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**FINAL**  
**CITY COUNCIL**  
**CITY OF WICHITA**  
**KANSAS**

City Council Meeting  
09:30 a.m. November 25, 2014

First Floor Board Room  
455 North Main

**OPENING OF REGULAR MEETING**

- Call to Order
- Approve the minutes of the regular meeting on November 4, 2014

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**II. CONSENT AGENDAS ITEMS 1 THROUGH 34.**

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.)*

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**COUNCIL AGENDA**

**VIII. COUNCIL MEMBER AGENDA**

None

**IX. COUNCIL MEMBER APPOINTMENTS**

1. **Board Appointments.**

RECOMMENDED ACTION: Approve the Appointments.

Adjournment

**\*\*\*WORKSHOP TO FOLLOW\*\*\***

(ATTACHMENT 1 – CONSENT AGENDA ITEMS 1 THROUGH 34)

**II. CITY COUNCIL CONSENT AGENDA ITEMS**

1. Report of Board of Bids and Contracts dated November 10, 17, and 24, 2014.

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

2. Applications for Licenses:

| <u>Renewal</u>    | <u>2014</u>                                 | <u>Address</u>    |
|-------------------|---|-------------------|
| Norman Massey Jr. | Star Enterprise of Kansas dba Circle Cinema | 2570 South Seneca |

RECOMMENDED ACTION: Approve the licenses.

3. Applications for Licenses to Retail Cereal Malt Beverages:

| <u>Renewal</u>         | <u>2014</u>                         | <u>(Consumption on Premises)</u>  |
|------------------------|-------------------------------------|-----------------------------------|
| Richard J Renollet     | WSUUC dba Rhatigan Student Center** | 1845 North Fairmount              |
| <u>Renewal</u>         | <u>2014</u>                         | <u>(Consumption off Premises)</u> |
| Kevin Schemm           | Dillons #96***                      | 5500 East Harry                   |
| Julia Jackowski        | Casey's General Store #2965***      | 11931 West Central Avenue         |
| Julia Jackowski        | Casey's General Store #3312***      | 3540 South Meridian               |
| Mohammad Arifur Rahman | BP Food Mart***                     | 1161 North Broadway               |

\*\*General/Restaurant (need 50% or more gross revenue from sale of food)

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

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

4. Preliminary Estimates:

- a. (NONE)

RECOMMENDED ACTION: Receive and file.

5. Petitions for Public Improvements:

- a. Petitions for Improvements to Davis-Moore 14th Addition. (District II)
- b. Revised Petitions for Improvements to Casa Bella Second and Third Additions. (District II)

RECOMMENDED ACTION: Approve Petitions; adopt resolutions.

6. Agreements/Contracts:

- a. Class I Air Emission Source Operating Permit Reporting – Professional Services Contract. (District V)
- b. Gilbert and Mosley Groundwater Contamination Site Project – Groundwater Monitoring – Professional Services Contract. (Districts I, III and VI)

RECOMMENDED ACTION: Approve Agreements/Contracts; authorize the necessary signatures.

7. Design Services Agreements:

- a. Supplemental Design Agreement for Wastewater Treatment Plant 2 Biosolids Facility Improvements. (District III)
- b. Design Services Agreement for Water Treatment Plant Chemical Feed System Improvements. (District II)

RECOMMENDED ACTION: Approve Agreements/Contracts; authorize the necessary signatures.

8. Change Order:

- a. Change Order No. 6 for Improvements to Southfork Commercial Addition. (District III)

RECOMMENDED ACTION: Approve the Change Orders and authorize the necessary signatures.

9. Property Acquisitions:

- a. Approval of Offers for the Reconstruction of the Bridge on 21st Street North at Mosley. (District VI)
- b. Approval of Offers for the Reconstruction of the Bridge on Douglas Avenue at Linden Drive. (District II)

RECOMMENDED ACTION: Approve budgets and Contracts; authorize necessary signatures.

10. Minutes of Advisory Boards/Commissions

Wichita Airport Advisory Board, October 6, 2014

Board of Building Code Standards and Appeals, October 6, 2014

Joint Investment Committee, October 2, 2014

Board of Appeals of Refrigeration, Air Conditioning, Warm Air Heating and Boiler, October 2, 2014

Board of Appeals of Refrigeration, Air Conditioning, Warm Air Heating and Boiler, November 6th, 2014

Wichita Public Library, October 21, 2014

RECOMMENDED ACTION: Receive and file.

11. Repair or Removal of Dangerous and Unsafe Structures. (District I)

| <u>Property Address</u>                | <u>Council District</u> |
|--|-------------------------|
| a. 541 N. Ohio                         | I                       |
| b. 1128 N. Hydraulic                   | I                       |
| c. Building North of 1128 N. Hydraulic | I                       |
| d. 1201 E. 12th N.                     | I                       |
| e. 2047 N. Minnesota                   | I                       |
| f. 2513 E. Shadybrook                  | I                       |
| g. 2519 E. Shadybrook                  | I                       |

RECOMMENDED ACTION: Adopt the attached resolutions to schedule public hearings before the City Council on January 6, 2015 at 09:30 a.m. or as soon as possible thereafter, to consider condemnation of structures deemed dangerous and unsafe per Kansas State Statutes and local ordinances.

12. Contracts and Agreements for October 2014.

RECOMMENDED ACTION: Receive and file.

13. Memorandum of Understanding with Wichita Art Museum regarding Construction of Riverview Art Garden.

RECOMMENDED ACTION: Approve the Memorandum of Understanding and authorize the necessary signatures.

14. Water and Sewer Utility Revenue Bonds, Series 2014B.

RECOMMENDED ACTION: Adopt the resolution: 1) authorizing the sale of Water and Sewer Utility Revenue Bonds; 2) approving the distribution to prospective bidders of the Preliminary Official Statement, subject to such minor revisions as may be determined necessary by the Director of Finance and Bond Counsel; 3) finding that such Preliminary Official Statement is in a form “deemed final” as of its date, except for the omission of such information as is permitted by Rule 15c2-12(b)(1) of the Securities Exchange Commission; 4) authorizing distribution of the Notice of Sale; and 5) authorizing City staff, in consultation with Bond Counsel to take such further action reasonably required to implement this resolution.

15. Resolution Setting a Public Hearing for Consideration of a Project Plan, Tax Increment Financing for the Union Station Project. (District I)

RECOMMENDED ACTION: Adopt the resolution setting a public hearing on January 6, 2015, for consideration of the Union Station Project Plan and authorize the necessary signatures.

16. Amended Bonding Resolution. (District I)

RECOMMENDED ACTION: Adopt the amending resolution and authorize the necessary signatures.

17. Transfer of City-Owned Land in the 200 Block of South Handley. (District I)

RECOMMENDED ACTION: Approve the transfer and authorize all necessary signatures.

18. Sale of City Property at 1556 South Broadway. (District III)

RECOMMENDED ACTION: Approve the real estate purchase agreement and authorize all necessary signatures.

19. Sale of City Property at the Northeast Corner of Kellogg and Market. (District I)

RECOMMENDED ACTION: Approve the real estate purchase agreement and authorize all necessary signatures.

20. Sale of City-Owned Building at 2101 East 21st Street. (District I)

RECOMMENDED ACTION: Approve the real estate purchase agreement and authorize all necessary signatures.

21. Contract Renewal with Sedgwick County for Housing First Funding.

RECOMMENDED ACTION: Approve the contract agreement renewal and authorize the necessary signatures.

22. Lease of Space at Colvin School. (District III)

RECOMMENDED ACTION: Approve the amendment to the lease agreement and authorize the necessary signatures.

23. Approval of a Cathodic Protection Permit. (District IV)

RECOMMENDED ACTION: Approve the permit and authorize all necessary signatures.

24. Approval of Sublease, Shannon No. 2, LLC. (District IV)

RECOMMENDED ACTION: Approve the sublease between Shannon No. 2, LLC and Lewis-Goetz and Company, Inc.

25. II-25. Amended Agreement for Legal Services with Hite, Fanning and Honeyman L.L.P.

RECOMMENDED ACTION: Approve the supplemental contract, authorize the Mayor to sign, and approve any necessary budget adjustments.

26. Pooled Funds Investment Policy.

RECOMMENDED ACTION: Approve the City of Wichita Pooled Funds Investment Policy.

27. False Alarm Registration and Management Services Contract.

RECOMMENDED ACTION: Approve the contract with Public Safety Corporation.

28. Petition to approve a Community Improvement District for River Vista. (District VI)

RECOMMENDED ACTION: Accept the petition and adopt the resolution setting a public hearing on December 16, 2014 for consideration of the establishment of a Community Improvement District.

29. Second Reading Ordinances: (First Read November 4, 2014)

- a. List of Second Reading Ordinances.

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.

30. \*SUB2013-00053 -- Plat of Wichita Crossing Addition located on the Southeast Corner of K-96 Highway and Greenwich Road. (District II)

RECOMMENDED ACTION: Approve the documents and plat, authorize the necessary signatures and place the Ordinance on first reading. Publication of the Ordinance should be withheld until the plat is recorded with the Register of Deeds.

31. \*SUB2014-00030 -- Plat of QuikTrip 16th Addition located on the Southwest Corner of Hydraulic and 47th Street South. (District III)

RECOMMENDED ACTION: Approve the documents and plat, authorize the necessary signatures and adopt the Resolution.

32. \*A14-06 - Request by JEDCO, LLC to Annex Lands Generally Located at the Northeast Corner of 31st Street South and 119th Street West. (District IV)

RECOMMENDED ACTION: Approve the annexation request, place the ordinance on first reading, authorize the necessary signatures and instruct the City Clerk to publish the ordinance after approval on second reading.

**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.

33. **\*EagleMed, LLC - Amendment No. 4 - Wichita Mid-Continent Airport.**

RECOMMENDED ACTION: Approve the amendment and authorize the necessary signatures.

34. **\*WAA Report of Board of Bids and Contracts dated November 24, 2014.**

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

Wichita, Kansas  
November 10, 2014  
10:00 a.m., Monday  
Conference Room, 12<sup>th</sup> Floor

**MINUTES - BOARD OF BIDS AND CONTRACTS\***

The Board of Bids and Contracts met with Marty Strayer, Administrative Assistant, Public Works Engineering in the Chair; Steve Coberley, Senior Accountant, Finance, representing the Director of Finance, Elizabeth Goltry-Wadle, Senior Budget Analyst, Budget Office, Clarence Rose, Senior Buyer, representing Purchasing, Zack Daniel Fellow representing the City Manager's Office and Karen Sublett, City Clerk, present.

Minutes of the regular meeting dated November 4, 2014, were read and on motion approved.

Bids were opened November 7, 2014, pursuant to advertisements published on:

**Old Lawrence Road Bridge Replacement (Old Lawrence Road, north of I-235) 87N-0609-01/472-85116 (715729)**

Defer one week

**2014 Sanitary Sewer Rehabilitation Phase E, (north of 31<sup>st</sup> Street South, east of Hoover Road) 468-849863 (620716)**

Municipal Pipe Tool Co. LLC - \$248,576.15

**2014 Sanitary Sewer Reconstruction Phase 12 (north of 31<sup>st</sup> St. South, east of Meridian) 468-84991 (620717)**

Visual Systems Inc. - \$75,247.00

Purchasing Manager recommended that the contracts be awarded/deferred as 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/deferred as outlined above, subject to check, same being the lowest and best bids within the Engineer's construction estimate.

**PUBLIC WORKS & UTILITIES DEPARTMENT/SEWAGE TREATMENT DIVISION:  
Polymer for Wastewater Solids Facility.**

Polydyne Inc. - \$94,095.60

\*Estimate – Contract approved on unit cost basis; refer to attachment

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.

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Marty Strayer, Administrative Assistant  
Department of Public Works

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Karen Sublett, MMC  
City Clerk

Wichita, Kansas  
November 17, 2014  
10:00 a.m., Monday  
Conference Room, 12<sup>th</sup> Floor

MINUTES - BOARD OF BIDS AND CONTRACTS\*

The Board of Bids and Contracts met with Marty Strayer, Administrative Assistant, Public Works Engineering in the Chair; Fanny Chan, Senior Accountant, Finance, representing the Director of Finance, Elizabeth Goltry-Wadle, Senior Budget Analyst, Budget Office, Clarence Rose, Senior Buyer, representing Purchasing, Zack Daniel Fellow representing the City Manager's Office and Janis Edwards, Deputy City Clerk, present.

Minutes of the regular meeting dated November 10, 2014, were read and on motion approved.

Bids were opened November 14, 2014, pursuant to advertisements published on:

**Old Lawrence Road Bridge Replacement (Old Lawrence Road, north of I-235) (87N-0609-01/472-85116/715729/249145) See Special Provisions. (District VI)**

*Mies Construction Inc. - \$172,043.45*

**SWS #687 Repair at Harry Street west of Willow Oak (East Harry Street and South Willow Oak) (468-84995/133117/133117) Traffic to be maintained during construction using flagpersons and barricades. (District II)**

*Danco Enterprises Inc. - \$58,000.00*

**Ironstone Court from the northeast lot line of Lot 24, Block 5, to and including cul-de-sac to serve Sierra Hills 2nd Addition (east of 127th Street East, north of Pawnee) (472-84731/766314/490335) Does not affect existing traffic. (District II)**

*Conspec Inc. dba Kansas Paving - \$55,257.50*

**Jayson/Kennedy (east of 151<sup>st</sup> Street West, north of Maple) 472-84646 (766312)**

*Conspec Inc. dba Kansas Paving \*- \$205,510.70*

\*Award 12/9/2014 subject to City Council approval of new Engineer's Estimate and budget authorization.

**Douglas Avenue Bus Facility Improvements – Phase II (Market Street to Washington Avenue) 472-85080 (716138/716139/716140/716141)**

**Bids Rejected**

Purchasing Manager recommended that the contracts be awarded/rejected as 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/rejected 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: Transportation of Biosolids.**

A Plus Logistics LLC\* - \$234,000.00 - Primary Contractor  
Pearson Construction LLC\* - \$267,750.00 - Secondary Contractor

\*Estimate – Contract approved on unit cost basis; refer to attachments.

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

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Janis Edwards, CMC  
Deputy City Clerk

Wichita, Kansas  
November 24, 2014  
10:00 a.m., Monday  
Conference Room, 12<sup>th</sup> Floor

**MINUTES - BOARD OF BIDS AND CONTRACTS\***

The Board of Bids and Contracts met with Marty Strayer, Administrative Assistant, Public Works Engineering in the Chair; Fanny Chan, Senior Accountant, Finance, representing the Director of Finance, Elizabeth Goltry-Wadle, Senior Budget Analyst, Budget Office, Clarence Rose, Senior Buyer, representing Purchasing, Zack Daniel Fellow representing the City Manager's Office and Janis Edwards, Deputy City Clerk, present.

Minutes of the regular meeting dated November 17, 2014, were read and on motion approved.

Bids were opened November 21, 2014, pursuant to advertisements published on:

**Redbud Multi-Use path (east of Hydraulic, north of 9<sup>th</sup>) 87TE-0353-01/47285007 (707035)**

Defer two weeks

Purchasing Manager recommended that the contracts be deferred as 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 deferred as outlined above, subject to check, same being the lowest and best bids within the Engineer's construction estimate.

**VARIOUS DEPARTMENTS, BOARDS AND AGENCIES: Fuel: Leas Free, E10, Diesel #1 and #2.**

Andale Farmers Cooperative\* - \$0.145 mark up per gallon

\*Estimate – Contract approved on unit cost basis; refer to attachments.

**PUBLIC WORKS AND UTILITIES DEPARTMENT/FLEET AND FACILITIES DIVISION: Pool House Construction/ADA Improvements.**

Bauer and Son Construction Company - \$384,000.00 Base Bid  
\$47,000.00 Add Alternate I

**HOUSING AND COMMUNITY SERVICES DEPARTMENT/PUBLIC HOUSING DIVISION: Replace Window Hardware, Re- Caulking.**

Sutherland Builders Inc. - \$168,250.00

**PARK AND RECREATION DEPARTMENT/RECREATION DIVISION: Exercise Equipment.**

Defer one week

**PARK AND RECREATION DEPARTMENT/FORESTRY DIVISION: Tree and Stump Removal Phase II.**

Defer one week

**HOUSING AND COMMUNITY SERVICES DEPARTMENT/PUBLIC HOUSING AND PUBLIC WORKS AND UTILITIES DEPARTMENT/SEWAGE TREATMENT DIVISION: Maint Serv Chillers, Boilers and Pumps.**

The Waldinger Corp.\* - \$6,378.00 Group 1 Base Bid  
\$78.00 Group 2 Option 1 (per hour)  
\$110.00 Group 2 Option 2 (per hour)  
\$120.00 Group 2 Option 3 (per hour)  
\$15.00 Group 2 Option 4 (per pound)  
\$65.00 Group 2 Option 5 (per gallon)

\*Estimate – Contract approved on unit cost basis; refer to attachments.

**VARIOUS DEPARTMENTS, BOARDS AND AGENCIES: Automotive and Commercial Batteries.**

Allied Energy and Battery Inc.\* - \$69,147.00 Group 1 Base Bid  
<\$300.00> Group 2 Option 1 Deduct  
<\$15,678.00> Group 2 Option 2 Deduct  
0% Group 2 Option 3

\*Estimate – Contract approved on unit cost basis; refer to attachments.

The Purchasing Division recommended that the contracts be awarded/deferred as outlined above, same being the lowest and best bid.

On motion the Board recommended that the contracts be awarded/deferred as outlined above, same being the lowest and best bid.

On motion the Board of Bids adjourned.

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Marty Strayer, Administrative Assistant  
Department of Public Works

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Janis Edwards, CMC  
Deputy City Clerk

## FORMAL BID REPORT

TO: Robert Layton, City Manager

DATE: November 24, 2014

**ENGINEERING BIDS – GARY JANZEN, CITY ENGINEER****October 24, 2014**

Old Lawrence Road Bridge Replacement (Old Lawrence Road, north of I-235) – Public Works & Utilities  
 Department/Engineering Division **(Defer to November 17, 2014) (Pending KDOT Approval)**

**November 7, 2014**

2014 Sanitary Sewer Rehabilitation Phase E (north of 31<sup>st</sup> Street South, east of Hoover Road) – Public Works  
 & Utilities Department/Engineering Division

**Municipal Pipe Tool Company, LLC** **\$248,576.15**

2014 Sanitary Sewer Reconstruction Phase 12 (north of 31<sup>st</sup> Street South, east of Meridian) – Public Works &  
 Utilities Department/Engineering Division

**Visual Systems, Inc.** **\$75,247.00**

**November 14, 2014**

Old Lawrence Road Bridge Replacement (Old Lawrence Road, north of I-235) – Public Works & Utilities  
 Department/Engineering Division

**Mies Construction, Inc.** **\$172,043.45**

SWS Repair at Harry Street west of Willow Oak (E. Harry Street and S. Willow Oak) – Public Works & Utilities  
 Department/Engineering Division

**Danco Enterprises, Inc.** **\$58,000.00**

Paving – Ironstone Court (east of 127<sup>th</sup> Street East, north of Pawnee) – Public Works & Utilities  
 Department/Engineering Division

**Conspec, Inc. dba Kansas Paving** **\$55,257.50**

Paving – Jayson/Kennedy (east of 151<sup>st</sup> Street West, north of Maple) – Public Works & Utilities  
 Department/Engineering Division

**Conspec, Inc. dba Kansas Paving** **(Award 12/9/2014 subject to City Council** **\$205,510.70**

**Approval of New Engineer's Estimate and Budget Authorization)**

Douglas Avenue Bus Facility Improvements – Phase II (Market Street to Washington Avenue) – Public Works  
 & Utilities Department/Engineering Division **(All Bids Rejected)**

**November 21, 2014**

Redbud Multi-Use Path – Public Works & Utilities Department/Engineering Division  
**(Defer to December 8, 2014) (Pending KDOT Approval)**

**PURCHASING BIDS – MELINDA A. WALKER, PURCHASING MANAGER****November 7, 2014**

Polymer for Use in the Wastewater Solids Dewatering Facility – Public Works & Utilities Department/Sewage  
 Treatment Division

**Polydyne, Inc. (See Exhibit B for Itemized Pricing in the Formal Bid Report) (Per Pound)** **\$0.95**

**November 14, 2014**

Transportation of Biosolids – Public Works & Utilities Department/Sewage Treatment Division

**A-Plus Logistics, LLC** **Primary Contractor (Per Ton)** **\$5.20**

**Pearson Construction, LLC** **Secondary Contractor (Per Ton)** **\$5.95**

**November 21, 2014**

Fuel: Lead Free, E10, Diesel # 1 and # 2 – Various Departments, Boards & Agencies (See Exhibit C for  
 Itemized Pricing in the Formal Bid Report)

**Andale Farmers Cooperative** **(Mark-Up Per Gallon)** **\$0.1450**



### PAVING BID TABULATION SUMMARY

BOARD OF BIDS - October 24, 2014

RQ441012

| FB440187                             |          | Engineer's Construction Estimate | Mies Construction Inc. | Klaver Construction Co. Inc. | Nowak Construction Co. Inc. |
|--------------------------------------|----------|----------------------------------|------------------------|------------------------------|-----------------------------|
| Old Lawrence Road Bridge Replacement |          | \$448,207.25                     | \$172,043.45           | \$213,444.17                 | \$236,897.00                |
| (Old Lawrence Road, north of I-235)  | BID BOND |                                  |                        |                              |                             |
|                                      | ADDENDA  | 1                                |                        |                              |                             |
| 87N-0609-01/472-85116 (715729)       |          |                                  |                        |                              |                             |
|                                      |          |                                  |                        |                              |                             |
|                                      |          | Engineer's Construction Estimate |                        |                              |                             |
| Old Lawrence Road Bridge Replacement |          | \$448,207.25                     |                        |                              |                             |
| (Old Lawrence Road, north of I-235)  | BID BOND |                                  |                        |                              |                             |
|                                      | ADDENDA  | 1                                |                        |                              |                             |
| 87N-0609-01/472-85116 (715729)       |          |                                  |                        |                              |                             |
|                                      |          |                                  |                        |                              |                             |
|                                      |          | Engineer's Construction Estimate |                        |                              |                             |
| Old Lawrence Road Bridge Replacement |          | \$448,207.25                     |                        |                              |                             |
| (Old Lawrence Road, north of I-235)  | BID BOND |                                  |                        |                              |                             |
|                                      | ADDENDA  |                                  |                        |                              |                             |
| 87N-0609-01/472-85116 (715729)       |          |                                  |                        |                              |                             |
|                                      |          |                                  |                        |                              |                             |
|                                      |          | Engineer's Construction Estimate |                        |                              |                             |
| Old Lawrence Road Bridge Replacement |          | \$448,207.25                     |                        |                              |                             |
| (Old Lawrence Road, north of I-235)  | BID BOND |                                  |                        |                              |                             |
|                                      | ADDENDA  | 1                                |                        |                              |                             |
| 87N-0609-01/472-85116 (715729)       |          |                                  |                        |                              |                             |
|                                      |          |                                  |                        |                              |                             |
| DEFER 1 WEEK PENDING KDOT APPROVAL   |          |                                  |                        |                              |                             |

CHECKED BY: myb

REVIEWED BY: sm

## SANITARY SEWER BID TABULATION SUMMARY

BOARD OF BIDS - November 7, 2014

RQ441112

| FB440204  |          | Engineer's Construction Estimate | Dondlinger & Sons     | Duling Construction                   | Mies Construction               |
|---|----------|----------------------------------|-----------------------|---------------------------------------|---------------------------------|
| <b>2014 Sanitary Sewer Rehabilitation Phase E</b> |          | \$299,120.00                     |                       |                                       |                                 |
| (north of 31st St S, east of Hoover Rd)           | BID BOND |                                  |                       |                                       |                                 |
| 468-84983   | ADDENDA  | 0                                |                       |                                       |                                 |
| (620716)  |          |                                  |                       |                                       |                                 |
| -----   |          |                                  |                       |                                       |                                 |
|   |          | Engineer's Construction Estimate | McCullough Excavation | Nowak Construction                    | Utilities Plus                  |
| <b>2014 Sanitary Sewer Rehabilitation Phase E</b> |          | \$299,120.00                     |                       |                                       |                                 |
| (north of 31st St S, east of Hoover Rd)           | BID BOND |                                  |                       |                                       |                                 |
| 468-84983   | ADDENDA  | 0                                |                       |                                       |                                 |
| (620716)  |          |                                  |                       |                                       |                                 |
| -----   |          |                                  |                       |                                       |                                 |
|   |          | Engineer's Construction Estimate | Wildcat Construction  | Stannard Construction d/b/a WB Carter | Insituform Technologies USA LLC |
| <b>2014 Sanitary Sewer Rehabilitation Phase E</b> |          | \$299,120.00                     |                       |                                       | \$268,088.00                    |
| (north of 31st St S, east of Hoover Rd)           | BID BOND |                                  |                       |                                       | X                               |
| 468-84983   | ADDENDA  | 0                                |                       |                                       |                                 |
| (620716)  |          |                                  |                       |                                       |                                 |
| -----   |          |                                  |                       |                                       |                                 |
|   |          | Engineer's Construction Estimate | Layne Inliner LLC     | SAK Construction LLC                  | Municipal Pipe Tool Co LLC      |
| <b>2014 Sanitary Sewer Rehabilitation Phase E</b> |          | \$299,120.00                     | \$277,640.00          | \$353,160.00                          | \$248,576.15                    |
| (north of 31st St S, east of Hoover Rd)           | BID BOND |                                  | X                     | X                                     | X                               |
| 468-84983   | ADDENDA  | 0                                |                       |                                       |                                 |
| (620716)  |          |                                  |                       |                                       |                                 |

CHECKED BY:           jld            
 REVIEWED BY:           sm

### SANITARY SEWER BID TABULATION SUMMARY

BOARD OF BIDS - November 7, 2014

RQ441149

| <b>FB440207</b>                                    |          | Engineer's Construction Estimate | Dondlinger & Sons     | Duling Construction                   | Mies Construction     |
|--|----------|----------------------------------|-----------------------|---------------------------------------|-----------------------|
| <b>2014 Sanitary Sewer Reconstruction Phase 12</b> |          | \$137,010.00                     |                       | \$115,743.00                          |                       |
| (north of 31st St. South, east of Meridian)        | BID BOND |                                  |                       |                                       |                       |
| 468-84991  | ADDENDA  | 0                                |                       |                                       |                       |
| (620717)   |          |                                  |                       |                                       |                       |
|  |          | Engineer's Construction Estimate | McCullough Excavation | Nowak Construction                    | Utilities Plus        |
| <b>2014 Sanitary Sewer Reconstruction Phase 12</b> |          | \$137,010.00                     |                       |                                       | \$85,753.50           |
| (north of 31st St. South, east of Meridian)        | BID BOND |                                  |                       |                                       |                       |
| 468-84991  | ADDENDA  | 0                                |                       |                                       |                       |
| (620717)   |          |                                  |                       |                                       |                       |
|  |          | Engineer's Construction Estimate | Wildcat Construction  | Stannard Construction d/b/a WB Carter | Danco Enterprises Inc |
| <b>2014 Sanitary Sewer Reconstruction Phase 12</b> |          | \$137,010.00                     |                       | \$89,814.50                           | \$108,473.00          |
| (north of 31st St. South, east of Meridian)        | BID BOND |                                  |                       | X                                     | X                     |
| 468-84991  | ADDENDA  | 0                                |                       |                                       |                       |
| (620717)   |          |                                  |                       |                                       |                       |
|  |          | Engineer's Construction Estimate | Visual Systems Inc    | Forshee Plumbing                      |                       |
| <b>2014 Sanitary Sewer Reconstruction Phase 12</b> |          | \$137,010.00                     | \$75,247.00           | \$95,245.00                           |                       |
| (north of 31st St. South, east of Meridian)        | BID BOND |                                  | X                     | X                                     |                       |
| 468-84991  | ADDENDA  | 0                                |                       |                                       |                       |
| (620717)   |          |                                  |                       |                                       |                       |

CHECKED BY: *jld*  
 REVIEWED BY: *sm*

**PAVING BID TABULATION SUMMARY**

BOARD OF BIDS - October 24, 2014

**RQ441012**

| <b>FB440187</b>                         |          | Engineer's<br>Construction<br>Estimate | Mies Construction<br>Inc | Klaver Construction<br>Co. Inc. | Nowak Construction<br>Co. Inc. |
|---|----------|--|--------------------------|---------------------------------|--------------------------------|
| Old Lawrence Road Bridge<br>Replacement |          | \$448,207.25                           | \$172,043.45             | \$213,444.17                    | \$236,897.00                   |
| (Old Lawrence Road, north of I-<br>235) | BID BOND |  |                          |                                 |                                |
|   | ADDENDA  | 1                                      |                          |                                 |                                |
| 87N-0609-01/472-85116 (715729)          |          |  |                          |                                 |                                |
|   |          | Engineer's<br>Construction<br>Estimate |                          |                                 |                                |
| Old Lawrence Road Bridge<br>Replacement |          | \$448,207.25                           |                          |                                 |                                |
| (Old Lawrence Road, north of I-<br>235) | BID BOND |  |                          |                                 |                                |
|   | ADDENDA  | 1                                      |                          |                                 |                                |
| 87N-0609-01/472-85116 (715729)          |          |  |                          |                                 |                                |
|   |          | Engineer's<br>Construction<br>Estimate |                          |                                 |                                |
| Old Lawrence Road Bridge<br>Replacement |          | \$448,207.25                           |                          |                                 |                                |
| (Old Lawrence Road, north of I-<br>235) | BID BOND |  |                          |                                 |                                |
|   | ADDENDA  | 1                                      |                          |                                 |                                |
| 87N-0609-01/472-85116 (715729)          |          |  |                          |                                 |                                |
|   |          | Engineer's<br>Construction<br>Estimate |                          |                                 |                                |
| Old Lawrence Road Bridge<br>Replacement |          | \$448,207.25                           |                          |                                 |                                |
| (Old Lawrence Road, north of I-<br>235) | BID BOND |  |                          |                                 |                                |
|   | ADDENDA  | 1                                      |                          |                                 |                                |
| 87N-0609-01/472-85116 (715729)          |          |  |                          |                                 |                                |

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**PAVING BID TABULATION SUMMARY**

BOARD OF BIDS - November 14, 2014

RQ441192

|  |          |                                  |                   |                       |                               |
|--|----------|----------------------------------|-------------------|-----------------------|-------------------------------|
| <b>FB440215</b>  |          | Engineer's Construction Estimate | APAC - Kansas Inc | Cornejo & Sons, LLC   | Conspec Inc DBA Kansas Paving |
| <b>Jayson/Kennedy</b>  |          |                                  | \$207,511.55      | \$215,567.50          | \$205,510.70                  |
| <b>(east of 151st Street West, north of Maple)</b>   | BID BOND |                                  |                   |                       |                               |
|  | ADDENDA  | 0                                |                   |                       |                               |
| <b>472-84949 (766312)</b>  |          |                                  |                   |                       |                               |
|  |          | Engineer's Construction Estimate | Dondlinger & Sons | Kansas Paving Company |                               |
| <b>Jayson/Kennedy</b>  |          |                                  |                   |                       |                               |
| <b>(east of 151st Street West, north of Maple)</b>   | BID BOND |                                  |                   |                       |                               |
|  | ADDENDA  | 0                                |                   |                       |                               |
| <b>472-84949 (766312)</b>  |          |                                  |                   |                       |                               |
|  |          | Engineer's Construction Estimate |                   |                       |                               |
| <b>Jayson/Kennedy</b>  |          |                                  |                   |                       |                               |
| <b>(east of 151st Street West, north of Maple)</b>   | BID BOND |                                  |                   |                       |                               |
|  | ADDENDA  | 0                                |                   |                       |                               |
| <b>472-84949 (766312)</b>  |          |                                  |                   |                       |                               |
|  |          | Engineer's Construction Estimate |                   |                       |                               |
| <b>Jayson/Kennedy</b>  |          |                                  |                   |                       |                               |
| <b>(east of 151st Street West, north of Maple)</b>   | BID BOND |                                  |                   |                       |                               |
|  | ADDENDA  | 0                                |                   |                       |                               |
| <b>472-84949 (766312)</b>  |          |                                  |                   |                       |                               |
| <b>Award 12/9/2014 subject to City Council approval of new Engineers Estimate and budget authorization</b> |          |                                  |                   |                       |                               |

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 REVIEWED BY: mjs for GJ

**PAVING BID TABULATION SUMMARY**

BOARD OF BIDS - November 14, 2014

RQ441152

| FB440208   |           | Engineer's Construction Estimate | Atlas Electric LLC | Phillips Southern Electric Co Inc |  |
|--|-----------|----------------------------------|--------------------|-----------------------------------|--|
| <b>Douglas Avenue Bus Facility Improvements - Phase II</b> | Base Bid  |                                  | \$475,328.00       | \$424,000.00                      |  |
| <b>(Market St. to Washington Ave.)</b>                     | Add Alt 1 |                                  | \$8,000.00         | \$6,960.00                        |  |
|  | Add Alt 2 |                                  | \$29,668.00        | \$13,624.00                       |  |
|  | Add Alt 3 |                                  | \$20,455.00        | \$19,008.00                       |  |
|  | BID BOND  |                                  |                    | X                                 |  |
|  | ADDENDA   | 1                                | X                  | X                                 |  |
| 472-85080 (716138/716139/716140/716141)                    |           |                                  | 533,451.00         | 463,592.00                        |  |
|  |           | Engineer's Construction Estimate |                    |                                   |  |
| <b>Douglas Avenue Bus Facility Improvements - Phase II</b> | Base Bid  |                                  |                    |                                   |  |
| <b>(Market St. to Washington Ave.)</b>                     | Add Alt 1 |                                  |                    |                                   |  |
|  | Add Alt 2 |                                  |                    |                                   |  |
|  | Add Alt 3 |                                  |                    |                                   |  |
|  | BID BOND  |                                  |                    |                                   |  |
|  | ADDENDA   | 1                                |                    |                                   |  |
| 472-85080 (716138/716139/716140/716141)                    |           |                                  |                    |                                   |  |
|  |           | Engineer's Construction Estimate |                    |                                   |  |
| <b>Douglas Avenue Bus Facility Improvements - Phase II</b> | Base Bid  |                                  |                    |                                   |  |
| <b>(Market St. to Washington Ave.)</b>                     | Add Alt 1 |                                  |                    |                                   |  |
|  | Add Alt 2 |                                  |                    |                                   |  |
|  | Add Alt 3 |                                  |                    |                                   |  |
|  | BID BOND  |                                  |                    |                                   |  |
|  | ADDENDA   | 1                                |                    |                                   |  |
| 472-85080 (716138/716139/716140/716141)                    |           |                                  |                    |                                   |  |
|  |           | Engineer's Construction Estimate |                    |                                   |  |
| <b>Douglas Avenue Bus Facility Improvements - Phase II</b> | Base Bid  |                                  |                    |                                   |  |
| <b>(Market St. to Washington Ave.)</b>                     | Add Alt 1 |                                  |                    |                                   |  |
|  | Add Alt 2 |                                  |                    |                                   |  |
|  | Add Alt 3 |                                  |                    |                                   |  |
|  | BID BOND  |                                  |                    |                                   |  |
|  | ADDENDA   | 1                                |                    |                                   |  |
| 472-85080 (716138/716139/716140/716141)                    |           |                                  |                    |                                   |  |
|  |           | Engineer's Construction Estimate |                    |                                   |  |
| <b>Douglas Avenue Bus Facility Improvements - Phase II</b> | Base Bid  |                                  |                    |                                   |  |
| <b>(Market St. to Washington Ave.)</b>                     | Add Alt 1 |                                  |                    |                                   |  |
|  | Add Alt 2 |                                  |                    |                                   |  |
|  | Add Alt 3 |                                  |                    |                                   |  |
|  | BID BOND  |                                  |                    |                                   |  |
|  | ADDENDA   | 1                                |                    |                                   |  |
| 472-85080 (716138/716139/716140/716141)                    |           |                                  |                    |                                   |  |
| <b>REJECT BIDS</b>   |           |                                  |                    |                                   |  |

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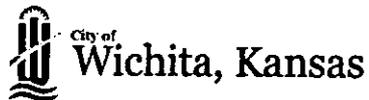
PAVING BID TABULATION SUMMARY

BOARD OF BIDS - November 21, 2014

RQ441133/RQ441134

| FB440205                            |          | Engineer's Construction Estimate | APAC - Kansas Inc | Barkley Construction  | Cornejo & Sons, LLC |
|-------------------------------------|----------|----------------------------------|-------------------|-----------------------|---------------------|
| Redbud Multi-Use Path               | Group 1  | \$2,160,048.00                   |                   |                       | \$2,066,741.25      |
| ADD ALTERNATE                       | Group 2  |                                  |                   |                       | \$87,099.00         |
| (east of Hydraulic, north of 9th)   | BID BOND |                                  |                   |                       | X                   |
| 87TE-0353-01/472-85007 (707035)     | ADDENDA  | 3                                |                   |                       | X                   |
| <b>TOTAL BID</b>                    |          | 2,160,048.00                     |                   |                       | 2,153,840.25        |
|                                     |          | Engineer's Construction Estimate | Dondlinger & Sons | Kansas Paving Company |                     |
| Redbud Multi-Use Path               | Group 1  | \$2,160,048.00                   |                   |                       |                     |
| ADD ALTERNATE                       | Group 2  |                                  |                   |                       |                     |
| (east of Hydraulic, north of 9th)   | BID BOND |                                  |                   |                       |                     |
| 87TE-0353-01/472-85007 (707035)     | ADDENDA  | 3                                |                   |                       |                     |
| <b>TOTAL BID</b>                    |          | 2,160,048.00                     |                   |                       |                     |
|                                     |          | Engineer's Construction Estimate |                   |                       |                     |
| Redbud Multi-Use Path               | Group 1  | \$2,160,048.00                   |                   |                       |                     |
| ADD ALTERNATE                       | Group 2  |                                  |                   |                       |                     |
| (east of Hydraulic, north of 9th)   | BID BOND |                                  |                   |                       |                     |
| 87TE-0353-01/472-85007 (707035)     | ADDENDA  | 3                                |                   |                       |                     |
| <b>TOTAL BID</b>                    |          | 2,160,048.00                     |                   |                       |                     |
|                                     |          | Engineer's Construction Estimate |                   |                       |                     |
| Redbud Multi-Use Path               | Group 1  | \$2,160,048.00                   |                   |                       |                     |
| ADD ALTERNATE                       | Group 2  |                                  |                   |                       |                     |
| (east of Hydraulic, north of 9th)   | BID BOND |                                  |                   |                       |                     |
| 87TE-0353-01/472-85007 (707035)     | ADDENDA  | 3                                |                   |                       |                     |
| <b>TOTAL BID</b>                    |          | 2,160,048.00                     |                   |                       |                     |
| DEFER 2 WEEKS PENDING KDOT APPROVAL |          |                                  |                   |                       |                     |

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 REVIEWED BY: *[Signature]*



**BID RESULTS**

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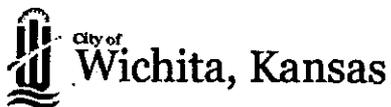
This page summarizes vendor responses by the bid total. Awarded vendors will be notified of their respective purchase orders/contracts.

**Vendor Group Line**  
**Solicitation:** FB440206    **Polymer for Wastewater Solids Facility**    **Close Date/Time:** 11/7/2014 10:00 AM CST  
**Solicitation Type:** Formal Bid    **Return to the Bid List**  
**Award Method:** Aggregate Cost  
**Department:** Water Sewage Treatment Division    **Responses:** 3

| Vendors          | Complete | Bid Total    | City Comments  |
|------------------|----------|--------------|--|
| POLYDYNE INC     | Partial  | \$94,095.60  | Award 11/25/2014 Public Works & Utilities Department/Sewage Treatment Division |
| BASF CORPORATION | Partial  | \$110,504.80 |  |
| NALCO COMPANY    | Partial  | \$163,602.50 |  |

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**BID RESULTS**

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This page summarizes vendor bids by the extended cost for each commodity line on the solicitation.

**Vendor Group Line**  
**Solicitation:** FB440206    **Polymer for Wastewater Solids Facility**    **Close Date/Time:** 11/7/2014 10:00 AM CST  
**Solicitation Type:** Formal Bid    **Return to the Bid List**  
**Award Method:** Aggregate Cost  
**Department:** Water Sewage Treatment Division    **Responses:** 3  
**Go to:** 001

**Line 001** | POLYDYNE POLYMER CE1270 Pounds of polymer required per net dry ton treated = 17.73 lbs/NDTT Capture Rate = 93.50% Cost of polymer per pound = \_\_\_\_\_ \$/lb (17.73) x \_\_\_\_\_ (cost \$/lb) / 0.9350 = \_\_\_\_\_ (\$/NDTT) Cost per net dry ton treated. Minimum Shipment: \_\_\_\_\_ Refundable Container Charge \$ \_\_\_\_\_

| Vendors          | QTY   | UOM   | Price    | Extended Cost | Complete | Comments |
|------------------|-------|-------|----------|---------------|----------|----------|
| POLYDYNE INC     | 99048 | Pound | \$0.9500 | \$94,095.60   | Complete |          |
| NALCO COMPANY    |       |       |          |               | No Bid.  |          |
| BASF CORPORATION |       |       |          |               | No Bid.  |          |

**Line 002** | CIBA POLYMER ZETAG 8818 Pounds of polymer required per net dry ton treated = 20.19 lbs/NDTT Capture Rate = 90.70% Cost of polymer per pound = \_\_\_\_\_ \$/lb (20.19) x \_\_\_\_\_ (cost \$/lb) / 0.9070 = \_\_\_\_\_ (\$/NDTT) Cost per net dry ton treated. Minimum Shipment: \_\_\_\_\_ Refundable Container Charge \$ \_\_\_\_\_

| Vendors          | QTY    | UOM   | Price    | Extended Cost | Complete | Comments |
|------------------|--------|-------|----------|---------------|----------|----------|
| BASF CORPORATION | 112760 | Pound | \$0.9800 | \$110,504.80  | Complete |          |
| POLYDYNE INC     |        |       |          |               | No Bid.  |          |
| NALCO COMPANY    |        |       |          |               | No Bid.  |          |

**Line 003** | CHEMTREAT POLYMER P848E Pounds of polymer required per net dry ton treated = 16.92 lbs/NDTT Capture Rate = 87.2% Cost of polymer per pound = \_\_\_\_\_ \$/lb (16.92) x \_\_\_\_\_ (cost \$/lb) / 0.872 = \_\_\_\_\_ (\$/NDTT) Cost per net dry ton treated. Minimum Shipment: \_\_\_\_\_ Refundable Container Charge \$ \_\_\_\_\_

| Vendors          | QTY | UOM | Price | Extended Cost | Complete | Comments |
|------------------|-----|-----|-------|---------------|----------|----------|
| POLYDYNE INC     |     |     |       |               | No Bid.  |          |
| NALCO COMPANY    |     |     |       |               | No Bid.  |          |
| BASF CORPORATION |     |     |       |               | No Bid.  |          |

**Line 004** | NALCO 7172 PLUS Pounds of polymer required per net dry ton treated = 18.90 lbs/NDTT Capture Rate = 90.5% Cost of polymer per pound = \_\_\_\_\_ \$/lb (18.90) x \_\_\_\_\_ (cost \$/lb) / 0.905 = \_\_\_\_\_ (\$/NDTT) Cost per net dry ton treated. Minimum Shipment: \_\_\_\_\_ Refundable Container Charge \$ \_\_\_\_\_

| Vendors       | QTY    | UOM   | Price    | Extended Cost | Complete | Comments   |
|---------------|--------|-------|----------|---------------|----------|--|
| NALCO COMPANY | 105550 | Pound | \$1.5500 | \$163,602.50  | Complete | No minimum shipment and no returnable container charge |

POLYDYNE INC

No Bid.

BASF CORPORATION

No Bid.

**Line 005 | RAENTERPRISE E-CHEM WP-11** Pounds of polymer required per net dry ton treated = 15.21 lbs/NDTT  
 Capture Rate = 92.3% Cost of polymer per pound = \_\_\_\_\_ \$/lb (15.21) x \_\_\_\_\_ (cost \$/lb) / 0.923 =  
 \_\_\_\_\_ (\$/NDTT) Cost per net dry ton treated. Minimum Shipment: \_\_\_\_\_ Refundable Container  
 Charge \$ \_\_\_\_\_

| Vendors          | QTY | UOM | Price | Extended Cost | Complete | Comments |
|------------------|-----|-----|-------|---------------|----------|----------|
| POLYDYNE INC     |     |     |       | No Bid.       |          |          |
| NALCO COMPANY    |     |     |       | No Bid.       |          |          |
| BASF CORPORATION |     |     |       | No Bid.       |          |          |

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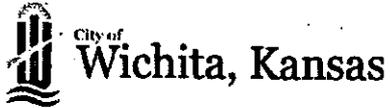
This page summarizes vendor responses by the bid total. Awarded vendors will be notified of their respective purchase orders/contracts.

**Vendor Group Line**  
**Solicitation:** FB440209      **Transportation of Biosolids**      **Close Date/Time:** 11/14/2014 10:00 AM CST  
**Solicitation Type:** Formal Bid      **Return to the Bid List**  
**Award Method:** Aggregate Cost  
**Department:** Public Works & Utilities      **Responses:** 4

| Vendors                  | Complete | Bid Total    | City Comments  |
|--------------------------|----------|--------------|--|
| A PLUS LOGISTICS LLC     | Complete | \$234,000.00 | Award 11-25-14 Primary Contractor, Public Works & Utilities Dept/Sewage Treatment Division   |
| PEARSON CONSTRUCTION LLC | Complete | \$267,750.00 | Award 11-25-14 Secondary Contractor, Public Works & Utilities Dept/Sewage Treatment Division |
| C K ENTERPRISE           | Complete | \$336,150.00 |  |
| H & K HAULING            | Complete | \$398,700.00 |  |

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This page summarizes vendor bids by the extended cost for each commodity line on the solicitation.

**Vendor Group Line**

**Solicitation:** FB440209      **Transportation of Biosolids**      **Close Date/Time:** 11/14/2014 10:00 AM CST

**Solicitation Type:** Formal Bid

[Return to the Bid List](#)

**Award Method:** Aggregate Cost

**Department:** Public Works & Utilities

**Responses:** 4

**Go to:**

**Line 001** | Transportation of Biosolids as per specifications, based on estimated quantities only.

| Vendors                  | QTY   | UOM | Price    | Extended Cost | Complete | Comments  |
|--------------------------|-------|-----|----------|---------------|----------|---|
| A PLUS LOGISTICS LLC     | 45000 | Ton | \$5.2000 | \$234,000.00  | Complete | Contact Jason Reevey @ (316)734-8950 for scheduling |
| PEARSON CONSTRUCTION LLC | 45000 | Ton | \$5.9500 | \$267,750.00  | Complete |   |
| C K ENTERPRISE           | 45000 | Ton | \$7.4700 | \$336,150.00  | Complete |   |
| H & K HAULING            | 45000 | Ton | \$8.8600 | \$398,700.00  | Complete |   |

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This page summarizes vendor responses by the bid total. Awarded vendors will be notified of their respective purchase orders/contracts.

**Vendor Group Line**

**Solicitation:** FB440210 **Fuel:** Lead Free, E10, Diesel #1 & #2 **Close Date/Time:** 11/21/2014 10:00 AM CST

**Solicitation Type:** Formal Bid

[Return to the Bid List](#)

**Award Method:** Aggregate Cost

**Department:** Public Works Fleet & Facilities

**Responses:** 3

| Vendors                    | Complete | Bid Total | City Comments   |
|----------------------------|----------|-----------|---|
| ANDALE FARMERS COOPERATIVE | Complete | \$0.73    | Award 11/25/14 Various Departments, Boards & Agencies |
| MJ MURPHY LLC              | Complete | \$0.85    |   |
| MID KANSAS COOPERATIVE     | Complete | \$0.87    |   |

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**Vendor Group Line**

Solicitation: FB440210      Fuel: Lead Free, E10, Diesel #1 & #2      Close Date/Time: 11/21/2014 10:00 AM CST

Solicitation Type: Formal Bid      Return to the Bid List

Award Method: Aggregate Cost

Department: Public Works Fleet & Facilities      Responses: 3

Go to:

**Line 001** | Lead Free Gasoline: Mark-Up Per Gallon as per specifications to include freight and without Federal and State Tax. Tank Wagon Delivery. Usage based on estimated quantities.

| Vendors                    | QTY | UOM    | Price    | Extended Cost | Complete | Comments   |
|----------------------------|-----|--------|----------|---------------|----------|--|
| ANDALE FARMERS COOPERATIVE | 1   | Gallon | \$0.1450 | \$0.15        | Complete | Mark up per gallon is 0.1450                           |
| MJ MURPHY LLC              | 1   | Gallon | \$0.1700 | \$0.17        | Complete |  |
| MID KANSAS COOPERATIVE     | 1   | Gallon | \$0.1743 | \$0.17        | Complete | ORDER NEEDS TO BE PLACED BY 8 AM FOR SAME DAY DELIVERY |

**Line 002** | E10 Gasoline: Mark-Up Per Gallon as per specifications to include freight and without Federal and State Tax. Tank Wagon Delivery. Usage based on estimated quantities.

| Vendors                    | QTY | UOM    | Price    | Extended Cost | Complete | Comments  |
|----------------------------|-----|--------|----------|---------------|----------|---|
| ANDALE FARMERS COOPERATIVE | 1   | Gallon | \$0.1450 | \$0.15        | Complete | Mark up per gallon is 0.1450                                  |
| MJ MURPHY LLC              | 1   | Gallon | \$0.1700 | \$0.17        | Complete |   |
| MID KANSAS COOPERATIVE     | 1   | Gallon | \$0.1743 | \$0.17        | Complete | ORDER NEEDS TO BE PLACED OFFICE BY 8 AM FOR SAME DAY DELIVERY |

**Line 003** | Diesel Fuel #1: Mark-Up Per Gallon as per specifications to include freight and without Federal and State Tax. Tank Wagon Delivery. Usage based on estimated quantities.

| Vendors                    | QTY | UOM    | Price    | Extended Cost | Complete | Comments   |
|----------------------------|-----|--------|----------|---------------|----------|--|
| ANDALE FARMERS COOPERATIVE | 1   | Gallon | \$0.1450 | \$0.15        | Complete | Mark up per gallon is 0.1450                           |
| MJ MURPHY LLC              | 1   | Gallon | \$0.1700 | \$0.17        | Complete |  |
| MID KANSAS COOPERATIVE     | 1   | Gallon | \$0.1743 | \$0.17        | Complete | ORDER NEEDS TO BE PLACED BY 8 AM FOR SAME DAY DELIVERY |

**Line 004** | Diesel Fuel #2: Mark-Up Per Gallon as per specifications to include freight and without Federal and State Tax. Tank Wagon Delivery. Usage based on estimated quantities.

| Vendors        | QTY | UOM    | Price    | Extended Cost | Complete | Comments              |
|----------------|-----|--------|----------|---------------|----------|-----------------------|
| ANDALE FARMERS | 1   | Gallon | \$0.1450 | \$0.15        | Complete | Mark up per gallon is |

COOPERATIVE 0.1450

MJ MURPHY LLC      1      Gallon      \$0.1700      \$0.17      Complete

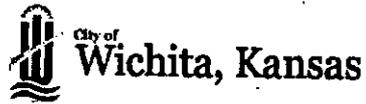
MID KANSAS COOPERATIVE      1      Gallon      \$0.1743      \$0.17      Complete      ORDER NEEDS TO BE PLACED BY 8 AM FOR SAME DAY DELIVERY

**Line 005 | Red Dye Diesel (Airport Dept. ONLY):** Mark-Up Per Gallon as per specifications to Include freight and without Federal and State Tax. Tank Wagon Delivery. Usage based on estimated quantities.

| Vendors                    | QTY | UOM    | Price    | Extended Cost | Complete | Comments   |
|----------------------------|-----|--------|----------|---------------|----------|--|
| ANDALE FARMERS COOPERATIVE | 1   | Gallon | \$0.1450 | \$0.15        | Complete | Mark up per gallon is 0.1450                           |
| MJ MURPHY LLC              | 1   | Gallon | \$0.1700 | \$0.17        | Complete |  |
| MID KANSAS COOPERATIVE     | 1   | Gallon | \$0.1743 | \$0.17        | Complete | ORDER NEEDS TO BE PLACED BY 8 AM FOR SAME DAY DELIVERY |

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This page summarizes vendor responses by the bid total. Awarded vendors will be notified of their respective purchase orders/contracts.

**Vendor Group Line**

**Solicitation:** FB440212      **Pool House Construction/ADA Improvements**      **Close Date/Time:** 11/21/2014 10:00 AM CST

**Solicitation Type:** Formal Bid      **Return to the Bid List**

**Award Method:** Aggregate Cost

**Department:** Public Works Fleet & Facilities      **Responses:** 3

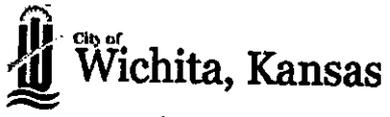
| Vendors                            | Complete | Bid Total    | City Comments   |
|------------------------------------|----------|--------------|---|
| BAUER & SON CONSTRUCTION CO INC    | Complete | \$431,000.00 | Award 11-25-14 Base Bid with Alternate 1 Public Works & Utilities Dept./Fleet & Facilities Division |
| CONSTRUCTION SERVICES BRYANT, INC. | Complete | \$502,000.00 |   |
| VAN ASDALE CONSTRUCTION LLC        | Complete | \$568,000.00 |   |

BIDS ARE WITHIN THE ARCHITECTS ESTIMATE

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Architect's Estimate: \$565,760.50





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This page summarizes vendor bids by the extended cost for each commodity line on the solicitation.

**Vendor Group Line**  
**Solicitation:** FB440212      **Pool House Construction/ADA Improvements**      **Close Date/Time:** 11/21/2014 10:00 AM CST  
**Solicitation Type:** Formal Bid      **Return to the Bid List**  
**Award Method:** Aggregate Cost  
**Department:** Public Works Fleet & Facilities      **Responses:** 3  
**Go to:**

**Line 001** | Base Bid: Labor, Material, and Equipment for Harvest Park Pool House Construction (Project B) and ADA Improvements at College Hill and Harvest Park Pools (Project A) as per Drawings and Specifications.

| Vendors                            | QTY | UOM      | Price          | Extended Cost | Complete | Comments |
|------------------------------------|-----|----------|----------------|---------------|----------|----------|
| BAUER & SON CONSTRUCTION CO INC    | 1   | Lump Sum | \$384,000.0000 | \$384,000.00  | Complete |          |
| CONSTRUCTION SERVICES BRYANT, INC. | 1   | Lump Sum | \$472,000.0000 | \$472,000.00  | Complete |          |
| VAN ASDALE CONSTRUCTION LLC        | 1   | Lump Sum | \$530,000.0000 | \$530,000.00  | Complete |          |

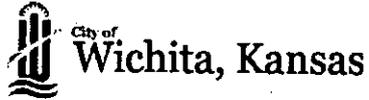
**Line 002** | Add Alternate No. 1: East Covered Patio

| Vendors                            | QTY | UOM      | Price         | Extended Cost | Complete | Comments |
|------------------------------------|-----|----------|---------------|---------------|----------|----------|
| CONSTRUCTION SERVICES BRYANT, INC. | 1   | Lump Sum | \$30,000.0000 | \$30,000.00   | Complete |          |
| VAN ASDALE CONSTRUCTION LLC        | 1   | Lump Sum | \$38,000.0000 | \$38,000.00   | Complete |          |
| BAUER & SON CONSTRUCTION CO INC    | 1   | Lump Sum | \$47,000.0000 | \$47,000.00   | Complete |          |

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This page summarizes vendor responses by the bid total. Awarded vendors will be notified of their respective purchase orders/contracts.

**Vendor Group Line**  
**Solicitation:** FB440217      **Exercise Equipment**      **Close Date/Time:** 11/21/2014 10:00 AM CST  
**Solicitation Type:** Formal Bid      **Return to the Bid List**  
**Award Method:** Group  
**Department:** Parks      **Responses:** 4

| Vendors                                 | Complete | Bid Total   | City Comments  |
|---|----------|-------------|--|
| PRO MAXIMA MFG LTD                      | Complete | \$69,250.00 | Defer to 12/1/14 Park & Recreation Dept./Recreation Division |
| ADVANCED HEALTHSTYLES FITNESS EQUIPMENT | Complete | \$72,755.44 |  |
| MID STATES FITNESS                      | Complete | \$96,376.00 |  |
| BSN SPORTS INC                          | Partial  | \$17,501.24 |  |

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**Vendor Group Line**

**Solicitation:** FB440219      **Tree & Stump Removal Phase II**      **Close Date/Time:** 11/21/2014 10:00 AM CST

**Solicitation Type:** Formal Bid

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**Award Method:** Group

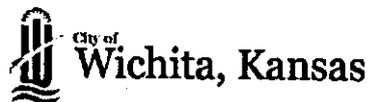
**Department:** Parks

**Responses:** 3

| Vendors                        | Complete | Bid Total    | City Comments   |
|--------------------------------|----------|--------------|---|
| ALFREDS SUPERIOR TREE SERVICE  | Complete | \$107,250.00 | Defer to 12/1/2014 Park & Recreation Dept/Forestry Division |
| ARBOR MASTERS TREE SERVICE INC | Complete | \$169,753.00 |   |
| S & J ENTERPRISE LLC           | Complete | \$187,860.00 |   |

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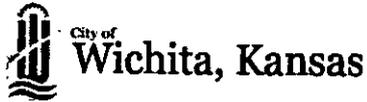
This page summarizes vendor responses by the bid total. Awarded vendors will be notified of their respective purchase orders/contracts.

**Vendor Group Line**  
**Solicitation:** FB440221    **Maint Serv Chillers, Boilers & Pumps**    **Close Date/Time:** 11/21/2014 10:00 AM CST  
**Solicitation Type:** Formal Bid    **Return to the Bid List**  
**Award Method:** Aggregate Cost  
**Department:** Purchasing Department    **Responses:** 7

| Vendors                                  | Complete | Bid Total   | City Comments   |
|--|----------|-------------|---|
| AMERICAN COMMERCIAL & RESIDENTIAL SERVIC | Complete | \$6,714.00  |   |
| THE WALDINGER CORP                       | Complete | \$6,766.00  | Award 11-25-14 Base Bid w/ Options 1-5 Housing & Comm Serv Dept/Public Housing & PW&U Dept/ST Div |
| P1 GROUP INC                             | Complete | \$8,764.00  |   |
| KRUSE CORPORATION                        | Complete | \$9,506.00  |   |
| DON VAUGHN INC                           | Complete | \$10,084.00 |   |
| DEAN E NORRIS INC                        | Complete | \$10,798.00 |   |
| CENTRAL AIR CONDITIONING CO              | Complete | \$12,942.50 |   |

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This page summarizes bids by the totals for each group listed on the solicitation.

**Vendor Group Line**  
**Solicitation:** FB440221    **Maint Serv Chillers, Boilers & Pumps**    **Close Date/Time:** 11/21/2014 10:00 AM CST  
**Solicitation Type:** Formal Bid    **Return to the Bid List**  
**Award Method:** Aggregate Cost  
**Department:** Purchasing Department    **Responses:** 7  
**Go to:**

**Group 1**

| Vendors                                  | Complete | Group Total Net Bid |
|--|----------|---------------------|
| <u>THE WALDINGER CORP</u>                | Complete | \$6,378.00          |
| AMERICAN COMMERCIAL & RESIDENTIAL SERVIC | Complete | \$6,394.00          |
| P1 GROUP INC                             | Complete | \$8,394.00          |
| KRUSE CORPORATION                        | Complete | \$9,118.50          |
| DON VAUGHN INC                           | Complete | \$9,690.00          |
| DEAN E NORRIS INC                        | Complete | \$10,404.00         |
| CENTRAL AIR CONDITIONING CO              | Complete | \$12,612.00         |

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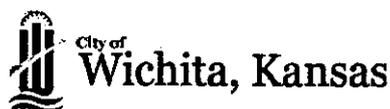
**Group 2**

| Vendors                                  | Complete | Group Total Net Bid |
|--|----------|---------------------|
| <b>Group 2: Option 1</b>                 |          |                     |
| DEAN E NORRIS INC                        | Complete | \$68.00             |
| AMERICAN COMMERCIAL & RESIDENTIAL SERVIC | Complete | \$75.00             |
| <u>THE WALDINGER CORP</u>                | Complete | \$78.00             |
| CENTRAL AIR CONDITIONING CO              | Complete | \$78.50             |
| KRUSE CORPORATION                        | Complete | \$82.50             |
| DON VAUGHN INC                           | Complete | \$86.00             |
| P1 GROUP INC                             | Complete | \$89.00             |
| <b>Group 2: Option 2</b>                 |          |                     |
| CENTRAL AIR CONDITIONING CO              | Complete | \$95.00             |
| AMERICAN COMMERCIAL & RESIDENTIAL SERVIC | Complete | \$95.00             |
| DEAN E NORRIS INC                        | Complete | \$102.00            |

|  |                 |                 |
|--|-----------------|-----------------|
| DON VAUGHN INC                           | Complete        | \$106.00        |
| KRUSE CORPORATION                        | Complete        | \$108.75        |
| <u>THE WALDINGER CORP</u>                | <u>Complete</u> | <u>\$110.00</u> |
| P1 GROUP INC                             | Complete        | \$112.00        |
| <b>Group 2: Option 3</b>                 |                 |                 |
| AMERICAN COMMERCIAL & RESIDENTIAL SERVIC | Complete        | \$105.00        |
| P1 GROUP INC                             | Complete        | \$112.00        |
| CENTRAL AIR CONDITIONING CO              | Complete        | \$115.00        |
| <u>THE WALDINGER CORP</u>                | <u>Complete</u> | <u>\$120.00</u> |
| DON VAUGHN INC                           | Complete        | \$126.00        |
| DEAN E NORRIS INC                        | Complete        | \$136.00        |
| KRUSE CORPORATION                        | Complete        | \$136.25        |
| <b>Group 2: Option 4</b>                 |                 |                 |
| CENTRAL AIR CONDITIONING CO              | Complete        | \$12.00         |
| AMERICAN COMMERCIAL & RESIDENTIAL SERVIC | Complete        | \$13.00         |
| <u>THE WALDINGER CORP</u>                | <u>Complete</u> | <u>\$15.00</u>  |
| DEAN E NORRIS INC                        | Complete        | \$18.00         |
| P1 GROUP INC                             | Complete        | \$20.00         |
| DON VAUGHN INC                           | Complete        | \$24.00         |
| KRUSE CORPORATION                        | Complete        | \$30.00         |
| <b>Group 2: Option 5</b>                 |                 |                 |
| KRUSE CORPORATION                        | Complete        | \$30.00         |
| CENTRAL AIR CONDITIONING CO              | Complete        | \$30.00         |
| AMERICAN COMMERCIAL & RESIDENTIAL SERVIC | Complete        | \$32.00         |
| P1 GROUP INC                             | Complete        | \$37.00         |
| DON VAUGHN INC                           | Complete        | \$52.00         |
| <u>THE WALDINGER CORP</u>                | <u>Complete</u> | <u>\$65.00</u>  |
| DEAN E NORRIS INC                        | Complete        | \$70.00         |

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**Vendor Group Line**  
**Solicitation:** FB440221    **Maint Serv Chillers, Boilers & Pumps**    **Close Date/Time:** 11/21/2014 10:00 AM CST  
**Solicitation Type:** Formal Bid    **Return to the Bid List**  
**Award Method:** Aggregate Cost  
**Department:** Purchasing Department    **Responses:** 7  
**Go to:**

**Line 001** | Preventative Service Maintenance and Inspection Cost per Occurrence at Wichita Housing Authority McLean Manor, 2627 W. 9th, Wichita, Kansas 67203 Commercial Chillers (2 each) Preseason April 15-May 1

| Vendors                                  | QTY | UOM  | Price      | Extended Cost | Complete | Comments |
|--|-----|------|------------|---------------|----------|----------|
| THE WALDINGER CORP                       | 2   | Each | \$142.0000 | \$284.00      | Complete |          |
| AMERICAN COMMERCIAL & RESIDENTIAL SERVIC | 2   | Each | \$148.0000 | \$296.00      | Complete |          |
| P1 GROUP INC                             | 2   | Each | \$198.0000 | \$396.00      | Complete |          |
| KRUSE CORPORATION                        | 2   | Each | \$206.2500 | \$412.50      | Complete |          |
| DON VAUGHN INC                           | 2   | Each | \$275.0000 | \$550.00      | Complete |          |
| DEAN E NORRIS INC                        | 2   | Each | \$544.0000 | \$1,088.00    | Complete |          |
| CENTRAL AIR CONDITIONING CO              | 2   | Each | \$664.0000 | \$1,328.00    | Complete |          |

**Line 002** | Preventative Service Maintenance and Inspection Cost per Occurrence at Wichita Housing Authority McLean Manor, 2627 W. 9th, Wichita, Kansas 67203 Commercial Chillers (2 each) Scheduled Seasonal July 1-July 15

| Vendors                                  | QTY | UOM  | Price      | Extended Cost | Complete | Comments |
|--|-----|------|------------|---------------|----------|----------|
| THE WALDINGER CORP                       | 2   | Each | \$142.0000 | \$284.00      | Complete |          |
| AMERICAN COMMERCIAL & RESIDENTIAL SERVIC | 2   | Each | \$148.0000 | \$296.00      | Complete |          |
| P1 GROUP INC                             | 2   | Each | \$198.0000 | \$396.00      | Complete |          |
| KRUSE CORPORATION                        | 2   | Each | \$206.2500 | \$412.50      | Complete |          |
| DON VAUGHN INC                           | 2   | Each | \$275.0000 | \$550.00      | Complete |          |
| DEAN E NORRIS INC                        | 2   | Each | \$544.0000 | \$1,088.00    | Complete |          |
| CENTRAL AIR CONDITIONING CO              | 2   | Each | \$664.0000 | \$1,328.00    | Complete |          |

**Line 003** | Preventative Service Maintenance and Inspection cost per Occurrence at Wichita Housing Authority McLean Manor, 2627 W. 9th, Wichita, Kansas 67203 Commercial Boilers (5 each) Preseason October 1-October 15

| Vendors | QTY | UOM | Price | Extended Cost | Complete | Comments |
|---------|-----|-----|-------|---------------|----------|----------|
|---------|-----|-----|-------|---------------|----------|----------|

|  |   |      |            |            |          |
|--|---|------|------------|------------|----------|
| DEAN E NORRIS INC                        | 5 | Each | \$136.0000 | \$680.00   | Complete |
| THE WALDINGER CORP                       | 5 | Each | \$142.0000 | \$710.00   | Complete |
| AMERICAN COMMERCIAL & RESIDENTIAL SERVIC | 5 | Each | \$143.0000 | \$715.00   | Complete |
| DON VAUGHN INC                           | 5 | Each | \$160.0000 | \$800.00   | Complete |
| KRUSE CORPORATION                        | 5 | Each | \$165.0000 | \$825.00   | Complete |
| P1 GROUP INC                             | 5 | Each | \$191.0000 | \$955.00   | Complete |
| CENTRAL AIR CONDITIONING CO              | 5 | Each | \$218.0000 | \$1,090.00 | Complete |

Line 004 | Preventative Service Maintenance and Inspection cost per Occurrence at Wichita Housing Authority McLean Manor, 2627 W. 9th, Wichita, Kansas 67203 Commercial Boilers (5 each) Scheduled Seasonal January 15-February 1

| Vendors                                  | QTY | UOM  | Price      | Extended Cost | Complete | Comments |
|--|-----|------|------------|---------------|----------|----------|
| CENTRAL AIR CONDITIONING CO              | 5   | Each | \$114.0000 | \$570.00      | Complete |          |
| DEAN E NORRIS INC                        | 5   | Each | \$136.0000 | \$680.00      | Complete |          |
| THE WALDINGER CORP                       | 5   | Each | \$142.0000 | \$710.00      | Complete |          |
| AMERICAN COMMERCIAL & RESIDENTIAL SERVIC | 5   | Each | \$143.0000 | \$715.00      | Complete |          |
| DON VAUGHN INC                           | 5   | Each | \$160.0000 | \$800.00      | Complete |          |
| KRUSE CORPORATION                        | 5   | Each | \$165.0000 | \$825.00      | Complete |          |
| P1 GROUP INC                             | 5   | Each | \$191.0000 | \$955.00      | Complete |          |

Line 005 | Preventative Service Maintenance and Inspection cost per Occurrence at Wichita Housing Authority McLean Manor, 2627 W. 9th, Wichita, Kansas 67203 Commercial Pumps (9 each) Preseason April 15-May 1 and October 1-November 1

| Vendors                                  | QTY | UOM  | Price     | Extended Cost | Complete | Comments |
|--|-----|------|-----------|---------------|----------|----------|
| CENTRAL AIR CONDITIONING CO              | 9   | Each | \$19.0000 | \$171.00      | Complete |          |
| THE WALDINGER CORP                       | 9   | Each | \$20.0000 | \$180.00      | Complete |          |
| DEAN E NORRIS INC                        | 9   | Each | \$34.0000 | \$306.00      | Complete |          |
| DON VAUGHN INC                           | 9   | Each | \$35.0000 | \$315.00      | Complete |          |
| AMERICAN COMMERCIAL & RESIDENTIAL SERVIC | 9   | Each | \$38.0000 | \$342.00      | Complete |          |
| P1 GROUP INC                             | 9   | Each | \$44.0000 | \$396.00      | Complete |          |
| KRUSE CORPORATION                        | 9   | Each | \$62.0000 | \$558.00      | Complete |          |

Line 006 | Preventative Service Maintenance and Inspection cost per Occurrence at Wichita Housing Authority Greenway Manor, 307 Riverview, Wichita, Kansas 67203 Commercial Chillers (2 each) Preseason April 15-May 1

| Vendors | QTY | UOM | Price | Extended Cost | Complete | Comments |
|---------|-----|-----|-------|---------------|----------|----------|
|---------|-----|-----|-------|---------------|----------|----------|

|  |   |      |            |            |          |
|--|---|------|------------|------------|----------|
| AMERICAN COMMERCIAL & RESIDENTIAL SERVIC | 2 | Each | \$121.0000 | \$242.00   | Complete |
| THE WALDINGER CORP                       | 2 | Each | \$142.0000 | \$284.00   | Complete |
| P1 GROUP INC                             | 2 | Each | \$154.0000 | \$308.00   | Complete |
| KRUSE CORPORATION                        | 2 | Each | \$206.2500 | \$412.50   | Complete |
| DON VAUGHN INC                           | 2 | Each | \$275.0000 | \$550.00   | Complete |
| DEAN E NORRIS INC                        | 2 | Each | \$544.0000 | \$1,088.00 | Complete |
| CENTRAL AIR CONDITIONING CO              | 2 | Each | \$664.0000 | \$1,328.00 | Complete |

**Line 007** | Preventative Service Maintenance and Inspection cost per Occurrence at Wichita Housing Authority Greenway Manor, 307 Riverview, Wichita, Kansas 67203 Commercial Chillers (2 each) Scheduled Seasonal July 1-July 15

| Vendors                                  | QTY | UOM  | Price      | Extended Cost | Complete | Comments |
|--|-----|------|------------|---------------|----------|----------|
| AMERICAN COMMERCIAL & RESIDENTIAL SERVIC | 2   | Each | \$121.0000 | \$242.00      | Complete |          |
| THE WALDINGER CORP                       | 2   | Each | \$142.0000 | \$284.00      | Complete |          |
| P1 GROUP INC                             | 2   | Each | \$154.0000 | \$308.00      | Complete |          |
| KRUSE CORPORATION                        | 2   | Each | \$206.2500 | \$412.50      | Complete |          |
| DON VAUGHN INC                           | 2   | Each | \$275.0000 | \$550.00      | Complete |          |
| DEAN E NORRIS INC                        | 2   | Each | \$544.0000 | \$1,088.00    | Complete |          |
| CENTRAL AIR CONDITIONING CO              | 2   | Each | \$664.0000 | \$1,328.00    | Complete |          |

**Line 008** | Preventative Service Maintenance and Inspection cost per Occurrence at Wichita Housing Authority Greenway Manor, 307 Riverview, Wichita, Kansas 67203 Commercial Boilers (3 each) Preseason October 1-October 15

| Vendors                                  | QTY | UOM  | Price      | Extended Cost | Complete | Comments |
|--|-----|------|------------|---------------|----------|----------|
| AMERICAN COMMERCIAL & RESIDENTIAL SERVIC | 3   | Each | \$90.0000  | \$270.00      | Complete |          |
| P1 GROUP INC                             | 3   | Each | \$120.0000 | \$360.00      | Complete |          |
| DEAN E NORRIS INC                        | 3   | Each | \$136.0000 | \$408.00      | Complete |          |
| THE WALDINGER CORP                       | 3   | Each | \$142.0000 | \$426.00      | Complete |          |
| KRUSE CORPORATION                        | 3   | Each | \$165.0000 | \$495.00      | Complete |          |
| DON VAUGHN INC                           | 3   | Each | \$200.0000 | \$600.00      | Complete |          |
| CENTRAL AIR CONDITIONING CO              | 3   | Each | \$219.0000 | \$657.00      | Complete |          |

**Line 009** | Preventative Service Maintenance and Inspection cost per Occurrence at Wichita Housing Authority Greenway Manor, 307 Riverview, Wichita, Kansas 67203 Commercial Boilers (3 each) Scheduled Seasonal January 15-February 1

| Vendors | QTY | UOM | Price | Extended Cost | Complete | Comments |
|---------|-----|-----|-------|---------------|----------|----------|
|---------|-----|-----|-------|---------------|----------|----------|

|  |   |      |            | Cost     |          |  |
|--|---|------|------------|----------|----------|--|
| AMERICAN COMMERCIAL & RESIDENTIAL SERVIC | 3 | Each | \$90.0000  | \$270.00 | Complete |  |
| P1 GROUP INC                             | 3 | Each | \$120.0000 | \$360.00 | Complete |  |
| DEAN E NORRIS INC                        | 3 | Each | \$136.0000 | \$408.00 | Complete |  |
| THE WALDINGER CORP                       | 3 | Each | \$142.0000 | \$426.00 | Complete |  |
| KRUSE CORPORATION                        | 3 | Each | \$165.0000 | \$495.00 | Complete |  |
| DON VAUGHN INC                           | 3 | Each | \$200.0000 | \$600.00 | Complete |  |
| CENTRAL AIR CONDITIONING CO              | 3 | Each | \$219.0000 | \$657.00 | Complete |  |

**Line 010** | Preventative Service Maintenance and Inspection cost per Occurrence at Wichita Housing Authority Greenway Manor, 307 Riverview, Wichita, Kansas 67203 Commercial Pumps (9 each) Preseason April 15-May 1 and October 1-November 1

| Vendors                                  | QTY | UOM  | Price     | Extended Cost | Complete | Comments |
|--|-----|------|-----------|---------------|----------|----------|
| CENTRAL AIR CONDITIONING CO              | 9   | Each | \$19.0000 | \$171.00      | Complete |          |
| THE WALDINGER CORP                       | 9   | Each | \$20.0000 | \$180.00      | Complete |          |
| DEAN E NORRIS INC                        | 9   | Each | \$34.0000 | \$306.00      | Complete |          |
| DON VAUGHN INC                           | 9   | Each | \$35.0000 | \$315.00      | Complete |          |
| AMERICAN COMMERCIAL & RESIDENTIAL SERVIC | 9   | Each | \$38.0000 | \$342.00      | Complete |          |
| P1 GROUP INC                             | 9   | Each | \$44.0000 | \$396.00      | Complete |          |
| KRUSE CORPORATION                        | 9   | Each | \$62.0000 | \$558.00      | Complete |          |

**Line 011** | Preventative Service Maintenance and Inspection cost per Occurrence at Public Works & Utilities Department Sewage Treatment Plant #2, 2305 E. 57th St. South, Wichita, Kansas 67216 Commercial Chillers (1 each) Preseason March 15-April 1

| Vendors                                  | QTY | UOM  | Price      | Extended Cost | Complete | Comments |
|--|-----|------|------------|---------------|----------|----------|
| THE WALDINGER CORP                       | 1   | Each | \$145.0000 | \$145.00      | Complete |          |
| AMERICAN COMMERCIAL & RESIDENTIAL SERVIC | 1   | Each | \$148.0000 | \$148.00      | Complete |          |
| DON VAUGHN INC                           | 1   | Each | \$150.0000 | \$150.00      | Complete |          |
| P1 GROUP INC                             | 1   | Each | \$198.0000 | \$198.00      | Complete |          |
| KRUSE CORPORATION                        | 1   | Each | \$206.2500 | \$206.25      | Complete |          |
| DEAN E NORRIS INC                        | 1   | Each | \$544.0000 | \$544.00      | Complete |          |
| CENTRAL AIR CONDITIONING CO              | 1   | Each | \$664.0000 | \$664.00      | Complete |          |

**Line 012** | Preventative Service Maintenance and Inspection cost per Occurrence at Public Works & Utilities Department Sewage Treatment Plant #2, 2305 E. 57th St. South, Wichita, Kansas 67216 Commercial Chillers (1 Each)

Scheduled Seasonal June 1-July 1

| Vendors                                  | QTY | UOM  | Price      | Extended Cost | Complete | Comments |
|--|-----|------|------------|---------------|----------|----------|
| THE WALDINGER CORP                       | 1   | Each | \$145.0000 | \$145.00      | Complete |          |
| AMERICAN COMMERCIAL & RESIDENTIAL SERVIC | 1   | Each | \$148.0000 | \$148.00      | Complete |          |
| DON VAUGHN INC                           | 1   | Each | \$150.0000 | \$150.00      | Complete |          |
| P1 GROUP INC                             | 1   | Each | \$198.0000 | \$198.00      | Complete |          |
| KRUSE CORPORATION                        | 1   | Each | \$206.2500 | \$206.25      | Complete |          |
| DEAN E NORRIS INC                        | 1   | Each | \$544.0000 | \$544.00      | Complete |          |
| CENTRAL AIR CONDITIONING CO              | 1   | Each | \$664.0000 | \$664.00      | Complete |          |

**Line 013** | Preventative Service Maintenance and Inspection cost per Occurrence at Public Works & Utilities Department Sewage Treatment Plant #1, 3100 S. Grove, Plant #2, 2305 E. 57th St. South, Four Mile Creek, 15800 E. Harry, and Mid-Continent Water Quality Reclamation Facility, 8018 W. K42, Wichita, Kansas Commercial Boilers (8 each) Preseason September 15-November 1

| Vendors                                  | QTY | UOM  | Price      | Extended Cost | Complete | Comments |
|--|-----|------|------------|---------------|----------|----------|
| DEAN E NORRIS INC                        | 8   | Each | \$136.0000 | \$1,088.00    | Complete |          |
| THE WALDINGER CORP                       | 8   | Each | \$145.0000 | \$1,160.00    | Complete |          |
| AMERICAN COMMERCIAL & RESIDENTIAL SERVIC | 8   | Each | \$148.0000 | \$1,184.00    | Complete |          |
| P1 GROUP INC                             | 8   | Each | \$198.0000 | \$1,584.00    | Complete |          |
| KRUSE CORPORATION                        | 8   | Each | \$206.2500 | \$1,650.00    | Complete |          |
| CENTRAL AIR CONDITIONING CO              | 8   | Each | \$218.0000 | \$1,744.00    | Complete |          |
| DON VAUGHN INC                           | 8   | Each | \$235.0000 | \$1,880.00    | Complete |          |

**Line 014** | Preventative Service Maintenance and Inspection Cost per Occurrence at Public Works & Utilities Department Sewage Treatment Plant #1, 3100 S. Grove, Plant #2, 2305 E. 57th St. South, Four Mile Creek, 15800 E. Harry, and Mid-Continent Water Quality Reclamation Facility, 8018 W. K42, Wichita, Kansas Commercial Boilers (8 Each) Scheduled Seasonal December 1-January 1

| Vendors                                  | QTY | UOM  | Price      | Extended Cost | Complete | Comments |
|--|-----|------|------------|---------------|----------|----------|
| CENTRAL AIR CONDITIONING CO              | 8   | Each | \$114.0000 | \$912.00      | Complete |          |
| DEAN E NORRIS INC                        | 8   | Each | \$136.0000 | \$1,088.00    | Complete |          |
| THE WALDINGER CORP                       | 8   | Each | \$145.0000 | \$1,160.00    | Complete |          |
| AMERICAN COMMERCIAL & RESIDENTIAL SERVIC | 8   | Each | \$148.0000 | \$1,184.00    | Complete |          |
| P1 GROUP INC                             | 8   | Each | \$198.0000 | \$1,584.00    | Complete |          |
| KRUSE CORPORATION                        | 8   | Each | \$206.2500 | \$1,650.00    | Complete |          |
| DON VAUGHN INC                           | 8   | Each | \$235.0000 | \$1,880.00    | Complete |          |

**Line 015** | Option 1: Labor Rates: Straight Time (8:00 a.m.-4:30 p.m.) Monday - Friday

| Vendors                                  | QTY | UOM  | Price     | Extended Cost | Complete | Comments |
|--|-----|------|-----------|---------------|----------|----------|
| DEAN E NORRIS INC                        | 1   | Hour | \$68.0000 | \$68.00       | Complete |          |
| AMERICAN COMMERCIAL & RESIDENTIAL SERVIC | 1   | Hour | \$75.0000 | \$75.00       | Complete |          |
| THE WALDINGER CORP                       | 1   | Hour | \$78.0000 | \$78.00       | Complete |          |
| CENTRAL AIR CONDITIONING CO              | 1   | Hour | \$78.5000 | \$78.50       | Complete |          |
| KRUSE CORPORATION                        | 1   | Hour | \$82.5000 | \$82.50       | Complete |          |
| DON VAUGHN INC                           | 1   | Hour | \$86.0000 | \$86.00       | Complete |          |
| P1 GROUP INC                             | 1   | Hour | \$89.0000 | \$89.00       | Complete |          |

**Line 016** | Option 2: Labor Rates: Overtime Hours (4:30 p.m.-8:00 a.m.) Monday-Friday and all day Saturday

| Vendors                                  | QTY | UOM  | Price      | Extended Cost | Complete | Comments |
|--|-----|------|------------|---------------|----------|----------|
| CENTRAL AIR CONDITIONING CO              | 1   | Hour | \$95.0000  | \$95.00       | Complete |          |
| AMERICAN COMMERCIAL & RESIDENTIAL SERVIC | 1   | Hour | \$95.0000  | \$95.00       | Complete |          |
| DEAN E NORRIS INC                        | 1   | Hour | \$102.0000 | \$102.00      | Complete |          |
| DON VAUGHN INC                           | 1   | Hour | \$106.0000 | \$106.00      | Complete |          |
| KRUSE CORPORATION                        | 1   | Hour | \$108.7500 | \$108.75      | Complete |          |
| THE WALDINGER CORP                       | 1   | Hour | \$110.0000 | \$110.00      | Complete |          |
| P1 GROUP INC                             | 1   | Hour | \$112.0000 | \$112.00      | Complete |          |

**Line 017** | Option 3: Labor Rates: Premium Hours - Sundays and Holidays (Schedule for Emergency Hours, Same as Overtime Hours)

| Vendors                                  | QTY | UOM  | Price      | Extended Cost | Complete | Comments |
|--|-----|------|------------|---------------|----------|----------|
| AMERICAN COMMERCIAL & RESIDENTIAL SERVIC | 1   | Hour | \$105.0000 | \$105.00      | Complete |          |
| P1 GROUP INC                             | 1   | Hour | \$112.0000 | \$112.00      | Complete |          |
| CENTRAL AIR CONDITIONING CO              | 1   | Hour | \$115.0000 | \$115.00      | Complete |          |
| THE WALDINGER CORP                       | 1   | Hour | \$120.0000 | \$120.00      | Complete |          |
| DON VAUGHN INC                           | 1   | Hour | \$126.0000 | \$126.00      | Complete |          |
| DEAN E NORRIS INC                        | 1   | Hour | \$136.0000 | \$136.00      | Complete |          |
| KRUSE CORPORATION                        | 1   | Hour | \$136.2500 | \$136.25      | Complete |          |

Line 018 | Option 4: Charge Cost for R-22

| Vendors                                  | QTY | UOM   | Price     | Extended Cost | Complete | Comments          |
|--|-----|-------|-----------|---------------|----------|-------------------|
| CENTRAL AIR CONDITIONING CO              | 1   | Pound | \$12.0000 | \$12.00       | Complete |                   |
| AMERICAN COMMERCIAL & RESIDENTIAL SERVIC | 1   | Pound | \$13.0000 | \$13.00       | Complete |                   |
| THE WALDINGER CORP                       | 1   | Pound | \$15.0000 | \$15.00       | Complete |                   |
| DEAN E NORRIS INC                        | 1   | Pound | \$18.0000 | \$18.00       | Complete |                   |
| P1 GROUP INC                             | 1   | Pound | \$20.0000 | \$20.00       | Complete |                   |
| DON VAUGHN INC                           | 1   | Pound | \$24.0000 | \$24.00       | Complete |                   |
| KRUSE CORPORATION                        | 1   | Pound | \$30.0000 | \$30.00       | Complete | Cost + 30 percent |

Line 019 | Option 5: Refrigerant Oil

| Vendors                                  | QTY | UOM    | Price     | Extended Cost | Complete | Comments          |
|--|-----|--------|-----------|---------------|----------|-------------------|
| KRUSE CORPORATION                        | 1   | Gallon | \$30.0000 | \$30.00       | Complete | Cost + 30 percent |
| CENTRAL AIR CONDITIONING CO              | 1   | Gallon | \$30.0000 | \$30.00       | Complete |                   |
| AMERICAN COMMERCIAL & RESIDENTIAL SERVIC | 1   | Gallon | \$32.0000 | \$32.00       | Complete |                   |
| P1 GROUP INC                             | 1   | Gallon | \$37.0000 | \$37.00       | Complete |                   |
| DON VAUGHN INC                           | 1   | Gallon | \$52.0000 | \$52.00       | Complete |                   |
| THE WALDINGER CORP                       | 1   | Gallon | \$65.0000 | \$65.00       | Complete |                   |
| DEAN E NORRIS INC                        | 1   | Gallon | \$70.0000 | \$70.00       | Complete |                   |

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**BID RESULTS**

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This page summarizes vendor responses by the bid total. Awarded vendors will be notified of their respective purchase orders/contracts.

**Vendor Group Line**

**Solicitation:** FB440222    **Automotive & Commercial Batteries**    **Close Date/Time:** 11/21/2014 10:00 AM CST

**Solicitation Type:** Formal Bid

[Return to the Bid List](#)

**Award Method:** Aggregate Cost

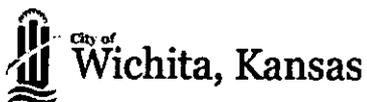
**Department:** Purchasing Department

**Responses:** 5

| Vendors                       | Complete | Bid Total   | City Comments   |
|-------------------------------|----------|-------------|---|
| ALLIED ENERGY AND BATTERY INC | Complete | \$53,169.00 | Award 11-25-14 Base Bid with Options 1-3 Various Departments, Boards & Agencies |
| POORMAN AUTOMOTIVE WAREHOUSE  | Complete | \$56,388.00 |   |
| BATTCO ENTERPRISES LLC        | Complete | \$59,016.33 |   |
| ALLPAK BATTERY                | Complete | \$61,597.00 |   |
| OREILLY AUTOMOTIVE STORES INC | Partial  | \$82,842.38 |   |

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This page summarizes bids by the totals for each group listed on the solicitation.

**Vendor Group Line**

Solicitation: FB440222      **Automotive & Commercial Batteries**      Close Date/Time: 11/21/2014 10:00 AM CST

Solicitation Type: Formal Bid

[Return to the Bid List](#)

Award Method: Aggregate Cost

Department: Purchasing Department

Responses: 5

Go to:

**Group 1**

| Vendors                              | Complete        | Group Total Net Bid |
|--------------------------------------|-----------------|---------------------|
| BATTCO ENTERPRISES LLC               | Complete        | \$66,449.33         |
| <u>ALLIED ENERGY AND BATTERY INC</u> | <u>Complete</u> | <u>\$69,147.00</u>  |
| POORMAN AUTOMOTIVE WAREHOUSE         | Complete        | \$72,005.00         |
| OREILLY AUTOMOTIVE STORES INC        | Complete        | \$82,832.38         |
| ALLPAK BATTERY                       | Complete        | \$86,015.00         |

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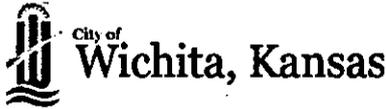
**Group 2**

| Vendors                              | Complete        | Group Total Net Bid  |
|--------------------------------------|-----------------|----------------------|
| <b>Group 2: Option 1</b>             |                 |                      |
| POORMAN AUTOMOTIVE WAREHOUSE         | Complete        | (\$810.00)           |
| BATTCO ENTERPRISES LLC               | Complete        | (\$480.00)           |
| <u>ALLIED ENERGY AND BATTERY INC</u> | <u>Complete</u> | <u>(\$300.00)</u>    |
| ALLPAK BATTERY                       | Complete        | (\$30.00)            |
| OREILLY AUTOMOTIVE STORES INC        | In-Complete     | \$0.00               |
| <b>Group 2: Option 2</b>             |                 |                      |
| ALLPAK BATTERY                       | Complete        | (\$24,388.00)        |
| <u>ALLIED ENERGY AND BATTERY INC</u> | <u>Complete</u> | <u>(\$15,678.00)</u> |
| POORMAN AUTOMOTIVE WAREHOUSE         | Complete        | (\$14,807.00)        |
| BATTCO ENTERPRISES LLC               | Complete        | (\$6,968.00)         |
| OREILLY AUTOMOTIVE STORES INC        | In-Complete     | \$0.00               |
| <b>Group 2: Option 3</b>             |                 |                      |
| POORMAN AUTOMOTIVE WAREHOUSE         | Complete        | \$0.00               |

|                               |          |         |
|-------------------------------|----------|---------|
| ALLPAK BATTERY                | Complete | \$0.00  |
| ALLIED ENERGY AND BATTERY INC | Complete | \$0.00  |
| BATTCO ENTERPRISES LLC        | Complete | \$15.00 |
| OREILLY AUTOMOTIVE STORES INC | Partial  | \$10.00 |

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This page summarizes vendor bids by the extended cost for each commodity line on the solicitation.

