but they are afraid of hiring a bad contractor.

Existing Barrier: Rental Market

- More Potential Partners: Landlords, Rental and Landlord Organizations

Barriers: Decent

Existing Barrier: Neighborhoods with declining housing values

- More Potential Partners: CHDO's, Neighborhood Associations, Wichita Independent Neighborhoods

New Barrier: Pest control

- New Strategy: Establish fund to treat bed bugs. (Private landlords not in Section 8 program are not required to treat bed bug units).
- More Potential Partners: Landlords, Rental/Landlord organizations.

New barrier: Housing Maintenance

- New Strategy: Provide housekeeping education to owners and renters who exhibit problems
- More Potential Partners: Hoarding Coalition

Barriers: Special Needs

Existing Barrier: Lack of affordable housing for the working poor

- More Potential Partners: The Independent Living Resource Center

Existing Barrier: Lack of housing options for seniors

- More Potential Partners: Generational shared living, Mennonite Housing, Mental Health Association

Existing Barrier: Lack of housing for veterans

- New Strategy: Develop 'Oxford' style housing such as that in Columbia, MO
- New Strategy: Expand emergency housing options for veterans with zero income
- More Potential Partners: Supportive Services for Veteran Families, Wounded Warrior Foundation

Existing Barrier: Lack of affordable housing for persons with felony convictions (ex-offenders); lack of access to existing housing by persons with felony convictions

- Add to existing Strategy: 'including sex offenders'

Draft Comprehensive Housing Policy
Stakeholders' Meeting
August 27, 2014

Policy Area: Neighborhood Stability
Facilitator/Scribe: Lesa Lank

Contributors: Dave Barber, Stacey Hamm, Kit Lambertz, Deb Legge, David McGuire, Hassan Ramzah, James Ryan, Luella Saunders

The session opened with a general discussion of the Draft Policy and the participant's general interest in and/or agreement with the overarching principles. The following items were noted:

- Many contributors had participated in the development of a neighborhood plan, most in their professional capacity
- Most contributors agree that housing problems are more prevalent in "the core" but it was noted that the definition of "core" has varied over time and it is critical to define the boundaries when referencing the "core"
- Many contributors agree that there are signs of deterioration in the outer areas of the city, and there was much discussion concerning degree of deterioration in terms of investing resources
    - Some neighborhoods with significant deterioration will require more resources to correct, while other neighborhoods *at risk for* deterioration might be stabilized with a smaller investment of resources. Policy document should address this when prioritizing community investments.
    - Due to expansion that has already occurred there is limited space available for continued expansion, and the City does not have the resources to continue to expand the infrastructure.
- There was universal agreement that neighborhoods are strengthened by economic investment; general agreement that the City should work to increase cultural and economic diversity in neighborhoods; but not everyone agreed that diverse neighborhoods necessarily have both higher population growth and stronger price growth
    - It was noted that some neighborhoods are racially diverse, but not economically diverse, and that racial diversity seems to occur over time for most neighborhoods.
    - It was noted that private investments are typically market-driven, and policies related to neighborhood planning, zoning, and public investments must address the impact of the private market on both supply and demand.
    - Policy document should recognize consumer choice: some people want to live in the suburbs; some people are deeply committed to their neighborhood, even very low-income neighborhoods; some people *choose* downtown living; others *must* live closer in due to transportation costs and other affordability factors.
- There was general agreement that the City should offer incentives for infill projects, neighborhood improvement/beautification activities, and improvements in low income neighborhoods.

- It was noted that the conditions in every neighborhood are entirely dependent on the overall economic prosperity of our community. Without job growth, neither public nor private investments would be adequate to maintain or improve neighborhood conditions.

The session continued with discussion of specific strategies identified in the policy document, and the feedback concerning each item was noted. Strategies not noted below were not discussed in detail.

<u>Strategy</u>: Establish a baseline for all neighborhoods and develop a plan to bring all to the baseline and beyond.

- It was agreed that this probably isn't practical/feasible. Data exists to determine the conditions for any neighborhood but the work effort to do that for all neighborhoods isn't feasible.

- It was suggested to consider developing a set of standards, and any or all neighborhoods could be compared to the standard.
- It was noted that neighborhood planning can only occur with a great deal of participation and buy-in from the neighbors, so the degree of capacity for "community building" in any particular neighborhood would have to be considered when contemplating planning
    - Community leadership and grassroots participation is a key component in the successful implementation

Strategy: Incorporate existing neighborhood & area plans into strategies to enhance neighborhoods.
- It was agreed that this is an important strategy and noted that there has been good progress on this already.

Strategy: Create legislation to allow for faster seizer of abandoned/blighted properties when owners can't or won't comply

Strategy: Amend KSA 12-1750 to allow cities to condemn property more expeditiously
- There was very much support for both of these strategies among contributors, and consensus that this is a priority item in order to address current issues
- Many contributors expressed concerns that existing legislative tools (or lack thereof) are contributing to the problem

Strategy: Identify a new and continuing funding source for neighborhood investments
- Everyone agrees, and notes this is a key issue in terms of the success of any plan

Strategy: Reduce vacant property through infill home-ownership construction
- There was general support for this item, however it was noted that creating resources to repair or rehabilitate deteriorated and/or abandoned properties should be promoted as well
- Pursuing legislative strategies noted above may reduce the number of demolitions and allow for more expeditious repair/rehabilitation.

Strategy: Create an authority with the power to acquire, consolidate and market vacant & abandoned lots
- There was great support for this item, with several contributors noting that this strategy would have the most significant impact
- One contributor called this strategy a "game-changer."
- All contributors agreed that implementation of this strategy must be accompanied by a marketing /branding campaign to promote public support, as the strategy has previously been resisted by the development community.
- One contributor cited a successful Greensboro Housing Authority project and provided information on that which might be reviewed as an example (and perhaps included in the index)

Strategy: Consider Inclusionary Zoning requiring affordable housing or cash contribution to an affordable housing fund for permits over a certain threshold
- Several contributors indicated there is no political will for implementation of this strategy in our community.
- Alternatively, providing incentives to developers for certain design considerations and/or locations/areas may have a positive impact

Strategy: Continue paint and low-interest home repair loan programs
- There was agreement with strategy, but several contributors noted that many homes in poor conditions are rental units
- It was suggested that resources or incentives for landlords might be beneficial
    - One contributor noted that landlord/tenant education might be beneficial
- Some homeowners (whether owner-occupants or landlords) simply choose not to make the repairs, despite any legal remedies, whether or not they have the resources.

The discussion concluded with a discussion of what items might be missing from the policy draft, or what items may not be necessary. The following items were noted:

Contributors noted the draft policy includes many good strategies, but they don't appear to be prioritized in terms of level of benefit, timeline, or resources.

- Consider prioritizing strategies (such as Tier 1, Tier 2, etc.) in terms of importance, need, or impact
- Consider prioritizing geographical areas based on need, or based on "bang for the buck"
- Identify items that are easily implemented ("low-hanging fruit") and tackle those first

Contributors discussed the impact of transportation on housing policy.

- Consider adding strategies specifically related to transportation, such as "smart-route" transit options based on specific usage and needs
    - Both DCF and Social Security offices have recently moved to distant locations not available (or easily accessible) by bus transit.

Contributors discussed trends and changes in our community and the degree to which they are (or should be) addressed in the draft policy

- Policy should be integrated with census projections with regard to aging populations, young professionals moving in or out of the area, etc. in order to identify and respond to changing needs
- The impact of technology on the community should be considered
    - With the increased use of social media, availability of on-the-spot news, and the "sensationalizing" of certain events, people's perceptions of crime in certain neighborhoods may not be the reality. Education and communication campaigns may be increasingly important.
    - Changes in shopping/recreation/communication practices of residents (as a result of the internet) can have implications in community/neighborhood
- Some contributors noted that current political policies and trends may be driving young professionals out of the community (to other states) which has a negative effect on our economy and community.
- Several contributors expressed support for raising taxes to address community/neighborhood issues.
- One contributor suggested that the policy should consider the health conditions of the population—i.e. the impact of poor housing conditions on human health (certain zip codes with higher infant mortality rates, for instance)

Draft Comprehensive Housing Policy
Stakeholders' Meeting
August 27, 2015

Policy Area: Resources
Facilitator/Scribe: Kimberly Harris, Mark Manning, Mary K. Vaughn

Contributors: Andy Bias, Jonathan Long, Craig Perbeck, Dung Kimble

The breakout session on the Resources section of the Comprehensive Housing Policy focused on the opportunities and challenges involving housing resources for individuals and organizations in Wichita, as well as potential strategies for increasing and sustaining these resources in the city.

Special Populations: The session began with a discussion of special populations. One contributor stated that it was difficult to locate landlords who are understanding of the needs of domestic violence victims and therefore difficult to identify a sufficient amount of secure housing for this group. Another contributor discussed the needs of residents with AIDS and stated that the U.S. Department of Housing and Urban Development recently released a request for proposals (RFP) that could assist organizations that provide transitional housing for this population. A third contributor who works for a public agency provided a personal success story about the use of available housing resources for special populations. He used cash assistance from the City of Wichita to build a handicap-accessible home when he was a young professional making minimum wage. He later sold the home to a woman searching for an accessible home.

Collaboration: The importance of collaboration was a reoccurring theme during the session as a strategy to maximize financial and non-financial resources, especially during tough economic times. One contributor stated resources will always be limited, so the key to survival and success is making the best use of existing resources and planning for funding challenges. To highlight the benefits of collaboration, another contributor discussed how her nonprofit organization partnered with another organization and applied for Low Income Housing Tax Credits (LIHTC). The application was approved and the tax credits will be used to build 28 townhomes in the city's Hilltop area.

Strategy: Encourage the collaboration of housing services providers to maximize the potential impact of their resources.

Strategy: Evaluate the city's housing needs annually on individual, community, and citywide scales.

Strategy: Establish a formal network of housing services providers that would collaborate and leverage their existing expertise and resources to meet the community's spectrum of housing needs.

Resource Allocation: In addition to collaborating and leveraging funds, the contributors made a point to discuss the need to be good stewards of the funds received, as well as for government agencies to be more efficient in their allocation of funds for housing services. One contributor criticized government evaluation processes that provide housing services providers with more funds than they actually need, do not demand adequate results or metrics, and allocate resources in a competing or duplicative manner. He also stated that some funding processes require much more effort than is necessary, such as the more recently instituted funding application process at the federal level. In the past, the application was released around the same time each year. Now, the applications are released at various times throughout the year and sometimes not at all. Because the application process has a short turnaround and is resource-intensive, it is difficult to prepare the application with the requested time-sensitive information unless the organization has a larger amount of resources already at its disposal.

Strategy: Allocate resources in a complementary, not a competing or duplicative, manner.

Strategy: Disburse resources to provide what a housing services provider or homebuyer actually needs to accomplish their objectives, not an arbitrary or maximum amount. This would allow the resources to be spread across more organizations.

Promoting Investment: Another aspect of comprehensive housing resources includes the promotion of investment in the city by interested housing developers, especially those interested in serving special populations. The contributors discussed the challenges and opportunities of this type of development. One contributor stated that the City of Wichita would not let her organization develop low-income housing units in a particular area because they did not fit into the approved uses outlined in the area's neighborhood plan, although there were no concrete plans to use the land. Another contributor stated that the County's valuation process was not conducive to mixed-income development and that the City needs to determine how to emphasis in-fill without encouraging gentrification or reducing the value of developers' new properties.

Strategy: Waive the requirement for developers to set aside at least 20 percent of their housing development for market-rate units. Developers are required to meet this requirement in order to receive a resolution of support from the City to accompany an application for tax credits from the state. Waiving this requirement would make it more appealing for developers to build in the city.

Strategy: Provide a subsidy to encourage developers to target lower-income communities. These areas usually have lower valuations, which would potentially lower the valuation of the developer's new property and therefore the amount of the profit that could be made from the sale of the property. That would, in turn, lower the developer's desire to build in that particular area. A subsidy could help "make the difference" and encourage development in neglected areas.

Strategy: Focus on developing mixed-income rental properties near Wichita State University in order to attract young people working at or near the university. This would hopefully have a positive reverberating effect on the housing, community, and economic development of the surrounding neighborhoods.

Strategy: Encourage the development of a lender's pool. This idea was supported by the contributors, but they wanted to note that financial institutions must understand that although there is a return on their investment in terms of increased housing and community development, there is no actual return *of* their investment and that they can receive benefits from contributing via the Community Reinvestment Act.

Strategy: Develop a land bank to efficiently amass and sell distressed and abandoned properties. The contributors agreed with the concept of land banks, but underscored the importance of the City having a plan for selling, utilizing, and maintaining the acquired land without incurring an unmanageable financial burden. In that plan, the contributors suggested that the City should incentivize developers to purchase or develop land-banked properties. Another suggestion was that the City consider developing a housing trust fund, like other cities, in order to use proceeds from sale and use for continued community development activities.

Additional Barriers: After discussing strategies for housing resources on a macro level, the discussion returned to individual barriers to affordable housing. One contributor noted that the affordability of housing centers on the individual's needs and financial constraints and that each person should approach housing options with their particular circumstances in mind and not give too much weight to a generic definition. Factors that can affect affordability but were not mentioned in the draft comprehensive housing policy include transportation and childcare needs, the cost of which could drastically reduce the number of affordable housing options available to individuals and households. Therefore, the contributors agreed that these additional barriers be included in the report, if possible. The contributors also agreed the city's current public transportation system was cumbersome and expensive for parents with small children to navigate. For residents seeking to purchase a home, the contributors emphasized the importance of helping them understand the difference in responsibilities between buying and renting a home.

Strategy: Emphasize additional barriers to housing affordability to increase the comprehensiveness of the housing policy.

Strategy: Encourage the location of childcare providers near the downtown bus station.

Strategy: Encourage housing services providers to offer pre- and post-purchase counseling for homebuyers to ensure they have adequate information for the continuing responsibilities of homeownership and have more advanced financial literacy and budgeting skills.

Marketing: The session ended with a discussion of support for increased and sustained housing resources. The contributors agreed that buy-in for the housing policy and increased resources was needed from residents, the economic development community, the real estate development community, and elected officials.

Strategy: Develop an annual report to explain the community's housing successes and ongoing challenges. The report should provide both quantitative data and compelling qualitative stories to help decision makers understand the full impact of disbursed resources and outcomes.

Stakeholders Who Attended the Feedback Session

NAME	AGENCY
Barber, Dave	City/County Planning
Bias, Andy	
Blake, Desmond	Urban League of Kansas
Bruggeman, Doug	Mennonite Housing
Confessori, Lou	Mennonite Housing
Fanimokun, Moji	Realtors of South Central Kansas
Frey, Sally	Kansas Reentry
Goodpasture, Tim	City Urban Development
Graham, Annette	Sedgwick County Department on Aging
Gronau, Melissa	Veterans Administration
Hamm, Stacey	Park and Recreation
Kimble, Dung	Stepstone
Knebel, Scott	City/County Planning
Lambertz, Kit	Stepstone
Lampe, Angela	YWCA
Laws, Kathy	City Housing/VASH
Legge, Deb	Metropolitan Area Building & Construction Department
Long, Jonathan	Workforce Alliance of South Central Kansas
Marshall, Richard (RJ)	Realtors of South Central Kansas
McGuire, David	Park and Recreation
McPheeters, Kate	Catholic Charities Harbor House
Perbeck, Craig	Sedgwick County Housing
Ramzah, Hassan	Wichita Police Department
Rigby, Scot	City Manager's Office
Robinson, Sarah	Wichita Children's Home
Roseboro, James	WIN
Ryan, Lori	Kansas Prisoner Reentry
Sanders, Luella	CoC/United Way
Schrimscher, Dee	Mennonite Housing & Rehabilitation Services
Vaught, Amy	Veterans Administration

City of Wichita
City Council Meeting
July 19, 2016

TO: Mayor and City Council

SUBJECT: 2016-2025 Capital Improvement Program (CIP)

INITIATED BY: City Manager's Office

AGENDA: New Business

Recommendation: Adopt the 2016-2025 Capital Improvement Program.

Background: The Capital Improvement Program (CIP) represents a ten-year plan for community improvements, as well as a ten-year plan to finance those improvements. It also aligns a schedule for priority improvements with the financial capacity of City funds. The CIP is a dynamic plan for projects over the next ten years. The actual implementation of each project is flexible within that plan, subject to the specific project approval by the City Council.

A draft of the CIP was presented at a City Council workshop on May 24, 2016. The plan was then presented to each District Advisory Board, as well as the Bicycle and Pedestrian Advisory Board. On June 2, staff met with the Metropolitan Area Planning Commission (MAPC) Advanced Plans Committee, before meeting with the entire MAPC on June 14. Throughout the CIP development process, staff has engaged the Design Council. The Proposed CIP was also made available on the City's website in May following the workshop.

Analysis: The Proposed 2016-2025 CIP totals $1.824 billion in expenditures over ten years. A total of 199 projects are included in the plan. This includes $245 million in freeway improvements, $561.2 million in arterial improvements, $719.5 million in Water and Sewer improvements, $118 million in public facility improvements, $49.1 million in Park improvements, and a total of $131.2 million in other improvements.

The CIP has been developed consistent with the Community Investments Plan, which includes three spending priorities. These spending priorities are focused first on maintaining current infrastructure, second on enhancing current infrastructure, and third on expanding current infrastructure. The first priority makes up 41.5% of CIP expenditures, with 22.6% and 35.9% of expenditures making up the second and third priorities, respectively. The Community Investment Plans also provides guidance on overall priorities. Of the total CIP expenditures, 71% of planned spending would be directed to "very high" priority areas.

The CIP is consistent with policy guidance regarding debt levels. The City has established a benchmark for GO at-large debt service, seeking to maintain the annual debt service on GO at-large bonds at less than 66.7% of property tax revenues for the Debt Service Fund. This ratio is currently 40%, and it is expected to increase based on past and projected capital project activity. However, the ratio is not projected to exceed the benchmark and is expected to decline in the latter years of the CIP planning period.

Financial Considerations: The Proposed CIP is financed with $269.4 million in GO at-large funds, $305 million in Local Sales Tax funds, $719.5 million in Water and Sewer funds, $273.1 million in special assessments, $174.2 million in federal and state funds, and $82.7 million from other funding sources for a total of $1.824 billion.

The CIP is based on a continuation of the current 8.5 mills that are levied for the Debt Service Fund. Water and Sewer rate increases necessary to finance the CIP are consistent with Cost of Service Analysis plans presented by Public Works & Utilities staff.

Legal Considerations: K.S.A. 12-748 requires the Metropolitan Area Planning Commission to review the CIP to make a finding as to whether the plan is in conformance with the adopted Community Investments Plan. This finding was made on June 16, 2016.

Recommendation/Actions: It is recommended that the City Council adopt the 2016-2025 Capital Improvement Program.

Wichita, Kansas
July 18, 2016
10:00 a.m., Monday
Conference Room, 12th Floor

MINUTES - BOARD OF BIDS AND CONTRACTS*

The Board of Bids and Contracts met with Marty Strayer, Administrative Assistant, Public Works and Utilities, Fanny Chan, Accountant, Finance, representing the Director of Finance, John Page, Budget Analyst, Budget Office, Clarence Rose, Senior Buyer, representing Purchasing, Brandon Findley, Fellow, representing the City Manager's Office and Janis Edwards, Deputy City Clerk, present.

Minutes of the regular meeting date July 11, 2016, were read and on motion approved.

Bids were opened July 15, 2016, pursuant to advertisements published on:

Water Distribution System to serve Clear Creek Addition (south of Kellogg, west of 143rd Street East) (448-90603/735556/470229) Does not affect existing traffic. Lateral 349, Four Mile Creek Interceptor to serve Clear Creek Addition (south of Kellogg, west of 143rd Street East) (468-83611/744417/480109) Does not affect existing traffic. (District II)

Esfeld Construction Inc. - $18,633.00 Group 1
$48,326.00 Group 2
$66,959.00 Bid Total

Jaax Court from the west edge of Jennie Street to a point approximately 475 feet south serving Lots 16-27, Block 3, Bay Country Addition (west of 119th Street West, south of Central) (472-85104/ 766369/490392) Does not affect existing traffic. (District V)

Kansas Paving Company - $88,986.50

Purchasing Manager recommended that the contracts be awarded outlined above, subject to check, same being the lowest and best bids within the Engineer's construction estimate.

On motion the Board recommended that the contracts be awarded as outlined above, subject to check, same being the lowest and best bids within the Engineer's construction estimate.

PUBLIC WORKS AND UTILITIES DEPARTMENT/SEWAGE TREATMENT DIVISION: Replace Make-Up Air Unit.