**Vendor Group Line**

**Solicitation:** FB440222      **Automotive & Commercial Batteries**      **Close Date/Time:** 11/21/2014 10:00 AM CST

**Solicitation Type:** Formal Bid

[Return to the Bid List](#)

**Award Method:** Aggregate Cost

**Department:** Purchasing Department

**Responses:** 5

**Go to:**

**Line 001 |** SIZE 26R-72 WET OR DRY, COLD CRANKING AMPS 575 MINIMUM, CRANKING AMPS 710 MINIMUM  
 BRAND: \_\_\_\_\_ BATTERY NO.: \_\_\_\_\_

| Vendors                       | QTY | UOM  | Price     | Extended Cost | Complete | Comments                 |
|-------------------------------|-----|------|-----------|---------------|----------|--------------------------|
| BATTCO ENTERPRISES LLC        | 5   | Each | \$52.5700 | \$262.85      | Complete | Duracell Brand SLI26R    |
| POORMAN AUTOMOTIVE WAREHOUSE  | 5   | Each | \$67.4700 | \$337.35      | Complete | ACDELCO 26RPS            |
| ALLPAK BATTERY                | 5   | Each | \$75.0000 | \$375.00      | Complete | Exide Allpak 26R-540/635 |
| ALLIED ENERGY AND BATTERY INC | 5   | Each | \$75.0000 | \$375.00      | Complete | Powerpack 26R-84HB       |
| OREILLY AUTOMOTIVE STORES INC | 5   | Each | \$80.4300 | \$402.15      | Complete | Superstart 24R72         |

**Line 002 |** SIZE 24-72 WET OR DRY, COLD CRANKING AMPS 600 MINIMUM, CRANKING AMPS 750 MINIMUM  
 BRAND: \_\_\_\_\_ BATTERY NO.: \_\_\_\_\_

| Vendors                       | QTY | UOM  | Price     | Extended Cost | Complete | Comments                |
|-------------------------------|-----|------|-----------|---------------|----------|-------------------------|
| BATTCO ENTERPRISES LLC        | 6   | Each | \$62.5000 | \$375.00      | Complete | Duracell Brand SLI24    |
| ALLIED ENERGY AND BATTERY INC | 6   | Each | \$75.0000 | \$450.00      | Complete | Powerpack 24-84HB       |
| POORMAN AUTOMOTIVE WAREHOUSE  | 6   | Each | \$75.1900 | \$451.14      | Complete | ACDELCO 24PS            |
| OREILLY AUTOMOTIVE STORES INC | 6   | Each | \$77.2900 | \$463.74      | Complete | Superstart 24-72        |
| ALLPAK BATTERY                | 6   | Each | \$90.0000 | \$540.00      | Complete | Exide Allpak 24-585/720 |

**Line 003 |** SIZE 24-84 WET OR DRY, COLD CRANKING AMPS 700 MINIMUM, CRANKING AMPS 875 MINIMUM  
 BRAND: \_\_\_\_\_ BATTERY NO.: \_\_\_\_\_

| Vendors                | QTY | UOM  | Price     | Extended Cost | Complete | Comments              |
|------------------------|-----|------|-----------|---------------|----------|-----------------------|
| BATTCO ENTERPRISES LLC | 4   | Each | \$72.3900 | \$289.56      | Complete | Duracell Brand SLI24M |
| ALLIED ENERGY AND      |     |      |           |               |          |                       |

|                               |   |      |           |          |          |                         |
|-------------------------------|---|------|-----------|----------|----------|-------------------------|
| BATTERY INC                   | 4 | Each | \$75.0000 | \$300.00 | Complete | Powerpakc 24-84HB       |
| POORMAN AUTOMOTIVE WAREHOUSE  | 4 | Each | \$81.7900 | \$327.16 | Complete | ACDELCO 24PG            |
| OREILLY AUTOMOTIVE STORES INC | 4 | Each | \$85.7800 | \$343.12 | Complete | Superstart 24EXT        |
| ALLPAK BATTERY                | 4 | Each | \$95.0000 | \$380.00 | Complete | Exide Allpak 24-700/850 |

**Line 004 | SIZE 26-72 WET OR DRY, COLD CRANKING AMPS 525 MINIMUM, CRANKING AMPS 655 MINIMUM**  
 BRAND: \_\_\_\_\_ BATTERY NO.: \_\_\_\_\_

| Vendors                       | QTY | UOM  | Price     | Extended Cost | Complete | Comments                |
|-------------------------------|-----|------|-----------|---------------|----------|-------------------------|
| BATTCO ENTERPRISES LLC        | 4   | Each | \$52.5700 | \$210.28      | Complete | Duracell Brand SLI26    |
| POORMAN AUTOMOTIVE WAREHOUSE  | 4   | Each | \$52.5800 | \$210.32      | Complete | ACDELCO 26A             |
| ALLIED ENERGY AND BATTERY INC | 4   | Each | \$55.0000 | \$220.00      | Complete | Powerpack 26-60PP       |
| OREILLY AUTOMOTIVE STORES INC | 4   | Each | \$73.6000 | \$294.40      | Complete | Superstart 26PRMJ       |
| ALLPAK BATTERY                | 4   | Each | \$75.0000 | \$300.00      | Complete | Exide Allpak 26-525/630 |

**Line 005 | SIZE 36R-72 WET OR DRY, COLD CRANKING AMPS 650 MINIMUM, CRANKING AMPS 810 MINIMUM**  
 BRAND: \_\_\_\_\_ BATTERY NO.: \_\_\_\_\_

| Vendors                       | QTY | UOM  | Price     | Extended Cost | Complete | Comments                 |
|-------------------------------|-----|------|-----------|---------------|----------|--------------------------|
| ALLIED ENERGY AND BATTERY INC | 26  | Each | \$75.0000 | \$1,950.00    | Complete | Powerpack 36R-84HB       |
| BATTCO ENTERPRISES LLC        | 26  | Each | \$80.6900 | \$2,097.94    | Complete | Duracell Brand SLI36R    |
| OREILLY AUTOMOTIVE STORES INC | 26  | Each | \$81.7000 | \$2,124.20    | Complete | Superstart 36R72         |
| POORMAN AUTOMOTIVE WAREHOUSE  | 26  | Each | \$82.2700 | \$2,139.02    | Complete | ACDELCO 36RPS            |
| ALLPAK BATTERY                | 26  | Each | \$85.0000 | \$2,210.00    | Complete | Exide Allpak 36R-650/800 |

**Line 006 | SIZE 27F-84 WET OR DRY, COLD CRANKING AMPS 710 MINIMUM, CRANKING AMPS 880 MINIMUM**  
 BRAND: \_\_\_\_\_ BATTERY NO.: \_\_\_\_\_

| Vendors                       | QTY | UOM  | Price     | Extended Cost | Complete | Comments              |
|-------------------------------|-----|------|-----------|---------------|----------|-----------------------|
| BATTCO ENTERPRISES LLC        | 4   | Each | \$73.3100 | \$293.24      | Complete | Duracell Brand SLI27F |
| POORMAN AUTOMOTIVE WAREHOUSE  | 4   | Each | \$79.0100 | \$316.04      | Complete | ACDELCO 27RPG         |
| OREILLY AUTOMOTIVE STORES INC | 4   | Each | \$85.5500 | \$342.20      | Complete | Superstart 27R72      |
| ALLPAK BATTERY                | 4   | Each | \$90.0000 | \$360.00      | Complete | Exide Allpak 27F-     |

700/850

ALLIED ENERGY AND BATTERY INC      4      Each      \$100.0000      \$400.00      Complete      Powerpack 27F-84HB

**Line 007 | SIZE 31 POST WET OR DRY, COLD CRANKING AMPS 950 MINIMUM, CRANKING AMPS 1185 MINIMUM**  
 BRAND: \_\_\_\_\_ BATTERY NO.: \_\_\_\_\_

| Vendors                              | QTY | UOM  | Price      | Extended Cost | Complete | Comments               |
|--------------------------------------|-----|------|------------|---------------|----------|------------------------|
| BATTCO ENTERPRISES LLC               | 27  | Each | \$76.6900  | \$2,070.63    | Complete | Duracell Brand SLI31PA |
| <u>ALLIED ENERGY AND BATTERY INC</u> | 27  | Each | \$85.0000  | \$2,295.00    | Complete | Powerpack 31P-950      |
| POORMAN AUTOMOTIVE WAREHOUSE         | 27  | Each | \$87.5600  | \$2,364.12    | Complete | ACDELCO ALD31TP        |
| OREILLY AUTOMOTIVE STORES INC        | 27  | Each | \$92.1500  | \$2,488.05    | Complete | Superstart 31-5        |
| ALLPAK BATTERY                       | 27  | Each | \$105.0000 | \$2,835.00    | Complete | Crown Allpak C31E-940  |

**Line 008 | SIZE 31 STUD WET OR DRY, COLD CRANKING AMPS 950 MINIMUM, CRANKING AMPS 1140 MINIMUM**  
 BRAND: \_\_\_\_\_ BATTERY NO.: \_\_\_\_\_

| Vendors                              | QTY | UOM  | Price     | Extended Cost | Complete | Comments               |
|--------------------------------------|-----|------|-----------|---------------|----------|------------------------|
| BATTCO ENTERPRISES LLC               | 342 | Each | \$76.6900 | \$26,227.98   | Complete | Duracell Brand SLI31SA |
| <u>ALLIED ENERGY AND BATTERY INC</u> | 342 | Each | \$85.0000 | \$29,070.00   | Complete | Powerpack 31S-950      |
| POORMAN AUTOMOTIVE WAREHOUSE         | 342 | Each | \$87.5600 | \$29,945.52   | Complete | ACDELCO ALD31TS        |
| OREILLY AUTOMOTIVE STORES INC        | 342 | Each | \$92.1500 | \$31,515.30   | Complete | Superstart 31-5T       |
| ALLPAK BATTERY                       | 342 | Each | \$95.0000 | \$32,490.00   | Complete | Crown Allpak C31D-940  |

**Line 009 | SIZE 34-72 WET OR DRY, COLD CRANKING AMPS 660 MINIMUM, CRANKING AMPS 790 MINIMUM**  
 BRAND: \_\_\_\_\_ BATTERY NO.: \_\_\_\_\_

| Vendors                              | QTY | UOM  | Price     | Extended Cost | Complete | Comments                |
|--------------------------------------|-----|------|-----------|---------------|----------|-------------------------|
| POORMAN AUTOMOTIVE WAREHOUSE         | 16  | Each | \$57.5700 | \$921.12      | Complete | ACDELCO 34A             |
| BATTCO ENTERPRISES LLC               | 16  | Each | \$65.3400 | \$1,045.44    | Complete | Duracell Brand SLI34    |
| <u>ALLIED ENERGY AND BATTERY INC</u> | 16  | Each | \$75.0000 | \$1,200.00    | Complete | Powerpack 34-60PP       |
| OREILLY AUTOMOTIVE STORES INC        | 16  | Each | \$77.9700 | \$1,247.52    | Complete | Superstart 34-72        |
| ALLPAK BATTERY                       | 16  | Each | \$85.0000 | \$1,360.00    | Complete | Exide Allpak 34-630/785 |

**Line 010 | SIZE 34-84 WET OR DRY, COLD CRANKING AMPS 750 MINIMUM, CRANKING AMPS 875 MINIMUM**  
 BRAND: \_\_\_\_\_ BATTERY NO.: \_\_\_\_\_

| Vendors                       | QTY | UOM  | Price      | Extended Cost | Complete | Comments                |
|-------------------------------|-----|------|------------|---------------|----------|-------------------------|
| BATTCO ENTERPRISES LLC        | 4   | Each | \$73.2300  | \$292.92      | Complete | Duracell Brand SLI34M   |
| POORMAN AUTOMOTIVE WAREHOUSE  | 4   | Each | \$84.3700  | \$337.48      | Complete | ACDELCO 34PG            |
| ALLPAK BATTERY                | 4   | Each | \$90.0000  | \$360.00      | Complete | Exide Allpak 34-770/950 |
| ALLIED ENERGY AND BATTERY INC | 4   | Each | \$100.0000 | \$400.00      | Complete | Powerpack 34-84HB       |

|   |   |      |            |          |          |                  |
|---|---|------|------------|----------|----------|------------------|
| OREILLY AUTOMOTIVE STORES INC   | 4 | Each | \$132.5200 | \$530.08 | Complete | Superstart 34PLT |
| <b>Line 011   SIZE 4D WET OR DRY, COLD CRANKING AMPS 950 MINIMUM, CRANKING AMPS 1150 MINIMUM</b><br>BRAND: _____ BATTERY NO.: _____ |   |      |            |          |          |                  |

| Vendors                       | QTY | UOM  | Price      | Extended Cost | Complete | Comments              |
|-------------------------------|-----|------|------------|---------------|----------|-----------------------|
| BATTCO ENTERPRISES LLC        | 4   | Each | \$127.1100 | \$508.44      | Complete | Duracell Brand SLI4DA |
| POORMAN AUTOMOTIVE WAREHOUSE  | 4   | Each | \$129.7700 | \$519.08      | Complete | ACDELCO 759           |
| ALLPAK BATTERY                | 4   | Each | \$130.0000 | \$520.00      | Complete | Crown Allpak C4D-1000 |
| ALLIED ENERGY AND BATTERY INC | 4   | Each | \$140.0000 | \$560.00      | Complete | Powerpack 4D-HB       |

|   |   |      |            |          |          |                |
|---|---|------|------------|----------|----------|----------------|
| OREILLY AUTOMOTIVE STORES INC   | 4 | Each | \$141.0700 | \$564.28 | Complete | Superstart 4D3 |
| <b>Line 012   SIZE 4DLT WET OR DRY, COLD CRANKING AMPS 850 MINIMUM, CRANKING AMPS 1005 MINIMUM</b><br>BRAND: _____ BATTERY NO.: _____ |   |      |            |          |          |                |

| Vendors                       | QTY | UOM  | Price      | Extended Cost | Complete | Comments                  |
|-------------------------------|-----|------|------------|---------------|----------|---------------------------|
| POORMAN AUTOMOTIVE WAREHOUSE  | 4   | Each | \$113.2700 | \$453.08      | Complete | ACDELCO 4DLTHD            |
| BATTCO ENTERPRISES LLC        | 4   | Each | \$119.1900 | \$476.76      | Complete | Duracell Brand SLI4DLT    |
| ALLPAK BATTERY                | 4   | Each | \$125.0000 | \$500.00      | Complete | Exide Allpak 4DLT-820/970 |
| OREILLY AUTOMOTIVE STORES INC | 4   | Each | \$125.0200 | \$500.08      | Complete | Superstart 4DLT           |
| ALLIED ENERGY AND BATTERY INC | 4   | Each | \$140.0000 | \$560.00      | Complete | Powerpack 4DLT-HB         |

| <b>Line 013   SIZE 58-72 WET OR DRY, COLD CRANKING AMPS 550 MINIMUM, CRANKING AMPS 680 MINIMUM</b><br>BRAND: _____ BATTERY NO.: _____ |     |      |           |               |          |                   |
|---|-----|------|-----------|---------------|----------|-------------------|
| Vendors   | QTY | UOM  | Price     | Extended Cost | Complete | Comments          |
| ALLIED ENERGY AND BATTERY INC   | 4   | Each | \$55.0000 | \$220.00      | Complete | Powerpack 58-60PP |
| POORMAN AUTOMOTIVE WAREHOUSE  | 4   | Each | \$55.6100 | \$222.44      | Complete | ACDELCO 58A       |

|                               |   |      |           |          |          |                         |
|-------------------------------|---|------|-----------|----------|----------|-------------------------|
| BATTCO ENTERPRISES LLC        | 4 | Each | \$57.6600 | \$230.64 | Complete | Duracell Brand SLI58    |
| ALLPAK BATTERY                | 4 | Each | \$75.0000 | \$300.00 | Complete | Exide Allpak 58-540/635 |
| OREILLY AUTOMOTIVE STORES INC | 4 | Each | \$76.0400 | \$304.16 | Complete | Superstart 58-72        |

**Line 014** | SIZE 65-72 WET OR DRY, COLD CRANKING AMPS 675 MINIMUM, CRANKING AMPS 810 MINIMUM  
 BRAND: \_\_\_\_\_ BATTERY NO.: \_\_\_\_\_

| Vendors                       | QTY | UOM  | Price     | Extended Cost | Complete | Comments             |
|-------------------------------|-----|------|-----------|---------------|----------|----------------------|
| ALLIED ENERGY AND BATTERY INC | 195 | Each | \$60.0000 | \$11,700.00   | Complete | Powerpack 65-60PP    |
| POORMAN AUTOMOTIVE WAREHOUSE  | 195 | Each | \$63.5100 | \$12,384.45   | Complete | ACDELCO 65A          |
| BATTCO ENTERPRISES LLC        | 195 | Each | \$67.2300 | \$13,109.85   | Complete | Duracell Brand SLI65 |
| OREILLY AUTOMOTIVE STORES INC | 195 | Each | \$87.1700 | \$16,998.15   | Complete | Superstart 65-72     |
| ALLPAK BATTERY                | 195 | Each | \$95.0000 | \$18,525.00   | Complete | Crown Allpak C65-650 |

**Line 015** | SIZE 65-84 WET OR DRY, COLD CRANKING AMPS 850 MINIMUM, CRANKING AMPS 1000 MINIMUM  
 BRAND: \_\_\_\_\_ BATTERY NO.: \_\_\_\_\_

| Vendors                       | QTY | UOM  | Price      | Extended Cost | Complete | Comments              |
|-------------------------------|-----|------|------------|---------------|----------|-----------------------|
| BATTCO ENTERPRISES LLC        | 4   | Each | \$76.8200  | \$307.28      | Complete | Duracell Brand SLI65M |
| OREILLY AUTOMOTIVE STORES INC | 4   | Each | \$95.2600  | \$381.04      | Complete | Superstart 65EXT      |
| POORMAN AUTOMOTIVE WAREHOUSE  | 4   | Each | \$98.2400  | \$392.96      | Complete | ACDELCO 65PG          |
| ALLPAK BATTERY                | 4   | Each | \$105.0000 | \$420.00      | Complete | Crown Allpak C65-875  |
| ALLIED ENERGY AND BATTERY INC | 4   | Each | \$124.0000 | \$496.00      | Complete | Powerpack 65-84HB     |

**Line 016** | SIZE 86-72 WET OR DRY, COLD CRANKING AMPS 540 MINIMUM, CRANKING AMPS 675 MINIMUM  
 BRAND: \_\_\_\_\_ BATTERY NO.: \_\_\_\_\_

| Vendors                       | QTY | UOM  | Price     | Extended Cost | Complete | Comments                |
|-------------------------------|-----|------|-----------|---------------|----------|-------------------------|
| BATTCO ENTERPRISES LLC        | 30  | Each | \$58.5600 | \$1,756.80    | Complete | Duracell Brand SLI86    |
| ALLIED ENERGY AND BATTERY INC | 30  | Each | \$60.0000 | \$1,800.00    | Complete | Powerpack 86-60PP       |
| POORMAN AUTOMOTIVE WAREHOUSE  | 30  | Each | \$74.2500 | \$2,227.50    | Complete | ACDELCO 86PS            |
| ALLPAK BATTERY                | 30  | Each | \$75.0000 | \$2,250.00    | Complete | Exide Allpak 86-630/785 |
| OREILLY AUTOMOTIVE STORES INC | 30  | Each | \$81.3000 | \$2,439.00    | Complete | Superstart 86-72        |

Line 017 | SIZE 86-84 WET OR DRY, COLD CRANKING AMPS 640 MINIMUM, CRANKING AMPS 800 MINIMUM  
 BRAND: \_\_\_\_\_ BATTERY NO.: \_\_\_\_\_

| Vendors                       | QTY | UOM  | Price      | Extended Cost | Complete | Comments                 |
|-------------------------------|-----|------|------------|---------------|----------|--------------------------|
| ALLIED ENERGY AND BATTERY INC | 4   | Each | \$80.0000  | \$320.00      | Complete | Powerpack 86-84HB        |
| BATTCO ENTERPRISES LLC        | 4   | Each | \$85.4300  | \$341.72      | Complete | Duracell Brand SL186M    |
| OREILLY AUTOMOTIVE STORES INC | 4   | Each | \$96.4400  | \$385.76      | Complete | Superstart 86EXT         |
| ALLPAK BATTERY                | 4   | Each | \$105.0000 | \$420.00      | Complete | Exide Allpak 86X-640/770 |
| POORMAN AUTOMOTIVE WAREHOUSE  | 4   | Each | \$120.2800 | \$481.12      | Complete | ACDELCO 86PG             |

Line 018 | SIZE 75-72 WET OR DRY, COLD CRANKING AMPS 650 MINIMUM, CRANKING AMPS 800 MINIMUM  
 BRAND: \_\_\_\_\_ BATTERY NO.: \_\_\_\_\_

| Vendors                       | QTY | UOM  | Price     | Extended Cost | Complete | Comments                |
|-------------------------------|-----|------|-----------|---------------|----------|-------------------------|
| ALLIED ENERGY AND BATTERY INC | 9   | Each | \$55.0000 | \$495.00      | Complete | Powerpack 75-60PP       |
| BATTCO ENTERPRISES LLC        | 9   | Each | \$59.3200 | \$533.88      | Complete | Duracell Brand SL175    |
| OREILLY AUTOMOTIVE STORES INC | 9   | Each | \$71.4800 | \$643.32      | Complete | Superstart 75-72        |
| POORMAN AUTOMOTIVE WAREHOUSE  | 9   | Each | \$73.0500 | \$657.45      | Complete | ACDELCO 75PS            |
| ALLPAK BATTERY                | 9   | Each | \$85.0000 | \$765.00      | Complete | Exide Allpak 75-630/785 |

Line 019 | SIZE 75-84 WET OR DRY, COLD CRANKING AMPS 700 MINIMUM, CRANKING AMPS 875 MINIMUM  
 BRAND: \_\_\_\_\_ BATTERY NO.: \_\_\_\_\_

| Vendors                       | QTY | UOM  | Price     | Extended Cost | Complete | Comments                |
|-------------------------------|-----|------|-----------|---------------|----------|-------------------------|
| BATTCO ENTERPRISES LLC        | 4   | Each | \$64.5200 | \$258.08      | Complete | Duracell Brand SL175M   |
| ALLIED ENERGY AND BATTERY INC | 4   | Each | \$75.0000 | \$300.00      | Complete | Powerpack 75-84HB       |
| OREILLY AUTOMOTIVE STORES INC | 4   | Each | \$76.9000 | \$307.60      | Complete | Superstart 75EXT        |
| POORMAN AUTOMOTIVE WAREHOUSE  | 4   | Each | \$82.5600 | \$330.24      | Complete | ACDELCO 75PG            |
| ALLPAK BATTERY                | 4   | Each | \$90.0000 | \$360.00      | Complete | Exide Allpak 75-690/825 |

Line 020 | SIZE 78-72 WET OR DRY, COLD CRANKING AMPS 690 MINIMUM, CRANKING AMPS 820 MINIMUM  
 BRAND: \_\_\_\_\_ BATTERY NO.: \_\_\_\_\_

| Vendors                       | QTY | UOM  | Price     | Extended Cost | Complete | Comments          |
|-------------------------------|-----|------|-----------|---------------|----------|-------------------|
| ALLIED ENERGY AND BATTERY INC | 86  | Each | \$58.0000 | \$4,988.00    | Complete | Powerpack 78-60PP |

|                               |    |      |           |            |          |                         |
|-------------------------------|----|------|-----------|------------|----------|-------------------------|
| BATTCO ENTERPRISES LLC        | 86 | Each | \$61.4400 | \$5,283.84 | Complete | Duracell Brand SLI78    |
| POORMAN AUTOMOTIVE WAREHOUSE  | 86 | Each | \$63.8700 | \$5,492.82 | Complete | ACDELCO 78A             |
| OREILLY AUTOMOTIVE STORES INC | 86 | Each | \$77.0500 | \$6,626.30 | Complete | Superstart 78-72        |
| ALLPAK BATTERY                | 86 | Each | \$85.0000 | \$7,310.00 | Complete | Exide Allpak 78-630/785 |

Line 021 | SIZE 78-84 WET OR DRY, COLD CRANKING AMPS 800 MINIMUM, CRANKING AMPS 960 MINIMUM  
 BRAND: \_\_\_\_\_ BATTERY NO.: \_\_\_\_\_

| Vendors                       | QTY | UOM  | Price      | Extended Cost | Complete | Comments                |
|-------------------------------|-----|------|------------|---------------|----------|-------------------------|
| BATTCO ENTERPRISES LLC        | 4   | Each | \$68.9900  | \$275.96      | Complete | Duracell Brand SLI78M   |
| OREILLY AUTOMOTIVE STORES INC | 4   | Each | \$87.5300  | \$350.12      | Complete | Superstart 78EXT        |
| POORMAN AUTOMOTIVE WAREHOUSE  | 4   | Each | \$93.7200  | \$374.88      | Complete | ACDELCO 78PG            |
| ALLPAK BATTERY                | 4   | Each | \$95.0000  | \$380.00      | Complete | Exide Allpak 78-770/950 |
| ALLIED ENERGY AND BATTERY INC | 4   | Each | \$100.0000 | \$400.00      | Complete | Powerpack 78-84HB       |

Line 022 | SIZE 8D WET OR DRY, COLD CRANKING AMPS 1400 MINIMUM, CRANKING AMPS 1700 MINIMUM  
 BRAND: \_\_\_\_\_ BATTERY NO.: \_\_\_\_\_

| Vendors                       | QTY | UOM  | Price      | Extended Cost | Complete | Comments              |
|-------------------------------|-----|------|------------|---------------|----------|-----------------------|
| BATTCO ENTERPRISES LLC        | 10  | Each | \$147.2700 | \$1,472.70    | Complete | Duracell Brand SLI8DA |
| POORMAN AUTOMOTIVE WAREHOUSE  | 10  | Each | \$166.1700 | \$1,661.70    | Complete | ACDELCO 8DHD          |
| OREILLY AUTOMOTIVE STORES INC | 10  | Each | \$176.1200 | \$1,761.20    | Complete | Superstart 8DFT       |
| ALLPAK BATTERY                | 10  | Each | \$190.0000 | \$1,900.00    | Complete | Crown Allpak C8D-1400 |
| ALLIED ENERGY AND BATTERY INC | 10  | Each | \$200.0000 | \$2,000.00    | Complete | Powerpack 8DXH-HB     |

Line 023 | SIZE GC2 DEEP CYCLE, CAPACITY @25 AMPS-447 MINUTES, @75 AMPS-115 MINUTES, AH CAPACITY @ 5 HOURS-185, @20 HOURS-225, LOW PROFILE TERMINALS BRAND: \_\_\_\_\_ BATTERY NO.: \_\_\_\_\_

| Vendors                       | QTY | UOM  | Price      | Extended Cost | Complete | Comments                |
|-------------------------------|-----|------|------------|---------------|----------|-------------------------|
| BATTCO ENTERPRISES LLC        | 12  | Each | \$101.5700 | \$1,218.84    | Complete | Duracell Brand SLIGC115 |
| OREILLY AUTOMOTIVE STORES INC | 12  | Each | \$102.4800 | \$1,229.76    | Complete | Superstart GC110DT      |
| ALLPAK BATTERY                | 12  | Each | \$110.0000 | \$1,320.00    | Complete | Crown Allpak CR-235     |

|                               |    |      |            |            |          |                  |
|-------------------------------|----|------|------------|------------|----------|------------------|
| POORMAN AUTOMOTIVE WAREHOUSE  | 12 | Each | \$110.2700 | \$1,323.24 | Complete | ACDELCO GC2-107  |
| ALLIED ENERGY AND BATTERY INC | 12 | Each | \$114.0000 | \$1,368.00 | Complete | Powerpack US2200 |

**Line 024** | SIZE 94R-72 WET OR DRY, COLD CRANKING AMPS 765 MINIMUM, CRANKING AMPS 955 MINIMUM  
 BRAND: \_\_\_\_\_ BATTERY NO.: \_\_\_\_\_

| Vendors                       | QTY | UOM  | Price      | Extended Cost | Complete | Comments                 |
|-------------------------------|-----|------|------------|---------------|----------|--------------------------|
| ALLIED ENERGY AND BATTERY INC | 10  | Each | \$80.0000  | \$800.00      | Complete | Powerpack 94R            |
| POORMAN AUTOMOTIVE WAREHOUSE  | 10  | Each | \$105.3500 | \$1,053.50    | Complete | ACDELCO 94RPG            |
| BATTCO ENTERPRISES LLC        | 10  | Each | \$119.5400 | \$1,195.40    | Complete | Duracell Brand SLI94RH7M |
| ALLPAK BATTERY                | 10  | Each | \$150.0000 | \$1,500.00    | Complete | Exide Allpak 94R-730/875 |
| OREILLY AUTOMOTIVE STORES INC | 10  | Each | \$155.5100 | \$1,555.10    | Complete | Superstart 94RPLT        |

**Line 025** | SIZE 48-84 WET OR DRY, COLD CRANKING AMPS 770 MINIMUM, CRANKING AMPS 960 MINIMUM  
 BRAND: \_\_\_\_\_ BATTERY NO.: \_\_\_\_\_

| Vendors                       | QTY | UOM  | Price      | Extended Cost | Complete | Comments                |
|-------------------------------|-----|------|------------|---------------|----------|-------------------------|
| BATTCO ENTERPRISES LLC        | 40  | Each | \$86.6900  | \$3,467.60    | Complete | Duracell Brand SLI48H6M |
| ALLIED ENERGY AND BATTERY INC | 40  | Each | \$90.0000  | \$3,600.00    | Complete | Powerpack 48-84HB       |
| ALLPAK BATTERY                | 40  | Each | \$95.0000  | \$3,800.00    | Complete | Exide Allpak 48-690/825 |
| POORMAN AUTOMOTIVE WAREHOUSE  | 40  | Each | \$98.2600  | \$3,930.40    | Complete | ACDELCO 48PG            |
| OREILLY AUTOMOTIVE STORES INC | 40  | Each | \$136.7900 | \$5,471.60    | Complete | Superstart 48PLT        |

**Line 026** | SIZE 151R-72 WET OR DRY, COLD CRANKING AMPS 335 MINIMUM, CRANKING AMPS 405 MINIMUM  
 BRAND: \_\_\_\_\_ BATTERY NO.: \_\_\_\_\_

| Vendors                       | QTY | UOM  | Price      | Extended Cost | Complete | Comments                  |
|-------------------------------|-----|------|------------|---------------|----------|---------------------------|
| ALLIED ENERGY AND BATTERY INC | 8   | Each | \$55.0000  | \$440.00      | Complete | Powerpack 151R-84HB       |
| BATTCO ENTERPRISES LLC        | 8   | Each | \$55.8000  | \$446.40      | Complete | Duracell Brand SLI151R    |
| POORMAN AUTOMOTIVE WAREHOUSE  | 8   | Each | \$56.9900  | \$455.92      | Complete | ACDELCO 151RPS            |
| OREILLY AUTOMOTIVE STORES INC | 8   | Each | \$113.7000 | \$909.60      | Complete | Superstart 151REXT        |
| ALLPAK BATTERY                | 8   | Each | \$145.0000 | \$1,160.00    | Complete | Exide Allpak 151R-335/410 |

**Line 027** | SIZE 93-72 WET OR DRY, COLD CRANKING AMPS 825 MINIMUM, CRANKING AMPS 1000 MINIMUM  
 BRAND: \_\_\_\_\_ BATTERY NO.: \_\_\_\_\_

| Vendors                       | QTY | UOM  | Price      | Extended Cost | Complete | Comments                |
|-------------------------------|-----|------|------------|---------------|----------|-------------------------|
| ALLIED ENERGY AND BATTERY INC | 10  | Each | \$80.0000  | \$800.00      | Complete | Powerpack 49/93-84HB    |
| BATTCO ENTERPRISES LLC        | 10  | Each | \$90.0800  | \$900.80      | Complete | Duracell Brand SLI93T8  |
| OREILLY AUTOMOTIVE STORES INC | 10  | Each | \$96.7300  | \$967.30      | Complete | Superstart 93EXT        |
| POORMAN AUTOMOTIVE WAREHOUSE  | 10  | Each | \$96.9000  | \$969.00      | Complete | ACDELCO 93PS            |
| ALLPAK BATTERY                | 10  | Each | \$125.0000 | \$1,250.00    | Complete | Exide Allpak 93-800/950 |

**Line 028** | SIZE 96R-72 WET OR DRY, COLD CRANKING AMPS 590 MINIMUM, CRANKING AMPS 700 MINIMUM  
 BRAND: \_\_\_\_\_ BATTERY NO.: \_\_\_\_\_

| Vendors                       | QTY | UOM  | Price      | Extended Cost | Complete | Comments                 |
|-------------------------------|-----|------|------------|---------------|----------|--------------------------|
| BATTCO ENTERPRISES LLC        | 15  | Each | \$76.9400  | \$1,154.10    | Complete | Duracell Brand SLI96R    |
| ALLIED ENERGY AND BATTERY INC | 15  | Each | \$80.0000  | \$1,200.00    | Complete | Powerpack 96R-84HB       |
| POORMAN AUTOMOTIVE WAREHOUSE  | 15  | Each | \$86.2900  | \$1,294.35    | Complete | ACDELCO 96RPS            |
| OREILLY AUTOMOTIVE STORES INC | 15  | Each | \$88.5500  | \$1,328.25    | Complete | Superstart 96R72         |
| ALLPAK BATTERY                | 15  | Each | \$105.0000 | \$1,575.00    | Complete | Exide Allpak 96R-590/710 |

**Line 029** | SIZE U1L WET OR DRY, COLD CRANKING AMPS 230 MINIMUM, RESERVE CAPACITY 30 MINIMUM  
 BRAND: \_\_\_\_\_ BATTERY NO.: \_\_\_\_\_

| Vendors                       | QTY | UOM  | Price     | Extended Cost | Complete | Comments                 |
|-------------------------------|-----|------|-----------|---------------|----------|--------------------------|
| BATTCO ENTERPRISES LLC        | 5   | Each | \$34.4400 | \$172.20      | Complete | Duracell Brand SLIU1A    |
| OREILLY AUTOMOTIVE STORES INC | 5   | Each | \$35.9000 | \$179.50      | Complete | Superstart U1LH          |
| POORMAN AUTOMOTIVE WAREHOUSE  | 5   | Each | \$43.1600 | \$215.80      | Complete | ACDELCO 41-230           |
| ALLIED ENERGY AND BATTERY INC | 5   | Each | \$44.0000 | \$220.00      | Complete | Powerpack U1LH           |
| ALLPAK BATTERY                | 5   | Each | \$55.0000 | \$275.00      | Complete | Exide Allpak U1L-235/280 |

**Line 030** | SIZE U1R WET OR DRY, COLD CRANKING AMPS 230 MINIMUM, RESERVE CAPACITY 30 MINIMUM  
 BRAND: \_\_\_\_\_ BATTERY NO.: \_\_\_\_\_

| Vendors                | QTY | UOM  | Price     | Extended Cost | Complete | Comments               |
|------------------------|-----|------|-----------|---------------|----------|------------------------|
| BATTCO ENTERPRISES LLC | 5   | Each | \$34.4400 | \$172.20      | Complete | Duracell Brand SLIU1RA |

|                               |   |      |           |          |          |                          |
|-------------------------------|---|------|-----------|----------|----------|--------------------------|
| OREILLY AUTOMOTIVE STORES INC | 5 | Each | \$35.9000 | \$179.50 | Complete | Superstart U1RH          |
| POORMAN AUTOMOTIVE WAREHOUSE  | 5 | Each | \$43.1600 | \$215.80 | Complete | ACDELCO 41R-230          |
| ALLIED ENERGY AND BATTERY INC | 5 | Each | \$44.0000 | \$220.00 | Complete | Powerpack U1RH           |
| ALLPAK BATTERY                | 5 | Each | \$55.0000 | \$275.00 | Complete | Exide Allpak U1R-235/280 |

**Line 031 | OPTION 1: LESS JUNK ALLOWANCE; SIZE 4DLT, 4D, 8D, GC2**

| Vendors                       | QTY | UOM  | Price       | Extended Cost | Complete | Comments |
|-------------------------------|-----|------|-------------|---------------|----------|----------|
| POORMAN AUTOMOTIVE WAREHOUSE  | 30  | Each | (\$27.0000) | (\$810.00)    | Complete |          |
| BATTCO ENTERPRISES LLC        | 30  | Each | (\$16.0000) | (\$480.00)    | Complete |          |
| ALLIED ENERGY AND BATTERY INC | 30  | Each | (\$10.0000) | (\$300.00)    | Complete |          |
| ALLPAK BATTERY                | 30  | Each | (\$1.0000)  | (\$30.00)     | Complete |          |
| OREILLY AUTOMOTIVE STORES INC |     |      |             |               | No Bid.  |          |

**Line 032 | OPTION 2: LESS JUNK ALLOWANCE; SIZE 24/24F, 26, 27/27F, 31, 34, 36, 58, 65, 75, 78, 86, 26R, 94R, 48, 151R, 93, 96R, U1L, U1R**

| Vendors                       | QTY | UOM  | Price       | Extended Cost | Complete | Comments |
|-------------------------------|-----|------|-------------|---------------|----------|----------|
| ALLPAK BATTERY                | 871 | Each | (\$28.0000) | (\$24,388.00) | Complete |          |
| ALLIED ENERGY AND BATTERY INC | 871 | Each | (\$18.0000) | (\$15,678.00) | Complete |          |
| POORMAN AUTOMOTIVE WAREHOUSE  | 871 | Each | (\$17.0000) | (\$14,807.00) | Complete |          |
| BATTCO ENTERPRISES LLC        | 871 | Each | (\$8.0000)  | (\$6,968.00)  | Complete |          |
| OREILLY AUTOMOTIVE STORES INC |     |      |             |               | No Bid.  |          |

**Line 033 | OPTION 3: NOTE THE PERCENTAGE DISCOUNT ALLOWED: \_\_\_\_\_ % PRICE SHEET NO. AND DATE: \_\_\_\_\_ WE WILL \_\_\_\_\_ WILL NOT \_\_\_\_\_, EXTEND THE SAME PRICE FOR PURCHASES MADE BY THE WICHITA BOARD OF EDUCATION, WICHITA STATE UNIVERSITY AND SEDGWICK COUNTY.**

| Vendors                       | QTY | UOM        | Price     | Extended Cost | Complete | Comments                                   |
|-------------------------------|-----|------------|-----------|---------------|----------|--|
| POORMAN AUTOMOTIVE WAREHOUSE  | 1   | Percentage | \$0.0000  | \$0.00        | Complete | NO PERCENTAGE DISCOUNT                     |
| ALLPAK BATTERY                | 1   | Percentage | \$0.0000  | \$0.00        | Complete | no percentage discount                     |
| ALLIED ENERGY AND BATTERY INC | 1   | Percentage | \$0.0000  | \$0.00        | Complete | no percentage discount<br>1064 Sept 1 2014 |
| OREILLY AUTOMOTIVE            | 1   | Percentage | \$10.0000 | \$10.00       | Complete | 10 percent discount                        |

STORES INC

SSB-ALL June 30 2014

|                           |   |            |           |         |          |
|---------------------------|---|------------|-----------|---------|----------|
| BATTCO ENTERPRISES<br>LLC | 1 | Percentage | \$15.0000 | \$15.00 | Complete |
|---------------------------|---|------------|-----------|---------|----------|

15 per cent discount from retail or jobber pricing whichever is lower

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City of Wichita  
City Council Meeting  
November 25, 2014

**TO:** Mayor and City Council

**SUBJECT:** Petitions for Improvements to Davis-Moore 14th Addition (District II)

**INITIATED BY:** Department of Public Works & Utilities

**AGENDA:** Consent

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**Recommendation:** Approve the petitions and adopt the resolutions.

**Background:** The signatures on the petitions represent 100% of the improvement district. The petitions are a requirement for a lot split and are valid per Kansas Statute 12-6a01.

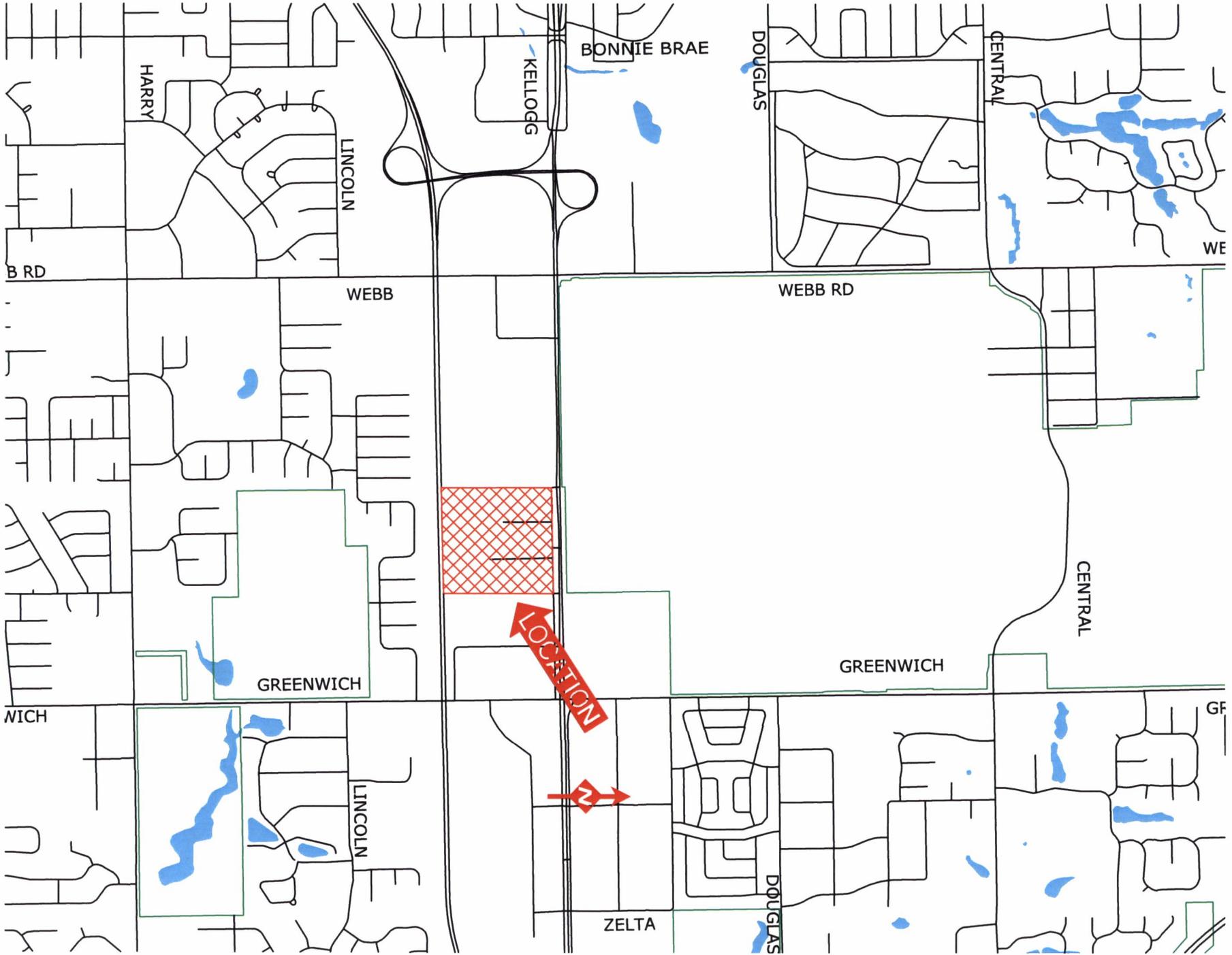
**Analysis:** The projects will provide sanitary sewer and water system improvements required for a new commercial development located south of Kellogg, west of Greenwich Road.

**Financial Considerations:** The petition totals are \$50,000 for the sanitary sewer and \$55,000 for the water. The funding source for both projects is special assessments.

**Legal Considerations:** The Law Department has reviewed and approved the petitions and resolutions as to form.

**Recommendations/Actions:** It is recommended that the City Council approve the petitions, adopt the resolutions, and authorize the necessary signatures.

**Attachments:** Map, budget sheets, petitions, and resolutions.



# Project Request

CIP  Non-CIP

NEIGHBORHOOD IMPROVEMENT

ORDERED BY WCC

PETITION

PETITION PERCENTAGE: 100

DEPARTMENT: 13 Public Works & Utilities

DIVISION: Engineering

RESOLUTION/ORDINANCE #: 14-

ENGINEERING REFERENCE #: 448-90647

FUND: 470 Water Improvements N.I.

COUNCIL DISTRICT: 02 Council District 2

DATE COUNCIL APPROVED: Nov 25, 2014

REQUEST DATE: \_\_\_\_\_

PROJECT # : \_\_\_\_\_

PROJECT TITLE: WDS 90647 for Davis-Moore 14th Addition

PROJECT DETAIL # : 01

PROJECT DETAIL DESCRIPTION: WDS 90647 for Davis-Moore 14th Addition

OCA # : \_\_\_\_\_

OCA TITLE: WDS 90647 for Davis-Moore 14th Addition

PERSON COMPLETING FORM: Joni Chamberlain

PHONE #: 268-4548

PROJECT MANAGER: Julianne Kallman

PHONE #: 268-4236

NEW BUDGET  REVISED BUDGET

## REVENUE

## EXPENSE

| <b>Object Level 3</b> | <b>Budget</b>      | <b>Object Level 3</b> | <b>Budget</b>      |
|-----------------------|--------------------|-----------------------|--------------------|
| 9730 S.A. Bonds       | \$55,000.00        | 2999 Contractuals     | \$55,000.00        |
| _____                 | \$0.00             | _____                 | \$0.00             |
| _____                 | \$0.00             | _____                 | \$0.00             |
| _____                 | \$0.00             | _____                 | \$0.00             |
| _____                 | \$0.00             | _____                 | \$0.00             |
| _____                 | \$0.00             | _____                 | \$0.00             |
| _____                 | \$0.00             | _____                 | \$0.00             |
| _____                 | \$0.00             | _____                 | \$0.00             |
| <b>REVENUE TOTAL:</b> | <b>\$55,000.00</b> | <b>EXPENSE TOTAL:</b> | <b>\$55,000.00</b> |

NOTES: HOLD FOR LOC

### SIGNATURES REQUIRED

Print Form

DIVISION HEAD: \_\_\_\_\_

DATE: \_\_\_\_\_

DEPARTMENT HEAD: \_\_\_\_\_

DATE: \_\_\_\_\_

BUDGET OFFICER: Cheryl L Busada

DATE: 10/15/14

CITY MANAGER: \_\_\_\_\_

DATE: \_\_\_\_\_

# Project Request



CIP  Non-CIP

NEIGHBORHOOD IMPROVEMENT

ORDERED BY WCC

PETITION

PETITION PERCENTAGE: 100

DEPARTMENT: 13 Public Works & Utilities

DIVISION: Engineering

RESOLUTION/ORDINANCE #: 14-

FUND: 480 Sewer Improvements N.I.

SUBFUND: 480 Sanitary Sewers N.I.

ENGINEERING REFERENCE #: 468-84990

COUNCIL DISTRICT: 02 Council District 2

DATE COUNCIL APPROVED: Nov 25, 2014

REQUEST DATE: \_\_\_\_\_

PROJECT # : \_\_\_\_\_

PROJECT TITLE: Lat 179, WIS for Davis-Moore 14th Addition

PROJECT DETAIL # : 01

PROJECT DETAIL DESCRIPTION: Lat 179, WIS for Davis-Moore 14th Addition

OCA # : \_\_\_\_\_

OCA TITLE: Lat 179, WIS for Davis-Moore 14th Addition

PERSON COMPLETING FORM: Joni Chamberlain

PHONE #: 268-4548

PROJECT MANAGER: Julianne Kallman

PHONE #: 268-4236

NEW BUDGET  REVISED BUDGET

## REVENUE

## EXPENSE

| <b>Object Level 3</b> | <b>Budget</b>      | <b>Object Level 3</b> | <b>Budget</b>      |
|-----------------------|--------------------|-----------------------|--------------------|
| 9730 S.A. Bonds       | \$50,000.00        | 2999 Contractuals     | \$50,000.00        |
| _____                 | \$0.00             | _____                 | \$0.00             |
| _____                 | \$0.00             | _____                 | \$0.00             |
| _____                 | \$0.00             | _____                 | \$0.00             |
| _____                 | \$0.00             | _____                 | \$0.00             |
| _____                 | \$0.00             | _____                 | \$0.00             |
| _____                 | \$0.00             | _____                 | \$0.00             |
| <b>REVENUE TOTAL:</b> | <b>\$50,000.00</b> | <b>EXPENSE TOTAL:</b> | <b>\$50,000.00</b> |

NOTES: HOLD FOR LOC

### SIGNATURES REQUIRED

Print Form

DIVISION HEAD: \_\_\_\_\_

DATE: \_\_\_\_\_

DEPARTMENT HEAD: \_\_\_\_\_

DATE: \_\_\_\_\_

BUDGET OFFICER: *Cheryl L Busada*

DATE: 10/15/14

CITY MANAGER: \_\_\_\_\_

DATE: \_\_\_\_\_

4

**WATER DISTRIBUTION SYSTEM PETITION**

To the Mayor and City Council      448-90647  
Wichita, Kansas

Dear Council Members:

1. We, the undersigned owners of record as below designated, of Lots, Parcels, and Tracts of real property described as follows:

**DAVIS-MOORE 14<sup>TH</sup> ADDITION**

Lot 1, Block A, Parcel 3, described as: Beginning at the Southeast Corner of Lot 1, Block A, Davis-Moore 14<sup>th</sup> Addition, Wichita, Sedgwick County, Kansas; thence N 89°57'06" W, on the South line of said Lot 1, a distance of 475.48 feet; thence N 0°10'55" E, a distance of 389.83 feet, to the South line of a cul-de-sac; thence Northeasterly on said cul-de-sac, with a radius of 75 feet, a distance of 235.62 feet; thence N 89°18'31" E, a distance of 405.69 feet, to the East line of said Lot 1; thence S 0°10'03" W, a distance of 527.59 feet, to the Point of Beginning.

do hereby petition, pursuant to the provisions of K.S.A. 12-6a01 et seq., as amended, as follows:

- (a) That there be constructed a water distribution system, including necessary water mains, pipes, valves, hydrants, and appurtenances to serve the area described above, according to plans and specifications to be furnished by the City Engineer of the City of Wichita, Kansas.
- (b) That the estimated and probable cost of the foregoing improvements being Fifty Five Thousand Dollars (\$55,000), exclusive of the cost of interest on borrowed money, with 100 percent payable by the improvement district. Said estimated cost as above set forth may be increased to include temporary interest or finance costs incurred during the course of design and construction of the project, and also may be increased at the pro rata rate of 1 percent per month from and after July 1, 2014.
- (c) That the land or area above described be constituted as an improvement district against which shall be assessed 100 percent of the total actual cost of the improvement for which the improvement district is liable.

If this improvement is abandoned, altered and/or constructed privately in part or whole that precludes building this improvement under the authority of this petition, any costs that the City of Wichita incurs shall be assessed to the property described above in accordance with the terms of the petition. In addition, if the improvement is abandoned at any state during the design

and/or construction of the improvement or if it is necessary for the City of Wichita to redesign, repair or reconstruct the improvement after its initial design and/or construction because the design or construction does not meet the requirements of the City, then such costs associated with the redesign, repair or reconstruction of said improvement shall be assessed to the property described above in accordance with the terms of this petition.

- (d) That the method of assessment of all costs of the improvement for which the improvement district shall be liable shall be on a square foot basis.

Where the ownership of a single lot is or may be divided into two or more parcels, the assessment to the lot so divided shall be assessed to each ownership or parcel on a square foot basis.

2. It is requested that the improvement hereby petitioned be made without notice and hearing, which, but for this request, would be required by K.S.A. 12-6a04. This petition may be combined with other petitions of similar nature in order to form one public improvement project.

3. This petition is submitted pursuant to subsection (c) of K.S.A. 12-6a04.

4. The proposed improvement district does not include all properties which may be deemed to benefit from the proposed improvement.

5. That names may not be withdrawn from this petition by the signers thereof after the Governing Body commences consideration of the petition or later than seven (7) days after filing, whichever occurs first.

6. That when this petition has been filed with the City Clerk and it has been certified that the signatures thereon are according to the records of the Register of Deeds of Sedgwick County, Kansas, the petition may be found sufficient if signed by either (1) a majority of the resident owners of record of property liable for assessment under the proposal, or (2) the resident owners of record of more than one-half of the area liable for assessment under the proposal, or (3) the owners of record (whether resident or not) of more than one-half of the area liable for assessment under the proposal. The Governing Body is requested to proceed in the manner provided by statute to the end that the petitioned improvements may be expeditiously completed and placed in use.

WITNESS our signatures attached with respect to each of which is indicated the property owned and the date of signing.

---

| LEGAL DESCRIPTION | SIGNATURE | DATE |
|-------------------|-----------|------|
|-------------------|-----------|------|

---

Lot , Block A, Parcel 3  
Davis-Moore 14<sup>th</sup> Addition, an addition  
to Wichita, Sedgwick County, Kansas

Davis-Moore Real Estate LLC

By:

Date: 7-14-14



---

Stuart Ray, CFO  
Davis-Moore Real Estate LLC

AFFIDAVIT

The undersigned, being first duly sworn on his oath, states: That he circulated the attached petition and that the signatures thereon are the genuine signatures of the persons they purport to be to the best of his knowledge and belief, being signed either in the presence of the undersigned or in the presence of one of the resident owners whose signature appears on the petition.

  
Name Kirk M. Hill

117 E. Lewis  
Address

264 0242  
Telephone Number

Sworn to and subscribed before me this 29 day of September, 2014.



  
Jeni Edwards  
Deputy City Clerk

9

**SANITARY SEWER PETITION**

To the Mayor and City Council  
Wichita, Kansas

*Lateral 179, W15  
468-84990*

Dear Council Members:

1. We, the undersigned owners of record as below designated, of Lots, Parcels, and Tracts of real property described as follows:

**DAVIS-MOORE 14<sup>TH</sup> ADDITION**

Lot 1, Block A, Parcel 3, described as: Beginning at the Southeast Corner of Lot 1, Block A, Davis-Moore 14<sup>th</sup> Addition, Wichita, Sedgwick County, Kansas; thence N 89°57'06" W, on the South line of said Lot 1, a distance of 475.48 feet; thence N 0°10'55" E, a distance of 389.83 feet, to the South line of a cul-de-sac; thence Northeasterly on said cul-de-sac, with a radius of 75 feet, a distance of 235.62 feet; thence N 89°18'31" E, a distance of 405.69 feet, to the East line of said Lot 1; thence S 0°10'03" W, a distance of 527.59 feet, to the Point of Beginning.

do hereby petition pursuant to the provisions of K.S.A. 12-6a01 et seq., as follows:

- (a) That there be constructed a lateral sanitary sewer to serve the area described above, according to plans and specifications to be furnished by the City Engineer of the City of Wichita, Kansas.
- (b) That the estimated and probable cost of the foregoing improvements being Fifty Thousand Dollars (\$ 50,000), with 100 percent payable by the improvement district. Said estimated cost as above set forth may be increased to include temporary interest or finance costs incurred during the course of design and construction of the project, and also may be increased at the pro rata rate of 1 percent per month from and after July 1, 2014.
- (c) That the land or area above described be constituted as an improvement district against which shall be assessed 100 percent of the total actual cost of the improvement for which the improvement district is liable.

If this improvement is abandoned, altered and/or constructed privately in part or whole that precludes building this improvement under the authority of this petition, any costs that the City of Wichita incurs shall be assessed to the property described above in accordance with the terms of the petition. In addition, if the improvement is abandoned at any state during the design and/or construction of the improvement or if it is necessary for the City of Wichita to redesign, repair or reconstruct the improvement after its initial design and/or construction because the design or

construction does not meet the requirements of the City, then such costs associated with the redesign, repair or reconstruction of said improvement shall be assessed to the property described above in accordance with the terms of this petition.

- (d) That the method of assessment of all costs of the improvement for which the improvement district shall be liable shall be on a square foot basis:

Where the ownership of a single lot is or may be divided into two or more parcels, the assessment to the lot so divided shall be assessed to each ownership or parcel on a square foot basis.

- 2. (a) It is requested that the improvement hereby petitioned be made without notice and hearing, which, but for this request, would be required by K.S.A. 12-6a04. This petition may be combined with other petitions of similar nature in order to form one public improvement project.
- (b) Signatures on this petition are made with full knowledge and understanding that said signatures constitute a waiver of the limitations contained in K.S.A. 13-1013, which appear to limit the assessment for a lateral sewer to not more than one lateral sewer.

3. That names may not be withdrawn from this petition by the signers thereof after the Governing Body commences consideration of the petition or later than seven (7) days after filing, whichever occurs first.

4. That when this petition has been filed with the City Clerk and it has been certified that the signatures thereon are according to the records of the Register of Deeds of Sedgwick County, Kansas, the petition may be found sufficient if signed by either (1) a majority of the resident owners of record of property liable for assessment under the proposal, or (2) the resident owners of record of more than one-half of the area liable for assessment under the proposal, or (3) the owners of record (whether resident or not) of more than one-half of the area liable for assessment under the proposal. The Governing Body is requested to proceed in the manner provided by statute to the end that the petitioned improvements may be expeditiously completed and placed in use if and when such improvements are necessary to serve any building that may be constructed on the real property after the date on this petition.

WITNESS our signatures attached with respect to each of which is indicated the property owned and the date of signing.

---

LEGAL DESCRIPTION

SIGNATURE

DATE

---

Lot 1, Block A, Parcel 3,  
Davis-Moore 14<sup>th</sup> Addition, an addition  
to Wichita, Sedgwick County, Kansas

Davis-Moore Real Estate LLC

By:

Date: 7-14-14



---

Stuart Ray, CFO  
Davis-Moore Real Estate LLC

AFFIDAVIT

The undersigned, being first duly sworn on his oath, states: That he circulated the attached petition and that the signatures thereon are the genuine signatures of the persons they purport to be to the best of his knowledge and belief, being signed either in the presence of the undersigned or in the presence of one of the resident owners whose signature appears on the petition.



Name Kirk Miller

117 E. Lewis

Address

2640242

Telephone Number

Sworn to and subscribed before me this 29 day of September 2014.



  
Deputy City Clerk

First Published in the Wichita Eagle on November 28, 2014

**RESOLUTION NO. 14-320**

RESOLUTION OF FINDINGS OF ADVISABILITY AND RESOLUTION AUTHORIZING THE IMPROVEMENT OF **WATER DISTRIBUTION SYSTEM NUMBER 448-90647 (SOUTH OF KELLOGG, WEST OF GREENWICH)** IN THE CITY OF WICHITA, KANSAS, PURSUANT TO FINDINGS OF ADVISABILITY MADE BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS.

BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS THAT THE FOLLOWING FINDINGS AS TO THE ADVISABILITY OF **WATER DISTRIBUTION SYSTEM NUMBER 448-90647 (SOUTH OF KELLOGG, WEST OF GREENWICH)** IN THE CITY OF WICHITA, KANSAS, ARE HEREBY MADE TO-WIT:

SECTION 1. That it is necessary and in the public interest to improve **Water Distribution System Number 448-90647 (south of Kellogg, west of Greenwich)**.

SECTION 2. That the cost of said improvements provided for in Section 1 hereof is estimated to be **Fifty-Five Thousand Dollars (\$55,000)** exclusive of interest on financing and administrative and financing costs, with **100** percent payable by the improvement district. Said estimated cost as above set forth is hereby increased at the pro-rata rate of 1 percent per month from and after **July 1, 2014**, exclusive of the costs of temporary financing.

SECTION 3. That all costs of said improvements attributable to the improvement district, when ascertained, shall be assessed against the land lying within the improvement district described as follows:

**DAVIS-MOORE 14<sup>TH</sup> ADDITION**

Lot 1, Block A, Parcel 3, described as: Beginning at the Southeast Corner of Lot 1, Block A, Davis-Moore 14<sup>th</sup> Addition, Wichita, Sedgwick County, Kansas; thence N89°57'06" W, on the South line of said Lot 1, a distance of 475.48 feet; thence N 0°10'55" E, a distance of 389.83 feet, to the South line of a cul-de-sac; thence Northeasterly on said cul-de-sac, with a radius of 75 feet, a distance of 235.62 feet; thence N 89°18'31" E, a distance of 405.69 feet, to the East line of said Lot 1; thence S 0°10'03" W, a distance of 527.59 feet, to the Point of Beginning.

SECTION 4. That the method of apportioning all costs of said improvements attributable to the improvement district to the owners of land liable for assessment therefore shall be on a **square foot** basis.

Where the ownership of a single lot is or may be divided into two or more parcels, the assessment to the lot so divided shall be assessed to each ownership or parcel on a square foot basis.

SECTION 5. That payment of said assessments may indefinitely be deferred as against those property owners eligible for such deferral available through the Special Assessment Deferral Program.

SECTION 6. That the City Engineer shall prepare plans and specifications for said improvement and a preliminary estimate of cost therefore, which plans, specifications, and a preliminary estimate of cost shall be presented to this Body for its approval.

SECTION 7. Whereas, the Governing Body of the City, upon examination thereof, considered, found and determined the Petition to be sufficient, having been signed by the owners of record, whether resident or not, of more than Fifty Percent (50%) of the property liable for assessment for the costs of the improvement requested thereby; the advisability of the improvements set forth above is hereby established as authorized by K.S.A. 12-6a01 et seq., as amended.

SECTION 8. Be it further resolved that the above described improvement is hereby authorized and declared to be necessary in accordance with the findings of the Governing Body as set out in this resolution.

SECTION 9. That the City Clerk shall make proper publication of this resolution, which shall be published once in the official City paper and which shall be effective from and after said publication.

PASSED by the governing body of the City of Wichita, Kansas, this 25<sup>th</sup> day of November, 2014.

---

CARL BREWER, MAYOR

ATTEST:

---

KAREN SUBLETT, CITY CLERK  
(SEAL)

APPROVED AS TO FORM:

---

SHARON L. DICKGRAFE  
INTERIM DIRECTOR OF LAW AND CITY ATTORNEY

First Published in the Wichita Eagle on November 28, 2014

**RESOLUTION NO. 14-321**

RESOLUTION OF FINDINGS OF ADVISABILITY AND RESOLUTION AUTHORIZING CONSTRUCTION OF **LATERAL 179, WAR INDUSTRIES SEWER (SOUTH OF KELLOGG, WEST OF GREENWICH) 468-84990** IN THE CITY OF WICHITA, KANSAS, PURSUANT TO FINDINGS OF ADVISABILITY MADE BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS.

BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS, THAT THE FOLLOWING FINDINGS AS TO THE ADVISABILITY OF THE CONSTRUCTION OF **LATERAL 179, WAR INDUSTRIES SEWER (SOUTH OF KELLOGG, WEST OF GREENWICH) 468-84990** IN THE CITY OF WICHITA, KANSAS, ARE HEREBY MADE TO-WIT:

SECTION 1. That it is necessary and in the public interest to construct **Lateral 179, War Industries Sewer (south of Kellogg, west of Greenwich) 468-84990**.

Said sanitary sewer shall be constructed of the material in accordance with plans and specifications provided by the City Engineer.

SECTION 2. That the cost of said improvements provided for in Section 1 hereof is estimated to be **Fifty Thousand Dollars (\$50,000)** exclusive of interest on financing and administrative and financing costs, with **100** percent payable by the improvement district. Said estimated cost as above set forth is hereby increased at the pro-rata rate of 1 percent per month from and after **July 1, 2014**, exclusive of the costs of temporary financing.

SECTION 3. That all costs of said improvements attributable to the improvement district, when ascertained, shall be assessed against the land lying within the improvement district described as follows:

**DAVIS-MOORE 14<sup>TH</sup> ADDITION**

Lot 1, Block A, Parcel 3, described as: Beginning at the Southeast Corner of Lot 1, Block A, Davis-Moore 14<sup>th</sup> Addition, Wichita, Sedgwick County, Kansas; thence N89°57'06"W, on the South line of said Lot 1, a distance of 475.48 feet; thence N 0°10'55" E, a distance of 389.83 feet, to the South line of a cul-de-sac; thence Northeasterly on said cul-de-sac, with a radius of 75 feet, a distance of 235.62 feet; thence N 89°18'31" E, a distance of 405.69 feet, to the East line of said Lot 1; thence S 0°10'03" W, a distance of 527.59 feet, to the Point of Beginning.

SECTION 4. That the method of apportioning all costs of said improvements attributable to the improvement district to the owners of land liable for assessment therefore shall be on a **square foot** basis.

Where the ownership of a single lot is or may be divided into two or more parcels, the assessment to the lot so divided shall be assessed to each ownership or parcel on a square foot basis.

SECTION 5. That payment of said assessments may indefinitely be deferred as against those property owners eligible for such deferral available through the Special Assessment Deferral Program.

SECTION 6. That the City Engineer shall prepare plans and specifications for said improvement and a preliminary estimate of cost therefore, which plans, specifications, and a preliminary estimate of cost shall be presented to this Body for its approval.

SECTION 7. Whereas, the Governing Body of the City, upon examination thereof, considered, found and determined the Petition to be sufficient, having been signed by the owners of record, whether resident or not, of more than Fifty Percent (50%) of the property liable for assessment for the costs of the improvement requested thereby; the advisability of the improvements set forth above is hereby established as authorized by K.S.A. 12-6a01 et seq. as amended.

SECTION 8. Be it further resolved that the above described improvement is hereby authorized and declared to be necessary in accordance with the findings of the Governing Body as set out in this resolution.

SECTION 9. That the City Clerk shall make proper publication of this resolution, which shall be published once in the official City paper and which shall be effective from and after said publication.

PASSED by the governing body of the City of Wichita, Kansas, this 25th day of November, 2014.

\_\_\_\_\_  
CARL BREWER, MAYOR

ATTEST:

\_\_\_\_\_  
KAREN SUBLETT, CITY CLERK

(SEAL)

APPROVED AS TO FORM:

\_\_\_\_\_  
SHARON L. DICKGRAFE  
INTERIM DIRECTOR OF LAW AND CITY ATTORNEY

City of Wichita  
City Council Meeting  
November 25, 2014

**TO:** Mayor and City Council

**SUBJECT:** Revised Petitions for Improvements to Casa Bella Second and Third Additions (District II)

**INITIATED BY:** Department of Public Works & Utilities

**AGENDA:** Consent

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**Recommendation:** Approve the revised petitions and adopt the amending resolutions.

**Background:** On November 16, 2010 and August 12, 2014, the City Council approved petitions for paving, sanitary sewer, and water improvements to Casa Bella Second and Third Additions. The developer has submitted revised petitions with increased budgets to reflect current bid prices, as well to adjust the assessment allocation to the lots in the improvement district based on recent boundary shifts. The boundary shifts were a result of the included lots being widened to allow for construction of duplexes, rather than single family residences. The signatures on the petitions represent 100% of the improvement district and are valid per Kansas Statute 12-6a01.

**Analysis:** The projects will provide paving, sanitary sewer, and water improvements required for a new residential development located north of Pawnee, west of 127<sup>th</sup> Street East.

**Financial Considerations:** The previous petition totals were \$352,000 (paving), \$55,000 (sanitary sewer), and \$55,000 (water). The revised petition totals are \$484,000 (paving), \$65,000 (sanitary sewer), and \$56,000 (water). The improvement district will also be assessed a main benefit fee of \$10,070 under the water project. The funding source for all three projects is special assessments.

**Legal Considerations:** The Law Department has reviewed and approved the revised petitions and amending resolutions as to form.

**Recommendations/Actions:** It is recommended that the City Council approve the revised petitions, adopt the amending resolutions, and authorize the necessary signatures.

**Attachments:** Map, budget sheets, revised petitions, and amending resolutions.

# Project Request

CIP    Non-CIP

NEIGHBORHOOD IMPROVEMENT    ORDERED BY WCC    PETITION   PETITION PERCENTAGE: 100

DEPARTMENT: 13 Public Works & Utilities   DIVISION: Engineering   RESOLUTION/ORDINANCE #: 14-

FUND: 400 Street Improvements   SUBFUND: 490 Paving N.I.   ENGINEERING REFERENCE #: 472-84946

COUNCIL DISTRICT: 02 Council District 2   DATE COUNCIL APPROVED: Nov 25, 2014   REQUEST DATE: \_\_\_\_\_

PROJECT #: \_\_\_\_\_   PROJECT TITLE: Casa Bella for Casa Bella 2nd & 3rd Additions

PROJECT DETAIL #: 01   PROJECT DETAIL DESCRIPTION: Casa Bella for Casa Bella 2nd & 3rd Additions

OCA #: \_\_\_\_\_   OCA TITLE: Casa Bella for Casa Bella 2nd & 3rd Additions

PERSON COMPLETING FORM: Joni Chamberlain   PHONE #: 268-4548

PROJECT MANAGER: Julianne Kallman   PHONE #: 268-4236

NEW BUDGET    REVISED BUDGET

## REVENUE

## EXPENSE

| <b>Object Level 3</b>  | <b>Budget</b>       | <b>Object Level 3</b>    | <b>Budget</b>       |
|------------------------|---------------------|--------------------------|---------------------|
| <u>9730 S.A. Bonds</u> | <u>\$484,000.00</u> | <u>2999 Contractuals</u> | <u>\$484,000.00</u> |
| _____                  | \$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:**   \$484,000.00

**EXPENSE TOTAL:**   \$484,000.00

NOTES: Hold for LOC

Print Form

### **SIGNATURES REQUIRED**

DIVISION HEAD: \_\_\_\_\_   DATE: \_\_\_\_\_

DEPARTMENT HEAD: \_\_\_\_\_   DATE: \_\_\_\_\_

BUDGET OFFICER: \_\_\_\_\_   DATE: \_\_\_\_\_

CITY MANAGER: \_\_\_\_\_   DATE: \_\_\_\_\_

# Project Request

CIP    Non-CIP

NEIGHBORHOOD IMPROVEMENT    ORDERED BY WCC    PETITION   PETITION PERCENTAGE: 100

DEPARTMENT: 13 Public Works & Utilities   DIVISION: Engineering   RESOLUTION/ORDINANCE #: 14-

FUND: 480 Sewer Improvements N.I.   SUBFUND: 480 Sanitary Sewers N.I.   ENGINEERING REFERENCE #: 468-84719

COUNCIL DISTRICT: 02 Council District 2   DATE COUNCIL APPROVED: Nov 25, 2014   REQUEST DATE: \_\_\_\_\_

PROJECT #: \_\_\_\_\_   PROJECT TITLE: Lat 7, M 18, FMC for Casa Bella 2nd & 3rd Additions

PROJECT DETAIL #: 01   PROJECT DETAIL DESCRIPTION: Lat 7, M 18, FMC for Casa Bella 2nd & 3rd Additions

OCA #: \_\_\_\_\_   OCA TITLE: Lat 7, M 18, FMC for Casa Bella 2nd & 3rd Additions

PERSON COMPLETING FORM: Joni Chamberlain   PHONE #: 268-4548

PROJECT MANAGER: Julianne Kallman   PHONE #: 268-4236

NEW BUDGET    REVISED BUDGET

## REVENUE

## EXPENSE

| <b>Object Level 3</b>  | <b>Budget</b>      | <b>Object Level 3</b>    | <b>Budget</b>      |
|------------------------|--------------------|--------------------------|--------------------|
| <u>9730 S.A. Bonds</u> | <u>\$65,000.00</u> | <u>2999 Contractuals</u> | <u>\$65,000.00</u> |
| _____                  | \$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:**   \$65,000.00

**EXPENSE TOTAL:**   \$65,000.00

NOTES: Hold for LOC

Print Form

### SIGNATURES REQUIRED

DIVISION HEAD: \_\_\_\_\_   DATE: \_\_\_\_\_

DEPARTMENT HEAD: \_\_\_\_\_   DATE: \_\_\_\_\_

BUDGET OFFICER: \_\_\_\_\_   DATE: \_\_\_\_\_

CITY MANAGER: \_\_\_\_\_   DATE: \_\_\_\_\_

# Project Request

CIP    Non-CIP

NEIGHBORHOOD IMPROVEMENT    ORDERED BY WCC    PETITION   PETITION PERCENTAGE: 100

DEPARTMENT: 13 Public Works & Utilities   DIVISION: Engineering   RESOLUTION/ORDINANCE #: 14-

FUND: 470 Water Improvements N.I.   ENGINEERING REFERENCE #: 448-90503

COUNCIL DISTRICT: 02 Council District 2   DATE COUNCIL APPROVED: Nov 25, 2014   REQUEST DATE: \_\_\_\_\_

PROJECT #: \_\_\_\_\_   PROJECT TITLE: WDS 90503 for Casa Bella 2nd & 3rd Additions

PROJECT DETAIL #: 01   PROJECT DETAIL DESCRIPTION: WDS 90503 for Casa Bella 2nd & 3rd Additions

OCA #: \_\_\_\_\_   OCA TITLE: WDS 90503 for Casa Bella 2nd & 3rd Additions

PERSON COMPLETING FORM: Joni Chamberlain   PHONE #: 268-4548

PROJECT MANAGER: Julianne Kallman   PHONE #: 268-4236

NEW BUDGET    REVISED BUDGET

## REVENUE

## EXPENSE

| <b>Object Level 3</b>  | <b>Budget</b>      | <b>Object Level 3</b>    | <b>Budget</b>      |
|------------------------|--------------------|--------------------------|--------------------|
| <u>9730 S.A. Bonds</u> | <u>\$56,000.00</u> | <u>2999 Contractuals</u> | <u>\$56,000.00</u> |
| _____                  | \$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:**   \$56,000.00

**EXPENSE TOTAL:**   \$56,000.00

NOTES: Separate benefit fee \$10,070  
Hold for LOC

Print Form

### SIGNATURES REQUIRED

DIVISION HEAD: \_\_\_\_\_   DATE: \_\_\_\_\_

DEPARTMENT HEAD: \_\_\_\_\_   DATE: \_\_\_\_\_

BUDGET OFFICER: \_\_\_\_\_   DATE: \_\_\_\_\_

CITY MANAGER: \_\_\_\_\_   DATE: \_\_\_\_\_

\$

**PAVING PETITION – PHASE 2**

To the Mayor and City Council *Revises 472-84946*  
Wichita, Kansas

Dear Council Members:

- 1. We, the undersigned owners of record as below designated, of Lots, Parcels, and Tracts of real property described as follows:

**CASA BELLA 3<sup>RD</sup> ADDITION**

Lots 19, 30-32, Block 1

Lots 12-14, Block 2

Parcels A thru S (See Attached Parcel Descriptions – Exhibit ‘A’)

**CASA BELLA 2<sup>ND</sup> ADDITION**

Lot 17-27, Block 1

Lot 7-8, Block 2

do hereby petition, pursuant to the provisions of K.S.A. 12-6a01 et seq., as amended, as follows:

- (a) That there be constructed pavement on **CASA BELLA**, from the southwest lot line of Lot 7, Block 2 Casa Bella 2nd Addition to the west line of 127th Street East and **CASA BELLA COURT** from the West lot line of lot 18, Block 1 Casa Bella 2<sup>nd</sup> to and through the Cul-de-Sac.

That said pavement between aforesaid limits be constructed with plans and specifications to be furnished by the City Engineer of the City of Wichita, Kansas. Drainage to be installed where necessary, and sidewalks to be constructed on one side of all through, non cul-de-sac streets.

- (b) That the estimated and probable cost of the foregoing improvement being Four Hundred Eighty-Four Thousand Dollars (\$484,000.00), exclusive of the cost of interest on borrowed money, with 100 percent payable by the improvement district. Said estimated cost as above setforth is hereby increased at the pro rata of 1 percent per month from and after September 1, 2014.

- (c) That the land or area above described be constituted as an improvement district against which shall be assessed 100 percent of the total actual cost of the improvement for which the improvement district is liable.

If this improvement is abandoned, altered and/or constructed privately in part or whole that precludes building this improvement under the authority of this petition, any costs that the City of Wichita incurs shall be assessed to the

property described above in accordance with the terms of the petition. In addition, if the improvement is abandoned at any state during the design and/or construction of the improvement or if it is necessary for the City of Wichita to redesign, repair or reconstruct the improvement after its initial design and/or construction because the design or construction does not meet the requirements of the City, then such costs associated with the redesign, repair or reconstruction of said improvement shall be assessed to the property described above in accordance with the terms of this petition.

- (d) That the method of assessment of all costs of the improvement for which the improvement district shall be liable shall be on a fractional basis:

That the following lots in Casa Bella 3<sup>rd</sup> Addition and Casa Bella 2<sup>nd</sup> Addition, Wichita, Sedgwick County, Kansas shall each pay 1/39 of the total cost of the improvement district:

**CASA BELLA 3<sup>RD</sup> ADDITION**

Lots 19, 30-32, Block 1

Lots 12-14, Block 2

Parcels A thru S (See Attached Parcel Descriptions – Exhibit ‘A’)

**CASA BELLA 2<sup>ND</sup> ADDITION**

Lot 17-27, Block 1

Lot 7-8, Block 2

Where the ownership of a single lot or tract is or may be divided into two or more parcels, the assessment to the lot or tract so divided shall be assessed to each ownership or parcel on a square foot basis.

Except when driveways are requested to serve a particular tract, lot, or parcel, the cost of said driveway shall be in addition to the assessment to said tract, lot, or parcel and shall be in addition to the assessment for other improvements. Where the ownership of a single lot is or may be divided into two or more parcels, the assessment to the lot so divided shall be assessed to each ownership or parcel on a square foot basis.

2. It is requested that the improvements hereby petitioned be made without notice and hearing, which but for this request, would be required by K.S.A. 12-6a04.

3. That names may not be withdrawn from this petition by the signers thereof after the Governing body commences consideration of the petition or later than seven (7) days after filing, whichever comes first.

4. That when this petition has been filed with the City Clerk and it has been certified that the signatures thereon are according to the records of the Register of Deeds of Sedgwick County, Kansas, the petition may be found sufficient if signed by either (1) a majority of the resident owners of record of property liable for assessment under the proposal, or (2) the resident owners of record of more than one-half of the area liable for assessment under the proposal, or

Exhibit 'A' -Parcel Descriptions

PARCEL A

Lot 20, and the east 12.00 feet of Lot 21, Block 1, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

PARCEL B

Lot 21, EXCEPT the east 12.00 feet, TOGETHER WITH the east 19.50 feet of Lot 22, Block 1, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

PARCEL C

Lot 22, EXCEPT the east 19.50 feet, TOGETHER WITH the east 27.00 feet of Lot 23, Block 1, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

PARCEL D

Lot 23, EXCEPT the east 27.00 feet, TOGETHER WITH the east 34.00 feet of Lot 24, Block 1, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

PARCEL E

Lot 24, EXCEPT the east 34.00 feet, TOGETHER WITH the east 42.00 feet of Lot 25, Block 1, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

PARCEL F

Lot 25, EXCEPT the east 42.00 feet, TOGETHER WITH the east 49.00 feet of Lot 26, Block 1, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

PARCEL G

Lot 26, EXCEPT the east 49.00 feet, TOGETHER WITH the east 56.00 feet of Lot 27, Block 1, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

PARCEL H

Lot 27, EXCEPT the east 56.00 feet, TOGETHER WITH the east 63.00 feet of Lot 28, Block 1, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

PARCEL I

Lot 28, EXCEPT the east 63.00 feet, TOGETHER WITH all of Lot 29, Block 1, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

PARCEL J

Lot 10, EXCEPT the east 60.00 feet, TOGETHER WITH all of Lot 11, Block 2, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

**PARCEL K**

Lot 9, EXCEPT the east 54.00 feet, TOGETHER WITH the east 60.00 feet of Lot 10, Block 2, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

**PARCEL L**

Lot 8, EXCEPT the east 48.00 feet, TOGETHER WITH the east 54.00 feet of Lot 9, Block 2, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

**PARCEL M**

Lot 7, EXCEPT the east 42.00 feet, TOGETHER WITH the east 48.00 feet of Lot 8, Block 2, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

**PARCEL N**

Lot 6, EXCEPT the east 36.00 feet, TOGETHER WITH the east 42.00 feet of Lot 7, Block 2, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

**PARCEL O**

Lot 5, EXCEPT the east 30.00 feet, TOGETHER WITH the east 36.00 feet of Lot 6, Block 2, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

**PARCEL P**

Lot 4, EXCEPT the east 24.00 feet, TOGETHER WITH the east 30.00 feet of Lot 5, Block 2, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

**PARCEL Q**

Lot 3, EXCEPT the east 18.00 feet, TOGETHER WITH the east 24.00 feet of Lot 4, Block 2, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

**PARCEL R**

Lot 2, EXCEPT the east 12.00 feet, TOGETHER WITH the east 18.00 feet of Lot 3, Block 2, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

**PARCEL S**

Lot 1 and the east 12.00 feet of Lot 2, Block 2, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

the owners of record (whether resident or not) of more than one-half of the area liable for assessment under the proposal. The Governing Body is requested to proceed in the manner provided by statute to the end that the petitioned improvements may be expeditiously completed and placed in use.

WITNESS our signatures attached with respect to each of which is indicated the property owned and the date of signing.

| LEGAL DESCRIPTION | SIGNATURE | DATE |
|-------------------|-----------|------|
|-------------------|-----------|------|

**CASA BELLA 3<sup>RD</sup> ADDITION**

Lots 19, 30-32, Block 1

Lots 12-14, Block 2

Parcels A thru S

**CASA BELLA 2<sup>ND</sup> ADDITION**

Lot 17-27, Block 1

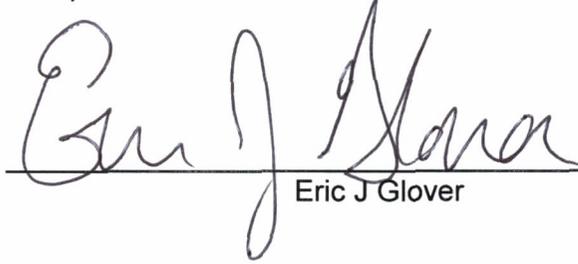
Lot 7-8, Block 2



\_\_\_\_\_  
Brett Orth, Member  
Tara Developers, LLC

**AFFIDAVIT**

The undersigned, being duly sworn on his oath, states: That he circulated the attached petition and that the signatures thereon are the genuine signatures of the persons they purport to be to the best of his knowledge and belief, being signed either in the presence of the undersigned or in the presence of one of the resident owners whose signature appears on the petition.

  
Eric J Glover



924 N. Main \_\_\_\_\_  
Address

264-8008 \_\_\_\_\_  
Telephone number

Sworn to and subscribed before me this 2nd day of October, 2014.

  
\_\_\_\_\_  
Deputy City Clerk

4

**SANITARY SEWER PETITION – PHASE 2**

To the Mayor and City Council *Lot. 7, Main 18, FMC*  
Wichita, Kansas *Revises: 468-84719*

Dear Council Members:

1. We, the undersigned owners of record as below designated, of Lots, Parcels, and Tracts of real property described as follows:

**CASA BELLA 3<sup>RD</sup> ADDITION**

Lots 12-14, Block 2  
Parcels J thru S (See Attached Parcel Descriptions – Exhibit ‘A’)

**CASA BELLA 2<sup>ND</sup> ADDITION**

Lot 7-8, Block 2

do hereby petition pursuant to the provisions of K.S.A. 12-6a01 et seq., as amended, as follows:

- (a) That there be constructed a lateral sanitary sewer to serve the area described above, according to plans and specifications to be furnished by the City Engineer of the City of Wichita, Kansas.
- (b) That the estimated and probable cost of the foregoing improvements being Sixty-Five Thousand Dollars (\$65,000.00), exclusive of the cost of interest on borrowed money, with 100 percent payable by the improvement district. Said estimated cost as above set forth is hereby increased at the pro rata rate of 1 percent per month from and after September 1, 2014.
- (c) That the land or area above described be constituted as an improvement district against which shall be assessed 100 percent of the total actual cost of the improvement for which the improvement district is liable.

If this improvement is abandoned, altered and/or constructed privately in part or whole that precludes building this improvement under the authority of this petition, any costs that the City of Wichita incurs shall be assessed to the property described above in accordance with the terms of the petition. In addition, if the improvement is abandoned at any state during the design and/or construction of the improvement or if it is necessary for the City of Wichita to redesign, repair or reconstruct the improvement after its initial design and/or construction because the design or construction does not meet the requirements of the City, then such costs associated with the redesign, repair or reconstruction of said improvement shall be assessed to the property described above in accordance with the

terms of this petition.

- (d) That the method of assessment of all costs of the improvement for which the improvement district shall be liable shall be on a fractional basis:

That the following described lots in Casa Bella 3<sup>rd</sup> Addition and Casa Bella 2<sup>nd</sup> Addition, Wichita, Sedgwick County, Kansas shall each pay 1/15 of the total cost payable by the improvement district:

**CASA BELLA 3<sup>RD</sup> ADDITION**

Lots 12-14, Block 2  
Parcels J thru S (See Attached Parcel Descriptions – Exhibit ‘A’)

**CASA BELLA 2<sup>ND</sup> ADDITION**

Lot 7-8, Block 2

Where the ownership of a single lot is or may be divided into two or more parcels, the assessment to the lot so divided shall be assessed to each ownership or parcel on a square foot basis.

2. (a) It is requested that the improvement hereby petitioned be made without notice and hearing, which, but for this request, would be required by K.S.A. 12-6a04.
- (b) Signatures on this petition are made with full knowledge and understanding that said signatures constitute a waiver of the limitations contained in K.S.A. 12-1013, which appear to limit the assessment for a lateral sewer to not more than one lateral sewer.
3. That names may not be withdrawn from this petition by the signers thereof after the Governing Body commences consideration of the petition or later than seven (7) days after filing, whichever occurs first.
4. That when this petition has been filed with the City Clerk and it has been certified that the signatures thereon are according to the records of the Register of Deeds of Sedgwick County, Kansas, the petition may be found sufficient if signed by either (1) a majority of the resident owners of record of property liable for assessment under the proposal, or (2) the resident owners of record of more than one-half of the area liable for assessment under the proposal, or (3) the owners of record (whether resident or not) of more than one-half of the area liable for assessment under the proposal. The Governing Body is requested to proceed in the manner provided by statute to the end that the petitioned improvements may be expeditiously completed and placed in use if and when such improvements are necessary to serve any building which may be constructed on the real property after the date on this petition.

Exhibit 'A' -Parcel Descriptions

PARCEL A

Lot 20, and the east 12.00 feet of Lot 21, Block 1, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

PARCEL B

Lot 21, EXCEPT the east 12.00 feet, TOGETHER WITH the east 19.50 feet of Lot 22, Block 1, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

PARCEL C

Lot 22, EXCEPT the east 19.50 feet, TOGETHER WITH the east 27.00 feet of Lot 23, Block 1, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

PARCEL D

Lot 23, EXCEPT the east 27.00 feet, TOGETHER WITH the east 34.00 feet of Lot 24, Block 1, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

PARCEL E

Lot 24, EXCEPT the east 34.00 feet, TOGETHER WITH the east 42.00 feet of Lot 25, Block 1, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

PARCEL F

Lot 25, EXCEPT the east 42.00 feet, TOGETHER WITH the east 49.00 feet of Lot 26, Block 1, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

PARCEL G

Lot 26, EXCEPT the east 49.00 feet, TOGETHER WITH the east 56.00 feet of Lot 27, Block 1, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

PARCEL H

Lot 27, EXCEPT the east 56.00 feet, TOGETHER WITH the east 63.00 feet of Lot 28, Block 1, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

PARCEL I

Lot 28, EXCEPT the east 63.00 feet, TOGETHER WITH all of Lot 29, Block 1, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

PARCEL J

Lot 10, EXCEPT the east 60.00 feet, TOGETHER WITH all of Lot 11, Block 2, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

**PARCEL K**

Lot 9, EXCEPT the east 54.00 feet, TOGETHER WITH the east 60.00 feet of Lot 10, Block 2, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

**PARCEL L**

Lot 8, EXCEPT the east 48.00 feet, TOGETHER WITH the east 54.00 feet of Lot 9, Block 2, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

**PARCEL M**

Lot 7, EXCEPT the east 42.00 feet, TOGETHER WITH the east 48.00 feet of Lot 8, Block 2, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

**PARCEL N**

Lot 6, EXCEPT the east 36.00 feet, TOGETHER WITH the east 42.00 feet of Lot 7, Block 2, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

**PARCEL O**

Lot 5, EXCEPT the east 30.00 feet, TOGETHER WITH the east 36.00 feet of Lot 6, Block 2, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

**PARCEL P**

Lot 4, EXCEPT the east 24.00 feet, TOGETHER WITH the east 30.00 feet of Lot 5, Block 2, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

**PARCEL Q**

Lot 3, EXCEPT the east 18.00 feet, TOGETHER WITH the east 24.00 feet of Lot 4, Block 2, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

**PARCEL R**

Lot 2, EXCEPT the east 12.00 feet, TOGETHER WITH the east 18.00 feet of Lot 3, Block 2, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

**PARCEL S**

Lot 1 and the east 12.00 feet of Lot 2, Block 2, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

WITNESS our signatures attached with respect to each of which is indicated the property owned and the date of signing.

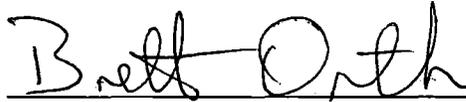
| LEGAL DESCRIPTION | SIGNATURE | DATE |
|-------------------|-----------|------|
|-------------------|-----------|------|

**CASA BELLA 3<sup>RD</sup> ADDITION**

Lots ~~1~~14, Block 2  
Parcels J thru S

**CASA BELLA 2<sup>ND</sup> ADDITION**

Lot 7, Block 2  
Lot 8, Block 2



\_\_\_\_\_  
Brett Orth, Partner  
Tara Developers, LLC

**AFFIDAVIT**

The undersigned, being duly sworn on his oath, states: That he circulated the attached petition and that the signatures thereon are the genuine signatures of the persons they purport to be to the best of his knowledge and belief, being signed either in the presence of the undersigned or in the presence of one of the resident owners whose signature appears on the petition.

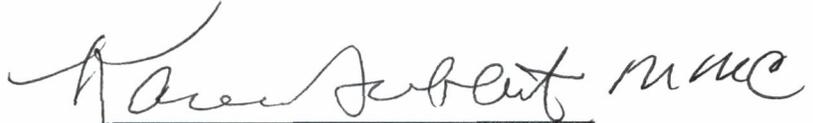
  
Eric J Glover



924 N. Main \_\_\_\_\_  
Address

264-8008 \_\_\_\_\_  
Telephone number

Sworn to and subscribed before me this 2nd day of October, 2014.

  
Deputy City Clerk

A

**WATER DISTRIBUTION SYSTEM PETITION- PHASE 2**

To the Mayor and City Council  
Wichita, Kansas

*Revises 448-90503*

Dear Council Members:

1. We, the undersigned owners of record as below designated, of Lots, Parcels, and Tracts of real property described as follows:

**CASA BELLA 3<sup>RD</sup> ADDITION**

Lots 19, 30-32, Block 1

Lots 12-14, Block 2

Parcels A thru S (See Attached Parcel Descriptions – Exhibit ‘A’)

**CASA BELLA 2<sup>ND</sup> ADDITION**

Lot 17-27, Block 1

Lot 7-8, Block 2

do hereby petition, pursuant to the provisions of K.S.A. 12-6a01 et seq., as amended, as follows:

- (a) That there be constructed a water distribution system, including necessary water mains, pipes, valves, hydrants, meters and appurtenances to serve the area described above, according to plans and specifications to be furnished by the City Engineer of the City of Wichita, Kansas.
- (b) That the estimated and probable cost of the foregoing improvements being Fifty-Six Thousand Dollars (\$56,000.00) exclusive of the cost of interest on borrowed money, with 100 percent payable by the improvement district. Said estimated cost as above setforth is hereby increased at the pro rata rate of 1 percent per month from and after September 1, 2014.
- (c) That, in accordance with the provisions of K.S.A. 12-6a19, a benefit fee be assessed against the improvement district with respect to the improvement district’s share of the cost of the existing water main, such benefit fee to be in the amount of Ten Thousand Seventy Dollars (\$10,070.00).
- (d) That the land or area above described be constituted as an improvement district against which shall be assessed 100 percent of the total actual cost of the improvement for which the improvement district is liable.

If this improvement is abandoned, altered and/or constructed privately in part or whole that precludes building this improvement under the authority of this petition, any costs that the City of Wichita incurs shall be assessed

to the property described above in accordance with the terms of the petition. In addition, if the improvement is abandoned at any state during the design and/or construction of the improvement or if it is necessary for the City of Wichita to redesign, repair or reconstruct the improvement after its initial design and/or construction because the design or construction does not meet the requirements of the City, then such costs associated with the redesign, repair or reconstruction of said improvement shall be assessed to the property described above in accordance with the terms of this petition.

- (d) That the method of assessment of all costs of the improvement for which the improvement district shall be liable shall be on a fractional basis:

That the following lots in Casa Bella 3<sup>rd</sup> Addition and Casa Bella 2<sup>nd</sup> Addition, Wichita, Sedgwick County, Kansas shall each pay 1/39 of the total cost of the improvement district:

**CASA BELLA 3<sup>RD</sup> ADDITION**

Lots 19, 30-32, Block 1

Lots 12-14, Block 2

Parcels A thru S (See Attached Parcel Descriptions – Exhibit ‘A’)

**CASA BELLA 2<sup>ND</sup> ADDITION**

Lot 17-27, Block 1

Lot 7-8, Block 2

Where the ownership of a single lot is or may be divided into two or more parcels, the assessment to the lot so divided shall be assessed to each ownership or parcel on a square foot basis.

2. It is requested that the improvement hereby petitioned be made without notice and hearing, which, but for this request, would be required by K.S.A. 12-6a04.

3. That names may not be withdrawn from this petition by the signers thereof after the Governing Body commences consideration of the petition or later than seven (7) days after filing, whichever occurs first.

4. That when this petition has been filed with the City Clerk and it has been certified that the signatures thereon are according to the records of the Register of Deeds of Sedgwick County, Kansas, the petition may be found sufficient if signed by either (1) a majority of the resident owners of record of property liable for assessment under the proposal, or (2) the resident owners of record of more than one-half of the area liable for assessment under the proposal, or (3) the owners of record (whether resident or not) of more than one-half of the area liable for

Exhibit 'A' -Parcel Descriptions

PARCEL A

Lot 20, and the east 12.00 feet of Lot 21, Block 1, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

PARCEL B

Lot 21, EXCEPT the east 12.00 feet, TOGETHER WITH the east 19.50 feet of Lot 22, Block 1, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

PARCEL C

Lot 22, EXCEPT the east 19.50 feet, TOGETHER WITH the east 27.00 feet of Lot 23, Block 1, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

PARCEL D

Lot 23, EXCEPT the east 27.00 feet, TOGETHER WITH the east 34.00 feet of Lot 24, Block 1, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

PARCEL E

Lot 24, EXCEPT the east 34.00 feet, TOGETHER WITH the east 42.00 feet of Lot 25, Block 1, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

PARCEL F

Lot 25, EXCEPT the east 42.00 feet, TOGETHER WITH the east 49.00 feet of Lot 26, Block 1, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

PARCEL G

Lot 26, EXCEPT the east 49.00 feet, TOGETHER WITH the east 56.00 feet of Lot 27, Block 1, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

PARCEL H

Lot 27, EXCEPT the east 56.00 feet, TOGETHER WITH the east 63.00 feet of Lot 28, Block 1, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

PARCEL I

Lot 28, EXCEPT the east 63.00 feet, TOGETHER WITH all of Lot 29, Block 1, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

PARCEL J

Lot 10, EXCEPT the east 60.00 feet, TOGETHER WITH all of Lot 11, Block 2, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

**PARCEL K**

Lot 9, EXCEPT the east 54.00 feet, TOGETHER WITH the east 60.00 feet of Lot 10, Block 2, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

**PARCEL L**

Lot 8, EXCEPT the east 48.00 feet, TOGETHER WITH the east 54.00 feet of Lot 9, Block 2, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

**PARCEL M**

Lot 7, EXCEPT the east 42.00 feet, TOGETHER WITH the east 48.00 feet of Lot 8, Block 2, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

**PARCEL N**

Lot 6, EXCEPT the east 36.00 feet, TOGETHER WITH the east 42.00 feet of Lot 7, Block 2, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

**PARCEL O**

Lot 5, EXCEPT the east 30.00 feet, TOGETHER WITH the east 36.00 feet of Lot 6, Block 2, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

**PARCEL P**

Lot 4, EXCEPT the east 24.00 feet, TOGETHER WITH the east 30.00 feet of Lot 5, Block 2, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

**PARCEL Q**

Lot 3, EXCEPT the east 18.00 feet, TOGETHER WITH the east 24.00 feet of Lot 4, Block 2, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

**PARCEL R**

Lot 2, EXCEPT the east 12.00 feet, TOGETHER WITH the east 18.00 feet of Lot 3, Block 2, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

**PARCEL S**

Lot 1 and the east 12.00 feet of Lot 2, Block 2, Casa Bella Third Addition, Wichita, Sedgwick County, Kansas.

assessment under the proposal. The Governing Body is requested to proceed in the manner provided by statute to the end that the petitioned improvements may be expeditiously completed and placed in use.

WITNESS our signatures attached with respect to each of which is indicated the property owned and the date of signing.

| <u>LEGAL DESCRIPTION</u> | <u>SIGNATURE</u> | <u>DATE</u> |
|--------------------------|------------------|-------------|
|--------------------------|------------------|-------------|

**CASA BELLA 3<sup>RD</sup> ADDITION**

Lots 19, 30-32, Block 1

Lots 12-14, Block 2

Parcels A thru S

**CASA BELLA 2<sup>ND</sup> ADDITION**

Lot 17-27, Block 1

Lot 7-8, Block 2

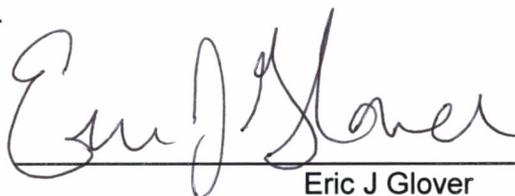


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Brett Orth, Member  
Tara Developers, LLC

**AFFIDAVIT**

The undersigned, being duly sworn on his oath, states: That he circulated the attached petition and that the signatures thereon are the genuine signatures of the persons they purport to be to the best of his knowledge and belief, being signed either in the presence of the undersigned or in the presence of one of the resident owners whose signature appears on the petition.

  
Eric J Glover



924 N. Main \_\_\_\_\_  
Address

264-8008 \_\_\_\_\_  
Telephone number

Sworn to and subscribed before me this 2nd day of October, 2014.

  
\_\_\_\_\_  
Deputy City Clerk

RESOLUTION NO. 14-322

RESOLUTION OF FINDINGS OF ADVISABILITY AND RESOLUTION AUTHORIZING CONSTRUCTION OF **LATERAL 7, MAIN 18, FOUR MILE CREEK SEWER (NORTH OF PAWNEE, WEST OF 127TH ST. EAST) 468-84719** IN THE CITY OF WICHITA, KANSAS, PURSUANT TO FINDINGS OF ADVISABILITY MADE BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS.

BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS, THAT THE FOLLOWING FINDINGS AS TO THE ADVISABILITY OF THE CONSTRUCTION OF **LATERAL 7, MAIN 18, FOUR MILE CREEK SEWER (NORTH OF PAWNEE, WEST OF 127TH ST. EAST) 468-84719** IN THE CITY OF WICHITA, KANSAS, ARE HEREBY MADE TO-WIT:

SECTION 1. That Resolution No. **10-296** adopted on **November 16, 2010** and Resolution No. **14-224** adopted on **August 12, 2104** are hereby rescinded.

SECTION 2. That it is necessary and in the public interest to construct **Lateral 7, Main 18, Four Mile Creek Sewer (north of Pawnee, west of 127th St. East) 468-84719**.

Said sanitary sewer shall be constructed of the material in accordance with plans and specifications provided by the City Engineer.

SECTION 3. That the cost of said improvements provided for in Section 2 hereof is estimated to be **Sixty-Five Thousand Dollars (\$65,000)** exclusive of interest on financing and administrative and financing costs, with 100 percent payable by the improvement district. Said estimated cost as above set forth is hereby increased at the pro-rata rate of 1 percent per month from and after **September 1, 2014**, exclusive of the costs of temporary financing.

SECTION 4. That all costs of said improvements attributable to the improvement district, when ascertained, shall be assessed against the land lying within the improvement district described as follows:

**CASA BELLA 3RD ADDITION**

Lots 12 through 14, Block 2  
Parcels J through S

**CASA BELLA 2ND ADDITION**

Lots 7 through 8, Block 2

SECTION 5. That the method of apportioning all costs of said improvements attributable to the improvement district to the owners of land liable for assessment therefore shall be on a fractional basis.

The method of assessment of all costs of the improvement for which the improvement district shall be liable shall be on a fractional basis: That the following described lots in Casa Bella 3<sup>rd</sup> Addition and Casa Bella 2<sup>nd</sup> Addition, Wichita, Sedgwick County, Kansas shall each pay 1/15 of the total cost payable by the improvement district:

**CASA BELLA 3RD ADDITION**

Lots 12 through 14, Block 2

Parcels J through S

**CASA BELLA 2ND ADDITION**

Lots 7 through 8, Block 2

Where the ownership of a single lot is or may be divided into two or more parcels, the assessment to the lot so divided shall be assessed to each ownership or parcel on a square foot basis.

SECTION 6. That payment of said assessments may indefinitely be deferred as against those property owners eligible for such deferral available through the Special Assessment Deferral Program.

SECTION 7 That the City Engineer shall prepare plans and specifications for said improvement and a preliminary estimate of cost therefore, which plans, specifications, and a preliminary estimate of cost shall be presented to this Body for its approval.

SECTION 8. Whereas, the Governing Body of the City, upon examination thereof, considered, found and determined the Petition to be sufficient, having been signed by the owners of record, whether resident or not, of more than Fifty Percent (50%) of the property liable for assessment for the costs of the improvement requested thereby; the advisability of the improvements set forth above is hereby established as authorized by K.S.A. 12-6a01 et seq., as amended.

SECTION 9. Be it further resolved that the above described improvement is hereby authorized and declared to be necessary in accordance with the findings of the Governing Body as set out in this resolution.

SECTION 10. That the City Clerk shall make proper publication of this resolution, which shall be published once in the official City paper and which shall be effective from and after said publication.

PASSED by the governing body of the City of Wichita, Kansas, this 25th day of November, 2014.

\_\_\_\_\_  
CARL BREWER, MAYOR

ATTEST:

\_\_\_\_\_  
KAREN SUBLETT, CITY CLERK

(SEAL)

APPROVED AS TO FORM:

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SHARON L. DICKGRAFE, INTERIM CITY ATTORNEY &  
DIRECTOR OF LAW

RESOLUTION NO. 14-323

RESOLUTION OF FINDINGS OF ADVISABILITY AND RESOLUTION AUTHORIZING CONSTRUCTING PAVEMENT ON **CASA BELLA**, FROM THE SOUTHWEST LOT LINE OF LOT 7, BLOCK 2 CASA BELLA 2<sup>ND</sup> ADDITION TO THE WEST LINE OF 127<sup>TH</sup> STREET EAST AND **CASA BELLA COURT** FROM THE WEST LOT LINE OF LOT 18, BLOCK 1 CASA BELLA 2<sup>ND</sup> TO AND THROUGH THE CUL-DE-SAC (NORTH OF PAWNEE, WEST OF 127TH ST. EAST) 472-84946 IN THE CITY OF WICHITA, KANSAS, PURSUANT TO FINDINGS OF ADVISABILITY MADE BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS.

BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS, THAT THE FOLLOWING FINDINGS AS TO THE ADVISABILITY OF AUTHORIZING CONSTRUCTING PAVEMENT ON **CASA BELLA**, FROM THE SOUTHWEST LOT LINE OF LOT 7, BLOCK 2 CASA BELLA 2<sup>ND</sup> ADDITION TO THE WEST LINE OF 127<sup>TH</sup> STREET EAST AND **CASA BELLA COURT** FROM THE WEST LOT LINE OF LOT 18, BLOCK 1 CASA BELLA 2<sup>ND</sup> TO AND THROUGH THE CUL-DE-SAC (NORTH OF PAWNEE, WEST OF 127TH ST. EAST) 472-84946 IN THE CITY OF WICHITA, KANSAS, ARE HEREBY MADE TO-WIT:

SECTION 1. That Resolution No. **10-298** adopted on **November 16, 2010** and Resolution No. **14-223** adopted on **August 12, 2014** are hereby rescinded.

SECTION 2. That it is necessary and in the public interest to authorize constructing pavement on **Casa Bella**, from the southwest lot line of Lot 7, Block 2 Casa Bella 2<sup>nd</sup> Addition to the west line of 127<sup>th</sup> Street East and **Casa Bella Court** from the west lot line of Lot 18, Block 1 Casa Bella 2<sup>nd</sup> to and through the cul-de-sac (north of Pawnee, west of 127th St. East) 472-84946 Said pavement shall be constructed of the material in accordance with plans and specifications provided by the City Engineer.

SECTION 3. That the cost of said improvements provided for in Section 2 hereof is estimated to **Four Hundred Eighty-Four Thousand Dollars (\$484,000)** exclusive of interest on financing and administrative and financing costs, with 100 percent payable by the improvement district. Said estimated cost as above set forth is hereby increased at the pro-rata rate of 1 percent per month from and after **September 1, 2014**, exclusive of the costs of temporary financing.

SECTION 4. That all costs of said improvements attributable to the improvement district, when ascertained, shall be assessed against the land lying within the improvement district described as follows:

**CASA BELLA 3RD ADDITION**

Lots 19, 30 through 32, Block 1

Lots 12 through 14, Block 2

Parcels A through S

**CASA BELLA 2ND ADDITION**

Lots 17 through 27, Block 1

Lots 7 through 8, Block 2

SECTION 5. That the method of apportioning all costs of said improvements attributable to the improvement district to the owners of land liable for assessment therefore shall be on a fractional basis.

That the method of assessment of all costs of the improvement for which the improvement district shall be liable shall be on a fractional basis: That the following lots in Casa Bella 3<sup>rd</sup> Addition and Casa Bella 2<sup>nd</sup> Addition Wichita, Sedgwick County, Kansas shall each pay 1/39 of the total cost of the improvement district.

**CASA BELLA 3RD ADDITION**

Lots 19, 30 through 32, Block 1

Lots 12 through 14, Block 2

Parcels A through S

**CASA BELLA 2ND ADDITION**

Lots 17 through 27, Block 1

Lots 7 through 8, Block 2

Where the ownership of a single lot or tract is or may be divided into two or more parcels, the assessment to the lot or tract so divided shall be assessed to each ownership or parcel on a square foot basis. Except when driveways are requested to serve a particular tract, lot or parcel, the cost of said driveway shall be in addition to the assessment to said tract, lot, or parcel and shall be in addition to the assessment for other improvements.

SECTION 6. That payment of said assessments may indefinitely be deferred as against those property owners eligible for such deferral available through the Special Assessment Deferral Program.

SECTION 7. That the City Engineer shall prepare plans and specifications for said improvement and a preliminary estimate of cost therefore, which plans, specifications, and a preliminary estimate of cost shall be presented to this Body for its approval.

SECTION 8. Whereas, the Governing Body of the City, upon examination thereof, considered, found and determined the Petition to be sufficient, having been signed by the owners of record, whether resident or not, of more than Fifty Percent (50%) of the property liable for assessment for the costs of the improvement requested thereby; the advisability of the improvements set forth above is hereby established as authorized by K.S.A. 12-6a01 et seq., as amended.

SECTION 9. Be it further resolved that the above-described improvement is hereby authorized and declared to be necessary in accordance with the findings of the Governing Body as set out in this resolution.

SECTION 10. That the City Clerk shall make proper publication of this resolution, which shall be published once in the official City paper and which shall be effective from and after said publication.

PASSED by the governing body of the City of Wichita, Kansas, this 25th day of November, 2014.

\_\_\_\_\_  
CARL BREWER, MAYOR

ATTEST:

\_\_\_\_\_  
KAREN SUBLETT, CITY CLERK

(SEAL)

APPROVED AS TO FORM:

\_\_\_\_\_  
SHARON L. DICKGRAFE, INTERIM CITY ATTORNEY &  
DIRECTOR OF LAW

First Published in the Wichita Eagle on November 28, 2014

RESOLUTION NO. 14-324

RESOLUTION OF FINDINGS OF ADVISABILITY AND RESOLUTION AUTHORIZING CONSTRUCTION OF **WATER DISTRIBUTION SYSTEM NUMBER 448-90503 (NORTH OF PAWNEE, WEST OF 127TH ST. EAST)** IN THE CITY OF WICHITA, KANSAS, PURSUANT TO FINDINGS OF ADVISABILITY MADE BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS.

BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS, THAT THE FOLLOWING FINDINGS AS TO THE ADVISABILITY OF THE CONSTRUCTION OF **WATER DISTRIBUTION SYSTEM NUMBER 448-90503 (NORTH OF PAWNEE, WEST OF 127TH ST. EAST)** IN THE CITY OF WICHITA, KANSAS, ARE HEREBY MADE TO-WIT:

SECTION 1. That Resolution No. **10-294** adopted on **November 16, 2010** and Resolution No. **14-225** adopted on **August 12, 2014** are hereby rescinded.

SECTION 2. That it is necessary and in the public interest to construct **Water Distribution System Number 448-90503 (north of Pawnee, west of 127th St. East)**.

SECTION 3. That the cost of said improvements provided for in Section 2 hereof is estimated to be **Fifty-Six Thousand Dollars (\$56,000)** exclusive of interest on financing and administrative and financing costs, with 100 percent of the total cost payable by the improvement district. Said estimated cost as above set forth is hereby increased at the pro-rata rate of 1 percent per month from and after **September 1, 2014**, exclusive of the costs of temporary financing.

That, in accordance with the provisions of K.S.A. 12-6a19, a benefit fee be assessed against the improvement district with respect to the improvement district's share of the cost of the existing water main, such benefit fee to be in the amount of Ten Thousand Seven Hundred Dollars (\$10,700).

SECTION 4. That all costs of said improvements attributable to the improvement district, when ascertained, shall be assessed against the land lying within the improvement district described as follows:

**CASA BELLA 3<sup>RD</sup> ADDITION**

Lots 19, 30 through 32, Block 1

Lots 12 through 14, Block 2

Parcels A through S

**CASA BELLA 2<sup>ND</sup> ADDITION**

Lot 17 through 27, Block 1  
Lots 7 through 8, Block 2

SECTION 5. That the method of apportioning all costs of said improvements attributable to the improvement district to the owners of land liable for assessment therefore shall be on a fractional basis.

That the method of assessment of all costs of the improvement for which the improvement district shall be liable shall be on a fractional basis: That the following lots in Casa Bella 3<sup>rd</sup> Addition and Casa Bella 2<sup>nd</sup> Addition, Wichita, Sedgwick County, Kansas shall each pay 1/39 of the total cost of the improvement district:

**CASA BELLA 3<sup>RD</sup> ADDITION**

Lots 19, 30 through 32, Block 1  
Lots 12 through 14, Block 2  
Parcels A through S

**CASA BELLA 2<sup>ND</sup> ADDITION**

Lot 17 through 27, Block 1  
Lots 7 through 8, Block 2

Where the ownership of a single lot is or may be divided into two or more parcels, the assessment to the lot so divided shall be assessed to each ownership or parcel on a square foot basis.

SECTION 6. That payment of said assessments may indefinitely be deferred as against those property owners eligible for such deferral available through the Special Assessment Deferral Program.

SECTION 7. That the City Engineer shall prepare plans and specifications for said improvement and a preliminary estimate of cost therefore, which plans, specifications, and a preliminary estimate of cost shall be presented to this Body for its approval.

SECTION 8. Whereas, the Governing Body of the City, upon examination thereof, considered, found and determined the Petition to be sufficient, having been signed by the owners of record, whether resident or not, of more than Fifty Percent (50%) of the property liable for assessment for the costs of the improvement requested thereby; the advisability of the improvements set forth above is hereby established as authorized by K.S.A. 12-6a01 et seq., as amended.

SECTION 9. Be it further resolved that the above described improvement is hereby authorized and declared to be necessary in accordance with the findings of the Governing Body as set out in this resolution.

SECTION 10. That the City Clerk shall make proper publication of this resolution, which shall be published once in the official City paper and which shall be effective from and after said publication.

PASSED by the governing body of the City of Wichita, Kansas, this 25th day of November, 2014.

\_\_\_\_\_  
CARL BREWER, MAYOR

ATTEST:

\_\_\_\_\_  
KAREN SUBLETT, CITY CLERK  
(SEAL)

APPROVED AS TO FORM:

\_\_\_\_\_  
SHARON L. DICKGRAFE, INTERIM CITY ATTORNEY &  
DIRECTOR OF LAW

City of Wichita  
City Council Meeting  
November 25, 2014

**TO:** Mayor and City Council

**SUBJECT:** Class I Air Emission Source Operating Permit Reporting – Professional Services Contract (District V)

**INITIATED BY:** Department of Public Works & Utilities

**AGENDA:** Consent

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**Recommendation:** Approve the contract and authorize the necessary signatures.

**Background:** Brooks Landfill holds a Class I Air Emission Source Operating Permit from the Kansas Department of Health and Environment (KDHE) for the open flare that destroys landfill gas at Brooks Landfill. As a condition of this permit, the City of Wichita is required by state and federal law to submit five different annual emissions and compliance reports to the Environmental Protection Agency (EPA) and the KDHE, in addition to deviation reports as needed. Once every five years, the City must also submit a detailed operating permit renewal application package. The contract with the vendor currently providing these services expires November 30, 2014.

**Analysis:** SCS Aquaterra was recommended by a selection committee comprised of City staff. The selection was made in accordance with the City’s Administrative Regulation for contracting for professional services. Six firms submitted proposals to the City, and the selection committee interviewed three of these firms. Based upon the proposals and presentations, SCS Aquaterra was recommended by the committee for its professional qualifications, knowledge, and competitive pricing.

**Financial Considerations:** Based upon the specific tasks to be performed under the Scope of Services, the not-to-exceed annual cost is \$26,400 for report preparation and compliance assessment services, plus a onetime cost of \$4,500 for preparation of the operating permit renewal application in 2015. The duration of the new contract is two years, beginning December 1, 2014, with options for two additional one-year extensions. These costs are typical for the services being provided. Funding is included in the current and proposed budgets to cover the cost of this contract.

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

**Recommendations/Actions:** It is recommended that the City Council approve the contract with SCS Aquaterra and authorize the necessary signatures.

**Attachment:** Contract.

**CONTRACT**  
**for**  
**PROFESSIONAL SERVICES**

**AIR EMISSIONS AND GREENHOUSE GAS REPORTING**  
**FOR BROOKS LANDFILL**  
**FP 440034**

**THIS CONTRACT** entered into this \_\_\_th day of \_\_\_\_\_, 2014, by and between the **CITY OF WICHITA, KANSAS**, a municipal corporation, hereinafter called "**CITY**", and **SCS AQUATERRA**, 11120 E. 26<sup>th</sup> Street North, Suite 1100 Wichita, KS 67226, Telephone Number (316) 315-4501 hereinafter called "**CONTRACTOR**".

**WITNESSETH:**

**WHEREAS**, the **CITY** has solicited proposals for the Air Emissions and Greenhouse Gas Reporting Requirements for Brooks Landfill (Formal Proposal – FP440034); and

**WHEREAS**, the **CITY** wishes to prepare reports in accordance with the City's Class I Air Emission Operating Permit for Brooks Landfill, the New Source Performance Standards (NSPS) for municipal solid waste landfills (40 CFR 60), the National Emissions Standards for Hazardous Air Pollutants (NESHAP), the Maximum Achievable Control Technology (MACT) standards for municipal solid waste landfills (40 CFR 61 and 63), the Environmental Protection Agency (EPA) Greenhouse Gas Reporting Program requirements (40 CFR 98), and directives from the Kansas Department of Health and Environment (KDHE) Bureau of Air, hereafter called the "**PROJECT**"; and

**WHEREAS**, **CONTRACTOR** has submitted the proposal most beneficial to the **CITY** and is ready, willing, and able to provide the commodities and/or services required by the **CITY**.

**NOW, THEREFORE**, the parties hereto agree as follows:

1. **Scope of Services.** **CONTRACTOR** shall provide to the **CITY** all those commodities and/or services specified in its Scope of Services, provided as Exhibit B, in response to Formal Proposal Number – FP440034 which is attached hereto and incorporated herein by this reference, the same as if it were fully set forth. The proposal package, including all specifications, plans and addenda, provided by the City of Wichita as part of the proposal vetting process for Formal Proposal – FP440034, shall be considered a part of this contract and is incorporated by reference herein.

The **CONTRACTOR** shall prepare and submit reports in accordance with the City's Class I Air Emission Operating Permit for Brooks Landfill, the NSPS for municipal solid waste landfills (40 CFR 60), the NESHAP, the MACT standards for municipal solid waste landfills (40 CFR 61 and 63), the EPA Greenhouse Gas Reporting Program requirements (40 CFR 98), and directives from the KDHE Bureau of Air on behalf of the **CITY**.

Tasks include:

- Preparation of the semi-annual NSPS/NESHAP compliance report, to be submitted to the KDHE Bureau of Air and the EPA;
- Preparation of the annual compliance certification, to be submitted to the KDHE Bureau of Air and the EPA;
- Preparation of the annual greenhouse gas reports as required by the EPA's Greenhouse Gas Reporting Program (GHGRP) due to the EPA;
- Preparation of the annual emissions inventory, to be submitted to the KDHE Bureau of Air;
- Services to aid the City in the preparation of deviation reports, if necessary;
- Comprehensive compliance review and assessment of activities associated with aforementioned permits and regulations; and
- Preparation of the Class I Air Emission Source Operating Permit renewal application.

Each report shall include the requirements and be submitted by the **CONTRACTOR** to the KDHE, the EPA, and the **CITY** as specified in the Scope of Services.

When requested by the **CITY**, the **CONSULTANT** will enter into a Supplemental Agreement for additional services related to the Project such as, but not limited to:

- a. Consultant or witness for the **CITY** in any litigation, administrative hearing, or other legal proceedings related to the Project.
- b. Additional design services not covered by the scope of this Agreement.
- c. A change in the Scope of Services for the Project.

In the event of a change in the Scope of Services for the Project, caused by an act or omission of **CITY**, or error or change in the information provided by the **CITY**, or change in law, or event of force majeure, or if additional services should be necessary, the **CONSULTANT** will be given written notice by the **CITY** along with a request for an estimate of the increase necessary in the not-to-exceed fee for performance of such additions. No additional services will be performed nor will additional compensation be paid except on the basis of a Supplemental Agreement duly entered into by the parties.

2. **Compensation.** **CITY** agrees to pay to **CONTRACTOR** \$1,900.00 for each Semi-annual NSPS/NESHAP Report, \$1,000.00 for each Semi-annual SSM Report, \$1,000.00 for each Annual Compliance Certification, \$1,750.00 for each Greenhouse Gas Report, \$1,750.00 for each Annual Emissions Inventory, \$1,000.00 for each Semi-annual Monitoring and Recordkeeping Reports, and \$4,500.00 for each Annual Compliance Review and Assessment Report for a not-to-exceed annual cost of \$16,800. **CITY** agrees to pay to **CONTRACTOR** \$4,500 for onetime preparation of the operating permit renewal application. Additional fees which are authorized by the **CITY** for Ongoing Deviation Reporting as described in the Scope of Services per the proposal, plans, specifications, addenda and **CONTRACTOR'S** schedule of fees, provided as Exhibit C for FP440034 which is attached hereto and incorporated herein by reference, subject to a not to exceed annual cost of \$9,600. The total not-to-exceed cost for the

period from December 1, 2014 through November 30, 2015 is \$30,900. The total not-to-exceed cost for the period from December 1, 2015 through November 30, 2016 is \$26,400.

Monthly invoices will be submitted by the **CONTRACTOR** to **CITY** covering services performed and expenses incurred during the preceding month. Invoices will set forth: hours worked by each person, total hours worked and total labor billing, and a summary of expenses and charges. Upon request, documentation of reimbursable expenses included in the invoice will be provided at the cost to **CONTRACTOR**. Invoices are due upon receipt. In the event a portion of **CONSULTANT'S** invoice is disputed by **CITY**, the undisputed portion shall be paid by **CITY** by the due date. **CITY** shall advise **CONTRACTOR** in writing of the disputed portion of any invoice.

3. **Term.** The term of this contract shall be for two years from December 1, 2014 through November 30, 2016, with options to renew the contract under the same terms and conditions for two (2) successive one (1) year terms to be mutual agreement of both parties. This contract is subject to cancellation by the **CITY**, at its discretion at any time within the original contract term or within any successive renewal, upon thirty (30) days written notice to **CONTRACTOR**.

4. **Indemnification and Insurance.**

a. **CONTRACTOR** shall save and hold the **CITY** harmless against all suits, claims, damages and losses for injuries to persons or property arising from or caused by errors, omissions or negligent acts of **CONTRACTOR**, its officers, agents, servants, or employees, occurring in the performance of its services under this Contract, or arising from any defect in the materials or workmanship of any product provided in the performance of this Contract.

b. **CONTRACTOR** will carry insurance coverage during the term of this contract and any extensions thereof in the amounts and manner provided as follows:

1. Comprehensive General Liability covering premises—operations, explosion, collapse and underground hazards when applicable, Product/Completed operations, Broad Form Property Damage, and Contractual Liability with minimum limits as follows:

|                         |   |
|-------------------------|---|
| Bodily Injury Liability | \$500,000 each occurrence<br>\$500,000 each aggregate |
|-------------------------|---|

|                           |   |
|---------------------------|---|
| Property Damage Liability | \$500,000 each occurrence<br>\$500,000 each aggregate |
|---------------------------|---|

Or

|   |   |
|---|---|
| Bodily Injury and Property Damage Liability (Combined Single Limit) | \$500,000 each occurrence<br>\$500,000 each aggregate |
|---|---|

2. Automobile Liability - Comprehensive Form including all owned, hired and non-owned vehicles with minimum limits for:

|                           |                         |
|---------------------------|-------------------------|
| Bodily Injury Liability   | \$500,000 each accident |
| Property Damage Liability | \$500,000 each accident |

Or

|   |                         |
|---|-------------------------|
| Bodily Injury and Property Damage Liability (Combined Single Limit) | \$500,000 each accident |
|---|-------------------------|

3. Workers' Compensation/Employers Liability for minimum limits of:

|                     |                         |
|---------------------|-------------------------|
| Employers Liability | \$100,000 each accident |
|---------------------|-------------------------|

The Insurance Certificate must contain the following:

- A. Statement that the Contractual Liability includes the Liability of the CITY assumed by the CONTRACTOR in the contract documents.
- B. Cancellation – should any of the above policies be canceled before the expiration date thereof, the issuing company will mail ten (10) days written notice to certificate holder.

5. **Independent Contractor.** The relationship of the CONTRACTOR to the CITY will be that of an independent contractor. No employee or agent of the CONTRACTOR shall be considered an employee of the CITY.

6. **Compliance with Laws.** CONTRACTOR shall comply with all laws, statutes and ordinances which may pertain to the providing of services under this Contract.

7. **No Assignment.** The services to be provided by the CONTRACTOR under this Contract are personal and cannot be assigned, sublet or transferred without the specific written consent of the CITY.

8. **Non-Discrimination.** CONTRACTOR shall comply with all applicable requirements of the City of Wichita Revised Non-Discrimination and Equal Employment /Affirmative Action Program Requirements Statement for Contracts or Agreements attached hereto as Exhibit A.

9. **Third Party Rights.** It is specifically agreed between the parties that it is not intended by any of the provisions of any part of this Contract to create the public or any member thereof a third-party beneficiary hereunder, or to authorize anyone not a party to this Contract to maintain a suit for damages pursuant to the terms or provisions of this Contract.

10. **No Arbitration.** The **CONTRACTOR** and the **CITY** shall not be obligated to resolve any claim or dispute related to the Contract by arbitration. Any reference to arbitration in bid or proposal documents is deemed void.

11. **Governing Law.** This contract shall be interpreted according to the laws of the State of Kansas.

12. **Representative's Authority to Contract.** By signing this contract, the representative of the contractor or **CONTRACTOR** represents that he or she is duly authorized by the **CONTRACTOR** to execute this contract, and that the **CONTRACTOR** has agreed to be bound by all its provisions.

13. In Addition, the **CONTRACTOR** Agrees

a. That the field notes and other pertinent drawings and documents in electronic format (Access, Excel, AutoCAD, etc.) pertaining to the **PROJECT** shall become the property of the **CITY** upon completion or termination of the **CONTRACTOR'S** services in accordance with this Agreement; and there will be no restriction or limitation on their further use by the **CITY**. Provided, however, that **CITY** shall hold **CONTRACTOR** harmless from any and all claims, damages or causes of action which arise out of such further use when such further use is not in connection with the **PROJECT**.

b. To attend meetings with the City and other local, state and federal agencies as necessitated by the **SCOPE OF SERVICES**.

c. To make available during regular office hours, all calculations, sketches and drawings associated with this **PROJECT** such as the **CITY** may wish to examine periodically during performance of this Agreement.

d. To save and hold **CITY** harmless against all suits, claims, damages and losses for injuries to persons or property arising from or caused by errors, omissions or negligent acts of **CONTRACTOR**, its agents, servants, employees, or subcontractors occurring in the performance of its services under this agreement.

e. To maintain books, documents, papers, accounting records and other evidence pertaining to costs incurred by **CONTRACTOR** and, where relevant to method of payment, to make such material available to the **CITY**.

14. The City Agrees

a. To furnish all available data pertaining to the **PROJECT** now in the **CITY'S** files at no cost to the **CONTRACTOR**. Confidential materials so furnished will be kept confidential by the **CONTRACTOR**. **CONTRACTOR** will have no liability for defects in the Services attributable to **CONTRACTOR'S** reliance upon or use of data, information, reports, analyses, protocols, plans,

or other information furnished by or through the CITY or third parties retained by CITY, unless verification of such information is expressly included in the Scope of Services.

- b. To pay the **CONTRACTOR** for services in accordance with the requirements of this Contract.
- c. To provide the right-of-entry for **CONTRACTOR'S** personnel in performing field surveys and inspections.
- d. To examine all studies, reports, sketches, drawings, specifications, proposals and other documents presented by the **CONTRACTOR** in a timely fashion.

**IN WITNESS WHEREOF**, the parties have set their hands the day and year first above written.

**ATTEST:**

**CITY OF WICHITA, KANSAS**

\_\_\_\_\_  
Karen Sublett  
City Clerk

\_\_\_\_\_  
Carl Brewer  
Mayor

**APPROVED AS TO FORM:**

**SCS Aquaterra**

  
Sharon Dickgrafe, Interim City Attorney

  
\_\_\_\_\_  
Signature

  
\_\_\_\_\_  
Print Name

  
\_\_\_\_\_  
Title (President or Corporate Officer)

Exhibit A

**REVISED NON-DISCRIMINATION AND  
EQUAL EMPLOYMENT OPPORTUNITY/AFFIRMATIVE ACTION PROGRAM  
REQUIREMENTS STATEMENT FOR CONTRACTS OR AGREEMENTS**

During the term of this contract, the contractor or subcontractor, vendor or supplier of the City, by whatever term identified herein, shall comply with the following Non-Discrimination--Equal Employment Opportunity/Affirmative Action Program Requirements:

- A. During the performance of this contract, the contractor, subcontractor, vendor or supplier of the City, or any of its agencies, shall comply with all the provisions of the Civil Rights Act of 1964, as amended: The Equal Employment Opportunity Act of 1972; Presidential Executive Orders 11246, 11375, 11131; Part 60 of Title 41 of the Code of Federal Regulations; the Age Discrimination in Employment Act of 1967; the Americans with Disabilities Act of 1990 and laws, regulations or amendments as may be promulgated thereunder.
  
- B. Requirements of the State of Kansas:
  - 1. The contractor shall observe the provisions of the Kansas Act against Discrimination (Kansas Statutes Annotated 44-1001, et seq.) and shall not discriminate against any person in the performance of work under the present contract because of race, religion, color, sex, disability, and age except where age is a bona fide occupational qualification, national origin or ancestry;
  - 2. In all solicitations or advertisements for employees, the contractor shall include the phrase, "Equal Opportunity Employer", or a similar phrase to be approved by the "Kansas Human Rights Commission";
  - 3. If the contractor fails to comply with the manner in which the contractor reports to the "Kansas Human Rights Commission" in accordance with the provisions of K.S.A. 1976 Supp. 44-1031, as amended, the contractor shall be deemed to have breached this contract and it may be canceled, terminated or suspended in whole or in part by the contracting agency;
  - 4. If the contractor is found guilty of a violation of the Kansas Act against Discrimination under a decision or order of the "Kansas Human Rights Commission" which has become final, the contractor shall be deemed to have breached the present contract, and it may be canceled, terminated or suspended in whole or in part by the contracting agency;
  - 5. The contractor shall include the provisions of Paragraphs 1 through 4 inclusive, of this Subsection B, in every subcontract or purchase so that such provisions will be binding upon such subcontractor or vendor.

C. Requirements of the City of Wichita, Kansas, relating to Non-Discrimination -- Equal Employment Opportunity/Affirmative Action Program Requirements:

1. The vendor, supplier, contractor or subcontractor shall practice Non-Discrimination -- Equal Employment Opportunity in all employment relations, including but not limited to employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The vendor, supplier, contractor or subcontractor shall submit an Equal Employment Opportunity or Affirmative Action Program, when required, to the Department of Finance of the City of Wichita, Kansas, in accordance with the guidelines established for review and evaluation;
2. The vendor, supplier, contractor or subcontractor will, in all solicitations or advertisements for employees placed by or on behalf of the vendor, supplier, contractor or subcontractor, state that all qualified applicants will receive consideration for employment without regard to race, religion, color, sex, "disability, and age except where age is a bona fide occupational qualification", national origin or ancestry. In all solicitations or advertisements for employees the vendor, supplier, contractor or subcontractor shall include the phrase, "Equal Opportunity Employer", or a similar phrase;
3. The vendor, supplier, contractor or subcontractor will furnish all information and reports required by the Department of Finance of said City for the purpose of investigation to ascertain compliance with Non-Discrimination -- Equal Employment Opportunity Requirements. If the vendor, supplier, contractor, or subcontractor fails to comply with the manner in which he/she or it reports to the City in accordance with the provisions hereof, the vendor, supplier, contractor or subcontractor shall be deemed to have breached the present contract, purchase order or agreement and it may be canceled, terminated or suspended in whole or in part by the City or its agency; and further Civil Rights complaints, or investigations may be referred to the State;
4. The vendor, supplier, contractor or subcontractor shall include the provisions of Subsections 1 through 3 inclusive, of this present section in every subcontract, subpurchase order or subagreement so that such provisions will be binding upon each subcontractor, subvendor or subsupplier.
5. If the contractor fails to comply with the manner in which the contractor reports to the Department of Finance as stated above, the contractor shall be deemed to have breached this contract and it may be canceled, terminated or suspended in whole or in part by the contracting agency;

D. Exempted from these requirements are:

1. Those contractors, subcontractors, vendors or suppliers who have less than four (4) employees, whose contracts, purchase orders or agreements cumulatively total less than five thousand dollars (\$5,000) during the fiscal year of said City are exempt from any further Equal Employment Opportunity or Affirmative Action Program submittal.
  
2. Those vendors, suppliers, contractors or subcontractors who have already complied with the provisions set forth in this section by reason of holding a contract with the Federal government or contract involving Federal funds; provided that such contractor, subcontractor, vendor or supplier provides written notification of a compliance review and determination of an acceptable compliance posture within a preceding forty-five (45) day period from the Federal agency involved.

City of Wichita  
City Council Meeting  
November 25, 2014

**TO:** Mayor and City Council

**SUBJECT:** Gilbert and Mosley Groundwater Contamination Site Project – Groundwater Monitoring – Professional Services Contract (Districts III, I, and VI)

**INITIATED BY:** Department of Public Works & Utilities

**AGENDA:** Consent

---

**Recommendations:** Approve the contract for groundwater monitoring for the Gilbert and Mosley (GM) Groundwater Contamination Site and approve any necessary budget adjustments.

**Background:** The GM project is a very large and complex groundwater pollution site with approximately 3,850 acres of commercial, industrial and residential properties within its boundaries. The groundwater pollution is a result of historical use of industrial chemicals by a number of different parties. The City is bound by a settlement agreement with the Kansas Department of Health & Environment (KDHE) to manage the groundwater remediation. The official Corrective Action Decision (CAD) issued by KDHE lays out the remediation requirements. The GM site consists of 13 groundwater extraction wells, 5.3 miles of influent piping, and 1,250 gallon per minute treatment system. The site-wide groundwater monitoring program is a critical and required component of the CAD.

**Analysis:** The GM groundwater monitoring is required by KDHE to observe the effectiveness of the site-wide groundwater treatment system in containing and reducing the overall level of groundwater contamination within the GM site. The selection of these professional services followed the City’s Administrative Regulation for competitive procurement by a selection committee comprised of City staff. The selection committee interviewed SCS Aquaterra, Burns & McDonnell, and iSi Environmental. Based upon the proposals and presentations, SCS Aquaterra was recommended by the committee based primarily upon its professional qualifications, knowledge, and competitive pricing.

**Financial Considerations:** Based upon the specific tasks to be performed under the scope of services, the not-to-exceed annual cost is \$53,300 for monitoring and reporting services and a not-to-exceed annual cost of \$15,000 for contingency services associated with optional tasks including: updating the Monitoring Plan, monitoring well replacement, data logger replacement, and/or surveying. The duration of the contract is two years with the possibility of two one year extensions. These costs are typical for a large environmental cleanup project. The GM fund includes the GM Tax Increment Financing allocations and settlements. Funding is available and budgeted in the current as well as the proposed 2015-2016 budget years to cover the cost of this contract.

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

**Recommendation/Action:** It is recommended that the City Council approve the contract with SCS Aquaterra, authorize the necessary signatures, and approve any necessary budget adjustments.

**Attachment:** Contract.

**CONTRACT  
for  
PROFESSIONAL SERVICES**

**Groundwater Monitoring for the  
Gilbert & Mosley Groundwater Contamination Site  
FP 440044**

**THIS CONTRACT** entered into this \_\_\_th day of \_\_\_\_\_, 2014, by and between the **CITY OF WICHITA, KANSAS**, a municipal corporation, hereinafter called "**CITY**", and **SCS AQUATERRA**, 11120 E. 26<sup>th</sup> Street North, Suite 1100 Wichita, KS 67226, Telephone Number (316) 315-4501 hereinafter called "**CONTRACTOR**".

**WITNESSETH:**

**WHEREAS**, the **CITY** has solicited proposals for Groundwater Monitoring for the Gilbert and Mosley Groundwater Contamination Site (Formal Proposal – FP440044); and

**WHEREAS**, the **CITY** wishes to analyze and report the results of the Gilbert and Mosley Groundwater Contamination Site monitoring data, hereafter called the "**PROJECT**"; and

**WHEREAS**, **CONTRACTOR** has submitted the proposal most beneficial to the **CITY** and is ready, willing, and able to provide the commodities and/or services required by the **CITY**.

**NOW, THEREFORE**, the parties hereto agree as follows:

1. **Scope of Services.** **CONTRACTOR** shall provide to the **CITY** all those commodities and/or services specified in its Scope of Services, provided as Exhibit B, in response to Formal Proposal Number – FP440044 which is attached hereto and incorporated herein by this reference, the same as if it were fully set forth. The proposal package, including all specifications, plans and addenda, provided by the City of Wichita as part of the proposal vetting process for Formal Proposal – FP440044 shall be considered a part of this contract and is incorporated by reference herein.

The **CONTRACTOR** shall collect groundwater samples and submit to a KDHE certified laboratory, measure groundwater elevations, prepare and submit semi-annual Groundwater Monitoring reports to the KDHE on behalf of the **CITY**, beginning with the groundwater monitoring event to be conducted in November or December 2014. Each groundwater monitoring event and report shall be consistent with previously completed monitoring events and reports and include the requirements specified in the Scope of Services.

The semi-annual monitoring reports will be submitted according to the KDHE approved work plan and will be signed and sealed by a Kansas Licensed Professional Geologist or Professional Engineer. The vendor shall submit one hard copy and two electronic (CD) copies to the CITY and the KDHE.

When requested by the CITY, the CONSULTANT will enter into a Supplemental Agreement for additional services related to the Project such as, but not limited to:

- a. Consultant or witness for the CITY in any litigation, administrative hearing, or other legal proceedings related to the Project.
- b. Additional design services not covered by the scope of this Agreement.
- c. A change in the Scope of Services for the Project.

In the event of a change in the Scope of Services for the Project, caused by an act or omission of CITY, or error or change in the information provided by the CITY, or change in law, or event of force majeure, or if additional services should be necessary, the CONSULTANT will be given written notice by the CITY along with a request for an estimate of the increase necessary in the not-to-exceed fee for performance of such additions. No additional services will be performed nor will additional compensation be paid except on the basis of a Supplemental Agreement duly entered into by the parties.

2. **Compensation.** CITY agrees to pay to CONTRACTOR as described in Project Costs per the proposal and Contractor's schedule of fees, provided as Table 1 for FP440044 which is attached hereto and incorporated herein by reference with a not to exceed cost of \$53,300 for the groundwater monitoring and reporting tasks. Additionally, a maximum of \$15,000 per year for optional tasks based upon the unit costs in Table 1 that are project requirements established by the Kansas Department of Health & Environment (KDHE) and as approved by the City.

Monthly invoices will be submitted by the CONTRACTOR to CITY covering services performed and expenses incurred during the preceding month. Invoices will identify actual unit numbers for each task (samples collected, wells measured, etc.) and the cost per unit. Reports maybe billed based upon the percentage complete. Upon request, documentation of reimbursable expenses included in the invoice will be provided at the cost to CONTRACTOR. Invoices are due 30 days after receipt. In the event a portion of CONSULTANT'S invoice is disputed by CITY, the undisputed portion shall be paid by CITY by the due date. CITY shall advise CONTRACTOR in writing of the disputed portion of any invoice.

3. **Term.** The term of this contract shall be for two years from December 1, 2014 through January 31, 2017, with options to renew the contract under the same terms and conditions for two (2) successive one (1) year terms to be mutual agreement of both parties. The initial term will include:

- 1) Second semi-annual sampling event November-December 2014;

- 2) 2014 annual report;
- 3) First semi-annual sampling event May-June 2015;
- 4) 2015 first semi-annual data transmittal;
- 5) Second semi-annual sampling event November-December 2015;
- 6) 2015 annual report;
- 7) First semi-annual sampling event May-June 2016;
- 8) 2016 first semi-annual data transmittal;
- 9) Second semi-annual sampling event November-December 2016
- 10) 2016 annual report (due January 2017)

This contract is subject to cancellation by the **CITY**, at its discretion at any time within the original contract term or within any successive renewal, upon thirty (30) days written notice to **CONTRACTOR**.

**4. Indemnification and Insurance.**

a. **CONTRACTOR** shall save and hold the **CITY** harmless against all suits, claims, damages and losses for injuries to persons or property arising from or caused by errors, omissions or negligent acts of **CONTRACTOR**, its officers, agents, servants, or employees, occurring in the performance of its services under this Contract, or arising from any defect in the materials or workmanship of any product provided in the performance of this Contract.

b. **CONTRACTOR** will carry insurance coverage during the term of this contract and any extensions thereof in the amounts and manner provided as follows:

1. Comprehensive General Liability covering premises—operations, explosion, collapse and underground hazards when applicable, Product/Completed operations, Broad Form Property Damage, and Contractual Liability with minimum limits as follows:

|                         |   |
|-------------------------|---|
| Bodily Injury Liability | \$500,000 each occurrence<br>\$500,000 each aggregate |
|-------------------------|---|

|                           |   |
|---------------------------|---|
| Property Damage Liability | \$500,000 each occurrence<br>\$500,000 each aggregate |
|---------------------------|---|

Or

|  |   |
|--|---|
| Bodily Injury and Property Damage<br>Liability (Combined Single Limit) | \$500,000 each occurrence<br>\$500,000 each aggregate |
|--|---|

2. Automobile Liability - Comprehensive Form including all owned, hired and non-owned vehicles with minimum limits for:

|                           |                         |
|---------------------------|-------------------------|
| Bodily Injury Liability   | \$500,000 each accident |
| Property Damage Liability | \$500,000 each accident |

Or

Bodily Injury and Property Damage  
Liability (Combined Single Limit)                      \$500,000 each accident

3. Workers' Compensation/Employers Liability for minimum limits of:

Employers Liability    \$100,000 each accident

The Insurance Certificate must contain the following:

A. Statement that the Contractual Liability includes the Liability of the CITY assumed by the CONTRACTOR in the contract documents.

B. Cancellation – should any of the above policies be canceled before the expiration date thereof, the issuing company will mail ten (10) days written notice to certificate holder.

5. **Independent Contractor.** The relationship of the CONTRACTOR to the CITY will be that of an independent contractor. No employee or agent of the CONTRACTOR shall be considered an employee of the CITY.

6. **Compliance with Laws.** CONTRACTOR shall comply with all laws, statutes and ordinances which may pertain to the providing of services under this Contract.

7. **No Assignment.** The services to be provided by the CONTRACTOR under this Contract are personal and cannot be assigned, sublet or transferred without the specific written consent of the CITY.

8. **Non-Discrimination.** CONTRACTOR shall comply with all applicable requirements of the City of Wichita Revised Non-Discrimination and Equal Employment /Affirmative Action Program Requirements Statement for Contracts or Agreements attached hereto as Exhibit A.

9. **Third Party Rights.** It is specifically agreed between the parties that it is not intended by any of the provisions of any part of this Contract to create the public or any member thereof a third-party beneficiary hereunder, or to authorize anyone not a party to this Contract to maintain a suit for damages pursuant to the terms or provisions of this Contract.

10. **No Arbitration.** The CONTRACTOR and the CITY shall not be obligated to resolve any claim or dispute related to the Contract by arbitration. Any reference to arbitration in bid or proposal documents is deemed void.

11. **Governing Law.** This contract shall be interpreted according to the laws of the State of Kansas.

12. **Representative's Authority to Contract.** By signing this contract, the representative of the contractor or CONTRACTOR represents the he or she is duly authorized

by the **CONTRACTOR** to execute this contract, and that the **CONTRACTOR** has agreed to be bound by all its provisions.

13. In Addition, the **CONTRACTOR** Agrees

a. That the field notes and other pertinent drawings and documents in electronic format (Access, Excel, AutoCAD, etc.) pertaining to the **PROJECT** shall become the property of the **CITY** upon completion or termination of the **CONTRACTOR'S** services in accordance with this Agreement; and there will be no restriction or limitation on their further use by the **CITY**. Provided, however, that **CITY** shall hold **CONTRACTOR** harmless from any and all claims, damages or causes of action which arise out of such further use when such further use is not in connection with the **PROJECT**.

b. To attend meetings with the City and other local, state and federal agencies as necessitated by the **SCOPE OF SERVICES**.

c. To make available during regular office hours, all calculations, sketches and drawings associated with this **PROJECT** such as the **CITY** may wish to examine periodically during performance of this Agreement.

d. To save and hold **CITY** harmless against all suits, claims, damages and losses for injuries to persons or property arising from or caused by errors, omissions or negligent acts of **CONTRACTOR**, its agents, servants, employees, or subcontractors occurring in the performance of its services under this agreement.

e. To maintain books, documents, papers, accounting records and other evidence pertaining to costs incurred by **CONTRACTOR** and, where relevant to method of payment, to make such material available to the **CITY**.

14. The City Agrees

a. To furnish all available data pertaining to the **PROJECT** now in the **CITY'S** files at no cost to the **CONTRACTOR**. Confidential materials so furnished will be kept confidential by the **CONTRACTOR**. **CONTRACTOR** will have no liability for defects in the Services attributable to **CONTRACTOR 'S** reliance upon or use of data, information, reports, analyses, protocols, plans, or other information furnished by or through the **CITY** or third parties retained by **CITY**, unless verification of such information is expressly included in the Scope of Services.

b. To pay the **CONTRACTOR** for services in accordance with the requirements of this Contract.

- c. To provide the right-of-entry for **CONTRACTOR'S** personnel in performing field surveys and inspections.
- d. To examine all studies, reports, sketches, drawings, specifications, proposals and other documents presented by the **CONTRACTOR** in a timely fashion.

**IN WITNESS WHEREOF**, the parties have set their hands the day and year first above written.

**ATTEST:**

**CITY OF WICHITA, KANSAS**

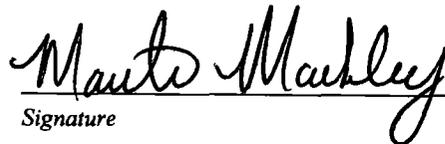
\_\_\_\_\_  
Karen Sublett  
City Clerk

\_\_\_\_\_  
Carl Brewer  
Mayor

**APPROVED AS TO FORM:**

**SCS Aquaterra**

  
\_\_\_\_\_  
Sharon Dickgrafe, Interim City Attorney

  
\_\_\_\_\_  
Signature

  
\_\_\_\_\_  
Print Name

  
\_\_\_\_\_  
Title (President or Corporate Officer)

Exhibit A

**REVISED NON-DISCRIMINATION AND  
EQUAL EMPLOYMENT OPPORTUNITY/AFFIRMATIVE ACTION PROGRAM  
REQUIREMENTS STATEMENT FOR CONTRACTS OR AGREEMENTS**

During the term of this contract, the contractor or subcontractor, vendor or supplier of the City, by whatever term identified herein, shall comply with the following Non-Discrimination--Equal Employment Opportunity/Affirmative Action Program Requirements:

- A. During the performance of this contract, the contractor, subcontractor, vendor or supplier of the City, or any of its agencies, shall comply with all the provisions of the Civil Rights Act of 1964, as amended: The Equal Employment Opportunity Act of 1972; Presidential Executive Orders 11246, 11375, 11131; Part 60 of Title 41 of the Code of Federal Regulations; the Age Discrimination in Employment Act of 1967; the Americans with Disabilities Act of 1990 and laws, regulations or amendments as may be promulgated thereunder.
- B. Requirements of the State of Kansas:
1. The contractor shall observe the provisions of the Kansas Act against Discrimination (Kansas Statutes Annotated 44-1001, et seq.) and shall not discriminate against any person in the performance of work under the present contract because of race, religion, color, sex, disability, and age except where age is a bona fide occupational qualification, national origin or ancestry;
  2. In all solicitations or advertisements for employees, the contractor shall include the phrase, "Equal Opportunity Employer", or a similar phrase to be approved by the "Kansas Human Rights Commission";
  3. If the contractor fails to comply with the manner in which the contractor reports to the "Kansas Human Rights Commission" in accordance with the provisions of K.S.A. 1976 Supp. 44-1031, as amended, the contractor shall be deemed to have breached this contract and it may be canceled, terminated or suspended in whole or in part by the contracting agency;
  4. If the contractor is found guilty of a violation of the Kansas Act against Discrimination under a decision or order of the "Kansas Human Rights Commission" which has become final, the contractor shall be deemed to have breached the present contract, and it may be canceled, terminated or suspended in whole or in part by the contracting agency;
  5. The contractor shall include the provisions of Paragraphs 1 through 4 inclusive, of this Subsection B, in every subcontract or purchase so that such provisions will be binding upon such subcontractor or vendor.

C. Requirements of the City of Wichita, Kansas, relating to Non-Discrimination -- Equal Employment Opportunity/Affirmative Action Program Requirements:

1. The vendor, supplier, contractor or subcontractor shall practice Non-Discrimination -- Equal Employment Opportunity in all employment relations, including but not limited to employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The vendor, supplier, contractor or subcontractor shall submit an Equal Employment Opportunity or Affirmative Action Program, when required, to the Department of Finance of the City of Wichita, Kansas, in accordance with the guidelines established for review and evaluation;
2. The vendor, supplier, contractor or subcontractor will, in all solicitations or advertisements for employees placed by or on behalf of the vendor, supplier, contractor or subcontractor, state that all qualified applicants will receive consideration for employment without regard to race, religion, color, sex, "disability, and age except where age is a bona fide occupational qualification", national origin or ancestry. In all solicitations or advertisements for employees the vendor, supplier, contractor or subcontractor shall include the phrase, "Equal Opportunity Employer", or a similar phrase;
3. The vendor, supplier, contractor or subcontractor will furnish all information and reports required by the Department of Finance of said City for the purpose of investigation to ascertain compliance with Non-Discrimination -- Equal Employment Opportunity Requirements. If the vendor, supplier, contractor, or subcontractor fails to comply with the manner in which he/she or it reports to the City in accordance with the provisions hereof, the vendor, supplier, contractor or subcontractor shall be deemed to have breached the present contract, purchase order or agreement and it may be canceled, terminated or suspended in whole or in part by the City or its agency; and further Civil Rights complaints, or investigations may be referred to the State;
4. The vendor, supplier, contractor or subcontractor shall include the provisions of Subsections 1 through 3 inclusive, of this present section in every subcontract, subpurchase order or subagreement so that such provisions will be binding upon each subcontractor, subvendor or subsupplier.
5. If the contractor fails to comply with the manner in which the contractor reports to the Department of Finance as stated above, the contractor shall be deemed to have breached this contract and it may be canceled, terminated or suspended in whole or in part by the contracting agency;

D. Exempted from these requirements are:

1. Those contractors, subcontractors, vendors or suppliers who have less than four (4) employees, whose contracts, purchase orders or agreements cumulatively total less than five thousand dollars (\$5,000) during the fiscal year of said City are exempt from any further Equal Employment Opportunity or Affirmative Action Program submittal.
  
2. Those vendors, suppliers, contractors or subcontractors who have already complied with the provisions set forth in this section by reason of holding a contract with the Federal government or contract involving Federal funds; provided that such contractor, subcontractor, vendor or supplier provides written notification of a compliance review and determination of an acceptable compliance posture within a preceding forty-five (45) day period from the Federal agency involved.

## 4.0 METHODOLOGY

As presented in the RFP, the Gilbert & Mosley groundwater contamination site in Wichita, Kansas is located from approximately Central Avenue on the north to almost MacArthur Road on the south, and from essentially Interstate 1-35 on the east to the Arkansas River on the west. More than 200 monitoring, extraction, piezometer, or observation wells exist to evaluate the groundwater contamination in this large area. The following sections describe our proposed scope of services to conduct semi-annual groundwater monitoring for the Gilbert & Mosley groundwater contamination site.

### 4.1 Scope of Services

Per the RFP, two semi-annual sampling events will be conducted annually. The first semi-annual event will include collecting water levels from 155 wells and water samples from 111 wells. Groundwater levels will be measured in piezometers, monitoring wells, and pumping wells within a 24-hour period at monitoring wells within the designated Gilbert Mosely site groundwater monitoring system. Additionally, groundwater level measurements will be made prior to collection of groundwater samples and during aquifer testing activities. Total well depth measurements will be obtained in the monitoring wells on an annual basis when the well depth is measured. Groundwater samples will be analyzed for volatile organic compounds (VOCs) by EPA SW-846 Method 8260B. The second semi-annual event will include collecting water levels from 219 wells and water samples from 67 wells. When requested by the City of Wichita, additional optional laboratory analyses will be performed on the water samples.

In addition to the semi-annual groundwater sampling, optional services may include repairs to pumps and equipment for the remedial pumping system, updating of the Monitoring Plan, replacement of 1-inch diameter wells, replacements of monitoring well heads, replacement of the In-Situ data loggers, and surveying of the top of well heads.

#### 4.1.1 Collecting Groundwater Levels

An electronic water level indicator will be used to collect groundwater level measurements. Groundwater levels will be measured to the reference mark on the top of the riser pipe. If no mark or notch is present on the north side of the casing, a notch shall be made using a decontaminated metal file.

The following procedure will be used to measure groundwater levels:

1. Decontaminate the cable and water level indicator before the first measurement and then after each measurement.
2. Turn on the water level indicator and push the instrument test button to check the probe's batteries.
3. Lower the water level indicator into the well by pulling the cable from the hand-held reel until the indicator light or audible signal responds.
4. Move the cable up and down while observing the indicator. Note the exact length of cable

extended from the tip of the water level indicator sensor to the reference point when the sensor indicates the fluid/air interface. Record the cable length to the nearest 0.01-foot, well number, time, and date of the measurement in the project logbook or field information form.

5. If applicable, measure the total well depth by lowering the water level indicator to the bottom of the well. Add the length of the distance between the end of the probe and the probe sensor to the total depth measurement. Record the total depth measured at the top of the well casing at the reference point to the nearest 0.01-foot.
6. Decontaminate the sensor and cable, as previously described, prior to measuring the next well.

The following procedure will be used in the event of encountering free phase product using an interface probe:

1. Follow Steps 1-3 above using an interface probe.
2. Move the cable up and down while observing the indicator. Note the exact length of cable extended from the tip of the interface sensor to the reference point when the interface sensor indicates the product/air interface for LNAPL, or the fluid/product interface for DNAPL. Record the cable length to the nearest 0.01-foot, well number, time, and date of the measurement in the project logbook or field information form.
3. Decontaminate the interface probe and cable, as previously described, prior to measuring the next well.
4. If the well is too small to allow use of an interface probe, and free phase product is observed on the water level probe or other equipment, a dedicated poly bailer or tube will be delivered and retrieved into the air/product interface for LNAPL, or the fluid/product interface for DNAPL, slowly. Bailers will not be allowed to strike the product surface with “falling” velocity to minimize the agitation of the product. The bailer will be lowered through the product thickness approximately three inches into the underlying groundwater for LNAPL and total depth for DNAPL. Once bailers are retrieved, the product thickness will be measured to the nearest 0.01-foot. If product thickness exceeds the length of the bailer, product thickness will be noted as estimated to an equal length of the bailer.
5. Containerize recovered free phase product in appropriate and properly labeled container for characterization, disposal, and/or recycling.
6. Discard bailer and twine.
7. Discard or recycle recovered free-phase product according to standard waste management practices.

#### **4.1.2 Groundwater Sampling Methods**

Per the RFP, groundwater samples will be collected from one-inch, two-inch, and four-inch monitoring wells and will be sampled according to the following procedures.

##### **One-Inch Monitoring Wells**

One-inch monitoring wells will be purged with a peristaltic pump using low-flow purging techniques.

1. Cut a sufficient length of poly tubing to run from the ground surface up to the top of the well casing and back down to the bottom of the well (approximately equal to the well depth plus an additional 10 feet). This will allow for operation of the pump at all possible water level conditions in the well.
2. Cut an approximately 12-inch length of silicone tubing to mount to the pump head.
3. Attach the silicone tubing to the pump head. Place one end of the poly tubing into the silicone tubing mounted on the pump head. Proper sizing of the poly tubing should allow for a snug fit of the poly tubing inside the silicone tubing.
4. Run a sufficient length of poly tubing from the discharge side of the peristaltic pump head to a graduated bucket to collect purge water.
5. Place the free end of the poly tubing into the well to the depth of approximately the middle of screened section.
6. Turn on the pump to produce a vacuum on the well side of the pump head and initiate purging.
7. Monitor drawdown in the well and adjust purging rate on the pump if the pumping rate exceeds the recovery rate of the well.
8. After approximately five minutes, monitor the purge water for stabilization of field parameters pH, temperature, specific conductivity, dissolved oxygen, ORP, and turbidity. Continue monitoring field parameters every 3 to 5 minutes until the parameters stabilize. Stabilization has occurred when the following criteria are achieved:
  - pH varies by no more than 0.1 standard units;
  - Temperature is within  $\pm 3\%$  degrees Celsius;
  - Dissolved oxygen is within  $\pm 10\%$  when measured in % saturation ( $\pm 0.3$  mg/L);
  - Oxidation-Reduction potential (ORP) is within  $\pm 10$  millivolts (mV);
  - Specific conductivity is within  $\pm 3\%$  milliSiemens/centimeter (mS/cm); and
  - Turbidity is  $< 10$  nephelometric turbidity units (NTU). If natural turbidity is greater than 10 NTU, stabilization will be  $\pm 10\%$ .
9. Once stabilization has been achieved, and a minimum of three well casing volumes have been removed, samples may be collected. For the collection of VOCs, stop the pump, crimp the tubing and extracting from the well, decant groundwater from the bottom portion of the tubing into containers. Remaining sample bottles will be filled directly from the tubing while the pump is in operation.

### Two-Inch Monitoring Wells

1. Retrieve a new dedicated poly bailer from equipment stores, and tie a sufficient length of twine to the bailer so that the bailer may be lowered to the wells total depth. Leave an additional five feet of twine outside the well for the field technicians to control the bailer.
2. Slowly lower the bailer into the well so that the bailer will not be allowed to strike the groundwater surface with a "falling" velocity to minimize agitation of the groundwater surface. Allow the bailer to fall through the water column to the wells total depth.
3. Slowly retrieve the bailer to ground surface and pour the recovered groundwater into a graduated bucket.
4. A minimum of three well casing volumes will be removed prior to sampling.

5. Monitor the purge water for stabilization of field parameters pH, temperature, specific conductivity, dissolved oxygen, ORP, and turbidity. Continue monitoring field parameters until the parameters have stabilized. Stabilization has occurred when the following criteria are achieved :
  - pH varies by no more than 0.1 standard units;
  - Temperature is within  $\pm 3\%$  degrees Celsius;
  - Dissolved oxygen is within  $\pm 10\%$  when measured in % saturation ( $\pm 0.3$  mg/L);
  - ORP is within  $\pm 10$  millivolts (mV);
  - Specific conductivity is within  $\pm 3\%$  milliSiemens/centimeter (mS/cm); and
  - Turbidity is  $< 10$  NTU. If natural turbidity is greater than 10 NTU, stabilization will be  $\pm 10\%$ .
6. Once stabilization has occurred, samples may be collected. For the collection of VOC's, a bailer VOC sampler will be utilized to allow the groundwater to slowly flow from the bailer into the sample container.

#### Four-Inch Monitoring Wells

1. Cut a sufficient length of tubing length of poly tubing to run from the ground surface up to the top of the well casing and back down to the bottom of the well (approximately equal to the well depth plus an additional 10 feet). This will allow for operation of the pump at all possible water level conditions in the well. Attach the tubing to a variable speed submersible pump.
2. Slowly lower the pump to the center of the well screen, so that the pump will not be allowed to strike the groundwater surface with a "falling" velocity to minimize agitation of the groundwater surface.
3. Turn on the pump to produce a vacuum on the well side of the pump head and initiate purging.
4. Monitor drawdown in the well and adjust purging rate on the pump if the pumping rate exceeds the recovery rate of the well.
5. After approximately five minutes, monitor the purge water for stabilization of field parameters pH, temperature, specific conductivity, dissolved oxygen, ORP, and turbidity. Continue monitoring field parameters every 3 to 5 minutes until the parameters stabilize. Stabilization has occurred when the following criteria are achieved:
  - pH varies by no more than 0.1 standard units;
  - Temperature is within  $\pm 3\%$  degrees Celsius;
  - Dissolved oxygen is within  $\pm 10\%$  when measured in % saturation ( $\pm 0.3$  mg/L);
  - ORP is within  $\pm 10$  millivolts;
  - Specific conductivity is within  $\pm 3\%$  mS/cm; and
  - Turbidity is  $< 10$  NTU. If natural turbidity is greater than 10 NTU, stabilization will be  $\pm 10\%$ .
6. Once stabilization has been achieved, and a minimum of three well casing volumes have been removed, samples may be collected. For the collection of VOCs, reduce the pump flow rate to approximately 100 mL/min and collect groundwater samples from the discharge tubing.

### **4.1.3 Surface Water Monitoring Procedures**

Per the RFP, surface water samples will be collected from the Arkansas River and Chisholm Creek. Surface water samples will be collected from the Arkansas River at designated locations by wading into the stream and approaching the sampling location from the downstream side. Surface water samples will be obtained by submerging the VOA vial to within one foot of the bottom of the stream channel. The septum cap will be removed to completely fill the vial. Upon completely filling the vial, the septum cap will be replaced while submerged.

Surface water samples will be collected from Chisholm creek at designated locations by wading into the stream and approaching from the downstream side. Surface water samples will be obtained by submerging the VOA vial to the base of the stream channel. The septum cap will be removed to completely fill the vial. Upon completely filling the vial, the septum cap will be replaced while submerged. In addition, the depth, or height of the water surface above the stream channel will also be recorded.

### **4.1.4 Field Measurements**

Field measurements of dissolved oxygen, pH, oxidation reduction potential, specific conductivity, temperature and turbidity will be collected during well purging and before the collection of samples for chemical analysis.

The pH, conductivity, turbidity, dissolved oxygen, and oxidation reduction potential sensors (Horiba U-50 Series) will be calibrated according to procedures outlined within the instruction manual. Calibration and calibration checks will be recorded in the field logbook or field calibration check forms. Extreme cold or hot weather is known to affect pH and conductivity meters. In these cases, the meters should be calibrated and checked for calibration more frequently.

The field sampling team will use the following procedure to collect field measurements during well purging activities:

1. Calibrate the meters according to manufacturer's guidelines; calibration should be recorded on the field forms or field logbook.
2. Remove the initial water from the well and pour into a sample cup, or pump into a flow through cell.
3. Read the temperature of the collected water immediately after the water is collected. Record the temperature in the field logbook or field information form to the nearest 0.1 degrees Celsius.
4. Measure the pH and record the measurement to two decimal places in the field logbook or field information form.
5. Measure the specific conductivity of the sample and record the measurement in the field logbook or field information form to three significant figures.
6. Measure the turbidity of the sample and record the measurement in the field logbook or field information form. Measure the DO of the sample and record the measurement in the field logbook or field information form to three significant figures in mg/L.
7. Measure the ORP of the sample and record the measurement in the field logbook or field information form in to the nearest mV.

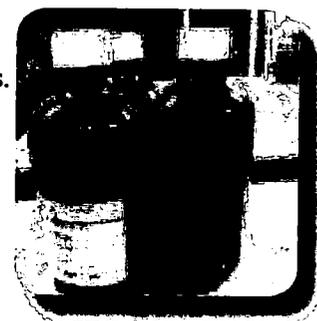
8. After approximately five minutes, monitor the purge water for stabilization of field parameters pH, temperature, and specific conductivity, dissolved oxygen, ORP, and turbidity. Continue monitoring field parameters every 3 to 5 minutes until the parameters stabilize. Stabilization has occurred when the following criteria are achieved:
  - pH varies by no more than 0.1 standard units;
  - Temperature is within  $\pm 3\%$  degrees Celsius;
  - Dissolved oxygen is within  $\pm 10\%$  when measured in % saturation ( $\pm 0.3$  mg/L);
  - ORP is within  $\pm 10$  millivolts (mV);
  - Specific conductivity is within  $\pm 3\%$  mS/cm; and
  - Turbidity is  $< 10$  NTU. If natural turbidity is greater than 10 NTU, stabilization will be  $\pm 10\%$ .
9. Purge the well until three consecutive readings has stabilized.
10. Record all field parameters in the field logbook or field information form as they are obtained.

#### **4.1.5 Sampling Procedure**

Samples will be collected using low flow-purging and sampling procedures. Gloves will be worn during all purging and sampling procedures.

Sample bottles should be filled in the order of the volatilization sensitivity of the parameters. Sample bottles should be filled in the following order.

- VOCs
- Preserved inorganics
- Non-preserved inorganics



When filling the sample bottles, samplers should adhere to the following precautions:

1. Immediately prior to sample collection, measure and record field parameters of pH, specific conductivity, temperature, and turbidity.
2. Bottle caps should be removed carefully so that the inside of the cap is not touched. Caps must never be put on the ground.
3. The sampling team must wear appropriate gloves. Gloves should be changed between wells or on a more frequent basis.
4. VOC vials must be filled so that they are headspace-free. These sample bottles, therefore, need to be slightly overfilled (water tension will maintain a convex water surface in the bottle). The caps for these bottles should be replaced gently to eliminate any air bubbles in the sample. These bottles must then be checked by inverting them and tapping them sharply with a finger. If air bubbles appear, open the bottle, add more water, and repeat this process until all air bubbles are gone. Do not empty the bottle and refill it as VOC vials already include the proper amount of preservative.
5. Sample bottles or caps that fall on the ground before filling should be discarded.
6. In the event that an insufficient volume of water exists for collection of the requisite suite of samples, samples will be collected in the order specified above.
7. Under no circumstances should bottles or caps not supplied by the laboratory be used for sampling.

8. Sample coolers must be present at all sample locations and must be equipped with ice for immediate placement of sample bottles.
9. Sample bottles must not be opened after collection and preservation of the sample.
10. Each bottle for sample collection from the laboratory should be pre-preserved with the appropriate amount of preservative for the particular analysis. Alternatively, the laboratory may ship pre-measured amounts of preservative for addition to the sample in the field. Bottles should not be overfilled as this may cause loss of some of the preservative.
11. Each sample bottle should be clearly labeled with the sample point number, sample date and time, sampler's initials, and selected parameters.
12. A chain of custody (COC) is to be filled out for each sampling event and is to accompany the shipment of samples to the laboratory.
13. Bottle shipments are to be returned to the laboratory for analysis under standard COC procedures.

## 4.2 Client Responsibility

SCS Aquaterra assumes the City of Wichita will provide access to all available information pertinent to the assignment, including plan drawings, reports, data, and electronic files. Aquaterra shall rely on information made available by the City as accurate without independent verification.

**FP 440044  
TABLE 1 UNIT COSTS**

| <b>Task Description</b>   | <b>Cost per Unit</b>                               | <b>Units</b>       | <b>Total</b>  |
|---|--|--------------------|---|
| First Semi-Annual-Sampling  | <u>\$130</u> per sample                            | 111 samples        | \$14,430  |
| First Semi-Annual-Water Level   | <u>\$15</u> per water level                        | 155 water levels   | \$2,325   |
| First Semi-Annual Data Logger Download  | <u>\$35</u> per data logger (download and service) | 15 data loggers    | \$525   |
| First Semi-Annual Data Report   | <u>\$7,500</u> per event                           | 1 data transmittal | \$7,500   |
| Second Semi-Annual-Sampling   | <u>\$130</u> per sample                            | 67 samples         | \$8,710   |
| Second Semi-Annual-Water Level  | <u>\$15</u> per water level                        | 219 water levels   | \$3,285   |
| Second Semi-Annual Data Logger Download   | <u>\$35</u> per data logger (download and service) | 15 data loggers    | \$525   |
| Second Semi-Annual Report and Annual Summary  | <u>\$16,000</u> per event                          | 1 annual report    | \$16,000  |
| Annual Project Total for year 1   | -----  | -----              | \$53,300  |
| Annual Project Total for year 2   | -----  | -----              | \$53,300  |
| Optional: Include Analytical Costs for Other Analytical Compounds and Methods (Attach List)                 |  |                    | See attached list   |
| Optional: Pumps, Equipment, Supplies that are provided to the City as part of this project (Attach List)    |  |                    | Will procure on as needed basis throughout duration of the project. |
| Optional: Updated Monitoring Plan to incorporate source remediation schedule in Site-wide monitoring events | -----  | -----              | \$5,000   |
| Optional: Replace monitoring well head-unit rate  | \$200  | \$200              | -----   |
| Optional: Replace shallow 1-in (20ft) MW-unit rate  | \$600  | \$600              | -----   |
| Optional: Replace deep 1-in (40ft) MW-unit rate   | \$700  | \$700              | -----   |
| Optional: Replace data logger troll (to include install into well and program)                              | \$1,200  | \$1,200            | -----   |
| Optional: Survey well head top of casing  | \$200  | \$200              | -----   |

**FP 440044**  
**TABLE 1 UNIT COSTS**

**Optional Analytical Costs for Other Analytical Compounds and Methods:**

| <u>Compound</u>                        | <u>Analytical Method</u> | <u>Unit Cost</u> |
|--|--------------------------|------------------|
| Chloride                               | 300                      | \$8              |
| Sulfate                                | 300                      | \$8              |
| Calcium (Total)                        | 6010B                    | \$10             |
| Potassium (Dissolved)                  | 6020                     | \$8              |
| Sodium (Dissolved)                     | 6020                     | \$8              |
| Metals<br>(Al, Cu, Fe, Mn, Pb, Se, Zn) | 6010B                    | \$64             |
| Hardness                               | 6010B                    | \$8              |
| PCB                                    | 8082                     | \$50             |

City of Wichita  
City Council Meeting  
November 25, 2014

**TO:** Mayor and City Council

**SUBJECT:** Supplemental Design Agreement for Wastewater Treatment Plant 2 Biosolids Facility Improvements (District III)

**INITIATED BY:** Department of Public Works & Utilities

**AGENDA:** Consent

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**Recommendation:** Approve the supplemental design agreement.

**Background:** On March 25, 2014, the City Council approved an agreement with Professional Engineering Consultants (PEC) for design of improvements to the Wastewater Treatment Plant 2 Biosolids Storage Facility. The design fee was \$13,500.

**Analysis:** The original design includes a proposed change in the site lighting configuration from metal halide to LED lights. It was later determined that the output from the new LED lights would be bright enough to allow a reduction in the number of fixtures needed, thus reducing the overall construction cost. The proposed supplemental agreement between the City and PEC provides for additional design work to address the modifications to the site lighting plan and the associated power circuits.

**Financial Considerations:** The supplemental design fee is \$2,500. Funding is available in the existing budget, which was approved March 25, 2014 by the City Council. The project will be funded by future revenue bonds or sewer utility cash reserves.

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

**Recommendation/Action:** It is recommended that the City Council approve the supplemental agreement and authorize the necessary signatures.

**Attachments:** Supplemental Agreement No. 1.

**SUPPLEMENTAL AGREEMENT #1**  
**TO THE**  
**AGREEMENT FOR PROFESSIONAL SERVICES DATED MAY 23, 2014**  
**BETWEEN**  
**THE CITY OF WICHITA, KANSAS**  
**PARTY OF THE FIRST PART, HEREINAFTER CALLED THE**  
**"CITY"**  
**AND**  
**PROFESSIONAL ENGINEERING CONSULTANTS, P.A.**  
**PARTY OF THE SECOND PART, HEREINAFTER CALLED THE**  
**"ENGINEER"**

**WITNESSETH:**

WHEREAS, there now exists a Contract (dated May 23, 2014) between the two parties covering engineering services to be provided by the ENGINEER in conjunction with the construction of improvements to the Wastewater Treatment Plant 2 Biosolids Storage Facility.

WHEREAS, Paragraph IV. B. of the above referenced Contract 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:

Revise site lighting to Metal Halide from LED, revise power circuits accordingly.

Remove storage bay lights, rearrange remaining fixtures.

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 will increase the total contract by \$2,500.00.

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 by \_\_\_\_\_; EXCEPT that the ENGINEER shall not be responsible or held liable for delays occasioned by the actions of inactions of the CITY or other agencies, or for other unavoidable delays beyond the control of the ENGINEER.

D. PROVISIONS OF THE ORIGINAL CONTRACT

The parties hereunto mutually agree that all provisions and requirements of the original Contract, 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 \_\_\_\_\_, 2014.

BY ACTION OF THE CITY COUNCIL

\_\_\_\_\_  
Carl Brewer, City Mayor

ATTEST:

\_\_\_\_\_  
Karen Sublett, City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Sharon Dickgrafe, Interim City Attorney  
and Director of Law

PROFESSIONAL ENGINEERING CONSULTANTS, P.A.

  
\_\_\_\_\_  
(Name and Title) Principal

ATTEST:

  
\_\_\_\_\_

City of Wichita  
City Council Meeting  
November 25, 2014

**TO:** Mayor and City Council

**SUBJECT:** Design Services Agreement for Water Treatment Plant Chemical Feed System Improvements (District II)

**INITIATED BY:** Department of Public Works & Utilities

**AGENDA:** Consent

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**Recommendation:** Approve the design agreement.

**Background:** The Wichita Water Treatment Plant (WTP) was constructed in the early 1940s with major upgrades in the 1950s and the mid-1990s. The disinfection equipment replaced in the last upgrade is now 25 years old, which is beyond its useful life, making it increasingly difficult to maintain and obtain replacement parts. This increases costs to the Utility by demanding a greater amount of staff time as well as higher quantities of costly chemicals. It also increases the risks to staff as equipment maintenance becomes more in depth and frequent.

On April 21 and 22, 2014, a staff screening and selection committee interviewed both consulting firms that responded to a request for proposals for design of chemical feed improvements. Both firms were qualified to design improvements and manage the project. However, Burns & McDonnell has been involved in recent studies of the Water Treatment Plant involving modifications to increase treatment capabilities for varying water sources. As part of this work, Burns & McDonnell has already assessed and rated the current infrastructure as well as performed preliminary design for recommended equipment replacement. With this background, this firm is able to provide an aggressive project schedule and has a better understanding of future treatment challenges that can be addressed with this project.

**Analysis:** The proposed agreement between the City and Burns & McDonnell provides for design of redundant piping, incorporation of new equipment into the existing Supervisory Control and Data Acquisition (SCADA) system, review of system capacity requirements, update of the Risk Management Plan (RMP), and bid and construction phase services.

**Financial Considerations:** The design fee is \$183,488. Funding is available within the existing \$1,000,000 budget, which was approved by the City Council on October 14, 2014. The project will be funded by future revenue bonds or utility cash reserves

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

**Recommendation/Action:** It is recommended that the City Council approve the agreement and authorize all necessary signatures, including those for the acquisition or granting of easements, utility relocation agreements, and all required permits.

**Attachment:** Agreement.

**AGREEMENT**

**for**

**PROFESSIONAL SERVICES**

**between**

**THE CITY OF WICHITA, KANSAS**

**and**

**BURNS & MCDONNELL**

**For**

**WATER TREATMENT PLANT DISINFECTION FEED SYSTEM IMPROVEMENTS**

**THIS AGREEMENT, made this 25th day of November, 2014, by and between the CITY OF WICHITA, KANSAS, party of the first part, hereinafter called the "CITY" and BURNS & MCDONNELL party of the second part, hereinafter called the "ENGINEER".**

**WHEREAS, the CITY intends to replace and update the Water Treatment Plant's disinfection feed systems.**

[this space intentionally left blank]

NOW, THEREFORE, the parties hereto do mutually agree as follows:

**I. SCOPE OF SERVICES**

The ENGINEER shall furnish professional services as required to perform PROJECT tasks outlined in the SCOPE OF SERVICES (Exhibit "A")

**II. IN ADDITION, THE ENGINEER AGREES**

- A. To provide the various technical and professional services, equipment, material and transportation to perform the tasks as outlined in the SCOPE OF SERVICES (Exhibit "A").
- B. To attend meetings with the City and other local, state and federal agencies as necessitated by the SCOPE OF SERVICES.
- C. To make available during regular office hours, all writings, calculations, sketches, drawings and models such as the CITY may wish to examine periodically during performance of this agreement.
- D. To save and hold CITY harmless against all suits, claims, damages and losses for injuries to persons or property arising from or caused by errors, omissions or negligent acts of ENGINEER, its agents, servants, employees, or subcontractors occurring in the performance of its services under this contract.
- E. To maintain books, documents, papers, accounting records and other evidence pertaining to costs incurred by ENGINEER and, where relevant to method of payment, to make such material available to the CITY, or its authorized representative.
- F. To comply with all Federal, State and local laws, ordinances and regulations applicable to the work, including Title VI of the Civil Rights Act of 1964, and to comply with the CITY'S Affirmative Action Program as set forth in Exhibit "D" which is attached hereto and adopted by reference as though fully set forth herein.
- G. To accept compensation for the work herein described in such amounts and at such periods as provided in Article IV and that such compensation shall be satisfactory and sufficient payment for all work performed, equipment or materials used and services rendered in connection with such work.
- H. To complete the services to be performed by ENGINEER within the time allotted for the PROJECT in accordance with Exhibit "B"; 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 control of the ENGINEER.
- I. Covenants and represents to be responsible for the professional and technical accuracies and the coordination of all designs, drawings, specifications, plans, writings, models, and/or other work or material furnished by the ENGINEER under this agreement. ENGINEER further agrees, covenants and represents, that all designs, drawings, specifications, plans, writings, models, and other work or material furnished by ENGINEER, its agents, employees and subcontractors, under this agreement, including any additions, alterations or amendments thereof, shall be free from negligent errors or omissions.

- J. ENGINEER shall procure and maintain such insurance as will protect the ENGINEER from damages resulting from the negligent acts of the ENGINEER, its agents, officers, employees and subcontractors in the performance of the professional services rendered under this agreement. Such policy of insurance shall be in an amount not less than \$500,000.00. In addition, a Worker's Compensation and Employer's Liability Policy shall be procured and maintained. This policy shall include an "all state" endorsement. Said insurance policy shall also cover claims for injury, disease or death of employees arising out of and in the course of their employment, which, for any reason, may not fall within the provisions of the Workman's Compensation Law. The liability limit shall be not less than:

Worker's Compensation – Statutory  
Employer's Liability - \$500,000 each occurrence.

Further, a commercial general liability policy shall be procured and maintained by the ENGINEER that shall be written in a comprehensive form and shall protect ENGINEER against all claims arising from injuries to persons (other than ENGINEER'S employees) or damage to property of the CITY or others arising out of any negligent act or omission of ENGINEER, its agents, officers, employees or subcontractors in the performance of the professional services under this agreement. The liability limit shall not be less than \$500,000.00 per occurrence for bodily injury, death and property damage. Satisfactory Certificates of Insurance shall be filed with the CITY prior to the time ENGINEER starts any work under this agreement. ENGINEER shall provide CITY thirty (30) days written notice by the insurance company before such policy is substantially changed or canceled.

- K. To designate a Project Manager for the coordination of the work that this agreement requires to be performed. The ENGINEER agrees to advise the CITY, in writing, of the person(s) designated as Project Manager not later than five (5) days following issuance of the notice to proceed on the work required by this agreement. The ENGINEER shall also advise the CITY of any changes in the person designated Project Manager. Written notification shall be provided to the CITY for any changes exceeding one week in length of time.

III. THE CITY AGREES:

- A. To furnish all available data pertaining to the PROJECT now in the CITY'S files at no cost to the ENGINEER. Confidential materials marked or otherwise identified by CITY and so furnished will be kept confidential by the ENGINEER.
- B. To provide standards as required for the PROJECT; however, reproduction costs are the responsibility of the ENGINEER.
- C. To pay the ENGINEER for his services in accordance with the requirements of this agreement.
- D. To provide the right-of-entry for ENGINEER'S personnel in performing field surveys and inspections.
- E. To designate a Project Manager for the coordination of the work that this agreement requires to be performed. The CITY agrees to advise the ENGINEER, in writing, of the person(s) designated as Project Manager with the issuance of the notice to proceed

- on the work required by this agreement. The CITY shall also advise the ENGINEER of any changes in the person(s) designated Project Manager. Written notification shall be provided to the ENGINEER for any changes exceeding one week in length of time.
- F. To examine all studies, reports, sketches, drawings, specifications, proposals and other documents presented by ENGINEER in a timely fashion.

IV. PAYMENT PROVISIONS

- A. Payment to the Engineer for the performance of the professional services required shall be time related charges for labor, per attached rate table shown in Exhibit "C" and direct expenses, but the total of all payments shall not exceed \$183,488 and may be less than the estimated amount.
- B. During the progress of work covered by this agreement, partial payments may be made to the ENGINEER monthly. The progress billings shall be supported by documentation acceptable to the City Engineer which shall include a project Gantt chart or other suitable progress chart indicating progress on the PROJECT and a record of the time period to complete the work, the time period elapsed, and the time period that remains to complete the work.
- C. When requested by the CITY, the ENGINEER will enter into a Supplemental Agreement for additional services related to the PROJECT such as, but not limited to:
1. Consultant or witness for the CITY in any litigation, administrative hearing, or other legal proceedings related to the PROJECT.
  2. Additional services not covered by the scope of this agreement.
  3. Administration related to this PROJECT
  4. A major change in the scope of services for the PROJECT.
- D. If additional work should be necessary, the ENGINEER will be given written notice by the CITY along with a request for an estimate of the increase necessary in the not-to-exceed fee for performance of such additions. No additional work shall be performed nor shall additional compensation be paid except on the basis of a Supplemental Agreement duly entered into by the parties.

V. THE PARTIES HERETO MUTUALLY AGREE:

- A. That the right is reserved to the CITY to terminate this agreement at any time, upon written notice, in the event the PROJECT is to be abandoned or indefinitely postponed, or because of the ENGINEER'S inability to proceed with the work.
- B. That the notes and other pertinent drawings and documents pertaining to the PROJECT shall become the property of the CITY upon completion or termination of the ENGINEER'S services in accordance with this agreement; and there shall be no restriction or limitation on their further use by the CITY. Provided, however, that CITY shall hold ENGINEER harmless from any and all claims, damages or causes of action which arise out of such further use when such further use is not in connection with the PROJECT.
- C. That the services to be performed by the ENGINEER under the terms of this agreement are personal and cannot be assigned, sublet or transferred without specific consent of the CITY.

- D. In the event of unavoidable delays in the progress of the work contemplated by this agreement, reasonable extensions in the time allotted for the work will be granted by the CITY, provided, however, that the ENGINEER shall request extensions, in writing, giving the reasons therefor.
- E. It is further agreed that this agreement and all contracts entered into under the provisions of this agreement shall be binding upon the parties hereto and their successors and assigns.
- F. Neither the CITY'S review, approval, or acceptance of, nor payment for, any of the work or services required to be performed by the ENGINEER under this agreement shall be construed to operate as a waiver of any right under this agreement or any cause of action arising out of the performance of this agreement.
- G. The rights and remedies of the CITY provided for under this agreement are in addition to any other rights and remedies provided by law.
- H. It is specifically agreed between the parties executing this agreement, that it is not intended by any of the provisions of any part of this agreement to create the public or any member thereof a third party beneficiary hereunder, or to authorize anyone not a party to this agreement to maintain a suit for damages pursuant to the terms or provisions of this agreement.

[this space intentionally left blank]

IN WITNESS WHEREOF, the CITY and the ENGINEER have executed this agreement as of the date first written above.

BY ACTION OF THE CITY COUNCIL

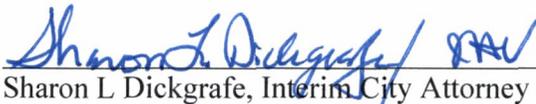
\_\_\_\_\_  
Carl Brewer, Mayor

SEAL:

ATTEST:

\_\_\_\_\_  
Karen Sublett, City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Sharon L Dickgrafe, Interim City Attorney and  
Director of Law

BURNS & MCDONNELL ENGINEERING COMPANY, INC.



\_\_\_\_\_  
(Ron Coker, Senior Vice President)



  
\_\_\_\_\_  
Terri L. Crowley  
Assistant Secretary



## Memorandum

Date: October 7, 2014

To: Don Kirkland

From: Brian Meier  
Ty McGown  
Mike O'Connell

### Exhibit A

#### Water Treatment Plant Disinfection System Replacement Scope of Services

The following is intended to be a detailed scope of work for this project.

#### Task 1 – Project Management and Initiation:

##### Subtasks:

- One combined kickoff meeting and design workshop with CITY.
- Establish vision and goals for the project.
- Effectively communicate goals to project team.
- Track major decisions and action items for the project.
- Track communication, schedule, and budget status.
- Provide meeting minutes for kickoff meeting and design workshop.

#### Task 2 – Redundant Piping Contract Documents:

- Provide specifications and drawings for redundant piping, valves and instrumentation between the bulk chlorine storage tanks and chlorine evaporators. A maximum of three (3) drawings will be provided and incorporated into the RMPs as indicated in Task 5.
- Provide specifications and drawings for redundant piping, valves, and instrumentation between the bulk ammonia storage tanks and ammoniators. A maximum of three (3) drawings will be provided and incorporated into the RMPs as indicated in Task 5.

#### Task 3 – System Integration and Electrical:

- Provide specifications and drawings as necessary to incorporate new valves and instrumentation into existing SCADA system and leak detection systems.
- Perform system integration via R.E. Pedrotti as subcontractor to Burns & McDonnell.

#### Task 4 – System Capacity Recommendations:

- Provide recommendations for how many ammoniators and chlorinators, and capacities of each, will be needed to disinfect the plant at full capacity with full redundancy in feed equipment.



- Recommendations will be based on existing feed rates and existing feed equipment capacities.
- Recommendations will be documented in a technical memorandum.

**Task 5 – Risk Management Plan (RMP) Updates and Audits:**

- Subtask A – RMP Updates
  - o Provide updates to existing RMP to incorporate equipment, piping, and instrumentation installed in this project.
  - o Update existing P&IDs from the 1993 as-constructed project drawings to incorporate equipment, piping, and instrumentation installed in this project and incorporate new drawings into RMP. Fee includes six (6) drawings to be redrawn in AutoCAD and updated.
  - o Updates will not include a complete hazard review of the RMP.
- Subtask B – RMP-PSM Audit
  - o Provide audit of RMPs and Process Safety Management (PSM) plans
  - o Provide reporting through EPA, follow-up and communications

**Task 6 – Bid Phase Services:**

- Provide assistance during bid phase to answer bidders' questions, issue addenda, and make a recommendation for contractor selection.