P1 Group Inc. - $64,887.00

PUBLIC WORKS AND UTILITIES DEPARTMENT/FLEET AND FACILITIES DIVISION: Compact Excavator.

White Star Machinery and Supply - $31,767.60 – Base Bid
$6,700.00 – Option 1 -Each

The Purchasing Division recommended that the contracts be awarded as outlined above, same being the lowest and best bid.

On motion the Board recommended that the contracts be awarded as outlined above, same being the lowest and best bid.

On motion the Board of Bids adjourned.

Marty Strayer, Administrative Assistant
Department of Public Works and Utilities

Janis Edwards, CMC
Deputy City Clerk

EXHIBIT A

FORMAL BID REPORT

TO: Robert Layton, City Manager
DATE: July 18, 2016

ENGINEERING BIDS – GARY JANZEN, CITY ENGINEER
July 15, 2016

Water Distribution System to serve Clear Creek Addition – Public Works & Utilities Dept./Engineering Division

Esfeld Construction, Inc.	**Group 1 – Water Distribution System**	**$18,633.00**
	Group 2 – Lateral 349, Four Mile Creek Interceptor	**48,326.00**
	Aggregate Bid Total	**$66,959.00**

Paving – Jaax Court (west of 119th Street West, south of Central) – Public Works & Utilities Department/Engineering Division

Kansas Paving Company		**$88,986.50**

PURCHASING BIDS – MELINDA A. WALKER, PURCHASING MANAGER
July 15, 2016

Replace Make-Up Air Unit – Public Works & Utilities Department/Sewage Treatment Division

P1 Group, Inc.		**$64,887.00**

Compact Excavator – Public Works & Utilities Department/Fleet & Facilities Division

White Star Machinery & Supply	**Base Bid**	**$31,767.60**
	Option 1 (Add) (Per Each)	**$6,700.00**

ITEMS TO BE PURCHASED AS ADVERTISED IN THE OFFICIAL CITY NEWSPAPER.

Melinda A Walker

Melinda A. Walker
Purchasing Manager

WATER BID TABULATION SUMMARY

BOARD OF BIDS - July 15, 2016

RQ64080

FB640138		Engineer's Construction Estimate	Dondlinger & Sons	Duling Construction	Mies Construction
Water Distribution System 448-90603 (735556)	Group 1	$27,411.00	$24,927.00	$20,792.00	$23,888.00
Lateral 349, Four Mile Creek Interceptor 468-83611 (744417)	Group 2	$68,600.00	$49,853.00	$57,848.00	$56,104.00
Clear Creek Addition	BID BOND				
	ADDENDA	0			
BID TOTAL		$96,011.00	$74,780.00	$78,640.00	$79,992.00

		Engineer's Construction Estimate	Nowak Construction	Esfeld Construction Inc	Dutton Construction and Plumbing LLC
Water Distribution System 448-90603 (735556)	Group 1	$27,411.00	$22,075.50	$18,633.00	$19,232.00
Lateral 349, Four Mile Creek Interceptor 468-83611 (744417)	Group 2	$68,600.00	$46,791.20	$48,326.00	$54,932.00
Clear Creek Addition	BID BOND				X
	ADDENDA	0			
BID TOTAL		$96,011.00	$68,866.70	$66,959.00	$74,164.00

		Engineer's Construction Estimate	Wilks Underground Utilities LLC	Wildcat Construction	
Water Distribution System 448-90603 (735556)	Group 1	$27,411.00	$24,554.00		
Lateral 349, Four Mile Creek Interceptor 468-83611 (744417)	Group 2	$68,600.00	$57,138.00		
Clear Creek Addition	BID BOND				
	ADDENDA	0			
BID TOTAL		$96,011.00	$81,692.00		

		Engineer's Construction Estimate			
Water Distribution System 448-90603 (735556)	Group 1	$27,411.00			
Lateral 349, Four Mile Creek Interceptor 468-83611 (744417)	Group 2	$68,600.00			
Clear Creek Addition	BID BOND				
	ADDENDA	0			
BID TOTAL		$96,011.00			

CHECKED BY: KD

REVIEWED BY: PS

PAVING BID TABULATION SUMMARY

BOARD OF BIDS - July 15, 2016

RQ640806

FB640139		Engineer's Construction Estimate	APAC - Kansas Inc	Cornejo & Sons, LLC	Kansas Paving Company
Jaax Court		$114,811.00	$109,319.50	$102,132.50	$88,986.50
(west of 119th Street West, south of Central)	BID BOND				
	ADDENDA	1			
472-85104 (766369)					
		Engineer's Construction Estimate	Dondlinger & Sons		
Jaax Court		$114,811.00			
(west of 119th Street West, south of Central)	BID BOND				
	ADDENDA	1			
472-85104 (766369)					
		Engineer's Construction Estimate			
Jaax Court		$114,811.00			
(west of 119th Street West, south of Central)	BID BOND				
	ADDENDA	1			
472-85104 (766369)					
		Engineer's Construction Estimate			
Jaax Court		$114,811.00			
(west of 119th Street West, south of Central)	BID BOND				
	ADDENDA	1			
472-85104 (766369)					

CHECKED BY: _____

REVIEWED BY: _____

City of Wichita, Kansas

BID RESULTS

Registration Solicitations Document Inquiry Login Help

This page summarizes vendor responses by the bid total. Awarded vendors will be notified of their respective purchase orders/contracts.

Vendor Group Line

Solicitation: FB640134 **Replace Make-Up Air Unit** **Close Date/Time:** 7/15/2016 10:00 AM CST

Solicitation Type: Formal Bid

Award Method: Aggregate Cost

Department: Water Sewage Treatment Division

Return to the Bid List

Responses: 10

Vendors	Complete	Bid Total	City Comments
P1 GROUP INC	Complete	$64,887.00	Award 7-19-16 Public Works & Utilities Dept./Sewage Treatment Division
COMMERCIAL MECHANICAL INC	Complete	$65,580.00	
PROFESSIONAL MECHANICAL CONTRACTORS INC	Complete	$68,000.00	
CMW INC	Complete	$68,268.00	
AMERICAN COMMERCIAL & RESIDENTIAL SERVIC	Complete	$69,700.00	
CENTRAL CONSOLIDATED INC	Complete	$69,900.00	
COMMERCIAL TRADESERVICES LLC	Complete	$74,600.00	
DEAN E NORRIS INC	Complete	$74,954.00	
THRASHER SYSTEMS	Complete	$79,900.00	
DON VAUGHN INC	Complete	$93,000.00	

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City of Wichita, Kansas

BID RESULTS

Registration Solicitations Document Inquiry Login Help

This page summarizes vendor responses by the bid total. Awarded vendors will be notified of their respective purchase orders/contracts.

Vendor Group Line

Solicitation: FB640137 **Compact Excavator** **Close Date/Time:** 7/15/2016 10:00 AM CST

Solicitation Type: Formal Bid **Return to the Bid List**

Award Method: Aggregate Cost

Department: Public Works Fleet & Facilities **Responses:** 1

Vendors	Complete	Bid Total	City Comments
WHITE STAR MACHINERY & SUPPLY	Complete	$38,467.60	Award 07/19/2016 Base Bid w/Option 1 Public Works & Utilities Department/Fleet & Facilities Division

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City of Wichita, Kansas

BID RESULTS

Registration Solicitations Document Inquiry Login Help

This page summarizes vendor bids by the extended cost for each commodity line on the solicitation.

Vendor Group Line

Solicitation: FB640137 **Compact Excavator** **Close Date/Time:** 7/15/2016 10:00 AM CST

Solicitation Type: Formal Bid **Return to the Bid List**

Award Method: Aggregate Cost

Department: Public Works Fleet & Facilities **Responses:** 1

Go to: 001

Line 001 | BASE BID: New Unused Current Model Compact Excavator. Manufacturer:_____ Model:_____Year:_____

Vendors	QTY	UOM	Price	Extended Cost	Complete	Comments
WHITE STAR MACHINERY & SUPPLY	1	Each	$31,767.6000	$31,767.60	Complete	Bobcat E-26

Line 002 | OPTION 1: One Each New Unused Trailer That Has the Capacity to Haul the Compact Excavator Safely Behind a 3/4 Ton Truck.

Vendors	QTY	UOM	Price	Extended Cost	Complete	Comments
WHITE STAR MACHINERY & SUPPLY	1	Each	$6,700.0000	$6,700.00	Complete	Belshe Trailer - 16' tilt + 4' fixed

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THE CITY OF WICHITA
Department of Public Works

Wichita, Kansas

PRELIMINARY ESTIMATES
FOR CITY COUNCIL JULY 19, 2016

a. 2016 Outsourced Pavement Preservation Program CIP Street Repairs Phase 2 (Various Locations) (472-85265/707095/132726/211551) Traffic to be maintained during construction using flagpersons and barricades. (District I,II,III,IV,V,VI) - $1,048,014.17

472-85265 (707095/132726) 211551 District I,II,III,IV,V,VI

To be Bid: June 24, 2016

PRELIMINARY ESTIMATE of the cost of:
2016 Outsourced Pavement Preservation Program CIP Street Repairs Phase 2
(Various Locations)

All work done and all materials furnished to be in accordance with plans and specifications on file in the office of the City Engineer.

	MEASURED QUANTITY BID ITEMS			
1	2.0" Partial Depth Asphalt Repair (BM-2)(PG64-22	1,000	tn	
2	Full Depth Asphalt Repair (BM-2)(PG64-22)	300	tn	
3	Thermal Crack Repair (Heavy Duty)(2.5' wide)	37,000	lf	
4	Combined Curb and Gutter	4,100	lf	
5	6" Concr. Driveway Repair	200	sf	
6	7" Reinf. Concr. Valley Gutter Repair	150	sy	
7	8" Reinf. Concr. Base Repair	1,500	sy	
8	6" Reinf. Concr. Base Repair	300	sy	
9	Crushed Rock	60	tn	
10	Electronic Message Boards	150	dy	
	Construction Subtotal			
	Engineering & Inspection (707084)			
	Administration (707084)			
	Publication (707084)			
	Contingency			
	Total Estimated Cost			$1,048,014.17

CITY OF WICHITA)
STATE OF KANSAS) SS

I do solemnly swear that the above amount is correct, reasonable and just.

Gary Janzen, P.E., City Engineer

Sworn to and subscribed before me this _____.
(DATE)

City Clerk

211551 (707095/132726) 472-85265

Page ____ EXHIBIT ____

City of Wichita
City Council Meeting
July 19, 2016

TO: Mayor and City Council

SUBJECT: Supplemental Agreement No. 2 for 21st Street and Oliver Improvements (District I)

INITIATED BY: Department of Public Works & Utilities

AGENDA: Consent

Recommendation: Approve Supplemental Agreement No. 2.

Background: On April 28, 2015, the City Council approved an agreement with MKEC Consultants to design improvements to the intersection of 21st Street North and Oliver. On August 18, 2015, the City Council approved the design concept. The following financial agreements have been approved to date:

Agreement No.	Date Approved	Services Provided	Cost
Original	April 28, 2015	Original design services agreement for concept development.	$35,000
No. 1	August 25, 2015	Design services for replacement of pavement, provide dual left turn lanes and a right-turn lane for each intersection approach, ADA compliant ramps and sidewalk, a shared use path on the southwest corner of intersection, an updated traffic signal, storm sewer improvements and accommodations for a future traffic signal at the 19th and Oliver intersection.	$244,756
		Design Fee to Date:	**$279,756**

Analysis: During the process of designing the project it was determined that some of the existing waterlines were in conflict with the new storm sewer system or lacked the adequate amount of cover required for the street widening project.

Financial Considerations: The design fee to date is $279,756. The cost of the additional service is $10,800 for a total design fee of $290,556. Funding is available in the existing Wichita State waterline budget approved by the City Council on June 9, 2015, and is funded by the Water Utility. If revenue bonds are issued, an additional 8% will be added for financing and administrative costs.

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

Recommendation/Actions: It is recommended that the City Council approve the supplemental agreement and authorize the necessary signatures.

Attachment: Supplemental Agreement No. 2.

SUPPLEMENTAL AGREEMENT NO. 2

TO THE

AGREEMENT FOR PROFESSIONAL SERVICES DATED APRIL 28, 2015

BETWEEN

THE CITY OF WICHITA, KANSAS

PARTY OF THE FIRST PART, HEREINAFTER CALLED THE

"CITY"

AND

MKEC ENGINEERING, INC.

PARTY OF THE SECOND PART, HEREINAFTER CALLED THE

"ENGINEER"

WITNESSETH:

WHEREAS, there now exists an Agreement (dated April 28, 2015) between the two parties covering engineering services to be provided by the ENGINEER in conjunction with the construction of improvements to **21st STREET & OLIVER INTERSECTION** (Project No.448-90740_636350).

WHEREAS, Paragraph IV. B. of the above referenced Agreement provides that additional work be performed and additional compensation be paid on the basis of a Supplemental Agreement duly entered into by the parties, and

WHEREAS, it is the desire of both parties that the ENGINEER provide additional services required for the PROJECT and receive additional compensation (as revised herein):

NOW THEREFORE, the parties hereto mutually agree as follows:

A. PROJECT DESCRIPTION

The description of the improvements that the CITY intends to construct and thereafter called the "PROJECT" as stated on page 1 of the above referenced Agreement is hereby amended to include the following:

Prepare additional waterline improvements for 21st Street & Oliver Intersection
(see attached for details)

B. PAYMENT PROVISIONS

The fee in Section IV. A. shall be amended to include the following:

Payment to the ENGINEER for the performance of the professional services as outlined in this Supplemental Agreement shall be made on the basis of the not to exceed fee of **$10,800.**

C. COMPLETION

The ENGINEER agrees to complete and deliver the field notes, preliminary and final plans (including final tracings), specifications and estimates to the CITY within the time allotted for the project as stipulated

below; EXCEPT that the ENGINEER shall not be responsible or held liable for delays occasioned by the actions or inactions of the CITY or other agencies, or for other unavoidable delays beyond the control of the ENGINEER.

(a) Field check plans of the project for distribution to utilities by (completed).
(b) Office check plans by (completed).
(c) Completion of all work required by this agreement (including submittal of final approved plans, field notes, and related project documents by **July 11, 2016**.

D. PROVISIONS OF THE ORIGINAL AGREEMENT

The parties hereunto mutually agree that all provisions and requirements of the original Agreement, not specifically modified by this Supplemental Agreement, are hereby ratified and confirmed.

IN WITNESS WHEREOF, the CITY and the ENGINEER have executed this Supplemental Agreement as of this _____ day of _____, 2016.

CITY OF WICHITA

_____
Jeff Longwell, Mayor

ATTEST:

_____
Karen Sublett, City Clerk

APPROVED AS TO FORM:

_____
Jennifer Magaña, City Attorney and
Director of Law

MKEC ENGINEERING, INC.

_____, principal
(Name and Title)
Jay Anglemyer, P.E., Principal

MKEC ENGINEERING SUCCESS

June 13, 2016

Mr. Shawn Mellies, P.E.
Chief Design Engineer
City of Wichita
455 N. Main, 7th Floor
Wichita, KS 67202

Reference: Proposal for Supplemental Design Agreement #2
21st & Oliver Intersection (Proj. No. 472-85213)

Dear Mr. Mellies:

Per the City's request, MKEC agrees to a change in design scope for the project noted above. MKEC proposes to perform additional design services related to the project more specifically described as the design of approximately 600 linear feet of 12" water line within the limits of the current 21st and Oliver intersection improvement. The scope of the proposed design changes are presented below:

- Add approximately 200 feet of 12" water line on 21st Street to avoid conflict with a proposed storm sewer line improvement. Relocating the water line will provide space for the proposed storm sewer improvement while keeping street repair costs minimal.
- Add approximately 400 feet of 12" water line on Oliver south of 21st Street to eliminate conflict between the existing water line and the proposed street improvement. The existing water line is subject to being damaged during construction due to the type and depth of the existing pipe.

The design will include all necessary water line appurtenances such as valves, hydrants, blow-offs, thrust restraint, and accommodation of neighboring utilities. Additional sight clearing and restoration, erosion control, construction traffic control and pavement patching required by the additional water line design will be included in the scope. The additional work included in this supplemental agreement request will be performed in accordance with the requirements of the original contract. Submittal of final plans, supplemental specifications and construction cost estimate for the project, including supplemental items, will not be delayed due to the addition of the work described herein.

MKEC proposes a supplemental fee of $10,800.00 to complete the work.

Thank you for your consideration of this proposal. If you have any questions or wish to discuss the proposed design changes, please contact me. MKEC welcomes this opportunity to serve the City of Wichita.

Sincerely,
MKEC ENGINEERING, INC.

Jay Anglemyer, PE
Project Manager

J:\Projects\2015\1501040178_COW_21st & Oliver\11 Project Management\Scope Change Supplemental Letter #2.doc

411 N. Webb Rd. • Wichita, KS 67206 • T 316.684.9600 • F 316.684.5100 • MKEC.COM

City of Wichita
City Council Meeting
July 19, 2016

TO: Mayor and City Council

SUBJECT: Public Exigency-Change Order No. 4 for Wastewater Treatment Plant 2 UV Disinfection Expansion and Modification (District III)

INITIATED BY: Department of Public Works & Utilities

AGENDA: Consent

Recommendation: Affirm the City Manager's approval of the public exigency for emergency installation of a new cooling system and approve Change Order No. 4.

Background: On May 19, 2015, the City Council approved a contract with Dondlinger & Sons Construction Co., Inc., for ultraviolet (UV) disinfection expansion and modifications at the Wastewater Treatment Plant 2 located north of 63rd Street South and east of Hydraulic. The following change orders have been previously processed for this project:

Change Order	Date Processed or Approved	Provided	Cost
Original	May 19, 2015	Original construction contract.	$1,848,000
No. 1	January 6, 2016	After effluent flow had been diverted through the new UV treatment system, staff discovered the existing sluice gates on the old UV channels were no longer water tight. With the old UV treatment system removed, the leading gates allowed flow to bypass UV treatment, which could have resulted in permit violations. Concrete walls were added at the existing sluice gate locations to prevent untreated flows from bypassing the new UV system.	$17,970
No.'s 2 and 3	April 7, 2016	The existing UV treatment channels that were no longer in use began to collect rain and groundwater. Therefore, required flowable fill and a concrete cap to prevent constant pumping, cleaning, maintenance, and water stagnation. Change Order No. 3 for $(3.00), adjusted allowance for oxy charges walkway based on approved charges for material and labor. The proposed electronic control room ventilation had been disconnected from the cooling system contrary to the building blueprints. The room had to be cooled by adding a ventilation system to ensure the control panels did not overheat. The flow meter in the UN influent line controls the UV lamps power output to treat discharge water. Air was being introduced to the UV influent line at the clarifiers and captured the air inclusions to prevent errors in the UV treatment process. The completion date was extended to April 30, 2016, to	$29,151

		account for the manufacture, installation, and time required to approve this change order without further delay.	
		Total of previously approved change order(s)	$47,121
		Total contract cost to date	$1,895,121

Analysis: The control equipment for the new UV disinfection system is located in a room without a direct cooling system. The system will automatically shut down if the equipment reaches 130 degrees Fahrenheit to avoid damage to the control equipment. The UV control equipment generates too much heat to be cooled with the existing air cooling system in the adjacent room and the original scope of the project did not include upgrades to the existing cooling system.

A shutdown of the system will allow the discharge of partially untreated effluent water into the Arkansas River, which violates the current Kansas Department of Health and Environment permit. A new cooling system is required to maintain the proper room temperature.

Additionally, temporary cooling must be provided to the electrical control room due to failure of the existing system in the adjacent room. A temporary cooling system will be needed to prevent a shutdown until the new permanent cooling system is installed.

On June 17, 2016, the City Manager approved this project as a public exigency for emergency installment of a new cooling system. Staff obtained a quote from Dondlinger & Sons for $38,234 to install a new air conditioning system to serve the UV control room. Additionally, in order to keep the UV electric room cool and to maintain operating temperatures and avoid damage to the UV electrical system, it will be necessary to install a temporary unit in this room. The additional cost for temporary cooling is $2,000 per week for a period of three weeks. This results in a total cost of $44,234 for the additional work and equipment rental.

Financial Considerations: The cost of the proposed change order is $44,234, which brings the total contract amount to $1,939,355. Funding is available within the existing budget of $3,250,000, approved by the City Council on January 14, 2014, which is funded by future revenue bonds or sewer utility cash reserves. If bonds are issued, there will be an additional 8% added for bond reserves and financing costs.

Legal Considerations: Change Order No. 4 has been reviewed and approved as to form by the Law Department.