**Task 7 – Construction Phase Services:**

- Provide periodic construction observation services to determine that the project is being constructed according to Contract Documents. Periodic construction observation includes a total of 84 hours of oversight during construction.
- Provide an alternate fee to provide full-time construction oversight of the contractor. Alternate fee includes a total of 264 hours for construction oversight.

**Fee Breakdown**

Task 1 – \$18,316  
Task 2 – \$31,083  
Task 3 – \$50,118 (includes subconsultant cost of \$14,420)  
Task 4 – \$8,233  
Task 5A – \$13,716  
Task 5B – \$8,518  
Task 6 – \$4,142  
Task 7 – \$16,431 (alternate fee of \$49,362)  
Total – \$150,557 (\$183,488 with Task 7 alternate)



Memorandum - Water Treatment Plant Disinfection System Replacement Scope of Services  
October 7, 2014  
Page 3

**Exhibit B**  
Project Schedule

- November 10, 2014 – Assumed Notice to Proceed
- November 12, 2014 – Kick off meeting and coordination
- February 23, 2015 – Draft documents provided for review
- March 9, 2015 – Final documents provided

## Schedule of Hourly Professional Service Billing Rates

| <u>Position<br/>Classification</u> | <u>Exhibit C<br/>Classification<br/>Level</u> | <u>Hourly<br/>Billing Rate</u> |
|------------------------------------|---|--------------------------------|
| General Office*                    | 5   | \$61.00                        |
| Technician*                        | 6   | \$72.00                        |
| Assistant*                         | 7   | \$84.00                        |
|                                    | 8   | \$117.00                       |
|                                    | 9   | \$130.00                       |
| Staff*                             | 10  | \$143.00                       |
|                                    | 11  | \$158.00                       |
| Senior                             | 12  | \$173.00                       |
|                                    | 13  | \$188.00                       |
| Associate                          | 14  | \$201.00                       |
|                                    | 15  | \$213.00                       |
|                                    | 16  | \$219.00                       |
|                                    | 17  | \$225.00                       |

**NOTES:**

1. Position classifications listed above refer to the firm's internal classification system for employee compensation. For example, "Associate", "Senior", etc., refer to such positions as "Associate Engineer", "Senior Architect", etc.
2. For any nonexempt personnel in positions marked with an asterisk (\*), overtime will be billed at 1.5 times the hourly labor billing rates shown.
3. Project time spent by corporate officers will be billed at Level 17 rate plus 25 percent.
4. For outside expenses incurred by Burns & McDonnell, such as authorized travel and subsistence, and for services rendered by others such as subcontractors, the client shall pay the cost to Burns & McDonnell plus 10%.
5. A technology charge of \$9.95 per labor hour will be billed for normal computer usage, computer aided drafting (CAD), long distance telephone, fax, photocopy and mail services. Specialty items (such as web and video conferencing) are not included in the technology charge.
6. Monthly invoices will be submitted for payment covering services and expenses during the preceding month. Invoices are due upon receipt. ~~A late payment charge of 1.5% per month will be added to all amounts not paid within 30 days of the invoice date.~~
7. The services of contract/agency personnel shall be billed to Owner according to the rate sheet as if such contract/agency personnel is a direct employee of Burns & McDonnell.
8. The rates shown above are effective for services through December 31, 2014, and are subject to revision thereafter.

**REVISED NON-DISCRIMINATION AND  
EQUAL EMPLOYMENT OPPORTUNITY/AFFIRMATIVE ACTION PROGRAM  
REQUIREMENTS STATEMENT FOR CONTRACTS OR AGREEMENTS**

During the term of this contract, the contractor or subcontractor, vendor or supplier of the City, by whatever term identified herein, shall comply with the following Non-Discrimination--Equal Employment Opportunity/Affirmative Action Program Requirements:

- A. During the performance of this contract, the contractor, subcontractor, vendor or supplier of the City, or any of its agencies, shall comply with all the provisions of the Civil Rights Act of 1964, as amended; The Equal Employment Opportunity Act of 1972; Presidential Executive Orders 11246, 11375, 11131; Part 60 of Title 41 of the Code of Federal Regulations; the Age Discrimination in Employment Act of 1967; the Americans with Disabilities Act of 1990 and laws, regulations or amendments as may be promulgated thereunder.
- B. Requirements of the State of Kansas:
1. The contractor shall observe the provisions of the Kansas Act against Discrimination (Kansas Statutes Annotated 44-1001, et seq.) and shall not discriminate against any person in the performance of work under the present contract because of race, religion, color, sex, disability, and age except where age is a bona fide occupational qualification, national origin or ancestry;
  2. In all solicitations or advertisements for employees, the contractor shall include the phrase, "Equal Opportunity Employer", or a similar phrase to be approved by the "Kansas Human Rights Commission";
  3. If the contractor fails to comply with the manner in which the contractor reports to the "Kansas Human Rights Commission" in accordance with the provisions of K.S.A. 1976 Supp. 44-1031, as amended, the contractor shall be deemed to have breached this contract and it may be canceled, terminated or suspended in whole or in part by the contracting agency;
  4. If the contractor is found guilty of a violation of the Kansas Act against Discrimination under a decision or order of the "Kansas Human Rights Commission" which has become final, the contractor shall be deemed to have breached the present contract, and it may be canceled, terminated or suspended in whole or in part by the contracting agency;
  5. The contractor shall include the provisions of Paragraphs 1 through 4 inclusive, of this Subsection B, in every subcontract or purchase so that such provisions will be binding upon such subcontractor or vendor.
- C. Requirements of the City of Wichita, Kansas, relating to Non-Discrimination -- Equal Employment Opportunity/Affirmative Action Program Requirements:
1. The vendor, supplier, contractor or subcontractor shall practice Non-Discrimination -- Equal Employment Opportunity in all employment relations, including but not limited to employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The vendor, supplier, contractor or subcontractor shall submit an Equal Employment Opportunity or Affirmative Action Program, when required, to the Department of Finance of the City of Wichita, Kansas, in accordance with the guidelines established for review and evaluation;
  2. The vendor, supplier, contractor or subcontractor will, in all solicitations or advertisements for employees placed by or on behalf of the vendor, supplier, contractor or subcontractor, state that all qualified applicants will receive consideration for employment without regard to race, religion, color, sex, "disability, and age except where age is a bona fide occupational qualification", national origin or ancestry. In all solicitations or advertisements for employees the vendor, supplier, contractor or subcontractor shall include the phrase, "Equal Opportunity Employer", or a similar phrase;
  3. The vendor, supplier, contractor or subcontractor will furnish all information and reports required by the Department of Finance of said City for the purpose of investigation to ascertain compliance with Non-Discrimination -- Equal Employment Opportunity Requirements. If the vendor, supplier, contractor, or subcontractor fails to comply with the manner in which he/she or it reports to the City in accordance with the provisions hereof, the vendor, supplier, contractor or

subcontractor shall be deemed to have breached the present contract, purchase order or agreement and it may be canceled, terminated or suspended in whole or in part by the City or its agency; and further Civil Rights complaints, or investigations may be referred to the State;

4. The vendor, supplier, contractor or subcontractor shall include the provisions of Subsections 1 through 3 inclusive, of this present section in every subcontract; subpurchase order or subagreement so that such provisions will be binding upon each subcontractor, subvendor or subsupplier.
  5. If the contractor fails to comply with the manner in which the contractor reports to the Department of Finance as stated above, the contractor shall be deemed to have breached this contract and it may be canceled, terminated or suspended in whole or in part by the contracting agency;
- D. Exempted from these requirements are:
1. Those contractors, subcontractors, vendors or suppliers who have less than four (4) employees, whose contracts, purchase orders or agreements cumulatively total less than five thousand dollars (\$5,000) during the fiscal year of said City are exempt from any further Equal Employment Opportunity or Affirmative Action Program submittal.
  2. Those vendors, suppliers, contractors or subcontractors who have already complied with the provisions set forth in this section by reason of holding a contract with the Federal government or contract involving Federal funds; provided that such contractor, subcontractor, vendor or supplier provides written notification of a compliance review and determination of an acceptable compliance posture within a preceding forty-five (45) day period from the Federal agency involved.

**City of Wichita  
City Council Meeting  
November 25, 2014**

**TO:** Mayor and City Council

**SUBJECT:** Change Order No. 6 for Improvements to Southfork Commercial Addition (District III)

**INITIATED BY:** Department of Public Works & Utilities

**AGENDA:** Consent

**Recommendation:** Approve the change order.

**Background:** On February 25, 2014, the City Council approved a contract with McCullough Excavation, Inc. in the amount of \$1,576,493 for paving, water, and sanitary sewer improvements in the Southfork Commercial Addition, south of 47<sup>th</sup> Street South, west of Hydraulic. Construction began in March 2014. The following change orders have been processed or approved by the City Council to date:

| CO No. | Date Processed or Approved | What the Change Order Provided  | Cost     |
|--------|----------------------------|---|----------|
| 1      | April 22, 2014             | Relocation of a gas main in a private easement, including elevation adjustments and alternative pipe materials which eliminated conflicts with proposed building construction.  | \$21,135 |
| 2      | May 7, 2014                | Additional encasement of 20 feet of sanitary sewer pipe as required to provide minimum clearance between it and the existing water main.  | \$3,350  |
| 3      | July 10, 2014              | Alternative tree removal methods to avoid conflicts with underground utilities not identified during the design phase.  | \$5,775  |
| 4      | October 7, 2014            | Relocation and expansion of a retaining wall to meet minimum distance requirements; geotechnical engineering and testing required for the relocated retaining wall; removal and re-compaction of soil to support the retaining wall; and modification of a pedestrian handrail to provide safe passage. | \$91,546 |
| 5      | October 9, 2014            | Raised a fire hydrant and two water line valves to match the proposed soil grade.   | \$4,550  |

Total cost of all change orders: \$126,356

**Analysis:** Improvements to the development include an agreement with Southern Star Pipeline to relocate an existing 20-inch high pressure gas main to a new easement to allow future building construction. Two attempts were made to bore the new gas main under an existing wall and dirt fill on Washington Street. Each attempt encountered unknown obstructions that deflected the bore. These obstructions will damage the protective coating that prevents corrosion of the pipeline, so neither bore attempt can be used.

Alternatives were explored including a third bore attempt, re-alignment of the pipeline through a different easement, and installation of the pipeline by trenching methods. Installation by trenching methods is the

most economical solution with the least amount of impact to the development that also ensures care of the protective coating. This method requires removal and replacement of the existing retaining wall and embankment fill. Due to the multiple bore attempts and proposed wall removal, pavement work will be delayed until the wall is re-built. With this delay and recent increases in asphalt prices, the contractor will incur additional costs for material above the original bid price. Staff and the contractor will measure the wall removal and excavation limits for a final quantity adjustment as needed. The developer has agreed to the additional costs.

**Financial Considerations:** The total estimated cost of the additional work is \$169,740, bringing the total contract cost to \$1,872,589. This change order plus the previous change orders represents 18.8% of the original contract amount, which is within the 25% of contract cost limit set by City Council policy. Funding is available in the existing approved budget, which is funded by special assessments.

**Legal Considerations:** The Law Department has reviewed and approved the change order as to form. The change order is within the 25% of contract cost limit set by City Council policy.

**Recommendation/Action:** It is recommended that the City Council approve Change Order No. 6 and authorize the necessary signatures.

**Attachment:** Change Order No. 6.



**PUBLIC WORKS-ENGINEERING**

October 13, 2014  
**CHANGE ORDER**

**To:** McCullough Excavation, Inc.

**Project:** WDS to serve Southfork Add tied w/  
L37 MN2 SWIS, SWD #385, Washington St  
Paving

**Change Order No.:** 6

**Project No.:** 448-90558/468-84825/468-  
8426/472-85050

**Purchase Order No.:** 440210

**OCA No.:** 735475/744334/751507/766279  
**PPN:** 470148/480026/485398/490297

**Please perform the following extra work at a cost not to exceed \$169,740.00**

**Work for this Change Order cannot be completed until approved by all. Contractor should expect approximately 3 weeks for approval.**

**CHARGE TO OCA No.:766279**

**Please perform the following extra work at a cost not to exceed \$130,550.00**

**Paid by Special Assessments**

**Additional Work:** Remove and Replace wall sections and dirt fill for pipeline relocation.

**Reason for Additional Work:** Improvements to this development include an agreement with Southern Star Pipeline to relocate an existing 20 inch high pressure gas main to a new easement to allow future building construction. Two attempts were made to bore the new gas main under the existing wall and dirt fill on Washington Street. Each attempt encountered unknown obstructions that deflected the bore. These obstructions will damage the protective coating that prevents corrosion of the pipeline, therefore neither bore attempt can be used.

Alternatives were explored including a third bore attempt, re-alignment of the pipeline through a different easement, and installation of the pipeline by trenching methods. Installation by trenching methods, the most economical solution with least amount of impact to the development that also ensures care of the protective coating, requires removal and replacement of the existing retaining wall and embankment fill. Staff and the contractor will measure wall removal limits and excavation limits for a final adjustment to the budget charges. The developer has agreed to these costs.

Due to the multiple bore attempts and proposed wall removal, pavement work will be delayed until the wall is re-built. With this delay and recent increases in asphalt prices, the contractor has additional costs for material above their original bid price.

| <b>Line #</b> | <b>KDOT #</b> | <b>Item</b>                    | <b>Negotiated/<br/>Bid</b> | <b>Qty</b> | <b>Unit Price</b> | <b>Extension</b> |
|---------------|---------------|--------------------------------|----------------------------|------------|-------------------|------------------|
| 72            | N.A.          | Remove & Replace Wall Sections | Negot'd                    | 1 LS       | \$99,000.00       | \$99,000.00      |
| 73            | N.A.          | Remove & Replace Fill          | Negot'd                    | 1 LS       | \$20,600.00       | \$20,600.00      |
| 74            | N.A.          | Material Price Adjustment      | Negot'd                    | 1 LS       | \$10,950.00       | \$10,950.00      |

**CHARGE TO OCA No.:751507**

**Please perform the following extra work at a cost not to exceed \$15,440.00**

**Paid by Special Assessments**

**Additional Work:** Remove and relocate Kansas Department of Transportation (KDOT) fence.

**Reason for Additional Work:** The existing KDOT fencing along the east side of the project must be relocated to the new property line following grading work along the east side of the development. Previous agreements between the development and KDOT require the development to relocate 800 feet of the existing fence.

| <b>Line #</b> | <b>KDOT #</b> | <b>Item</b>    | <b>Negotiated/<br/>Bid</b> | <b>Qty</b> | <b>Unit Price</b> | <b>Extension</b> |
|---------------|---------------|----------------|----------------------------|------------|-------------------|------------------|
| 75            | N.A.          | Fence Removal  | Negotiated                 | 1 LS       | \$4,000.00        | \$4,000.00       |
| 76            | N.A.          | Fence Replaced | Negotiated                 | 800 lf     | \$14.30           | \$11,440.00      |

**CHARGE TO OCA No.:751507**

**Please perform the following extra work at a cost not to exceed \$6,050.00**

**Paid by Special Assessments**

**Additional Work:** Tree removal by alternate methods.

**Reason for Additional Work:** Tree removal along the Kansas Turnpike Authority property requires extra care and alternate methods of removal to protect an existing fiber optic utility cable. Existing utilities were not located during design and therefore not identified on the plans. No adjustment to contract time is necessary.

| <b>Line #</b> | <b>KDOT #</b> | <b>Item</b>   | <b>Negotiated/<br/>Bid</b> | <b>Qty</b> | <b>Unit Price</b> | <b>Extension</b> |
|---------------|---------------|---------------|----------------------------|------------|-------------------|------------------|
| 39            | N.A.          | Site Clearing | Negotiated                 | 1 LS       | \$6,050.00        | \$6,050.00       |

**CHARGE TO OCA No.:766279**

**Please perform the following extra work at a cost not to exceed \$17,700.00**

**Paid by Special Assessments**

**Additional Work:** Intersection pavement markings and traffic signal changes

**Reason for Additional Work:** Review of the proposed street entrance design by the City's Traffic Engineer determined additional pavement markings are necessary to facilitate safe traffic movements in and out of the development entrance and on the adjacent roadway.

The proposed dual left turns for westbound 47<sup>th</sup> Street will change to a single left turn lane to avoid collisions due to a short taper following the turn at Washington Street. The existing signal will need replaced with a five-section signal head. Additional pavement marking changes are also necessary with this change.

| <b>Line #</b>  | <b>KDOT #</b> | <b>Item</b>                    | <b>Negotiated/<br/>Bid</b> | <b>Qty</b> | <b>Unit Price</b> | <b>Extension</b>    |
|----------------|---------------|--------------------------------|----------------------------|------------|-------------------|---------------------|
| 77             | N.A.          | Intersection Striping Redesign | Negot'd                    | 1 LS       | \$15,400.00       | \$15,400.00         |
| 78             | N.A.          | Signal Changes                 | Negot'd                    | 1 LS       | \$2,300.00        | \$2,300.00          |
| <b>Total =</b> |               |                                |                            |            |                   | <b>\$169,740.00</b> |

|   |  |   |
|---|--|---|
| CIP Budget Amount:                      | \$175,000.00 (735475).....Original Contract Amt.: \$1,576,492.50 |   |
|   | \$235,000.00 (744334)  |   |
|   | <b>\$1,955,000.00 (751507)</b>                                   |   |
|   | <b>\$2,700,000.00 (766279)</b>                                   |   |
| Consultant: Poe<br>(766279)             |  | Current CO Amt.: ..... \$169,740.00                 |
| <b>Total Exp. &amp; Encum. To Date:</b> | \$1,928,426.57   | <b>Amt. of Previous CO's:</b> ..... \$126,356.00    |
| <b>CO Amount:</b>                       | \$148,250.00   | <b>Total of All CO's:</b> ..... \$296,096.00        |
| <b>Unencum. Bal. After CO:</b>          | \$623,323.43   | <b>% of Orig. Contract / 25% Max.:</b> ..... 18.78% |
|   |  | <b>Adjusted Contract Amt.:</b> ..... \$1,872,588.50 |
| (751507)                                |  |   |
| <b>Total Exp. &amp; Encum. To Date:</b> | \$1,036,938.39   |   |
| <b>CO Amount:</b>                       | \$21,490.00  |   |
| <b>Unencum. Bal. After CO:</b>          | \$896,571.61   |   |

**By:**James Wagner, P.E.

**Approved:**

\_\_\_\_\_  
Steve Degenhardt, P.E.      Date  
Construction Division Manager

\_\_\_\_\_  
Gary Janzen, P.E.      Date  
City Engineer

**Approved:**

**Approved**

\_\_\_\_\_  
Contractor      Date

\_\_\_\_\_  
Alan King      Date  
Director of Public Works & Utilities

**Approved as to Form:**

**By Order of the City Council:**

\_\_\_\_\_  
Sharon L. Dickgrafe      Date  
Interim Director of Law and City Attorney

\_\_\_\_\_  
Carl Brewer      Date  
Mayor

**Attest:** \_\_\_\_\_

City Clerk

**CITY OF WICHITA**  
**City Council Meeting**  
November 25, 2014

**TO:** Mayor and City Council

**SUBJECT:** Approval of Offers for the Reconstruction of the Bridge on 21<sup>st</sup> Street North at Mosley (District VI)

**INITIATED BY:** Office of Property Management

**AGENDA:** Consent

---

**Recommendation:** Approve the offers.

**Background:** On September 10, 2013, the City Council approved the design for the improvement of the bridge on 21<sup>st</sup> Street North near Mosley. The project consists of replacing the existing structure with a new reinforced concrete box bridge and constructing six-foot sidewalks on the north and south sides of the bridge. To accommodate the project, it is necessary to obtain three temporary construction easements from two adjacent owners. The surrounding properties are industrial.

**Analysis:** As required by the Uniform Relocation Assistance and Real Property Acquisition Policies Act, all tracts required for the project have been valued and just compensation established. Based on these valuations, the fair market value of the tracts to be acquired totals \$520. This amount will be offered to the various property owners. Any settlements in excess of the approved amounts will be presented to the City Council for final approval.

**Financial Considerations:** The funding source for the project is General Obligation Bonds. A budget of \$2,520 is requested. This includes \$520 for the acquisitions and \$1,000 for title work, closing costs and other administrative fees.

**Legal Considerations:** All agreements are subject to review and approval as to form by the Law Department.

**Recommendation/Action:** It is recommended that the City Council approve the offers and authorize the necessary signatures.

**Attachments:** Map and tract list.

# 21st Street and Mosley Bridge



### Legend

- Parcels

This information is not an official record, and cannot be used as such. The user should rely only upon official records available from the custodian of records in the appropriate City and/or County department. Some data provided here and used for the preparation of these maps has been obtained from public records not created or maintained by the City of Wichita.

1: 1,931





**Rebuild Bridge at 21st Street North and Mosley**

**Engineer - Armour**

**OCA - 715732**

| <b>Tract</b> | <b>Address</b>         | <b>Tract Owner</b>               | <b>Size/Acquisition Type</b> | <b>Type</b> |
|--------------|------------------------|----------------------------------|------------------------------|-------------|
| 1            | 4200 N Old Lawrence Rd | 21st Street Metal Recycling, LLC | 628 sf Temporary Easement    | Industrial  |
| 2            |                        | EI Paso LLC                      | 1,506 sf Temporary Easement  | Industrial  |
| 3            | 4120 N Old Lawrence Rd | EI Paso LLC                      | 185 sf Temporary Easement    | Industrial  |

**CITY OF WICHITA**  
**City Council Meeting**  
November 25, 2014

**TO:** Mayor and City Council

**SUBJECT:** Approval of Offers for the Reconstruction of the Bridge on Douglas Avenue at Linden Drive (District II)

**INITIATED BY:** Office of Property Management

**AGENDA:** Consent

---

**Recommendation:** Approve the offers.

**Background:** On September 10, 2013, the City Council approved the design for the improvement of the bridge on Douglas Avenue near Linden Drive. The project consists of replacing the existing structure with a new reinforced concrete box bridge and constructing six-foot sidewalks on the north and south sides of the bridge. To accommodate the project, it is necessary to obtain a temporary construction easement from one adjacent owner and a drainage easement from another. The surrounding properties are residential.

**Analysis:** As required by the Uniform Relocation Assistance and Real Property Acquisition Policies Act, all tracts required for the project have been valued and just compensation established. Based on these valuations, the fair market value of the tracts to be acquired totals \$520. This amount will be offered to the various property owners. Any settlements in excess of the approved amounts will be presented to the City Council for final approval.

**Financial Considerations:** The funding source for the project is General Obligation Bonds. A budget of \$5,025 is requested. This includes \$4,025 for the acquisitions and \$1,000 for title work, closing costs and other administrative fees.

**Legal Considerations:** All agreements are subject to review and approval as to form by the Law Department.

**Recommendation/Action:** It is recommended that the City Council approve the offers and authorize the necessary signatures.

**Attachments:** Map and tract list.

# Douglas and Linden Bridge



### Legend

- Parcels

This information is not an official record, and cannot be used as such. The user should rely only upon official records available from the custodian of records in the appropriate City and/or County department. Some data provided here and used for the preparation of these maps has been obtained from public records not created or maintained by the City of Wichita.

1: 2,000





**Rebuild Bridge at Douglas and Linden**  
**Engineer - Armour**  
**OCA - 715731**

| <b>Tract</b> | <b>Address</b>        | <b>Tract Owner</b>       | <b>Size/Acquisition Type</b> | <b>Type</b> |
|--------------|-----------------------|--------------------------|------------------------------|-------------|
| 1            | 60 North West Parkway | Rosemay Davenport Trust  | 1.950 sf Temporary Easement  | Residential |
| 2            | 8313 East Central     | Independent School, Inc. | 3.500 sf Drainage Easement   | Residential |

City of Wichita  
City Council Meeting  
November 25, 2014

**TO:** Mayor and City Council Members  
**SUBJECT:** Repair or Removal of Dangerous and Unsafe Structures  
(District I)  
**INITIATED BY:** Metropolitan Area Building and Construction Department  
**AGENDA:** Consent

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**Recommendations:** Adopt resolutions scheduling a public hearing to consider condemnation of structures deemed dangerous and unsafe per Kansas State Statutes.

**Background:** On November 3, 2014, the Board of Building Code Standards and Appeals conducted hearings on the properties listed below. The buildings on these properties are considered dangerous and unsafe structures per State Statutes and local ordinances, and are being presented in order to schedule condemnation hearings before the City Council. The Board of Building Code Standards and Appeals has recommended that the City Council proceed with condemnation, demolition and removal of the dangerous buildings on these properties.

**Analysis:** Minimum Housing Code violation notices have been issued on these structures; however, compliance has not been achieved. Pre-condemnation and formal condemnation letters have also been issued, and the time granted for repair or removal has expired. No actions have been taken by the property owners and/or other interested parties to complete required building repairs or to remove the dangerous buildings.

| <u>Property Address</u>                | <u>Council District</u> |
|--|-------------------------|
| a. 541 N. Ohio                         | I                       |
| b. 1128 N. Hydraulic                   | I                       |
| c. Building North of 1128 N. Hydraulic | I                       |
| d. 1201 E. 12 <sup>th</sup> N.         | I                       |
| e. 2047 N. Minnesota                   | I                       |
| f. 2513 E. Shadybrook                  | I                       |
| g. 2519 E. Shadybrook                  | I                       |

**Financial Considerations:** Structures condemned as dangerous buildings are demolished with funds from the Metropolitan Area Building and Construction Department (MABCD) Special Revenue Fund contractual services budget, as approved annually by the City Council. This budget is supplemented by an annual allocation of Federal Community Development Block Grant funds for demolition of structures located within the designated Neighborhood Reinvestment Area. Expenditures for dangerous building condemnation and demolition activities are tracked to ensure that City Council Resolution No. R-95-560, which limits MABCD expenditures for non-revenue producing condemnation and housing code enforcement activities to twenty percent (20%) of MABCD's total annual budgeted Special Revenue Fund expenditures, is followed. Owners of condemned structures demolished by the City are billed for the contractual costs of demolition, plus an additional five hundred dollar (\$500) administrative fee. If the property owner fails to pay, these charges are recorded as a special property tax assessment against the property.

**Legal Considerations:** The Law Department has reviewed and approved the resolution as to form.

**Recommendations/Actions:** It is recommended that the City Council adopt the attached resolutions to schedule a public hearing before the City Council on January 6, 2015 at 9:30 a.m. or soon thereafter, to consider condemnation of structures deemed dangerous and unsafe per Kansas State Statutes and local ordinances.

**Attachments:** Letter to Council, summary, and resolution.

**GROUP # 3**

**NOTICE OF DEMOLITION ACTION**

This is to certify that the property located at **541 N. OHIO** and legally described as: **LOTS 35, 37 AND 39, CARPENTER'S ADDITION TO THE CITY OF WICHITA, SEDGWICK COUNTY, KANSAS**, is the subject of a demolition action by the City of Wichita, Kansas, under the provisions of Section 18.16 of the Code of the City of Wichita. Unless certain improvements to the structure(s) located thereon are commenced and completed by **January 6, 2015** such structures are subject to being demolished and the costs associated therewith charged, as a lien, against the above-described real property.

\_\_\_\_\_  
Thomas Stolz, Director, Metropolitan Area Building and Construction Department  
City of Wichita

**STATE OF KANSAS )**  
**) ss:**  
**SEDGWICK COUNTY)**

BE IT REMEMBERED, That on this \_\_\_\_\_ day of \_\_\_\_\_, 2014, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came Thomas Stolz, Director of Metropolitan Area Building and Construction Department, City of Wichita, personally known to me to be the same person who executed the within instrument of writing and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal; the day and year last above written.

\_\_\_\_\_  
Notary Public

My Appointment Expires:  
\_\_\_\_\_



**TO:** The Mayor and City Council  
Wichita, Kansas

**RE:** Statement of Dangerous or Unsafe Structure

The following described structure is in a dangerous or unsafe condition:

**(a) Description of Structure: A one story wood frame dwelling about 30 x 45 feet in size. Vacant and open, this structure has shifting and missing block basement and foundation walls; missing aluminum siding; rotted and missing wood lap siding; badly worn composition roof with missing shingles; collapsing front porch; deteriorated rear porch, and the 20 x 25 foot accessory garage is dilapidated.**

**(b) Street Address: 541 N. OHIO**

**(c) Owners:**  
**Jeffrey K. Daniels**  
**124 S. Main #304**  
**Blackwell, OK 74631**

**(d) Resident Agent: None**

**(e) Occupant: None**

**(f) Lienholders of Record:**  
**Kelly Arnold, County Clerk**  
**525 N Main**  
**Wichita, KS 67203**

**Chris McElgunn, Attorney**  
**301 N Main #1600**  
**Wichita, KS 67202**

**State of Kansas**  
**Department of Revenue**  
**915 SW Harrison**  
**Topeka, KS 66612**

**(g) Mortgage Holder(s): None**

**(h) Interested Parties:None**

**DATE: November 3, 2014**

**CDM SUMMARY**

**COUNCIL DISTRICT # I**

**ADDRESS: 541 N. OHIO**

**LEGAL DESCRIPTION: LOTS 35, 37 AND 39, CARPENTER'S ADDITION TO THE CITY OF WICHITA, SEDGWICK COUNTY, KANSAS**

**DESCRIPTION OF STRUCTURE: A one story wood frame dwelling about 30 x 45 feet in size. Vacant and open, this structure has shifting and missing block basement and foundation walls; missing aluminum siding; rotted and missing wood lap siding; badly worn composition roof with missing shingles; collapsing front porch; deteriorated rear porch, and the 20 x 25 foot accessory garage is dilapidated.**

Description of dangerous or unsafe condition(s): The property is found to be dangerous and unsafe because of the following conditions:

- A. Those, which have been damaged by fire, wind, want of repair, or other causes so as to have become dangerous to life, safety, morals or the general health and welfare of the occupants or the people of the city.**
- B. The structure fails to provide the necessities to decent living, which makes it, unfit for human habitation.**
- C. Those open to unauthorized persons or those permitted to be attractive to loiterers, vagrants, or children.**
- D. Those whose use, equipment or want of good housekeeping constitutes a decided fire or safety hazard to the property itself or its occupants or which presents a decided fire or safety hazards to surrounding property or a menace to the public safety and general welfare.**

City Ordinance states that any one of the above categories is just cause to declare the building a public nuisance and shall be repaired or demolished.

\_\_\_\_\_  
Director of Metropolitan Area Building and Construction Department  
Enforcing Officer

\_\_\_\_\_  
Date

OCA: 230200

\_\_\_\_\_  
**PUBLISHED IN THE WICHITA EAGLE ON**  
**RESOLUTION NO. \_\_\_\_\_**

A RESOLUTION FIXING A TIME AND PLACE AND PROVIDING FOR NOTICE OF A HEARING BEFORE THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS, AT WHICH THE OWNER, HIS AGENT, LIENHOLDERS OF RECORD AND OCCUPANTS OF PROPERTY LEGALLY DESCRIBED AS: **LOTS 35, 37 AND 39, CARPENTER'S ADDITION TO THE CITY OF WICHITA, SEDGWICK COUNTY, KANSAS** COMMONLY KNOWN AS **541 N. OHIO** MAY APPEAR AND SHOW CAUSE WHY SUCH STRUCTURE SHOULD NOT BE CONDEMNED AND ORDERED REPAIRED OR DEMOLISHED AS A DANGEROUS STRUCTURE.

WHEREAS, the enforcing officer of the City of Wichita, Kansas, did on the **25th day of November 2014**, file with the governing body of said city, a statement in writing that certain structure(s), hereinafter described, is unsafe or dangerous.

NOW THEREFORE, be it Resolved by the Governing Body of the City of Wichita.

That a hearing will be held on the **6th day of January 2015**, before the governing body of the city at **9:30 A.M.**, or thereafter in the council chambers, City Hall at which time the owner, his agent, any lienholders of record or any occupant of property, legally described at **LOTS 35, 37 AND 39, CARPENTER'S ADDITION TO THE CITY OF WICHITA, SEDGWICK COUNTY, KANSAS**, commonly known as: **541 N. OHIO**, may appear and show cause why such structure should not be condemned as an unsafe or dangerous structure ordered repaired or demolished. The structure is a one story wood frame dwelling about 30 x 45 feet in size. Vacant and open, this structure has shifting and missing block basement and foundation walls; missing aluminum siding; rotted and missing wood lap siding; badly worn composition roof with missing shingles; collapsing front porch; deteriorated rear porch, and the 20 x 25 foot accessory garage is dilapidated.

Be it further resolved that the City Clerk shall cause this Resolution to be published and shall give notice of the aforesaid hearing in the manner provided by K.S.A. 12-1752.

Adopted this **25th day of November 2014**.

\_\_\_\_\_  
Carl Brewer, Mayor

(SEAL)

ATTEST: \_\_\_\_\_  
Karen Sublett, City Clerk

Approved as to form:

\_\_\_\_\_  
Sharon Dickgrafe, Interim City Attorney

**GROUP # 3**

**NOTICE OF DEMOLITION ACTION**

This is to certify that the property located at **1128 N. HYDRAULIC** and legally described as: **LOTS 1 AND 3, ON HYDRAULIC AVENUE, BEALL AND BERRYS SUBDIVISION OF LOT 7 OF TARLTON'S 2ND ADDITION TO THE CITY OF WICHITA, KANSAS, SEDGWICK COUNTY, KANSAS**, is the subject of a demolition action by the City of Wichita, Kansas, under the provisions of Section 18.16 of the Code of the City of Wichita. Unless certain improvements to the structure(s) located thereon are commenced and completed by **January 6, 2015** such structures are subject to being demolished and the costs associated therewith charged, as a lien, against the above-described real property.

\_\_\_\_\_  
Thomas Stolz, Director, Metropolitan Area Building and Construction Department  
City of Wichita

**STATE OF KANSAS )**  
**) ss:**  
**SEDGWICK COUNTY)**

BE IT REMEMBERED, That on this \_\_\_\_\_ day of \_\_\_\_\_, 2014, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came Thomas Stolz, Director of Metropolitan Area Building and Construction Department, City of Wichita, personally known to me to be the same person who executed the within instrument of writing and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal; the day and year last above written.

\_\_\_\_\_  
Notary Public

My Appointment Expires:  
\_\_\_\_\_



**TO:** The Mayor and City Council  
Wichita, Kansas

**RE:** Statement of Dangerous or Unsafe Structure

The following described structure is in a dangerous or unsafe condition:

**(a) Description of Structure: A one story wood frame commercial building about 25 x 105 feet in size. Vacant for several years, this structure has rotted and missing wood siding; badly deteriorated roof with holes; water damaged and rotted framing members; and rotted wood trim.**

**(b) Street Address: 1128 N. HYDRAULIC**

**(d) Owners:  
Greater Mizpah Baptist Church  
1701 E. 11th N.  
Wichita, KS 67214**

**(d) Resident Agent:None**

**(e) Occupant: None**

**(f) Lienholders of Record:  
Kelly Arnold, County Clerk  
525 N. Main  
Wichita, KS 67203**

**(i) Mortgage Holder(s): None**

**(j) Interested Parties: None**

**DATE: November 3, 2014**

**CDM SUMMARY**

**COUNCIL DISTRICT # I**

**ADDRESS: 1128 N. HYDRAULIC**

**LEGAL DESCRIPTION: LOTS 1 AND 3, ON HYDRAULIC AVENUE, BEALL AND BERRYS SUBDIVISION OF LOT 7 OF TARLTON'S 2ND ADDITION TO THE CITY OF WICHITA, KANSAS, SEDGWICK COUNTY, KANSAS**

**DESCRIPTION OF STRUCTURE: A one story wood frame commercial building about 25 x 105 feet in size. Vacant for several years, this structure has rotted and missing wood siding; badly deteriorated roof with holes; water damaged and rotted framing members; and rotted wood trim.**

Description of dangerous or unsafe condition(s): The property is found to be dangerous and unsafe because of the following conditions:

- A. Those, which have been damaged by fire, wind, want of repair, or other causes so as to have become dangerous to life, safety, morals or the general health and welfare of the occupants or the people of the city.**
- B. The structure fails to provide the necessities to decent living, which makes it, unfit for human habitation.**
- C. Those whose use, equipment or want of good housekeeping constitutes a decided fire or safety hazard to the property itself or its occupants or which presents a decided fire or safety hazards to surrounding property or a menace to the public safety and general welfare.**

City Ordinance states that any one of the above categories is just cause to declare the building a public nuisance and shall be repaired or demolished.

\_\_\_\_\_  
Director of Metropolitan Area Building and Construction Department  
Enforcing Officer

\_\_\_\_\_  
Date

OCA: 230200

\_\_\_\_\_  
**PUBLISHED IN THE WICHITA EAGLE ON**  
**RESOLUTION NO. \_\_\_\_\_**

A RESOLUTION FIXING A TIME AND PLACE AND PROVIDING FOR NOTICE OF A HEARING BEFORE THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS, AT WHICH THE OWNER, HIS AGENT, LIENHOLDERS OF RECORD AND OCCUPANTS OF PROPERTY LEGALLY DESCRIBED AS: **LOTS 1 AND 3, ON HYDRAULIC AVENUE, BEALL AND BERRYS SUBDIVISION OF LOT 7 OF TARLTON'S 2ND ADDITION TO THE CITY OF WICHITA, KANSAS, SEDGWICK COUNTY, KANSAS** COMMONLY KNOWN AS **1128 N. HYDRAULIC** MAY APPEAR AND SHOW CAUSE WHY SUCH STRUCTURE SHOULD NOT BE CONDEMNED AND ORDERED REPAIRED OR DEMOLISHED AS A DANGEROUS STRUCTURE.

WHEREAS, the enforcing officer of the City of Wichita, Kansas, did on the **25th day of November 2014**, file with the governing body of said city, a statement in writing that certain structure(s), hereinafter described, is unsafe or dangerous.

NOW THEREFORE, be it Resolved by the Governing Body of the City of Wichita.

That a hearing will be held on the **6th day of January 2015**, before the governing body of the city at **9:30 A.M.**, or thereafter in the council chambers, City Hall at which time the owner, his agent, any lienholders of record or any occupant of property, legally described at **LOTS 1 AND 3, ON HYDRAULIC AVENUE, BEALL AND BERRYS SUBDIVISION OF LOT 7 OF TARLTON'S 2ND ADDITION TO THE CITY OF WICHITA, KANSAS, SEDGWICK COUNTY, KANSAS**, commonly known as: **1128 N. HYDRAULIC**, may appear and show cause why such structure should not be condemned as an unsafe or dangerous structure ordered repaired or demolished. The structure is a one story wood frame commercial building about 25 x 105 feet in size. Vacant for several years, this structure has rotted and missing wood siding; badly deteriorated roof with holes; water damaged and rotted framing members; and rotted wood trim.

Be it further resolved that the City Clerk shall cause this Resolution to be published and shall give notice of the aforesaid hearing in the manner provided by K.S.A. 12-1752.

Adopted this **25th day of November 2014**.

\_\_\_\_\_  
Carl Brewer, Mayor

(SEAL)

ATTEST: \_\_\_\_\_  
Karen Sublett, City Clerk

Approved as to form:

\_\_\_\_\_  
Sharon Dickgrafe, Interim City Attorney

**GROUP # 3**

**NOTICE OF DEMOLITION ACTION**

This is to certify that the property located at **BUILDING NORTH OF 1128 N. HYDRAULIC** and legally described as: **LOTS 22 AND 24 ON FELLOWS AVENUE, NOW HYDRAULIC AVENUE, KAUFMAN'S SUBDIVISION IN TARLTON'S 2ND ADDITION TO WICHITA, SEDGWICK COUNTY, KANSAS**, is the subject of a demolition action by the City of Wichita, Kansas, under the provisions of Section 18.16 of the Code of the City of Wichita. Unless certain improvements to the structure(s) located thereon are commenced and completed by **January 6, 2015** such structures are subject to being demolished and the costs associated therewith charged, as a lien, against the above-described real property.

\_\_\_\_\_  
Thomas Stolz, Director, Metropolitan Area Building and Construction Department  
City of Wichita

**STATE OF KANSAS )**  
**) ss:**  
**SEDGWICK COUNTY)**

BE IT REMEMBERED, That on this \_\_\_\_\_ day of \_\_\_\_\_, 2014, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came Thomas Stolz, Director of Metropolitan Area Building and Construction Department, City of Wichita, personally known to me to be the same person who executed the within instrument of writing and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal; the day and year last above written.

\_\_\_\_\_  
Notary Public

My Appointment Expires:  
\_\_\_\_\_



**TO:** The Mayor and City Council  
Wichita, Kansas

**RE:** Statement of Dangerous or Unsafe Structure

The following described structure is in a dangerous or unsafe condition:

**(a) Description of Structure: A one story wood frame commercial building about 25 x 63 feet in size. Vacant for several years, this structure has rotted and missing wood siding; badly deteriorated roof with holes; water damaged and rotted framing members; and rotted wood trim.**

**(b) Street Address: Building North of 1128 N. HYDRAULIC**

**(e) Owners:  
Greater Mizpah Baptist Church  
1701 E. 11th N.  
Wichita, KS 67214**

**(d) Resident Agent: None**

**(e) Occupant: None**

**(f) Lienholders of Record:  
Emprise Bank  
PO Box 2970  
Wichita, KS 67201**

**(k) Mortgage Holder(s): None**

**(l) Interested Parties: None**

**DATE: November 3, 2014**

**CDM SUMMARY**

**COUNCIL DISTRICT # I**

**ADDRESS: Building North of 1128 N. HYDRAULIC**

**LEGAL DESCRIPTION: LOTS 22 AND 24 ON FELLOWS AVENUE, NOW HYDRAULIC AVENUE, KAUFMAN'S SUBDIVISION IN TARLTON'S 2ND ADDITION TO WICHITA, SEDGWICK COUNTY, KANSAS**

**DESCRIPTION OF STRUCTURE: A one story wood frame commercial building about 25 x 63 feet in size. Vacant for several years, this structure has rotted and missing wood siding; badly deteriorated roof with holes; water damaged and rotted framing members; and rotted wood trim.**

Description of dangerous or unsafe condition(s): The property is found to be dangerous and unsafe because of the following conditions:

- A. Those, which have been damaged by fire, wind, want of repair, or other causes so as to have become dangerous to life, safety, morals or the general health and welfare of the occupants or the people of the city.**
- B. The structure fails to provide the necessities to decent living, which makes it, unfit for human habitation.**
- C. Those whose use, equipment or want of good housekeeping constitutes a decided fire or safety hazard to the property itself or its occupants or which presents a decided fire or safety hazards to surrounding property or a menace to the public safety and general welfare.**

City Ordinance states that any one of the above categories is just cause to declare the building a public nuisance and shall be repaired or demolished.

\_\_\_\_\_  
Director of Metropolitan Area Building and Construction Department  
Enforcing Officer

\_\_\_\_\_  
Date

OCA: 230200

\_\_\_\_\_ PUBLISHED IN THE WICHITA EAGLE ON \_\_\_\_\_  
RESOLUTION NO. \_\_\_\_\_

A RESOLUTION FIXING A TIME AND PLACE AND PROVIDING FOR NOTICE OF A HEARING BEFORE THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS, AT WHICH THE OWNER, HIS AGENT, LIENHOLDERS OF RECORD AND OCCUPANTS OF PROPERTY LEGALLY DESCRIBED AS: **LOTS 22 AND 24 ON FELLOWS AVENUE, NOW HYDRAULIC AVENUE, KAUFMAN'S SUBDIVISION IN TARLTON'S 2ND ADDITION TO WICHITA, SEDGWICK COUNTY, KANSAS COMMONLY KNOWN AS BUILDING NORTH OF 1128 N. HYDRAULIC** MAY APPEAR AND SHOW CAUSE WHY SUCH STRUCTURE SHOULD NOT BE CONDEMNED AND ORDERED REPAIRED OR DEMOLISHED AS A DANGEROUS STRUCTURE.

WHEREAS, the enforcing officer of the City of Wichita, Kansas, did on the **25th day of November 2014**, file with the governing body of said city, a statement in writing that certain structure(s), hereinafter described, is unsafe or dangerous.

NOW THEREFORE, be it Resolved by the Governing Body of the City of Wichita.

That a hearing will be held on the **6th day of January 2015**, before the governing body of the city at **9:30 A.M.**, or thereafter in the council chambers, City Hall at which time the owner, his agent, any lienholders of record or any occupant of property, legally described at **LOTS 22 AND 24 ON FELLOWS AVENUE, NOW HYDRAULIC AVENUE, KAUFMAN'S SUBDIVISION IN TARLTON'S 2ND ADDITION TO WICHITA, SEDGWICK COUNTY, KANSAS**, commonly known as: Building North of 1128 N. HYDRAULIC, may appear and show cause why such structure should not be condemned as an unsafe or dangerous structure ordered repaired or demolished. The structure is a one story wood frame commercial building about 25 x 63 feet in size. Vacant for several years, this structure has rotted and missing wood siding; badly deteriorated roof with holes; water damaged and rotted framing members; and rotted wood trim.

Be it further resolved that the City Clerk shall cause this Resolution to be published and shall give notice of the aforesaid hearing in the manner provided by K.S.A. 12-1752.

Adopted this **25th day of November 2014**.

\_\_\_\_\_  
Carl Brewer, Mayor

(SEAL)

ATTEST: \_\_\_\_\_  
Karen Sublett, City Clerk

Approved as to form:

\_\_\_\_\_  
Sharon Dickgrafe, Interim City Attorney

**GROUP # 3**

**NOTICE OF DEMOLITION ACTION**

This is to certify that the property located at **1201 E. 12TH N** and legally described as: **LOTS 50 AND 52, ON OHIO AVENUE, H.O. BURLEIGH'S THIRD ADDITION TO THE CITY OF WICHITA, SEDGWICK COUNTY, KANSAS**, is the subject of a demolition action by the City of Wichita, Kansas, under the provisions of Section 18.16 of the Code of the City of Wichita. Unless certain improvements to the structure(s) located thereon are commenced and completed by **January 6, 2015** such structures are subject to being demolished and the costs associated therewith charged, as a lien, against the above-described real property.

\_\_\_\_\_  
Thomas Stolz, Director, Metropolitan Area Building and Construction Department  
City of Wichita

**STATE OF KANSAS )**  
**) ss:**  
**SEDGWICK COUNTY)**

BE IT REMEMBERED, That on this \_\_\_\_\_ day of \_\_\_\_\_, 2014, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came Thomas Stolz, Director of Metropolitan Area Building and Construction Department, City of Wichita, personally known to me to be the same person who executed the within instrument of writing and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal; the day and year last above written.

\_\_\_\_\_  
Notary Public

My Appointment Expires:  
\_\_\_\_\_



**TO:** The Mayor and City Council  
Wichita, Kansas

**RE:** Statement of Dangerous or Unsafe Structure

The following described structure is in a dangerous or unsafe condition:

**(a) Description of Structure: A one story wood frame commercial building about 50 x 38 feet in size. Vacant for several years, this structure has a cracking and shifting block foundation; rotted and missing wood siding; broken and missing transite siding; badly worn, sagging composition roof; exposed, rotted framing members; and the building is shifting badly.**

**(b) Street Address: 1201 E. 12TH N**

**(f) Owners:  
Curtis R. McClinton Jr  
11714 Jefferson  
Kansas City, MO 64114**

**Curtis E. McClinton Sr  
Mary E. Blake  
POST ON PROPERTY**

**(d) Resident Agent: None**

**(e) Occupant: None**

**(f) Lienholders of Record:  
The Douglass Bank  
1314 North 5th Street  
Kansas City, KS 66101**

**(m) Mortgage Holder(s): None**

**(n) Interested Parties:None**

**DATE: November 3, 2014**

**CDM SUMMARY**

**COUNCIL DISTRICT # I**

**ADDRESS: 1201 E. 12TH N**

**LEGAL DESCRIPTION: LOTS 50 AND 52, ON OHIO AVENUE, H.O. BURLEIGH'S THIRD ADDITION TO THE CITY OF WICHITA, SEDGWICK COUNTY, KANSAS**

**DESCRIPTION OF STRUCTURE: A one story wood frame commercial building about 50 x 38 feet in size. Vacant for several years, this structure has a cracking and shifting block foundation; rotted and missing wood siding; broken and missing transite siding; badly worn, sagging composition roof; exposed, rotted framing members; and the building is shifting badly.**

Description of dangerous or unsafe condition(s): The property is found to be dangerous and unsafe because of the following conditions:

- A. Those, which have been damaged by fire, wind, want of repair, or other causes so as to have become dangerous to life, safety, morals or the general health and welfare of the occupants or the people of the city.**
- B. The structure fails to provide the necessities to decent living, which makes it, unfit for human habitation.**
- C. Those whose use, equipment or want of good housekeeping constitutes a decided fire or safety hazard to the property itself or its occupants or which presents a decided fire or safety hazards to surrounding property or a menace to the public safety and general welfare.**

City Ordinance states that any one of the above categories is just cause to declare the building a public nuisance and shall be repaired or demolished.

\_\_\_\_\_  
Director of Metropolitan Area Building and Construction Department  
Enforcing Officer

\_\_\_\_\_  
Date

OCA: 230200

\_\_\_\_\_ PUBLISHED IN THE WICHITA EAGLE ON \_\_\_\_\_  
RESOLUTION NO. \_\_\_\_\_

A RESOLUTION FIXING A TIME AND PLACE AND PROVIDING FOR NOTICE OF A HEARING BEFORE THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS, AT WHICH THE OWNER, HIS AGENT, LIENHOLDERS OF RECORD AND OCCUPANTS OF PROPERTY LEGALLY DESCRIBED AS: **LOTS 50 AND 52, ON OHIO AVENUE, H.O. BURLEIGH'S THIRD ADDITION TO THE CITY OF WICHITA, SEDGWICK COUNTY, KANSAS COMMONLY KNOWN AS 1201 E. 12TH N** MAY APPEAR AND SHOW CAUSE WHY SUCH STRUCTURE SHOULD NOT BE CONDEMNED AND ORDERED REPAIRED OR DEMOLISHED AS A DANGEROUS STRUCTURE.

WHEREAS, the enforcing officer of the City of Wichita, Kansas, did on the **25th day of November 2014**, file with the governing body of said city, a statement in writing that certain structure(s), hereinafter described, is unsafe or dangerous.

NOW THEREFORE, be it Resolved by the Governing Body of the City of Wichita.

That a hearing will be held on the **6th day of January 2015**, before the governing body of the city at **9:30 A.M.**, or thereafter in the council chambers, City Hall at which time the owner, his agent, any lienholders of record or any occupant of property, legally described at **LOTS 50 AND 52, ON OHIO AVENUE, H.O. BURLEIGH'S THIRD ADDITION TO THE CITY OF WICHITA, SEDGWICK COUNTY, KANSAS**, commonly known as: **1201 E. 12TH N**, may appear and show cause why such structure should not be condemned as an unsafe or dangerous structure ordered repaired or demolished. The structure is a one story wood frame commercial building about 50 x 38 feet in size. Vacant for several years, this structure has a cracking and shifting block foundation; rotted and missing wood siding; broken and missing transite siding; badly worn, sagging composition roof; exposed, rotted framing members; and the building is shifting badly.

Be it further resolved that the City Clerk shall cause this Resolution to be published and shall give notice of the aforesaid hearing in the manner provided by K.S.A. 12-1752.

Adopted this **25th day of November 2014**.

\_\_\_\_\_  
Carl Brewer, Mayor

(SEAL)

ATTEST: \_\_\_\_\_  
Karen Sublett, City Clerk

Approved as to form:

\_\_\_\_\_  
Sharon Dickgrafe, Interim City Attorney

**GROUP # 3**

**NOTICE OF DEMOLITION ACTION**

This is to certify that the property located at **2047 N. MINNESOTA** and legally described as: **LOTS 57 AND 59, ON MINNESOTA AVENUE, PARKVIEW ADDITION TO WICHITA, SEDGWICK COUNTY, KANSAS**, is the subject of a demolition action by the City of Wichita, Kansas, under the provisions of Section 18.16 of the Code of the City of Wichita. Unless certain improvements to the structure(s) located thereon are commenced and completed by **January 6, 2015** such structures are subject to being demolished and the costs associated therewith charged, as a lien, against the above-described real property.

\_\_\_\_\_  
Thomas Stolz, Director, Metropolitan Area Building and Construction Department  
City of Wichita

**STATE OF KANSAS )**  
**) ss:**  
**SEDGWICK COUNTY)**

BE IT REMEMBERED, That on this \_\_\_\_\_ day of \_\_\_\_\_, 2014, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came Thomas Stolz, Director of Metropolitan Area Building and Construction Department, City of Wichita, personally known to me to be the same person who executed the within instrument of writing and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal; the day and year last above written.

\_\_\_\_\_  
Notary Public

My Appointment Expires:  
\_\_\_\_\_



**TO:** The Mayor and City Council  
Wichita, Kansas

**RE:** Statement of Dangerous or Unsafe Structure

The following described structure is in a dangerous or unsafe condition:

**(a) Description of Structure: A one story wood frame dwelling about 30 x 37 feet in size. Vacant for at least 1 1/2 years, this structure has been damaged by fire. It has missing steel siding; deteriorated and missing asphalt siding; fire damaged composition roof; fire damaged front porch; and rotted and fire damaged framing members and wood trim.**

**(b) Street Address: 2047 N. MINNESOTA**

**(g) Owners:  
Kimberly L. Nelson  
2710 N. Fountain  
Wichita, KS 67220**

**(d) Resident Agent: None**

**(e) Occupant: None**

**(f) Lienholders of Record:  
Kelly Arnold, County Clerk  
525 N Main  
Wichita, KS 67203**

**State of Kansas  
Department of Revenue  
915 SW Harrison  
Topeka, KS 66612**

**(o) Mortgage Holder(s): None**

**(p) Interested Parties: None**

**DATE: November 3, 2014**

**CDM SUMMARY**

**COUNCIL DISTRICT # I**

**ADDRESS: 2047 N. MINNESOTA**

**LEGAL DESCRIPTION: LOTS 57 AND 59, ON MINNESOTA AVENUE, PARKVIEW ADDITION TO WICHITA, SEDGWICK COUNTY, KANSAS**

**DESCRIPTION OF STRUCTURE: A one story wood frame dwelling about 30 x 37 feet in size. Vacant for at least 1 1/2 years, this structure has been damaged by fire. It has missing steel siding; deteriorated and missing asphalt siding; fire damaged composition roof; fire damaged front porch; and rotted and fire damaged framing members and wood trim.**

Description of dangerous or unsafe condition(s): The property is found to be dangerous and unsafe because of the following conditions:

- A. Those, which have been damaged by fire, wind, want of repair, or other causes so as to have become dangerous to life, safety, morals or the general health and welfare of the occupants or the people of the city.**
- B. The structure fails to provide the necessities to decent living, which makes it, unfit for human habitation.**
- C. Those whose use, equipment or want of good housekeeping constitutes a decided fire or safety hazard to the property itself or its occupants or which presents a decided fire or safety hazards to surrounding property or a menace to the public safety and general welfare.**

City Ordinance states that any one of the above categories is just cause to declare the building a public nuisance and shall be repaired or demolished.

\_\_\_\_\_  
Director of Metropolitan Area Building and Construction Department  
Enforcing Officer

\_\_\_\_\_  
Date

OCA: 230200

\_\_\_\_\_ PUBLISHED IN THE WICHITA EAGLE ON \_\_\_\_\_  
RESOLUTION NO. \_\_\_\_\_

A RESOLUTION FIXING A TIME AND PLACE AND PROVIDING FOR NOTICE OF A HEARING BEFORE THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS, AT WHICH THE OWNER, HIS AGENT, LIENHOLDERS OF RECORD AND OCCUPANTS OF PROPERTY LEGALLY DESCRIBED AS: **LOTS 57 AND 59, ON MINNESOTA AVENUE, PARKVIEW ADDITION TO WICHITA, SEDGWICK COUNTY, KANSAS** COMMONLY KNOWN AS **2047 N. MINNESOTA** MAY APPEAR AND SHOW CAUSE WHY SUCH STRUCTURE SHOULD NOT BE CONDEMNED AND ORDERED REPAIRED OR DEMOLISHED AS A DANGEROUS STRUCTURE.

WHEREAS, the enforcing officer of the City of Wichita, Kansas, did on the **25th day of November 2014**, file with the governing body of said city, a statement in writing that certain structure(s), hereinafter described, is unsafe or dangerous.

NOW THEREFORE, be it Resolved by the Governing Body of the City of Wichita.

That a hearing will be held on the **6th day of January 2015**, before the governing body of the city at **9:30 A.M.**, or thereafter in the council chambers, City Hall at which time the owner, his agent, any lienholders of record or any occupant of property, legally described at **LOTS 57 AND 59, ON MINNESOTA AVENUE, PARKVIEW ADDITION TO WICHITA, SEDGWICK COUNTY, KANSAS**, commonly known as: **2047 N. MINNESOTA**, may appear and show cause why such structure should not be condemned as an unsafe or dangerous structure ordered repaired or demolished. The structure is a one story wood frame dwelling about 30 x 37 feet in size. Vacant for at least 1 1/2 years, this structure has been damaged by fire. It has missing steel siding; deteriorated and missing asphalt siding; fire damaged composition roof; fire damaged front porch; and rotted and fire damaged framing members and wood trim.

Be it further resolved that the City Clerk shall cause this Resolution to be published and shall give notice of the aforesaid hearing in the manner provided by K.S.A. 12-1752.

Adopted this **25th day of November 2014**.

\_\_\_\_\_  
Carl Brewer, Mayor

(SEAL)

ATTEST: \_\_\_\_\_  
Karen Sublett, City Clerk

Approved as to form:

\_\_\_\_\_  
Sharon Dickgrafe, Interim City Attorney

**GROUP # 3**

**NOTICE OF DEMOLITION ACTION**

This is to certify that the property located at **2513 E. SHADYBROOK** and legally described as: **LOT 18, BLOCK 10, SHADYBROOK ADDITION TO THE CITY OF WICHITA, SEDGWICK COUNTY, KANSAS**, is the subject of a demolition action by the City of Wichita, Kansas, under the provisions of Section 18.16 of the Code of the City of Wichita. Unless certain improvements to the structure(s) located thereon are commenced and completed by **January 6, 2015** such structures are subject to being demolished and the costs associated therewith charged, as a lien, against the above-described real property.

\_\_\_\_\_  
Thomas Stolz, Director, Metropolitan Area Building and Construction Department  
City of Wichita

**STATE OF KANSAS )**  
**) ss:**  
**SEDGWICK COUNTY)**

BE IT REMEMBERED, That on this \_\_\_\_\_ day of \_\_\_\_\_, 2014, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came Thomas Stolz, Director of Metropolitan Area Building and Construction Department, City of Wichita, personally known to me to be the same person who executed the within instrument of writing and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal; the day and year last above written.

\_\_\_\_\_  
Notary Public

My Appointment Expires:  
\_\_\_\_\_



**TO:** The Mayor and City Council  
Wichita, Kansas

**RE:** Statement of Dangerous or Unsafe Structure

The following described structure is in a dangerous or unsafe condition:

**(a) Description of Structure:** A one story frame dwelling about 25 x 42 feet in size. Vacant for several years, this structure has cracking and shifting block basement walls; hail damaged vinyl siding; badly worn sagging, composition roof; cracking and shifting concrete front porch and rear porches; deteriorated framing members and wood trim; and the 15 x 18 foot accessory structure is deteriorated.

**(b) Street Address:** 2513 E. SHADYBROOK

**(h) Owners:**  
Oneil Davis and Julia Ann Davis  
5017 E. 21st N.  
Wichita, KS 67208

**(d) Resident Agent:**None

**(e) Occupant:** None

**(f) Lienholders of Record:**  
Kelly Arnold, County Clerk  
525 N Main  
Wichita, KS 67203

Chris McElgunn, Attorney  
301 N Main #1600  
Wichita, KS 67202

**(q) Mortgage Holder(s):**None

**(r) Interested Parties:**None

**DATE: November 3, 2014**

**CDM SUMMARY**

**COUNCIL DISTRICT # I**

**ADDRESS: 2513 E. SHADYBROOK**

**LEGAL DESCRIPTION: LOT 18, BLOCK 10, SHADYBROOK ADDITION TO THE CITY OF WICHITA, SEDGWICK COUNTY, KANSAS**

**DESCRIPTION OF STRUCTURE: A one story frame dwelling about 25 x 42 feet in size. Vacant for several years, this structure has cracking and shifting block basement walls; hail damaged vinyl siding; badly worn sagging, composition roof; cracking and shifting concrete front porch and rear porches; deteriorated framing members and wood trim; and the 15 x 18 foot accessory structure is deteriorated.**

Description of dangerous or unsafe condition(s): The property is found to be dangerous and unsafe because of the following conditions:

- A. Those, which have been damaged by fire, wind, want of repair, or other causes so as to have become dangerous to life, safety, morals or the general health and welfare of the occupants or the people of the city.**
- B. The structure fails to provide the necessities to decent living, which makes it, unfit for human habitation.**
- C. Those whose use, equipment or want of good housekeeping constitutes a decided fire or safety hazard to the property itself or its occupants or which presents a decided fire or safety hazards to surrounding property or a menace to the public safety and general welfare.**

City Ordinance states that any one of the above categories is just cause to declare the building a public nuisance and shall be repaired or demolished.

\_\_\_\_\_  
Director of Metropolitan Area Building and Construction Department  
Enforcing Officer

\_\_\_\_\_  
Date

OCA: 230200

\_\_\_\_\_ PUBLISHED IN THE WICHITA EAGLE ON \_\_\_\_\_  
RESOLUTION NO. \_\_\_\_\_

A RESOLUTION FIXING A TIME AND PLACE AND PROVIDING FOR NOTICE OF A HEARING BEFORE THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS, AT WHICH THE OWNER, HIS AGENT, LIENHOLDERS OF RECORD AND OCCUPANTS OF PROPERTY LEGALLY DESCRIBED AS: **LOT 18, BLOCK 10, SHADYBROOK ADDITION TO THE CITY OF WICHITA, SEDGWICK COUNTY, KANSAS** COMMONLY KNOWN AS **2513 E. SHADYBROOK** MAY APPEAR AND SHOW CAUSE WHY SUCH STRUCTURE SHOULD NOT BE CONDEMNED AND ORDERED REPAIRED OR DEMOLISHED AS A DANGEROUS STRUCTURE.

WHEREAS, the enforcing officer of the City of Wichita, Kansas, did on the **25th day of November 2014**, file with the governing body of said city, a statement in writing that certain structure(s), hereinafter described, is unsafe or dangerous.

NOW THEREFORE, be it Resolved by the Governing Body of the City of Wichita.  
That a hearing will be held on the **6th day of January 2015**, before the governing body of the city at **9:30 A.M.**, or thereafter in the council chambers, City Hall at which time the owner, his agent, any lienholders of record or any occupant of property, legally described at **LOT 18, BLOCK 10, SHADYBROOK ADDITION TO THE CITY OF WICHITA, SEDGWICK COUNTY, KANSAS**, commonly known as: **2513 E. SHADYBROOK**, may appear and show cause why such structure should not be condemned as an unsafe or dangerous structure ordered repaired or demolished. The structure is a one story frame dwelling about 25 x 42 feet in size. Vacant for several years, this structure has cracking and shifting block basement walls; hail damaged vinyl siding; badly worn sagging, composition roof; cracking and shifting concrete front porch and rear porches; deteriorated framing members and wood trim; and the 15 x 18 foot accessory structure is deteriorated.

Be it further resolved that the City Clerk shall cause this Resolution to be published and shall give notice of the aforesaid hearing in the manner provided by K.S.A. 12-1752.

Adopted this **25th day of November 2014**.

\_\_\_\_\_  
Carl Brewer, Mayor

(SEAL)

ATTEST: \_\_\_\_\_  
Karen Sublett, City Clerk

Approved as to form:

\_\_\_\_\_  
Sharon Dickgrafe, Interim City Attorney

**GROUP # 3**

**NOTICE OF DEMOLITION ACTION**

This is to certify that the property located at **2519 E. SHADYBROOK** and legally described as: **LOT 1, BLOCK 10, SHADYBROOK ADDITION TO THE CITY OF WICHITA, SEDGWICK COUNTY, KANSAS**, is the subject of a demolition action by the City of Wichita, Kansas, under the provisions of Section 18.16 of the Code of the City of Wichita. Unless certain improvements to the structure(s) located thereon are commenced and completed by **January 6, 2015** such structures are subject to being demolished and the costs associated therewith charged, as a lien, against the above-described real property.

\_\_\_\_\_  
Thomas Stolz, Director, Metropolitan Area Building and Construction Department  
City of Wichita

**STATE OF KANSAS )**  
**) ss:**  
**SEDGWICK COUNTY)**

BE IT REMEMBERED, That on this \_\_\_\_\_ day of \_\_\_\_\_, 2014, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came Thomas Stolz, Director of Metropolitan Area Building and Construction Department, City of Wichita, personally known to me to be the same person who executed the within instrument of writing and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal; the day and year last above written.

\_\_\_\_\_  
Notary Public

My Appointment Expires:  
\_\_\_\_\_



**TO:** The Mayor and City Council  
Wichita, Kansas

**RE:** Statement of Dangerous or Unsafe Structure

The following described structure is in a dangerous or unsafe condition:

**(a) Description of Structure: A one story frame dwelling about 25 x 42 feet in size. Vacant and open, this structure has cracking and shifting block basement walls; hail damaged vinyl siding; badly worn, sagging composition roof; shifting brick chimney; shifting concrete front porch; and deteriorated framing members and wood trim.**

**(b) Street Address: 2519 E. SHADYBROOK**

**(i) Owners:  
Oneil Davis and Julia Ann Davis  
5017 E. 21st N.  
Wichita, KS 67208**

**(d) Resident Agent: None**

**(e) Occupant: None**

**(f) Lienholders of Record:  
Kelly Arnold, County Clerk  
525 N Main  
Wichita, KS 67203**

**Chris McElgunn, Attorney  
301 N Main #1600  
Wichita, KS 67202**

**(s) Mortgage Holder(s): None**

**(t) Interested Parties: None**

**DATE: November 3, 2014**

**CDM SUMMARY**

**COUNCIL DISTRICT # I**

**ADDRESS: 2519 E. SHADYBROOK**

**LEGAL DESCRIPTION: LOT 1, BLOCK 10, SHADYBROOK ADDITION TO THE CITY OF WICHITA, SEDGWICK COUNTY, KANSAS**

**DESCRIPTION OF STRUCTURE: A one story frame dwelling about 25 x 42 feet in size. Vacant and open, this structure has cracking and shifting block basement walls; hail damaged vinyl siding; badly worn, sagging composition roof; shifting brick chimney; shifting concrete front porch; and deteriorated framing members and wood trim.**

Description of dangerous or unsafe condition(s): The property is found to be dangerous and unsafe because of the following conditions:

- A. Those, which have been damaged by fire, wind, want of repair, or other causes so as to have become dangerous to life, safety, morals or the general health and welfare of the occupants or the people of the city.**
- B. The structure fails to provide the necessities to decent living, which makes it, unfit for human habitation.**
- C. Those open to unauthorized persons or those permitted to be attractive to loiterers, vagrants, or children.**
- D. Those whose use, equipment or want of good housekeeping constitutes a decided fire or safety hazard to the property itself or its occupants or which presents a decided fire or safety hazards to surrounding property or a menace to the public safety and general welfare.**

City Ordinance states that any one of the above categories is just cause to declare the building a public nuisance and shall be repaired or demolished.

\_\_\_\_\_  
Director of Metropolitan Area Building and Construction Department  
Enforcing Officer

\_\_\_\_\_  
Date

OCA: 230200

\_\_\_\_\_ PUBLISHED IN THE WICHITA EAGLE ON \_\_\_\_\_  
RESOLUTION NO. \_\_\_\_\_

A RESOLUTION FIXING A TIME AND PLACE AND PROVIDING FOR NOTICE OF A HEARING BEFORE THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS, AT WHICH THE OWNER, HIS AGENT, LIENHOLDERS OF RECORD AND OCCUPANTS OF PROPERTY LEGALLY DESCRIBED AS: **LOT 1, BLOCK 10, SHADYBROOK ADDITION TO THE CITY OF WICHITA, SEDGWICK COUNTY, KANSAS** COMMONLY KNOWN AS **2519 E. SHADYBROOK** MAY APPEAR AND SHOW CAUSE WHY SUCH STRUCTURE SHOULD NOT BE CONDEMNED AND ORDERED REPAIRED OR DEMOLISHED AS A DANGEROUS STRUCTURE.

WHEREAS, the enforcing officer of the City of Wichita, Kansas, did on the **25th day of November 2014**, file with the governing body of said city, a statement in writing that certain structure(s), hereinafter described, is unsafe or dangerous.

NOW THEREFORE, be it Resolved by the Governing Body of the City of Wichita.  
That a hearing will be held on the **6th day of January 2015**, before the governing body of the city at **9:30 A.M.**, or thereafter in the council chambers, City Hall at which time the owner, his agent, any lienholders of record or any occupant of property, legally described at **LOT 1, BLOCK 10, SHADYBROOK ADDITION TO THE CITY OF WICHITA, SEDGWICK COUNTY, KANSAS**, commonly known as: **2519 E. SHADYBROOK**, may appear and show cause why such structure should not be condemned as an unsafe or dangerous structure ordered repaired or demolished. The structure is a one story frame dwelling about 25 x 42 feet in size. Vacant and open, this structure has cracking and shifting block basement walls; hail damaged vinyl siding; badly worn, sagging composition roof; shifting brick chimney; shifting concrete front porch; and deteriorated framing members and wood trim.

Be it further resolved that the City Clerk shall cause this Resolution to be published and shall give notice of the aforesaid hearing in the manner provided by K.S.A. 12-1752.

Adopted this **25th day of November 2014**.

\_\_\_\_\_  
Carl Brewer, Mayor

(SEAL)

ATTEST: \_\_\_\_\_  
Karen Sublett, City Clerk

Approved as to form:

\_\_\_\_\_  
Sharon Dickgrafe, Interim City Attorney

OCA: 230200

PUBLISHED IN THE WICHITA EAGLE ON NOVEMBER 28 AND DECEMBER 5, 2014

RESOLUTION NO. 14-325

A RESOLUTION FIXING A TIME AND PLACE AND PROVIDING FOR NOTICE OF A HEARING BEFORE THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS, AT WHICH THE OWNER, HIS AGENT, LIENHOLDERS OF RECORD AND OCCUPANTS OF PROPERTY LEGALLY DESCRIBED AS: **LOTS 35, 37 AND 39, CARPENTER'S ADDITION TO THE CITY OF WICHITA, SEDGWICK COUNTY, KANSAS** COMMONLY KNOWN AS **541 N. OHIO** MAY APPEAR AND SHOW CAUSE WHY SUCH STRUCTURE SHOULD NOT BE CONDEMNED AND ORDERED REPAIRED OR DEMOLISHED AS A DANGEROUS STRUCTURE.

WHEREAS, the enforcing officer of the City of Wichita, Kansas, did on the **25th day of November 2014**, file with the governing body of said city, a statement in writing that certain structure(s), hereinafter described, is unsafe or dangerous.

NOW THEREFORE, be it Resolved by the Governing Body of the City of Wichita.

That a hearing will be held on the **6th day of January 2015**, before the governing body of the city at **9:30 A.M.**, or thereafter in the council chambers, City Hall at which time the owner, his agent, any lienholders of record or any occupant of property, legally described at **LOTS 35, 37 AND 39, CARPENTER'S ADDITION TO THE CITY OF WICHITA, SEDGWICK COUNTY, KANSAS**, commonly known as: **541 N. OHIO**, may appear and show cause why such structure should not be condemned as an unsafe or dangerous structure ordered repaired or demolished. The structure is a one story wood frame dwelling about 30 x 45 feet in size. Vacant and open, this structure has shifting and missing block basement and foundation walls; missing aluminum siding; rotted and missing wood lap siding; badly worn composition roof with missing shingles; collapsing front porch; deteriorated rear porch, and the 20 x 25 foot accessory garage is dilapidated.

Be it further resolved that the City Clerk shall cause this Resolution to be published and shall give notice of the aforesaid hearing in the manner provided by K.S.A. 12-1752.

Adopted this **25th day of November 2014**.

\_\_\_\_\_  
Carl Brewer, Mayor

(SEAL)

ATTEST: \_\_\_\_\_  
Karen Sublett, City Clerk

Approved as to form:

\_\_\_\_\_  
Sharon Dickgrafe, Interim City Attorney

OCA: 230200

PUBLISHED IN THE WICHITA EAGLE ON NOVEMBER 28 AND DECEMBER 5, 2014

RESOLUTION NO. 14-326

A RESOLUTION FIXING A TIME AND PLACE AND PROVIDING FOR NOTICE OF A HEARING BEFORE THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS, AT WHICH THE OWNER, HIS AGENT, LIENHOLDERS OF RECORD AND OCCUPANTS OF PROPERTY LEGALLY DESCRIBED AS: **LOTS 1 AND 3, ON HYDRAULIC AVENUE, BEALL AND BERRYS SUBDIVISION OF LOT 7 OF TARLTON'S 2ND ADDITION TO THE CITY OF WICHITA, KANSAS, SEDGWICK COUNTY, KANSAS** COMMONLY KNOWN AS **1128 N. HYDRAULIC** MAY APPEAR AND SHOW CAUSE WHY SUCH STRUCTURE SHOULD NOT BE CONDEMNED AND ORDERED REPAIRED OR DEMOLISHED AS A DANGEROUS STRUCTURE.

WHEREAS, the enforcing officer of the City of Wichita, Kansas, did on the **25th day of November 2014**, file with the governing body of said city, a statement in writing that certain structure(s), hereinafter described, is unsafe or dangerous.

NOW THEREFORE, be it Resolved by the Governing Body of the City of Wichita.

That a hearing will be held on the **6th day of January 2015**, before the governing body of the city at **9:30 A.M.**, or thereafter in the council chambers, City Hall at which time the owner, his agent, any lienholders of record or any occupant of property, legally described at **LOTS 1 AND 3, ON HYDRAULIC AVENUE, BEALL AND BERRYS SUBDIVISION OF LOT 7 OF TARLTON'S 2ND ADDITION TO THE CITY OF WICHITA, KANSAS, SEDGWICK COUNTY, KANSAS**, commonly known as: **1128 N. HYDRAULIC**, may appear and show cause why such structure should not be condemned as an unsafe or dangerous structure ordered repaired or demolished. The structure is a one story wood frame commercial building about 25 x 105 feet in size. Vacant for several years, this structure has rotted and missing wood siding; badly deteriorated roof with holes; water damaged and rotted framing members; and rotted wood trim.

Be it further resolved that the City Clerk shall cause this Resolution to be published and shall give notice of the aforesaid hearing in the manner provided by K.S.A. 12-1752.

Adopted this **25th day of November 2014**.

\_\_\_\_\_  
Carl Brewer, Mayor

(SEAL)

ATTEST: \_\_\_\_\_  
Karen Sublett, City Clerk

Approved as to form:

\_\_\_\_\_  
Sharon Dickgrafe, Interim City Attorney

OCA: 230200

PUBLISHED IN THE WICHITA EAGLE ON NOVEMBER 28 AND DECEMBER 5, 2014

RESOLUTION NO. 14-327

A RESOLUTION FIXING A TIME AND PLACE AND PROVIDING FOR NOTICE OF A HEARING BEFORE THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS, AT WHICH THE OWNER, HIS AGENT, LIENHOLDERS OF RECORD AND OCCUPANTS OF PROPERTY LEGALLY DESCRIBED AS: **LOTS 22 AND 24 ON FELLOWS AVENUE, NOW HYDRAULIC AVENUE, KAUFMAN'S SUBDIVISION IN TARLTON'S 2ND ADDITION TO WICHITA, SEDGWICK COUNTY, KANSAS COMMONLY KNOWN AS BUILDING NORTH OF 1128 N. HYDRAULIC** MAY APPEAR AND SHOW CAUSE WHY SUCH STRUCTURE SHOULD NOT BE CONDEMNED AND ORDERED REPAIRED OR DEMOLISHED AS A DANGEROUS STRUCTURE.

WHEREAS, the enforcing officer of the City of Wichita, Kansas, did on the **25th day of November 2014**, file with the governing body of said city, a statement in writing that certain structure(s), hereinafter described, is unsafe or dangerous.

NOW THEREFORE, be it Resolved by the Governing Body of the City of Wichita.

That a hearing will be held on the **6th day of January 2015**, before the governing body of the city at **9:30 A.M.**, or thereafter in the council chambers, City Hall at which time the owner, his agent, any lienholders of record or any occupant of property, legally described at **LOTS 22 AND 24 ON FELLOWS AVENUE, NOW HYDRAULIC AVENUE, KAUFMAN'S SUBDIVISION IN TARLTON'S 2ND ADDITION TO WICHITA, SEDGWICK COUNTY, KANSAS**, commonly known as: **Building North of 1128 N. HYDRAULIC**, may appear and show cause why such structure should not be condemned as an unsafe or dangerous structure ordered repaired or demolished. The structure is a one story wood frame commercial building about 25 x 63 feet in size. Vacant for several years, this structure has rotted and missing wood siding; badly deteriorated roof with holes; water damaged and rotted framing members; and rotted wood trim.

Be it further resolved that the City Clerk shall cause this Resolution to be published and shall give notice of the aforesaid hearing in the manner provided by K.S.A. 12-1752.

Adopted this **25th day of November 2014**.

\_\_\_\_\_  
Carl Brewer, Mayor

(SEAL)

ATTEST: \_\_\_\_\_  
Karen Sublett, City Clerk

Approved as to form:

\_\_\_\_\_  
Sharon Dickgrafe, Interim City Attorney

OCA: 230200

PUBLISHED IN THE WICHITA EAGLE ON NOVEMBER 28 AND DECEMBER 5, 2014

RESOLUTION NO. 14-328

A RESOLUTION FIXING A TIME AND PLACE AND PROVIDING FOR NOTICE OF A HEARING BEFORE THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS, AT WHICH THE OWNER, HIS AGENT, LIENHOLDERS OF RECORD AND OCCUPANTS OF PROPERTY LEGALLY DESCRIBED AS: **LOTS 50 AND 52, ON OHIO AVENUE, H.O. BURLEIGH'S THIRD ADDITION TO THE CITY OF WICHITA, SEDGWICK COUNTY, KANSAS** COMMONLY KNOWN AS **1201 E. 12TH N** MAY APPEAR AND SHOW CAUSE WHY SUCH STRUCTURE SHOULD NOT BE CONDEMNED AND ORDERED REPAIRED OR DEMOLISHED AS A DANGEROUS STRUCTURE.

WHEREAS, the enforcing officer of the City of Wichita, Kansas, did on the **25th day of November 2014**, file with the governing body of said city, a statement in writing that certain structure(s), hereinafter described, is unsafe or dangerous.

NOW THEREFORE, be it Resolved by the Governing Body of the City of Wichita.

That a hearing will be held on the **6th day of January 2015**, before the governing body of the city at **9:30 A.M.**, or thereafter in the council chambers, City Hall at which time the owner, his agent, any lienholders of record or any occupant of property, legally described at **LOTS 50 AND 52, ON OHIO AVENUE, H.O. BURLEIGH'S THIRD ADDITION TO THE CITY OF WICHITA, SEDGWICK COUNTY, KANSAS**, commonly known as: **1201 E. 12TH N**, may appear and show cause why such structure should not be condemned as an unsafe or dangerous structure ordered repaired or demolished. The structure is a one story wood frame commercial building about 50 x 38 feet in size. Vacant for several years, this structure has a cracking and shifting block foundation; rotted and missing wood siding; broken and missing transite siding; badly worn, sagging composition roof; exposed, rotted framing members; and the building is shifting badly.

Be it further resolved that the City Clerk shall cause this Resolution to be published and shall give notice of the aforesaid hearing in the manner provided by K.S.A. 12-1752.

Adopted this **25th day of November 2014**.

\_\_\_\_\_  
Carl Brewer, Mayor

(SEAL)

ATTEST: \_\_\_\_\_  
Karen Sublett, City Clerk

Approved as to form:

\_\_\_\_\_  
Sharon Dickgrafe, Interim City Attorney

OCA: 230200

PUBLISHED IN THE WICHITA EAGLE ON NOVEMBER 28 AND DECEMBER 5, 2014

RESOLUTION NO. 14-329

A RESOLUTION FIXING A TIME AND PLACE AND PROVIDING FOR NOTICE OF A HEARING BEFORE THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS, AT WHICH THE OWNER, HIS AGENT, LIENHOLDERS OF RECORD AND OCCUPANTS OF PROPERTY LEGALLY DESCRIBED AS: **LOTS 57 AND 59, ON MINNESOTA AVENUE, PARKVIEW ADDITION TO WICHITA, SEDGWICK COUNTY, KANSAS** COMMONLY KNOWN AS **2047 N. MINNESOTA** MAY APPEAR AND SHOW CAUSE WHY SUCH STRUCTURE SHOULD NOT BE CONDEMNED AND ORDERED REPAIRED OR DEMOLISHED AS A DANGEROUS STRUCTURE.

WHEREAS, the enforcing officer of the City of Wichita, Kansas, did on the **25th day of November 2014**, file with the governing body of said city, a statement in writing that certain structure(s), hereinafter described, is unsafe or dangerous.

NOW THEREFORE, be it Resolved by the Governing Body of the City of Wichita.

That a hearing will be held on the **6th day of January 2015**, before the governing body of the city at **9:30 A.M.**, or thereafter in the council chambers, City Hall at which time the owner, his agent, any lienholders of record or any occupant of property, legally described at **LOTS 57 AND 59, ON MINNESOTA AVENUE, PARKVIEW ADDITION TO WICHITA, SEDGWICK COUNTY, KANSAS**, commonly known as: **2047 N. MINNESOTA**, may appear and show cause why such structure should not be condemned as an unsafe or dangerous structure ordered repaired or demolished. The structure is a one story wood frame dwelling about 30 x 37 feet in size. Vacant for at least 1 1/2 years, this structure has been damaged by fire. It has missing steel siding; deteriorated and missing asphalt siding; fire damaged composition roof; fire damaged front porch; and rotted and fire damaged framing members and wood trim.

Be it further resolved that the City Clerk shall cause this Resolution to be published and shall give notice of the aforesaid hearing in the manner provided by K.S.A. 12-1752.

Adopted this **25th day of November 2014**.

\_\_\_\_\_  
Carl Brewer, Mayor

(SEAL)

ATTEST: \_\_\_\_\_  
Karen Sublett, City Clerk

Approved as to form:

\_\_\_\_\_  
Sharon Dickgrafe, Interim City Attorney

OCA: 230200

PUBLISHED IN THE WICHITA EAGLE ON NOVEMBER 28 AND DECEMBER 5, 2014

RESOLUTION NO. 14-330

A RESOLUTION FIXING A TIME AND PLACE AND PROVIDING FOR NOTICE OF A HEARING BEFORE THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS, AT WHICH THE OWNER, HIS AGENT, LIENHOLDERS OF RECORD AND OCCUPANTS OF PROPERTY LEGALLY DESCRIBED AS: **LOT 18, BLOCK 10, SHADYBROOK ADDITION TO THE CITY OF WICHITA, SEDGWICK COUNTY, KANSAS** COMMONLY KNOWN AS **2513 E. SHADYBROOK** MAY APPEAR AND SHOW CAUSE WHY SUCH STRUCTURE SHOULD NOT BE CONDEMNED AND ORDERED REPAIRED OR DEMOLISHED AS A DANGEROUS STRUCTURE.

WHEREAS, the enforcing officer of the City of Wichita, Kansas, did on the **25th day of November 2014**, file with the governing body of said city, a statement in writing that certain structure(s), hereinafter described, is unsafe or dangerous.

NOW THEREFORE, be it Resolved by the Governing Body of the City of Wichita.

That a hearing will be held on the **6th day of January 2015**, before the governing body of the city at **9:30 A.M.**, or thereafter in the council chambers, City Hall at which time the owner, his agent, any lienholders of record or any occupant of property, legally described at **LOT 18, BLOCK 10, SHADYBROOK ADDITION TO THE CITY OF WICHITA, SEDGWICK COUNTY, KANSAS**, commonly known as: **2513 E. SHADYBROOK**, may appear and show cause why such structure should not be condemned as an unsafe or dangerous structure ordered repaired or demolished. The structure is a one story frame dwelling about 25 x 42 feet in size. Vacant for several years, this structure has cracking and shifting block basement walls; hail damaged vinyl siding; badly worn sagging, composition roof; cracking and shifting concrete front porch and rear porches; deteriorated framing members and wood trim; and the 15 x 18 foot accessory structure is deteriorated.

Be it further resolved that the City Clerk shall cause this Resolution to be published and shall give notice of the aforesaid hearing in the manner provided by K.S.A. 12-1752.

Adopted this **25th day of November 2014**.

\_\_\_\_\_  
Carl Brewer, Mayor

(SEAL)

ATTEST: \_\_\_\_\_  
Karen Sublett, City Clerk

Approved as to form:

\_\_\_\_\_  
Sharon Dickgrafe, Interim City Attorney

OCA: 230200

PUBLISHED IN THE WICHITA EAGLE ON NOVEMBER 28 AND DECEMBER 5, 2014

RESOLUTION NO. 14-331

A RESOLUTION FIXING A TIME AND PLACE AND PROVIDING FOR NOTICE OF A HEARING BEFORE THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS, AT WHICH THE OWNER, HIS AGENT, LIENHOLDERS OF RECORD AND OCCUPANTS OF PROPERTY LEGALLY DESCRIBED AS: **LOT 1, BLOCK 10, SHADYBROOK ADDITION TO THE CITY OF WICHITA, SEDGWICK COUNTY, KANSAS** COMMONLY KNOWN AS **2519 E. SHADYBROOK** MAY APPEAR AND SHOW CAUSE WHY SUCH STRUCTURE SHOULD NOT BE CONDEMNED AND ORDERED REPAIRED OR DEMOLISHED AS A DANGEROUS STRUCTURE.

WHEREAS, the enforcing officer of the City of Wichita, Kansas, did on the **25th day of November 2014**, file with the governing body of said city, a statement in writing that certain structure(s), hereinafter described, is unsafe or dangerous.

NOW THEREFORE, be it Resolved by the Governing Body of the City of Wichita.

That a hearing will be held on the **6th day of January 2015**, before the governing body of the city at **9:30 A.M.**, or thereafter in the council chambers, City Hall at which time the owner, his agent, any lienholders of record or any occupant of property, legally described at **LOT 1, BLOCK 10, SHADYBROOK ADDITION TO THE CITY OF WICHITA, SEDGWICK COUNTY, KANSAS**, commonly known as: **2519 E. SHADYBROOK**, may appear and show cause why such structure should not be condemned as an unsafe or dangerous structure ordered repaired or demolished. The structure is a one story frame dwelling about 25 x 42 feet in size. Vacant and open, this structure has cracking and shifting block basement walls; hail damaged vinyl siding; badly worn, sagging composition roof; shifting brick chimney; shifting concrete front porch; and deteriorated framing members and wood trim.

Be it further resolved that the City Clerk shall cause this Resolution to be published and shall give notice of the aforesaid hearing in the manner provided by K.S.A. 12-1752.

Adopted this **25th day of November 2014**.

\_\_\_\_\_  
Carl Brewer, Mayor

(SEAL)

ATTEST: \_\_\_\_\_  
Karen Sublett, City Clerk

Approved as to form:

\_\_\_\_\_  
Sharon Dickgrafe, Interim City Attorney

**CONTRACTS & AGREEMENTS  
BLANKET PURCHASE ORDERS RENEWAL OPTIONS  
OCTOBER 2014**

| COMMODITY TITLE  | EXPIRATION DATE | VENDOR NAME   | DEPARTMENT                   | ORIGINAL CONTRACT DATES | RENEWAL OPTIONS REMAINING |
|--|-----------------|---|------------------------------|-------------------------|---------------------------|
| Computer Hardware  | 10/31/2015      | High Touch, Inc. d/b/a High Touch Technologies                        | IT / IS                      | 11/26/2013 - 10/31/2014 | 1 - 1 year option         |
| Computer PC Accessories and Peripherals  | 10/31/2015      | Global Government/Educations Solutions, Inc.                          | IT / IS                      | 11/1/2013 - 11/1/2014   | 1 - 1 year option         |
| Fire Alarms Systems Monitoring Service and/or Equipment                        | 10/31/2015      | Kansas Fire Equipment Co., Inc.                                       | Housing & Community Services | 11/1/2012 - 10/31/2013  | Last option               |
| Garments, Employee Embroidered   | 10/31/2015      | Industrial Uniform Company, LLC                                       | Various                      | 11/1/2004 - 10/31/2005  | Annual basis              |
| Ice Requirements   | 10/31/2015      | Arctic Glacier USA Inc.   | Various                      | 11/1/2009 - 10/31/2010  | Annual basis              |
| Liquid Deicer for Runways  | 10/31/2015      | Nachurs Alpine Solutions Corp DBA Nachurs Alpine Solutions Industrial | Airport Authority            | 11/01/2013 - 10/31/2014 | 1 - 1 year option         |
| Meters, Badger 2" - 6" & Replacement Parts                                     | 10/31/2015      | Midwest Meter, Inc.   | Public Works & Utilities     | 11/1/2012 - 10/31/2013  | Last option               |
| Metro Ethernet Wide Area Network Services                                      | 10/31/2015      | Cox Communications Kansas LLC / Cox Kansas Telcom LLC                 | IT / IS                      | 11/2/2010 - 10/31/2013  | 1 - 1 year option         |
| Polymer for Use in Wastewater Solids Dewatering Facility - Clarifloc LW-852    | 10/31/2015      | Polydyne, Inc.  | Public Works & Utilities     | 11/1/2013 - 10/31/2014  | 1 - 1 year option         |
| SCRAM Installation and Monitoring  | 10/31/2015      | Premier Monitoring Solutions LLC                                      | Municipal Court              | 11/1/2007 - 10/31/2008  | Annual basis              |
| Security Services for Central Library (On-Call)                                | 10/31/2015      | Total Security Solutions, LLC dba Signal 88 Security of Wichita       | Library                      | 10/22/2013 - 10/31/2014 | 1 - 1 year option         |
| Snow Removal for the Wichita/Sedgwick County Law Enforcement Training Facility | 10/31/2015      | Treemendous LLC DBA Treemendous Landscape                             | Police                       | 11/1/2013 - 10/31/2014  | 1 - 1 year option         |
| Software for Park & Recreation   | 10/31/2015      | Cirilian, Inc. dba Rec1   | Park & Recreation            | 11/6/2012 - 10/31/2013  | Last option               |
| Valve Boxes  | 10/31/2015      | Wichita Winwater Works Company  | Public Works & Utilities     | 11/1/2012 - 10/31/2013  | Last option               |
| Valves, Angle & Brass Low Lead   | 10/31/2015      | Wichita Winwater Works Company  | Public Works & Utilities     | 11/1/2012 - 10/31/2013  | Last option               |
| Waste - Solidification and Disposal of Non-Hazardous Liquid                    | 10/31/2015      | Reddi Industries, Inc.  | Public Works & Utilities     | 11/1/2013 - 10/31/2014  | 1 - 1 year option         |

**PROFESSIONAL CONTRACTS UNDER \$25,000  
OCTOBER 2014**

| VENDOR NAME | DOCUMENT NO | DOCUMENT TITLE | AMOUNT |  |  |
|-------------|-------------|----------------|--------|--|--|
|             |             |                |        |  |  |
|             |             |                |        |  |  |

**ANNUAL MAINTENANCE CONTRACTS OVER \$25,000  
DIRECT PURCHASE ORDERS FOR OCTOBER 2014**

| VENDOR NAME          | DOCUMENT NO | DOCUMENT TITLE               | AMOUNT       |  |  |
|----------------------|-------------|------------------------------|--------------|--|--|
| Sumtotal Systems LLC | DP440803    | Software Maintenance/Support | \$165,707.36 |  |  |
|                      |             |                              |              |  |  |
|                      |             |                              |              |  |  |

City of Wichita  
City Council Meeting  
November 25, 2014

**TO:** Mayor and City Council

**SUBJECT:** Memorandum of Understanding with Wichita Art Museum regarding Construction of Riverview Art Garden

**INITIATED BY:** Law Department

**AGENDA:** Consent

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**Recommendation:** Approve the Memorandum of Understanding with the Kansas Art Museum regarding the construction of the Riverview Art Garden.

**Background:** In 2012, the Wichita Art Museum began a capital campaign to raise funds for the construction of an art garden and amphitheatre on the museum grounds. The project, when completed, will cost approximately \$2.8 million dollars. Because the grounds and museum structure are owned by the City, a MOU was developed to clarify the relationship between the parties regarding the construction and maintenance of the garden and amphitheater.

**Analysis:** The proposed Memorandum of Understanding clarifies the construction process for the garden and amphitheater. All costs of construction and maintenance are to be borne by the museum. The MOU clarifies that the letting of contracts by the museum will not be required to comply with the City's purchasing and bonding policies.

**Financial Considerations:** All funding for construction costs of the garden and amphitheatre are being provided for by the Art Museum.

**Legal Considerations:** The Memorandum of Understanding has been drafted and approved as to form by the Law Department.

**Recommendations/Actions:** It is recommended that the City Council approve the Memorandum of Understanding.

**Attachments:** Memorandum of Understanding.

## MEMORANDUM OF UNDERSTANDING

**THIS MEMORANDUM OF UNDERSTANDING (MOU)** is entered into on this \_\_\_\_\_ day of November, 2014, between the **WICHITA ART MUSEUM, INC.**, a Kansas Not-for-Profit Corporation (WAM) and the **CITY OF WICHITA**, a Kansas Municipal Corporation (City) regarding the construction of an art garden and amphitheater at 1400 W. Museum Boulevard, Wichita, Kansas.

WHEREAS, WAM has initiated a fundraising campaign to procure funding for the design and construction of a proposed art garden and amphitheater. The cost of the proposed renovation, when completed, is approximately \$2.8 million dollars;

WHEREAS, it is the intent of the City and WAM to work together in cooperation and partnership with each other for the completion of the art garden and amphitheater.

### **AGREEMENT**

NOW, THEREFORE, for the reasons and consideration of the conditions, covenants and agreements set forth below, WAM and the City agree as follows:

1. **Relationship Between the Parties.** The parties agree that the relationship of the parties is between two separate and independent entities. There is not a joint venture, partnership, employer/employee or principle/agent relationship.
2. **Project Financing.** The parties agree that all costs associated with the construction and operation of the proposed art garden and amphitheater will be funded by WAM. The parties further agree that the City makes no additional bonding requirement, other than what may exist under K.S.A. 60-1111.
3. **Scope of Agreement.**

WAM's Responsibilities:

- a. Understanding that time is of the essence, WAM proposes and agrees to raise all necessary funding and construction costs and agrees to complete the construction of the proposed art garden and amphitheater within five years of the commencement of this Agreement. Such construction shall comply with all requirements of city, state and federal laws regarding all necessary building codes, necessary permits and zoning requirements.
- b. WAM agrees to be responsible, as part of its operating budget, for any additional costs of maintenance, utilities, upkeep, restoration or remodeling caused by or attributed to the development and construction of the amphitheater and art garden, the specifics of which shall be set forth in the Third Supplemental Agreement for Operation and Management of the Museum.
- c. WAM agrees to obtain all necessary building permits and inspections prior to beginning construction.
- d. WAM agrees to require its design consultants to maintain professional liability insurance, and its contractor to maintain, at levels reasonably approved by City, commercial general liability, auto liability, builder's risk and workers' compensation insurance coverage for all workers and/or volunteers assisting with construction efforts.
- e. WAM agrees to allow the City the right to review and verify all financial statements, bills and invoices regarding the construction of the art garden and amphitheater.

f. WAM agrees to comply with all applicable requirements of the City of Wichita Revised Non-Discrimination and Equal Employment /Affirmative Action Program Requirements Statement for Contracts or Agreements attached as Exhibit A.

City's Responsibilities:

a. The City acknowledges that because the construction of the art garden and amphitheater is not utilizing public funds, the City's procurement process will not be utilized or required to be utilized.

b. The City authorizes WAM to enter into the appropriate contractual agreements for the design and construction of the art garden and amphitheater.

4. Governing Law. The parties agree that the law of the State of Kansas shall govern this Agreement, and that any suit or cause of action by either party against the other shall be filed in the Eighteenth Judicial District Court, Sedgwick County, Kansas.

5. Indemnification. To the extent allowed by the Kansas Tort Claims Act, the parties each agree to indemnify and hold harmless the other, its governing board or body, officers, agents and employees against any and all claims, damage, liability, injury, expense, demands, causes of action, judgments including court costs and attorneys' fees, arising out of or resulting from the negligence or intentional acts of its officers, agents or employees. In the event such loss is proximately caused by the acts of the parties and their officers, agents or employees, each shall be responsible for its proportionate share of claimant's damages under the law of the State of Kansas.

6. Assignment. The parties agree that this MOU may be assigned with the prior approval of both parties hereto, but not otherwise, and that such assignment shall relieve assigning party of all responsibility and liability hereunder for future acts pursuant hereto.

7. Complete Agreement. The parties agree that this MOU constitutes the entire agreement of the parties and that no prior agreement or representations, oral or written, shall be binding or of any force or effect regarding construction of the art garden and ampitheater. Further, this MOU may not be amended, modified, altered or enlarged except in a writing signed by the duly authorized representatives of the parties hereto, their successors or assigns.

8. Agreement Binding. The parties agree that this MOU shall be binding upon the successors and legal representatives of the parties hereto.

9. Notices. All notices with respect to this MOU shall be given by first-class mail or hand-delivery to the parties as follows:

|  |   |
|--|---|
| <u>City</u>  | <u>WAM</u>  |
| Robert L. Layton<br>City Manager<br>City Hall – 13 <sup>th</sup> Floor<br>455 N. Main<br>Wichita, Kansas 67202 | Patricia McDonnell<br>Director<br>Wichita Art Museum<br>1400 W. Museum Blvd.<br>Wichita, Kansas 67203 |

10. Severability. If any term, provision, covenant or condition of this MOU is ruled invalid, void or unenforceable by a court of competent jurisdiction, this MOU will nevertheless remain in full force and effect as to all remaining terms, provisions, covenants and conditions hereof.

11. Disposition of Improvements to Structure and Use of Structure. All permanent improvements, alterations, rehabilitative changes and appliances associated with the art garden

and amphitheater shall be and remain the property of the City of Wichita upon ratification of this MOU or completion of construction.

CITY OF WICHITA

WICHITA ART MUSEUM, INC.

\_\_\_\_\_  
Carl Brewer, Mayor

\_\_\_\_\_  
Name: \_\_\_\_\_  
Chair, Board of Trustees

ATTEST:

\_\_\_\_\_  
Karen Sublett, City Clerk

Approved as to Form:

\_\_\_\_\_  
Sharon L. Dickgrafe, Interim City Attorney

**REVISED NON-DISCRIMINATION AND  
EQUAL EMPLOYMENT OPPORTUNITY/AFFIRMATIVE ACTION PROGRAM  
REQUIREMENTS STATEMENT FOR CONTRACTS OR AGREEMENTS**

During the term of this contract, the contractor or subcontractor, vendor or supplier of the City, by whatever term identified herein, shall comply with the following Non-Discrimination--Equal Employment Opportunity/Affirmative Action Program Requirements:

- A. During the performance of this contract, the contractor, subcontractor, vendor or supplier of the City, or any of its agencies, shall comply with all the provisions of the Civil Rights Act of 1964, as amended: The Equal Employment Opportunity Act of 1972; Presidential Executive Orders 11246, 11375, 11131; Part 60 of Title 41 of the Code of Federal Regulations; the Age Discrimination in Employment Act of 1967; the Americans with Disabilities Act of 1990 and laws, regulations or amendments as may be promulgated thereunder.
  
- B. Requirements of the State of Kansas:
  - 1. The contractor shall observe the provisions of the Kansas Act against Discrimination (Kansas Statutes Annotated 44-1001, et seq.) and shall not discriminate against any person in the performance of work under the present contract because of race, religion, color, sex, disability, and age except where age is a bona fide occupational qualification, national origin or ancestry;
  
  - 2. In all solicitations or advertisements for employees, the contractor shall include the phrase, "Equal Opportunity Employer", or a similar phrase to be approved by the "Kansas Human Rights Commission";
  
  - 3. If the contractor fails to comply with the manner in which the contractor reports to the "Kansas Human Rights Commission" in accordance with the provisions of K.S.A. 1976 Supp. 44-1031, as amended, the contractor shall be deemed to have breached this contract and it may be canceled, terminated or suspended in whole or in part by the contracting agency;
  
  - 4. If the contractor is found guilty of a violation of the Kansas Act against Discrimination under a decision or order of the "Kansas Human Rights Commission" which has become final, the contractor shall be deemed to have breached the present contract, and it may be canceled, terminated or suspended in whole or in part by the contracting agency;

5. The contractor shall include the provisions of Paragraphs 1 through 4 inclusive, of this Subsection B, in every subcontract or purchase so that such provisions will be binding upon such subcontractor or vendor.

C. Requirements of the City of Wichita, Kansas, relating to Non-Discrimination -- Equal Employment Opportunity/Affirmative Action Program Requirements:

1. The vendor, supplier, contractor or subcontractor shall practice Non-Discrimination -- Equal Employment Opportunity in all employment relations, including but not limited to employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The vendor, supplier, contractor or subcontractor shall submit an Equal Employment Opportunity or Affirmative Action Program, when required, to the Department of Finance of the City of Wichita, Kansas, in accordance with the guidelines established for review and evaluation;
2. The vendor, supplier, contractor or subcontractor will, in all solicitations or advertisements for employees placed by or on behalf of the vendor, supplier, contractor or subcontractor, state that all qualified applicants will receive consideration for employment without regard to race, religion, color, sex, "disability, and age except where age is a bona fide occupational qualification", national origin or ancestry. In all solicitations or advertisements for employees the vendor, supplier, contractor or subcontractor shall include the phrase, "Equal Opportunity Employer", or a similar phrase;
3. The vendor, supplier, contractor or subcontractor will furnish all information and reports required by the Department of Finance of said City for the purpose of investigation to ascertain compliance with Non-Discrimination -- Equal Employment Opportunity Requirements. If the vendor, supplier, contractor, or subcontractor fails to comply with the manner in which he/she or it reports to the City in accordance with the provisions hereof, the vendor, supplier, contractor or subcontractor shall be deemed to have breached the present contract, purchase order or agreement and it may be canceled, terminated or suspended in whole or in part by the City or its agency; and further Civil Rights complaints, or investigations may be referred to the State;
4. The vendor, supplier, contractor or subcontractor shall include the provisions of Subsections 1 through 3 inclusive, of this present section in every subcontract, subpurchase order or subagreement so that such provisions will be binding upon each subcontractor, subvendor or subsupplier.
5. If the contractor fails to comply with the manner in which the contractor reports to the Department of Finance as stated above, the contractor shall be deemed to have breached this contract and it may be canceled, terminated or suspended in whole

or in part by the contracting agency;

D. Exempted from these requirements are:

1. Those contractors, subcontractors, vendors or suppliers who have less than four (4) employees, whose contracts, purchase orders or agreements cumulatively total less than five thousand dollars (\$5,000) during the fiscal year of said City are exempt from any further Equal Employment Opportunity or Affirmative Action Program submittal.
2. Those vendors, suppliers, contractors or subcontractors who have already complied with the provisions set forth in this section by reason of holding a contract with the Federal government or contract involving Federal funds; provided that such contractor, subcontractor, vendor or supplier provides written notification of a compliance review and determination of an acceptable compliance posture within a preceding forty-five (45) day period from the Federal agency involved.

City of Wichita  
City Council Meeting  
November 25, 2014

**TO:** Mayor and City Council

**SUBJECT:** Water and Sewer Utility Revenue Bonds, Series 2014B

**INITIATED BY:** Department of Finance

**AGENDA:** Consent

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**Recommendation:** Adopt the resolution.

**Background:** As capital projects of the Water and Sewer Utilities (“Utilities”) have been initiated, the City Council has adopted resolutions authorizing the improvements and the issuance of revenue bonds. Additionally, notices of the City’s intent to carry out the improvements and issue revenue bonds have been published in the City’s official newspaper.

**Analysis:** In anticipation of the issuance of revenue bonds, the Utilities have been drawing down cash reserves to fund the costs of authorized improvement projects. The Utilities wish to proceed with the issuance and sale of Water and Sewer Utility Revenue Bonds, Series 2014B in the approximate principal amount of \$13,340,000 to permanently finance and reimburse a portion of project costs incurred to date, and to provide funding of bond reserve requirements as well as financing costs.

The public sale of the bonds is scheduled for 10:00 a.m. C.T. on December 9, 2014 at which time the bids will be received and the City Council will award the sale of bonds, subject to approval of the final sizing terms of the bonds by the City Manager or his designee, to the bidder whose proposed interest rates result in the lowest overall cost to the City.

**Financial Considerations:** The proceeds from the Water and Sewer Utility Revenue Bonds, Series 2014B will be used to reimburse and pay project expenses, provide funding of the required bond reserve, and other financing costs. The debt service payments associated with the bonds will be funded entirely from net revenues derived from operations of the Utilities. The Series 2014B bonds are being financed over 20 years, with principal maturities structured to produce level annual payments of principal and interest. The bonds maturing October 1, 2025, and thereafter, may be called for redemption and payment prior to their respective maturities on and after October 1, 2024, at par.

The City of Wichita awards the sale of bonds to the bidder with the lowest true interest cost, or “TIC”. The TIC is the rate that will discount all future cash payments so that the sum of the present value will equal the bond proceeds. Further, using the TIC calculation can potentially result in the City saving money because the TIC does not ignore the timing of interest payments.

**Legal Considerations:** The Resolution (as prepared by the City’s Bond Counsel) authorizing the sale of the bonds and directing the publication and distribution of the Official Notice of Sale has been reviewed and approved as to form by the Law Department.

**Recommendations/Actions:** It is recommended that the City Council adopt the resolution: 1) authorizing the sale of Water and Sewer Utility Revenue Bonds; 2) approving the distribution to prospective bidders of the Preliminary Official Statement, subject to such minor revisions as may be determined necessary by the Director of Finance and Bond Counsel; 3) finding that such Preliminary Official Statement is in a form “deemed final” as of its date, except for the omission of such information as is permitted by Rule 15c2-12(b)(1) of the Securities Exchange Commission; 4) authorizing distribution of the Notice of Sale; and 5) authorizing City staff, in consultation with Bond Counsel to take such further action reasonably required to implement this resolution.

**Attachments:** Sale Resolution  
Official Notice of Sale

**RESOLUTION NO. 14-332**

**RESOLUTION AUTHORIZING THE OFFERING FOR SALE OF WATER AND SEWER UTILITY REVENUE BONDS OF THE CITY OF WICHITA, KANSAS.**

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**WHEREAS**, the City of Wichita, Kansas (the “City”) owns and operates the combined Water and Sewer Utility System (the “Utility”); and

**WHEREAS**, the City Council (the “Governing Body”) of the City is authorized under the provisions of K.S.A. 10-1201 *et seq.*, as amended by Charter Ordinance No. 211 (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 from the operation of the Utility; and

**WHEREAS**, the Governing Body has heretofore, pursuant to the Act, taken action to authorize financing the costs of constructing, reconstructing, altering, repairing, improving, extending or enlarging the Utility (collectively, the “Projects”); and

**WHEREAS**, the City desires to authorize the Director of Finance and other City staff, the Law Department and Gilmore & Bell, P.C., as bond counsel (“Bond Counsel”) to proceed with the offering for sale of Utility revenue bonds and related activities to finance the Projects and related reserves and financing costs, including the preparation and distribution of a preliminary official statement and notice of bond sale.

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

**Section 1.** The Director of Finance is hereby authorized to offer at competitive public sale the Water and Sewer Utility Revenue Bonds, Series 2014B of the City (the “Series 2014B Bonds”) as more fully described in the Notice of Bond Sale, which is hereby approved in substantially the form presented to the Governing Body this date.

**Section 2.** The Preliminary Official Statement relating to the Series 2014B Bonds, is hereby approved in substantially the form presented to the Governing Body this date, with such changes or additions as the Mayor or Director of Finance shall deem necessary and appropriate, and such officials and other representatives of the City are hereby authorized to use such document in connection with the public sale of the Series 2014B Bonds.

**Section 3.** The Director of Finance, in conjunction with Bond Counsel, is hereby authorized and directed to give notice of said sale by distributing copies of the Notice of Bond Sale and Preliminary Official Statement to prospective purchasers of the Series 2014B Bonds. Proposals for the purchase of the Series 2014B Bonds shall be submitted upon the terms and conditions set forth in said Notice of Bond Sale, and shall be delivered to the Governing Body at its meeting to be held on the date of such sale, at which meeting the Governing Body shall review such bids and shall award the sale of the Series 2014B Bonds or reject certain or all proposals.

**Section 4.** For the purpose of enabling the purchasers of the Series 2014B Bonds (collectively, the “Purchaser”) to comply with the requirements of Rule 15c2-12 of the Securities Exchange Commission (the “Rule”), the Mayor and Director of Finance or appropriate officers of the City are hereby authorized to: (a) execute the “Certificate Deeming Preliminary Official Statement Final” in substantially the form attached hereto as *Exhibit A* as approval of the Preliminary Official Statement, such officials’ signature thereon being conclusive evidence of such officials’ and the City’s approval thereof; (b) covenant to provide continuous secondary market disclosure by annually transmitting certain financial information and operating data and other information necessary to comply with the Rule to certain national repositories and the Municipal Securities Rulemaking Board, as applicable; and (c) take such other actions or execute such other documents as such officers in their reasonable judgment deem necessary; to enable the Purchaser to comply with the requirement of the Rule. The City agrees to provide to the Purchaser within seven business days of the date of the sale of Series 2014B Bonds or within sufficient time to accompany any confirmation that requests payment from any customer of the Purchaser, whichever is earlier, sufficient copies of the final Official Statement to enable the Purchaser to comply with the requirements of the Rule and with the requirements of Rule G-32 of the Municipal Securities Rulemaking Board.

**Section 5.** The Mayor, Director of Finance, Clerk, the City Attorney and the other officers and representatives of the City and Bond Counsel are hereby authorized and directed to take such other action as may be necessary to carry out the sale of the Series 2014B Bonds, including selecting certain other qualified professional firms necessary to complete the issuance of the Series 2014B Bonds.

**Section 6.** This Resolution shall be in full force and effect from and after its adoption.

[BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK]

**ADOPTED** by the City Council of the City of Wichita, Kansas, on November 25, 2014.

(SEAL)

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Carl Brewer, Mayor

ATTEST:

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Karen Sublett, City Clerk

APPROVED AS TO FORM:

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Sharon L. Dickgrafe, Interim Director of  
Law and City Attorney

**CITY OF WICHITA, KANSAS**

**OFFICIAL NOTICE OF BOND SALE**

**\$13,340,000\***

**WATER AND SEWER UTILITY REVENUE BONDS  
SERIES 2014B**

**Bids.** Electronic bids for the purchase of the above-referenced bonds (the “Series 2014B Bonds”) of the City of Wichita, Kansas (the “City”) herein described will be received by the Director of Finance of the City via *PARITY*<sup>®</sup> until 10:00 a.m., Central Standard Time (the “Submittal Hour”), on

**TUESDAY, DECEMBER 9, 2014**

(the “Sale Date”). All bids will be publicly evaluated at said time and place and the award of the Series 2014B Bonds to the successful bidder (the “Successful Bidder”) will be acted upon by the City Council (the “Governing Body”) of the City as soon thereafter as may be practical at its meeting to be held on the Sale Date in the Council Chamber at City Hall. No oral, auction, facsimile or other written bids will be considered and no bid for less than the entire principal amount of the Series 2014B Bonds will be considered. Other capitalized terms not otherwise defined in this Notice of Bond Sale (the “Notice”) shall have the meanings set forth in the hereinafter referenced Preliminary Official Statement relating to the Series 2014B Bonds.

**Terms of the Series 2014B Bonds**

**General.** The Series 2014B Bonds will consist of fully registered bonds in the denomination of \$5,000 or any integral multiple thereof (the “Authorized Denomination”). The Series 2014B Bonds will be dated December 1, 2014 (the “Dated Date”) and will become due as hereinafter set forth. The Series 2014B Bonds will bear interest from the Dated Date at rates to be determined when the Series 2014B Bonds are sold as hereinafter provided, payable semiannually on April 1 and October 1, beginning on April 1, 2015 (collectively, the “Interest Payment Dates”). The Series 2014B Bonds will become due in principal installments as follows:

| <u>Payment Date</u><br><u>(October 1)</u> | <u>Principal</u><br><u>Amount*</u> | <u>Payment Date</u><br><u>(October 1)</u> | <u>Principal</u><br><u>Amount*</u> |
|---|------------------------------------|---|------------------------------------|
| 2015                                      | \$580,000                          | 2025                                      | \$655,000                          |
| 2016                                      | 530,000                            | 2026                                      | 670,000                            |
| 2017                                      | 540,000                            | 2027                                      | 690,000                            |
| 2018                                      | 555,000                            | 2028                                      | 710,000                            |
| 2019                                      | 565,000                            | 2029                                      | 735,000                            |
| 2020                                      | 575,000                            | 2030                                      | 765,000                            |
| 2021                                      | 590,000                            | 2031                                      | 790,000                            |
| 2022                                      | 605,000                            | 2032                                      | 815,000                            |
| 2023                                      | 615,000                            | 2033                                      | 845,000                            |
| 2024                                      | 635,000                            | 2034                                      | 875,000                            |

**\*Principal Amount Subject to Change.** The City reserves the right to increase or decrease the total principal amount of the Series 2014B Bonds and the principal amount of any maturity, depending on the purchase price bid by the Successful Bidder and amounts necessary to finance the improvements to be

financed thereby, subject to minimum Authorized Denominations. If there is an increase or decrease in the final aggregate principal amount of the Series 2014B Bonds or the principal amount of any maturity as described above, the City will notify the Successful Bidder by means of telephone or facsimile transmission, subsequently confirmed in writing, no later than 2:00 p.m., Central Standard Time, on the Sale Date. Adjustments, if required, will be made proportionately to each principal maturity as permitted by the Authorized Denominations. The actual purchase price for the Series 2014B Bonds shall be calculated by applying the percentage of par value bid by the Successful Bidder against the final aggregate principal amount of the Series 2014B Bonds, as adjusted. At the request of the City, the Successful Bidder agrees to execute a revised bid form or repayment schedule reflecting the adjusted principal amounts and purchase price. The Successful Bidder may not withdraw its bid or change the interest rates bid as a result of any changes made to the principal amount of the Series 2014B Bonds or the schedule of principal payments as described herein.

### **Place of Payment and Registration**

***Payment.*** The principal of and interest on the Series 2014B Bonds will be payable in lawful money of the United States of America by check or draft of the Treasurer of the State of Kansas, Topeka, Kansas (the “Paying Agent” and “Bond Registrar”). The principal of each Series 2014B Bond will be payable at maturity or earlier redemption to the owners thereof whose names are on the registration books (the “Register”) of the Bond Registrar (the “Registered Owner”) upon presentation and surrender at the principal office of the Paying Agent. Interest on each Series 2014B Bond will be payable to the Registered Owner of such Series 2014B Bond as of the fifteenth day (whether or not a business day) of the calendar month next preceding each Interest Payment Date (the “Record Date”): (a) mailed by the Paying Agent to the address of such Registered Owner as shown on the 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 Cede & Co., by wire transfer to such Registered Owner upon written notice given to the Paying Agent by such Registered Owner, not less than 15 days prior to the Record Date for such interest, containing the wire transfer address to which such Registered Owner wishes to have such wire directed.

***Registration.*** The Series 2014B Bonds will be registered pursuant to a plan of registration approved by the City and the Attorney General of the State of Kansas. The City will pay for the fees of the Bond Registrar for registration and transfer of the Series 2014B Bonds and will also pay for printing a reasonable supply of registered blanks. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Bond Registrar, will be the responsibility of the Registered Owners.

### **Book-Entry-Only System**

The Series 2014B Bonds shall be initially registered in the name of Cede & Co., as the nominee of DTC and no beneficial owner will receive certificates representing their interests in the Series 2014B Bonds. During the term of the Series 2014B Bonds, so long as the book-entry-only system is continued, the City will make payments of principal of, premium, if any, and interest on the Series 2014B Bonds to DTC or its nominee as the Registered Owner of the Series 2014B Bonds, DTC will make book-entry-only transfers among its participants and receive and transmit payment of principal of, premium, if any, and interest on the Series 2014B Bonds to its participants who shall be responsible for transmitting payments to beneficial owners of the Series 2014B Bonds in accordance with agreements between such participants and the beneficial owners. The City will not be responsible for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. In the event that: (a) DTC determines not to continue to act as securities depository for the Series 2014B Bonds, or (b) the City determines that continuation of the book-entry-only form of evidence and transfer of ownership of the Series 2014B Bonds would adversely affect the interests of the beneficial owners of the Series 2014B Bonds, the City will discontinue the book-entry-only form of registration with DTC. If the City fails to

identify another qualified securities depository to replace DTC, the City will cause to be authenticated and delivered to the beneficial owners replacement Series 2014B Bonds in the form of fully registered certificates. Reference is made to the Preliminary Official Statement for further information regarding the book-entry-only system of registration of the Series 2014B Bonds and DTC.

### **Redemption Provisions**

**General.** Whenever the City is to select Series 2014B Bonds for the purpose of redemption, it will, in the case of Series 2014B Bonds in denominations greater than the minimum Authorized Denomination, if less than all of the Series 2014B Bonds then outstanding are to be called for redemption, treat each minimum Authorized Denomination of face value of each such fully registered Series 2014B Bond as though it were a separate Series 2014B Bond in the minimum Authorized Denomination.

**Optional Redemption.** At the option of the City, the Series 2014B Bonds maturing in the years 2025 and thereafter will be subject to redemption and payment prior to maturity on October 1, 2024, and thereafter, as a whole or in part (selection of the amount of Series 2014B Bonds to be redeemed to be determined by the City in such equitable manner as it may determine) at any time, at a redemption price of 100% (expressed as percentage of the principal amount), plus accrued interest thereon to the date of redemption.

**Mandatory Redemption.** A bidder may elect to have all or a portion of the Series 2014B Bonds scheduled to mature in consecutive years issued as term bonds (the “Term Bonds”) and subject to mandatory redemption requirements consistent with the schedule of serial maturities set forth above, subject to the following conditions: (a) not less than all Series 2014B Bonds of the same serial maturity shall be converted to Term Bonds with mandatory redemption requirements; (b) callable and noncallable serial maturities of the Series 2014B Bonds may not be combined in the same Term Bond maturity; and (c) a bidder shall make such an election by completing the applicable information on PARITY®.

**Notice and Effect of Call for Redemption.** Unless waived by any owner of Series 2014B Bonds to be redeemed, if the City shall call any Series 2014B Bonds for redemption and payment prior to the maturity thereof, the City shall give written notice of its intention to call and pay said Series 2014B Bonds to the Bond Registrar and the Successful Bidder. In addition, the City shall cause the Bond Registrar to give written notice of redemption to the registered owners of said Series 2014B Bonds. Each of said written notices shall be deposited in United States first class mail not less than 30 days prior to the date fixed for redemption. All notices of redemption shall state the date of redemption, the redemption price, the Series 2014B Bonds to be redeemed, the place of surrender of Series 2014B Bonds so called for redemption and a statement of the effect of the redemption. The City shall also give such additional notice as may be required by Kansas law or regulation of the Securities and Exchange Commission in effect as of the date of such notice. If any Series 2014B Bond be called for redemption and payment as aforesaid, all interest on such Series 2014B Bond shall cease from and after the date for which such call is made, provided funds are available for its payment at the price hereinbefore specified.

### **Authority, Purpose and Security**

**General.** The Series 2014B Bonds are being issued pursuant to the Constitution and statutes of the State of Kansas, including K.S.A. 10-1201 *et seq.*, as amended by Charter Ordinance No. 211 of the City to finance the costs of constructing, reconstructing, altering, repairing, improving, extending or enlarging the City’s Water and Sewer Utility (the “Utility”).

**Security.** The Series 2014B Bonds and the interest thereon will 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 of the Utility (the “Net Revenues”) as prescribed by the Act on a parity with the Parity

Bonds. The taxing power of the City is not pledged to the payment of the Series 2014B Bonds either as to principal or interest. The 2014B 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. Reference is made to the provisions of the Preliminary Official Statement for a more detailed discussion relating to security for the Series 2014B Bonds.

### **Submission of Bids**

All bids shall be submitted electronically via PARITY<sup>®</sup> and must be submitted in accordance with its Rules of Participation, as well as the provisions of this Notice. If provisions of this Notice conflict with those of PARITY<sup>®</sup>, this Notice shall control. Bids must be received prior to the Submittal Hour on the Sale Date accompanied by the Deposit (as hereinafter defined), which shall be submitted separately. The City shall not be responsible for any failure, misdirection or error in the means of transmission selected by any bidder. Information about the electronic bidding services of PARITY<sup>®</sup> may be obtained from Ipreo at 1359 Broadway, 2nd Floor, New York, New York 10018, Phone No. (212) 849-5023.

### **Conditions of Bids**

Proposals will be received on the Series 2014B Bonds bearing such rate or rates of interest as may be specified by the bidders, subject to the following conditions: (a) the same rate shall apply to all Series 2014B Bonds of the same maturity year; (b) no interest rate may exceed a rate equal to the daily yield for the 10-year Treasury Bond published by *THE BOND BUYER*, in New York, New York, on the Monday next preceding the day on which the Series 2014B Bonds are sold, plus 6%; and (c) no supplemental interest payments will be considered. No bid for less than **100%** of the principal amount of the Series 2014B Bonds and accrued interest thereon to the date of delivery will be considered. ***The initial price to the public for each maturity must be 98.0% or greater.*** Each bid shall specify: (a) the total interest cost (expressed in dollars) during the term of the Series 2014B Bonds on the basis of such bid; (b) the purchase price offered by the bidder; (c) the net interest cost (expressed in dollars) on the basis of such bid; and (d) an estimate of the TIC (as hereinafter defined) on the basis of such bid. Each bidder shall certify to the City the correctness of the information contained on the bid form; the City will be entitled to rely on such certifications. Each bidder agrees that, if it is awarded the Series 2014B Bonds, it will provide the certification as to initial offering prices described under the caption “Certification as to Offering Price” in this Notice.

### **Good Faith Deposit**

**General.** Each bid shall be accompanied by a good faith deposit (the Deposit”) in an amount equal to 2% of the principal amount of the Series 2014B Bonds as stated on the initial page of this Notice (\$266,800), payable to the order of the City to secure the City from any loss resulting from the failure of the Successful Bidder to comply with the terms of its bid. Each Deposit, ***which must be received by the City prior to 9:30 a.m. Central Standard Time on the Sale Date,*** must be in the form of: (a) a certified or cashier's check drawn on a bank located in the United States of America, payable to the order of the City; or (b) a wire of Federal Reserve funds (as described below), immediately available for use by the City. If a bid is accepted, the Deposit, or the proceeds thereof, will be held by the City until the Successful Bidder has complied with all of the terms and conditions of this Notice at which time the amount of said Deposit shall be returned to the Successful Bidder or deducted from the purchase price, at the option of the City. If a bid is accepted, but the City fails to deliver the Series 2014B Bonds to the Successful Bidder in accordance with the terms and conditions of this Notice, said Deposit, or the proceeds thereof, will be returned to the Successful Bidder. If a bid is accepted but the Successful Bidder defaults in the performance of any of the terms and conditions of this Notice, the proceeds of such Deposit will be retained by the City as and for liquidated damages. No interest on any Deposit shall be paid by the City.

***Deposit Submission Details.***

(a) *Certified or Cashier's Check.* Certified or cashier's checks must be delivered to the Debt Coordinator at the address set forth on the last page of this Notice.

(b) *Wire Transfer.* Any wire transfer shall be submitted to a financial institution designated by the City, and wire transfer instructions may be obtained from the Debt Coordinator at the address set forth on the last page of this Notice. ***Each wire transfer Deposit must reference "City of Wichita, Kansas, Good Faith Deposit, Series 2014B."*** Contemporaneously with the submission of a wire transfer Deposit, such bidder shall send an email to the Director of Finance or Debt Coordinator at the email address set forth on the last page of this Notice, including the following information: (i) notification that a wire transfer has been made; (ii) the amount of the wire transfer; (iii) the wire transfer federal reference number; (iv) the name of the bidder for which the wire transfer is to be credited as a Deposit, (v) if the name of the bidder as shown on *PARITY* does not match the name shown as the beneficiary on the wire instructions, the email will also state that the bidder is identified by the beneficiary's name on the wire instructions; and (vi) return wire transfer instructions in the event such bid is unsuccessful.

***Deposit Return Details.*** Good Faith checks submitted by unsuccessful bidders will be returned promptly via United States first class mail; wire transfer Deposits submitted by unsuccessful bidders will not be accepted or shall be returned in the same manner received not later than the next business day following the Sale Date, and the City reserves the right to withhold reasonable charges for any fees or expenses incurred in returning a wire transfer Deposit.

**Basis of Award**

***General.*** The City reserves the right to reject any and/or all bids and to waive any irregularities in a submitted bid. Any disputes arising hereunder shall be governed by the laws of the State of Kansas, and any party submitting a bid agrees to be subject to jurisdiction and venue of the federal and state courts within Kansas with regard to such dispute. Any bid received after the Submittal Hour on the Sale Date will be rejected or returned to the bidder.

***Award.*** The award of the Series 2014B Bonds will be made on the basis of the lowest true interest cost ("TIC"), which will be determined as follows: the TIC is the discount rate (expressed as a per annum percentage rate) which, when used in computing the present value of all payments of principal and interest to be paid on the Series 2014B Bonds, from the payment dates to the Dated Date, produces an amount equal to the price bid, including any adjustments for premium or discount, if any. Present value will be computed on the basis of semiannual compounding and a 360-day year of twelve 30-day months. Bidders are requested to provide a calculation of the TIC for the Series 2014B Bonds on the bid form, computed as specified herein on the basis of their respective bids, which shall be considered as informative only and not binding on either the City or the bidder. The City will verify the TIC based on such bids. If there is any discrepancy between the TIC specified and the bid price and interest rates specified, the specified bid price and interest rates shall govern and the TIC specified in the bid shall be adjusted accordingly. If two or more proper bids providing for identical amounts for the lowest TIC are received, the Governing Body will determine which bid, if any, will be accepted, and its determination is final.

## **Ratings**

The City's outstanding Utility revenue bonds are rated "AA-" by Standard & Poor's, a division of McGraw Hill Financial Inc ("S&P"). The City has applied to S&P for a rating on the Series 2014B Bonds. Additional information regarding such application and ratings are further described in the Preliminary Official Statement, as hereinafter described. Any explanations of the significance of such ratings (as well as any positive or negative outlooks thereon or potential changes to any rating in the near future) should be obtained from S&P.

## **Bond Insurance**

The City has **not** applied for any policy of municipal bond insurance with respect to the Series 2014B Bonds, and will not pay the premium in connection with any policy of municipal bond insurance desired by any Successful Bidder. In the event a bidder desires to purchase and pay all costs associated with the issuance of a policy of municipal bond insurance in connection with the Series 2014B Bonds, such indication and the name of the desired insurer must be set forth on the bidder's bid form and the bid must be accompanied by a commitment from the selected insurer and shall specify all terms and conditions to which the City will be required to agree in connection with the issuance of such insurance policy. The City specifically reserves the right to reject any bid specifying municipal bond insurance, even though such bid may result in the lowest net interest cost to the City.

## **CUSIP Numbers**

The CUSIP Service Bureau will be requested to assign CUSIP identification numbers to the Series 2014B Bonds, and such numbers shall be printed on the Series 2014B Bonds; however, neither the failure to assign any such number to or print any such number on any Series 2014B Bond, nor any error with respect thereto, shall constitute cause for the failure or refusal by the Successful Bidder to accept delivery of and to make payment for the Series 2014B Bonds in accordance with the terms of this Notice and of its bid. All expenses in relation to the printing of the CUSIP numbers and the expenses of the CUSIP Service Bureau for the assignment thereof shall be the responsibility of and shall be paid for by the City.

## **Delivery and Payment**

The City will pay for printing the Series 2014B Bonds and will deliver the Series 2014B Bonds properly prepared, executed and registered without cost on or about **DECEMBER 23, 2014** (the "Closing Date"), at DTC for the account of the Successful Bidder. Each Successful Bidder will be furnished with a certified transcript of the proceedings in CD-ROM format evidencing the authorization and issuance of the Series 2014B Bonds and the usual closing documents, including a certificate that there is no litigation pending or threatened at the time of delivery of the Series 2014B Bonds affecting their validity and a certificate regarding the completeness and accuracy of the Official Statement. Payment for the Series 2014B Bonds shall be received by 12:00 noon, Central Standard Time, on the Closing Date, in Federal Reserve funds immediately available for use by the City. The City will deliver a single Series 2014B Bond for each maturity of Series 2014B Bonds registered in the nominee name of DTC.

## **Reoffering Prices**

The Successful Bidder will be required to complete, execute and deliver to the City prior to the delivery of the Series 2014B Bonds, a written certification (the "Issue Price Certificate") containing the following: (a) the initial offering price and interest rate for each maturity of the Series 2014B Bonds; (b) that all of the Series 2014B Bonds were offered to the public in a bona fide public offering at the initial offering prices on the Sale Date; and (c) on the Sale Date the Successful Bidder reasonably expected that

at least 10% of each maturity of the Series 2014B Bonds would be sold to the “public” at prices not higher than the initial offering prices. For purposes of the preceding sentence “public” means persons other than bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers. However, such Issue Price Certificate may indicate that the Successful Bidder has purchased the Series 2014B Bonds for its own account in a capacity other than as an underwriter or wholesaler, and currently has no intent to reoffer the Series 2014B Bonds for sale the public. ***Such initial offering prices to the public must also be included in the Official Bid Form submitted for the Series 2014B Bonds.***

At the request of the City, the Successful Bidder will provide information explaining the factual basis for the Successful Bidder’s Issue Price Certificate. This agreement by the Successful Bidder to provide such information will continue to apply after the Closing Time if: (a) the City requests the information in connection with an audit or inquiry by the Internal Revenue Service (the “IRS”) or the Securities and Exchange Commission (the “SEC”); or (b) the information is required to be retained by the City pursuant to future regulation or similar guidance from the IRS, the SEC or other federal or state regulatory authority.

### **Preliminary Official Statement and Official Statement**

On November 25, 2014, the Governing Body authorized and directed the preparation of a Preliminary Official Statement “deemed final” by the City except for the omission of certain information as provided in Securities and Exchange Commission Rule 15c2-12, copies of which may be obtained by contacting the Department of Finance at the address set forth on the last page of this Notice or by visiting [www.onlinemuni.com](http://www.onlinemuni.com). Authorization is hereby given to redistribute this Notice and the Preliminary Official Statement, but this entire Notice and the entire Preliminary Official Statement, and not portions thereof, must be redistributed. Upon the sale of the Series 2014B Bonds, the City will prepare the final Official Statement and will furnish the Successful Bidder, without cost, within seven business days of the acceptance of the Successful Bidder's proposal, with a sufficient number of copies thereof, which may be in electronic format, in order to comply with the requirements of Rule 15c2-12(3) and (4) of the Securities and Exchange Commission and Rule G-32 of the Municipal Securities Rulemaking Board (collectively the “Rules”). The City's acceptance, including electronic acceptance through PARITY<sup>®</sup>, of the Successful Bidder's proposal for the purchase of the Series 2014B Bonds in accordance with this Notice shall constitute a contract between the City and the Successful Bidder for purposes of the Rules. The City designates the senior managing underwriter of any syndicate of the Successful Bidder as agent for purposes of distributing copies of the final Official Statement to each participating underwriter. Any bidder submitting a bid for the purchase of the Series 2014B Bonds agrees thereby that if such bid is accepted: (a) it shall accept such designation, and (b) it shall enter into a contractual relationship with all participating underwriters of the Series 2014B Bonds for purposes of assuring the receipt by each such participating underwriter of the final Official Statement. Additional copies may be ordered by the Successful Bidder at its expense.

### **Continuing Disclosure**

The Securities and Exchange Commission (the “SEC”) has promulgated amendments to its Rule 15c2-12 (the “Rule”) requiring continuous secondary market disclosure for certain issues. In the resolutions authorizing the Series 2014B Bonds, the City has covenanted to enter into an undertaking (the “Undertaking”) for the benefit of the holders of the Series 2014B Bonds to send to the Municipal Securities Rulemaking Board (the “MSRB”) through the Electronic Municipal Market Access facility, or other applicable entity as required or permitted under the Rule, certain financial information and operating data annually and to provide notice to the MSRB of certain events, pursuant to the requirements of the Rule. For further information regarding the Undertaking, reference is made to the caption “CONTINUING DISCLOSURE” in the Preliminary Official Statement.



## PRELIMINARY OFFICIAL STATEMENT

### NEW ISSUES – BOOK-ENTRY ONLY

**RATINGS: See “Ratings” herein**

*In the opinion of Gilmore & Bell, P.C., Bond Counsel, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the “Code”): (1) the interest on Series 2014B Bonds [(including any original issue discount properly allocable to an owner thereof)] is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; (2) the interest on the Series 2014B Bonds is exempt from income taxation by the State of Kansas; and (3) the Series 2014B Bonds have **not** been designated as “qualified tax-exempt obligations” within the meaning of Code § 265(b)(3). See “TAX MATTERS – Opinion of Bond Counsel” in this Official Statement.*

### CITY OF WICHITA, KANSAS \$13,340,000\* WATER AND SEWER UTILITY REVENUE BONDS SERIES 2014B

\*subject to change

**Dated: December 1, 2014**

**Due: as shown on the inside cover**

The above-referenced bonds (the “Series 2014B Bonds”) will be issued by the City of Wichita, Kansas (the “City” or Issuer”), as fully registered bonds, without coupons, and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the Series 2014B Bonds. Purchases of the Series 2014B Bonds will be made in book-entry form, in the denominations of \$5,000 or any integral multiple thereof (the “Authorized Denomination”). Purchasers will not receive certificates representing their interests in Series 2014B Bonds purchased. So long as Cede & Co. is the registered owner of the Series 2014B Bonds, as nominee of DTC, references herein to the Series 2014B Bond owners or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as herein defined) of the Series 2014B Bonds. Principal will be payable at maturity or earlier redemption upon presentation and surrender of the Series 2014B Bonds by the registered owners thereof at the office of the Treasurer of the State of Kansas, Topeka, Kansas, as paying agent and registrar (the “Paying Agent” and “Registrar”). Interest on each Series 2014B Bond will be payable on April 1 and October 1, commencing April 1, 2015 (the “Interest Payment Dates”) to the persons who are the registered owners of the Series 2014B Bonds as of the close of business on the fifteenth day (whether or not a business day) of the calendar month next preceding such Interest Payment Date by check or draft of the Paying Agent mailed to such registered owner or, in the case of an interest payment to a registered owner of \$500,000 or more in aggregate principal amount of Series 2014B Bonds, by electronic transfer. So long as DTC or its nominee, Cede & Co., is the Owner of the Series 2014B Bonds, such payments will be made directly to DTC. DTC is expected, in turn, to remit such principal and interest to the DTC Participants (herein defined) for subsequent disbursement to the Beneficial Owners.

The schedule of maturity and interest payment dates, interest rates, yields, redemption provisions and security for the Series 2014B Bonds are set forth herein.

The Series 2014B Bonds are 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 (as defined herein) derived from the operation of the City’s Water and Sewer Utility (the “Utility”) on a parity of lien with the Parity Indebtedness (as defined herein). THE SERIES 2014B SHALL NOT BE OR CONSTITUTE A GENERAL OBLIGATION OF THE CITY NOR SHALL THEY CONSTITUTE AN INDEBTEDNESS OF THE ISSUER 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 2014B BONDS, EITHER AS TO PRINCIPAL OR INTEREST. See “THE SERIES 2014B BONDS – Security for the Series 2014B Bonds” herein.

The Series 2014B Bonds are offered when, as and if issued by the Issuer, subject to the approval of legality by Gilmore & Bell, P.C., Wichita, Kansas, Bond Counsel. Certain other legal matters will be passed on for the City by Sharon L. Dickgrafe, Esq., Interim Director of Law and City Attorney. It is expected that the Series 2014B Bonds will be available for delivery through the facilities of DTC in New York, New York on or about December 23, 2014.

**BIDS FOR THE SERIES 2014B BONDS WILL BE RECEIVED ON  
TUESDAY, DECEMBER 9, 2014, UNTIL 10:00 A.M., CENTRAL STANDARD TIME VIA PARITY®**

*THE COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. THE COVER PAGE IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING ALL APPENDICES ATTACHED HERETO TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION. “APPENDIX C – SUMMARY OF FINANCING DOCUMENTS” CONTAINS DEFINITIONS USED IN THIS OFFICIAL STATEMENT.*

The date of this Preliminary Official Statement is November [\_\_], 2014.



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**C I T Y ■ O F  
W I C H I T A**

**MATURITY SCHEDULE**

**\$13,340,000\***

**Water and Sewer Utility Revenue Bonds  
Series 2014B**

| <u>Stated<br/>Maturity<br/>(October 1)</u> | <u>Principal<br/>Amount*</u> | <u>Annual<br/>Rate of<br/>Interest</u> | <u>Yield</u> | <u>CUSIP<sup>(1)</sup><br/>Base<br/>967338</u> | <u>Stated<br/>Maturity<br/>(October 1)</u> | <u>Principal<br/>Amount*</u> | <u>Annual<br/>Rate of<br/>Interest</u> | <u>Yield</u> | <u>CUSIP<sup>(1)</sup><br/>Base<br/>967338</u> |
|--|------------------------------|--|--------------|--|--|------------------------------|--|--------------|--|
| 2015                                       | \$580,000                    |  |              |  | 2025                                       | \$655,000                    |  |              |  |
| 2016                                       | 530,000                      |  |              |  | 2026                                       | 670,000                      |  |              |  |
| 2017                                       | 540,000                      |  |              |  | 2027                                       | 690,000                      |  |              |  |
| 2018                                       | 555,000                      |  |              |  | 2028                                       | 710,000                      |  |              |  |
| 2019                                       | 565,000                      |  |              |  | 2029                                       | 735,000                      |  |              |  |
| 2020                                       | 575,000                      |  |              |  | 2030                                       | 765,000                      |  |              |  |
| 2021                                       | 590,000                      |  |              |  | 2031                                       | 790,000                      |  |              |  |
| 2022                                       | 605,000                      |  |              |  | 2032                                       | 815,000                      |  |              |  |
| 2023                                       | 615,000                      |  |              |  | 2033                                       | 845,000                      |  |              |  |
| 2024                                       | 635,000                      |  |              |  | 2034                                       | 875,000                      |  |              |  |

\*subject to change

<sup>(1)</sup> CUSIP numbers have been assigned to this issue by Standard & Poor's CUSIP Service Bureau, a division of McGraw Hill Financial Inc., and are included solely for the convenience of the Owners of the Series 2014B Bonds. Neither the Issuer nor the Original Purchaser shall be responsible for the selection or correctness of the CUSIP numbers set forth above.

Draft

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**NO DEALER, BROKER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORIZED BY THE ISSUER TO GIVE INFORMATION OR TO MAKE ANY REPRESENTATIONS WITH RESPECT TO THE SERIES 2014B BONDS OTHER THAN THOSE CONTAINED IN THIS OFFICIAL STATEMENT AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE ISSUER.**

**IN CERTAIN INSTANCES, AS NOTED HEREIN, INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT HAS BEEN OBTAINED FROM HISTORICAL RECORDS AND SOURCES OTHER THAN THE ISSUER. ALTHOUGH THE ISSUER BELIEVES SUCH OUTSIDE SOURCES OF INFORMATION ARE RELIABLE, THE ISSUER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF INFORMATION CONTAINED HEREIN WHICH WAS OBTAINED FROM SOURCES OTHER THAN THE ISSUER.**

**THE FINANCIAL AND OTHER INFORMATION PRESENTED HEREIN IS INTENDED TO SHOW RECENT HISTORIC INFORMATION, AND IS NOT INTENDED TO INDICATE FUTURE OR CONTINUING TRENDS IN THE FINANCIAL POSITION OR OTHER AFFAIRS OF THE ISSUER. NO REPRESENTATION IS MADE THAT PAST PERFORMANCE, AS MIGHT BE SHOWN BY SUCH FINANCIAL AND OTHER INFORMATION, WILL NECESSARILY CONTINUE OR BE EXPECTED IN THE FUTURE. THE INFORMATION AND EXPRESSIONS OF OPINION IN THIS OFFICIAL STATEMENT ARE SUBJECT TO CHANGE WITHOUT NOTICE AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE MADE AFTER SUCH DELIVERY SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE ISSUER SINCE THE DATE OF THIS OFFICIAL STATEMENT.**

**THE SERIES 2014B BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THE SERIES 2014B BONDS ARE OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION. THE REGISTRATION, QUALIFICATION OR EXEMPTION OF THE SERIES 2014B BONDS IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THESE SECURITIES HAVE BEEN REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE JURISDICTIONS NOR ANY OF THEIR AGENCIES HAVE GUARANTEED OR PASSED UPON THE SAFETY OF THE SERIES 2014B BONDS AS AN INVESTMENT, UPON THE PROBABILITY OF ANY EARNINGS THEREON OR UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.**

**THIS PRELIMINARY OFFICIAL STATEMENT IS DEEMED TO BE FINAL (EXCEPT FOR PERMITTED OMISSIONS) BY THE ISSUER FOR PURPOSES OF COMPLYING WITH RULE 15c2-12 OF THE SECURITIES AND EXCHANGE COMMISSION.**

**IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.**

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C I T Y ■ O F  
W I C H I T A

**PRELIMINARY OFFICIAL STATEMENT  
OF THE  
CITY OF WICHITA, KANSAS**

**RELATING TO**

**\$13,340,000\***

**WATER AND SEWER UTILITY REVENUE BONDS  
SERIES 2014B**

\*subject to change

**INTRODUCTION**

**General Matters**

The purpose of this Official Statement is to furnish information relating to the City of Wichita, Kansas (the “Issuer” or the “City”), and the above-referenced bonds (the “Series 2014B Bonds”), which will be dated December 1, 2014 (the “Dated Date”):

The Appendices to this Official Statement are integral parts of this document, to be read in their entirety.

The Issuer is a municipal corporation duly organized and existing under the laws of the State of Kansas (the “State”). Additional information regarding the City is contained in **APPENDIX A** to this Official Statement.

The materials contained on the cover page, in the body and in the Appendices to this Official Statement are to be read in their entirety. Except for the information expressly attributed to other sources deemed to be reliable, all information has been compiled or provided by the City. The presentation of information herein, including tables of receipts from various taxes, is intended to show recent historic information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the City. No representation is made that past experience, as might be shown by such financial or other information, will necessarily continue or be repeated in the future. Bond Counsel has not assisted in the preparation nor reviewed this Official Statement, except to the extent described under the section captioned “LEGAL MATTERS,” and accordingly Bond Counsel expresses no opinion as to the accuracy or sufficiency of any other information contained herein.

**Definitions**

The Series 2014B Bonds will be authorized pursuant to an ordinance and resolution of the City Council of the City (the “Governing Body”), which are referred to respectively as the “Series 2014B Bond Resolution.” Other capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in “**APPENDIX C – SUMMARY OF FINANCING DOCUMENTS – THE BOND RESOLUTION - DEFINITIONS.**”

**Purpose**

The Series 2014B Bonds are being issued pursuant to the Constitution and statutes of the State of Kansas, as amended by Charter Ordinances of the City, to permanently finance a portion of multiple improvements, extensions, enlargements, repairs, alterations and reconstructions of the various facilities of the Utility (the “Projects”), to fund a bond reserve for the Series 2014B Bonds and to pay Costs of Issuance. See “**THE WATER UTILITY AND SEWER UTILITY PROJECTS**” herein for a more detailed description of the Projects. A description of the sources and uses of funds in connection with the Series 2014B Bonds are more fully described in the section of this Official Statement entitled “**SOURCES AND USES.**”

**Security**

The Series 2014B Bonds and the interest thereon will 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 of the Utility (the “Net Revenues”) as prescribed by the Act on a parity with the Parity Indebtedness. The taxing power of the City is not pledged to the payment of the Series 2014B Bonds either as to principal or interest. The 2014B 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. See “**THE SERIES 2014B BONDS – Security for the Series 2014B Bonds**” herein for a more detailed discussion relating to security for the Series 2014B Bonds.

## Continuing Disclosure

The Securities and Exchange Commission (the “SEC”) has promulgated amendments to Rule 15c2-12 (the “Rule”), requiring continuous secondary market disclosure. The Issuer has adopted an Omnibus Continuing Disclosure Undertaking (the “Disclosure Undertaking”) wherein the Issuer has covenanted to provide annually certain Financial Information and Operating Data of the Utility and other information necessary to comply with the Rule, and to transmit the same to the Municipal Securities Rulemaking Board (the “MSRB”). The Disclosure Undertaking modified previous undertakings the Issuer entered into pursuant to the Rule (the “Prior Undertakings”). In the Bond Resolution, hereinafter defined, the Issuer has covenanted with the Underwriter and the Beneficial Owners to apply the provisions of the Disclosure Undertaking to the Series 2014B Bonds. This covenant is for the benefit of and is enforceable by the Beneficial Owners of the Series 2014B Bonds. For the past five years the Issuer has filed its Comprehensive Annual Financial Report (the “CAFR”) within the time period prescribed by the Prior Undertaking. The CAFRs contain the audited financial statements of, and statistical information regarding, the Issuer. The Issuer’s filings for such years are set forth on the table below.

| <u>Fiscal Year</u><br><u>Ending December 31</u> | <u>Filing Time</u><br><u>Period (Days)</u> | <u>CAFR</u><br><u>Filing Date</u> |
|---|--|-----------------------------------|
| 2009  | 180  | 06/28/2010*                       |
| 2010  | 180  | 06/14/2011*                       |
| 2011  | 180  | 06/27/2012*                       |
| 2012  | 180  | 06/27/2013*                       |
| 2013  | 180  | 06/26/2014                        |

\* The CAFRs for the fiscal years 2009 through 2012, inclusive, inadvertently omitted certain information relating to the billing procedures and then-current rates of the Utility. Such information was filed on EMMA July 3, 2014. The information relating to the billing procedures and the current rates of the Utility for 2013 were included in the CAFR for fiscal year 2013 filed on June 26, 2014.

While the Issuer had the filing deficiencies referred to above, it issued Utility Indebtedness in 2009, 2010, 2011 and 2012, payable from the same source of revenue as the Series 2014B Bonds. The official statements for the Series 2009, 2010, 2011 and 2012 Bonds were filed with the MSRB, but were not incorporated by reference in the filings made by the Issuer with respect to one or more series of then outstanding Utility Indebtedness.

During the past five years, the Issuer has made filings of event notices on EMMA with respect to bond and note calls, defeasances, rating changes and updated statistical information omitted in certain CAFRs, however, during said time period, the Issuer may not have made timely filings of event notices on EMMA relating to all bond and note calls, defeasances or rating changes. The Issuer believes this information was disseminated or available through other sources. In particular, event notices were not timely filed on EMMA in connection with certain rating changes on various series of bonds resulting from changes in the ratings of the applicable bond insurers. Specific information about such rating changes was filed on EMMA on July 9, 2014 and revised on September 16, 2014. For more information regarding the Disclosure Undertaking, see “**APPENDIX C – SUMMARY OF FINANCING DOCUMENTS – THE DISCLOSURE UNDERTAKING.**”

## Certification

The Issuer has authorized the distribution of this Official Statement for use in connection with the initial sale of the Series 2014B Bonds. This Official Statement does not constitute a contract between the Issuer or the Original Purchasers and any one or more of the purchasers, Owners or Beneficial Owners of the Series 2014B Bonds. As of the date of the delivery of the Series 2014B Bonds, the Original Purchaser will be furnished with a certificate signed by an officer of the Issuer stating that, to the best of such officer’s knowledge, in the Official Statement, the Issuer has not made an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made herein, in light of the circumstances under which they were made, not misleading.

## Additional Information

Additional information regarding the Series 2014B Bonds may be obtained from the Department of Finance, 12th Floor, City Hall, 455 North Main, Wichita, Kansas 67202-1679, or by contacting:

Ms. Cheryl Busada  
Debt Coordinator  
Phone: (316) 268-4143  
Fax: (316) 219-6216  
Email: [cbusada@wichita.gov](mailto:cbusada@wichita.gov).

Additional copies of this Official Statement may be obtained at [www.onlinemunis.com](http://www.onlinemunis.com).

## THE SERIES 2014B BONDS

### Authority for the Series 2014B Bonds

The Series 2014B Bonds are being issued pursuant to and in full compliance with the Constitution and statutes of the State of Kansas including K.S.A. 10-101 to 10-125, inclusive, K.S.A. 10-620 *et seq.*, K.S.A. 10-1201 *et seq.*, as amended by Charter Ordinance No. 211 of the City (collectively the “Act”) and the Series 2014B Bond Resolution.

### Security for the Series 2014B Bonds

The Series 2014B 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 derived by the Issuer from the operation of the Utility. THE SERIES 2014B 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 2014B BONDS, EITHER AS TO PRINCIPAL OR INTEREST. The Series 2014B 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 and in all other respects with any Parity Indebtedness. Reference is made to “*APPENDIX C – SUMMARY OF FINANCING DOCUMENTS – THE BOND RESOLUTION – DEFINITIONS*” for a listing of the Parity Indebtedness currently outstanding.

The City, 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 of the Utility; (b) pay the Debt Service Requirements on Utility Indebtedness as and when the same become due at the Maturity thereof or on any Interest Payment Date; (c) enable the City to have in each Fiscal Year, Net Revenues not less than 120% of the Debt Service Requirements for such Fiscal Year on all Parity Indebtedness at the time Outstanding, 100% of the Debt Service Requirements for such Fiscal Year on any Subordinate Lien Indebtedness and Utility General Obligation Indebtedness; and (d) provide reasonable and adequate reserves for the payment of the Utility Indebtedness and the interest thereon and for the protection and benefit of the Utility as provided in the Bond Resolution.

**Bond Resolution.** Reference is made to the entire text of the Series 2014B Bond Resolution for a full and complete description of the covenants of the Issuer relating to the security for the Series 2014B Bonds. A summary of the Series 2014B Bond Resolution is contained in “*APPENDIX C – SUMMARY OF FINANCING DOCUMENTS – THE BOND RESOLUTION.*”

### Description of the Series 2014B Bonds

The Series 2014B Bonds shall consist of fully registered book-entry-only bonds in an Authorized Denomination and shall be numbered in such manner as the Bond Registrar shall determine. All of the Series 2014B Bonds shall be dated as of the Dated Date, become due in the amounts on the Stated Maturities, subject to redemption and payment prior to their Stated Maturities as hereinafter set forth, and shall bear interest at the rates per annum set forth on the inside cover page of this Official Statement (computed on the basis 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 hereinafter set forth.

### Designation of Paying Agent and Bond Registrar

The Issuer will at all times maintain a paying agent and bond registrar meeting the qualifications set forth in the Series 2014B Bond Resolution. The Issuer reserves the right to appoint a successor paying agent or bond registrar. 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 by the Issuer shall at all times meet the requirements of Kansas law.

The Treasurer of the State of Kansas, Topeka, Kansas (the “Bond Registrar” and “Paying Agent”) has been designated by the Issuer as paying agent for the payment of principal of and interest on the Series 2014B Bonds and bond registrar with respect to the registration, transfer and exchange of Series 2014B Bonds.

### **Method and Place of Payment of the Series 2014B Bonds**

The principal of, or Redemption Price, and interest on the Series 2014B 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 Series 2014B Bond shall be paid at Maturity to the Person in whose name such Series 2014B Bond is registered on the Bond Register at the Maturity thereof, upon presentation and surrender of such Series 2014B Bond at the principal office of the Paying Agent.

The interest payable on each Series 2014B Bond on any Interest Payment Date shall be paid to the Owner of such Series 2014B 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 Cede & Co. or any Owner of \$500,000 or more in aggregate principal amount of Series 2014B 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, any Defaulted Interest with respect to any Series 2014B Bond shall cease to be payable to the Owner of such Series 2014B Bond on the relevant Record Date and shall be payable to the Owner in whose name such Series 2014B 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. The Issuer shall notify the Paying Agent in writing of the amount of Defaulted Interest proposed to be paid on each Series 2014B 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 an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest. 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 notify the Issuer of such Special Record Date and 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 Series 2014B Bond entitled to such notice not less than 10 days prior to such Special Record Date.

**SO LONG AS CEDE & CO., REMAINS THE REGISTERED OWNER OF THE BONDS, THE PAYING AGENT SHALL TRANSMIT PAYMENTS TO THE SECURITIES DEPOSITORY, WHICH SHALL REMIT SUCH PAYMENTS IN ACCORDANCE WITH ITS NORMAL PROCEDURES.** See “THE BONDS – Book-Entry Bonds; Securities Depository.”

### **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.

### **Book-Entry Bonds; Securities Depository**

The Series 2014B 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 Series 2014B Bonds, except in the event the Bond Registrar issues Replacement Bonds. It is anticipated that during the term of the Series 2014B 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 Series 2014B Bonds to the Participants until and unless the Bond Registrar authenticates and delivers Replacement Bonds to the Beneficial Owners as described in the following paragraphs.

The Issuer may decide, subject to the requirements of the Operational Arrangements of DTC (or a successor Securities Depository), and the following provisions of this section to discontinue use of the system of book-entry transfers through DTC (or a successor Securities Depository):

(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 Series 2014B Bonds being issued to any Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Series 2014B Bonds; or

(b) If the Bond Registrar receives written notice from Participants having interest in not less than 50% of the Series 2014B 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 Series 2014B Bonds being issued to any Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Series 2014B 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 Series 2014B 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, 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 Series 2014B 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 Series 2014B Bond or Series 2014B Bonds for cancellation shall cause the delivery of the Series 2014B Bonds to the successor Securities Depository in appropriate denominations and form as provided in the Series 2014B Bond Resolution.

### **Registration, Transfer and Exchange of Series 2014B Bonds**

As long as any of the Series 2014B Bonds remain Outstanding, each Series 2014B Bond when issued shall be registered in the name of the Owner thereof on the Bond Register. Series 2014B Bonds may be transferred and exchanged only on the Bond Register as hereinafter provided. Upon surrender of any Series 2014B Bond at the principal office of the Bond Registrar, the Bond Registrar shall transfer or exchange such Series 2014B Bond for a new Series 2014B Bond or Series 2014B Bonds in any authorized denomination of the same Stated Maturity and in the same aggregate principal amount as the Series 2014B Bond that was presented for transfer or exchange. Series 2014B 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 Series 2014B Bonds is exercised, the Bond Registrar shall authenticate and deliver Series 2014B Bonds in accordance with the provisions of the Series 2014B Bond Resolution. The Issuer shall pay the fees and expenses of the Bond Registrar for the registration, transfer and exchange of Series 2014B Bonds. 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 Series 2014B 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.

The Issuer and the Bond Registrar shall not be required (a) to register the transfer or exchange of any Series 2014B Bond that has been called for redemption after notice of such redemption has been mailed by the Paying Agent 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 Series 2014B 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.

### **Mutilated, Lost, Stolen or Destroyed Series 2014B Bonds**

If (a) any mutilated Series 2014B Bond is surrendered to the Bond Registrar or the Bond Registrar receives evidence to its satisfaction of the destruction, loss or theft of any Series 2014B 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 Series 2014B 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 Series 2014B Bond, a new Series 2014B Bond of the same Stated Maturity and of like tenor and principal amount. If any such mutilated, destroyed, lost or stolen Series 2014B Bond has become or is about to become due and payable, the Issuer, in its discretion, may pay such Series 2014B Bond instead of issuing a new Series 2014B Bond. Upon the issuance of any new Series 2014B Bond, the Issuer 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.

### **Nonpresentation of Series 2014B Bonds**

If any Series 2014B Bond is not presented for payment when the principal thereof becomes due at Maturity, if funds sufficient to pay such Series 2014B Bond have been made available to the Paying Agent all liability of the Issuer to the Owner thereof for the payment of such Series 2014B 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 Series 2014B Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Series 2014B Bond Resolution or on, or with respect to, said Series 2014B Bond. If any Series 2014B Bond is not presented for payment within four (4) years following the date when such Series 2014B Bond becomes due at Maturity, the Paying Agent shall repay to the Issuer the funds theretofore held by it for payment of such Series 2014B Bond, and such Series 2014B 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.

### **Redemption Provisions**

**Optional Redemption.** At the option of the City, the Series 2014B Bonds maturing in the years 2025 and thereafter will be subject to redemption and payment prior to maturity on October 1, 2024, and thereafter, as a whole or in part (selection of the amount of Series 2014B Bonds to be redeemed to be determined by the City in such equitable manner as it may determine) at any time, at a redemption price of 100% (expressed as percentage of the principal amount), plus accrued interest thereon to the date of redemption.

#### **[Mandatory Redemption.]**

(a) The Series 2014B [\_\_\_\_] Term Bonds shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements hereinafter set forth at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The payments which are to be deposited into the Debt Service Account shall be sufficient to redeem, and the Issuer shall redeem on October 1 in each year, the following principal amounts of such Series 2014B [\_\_\_\_] Term Bonds:

| <u>Principal<br/>Amount</u> | <u>Year*</u> |
|-----------------------------|--------------|
| \$                          |              |

\_\_\_\_\_  
\*Final Maturity

(b) The Series 2014B [\_\_\_\_] Term Bonds shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements hereinafter set forth at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The payments which are to be deposited into the Debt Service Account shall be sufficient to redeem, and the Issuer shall redeem on October 1 in each year, the following principal amounts of such Series 2014B [\_\_\_\_] Term Bonds:

**Principal  
Amount**  
\$

**Year\***

\*Final Maturity]

***Selection of Series 2014B Bonds to be Redeemed.*** Series 2014B Bonds shall be redeemed only in an Authorized Denomination. When less than all of the Series 2014B Bonds are to be redeemed and paid prior to their Stated Maturity, such Series 2014B Bonds shall be redeemed in such manner as the Issuer shall determine, Series 2014B Bonds of less than a full Stated Maturity shall be selected by the Bond Registrar in minimum Authorized Denominations in such equitable manner as the Bond Registrar may determine. In the case of a partial redemption of Series 2014B Bonds by lot when Series 2014B Bonds of denominations greater than a minimum Authorized Denomination are then Outstanding, then for all purposes in connection with such redemption each minimum Authorized Denomination of face value shall be treated as though it were a separate Series 2014B Bond of a minimum Authorized Denomination. If it is determined that one or more, but not all, of the minimum Authorized Denomination value represented by any Series 2014B Bond is selected for redemption, then upon notice of intention to redeem such minimum Authorized Denomination, the Owner or the Owner's duly authorized agent shall forthwith present and surrender such Series 2014B Bond to the Bond Registrar: (1) for payment of the Redemption Price and interest to the Redemption Date of such minimum Authorized Denomination value called for redemption, and (2) for exchange, without charge to the Owner thereof, for a new Series 2014B Bond or Series 2014B Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such Series 2014B Bond. If the Owner of any such Series 2014B Bond fails to present such Series 2014B Bond to the Paying Agent for payment and exchange as aforesaid, such Series 2014B Bond shall, nevertheless, become due and payable on the redemption date to the extent of the minimum Authorized Denomination value called for redemption (and to that extent only).

***Notice and Effect of Call for Redemption.*** Unless waived by any Owner of Series 2014B Bonds to be redeemed, if the Issuer shall call any Series 2014B 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 Series 2014B Bonds to the Bond Registrar and the Original Purchaser. In addition, the Issuer shall cause the Bond Registrar to give written notice of redemption to the Owners of said Series 2014B 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 Series 2014B Bonds are to be redeemed, the identification (and, in the case of partial redemption of any Series 2014B Bonds, the respective principal amounts) of the Series 2014B Bonds to be redeemed; (d) a statement that on the Redemption Date the Redemption Price will become due and payable upon each such Series 2014B 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 Series 2014B 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 Series 2014B Bonds or portions of Series 2014B Bonds that are to be redeemed on such Redemption Date. Official notice of redemption having been given as aforesaid, the Series 2014B Bonds or portions of Series 2014B 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 Series 2014B Bonds or portion of Series 2014B Bonds shall cease to bear interest.

For so long as the Securities Depository is effecting book-entry transfers of the Series 2014B Bonds, the Bond Registrar shall provide the notices specified 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 Series 2014B Bond (having been mailed notice from the Bond Registrar, the Securities Depository, a Participant or otherwise) to notify the Beneficial Owner of the Series 2014B Bond so affected, shall not affect the validity of the redemption of such Series 2014B Bond.

In addition to the foregoing notice, the Issuer shall provide such notices of redemption as are required by the Disclosure Undertaking. The Paying Agent is also directed to comply with any mandatory or voluntary 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 Series 2014B Bond.

## THE DEPOSITORY TRUST COMPANY

1. The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Series 2014B Bonds. The Series 2014B Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each scheduled maturity of the Series 2014B Bonds and will be deposited with DTC.

2. DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of “AA+.” The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

3. Purchases of Series 2014B Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2014B Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2014B Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2014B Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2014B Bonds, except in the event that use of the book-entry system for the Series 2014B Bonds is discontinued.

4. To facilitate subsequent transfers, all Series 2014B Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2014B Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2014B Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2014B Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2014B Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2014B Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2014B Bond documents. For example, Beneficial Owners of Series 2014B Bonds may wish to ascertain that the nominee holding the Series 2014B Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Series 2014B Bonds within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2014B Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2014B Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Series 2014B Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or Paying Agent, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Series 2014B Bonds at any time by giving reasonable notice to the Issuer or Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2014B Bond certificates are required to be printed and delivered.

10. The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2014B Bond certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

THE ISSUER WILL HAVE NO RESPONSIBILITY OR OBLIGATION TO THE DTC PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO: THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT IN RESPECT OF THE PRINCIPAL, REDEMPTION PRICE OF OR INTEREST ON THE SERIES 2014B BONDS; THE TRANSMITTAL TO BENEFICIAL OWNERS OR DTC PARTICIPANTS OF ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO OWNERS OF THE SERIES 2014B BONDS UNDER THE SERIES 2014B BOND RESOLUTION; THE SELECTION BY DTC OR ANY DTC PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES 2014B BONDS; OR ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS OWNER OF THE SERIES 2014B BONDS.

## **THE WATER AND SEWER UTILITY PROJECTS**

Proceeds of the Series 2014B Bonds will permanently finance a portion of multiple improvements, extensions, enlargements, repairs, alterations and reconstructions of the various facilities of the Utility (the "Projects"). Reference is made to the Description of Water Utility and Sewer Utility Projects included as *Appendix E* to this Official Statement and the Engineer's Report and Feasibility Study included as *Appendix F* to this Official Statement for more complete descriptions of the Projects. Substitute Projects may be added to or substituted for the Projects under the terms of the Bond Resolution.

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## SOURCES AND USES OF FUNDS

The following table summarizes the sources and uses of funds associated with the issuance of the Series 2014B Bonds:

|   |  |                   |
|---|--|-------------------|
| <b>Sources of Funds:</b>                        |  |                   |
| Principal Amount of Series 2014B Bonds          |  | \$13,340,000*     |
| [Available Utility Bond Reserve Funds]          |  | [_____]           |
| [Reoffering Premium]                            |  | [_____]           |
| <b>Total</b>                                    |  | <b>\$</b>         |
| <br><b>Uses of Funds:</b>                       |  |                   |
| Deposit to Project Fund                         |  | [_____]           |
| Deposit to Series 2014B Bond Reserve Subaccount |  | [_____]           |
| Deposit to Costs of Issuance Account            |  | [_____]           |
| Deposit to Principal and Interest Account       |  | [_____]           |
| Underwriter's Compensation                      |  | [_____]           |
| <b>Total</b>                                    |  | <b>\$/[_____]</b> |

\*subject to change

## RISK FACTORS AND INVESTMENT CONSIDERATIONS

***A PROSPECTIVE PURCHASER OF THE SERIES 2014B BONDS DESCRIBED HEREIN SHOULD BE AWARE THAT THERE ARE CERTAIN RISKS ASSOCIATED WITH THE SERIES 2014B BONDS WHICH MUST BE RECOGNIZED. THE FOLLOWING STATEMENTS REGARDING CERTAIN RISKS ASSOCIATED WITH THE OFFERING SHOULD NOT BE CONSIDERED AS A COMPLETE DESCRIPTION OF ALL RISKS TO BE CONSIDERED IN THE DECISION TO PURCHASE THE SERIES 2014B BONDS. PROSPECTIVE PURCHASERS OF THE SERIES 2014B BONDS SHOULD ANALYZE CAREFULLY THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT AND ADDITIONAL INFORMATION IN THE FORM OF THE COMPLETE DOCUMENTS SUMMARIZED HEREIN, COPIES OF WHICH ARE AVAILABLE AND MAY BE OBTAINED FROM THE ISSUER OR THE ORIGINAL PURCHASERS OF EACH SERIES OF THE SERIES 2014B BONDS.***

### Legal Matters

Various state and federal laws, regulations and constitutional provisions apply to the obligations created by the Series 2014B Bonds. There is no assurance that there will not be any change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the City or the Utility.

### Limitations on Remedies Available to Owners of Series 2014B Bonds

The enforceability of the rights and remedies of the owners of Series 2014B Bonds, and the obligations incurred by the Issuer in issuing the Series 2014B Bonds, are subject to the following: the federal Bankruptcy Code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under state law of certain remedies; the exercise by the United States of America of the powers delegated to it by the United States Constitution; and the reasonable and necessary exercise, in certain unusual situations, of the police power inherent in the State of Kansas and its governmental subdivisions in the interest of serving a legitimate and significant public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or state government, if initiated, could subject the owners of the Series 2014B Bonds to judicial discretion and interpretation of their rights in bankruptcy and otherwise, and consequently may involve risks of delay, limitation or modification of their rights.

### Special Obligations

The Series 2014B Bonds are special, limited obligations of the Issuer. Neither the Series 2014B Bonds nor the interest thereon constitute a general obligation or indebtedness of, nor is the payment thereof guaranteed by, the City, or any governmental subdivision, agency or instrumentality. The Series 2014B Bonds are not payable in any manner from tax revenues.

## **Debt Service Source**

The Series 2014B Bonds are payable solely from the Net Revenues. While the future ability of the Issuer to meet its obligations under the Series 2014B Bond Resolution is based upon assumptions and business judgments which the Issuer believes are reasonable and appropriate, they are subject to conditions which may change in the future to an extent that presently cannot be determined. Thus, no assurance can be given that revenues will be realized by the Issuer in amounts sufficient to pay the principal of and interest on the Series 2014B Bonds as they become due.

## **Bond Reserve Account**

Pursuant to the Series 2014B Bond Resolution, an amount equal to the greater of the interest to be paid on the Series 2014B Bonds during the next Fiscal Year or the maximum interest to be paid on the Series 2014B Bonds during any subsequent Fiscal Year (the “Bond Reserve Requirement”) is required to be deposited in the Bond Reserve Subaccount for the Series 2014B Bonds (the “Bond Reserve Subaccount”) of the Bond Reserve Account. The Bond Reserve Requirement may be satisfied by cash, Authorized Investments or an Alternative Credit Facility. The City will fund the Bond Reserve Subaccount with proceeds of the Series 2014B Bonds. Amounts held in the Bond Reserve Subaccount may be applied by the City to prevent default in payment of the principal of and interest on the Series 2014B Bonds in accordance with the Bond Ordinance in the event funds on hand in the Principal and Interest Subaccount for the Series 2014B Bonds are insufficient to provide funds for payments due for the Series 2014B Bonds on any Payment Date. In the event that the Bond Reserve Subaccount contains Authorized Investments and the City is required to sell such Authorized Investments for an authorized purpose, the price realized upon such sale may not equal the Bond Reserve Requirement.

In the event of a default by the City under the Series 2014B Bond Resolution, moneys deposited in the Bond Reserve Subaccount may, under certain circumstances and, ordinarily under the supervision of and under order of the Courts, be applied for purposes other than payment of the Series 2014B Bonds. Such purposes may include preservation of and security for the Utility, maintenance of insurance, payment of expenses incurred in attempting to operate the Utility and payment of other similar costs.

## **Water Supply**

The ability of the Utility to achieve Net Revenues to meet its Debt Service Requirements is contingent on a variety of factors, including the availability of an adequate supply of water. The Utility obtains raw water from several sources. Reference is made to the section of this Official Statement entitled “THE WATER AND SEWER UTILITY” for a complete description of the water supply. Conditions beyond the control of the City or the Utility may cause interruption of this water supply, including contamination of such supply, failure of electricity necessary to operate pumping stations and destruction of supply pipelines. If such events occur, the operations of the Utility will be impaired.

## **State and Federal Regulation**

The rates, fees and charges for water and sewer service provided by the Utility as currently constructed and operated are exempt from rate regulation by any Federal or State agency, including the Kansas Corporation Commission. The precise nature and extent of future governmental regulation and the resulting impact of such regulation on the operation and profitability of the Utility cannot now be determined. The City has covenanted in the Series 2014B Bond Resolution to comply with all such governmental regulations.

## **Taxation of Interest on the Series 2014B Bonds**

An opinion of Bond Counsel will be obtained to the effect that interest earned on the Series 2014B Bonds is excludable from gross income for federal income tax purposes under current provisions of the Internal Revenue Code of 1986, as amended (the “Code”), and applicable rulings and regulations under the Code; however, an application for a ruling has not been made and an opinion of counsel is not binding upon the Internal Revenue Service. There can be no assurance that the present provisions of the Code, or the rules and regulations thereunder, will not be adversely amended or modified, thereby rendering the interest earned on the Series 2014B Bonds includable in gross income for federal income tax purposes.

The Issuer has covenanted in the Series 2014B Bond Resolution and in other documents and certificates to be delivered in connection with the issuance of the Series 2014B Bonds to comply with the provisions of the Code, including those which require the Issuer to take or omit to take certain actions after the issuance of the Series 2014B Bonds. Because the existence and continuation of the excludability of the interest on the Series 2014B Bonds depends upon events occurring after the date of issuance of the Series 2014B Bonds, the opinion of Bond Counsel described under “TAX MATTERS” assumes the compliance by the Issuer with the provisions of the Code described above and the regulations relating thereto. No opinion is expressed by Bond Counsel with respect to the excludability of the interest on the Series 2014B Bonds in the event of

noncompliance with such provisions. The failure of the Issuer to comply with the provisions described above may cause the interest on the Series 2014B Bonds to become includable in gross income as of the date of issuance.

### **Premium on Series 2014B Bonds**

[The initial offering prices of certain maturities of the Series 2014B Bonds that are subject to optional redemption are in excess of the respective principal amounts thereof.] Any person who purchases a Series 2014B Bond in excess of its principal amount, whether during the initial offering or in a secondary market transaction, should consider that the Series 2014B Bonds are subject to redemption at par under the various circumstances described under “THE SERIES 2014B BONDS – Redemption Provisions.”

### **No Additional Interest or Mandatory Redemption upon Event of Taxability**

An investment in the Series 2014B Bonds involves a certain degree of risk. The interest rate borne by the Series 2014B Bonds (as compared to prevailing interest rates on more secure tax exempt bonds such as those which constitute general obligations of fiscally sound municipalities) is intended to compensate the investor for assuming this element of risk. Furthermore, the Series 2014B Bond Resolution does not provide for the payment of additional interest or penalty on the Series 2014B Bonds or the mandatory redemption thereof if the interest thereon becomes includable in gross income for federal income tax purposes. Likewise, there is no provision for the payment of any additional interest or penalty on the Series 2014B Bonds if the interest thereon becomes subject to income taxation by the State.

### **Suitability of Investment**

The tax exempt feature of the Series 2014B Bonds is more valuable to high tax bracket investors than to investors who are in low tax brackets, and so the value of the interest compensation to any particular investor will vary with individual tax rates. Each prospective investor should carefully examine this Official Statement, including the Appendices hereto, and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Series 2014B Bonds are an appropriate investment.

### **Market for the Series 2014B Bonds**

**Ratings.** The Series 2014B Bonds have been assigned the financial ratings set forth in the section hereof entitled “RATINGS.” There is no assurance that a particular rating will remain in effect for any given period of time or that it will not be revised, either downward or upward, or withdrawn entirely, if in the judgment of the agency originally establishing such rating, circumstances so warrant. Any downward revision or withdrawal of any rating may have an adverse affect on the market price of the Series 2014B Bonds.

**Secondary Market.** There is no assurance that a secondary market will develop for the purchase and sale of the Series 2014B Bonds. Prices of Series 2014B Bonds traded in the secondary market, though, are subject to adjustment upward and downward in response to changes in the credit markets. From time to time it may be necessary to suspend indefinitely secondary market trading in the Series 2014B Bonds as a result of the financial condition or market position of broker-dealers, prevailing market conditions, lack of adequate current financial information about the City, or a material adverse change in the financial condition of the City, whether or not the Series 2014B Bonds are in default as to principal and interest payments, and other factors which may give rise to uncertainty concerning prudent secondary market practices.

## **THE WICHITA WATER AND SEWER UTILITY**

### **History**

**Water.** In 1882, the City granted a franchise for the construction and operation of a central water system. This franchise was operated by a subsidiary of the American Waterworks Company until 1940 when the City assumed responsibility for the supply, transmission, and treatment of water in order to assure an excellent quality and abundant quantity of water to the residents of the City. In 1957, the City purchased the facilities owned by the American Waterworks Company with the proceeds of \$41,825,000 Waterworks Revenue Bonds.

**Sewer.** The first sewer system was constructed in the City in 1889, with primary treatment facilities constructed in 1932 and secondary treatment facilities in 1959.

**Combined Utility.** In 1987, the governing body of the City adopted an ordinance providing for the combining of the Water Utility and Sewer Utility into the Wichita Water and Sewer Utility.

## Management and Personnel

The Utility is owned and operated by the City through its Public Works & Utilities Department. The City and its Departments are managed under the Council-Manager form of government, in which the City Manager serves as the chief administrative officer and appoints qualified professional staff to operate the various Departments. The following individuals are the key senior City personnel with respect to the operation of the Utility:

**ROBERT L. LAYTON** became Wichita's City Manager on February 2, 2009. He reports to a seven-member City Council and oversee 3,100 employees, a \$500 million annual budget and a \$2.4 billion Capital Improvement Program. Mr. Layton has been involved in local government for nearly 30 years. He served as City Manager from 1984 to 2008 for Urbandale, Iowa, where he focused on planned growth, quality service delivery and sound fiscal condition. Before going to Urbandale, he was an assistant to the City Manager in Des Moines, Iowa from 1980 to 1984; prior to that he was a budget analyst and public management intern for Kansas City, MO. Bob earned a graduate degree in public administration from Syracuse University and he earned a bachelor's degree in public administration from Drake University. He is a member of the International City/County Management Association, a former president of the Iowa City/County Management Association and a former executive board member of the Iowa League of Cities.

**ALAN KING** was named Director of Public Works & Utilities for the City of Wichita on December 1, 2011. Mr. King's local government career has spanned 33 years. He served as the Public Works Director for the city and county of Broomfield, Colorado from January 2008 to July 2011. Before going to Broomfield, Colorado, he was the Assistant Utilities Director in Bellevue, Washington from October 2001 to January 2008. Alan obtained his bachelor's degree in business administration from Seattle International University/National University in 1988 and is currently pursuing his Masters of Public Administration.

**SHAWN HENNING** was appointed Director of Finance in April 2013. Ms. Henning has been involved in local government finance for over 22 years. Starting in 1991, she served as the Internal Auditor for over two years and was named Controller of the City of Wichita in 1994, where she served until 2003. From April 2003 to April 2006, Ms. Henning served as Accounting Director for Sedgwick County, Kansas. In 2006, she returned to the City of Wichita, serving as Treasurer until she was named Director of Finance in 2013. Shawn received her Bachelor's degree in Accounting and Business Administration from Kansas Newman College in 1981. She earned designation as a Certified Public Finance Officer from the Government Finance Officers Association (GFOA) in 2001. Shawn is also a Certified Public Funds Investment Manager, a member of the Government Finance Officers Association and currently serves as President of the Kansas Government Finance Officers Association.

## Description of Water Utility

The City, many surrounding suburban areas, eight small incorporated communities, a number of major industries, a United States Air Force Base, and three Rural Water Districts are currently served by Wichita's water system.

The Utility's sources of water supply include local groundwater allocations of 17,561 acre-feet per year, from the Arkansas River alluvium aquifer, groundwater allocations of 40,000 acre-feet per year from the Equus Beds aquifer, located approximately 25 miles northwest of the City, and 52,640 more acre-feet from Cheney Reservoir, located 25 miles west of Wichita. Current supply capacity is 180 million gallons per day (mgd) from the following: local wells - 30 mgd, Equus Beds- 70 mgd, and Cheney Reservoir-80 mgd. Additional water is available through an aquifer storage and recovery recharge credit which varies yearly and is currently 1,691 acre-feet. All water rights are provided by the State of Kansas through its Board of Agriculture, Division of Water Resources. The Water Treatment Plant capacity is 160 mgd and is currently capable of meeting demand.

Five high service pumps are located at the Cheney Reservoir Pump Station and Ozone Pretreatment facilities to provide treatment of water for taste and odor control. The supply system includes 18 miles of gathering lines in the well field and 46 miles of 36-inch, 42-inch, 48-inch and 66-inch transmission mains from the well field to the water treatment plant. A 48-inch cross tie main connecting the major 48-inch and 66-inch well field transmission mains was completed in 1991 to provide additional system reliability and bolster future collection capabilities as the number of well sites grow to produce additional water when needed by the City in the future. The system also includes 21 miles of 60-inch transmission main from Cheney Reservoir Pump Station to the treatment works. In 2004, an additional 66" transmission main (22,670 feet) was completed parallel to the existing 66" line, to provide redundancy. Total treated water storage, including at the water treatment

plant, is 50.1 million gallons. Eight high service pumps are located in the Robert H. Hess Pumping Station, placed in service in 1974. A project to replace seven of the original pumps was completed in 1998, which increased the capacity to 236 mgd, with a firm capacity of approximately 200 mgd. In 2009, the fixed speed drives were replaced with variable speed drives so all pumps could be run as variable speed, increasing efficiency of the system. The distribution system includes over 2,400 miles of lined and unlined cast and ductile iron pipe, cement-lined cast iron pipe, prestressed concrete pipe, asbestos-cement pipe, and polyvinyl chloride pipe. Mains range in size from a limited number of 2-inch to 48-inch mains. The general system minimum grid size is 8-inch diameter.

### **Condition of Water Utility**

Due to the rapid growth of the Utility's service area in the last four decades, the average age of the various components of the Water Utility is much less than in many metropolitan areas the size of Wichita. None of the water treatment or source of supply facilities existed prior to 1940. The original wells in the Equus Beds, the gathering lines for these wells, and 25 miles of 48-inch and 42-inch transmission lines were constructed in 1940. Ten additional wells and associated gathering lines were added to the Equus Beds well field in 1946, and 20 new wells and appurtenances were constructed in 1957. The 66-inch line from the well field plus a 42-inch connecting line to the existing well field transmission lines was also constructed in 1957. The original portion of the water treatment plant with a 32 mgd well water capacity was constructed in 1940. Plant additions increasing the capacity to 48 mgd, 120 mgd and 135 mgd were constructed in 1946, 1956 and 1991, respectively, and with the completion of construction in 1995, the plant's capacity reached 160 mgd.

The cost of providing service to unserved areas is paid primarily by special assessments charged against the properties in the benefit area. The average physical age of the distribution system is estimated to be approximately 25 years. All units of the Utility are in well-maintained condition, and the Department has received national recognition for its effective maintenance programs. The Department tracks its performance toward meeting maintenance targets for all valves and hydrants. Additionally, major water well, mains, valves, services and metering rehabilitation and replacement programs have been ongoing for the last three to five years to meet extraordinary drought demands, maintain system reliability and ensure accurate billings. In 2006, the City updated a Water Master Plan to guide staff in determining necessary improvements. This Water Master Plan indicates the system is in good repair.

A Cost of Services Analysis was completed in 2011 and identified a differential in the rates paid by different customer types. A five-year plan was implemented to gradually realign rates with the customer type. In addition, the ten-year annual rate planning model was improved to determine potential rate increases in the future in order to fully fund the existing capital improvement program. Wichita's customer growth is currently at a rate of 0.33% per year.

### **Drought Response Planning**

In order to increase protection from future droughts, the Utility developed a drought response plan which was approved in October 2013. The plan established four drought response stages based on the level of water in Cheney Reservoir that provides 60 percent of the Utility's water supply. Response measures to the various stages include voluntary conservation, restricting outside water usage and/or a reduction of customers' base usage.

Along with the drought response plan, the Utility continues to evaluate new water supply options to ensure an adequate long-term supply for its customers. Water supply options are being evaluated on three criteria: meeting long-term water needs, minimizing costs and reasonable conservation goals. In addition, the City is pursuing conservation options to reduce long-term water demand.

### **The Cheney Reservoir Project**

The Cheney Reservoir was constructed under a contractual agreement between the City and the United States Department of the Interior, Bureau of Reclamation. Water storage capacity of the Reservoir below the top of the flood control pool is 260,610 acre-feet, with the upper 84,499 acre-feet allocated to flood control, the next 151,788 acre-feet allocated to the City water supply, the next 15,286 acre-feet for fish and wildlife conservation and the final 600 acre-feet for flood control storage. A drainage area of 901 square miles serves the Reservoir. The Cheney Reservoir and other sources of supply provide a total water supply capability to the City which is adequate to meet the projected annual demand.

### **The Aquifer Storage and Recovery Project**

The Aquifer Storage and Recovery (ASR) Project involves pumping water out of the Little Arkansas River following periods of heavy rainfall, treating it to drinking-water quality and injecting it into the Equus Beds aquifer, a major source of Wichita's water. The water is stored in the aquifer, an underground layer of sand and gravel that can hold water until it is

needed. The current scope of the project is capable of producing up to 40 million gallons of water a day from the Little Arkansas River.

The Equus Beds aquifer covers portions of Sedgwick, Harvey, McPherson and Reno counties with an area of approximately 900,000 acres. The ASR project encompasses approximately 165 square miles and extends northwest of the City of Wichita across parts of Harvey and Sedgwick counties, mostly between Bentley and Halstead. While levels in the aquifer are going down, the water needs of Wichitans are going up. The ASR project, coupled with greater use of Cheney Reservoir – the city’s existing surface water supply – will help Wichita provide water in the coming years. The project will create a hydraulic barrier to slow down the intrusion of saltwater into the groundwater supply.

### **Water Treatment Facilities**

The Water Treatment Plant is designed and operated as three parallel units, each providing aeration, softening, coagulation, sedimentation, recarbonation, filtration and disinfection. The East Plant portion, constructed in 1940, can treat up to 30 mgd. The Central Plant portion, originally constructed in 1954, consists of two trains, both of which can treat up to 65 mgd for a total capacity to 160 mgd. The City has undertaken all necessary procedures to comply with all aspects of Federal Safe Drinking Water Act regulations.

### **Description of Sewer Utility**

The City’s first sewer lines were installed during the 1880’s and were routed to the Arkansas River, with the raw sewage being discharged directly into the River. The method of disposal continued until 1932, when the City constructed a primary treatment plant. In 1957, a secondary treatment plant was constructed consisting of 12 trickling filters, 200 feet in diameter and seven feet deep. The current Sewer Utility service area encompasses approximately 175 square miles. The collection system now includes an estimated 2,000 miles of sewers and 57 lift stations. Many of the sewer lines have been rehabilitated, replaced or paralleled to handle increased flow from growth and restore deteriorating lines.