Recommendation/Actions: It is recommended that the City Council affirm the City Manager's approval of the public exigency of a new cooling system, approve Change Order No. 4, and authorize the necessary signatures.

Attachment: Memo and Change Order No. 4.

PUBLIC WORKS-ENGINEERING

June 16, 2016

CHANGE ORDER

To: Dondlinger & Sons Construction Co., Inc.

Change Order No.: 4
Purchase Order No.: PO540454
CHARGE TO OCA No.: 624115

Project: Wastewater Treatment Plant 2 UV Disinfection Expansion & Modification
Project No.: 468-84957
OCA No.: 624115
PPN: 654004

Please perform the following extra work at a cost not to exceed $44,234.00

Additional Work: Add new air cooling system to the electrical control room. Provide a temporary cooling system until new system is installed.

Reason for Additional Work: The control equipment for the new ultraviolet (UV) disinfection system is located in a room without a direct cooling system. The UV treatment system will automatically shut down if the equipment reaches 130 degrees Fahrenheit to avoid damage to the control equipment. The UV control equipment generates too much heat to be cooled with the existing air cooling system in the adjacent room. The original scope of the project did not include upgrades to the existing cooling system.

A shutdown of the system will allow discharge of partially untreated effluent water to the Arkansas River which violates the current Kansas Department of Health and Environment permit. A new cooling system is required to maintain the proper room temperature.

Additionally, temporary cooling must be provided to the electrical control room due to failure of the existing system in the adjacent room. A temporary cooling system will be needed to prevent a shutdown until the new permanent cooling system is installed.

Line #	Item	Negotiated/ Bid	Qty	Unit Price	Extension
10	New Air Cooling System	Negotiated	1 LS	$38,234.00	$38,234.00
11	Temp. Air Cooling System	Negotiated	1 LS	$6,000.00	$6,000.00
			Total		**$44,234.00**

CIP Budget Amount:	**$3,250,000.00**	**Original Contract Amt.:**	**$1,848,000.00**
Consultant: CDM Smith		**Current CO Amt.:**	**$44,234.00**
Exp. & Encum. To Date:	**$2,565,940.62**	**Amt. of Previous CO's:**	**$47,121.00**
		Total of All CO's:	**$91,355.00**
CO Amount:	**$44,234.00**		
Unencum. Bal. After CO:	**$639,825.38**	**Adjusted Contract Amt.:**	**$1,939,355.00**

Recommended By:

Steve Degenhardt, P.E. Date
Construction Division Manager

Approved:

Gary Janzen, P.E. Date
City Engineer

Approved:

_____ _____
Contractor Date

Approved as to Form:

_____ _____
Jennifer Magaña Date
City Attorney and Director of Law

Approved

_____ _____
Alan King Date
Director of Public Works & Utilities

By Order of the City Council:

_____ _____
Jeff Longwell Date
Mayor

Attest:_____
City Clerk

CITY OF WICHITA

INTEROFFICE MEMORANDUM

TO:	Robert Layton, City Manager
THROUGH:	Alan King, Director of Public Works & Utilities
FROM:	Gary Janzen, City Engineer/Assistant Director of Public Works & Utilities
SUBJECT:	Public Exigency – Emergency Installation of Cooling System at Wastewater Treatment Plant 2
DATE:	June 17, 2016

In early 2016, Dondlinger and Sons Construction completed installation of a new UV Disinfection System at Plant 2 Wastewater Treatment Plant. The new system was installed as part of the Kansas Department of Health and Environment (KDHE) Consent Order issued in 2013.

The operating temperature of the electrical equipment controlling the new UV system must remain below 130 degrees or the system will shut down as a defense mechanism to avoid damage to the control equipment. A shut down of the UV equipment would discharge partially untreated effluent water into the Arkansas River and violate the City's current KDHE permit requirements.

The new control equipment is located in a room without a direct cooling system. An adjacent room is cooled by an existing system, but a wall limits air flow between rooms. Even though a window opening connects the two rooms, temperatures inside the control room have reached above 100 degrees over the past week, indicating the existing unit cannot cool both rooms sufficiently. The existing unit is undersized based on heat generated by the equipment and the size of both rooms.

The UV replacement project did not include plans to upgrade or install a new cooling system. Staff obtained a quote from Dondlinger for $38,234 to install a new air conditioning system to serve the UV control room. Additionally, in order to keep the UV electrical room cool and to maintain operating temperatures to avoid damage to the UV electrical system, until the new system is installed, it will be necessary to install a temporary unit in this room. The additional cost for temporary cooling is $2,000 per week for a period of 3 weeks. This results in a total cost of $44,234 for the additional work.

On June 16, during extreme heat conditions, the existing air conditioning unit quit operating. Temperatures climbed near 110 degrees in the UV control room. An approved City vendor arrived on site the evening of the 16th to assess and repair the existing system. The service provider was able to restart the unit, but indicated that the unit was not reliable. The existing system is five years old. HVAC systems at the wastewater plant are subjected to the corrosive gases in the plant facility and therefore typically have a five year replacement cycle.

The uncertainty of the existing undersized system, and potential risk for a UV system shutdown is the reason for this Exigency Memo. A shutdown of the UV system will discharge an average of 35 MGD (million gallons per day) of un-disinfected effluent water which will result in a violation of the KDHE permit for operating the treatment plant.

Funding for the new cooling system is available within the existing project budget paid through the sewer utility fund.

I request that you declare this a Public Exigency, which is defined under City Code, Section 2.64.020(a), as an instance when public exigency will not permit the delay incident to advertising, as determine and approved by the City Manager. An approval line has been provided if you concur with this request. A subsequent agenda item will be prepared to obtain Council acknowledgement of this declaration action.

Robert Layton, City Manager

City of Wichita
City Council Meeting
July 19, 2016

TO: Mayor and City Council

SUBJECT: Change Order No. 4 for Stormwater Improvements to Estancia Commercial Addition (District V)

INITIATED BY: Department of Public Works & Utilities

AGENDA: Consent

Recommendations: Approve Change Order No. 4.

Background: On December 8, 2015, the City Council approved a contract with Unruh Excavating LLC, for stormwater improvements to serve Estancia Commercial Addition located north of 37th Street North and east of Ridge. The following change orders have been processed for this project:

Change Order	Date Processed or Approved	Provided	Cost
Original	December 8, 2015	Original construction contract.	$734,511
No. 1	February 24, 2016	Due to sandy soil found in trench excavation, and at the developer's request, the contractor removed end sections and pipe within pond reserves in order to install additional clay material around the storm sewer pipe to prevent seepage. With limited availability of clay material and low plasticity index of existing clay, contractor mixed bentonite that provided a better seal around the pipes.	$5,868
No. 2	March 15, 2016	A second entrance was needed to the subdivision for construction. Storm sewer Line #1 needed to be extended 30 feet to the west and an additional 70 foot long 15 inch cross pipe was necessary along the north side of 37th Street North at the platted access control opening.	$17,121
No. 3	May 18, 2016	Adjusted measured bid item based on final field measurements. Specifications allowed permanent seeding installation, so temporary seeding was not needed to prevent soil erosion. The development requested delaying the permanent seeding to allow private landscape and irrigation installation. The berms were temporarily seeded with annual rye and additional labor and equipment costs was needed to install permanent seeding around proposed improvements. Adjusted measured quantity erosion control bid items based on final field measurements. Additional excavation and compacted fill was necessary to complete the mass grading. The additional material was obtained from the next phase of development adjacent to the work site. The plans indicated a stock pile of clay liner available	$13,309

		on-site to line ponds. The quantity needed adjusted to reflect actual availability of material.	
		Total of previously approved change order(s)	$36,298
		Total contract cost to date	$770,809

Analysis: Recent rain events have caused soil erosion and excessive water retention in Reserve F. The channel draining from Reserve F to 37th Street will be widened to a five foot wide flat bottom ditch. A relief channel will also be constructed to divert storm water from Reserve F north of Solano Street. Eroded soil will be removed and the site will be reseeded with slope mix along berms and detention ponds.

Financial Considerations: The cost of the proposed change order is $24,853, which brings the total contract amount to $795,662. Funding is available within the existing budget of $1,010,000, approved by the City Council on September 1, 2015, which is funded by special assessments.

Legal Considerations: Change Order No. 4 has been reviewed and approved as to form by the Law Department.

Recommendation/Actions: It is recommended that the City Council approve Change Order No. 4 and authorize the necessary signatures.

Attachment: Change Order No. 4.

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CITY OF WICHITA

PUBLIC WORKS-ENGINEERING

June 7, 2016

CHANGE ORDER

To: Unruh Excavating, LLC
Change Order No.: 4
Purchase Order No.: PO541115
CHARGE TO OCA No.: 751542

Project: SWS Estancia Commercial Addition
Project No.: 468-85068/468-85072/468-85070
OCA No.: 751539/751541/751542
PPN: 485430/485432/485433

Please perform the following extra work at a cost not to exceed $24,853.40
Work for this Change Order cannot be completed until approved by all. Contractor should expect approximately 6 weeks for approval.
Paid for by Special Assessments

Additional Work: Remove eroded material around detention ponds, reseed slopes, and install erosion protection devices.

Reason for Additional Work: Recent rain events have caused soil erosion and excessive water retention in Reserve F. The channel draining from Reserve F to 37th Street will be widened to a five feet wide flat bottom ditch. A relief channel will also be constructed to divert storm water from Reserve F north of Solano Street. Eroded soil will be removed and the site will be reseeded with slope mix along berms and detention ponds.

Line #	Item	Negotiated/ Bid	Qty	Unit Price	Extension
New	Excavation to widen channel on west side of berm along Lots 15 and 16 in Block 3	Negot'd	1 LS	$4,500.00	4,500.00
New	Excavate and grade pond slopes adjacent to sidewalk west of Lot 1, Block 2	Negot'd	1 LS	$500.00	$500.00
New	Excavate a relief channel along Solano Street north of Lot 19, Block 1	Negot'd	1 LS	$1,100.00	$1,100.00
New	Excavate silt from ponds in Reserves F and G and prepare for seed beds	Negot'd	1 LS	$3,600.00	$3,600.00
16	Seeding, Slope Mix	Negot'd	1 LS	$6,000.00	$6,000.00
24	BMP, Silt Fence	Bid	7,565 lf	$0.76	$5,749.40
New	BMP, Wattles	Negot'd	920 lf	$3.70	$3,404.00

CIP Budget Amount: $178,000.00 (751539)
$398,000.00 (751541)
$1,010,000.00 (751542)

Consultant: MKEC (751542)
Total Exp. & Encum. To Date: $577,877.56
CO Amount: $24,853.40
Unencum. Bal. After CO: $407,269.04

Original Contract Amt.: $734,511.14

Current CO Amt.: $24,853.40
Amt. of Previous CO's..... $36,297.91
Total of All CO's: $61,151.31

Adjusted Contract Amt.:..... $795,662.45

Recommended By:

Steve Degenhardt, P.E.
Construction Division Manager

06/20/16
Date

Approved:

Gary Janzen, P.E.
City Engineer

06/27/16
Date

1

Approved:

Mike L Unruh 6/24/16
Contractor Date

Approved as to Form:

Jeff Longwell for 6-28-16
Jennifer Magaña Date
City Attorney and Director of Law

Approved

6-30-16
Alan King Date
Director of Public Works & Utilities

By Order of the City Council:

Jeff Longwell Date
Mayor

Attest:
City Clerk

Agenda Item No. II-6a

City of Wichita
City Council Meeting
July 19, 2016

TO: Mayor and City Council

SUBJECT: Partial Acquisition of 5910 East 37th Street North for the 37th Street North from Oliver Avenue to Woodlawn Boulevard Improvement Project (District I)

INITIATED BY: Office of Property Management

AGENDA: Consent

Recommendation: Approve the acquisition.

Background: On May 19, 2015, the City Council approved the design for the improvement of 37th Street North from Oliver Avenue to Woodlawn Boulevard. The project calls for the improvement of 37th Street from a two-lane roadway to a three-lane. The new road will also provide on-street bicycle lanes. Other project improvements include a new storm water system and sidewalks. The property at 5910 East 37th Street North is improved with a retail store and has an approximate 1,000 feet of frontage along 37th Street. The project requires two drainage easements comprised of 1,750 square feet, and four temporary construction easements comprised of 1,105 square feet from this property. Two of the driveway approaches will be closed and consolidated with other access drives along 37th Street.

Analysis: The owner agreed to accept the estimated appraised value of $3,360 for the easements. The owner also agreed to an additional $4,500 for the reconfiguration and striping of the parking lot that serves the business. The parking lot needs to be reconfigured due to the closure of the two driveways. The amount to be paid to the owner is split among its two business entities.

Financial Considerations: The funding source for the project is General Obligation Bonds. A budget of $9,360 is requested. This includes $7,860 for the acquisition and $1,500 for title work, closing costs and other administrative fees.

Legal Considerations: The Law Department has approved the real estate agreements as to form.

Recommendation/Action: It is recommended that the City Council accept the real estate agreements; approve the budget; and authorize any necessary signatures.

Attachments: Real estate agreements, aerial map, and tract maps.

CONTRACTS & AGREEMENTS
BLANKET PURCHASE ORDERS RENEWAL OPTIONS
JUNE 2016

COMMODITY TITLE	EXPIRATION DATE	VENDOR NAME	DEPARTMENT	ORIGINAL CONTRACT DATES	RENEWAL OPTIONS REMAINING
Drug Treatment for Drug Court (Out Patient)	6/30/2017	Sedgwick County, Kansas dba Comcare Addiction Treatment Services	Municipal Court	7/1/2012 - 6/30/2013	Last option
Elevator Maintenance	6/30/2017	Kone, Inc.	Various	7/1/2015 - 6/30/2016	3 - 1 year options
Hardware Maintenance & Support Services	6/30/2017	SMS Systems Maintenance Services, Inc.	IT / IS	6/26/2012 - 6/30/2013	Last option
Internet Service(Public) for Wichita Public Library	6/30/2017	Hubris Communications, Inc.	Library	7/1/2015 - 6/30/2016	3 - 1 year options
Janitorial Services &/Or Floor Cleaning Services for Branch Libraries	6/30/2017	Stephens Industries Inc dba Air Capital Building Maintenance Company	Library	7/1/2013 - 6/30/2014	1 - 1 year option
Maintenance Service on Power Files	6/30/2017	Records Retrieval Systems, Inc.	Police	7/1/2002 - 6/30/2003	Annual basis
Mobile Digital Camera Technical Support Services	6/30/2017	Mobile Digital Camera Technical Support Services	Wichita Transit	7/1/2015 - 6/30/2016	1 - 1 year option
Paint - White and Yellow Pavement Marking	6/30/2017	Ennis Paint, Inc. dba Ennis Traffic Safety Solutions	Public Works & Utilities	7/1/2015 - 6/30/2016	1 - 1 year option
Public Arts Maintenance Project	6/30/2016	Gotta Corporation	City Manager	7/1/2014 - 6/30/2015	3 - 1 year options
Rock Salt for Snow and Ice Control (Delivered) - Primary Contractor	6/30/2017	Hutchinson Salt Company	Public Works & Utilities	7/1/2014 - 6/30/2015	Last option
Rock Salt for Snow and Ice Control (Pick-Up by City Staff) / Rock Salt for Snow and Ice Control (Delivered) - Primary Contractor	6/30/2017	Central Salt, LLC	Public Works & Utilities	7/1/2014 - 6/30/2015	Last option
Root Control Herbicide (Foaming)	6/30/2017	Key Equipment & Supply Co.	Public Works & Utilities	7/21/2015 - 6/30/2016	1 - 1 year option
Salt & Sand Mixture and Sand Only for Ice Control	6/30/2017	Pearson Construction, LLC	Public Works & Utilities	7/15/2014 - 6/30/2015	Last option
Traffic Signs	6/30/2017	Vulcan Signs	Public Works & Utilities	7/1/2015 - 6/30/2016	1 - 1 year option
Uniforms - Housing	6/30/2017	Industrial Uniform Company, LLC dba Logo Depot	Housing & Community Services	7/1/2014 - 6/30/2015	Last option
Veterinary Consulting Services	6/30/2017	RL Kutter DVM, PA dba Kutter Pet Care Center	Police	7/1/2015 - 6/30/2016	1 - 1 year option

PROFESSIONAL CONTRACTS UNDER $50,000
JUNE 2016

VENDOR NAME	DOCUMENT NO	DOCUMENT TITLE	AMOUNT		
Professional Engineering Consultants	PO640575	Engineering Consulting	19,500.00		
Ruggles & Bohm PA	PO640609	Engineering Consulting	25,700.00		

ANNUAL MAINTENANCE CONTRACTS OVER $50,000
DIRECT PURCHASE ORDERS FOR JUNE 2016

VENDOR NAME	DOCUMENT NO	DOCUMENT TITLE	AMOUNT		
Galaxie Business Equipment Inc.	DP640344	Software Maintenance/Support	$78,775.00		
SHI International Corp.	DP640390	Software Maintenance/Support	$744,176.00		
SHI International Corp.	DP640409	Software Maintenance/Support	$63,384.00		

City of Wichita
City Council Meeting
July 19, 2016

TO: Mayor and City Council

SUBJECT: Arkansas River Path, Gander Mountain Site to Lincoln Street - Kansas Department of Wildlife, Parks and Tourism Recreational Trails Program Grant Application (Districts I and III)

INITIATED BY: Department of Park & Recreation
Department of Public Works & Utilities

AGENDA: Consent

Recommendation: Approve the grant application.

Background: Recent improvements along the east bank of the Arkansas River between Waterman and the K&O RR line south of Lincoln have increased recreational opportunities and interest in this area. On the north end a floating dock was donated to the City and installed near the boat ramp by Gander Mountain, while at the south end the Lincoln Street Bridge and Dam project constructed a safe boat passage, pause points, a boat ramp, parking lot and connecting pathway. A well-worn "cow path" has developed between the two sites as citizens and visitors enjoy this portion of the river corridor.

Adding a trail to this portion of the river corridor was the third priority identified by the South Central Neighborhood Plan, adopted by City Council in 2006. Priority number one – river clean-up – is ongoing, and priority number two – the dam – has been completed. The Park & Recreation Department (P&R) and the Engineering Division of the Public Works & Utilities Department (PW&U) have contracted with Professional Engineering Consultants (PEC) to design a paved pathway connecting the downtown path and the Lincoln Street improvements. River corridor ownership and Corps of Engineers requirements are concurrently being researched by PEC and PW&U to assure compliance with any property and/or environmental concerns.

Analysis: The Kansas Department of Wildlife and Tourism (KDWPT) has funding available through the Recreational Trails Program (RTP) to provide for trails and pathways. The City of Wichita's 2015-2024 Adopted Capital Improvement Program (CIP) contains funding for Walking Paths and Bike Enhancement Projects, which could provide the necessary funding match for an RTP grant.

Financial Considerations: The City is requesting grant funding in the amount of $250,000 from the RTP to be matched with $450,000 from a combination of P&R and PW&U CIP funds. If split evenly, $225,000 will be provided by 2016 P&R Walking Path funding, and $225,000 will be provided through 2017 PW&U Bike Enhancement Projects funding for total project cost of $700,000. The funding ratio between PW&U and P&R may be adjusted as other walking path and bike enhancement projects are developed and prioritized.

Legal Considerations: The Law Department has reviewed and approved the grant application as to form.

Recommendation/Action: It is recommended that the City Council approve the grant application in the amount of $250,000 from the RTP and authorize the necessary signatures.

Attachment: Draft Grant Application.

Kansas Department of Wildlife, Parks & Tourism
Recreational Trails Program (RTP)
Application Form

DATE: _____ COUNTY: _____

APPLICANT/ GOVERNMENT AGENCY: _____

ADDRESS: _____

PROJECT TITLE: _____

PROJECT CLASSIFICATION (Check One):

____ Non-Motorized Single-Use ____ Non-Motorized Multi-Use
____ Motorized Single-Use ____ Motorized Multi-Use
____ Education

PROJECT LOCATION (GPS): _____ MILES OF TRAIL: _____

PROJECT LOCATION (Legal Description): _____

PROJECT SHORT NARRATIVE: _____

_____

COST ESTIMATE:	Current Cost	
Construction Cost:	$ _____	_____ Applicant'sContact Person
Right-of-Way Cost:	$ _____	_____ (Title)
Utility Adjustment Cost:	$ _____	
Design Cost:	$ _____	_____
Construction Engineering:	$ _____	_____ (Mailing Address)
TOTAL PROJECT COST:	$ _____	Phone No. (____) _____
TOTAL REQUESTED FROM STATE: (Maximum = 80%)	$ _____	
BALANCE (Local Cost = Minimum 20%)	$ _____	_____ Applicant's Signature

Send Request to: Kathy Pritchett, Trails Grant Coordinator
Kansas Department of Wildlife, Parks & Tourism
512 SE 25th Avenue
Pratt, KS 67124

Environmental Review Checklist

Part I

Project Title: Prachts Wetlands Park Development **Project Number:**

Submitted by: City of Wichita, Park & Recreation Department Date July 19, 2016

Project Locati:on: Wichita Quarter: SE NE Section: 20& 29 Township: 27S Range: 1-E County: Sedgwick

Note: This checklist is a planning tool, so that informed decisions can be made on the information provided. To facilitate evaluation of the environmental impact of the proposed project, **please attach a current 8 1/2" x 11" aerial photograph (may be obtained from county CFSA office) and a map showing the project location details, including construction limits.** Please answer each question as completely and truthfully as possible. If the information is unavailable, or unknown, please indicate so.