The City currently operates five regional wastewater facilities. The oldest portions of Plant 1 were constructed in 1932 and after upgrades in 2005, primary processing at Plant 1 was abandoned. Plant 1 now only performs effluent screening. The water is then pumped to Plant 2 where primary and secondary treatment is performed. Thirty million gallons per day of Wichita’s wastewater is collected at Plant 2. The oldest portion of Plant 2 was constructed in 1960. The facility has gone through several upgrades. Upgrades completed in 1988 through 1990 included secondary treatment to address ammonia removal, disinfection, and minimum dissolved oxygen level requirements. More recent upgrades included the modification and update of headworks and grit removal equipment, the addition of UV disinfection and most recently, the conversion of existing secondary treatment in the primary treatment facilities. Plant 2 also serves as the collection point for bio-solids from the City’s other plants and some neighboring municipalities. The collected solids are treated by dissolved air floatation thickening and anaerobic digestion, and are dewatered using a belt filter press. After dewatering, the material is land-applied on local, privately owned, farm ground.

Wastewater flows into the treatment plants are currently within the capacity of the plants. Furthermore, the overall treatment capacity at the plants is adequate for the 20-year planning period. For Plant 2, the 2014 projected flow is 50% of its apparent available capacity. Engineering analyses of Plant 2 treatment efficiency show that 2014 projected flows will not significantly impact operating capabilities. In 1993, the City initiated an inflow and infiltration control program and is aggressively pursuing the identified sewer rehabilitations, wet weather flow retention and abatement programs included in the Sewer Master Plan. The Plant 2 facilities will be subjected to nutrient removal requirements within the next three permit cycles. The Utility is expected to commit to a project to upgrade existing treatment technology within the next fifteen years.

On April 1, 2001, the City of Wichita assumed operational and maintenance responsibility of the Four Mile Creek Sewage Treatment Plant, formerly owned by Sedgwick County. The facility is a 1.5 million gallon per day activated sludge plant utilizing chlorine gas for disinfection. Plant upgrades were completed in January 2005, increasing the capacity of this facility to 3.0 mgd. This upgrade also included the addition of biological nitrogen and phosphorus removal and aerobic solids digestion. The solids digester also serves as a gravity thickener allowing for a 47-50% reduction in the volume of treated solids.

Construction of Cowskin Creek Water Quality Reclamation Facility with a design capacity of 2 mgd, was completed in the spring of 2003. This facility was designed for total nitrogen and biological phosphorous removal and utilizes ultraviolet light for disinfection. This facility uses mechanical thickeners to reduce solids volume and also has complete emergency backup power generation.

The fifth treatment facility located at the Wichita Mid-Continent Airport was completed and began operations in July 2010. This facility is a biological nutrient removal facility capable of treating 3 mgd. This is a scalping plant. Flow is diverted

out of the collection system that was currently being directed to Plant 2 and the plant further extends the hydraulic capacity availability at Plant 2.

### **Condition of Sewer Utility**

Recent physical inspections by Burns & McDonnell, as part of their performance of the triennial Condition and Operations Report, indicate that the sewer system is adequate and the treatment facilities are in good repair and operating condition. The lift stations were found to be in good working condition.

The Utility is complying with a negotiated consent agreement with the Kansas Department of Health and Environment (KDHE) that stemmed from a 2012 discharge of partially treated sewage to the Arkansas River. The first phase of compliance was complete in 2013 when the Utility conducted a condition assessment of Plant 2. Work continues in 2014 with infrastructure improvements and a condition assessment of other wastewater assets.

### **National Pollution Discharge Elimination System (NPDES) Requirements**

The City currently holds three NPDES permits. Plant 2, as stated above, upgraded its secondary wastewater treatment facilities in 1988 to meet treated wastewater effluent discharge permit requirements of the Kansas Department of Health and Environment (KDHE) to conform to the State of Kansas Stream Water Quality Criteria. The City completed these improvements in May 1990 and now meets all Clean Water Act Standards.

Biological nutrient removal has been added as a part of the two remote facilities. This technology allows for current discharge limits for ammonia to be achieved, but will also allow the facilities to meet future limits for phosphorus and total nitrogen.

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Draft

**Bonded Indebtedness**

The following table sets forth the bonded indebtedness of the Utility (including the Series 2014B Bonds) as of December 1, 2014:

| <b>Description of Indebtedness</b> | <b>Series</b> | <b>Dated Date</b> | <b>Original Principal Amount</b> | <b>Amount Outstanding</b> |
|------------------------------------|---------------|-------------------|----------------------------------|---------------------------|
| Revenue Bonds                      | Series 2000   | 06/01/2000        | \$ 7,220,000                     | \$ 3,294,733              |
| Refunding Revenue Bonds            | Series 2005B  | 08/17/2005        | 26,695,000                       | 6,390,000                 |
| Revenue Bonds                      | Series 2006   | 12/01/2006        | 51,140,000                       | 38,870,000                |
| Revenue Bonds                      | Series 2008A  | 04/01/2008        | 29,460,000                       | 24,155,000                |
| Revenue Bonds                      | Series 2009A  | 06/30/2009        | 119,775,000                      | 107,090,000               |
| Revenue Bonds                      | Series 2009B  | 06/30/2009        | 12,845,000                       | 7,240,000                 |
| Revenue Bonds                      | Series 2010A  | 10/15/2010        | 31,810,000                       | 26,950,000                |
| Revenue Bonds                      | Series 2010B  | 10/15/2010        | 17,090,000                       | 14,690,000                |
| Refunding Revenue Bonds            | Series 2011A  | 11/01/2011        | 105,325,000                      | 89,910,000                |
| Revenue Bonds                      | Series 2012A  | 05/01/2012        | 17,225,000                       | 15,780,000                |
| Refunding Revenue Bonds            | Series 2014A  | 08/01/2014        | 41,405,000                       | 41,405,000                |
| Revenue Bonds                      | Series 2014B  | 12/01/2014        | 13,340,000*                      | <u>13,340,000*</u>        |
| Subtotal Revenue Bonds             |               |                   |                                  | \$389,114,733*            |
| General Obligation Bonds           | Series 811    | 10/01/2014        | 135,905,000                      | <u>\$135,905,000</u>      |
| Subtotal General Obligation Bonds  |               |                   |                                  | <u>\$135,905,000</u>      |
| Total                              |               |                   |                                  | <u>\$525,019,733</u>      |

\*Subject to change

**Operating and Financial Data**

The following is selected operating data of the Utility compiled by Utility staff, which contains certain modifications from statistics contained in the City of Wichita, Kansas Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2013.

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**CITY OF WICHITA, KANSAS**

**WATER AND SEWER UTILITY STATISTICS BY CUSTOMER CLASS**

For the year ended December 31, 2013

(with comparative totals for the year ended December 31, 2012)

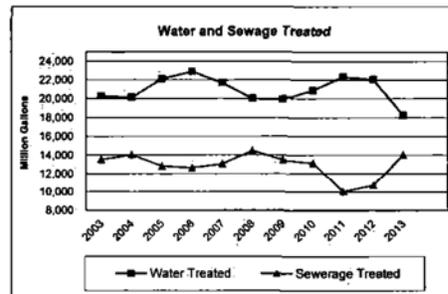
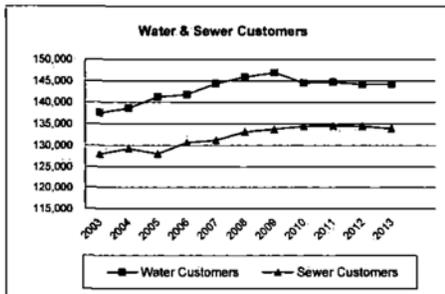
UNAUDITED

**WATER UTILITY STATISTICS BY CUSTOMER CLASS**

| CUSTOMER CLASS          | Number of Customers |                | Water Revenues <sup>1</sup> |                      | Water Sales <sup>1</sup><br>(thousand gallons) |               |
|-------------------------|---------------------|----------------|-----------------------------|----------------------|--|---------------|
|                         | 2013                | 2012           | 2013                        | 2012                 | 2013   | 2012          |
| Residential             | 127,715             | 128,073        | \$ 38,674,358               | \$ 48,073,496        | 8,097  | 10,637        |
| Commercial / Industrial | 11,205              | 10,790         | 19,235,480                  | 25,523,718           | 6,171  | 6,979         |
| Wholesale               | 12                  | 11             | 3,731,828                   | 4,098,308            | 1,547  | 1,700         |
| Lawn services           | 3,049               | 3,049          | -                           | -                    | -  | -             |
| Fire protection         | 1,897               | 1,876          | 419,269                     | 346,415              | -  | -             |
| Contract                | 355                 | 362            | 787,614                     | 1,599,232            | 192  | 453           |
| Backflow charges        | -                   | -              | 241,202                     | 238,876              | -  | -             |
| Other sales             | -                   | -              | 323,897                     | 376,962              | 24   | 39            |
| Estimated leaks         | -                   | -              | -                           | -                    | 488  | 489           |
| Water utility uses      | 28                  | 29             | -                           | -                    | 322  | 296           |
| Unaccounted for water   | -                   | -              | -                           | -                    | 1,380  | 1,443         |
|                         | <u>144,261</u>      | <u>144,190</u> | <u>\$ 63,413,648</u>        | <u>\$ 80,257,007</u> | <u>18,221</u>                                  | <u>22,036</u> |

**SEWER UTILITY STATISTICS BY CUSTOMER CLASS**

| CUSTOMER CLASS | Number of Customers |                | Sewer Revenues <sup>1</sup> |                      |
|----------------|---------------------|----------------|-----------------------------|----------------------|
|                | 2013                | 2012           | 2013                        | 2012                 |
| Residential    | 122,228             | 122,656        | \$ 28,158,960               | \$ 25,470,226        |
| Commercial     | 10,971              | 11,073         | 12,978,806                  | 12,827,129           |
| Industrial     | 17                  | 16             | 4,542,044                   | 4,073,295            |
| Institutional  | 725                 | 735            | 845,121                     | 828,637              |
| Wholesale      | 1                   | 1              | 246,265                     | 236,249              |
| Other          | -                   | -              | 21,417                      | 21,394               |
| Extra strength | 10                  | 10             | 2,132,156                   | 1,607,617            |
|                | <u>133,952</u>      | <u>134,491</u> | <u>\$ 48,924,769</u>        | <u>\$ 45,064,547</u> |



**REPORT IN BRIEF**

|  | 2013    | 2012    | Change  |
|--|---------|---------|---------|
| Number of water customers                        | 144,261 | 144,190 | 0.05%   |
| Number of sewer customers                        | 133,952 | 134,491 | -0.40%  |
| Miles of water line                              | 2,407   | 2,387   | 0.84%   |
| Miles of sanitary sewer line                     | 2,016   | 2,016   | 0.00%   |
| Water produced (million gallons)                 | 18,221  | 22,036  | -17.31% |
| Wastewater treated (million gallons)             | 14,049  | 10,708  | 31.21%  |
| Cost of treated, pressurized water per 1000 gal. | \$0.68  | \$0.54  | 25.93%  |
| Cost of treated wastewater per 1000 gal.         | \$0.79  | \$0.97  | -18.56% |

<sup>1</sup>Water and Sewer utility revenue and sales volume data is based on actual billing information and excludes year-end accrual entries.

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## CITY OF WICHITA, KANSAS

### WATER UTILITIES NET REVENUES AVAILABLE FOR DEBT SERVICE AND CAPITAL EXPENDITURES MADE FROM OPERATING REVENUES For the year ended December 31, 2013

UNAUDITED

|   | Water            | Sewer            | Combined         |
|---|------------------|------------------|------------------|
| <b>REVENUES</b>   |                  |                  |                  |
| Charges for services                                    | \$ 64,789,466    | \$ 49,753,720    | \$ 114,543,186   |
| Investment earnings                                     | 135,677          | 13,107           | 148,784          |
| Capital contributions - cash                            | 3,348,811        | 1,452,999        | 4,801,810        |
| Bond discount amortization                              | 859,176          | 847,116          | 1,706,292        |
| Other revenues  | 177,085          | 8,797            | 185,882          |
| Gross earnings  | 69,310,215       | 52,075,739       | 121,385,954      |
| <b>OPERATIONS AND MAINTENANCE</b>                       |                  |                  |                  |
| Personnel services                                      | 9,549,386        | 9,585,333        | 19,134,729       |
| Contractual services                                    | 12,646,777       | 7,269,935        | 19,916,712       |
| Materials and supplies                                  | 4,726,101        | 3,440,703        | 8,166,804        |
| Other expenses  | 761,172          | 459,994          | 1,221,166        |
| Administrative charges                                  | 738,797          | 279,057          | 1,017,854        |
| Contributions to the city                               | 4,099,364        | 2,353,603        | 6,452,967        |
| Total operations and maintenance                        | 32,521,607       | 23,388,625       | 55,910,232       |
| Net revenues available for debt service                 | \$ 36,788,608    | \$ 28,687,114    | \$ 65,475,722    |
| <b>REVENUE BONDS DEBT SERVICE</b>                       | \$ 24,820,694    | \$ 18,623,017    | \$ 43,443,711    |
| <b>DEBT SERVICE COVERAGE RATIO</b>                      | 1.48             | 1.54             | 1.51             |
| <br>  |                  |                  |                  |
| Gross earnings  | \$ 69,310,215    | \$ 52,075,739    | \$ 121,385,954   |
| Less: investment earnings                               | 135,677          | 13,107           | 148,784          |
| Less: capital contributions                             | 3,348,811        | 1,452,999        | 4,801,810        |
| Less: bond discount amortization                        | 859,176          | 847,116          | 1,706,292        |
| Operating revenues                                      | \$ 64,966,551    | \$ 49,762,517    | \$ 114,729,068   |
| <br><b>CAPITAL EXPENDITURES FROM OPERATING REVENUES</b> | <br>\$ 2,805,936 | <br>\$ 1,505,287 | <br>\$ 4,311,223 |

#### Property Insurance As of December 31, 2013

| Insurance Company | Coverage details  | Deductible   | Coverage Period |
|-------------------|---|--|-----------------|
| Travelers         | *All risk coverage on real and personal property on a replacement cost basis, with a value limitation of \$200 million.   | Per occurrence.<br>Property-<br>\$100,000; Hail<br>and wind-\$2<br>million | 01-13 to 01-14  |
| Travelers         | *Comprehensive coverage for steam boilers, air conditioners, and electric motors on a repair or replacement cost basis with a value limitation of \$75 million. | Per occurrence   | 01-13 to 01-14  |

\* Property insurance for the Utilities is included in the City's coverage. Limits shown are for the entire City.

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## UTILITY BILLING PROCEDURES AND CURRENT RATES

Customers of the Utility are billed monthly and the rates charged by the Utility are restructured to encourage water conservation. The rates provided below are those in effect on December 1, 2014.

The average monthly residential water and sewer bill in December 2014 for a customer using approximately 7,500 gallons of water per month would be \$55.32, excluding applicable fees.

| <i>Water</i>        |                 |                       | <i>Sewer</i> |              |
|---------------------|-----------------|-----------------------|--------------|--------------|
| Meter size (Inches) | Inside the City | Outside and wholesale | Inside City  | Outside City |
| 5/8                 | \$ 11.78        | \$18.85               | \$ 7.68      | \$ 12.30     |
| 3/4                 | 11.78           | 18.85                 | 7.68         | 12.30        |
| 1                   | 11.78           | 18.85                 | 7.68         | 12.30        |
| 1.5                 | 14.12           | 22.59                 | 12.39        | 19.83        |
| 2                   | 16.59           | 26.56                 | 18.54        | 29.69        |
| 3                   | 27.29           | 43.67                 | 56.20        | 89.92        |
| 4                   | 34.34           | 54.95                 | 71.48        | 114.37       |
| 6                   | 49.55           | 79.29                 | 128.52       | 205.64       |
| 8                   | 63.76           | 102.03                | 184.45       | 295.11       |
| 10                  | 78.95           | 126.33                | 284.17       | 454.67       |
| 12                  | 102.56          | 164.10                | 413.54       | 661.67       |

Rates for consumption charges in 2014 per 1,000 gallons are as follows:

| Water        | Inside | Outside | Wholesale |
|--------------|--------|---------|-----------|
| <110% of AWC | \$1.77 | \$ 2.83 | \$ 2.03   |
| 111%-310%    | 6.25   | 10.01   | 10.53     |
| >310% of AWC | 9.13   | 14.62   | 15.77     |

|       |      |      |      |
|-------|------|------|------|
| Sewer | 3.01 | 4.82 | 2.30 |
|-------|------|------|------|

### Future Capital Project Plans

The major capital projects of the Sewer Utility over the next ten years include continued rehabilitation of existing sewers, including portions of the 54" interceptor under I-135; pump stations and interceptors to serve the far northeast area, assuming projected growth occurs; and biological nutrient removal at Plant 2.

The major capital projects of the Water Utility planned for the next ten years include construction of a water treatment plant in northwest Wichita; continued replacement of older water mains; and installation of mains to serve new development.

The projects will be financed using a prudent combination of cash and revenue bond financing.

## RATINGS

Standard & Poor's Ratings Services, a division of McGraw Hill Financial Inc., has assigned a rating of "AA-" to the Series 2014B Bonds. Such rating reflects only the view of such rating agency, and an explanation of the significance of such rating may be obtained therefrom. No such rating constitutes a recommendation to buy, sell, or hold any obligations, including the Series 2014B Bonds, or as to the market price or suitability thereof for a particular investor. The Issuer furnished such rating agency with certain information and materials relating to the Series 2014B Bonds that have not been included in this Official Statement. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies and assumptions by the rating agencies. There is no assurance that a particular rating will remain in effect for any given period of time or that it will not be revised, either downward or upward, or withdrawn entirely, if in the

judgment of the agency originally establishing such rating, circumstances so warrant. Any downward revision or withdrawal of any rating may have an adverse affect on the market price of the Series 2014B Bonds.

## ABSENCE OF LITIGATION

The Issuer is a defendant in various actions pending or in process for property damages, civil rights, personal injury and other miscellaneous claims. The ultimate liability that might result from final resolution of these matters is not presently determinable. City staff and the City's Department of Law are of the opinion that the final outcome of these matters will not have an adverse material effect on the City's financial condition.

There is currently no controversy, suit or other proceeding of any kind pending, or to the knowledge of the Governing Body, City staff or the City's Department of Law, threatened which would adversely affect the validity of the Series 2014B Bonds or the ability of the Issuer to provide for the payment of the principal of and the interest on the Series 2014B Bonds in the manner described herein. Concurrently with the delivery of the Series 2014B Bonds, the Issuer will deliver an executed non-litigation certificate in the form required by State law.

## LEGAL MATTERS

### Approval of Series 2014B Bonds

All matters incident to the authorization and issuance of the Series 2014B Bonds are subject to the approval of Gilmore & Bell, P.C., Wichita, Kansas ("Bond Counsel"). The factual and financial information appearing herein has been supplied or reviewed by certain officials of the Issuer, as referred to herein. Bond Counsel has participated in the preparation of the Official Statement but expresses no opinion as to the accuracy or sufficiency thereof, except for the matters appearing in the sections of this Official Statement captioned "THE BONDS," "LEGAL MATTERS," "TAX MATTERS" and "*APPENDIX C – SUMMARY OF FINANCING DOCUMENTS.*" Payment of the legal fee of Bond Counsel is contingent upon the delivery of the Series 2014B Bonds. Certain other legal matters will be passed on for the City by Sharon L. Dickgrafe, Esq., Interim Director of Law and City Attorney.

## TAX MATTERS

The following is a summary of the material federal and State of Kansas income tax consequences of holding and disposing of the Series 2014B Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of holders subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Series 2014B Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Kansas, does not discuss the consequences to an owner under state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Series 2014B Bonds in the secondary market at a premium or a discount. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Series 2014B Bonds.

### Opinion of Bond Counsel

In the opinion of Bond Counsel, under the law existing as of the issue date of the Series 2014B Bonds:

**Federal Tax Exemption.** The interest on the Series 2014B Bonds [(including any original issue discount properly allocable to an owner thereof)] is excludable from gross income for federal income tax purposes.

**Alternative Minimum Tax.** Interest on the Series 2014B Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations.

**Bank Qualification.** The Series 2014B Bonds have *not* been designated as "qualified tax-exempt obligations" for purposes of Code § 265(b).

**Kansas Tax Exemption.** The interest on the Series 2014B Bonds is exempt from income taxation by the State of Kansas.

Bond Counsel's opinions are provided as of the date of the original issue of the Series 2014B Bonds, subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2014B Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Series 2014B Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2014B Bonds. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Series 2014B Bonds.

### **Other Tax Consequences**

[ **Original Issue Discount.** For Federal income tax purposes, original issue discount ("OID") is the excess of the stated redemption price at maturity of a Series 2014B Bond over its issue price. The issue price of a Series 2014B Bond is the first price at which a substantial amount of the Series 2014B Bonds of that maturity have been sold (ignoring sales to bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers). Under Code § 1288, OID on tax-exempt bonds accrues on a compound basis. The amount of OID that accrues to an owner of a Series 2014B Bond during any accrual period generally equals: (a) the issue price of that Series 2014B Bond, plus the amount of OID accrued in all prior accrual periods; multiplied by (b) the yield to maturity on that Series 2014B Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period); minus (c) any interest payable on that Series 2014B Bond during that accrual period. The amount of OID accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for Federal income tax purposes, and will increase the owner's tax basis in that Series 2014B Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of OID.]

[ **Original Issue Premium.** If a Series 2014B Bond is issued at a price that exceeds the stated redemption price at maturity of the Series 2014B Bond, the excess of the purchase price over the stated redemption price at maturity constitutes "premium" on that Series 2014B Bond. Under Code § 171, the purchaser of that Series 2014B Bond must amortize the premium over the term of the Series 2014B Bond using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the owner's basis in the Series 2014B Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner. This will result in an increase in the gain (or decrease in the loss) to be recognized for Federal income tax purposes on sale or disposition of the Series 2014B Bond prior to its maturity. Even though the owner's basis is reduced, no Federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium.]

**Sale, Exchange or Retirement of Series 2014B Bonds.** Upon the sale, exchange or retirement (including redemption) of a Series 2014B Bond, an owner of such Series 2014B Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the Series 2014B Bond (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the Series 2014B Bond. To the extent the Series 2014B Bonds are held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Series 2014B Bond has been held for more than 12 months at the time of sale, exchange or retirement.

**Reporting Requirements.** In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on Series 2014B Bonds, and to the proceeds paid on the sale of Series 2014B Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

**Collateral Federal Income Tax Consequences.** Prospective purchasers of the Series 2014B Bonds should be aware that ownership of the Series 2014B Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Series 2014B Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Series 2014B Bonds should consult their tax advisors

as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Series 2014B Bonds, including the possible application of state, local, foreign and other tax laws.

## CUSIP NUMBERS

Any CUSIP numbers for the Series 2014B Bonds included in this Official Statement are provided for the convenience of the owners of the Series 2014B Bonds and prospective investors. The CUSIP numbers for the Series 2014B Bonds have been assigned by an organization unaffiliated with the Issuer. The Issuer is not responsible for the selection of the CUSIP numbers and makes no representation as to the accuracy thereof as printed on the Series 2014B Bonds or as set forth in this Official Statement. No assurance can be given that the CUSIP numbers for the Series 2014B Bonds will remain the same after the date of issuance of the Series 2014B Bonds.

## UNDERWRITING

The Series 2014B Bonds have been sold at public sale by the Issuer to [an account managed by] [Purchaser], [City, State] (the "Original Purchaser") on the basis of lowest net interest cost. The Original Purchaser has agreed to purchase the Series 2014B Bonds at a price equal to the principal amount of the Series 2014B Bonds, plus accrued interest from the Dated Date to the Issue Date[, plus a premium of \$\_\_\_\_\_].

Simultaneously with the delivery of the Series 2014B Bonds, the Original Purchaser will certify to the Issuer that the Series 2014B Bonds will be offered to the public initially at the price determined to produce the yield to maturity or applicable redemption date set forth on the inside cover page of this Official Statement. The Original Purchaser may offer and sell the Series 2014B Bonds to certain dealers (including dealers depositing the Series 2014B Bonds into investment trusts) at prices other than the price stated on the inside cover page hereof and may change the initial offering price from time to time subsequent to the date hereof. In connection with the offering, the Original Purchaser may over allot or effect transactions which stabilize or maintain the market price of the Series 2014B Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

## MISCELLANEOUS

References herein to laws, rules, regulations, ordinances, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Official Statement, they will be furnished on request. So far as any statements are made in this Official Statement involving matters of opinion, estimates, projections or forecasts, whether or not expressly stated as such, they are not to be construed as representations of fact. The information and expressions of opinion in this Official Statement are subject to change, and neither the delivery of this Official Statement nor any sale made hereunder shall create any implication that there has been no change in the affairs of the Issuer since the date hereof.

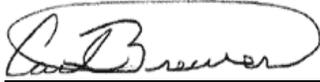
The agreement of the Issuer with the owners of the Series 2014B Bonds is fully set forth in the Series 2014B Bond Resolution, and neither any advertisement for the Series 2014B Bonds or this Official Statement is to be construed as constituting an agreement with any owner of the Series 2014B Bonds. A summary of the Series 2014B Bond Resolution is set forth in **APPENDIX C – SUMMARY OF FINANCING DOCUMENTS**; a complete copy is on file in the office of the City Clerk.

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**APPROVAL OF PRELIMINARY OFFICIAL STATEMENT**

This Preliminary Official Statement, and the lawful distribution thereof, was duly approved by the City's Governing Body on November 25, 2014. Authorization to lawfully redistribute this Preliminary Official Statement is hereby given, but this entire Preliminary Official Statement, and not portions hereof, must be redistributed.

**CITY OF WICHITA, KANSAS**

By:   
\_\_\_\_\_  
Carl Brewer, Mayor

By:   
\_\_\_\_\_  
Shawn Henning, Director of Finance

Draft

**APPENDIX A**

**CITY OF WICHITA, KANSAS**

Draft



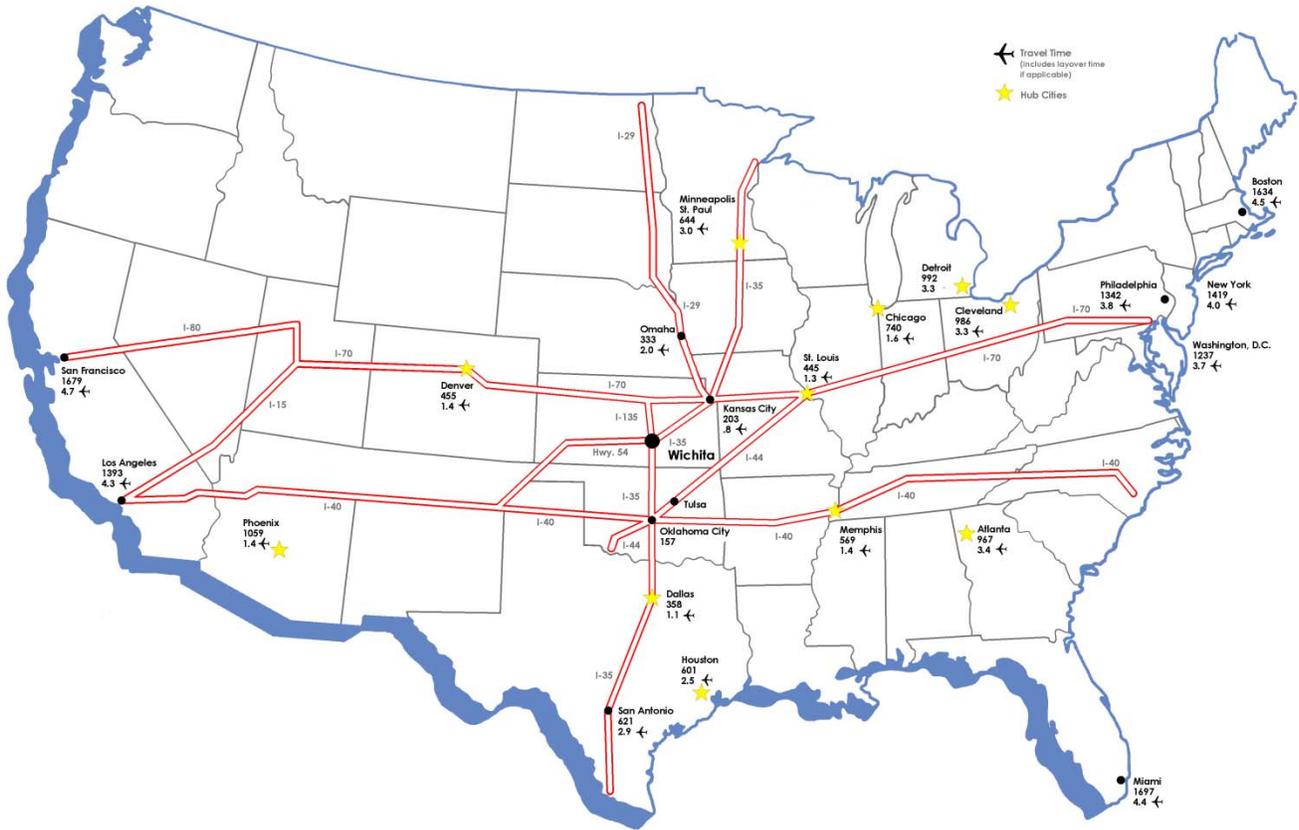
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C I T Y ■ O F  
W I C H I T A

## APPENDIX A

### CITY OF WICHITA, KANSAS

#### GENERAL INFORMATION



#### Location

Wichita, the largest city in Kansas, population 385,586<sup>1</sup>, is the county seat of Sedgwick County. Major highways, including the Kansas Turnpike and Interstate I-35, link the City with a large trade area that encompasses a population of more than one million people<sup>2</sup> within a 100-mile radius. The nearest large cities are Denver to the west, Kansas City to the northeast and Oklahoma City and Tulsa to the south and southeast.

#### Historical Background

Wichita became a town in 1868, was incorporated in 1870, and has been a city of the first class since 1886. The original stimulus to the City's economic development was the extension of the Santa Fe Railway into Wichita in 1872. The City's early growth paralleled the expanding agricultural productivity of the central plains states, and by 1900 the City was an important regional center for the processing of agricultural products and the distribution of farm equipment. In 1914, the discovery of oil broadened the economic base, drawing numerous services, distributive enterprises and metal-working industries to the City. From the earliest days of the aircraft industry, Wichita has been a leading producer of general aviation and commercial aircraft. McConnell Air Force Base was activated in 1951 and has remained an important factor in the community.

#### Government

In 1917, Wichita became one of the first municipalities in the United States to adopt the Commission-Manager form of government. Effective April 14, 1987, the title "City Commission" was changed to "City Council" and instead of being elected

<sup>1</sup>Source: U.S. Census Bureau, 2012 American Community Survey 1-Year Estimates.

<sup>2</sup>Source: Estimated by the Center for Economic Development and Business Research, W. Frank Barton School of Business, Wichita State University, based on Nielsen 2013 population estimates. Estimate includes Kansas population only; not the portion of population within the 100-mile radius located in Oklahoma.

at-large, five council members were nominated by district and elected at-large. In November 1988, Wichita voters approved a referendum to elect a five-member City Council by pure district elections and a full-time Mayor by city-at-large elections. On February 10, 1989, Charter Ordinance 115 was adopted and provided for the five council member seats to be increased to six by subdividing the City into six districts based on the 1990 Census. The six Council members and the Mayor serve four-year terms with the Council members' terms being overlapping. The City Council and Mayor conduct all legislative functions for the City of Wichita and establish general policies, which are executed by the City Manager.

**Employees**

Total authorized positions for 2014<sup>3</sup> for the City of Wichita are as follows:

|                 | <u>Locally Funded</u> |                          | <u>Nonlocally Funded</u> |                                |
|-----------------|-----------------------|--------------------------|--------------------------|--------------------------------|
|                 | Full-Time             | Full-Time<br>Equivalents | Full-Time<br>Equivalents | Total Full-Time<br>Equivalents |
| Total Employees | 3,013                 | 3,090                    | 108                      | 3,198                          |

Kansas’ law prohibits strikes by public employees and provides procedures for the resolution of disputes. In the event an agreement cannot be reached between the City and a public employees union, an impasse is declared. Upon declaration of an impasse in the negotiations, the State’s Public Employee Relations Board appoints an independent arbitrator. The arbitrator's recommendations are not binding upon the parties to the negotiations, and all contracts must be approved by the City Council.

**Industry**

Wichita is a manufacturing city with a diverse economic base. The approximately 675 Wichita metropolitan area manufacturers<sup>4</sup> produce a wide variety of products from computers to aircraft. Nearly 83 percent of all manufacturing establishments are small firms employing fewer than 50 workers.<sup>5</sup> Local aircraft companies are important to the economic mix in Wichita and combine to produce a significant number of the world's general aviation and commercial aircraft. Service-related firms, particularly regional health care firms, are also an important sector for Wichita’s long-term growth. These strengths, combined with a skilled labor force and the City's central location, establish Wichita's prominence as a regional market.

**Largest Industries by Employment: Wichita Metro Area<sup>6</sup>**

| <b>Industry</b>                           | <b>Annual Average<br/>2011</b> | <b>Annual Average<br/>2012</b> | <b>Percent of<br/>2012 Total</b> |
|---|--------------------------------|--------------------------------|----------------------------------|
| Total employment, all industries          | 276,166                        | 278,286                        | 100.0%                           |
| Aerospace product and parts manufacturing | 30,174                         | 30,546                         | 11.0%                            |
| Local government                          | 29,168                         | 29,233                         | 10.5%                            |
| Food services and drinking places         | 21,586                         | 21,865                         | 7.9%                             |
| Administrative and support services       | 16,924                         | 16,919                         | 6.1%                             |
| Ambulatory health care services           | 13,476                         | 13,862                         | 5.0%                             |
| Hospitals                                 | 10,243                         | 10,052                         | 3.6%                             |
| Professional and technical services       | 9,249                          | 9,229                          | 3.3%                             |
| Specialty trade contractors               | 8,329                          | 8,641                          | 3.1%                             |
| Nursing and residential care facilities   | 7,515                          | 7,677                          | 2.8%                             |
| General merchandise stores                | 6,757                          | 6,656                          | 2.4%                             |

<sup>3</sup>Source: City of Wichita 2014-2015 Adopted Budget, p. 331.

<sup>4</sup>Source: U.S. Department of Commerce, Bureau of the Census, “2011 MSA Business Patterns, NAICS.”

<sup>5</sup>Source: U.S. Department of Commerce, Bureau of the Census, “2011 MSA Business Patterns, NAICS.”

<sup>6</sup>Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages, total employment includes private industry and government. Annual average employment for general merchandise stores in the Wichita metro area in 2011 was estimated by the Center for Economic Development and Business Research, W. Frank Barton School of Business, Wichita State University.

## **Largest Employers Wichita Metro Area<sup>7</sup>**

### **Company**

1. Spirit AeroSystems, Inc.
2. McConnell Air Force Base
3. Via Christi Health
4. USD 259 Wichita
5. Cessna Aircraft Co.
6. State of Kansas
7. Bombardier Learjet
8. Beechcraft Corp.
9. City of Wichita
10. Koch Industries, Inc.

## **Aircraft Manufacturing**

Wichita has a rich history in aviation and has one of the highest concentrations of aircraft manufacturing in the world. The local aircraft companies have a diversified mix between military, commercial and general aviation products and services, which are supported by divisions specializing in research and development, new production, modernization (refurbishing), training, subcontract work and computer services.

## **Agriculture**

The *South Central Kansas Farm, Crop, and Livestock District*, which includes Wichita, lies in the heart of the winter wheat belt. In 2012, Kansas ranked first in the nation in wheat exports, with a value of \$1.3 billion. That same year, the state ranked third in beef and veal exports, as well as exports of hides and skins, for a total value of \$960.8 million.<sup>8</sup> By virtue of being Kansas' largest city and transportation hub, Wichita plays an important role in the agricultural and agri-related business sector.

## **Petroleum**

Wichita is located near the center of the mid-continent petroleum field. Even though the petroleum industry is a small portion of the total economy, Wichita is the headquarters for several companies engaged in oil and natural gas production and industrial oil and grease manufacturing. Koch Industries, one of the largest privately held companies in the United States, performs a variety of petroleum-related manufacturing and transportation activities throughout the world from its Wichita headquarters.

## **Medical Care**

First class medical care is the standard in Wichita's medical community. Because of a heavy emphasis on research and training, Wichita has emerged as a nationally recognized, state-of-the-art health care center. The Wichita MSA<sup>9</sup> (Metropolitan Statistical Area) boasts 19 acute care and freestanding specialty hospitals, providing the community with approximately 2,800 licensed beds. There are approximately 125 nursing homes and assisted living facilities, more than 1,250 physicians and approximately 275 dentists in the five-county area. The health care and social assistance industry employs 38,900 people in the MSA.<sup>10</sup> In addition, there are several research institutions in the area. Numerous health care and specialty clinics provide comprehensive patient care and same-day surgery. There are at least six emergency centers in the Wichita area that provide medical care with no appointments and offer extended hours. Several medical referral services and a complete 911 emergency medical service are available throughout Sedgwick County.

## **Cultural and Recreational Facilities**

Wichita has developed into a civic center that offers many cultural and recreational opportunities. The Wichita Center for the Arts, Whittier Fine Arts Gallery, Edwin A. Ulrich Museum of Art and the Wichita Art Museum all house fine art collections. Quality theater groups such as the Wichita Community Theater, Music Theater of Wichita, Wichita Children's Theater and Dance Center, and Music Theater for Young People visit the Wichita stages throughout the year. Diverse museums such as the Wichita/Sedgwick County Historical Museum, the Mid-America All-Indian Center, the Old Cowtown Museum, the Kansas Aviation Museum, the Museum of World Treasures, the Kansas Sports Hall of Fame, and the Kansas African American Museum reveal their perspectives of the past.

<sup>7</sup>Source: Wichita Business Journal's Book of Lists, December 27, 2013.

<sup>8</sup>Source: U.S. Agricultural Exports, Commodity Detail by State, U.S. Department of Agriculture, Economic Research Service.

<sup>9</sup>The Wichita MSA is comprised of Butler, Harvey, Kingman, Sedgwick and Sumner counties. This metropolitan statistical area delineation was issued by The Office of Management and Budget in February 2013.

<sup>10</sup>Source: Kansas Department Of Labor, Current Employment Statistics data, March 2014. Employment number is for the four-county MSA.

Exploration Place, the Sedgwick County science and discovery center, celebrated its 10th anniversary in 2010. Its permanent and traveling exhibits, summer camps and Wichita Regional Science and Engineering Fairs encourage a deeper interest in science for all ages. The Wichita Art Museum celebrated an anniversary in 2010, as well. As the largest art museum in the state of Kansas, 2010 was its 75th year of preserving, collecting and promoting art.

Built in 1969, Century II is the performing arts and convention headquarters downtown. On March 26, 2013, the Wichita City Council authorized \$1.91 million in capital improvements to convention space at Century II. Another venue, the downtown INTRUST Bank arena, opened its doors to the public on January 2, 2010. On March 16, 2012, the arena hosted its 1 millionth guest. In Pollstar Magazine's 2013 Third Quarter Top 200 Arena Rankings, INTRUST Bank Arena ranked 33rd busiest based on tickets sold for shows that played in the first three quarters of 2013.<sup>11</sup>

Recreational opportunities abound in and around Wichita. Inside the city are 127 municipal parks and public open spaces covering more than 4,900 acres. The Lake Afton Observatory features astronomy displays and space-related phenomena. Botanica, the Wichita Gardens, is the city's living museum of plants and flowers. The Sedgwick County Zoo is nationally acclaimed in natural habitat design and has become one of the top zoos in the world. The city's compact size allows minimal travel time (average 30 minutes) to outlying areas with open prairie and lakes.

The American Association of Independent Professional Baseball voted the Wichita Wingnuts baseball team the 2010 Organization of the Year. Professional hockey, indoor football and indoor soccer are additional sports attractions in the Wichita area. The twin-sheet ice skating arena, Wichita Ice Center, is available for public skating, as well as figure skating, hockey lessons and league play. Wichita has five City-owned golf courses, two other golf courses for public play and four membership-only courses.

Water sports and fishing are available on two federal reservoirs and one county lake that are within 30 minutes of Wichita. Additionally, eighteen recreational areas are within a 200-mile radius of the City. Because Wichita lies within the central waterfowl flyway, huge flocks of waterfowl are a common sight in the area during the spring and fall. Deer, pheasant, quail, wild turkey and ducks are just a few examples of wild game that may be hunted in the area.

### **Public Air Transportation**

Wichita Mid-Continent Airport, the largest commercial air carrier and general aviation complex in Kansas, provides accommodations for all aircraft. Mid-Continent Airport's campus of 3,300 acres is home to more than 65 tenants including air cargo; general aviation businesses; airport concessions (restaurants, hotel, ground transportation); rental car companies; fixed-base operators; corporate hangars; government, including control tower, weather services, Federal Aviation Administration, and the Transportation Security Administration; and two aircraft manufacturers.

Col. James Jabara Airport, a general aviation airport, consists of 855 acres and includes a 6,100-foot runway, an instrument landing system, associated taxiways and aprons, four corporate hangars, as well as a first-class fixed base operation complete with T-hangar storage.

Jabara is also home for the National Center for Aviation Training (NCAT), which is located just north of the airport's campus. NCAT is a first-rate training facility focusing on general aviation manufacturing and aircraft and power plant mechanics. NCAT was made possible by the following funding sources: Sedgwick County, the State of Kansas, the U.S. Economic Development Association, the U.S. Small Business Administration, and the U.S. Department of Housing & Urban Development. The Wichita Area Technical College (WATC) serves as the managing partner for the Center, collaborating with Wichita State University's National Institute for Aviation Research (NIAR), to provide industry-driven training courses.

The local share of financing major improvements has been derived from the sale of general obligation bonds and passenger facility charges. These bonds have either been retired or are currently being repaid from airport revenues. Federal grants, general obligation bonds, and passenger facility charges, along with airport revenues, will finance the majority of planned improvements.

Passenger service in Wichita is available through the following airlines – Allegiant Air, American Airlines, Delta Air Lines, Seaport Airlines, Southwest Airlines and United Airlines. In June 2013, Southwest Airlines began service. In June 2014, Seaport Airlines began service between Great Bend and Wichita. Four major carriers, DHL, Federal Express, UPS Supply Chain Solutions, and UPS, provide cargo service.

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<sup>11</sup>INTRUST Bank Arena Ranks 33rd Busiest Arena in the United States, News & Updates, INTRUST Bank Arena, [www.intrustbankarena.com/news.asp?id=10](http://www.intrustbankarena.com/news.asp?id=10), Oct. 11, 2013.

General aviation is served by specialized retailers who provide aircraft related accessories, service, rental, storage and flight training. Since its inception, the Wichita Airport System, consisting of both Mid-Continent Airport and Colonel James Jabara Airport, has been operated and developed without local tax support.

In May 2010, Wilbur Smith Associates, Inc., with assistance from Burns & McDonnell, completed the *Kansas Aviation Economic Impact Study* for the Kansas Department of Transportation's Division of Aviation. That study revealed that Wichita Mid-Continent Airport and Col. James Jabara Airport contributed approximately \$5.6 billion to the Kansas economy in 2009 from total combined output (direct, indirect and induced) related to on-airport activities, government tenants, visitor spending and payroll spending. The number of jobs resulting from the two airports' activities totaled 23,051, with total payroll of more than \$1.2 billion.

The Wichita City Council decided in June 2011 to move forward with a new terminal at Wichita's Mid-Continent Airport. Groundbreaking began in October 2012, with the expected opening in the spring of 2015. In 2011, the proposed terminal won the "Gold Award in the Unbuilt Category" from the International Interior Design Association, an organization that strives to enhance quality of life by encouraging excellence in design. Construction of a parking garage began in early 2013 and is expected to be completed prior to the opening of the new terminal.

### **Military Installations**

McConnell Air Force Base borders southeast Wichita. The host unit is the 22nd Air Refueling Wing flying KC-135 Stratotankers, supporting worldwide air-to-air refueling and airlift. McConnell is a total force base, housing tenant units, which include the Air Force reserve's 931st Air Refueling Group and the Air National Guard's 184th Intelligence Wing. McConnell has 3,133 active-duty personnel, and total force strength of 6,731 active, guard, reserve and civilian personnel. The total impact of McConnell Air Force Base on the local economy in fiscal year 2013 was \$551.6 million, within a 50-mile radius of the base.<sup>12</sup> In May 2013, McConnell Air Force Base was selected as the preferred alternative main operating base for the KC-46A tanker. On April 23, 2014, Air Force officials announced that McConnell AFB had been selected as the first active duty led KC-46A Pegasus main operating base, clearing the way to receive 36 KC-46A aircraft.<sup>13</sup>

### **Education Institutions**

The City of Wichita is served by eight unified school districts (USDs). USD 259 Wichita Public Schools, the largest district in the area, operates approximately 85 schools, including elementary, middle and high schools, as well as alternative, magnet and special schools. In fall 2013, Wichita USD 259 had its highest enrollment since 1975, with a total of 51,169 students.

The \$370 million bond issue approved in 2008 has been used to complete or begin construction on 56 projects, including six new schools. Seventy-one percent of the projects have been completed.

In addition to the public schools, there are dozens of private and parochial schools serving preschool through high school students, as well as those needing special education. Post-secondary educational opportunities abound, including numerous private and public technical education institutions.

Twelve colleges and universities in the local area serve Wichita, including Wichita State University, University of Kansas School of Medicine, Friends University and Newman University.

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<sup>12</sup>McConnell AFB, 22nd Air Refueling Wing, *2013 Economic Impact Analysis*.

<sup>13</sup>McConnell AFB, <http://www.mcconnell.af.mil/news/story.asp?id=123408336>, Apr. 23, 2014.

## ENROLLMENT FIGURES

| School Year                      | 2013/14       | 2012/13       | 2011/12       | 2010/11       | 2009/10       | 2008/09       |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>USD 259<sup>14</sup></b>      |               |               |               |               |               |               |
| High School                      | 12,408        | 12,339        | 12,330        | 12,493        | 13,657        | 12,771        |
| Middle School                    | 10,267        | 10,217        | 10,181        | 9,951         | 9,944         | 9,588         |
| Elementary                       | 26,243        | 25,915        | 25,476        | 25,355        | 23,690        | 24,926        |
| Other <sup>15</sup>              | 2,251         | 2,168         | 2,116         | 2,234         | 2,367         | 1,861         |
| <b>Total</b>                     | <b>51,169</b> | <b>50,639</b> | <b>50,103</b> | <b>50,033</b> | <b>49,658</b> | <b>49,146</b> |
| <b>PAROCHIAL<sup>16</sup></b>    |               |               |               |               |               |               |
| <b>Total</b>                     | <b>8,116</b>  | <b>8,228</b>  | <b>8,223</b>  | <b>8,355</b>  | <b>7,775</b>  | <b>5,335</b>  |
| <b>UNIVERSITIES<sup>17</sup></b> |               |               |               |               |               |               |
| Wichita State University         | 14,550        | 14,898        | 15,100        | 14,806        | 14,823        | 14,612        |
| Friends University               | 2,178         | 2,500         | 2,905         | 2,986         | 2,853         | 2,801         |
| Newman University                | 3,736         | 3,108         | 3,021         | 2,746         | 2,557         | 2,435         |

### Growth

Increases in land area and in the number and size of manufacturing firms have contributed to the City's growth. This growth is reflected in annexations that have increased the City's total land area from 22 square miles in 1940, to 163 square miles in 2013. World War II, with its enormous demand for aircraft production, brought about a 50 percent increase in the City's population. Continued diversification of industry since then, mixed with abundant resources and a skilled labor force, have contributed to economic growth in the area.

### Demographic Trends

The metropolitan statistical area (MSA) includes Butler, Harvey, Kingman, Sedgwick and Sumner counties.<sup>18</sup> Its 2013 population totaled 637,394.<sup>19</sup> Sedgwick County represents the largest portion of the area's population with an estimated 505,415 residents in 2013.<sup>20</sup>

The city's population density has decreased by nearly 50 percent in the past few decades. Today there are approximately 2,366 persons per square mile in Wichita, compared to 4,625 per square mile in 1960 when growth within the city limits peaked. The trend of perimeter growth and the associated increase in demand for local government services is expected to continue for Wichita. In recent years, the majority of population and housing growth has occurred along the far west/northwest and far east/northeast peripheries of the city, and into the unincorporated portions of the county.

The racial and ethnic composition of Wichita's population is comparable to that of the nation. However, Wichita's population is somewhat younger than the U.S. population, as a whole. The median age in the City of Wichita is 35.1 years, older than Sedgwick County's median age of 34.5 years, but younger than the nation's 37.4 years. Among Wichita's population 25 years and over, 88.4 percent are high school graduates and 28 percent have a bachelor's degree or higher.<sup>21</sup>

In 2012, the estimated median household income in Wichita was \$43,776 and the estimated per capita income was \$24,461.<sup>22</sup> The number of families living in poverty totaled 12,434 (about 13.1 percent of families in Wichita).<sup>23</sup>

<sup>14</sup>Fall enrollment numbers from USD 259. Elementary includes grades K through 5, middle school includes grades 6 through 8 and high school includes grades 9 through 12.

<sup>15</sup>Other refers to special school enrollment.

<sup>16</sup>Parochial fall enrollment figures furnished by the Catholic School Office (7,182 for all of Sedgwick County, excluding Pre-K, and 934 for Wichita Collegiate School, including two years old through high school).

<sup>17</sup>Fall enrollment numbers.

<sup>18</sup>This metropolitan statistical area delineation was issued by The Office of Management and Budget in February 2013. At that time, Kingman County was added to the Wichita MSA.

<sup>19</sup>Source: U.S. Census Bureau, 2013 Metropolitan Statistical Area Population Estimates.

<sup>20</sup>Source: U.S. Census Bureau, 2013 County Population Estimates.

<sup>21</sup>Source: U.S. Census Bureau, 2012 American Community Survey 1-Year Estimates.

<sup>22</sup>Source: U.S. Census Bureau, 2012 American Community Survey 1-Year Estimates.

<sup>23</sup>Source: U.S. Census Bureau, 2012 American Community Survey 1-Year Estimates.

### Population Growth Trends

| Year | City of Wichita | Percentage Change | Sedgwick County | Percentage Change |
|------|-----------------|-------------------|-----------------|-------------------|
| 1950 | 168,300         |                   | 222,300         |                   |
| 1960 | 254,700         | 51.3%             | 343,200         | 54.4%             |
| 1970 | 276,600         | 8.6%              | 350,700         | 2.2%              |
| 1980 | 279,300         | 1.0%              | 367,100         | 4.7%              |
| 1990 | 304,000         | 8.8%              | 403,700         | 10.0%             |
| 2000 | 344,300         | 13.3%             | 452,900         | 12.2%             |
| 2010 | 382,368         | 11.1%             | 498,365         | 10.0%             |

Source: U.S. Bureau of the Census, *Population of the 100 Largest Cities and Other Urban Places in the United States: 1790 to 1990*, Working Population Paper No. 27, 2000 and 2010 population counts from the respective decennial census.

### Age Distribution

|                           | City of Wichita | Percent of Total | Sedgwick County | Percent of Total | Wichita MSA* | Percent of Total |
|---------------------------|-----------------|------------------|-----------------|------------------|--------------|------------------|
| Under 5 years             | 30,858          | 8.0%             | 39,274          | 7.8%             | 46,864       | 7.5%             |
| Age 5 to 9                | 27,607          | 7.2%             | 38,587          | 7.7%             | 45,998       | 7.3%             |
| Age 10 to 14              | 25,309          | 6.6%             | 35,886          | 7.1%             | 46,349       | 7.4%             |
| Age 15 to 19              | 26,494          | 6.9%             | 35,025          | 7.0%             | 44,732       | 7.1%             |
| Age 20 to 24              | 28,044          | 7.3%             | 35,397          | 7.0%             | 42,909       | 6.8%             |
| Age 25 to 29              | 29,690          | 7.7%             | 36,784          | 7.3%             | 43,349       | 6.9%             |
| Age 30 to 34              | 24,678          | 6.4%             | 34,264          | 6.8%             | 40,836       | 6.5%             |
| Age 35 to 39              | 23,906          | 6.2%             | 30,737          | 6.1%             | 38,951       | 6.2%             |
| Age 40 to 44              | 23,521          | 6.1%             | 30,233          | 6.0%             | 37,695       | 6.0%             |
| Age 45 to 49              | 24,292          | 6.3%             | 31,745          | 6.3%             | 40,207       | 6.4%             |
| Age 50 to 54              | 27,377          | 7.1%             | 35,776          | 7.1%             | 45,233       | 7.2%             |
| Age 55 to 59              | 24,768          | 6.4%             | 32,206          | 6.4%             | 42,075       | 6.7%             |
| Age 60 to 64              | 21,566          | 5.6%             | 27,158          | 5.4%             | 33,880       | 5.4%             |
| Age 65 to 69              | 16,966          | 4.4%             | 21,163          | 4.2%             | 26,386       | 4.2%             |
| Age 70 to 74              | 9,640           | 2.5%             | 12,597          | 2.5%             | 16,334       | 2.6%             |
| Age 75 to 79              | 7,326           | 1.9%             | 10,582          | 2.1%             | 14,450       | 2.3%             |
| Age 80 to 84              | 6,555           | 1.7%             | 8,566           | 1.7%             | 10,680       | 1.7%             |
| Age 85 and older          | 6,863           | 1.8%             | 8,432           | 1.7%             | 11,399       | 1.8%             |
| Total population all ages | 385,586         | 100.0%           | 503,889         | 100.0%           | 628,242      | 100.0%           |
| Median Age (years)        | 35.1            |                  | 34.5            |                  | 35.3         |                  |

Source: U.S. Census Bureau, 2012 American Community Survey 1-Year Estimates. Columns may not sum to totals due to rounding.

\*The Wichita MSA includes Butler, Harvey, Sedgwick and Sumner counties. In February 2013, Kingman County was added to the Wichita MSA; however, Kingman County population by age has not been added to the Wichita MSA in this table because it is not available in 2012 American Community Survey 1-Year Estimates.

## **Economic Outlook**<sup>24</sup>

### ***Introduction***<sup>25</sup>

Employment in Wichita and the rest of the United States has remained relatively stable in the wake of the 2008 recession. Both Wichita and the United States experienced modest employment growth in 2013. National employment grew by 1.7 percent in 2013, and Wichita employment grew 1.2 percent over the same time period.

The economy should continue a modest but steady recovery in 2014. A fast recovery to pre-recession levels of employment, with above average growth, should not be expected. Even the slow recovery has several potential risks that could further reduce growth. Downturns from our major trading partners abroad, tightening monetary policy, new regulation and further fiscal austerity could all darken the outlook for 2014.

Total nonfarm employment is expected to increase by 3,565 jobs in 2014, for a growth rate of 1.2 percent. Production sectors are projected to contract by 433 jobs, or 0.6 percent, with durable goods manufacturing contracting at 2.6 percent. Trade, transportation, and utilities will grow by 593 jobs, or 1.2 percent. The service sectors will provide most of the job growth for Wichita, adding 3,006 jobs, or 2.3 percent. The professional and business services sector will add 1,517 jobs, and the education and health services sector will add 912 jobs. The government sector will grow at 1.0 percent.

### ***Economic Indicators***

#### **Wichita Income and Retail Sales**

Per capita personal income in the Wichita MSA increased 3.6 percent from 2011 to 2012. This was reflected in the 3 percent increase of real taxable retail sales in 2012. Real taxable retail sales increased 2.4 percent in 2013 and are forecast to increase 0.9 percent in 2014.

#### **Consumer Confidence and Expectations**

The national Index of Consumer Confidence experienced an upward trend from 2010 through 2013, with the annual average increasing 9.3 Index points in 2010, 3.7 Index points in 2011, 8.9 Index points in 2012, and 6.1 Index points in 2013. The national Index of Consumer Expectations increased 14.3 Index points in 2010, followed by a moderate decrease of 0.9 Index points in 2011. In 2012, the Index rebounded by 5.8 Index points.

Nationally and locally, the retail trade sector has benefited from these upswings in consumer confidence and expectations. The value of new car output has been on the rise, gaining 58 percent from 2009 through 2013. Increased car sales have had a positive impact on three local car dealerships that have begun or completed new facilities since early 2012.

New national and regional retailers have moved into the Wichita area since early 2012, including The Fresh Market, Marshalls, and Academy Sports & Outdoors. Other retailers, such as Walmart and CVS pharmacies have increased their presence in Wichita, opening additional stores. A new Hobby Lobby store in east Wichita opened in October 2013 and a new Sam's Club also opened in northwest Wichita in July 2014.

#### **Wichita Wages**

The recent recession impacted total wages in the Wichita MSA significantly in 2009 with a decrease of 5.7 percent, which was followed by another decline of 1.9 percent in 2010. It was 2011 before total wages began to rebound, with a 3 percent increase that year and another 3.3 percent increase in 2012. Data from the first three quarters of 2013 show that wages over that period increased by 2.6 percent, compared to the first three quarters of 2012.

### ***Labor Market***

The Wichita MSA had an average unemployment rate of 7.9 percent in 2011, which dropped 1.0 percentage point to 6.9 percent in 2012. It fell another 0.7 percentage points to 6.2 percent in 2013. The City of Wichita had higher unemployment over this time period than the MSA, but followed a similar pattern. In 2011, the city had an average unemployment rate of 8.7 percent. In 2012, it fell 0.8 percentage points to 7.5 percent and fell further to 6.6 percent in 2013.

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<sup>24</sup>Sources: Wichita State University, W. Frank Barton School of Business, Center for Economic Development and Business Research. See their home page at <http://www.cedbr.org> for the latest economic indicators.

<sup>25</sup>Throughout this section, unless otherwise noted, the data presented are for the Wichita MSA (Metropolitan Statistical Area), which includes Butler, Harvey, Sedgwick and Sumner counties.

The total civilian labor force in 2013 for the four-county Wichita MSA was 301,192 people. Of that total, 282,453 were employed. In Wichita, the 2013 civilian labor force numbered 185,428 people, and 173,234 of them were employed.

### ***Housing and Construction***

In Wichita, the value of building permits experienced a large decline in 2012. While the value of residential permits grew by 41.8 percent, the value of non-residential permits declined by 41.4 percent. Overall, this meant the value of building permits fell by 22.3 percent in 2012. In 2013, the overall value of building permits had stronger growth, growing 27.6 percent. The value of residential permits grew by 45.6 percent, and the value of nonresidential permits grew by 14.7 percent. The Center for Economic Development and Business Research (CEDBR) forecasts that, for 2014, the value of residential permits will increase by 26.4 percent, and the value of nonresidential permits will increase by 16.2 percent. This implies the overall value of building permits will increase by 21.1 percent.

As a result of the most recent downturn, Wichita area home prices declined 0.9 percent in 2011 and 0.7 percent in 2012. Stanley Longhofer, director of the WSU Center for Real Estate, forecasts that home prices in Wichita will increase 1.5 percent in 2013 and another 2.2 percent in 2014. In his forecast, Longhofer goes on to say that home sales have risen for three consecutive years and are on pace to rise by 12.5 percent in 2013, the largest year-over-year gain on record. He expects this trend to continue into 2014, with sales rising another 2.5 percent.<sup>26</sup>

Overall, natural resources, mining and construction employment is expected to increase 5.1 percent, or 760 jobs in 2014.

### ***Manufacturing***

More workers are employed in the manufacturing sector than any other sector in the Wichita MSA. Approximately 85.9 percent of those workers manufacture durable goods, with aerospace products and parts being the largest component of the durable goods manufactured. Aerospace products and parts jobs represent about 56.5 percent of all manufacturing jobs in the Wichita area.

The manufacturing sector in the United States lost approximately 1.7 million jobs between 2008 and 2011, for a 12.5 percent decline. During that same period, the Wichita MSA lost 15,300 manufacturing jobs, for a 22.7 percent decline. The nation began its rebound in 2011; however, Wichita did not gain jobs back until 2012, when 800 jobs were added, for a 1.5 percent increase over 2011.

Manufacturing news has been mixed in Wichita the past year. Challenges have included layoffs, divestiture of assets, reorganization, and efforts to keep up with demand. The good news includes the first international delivery of the new Cessna TTx; a 47 percent increase in Beechcraft Corp. deliveries for the first three quarters of 2013, year-over-year; the rollout of the first forward fuselage for the new KC-46 refueling tanker by Spirit AeroSystems; and the addition of the Challenger 350 business aircraft by Bombardier.

Overall, manufacturing is expected to decrease 2.3 percent, or nearly 1,200 jobs in 2014. Almost all of the job losses are expected to occur in the durable goods manufacturing sector.

### ***Trade, Transportation and Utilities***

Wholesale trade declined by 116 jobs in 2013, followed by an expected increase of 67 jobs, or 0.7 percent, in 2014. Retail trade increased by 600 jobs in 2013 and is forecasted to increase by 403 jobs, or 1.3 percent, in 2014. Transportation and utilities employment gained 198 jobs in 2013 and is expected to continue to grow by adding 123 jobs in 2014, for a growth rate of 1.4 percent.

### ***Information Services***

The information industry, at both the local and national levels, has been on a downward trend. In 2008, there were 6,600 filled information positions in the Wichita MSA. By the end of 2013, the industry had lost 2,300 jobs, for a 35 percent decline. A similar pattern occurred at the national level. Employment peaked at 3.6 million jobs in 2000, but declined to 2.7 million by the end of 2011, a 26 percent loss. National employment in information services remained relatively constant in 2012 and 2013.

Information services are expected to stop their decline in 2014 in the Wichita MSA. CEDBR estimates an increase of 86 jobs, about a 2 percent increase, after a loss of 191 jobs in 2013.

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<sup>26</sup> Longhofer, Stanley, 2014 Kansas Housing Markets Forecast: Wichita Housing Forecast, Center for Real Estate, W. Frank Barton School of Business, Wichita State University.

### ***Financial Services***

The financial industry in the Wichita MSA lost 2,500 jobs from 2001 through 2012, for a 19 percent decline. The banking sector has not yet seen an improvement in employment since the recession and financial crisis. Within the banking industry there is cautious optimism, but there will likely be more bank consolidation in the Midwest, driven by continuing compliance issues.

Financial activities employment remained stable in 2013, and CEDBR estimates the sector will continue on that path, losing only a few jobs, for a loss of perhaps 0.2 percent in 2014.

### ***Professional and Business Services***

In the Wichita area, there are approximately 2,700 firms in the professional and business services sector, most of which have fewer than 10 employees. The sector reached its previous employment peak of 31,300 employees in 2008, followed by an 8.3 percent dip in 2009. By the end of 2013, the industry had regained all of the jobs lost, for a new peak of 31,500 jobs. An increase of 1,517 jobs is expected for 2014, which is a 4.8 percent increase.

### ***Educational and Health Care Services***

Education employment represents 12 percent of the education and health care industry, while health care employment composes the other 88 percent. From 2000 through 2013, Wichita employment grew 22 percent in this industry. Of the health care employment, 26 percent is in the hospital industry. This growth can be attributed, to some degree, to continued population growth in the Wichita MSA, which totaled a 10 percent increase from 2000 through 2013.

Trends in health care include increased regulation, improvements in technology, uncertainty about the Affordable Care Act and an aging population that is increasing the demand for services. The one thing the industry can count on will be change, whether it comes as a result of policy, the economy, or demographics.

Overall, education and health care employment is forecast to increase 2.1 percent, or approximately 900 jobs, in 2014.

### ***Leisure and Hospitality Services***

Economic indicators for the travel and tourism industry are sending somewhat mixed messages. Transient guest taxes increased 12.8 percent in the 12 months ending in March 2014 compared to the previous 12 months. The total number of outbound passengers at Wichita's Mid-Continent Airport increased 0.7 percent for the 12 months ending in February 2014 compared to the prior 12 months, and the hotel occupancy rate increased 2.7 percentage points for the 12 months ending in January 2014 compared to the prior 12 months.

Button sales for the 2013 Wichita Riverfest were up 38 percent from the 2012 event. The 104,000 buttons sold was the largest number since the 2008 festival.<sup>27</sup>

Venues Today, an international trade publication that ranks entertainment and sports venues, ranked Wichita's INTRUST Bank Arena first in the Midwest region based on ticket sales from January 1 through December 31, 2013, for arenas with 10,001 to 15,000 seats.

Leisure and hospitality employment increased 3 percent, or 850 jobs, in 2013. Continuing growth of 1.4 percent is expected in 2014, for an increase of more than 400 jobs.

### ***Other Services***

Employment in other services reached a peak of 12,000 workers in 2004. By the end of 2012, the industry had lost 1,300 jobs, for a 10.8 percent decline. Employment increased by nine jobs in 2013, a 0.1 percent increase. For 2014, other services employment is projected to grow by 0.9 percent, adding 91 jobs.

### ***Government***

Aside from agricultural employment, government sector employment is the most difficult economic variable to predict, since employment decisions often rely on variables other than economic relationships.

Government employment reached a peak of 41,800 workers in 2010, followed by a 2.9 percent decrease, or 1,300 jobs, over the next three years. CEDBR forecasts an increase of 399 jobs in 2014, for an addition of 1 percent.

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<sup>27</sup>Community Embraces Reinvigorated Riverfest, Wichita Festivals Inc., [www.wichitariverfest.com/riverfest\\_info.php?page=news-media\\_news](http://www.wichitariverfest.com/riverfest_info.php?page=news-media_news), July 25, 2013.

Wichita MSA Forecast Summary

| Wichita MSA Employment by Industry Summary*                                     |                |                |                |              | 2013-2014    |
|---|----------------|----------------|----------------|--------------|--------------|
|   | 2012 (a)       | 2013 (a)       | 2014 (f)       | 2013-2014    | Percent      |
|   |                |                |                | Level Change | Change       |
| <b>Total Nonfarm</b>  | <b>285,511</b> | <b>288,814</b> | <b>292,380</b> | <b>3,565</b> | <b>1.2%</b>  |
| <b>Production Sectors</b>   | <b>67,390</b>  | <b>67,557</b>  | <b>67,125</b>  | <b>-433</b>  | <b>-0.6%</b> |
| Natural Resources, Mining & Cons.   | 14,592         | 15,016         | 15,776         | 760          | 5.1%         |
| Manufacturing   | 52,798         | 52,542         | 51,349         | -1,193       | -2.3%        |
| Durable Goods   | 45,332         | 45,159         | 43,998         | -1,161       | -2.6%        |
| Non-Durable Goods   | 7,466          | 7,383          | 7,351          | -32          | -0.4%        |
| <b>Trade, Transportation &amp; Utilities</b>                                    | <b>49,945</b>  | <b>50,618</b>  | <b>51,211</b>  | <b>593</b>   | <b>1.2%</b>  |
| Wholesale Trade   | 9,440          | 9,324          | 9,391          | 67           | 0.7%         |
| Retail Trade  | 31,610         | 32,200         | 32,603         | 403          | 1.3%         |
| Transportation & Utilities  | 8,895          | 9,093          | 9,216          | 123          | 1.4%         |
| <b>Service Sectors</b>  | <b>127,463</b> | <b>130,073</b> | <b>133,078</b> | <b>3,006</b> | <b>2.3%</b>  |
| Information   | 4,467          | 4,276          | 4,362          | 86           | 2.0%         |
| Financial Activities  | 10,543         | 10,534         | 10,517         | -17          | -0.2%        |
| Professional & Business Services  | 29,837         | 31,534         | 33,050         | 1,517        | 4.8%         |
| Education & Health Services   | 43,522         | 43,777         | 44,689         | 912          | 2.1%         |
| Leisure & Hospitality   | 28,429         | 29,277         | 29,694         | 417          | 1.4%         |
| Other Services  | 10,666         | 10,675         | 10,766         | 91           | 0.9%         |
| <b>Government</b>   | <b>40,713</b>  | <b>40,567</b>  | <b>40,966</b>  | <b>399</b>   | <b>1.0%</b>  |
| *Annual values are derived from average quarterly observations and projections. |                |                |                |              |              |
| (a) actual (f) forecasted   |                |                |                |              |              |

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**C I T Y ■ O F  
W I C H I T A**

**APPENDIX B**

**FINANCIAL INFORMATION**

Draft



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**C I T Y ■ O F  
W I C H I T A**



Department of Public Works & Utilities  
Office of the Director  
City Hall – Eighth Floor  
455 North Main  
Wichita, Kansas 67202

June 20, 2014

To our Water and Sewer Bondholders:

Please review and accept the 2013 Annual Report, presented on behalf of the City of Wichita and the Water & Sewer Utilities.

The Utilities strive to provide high-quality, reliable water and sewer service to residents of Wichita and customers in the surrounding community. The Utilities' services need to represent a good value to the customer base, which is achieved by ensuring effective and efficient operations, positive customer service, and strategic financial management.

On average, the Water and Sewer Utilities treat and distribute about 51 million gallons of potable per day. The sewer system collects and processes about 38 million gallons of wastewater per day. The Utilities serve approximately 386,000 citizens of south-central Kansas. Services include maintenance of more than 4,400 miles of sewer and water mains, operation of 57 sewer lift stations and sewage treatment plants, nearly 150,000 water meters, and an array of water treatment facilities. The Utilities also coordinate their efforts with business, industry, and developers to provide infrastructure critical to the continued success and well-being of our customers.

The Utilities continue to focus on reinvesting in the water distribution and sewer collection systems that have been aging. In 2013 fewer overall main breaks were experienced due to the increased repair and replacement efforts. The new utility rates, effective in January 2014, maintain support for the enhanced maintenance, repair and replacement focus of the aging systems.

The five-year meter replacement program that began in 2012 completed its second year. The program focused on replacing the meters that had a higher potential to result in lower accuracy based on age. A sample of the replaced meters was randomly tested, resulting in approximately 29 percent reporting lower than expected accuracy. Based on the meter testing, the meter replacement project is estimated to enhance revenues by \$1.8 million for water and \$2.8 million for sewer annually, once the project is completed.

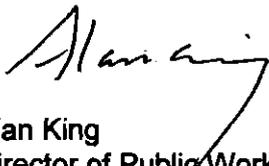
The City negotiated with Kansas Department of Health and Environment (KDHE) to make improvements to the wastewater treatment and collection system in response to a May 2012 breach. The enhancements being made under the agreement with KDHE are targeted at rehabilitating critical parts of the primary wastewater treatment facility, which was built in 1957. Additional work is being conducted to assess the condition of other system assets.

The Aquifer Storage & Recovery (ASR) project completed testing in 2013 and is now operational. The project is creating an additional water supply by treating excess flows in the Little Arkansas River and injecting the treated water into the underground aquifer. The underground aquifer that provides 40 percent of the Utility's water supply and will also provide a hydraulic barrier to slow salt intrusion into the aquifer, while insuring water for the City's use.

The Wichita region received relief from the drought with an unusual amount of rain received in July and August 2013. Concern for protecting the Utility from future droughts prompted the Utility to develop a drought response plan, which was approved by City Council in October 2013. The plan established four drought response stages based on the level of water in Cheney Reservoir that provides 60 percent of the Utility's water supply. Response measures to the various stages include voluntary conservation, restricting outside water usage and/or a reduction of customers' base usage.

In concert with the drought response plan, the Utility continues to evaluate new water supply options to ensure an adequate long-term supply for our customers. Water supply options are being evaluated on three criteria: meeting long-term water needs, minimizing costs and reasonable conservation goals. In addition, the City is pursuing conservation options to reduce long-term water demand.

Finally, it is important to recognize the hundreds of employees that make it possible to provide clean water and reliable sewer service. The Utilities meet high standards for water and sewer reliability and engage in planning efforts to ensure that the high levels of services continue. The City of Wichita is committed to continuing its responsible financial and operational management to provide a long-term, high-quality value for customers.



Alan King  
Director of Public Works & Utilities  
For the Water & Sewer Utilities  
The City of Wichita, Kansas

# CITY OF WICHITA, KANSAS

## WATER UTILITIES COMBINED STATEMENT OF NET POSITION

For the year ended December 31, 2013

(with comparative totals for the year ended December 31, 2012)

|  | 2013           | 2012           |
|--|----------------|----------------|
| <b>ASSETS</b>  |                |                |
| Current assets:  |                |                |
| Cash and temporary investments                         | \$ 11,064,044  | \$ 10,781,821  |
| Receivables, net                                       | 15,549,637     | 17,349,681     |
| Inventories  | 2,608,567      | 2,117,514      |
| Prepaid items  | 959,414        | 544,647        |
| Restricted assets:                                     |                |                |
| Cash and temporary investments                         | 28,479,808     | 28,889,376     |
| Total current assets                                   | 58,661,470     | 59,683,039     |
| Noncurrent assets:                                     |                |                |
| Restricted assets:                                     |                |                |
| Cash and temporary investments                         | 117,406,017    | 130,981,577    |
| Capital assets:  |                |                |
| Land   | 14,274,591     | 14,235,596     |
| Buildings  | 173,235,756    | 171,729,057    |
| Improvements other than buildings                      | 884,032,583    | 849,995,576    |
| Machinery, equipment and other assets                  | 100,719,226    | 97,309,410     |
| Construction in progress                               | 307,268,633    | 307,818,800    |
| Less accumulated depreciation                          | (352,794,385)  | (330,227,183)  |
| Total capital assets (net of accumulated depreciation) | 1,126,736,404  | 1,110,861,256  |
| Other assets   | -              | 2,919,992      |
| Total noncurrent assets                                | 1,244,142,421  | 1,244,762,825  |
| Total assets   | 1,302,803,891  | 1,304,445,864  |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                  |                |                |
| Unamortized refunding costs                            | 6,587,119      | 7,179,679      |
| Total deferred outflows of resources                   | 6,587,119      | 7,179,679      |
| <b>LIABILITIES</b>                                     |                |                |
| Current liabilities:                                   |                |                |
| Accounts payable and accrued expenses                  | 4,135,766      | 4,681,923      |
| Accrued interest payable                               | 319,447        | 344,333        |
| Temporary notes payable                                | 160,000,000    | 160,000,000    |
| Deposits   | 4,289,917      | 4,065,021      |
| Current portion of long-term obligations:              |                |                |
| Compensated absences                                   | 876,464        | 824,829        |
| Current liabilities payable from restricted assets:    |                |                |
| Accrued interest payable                               | 4,927,507      | 5,052,677      |
| Revenue bonds payable                                  | 22,489,336     | 23,836,699     |
| Total current liabilities                              | 197,038,437    | 198,805,482    |
| Noncurrent liabilities:                                |                |                |
| Revenue bonds payable                                  | 377,351,260    | 400,909,069    |
| Unamortized revenue bond premium                       | 20,853,223     | 22,559,515     |
| Compensated absences                                   | 8,487          | 7,596          |
| Total noncurrent liabilities                           | 398,212,970    | 423,476,180    |
| Total liabilities                                      | 595,251,407    | 622,281,662    |
| <b>NET POSITION</b>                                    |                |                |
| Net investment in capital assets                       | 561,202,948    | 523,328,689    |
| Restricted for:  |                |                |
| Capital projects                                       | 17,745,366     | 16,990,443     |
| Revenue bond covenants                                 | 117,762,729    | 131,942,499    |
| Unrestricted   | 16,360,086     | 17,082,250     |
| Total net position                                     | \$ 713,071,129 | \$ 689,343,881 |

The accompanying notes to the financial statements are an integral part of this statement.

# CITY OF WICHITA, KANSAS

## WATER UTILITIES COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION For the year ended December 31, 2013 (with comparative totals for the year ended December 31, 2012)

|  | 2013           | 2012           |
|--|----------------|----------------|
| <b>OPERATING REVENUES</b>                            |                |                |
| Charges for services and sales                       | \$ 114,484,728 | \$ 126,033,130 |
| Rentals  | 58,458         | 33,405         |
| Other  | 185,882        | 87,100         |
| Total operating revenues                             | 114,729,068    | 126,153,635    |
| <b>OPERATING EXPENSES</b>                            |                |                |
| Personnel services                                   | 19,134,729     | 18,218,875     |
| Contractual services                                 | 19,916,712     | 18,781,285     |
| Materials and supplies                               | 8,166,804      | 8,164,215      |
| Other  | 1,221,166      | 1,022,533      |
| Administrative charges                               | 1,017,854      | 1,386,209      |
| Franchise taxes                                      | 6,452,967      | 6,181,810      |
| Depreciation   | 23,547,792     | 19,893,733     |
| Total operating expenses                             | 79,458,024     | 73,648,660     |
| Operating income                                     | 35,271,044     | 52,504,975     |
| <b>NONOPERATING REVENUES (EXPENSES)</b>              |                |                |
| Gain on investments                                  | -              | 34,670         |
| Other revenues                                       | 192,415        | (221,020)      |
| Interest expense                                     | (15,051,370)   | (13,352,637)   |
| Loss from sale of assets                             | (19)           | (1,285,640)    |
| Bond discount amortization                           | 1,706,292      | 1,064,937      |
| Total nonoperating revenues (expenses)               | (13,152,682)   | (13,759,690)   |
| Income before contributions and transfers            | 22,118,362     | 38,745,285     |
| <b>CAPITAL CONTRIBUTIONS AND OPERATING TRANSFERS</b> |                |                |
| Capital contributions - cash                         | 4,801,810      | 3,882,311      |
| Capital contributions - non cash                     | 4,027,182      | 593,172        |
| Transfers to other funds                             | (4,300,113)    | (4,108,610)    |
| Change in net position                               | 26,647,241     | 39,112,158     |
| Net position - beginning as previously reported      | 689,343,881    | 650,231,723    |
| Prior period adjustment                              | (2,919,993)    | -              |
| Net position - beginning, as restated                | 686,423,888    | 650,231,723    |
| Net position - ending                                | \$ 713,071,129 | \$ 689,343,881 |

The accompanying notes to the financial statements are an integral part of this statement.

## CITY OF WICHITA, KANSAS

### WATER UTILITIES COMBINED STATEMENT OF CASH FLOWS

For the year ended December 31, 2013

(with comparative totals for the year ended December 31, 2012)

|   | 2013           | 2012           |
|---|----------------|----------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                |                |
| Cash received from customers  | \$ 116,568,126 | \$ 123,696,480 |
| Cash payments to suppliers for goods and services   | (31,774,513)   | (32,166,840)   |
| Cash payments to employees for services   | (19,082,203)   | (18,184,155)   |
| Franchise taxes and payments in lieu of delinquent specials   | (6,452,967)    | (6,181,810)    |
| Other operating revenues  | 185,882        | 87,100         |
| Net cash provided by operating activities   | 59,444,325     | 67,250,775     |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>  |                |                |
| Transfer to other funds   | (4,300,113)    | (4,108,610)    |
| Net cash used in noncapital financing activities  | (4,300,113)    | (4,108,610)    |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>   |                |                |
| Issuance of temporary notes   | 160,000,000    | -              |
| Retirement of temporary notes   | (160,000,000)  | -              |
| Issuance of capital debt  | -              | 17,225,000     |
| Premiums from the sale of bonds   | -              | 576,650        |
| Bond issuance costs paid  | -              | (62,525)       |
| Additions to property, plant and equipment  | (30,029,338)   | (30,981,707)   |
| Principal payment on long-term debt   | (23,836,698)   | (24,799,861)   |
| Interest payment on long-term debt  | (19,607,013)   | (18,796,703)   |
| Capital contributions   | 4,625,932      | 3,712,511      |
| Net cash used in capital and related financing activities   | (68,847,117)   | (53,126,635)   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                |                |
| Interest on investments   | -              | 34,670         |
| Net cash provided by investing activities   | -              | 34,670         |
| Net increase in cash and temporary investments  | (13,702,905)   | 10,050,200     |
| Cash and temporary investments - January 1  | 170,652,774    | 160,602,574    |
| Cash and temporary investments - December 31  | \$ 156,949,869 | \$ 170,652,774 |
| <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b> |                |                |
| Operating income  | \$ 35,271,044  | \$ 52,504,975  |
| Adjustments to reconcile operating income to net cash provided by operating activities:                 |                |                |
| Depreciation  | 23,547,792     | 19,893,733     |
| Changes in assets and liabilities:  |                |                |
| Increase (decrease) in accounts receivable  | 1,800,044      | (2,661,427)    |
| Increase in inventory   | (491,053)      | 252,988        |
| Increase (decrease) in prepaid items  | (414,767)      | 494,852        |
| Decrease in accounts payable/accrued expenses   | (546,157)      | (3,560,439)    |
| Increase in deposits  | 224,896        | 291,373        |
| Decrease in compensated absences  | 52,526         | 34,720         |
| Total adjustments   | 24,173,281     | 14,745,800     |
| Net cash provided by operating activities   | \$ 59,444,325  | \$ 67,250,775  |
| <b>Supplemental Schedule of Non-Cash Investing and Financing Activities</b>                             |                |                |
| Assets contributed by benefit districts   | \$ 3,419,554   | \$ 3,011,399   |
| Contribution of capital assets  | -              | 299,710        |
| Capital contributed for capital purposes  | 607,628        | 701,112        |

The accompanying notes to the financial statements are an integral part of this statement.

1. Summary of Significant Accounting Policies

A. Reporting Entity

The City of Wichita is a municipal corporation governed by an elected mayor and six-member council. The accompanying combined financial statements represent the proprietary Water Utility and Sewer Utility Funds of the municipal government. The Water Utility Fund accounts for the operation and maintenance of the water supply component of the combined utility. The Sewer Utility Fund accounts for the operation and maintenance of the sewer component of the combined utility, including wastewater treatment plants and the sewer mains and laterals.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Water and Sewer Utility (Utilities) Fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Operating revenues and expenses are distinguished from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds' principal ongoing operations. Principal operating revenues of the proprietary funds are charges to customers for sales and services and the portion of tap fees intended for recovery of connecting new customers to the system. Operating expenses of the utilities include the cost of sales and services, administration expenses, and depreciation on capital assets.

Revenues and expenses not meeting these criteria are reported as non-operating revenues and expenses. Consistent with Governmental Accounting Standards Board Statement Number 33, capital contributions resulting from non-exchange transactions are included in non-operating revenues.

C. Cash and Investments

Cash resources of the individual funds are combined to form a pool of cash and temporary investments, which is managed by the Director of Finance (except for investments of the pension trust funds and those of the Wichita Public Building Commission). Information on the pooled cash and investments of the City is provided in Note 5 of the Notes to the Financial Statements.

D. Revenue Recognition

The Utilities recognize revenue on sales when services are rendered and recognize revenues for unbilled services. All users, including other City departments, are charged for services provided. Accounts receivable represent uncollected charges (both billed and unbilled) at December 31, net of amounts estimated to be uncollectible.

E. Inventories

Inventories are stated at the lower of cost or market, cost being determined by the average unit cost method for both the Water Utility and Sewer Utility.

F. Capital Assets

Capital assets are valued at historical cost or estimated historical cost (if actual historical cost is not available). Donated capital assets are valued at their estimated fair market value on the date donated. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of an asset are not capitalized.

Depreciation of all exhaustible capital assets, including the depreciation of capital leased assets, is charged as an expense against the utility operations. Accumulated

| Assets Classification             | Estimated Useful Life |
|-----------------------------------|-----------------------|
| Buildings and improvements        | 1-100 years           |
| Improvements other than buildings | 1-85 years            |
| Equipment                         | 1-33 years            |
| Vehicles                          | 1-20 years            |
| Water/Sewer mains and drainage    | 75-85 years           |

depreciation is reported on the funds' balance sheet. Capital assets of the Utilities are depreciated using the straight line method over the estimated useful lives shown in the chart above.

**G. Payment of Franchise Taxes**

Annually, the Utilities pay franchise taxes to the General Fund of the City in an amount not to exceed five percent of gross revenues of the preceding year, which is included in the annual budget. The combined Utilities paid franchise taxes totaling \$6,452,967 in 2013 and \$6,181,810 in 2012. The payment of franchise taxes is an operating expense passed through to the Utilities' customers.

**H. Compensated Absences**

The City's policy is to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation pay is accrued and accumulated vacation is recorded as a liability in the financial statements. A liability is not recorded for unpaid accumulated sick pay as the City does not have a policy to pay accumulated sick pay to employees at separation from service.

All permanent full-time and permanent part-time employees of the reporting entity within six months of continuous employment are eligible for vacation benefits in varying amounts. City policy provides that exempt employees may accumulate and carry forward each year, not more than 30 days of vacation leave. Non-exempt employees may accumulate and carry forward each year, not more than 240 hours of vacation leave. Sick leave benefits accrue to full-time employees at varying rates, depending on the employees' length of service to the City. A limitation has not been placed on the amount of unused sick leave that may accumulate. Upon retirement, employees may apply unused sick leave benefits to increase the employee's retirement benefit.

**I. Bond Issuance Costs**

Bond issuance costs are amortized using the straight-line method of amortization over the life of the bonds.

**2. Cash and Investments**

At December 31, 2013 and 2012, the combined cash and temporary investments in the amount of \$156,949,869 and \$170,652,774 respectively are included in the City's pooled cash and temporary investments.

The City of Wichita has adopted a formal investment policy. The primary objectives of the investment activities are, in priority order, safety, liquidity and yield. The standard of care to be used by investment officials shall be the "prudent person" standard as contemplated by K.S.A. 17-5004(1), and shall be applied in the context of managing an overall portfolio. Additional information on the City's investment policy and the pooled investments of the City is located in the Note 5 – Cash, Investments and Securities Lending located in the Financial Section, Notes to the Financial Statements of this publication.

On December 31, 2013, revenue bond proceeds for reserve funds and future capital projects of the Water and Sewer Utility were invested as follows:

| Investment                             | Book Value    | Modified Duration<br>(years) | Percent of<br>Bond Proceeds<br>Investments |
|--|---------------|------------------------------|--|
| U.S. agency discount securities:       |               |                              |  |
| Federal Home Loan Mortgage Corporation | \$ 18,644,689 | 0.041                        | 100.0%                                     |
| Total value                            | \$ 18,644,689 |                              | 100.0%                                     |
| Total modified duration                |               | 0.041                        |  |

Additionally, general obligation temporary note proceeds for future capital projects of the Water Utility were invested as follows:

| Investment                           | Book Value    | Modified Duration<br>(years) | Percent of<br>Bond Proceeds<br>Investments |
|--------------------------------------|---------------|------------------------------|--|
| Municipal Investment Pool-Overnight* | \$ 40,105,655 | -                            | 100.0%                                     |
| Total value                          | \$ 40,105,655 |                              | 100.0%                                     |
| Total modified duration              |               | -                            |  |

\*The weighted average maturity of the Municipal Investment Pool was 60.1 days at December 31, 2013.

**3. Capital Assets**

Capital asset activity of the Water Utility and Sewer Utility for the year ended December 31, 2013 is shown as follows (expressed in thousands of dollars):

|  | Beginning<br>Balance | Increases | Decreases   | Transfers | Ending<br>Balance |
|--|----------------------|-----------|-------------|-----------|-------------------|
| <b>Business-type activities:</b>             |                      |           |             |           |                   |
| Capital assets, not being depreciated:       |                      |           |             |           |                   |
| Land   | \$ 14,235            | \$ 39     | \$ -        | \$ -      | \$ 14,274         |
| Construction in progress                     | 307,819              | 29,334    | (29,884)    | -         | 307,269           |
| Total capital assets, not being depreciated  | 322,054              | 29,373    | (29,884)    | -         | 321,543           |
| Capital assets, being depreciated:           |                      |           |             |           |                   |
| Buildings                                    | 171,729              | 1,517     | (10)        | -         | 173,236           |
| Improvements other than buildings            | 849,996              | 34,486    | (450)       | -         | 884,032           |
| Machinery, equipment and other assets        | 97,309               | 4,480     | (1,070)     | -         | 100,719           |
| Total capital assets being depreciated       | 1,119,034            | 40,483    | (1,530)     | -         | 1,157,987         |
| Less accumulated depreciation for:           |                      |           |             |           |                   |
| Buildings                                    | (66,677)             | (3,068)   | -           | -         | (69,745)          |
| Improvements other than buildings            | (200,944)            | (13,863)  | -           | -         | (214,807)         |
| Machinery, equipment and other assets        | (62,606)             | (6,616)   | 980         | -         | (68,242)          |
| Total accumulated depreciation               | (330,227)            | (23,547)  | 980         | -         | (352,794)         |
| Total capital assets, being depreciated, net | 788,807              | 16,936    | (550)       | -         | 805,193           |
| Total capital assets, net                    | \$ 1,110,861         | \$ 46,309 | \$ (30,434) | \$ -      | \$ 1,126,736      |

Interest costs incurred to bring certain assets to the condition and location necessary for their intended use are capitalized as part of the historical cost of acquiring the assets. During 2013 and 2012, total interest cost of the combined Water and Sewer Utility Fund was \$19,982,686 and \$20,419,242 of which \$4,931,316 and \$7,066,605 respectively was capitalized.

**4. Retirement Funds**

The reporting entity contributes to a defined single-employer retirement benefit plan, the Wichita Employees' Retirement System (WERS) and a single-employer defined contribution plan, the Wichita Employees' Retirement System Plan 3. Both plans are governed by the Wichita Employees' Retirement System Board of Trustees. All full-time employees of the Utilities participate in one of the retirement plans. The payroll for the Utilities'

employees covered by the systems for the years ended December 31, 2013 and December 31, 2012 was \$13,151,534 and \$12,543,435 respectively, which was also the total payroll for the Utilities.

Additional information on the retirement systems is reported in the Notes to the Financial Statements for the City of Wichita, located in the Financial Section of this publication. The Wichita Retirement System also issues a publicly available financial report that includes financial statements and required supplementary information for WERS and Wichita Police and Fire Retirement System. The financial report may be obtained by writing to the Wichita Retirement System, City Hall, 12<sup>th</sup> Floor, 455 N. Main, Wichita, KS 67202 or by calling (316) 268-4544.

The Utilities are required to contribute at an actuarially determined rate. The rate for 2013 was 12.6% of annual covered payroll for both Plans 1 and 2. The net pension obligation (NPO) is defined as the cumulative difference between the employer's annual pension cost and the employer's annual required contributions to the plan. For 2013, the Utility's annual pension cost of \$1,710,755 was equal to the required and actual contributions. For the year ending December 31, 2013, employee contributions to all pension plans for the Utilities totaled \$531,118 compared to \$514,872 in 2012.

## 5. Self Insurance Fund and Insurance Coverage

The City established a self insurance fund in 1987 to account for self insurance programs of workers' compensation, group life insurance, employee liability, property damage, auto liability, and general liability for the reporting entity. The Utilities participate in the self insurance programs of workers' compensation, group life insurance, group health insurance, employee liability, property damage, auto liability, and general liability. Property Insurance for the Utilities is included in the City's coverage with limits established for the entire City.

Information on the insurance programs is located in the Notes to the Comprehensive Annual Financial Report, located in the Financial Section of this report. Details of purchased insurance coverage are provided within the Additional Information Section of this report.

## 6. Long-term Debt

### A. Revenue Bonds

Revenue bonds are issued by the City of Wichita where income derived from the acquired or constructed assets is pledged to pay debt service. The bonds are payable solely from net revenues of the Utilities. Revenue bonds of the combined Utilities outstanding at December 31, 2013 are as follows (expressed in thousands of dollars):

| Outstanding issue             | Interest Rate   | Dated Date | Final Maturity Date | Amount Outstanding |
|-------------------------------|-----------------|------------|---------------------|--------------------|
| 2000A Water                   | 4.69%           | 6/01/2000  | 2021                | \$ 1,354           |
| 2000B Water                   | 4.69%           | 6/01/2000  | 2021                | 2,330              |
| 2005A Water & Sewer Refunding | 3.71% - 3.86%   | 5/12/2005  | 2016                | 14,595             |
| 2005B Water & Sewer Refunding | 5.00%           | 8/17/2005  | 2016                | 9,360              |
| 2005C Water & Sewer Refunding | 4.375% - 5.125% | 10/01/2005 | 2030                | 35,720             |
| 2006 Water & Sewer            | 4.00% - 5.00%   | 12/01/2006 | 2031                | 40,635             |
| 2008A Water & Sewer           | 3.50% - 5.00%   | 4/01/2008  | 2032                | 25,015             |
| 2009A Water & Sewer           | 3.50% - 5.00%   | 6/30/2009  | 2039                | 109,880            |
| 2009B Water & Sewer           | 4.27% - 5.36%   | 6/30/2009  | 2019                | 8,490              |
| 2010A Water & Sewer           | 1.75% - 4.00%   | 10/15/2010 | 2030                | 28,195             |
| 2010B Water & Sewer           | 3.00% - 5.35%   | 10/15/2010 | 2030                | 15,315             |
| 2011A Water & Sewer           | 4.00% - 5.00%   | 11/01/2011 | 2028                | 93,515             |
| 2012A Water & Sewer           | 2.00% - 4.00%   | 5/01/2012  | 2032                | 16,505             |
| Total Water and Sewer Utility |                 |            |                     | <u>\$ 400,909</u>  |

Changes in the long-term liability of the Water and Sewer Utility for the combined Utilities for the year ended December 31, 2013 are summarized in the following table (expressed in thousands of dollars):

|                              | Beginning<br>Balance | Additions | Reductions  | Ending<br>Balance | Due Within<br>One Year |
|------------------------------|----------------------|-----------|-------------|-------------------|------------------------|
| Bonds payable:               |                      |           |             |                   |                        |
| Revenue bonds                | \$ 424,746           | \$ -      | \$ (23,837) | \$ 400,909        | \$ 23,558              |
| Deferred amount on refunding | (7,180)              | -         | 592         | (6,588)           | -                      |
| Unamortized premium          | 22,560               | -         | (1,707)     | 20,853            | -                      |
| Total bonds payable          | 440,126              | -         | (24,952)    | 415,174           | 23,558                 |
| Compensated absences         | 832                  | 52        | -           | 884               | 876                    |
| Total long-term liabilities  | \$ 440,958           | \$ 52     | \$ (24,952) | \$ 416,058        | \$ 24,434              |

Revenue bond debt service requirements to maturity are as follows (expressed in thousands of dollars):

| Year Ending December 31 | Principal  | Interest   |
|-------------------------|------------|------------|
| 2014                    | \$ 22,489  | \$ 18,650  |
| 2015                    | 23,558     | 17,723     |
| 2016                    | 24,767     | 16,711     |
| 2017                    | 22,503     | 15,628     |
| 2018-2022               | 110,592    | 62,426     |
| 2023-2027               | 101,025    | 36,778     |
| 2028-2032               | 72,085     | 14,934     |
| 2033-2037               | 19,560     | 3,367      |
| Thereafter              | 4,330      | 325        |
| Totals debt service     | \$ 400,909 | \$ 186,542 |

#### B. Revenue Bond Ordinance Provisions and Reserve Requirements

Revenue bond ordinances related to the issuance of revenue bonds provide for specific deposits to debt service and other related bond reserve and maintenance accounts. At December 31, 2013 and 2012, unrestricted cash available in accordance with the revenue requirements of the bond covenants was \$11,064,044 and \$10,781,821.

|                              | Water and Sewer Utility Restricted Cash |                |
|------------------------------|---|----------------|
|                              | 2013                                    | 2012           |
| Principal and interest       | \$ 10,377,730                           | \$ 10,938,011  |
| Bond reserve                 | 18,649,815                              | 19,543,579     |
| Depreciation and replacement | 11,690,870                              | 11,927,278     |
| Improvements                 | 105,167,410                             | 117,462,085    |
|                              | \$ 145,885,825                          | \$ 159,870,953 |

At December 31, 2013, the City was in compliance with the reserve requirements of the respective Water and Sewer Utility revenue bond covenants. Significant requirements are listed below.

Unrestricted cash: Unrestricted revenue, amount budgeted for ensuing 60 days operating expenses for utility operation, repairs, and maintenance.

**Restricted assets:** Principal and interest, an equal prorated portion of the next annual principal payment and semi-annual interest payment of various revenue bond series on the first day of each month, which is sufficient to meet the maturing bond and interest requirements.

**Bond reserve:** A sum equal to greater of the amount of interest which shall become due and payable on various revenue bond series during next fiscal year or the maximum amount of interest which shall become due and payable on various revenue bond series in any subsequent year, shall be used solely for the payment of principal and interest on revenue bond series for which funds might not otherwise be available, or to pay a like amount of final maturing series.

**Depreciation and replacement:** 15% of the operating revenues of the preceding year are accumulated for the purpose of extraordinary maintenance and repairs, capital improvements, and if other funds are not available, for the cost of operating and maintaining the Utilities.

**Improvements:** The amount remaining in the Revenue Fund on each January 1, which shall not be required for the operation and maintenance of the Utility or for the transfers required to the above accounts for a period of 90 days, shall be credited to the account. Funds may be used for (1) operational and maintenance expenses of the Utility, (2) increase amounts in any of the other accounts to cover potential deficiencies, (3) improvements, repairs or extensions of the utility, (4) redemption of bonds issued under provisions of the ordinance prior to maturity, or (5) to make transfers to the Revenue Fund.

**7. Leases**

The Sewer Utility and the Airport Authority entered into a 50-year operating lease for land which requires an annual rent payment. The following table provides future minimum rentals of the non-cancelable operating lease:

| <u>Year Ending December 31</u>      | <u>Minimum Rentals<br/>of Non-cancelable<br/>Operating Lease</u> |
|-------------------------------------|--|
| 2014                                | \$ 48,950  |
| 2015                                | 48,950   |
| 2016                                | 48,950   |
| 2017                                | 48,950   |
| 2018 – 2022                         | 256,982  |
| 2023 – 2027                         | 269,802  |
| 2028 – 2032                         | 283,327  |
| 2033 – 2037                         | 297,441  |
| 2038 – 2042                         | 312,260  |
| 2043 – thereafter                   | 1,052,551  |
| <b>Total minimum future rentals</b> | <b><u>\$ 2,668,163</u></b>                                       |

**8. Segment Information**

The Utility maintains separate funds for water and sewer services. Segment information for the year ended December 31, 2013 is located in the Financial Section of this publication.



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**APPENDIX C**

**SUMMARY OF FINANCING DOCUMENTS**



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## APPENDIX C

### SUMMARY OF FINANCING DOCUMENTS

The following is a summary of certain provisions and covenants contained in the Ordinance and Bond Resolution authorizing the Series 2014B Bonds and the Disclosure Undertaking. In certain situations, the summary also summarizes the provisions of the Parity Resolutions. Such summary does not purport to be complete and is qualified in its entirety by reference to the foregoing documents.

#### THE BOND RESOLUTION

##### DEFINITIONS

In addition to words and terms defined elsewhere in this Official Statement, the following words and terms as used herein shall have the following meanings:

**“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 Indebtedness”** means, collectively, Additional Bonds and Additional Obligations.

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

**“Annual Budget”** shall mean with respect to the Utility, the Issuer’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 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 Pre-2008 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 2000 Bonds and the Series 2005B Bonds; (b) FSA with respect to the Series 2006 Bonds; (c) Assured Guaranty with respect to the Series 2008A Bonds; and (d) 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 2014B 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 2014B 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 2014B Bond Resolution and any supplemental resolution authorizing any Additional Indebtedness.

**“Bonds”** means, collectively, Outstanding Parity Bonds, the Series 2014B 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 with respect to the Bonds.

**“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 acting Clerk of the Issuer or, in the Clerk's absence, the duly appointed Deputy, Assistant 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 or applicable thereto.

**“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 2014B.

**“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.

**“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 any Utility Indebtedness or General Obligation Indebtedness 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 Pre-2008 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.

**“FSA”** means Financial Security Assurance Inc., a New York stock insurance company, or any successor thereto.

**“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 2014B Bonds, the Stated Maturity of an installment of interest on the Series 2014B Bonds which shall be April 1 and October 1 of each year, commencing April 1, 2015; (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 one year, 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.

**“Official Statement”** means Issuer's Official Statement relating to the Series 2014B Bonds.

**“Operating Revenues”** shall mean the Gross Revenues, less investment income and less Current Expenses.

**“Ordinance”** means the Ordinance of the Issuer authorizing the issuance of the Series 2014B 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 2000 Bonds, Series 2005B Bonds, Series 2006 Bonds, Series 2008A Bonds, Series 2009 Bonds, Series 2010 Bonds, Series 2011A Bonds Series 2012A Bonds and Series 2014A 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 2014B Bonds, and any Additional Bonds hereafter issued or incurred pursuant to the Bond Resolution and standing on a parity and equality with the Series 2014B 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 2014B 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 and the Series 2014B 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-2008 Bonds”** means, collectively, the Series 2000 Bonds, the Series 2005B Bonds and the Series 2006 Bonds.

**“Pre-2009 Bonds”** means, collectively, the Pre-2008 Bonds and the Series 2008A Bonds.

**“Pre-2010 Bonds”** means, collectively, the Pre-2009 Bonds and the Series 2009 Bonds.

**“Pre-2014 Bonds”** means, collectively, the Pre-2009 Bonds, the Series 2009 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 Series 2014B Bond Resolution and any Substitute Project.

**“Project Funds,”** with respect to the Series 2014 Bonds, shall mean, collectively, the Series 2014B Sewer Projects Fund and the Series 2014B Water Projects Fund.

**“Purchaser”** means the financial institution or investment banking firm that is original purchaser of any series of Bonds.

**“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 the 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 2014B.

**“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 the Bond Resolution.

**“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 2000 Bond Resolution”** means the Issuer's Ordinance No. 44-663, which authorized the Series 2000 Bonds.

**“Series 2000 Bonds”** means the Issuer’s Water and Sewer Utility Revenue Bonds, Series 2000, dated June 1, 2000.

**“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 2006 Bond Resolution”** means collectively the Issuer's Ordinance No. 47-300 and Resolution No. 06-609, which authorized the Series 2006 Bonds.

**“Series 2006 Bonds”** means the Issuer’s Water and Sewer Utility Revenue Bonds, Series 2006, dated December 1, 2006.

**“Series 2008A Bond Resolution”** means collectively the Issuer's Ordinance No. 47-866 and Resolution No. 08-170, which authorized the Series 2008A Bonds.

**“Series 2008A Bonds”** means the Issuer’s Water and Sewer Utility Revenue Bonds, Series 2008A, dated April 1, 2008.

**“Series 2009 Bonds”** means, collectively, the Series 2009A Bonds and the Series 2009B Bonds.

**“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 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 2014A, dated August 1, 2014.

**“Series 2014B Bond Reserve Requirement”** shall mean a sum equal to greater of the amount of interest which shall become due and payable on the Series 2014B 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 2014B Bonds in any subsequent year, except that, in no event shall the amount of the 2014B Bond Reserve Requirement ever exceed the amount which is the lesser of ten percent (10%) of the original principal amount of the Series 2014B Bonds (determined as of the date of issuance of the Series 2014B Bonds), the maximum annual principal and interest requirements on the Series 2014B Bonds (determined as of the date of issuance of the Series 2014B Bonds), or one hundred twenty-five percent (125%) of the average annual debt service on the Series 2014B Bonds (determined as of the date of issuance of the Series 2014B Bonds).

**“Series 2014B Bond Reserve Subaccount”** shall mean the Water and Sewer Utility Revenue Bonds, Series 2014B, Bond Reserve Subaccount created within the Bond Reserve Account.

**“Series 2014B Bond Resolution”** means collectively the Issuer's Ordinance and Resolution, which authorized the Series 2014B Bonds.

**“Series 2014B Bonds”** means the Issuer's Water and Sewer Utility Revenue Bonds, Series 2014B, dated August 1, 2014, authorized and issued by the Issuer pursuant to the Ordinance and the Bond Resolution.

**“Series 2014B Costs of Issuance Account”** shall mean the Water and Sewer Utility Revenue Bonds, Series 2014B, Costs of Issuance Account created by this Resolution.

**“Series 2014B Principal and Interest Subaccount”** means the Principal and Interest Subaccount for the Series 2014B Bonds.

**“Series 2014B Sewer Projects”** means the Sewer Utility projects financed, in whole or in part, by the Series 2014B Bonds, as described in the Series 2014B Bond Resolution.

**“Series 2014B Sewer Utility Projects Fund”** means the Sewer Utility Projects Fund for the Series 2014B Bonds.

[ **“Series 2014B-[\_\_\_\_\_] Term Bonds”** means the Series 2014B Bonds scheduled to mature in the year [\_\_\_\_].

**“Series 2014B-[\_\_\_\_\_] Term Bonds”** means the Series 2014B Bonds scheduled to mature in the year [\_\_\_\_].]

**“Series 2014B Water Projects”** means the Water Utility projects financed, in whole or in part, by the Series 2014B Bonds, as described in the Series 2014B Bond Resolution.

**“Series 2014B Water Utility Projects Fund”** means the Water Utility Projects Fund for the Series 2014B Bonds.

**“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 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 the Bond Resolution.

**“Term Bonds”** means any Bonds designated as Term Bonds in the 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.

## **ESTABLISHMENT OF FUNDS AND ACCOUNTS; DEPOSIT AND APPLICATION OF BOND PROCEEDS AND OTHER MONEYS**

**Creation of Funds and Accounts.** The Bond Resolution establishes or ratifies within the treasury of the Issuer the following Funds and Accounts:

- (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 Subaccount for Water and Sewer Utility Revenue Bonds, Series 2014B.
- (f) Bond Reserve Subaccount for Water and Sewer Utility Revenue Bonds, Series 2014B.
- (g) Costs of Issuance Account for Water and Sewer Utility Revenue Bonds, Series 2014B.
- (h) Rebate Fund for Water and Sewer Utility Revenue Bonds, Series 2014B.
- (i) Sewer Utility Projects Fund for Water and Sewer Utility Revenue Bonds, Series 2014B.
- (j) Water Utility Projects Fund for Water and Sewer Utility Revenue Bonds, Series 2014B.
- (k) Principal and Interest Subaccounts for Outstanding Parity Bonds.
- (l) Bond Reserve Subaccounts for Outstanding Parity Bonds.

The Funds and Accounts referred to above shall be administered in accordance with the provisions of the Bond Resolution.

**Deposit of Series 2014B Bond Proceeds.** The net proceeds received from the sale of the Series 2014B Bonds and certain other moneys shall be deposited simultaneously with the delivery of the Series 2014B Bonds as follows:

- (a) Any accrued interest and excess proceeds shall be deposited into the Series 2014B Principal and Interest Subaccount.
- (b) An amount necessary to pay Costs of Issuance shall be deposited in the Series 2014B Costs of Issuance Account.
- (c) An amount necessary to bring the Series 2014B Bond Reserve Subaccount to the Series 2014B Bond Reserve Requirement shall be deposited in the 2014B Bond Reserve Subaccount.
- (d) An amount necessary to pay the costs of the Series 2014B Sewer Projects shall be deposited in the Series 2014B Sewer Utility Projects Fund.
- (e) An amount necessary to pay the costs of the Series 2014B Water Projects shall be deposited in the Series 2014B Water Utility Projects Fund.

**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 2014B 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 2014B Principal and Interest Subaccount.

***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 2014B 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 2014B 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 2014B Bonds to include the Substitute Project; and (d) the use of the proceeds of the Series 2014B Bonds to pay the Financeable Cost of the Substitute Project will not adversely affect the tax status of the Series 2014B Bonds under State or federal law.

The Issuer may reallocate expenditure of Series 2014B Bond proceeds among all Projects financed by the Series 2014B 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 2014B 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 2014B Bonds under State or federal law.

***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 Series 2014B Costs of Issuance Subaccount, 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 Bonds, shall be transferred to the Project Fund until completion of the Project and thereafter to shall be deposited into the Series 2014B Principal and Interest Subaccount.

***Application of Moneys in the Rebate Fund.*** 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 Bonds shall have any rights in or claim to such money.

## COLLECTION AND APPLICATION OF REVENUES

***Revenue Fund.*** The Issuer covenants and agrees that from and after the delivery of the Series 2014B Bonds, and continuing as long as any of the Utility Indebtedness remain 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 Issuer shall administer and allocate all of the moneys then held in the Revenue Fund in the following order, 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.

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 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.

**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.

**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.

**Nonpresentment.** If any Utility Indebtedness is not presented for payment when the principal thereof becomes due at Maturity, if funds sufficient to pay such Utility Indebtedness have been made available to the Paying Agent all liability of the Issuer to the Owner thereof for the payment of such Utility Indebtedness 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 Utility Indebtedness, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under the Bond Resolution or on, or with respect to, said Utility Indebtedness. If any Utility Indebtedness is not presented for payment within six years following the date when such Utility Indebtedness becomes due at Maturity, the Paying Agent shall repay to the Issuer the funds theretofore held by it for payment of such Utility Indebtedness, and such Utility Indebtedness 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.

## **DEPOSIT AND INVESTMENT OF MONEYS**

**Deposits.** Moneys in each of the Funds and Accounts shall be deposited and shall be adequately secured as provided by the laws of the State.

**Investments.** 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.

**Valuation of Investments.** 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.

## **ADDITIONAL BONDS AND OBLIGATIONS**

**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.

**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.

*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.

**Refunding Indebtedness.** The Issuer shall have the right, without complying with the provisions relating to Parity Indebtedness above, to refund any 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 being refunded.

## 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, or Interim Indebtedness shall be deemed due and payable at its Stated Maturity; provided, however, that at the election of the Authority 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, or Interim Indebtedness, shall be deemed to be payable as set forth below:

(i) 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;

(ii) 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;

(iii) 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

(iv) 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; 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 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.

(c) ***Debt Service Requirements on Variable Rate Indebtedness.*** 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.

## **GENERAL COVENANTS AND PROVISIONS**

***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.

***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.

***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 dispose of certain assets in accordance with the Bond Resolution.

***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.

***Books, Records and Accounts.*** The Issuer will install and maintain proper books, records and accounts in accordance with general accounting principles which complete and correct entries will be made of all dealings and transactions of or in relation to the Utility. Such accounts shall show the amount of Gross Revenues, the application of such funds, and all financial transactions in connection therewith.

***Annual Budget.*** Prior to the commencement of each Fiscal Year, the Issuer will cause to be prepared and filed with the Clerk and made available for public inspection, a budget setting forth the estimated receipts and expenditures of the Utility for the next succeeding Fiscal Year. Said annual budget shall be prepared in accordance with the requirements of the laws of the State and shall contain all information that is required by such laws.

***Annual Audit.*** Annually, promptly after the end of the Fiscal Year, the Issuer will cause an audit to be made of the financial statements Utility for the preceding Fiscal Year by an Independent Accountant to be employed for that purpose and paid from the Gross Revenues. Said annual audit, which shall be completed within six-months after the end of such Fiscal Year, shall cover in reasonable detail the operation of the Utility during such Fiscal Year, and shall be filed with the Clerk and available for public inspection. As soon as possible after the completion of the annual audit, the Governing Body 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 the Bond Resolution and the Act, the Issuer will promptly cure such deficiency and will within sixty (60) days 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.

***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.

## **DEFAULT AND REMEDIES**

***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.

**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.

**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.

**No Obligation to Levy Taxes.** Nothing contained in the 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.

## **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.

## **TAX COVENANTS**

**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 2014B Bonds; and (b) all provisions and requirements of the Federal Tax Certificate. The Issuer will 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 2014B Bonds will remain excluded from federal gross income, to the extent any such actions can be taken by the Issuer.

**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 2014B Bonds pursuant to the Bond Resolution until such time as is set forth in the Federal Tax Certificate..

## CONTINUING DISCLOSURE REQUIREMENTS

**Disclosure Requirements.** In the Bond Resolution the Issuer 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 and to make the provisions of the Disclosure Undertaking applicable to the Utility Indebtedness. Such covenant shall be for the benefit of and enforceable by the Purchaser and the Beneficial Owners.

**Failure to Comply with Continuing Disclosure Requirements.** In the event the Issuer fails to comply in a timely manner with its continuing disclosure covenants contained in the Bond Resolution, 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 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. Notwithstanding any other provision of the Bond Resolution, failure of the Issuer to comply with its continuing disclosure covenants contained in the Bond Resolution shall not be considered an Event of Default under the Bond Resolution.

## MISCELLANEOUS PROVISIONS

**Amendments.** The rights and duties of the Issuer and the Owners, and the terms and provisions of the Series 2014B Bonds or of the Series 2014B 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 Series 2014B Bonds then Outstanding. No such modification or alteration shall:

- (a) extend the maturity of any payment of principal or interest due upon any Series 2014B Bond;
- (b) effect a reduction in the amount which the Issuer is required to pay as principal of or interest on any Series 2014B Bond;
- (c) permit preference or priority of any Series 2014B Bond over any other Series 2014B Bond;
- (d) reduce the percentage in principal amount of Series 2014B Bonds required for the written consent to any modification or alteration of the provisions of the Series 2014B 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 Series 2014B Bonds or of the Series 2014B 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 Series 2014B Bonds at the time Outstanding.

Without notice to or the consent of any Owners, the Issuer may amend or supplement the Series 2014B 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 2014 Bonds among Projects, to provide for a Substitute Project, to conform the Series 2014B 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 Series 2014B Bonds or of the Series 2014B 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 the Series 2014B Bond Resolution and shall be deemed to be a part of the Series 2014B Bond Resolution. A certified copy of every such amendatory or supplemental resolution, if any, and a certified copy of the Series 2014B 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 Series 2014B Bond or a prospective purchaser or owner of any Series 2014B Bond authorized by the Series 2014B 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 the Series 2014B 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 Owners of the Series 2014B Bonds then Outstanding. It shall not be necessary to note on any of the Outstanding Series 2014B Bonds any reference to such amendment or modification.

The Issuer shall furnish to the Paying Agent a copy of any amendment to the Series 2014B Bonds or the Series 2014B Bond Resolution which affects the duties or obligations of the Paying Agent under the Series 2014B Bond Resolution.

**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.

**Inconsistent Provisions.** In case any one or more of the provisions of the Series 2014B 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 2014B 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 2014B Bond Resolution shall prevail with respect to any Parity Bond Resolution adopted subsequent to the Series 2014B Bond Resolution, so long as any Parity Indebtedness issued under the Series 2014B Bond Resolution is Outstanding.

**Electronic Transactions.** The issuance of the Series 2014B Bonds and the transactions related thereto and described herein may be conducted and documents may be stored by electronic means.

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

## THE DISCLOSURE UNDERTAKING

The Issuer has adopted an Omnibus Continuing Disclosure Undertaking (the “Disclosure Undertaking”) in which the Issuer covenants to provide certain financial and other information with respect to its outstanding Utility Indebtedness, including the Series 2014B Bonds, in order to assist the Participating Underwriter in complying with the provisions of the SEC Rule. In the Series 2014B Bond Resolution, the Issuer covenants to apply the provisions of the Disclosure Undertaking to the Series 2014B Bonds. Such covenants are for the benefit of and enforceable by the Participating Underwriter and the Beneficial Owners. The Issuer is the only “obligated person” with responsibility for continuing disclosure with respect to the Series 2014B Bonds.

## DEFINITIONS

In addition to the definitions set forth in this “**APPENDIX C – THE BOND RESOLUTION – Definitions**” unless otherwise defined herein, the following capitalized terms shall have the following meanings:

**“Annual Report”** means any Annual Report filed by the Issuer pursuant to, and as described in the Disclosure Undertaking, which may include the Issuer’s CAFR, so long as the CAFR contains the Financial Information and Operating Data.

**“Beneficial Owner”** means, with respect to any Utility Indebtedness, any registered owner of any Utility Indebtedness of such series and any person which: (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Utility Indebtedness (including persons holding Utility Indebtedness through nominees, depositories or other intermediaries); or (b) is treated as the owner of any Utility Indebtedness of such series for federal income tax purposes.

**“CAFR”** means the Issuer’s Comprehensive Annual Financial Report.

**“Designated Agent”** means Gilmore & Bell, P.C. or one or more other entities designated in writing by the Issuer to serve as a designated agent of the Issuer for purposes of the Disclosure Undertaking.

**“Dissemination Agent”** means any entity designated in writing by the Issuer to serve as dissemination agent pursuant to the Disclosure Undertaking and which has filed with the Issuer a written acceptance of such designation.

**“EMMA”** means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at [www.emma.msrb.org](http://www.emma.msrb.org).

“**Financial Information**” means the financial information of the Utility described under the heading “**PROVISION OF ANNUAL REPORTS – Financial Information.**”

“**Material Events**” means any of the events listed under the heading “**REPORTING OF MATERIAL EVENTS.**”

“**MSRB**” means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the Securities and Exchange Commission in accordance with the SEC Rule.

“**Official Statement**” means collectively the Issuer's Official Statement(s) for each series of Utility Indebtedness, including all appendices and exhibits thereto.

“**Operating Data**” means the operating data of the Utility described under the heading “**PROVISION OF ANNUAL REPORTS – Operating Data.**”

“**Participating Underwriter**” means each of the original underwriters of any Utility Indebtedness required to comply with the SEC Rule in connection with the offering of such Utility Indebtedness.

“**Repository**” means the MSRB via EMMA.

“**SEC**” means the Securities and Exchange Commission of the United States.

“**Utility Indebtedness**” means all bonds, notes, installment sale agreements, leases or certificates intended to be an obligation secured by the Gross Revenues of the Utility identified in the Disclosure Undertaking, including the Series 2014B Bonds.

## **PROVISION OF ANNUAL REPORTS**

The Issuer shall, or shall cause the Dissemination Agent to, not later than 180 days after the end of the Issuer's Fiscal Year, commencing with the Fiscal Year ended in 2014, file with the Repository the Issuer's Annual Report, consisting of the Financial Information and Operating Data, which may be contained in the CAFR, described as follows:

**Financial Information.** The audited financial statements of the Utility for such prior Fiscal Year, prepared in accordance with generally accepted auditing standards, in substantially the format contained in *Appendix B* to the Official Statement. If audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report shall contain summary unaudited financial information and the audited financial statements shall be filed in the same manner as the Annual Report promptly after they become available. The accounting basis and the method of preparation of the financial statements of the Utility are contained in *Appendix B* to the Official Statement. The method of preparation and basis of accounting of the Financial Information may not be changed to a basis less comprehensive than contained in the Official Statement, unless the Issuer provides notice of such change in the same manner as for a Material Event.

**Operating Data.** Updates as of the end of the Fiscal Year of certain financial information and operating data described in that portion of the Official Statement entitled “THE WATER AND SEWER UTILITY – Bonded Indebtedness” and “THE WATER AND SEWER UTILITY – Operating and Financial Data” (with such modifications to the formatting and general presentation thereof as deemed appropriate by the Issuer).

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Issuer is an “obligated person” (as defined by the SEC Rule), which have been filed with the Repository, the MSRB or the SEC. If the document included by reference is a final official statement, it must be available from the Repository. The Issuer shall clearly identify each such other document so included by reference. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Section; provided that the audit report and accompanying financial statements may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer's Fiscal Year changes, it shall give notice of such change in the same manner as for a Material Event.

From and after such time that Section (b)(5) of the SEC Rule applies to any Utility Indebtedness, if the Annual Report is not filed within the time period specified in *subsection (a)* hereof, the Issuer shall send a notice to the Repository in a timely manner. Pursuant to Section (d)(3) of the SEC Rule, filing of an Annual Report shall not apply to any Utility Indebtedness with a stated maturity of 18 months or less.

## REPORTING OF MATERIAL EVENTS

No later than 10 Business Days after the occurrence of any of the following Material Events, the Issuer shall give, or cause to be given, to the Repository notice of the occurrence of any of the following Material Events with respect to the Utility Indebtedness:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions; the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Utility Indebtedness, or other material events affecting the tax status of the Utility Indebtedness;
- (7) modifications to rights of bondholders, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the Utility Indebtedness, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Issuer (which shall be deemed to occur as provided in the SEC Rule);
- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) appointment of a successor or additional paying agent or trustee or the change of name of the paying agent or trustee, if material.

Notwithstanding the foregoing, notice of Material Events described in (8) and (9) need not be given any earlier than the notice (if any) of the underlying event is given to the Owners of affected Utility Indebtedness pursuant to its authorizing documentation.

## DISSEMINATION AGENT

**General.** The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under the Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign as Dissemination Agent at any time upon 30 days prior written notice to the Issuer. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Report) prepared by the Issuer pursuant to the Disclosure Undertaking.

**Annual Reports.** If a Dissemination Agent shall be appointed, not later than 15 Business Days prior to the date specified for providing the Annual Report to the Repository, the Issuer shall provide the Annual Report to the Dissemination Agent or the Repository; provided that an Annual Report shall not be required for any Utility Indebtedness that has a stated maturity of 18 months or less. The Dissemination Agent shall file a report with the Issuer certifying that the Annual Report has been filed pursuant to the Disclosure Undertaking, stating the date it was filed, or that the Issuer has certified to the Dissemination Agent that the Issuer has filed the Annual Report with the Repository. If the Dissemination Agent has not received an Annual Report or has not received a written notice from the Issuer that it has filed an Annual Report to the Repository, by the date required in the Disclosure Undertaking, the Dissemination Agent shall send a notice to the Repository; provided such report shall not be applicable to an Issuer that has outstanding \$10 million or less of principal amount of Utility Indebtedness subject to the Rule.

### **Material Event Notices.**

(1) The Dissemination Agent shall, promptly after obtaining actual knowledge of the occurrence of any event that it believes may constitute a Material Event, contact the chief financial officer of the Issuer or his or her designee, or such other person as the Issuer shall designate in writing to the Dissemination Agent from time to time, inform such person of the event, and request that the Issuer promptly notify the Dissemination Agent in writing whether or not to report the event.

(2) The Issuer will promptly respond in writing to any such request. Whenever the Issuer obtains knowledge of the occurrence of a Material Event, because of a notice from the Dissemination Agent or otherwise, the Issuer shall promptly determine if such event constitutes a Material Event and shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to report the occurrence. If the Issuer has determined that knowledge of an event is

listed in (2), (7), (10) or (13) of the definition of a Material Event, is not material, the Issuer shall notify the Dissemination Agent in writing not to report the occurrence.

(3) If the Dissemination Agent has been given written instructions by the Issuer to report the occurrence of a Material Event, the Dissemination Agent shall file a notice of such occurrence with the Repository within 10 Business Days after the occurrence, with copies to the Issuer. Notwithstanding the foregoing, notice of Material Events described in paragraphs (8) and (9) need not be given any earlier than the notice (if any) of the underlying event is given to the Owners of affected Utility Indebtedness pursuant to the Bond Resolution.

***Duties, Immunities and Liabilities of Dissemination Agent.*** The Dissemination Agent shall have only such duties as are specifically set forth in the Disclosure Undertaking. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer.

***Other Designated Agents.*** The Issuer may, from time to time, appoint or designate a Designated Agent to submit Annual Reports, Material Event notices, and other notices or reports pursuant to the Disclosure Undertaking. The Issuer hereby appoints the Dissemination Agent and the Designated Agent(s) solely for the purpose of submitting Issuer-approved Annual Reports, Material Event notices, and other notices or reports pursuant to the Disclosure Undertaking. The Issuer may revoke this designation at any time upon written notice to the Designated Agent.

## MISCELLANEOUS PROVISIONS

***Termination of Reporting Obligation.*** The Issuer's obligations under the Disclosure Undertaking for a particular Utility Indebtedness shall terminate upon the legal defeasance, prior redemption or payment in full of that Utility Indebtedness. If the Issuer's obligations hereunder are assumed in full by some other entity as permitted in the Bond Resolution, such person shall be responsible for compliance with under the Disclosure Undertaking in the same manner as if it were the Issuer, and the Issuer shall have no further responsibility hereunder. If such termination or assumption occurs prior to the final maturity of such Utility Indebtedness, the Issuer shall give notice of such termination or assumption in the same manner as for a Material Event.

***Amendment; Waiver.*** In conjunction with the public offering of any Utility Indebtedness, the Issuer and the Dissemination Agent, if any, may amend the categories of Operating Data to be updated to conform to the operating data included in the final Official Statement for such Utility Indebtedness, in conformance with the requirements and interpretations of the SEC Rule as of the date of such final Official Statement, without further amendment to the Disclosure Undertaking. Thereafter, the Operating Data to be filed by the Issuer with the Repository with respect to the Utility Indebtedness (and all other Utility Indebtedness then subject to the Disclosure Undertaking) shall be deemed to be amended to reflect the requirements of the revised Operating Data for the new Utility Indebtedness.

The Issuer may amend and any other provision of the Disclosure Undertaking may be waived, provided that Bond Counsel or other counsel experienced in federal securities law matters provides the Issuer with its written opinion that the undertaking of the Issuer contained therein, as so amended or after giving effect to such waiver, is in compliance with the SEC Rule and all current amendments thereto and interpretations thereof that are applicable to the Disclosure Undertaking; provided, however, that the Disclosure Undertaking, may be amended for the purpose of (a) extending the coverage of the Disclosure Undertaking to any additional Utility Indebtedness or (b) removing reference to any Utility Indebtedness for which the Issuer's reporting obligations have terminated, each without the provision of a written opinion as otherwise required by this paragraph. If a provision of the Disclosure Undertaking is amended or waived with respect to a Utility Indebtedness pursuant to this paragraph, the Issuer shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements: (a) notice of such change shall be given in the same manner as for a Material Event; and (b) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

***Additional Information.*** Nothing shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in the Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by the Disclosure Undertaking. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is specifically required by the Disclosure Undertaking, the Issuer shall have no obligation under the Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

**Noncompliance.** In the event of a failure of the Issuer or the Dissemination Agent, if any, to comply with any provision of the Disclosure Undertaking with respect to a Utility Indebtedness, any Participating Underwriter or any Beneficial Owner of the Utility Indebtedness may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer or the Dissemination Agent, if any, as the case may be, to comply with its obligations under the Disclosure Undertaking. Noncompliance with the provisions of the Disclosure Undertaking shall not be deemed an Event of Default under the Bond Resolution or the Utility Indebtedness, and the sole remedy under the Disclosure Undertaking in the event of any failure of the Issuer or the Dissemination Agent, if any, to comply with the Disclosure Undertaking shall be an action to compel performance.

**Electronic Transactions.** Actions taken under the Disclosure Undertaking and the arrangements described therein may be conducted and related documents may be stored by electronic means.

**Beneficiaries.** The Disclosure Undertaking shall inure solely to the benefit of the Issuer, the Dissemination Agent, if any, each Participating Underwriter and Beneficial Owners from time to time with respect to a Utility Indebtedness, and shall create no rights in any other person or entity.

**Governing Law.** The Disclosure Undertaking shall be governed by and construed in accordance with the laws of the State.

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**APPENDIX D**

**FORM OF BOND COUNSEL'S OPINIONS**

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*APPENDIX D*

**FORM OF BOND COUNSEL OPINION**

**GILMORE & BELL, P.C.**  
**Attorneys at Law**  
**100 N. Main Suite 800**  
**Wichita, Kansas 67202**

[December 23, 2014]

Governing Body  
City of Wichita, Kansas

[Series 2014B Purchaser]  
[City, State]

Re: \$13,340,000\* Water and Sewer Utility Revenue Bonds, Series 2014B, of the City of Wichita, Kansas, Dated December 1, 2014

We have acted as Bond Counsel in connection with the issuance by the City of Wichita, Kansas (the “Issuer”), of the above-captioned bonds (the “Series 2014B Bonds”). In this capacity, we have examined the law and the certified proceedings, certifications and other documents that we deem necessary to render this opinion. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the resolution adopted by the governing body of the Issuer prescribing the details of the Series 2014B Bonds.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify them by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Issuer is a city of the first class with power to adopt the Series 2014B Bond Resolution, perform the agreements on its part contained therein, and issue the Series 2014B Bonds.
2. The Series 2014B Bonds have been duly authorized, executed and delivered by the Issuer and are valid and legally binding special obligations of the Issuer.
3. The Series 2014B Bonds are payable solely from the Net Revenues derived by the Issuer from the Issuer’s Water and Sewer Utility (the “Utility”). The Series 2014B Bonds do not constitute general obligations of the Issuer and do not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision, limitation or restriction. The taxing power of the Issuer is not pledged to the payment of the Series 2014B Bonds.
4. The Series 2014B Bond Resolution has been duly adopted by the Issuer and constitutes a valid and legally binding obligation of the Issuer enforceable against the Issuer. The Series 2014B Bond Resolution creates a valid lien on the Net Revenues pledged by the Series 2014B Bond Resolution for the security of the Series 2014B Bonds on a parity with any Parity Indebtedness issued or to be issued, as provided in the Series 2014B Bond Resolution.
4. The interest on the Series 2014B Bonds [(including any original issue discount properly allocable to an owner of a Series 2014B Bond)] is: (a) excludable from gross income for federal income tax purposes; and (b) not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinions set forth in this paragraph are subject to the condition that the Issuer complies with all requirements of the Internal Revenue Code of 1986, as amended (the “Code”) that must be satisfied subsequent to the issuance of the Series 2014B Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause interest on the Series 2014B Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2014B Bonds. The Series 2014B Bonds have **not** been designated as “qualified tax-exempt obligations” for purposes of Code § 265(b)(3). We express no opinion regarding other federal tax consequences arising with respect to the Series 2014B Bonds.
5. The interest on the Series 2014B Bonds is exempt from income taxation by the State of Kansas.

We express no opinion regarding the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Series 2014B Bonds (except to the extent, if any, stated in the Official Statement). Further, we express no opinion regarding the perfection or priority of the lien on the Net Revenues or other funds pledged under the Series 2014B

Bond Resolution or tax consequences arising with respect to the Series 2014B Bonds other than as expressly set forth in this opinion.

The rights of the owners of the Series 2014B Bonds and the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.

**GILMORE & BELL, P.C.**

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**APPENDIX E**

**LIST OF UTILITY IMPROVEMENTS**

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**CITY OF WICHITA  
WATER AND SEWER UTILITY REVENUE BONDS, SERIES 2014B  
CAPITAL IMPROVEMENTS**

| OCA                     | PROJECT | PROJECT DESCRIPTION                                      | BOND AMOUNT   |
|-------------------------|---------|--|---------------|
| <b>SEWER</b>            |         |  |               |
| 624100                  | 652018  | S-018 Sanitary Sewer 13th, Hydraulic - Oliver            | \$ 1,055,600  |
| 624101                  | 652019  | S-019 Sanitary Sewer Planeview                           | 602,300       |
| 624103                  | 652021  | S-021 Sanitary Sewer Riverside                           | 696,800       |
| 624107                  | 653025  | S-025 Sanitary Sewer Relocation Kellogg & Webb           | 58,800        |
| 624109                  | 653027  | S-029 Sanitary Sewer Riverside Siphon                    | 15,000        |
| 624110                  | 653028  | S-030 Sanitary Sewer Riverside Drainage Ditch            | 54,500        |
| 624111                  | 653029  | S-031 Sanitary Sewer Windemere Rehab & Lift              | 12,200        |
| 624094                  | 659561  | S-015 S-561 20 PARALLEL FORCE MAIN FROM Pump Station #56 | 1,555,700     |
| 620551                  | 660004  | S-004 RECONSTRUCTION OF OLD SANITARY SEWERS              | 4,219,100     |
| SUBTOTAL SEWER PROJECTS |         |  | 8,270,000     |
| <b>WATER</b>            |         |  |               |
| 635805                  | 752027  | 2012 W-27 Water Line 135th W., 13th - 21st               | 705,600       |
| 635808                  | 752030  | 2012 W-30 Water Line 3rd St. Wabash to I-135             | 1,482,400     |
| 635810                  | 752031  | 2012 W-031 Water Line McCormick Phase II                 | 1,010,600     |
| 635811                  | 752033  | 2012 W-32 Water Line Oaklawn Phase II                    | 1,333,100     |
| 635814                  | 752036  | 2012 W-36 Water Line Central, 135th W. - 119th W.        | 538,300       |
| SUBTOTAL WATER PROJECTS |         |  | 5,070,000     |
| TOTAL SERIES 2014B      |         |  | \$ 13,340,000 |



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**APPENDIX F**

**ENGINEER'S REPORT AND FEASIBILITY STUDY**

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October 31, 2014

Water & Sewer Utility  
City of Wichita  
455 North Main Street, 8th Floor  
Wichita, Kansas 67202-1677

Ladies and Gentlemen:

In accordance with our agreement with the City of Wichita, Kansas (City), Burns & McDonnell submits this Consulting Engineer's Report (Report). This Report has been prepared in connection with the issuance of \$13,340,000<sup>1</sup> Water and Sewer Utility Revenue Bonds, Series 2014B. Of this amount, approximately \$5,070,000 is for water projects and \$8,270,000 is for sewer projects. Hereinafter in this Report the bond issue is referred to as "the Bonds." The purpose of this Report is to present our findings concerning debt service coverage requirements for the issuance of additional bonds as described in the Bond Ordinance.

In conducting our studies, Burns & McDonnell has made such investigations and reviews of the facilities, books, records, and capital improvement programs of the Wichita Water and Sewer System (the Utility) and other investigations, as we deemed necessary. Revenues and revenue requirements for the Utility are presented in this Report for the historical three-year period ending December 31, 2013 and a projected five-year period ending December 31, 2018. This Report concludes with a summary of our major opinions regarding the Utility. In preparing our summary of historical information and forecasts and in forming an opinion of the debt service coverage summarized in this Report, Burns & McDonnell has made certain assumptions with respect to conditions, events, and circumstances which may occur in the future. Such assumptions and methodologies are summarized in this letter and are reasonable and appropriate for the purpose for which they are used. While Burns & McDonnell believes the assumptions are reasonable and the methodology valid, actual results may differ materially from those forecasted, as influenced by the conditions, events, and circumstances which actually occur.

The Utility staff provided historical data presented in this Report and the Comprehensive Annual Financial Reports prepared for the City. Burns & McDonnell reviewed and discussed this data with the Utility. Burns & McDonnell has prepared a summary table presenting the overall debt service coverage for the combined water and sewer systems.

## **SYSTEM DESCRIPTION**

The City currently owns and operates the water and sewer systems. The Utility serves customers within the City limits and in outlying areas. It supplies and distributes high quality water, and collects and treats wastewater for the City. Services provided include pumping and purifying

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<sup>1</sup> Preliminary, subject to change.

Water & Sewer Utility  
City of Wichita  
October 31, 2014  
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water, maintaining the water distribution and wastewater collection systems, treating wastewater, managing facilities, and planning for future needs.

## **UTILITY ORGANIZATION**

The water and sewer utility systems operate independently of one another, with separate funding accounts. As a general statement, Burns & McDonnell found the Utility to be well-run, to have developed resources for future requirements, and to operate in a businesslike manner. To that end, the Utility completed a comprehensive financial plan and cost of service model which was finalized in 2011 and forms the basis for the currently adopted rates.

The Utility's organizational structure is sound and personnel are well prepared to keep the water and sewer systems operating in a reliable manner. Utility personnel are a part of the City Public Works & Utilities (PW&U) Department. The current Utility organization is depicted in Figure 1 on the following page. Within the current organizational structure, divisions that have direct involvement with Utility operations and support functions include Sewer Maintenance, Water Distribution, Water Systems Planning, Sewage Treatment, Water Production, and PW&U Strategic Services.

The Sewer Maintenance Division operates and maintains a sanitary sewer gravity collection system of over 2,000 miles that transports wastewater from customers to treatment plants. The Water Distribution Division operates and maintains a pipe network of over 2,400 miles that transports potable water from the Water Treatment Plant to customers in an approximate 200 square mile area, both inside and outside the City.

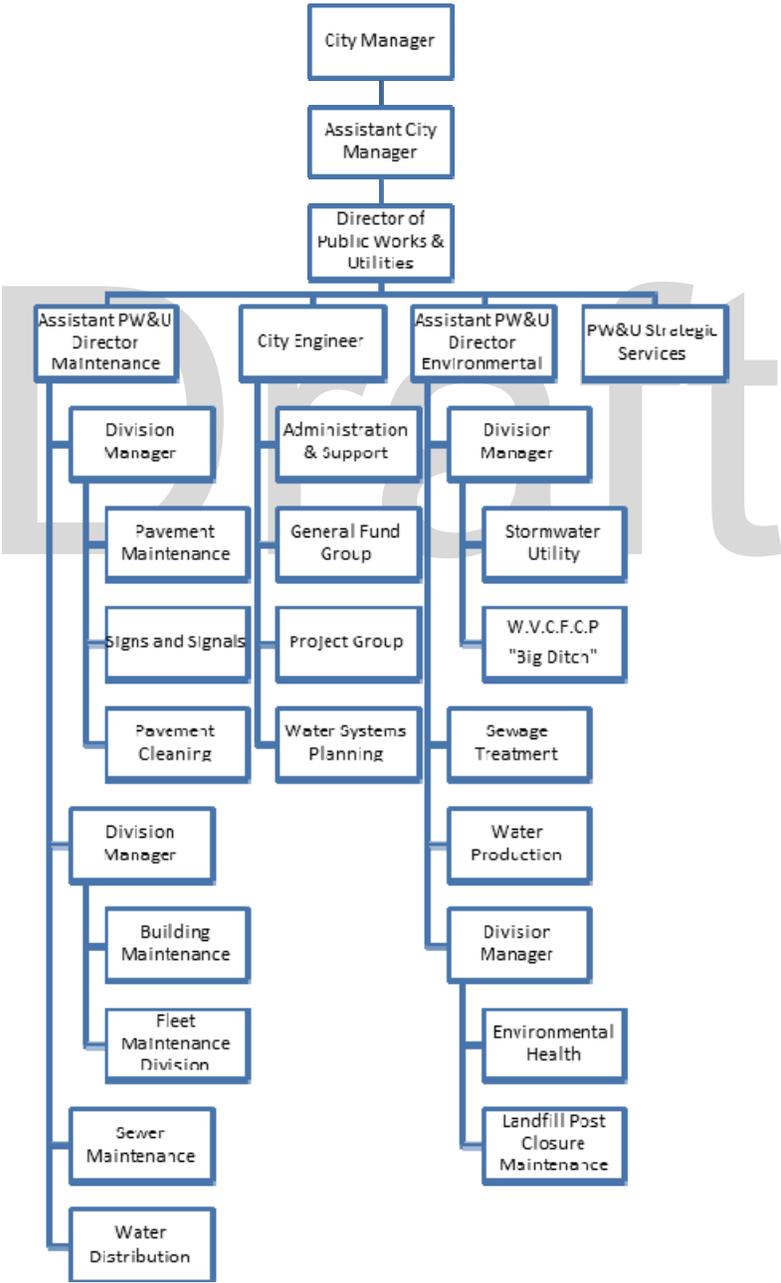
The Water Systems Planning Division provides engineering expertise for the benefit of both the water and sewer utility systems. The Sewage Treatment Division treats approximately 40 million gallons per day of sewage at its four National Pollutant Discharge Elimination System permitted facilities.

The Water Production Division monitors the raw water supply in the Equus Beds Wellfield, Cheney Reservoir, and the local wellfields. The Division also operates and maintains the delivery system that transports the raw water to the water treatment plant. Additionally, the Water Production Division operates and maintains the water treatment plant, with a treatment capacity of 160 million gallons per day, which cleans, purifies and softens the water to meet or exceed all federal drinking water standards. The Water Production Division is also responsible for pumping the water into the system and maintaining adequate water pressure throughout the service area, using several pump stations as well as ground and elevated storage reservoirs.

Water & Sewer Utility  
 City of Wichita  
 October 31, 2014  
 Page 3

Figure 1

**WATER AND SEWER UTILITY ORGANIZATIONAL STRUCTURE**  
 City of Wichita, Kansas



Water & Sewer Utility  
City of Wichita  
October 31, 2014  
Page 4

The PW&U Strategic Services Division provides direction and service for the entire utility and public works department. It also oversees the financial activity of the Utility as well as customer billing, revenue tracking, bond issuance, and debt coverage ratio projections.

## **SYSTEM CONDITION**

### **Water Utility**

Burns & McDonnell found the Water Utility to be in generally good condition. The design and operation of the system is acceptable and conforms to general accepted engineering standards. A strategic plan to meet future water demands and regulatory requirements has been prepared for the system. A ten year capital improvement plan has been developed and is periodically revised, updated, and prioritized. Major projects in the plan include improvements to the Northwest Water Treatment Plant; replacement of existing water mains; construction of new water mains for future development; a continuing program to replace water meters with automated meter reading technology; and local wellfield expansion.

### **Sewer Utility**

In general we consider the sewer system to be in good condition and to be performing as designed. In 2012 the sewer system experienced a wastewater spill that resulted in a Consent Agreement (CA) with the KDHE. In accordance with that CA, the Utility is proceeding with certain projects to reduce the risk of similar events occurring in the future. The design and operation of the system is acceptable and conforms to general accepted engineering standards. A strategic plan to meet future wastewater demands and regulatory requirements has been prepared for the system. A ten year capital improvement plan has been developed and is periodically revised, updated, and prioritized. Major projects included in the plan over the next few years include future nutrient removal at Plant 2; a program to rehabilitate or replace existing sewer mains; and construction of new sewer mains to serve new development.

## **PURPOSE OF THE BONDS**

The Bonds are being issued for the purpose of covering costs associated with a number of capital projects that are partially or fully complete. These projects are proceeding on schedule and no problems are currently anticipated that would keep the Utility from completing the desired work. Projects include water main replacements and sewer rehabilitation and replacement, including the construction of a parallel force main and a 2-mile sewer main replacement along 13<sup>th</sup> Street.

Water & Sewer Utility  
City of Wichita  
October 31, 2014  
Page 5

## **FINANCIAL FEASIBILITY FOR THE BONDS**

The financial data used in the analysis presented herein were obtained from the financial records of the Utility. The 2011, 2012 and 2013 financial reports have been audited by Allen, Gibbs & Houlik, L.C., Certified Public Accountants and are maintained in conformity with generally accepted accounting principles for governmentally owned water utilities.

### **SALES REVENUES**

Sales revenue of the Utility is derived primarily from water sales and treatment of sewage flows. Annual water customers, sales and sales revenues for the historical period 2011 through 2013 are presented in Table 1. The number of water customers has remained relatively consistent. Water sales were influenced by relatively hot and dry conditions in 2011 and 2012 and wet weather conditions in 2013. Total water sales revenue was \$77.8 million in 2011, \$80.3 million in 2012, and \$63.4 million in 2013. Water revenues reflect rate increases which became effective on January 1 of 2011, 2012, and 2013.

Annual sewer customers and sales revenues for the historical period 2011 through 2013 are presented in Table 2. Total sewer sales revenue was \$42.6 million in 2011, \$45.1 million in 2012, and \$48.9 million in 2013. Sewer customers decreased slightly from 2011 to 2013. The sewer revenues reflect rate increases which became effective on January 1 of 2011, 2012, and 2013. An additional rate increase was implemented on January 1, 2014 for both water and sewer utilities.

Projected water customers, sales, and sales revenues are presented in Table 3. For the purpose of this study, customer counts were assumed to remain consistent with 2013 results through 2018. In light of the atypical weather patterns experience from 2011 to 2013, water volume sales were forecasted assuming average demand rates more commensurate with normal weather conditions. Projected water sales revenues for the Utility are expected to remain stable over the forecast period at approximately \$76.6 million.

Projected sewer customers and sales revenues are presented in Table 4. Projected sewer customers and sales revenues are expected to remain stable over the forecast period, with revenues forecasted to be approximately \$51.3 million.

Table 1

**HISTORICAL WATER CUSTOMERS, SALES, AND REVENUES**  
 Year Ended December 31  
 City of Wichita, Kansas

| Customer Classification | Customers      |                |                |
|-------------------------|----------------|----------------|----------------|
|                         | <u>2011</u>    | <u>2012</u>    | <u>2013</u>    |
| Residential             | 128,032        | 128,073        | 127,715        |
| Commercial/Industrial   | 11,415         | 10,790         | 11,205         |
| Wholesale               | 12             | 11             | 12             |
| Lawn Service            | 3,040          | 3,049          | 3,049          |
| Fire Protection         | 1,823          | 1,876          | 1,897          |
| Contract                | 359            | 362            | 355            |
| Water Utility Uses      | 29             | 29             | 28             |
| <b>Total Customers</b>  | <b>144,710</b> | <b>144,190</b> | <b>144,261</b> |

| Water Sales - Million Gallons |               |               |               |
|-------------------------------|---------------|---------------|---------------|
| Residential                   | 10,438        | 10,637        | 8,097         |
| Commercial/Industrial         | 7,092         | 6,979         | 6,171         |
| Wholesale                     | 1,776         | 1,700         | 1,547         |
| Contract                      | 476           | 453           | 192           |
| Other Sales                   | 41            | 39            | 24            |
| Estimated Leaks               | 113           | 489           | 488           |
| Water Utility Uses            | 296           | 296           | 322           |
| Unaccounted for Water         | 2,076         | 1,443         | 1,380         |
| <b>Total Sales</b>            | <b>22,308</b> | <b>22,036</b> | <b>18,221</b> |

| Water Sales Revenues        |                      |                      |                      |
|-----------------------------|----------------------|----------------------|----------------------|
| Residential                 | \$ 49,079,715        | \$ 48,073,496        | \$ 38,674,358        |
| Commercial/Industrial       | 22,683,249           | 25,523,718           | 19,235,480           |
| Wholesale                   | 3,740,208            | 4,098,308            | 3,731,828            |
| Fire Protection             | 290,341              | 346,415              | 419,269              |
| Contract                    | 1,422,871            | 1,599,232            | 787,614              |
| Backflow Charges            | 233,716              | 238,876              | 241,202              |
| Other Sales                 | 385,854              | 376,962              | 323,897              |
| <b>Total Sales Revenues</b> | <b>\$ 77,835,954</b> | <b>\$ 80,257,007</b> | <b>\$ 63,413,648</b> |

(1) Water and Sewer Utility revenue and sales volume data is based on actual billing information and excludes year-end accrual entries.

Table 2

**HISTORICAL SEWER CUSTOMERS AND REVENUES**

Year Ended December 31  
 City of Wichita, Kansas

| Customer Classification | Customers      |                |                |
|-------------------------|----------------|----------------|----------------|
|                         | <u>2011</u>    | <u>2012</u>    | <u>2013</u>    |
| Residential             | 122,635        | 122,656        | 122,228        |
| Commercial              | 11,122         | 11,073         | 10,971         |
| Industrial              | 18             | 16             | 17             |
| Institutional           | 747            | 735            | 725            |
| Wholesale               | 1              | 1              | 1              |
| Extra Strength          | 11             | 10             | 10             |
| <b>Total Customers</b>  | <b>134,534</b> | <b>134,491</b> | <b>133,952</b> |

| Sewer Sales Revenues        |                      |                      |                      |
|-----------------------------|----------------------|----------------------|----------------------|
| Residential                 | \$ 24,461,681        | \$ 25,470,226        | \$ 28,158,960        |
| Commercial                  | 11,905,537           | 12,827,129           | 12,978,806           |
| Industrial                  | 3,595,247            | 4,073,295            | 4,542,044            |
| Institutional               | 823,644              | 828,637              | 845,121              |
| Wholesale                   | 220,351              | 236,249              | 246,265              |
| Extra Strength              | 1,609,976            | 1,607,617            | 2,132,156            |
| Other                       | 21,712               | 21,394               | 21,417               |
| <b>Total Sales Revenues</b> | <b>\$ 42,638,148</b> | <b>\$ 45,064,547</b> | <b>\$ 48,924,769</b> |

(1) Water and Sewer Utility revenue and sales volume data is based on actual billing information and excludes year-end accrual entries.

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Table 3

**PROJECTED WATER CUSTOMERS, SALES, AND REVENUES**

Year Ended December 31  
 City of Wichita, Kansas

| Customer Classification | Customers   |             |             |             |             |
|-------------------------|-------------|-------------|-------------|-------------|-------------|
|                         | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
| Residential             | 127,715     | 127,715     | 127,715     | 127,715     | 127,715     |
| Commercial/Industrial   | 11,205      | 11,205      | 11,205      | 11,205      | 11,205      |
| Wholesale               | 12          | 12          | 12          | 12          | 12          |
| Lawn Service            | 3,049       | 3,049       | 3,049       | 3,049       | 3,049       |
| Fire Protection         | 1,897       | 1,897       | 1,897       | 1,897       | 1,897       |
| Contract                | 355         | 355         | 355         | 355         | 355         |
| Water Utility Uses      | 28          | 28          | 28          | 28          | 28          |
| Total Customers         | 144,261     | 144,261     | 144,261     | 144,261     | 144,261     |

Water Sales - Million Gallons

|                       |        |        |        |        |        |
|-----------------------|--------|--------|--------|--------|--------|
| Residential           | 9,540  | 9,540  | 9,540  | 9,540  | 9,540  |
| Commercial/Industrial | 6,600  | 6,600  | 6,600  | 6,600  | 6,600  |
| Wholesale             | 1,650  | 1,650  | 1,650  | 1,650  | 1,650  |
| Contract              | 330    | 330    | 330    | 330    | 330    |
| Estimated Leaks       | 490    | 490    | 490    | 490    | 490    |
| Water Utility Uses    | 320    | 320    | 320    | 320    | 320    |
| Unaccounted for Water | 1,380  | 1,380  | 1,380  | 1,380  | 1,380  |
| Total Sales           | 20,310 | 20,310 | 20,310 | 20,310 | 20,310 |

Water Sales Revenues

|                       |               |               |               |               |               |
|-----------------------|---------------|---------------|---------------|---------------|---------------|
| Residential           | \$ 48,300,700 | \$ 48,300,700 | \$ 48,300,700 | \$ 48,300,700 | \$ 48,300,700 |
| Commercial/Industrial | 21,807,100    | 21,807,100    | 21,807,100    | 21,807,100    | 21,807,100    |
| Wholesale             | 4,219,100     | 4,219,100     | 4,219,100     | 4,219,100     | 4,219,100     |
| Fire Protection       | 419,300       | 419,300       | 419,300       | 419,300       | 419,300       |
| Contract              | 1,353,700     | 1,353,700     | 1,353,700     | 1,353,700     | 1,353,700     |
| Backflow Charges      | 259,100       | 259,100       | 259,100       | 259,100       | 259,100       |
| Other Sales           | 262,000       | 262,000       | 262,000       | 262,000       | 262,000       |
| Total Sales Revenues  | \$ 76,621,000 | \$ 76,621,000 | \$ 76,621,000 | \$ 76,621,000 | \$ 76,621,000 |

Table 4

**PROJECTED SEWER CUSTOMERS AND REVENUES**

Year Ended December 31  
 City of Wichita, Kansas

| Customer Classification | Customers   |             |             |             |             |
|-------------------------|-------------|-------------|-------------|-------------|-------------|
|                         | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
| Residential             | 122,228     | 122,228     | 122,228     | 122,228     | 122,228     |
| Commercial              | 10,971      | 10,971      | 10,971      | 10,971      | 10,971      |
| Industrial              | 17          | 17          | 17          | 17          | 17          |
| Institutional           | 725         | 725         | 725         | 725         | 725         |
| Wholesale               | 1           | 1           | 1           | 1           | 1           |
| Extra Strength          | 10          | 10          | 10          | 10          | 10          |
| Total Customers         | 133,952     | 133,952     | 133,952     | 133,952     | 133,952     |

| Sewer Sales Revenues |               |               |               |               |               |
|----------------------|---------------|---------------|---------------|---------------|---------------|
| Residential          | \$ 29,566,900 | \$ 29,566,900 | \$ 29,566,900 | \$ 29,566,900 | \$ 29,566,900 |
| Commercial           | 13,627,700    | 13,627,700    | 13,627,700    | 13,627,700    | 13,627,700    |
| Industrial           | 4,769,100     | 4,769,100     | 4,769,100     | 4,769,100     | 4,769,100     |
| Institutional        | 887,400       | 887,400       | 887,400       | 887,400       | 887,400       |
| Wholesale            | 258,600       | 258,600       | 258,600       | 258,600       | 258,600       |
| Extra Strength       | 2,132,200     | 2,132,200     | 2,132,200     | 2,132,200     | 2,132,200     |
| Other                | 21,400        | 21,400        | 21,400        | 21,400        | 21,400        |
| Total Sales Revenues | \$ 51,263,300 | \$ 51,263,300 | \$ 51,263,300 | \$ 51,263,300 | \$ 51,263,300 |

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**OPERATION AND MAINTENANCE EXPENSES**

Annual operation and maintenance expenses of the Utility for the historical period from 2011 through 2013 are presented in Table 5. These expenses consist of personal services, contractual services, materials and supplies, other, and administrative charges. The total water operation and maintenance expenses for the Utility for the historical period were \$25.8 million in 2011, \$27.3 million in 2012, and \$28.4 million in 2013. The total sewer operation and maintenance expenses for the Utility for the historical period were \$19.8 million in 2011, \$20.3 million in 2012, and \$21.0 million in 2013.

Table 5

**HISTORICAL OPERATION AND MAINTENANCE EXPENSES**

Year Ended December 31  
 City of Wichita, Kansas

| Description            | Water             |                   |                   |
|------------------------|-------------------|-------------------|-------------------|
|                        | <u>2011</u>       | <u>2012</u>       | <u>2013</u>       |
| Personal Services      | \$ 8,792,575      | \$ 9,190,191      | \$ 9,549,396      |
| Contractual Services   | 11,457,368        | 11,581,018        | 12,646,777        |
| Materials and Supplies | 4,273,204         | 4,846,906         | 4,726,101         |
| Other                  | 252,764           | 554,363           | 761,172           |
| Administrative Charges | 1,062,181         | 1,095,996         | 738,797           |
| Total O&M Expenses     | <u>25,838,092</u> | <u>27,268,474</u> | <u>28,422,243</u> |

| Description            | Sewer             |                   |                   |
|------------------------|-------------------|-------------------|-------------------|
|                        | <u>2011</u>       | <u>2012</u>       | <u>2013</u>       |
| Personal Services      | \$ 9,240,876      | \$ 9,028,684      | \$ 9,585,333      |
| Contractual Services   | 6,484,813         | 7,200,267         | 7,269,935         |
| Materials and Supplies | 2,836,511         | 3,317,309         | 3,440,703         |
| Other                  | 948,125           | 468,170           | 459,994           |
| Administrative Charges | 317,290           | 290,213           | 279,057           |
| Total O&M Expenses     | <u>19,827,615</u> | <u>20,304,643</u> | <u>21,035,022</u> |

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The projected operation and maintenance expenses for the Utility for the period 2014 through 2018 are presented in Table 6. The 2014 and 2015 water operation and maintenance expenses are based on the revised 2014 Budget and the proposed 2015 Budget provided by the City. Operation and maintenance costs are projected to increase about 2.60 percent annually thereafter. Total water operation and maintenance expenses are expected to increase from approximately \$28.9 million in 2014 to approximately \$31.6 million in 2018.

Table 6

**PROJECTED OPERATION AND MAINTENANCE EXPENSES**

Year Ended December 31  
City of Wichita, Kansas

| Description            | Water          |                |                |                |                |
|------------------------|----------------|----------------|----------------|----------------|----------------|
|                        | <u>2014</u>    | <u>2015</u>    | <u>2016</u>    | <u>2017</u>    | <u>2018</u>    |
| Personal Services      | \$ 9,692,400   | \$ 9,856,100   | \$ 10,112,400  | \$ 10,375,300  | \$ 10,645,100  |
| Contractual Services   | 12,188,400     | 12,341,800     | 12,662,700     | 12,991,900     | 13,329,700     |
| Materials and Supplies | 5,442,900      | 5,444,400      | 5,586,000      | 5,731,200      | 5,880,200      |
| Other                  | 781,000        | 801,300        | 822,100        | 843,500        | 865,400        |
| Administrative Charges | <u>758,000</u> | <u>777,700</u> | <u>797,900</u> | <u>818,600</u> | <u>839,900</u> |
| Total O&M Expenses     | 28,862,700     | 29,221,300     | 29,981,100     | 30,760,500     | 31,560,300     |

| Description            | Sewer          |                |                |                |                |
|------------------------|----------------|----------------|----------------|----------------|----------------|
|                        | <u>2014</u>    | <u>2015</u>    | <u>2016</u>    | <u>2017</u>    | <u>2018</u>    |
| Personal Services      | \$ 9,990,900   | \$ 10,157,900  | \$ 10,422,000  | \$ 10,693,000  | \$ 10,971,000  |
| Contractual Services   | 9,282,600      | 7,902,000      | 8,107,500      | 8,318,300      | 8,534,600      |
| Materials and Supplies | 4,039,400      | 4,035,600      | 4,140,500      | 4,248,200      | 4,358,700      |
| Other                  | 472,000        | 484,300        | 496,900        | 509,800        | 523,100        |
| Administrative Charges | <u>286,300</u> | <u>293,700</u> | <u>301,300</u> | <u>309,100</u> | <u>317,100</u> |
| Total O&M Expenses     | 24,071,200     | 22,873,500     | 23,468,200     | 24,078,400     | 24,704,500     |

The 2014 and 2015 sewer operation and maintenance expenses are based on the 2014 revised Budget and the proposed 2015 Budget provided by the City. In 2014, wastewater treatment facility repairs are anticipated to temporarily increase contractual services costs. Contractual services are projected to return to levels commensurate with historical levels in 2015. Beyond 2015, overall operation and maintenance costs are projected to increase about 2.6 percent annually. Total sewer operation and maintenance expenses are expected to increase from approximately \$24.1 million in 2014 to approximately \$24.7 million in 2018.

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## **PROJECTED CASH FLOW**

The projected Utility cash flow is shown in Table 7. User charge revenues forecasted for each utility are based on the projections shown previously on Tables 3 and 4. Other revenues include late payment penalties, account origination fees, and other miscellaneous charges. Investment earnings are not expected to be material due to the historically low yields experienced in recent years. Cash capital contributions are consistent with historical levels. Total revenues for 2014 through 2018 are projected to remain stable under current rates implemented in 2014.

Operation and maintenance expenses are projected to increase as shown previously in Table 6.

Debt service for existing and proposed revenue bond debt issues is also shown in Table 7. Debt service related to the proposed Series 2014B revenue bonds is estimated based on equal annual payments over a 20 year term and an average coupon rate of 4.50 percent.

The Annual Operating Balance shown on Table 7 reflects Total Revenues less Total Operating Expenses. As indicated in Table 7, the Annual Operating Balance is projected to range from a low of approximately \$37.5 million in 2016 to a high of approximately \$39.1 million in 2017. A positive Annual Operating Balance indicates operating expenses and debt service payments are projected to be fully funded throughout the study period.

On an annual basis, debt service coverage based on net operating revenues is anticipated to range from 1.89 to 2.01 throughout the forecast period, in excess of the minimum annual target of 1.20. Results shown in Table 7 do not include funding requirements for projects beyond those funded by the proposed Series 2014B revenue bonds. The Utility has indicated future recommended Utility revenue increases for 2015 to 2022 are anticipated to range from approximately 3.0 to 6.0 percent annually. The City has demonstrated a willingness to implement rate adjustments necessary to meet its obligations and sustain the financial and operational integrity of the system.

In accordance with rate covenants, the City is also required to achieve a coverage ratio of at least 1.00 with respect to G.O. Indebtedness and the Payment to the City. As shown in Table 7, projected coverage of the G.O. Indebtedness exceeds the minimum annual target, ranging from 3.12 to 4.06 during the forecast period. The Payment to the City also exceeds the minimum annual target, ranging from 4.35 to 4.61 during the forecast period.

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Table 7

**PROJECTED CASH FLOW**  
 Year Ended December 31  
 City of Wichita, Kansas

| Description  | 2014               | 2015               | 2016               | 2017               | 2018               |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Revenue from Water Sales                                 | \$ 76,621,000      | \$ 76,621,000      | \$ 76,621,000      | \$ 76,621,000      | \$ 76,621,000      |
| Revenue from Sewer Volumes                               | 51,263,300         | 51,263,300         | 51,263,300         | 51,263,300         | 51,263,300         |
| Other Revenues   | 1,000,000          | 1,000,000          | 1,000,000          | 1,000,000          | 1,000,000          |
| Investment Earnings (1)                                  | -                  | -                  | -                  | -                  | -                  |
| Cash Capital Contributions (1)                           | 4,000,000          | 4,000,000          | 4,000,000          | 4,000,000          | 4,000,000          |
| <b>Total Revenues</b>                                    | <b>132,884,300</b> | <b>132,884,300</b> | <b>132,884,300</b> | <b>132,884,300</b> | <b>132,884,300</b> |
| Operation and Maintenance Expenses                       | \$ 52,933,900      | \$ 52,094,800      | \$ 53,449,300      | \$ 54,838,900      | \$ 56,264,800      |
| Outstanding Debt Service                                 | 41,139,200         | 40,734,000         | 40,938,700         | 37,885,300         | 37,961,900         |
| Proposed Debt Service                                    | -                  | 1,025,500          | 1,025,500          | 1,025,500          | 1,025,500          |
| <b>Total Debt Service</b>                                | <b>41,139,200</b>  | <b>41,759,500</b>  | <b>41,964,200</b>  | <b>38,910,800</b>  | <b>38,987,400</b>  |
| Total Operating Expenses                                 | 94,073,100         | 93,854,300         | 95,413,500         | 93,749,700         | 95,252,200         |
| Annual Operating Balance                                 | \$ 38,811,200      | \$ 39,030,000      | \$ 37,470,800      | \$ 39,134,600      | \$ 37,632,100      |
| <u>Debt Service Coverage</u>                             |                    |                    |                    |                    |                    |
| Net Operating Revenues Available for Debt Service (2)    | \$ 79,950,400      | \$ 80,789,500      | \$ 79,435,000      | \$ 78,045,400      | \$ 76,619,500      |
| Annual Debt Service                                      | \$ 41,139,200      | \$ 41,759,500      | \$ 41,964,200      | \$ 38,910,800      | \$ 38,987,400      |
| Debt Service Coverage Based on<br>Net Operating Revenues | 1.94               | 1.93               | 1.89               | 2.01               | 1.97               |
| <u>Coverage for G.O. Indebtedness</u>                    |                    |                    |                    |                    |                    |
| Net Operating Revenues Available (3)                     | \$ 38,811,200      | \$ 39,030,000      | \$ 37,470,800      | \$ 39,134,600      | \$ 37,632,100      |
| G.O. Debt Service  | \$ 12,425,900      | \$ 9,651,400       | \$ 9,648,700       | \$ 9,639,700       | \$ 9,633,900       |
| Coverage Based on<br>Net Operating Revenues (3)          | 3.12               | 4.04               | 3.88               | 4.06               | 3.91               |
| <u>Coverage for City Payment</u>                         |                    |                    |                    |                    |                    |
| Net Operating Revenues Available (4)                     | \$ 26,385,300      | \$ 29,378,600      | \$ 27,822,100      | \$ 29,494,900      | \$ 27,998,200      |
| Payment to the City                                      | \$ 5,717,400       | \$ 6,538,500       | \$ 6,394,300       | \$ 6,394,300       | \$ 6,394,300       |
| Coverage Based on<br>Net Operating Revenues (4)          | 4.61               | 4.49               | 4.35               | 4.61               | 4.38               |

(1) Based on 2013 levels of Investment Earnings and Cash Capital Contributions.

(2) Reflects Total Revenues less Operation and Maintenance Expenses.

(3) Reflects Total Revenues less Operation and Maintenance Expenses and Parity Indebtedness

(4) Reflects Total Revenues less Operation and Maintenance Expenses, Parity Indebtedness, and G.O. Indebtedness.

**ADDITIONAL BOND COVERAGE REQUIREMENT**

The City may issue additional parity lien bonds for the Utility to finance extensions, enlargements and improvements only if and when the debt service coverage calculation as described in the Bond Ordinance (see excerpt below) equals or exceeds 120 percent:

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“...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.”

The Debt Service Coverage Ratio is defined as:

“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 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.”

## **COVERAGE**

Burns & McDonnell, acting as the consulting engineer, has completed an analysis of the debt service coverage. Based on our analysis, Burns & McDonnell believes the coverage covenant described above is fully met. The calculated coverage has been developed pursuant to the bond ordinance and is provided in summary in Table 8 and in additional detail in Table 9 of this Report.

The amounts shown for revenue and expenses are based on the average of actual 2012 and 2013 amounts for the water and sewer system. Revenues have been adjusted to reflect rate increases put in to place in subsequent periods. In January 2013, the Utility implemented a water rate increase of 5.0 percent and a sewer rate increase of 7.0 percent. The Utility also implemented an increase of 6.0 percent to water and an increase of 5.0 percent to sewer, which took effect on January 1, 2014.

Table 8

**ADDITIONAL BONDS TEST CALCULATION**

Year Ended December 31  
 City of Wichita, Kansas

| Description                                      | Utility 2-Year<br><u>Average</u>  |      |
|--|---|------|
| <b>Revenues</b>                                  |   |      |
| Water Sales                                      | \$ 78,823,748   |      |
| Sewer Charges for Service                        | 51,870,313  |      |
| Investment Earnings                              | 17,335  |      |
| Capital Contributions                            | 4,342,061   |      |
| Bond Discount Amortization                       | 1,385,615   |      |
| Other  | <u>389,841</u>  |      |
| Total Revenues                                   | \$ 136,828,913  |      |
| <b><u>Operation and Maintenance Expenses</u></b> |   |      |
| Personal Services                                | \$ 18,676,802   |      |
| Contractual Services                             | 19,348,999  |      |
| Materials and Supplies                           | 8,165,510   |      |
| Other  | 1,121,850   |      |
| Administrative Charges                           | <u>1,202,032</u>  |      |
| Total Operation and Maintenance Expenses         | \$ 48,515,193   |      |
| <b>Net Revenue Available for Debt Service</b>    | <b>\$ 88,313,720</b>  |      |
| Maximum Annual Debt Service                      | \$ 41,964,185 (1)   |      |
| Calculated Coverage                              | <table border="1" style="display: inline-table;"><tr><td style="text-align: center;">210%</td></tr></table> | 210% |
| 210%   |   |      |
| "Additional Bonds" Required Coverage             | 120%  |      |

(1) As provided by the City, see Table 11 for additional information.

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The water and sewer service revenues for 2012 and 2013, as shown in Table 9 and in more detail in Table 10, reflect the impact of revenue increases implemented in 2013 and 2014. These adjusted revenues were used to calculate debt coverage.

Table 9

**ADDITIONAL BONDS: DETERMINATION OF 2-YEAR AVERAGE RESULTS**

Year Ended December 31  
 City of Wichita, Kansas

| Description   | Water<br>2012 (1) | Water<br>2013 (2) | Sewer<br>2012 (1) | Sewer<br>2013 (2) | Utility 2-Year<br>Average |
|---|-------------------|-------------------|-------------------|-------------------|---------------------------|
| <b>Revenues</b>   |                   |                   |                   |                   |                           |
| Water Service Revenues (3)                                  | \$ 89,087,129     | \$ 68,560,366     |                   |                   | \$ 78,823,748             |
| Sewer Service Revenues (3)                                  |                   |                   | \$ 51,541,706     | \$ 52,198,920     | \$ 51,870,313             |
| Investment Earnings   | 34,670            | -                 | -                 | -                 | \$ 17,335                 |
| Capital Contributions- Cash                                 | 2,681,400         | 3,348,811         | 1,200,911         | 1,452,999         | \$ 4,342,061              |
| Bond Discount Amortization                                  | 554,847           | 859,176           | 510,090           | 847,116           | \$ 1,385,615              |
| Other   | 377,888           | 357,794           | 23,497            | 20,503            | \$ 389,841                |
| Total Revenues  | \$ 92,735,934     | \$ 73,126,147     | \$ 53,276,204     | \$ 54,519,538     | \$ 136,828,913            |
| <b>Operation and Maintenance Expenses</b>                   |                   |                   |                   |                   |                           |
| Personal Services   | \$ 9,190,191      | \$ 9,549,396      | \$ 9,028,684      | \$ 9,585,333      | \$ 18,676,802             |
| Contractual Services  | 11,581,018        | 12,646,777        | 7,200,267         | 7,269,935         | \$ 19,348,999             |
| Materials and Supplies                                      | 4,846,906         | 4,726,101         | 3,317,309         | 3,440,703         | \$ 8,165,510              |
| Other   | 554,363           | 761,172           | 468,170           | 459,994           | \$ 1,121,850              |
| Administrative Charges                                      | 1,095,996         | 738,797           | 290,213           | 279,057           | \$ 1,202,032              |
| Total Operation and Maintenance Expenses                    | \$ 27,268,474     | \$ 28,422,243     | \$ 20,304,643     | \$ 21,035,022     | \$ 48,515,193             |
| Net Revenue Available for Coverage                          | \$ 65,467,460     | \$ 44,703,904     | \$ 32,971,561     | \$ 33,484,516     | \$ 88,313,720             |
| Maximum Annual Revenue Bond Debt Service                    |                   |                   |                   |                   | \$ 41,964,185 (4)         |
| Calculated Coverage for the Additional Bonds Test . . . . . |                   |                   |                   |                   | 210%                      |
| Coverage Needed to Meet Additional Bonds Test . . . . .     |                   |                   |                   |                   | 120%                      |

(1) Source: 2012 Comprehensive Annual Financial Report.  
 (2) Source: 2013 Comprehensive Annual Financial Report.  
 (3) Revenues are adjusted to reflect appropriate rate and customer charge adjustments, see Table 10.  
 (4) Determination of Maximum Annual Debt Service presented in Table 11.

Table 10

**REVENUE ADJUSTMENT DETERMINATION**

Year Ended December 31  
 City of Wichita, Kansas

| Description                                   | <u>2012</u>           | <u>2013</u>           |
|---|-----------------------|-----------------------|
| Total Water Sales Revenues                    | \$ 80,257,007         | \$ 63,413,648         |
| Year End Accruals and Auditor's Adjustments   | (169,378)             | 1,375,818             |
| Total Water Sales Revenues                    | 80,087,629            | 64,789,466            |
| Other Adjustments                             |                       |                       |
| January 1, 2013 Rate Increase Adjustment (5%) | 3,982,100             | -                     |
| January 1, 2014 Rate Increase Adjustment (6%) | 5,017,400             | 3,770,900             |
| <b>Total Adjusted Water Sales Revenues</b>    | <b>\$ 89,087,129</b>  | <b>\$ 68,560,366</b>  |
| Total Sewer Sales Revenues                    | \$ 45,064,547         | \$ 48,924,769         |
| Year End Accruals and Auditor's Adjustments   | 914,359               | 828,951               |
| Total Sewer Sales Revenues                    | 45,978,906            | 49,753,720            |
| Other Adjustments                             |                       |                       |
| January 1, 2013 Rate Increase Adjustment (7%) | 3,153,000             | -                     |
| January 1, 2014 Rate Increase Adjustment (5%) | 2,409,800             | 2,445,200             |
| <b>Total Adjusted Sewer Sales Revenues</b>    | <b>\$ 51,541,706</b>  | <b>\$ 52,198,920</b>  |
| <b>Total Combined Adjusted Sales Revenue</b>  | <b>\$ 140,628,835</b> | <b>\$ 120,759,286</b> |

Water & Sewer Utility  
 City of Wichita  
 October 31, 2014  
 Page 18

Table 11 shows annual debt service for existing Utility bonds and the debt service for the proposed Bonds. The determination of maximum annual debt service of \$41,964,185 occurs in 2016.

Table 11

**MAXIMUM ANNUAL DEBT SERVICE**  
 City of Wichita, Kansas

|                             | <b>Existing<br/>Water &amp; Sewer<br/>Debt Service<br/>Payments (1)</b> | <b>Series 2014B<br/>Water and Sewer<br/>Debt Service<br/>Payments (1)</b> | <b>TOTAL<br/>Water &amp; Sewer<br/>Debt Service<br/>Payments</b> |
|-----------------------------|---|---|--|
| 2014                        | 41,139,151  | -   | 41,139,151   |
| 2015                        | 40,734,007  | 1,025,528   | 41,759,535   |
| 2016                        | 40,938,658  | 1,025,528   | 41,964,185   |
| 2017                        | 37,885,327  | 1,025,528   | 38,910,854   |
| 2018                        | 37,961,905  | 1,025,528   | 38,987,432   |
| 2019                        | 34,146,158  | 1,025,528   | 35,171,685   |
| 2020                        | 33,529,017  | 1,025,528   | 34,554,544   |
| 2021                        | 33,411,936  | 1,025,528   | 34,437,463   |
| 2022                        | 32,755,029  | 1,025,528   | 33,780,557   |
| 2023                        | 32,660,739  | 1,025,528   | 33,686,266   |
| 2024                        | 27,118,387  | 1,025,528   | 28,143,914   |
| 2025                        | 27,306,562  | 1,025,528   | 28,332,089   |
| 2026                        | 25,396,649  | 1,025,528   | 26,422,176   |
| 2027                        | 24,097,422  | 1,025,528   | 25,122,949   |
| 2028                        | 24,016,379  | 1,025,528   | 25,041,907   |
| 2029                        | 19,001,106  | 1,025,528   | 20,026,634   |
| 2030                        | 18,921,230  | 1,025,528   | 19,946,758   |
| 2031                        | 13,470,787  | 1,025,528   | 14,496,315   |
| 2032                        | 10,877,075  | 1,025,528   | 11,902,603   |
| 2033                        | 7,624,500   | 1,025,528   | 8,650,028  |
| 2034                        | 7,508,000   | 1,025,528   | 8,533,528  |
| 2035                        | 2,706,250   | -   | 2,706,250  |
| 2036                        | 2,598,000   | -   | 2,598,000  |
| 2037                        | 2,489,750   | -   | 2,489,750  |
| 2038                        | 2,381,500   | -   | 2,381,500  |
| 2039                        | 2,273,249   | -   | 2,273,249  |
| Maximum Annual Debt Service |   |   | <u>\$ 41,964,185</u>   |

(1) Debt service information provided by City.

Water & Sewer Utility  
City of Wichita  
October 31, 2014  
Page 19

## **OPINIONS**

As a result of our investigations and analysis of the Utility's records, the reviews, studies, and analyses we have discussed in this Report, and based upon our continuing studies of the Utility operations, it is Burns & McDonnell's opinion that:

1. The Utility properties are and have been maintained, preserved, and kept in good working order and condition, and the City makes, as necessary, proper repairs, replacements, and renewals.
2. The assumptions used in preparing the additional bonds test calculation are reasonable. The debt service coverage covenant is fully met.
3. Based on the analysis included herein, the Utility can meet its existing debt service obligations including the obligations for the Series 2014B Bonds.

## **BURNS & McDONNELL QUALIFICATIONS**

Burns & McDonnell has specialized in providing engineering, operations, and financial consulting services to water, wastewater, electric, and gas utilities throughout our history of over 100 years. With over 4,500 employee-owners, consisting of specialists from all engineering disciplines and business functions, Burns & McDonnell offers a comprehensive package of experience and skills for performing rate and financial analyses, feasibility studies, and negotiation services. In addition, the firm has extensive experience in assisting utilities with the issuance of debt and with management and financial aspects of their operations.

Sincerely,

BURNS & McDONNELL

David F. Naumann  
Project Manager, Business & Technology Services

Sara K. Worrall  
Senior Analyst, Business & Technology Services

DFN/SKW

**City of Wichita  
City Council Meeting  
November 25, 2014**

**TO:** Mayor and City Council

**SUBJECT:** Resolution Setting a Public Hearing for Consideration of a Project Plan (Tax Increment Financing) for the Union Station Project (District I)

**INITIATED BY:** Office of Urban Development

**AGENDA:** Consent

---

**Recommendations:** Adopt the resolution setting a public hearing on January 6, 2015 for consideration of a tax increment financing (TIF) project plan for the Union Station Project.

**Background:** On October 14, 2014, the City Council adopted an ordinance establishing the boundaries of the Union Station Redevelopment District. The district is southwest of Douglas and Washington; generally bounded on the north by Douglas Avenue, between the railroad tracks and Rock Island. In order to use TIF, the City Council must adopt a TIF project plan, which provides detailed information on the proposed project and how TIF will be used, and demonstrates how the projected increase in property tax revenue will pay for TIF eligible costs.

**Analysis:** The developer, Union Station LLC, plans to create a mixed use development of almost 275,000 square feet of retail, restaurants, and office space through historic renovation of the existing buildings on the campus, as well as new construction infill. The estimated overall project cost is \$54,000,000. The developer proposes that tax increment financing will be used to pay for eligible redevelopment project costs on a “pay-as-you-go” basis, for City land acquisition of a public easement, site preparation, infrastructure improvements and parking.

In accordance with state law, a TIF Project Plan has been prepared in consultation with the Wichita-Sedgwick County Metropolitan Area Planning Commission, which has made a finding that the project is consistent with the Comprehensive Plan for development of the area. In order to adopt a TIF Project Plan, the City Council must first set a public hearing no less than 30 and no more than 70 days from adoption of the resolution setting the hearing. The date of January 6, 2015, at the regular City Council meeting is proposed for the public hearing on the Union Station Project Plan.

If adopted by the City Council, the attached resolution setting the January 6, 2015 public hearing will be sent to the owners and occupants of all property located within the proposed Union Station Project Area, by certified mail. The resolution includes a map that shows the boundaries of the redevelopment district and project area. The resolution will also be published in the Wichita Eagle and copies will be provided to the Board of County Commissioners and Board of Education and their appropriate staff.

After closing the public hearing on January 6, 2015 the City Council may adopt the TIF Project Plan by ordinance, by two-thirds majority vote. Once adopted, the City will be authorized to use tax increment financing to finance eligible project costs.

**Financial Considerations:** Since the TIF project will be financed on a pay-as-you-go basis, the City will not issue any debt related to the project. The cost of mailings and publications will be charged to the

Union Station Project

November 25, 2014

Page 2

Economic Development Fund and reimbursed with TIF revenues as they become available. The Developer has provided a funding agreement, along with a \$10,000 deposit, to cover the City's costs in establishing the district and negotiating a development agreement.

**Legal Considerations:** The adoption of a TIF project plan requires a public hearing to be held by the City Council, following the giving of proper notice, prior to adopting an ordinance that approves the project plan. The action needed to set the public hearing is adoption of the attached resolution. The resolution has been prepared by Bond Counsel and reviewed by the Department of Law and approved as to form.

**Recommendation/Action:** It is recommended that the City Council adopt the resolution setting a public hearing on January 6, 2015, for consideration of the Union Station Project Plan and authorize the necessary signatures.

**Attachment(s):** Resolution Considering the Adoption of the Union Station Project Plan

(Published in *The Wichita Eagle* on November 28, 2014)

**RESOLUTION NO. 14-333**

**A RESOLUTION OF THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS STATING THAT THE CITY IS CONSIDERING A REDEVELOPMENT PROJECT PLAN WITHIN THE BOUNDARIES OF THE UNION STATION REDEVELOPMENT DISTRICT PURSUANT TO K.S.A. 12-1770 ET SEQ.**

**WHEREAS**, by Ordinance No. 49-839, passed October 14, 2014, and published October 17, 2014, the City of Wichita, Kansas (the “City”) established a redevelopment district pursuant to K.S.A. 12-1770 *et seq.*, as amended, known as the Union Station Redevelopment District (the “District”), and

**WHEREAS**, the City, by Resolution No. 14-228 passed August 19, 2014, adopted a redevelopment district plan which identifies proposed redevelopment areas and proposed buildings and facilities to be constructed or improved; and

**WHEREAS**, the City has prepared a redevelopment project plan for the Union Station Project Area (the “Project Plan”), is negotiating a redevelopment agreement with respect thereto and is considering adoption of the Project Plan; and

**WHEREAS**, on November 20, 2014, the Wichita Sedgwick County Metropolitan Area Planning Commission reviewed the proposed Project Plan and has adopted a resolution finding that the Project Plan is consistent with the comprehensive plan for the development of the City; and

**WHEREAS**, the City desires to call and conduct a public hearing under the provisions of the Act to consider approval of the Project Plan.

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

**Section 1. Project Plan.** The City of Wichita, Kansas (the “City”) is considering the approval of the Union Station Project Plan (the “Project Plan”) for the redevelopment of the Union Station Project Area (the “Project Area”) within the Union Station Redevelopment District (the “District”). The proposed Project Plan includes the information required by the Act. The boundaries of the of the District and the proposed Project Area are set forth on *Exhibit A* attached hereto and are described as set forth in *Exhibit B* attached hereto, the provisions of which are incorporated herein by reference.

**Section 2. Plan Delivery; Public Records.** The City Clerk is directed to deliver a copy of the Project Plan to the Board of County Commissioners of Sedgwick County, Kansas and to the Board of Education of Unified School District No. 259. A copy of the Project Plan and a map of the Project Area to be redeveloped are public records and will be on file and available for public inspection during regular office hours in the office of the City Clerk, City Hall, 13<sup>th</sup> Floor, 455 N. Main, Wichita, Kansas.

**Section 3. Public Hearing; Approval.** Notice is hereby given that the City Council of the City will conduct a public hearing to consider the approval of the Project Plan on January 6, 2015, at 9:00 a.m., or as soon thereafter as the matter can be heard, in the City Council Chambers, City Hall, 455 N. Main, Wichita, Kansas. At the public hearing, the City Council will receive public comment on the Project Plan, and may, after the conclusion of such public hearing, consider the passage of an ordinance that makes findings necessary pursuant to the Act for approval of the Project Plan.

**Section 4. Notice of Public Hearing.** The City Clerk is hereby authorized and directed to provide for notice of the public hearing by taking the following actions:

(a) a copy of this Resolution shall be mailed by United States certified mail, return receipt requested, within 10 days of this date to: (i) the Board of County Commissioners of Sedgwick County, Kansas; (ii) the Board of Education of U.S.D. No. 259; and (iii) each owner and occupant of land within the proposed Project Area.

(b) a copy of this resolution, specifically including *Exhibits A and B* attached hereto, shall be published once in the official newspaper of the City not less than one week nor more than two weeks preceding the date of the public hearing.

**Section 5. Further Authority.** The Mayor, City Manager, City Clerk and the other officers and representatives of the City, including the City's bond counsel, are hereby authorized and directed to take such other action as may be necessary, appropriate or desirable to accomplish the purposes of this resolution.

**Section 6. Effective Date** This Resolution shall be in full force and effect from and after its adoption by the City Council.

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**ADOPTED** by the City Council of the City of Wichita, Kansas, on November 25, 2014.

(SEAL)

---

Carl Brewer, Mayor

ATTEST:

---

Karen Sublett, City Clerk

APPROVED AS TO FORM:

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Sharon L. Dickgrafe, Interim Director of  
Law and City Attorney

**Proposed  
Union Station  
Project Area**

City of Wichita, Kansas

- Proposed Union Station  
Redevelopment District  
and Project Area
- Property Parcels inside  
District
- Property Parcels outside  
District

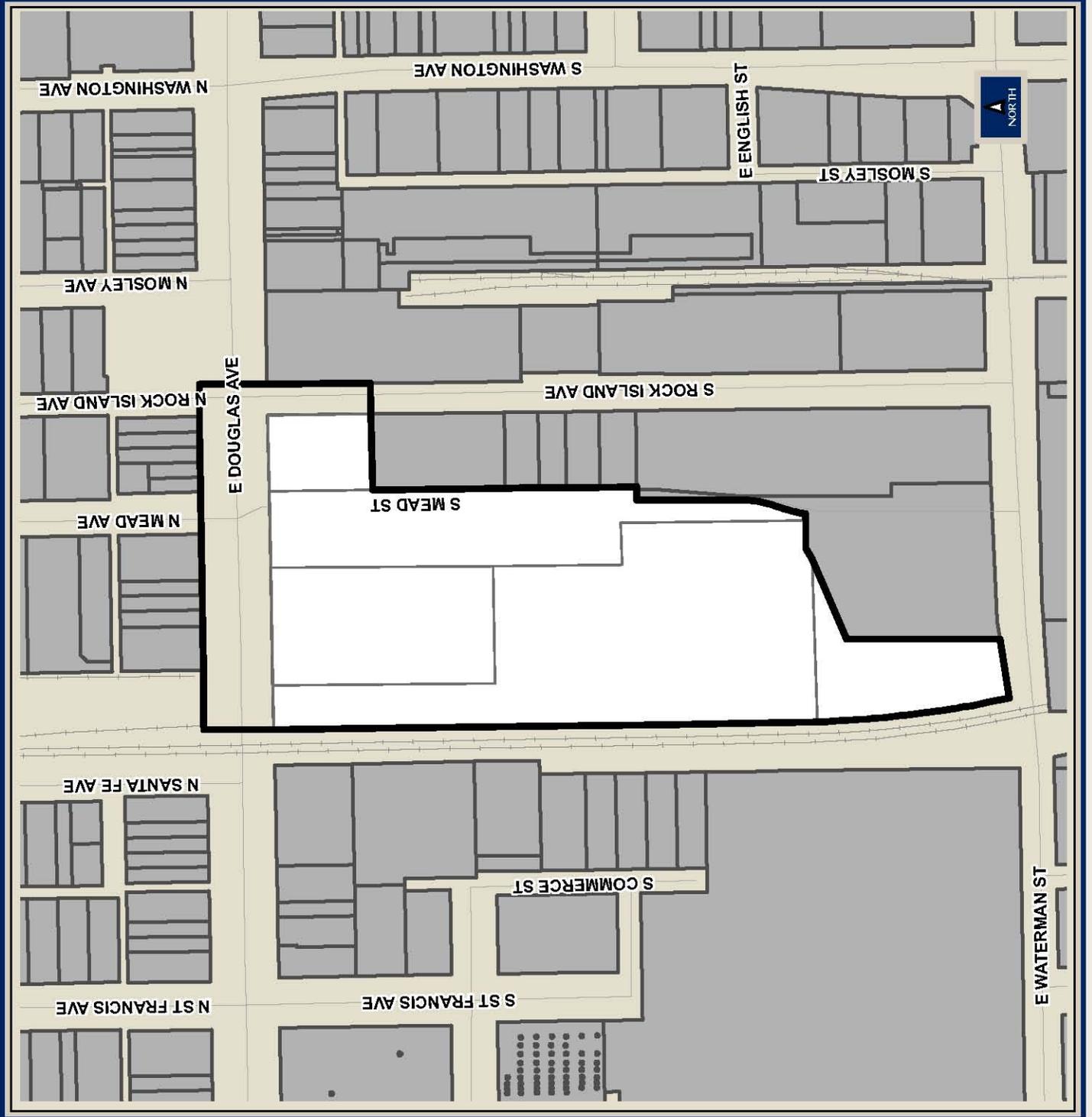
Software: ArcGIS 10.1  
Hardware: Dell Precision  
Printer: HP 5000 Plotter

Map Data Source:  
Property Parcels  
provided by  
Sedgwick County GIS.