Projects with incomplete checklist information or without a map and photograph will be returned without further review or evaluation.

1. Why is this new project needed and what is its purpose? (You may reference portions of the project narrative instead of writing a new narrative).

The completion of the Lincoln Street Bridge and Dam improvements have increased usage of the riverfront between Lincoln and downtown. A path constructed in this area will replace the dirt trail and allow safe pedestrian and bicycle travel between the two areas.

2. What alternatives to the new project were considered and why were they ruled out?

The Engineering Division of Public Works & Utilities is working with the Park & Recreation Department to select the appropriate alignment for this pathway. Professional Engineering Consultants is beginning design of the pathway, which will address topography and drainage issues to create a safe and functional bike/pedestrian path.

3. What resources may be affect by the proposed work? (Answer positive (+), negative (-) or no effect (NA).

Wildlife	NA	Air Quality	NA	Economy	+	Cultural/Historical	NA
Vegetation	-	Topography	NA	Geology	NA	Aesthetics	+
Soils	NA	Stream Morphology	NA	Sociology	+	Land Use	+
wetlands	NA	Water Quality	NA	Water Usage	NA		

Revised 1-11-01

4. Will this project involve any of the following activities?

NO

A) Dredging or depositing of material in or near a wetland, stream, pond, lake or reservoir, or upon a 100-year floodplain?

How much, and # of acres affected _____

NO

B) Construction or alteration of a dam or other stream obstruction?

Dam height in ft. _____ Dam length: _____

Maximum storage capacity: _____ AF Surface area: _____ Acres

Drainage area above structure: _____ Acres

NO

C) Altering the flow, cross section, or alignment of a stream?

Attach a drawing of a cross section.

NO

D) Construction of a dike or levee upon a 100-year floodplain?

Attach a drawing of a cross section.

NO

E) Initiate a new use of water, or alter an existing water right by changing the use, quantity or point of diversion?

If new, how much (AF or fps)? _____ IF a change, specify _____

NO

F) Be performed in an area in which threatened or endangered species are present? (See lists of T/E species, as distributed by ESS)

If yes, list species _____

NO

G) Be performed in an area in which Species in Need of Conservation are present?

If yes, list species _____

NO

H) Affect a wetland area through development or modification (Note: "A wetland is land that has a predominance of hydric soils and that is inundated or saturated by surface or ground-water at a frequency and duration sufficient to support, and under normal circumstances, does support a prevalence of hydrophytic vegetation typically adapted for life in saturaged soil conditions.")?

If yes, list # of acres _____

NO

I) Include the introduction of any species not presently or historically occurring in the receiving area (e.g., tilapia, grass carp, trout, etc.)?

NO

J) Include the use of any chemical toxicant (For pesticide hazard list, inquire up your supervisory chain. NOTE: this item includes Rotenone)?

YES

K) Impact on any rivers, permanent or intermitten t streams, or trails?

If yes, name waterway or trail ARKANSAS RIVER EAST BANK BIKE PATH of miles affected 0.5 MILES TO BE ADDED

NO

L) Impact any crucial wildlire habitats as they are defined in the 1991-1996 Strategic Plan, or attached Table 7?

If yes, list habitat types _____

NO

M) Result in any discharge which may conflict with Federal or State air or water quality standards?

If yes, what quantity? _____

NO

N) Negatively affect any federal or state designated Natural or Scientific area?

If yes, which one? _____

NO

O) Affect any prime or unique farmland or forestland through development or modiciation (i.e., removing it from production?

NO

P) Generate organized opposition or substantial public controversy?

NO

Q) Affect any known archaeological, historical, or cultural site, or alter the aesthetics of the subject area?

5. If this project proposal involves construction.....

What are the soil types at this site (refer to NRCS county soil map)? TBD

What is land use? PUBLIC USE

What is ground cover? TURF

How long has this area been in public ownership? TBD

Was area purchased with Federal Aid funds? NO

This completes the Environmental Checklist, Part I. If further information is needed, you will be contacted.
Thank you for your cooperation.

Print Form | Submit by Email

LOCAL FUNDING STATEMENT

To be typed on the letterhead of the project sponsor

I, Larry D. Hoetmer, ASLA Landscape Architect City of Wichita of City of Wichita hereby certify that the local funding share under the National Recreational Trails Program (RTP) for the Ark. River Bike Path will be availabl August, 2016 n the amount of $$450,000 Funds will be provided throug...

G.O. Bonds (bond issue pending--date) for	$_____
Revenue Bonds	$_____
Community Development Funds	$_____
Local Budgeted Funds (Annual Capital Improvement Fund)	$ $450,000
Donations from Private Sources (List)	$_____
Mill Levy (identified)	$_____
Other	$_____

I agree to notify the Kansas Department of Wildlife, Parks and Tourism within 48 hours of the results of the bond election, or within 5 days of any change in the funding source, amount or date of availability.

Signed,

_____
Larry D. Hoetmer, ASLA, Landscape Architect

_____
(Date)

Attested to:

_____
Name

_____
Title

U.S. DEPARTMENT OF THE INTERIOR
CIVIL RIGHTS COMPLIANCE

As the authorized representative of the applicant, I certify that the applicant agrees that, as a condition to receiving any Federal financial assistance from the Department of the Interior, it will comply with all Federal laws relating to nondiscrimination. These laws include but are not limited to: (a) Title VI of Civil Rights Act of 1964 (42 II.S.C. 2000d-1), which prohibits discrimination on the basis of race, color, or national origin; (b) Section 504, of the Rehabilitation Act of 1973, as amended (29 IHS.C. 794), which prohibits discrimination on the basis of handicap; (c) the Age Discrimination Act of 1975, as amended (42 U.S.C. 6101 *et seq.),* which prohibits discrimination on the basis of age; and applicable regulatory requirements to the end that no person in the United States shall, on the grounds of race, color, national origin, handicap or age, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity conducted by the applicant. THE APPLICANT HEREBY GIVES ASSURANCE THAT it will immediately take any measures necessary to effectuate this agreement.

THIS ASSURANCE shall apply to all aspects of the applicant's operations including those parts that have not received or benefited from Federal financial assistance.

If any real property or structure thereon is provided or improved with the aid of Federal financial assistance extended to the Applicant by the Department, this assurance shall obligate the Applicant, or in the case of any transfer of such property, any transferee, for the period during which the real property or structure is used for a purpose for which the Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits. If any personal property is so provided, this assurance shall obligate the Applicant for the period during which it retains ownership or possession of the property. In all other cases, this assurance shall obligate the Applicant for the period during which the Federal financial assistance is extended to it by the Department.

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The Applicant recognizes and agrees that such Federal financial assistance will be extended in reliance on the representations and agreements made in this assurance, and that the United States shall have the right to seek judicial enforcement of this assurance. This assurance is binding on the Applicant, its successors, transferees, assignees, and sub-recipients and the person whose signature appears below who is authorized to sign this assurance on behalf of the Applicant.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL	TITLE Jeff Longwell, Mayor
APPLICANT/ORGANIZATION City of Wichita	DATE SUBMITTED
APPLICANT/ORGANIZATION MAILING ADDRESS 455 N. Main, 13th Floor Wichita, KS 67202	BUREAU/OFFICE EXTENDING ASSISTANCE State of Kansas, Department of Wildlife, Parks & Tourism

DI-1350
(REV.6/91)

AFFIRMATIVE ACTION POLICY

I. SCOPE AND PURPOSE

These guidelines are designed to provide direction in the development of an affirmative action plan to provide equal employment opportunities for all regardless of race, color, religion, sex, age, physical handicaps, or national origin. With that goal in mind, the City of Wichita embraces the following Civil Rights Acts:

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2. Designing and implementing record systems for minority employment information.

3. Serving as liaison between contractors and employment agencies, including Kansas Corporation Commission on Civil Rights and Federal Equal Employment Opportunity Commission, and minority organizations.

4. Cooperation with unions in the development of programs to assure equal opportunity for qualified minority persons in the contract grades.

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Contracts let by the _City of Wichita _ shall contain the following requirements.

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2. The contractor will comply with ail provisions of Executive Orders 11246 and 11063, and of the rules, regulations, and relevant orders of the Department of Labor, and the _City of Wichita _, with respect to equal opportunity employment.

3. The contractor will furnish all information and reports required by the above mentioned agencies and will permit access of all books, records, and accounts by them to ascertain compliance with such rules and regulations.

4. Such provisions are applicable to all sub-contractors, and the contractor will take action with respect to any sub-contractor as the above agencies direct to enforce such provisions.

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This Affirmative Action Plan does not prohibit the rights of any City of Wichita, employee to carry his (her) grievance(s) to either or both, the Kansas Human Rights Commission, Landon State Office Building Rm. 85 1-S, 900 Jackson Avenue, Topeka, Kansas 66612 or the Equal Employment Opportunity Commission (Federal), 911 Walnut, Kansas City, Missouri.

The Equal Employment Officer of the City of Wichita is: Terry Jones, Human Resources Department, (316) 269-4720

VI. PERSONNEL GRIEVANCE PROCEDURE

If there is a complaint against the City of Wichita, the following steps should be taken:

1. The grievance shall be submitted to the City of Wichita for review and follow-up action.

2. If the complaint does not receive satisfactory solution, the complainant may file an additional grievance complaint with the Kansas Human Rights Commission, Landon State Office Building Rm. 851-S, 900 Jackson Avenue, Topeka, Kansas 66612.

3. Review of files by claimant provides that a complainant may review local files bearing on this case, except for confidential material and where prohibited by law.

4. The claimant has only six (6) months to file his (her) grievance from the date of the alleged violation. The sponsor will review and take action within thirty (30) working days of receipt of the complaint.

VII.PUBLIC FACILITIES GRIEVANCE PROCEDURE

It is further declared to be the policy of the City of Wichita, that all public facilities shall be accessible to the handicapped with provisions for use by the handicapped. In the case of existing facilities, modifications to bring said facilities into compliance with the provisions of Public Law 90-480, Architectural Barriers Act of 1968, shall be undertaken as soon as funds are available for such purpose.

It is the right of each and every individual who feels aggrieved through discrimination on the basis of race, color, religion, sex, age, physical handicap, or national origin to file a grievance complaint with the City of Wichita and file a copy of the complaint with the Equal Opportunity Office, Department of Interior, Washington, D.C., and with the State Liaison Officer, Kansas Department of Wildlife, Parks and Tourism, 900 Jackson Street, Suite 502, Topeka, Kansas 66612.

If the complaint is not resolved to the satisfaction of the complainant, he or she may file an additional grievance complaint with the Kansas Human Rights Commission, Landon State Office Building, Rm. 851-S, 900 Jackson Avenue, Topeka, Kansas 66612. The complainant may, at any time within six (6) months from the date of alleged act of discrimination, file a grievance complaint with the Equal Opportunity Office, Department of Interior, Washington, D.C. Further the complainant shall have full recourse to all remedies of law in seeking satisfactory disposition of any alleged act of discrimination. The complainant may at any time during the course of settlement of the grievance, withdraw his or her complaint by notification of all parties involved. Such withdrawal shall not jeopardize the right of any person complained against from seeking legal relief for slander, libel, or false accusation, if such action is believed warranted.

Any act of discrimination by an employee or agent of the (project sponsor), established and proven, shall be grounds for disciplinary action, including dismissal, in addition to any penalties imposed through due process of law.

VIII. JOB GOALS

The availability of jobs will be filled in accordance with this Affirmative Action Plan in relation to turnover rates established for any City of Wichita jobs.

Passed and signed this _____ day of _____, 2016

_____
Jeff Longwell, Mayor, City of Wichita

Attest: _____
Karen Sublett, City Clerk, City of Wichita

ADDENDUM

To

EQUAL EMPLOYMENT OPPORTUNITY POLICY

1. To insure compliance with Section 44-1032 of the Contract Compliance provisions of the Kansas Act against Discrimination (1978), the City of Wichita will expand its recruitment sources to include for example: Employment Service Agency, CETA, women's organizations, NAACP, American G.I. Forum, Human Relations Commission, Community Action Agency, etc., but are not limited to the aforementioned examples.

2. An analysis of the present workforce is required that indicates the percentage of minorities within the City of Wichita departments, as well as the non-minority, female, and handicapped to establish a comparison of the required percentage to the existing percentage of minority, female, and handicapped actually employed within the governmental unit.

3. The City of Wichita is required to prepare and submit its goals and timetables for correcting deficiencies in the employment of female, minority and handicapped workers that exist in workforce analysis.

GRIEVANCE FORM

Date of Filing _____

Grievant: _____

Position: _____

Alleged Violation: _____

_____

_____

Grievance Against: _____

_____

Address: _____

Time, Date, Place of Occurrence: _____

_____

_____

Redress Sought: _____

_____

_____

_____

_____
Signature of Grievant

_____
Received (Date)

GRIEVANCE RESPONSE

Date Issued: _____

Name of Grievant: _____

Response: _____

_____

_____

_____

_____

_____

_____

_____
Equal Employment Opportunity Officer

Initial Applicable Statement:

_____ I hereby accept the above determination

_____ I hereby decline the above determination

_____ I intend to process the grievance to the next stage

_____
Signature of Grievant

_____
Date

Agenda Item No. II-10

City of Wichita
City Council Meeting
July 19, 2016

TO: Mayor and City Council

SUBJECT: Pracht Wetlands Park - Kansas Department of Wildlife, Parks and Tourism Recreational Trails Program Grant Application (District V)

INITIATED BY: Department of Park & Recreation

AGENDA: Consent

Recommendation: Approve the grant application.

Background: From 1921 to 2015 the Pracht family owned land at the southeast corner of 29th St. North and Maize Road. The western portion of the site was farmed, while the eastern portion was maintained as wetlands. In the early 1990s Bill Pracht, along with several other landowners and representatives from city, county and federal agencies created the Pracht Wetland Task Force. The Task Force developed a plan for maintaining an even larger area north and south of 29th St. North, east and west of Maize Road as wetlands, with the intent of using this area for environmental education.

While the surrounding properties were subsequently sold and developed, the Pracht family remained on the farm until its recent sale to Slawson Companies. The site was platted as Cadillac Lake Addition, creating a 39-acre Reserve in the eastern wetland portion of the former farm. This Reserve, along with the eastern portion of Lot 9 were dedicated to the City in December, 2015. A Corps of Engineers 404 permit has been approved for the Reserve and a City-owned parcel to the south, which will allow development of a passive-use urban wetlands park. The dedicated portion of Lot 9 will provide public parking and trailhead features. The Park & Recreation Department (P&R) is currently in the process of selecting a consulting firm to design these improvements, with construction to follow.

Analysis: The Kansas Department of Wildlife and Tourism (KDWPT) has funding available through the Recreational Trails Program (RTP) to provide for trails and pathways. The City of Wichita's 2015-2024 Adopted Capital Improvement Program (CIP) contains funding for Pracht Wetlands Park, which could provide the necessary funding match for an RTP grant.

The approved 404 permit allows a system of mown paths, boardwalks and a limited amount of paved paths to be constructed on this site. A grant request has been prepared to fund $400,000 of these paths with RTP funds.

Financial Considerations: The City is requesting grant funding in the amount of $400,000 from the RTP to be matched with $1,000,000 from existing 2016, 2017 and 2018 CIP P&R Pracht Wetlands funding for total of $1,400,000 for design and construction.

Legal Considerations: The Law Department has reviewed and approved the grant application as to form.

Recommendation/Action: It is recommended that the City Council approve the grant application in the amount of $400,000 from the RTP and authorize the necessary signatures.

Attachment: Draft Grant Application.

Kansas Department of Wildlife, Parks & Tourism
Recreational Trails Program (RTP)
Application Form

DATE: _____ COUNTY: _____

APPLICANT/ GOVERNMENT AGENCY: _____

ADDRESS: _____

PROJECT TITLE: _____

PROJECT CLASSIFICATION (Check One):

____ Non-Motorized Single-Use ____ Non-Motorized Multi-Use
____ Motorized Single-Use ____ Motorized Multi-Use
____ Education

PROJECT LOCATION (GPS): _____ MILES OF TRAIL: _____

PROJECT LOCATION (Legal Description): _____

PROJECT SHORT NARRATIVE: _____

_____

COST ESTIMATE:	Current Cost	
Construction Cost:	$ _____	_____ Applicant'sContact Person
Right-of-Way Cost:	$ _____	_____ (Title)
Utility Adjustment Cost:	$ _____	
Design Cost:	$ _____	_____
Construction Engineering:	$ _____	_____ (Mailing Address)
TOTAL PROJECT COST:	$ _____	Phone No. (____) _____
TOTAL REQUESTED FROM STATE: (Maximum = 80%)	$ _____	
BALANCE (Local Cost = Minimum 20%)	$ _____	_____ Applicant's Signature

Send Request to: Kathy Pritchett, Trails Grant Coordinator
Kansas Department of Wildlife, Parks & Tourism
512 SE 25th Avenue
Pratt, KS 67124

Environmental Review Checklist

Part I

Project Title: Prachts Wetlands Park Development **Project Number:**

Submitted by: City of Wichita, Park & Recreation Department Date July 19, 2016

Project Locati:on: Wichita Quarter: NW Section: 5 Township: 27S Range: 1-W County: Sedgwick

Note: This checklist is a planning tool, so that informed decisions can be made on the information provided. To facilitate evaluation of the environmental impact of the proposed project, **please attach a current 8 1/2" x 11" aerial photograph (may be obtained from county CFSA office) and a map showing the project location details, including construction limits.** Please answer each question as completely and truthfully as possible. If the information is unavailable, or unknown, please indicate so.

Projects with incomplete checklist information or without a map and photograph will be returned without further review or evaluation.

1. Why is this new project needed and what is its purpose? (You may reference portions of the project narrative instead of writing a new narrative).

The development of the SE corner of 29th St. N. and Maize Road, combined with the donation of land to the City of Wichita creates the opportunity to develop and construct a passive-use wetlands park. The approved Corps of Engineers 404 permit for the Cadillac Lake Addition notes that the project is needed to mitigate flood risks, preserve and enhance the quality of the existing wetlands, construct new wetlands and create a new urban wetlands park. It will include the means for the City to expand an existing storm water detention storage basin and wetland reserve area to reduce flooding risk and satisfy the community's drainage regulations for the development.

2. What alternatives to the new project were considered and why were they ruled out?

Various footprints were developed and analyzed for the detention and wetlands areas. Through the process of acquiring the 404 permit the final layout was selected and approved.

3. What resources may be affect by the proposed work? (Answer positive (+), negative (-) or no effect (NA).

Wildlife	+	Air Quality	NA	Economy	+	Cultural/Historical	+
Vegetation	+	Topography	NA	Geology	NA	Aesthetics	+
Soils	NA	Stream Morphology	NA	Sociology	+	Land Use	+
wetlands	+	Water Quality	+	Water Usage	+		

Revised 1-11-01

4. Will this project involve any of the following activities?

YES

A) Dredging or depositing of material in or near a wetland, stream, pond, lake or reservoir, or upon a 100-year floodplain?

How much, and # of acres affected _____

NO

B) Construction or alteration of a dam or other stream obstruction?

Dam height in ft. _____ Dam length: _____

Maximum storage capacity: _____ AF Surface area: _____ Acres

Drainage area above structure: _____ Acres

NO

C) Altering the flow, cross section, or alignment of a stream?

Attach a drawing of a cross section.

NO

D) Construction of a dike or levee upon a 100-year floodplain?

Attach a drawing of a cross section.

NO

E) Initiate a new use of water, or alter an existing water right by changing the use, quantity or point of diversion?

If new, how much (AF or fps)? _____ IF a change, specify _____

TBD

F) Be performed in an area in which threatened or endangered species are present? (See lists of T/E species, as distributed by ESS)

If yes, list species _____

TBD

G) Be performed in an area in which Species in Need of Conservation are present?

If yes, list species _____

YES

H) Affect a wetland area through development or modification (Note: "A wetland is land that has a predominance of hydric soils and that is inundated or saturated by surface or ground-water at a frequency and duration sufficient to support, and under normal circumstances, does support a prevalence of hydrophytic vegetation typically adapted for life in saturaged soil conditions.")?

If yes, list # of acres _____

NO

I) Include the introduction of any species not presently or historically occurring in the receiving area (e.g., tilapia, grass carp, trout, etc.)?

NO

J) Include the use of any chemical toxicant (For pesticide hazard list, inquire up your supervisory chain. NOTE: this item includes Rotenone)?

NO

K) Impact on any rivers, permanent or intermitten t streams, or trails?

If yes, name waterway or trail _____ # of miles affected _____

TBD

L) Impact any crucial wildlire habitats as they are defined in the 1991-1996 Strategic Plan, or attached Table 7?

If yes, list habitat types _____

NO

M) Result in any discharge which may conflict with Federal or State air or water quality standards?

If yes, what quantity? _____

NO

N) Negatively affect any federal or state designated Natural or Scientific area?

If yes, which one? _____

NO

O) Affect any prime or unique farmland or forestland through development or modiciation (i.e., removing it from production?

NO

P) Generate organized opposition or substantial public controversy?

NO

Q) Affect any known archaeological, historical, or cultural site, or alter the aesthetics of the subject area?

5. If this project proposal involves construction.....

What are the soil types at this site (refer to NRCS county soil map)? SEE 404 PERMIT

What is land use? SEE 404 PERMIT

What is ground cover? SEE 404 PERMIT

How long has this area been in public ownership? Since December, 2015

Was area purchased with Federal Aid funds? NO

This completes the Environmental Checklist, Part I. If further information is needed, you will be contacted.
Thank you for your cooperation.

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_____
(Date)

Attested to:

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APPLICANT/ORGANIZATION City of Wichita	DATE SUBMITTED
APPLICANT/ORGANIZATION MAILING ADDRESS 455 N. Main, 13th Floor Wichita, KS 67202	BUREAU/OFFICE EXTENDING ASSISTANCE State of Kansas, Department of Wildlife, Parks & Tourism

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If there is a complaint against the City of Wichita, the following steps should be taken:

1. The grievance shall be submitted to the City of Wichita for review and follow-up action.

2. If the complaint does not receive satisfactory solution, the complainant may file an additional grievance complaint with the Kansas Human Rights Commission, Landon State Office Building Rm. 851-S, 900 Jackson Avenue, Topeka, Kansas 66612.

3. Review of files by claimant provides that a complainant may review local files bearing on this case, except for confidential material and where prohibited by law.

4. The claimant has only six (6) months to file his (her) grievance from the date of the alleged violation. The sponsor will review and take action within thirty (30) working days of receipt of the complaint.

VII.PUBLIC FACILITIES GRIEVANCE PROCEDURE

It is further declared to be the policy of the City of Wichita, that all public facilities shall be accessible to the handicapped with provisions for use by the handicapped. In the case of existing facilities, modifications to bring said facilities into compliance with the provisions of Public Law 90-480, Architectural Barriers Act of 1968, shall be undertaken as soon as funds are available for such purpose.

It is the right of each and every individual who feels aggrieved through discrimination on the basis of race, color, religion, sex, age, physical handicap, or national origin to file a grievance complaint with the City of Wichita and file a copy of the complaint with the Equal Opportunity Office, Department of Interior, Washington, D.C., and with the State Liaison Officer, Kansas Department of Wildlife, Parks and Tourism, 900 Jackson Street, Suite 502, Topeka, Kansas 66612.

If the complaint is not resolved to the satisfaction of the complainant, he or she may file an additional grievance complaint with the Kansas Human Rights Commission, Landon State Office Building, Rm. 851-S, 900 Jackson Avenue, Topeka, Kansas 66612. The complainant may, at any time within six (6) months from the date of alleged act of discrimination, file a grievance complaint with the Equal Opportunity Office, Department of Interior, Washington, D.C. Further the complainant shall have full recourse to all remedies of law in seeking satisfactory disposition of any alleged act of discrimination. The complainant may at any time during the course of settlement of the grievance, withdraw his or her complaint by notification of all parties involved. Such withdrawal shall not jeopardize the right of any person complained against from seeking legal relief for slander, libel, or false accusation, if such action is believed warranted.

Any act of discrimination by an employee or agent of the (project sponsor), established and proven, shall be grounds for disciplinary action, including dismissal, in addition to any penalties imposed through due process of law.

VIII. JOB GOALS

The availability of jobs will be filled in accordance with this Affirmative Action Plan in relation to turnover rates established for any City of Wichita jobs.

Passed and signed this _____ day of _____, 2016

_____
Jeff Longwell, Mayor, City of Wichita

Attest: _____
Karen Sublett, City Clerk, City of Wichita

ADDENDUM

To

EQUAL EMPLOYMENT OPPORTUNITY POLICY

1. To insure compliance with Section 44-1032 of the Contract Compliance provisions of the Kansas Act against Discrimination (1978), the City of Wichita will expand its recruitment sources to include for example: Employment Service Agency, CETA, women's organizations, NAACP, American G.I. Forum, Human Relations Commission, Community Action Agency, etc., but are not limited to the aforementioned examples.

2. An analysis of the present workforce is required that indicates the percentage of minorities within the City of Wichita departments, as well as the non-minority, female, and handicapped to establish a comparison of the required percentage to the existing percentage of minority, female, and handicapped actually employed within the governmental unit.

3. The City of Wichita is required to prepare and submit its goals and timetables for correcting deficiencies in the employment of female, minority and handicapped workers that exist in workforce analysis.

GRIEVANCE FORM

Date of Filing _____

Grievant: _____

Position: _____

Alleged Violation: _____

_____

_____

Grievance Against: _____

_____

Address: _____

Time, Date, Place of Occurrence: _____

_____

_____

Redress Sought: _____

_____

_____

_____

_____
Signature of Grievant

_____
Received (Date)

GRIEVANCE RESPONSE

Date Issued: _____

Name of Grievant: _____

Response: _____

_____

_____

_____

_____

_____

_____

_____
Equal Employment Opportunity Officer

Initial Applicable Statement:

_____ I hereby accept the above determination

_____ I hereby decline the above determination

_____ I intend to process the grievance to the next stage

_____
Signature of Grievant

_____
Date

City of Wichita
City Council Meeting
July 19, 2016

TO: Mayor and City Council

SUBJECT: 2015-2016 Arterial Sidewalk and Wheelchair Ramp Program (All Districts)

INITIATED BY: Department of Public Works & Utilities

AGENDA: Consent

Recommendations: Approve the project and adopt the resolution.

Background: The 2015-2024 Adopted Capital Improvement Program (CIP) includes an ongoing project to install sidewalk and wheelchair ramps on arterial streets.

Analysis: The Department of Public Works & Utilities continually receives requests for new sidewalk, primarily on arterial streets, throughout the City. In addition to citizen requests, in October 2015, the Wichita Bicycle and Pedestrian Advisory Board submitted a list of locations obtained through community input via Facebook and Activate Wichita to be considered for the arterial sidewalk program. In April 2016, Unified School District 259 submitted a list of locations to be considered to provide sidewalk along arterial streets within two miles of elementary schools. Recent requests and possible locations include, but are not limited to:

- Mt. Vernon, east of George Washington Boulevard
- Webb, north of Central
- Arkansas, north of 37th Street North.
- Ridge, 29th Street North to 37th Street North
- Grove, Douglas to Central

Additional locations will be added as funding allows. Consultant design services may be needed at a few locations that may require retaining walls and pedestrian bridges.

Financial Considerations: The Adopted 2015-2024 CIP includes General Obligation funding of $450,000 in 2015 and $450,000 in 2016 for design and construction of wheelchair ramps and arterial sidewalk. This brings the total budget to $900,000. At this time, staff requests initiating $900,000.

Legal Considerations: The Law Department has reviewed and approved the resolution as to form.

Recommendation/Actions: It is recommended that the City Council approve the project and locations, adopt the resolution, and authorize the necessary signatures.

Attachments: Budget sheet and resolution.

Project Request

◉ CIP ◯ Non-CIP CIP YEAR: 2015,2016 CIP #:

☐ NEIGHBORHOOD IMPROVEMENT

DEPARTMENT: 13 Public Works & Utilities DIVISION: Engineering RESOLUTION/ORDINANCE #:

ENGINEERING REFERENCE #: 472-85297

FUND: 400 Street Improvements SUBFUND: 405 Arterial Paving

COUNCIL DISTRICT: 07 All Districts DATE COUNCIL APPROVED: 7-19-2016 REQUEST DATE:

PROJECT # : 211561 PROJECT TITLE: 2015/2016 Arterial Sidewalk & Wheelchair Ramp Program

PROJECT DETAIL # : 01 PROJECT DETAIL DESCRIPTION: 2015/2016 Arterial Sidewalk & Wheelchair Ramp Program

OCA # : 707107 OCA TITLE: 2015/2016 Arterial Sidewalk & Wheelchair Ramp Program

PERSON COMPLETING FORM: Kim Pelton PHONE #: 268-4499

PROJECT MANAGER: Paul Gunzelman PHONE #: 268-4393

◉ NEW BUDGET ◯ REVISED BUDGET

REVENUE		EXPENSE	
Object Level 3	**Budget**	**Object Level 3**	**Budget**
9720 G.O. Bonds	$900,000.00	2999 Contractuals	$900,000.00
	$0.00		$0.00
	$0.00		$0.00
	$0.00		$0.00
	$0.00		$0.00
	$0.00		$0.00
	$0.00		$0.00
REVENUE TOTAL:	$900,000.00	**EXPENSE TOTAL:**	$900,000.00

NOTES:

Print Form

SIGNATURES REQUIRED

DIVISION HEAD: DATE: 07/05/16

DEPARTMENT HEAD: DATE: 7/5/16

BUDGET OFFICER: DATE: 6/23/16

CITY MANAGER: DATE:

RESOLUTION NO. ___-_____

A RESOLUTION AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE CITY OF WICHITA, KANSAS TO PAY THE COSTS OF CERTAIN PUBLIC IMPROVEMENTS IN THE CITY.

WHEREAS, the City of Wichita, Kansas (the "City") is a municipal corporation, duly created, organized and existing under the Constitution and laws of the State; and

WHEREAS, the Governing Body is authorized, pursuant to K.S.A. 13-1024c, as amended by Charter Ordinance No. 156 of the City (the "Act") to issue general obligation bonds of the City without an election for the purpose of paying for the construction, purchase or improvement of any public improvement, including the land necessary therefore, and for the purpose of rebuilding, adding to or extending the same as the necessities of the City may require and for the purpose of paying for certain personal property therefore; and

WHEREAS, the Governing Body hereby finds and determines that it is necessary and advisable to make certain public improvements described as follows:

2015-2016 Arterial Sidewalk and Wheelchair Ramp Program north of 63rd Street South, east of 135th Street West (472-85297).

(the "Project") and to provide for the payment of all or a portion of the costs thereof by the issuance of general obligation bonds of the City pursuant to the Act.

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

Section 1. Project Authorization. It is hereby authorized, ordered and directed that the Project be acquired and/or constructed at an estimated cost of **$900,000** in accordance with plans and specifications therefor prepared under the direction of the City Engineer and approved by the Governing Body; said plans and specifications to be placed on file in the office of the City Engineer.

Section 2. Project Financing. All or a portion of the costs of the Project, interest on financing and administrative and financing costs shall be financed with the proceeds of general obligation bonds of the City (the "Bonds"). The Bonds may be issued to reimburse expenditures made on or after the date which is 60 days before the date of adoption of this Resolution pursuant to Treasury Regulation §1.150-2.

Section 3. Effective Date. This Resolution shall be in full force and effect from and after its adoption by the Governing Body.

ADOPTED by the City Council of the City of Wichita, Kansas, on _____.

(SEAL)

_____
Jeff Longwell, Mayor

ATTEST:

_____
Karen Sublett, City Clerk

APPROVED AS TO FORM:

_____
Jennifer Magaña, City Attorney and Director of Law

RESOLUTION NO. 16-199

A RESOLUTION AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE CITY OF WICHITA, KANSAS TO PAY THE COSTS OF CERTAIN PUBLIC IMPROVEMENTS IN THE CITY.

WHEREAS, the City of Wichita, Kansas (the "City") is a municipal corporation, duly created, organized and existing under the Constitution and laws of the State; and

WHEREAS, the Governing Body is authorized, pursuant to K.S.A. 13-1024c, as amended by Charter Ordinance No. 156 of the City (the "Act") to issue general obligation bonds of the City without an election for the purpose of paying for the construction, purchase or improvement of any public improvement, including the land necessary therefore, and for the purpose of rebuilding, adding to or extending the same as the necessities of the City may require and for the purpose of paying for certain personal property therefore; and

WHEREAS, the Governing Body hereby finds and determines that it is necessary and advisable to make certain public improvements described as follows:

2015-2016 Arterial Sidewalk and Wheelchair Ramp Program north of 63rd Street South, east of 135th Street West (472-85297).

(the "Project") and to provide for the payment of all or a portion of the costs thereof by the issuance of general obligation bonds of the City pursuant to the Act.

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

Section 1. **Project Authorization**. It is hereby authorized, ordered and directed that the Project be acquired and/or constructed at an estimated cost of **$900,000** in accordance with plans and specifications therefor prepared under the direction of the City Engineer and approved by the Governing Body; said plans and specifications to be placed on file in the office of the City Engineer.

Section 2. **Project Financing**. All or a portion of the costs of the Project, interest on financing and administrative and financing costs shall be financed with the proceeds of general obligation bonds of the City (the "Bonds"). The Bonds may be issued to reimburse expenditures made on or after the date which is 60 days before the date of adoption of this Resolution pursuant to Treasury Regulation §1.150-2.

Section 3. **Effective Date**. This Resolution shall be in full force and effect from and after its adoption by the Governing Body.

ADOPTED by the City Council of the City of Wichita, Kansas, on July 19, 2016.

(SEAL)

_____
Jeff Longwell, Mayor

ATTEST:

_____
Karen Sublett, City Clerk

APPROVED AS TO FORM:

_____
Jennifer Magaña, City Attorney and Director of Law

Second Reading Ordinances for July 19, 2016 (first read on July 12, 2016)

A. **ZON2015-00052 City Zone Change from Single –Family Residential and General Commercial to Limited Industrial with a Protective Overlay on Property Generally Located West of South Greenwich Road, between East Kellogg Street and Interstate Highway I 35 and on the West Side of South Trig Street.**

ORDINANCE NO. 50-273

AN ORDINANCE CHANGING THE ZONING CLASSIFICATIONS OR DISTRICTS OF CERTAIN LANDS LOCATED IN THE CITY OF WICHITA, KANSAS, UNDER THE AUTHORITY GRANTED BY THE WICHITA-SEDGWICK COUNTY UNIFIED ZONING CODE, SECTION V-C, AS ADOPTED BY SECTION 28.04.010, AS AMENDED.

B. **ZON2016-00008 and CON2016-00009 City Zone Change from B Multi Family Residential to LC Limited Commercial and a Conditional Use to Allow the Outdoor Sale of Vehicles on Property Generally Located East of Interstate Highway I-135, North of East 1st Street, Between North Ash Street and North Minnesota Avenue.**

ORDINANCE NO. 50-274

AN ORDINANCE CHANGING THE ZONING CLASSIFICATIONS OR DISTRICTS OF CERTAIN LANDS LOCATED IN THE CITY OF WICHITA, KANSAS, UNDER THE AUTHORITY GRANTED BY THE WICHITA-SEDGWICK COUNTY UNIFIED ZONING CODE, SECTION V-C, AS ADOPTED BY SECTION 28.04.010, AS AMENDED.

City of Wichita
City Council Meeting
July 19, 2016

TO: Mayor and City Council

SUBJECT: ZON2016-00019 and CUP2016-00021 – Zone Change from SF-5 Single-family Residential and LC Limited Commercial to TF-3 Two-family Residential and CUP Amendment to DP-299 to Remove Parcels 13, 14 and 15 from the CUP to Allow Residential Development, Generally Located South of West 55th Street North and West of North Meridian Avenue (District VI)

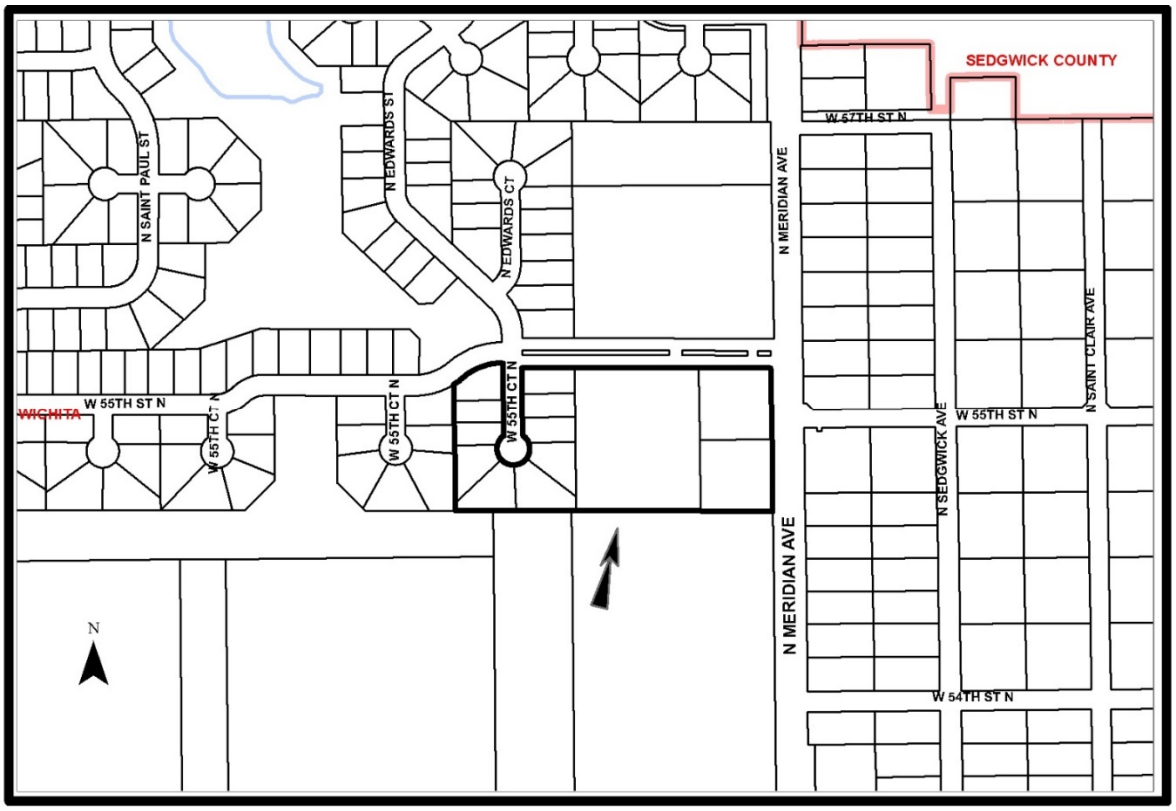
INITIATED BY: Metropolitan Area Planning Department

AGENDA: Planning (Consent)

MAPC Recommendation: The MAPC recommended approval of the request (8-0) subject to staff recommended conditions.

DAB Recommendation: District Advisory Board VI recommended approval of the request (8-0) subject to staff recommended conditions.

MAPD Staff Recommendation: Metropolitan Area Planning Department staff recommended approval of the request subject to required screening on Parcel 1 being constructed along the north property line of Parcel 1 adjacent to TF-3 zoning and the applicant providing four revised copies of the CUP.



Background: The applicant requests TF-3 Two-Family Residential (TF-3) zoning on 11.38 acres of platted, vacant property. The western portion of the application area is 10 SF-5 Single-family Residential (SF-5) zoned residential lots in the Northgate Addition. The eastern approximate two-thirds of the site is zoned LC Limited Commercial (LC) and is currently Parcels 13, 14 and 15 of DP-299, The Northgate Commercial Park Community Unit Plan (CUP). The applicant intends to develop the entire 11.38-acre site with duplex residential units, and therefore requests to rezone the property to TF-3 and remove the LC portion from DP-299. The platted, SF-5 zoned lots have access from West 55th Court North. The three LC zoned commercial lots are currently platted with one shared access point from North Meridian Avenue and access to West 55th Street North. A plat (SUB2016-16, Northgate 2nd Addition) was approved by the Metropolitan Area Planning Commission (MAPC) on June 16, 2016, to divide the subject property into 31 duplex lots.

North of the site is the SF-5 zoned Northgate Addition, the majority of which is undeveloped, and one single-family residence on six acres fronting North Meridian Avenue. South of the site is the remainder of the LC zoned DP-299 with retail uses. East of the site, across Meridian, are SF-5 zoned single-family residences on half-acre to one-acre lots. West of the site is the SF-5 zoned, undeveloped Northgate Addition.

Analysis: On June 16, 2016, the Metropolitan Area Planning Commission (MAPC) approved the request (8-0) subject to staff recommended conditions. No members of the public spoke at the MAPC hearing.

On June 15, 2016, District Advisory Board (DAB) VI reviewed the application and approved it 8-0 subject to staff recommended conditions. No members of the public spoke at the DAB hearing.

No protest petitions have been received. The request can be approved with a simple majority vote.

Financial Considerations: Approval of this request will not create any financial obligations for the City.

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

Recommendation/Actions: It is recommended that the City Council adopt the findings of the MAPC, approve the requested Zone Change and CUP amendment subject to staff recommended conditions and place the ordinance on the first reading (simple majority vote).

Attachments: Ordinance, MAPC minutes, DAB IV report, CUP document.

OCA 150004 PUBLISHED IN THE WICHITA EAGLE ON JULY 29, 2016

ORDINANCE NO. 50-292

AN ORDINANCE CHANGING THE ZONING CLASSIFICATIONS OR DISTRICTS OF CERTAIN LANDS LOCATED IN THE CITY OF WICHITA, KANSAS, UNDER THE AUTHORITY GRANTED BY THE WICHITA-SEDGWICK COUNTY UNIFIED ZONING CODE, SECTION V-C, AS ADOPTED BY SECTION 28.04.010, AS AMENDED.

BE IT ORDAINED BY THE GOVERNING BODY
OF THE CITY OF WICHITA, KANSAS.

SECTION 1. That having received a recommendation from the Planning Commission, and proper notice having been given and hearing held as provided by law and under authority and subject to the provisions of The Wichita-Sedgwick County Unified Zoning Code, Section V-C, as adopted by Section 28.04.010, as amended, the zoning classification or districts of the lands legally described hereby are changed as follows:

Case No. ZON2016-00019

Zone change request from SF-5 Single-family Residential (SF-5) and LC Limited Commercial (LC) to TF-3 Two-family Residential (TF-3) on property located southwest of the 55th Street N. and Meridian intersection; described as:

Lots 1 through 10, Block B, Northgate Addition, Wichita, Sedgwick County, Kansas.
TOGETHER WITH
Lots 1 through 3, Block A, Northgate Commercial 2nd Addition, Wichita, Sedgwick County, Kansas.

SECTION 2. That upon the taking effect of this ordinance, the above zoning change shall be entered and shown on the "Official Zoning Map" previously adopted by reference, and said official zoning map is hereby reincorporated as a part of the Wichita -Sedgwick County Unified Zoning Code as amended.

SECTION 3. That this Ordinance shall take effect and be in force from and after its adoption and publication in the official City paper.

ADOPTED this 26th day of July, 2016.

_____
Jeff Longwell, Mayor

ATTEST:

_____
Karen Sublett, City Clerk

(SEAL)

Approved as to form: _____
Jennifer Magana, City Attorney and Director of Law

EXCERPT MINUTES OF JUNE 16, 2016 WICHITA-SEDGWICK COUNTY METROPOLITAN AREA PLANNING COMMISSION MEETING

Case No.: ZON2016-00019 and CUP2016-00021 – R & R Realty, LLC, Attn: Jay Russell (owner/applicant) and Baughman Co., P.A., Attn: Russ Ewy request a City zone change from SF-5 Single-family Residential and LC Limited Commercial to TF-3 Two-family Residential and City CUP Amendment to DP-299 to remove Parcels 13, 14 and 15 from the CUP for residential development on property described as:

Lots 1 through 10, Block B, Northgate Addition, Wichita, Sedgwick County, Kansas.
TOGETHER WITH
Lots 1 through 3, Block A, Northgate Commercial 2nd Addition, Wichita, Sedgwick County, Kansas.

BACKGROUND: The applicant requests TF-3 Two-Family Residential (TF-3) zoning on 11.38 acres of platted, vacant property. The western portion of the application area is 10 SF-5 Single-family Residential (SF-5) zoned residential lots in the Northgate Addition. The eastern approximate two-thirds of the site is zoned LC Limited Commercial (LC) and is currently Parcels 13, 14 and 15 of DP-299, The Northgate Commercial Park Community Unit Plan (CUP). The applicant intends to develop the entire 11.38-acre site with duplex residential units, and therefore requests to rezone the property to TF-3 and remove the LC portion from DP-299. The platted, SF-5 zoned lots have access from West 55th Court North. The three LC zoned commercial lots are currently platted with one shared access point from North Meridian Avenue and access to West 55th Street North. A plat (SUB2016-16, Northgate 2nd Addition) is being considered by the Metropolitan Area Planning Commission (MAPC) on June 16, 2016. This plat will divide the property into 31 duplex lots.

North of the site is the SF-5 zoned Northgate Addition, the majority of which is undeveloped, and one single-family residence on six acres fronting North Meridian Avenue. South of the site is the remainder of the LC zoned DP-299 with retail use. East of the site, across Meridian, are SF-5 zoned single-family residences on half-acre to one-acre lots. West of the site is the SF-5 zoned, undeveloped Northgate Addition.

CASE HISTORY: The site is was platted as the Northgate Addition and the Northgate Commercial 2nd Addition in 2006 and 2008 respectively. DP-299 was rezoned to LC and approved in 2006.

ADJACENT ZONING AND LAND USE:

NORTH:	SF-5	Vacant, single-family residence
SOUTH:	LC	Retail
EAST:	SF-5	Single-family residences
WEST:	SF-5	Vacant

PUBLIC SERVICES: North Meridian is a paved, four-lane arterial street at this location. West 55th Street North is a dedicated but unimproved local street with a platted reserve median. All public services are available to the site.

CONFORMANCE TO PLANS/POLICIES: The adopted Wichita-Sedgwick County Comprehensive Plan, the *Community Investments Plan*, identifies the site as within the Wichita

City Limits. The Plan's *2035 Wichita Future Growth Concept Map* identifies this location as "residential and employment mixed," and surrounded by "new residential." The residential/employment mix encompasses areas of land that likely will be developed or redeveloped by 2035 with uses predominately of a mixed nature. Due to the proximity of higher intensity business uses, residential housing types within this area likely will be higher density. Due to the proximity of residential uses, employment uses likely will have limited negative impacts associated with noise, hazardous emissions, visual blight and odor. The *Locational Guidelines Development Pattern* section of the Comprehensive Plan recommends that higher density residential uses and neighborhood-serving retail and office uses should buffer lower-density residential uses from major commercial and employment centers and industrial uses.

RECOMMENDATION: Staff notes that the majority of the property in this application is requesting a downzoning. Based upon information available prior to the public hearings, planning staff recommends that the zone change request be **APPROVED**, and the amendment request to DP-299 be **APPROVED** subject to the following conditions:

(1) Screening on Parcel 1 shall be constructed along the north property line of Parcel 1 adjacent to TF-3 zoning.
(2) The applicant shall submit four revised copies of the CUP to the Metropolitan Area Planning Department within 60 days of approval or the request shall be considered denied and closed.
(3) If the Zoning Administrator finds that there is a violation of any of the conditions of the CUP amendment, the Zoning Administrator, in addition to enforcing the other remedies set forth in the Unified Zoning Code, may, with the concurrence of the Planning Director, declare the CUP amendment null and void.

This recommendation is based on the following findings:

(1) **The zoning, uses and character of the neighborhood:** North of the site is the SF-5 zoned Northgate Addition, the majority of which is undeveloped, and one single-family residence on six acres fronting North Meridian Avenue. South of the site is the remainder of the LC zoned DP-299 with retail use. East of the site, across Meridian, are SF-5 zoned single-family residences on half-acre to one-acre lots. West of the site is the SF-5 zoned, undeveloped Northgate Addition.

(2) **The suitability of the subject property for the uses to which it has been restricted:** The site is currently zoned SF-5 and LC within DP-299. The site could be developed as zoned for single-family residential and commercial uses. However, the property has not been developed since zoning and platting completion in 2008.

(3) **Extent to which removal of the restrictions will detrimentally affect nearby property:** Impact on surrounding property due to the requested zone change should be minimal; TF-3 zoning and duplexes are less intense than those uses permitted in LC zoning on the majority of the site.

(4) **Conformance of the requested change to the adopted or recognized Comprehensive Plan and policies:** The adopted Wichita-Sedgwick County Comprehensive Plan, the *Community Investments Plan*, identifies the site as within the Wichita City Limits. The Plan's *2035 Wichita Future Growth Concept Map* identifies this location as "residential

and employment mixed," and surrounded by "new residential." The residential/employment mix encompasses areas of land that likely will be developed or redeveloped by 2035 with uses predominately of a mixed nature. Due to the proximity of higher intensity business uses, residential housing types within this area likely will be higher density. Due to the proximity of residential uses, employment uses likely will have limited negative impacts associated with noise, hazardous emissions, visual blight and odor. The *Locational Guidelines Development Pattern* section of the Comprehensive Plan recommends that higher density residential uses and neighborhood-serving retail and office uses should buffer lower-density residential uses from major commercial and employment centers and industrial uses.

(5) **Impact of the proposed development on community facilities**: All services are in place. Any increased demand on community facilities can be handled by existing infrastructure. The requested TF-3 zoning will generate less traffic than what could have been generated under the existing LC zoning.

JESS MCNEELY, Planning Staff presented the Staff Report.

MOTION: To approve subject to staff recommendation.

TODD moved, **DAILEY** seconded the motion, and it carried (8-0).

CITY OF WICHITA

INTEROFFICE MEMORANDUM

TO: MAPC

FROM: Janet Johnson, Office of Community Services

SUBJECT: ZON2016-19 and CUP2016-21 TF-3 Two-Family Residential (TF-3) zoning and Amendment #1 to DP-299 to remove Parcels 13, 14 and 15 from the CUP

DATE: June 16, 2016

On Wednesday, June 15, 2016, the District VI Advisory Board considered a change in zoning and Amendment #1 to DP-299 to remove Parcels 13, 14 and 15 from the CUP, generally located south of W. 55th St. N. and west of N., Meridian Ave for duplex development.

DAB expressed concerns regarding the design of the duplexes, with the number of duplexes going in to the District they would prefer to see a design where at least a portion of the living quarters was at the front of the structure. Longnecker said the developer was not required to submit a development plan with the request.

Dunakey/Weihe made a motion to recommend that MAPC accept staff's recommendation.to approve the request. Motion passed 8-0.

NORTHGATE COMMERCIAL PARK
COMMUNITY UNIT PLAN
DP-299

GENERAL PROVISIONS FOR LOTS 1, 2, AND 3:

1. This Community Unit Plan contains a total net area of 27.16 acres ± (less street rights of way).

2. The development contains three (3) parcels permitting limited commercial uses. See parcel descriptions for specific uses.

3. Development Access: Access to the development shall comply with the City of Wichita Access Management Regulations. The applicant of Parcel 1 shall submit two (2) copies of a traffic impact study showing the impacts of the development on adjacent street corridor and/or surrounding neighborhoods in accordance with City Regulations.

4. All drainage issues and easements shall be resolved at the time of platting.

5. Maximum land coverage by building shall not exceed 30 percent of the total site, including Reserve "A" (354,906 sq. ft. ±).

6. All utilities shall be installed underground.

7. Signage:

a. Total signage for Parcel 1 shall include the total area of the exterior ground signs and building signage.

b. Three (3) ground signs shall be permitted on Parcel 1, including two (2) monument signs which shall not exceed 30-feet in height and 148.33 square feet each, and one (1) TLE sign which shall not exceed 20-feet in height and 32 square feet. The Meridian Street and 53rd Street monument signs shall be set on two (2) poles with wrapped pole covers of materials similar to exterior building materials of the main building of Parcel 1. The TLE sign shall be set on one pole. All ground signs shall be placed a minimum of 150 feet apart regardless of leasing or ownership property.

c. Total building signage on Parcel 1 facing 53rd Street and facing N. Meridian Ave. shall not exceed 666.24 s.f.

d. Signage on Parcels 2 and 3 shall be limited to a height of up to 20 feet and sign face area of up to 150 square feet, and shall be in accordance with the provisions of Zoning District Chapter 24.04 of the Wichita Sign Code.

e. Off-site and portable signs are prohibited.

f. Moving, flashing, rotating signs or signs that create the illusion of movement (except for time and temperature signs or public message boards) are prohibited.

g. No string lights, banners, balloons, flags, pennants, or similar devices shall be permitted except as special displays per Chapter 24.04.240 of the Wichita Sign Code.

h. Temporary signs shall be permitted on a special purpose basis during construction, seasonal sales and/or special events per Chapter 24.04.190 of the Wichita Sign Code.

8. Maximum building height (see individual parcel descriptions).

9. Parking: Office and commercial buildings, including governmental, public utility and other similar buildings, shall provide one (1) space for each two hundred fifty (250) square feet of floor area or one (1) space for every three employees in the largest working shift in a twenty-four (24) hour period, whichever is greater, in accordance with the Unified Zoning Code.

10. Fire lane: Shall be provided around all structures constructed within these parcels. Said fire lane shall be in accordance with the Fire Code of the City of Wichita. No parking shall be allowed in such fire lane although it may be used for passenger loading and unloading. Prior to final approval of the parking plan, the Fire Chief or his designated representative, shall approve the plan to the location and design of the fire lane.

11. Cross parcel circulation is to be provided for all parcels platted for retail, commercial or office uses.

12. Landscaping: Development of all parcels shall comply with the Landscape Ordinance of the City of Wichita. A landscape plan shall be prepared by a Kansas Landscape Architect for the above referenced landscaping, indicating the type, location, and specifications of all plant material. This plan shall be submitted to the Planning Department for review and approval prior to issuance of a building permit. A financial guarantee for the plant material approved on the landscape plan for that portion of the C.U.P. being developed shall be required prior to issuance of any occupancy permit, if the required landscaping has not been planted.

13. Architectural: All buildings constructed on parcels shall share uniform architectural character, color, texture, and the same predominate exterior building material. Exterior building materials on Parcel 1 shall utilize earth tone colors in a variety of textures with dark blue accents.

14. Screening:

a. Screening along the property line of Parcel 1 shall be eight feet (8') in height and shall conform to the screening requirements for C.U.P.'s contained in the Unified Zoning Code. The screening is to be constructed at the time that a building permit is issued for Parcel 1.

b. The Drive-thru Garden Center Bag Goods Area located on the east side of the proposed building on Parcel 1 shall be screened from view from the adjacent residential property on the east side of Meridian Avenue with 1) the use of 4'-8" knee walls and pilasters located on the outside of the racks; 2) a ¼" x #18 metal wire panel and ornamental metal fencing attached to the high rack system; and, 3) continuous evergreen landscaping located along Meridian Avenue between the Drive-thru Garden Center Bag Goods Area and adjacent residential properties.

c. The compactor located on the west side of the building on Parcel 1 shall be screened from the south with an 8'-0" high masonry wall and the 8-foot solid screen fence along the west property line.

d. The compactor located on the north side of the building on Parcel 1 shall be screened from the north and east with an 8'-0" high masonry wall and the 8-foot solid screen fence along the north property line.

e. The bale and pallet storage located north of the building on Parcel 1 shall be screened with an 8'-0" high masonry wall along the east, north and west sides of the bale and pallet storage area. Stacking of cardboard bales and pallets shall not exceed the height of the masonry wall.

f. As required by the City Code Article IV B, the roof mounted equipment will be screened by the building parapet wall accordingly.

15. Site lighting: All exterior lighting for all parcels shall be shielded to direct light disbursement in a downward direction. The parcels within said C.U.P. shall share similar or consistent parking parcel lighting elements (i.e. fixtures, pole type, lamps, etc.). The maximum height of a light standard, including base, pole, fixture and lamp, within 100-feet of the east, west and north C.U.P boundary shall not exceed twenty five feet (25') above grade or pavement. Interior lights shall have a maximum height of 42-feet.

16. If multiple ownership occurs, an agreement providing for maintenance of open space, signs, drainage facilities, parking areas etc. shall be filed with the plat. Should single ownership occur, these items are the sole responsibility of the owner.

17. The transfer of title on all or any portion of the land included in the C.U.P. does not constitute a termination of the plan or any portion thereof, but said plan shall run with the land and be binding upon the present owners, their successors and assigns and their lessees unless amended. Any major changes in this development plan shall be submitted to the Planning Commission and to the Governing Body for their consideration.

18. Prior to issuing a building permit on Parcel 1, a plan for vehicular circulation and pedestrian walk system connecting the building(s) with the sidewalks along N. Meridian Avenue (from Parcel 1) shall be submitted and approved by the Director of Planning.

19. Prior to issuing a building permit on Parcel 2 or Parcel 3, a plan for vehicular circulation and pedestrian walk system connecting the building(s) with the sidewalks along 53rd Street shall be submitted and approved by the Director of Planning.

20. Development of this property shall proceed in accord with the development plan as recommended for approval by the Planning Commission and approved by the Governing Body. Any substantial deviation of the plan as determined by the Zoning Administrator and the Director of Planning shall constitute a violation of the building permit authorizing construction of the proposed development.

21. All property included within this C.U.P. and Zone Case shall be platted within one year after approval of this C.U.P. by the Governing Body or the cases shall be considered denied and closed. The resolution establishing the zone change shall not be published until the plot has been recorded with the Register of Deeds.

22. Prior to publishing the resolution establishing the zone change, the applicant(s) shall record a document with the Register of Deeds indicating that this tract (referenced as DP-299) includes special conditions for development on this property.

23. The applicant shall submit 4 revised copies of the C.U.P. to the Metropolitan Area Planning Department within 60 days after approval of this case by the Governing Body or the request shall be considered denied and closed.

24. Portable storage will be prohibited.

PROPOSED USES FOR LOTS 1, 2, AND 3

The proposed general use for all Parcels shall be any Commercial use permitted by-right in the LC Zoning District excluding night club in city, sexually oriented business, correctional placement residence, safety service, pawn shop, agricultural sales and service, commercial wireless communication facility, theatre, and tavern & drinking establishment. Car washes shall be allowed in compliance with the Supplementary Use Requirements of Article III, Section III-D.6.F of the Unified Zoning Code.

BENCHMARK:

COW Benchmark at the intersection of Meridian and 53rd St. North, NE corner top of concrete headwall.

44.00 ft north of center line.
37.00 ft east of center line.
30.90 ft NE of section corner iron.
9.00 ft NE of end radial to curb.
26.00 ft east of section line.

ELEV. = 1331.37 NGVD29 (143.97 City Datum)

PARCEL 1

A. Net Area: 905,634.18 sq.ft. or 20.79 acres
B. Maximum Building Coverage: 297,481.03 sq.ft. or 30 percent
C. Maximum Gross Floor Area: 297,481.03 sq.ft.
D. Floor Area Ratio: 30 percent
E. Maximum Number of Buildings: Three (3)
F. Maximum building height to conform to Chapter 28.08 Code of the City of Wichita, but shall be not greater than 45 feet.
G. Setbacks: See Drawing
H. Access Points: See Drawing

RESERVE "A"

A. Net Area: 68,714 sq.ft. or 1.57 acres

RESERVE "B"

A. Net Area: 77,972 sq.ft. or 1.79 acres

RESERVE "C"

A. Net Area: 24,840 sq.ft. or 0.57 acres

PARCEL 2

A. Net Area: 65,211.20 sq.ft. or 1.52 acres
B. Maximum Building Coverage: 16,884.05 sq.ft. or 30 percent
C. Maximum Gross Floor Area: 16,884.05 sq.ft.
D. Floor Area Ratio: 30 percent
E. Maximum Number of Buildings: One (1)
F. Maximum building height to conform to Chapter 28.08 Code of the City of Wichita, but shall be not greater than 45 feet.
G. Setbacks: See Drawing
H. Access Points: See Drawing

PARCEL 3

A. Net Area: 67,082.40 sq.ft. or 1.54 acres
B. Maximum Building Coverage: 18,917.96 sq.ft. or 30 percent
C. Maximum Gross Floor Area: 18,917.96 sq.ft.
D. Floor Area Ratio: 30 percent
E. Maximum Number of Buildings: One (1)
F. Maximum building height to conform to Chapter 28.08 Code of the City of Wichita, but shall be not greater than 45 feet.
G. Setbacks: See Drawing
H. Access Points: See Drawing

PARCEL 4

A. Net Area: 37,496 sq.ft. or 0.86 acres
B. Maximum Building Coverage: 11,249 sq.ft. or 30 percent
C. Maximum Gross Floor Area: 13,124 sq.ft.
D. Floor Area Ratio: 35 percent
E. Maximum Number of Buildings: One (1)
F. Maximum building height to conform to Chapter 28.08 Code of the City of Wichita, but shall be not greater than 45 feet.
G. Setbacks: See Drawing
H. Access Points: See Drawing

GENERAL PROVISIONS FOR ALL PARCELS:

1. Guarantee signalization at the 54th Street and Meridian intersection

2. Guarantee a southbound right-turn lane and a fifth lane on Meridian from 54th to 53rd to allow left-turns.

3. Guarantee the relocation of the existing signal to accommodate street improvements at the 53rd and Meridian intersection

4. Dedicate additional right-of-way along 53rd Street sufficient to meet the 60-foot half-street standard.

5. Guarantee future signalization at major openings on 53rd Street when warrants are met.

6. Guarantee a fifth lane along 53rd Street from driveway opening number three east to Meridian.

7. Guarantee dual left-turn lanes on the west and south legs of the of the intersection of 53rd and Meridian, and provide separate right-turn lanes on all approaches.

8. Provide cross lot circulations between all abutting parcels except Parcel 1, and connect individual parcels to internal circulation drives.

9. The site shall be developed in substantial conformance to the approved community unit plan's site plan, general provisions and individual parcel standards.

10. Any major changes in this development plan shall be submitted to the Planning Commission and to the Governing Body for their consideration.

11. The transfer of title of all or any portion of the land included within the Community Unit Plan does not constitute a termination of the plan or any portion thereof, but said plan shall run with the land for commercial development and be binding upon the present owners, their successors and assigns, unless amended.

12. The resolution establishing the zone change shall not be published until the plat has been recorded with the Register of Deeds. Failure to complete the plat within one year after approval by the governing body will result in the case being denied and closed, unless a platting extension has been granted.

13. Prior to publishing the resolution establishing the zone change, the applicants(s) shall record a document with the Register of Deeds indicating that this tract (referenced as DP-299) includes special conditions for development on this property.

14. The applicant shall submit four revised copies of the CUP to the Metropolitan Area Planning Department within 60 days after approval of this case by the Governing Body, or the request shall be considered denied and closed.

15. Guarantee stand-up curbed raised medians in 53rd Street North for control of the four right-in/right-out openings.

16. Align the opening for Parcel 2 on 53rd Street North with the opening for the property to the south (DP-289 Johnson Commercial CUP), to be determined at platting of both parcels and in conformance with access management policy.

17. Parcel 3 shall have access to the internal drive to the north, to the internal drive to the west except within 150 feet of the intersection of the internal drive with 53rd Street North, and shall have cross-lot circulation with Parcel 2.

18. Four openings are allowed along Meridian, with two full movement and two right-in/right-out openings. Guarantee channelization within driveway for ensuring right-turn only movements.

19. Guarantee installation of sidewalk on Meridian and 53rd Street North for entire frontage of property.

20. Guarantee closure of 54th Street North at Meridian when warranted, subject to review of the proposed closure by the neighborhood in consultation with the Traffic Engineer prior to closure.

21. Guarantee signalization of intersection at Meridian and Key west Street when warranted.

22. Provide a sidewalk with a minimum width of six feet, with bike racks, along the front of all buildings. Provide bike racks through the rest of the development.

23. Guarantee half of the installation and maintenance by separate instrument of the landscaping in the medians of 53rd Street North. Install and maintain landscaping on Parcels 4-12 in the same ratio of plantings as established for Parcels 1-3, excluding the bermed area fronting Meridian.

24. Install and maintain landscaping on Parcels 1-3 in conformance to the City of Wichita Landscape Ordinance and in substantial conformance with the landscape plan submitted by the applicant on April 18, 2006.

25. Detention ponds and drainage ways on site and on the adjoining property to the north connected to this development shall conform to all recommended ground water pollution standards in place at the time when they are developed. The detention ponds and drainage ways shall use natural filtration systems with bioswales and bank plantings to serve as natural cleansing systems for runoff from the development and shall be reviewed and approved by the Storm Water Engineer.

26. Guarantee installation and maintenance by separate instrument of walkings paths with all-weather surfacing such as concrete, asphalt, asphalic concrete or rubber sidewalks around the detention ponds and drainage ways in the reserve area of the subdivision plat to the north and with a gate or opening for pedestrian/bicycle access linking the eastern edge of the reserve area of the subdivision to Parcel 12 and/or Parcel 1 of DP-299; the plan for walking paths and access shall be reviewed and approve by the Direction of Planning.

PARCEL 5

A. Net Area: 49,995 sq.ft. or 1.14 acres
B. Maximum Building Coverage: 14,999 sq.ft. or 30 percent
C. Maximum Gross Floor Area: 17,498 sq.ft.
D. Floor Area Ratio: 35 percent
E. Maximum Number of Buildings: One (1)
F. Maximum building height to conform to Chapter 28.08 Code of the City of Wichita, but shall be not greater than 45 feet.
G. Setbacks: See Drawing
H. Access Points: See Drawing

PARCEL 6

A. Net Area: 49,995 sq.ft. or 1.14 acres
B. Maximum Building Coverage: 14,999 sq.ft. or 30 percent
C. Maximum Gross Floor Area: 17,498 sq.ft.
D. Floor Area Ratio: 35 percent
E. Maximum Number of Buildings: One (1)
F. Maximum building height to conform to Chapter 28.08 Code of the City of Wichita, but shall be not greater than 45 feet.
G. Setbacks: See Drawing
H. Access Points: See Drawing

PARCEL 7

A. Net Area: 49,995 sq.ft. or 1.14 acres
B. Maximum Building Coverage: 14,999 sq.ft. or 30 percent
C. Maximum Gross Floor Area: 17,498 sq.ft.
D. Floor Area Ratio: 35 percent
E. Maximum Number of Buildings: One (1)
F. Maximum building height to conform to Chapter 28.08 Code of the City of Wichita, but shall be not greater than 45 feet.
G. Setbacks: See Drawing
H. Access Points: See Drawing

PARCEL 8

A. Net Area: 50,025 sq.ft. or 1.15 acres
B. Maximum Building Coverage: 15,008 sq.ft. or 30 percent
C. Maximum Gross Floor Area: 17,509 sq.ft.
D. Floor Area Ratio: 35 percent
E. Maximum Number of Buildings: One (1)
F. Maximum building height to conform to Chapter 28.08 Code of the City of Wichita, but shall be not greater than 45 feet.
G. Setbacks: See Drawing
H. Access Points: See Drawing

PARCEL 9

A. Net Area: 48,117 sq.ft. or 1.10 acres
B. Maximum Building Coverage: 14,435 sq.ft. or 30 percent
C. Maximum Gross Floor Area: 16,841 sq.ft.
D. Floor Area Ratio: 35 percent
E. Maximum Number of Buildings: One (1)
F. Maximum building height to conform to Chapter 28.08 Code of the City of Wichita, but shall be not greater than 45 feet.
G. Setbacks: See Drawing
H. Access Points: See Drawing

PARCEL 10

A. Net Area: 49,995 sq.ft. or 1.14 acres
B. Maximum Building Coverage: 14,999 sq.ft. or 30 percent
C. Maximum Gross Floor Area: 17,498 sq.ft.
D. Floor Area Ratio: 35 percent
E. Maximum Number of Buildings: One (1)
F. Maximum building height to conform to Chapter 28.08 Code of the City of Wichita, but shall be not greater than 45 feet.
G. Setbacks: See Drawing
H. Access Points: See Drawing

PARCEL 11

A. Net Area: 52,100 sq.ft. or 1.19 acres
B. Maximum Building Coverage: 15,630 sq.ft. or 30 percent
C. Maximum Gross Floor Area: 18,235sq.ft.
D. Floor Area Ratio: 35 percent
E. Maximum Number of Buildings: One (1)
F. Maximum building height to conform to Chapter 28.08 Code of the City of Wichita, but shall be not greater than 45 feet.
G. Setbacks: See Drawing
H. Access Points: See Drawing

PARCEL 12

A. Net Area: 1,728,039 sq.ft. or 39.67 acres
B. Maximum Building Coverage: 518,412 sq.ft. or 30 percent
C. Maximum Gross Floor Area: 604,614 sq.ft.
D. Floor Area Ratio: 35 percent
E. Maximum Number of Buildings: Eight (8)
F. Maximum building height to conform to Chapter 28.08 Code of the City of Wichita, but shall be not greater than 45 feet.
G. Setbacks: See Drawing
H. Access Points: See Drawing

GENERAL PROVISIONS FOR LOTS 4, 5, 6, 7, 8, 9, 10, 11, AND 12:

1. Total Land Area: 2,184,030 ± sq.ft. or 50.14 ± acres
Net Land Area: 2,119,957 ±~~%~~ sq.ft. or 48.67 ± acres

2. Total Gross Floor Area: 764,410 sq.ft.
Total Floor Area Ratio: 35 percent

3. Parking shall be provided in accordance with Section IV of the Unified Zoning Code, unless otherwise specified in the parcel description.

4. Setbacks are as indicated on the C.U.P. drawing, or as specified in the parcel descriptions. If contiguous parcels are to be developed under the same ownership, setbacks between those parcels will not be required.

5. A Drainage Plan shall be submitted to City Engineering for approval. Required guarantees for drainage shall be provided at the time of platting improvements.

6. Guarantees for specific street improvements for Meridian and 53rd St. North shall be further reviewed and determined at the time of platting.

7. Signs shall be in accordance with the Sign Code of the City of Wichita with the following conditions:

A. As the frontage develops along the arterial roadways, monument type signs shall be spaced a minimum of 150' apart, irrespective of how land is leased or sold.

B. Flashing signs (except for signs showing only time, temperature and other public service messages), rotating or moving signs, signs with moving lights or signs which create illusions of movement are not permitted.

C. Portable and off-site signs are not permitted.

D. Window display signs are limited to 25% of the window area.

E. No signs shall be allowed on the rear of any buildings.

F. All freestanding signs must be monument type and shall have a maximum height of 20 feet and limit sign square footage to 150 square feet on Parcels 4 through 11. Parcel 12 shall have a maximum height of 30 feet.

8. Access Controls shall be as shown on the final plat.

9. All exterior lighting shall be shielded to direct light disbursement in a downward direction.

10. All parcels shall share similar or consistent parking lot lighting elements (i.e., fixtures, poles, and lamps, and etc.).

A. Limited height of light poles to 24 feet.

B. Extensive use of back lit canopies and neon or fluorescent tube lighting on buildings is not permitted.

11. Utilities shall be installed underground on all parcels.

12. Landscaping for this site shall be required as follows:

A. Development of all parcels within the C.U.P. shall comply with the Landscape Ordinance of the City of Wichita.

B. A landscape plan shall be prepared by a Kansas Landscape Architect for the above referenced landscaping, indicating the type, location, and specifications of all plant material. This plan shall be submitted to the Planning Department for their review and approval prior to issuance of a building permit.

C. A financial guarantee for the plant material approved on the landscape plan for that portion of the C.U.P. being developed shall be required prior to issuance of any occupancy permit, if the required landscape has not been planted.

13. Screening Walls:

A. A six (6) foot high concrete/masonary wall along the north & west property lines of the C.U.P. where adjacent to residential zoning is required.

B. This solid wall shall be constructed of a pattern and color that is consistent with the building walls.

14. Rooftop mechanical equipment shall be screened from ground level view per Unified Zoning Code.

15. Trash receptacles, loading docks, outdoor storage, and loading areas shall be appropriately screened to reasonably hide them from ground view.

16. All buildings in the C.U.P. shall share uniform architectural character, color, texture, and the same predominate exterior building material, as determined by the Director of Planning. Building walls and roofs must have predominately earth-tone colors, with vivid colors limited to incidental accent, and must employ materials similar to surrounding residential areas. Metal as an exterior material shall be limited to incidental accent.

17. Fire lanes shall be in accordance with the Fire Code of the City of Wichita. No parking shall be allowed in said fire lanes, although they may be used for passenger loading and unloading. The Fire Chief or his designated representative shall review and approve the location and design of all fire lanes. Fire hydrant installation and paved access to all building sites shall be provided for each phase of construction prior to the issuance of building permits.

18. All parcels shall be zoned Limited Commercial. No parcel within this C.U.P. shall allow the use of adult entertainment establishments, sexually oriented business, correctional placement residences, asphalt/concrete plants, safety service, pawn shop, agricultural sales and service, commercial wireless communication facilities or theater. Restaurants that serve liquor can be developed and may serve liquor, as long as food is the primary service of the establishment.

19. Cross-lot circulation agreements shall be required at the time of platting to assure internal vehicular movement between parcels within the C.U.P.

20. Amendments, adjustments or interpretations to this C.U.P. shall be done in accordance with the Unified Zoning Code.

21. The Transfer of title of all or any portion of land included within the Community Unit Plan (or any amendments thereto) does not constitute a termination of the plan or any portion thereof, but said plan shall run with the land and be binding upon present owners, their successors and assigns.

22. The development of this property shall proceed in accordance with the development plan as recommended for approval by the Planning Commission and approved by the Governing Body, and any substantial deviation of the plan, as determined by the Zoning Administrator and the Director of Planning, shall constitute a violation of the building permit authorizing construction of the proposed development.

23. Any major changes in this development plan shall be submitted to the Planning Commission and to the Governing Body for their consideration.

23. A plan for a pedestrian walk system shall be submitted and approved by the Director of Planning prior to the issuance of building permits. Said walk system shall link sidewalks along Meridian and 53rd Street North with the proposed buildings within the subject property.

24. No development shall occur until such such time as municipal water and sewer service are provided to the site.

25. Approval of a site circulation plan by the Planning Director is required for each phase of construction prior to the issuance of a building permit.

LEGAL DESCRIPTION:

All of Northgate Commercial Addition, Wichita, Sedgwick County, Kansas and all of Northgate Commercial Park 1st Addition, an Addition to Wichita, Sedgwick County, Kansas.

PARCEL 13

Eliminated by Amendment #1 dated May 9, 2016

PARCEL 14

Eliminated by Amendment #1 dated May 9, 2016

PARCEL 15

Eliminated by Amendment #1 dated May 9, 2016

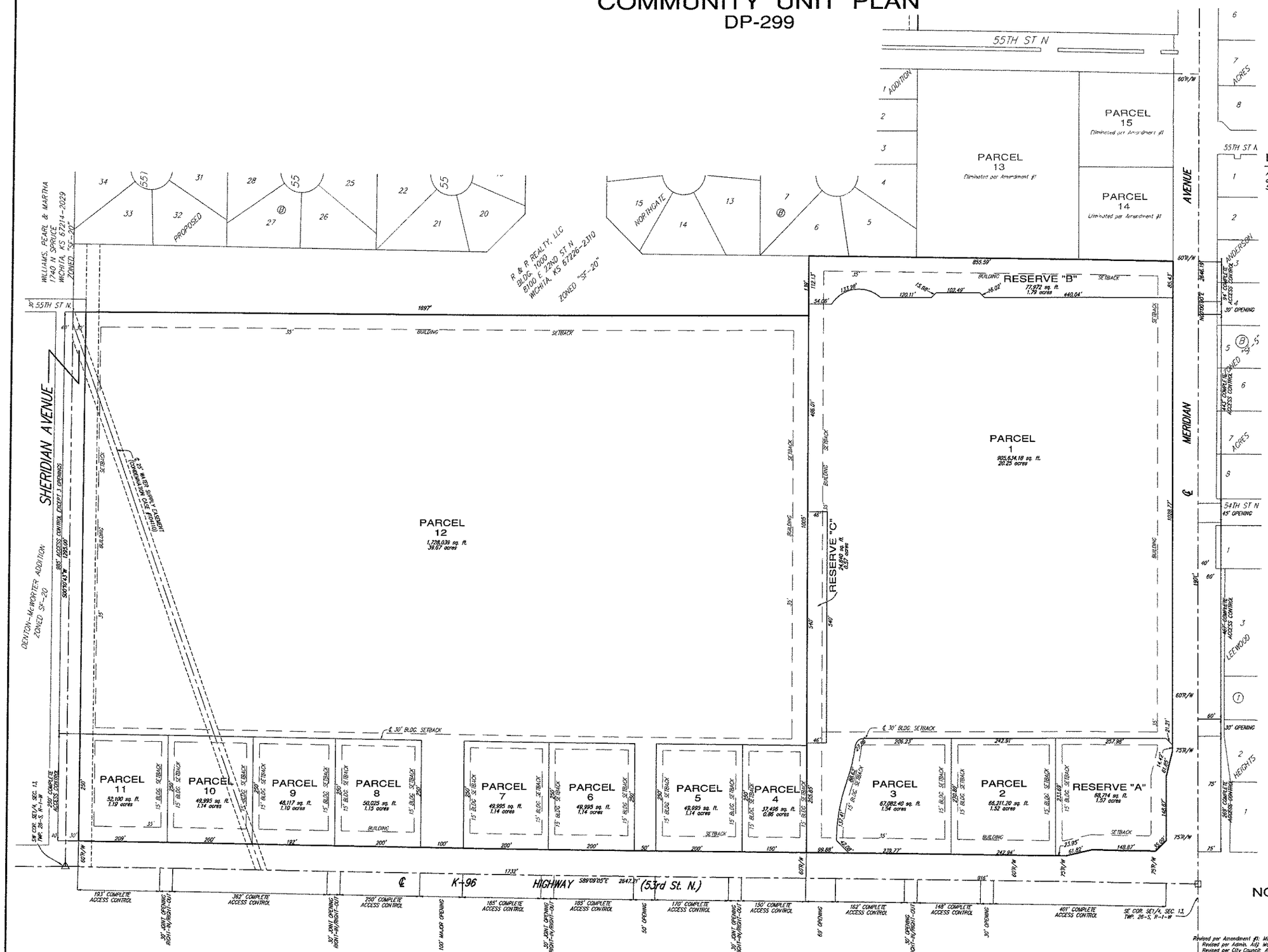
Revised per Amendment #1: May 9, 2016
Revised per Admin. Adj: March 22, 2007
Revised per City Council: August 1, 2006
Submitted: May 8, 2006

SCALE: 1" = 100'

DP-299
NORTHGATE COMMERCIAL PARK
COMMUNITY UNIT PLAN
Page 1 of 2

Baughman Company, P.A.
315 Ellis St. Wichita, KS 67211 P 316.262.7271 F 316.262.0149
Baughman

NORTHGATE COMMERCIAL PARK
COMMUNITY UNIT PLAN
DP-299



LEGAL DESCRIPTION:

All of Northgate Commercial Addition, Wichita, Sedgwick County, Kansas and all of Northgate Commercial Park 1st Addition, an Addition to Wichita, Sedgwick County, Kansas.

BENCHMARK:

COW BENCH MARK AT THE INTERSECTION OF MERIDIAN AND 53RD ST. NORTH, NE CORNER TOP OF CONCRETE HEADWALL.

44.00 FT NORTH OF CENTER LINE.
37.00 FT EAST OF CENTER LINE.
50.90 FT NE OF SECTION CORNER IRON.
9.00 FT NE OF AND RADIAL TO CURB.
26.00 FT EAST OF SECTION LINE.

ELEV. = 1331.37 NGVD29 (143.97 CITY DATUM)

SCALE: 1" = 100'

DP-299
NORTHGATE COMMERCIAL PARK
COMMUNITY UNIT PLAN

Page 2 of 2

Revised per Amendment #1: March 22, 2007
Revised per Admin. Adj March 22, 2007
Revised per City Council: August 1, 2006
Submitted: May 8, 2006

Baughman Company, P.A.
135 Ellis St. Wichita, KS 67211 P 316-263-7271 F 316-262-0149
Baughman

City of Wichita
City Council Meeting
July 19, 2016

TO: Mayor and City Council

SUBJECT: ZON2016-00021 – City Zone Change from Single-Family Residential and Limited Commercial to Industrial Park on Property Generally Located on the East of North Hoover Road and on the South Side of West 21st Street North (District VI)

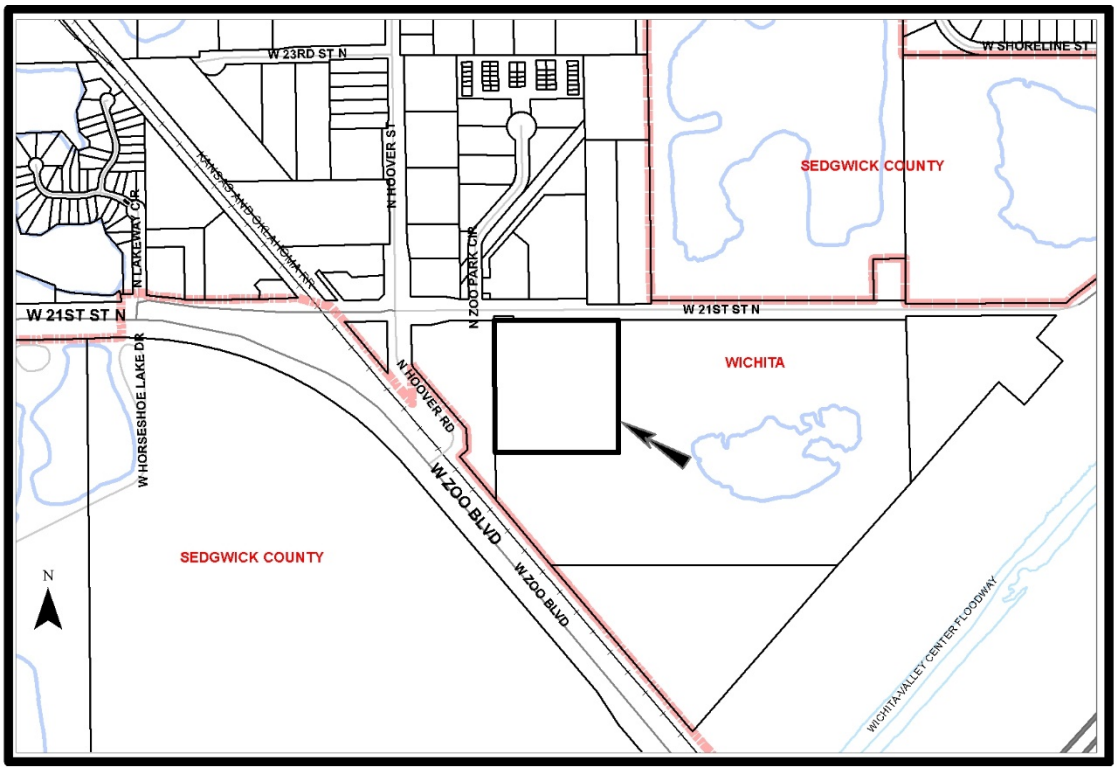
INITIATED BY: Metropolitan Area Planning Department

AGENDA: Planning (Consent)

MAPC Recommendation: The MAPC recommended approval of the request (8-0).

DAB Recommendation: District Advisory Board VI recommended approval of the request (7-0-1).

MAPD Staff Recommendation: The Metropolitan Area Planning Department staff recommended approval of the request.



Background: The applicant is requesting IP Industrial Park (IP) zoning on the undeveloped 10-acre, mostly SF-5 Single-family Residential (SF-5) and LC Limited Commercial (LC) zoned tract located on the south side of West 21st Street North and east of North Hoover Road. The IP zoning will allow for the expansion of an existing IP zoned manufacturing facility/machine shop located directly north of the site, across 21st Street North. The existing IP zoned manufacturing facility is also the last non-residential zoned property located east of the Hoover Road – 21st Street North intersection, until 29th Street North and West Street.

The area is a mix of land uses located in both the County and the City of Wichita. The zoning in the area includes SF-20 Single-Family Residential (SF-20), SF-5, LC, OW Office-Warehouse (OW), GC General Commercial (GC), IP and LI Limited Industrial (LI). The area's zoning allows a wide range of uses including up-scale single-family subdivisions, a few isolated single-family residences, active and spent sand pits, farmland, a construction and demolition landfill with a temporary rock crusher, limited manufacturing, an auto body shop and self-storage warehouses. The IP zoned Cox Machine manufacturing facility (built 2001, 2005 and 2009) is located north of the site across 21st Street, as are an IP zoned commercial strip building (built 2011) and self-storage warehouses (built 2009). Three SF-5 zoned single-family residences (a trailer and a stick frames built 1940 and 1957) and two SF-20 zoned sand pits are also located north of the site across 21st Street. Both of the sand pits are spent (CU-292, CU-16 and CU-24), but there has been recent subdivision and zoning activity on them. On March 10, 2016, SUB2016-00009 was presented to the Subdivision Committee (SD) as an expansion of the Emerald Bay up-scale single-family residential subdivision; no action was taken by the SD. The other sand pit had a Conditional Use (CON2016-00002) approved for a temporary rock crusher to clean up its current noncompliant use as a construction and demolition landfill and a wrecking and salvage yard. A LI zoned (ZON2000-00012, PO #72) auto body repair shop (built 2010) is located northwest of the site on the northeast corner of Hoover Road and 21st Street North. An OW zoned (SCZ-0764, PO Protective Overlay #39) self-service warehouse (built 1999, 2013 and 2014) abuts the west of the site and there is an active rail road track located west and adjacent to the site. Approximately 1,000 feet further west of the site, across Zoo Boulevard and 21st Street North, is the Sedgwick County Zoo and the Sedgwick County Zoo Park, the largest development in the area. A SF-5 zoned spent sand pit (CU-191) abuts the east and south sides of the site. This east abutting sand pit was considered and approved for a Conditional Use, CON2016-00014, for a major utility/water treatment plant at the June 16, 2016, MAPC hearing. The Wichita-Valley Center Floodway and its levee are also located further south and east of the site.

Analysis: On June 15, 2016, District Advisory Board (DAB) VI considered and approved (7-0-1) the requested IP zoning. There were no protesters at the DAB VI meeting.

On June 16, 2016, the Metropolitan Area Planning Commission (MAPC) considered and approved (8-0) the requested IP zoning. There were no protesters at the MAPC meeting. Planning staff has not received valid protests or appeals to the request.

Financial Considerations: Approval of this request will not create any financial obligations for the City.

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

Recommendation/Actions: It is recommended that the City Council adopt the findings of the MAPC, approve the requested zone change and place the ordinance on the first reading (simple majority vote).

Attachments:

- MAPC minutes
- DAB memo
- Ordinance

OCA 150004

ORDINANCE NO. 50-293

AN ORDINANCE CHANGING THE ZONING CLASSIFICATIONS OR DISTRICTS OF CERTAIN LANDS LOCATED IN THE CITY OF WICHITA, KANSAS, UNDER THE AUTHORITY GRANTED BY THE WICHITA-SEDGWICK COUNTY UNIFIED ZONING CODE, SECTION V-C, AS ADOPTED BY SECTION 28.04.010, AS AMENDED.

BE IT ORDAINED BY THE GOVERNING BODY
OF THE CITY OF WICHITA, KANSAS.

SECTION 1. That having received a recommendation from the Planning Commission, and proper notice having been given and hearing held as provided by law and under authority and subject to the provisions of The Wichita-Sedgwick County Unified Zoning Code, Section V-C, as adopted by Section 28.04.010, as amended, the zoning classification or districts of the lands legally described hereby are changed as follows:

Case No. ZON2016-00021

Zone change from SF-5 Single-Family Residential ("SF-5") and LC Limited Commercial ("LC") to IP Industrial Park ("IP"), on an approximately 10.00-acre property described as:

The north 10.00 acres of the east 640 feet of the west 1140' of the Northwest Quarter of Section 11, Township 27 South, Range 1 West of the Sixth Principal Meridian, Wichita, Sedgwick County, Kansas, lying south of the north 60 feet thereof, generally located east of North Hoover Road on the south side of West 21st Street North.

SECTION 2. That upon the taking effect of this ordinance, the above zoning changes shall be entered and shown on the "Official Zoning Map" previously adopted by reference, and said official zoning map is hereby reincorporated as a part of the Wichita -Sedgwick County Unified Zoning Code as amended.

SECTION 3. That this Ordinance shall take effect and be in force from and after its adoption and publication in the official City paper.

_____
Jeff Longwell, Mayor

ATTEST:

_____
Karen Sublett, City Clerk

(SEAL)

Approved as to form: _____
Jennifer Magana, City Attorney and Director of Law

EXCERPT MINUTES OF JUNE 16, 2016 WICHITA-SEDGWICK COUNTY METROPOLITAN AREA PLANNING COMMISSION MEETING

Case No.: ZON2016-00021 - City of Wichita, c/o John Philbrick (applicant/owner) and PEC, c/o Charles Brown (agent) request a City zone change from Limited Commercial and SF-5 Single-family Residential to IP Industrial Park on property described as:

The north 10.00 acres of the east 640 feet of the west 1140' of the Northwest Quarter of Section 11, Township 27 South, Range 1 West of the Sixth Principal Meridian, Wichita, Sedgwick County, Kansas, lying south of the north 60 feet thereof.

BACKGROUND: The applicant is requesting IP Industrial Park (IP) zoning on the undeveloped 10-acre, mostly SF-5 Single-family Residential (SF-5) and LC Limited Commercial (LC) zoned tract located on the south side of West 21st Street North and east of North Hoover Road. The IP zoning will allow for the expansion of an existing IP zoned manufacturing facility/machine shop located directly north of the site, across 21st Street North. The existing IP zoned manufacturing facility is also the last non-residential zoned property located east of the Hoover Road – 21st Street North intersection, until 29th Street North and West Street.
The area is a mix of land uses located in both the County and the City of Wichita. The zoning in the area includes SF-20 Single-Family Residential (SF-20), SF-5, LC, OW Office-Warehouse (OW), GC General Commercial (GC), IP and LI Limited Industrial (LI). The area's zoning allows a wide range of uses (some noncompliant) including up-scale single-family subdivisions, a few isolated single-family residences, active and spent sand pits, farmland, a construction and demolition landfill with a temporary rock crusher, limited manufacturing, an auto body shop, and self-storage warehouses. The IP zoned Cox Machine manufacturing facility (built 2001, 2005 and 2009) is located north of the site across 21st Street, as are an IP zoned commercial strip building (built 2011) and self-storage warehouses (built 2009). Three SF-5 zoned single-family residences (a trailer and a stick frames built 1940 and 1957) and two SF-20 zoned sand pits are also located north of the site across 21st Street. Both of the sand pits are spent (CU-292, CU-16 and CU-24) but there has been recent subdivision and zoning activity on them. On March 10, 2016, SUB2016-00009 was presented to the Subdivision Committee (SD) as an expansion of the Emerald Bay up-scale single-family residential subdivision; no action was taken by the SD. The other sand pit had a Conditional Use (CON2016-00002) approved for a temporary rock crusher to clean up its current noncompliant use as a construction and demolition landfill and a wrecking and salvage yard. A LI zoned (ZON2000-00012, PO #72) auto body repair shop (built 2010) is located northwest of the site on the northeast corner of Hoover Road and 21st Street North. An OW zoned (SCZ-0764, PO Protective Overlay #39) self-service warehouse (built 1999, 2013 and 2014) abuts the west of the site and there is an active rail road track located west and adjacent to the site. A SF-5 zoned spent sand pit (CU-191) abuts the east and south sides of the site. This east abutting sand pit will be considered for a Conditional Use for a major utility/water treatment plant at the June 16, 2016, MAPC hearing; CON2016-00014. The Wichita-Valley Center Floodway and its levee are also located further south and east of the site.

CASE HISTORY: Conditional Use CU-191 was approved to allow sand extraction on the site on December 1, 1976. The property was zoned R-1 Suburban Residential in 1958, which was converted to SF-20 zoning in 1996. The site was annexed in the City between 1991 and 2000, after which the SF-20 zoning became SF-5.

ADJACENT ZONING AND LAND USE:

NORTH: LI, IP, SF-5, SF-20	Auto body repair, manufacturing, self-service warehouse, commercial strip, single-family residences, spent sand pits
SOUTH: SF-5, levee	Spent sand pit, Wichita-Valley Floodway
EAST: SF-5, levee	Spent sand pit, derelict building, rubbish, Wichita-Valley Center Floodway
WEST: OW, rail road, GC, LI	Self-service warehouse, active rail road tracks, boat and RV storage warehouse

PUBLIC SERVICES: The site has direct access onto 21st Street North. The site is located approximately 450 feet east of the Hoover Road – 21st Street North intersection. At this location both streets are paved two-lane local streets that function like collectors, providing quick access to the nearest paved four-lane arterial streets, Zoo Boulevard and another portion of 21st Street North or the paved two-lane arterial West Street. Public sewer is available to the site. Public water would have to be extended to the site, across 21st Street North. Portions of the east and south sides of the site are located in FEMA Flood Plain.

CONFORMANCE TO PLANS/POLICIES: The "Community Investment Plan's" (Plan, adopted November 19, 2015) "2035 Wichita Future Growth Map" depicts the site as "new "residential." The new residential category encompasses areas of land that likely will be developed or redeveloped by 2035 with uses predominately found in the residential category. Pockets of major Institutional and commercial uses likely will be developed within this area as well, based upon market-driven location factors. In certain areas, especially those in proximity to existing industrial uses, highways, rail lines, and airports, pockets of industrial uses likely will be developed.

The site's predominate SF-5 zoning is a match for the new residential category and restricts development pretty much to single-family residential development and certain institutional uses. The SF-5 zoning has more in common to some of the most recent development in the area, the still developing Emerald Bay single-family residential development, which is located approximately three-quarters of a mile northeast of the site. The site's 100-foot wide by 560-foot long east strip may offer limited development opportunities because of its deep and narrow configuration.

The application is intended to allow the expansion of an existing IP zoned manufacturing facility that is located directly north of the site across 21st Street North. The existing IP zoned manufacturing facility is part of a relatively small group of recently (1999-2014) well built and maintained IP, LI, OW, GC and LC zoned businesses located on the four corners of the Hoover Road – 21st Street North arterial intersection. Several of these sites have POs that eliminate uses that would be permitted by the base zoning. Several of these sites abut an active rail road track.

The purpose of the IP Industrial Park District is to accommodate limited commercial services, research and development, administrative facilities and industrial and manufacturing uses that can meet high development and performance standards. The IP District is generally compatible with the "employment/industry center" designation of the Wichita-Sedgwick County Comprehensive Plan. The IP zoning district does not allow residential development. Moreover the IP zoning district does not allow by right or conditional use such businesses as drinking establishments, night clubs, pawn shops, second hand stores, basic industry, landfills, mining or quarrying, rock crushing, outdoor storage as a principle use, gas and/or fuel storage, vehicle

storage yards, wrecking and salvage, sexual oriented businesses, service stations, general or limited vehicle repair, car sales, event centers, commercial or ancillary parking, nurseries, entertainment establishments, kennels, hotel or motels, nursing facilities, micro-breweries, recreational vehicle campgrounds, rodeos, and medical services. The proposed IP zoning can be compatible with the existing non-residential and residential zoning and development in the still developing area.

The "Locational Guidelines" of the Plan notes that industrial uses should be located in areas with good access to highways, rail lines, and airports. The site is located approximately 450 feet east of the Hoover Road – 21st Street North intersection. At this location both streets are paved two-lane local streets that function like collectors, providing quick access to the nearest paved four-lane arterial streets, Zoo Boulevard and another portion of 21st Street North or the paved two-lane arterial West Street. The Locational Guidelines also support expansion of existing uses to adjacent areas, which is the intent of the proposed zoning.

RECOMMENDATION: Based upon information available prior to the public hearings, planning staff recommends that the request be APPROVED. This recommendation is based on the following findings:

1. **The zoning, uses and character of the neighborhood:** The area is a mix of land uses located in both the county and the City of Wichita. The zoning in the area includes SF-20 Single-Family Residential (SF-20), SF-5, LC, OW Office-Warehouse (OW), GC General Commercial (GC), IP and LI Limited Industrial (LI). The zoning allows a wide range of uses (some noncompliant) including up-scale single-family subdivisions, a few isolated single-family residences, active and spent sand pits, farmland, a construction and demolition landfill with a temporary rock crusher, limited manufacturing, an auto body shop, and self-storage warehouses.

   The IP zoned Cox Machine manufacturing facility (built 2001, 2005 and 2009) is located north of the site across 21st Street, as are an IP zoned commercial strip building (built 2011) and self-storage warehouses (built 2009). Three SF-5 zoned single-family residences (a trailer and a stick frames built 1940 and 1957) and two SF-20 zoned sand pits are also located north of the site across 21st Street. Both of the sand pits are spent (CU-292, CU-16 and CU-24) but there has been recent subdivision and zoning activity on them. On March 10, 2016, SUB2016-00009 was presented to the Subdivision Committee (SD) as an expansion of the Emerald Bay up-scale single-family residential subdivision; no action was taken by the SD. The other sand pit had a Conditional Use (CON2016-00002) approved for a temporary rock crusher to clean up its current noncompliant use as a construction and demolition landfill and a wrecking and salvage yard. A LI zoned (ZON2000-00012, PO #72) auto body repair shop (built 2010) is located northwest of the site on the northeast corner of Hoover Road and 21st Street North. An OW zoned (SCZ-0764, PO Protective Overlay #39) self-service warehouse (built 1999, 2013 and 2014) abuts the west of the site, and there is an active rail road track located west and adjacent to the site. A SF-5 zoned spent sand pit (CU-191) abuts the east and south sides of the site. This east abutting sand pit will be considered for a Conditional Use for a major utility/water treatment plant at the June 16, 2016, MAPC hearing; CON2016-00014. The Wichita-Valley Center Floodway and its levee are also located further south and east of the site.

2. **The suitability of the subject property for the uses to which it has been restricted:** The undeveloped 10-acre site is zoned SF-5 with a narrow, deep strip (110 feet by 560 feet) of LC zoning on a portion of its east side. The SF-5 zoning which permits single-family residential development and some institutional uses, such as schools and churches, by right. The LC zoning allows residential development and multiple commercial development by right. However the LC zoned portion of the site may offer limited development opportunities because of its deep and narrow configuration. The site could be used as presently zoned.

3. **Extent to which removal of the restrictions will detrimentally affect nearby property:** If approved the IP zoning would permit uses that are mostly confined to being conducted indoors, much like the current non-residential development in the area, which are, for the most part, well built and maintained.

4. **Conformance of the requested change to the adopted or recognized Comprehensive Plan and policies:** The "Community Investment Plan's" (Plan, adopted November 19, 2015) "2035 Wichita Future Growth Map" depicts the site as "new "residential." The new residential category encompasses areas of land that likely will be developed or redeveloped by 2035 with uses predominately found in the residential category. Pockets of major Institutional and commercial uses likely will be developed within this area as well, based upon market-driven location factors. In certain areas, especially those in proximity to existing industrial uses, highways, rail lines, and airports, pockets of industrial uses likely will be developed.

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salvage, sexual oriented businesses, service stations, general or limited vehicle repair, car sales, event centers, commercial or ancillary parking, nurseries, entertainment establishments, kennels, hotel or motels, nursing facilities, micro-breweries, recreational vehicle campgrounds, rodeos, and medical services. The proposed IP zoning can be compatible with the existing non-residential and residential zoning and development in the still developing area.

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5. **Impact of the proposed development on community facilities:** Traffic on 21st Street North, Hoover Road, Zoo Boulevard and West Street will increase due to the development of 10-acres of IP zone land. But, any development on the currently zoned SF-5 site will increase traffic. Further impact on community facilities will be determined at the time of platting.

BILL LONGNECKER, Planning Staff presented the Staff Report.

MOTION: To approve subject to staff recommendation.

TODD moved, **DAILEY** seconded the motion, and it carried (8-0).

CITY OF WICHITA

INTEROFFICE MEMORANDUM

TO: MAPC

FROM: Janet Johnson, Office of Community Services

SUBJECT: ZON2016-21 request for a zoning change from SF-5 Single-family residential and LC Limited Commercial to IP Industrial Park

DATE: June 16, 2016

On Wednesday, June 15, 2016, the District VI Advisory Board considered a change in zoning from SF-5 Single-family residential and LC Limited Commercial to IP Industrial Park generally located east of N., Hoover Rd on the south side of W. 21st St. N for the expansion of a manufacturing facility/machine shop.

DAB wanted to know what Cox manufactures and if their operation would create any pollution concerns when the water treatment plan goes in. The agent for the applicant said no, and explained what Cox manufactures.

DAB also wanted know if this would create additional traffic concerns on Zoo Blvd. City Engineer Gary Janzen said he didn't think so, but the City could always do a traffic study for stoplights if warranted.

Claycomb/Sanders made a motion that MAPC accept staff's recommendation to approve the request. DAB member Scott Dunakey, PEC employee abstained from the vote. Motion passed 7-0-1.