Road Centerlines  
provided by  
City of Wichita

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No warranty is made by the City of Wichita Data Center  
Geographical Information Systems Department as to the  
accuracy and reason to believe that there are inaccuracies in information  
incorporated in the base map, the Data Center GIS per



*Exhibit B*

**Legal Description**

That part of the SW1/4 of Sec. 21, T27S, R1E of the 6th P.M., Sedgwick County, Kansas, described as beginning at the northwest corner of Lot 1, Union Station Addition, Wichita, Sedgwick County, Kansas; thence N0°05'00"W along the extended west line of said Lot 1, 114.00 feet to the North Right of way of Douglas Avenue; thence N89°56'00"E along said north right of way, 580.61 feet to the East Right of Way of Rock Island; thence S00°00'00"W, along said east Right of Way, 114.00 feet to the South Right of Way of Douglas Avenue; thence continuing S00°00'00"W, along said east Right of Way, 170.72 feet; thence S89°56'00"W, 185.00 feet; thence S00°00'00"W, 276.30 feet; thence S89°56'W, 3.22 feet; thence S00°02'21"E, 162.89 feet; thence S89°52'30"W, 17.79 feet; thence S00°00'00"W, 174.09 feet to a point of curvature of a curve to the right, said curve having a radius of 165.00 feet and an arc length of 58.13 feet; chord bearing S10°05'32"W, 57.83 feet; thence along said curve, 58.13 feet to a point of reverse curve of a curve to the left, said curve having a radius of 260.00 feet and an arc length of 49.94 feet; thence along said curve, 49.94 feet; thence S89°22'00"W, 57.02 feet; thence S68°20'30"W, 171.05 feet; thence S00°00'00"W, 253.92 feet; thence S83°50'48"W, 101.63 feet; thence N09°45'00"W, 36.96 feet; to a point of curvature of a curve to the right, said curve having a radius of 1883.87 feet and an arc length of 317.84 feet; chord bearing N04°55'00"W, 317.46 feet; thence along said curve, 317.84 feet to a point of tangency; thence N0°05'00"W, 864.61 feet to the point of beginning.

**City of Wichita**

**Union Station Redevelopment District**

**Union Station**  
**Project Plan**

**November 20, 2014**

**Prepared by City of Wichita**  
**Office of Urban Development**

# **I N D E X**

1. Comprehensive Financial Feasibility Study
2. Redevelopment District Plan
3. Map and Legal Description of Property to be Redeveloped
4. Relocation Assistance Plan
5. Description of Proposed Redevelopment Project
6. Development Agreement
7. City Council Ordinances and Resolutions
8. Metropolitan Area Planning Commission Resolution

# **Comprehensive Financial Feasibility Study**

*Comprehensive Financing Feasibility Study for the  
Union Station Project  
within the  
Union Station Redevelopment District  
City of Wichita, Kansas*

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|  | <u>Page (s)</u> |
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| OVERVIEW.....  | 1-2             |
| GENERAL DESCRIPTION OF TAX INCREMENT .....                       | 3               |
| PROJECT DESCRIPTION .....  | 3               |
| PROJECTED REVENUE (BENEFITS) .....                               | 4-5             |
| PROJECTED EXPENDITURES (COSTS) .....                             | 5               |
| CONCLUSIONS .....  | 5               |
| Map of the Redevelopment District and Project Area.....EXHIBIT I |                 |
| Assumptions Report .....   | EXHIBIT II      |
| Projected Tax Increment Report .....                             | EXHIBIT III     |

## Overview

Sections 12-1770 through 12-1780d of the Kansas Statutes (“the Act”) provide a means for cities to finance all or a portion of public infrastructure and redevelopment costs with incremental real estate and sales taxes. The purpose of the Act is to “promote, stimulate and develop the general and economic welfare of the State of Kansas and its communities, and to assist in the development and redevelopment of blighted areas and deteriorating areas which are not yet blighted, but may be so in the future, located within cities...”.

A city may exercise the powers conferred under the Act provided that the governing body of the city has adopted a resolution finding that the specific area sought to be developed or redeveloped is a blighted area, a conservation area or was designated an enterprise zone prior to July 1, 1992. In addition, the city must find that the conservation, development or redevelopment of such an area is necessary to promote the general and economic welfare of the city.

One or more redevelopment projects may be undertaken within the District. Kansas Statutes require projects to be completed within 20 years from transmittal of the redevelopment project plan pursuant to K.S.A. 12-1776, with the exception of environmental investigation and remediation projects which must be completed within 20 years from the date the City enters into a consent decree with the Kansas Department of Health and Environment or the U.S. Environmental Protection Agency, unless the County and School District have expressly consented to a 10-year extension of the term.

For each redevelopment project undertaken within the District, a redevelopment project plan (“the Project Plan”) must be prepared in consultation with the City Planning Commission. The Project Plan must include the following:

1. A summary or copy of the Comprehensive Financial Feasibility Study.
2. A reference to the statutorily required district plan for the District.
3. A description and map of the area to be redeveloped (“the Project”).
4. The Relocation Assistance Plan (if applicable).
5. A detailed description of all buildings and facilities proposed to be constructed or improved.
6. Any other information the City deems necessary to advise the general public of the intent of the Project Plan.

The Comprehensive Financial Feasibility Study (this document) must show that the benefits derived from the specified redevelopment project will exceed the costs, and that the income therefrom will be sufficient to pay for the applicable project costs. Benefits are determined to be the aggregate revenues of the redevelopment project including increment income, assessment income, interest income, private party contributions and any other available funding sources. Costs are determined to be the total of eligible project expenditures as defined by K.S.A. 12-1770a, including the payment of principal and interest of debt used to finance the redevelopment project.

Pursuant to all the provisions of the Act, The City of Wichita has, by Ordinance No. 49-839 dated October 14, 2014, found a portion of the City was a blighted and that redevelopment of the area is necessary to promote the general and economic welfare of the City. With adoption of Ordinance No. 49-839, the City established and designated such area as the Union Station Redevelopment District (“the District”). The District boundaries are shown in Exhibit I.

The City is currently considering the adoption of a Project Plan for the proposed Union Station Project (“the Project”) within the designated Union Station Redevelopment District. The proposed Union Station Development Project is a mixed use development of approximately 10 acres generally located southwest of Douglas and Washington, east of the elevated railroad. The project will consist of almost 275,000 square feet of retail, restaurants, and office space with historic renovation of the existing buildings on the campus, as well as new construction infill. Development will also include construction of a public parking structure with approximately 471 spaces.

The Developer will finance the project, including various public infrastructure improvements. The City will provide public funding in the form of pay-as-you-go financing to reimburse the Developer for TIF eligible expenditures.

## General Description of Tax Increment

*Property tax increment financing* involves the creation of an increment (increase over a base value) in the real estate taxes that are generated from a defined geographic area of a community. Upon establishment of a redevelopment district, the total assessed value of all taxable real estate within the district for that year is determined. This valuation is referred to as the district's "Original Assessed Value." Property taxes attributable to the district's Original Assessed Value are annually collected and distributed by the county treasurer to the appropriate city, county, school district and all other applicable taxing jurisdictions in the same manner as other property taxes.

As new development occurs within the redevelopment district, the total assessed value of the district, in any given year, will normally exceed its Original Assessed Value. Property taxes generated by applying the sum of the property tax rates of all applicable taxing jurisdictions to the incremental increase in assessed value (over and above the Original Assessed Valuation) is referred to as the "property tax increment". All property tax increment is collected by the County and distributed to the City to be deposited in a special tax increment fund.

*Sales tax increment financing* involves the creation of an increment (increase over a base value) in the local sales taxes that are generated from a defined geographic area of a community. Upon establishment of a redevelopment district, a base value of local sales tax collections within the district is determined. As new commercial development occurs within the redevelopment district, sales tax collections are expected to increase above the base value. Pursuant to city law governing the use of local sales tax revenue, the City does not intend to collect incremental sales tax revenues as "sales tax increment".

Tax increment funds may only be used to pay for certain statutorily-defined eligible project costs, including principal and interest on debt issued, in whole or in part, to finance eligible project costs within the redevelopment district. Such financing includes notes, special obligation bonds, full faith and credit tax increment bonds, other debt instruments and pay-as-you-go. The City intends to finance eligible improvements within the district through pay-as-you-go financing. The City will reimburse the developer, through pay-as-you-go financing, for TIF eligible expenses paid for by the developer.

## Project Description

The Union Station Development Project will include approximately 10 acres southwest of Douglas and Washington. The Project Area is depicted on the map in Exhibit I. The project will create almost 275,000 square feet of mixed use development. The Developer will rehabilitate the existing structures to historic standards as well as create 80,000 square feet of additional space. Development will include retail, restaurants and office space. Development will also include construction of a 471 space parking structure.

**Projected Revenues (Benefits)  
Captured Assessed Value**

It is the City’s intention to use the property tax increment generated by the District to reimburse the developer, on a pay-as-you-go basis, for TIF eligible expenses paid for and financed by the developer as well as acquire a public access easement within the Project. The property tax increment is based on the District’s increase in assessed value over its Original Assessed Value. The increase in value is expected to be recorded in January in the years 2015-2019 and is referred to as the Captured Assessed Value.

The Total Assessed Value for the Project Area as of January 1, 2020 is estimated to be \$11,516,150. The Original Assessed Value of the Redevelopment District, as assessed in January 2014 for taxes payable in 2014-2015, is \$375,000, according to data provided by the City of Wichita Geographic Information Service Office. Therefore, the Captured Assessed Value of the TIF District as of January 1, 2020 is \$11,141,150.

For the purpose of this analysis, it is assumed that the Total Assessed Value of the District will increase during the life of the project period at the annual inflation rate of 2%.

**Property Tax Rates**

In order to determine the amount of tax increment generated by the District in any given year, the Captured Assessed Value of the District must be multiplied by the sum of the tax rates for all applicable taxing jurisdictions for that year. For taxes levied in 2013 and payable in 2014, the applicable rate is 99.101 mills as shown below. The State of Kansas rate of 1.5 mills and the statewide education levy of 20 mills are not applicable to TIF and have been omitted from the following total:

| <u>Jurisdiction</u>      | <u>Mill Rate<br/>(2013)</u> |
|--------------------------|-----------------------------|
| City of Wichita          | 32.509                      |
| Sedgwick County          | 29.377                      |
| USD No. 259              | 37.215                      |
| <br>                     |                             |
| TIF-Applicable Mill Rate | 99.101                      |

**Projected Property Tax Increment and Other Project Revenue**

The projected property tax increment generated by the District is shown in column 9 of Exhibit III. Such projections are based on captured assessed values derived from captured assessed valuations and tax rates as previously discussed. It is assumed that Project construction will begin in 2015 and be completed before the end of 2019, and therefor achieve full valuation by January 1, 2020. It is estimated that in 2020 the property tax increment will be \$933,631.

All tax increment shall be allocated and paid by the Sedgwick County Treasurer to the City Treasurer in the same manner and at the same time as normal property taxes. All such incremental taxes must be deposited in a special fund of the City for the payment of eligible redevelopment costs.

**Projected Expenditures (Costs)**

A projected budget for the eligible project costs in the Project Area is listed below.

|                      |                  |
|----------------------|------------------|
| Public Improvements  | \$6,211,700      |
| City Access Easement | 1,500,000        |
| Parking Structure    | <u>9,609,300</u> |
|                      | \$17,321,000     |

All eligible project costs will be financed by the Developer and reimbursed by the City, as TIF revenue is available. TIF revenues will be used to reimburse the Developer for eligible TIF related project costs, to the extent TIF funds are available. No bonds will be issued with this project.

**Conclusions**

Kansas Statutes require that the Comprehensive Financial Feasibility Study must demonstrate that the benefits derived from the Project will exceed the costs, and that the income therefrom will be sufficient to pay for all eligible project costs. As previously discussed, Exhibit III illustrates the projections of tax increment through the year 2033. TIF revenue will be used on a pay-as-you-go basis, no TIF bonds will be used to finance eligible expenses.

All TIF eligible expenses will be financed by the Developer and reimbursed on a pay-as-you-go basis, as revenue becomes available. As such, this report demonstrates that the revenues (benefits) of the District and Project Area exceed the expenditures (costs).

# Proposed Union Station Project Area

City of Wichita, Kansas

-  Proposed Union Station Redevelopment District and Project Area
-  Property Parcels inside District
-  Property Parcels outside District

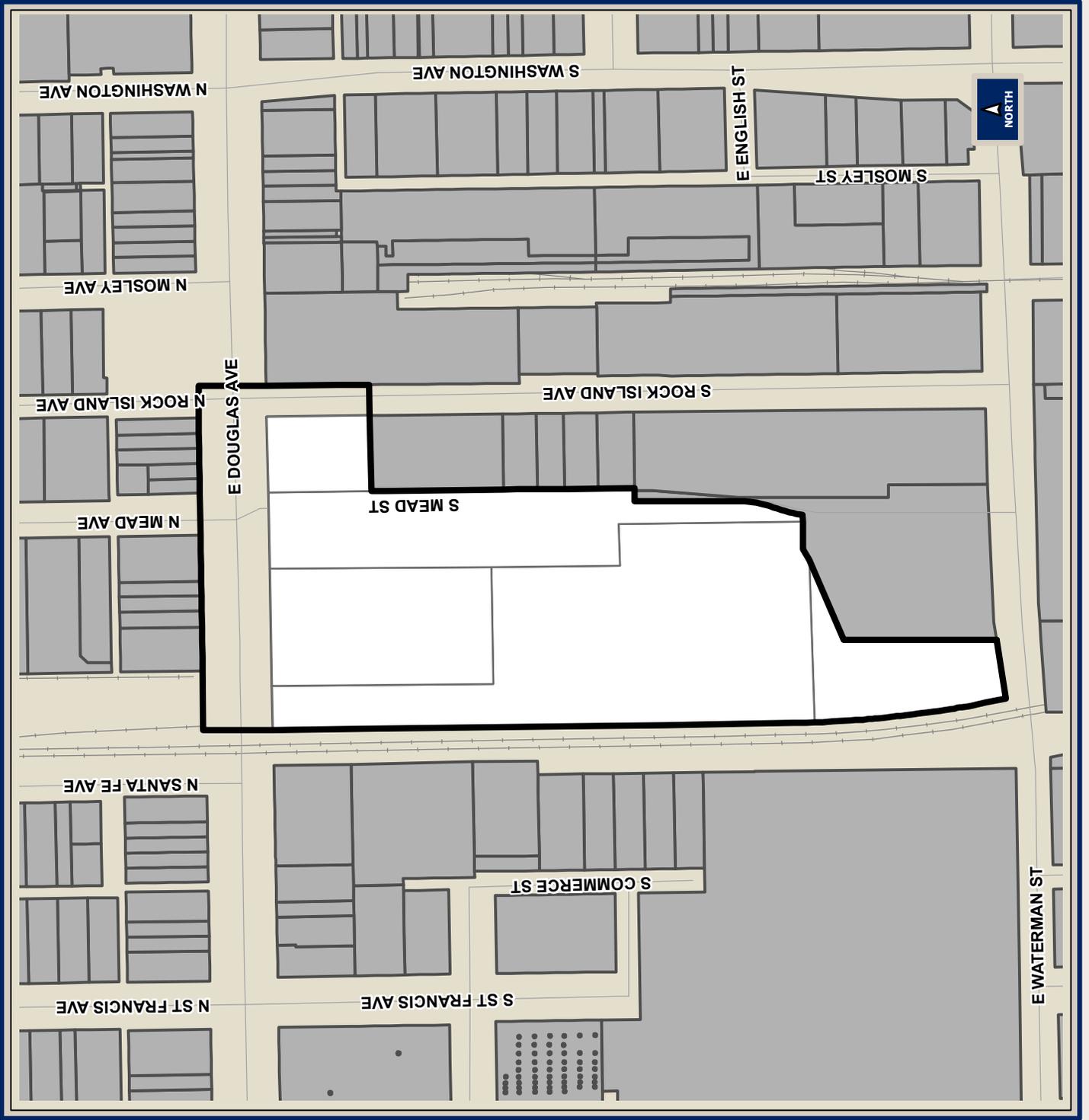
Software: ArcGIS 10.1  
 Hardware: Dell Precision  
 Printer: HP 5000 Plotter

Map Data Source:  
 Property Parcels provided by Sedgwick County GIS.

Road Centerlines provided by City of Wichita

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It is understood that while the City of Wichita Data Center Geographical Information Systems Department has no indication and no wish to believe that there are inaccuracies in information incorporated in the base map, the Data Center-GIS per



## Assumptions Report

City of Wichita, Kansas  
 Union Station Redevelopment District  
 Union Station Project

|                                   |                     |
|-----------------------------------|---------------------|
| Description of Project Area       | See Map (Exhibit I) |
| Original Appraised Value (1/1/14) | \$1,500,000         |
| Original Assessed Value (1/1/14)  | 375,000             |
| 2020 Appraised Value (1/1/20)     | \$46,064,600        |
| 2020 Assessed Value (1/1/20)      | \$11,516,150        |

| <u>2013 Mill Rates (2014 Pay)</u> | TIF          |                   |
|-----------------------------------|--------------|-------------------|
|                                   | <u>Total</u> | <u>Applicable</u> |
| City of Wichita                   | 32.509       | 32.509            |
| Sedgwick County                   | 29.377       | 29.377            |
| USD No. 259                       | 57.215       | 37.215            |
| State of Kansas                   | 1.500        | NA                |
| Total                             | 120.601      | 99.101            |

Property Value Inflation Rate            2%

**Projected Tax Increment Revenue Report**

City of Wichita, Kansas  
 Union Station Redevelopment District  
 Union Station Project

| Levy & Appraised Year | Year Taxes Distributed | Total Assessed Value | Original Assessed Value | Captured Assessed Value | Net Increment | Mill Rate | Projected Tax Increment |
|-----------------------|------------------------|----------------------|-------------------------|-------------------------|---------------|-----------|-------------------------|
| (1)                   | (2)                    | (3)                  | (4)                     | (5)                     | (7)           | (8)       | (9)                     |
| 2015                  | 2016                   | 375,000              | 375,000                 | -                       | -             | 99.101    | -                       |
| 2016                  | 2017                   | 1,004,240            | 375,000                 | 629,240                 | 629,240       | 99.101    | 62,358                  |
| 2017                  | 2018                   | 3,015,838            | 375,000                 | 2,640,838               | 2,640,838     | 99.101    | 261,710                 |
| 2018                  | 2019                   | 4,845,209            | 375,000                 | 4,470,209               | 4,470,209     | 99.101    | 443,002                 |
| 2019                  | 2020                   | 7,502,482            | 375,000                 | 7,127,482               | 7,127,482     | 99.101    | 706,341                 |
| 2020                  | 2021                   | 9,796,000            | 375,000                 | 9,421,000               | 9,421,000     | 99.101    | 933,631                 |
| 2021                  | 2022                   | 11,516,150           | 375,000                 | 11,141,150              | 11,141,150    | 99.101    | 1,104,099               |
| 2022                  | 2023                   | 11,746,473           | 375,000                 | 11,371,473              | 11,371,473    | 99.101    | 1,126,924               |
| 2023                  | 2024                   | 11,981,402           | 375,000                 | 11,606,402              | 11,606,402    | 99.101    | 1,150,206               |
| 2024                  | 2025                   | 12,221,030           | 375,000                 | 11,846,030              | 11,846,030    | 99.101    | 1,173,953               |
| 2025                  | 2026                   | 12,465,451           | 375,000                 | 12,090,451              | 12,090,451    | 99.101    | 1,198,176               |
| 2026                  | 2027                   | 12,714,760           | 375,000                 | 12,339,760              | 12,339,760    | 99.101    | 1,222,883               |
| 2027                  | 2028                   | 12,969,055           | 375,000                 | 12,594,055              | 12,594,055    | 99.101    | 1,248,083               |
| 2028                  | 2029                   | 13,228,436           | 375,000                 | 12,853,436              | 12,853,436    | 99.101    | 1,273,788               |
| 2029                  | 2030                   | 13,493,005           | 375,000                 | 13,118,005              | 13,118,005    | 99.101    | 1,300,007               |
| 2030                  | 2031                   | 13,762,865           | 375,000                 | 13,387,865              | 13,387,865    | 99.101    | 1,326,751               |
| 2031                  | 2032                   | 14,038,123           | 375,000                 | 13,663,123              | 13,663,123    | 99.101    | 1,354,029               |
| 2032                  | 2033                   | 14,318,885           | 375,000                 | 13,943,885              | 13,943,885    | 99.101    | 1,381,853               |
| 2033                  | 2034                   | 14,605,263           | 375,000                 | 14,230,263              | 14,230,263    | 99.101    | 1,410,233               |
| 2034                  | 2035                   | 14,897,368           | 375,000                 | 14,522,368              | 14,522,368    | 99.101    | 1,439,181               |
|                       |                        |                      |                         |                         |               |           | 20,117,209              |

EXHIBIT III

# District Plan

EXHIBIT C  
**REDEVELOPMENT DISTRICT PLAN FOR THE REDEVELOPMENT  
OF THE UNION STATION REDEVELOPMENT DISTRICT  
THROUGH TAX INCREMENT FINANCING**

**August 19, 2014**

**SECTION 1: PURPOSE**

A district plan is required for inclusion in the establishment of a redevelopment district under K.S.A. 12-1771. The district plan is a preliminary plan that identifies proposed redevelopment project areas within the district, and describes in a general manner the buildings, facilities and improvements to be constructed or improved.

**SECTION 2: DESCRIPTION OF TAX INCREMENT INCOME**

Projects financed through tax increment financing typically involve the creation of an “increment” in real estate property tax income. The increment is generated by segregating the assessed values of real property located within a defined geographic area such that a portion of the resulting property taxes flow to the City to fund projects in the redevelopment district, and the remaining portion flows to all remaining taxing jurisdictions. The portion of property taxes flowing to the City is determined by the increase in the assessed value of the properties within the redevelopment district as a result of the new development occurring within the same area. When the current aggregate property tax rates of all taxing jurisdictions are applied to this increase in assessed property value from new development, increment income is generated. Public improvements within the district and other qualified expenditures are funded by the City and repaid over a specified period of time with this increment income. The property taxes attributable to the assessed value existing prior to redevelopment, the “original valuation,” continue to flow to all taxing jurisdictions just as they did prior to redevelopment. This condition continues for the duration of the established district, as defined by statute, or until all eligible project costs are funded, whichever is of shorter duration.

**SECTION 3: DESCRIPTION OF THE DISTRICT BOUNDARIES**

The property within the proposed district includes all property generally bounded by the railroad right of way on the west, the north right of way line of Douglas Avenue on the north, the east right of way line of Rock Island from Douglas to the south property line of 801 E. Douglas and the east property line of 725 E. Douglas on the east, and the south property line of 801 E. Douglas and south property line of lot 2 of Union Station Addition, in Wichita, Sedgwick County, Kansas; and including all street rights of way within such described areas. The legal description of the proposed district is attached hereto and incorporated herein as Attachment 1.

**SECTION 4: BUILDINGS AND FACILITIES**

The district is located within Project Downtown and is further identified as a catalyst site for redevelopment. The buildings are part of the 10 acre Union Station complex along the rail corridor. A majority of the buildings were constructed prior to 1950 and are vacant. Design and layout of the buildings creates an economic

obsolescence based on current uses.

The proposed redevelopment district is an area that meets the criteria for designation as a “blighted area” as defined by state law governing the establishment and financing of redevelopment districts. Property within a blighted area is legally eligible for establishment of a redevelopment district.

#### **SECTION 5: REDEVELOPMENT AND PROJECT AREAS**

It is anticipated that all property within the district will be designated as the “project area” under the redevelopment project plan, which must be adopted by the City Council by a 2/3 majority vote before the expenditure of any tax increment financing funds. The plans for redevelopment of the project area generally call for a full remodel and update of the five existing structures and development of two additional commercial structures for a total of almost 275,000 square feet of retail, restaurant, and office space. It is further anticipated that the project will include construction of a public parking structure.

Tax increment financing may be used to pay for eligible costs, on a pay-as-you-go basis, for land acquisition and site preparation including utility relocations, public infrastructure improvements, such as streetscape, public parking, utility extensions, landscaping, and public plazas. Tax increment financing may not be used for construction of any buildings owned or leased to a private, nongovernmental entity.

#### **SECTION 6: CONCLUSION**

After the establishment of the redevelopment district, any redevelopment projects to be funded with tax increment financing will be presented to the Governing Body for approval through the adoption of a Redevelopment Project Plan. The Project Plan will identify the specific project area located within the established tax increment financing district and will include detailed descriptions of the projects as well as a financial feasibility study showing that the economic benefits outweigh the costs. The Project Plan must be reviewed by the Metropolitan Planning Commission and submitted to a public hearing following further notification of property owners and occupants, before it can be adopted by a two-thirds majority vote of the Governing Body. Only then can tax increment income be spent on the redevelopment projects.

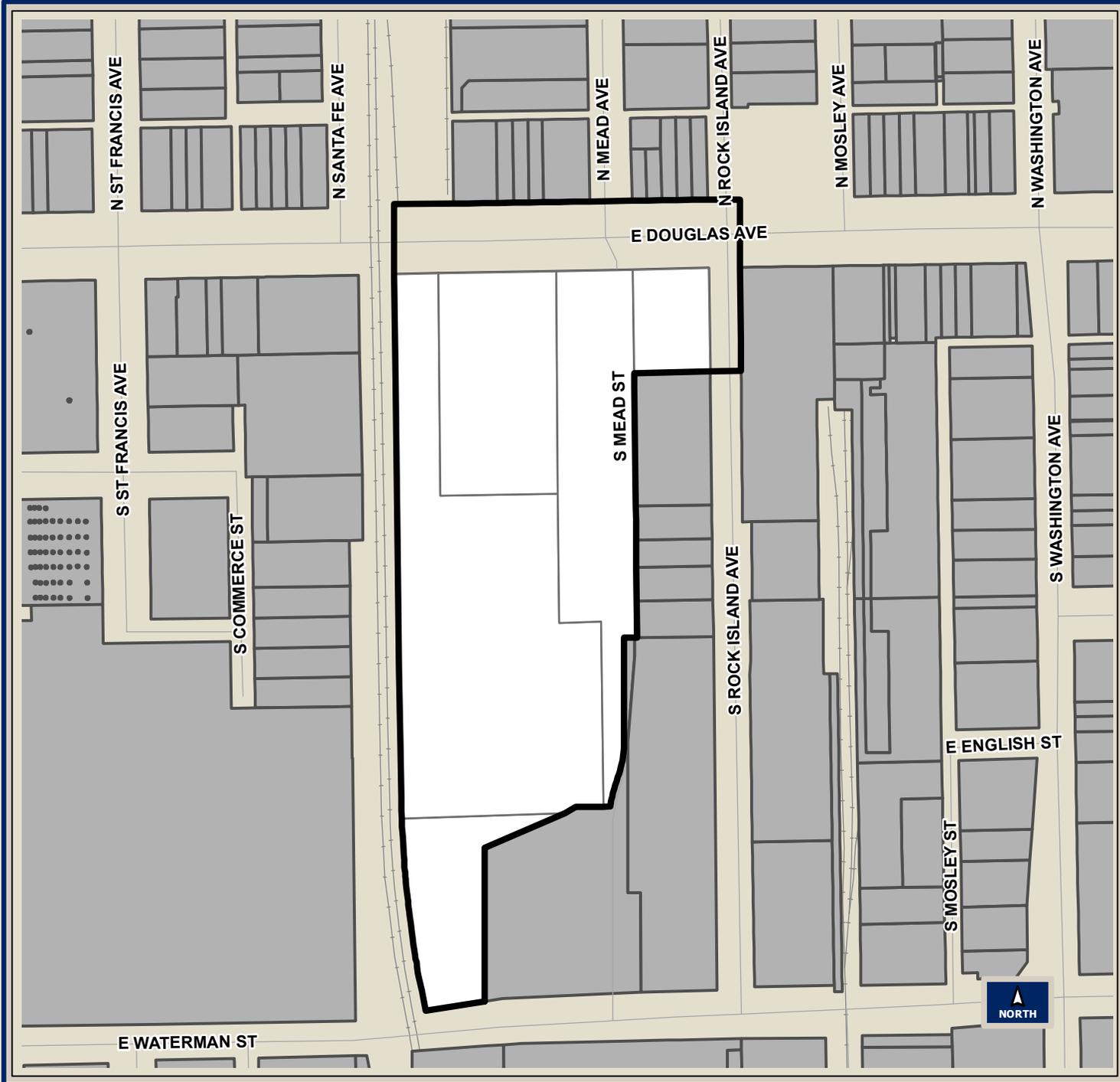
Tax increment financing does not impose any additional taxes on property located within the redevelopment district. All property within the district is appraised and taxed the same as any other property. However, if property within the district increases in value as a result of redevelopment, the resulting increment of additional tax revenue is diverted to pay for a portion of the redevelopment costs.

## Attachment 1

### LEGAL DESCRIPTION

That part of the SW1/4 of Sec. 21, T27S, R1E of the 6<sup>th</sup> P.M., Sedgwick County, Kansas, described as beginning at the northwest corner of Lot 1, Union Station Addition, Wichita, Sedgwick County, Kansas; thence N0°05'00"W along the extended west line of said Lot 1, 114.00 feet to the North Right of way of Douglas Avenue; thence N89°56'00"E along said north right of way, 580.61 feet to the East Right of Way of Rock Island; thence S00°00'00"W, along said east Right of Way, 114.00 feet to the South Right of Way of Douglas Avenue; thence continuing S00°00'00"W, along said east Right of Way, 170.72 feet; thence S89°56'00"W, 185.00 feet; thence S00°00'00"W, 276.30 feet; thence S89°56'W, 3.22 feet; thence S00°02'21"E, 162.89 feet; thence S89°52'30"W, 17.79 feet; thence S00°00'00"W, 174.09 feet to a point of curvature of a curve to the right, said curve having a radius of 165.00 feet and an arc length of 58.13 feet; chord bearing S10°05'32"W, 57.83 feet; thence along said curve, 58.13 feet to a point of reverse curve of a curve to the left, said curve having a radius of 260.00 feet and an arc length of 49.94 feet; thence along said curve, 49.94 feet; thence S89°22'00"W, 57.02 feet; thence S68°20'30"W, 171.05 feet; thence S00°00'00"W, 253.92 feet; thence S83°50'48"W, 101.63 feet; thence N09°45'00"W, 36.96 feet; to a point of curvature of a curve to the right, said curve having a radius of 1883.87 feet and an arc length of 317.84 feet; chord bearing N04°55'00"W, 317.46 feet; thence along said curve, 317.84 feet to a point of tangency; thence N0°05'00"W, 864.61 feet to the point of beginning.

# **Map and Legal Description of Property to be Redeveloped**



## Proposed Union Station Project Area

City of Wichita, Kansas

-  Proposed Union Station Redevelopment District and Project Area
-  Property Parcels inside District
-  Property Parcels outside District

Software: ArcGIS 10.1  
 Hardware: Dell Precision  
 Printer: HP 5000 Plotter

Map Data Source:  
 Property Parcels provided by Sedgwick County GIS.

Road Centerlines provided by City of Wichita

Thursday, July 21, 2013 9:45:01 PM  
 X:\giswork\Projwork\EconDev\UnionStationRedevdist.mxd

It is understood that while the City of Wichita Data Center Geographical Information Systems Department have no indication and reason to believe that there are inaccuracies in information incorporated in the base map, the Data Center-GIS per



**BOUNDARY DESCRIPTION OF THE  
UNION STATION REDEVELOPMENT DISTRICT AND THE  
UNION STATION PROJECT AREA**

**Redevelopment District**

That part of the SW1/4 of Sec. 21, T27S, R1E of the 6<sup>th</sup> P.M., Sedgwick County, Kansas, described as beginning at the northwest corner of Lot 1, Union Station Addition, Wichita, Sedgwick County, Kansas; thence N0°05'00"W along the extended west line of said Lot 1, 114.00 feet to the North Right of way of Douglas Avenue; thence N89°56'00"E along said north right of way, 580.61 feet to the East Right of Way of Rock Island; thence S00°00'00"W, along said east Right of Way, 114.00 feet to the South Right of Way of Douglas Avenue; thence continuing S00°00'00"W, along said east Right of Way, 170.72 feet; thence S89°56'00"W, 185.00 feet; thence S00°00'00"W, 276.30 feet; thence S89°56'W, 3.22 feet; thence S00°02'21"E, 162.89 feet; thence S89°52'30"W, 17.79 feet; thence S00°00'00"W, 174.09 feet to a point of curvature of a curve to the right, said curve having a radius of 165.00 feet and an arc length of 58.13 feet; chord bearing S10°05'32"W, 57.83 feet; thence along said curve, 58.13 feet to a point of reverse curve of a curve to the left, said curve having a radius of 260.00 feet and an arc length of 49.94 feet; thence along said curve, 49.94 feet; thence S89°22'00"W, 57.02 feet; thence S68°20'30"W, 171.05 feet; thence S00°00'00"W, 253.92 feet; thence S83°50'48"W, 101.63 feet; thence N09°45'00"W, 36.96 feet; to a point of curvature of a curve to the right, said curve having a radius of 1883.87 feet and an arc length of 317.84 feet; chord bearing N04°55'00"W, 317.46 feet; thence along said curve, 317.84 feet to a point of tangency; thence N0°05'00"W, 864.61 feet to the point of beginning.

**Project Area**

That part of the SW1/4 of Sec. 21, T27S, R1E of the 6<sup>th</sup> P.M., Sedgwick County, Kansas, described as beginning at the northwest corner of Lot 1, Union Station Addition, Wichita, Sedgwick County, Kansas; thence N0°05'00"W along the extended west line of said Lot 1, 114.00 feet to the North Right of way of Douglas Avenue; thence N89°56'00"E along said north right of way, 580.61 feet to the East Right of Way of Rock Island; thence S00°00'00"W, along said east Right of Way, 114.00 feet to the South Right of Way of Douglas Avenue; thence continuing S00°00'00"W, along said east Right of Way, 170.72 feet; thence S89°56'00"W, 185.00 feet; thence S00°00'00"W, 276.30 feet; thence S89°56'W, 3.22 feet; thence S00°02'21"E, 162.89 feet; thence S89°52'30"W, 17.79 feet; thence S00°00'00"W, 174.09 feet to a point of curvature of a curve to the right, said curve having a radius

of 165.00 feet and an arc length of 58.13 feet; chord bearing S10°05'32"W, 57.83 feet; thence along said curve, 58.13 feet to a point of reverse curve of a curve to the left, said curve having a radius of 260.00 feet and an arc length of 49.94 feet; thence along said curve, 49.94 feet; thence S89°22'00"W, 57.02 feet; thence S68°20'30"W, 171.05 feet; thence S00°00'00"W, 253.92 feet; thence S83°50'48"W, 101.63 feet; thence N09°45'00"W, 36.96 feet; to a point of curvature of a curve to the right, said curve having a radius of 1883.87 feet and an arc length of 317.84 feet; chord bearing N04°55'00"W, 317.46 feet; thence along said curve, 317.84 feet to a point of tangency; thence N0°05'00"W, 864.61 feet to the point of beginning.

Addition and the surplus adjacent on the east, excluding the west 10 feet thereof; and EXCEPT Lots 1, 2, and 3, excluding the north 0.73 feet of Lot 3, H.L. and Annie M. Taylors Addition and the west half of the vacated alley in Block B, H.L. and Annie M. Taylors Addition adjacent thereto.

# **Relocation Assistance Plan**

## **RELOCATION ASSISTANCE PLAN**

(K.S.A. 12-1777)

Assistance for the relocation of persons, families or businesses from property acquired by the City of Wichita in conjunction with the Union Station Redevelopment Project is not required. No persons or families residing in the Union Station Redevelopment District will be displaced as a result of the proposed redevelopment project. All businesses displaced by the Project have been relocated as part of the compensation paid to the businesses as part of the acquisition of real property.

# **Description of Union Station Project**

# **Union Station Redevelopment District**

## **DESCRIPTION OF PROPOSED UNION STATION PROJECT**

The Union Station Project includes approximately 10 acres southwest of Douglas and Washington. The area consists of the Union Station Depot and surrounding buildings and complex southwest of Douglas and Washington, east of the elevated railroad tracks downtown and is referred to as the “Project Area” (see attached district map). The property is currently owned by Union Station LLC and is located within the Union Station Redevelopment District.

### **Union Station Redevelopment**

The Union Station Project will consist of a mixed use development of approximately 275,000 square feet of retail, restaurants and office space. Union Station LLC will redevelop the four existing buildings on the complex, including the Union Station main terminal through historic renovation. The Developer will construct approximately 80,000 square feet of new space on the campus. In addition to the new buildings, a 471 space garage will be constructed on the south end of the Union Station campus.

### **Site Improvements**

Union Station will redevelop the campus by resurfacing parking areas and providing public areas with brick paving and additional details similar to Old Town nearby. A public access easement will be purchased by the City to provide a pedestrian gathering area and access for mobility through the Union Station campus. Additional public infrastructure improvements and a public plaza will be constructed as part of the Union Station Project.

## USE OF TAX INCREMENT FINANCING

The City of Wichita has undertaken the legal steps necessary to establish a redevelopment district pursuant to state laws (K.S.A. 12-1770 *et seq.*) in order to use tax increment financing (“TIF”) to reimburse the costs TIF eligible improvements on a pay-as-you-go basis. Upon adoption of this project plan, the City will have established its authority under state law to reimburse the improvements from the incremental increase in property taxes resulting from the redevelopment of the Project Area. The TIF-reimbursed improvements consist of the following:

- **Public improvements** – The Developer will undertake the construction of the infrastructure improvements at an estimated cost of \$6,211,700.
- **City Acquired Public Access Easement** – \$1,500,000
- **Parking Structure** – Construction of 471 space parking structure - \$9,609,300
- **Total TIF-funded costs** – \$17,321,000.

City of Wichita  
City Council Meeting  
November 25, 2014

**TO:** Mayor and City Council  
**SUBJECT:** Amended Bonding Resolution (District I)  
**INITIATED BY:** Department of Public Works & Utilities  
**AGENDA:** Consent

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**Recommendation:** Adopt the amending resolution.

**Background:** The City of Wichita recently constructed improvements to 13<sup>th</sup> Street from Hydraulic to Oliver. These improvements included new sanitary sewer mains, which will be funded by Sewer Utility revenue bonds. An amended bonding resolution was adopted by the City Council on July 3, 2012 to provide the funding authority for the sanitary sewer mains.

**Analysis:** A technical correction to the bonding resolution is needed prior to selling revenue bonds for the project. The recommended action would adopt an amending resolution to clarify which original resolution was amended in July 2012. There is no increase in budget or additional work being authorized with this amending resolution. It simply allows the City to proceed with a forthcoming bond sale to finance the construction of sanitary sewers along 13<sup>th</sup> Street.

**Financial Considerations:** There is no financial impact to the recommended action. It is a technical adjustment that clarifies which original resolution was amended, and does not change the cost or scope of the improvements.

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

**Recommendations/Actions:** It is recommended that the City Council adopt the amending resolution and authorize the necessary signatures.

**Attachments:** Amending resolution.

**RESOLUTION NO. 14-334**

**A RESOLUTION AMENDING RESOLUTION NO. 12-171 OF THE CITY OF WICHITA, KANSAS WHICH AMENDED RESOLUTION NO. 12-031, WHICH DECLARED IT NECESSARY TO CONSTRUCT, RECONSTRUCT, ALTER, REPAIR, IMPROVE, EXTEND AND ENLARGE THE WATER AND SEWER UTILITY OWNED AND OPERATED BY THE CITY, TO ISSUE REVENUE BONDS FOR THE PURPOSE OF PAYING CERTAIN COSTS THEREOF, AND PROVIDING FOR THE GIVING OF NOTICE OF SUCH INTENTION IN THE MANNER REQUIRED BY LAW.**

---

**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 City Council of the City (the "Governing Body"), has heretofore by Ordinance No. 39-888, passed 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 Constitution and laws of the State of Kansas, including K.S.A. 10-1201 *et seq.*, as amended and supplemented by Charter Ordinance No. 211 of the City (collectively, the "Act"), to issue revenue bonds to construct, reconstruct, alter, repair, improve, extend and enlarge the Utility;

**WHEREAS**, the Governing Body has heretofore by Resolution No. 12-031 of the City found and determined that it is necessary and advisable to construct, reconstruct, alter, repair, improve, extend and enlarge the Utility in the following manner:

SS 13<sup>th</sup> Hydraulic to Oliver (S-018)

(the "Project") at an estimated cost, including related design and engineering expenses of \$900,000; and

**WHEREAS**, Resolution No. 12-031 also determined to be necessary and advisable to issue revenue bonds of the City under the authority of the Act, in an aggregate principal amount not to exceed \$900,000 in order to pay all or a portion of the costs of the Project and related reserves, interest on financing and administrative and financing costs (the "Bonds") to be payable from the revenues of the Utility; and

**WHEREAS**, the costs of the Project increased and it therefore became necessary to amend Resolution 12-031 and the Governing Body has heretofore adopted Resolution No. 12-171, which amended certain sections of Resolution No. 12-031 and authorized the Project and the issuance of the Bonds to pay the costs thereof in an amount not to exceed \$1,100,000; and

**WHEREAS**, the City has heretofore published a Notice of Intent to construct the Project and issue the Bonds in an amount not to exceed \$1,100,000 in the official newspaper of the City and did not

receive a written protest petition within fifteen (15) days after the publication of such Notice signed by not less than twenty percent (20%) of the qualified electors of the City; and

**WHEREAS**, it is necessary to amend Resolution No. 12-171 in order to correct a clerical error therein.

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

**Section 1. Amendment.** *Section 2* of Resolution No. 12-171 is hereby amended to read as follows:

SECTION 2 That *Section 3* of Resolution No. 12-031 is hereby amended to read as follows:

**Section 3.** It is hereby found and determined to be necessary and advisable to issue revenue bonds of the City, in a total principal amount which shall not exceed one million one hundred thousand dollars (\$1,100,000), exclusive of the cost of interest on borrowed money, under the authority of the Act, to pay certain costs of the Project and expenses of issuing such revenue bonds. Such revenue bonds shall not be general obligations of the City payable from taxation, but shall be payable from the revenues derived from the operations of the Utility. Costs of the Project in excess of the proceeds of such revenue bonds shall be paid from unencumbered moneys of the Utility which will be available for that purpose.

**Section 2. Reimbursement.** Pursuant to Treasury Regulation §1.150-2, the Bonds may be issued to reimburse expenditures authorized by Resolution No. 12-031 in the amount authorized therein and Resolution No. 12-171 in the increased amount authorized therein, such expenditures made on or after the date which was 60 days before the respective dates of adoption of the Resolution No. 12-031 and Resolution No. 12-171.

**Section 3. Ratification.** The rest and remainder of Resolution No. 12-031 is hereby ratified and confirmed.

**Section 4. 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, by not less than two-thirds of the members voting in favor thereof, on November 25, 2014.

(SEAL)

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Carl Brewer, Mayor

ATTEST:

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Karen Sublett, City Clerk

APPROVED AS TO FORM:

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Sharon Dickgrafe, Interim Director of  
Law and City Attorney

**CITY OF WICHITA**  
**City Council Meeting**  
November 25, 2014

**TO:** Mayor and City Council

**SUBJECT:** Transfer of City-owned Land in the 200 Block of South Handley (District I)

**INITIATED BY:** Office of Property Management

**AGENDA:** Consent

---

**Recommendation:** Approve the transfer.

**Background:** In 1990, the City acquired the property of St. George Orthodox Church as a replacement site for Senior Services, Inc., which was being relocated from its facility at 335 West Lewis. St. George owned the entire block bordered by Texas, Handley, Burton and Walnut Streets. The property was described in the acquisition deed as four parcels, basically corresponding to the four quadrants of the block. On January 28, 1992, the City Council approved the transfer of three of the four parcels to Senior Services. The remaining parcel has 19,894 square feet and is zoned residential.

**Analysis:** Senior Services has utilized all four parcels as part of the operation since the original transfer of the property which Senior Services occupies as a senior center. The four parcels are currently utilized as a community garden. Senior Services has requested that the City transfer the community garden parcels to Senior Services. A review of the original transfer does not show that the City indicated to retain a portion of the site. The site is largely undeveloped but does include part of the parking lot for the facility.

**Financial Considerations:** There is no financial impact to this transfer as the property is tax exempt and Senior Services has been maintaining the site.

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

**Recommendation/Action:** It is recommended that the City Council approve the transfer and authorize all necessary signatures.

**Attachments:** Deed and aerial.

## GENERAL WARRANTY DEED

NO SALES VALIDATION REQUIRED KSA 79-1437e (3)

THIS DEED, Made this \_\_\_\_ day of \_\_\_\_\_ 2014, between the City of Wichita, Sedgwick County, Kansas, a municipal corporation, of the first part, and Senior Services, Inc., a Kansas Corporation, of the second part,

WITNESSETH, That party of the first part, in consideration of the sum of One Dollar and Other Valuable Considerations, the receipt of which is hereby acknowledged, does by these presents convey and warrant unto said party of the second part, it's successors and assigns, all the following-described real estate situated in the County of Sedgwick and the State of Kansas, to wit:

Lots 32, 34, 36, 38 and 40 on Texas Avenue, in West Wichita, Sedgwick County, Kansas together with the vacated south 10 feet of Texas Avenue adjoining said lots on the north in Sedgwick County, Kansas.

TO HAVE AND TO HOLD THE SAME, Together with all and singular the tenements, hereditaments and appurtenances hereunto belonging or in anywise appertaining forever, subject to easements and restrictions of record, and: FOR SO LONG AS the above described real estate shall be used for the provision of social services to the elderly residents of Sedgwick County, Kansas, to be operated from the main building located on said real estate and commonly addressed at 200 South Walnut Street, Wichita, Kansas; and all income derived from any source whatsoever are totally used for the financing of programs benefitting the elderly; and should the party of the second part or its successors or assigns cease or fail to use the said real estate for the purpose herein set forth, said real estate shall REVERT to and become the property of the party of the first part or its successors or assigns.

And party of the first part, for its successors and assigns, executors and administrators, do hereby covenant, promise and agree to and with party of the second part that at delivery of these presents it is lawfully seized in its own right, of an absolute and indefeasible estate of inheritance, in fee simple, of and in all and singular the above granted and described premises, with the appurtenances; that the same are free, clear, discharged and unencumbered of and from

all former and other grants, titles, charges, estates, judgments, taxes, assessments and encumbrances of any kind so ever, except and subject to easements and restrictions of record and that it will warrant and forever defend the same unto party of the second part, it's successors and assigns, against party of the first part, its successors and assigns, and all and every person or persons whomsoever, lawfully claiming or to claim the same.

IN WITNESS WHEREOF, party of the first part has hereunto subscribed its name, the day and year first above written.

The City of Wichita, Kansas, a municipal corporation:

\_\_\_\_\_  
Carl Brewer, Mayor

STATE OF KANSAS            )  
  ) ss:  
COUNTY OF SEDWICK    )

On this day of \_\_\_\_\_, 2014, before me, a notary public in and for said county and state, personally appeared Carl Brewer, Mayor, City of Wichita, Kansas, a municipal corporation, to me known to be the person(s) named in and who executed the foregoing instrument, and duly acknowledge the execution thereof.

(seal)

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

# 200 Block of South Handley



### Legend

- Parcels

This information is not an official record, and cannot be used as such. The user should rely only upon official records available from the custodian of records in the appropriate City and/or County department. Some data provided here and used for the preparation of these maps has been obtained from public records not created or maintained by the City of Wichita.

1: 1,746





**CITY OF WICHITA**  
**City Council Meeting**  
November 25, 2014

**TO:** Mayor and City Council

**SUBJECT:** Sale of City Property at 1556 South Broadway (District III)

**INITIATED BY:** Office of Property Management

**AGENDA:** Consent

---

**Recommendation:** Approve the sale.

**Background:** In 2011, the City acquired 1556 South Broadway for the project to improve the intersection of Broadway and Harry. The improvements were removed and portions of the property along the west and south sides were utilized for the project. Additionally, the north 10 feet of the property and the east 20 feet of the parcel were deeded to adjacent owners as compensation for needed right of way. The remnant has 8,320 square feet. The property is access controlled so any access would be through one of the two adjacent properties.

**Analysis:** An adjacent owner offered \$20,000 for the remnant. The other adjacent owner expressed no interest in the property. The buyer intends to incorporate the parcel into his ownership as part of a redevelopment strategy.

**Financial Considerations:** The City will receive cash consideration for the sale of the property. In addition, the sale of this property to a private party will place additional value into the tax base and relieve the City of any maintenance costs.

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

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

**Attachments:** Real estate purchase agreement and aerial.

## REAL ESTATE SALE CONTRACT

THIS AGREEMENT, Made and entered into this \_\_\_ day of \_\_\_\_\_, 2014 by and between the City of Wichita, a municipal corporation, party of the First Part, hereinafter referred to as "Seller," whether one or more, and ES Development Midwest, LLC and/or its assigns, party of the Second Part, hereinafter referred to as "Buyer," whether one or more.

**WITNESSETH:** That for and in consideration of the mutual promises, covenants and payments hereinafter set out, the parties hereto do hereby contract to and with each other, as follows:

1. The Seller does hereby agree to sell and convey to the Buyer by a good and sufficient quit claim deed the following described real property, situated in Sedgwick County, Kansas, to-wit:

That part of Lot 11, Zimmerly's Addition to the City of Wichita, Sedgwick County, Kansas described as commencing at the southwest corner of said Lot 11; thence North 93.00 feet; thence East 157.50 feet; thence South 93.00 feet; thence West 157.50 feet to point of beginning

Except that part of Lot 11, Zimmerly's Addition to the City of Wichita, Sedgwick County, Kansas, described as beginning at the southwest corner of said Lot 11; thence North along the west line of said Lot 11, 93.00 feet; thence East, 7.50 feet; thence South, parallel with said west line, 51.00 feet; thence southeasterly, 38.04 feet to a point 34.50 feet east and 15.00 feet north of southwest corner of said Lot 11; thence East, parallel with the south line of said Lot 11, 123.00 feet to the west line of a 20 foot alley; thence South along the west line of said alley, 15.00 feet to said south line; thence West along said south line, 157.50 feet to the place of beginning; and

Except that part of Lot 11, Zimmerly's Addition to Wichita, Sedgwick County, Kansas described as the east 20 feet of said south 83 feet of the west 157.5 feet of Lot 11 and

Except that part described as that part of Lot 11, Zimmerly's Addition to Wichita, Sedgwick County, Kansas and described as follows: Beginning at the southwest corner of Lot 11, Zimmerly's Addition in Sedgwick County, Kansas; thence north 93 feet; thence east 7.5 feet to the point of beginning; thence east 150 feet; thence south 10 feet; thence west 150 feet; thence north 10 feet to the point of beginning.

The Seller shall retain complete access control along the west and south sides of the above described parcel.

2. The Buyer hereby agrees to purchase, and pay to the Seller, as consideration for the conveyance to him of the above-described real property, the sum of Twenty Thousand Dollars and Zero Cents (\$20,000.00) in the manner following to-wit: cash at closing.
3. The Seller, at his option, agrees to furnish to Buyer, either a complete abstract of title certified to date, or a title insurance company's commitment to insure, to the above described real property, showing a merchantable title vested in the Seller, subject to: easements and restrictions of record. The Title Evidence shall be sent to the Buyer for

examination by the Buyer as promptly and expeditiously as possible, and it is understood and agreed that the Seller shall have a reasonable time after said Title Evidence has been examined in which to correct any defects in title.

4. A duly executed copy of this Purchase Agreement shall be delivered to the parties hereto.
5. Upon execution of the Purchase Agreement by Buyer and Seller, the Buyer agrees to deposit with Security 1<sup>st</sup> Title the sum of Five Hundred and no/100 dollars (\$500.00) earnest money, as a guarantee that the terms and conditions of this contract shall be fulfilled by him, said deposit to be applied on the purchase price upon acceptance of title by the Buyer and delivery of deed by the Seller. In the event the Buyer shall fail to fulfill his obligations hereunder, the Seller may, at his option, cancel this agreement, and thereupon the aforementioned deposit shall become the property of the seller and his Agent, not as a penalty but a liquidated damages. Provided, however, that in the event the Seller is unable to furnish merchantable title, the earnest money deposited shall be returned to the Buyer, and this Agreement shall be null and void and of no further force and effect.
6. It is further agreed by and between the parties hereto that all rentals, insurance (if policies acceptable to Buyer), and interest, if any shall be adjusted and prorated as of the date of closing. Taxes and specials shall be pro-rated for calendar year on the basis of taxes levied, or for the prior year.
7. The Seller further agrees to convey the above-described premises with all the improvements located thereon and deliver possession of the same in the same condition as they now are, reasonable wear and tear excepted.
8. It is understood and agreed between the parties hereto that time is of the essence of this contract, and that this transaction shall be consummated on or before January 31, 2015.
9. Possession to be given to Buyer at closing
10. In the event an Owner's title insurance policy is furnished, the total cost of the commitment to insure and the title insurance policy shall be paid 50% by Buyer and 50% by Seller.
11. The parties covenant and agree that except for closing, title insurance and commissions referenced elsewhere herein, each is solely responsible for the payment of any fee for brokerage, technical or other professional services relating to the execution and performance of this Contract incurred by such party.
12. Seller makes no warranty or guarantee as to the suitability of the real property proposed for trade for the intended use of Buyer. Therefore, Buyer covenants and agrees that Buyer at Buyer's own expense, shall examine the real property in order to determine such suitability including but not limited to:
  - A. Soils data and geology, drainage, hydrology and topographical features that would affect any present or future intended use;
  - B. The presence or absence of any contamination by any hazardous substance;

- C. The quality and quantity of water available by on-site water wells, and the availability of a permit or permits therefore;
- D. The nature, extent, and cost of public utilities needed to serve all or a portion of such real property;
- E. The extent and cost of compliance with subdivision regulations, building codes and other applicable rules and regulations involving public improvements, private improvements, access, building setbacks, public dedications, platting and replatting requirements of such real property;
- F. The nature and extent of zoning and subdivision statutes, laws, ordinances and regulations affecting the present use, and the ease or difficulty involved in the zone-change and subdivision approval procedures necessary or desirable to allow for the Buyer's intended use or uses.

13. Buyer also covenants and agrees that Buyer, his agents, successors and assigns any future use of the property as described above for the following uses shall be prohibited:

- A. Adult Book and Video Stores
- B. Community Correctional Facilities
- C. Half-way Houses
- D. Drug or Alcohol Rehabilitation Facilities
- E. Multi-game, Casino-style Gambling Facilities
- F. New or Used Car Sales
- G. Commercial Billboards

14. The covenants and agreements contained in Paragraphs 12 and 13 shall survive the closing of the sale intended hereby, and they shall bind the buyer as fully after the sale as they do before.

15. Seller agrees to pay a sales commission of six percent (6.0%) of the purchase price to Landmark Commercial Real Estate, Inc. at closing. Any party to this contract through whom a claim to any broker's, finder's or other fee is made, contrary to the representations made above in this paragraph, shall indemnify, defend and hold harmless the other party to this contract from any other loss, liability, damage, cost or expense, including, without limitation, reasonable attorney's fees, court costs and other legal expense paid or incurred by the other party, that is in any way related to such a claim. Members of the buyer, discloses they are licensed real estate agents/brokers in the State of Kansas. The provisions of this paragraph shall survive closing or termination of the contract. Landmark Commercial Real Estate, Inc. is acting as an agent of the Buyer.

**WITNESS OUR HANDS AND SEALS** the day and year first above written.

**BUYER**  
ES Development Midwest, LLC

  
\_\_\_\_\_  
Brad Saville, Managing Member

**SELLER**  
By Direction of the City Council

\_\_\_\_\_  
Carl Brewer, Mayor

ATTEST:

Kristy Biggs  
Kristy Biggs

ATTEST:

\_\_\_\_\_  
Karen Sublett, City Clerk

APPROVED AS TO FORM:

Sharon Dieguez / JAV  
~~Gary E. Rebenstorf, Director of Law~~  
Sharon Dieguez  
Interim Director of Law



# 1556 South Broadway



- Property Parcels
- Lot Block
- Roads**
- State Highway
- US Federal Highway
- Interstate
- KTA
- Arterial
- Collector
- Minor
- Ramp
- Railroads
- Quarter Section
- Waterways
- Streams
- Parks
- Airports
- City Limits**
- Andale
- Bel Aire
- Bentley
- Cheney
- Clearwater
- Colwich
- Derby
- Eastborough
- Garden Plain
- Goddard
- Haysville
- Kechi
- Maize
- Mount Hope
- Mulvane
- Park City
- Sedgwick
- Sedgwick County
- Unincorporated
- Valley Center

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Every reasonable effort has been made to assure the accuracy of the maps and associated data provided herein. This information is provided with the understanding that the data are susceptible to a degree of error, and conclusions drawn from such information are the responsibility of the reader. The City of Wichita makes no warranty, representation or guaranty as to the content, accuracy, timeliness or completeness of any of the data provided herein. Some data provided here and used for the preparation of these maps has been obtained from public records not created or maintained by the City of Wichita. The City of Wichita shall assume no liability for any decisions made or actions taken or not taken by the reader in reliance upon any information or data furnished hereunder. The user should consult with the appropriate departmental staff member, e.g. Planning, Parks & Recreation, etc. to confirm the accuracy of information appearing in the visual presentations accessible through these web pages.



**CITY OF WICHITA**  
**City Council Meeting**  
November 25, 2014

**TO:** Mayor and City Council

**SUBJECT:** Sale of City Property at the Northeast Corner of Kellogg and Market (District I)

**INITIATED BY:** Office of Property Management

**AGENDA:** Consent

---

**Recommendation:** Approve the sale.

**Background:** The City acquired the northeast corner of Kellogg and Market for the downtown Kellogg Flyover project. The portion of the property not utilized for the highway project has been leased on a year-to-year basis to the adjacent owner for parking since 1971. The owner has requested that the City sell him the parcel. The parcel has 6,656.6 square feet and is developed as parking. There is no direct access from the parcel to the street.

**Analysis:** An offer of \$15,000 has been received for the lot. The lot will be formally incorporated into the buyer's adjacent ownership. The ownership of the lot, as opposed to being allowed to utilize the property on a year-to-year basis will facilitate the utilization and expansion of the adjacent property.

**Financial Considerations:** The City will receive cash consideration for the sale of the property. In addition, the sale of this property to a private party will place additional value into the tax base and relieve the City of any maintenance costs.

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

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

**Attachments:** Real estate purchase agreement, survey and aerial.

## REAL ESTATE SALE CONTRACT

THIS AGREEMENT, Made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2014 by and between the City of Wichita, a municipal corporation, party of the First Part, hereinafter referred to as "Seller," whether one or more, and Dorothy L. McKay, etal., party of the Second Part, hereinafter referred to as "Buyer," whether one or more.

**WITNESSETH:** That for and in consideration of the mutual promises, covenants and payments hereinafter set out, the parties hereto do hereby contract to and with each other, as follows:

1. The Seller does hereby agree to sell and convey to the Buyer by a good and sufficient quit claim deed the following described real property, situated in Sedgwick County, Kansas, to-wit:

A portion of Lot 114 and Lot 116, Market Street, Grieffenstein's Third Addition to Wichita, Kansas, Sedgwick County, Kansas, together with the west 2.50 feet of vacated alley abutting the east line of said Lots 114 and 116 more particularly described as commencing at the northwest corner of said Lot 114; thence east along the north line of said Lot 114, 15.00 feet to the Point of Beginning; thence continuing east along the north line of said Lot 114 and as extended, 122.75 feet to a point 2.50 feet east of the northeast corner of said Lot 114; thence south parallel with the east line of said Lots 114 and 116, 76.50 feet to a point on a non tangent curve to the right; thence northwesterly along said non tangent curve an arc length of 151.99 feet, said curve having a radius of 140.00 feet, a chord length of 144.64 feet, and a chord bearing of N58°04'05"W, to the Point of Beginning (see Attachment One).

The Seller shall retain complete access control along the west and south sides of the above described parcel.

2. The Buyer hereby agrees to purchase, and pay to the Seller, as consideration for the conveyance to him of the above-described real property, the sum of Fifteen Thousand Dollars and Zero Cents (\$15,000.00) in the manner following to-wit: cash at closing.
3. The Seller, at his option, agrees to furnish to Buyer, either a complete abstract of title certified to date, or a title insurance company's commitment to insure, to the above described real property, showing a merchantable title vested in the Seller, subject to: easements and restrictions of record. The Title Evidence shall be sent to the Buyer for examination by the Buyer as promptly and expeditiously as possible, and it is understood and agreed that the Seller shall have a reasonable time after said Title Evidence has been examined in which to correct any defects in title.
4. A duly executed copy of this Purchase Agreement shall be delivered to the parties hereto.
5. Upon execution of the Purchase Agreement by Buyer and Seller, the Buyer agrees to deposit with Security 1<sup>st</sup> Title the sum of Five Hundred and no/100 dollars (\$500.00) earnest money, as a guarantee that the terms and conditions of this contract shall be fulfilled by him, said deposit to be applied on the purchase price upon acceptance of title by the Buyer and delivery of deed by the Seller. In the event the Buyer shall fail to fulfill

his obligations hereunder, the Seller may, at his option, cancel this agreement, and thereupon the aforementioned deposit shall become the property of the seller and his Agent, not as a penalty but a liquidated damages. Provided, however, that in the event the Seller is unable to furnish merchantable title, the earnest money deposited shall be returned to the Buyer, and this Agreement shall be null and void and of no further force and effect.

6. The Seller further agrees to convey the above-described premises with all the improvements located thereon and deliver possession of the same in the same condition as they now are, reasonable wear and tear excepted.
7. It is understood and agreed between the parties hereto that time is of the essence of this contract, and that this transaction shall be consummated on or before December 31, 2014.
8. Possession to be given to Buyer at closing
9. In the event an Owner's title insurance policy is furnished, the total cost of the commitment to insure and the title insurance policy shall be paid 50% by Buyer and 50% by Seller.
10. The parties covenant and agree that except for closing, title insurance and commissions referenced elsewhere herein, each is solely responsible for the payment of any fee for brokerage, technical or other professional services relating to the execution and performance of this Contract incurred by such party.
11. Seller makes no warranty or guarantee as to the suitability of the real property proposed for trade for the intended use of Buyer. Therefore, Buyer covenants and agrees that Buyer at Buyer's own expense, shall examine the real property in order to determine such suitability including but not limited to:
  - A. Soils data and geology, drainage, hydrology and topographical features that would affect any present or future intended use;
  - B. The presence or absence of any contamination by any hazardous substance;
  - C. The quality and quantity of water available by on-site water wells, and the availability of a permit or permits therefore;
  - D. The nature, extent, and cost of public utilities needed to serve all or a portion of such real property;
  - E. The extent and cost of compliance with subdivision regulations, building codes and other applicable rules and regulations involving public improvements, private improvements, access, building setbacks, public dedications, platting and replatting requirements of such real property.
  - F. The nature and extent of zoning and subdivision statutes, laws, ordinances and regulations affecting the present use, and the ease or difficulty involved in the zone-change and subdivision approval procedures necessary or desirable to allow for the Buyer's intended use or uses.
12. Buyer also covenants and agrees that Buyer, his agents, successors and assigns any future use of the property as described above for the following uses shall be prohibited:

- A. Adult Book and Video Stores
- B. Community Correctional Facilities
- C. Half-way Houses
- D. Drug or Alcohol Rehabilitation Facilities
- E. Multi-game, Casino-style Gambling Facilities
- F. Commercial Billboards (except as existing)

13. The covenants and agreements contained in Paragraphs 11 and 12 shall survive the closing of the sale intended hereby, and they shall bind the buyer as fully after the sale as they do before.

**WITNESS OUR HANDS AND SEALS** the day and year first above written.

**BUYER**

**SELLER**

By Direction of the City Council

\_\_\_\_\_  
Dorothy L. McKay

\_\_\_\_\_  
Carl Brewer, Mayor

**ATTEST:**

\_\_\_\_\_  
John McKay

\_\_\_\_\_  
Karen Sublett, City Clerk

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Sharon L. Dickgrafe, Interim Director of Law and City Attorney



# Northeast Corner of Kellogg and Market



**Identified Features**

- Property Parcels

**Roads**

- State Highway
- US Federal Highway
- Interstate
- KTA
- Arterial
- Collector
- Minor
- Ramp

**Railroads**

- Quarter Section
- Waterways
- Streams
- Parks
- Airports

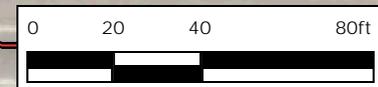
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**City Limits**

- Andale
- Bel Aire
- Bentley
- Cheney
- Clearwater
- Colwich
- Derby
- East borough
- Garden Plain
- Goddard
- Haysville
- Kechi
- Maize
- Mount Hope

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Every reasonable effort has been made to assure the accuracy of the maps and associated data provided herein. This information is provided with the understanding that the data are susceptible to a degree of error, and conclusions drawn from such information are the responsibility of the reader. The City of Wichita makes no warranty, representation or guaranty as to the content, accuracy, timeliness or completeness of any of the data provided herein. Some data provided here and used for the preparation of these maps has been obtained from public records not created or maintained by the City of Wichita. The City of Wichita shall assume no liability for any decisions made or actions taken or not taken by the reader in reliance upon any information or data furnished hereunder. The user should consult with the appropriate departmental staff member, e.g. Planning, Parks & Recreation, etc. to confirm the accuracy of information appearing in the visual presentations accessible through these web pages.

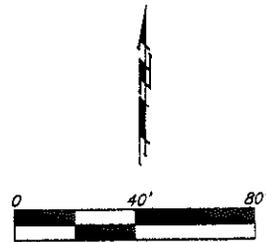




State of Kansas )  
 County of Sedgwick ) SS

ENGINEERING | SURVEYING | PLANNING  
 LANDSCAPE ARCHITECTURE  
 (316)-282-7271 • 315 ELLIS • WICHITA, KANSAS 67211

McKay  
 July 23, 2014



We, Baughman Company, P.A., Surveyors in aforesaid county and state do hereby certify that, under the supervision of the undersigned, we did on this 23rd day of July, 2014, perform a survey of the following:

Parcel #1:

Lot 110 and Lot 112, Market Street, Grieffenstein's Third Addition to Wichita, Kansas, Sedgwick County, Kansas, together with the west 2.50 feet of vacated alley abutting the east line of said Lots 110 and 112; Except that portion of said Lot 112 described as beginning at the southwest corner of said Lot 112; thence north along the west line of said Lot 112, 45.00 feet; thence southeasterly to a point on the south line, said point being 15.00 feet east of the southwest corner of said Lot 112; thence west along the south line of said Lot 112, 15.00 feet to the Point of Beginning.

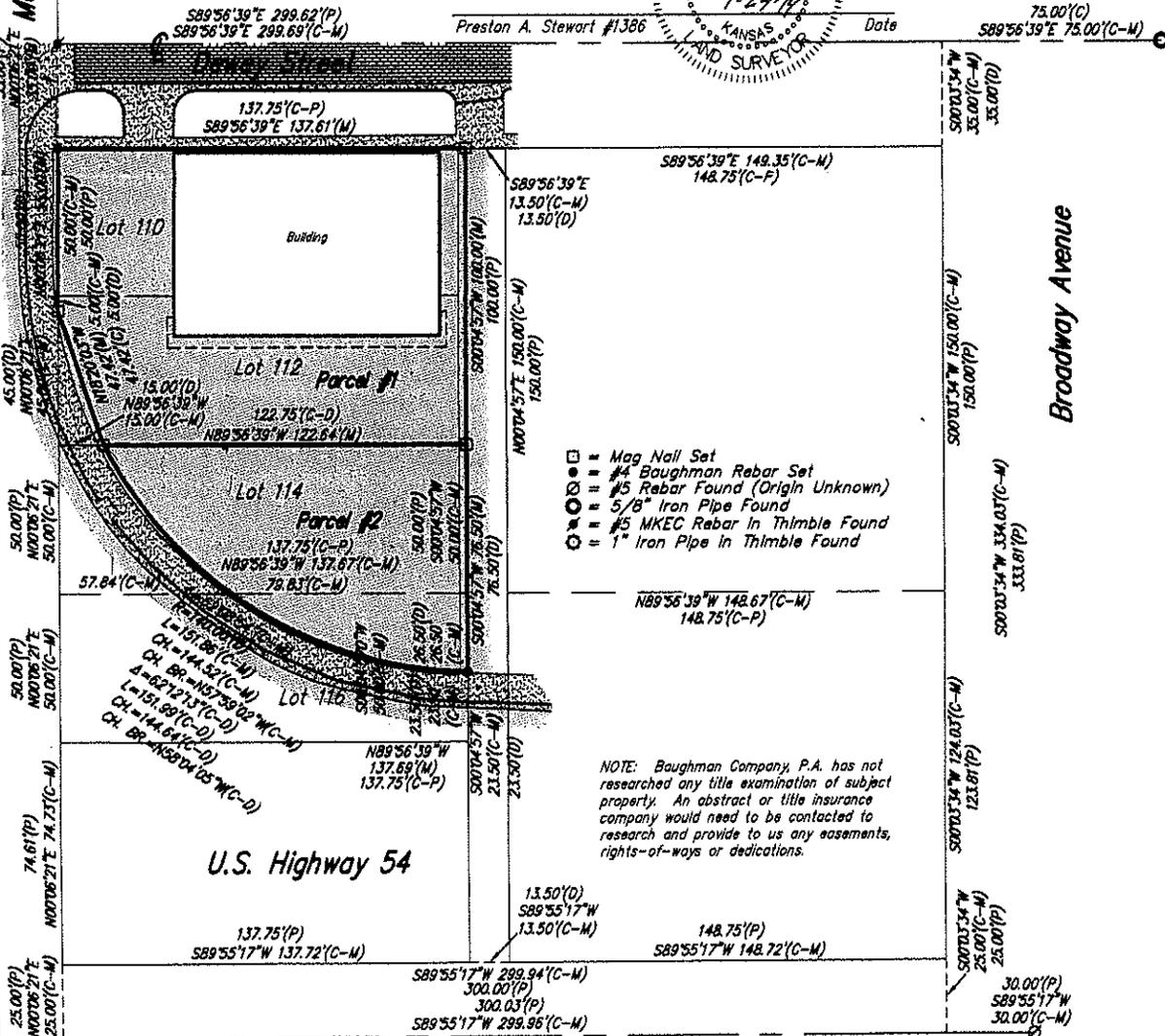
Parcel #2

A portion of Lot 114 and Lot 116, Market Street, Grieffenstein's Third Addition to Wichita, Kansas, Sedgwick County, Kansas, together with the west 2.50 feet of vacated alley abutting the east line of said Lots 114 and 116 more particularly described as commencing at the northwest corner of said Lot 114; thence east along the north line of said Lot 114, 15.00 feet to the Point of Beginning; thence continuing east along the north line of said Lot 114 and as extended, 122.75 feet to a point 2.50 feet east of the northeast corner of said Lot 114; thence south parallel with the east line of said Lots 114 and 116, 76.50 feet to a point on a non tangent curve to the right; thence northwesterly along said non tangent curve an arc length of 151.99 feet, said curve having a radius of 140.00 feet, a chord length of 144.64 feet, and a chord bearing of N58°04'05"W, to the Point of Beginning.

The accompanying sketch is a true and correct exhibit of said survey based on actual field measurements where the monuments are of the character and occupy the positions indicated.

- (C) = Calculated
- Ch. = Chord Length
- Ch. BR. = Chord Bearing
- Δ = Delta Angle
- D = Degree of Curve
- (D) = Described
- L = Arc Length
- (M) = Measured
- (P) = Plotted
- (Pro) = Prorated
- R = Radius

Market Street Assumed Basis of Bearings = N00°00'00"E 469.40'(M) & 469.65'(P)



**CITY OF WICHITA**  
**City Council Meeting**  
November 25, 2014

**TO:** Mayor and City Council

**SUBJECT:** Sale of City-owned Building at 2101 East 21<sup>st</sup> Street (District I)

**INITIATED BY:** Office of Property Management

**AGENDA:** Consent

---

**Recommendation:** Approve the sale.

**Background:** In 1990, the City acquired and renovated the building at 2408 East 21<sup>st</sup> Street for lease to Cessna for use as a training and subassembly facility. The building was built in 1978 and is an 11,540 square foot, single-story masonry structure on an 83,221 square foot site. The south 24,390 square feet of the site is zoned multi-family with the remainder zoned limited commercial. As currently configured, the building has offices and meeting rooms in the north portion with the south part being open, high ceilinged space that was used for aerospace subassembly. The property has been vacant since the lease with Cessna expired in 2011.

**Analysis:** The City has received an offer of \$75,000 for the property. The buyer intends to renovate the building and use it to expand its manufacturing and design business. The buyer provides specialized parts for various aerospace contractors in the area. Its current site is not large enough for its planned expansion and addition of new machines. The property was approved to be marketed for sale by the City Council and has been advertised in mailers, on the Internet and in print advertisements.

**Financial Considerations:** The City will receive cash consideration for the sale of the property. In addition, the sale of this property to a private party will place additional value into the tax base and relieve the City of any maintenance costs.

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

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

**Attachments:** Real estate purchase agreement and aerial.

## REAL ESTATE SALE CONTRACT

THIS AGREEMENT, Made and entered into this 6th day of November, 2014 by and between the City of Wichita, a municipal corporation, party of the First Part, hereinafter referred to as "Seller," whether one or more, and Masoud Etezazi, party of the Second Part, hereinafter referred to as "Buyer," whether one or more.

**WITNESSETH:** That for and in consideration of the mutual promises, covenants and payments hereinafter set out, the parties hereto do hereby contract to and with each other, as follows:

1. The Seller does hereby agree to sell and convey to the Buyer by a good and sufficient quit claim deed the following described real property, situated in Sedgwick County, Kansas, to-wit:  
  
Lot 1, except the East 20 feet of the South 116.03 feet, Conway Addition to the City of Wichita, Sedgwick County, Kansas.
2. The Buyer hereby agrees to purchase, and pay to the Seller, as consideration for the conveyance to him of the above-described real property, the sum of Seventy-Five Thousand Dollars and Zero Cents (\$75,000.00) in the manner following to-wit: cash at closing.
3. The Seller, at his option, agrees to furnish to Buyer, either a complete abstract of title certified to date, or a title insurance company's commitment to insure, to the above described real property, showing a merchantable title vested in the Seller, subject to: easements and restrictions of record. The Title Evidence shall be sent to the Buyer for examination by the Buyer as promptly and expeditiously as possible, and it is understood and agreed that the Seller shall have a reasonable time after said Title Evidence has been examined in which to correct any defects in title.
4. A duly executed copy of this Purchase Agreement shall be delivered to the parties hereto.
5. Upon execution of the Purchase Agreement by Buyer and Seller, the Buyer agrees to deposit with Security 1<sup>st</sup> Title the sum of Five Hundred and no/100 dollars (\$500.00) earnest money, as a guarantee that the terms and conditions of this contract shall be fulfilled by him, said deposit to be applied on the purchase price upon acceptance of title by the Buyer and delivery of deed by the Seller. In the event the Buyer shall fail to fulfill his obligations hereunder, the Seller may, at his option, cancel this agreement, and thereupon the aforementioned deposit shall become the property of the seller and his Agent, not as a penalty but a liquidated damages. Provided, however, that in the event the Seller is unable to furnish merchantable title, the earnest money deposited shall be returned to the Buyer, and this Agreement shall be null and void and of no further force and effect.
6. It is further agreed by and between the parties hereto that all rentals, insurance (if policies acceptable to Buyer), and interest, if any shall be adjusted and prorated as of the date of closing. Taxes and specials shall be pro-rated for calendar year on the basis of taxes levied, or for the prior year.

7. The Seller further agrees to convey the above-described premises with all the improvements located thereon and deliver possession of the same in the same condition as they now are, reasonable wear and tear excepted.
8. It is understood and agreed between the parties hereto that time is of the essence of this contract, and that this transaction shall be consummated on or before December 31, 2014.
9. Possession to be given to Buyer at closing
10. In the event an Owner's title insurance policy is furnished, the total cost of the commitment to insure and the title insurance policy shall be paid 50% by Buyer and 50% by Seller.
11. The parties covenant and agree that except for closing, title insurance and commissions referenced elsewhere herein, each is solely responsible for the payment of any fee for brokerage, technical or other professional services relating to the execution and performance of this Contract incurred by such party.
12. Seller makes no warranty or guarantee as to the suitability of the real property proposed for trade for the intended use of Buyer. Therefore, Buyer covenants and agrees that Buyer at Buyer's own expense, shall examine the real property in order to determine such suitability including but not limited to:
  - A. Soils data and geology, drainage, hydrology and topographical features that would affect any present or future intended use;
  - B. The presence or absence of any contamination by any hazardous substance;
  - C. The quality and quantity of water available by on-site water wells, and the availability of a permit or permits therefore;
  - D. The nature, extent, and cost of public utilities needed to serve all or a portion of such real property;
  - E. The extent and cost of compliance with subdivision regulations, building codes and other applicable rules and regulations involving public improvements, private improvements, access, building setbacks, public dedications, platting and replatting requirements of such real property;
  - F. The nature and extent of zoning and subdivision statutes, laws, ordinances and regulations affecting the present use, and the ease or difficulty involved in the zone-change and subdivision approval procedures necessary or desirable to allow for the Buyer's intended use or uses.
13. Buyer also covenants and agrees that Buyer, his agents, successors and assigns any future use of the property as described above for the following uses shall be prohibited:
  - A. Adult Book and Video Stores
  - B. Community Correctional Facilities
  - C. Half-way Houses
  - D. Drug or Alcohol Rehabilitation Facilities
  - E. Multi-game, Casino-style Gambling Facilities
  - F. New or Used Car Sales

G. Commercial Billboards

14. The covenants and agreements contained in Paragraphs 12 and 13 shall survive the closing of the sale intended hereby, and they shall bind the buyer as fully after the sale as they do before.
15. Buyer hereby agrees; a) Buyer is accepting the subject property on an "AS IS" basis and in "AS IS" condition; and that Buyer's decision to enter into this contract and any future decisions he may make with regard to the property have been and will be made based on his own inspections. Buyer acknowledges that no representations or warranties as to character, quality, value, or condition have been made by any of the brokers or agents involved, and also agrees not to make any claim against the Seller or the brokers involved.
16. The real property proposed for sale is currently vacant. Buyer intends to redevelop the building with facilities and space to support his manufacturing and design business. If the Buyer fails to redevelop the property as described within twenty-four (24) months of the date of closing, the Seller shall have the right, at its sole discretion, to purchase the real property at the same price for which the Seller sells said property pursuant to this Contract.

**WITNESS OUR HANDS AND SEALS** the day and year first above written.

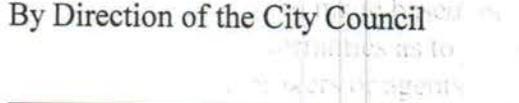
**BUYER**

Masoud Etezazi

  
\_\_\_\_\_  
Masoud Etezazi

**SELLER**

By Direction of the City Council

  
\_\_\_\_\_  
Carl Brewer, Mayor

**ATTEST:**

**ATTEST:**

\_\_\_\_\_  
Karen Sublett, City Clerk

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Gary E. Rebenstorf, Director of Law



# 2101 East 21st Street North



- Old Town
- Property Parcels
- Roads**
- State Highway
- US Federal Highway
- Interstate
- KTA
- Arterial
- Collector
- Minor
- Ramp
- Railroads
- Quarter Section
- Waterways
- Streams
- Parks
- Airports
- SDERASTER.S-  
DEDATA.ORTH-  
O1FT**
- SDERASTER.S-  
DEDATA.ORTH-  
O**
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- Kechi
- Maize
- Mount Hope
- Mulvane

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City of Wichita  
City Council Meeting  
November 25, 2014

**TO:** Mayor and City Council

**SUBJECT:** Contract Renewal with Sedgwick County for Housing First Funding

**INITIATED BY:** Housing and Community Services Department

**AGENDA:** Consent

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**Recommendation:** Approve the contract agreement renewal and authorize the necessary signatures.

**Background:** In 2006, the Wichita City Council and the Sedgwick County Commission authorized a Task Force on Ending Chronic Homelessness. The Task Force held meetings and conducted research over an 18-month period, and presented its recommendations to both elected bodies in March, 2008. One of the recommendations was the creation of a Housing First program, which both governmental units endorsed. It was later agreed that the rental subsidy costs for the Housing First program would be evenly split between the City of Wichita and Sedgwick County, and that the City of Wichita would administer the program.

**Analysis:** According to the U.S. Department of Housing and Urban Development a "chronically homeless" person is "an unaccompanied homeless individual with a disabling condition who has either been continuously homeless for a year or more, or has had at least four episodes of homelessness in the past three years". Housing First is a nationally-recognized model which has proven effective in addressing the needs of this population. In Wichita's Housing First program, participants are provided permanent housing in apartments located in scattered sites in the community. Participants are required to meet weekly with a case manager and to adhere to the terms of their lease. Rent and utility payments are provided for the units until such time as the participant can live independent of the assistance, or until/unless some other housing arrangement is deemed more appropriate.

Since the program began housing people in March, 2009, a total of 210 have been placed (as of September 30, 2014). Of the 210 clients served, there have been 86 successful exits and 61 clients remain stably housed. Successful exits included: 55 who left the program because their income increased and they no longer needed the assistance; 20 who moved to be closer to family, five who received a Section 8 voucher, one who received a HUD-VASH voucher, one who moved into a Public Housing unit, two who entered a treatment facility, one who entered a nursing home, and one entered a group home. Of the unsuccessful exits, 38 were terminated for program violations and 25 went to jail. Five people died while housed. Of the 61 people currently housed, 31 have remained in housing for over one year; 26 of the 61 are contributing a percentage of their income toward their housing expenses – partial rent and/or utility payments. One person volunteers 20 hours/week in lieu of financially contributing towards his expenses.

**Financial Considerations:** The 2015 budget for rent and utilities is \$382,736 for at least 64 units of housing. The City Council has approved funding from the General Fund, equal to half this amount. Sedgwick County has approved funding for the balance. This is the sixth year of funding for the program.

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

**Recommendations/Actions:** It is recommended that the City Council approve the contract agreement renewal and authorize the necessary signatures.

**Attachments:** Contract agreement renewal.

## HOUSING FIRST AGREEMENT

This contract entered into as of this \_\_\_\_\_ day of \_\_\_\_\_ 2014, by and between the City of Wichita, a municipal corporation (“City” or “Contractor”) and Sedgwick County, Kansas (“County”).

WITNESSETH:

WHEREAS, City and County formed a Taskforce to End Chronic Homelessness (TECH) to develop a plan to effectively address the needs of people experiencing chronic homelessness; and

WHEREAS, the TECH plan to end chronic homelessness included implementation of a Housing First model program; and

WHEREAS, County wishes to contract with City for implementation of a Housing First model as hereinafter described.

NOW, THEREFORE, in consideration of the mutual covenants, conditions and promises contained herein, the parties hereto do agree as follows:

1. Employment: County hereby agrees to engage City as an independent contractor and City hereby agrees to fulfill the purpose, goals and objectives specified in Appendix B – Purpose and Outcomes.
2. Term: The term of this contract shall be for a period of one year, commencing January 1, 2015 and ending December 31, 2015. This contract may continue for a reasonable time after December 31, 2015, if both parties agree to continue operating under the terms of this contract while they are actively developing a contract for 2016.
3. Scope: City shall do, perform and carry out implementation of a Housing First Model Program to serve individuals who meet the criteria for chronic homelessness and have a disability (as defined by the U.S. Department of Housing and Urban Development) in a satisfactory and proper manner, as determined by County and in conformance with the criteria outlined in Appendix B – Purpose and Outcomes.
4. Compensation: City and County expressly understand and agree that in no event shall the total, full and complete compensation and reimbursement, if any, paid hereunder to City for performance of this contract exceed the maximum cash amount of \$191,368.00 for rent support for approximately 32 apartments. Payments will be made monthly on a reimbursement basis upon receipt of an invoice detailing expenditures for the prior month. An invoice is required for payments to be processed. Additionally, City agrees to report to County quarterly as outlined in Appendix B – Purpose and Outcomes.

5. Indemnification Agreement. Both parties hereby expressly agree and covenant that they will hold and save harmless and indemnify the other party, its officers, agents, servants and employees from liability of any nature or kind connected with the work to be performed hereunder arising out of any act or omission of such party or of any employee or agent of that party to the degree such indemnification is allowed by law. Provided, however, that such indemnification shall not be required to the extent that either the indemnified party or the indemnifying party has (or but for the indemnity, would have) a defense against or limitation of the subject liability under the Kansas Tort Claims Act.

6. Termination of Contract.

A. Termination for Cause. If Contractor shall fail to fulfill in a timely and proper manner its obligations under this contract, or if Contractor shall violate any of the terms, covenants, conditions, or stipulations of this contract, County shall thereupon have the right to terminate this contract by promptly giving written notice to Contractor of such termination and specifying the reasons for the termination and the effective date thereof. A breach shall include, but not be limited to, failure to comply with any or all items contained in this contract and any appendices, exhibits or amendments thereto, if any.

In the event of termination, such information prepared by Contractor to carry out this contract, including data, studies, surveys, records, drawings, maps and reports shall, at the option of County, become the property of the County and be immediately turned over to the County. Contractor shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials.

Notwithstanding the above, Contractor shall not be relieved of liability to County by virtue of any breach of this contract by Contractor and County may withhold any payments to Contractor for the purpose of set off until such time as the exact amount of damages due County from Contractor are determined.

B. Termination of Contract on Other Grounds. Except for paragraph A above, this contract may be terminated in whole or in part by either party, upon thirty (30) days written notice to the other party, stating the reasons(s) for the termination and the effective date of the termination. A partial termination shall also be specified in writing by the terminating party and shall not be effective unless and until the other party has given its written assent thereto. When this contract is terminated, Contractor shall not incur new obligations for the terminated portion after the effective date of the termination and shall cancel as many outstanding obligations as possible. County shall allow full credit to Contractor for the grant share of the non-cancelable obligations properly incurred by Contractor prior to termination. Whether this contract is canceled by County or Contractor as provided herein, Contractor shall be paid for work satisfactorily completed, so long as the provisions applicable to Billing and Payment have been met by Contractor.

7. Incorporation of Appendices: Appendix A – General Contractual Procedures; Appendix B – Purpose and Outcomes; and Appendix C - Budget are attached hereto and made a part hereof as if fully set out herein.

IN WITNESS WHEREOF, City and County have executed this contract as of the day and year first above written.

SEDGWICK COUNTY, KANSAS

CITY OF WICHITA, KANSAS

\_\_\_\_\_  
David M. Unruh Chairman  
Board of County Commissioners

\_\_\_\_\_  
Carl Brewer, Mayor  
Wichita City Council

ATTEST:

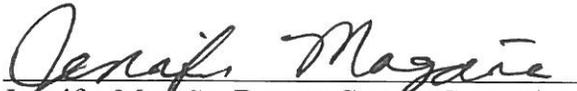
ATTEST:

\_\_\_\_\_  
Kelly B. Arnold, County Clerk

\_\_\_\_\_  
Karen Sublett, City Clerk

APPROVED AS TO FORM:

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Jennifer Magaña, Deputy County Counselor

\_\_\_\_\_  
Sharon Dickgrafe, Acting Director of Law

# APPENDIX A

## GENERAL CONTRACTUAL PROVISIONS

### 1. AUTHORITY TO CONTRACT.

- A. Affirmation of Legal Authority. City (herein referred to as "Contractor") assures it possesses legal authority to contract these services; that resolution, motion or similar action has been duly adopted or passed as an official act of Contractor's governing body, authorizing the signing of this contract, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of Contractor to act in connection with the application and to provide such additional information as may be required.
- B. Required Documentation. Domestic (Kansas) corporations shall 1) furnish evidence of good standing in the form of a Certificate signed by the Kansas Secretary of State. Foreign (non-Kansas) corporations shall furnish evidence of authority to transact business in Kansas, in the form of a Certificate signed by the Kansas Secretary of State; and 2) a copy of the Corporation Resolution evidencing the authority to sign the Contract Documents, executed by the Corporation's Secretary or Assistant Secretary. This subparagraph B shall not be applicable if the Contractor is a Kansas Municipal Corporation.

### 2. RELATIONSHIP of PARTIES.

It is agreed that the legal relationship between Contractor and County is of a contractual nature. Both parties assert and believe that Contractor is acting as an independent contractor in providing the services and performing the duties required by County hereunder. Contractor is at all times acting as an independent contractor and not as an officer, agent, or employee of County. As an independent contractor, Contractor, and employees of Contractor, will not be within the protection or coverage of County's worker's compensation insurance, nor shall Contractor, and employees of Contractor, be entitled to any current or future benefits provided to employees of County. Further, County shall not be responsible for withholding of social security, federal, and/or state income tax, or unemployment compensation from payments made by County to Contractor.

### 3. PERSONNEL.

- A. Qualified Personnel. Contractor represents that it has, or shall secure at its own expense, all personnel required in performing the services under this contract. All personnel engaged in the work shall be fully qualified according to the laws of the State of Kansas and the provisions of this contract.
- B. Minimum Wages. Contractor will comply with the minimum wage and maximum hours provisions of the Federal Fair Labor Standards Act.
- C. Employee Conflict of Interest. Contractor shall establish safeguards to prohibit employees from using their positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties.
- D. Contractor's Safeguard. The parties to this agreement recognize that entities or persons providing government-funded services to the public are the subject of public scrutiny. Consequently, by entering into this agreement Contractor assumes an affirmative and ongoing duty during the pendency of this contract to maintain compliance with requirements set forth in subsection E below. Such compliance requires the use of criminal or other legal background checks upon all personnel or agents providing services pursuant to this agreement, or administering the funds conveyed under this agreement.
- E. Participant Safeguard. Contractor certifies that:
1. Persons convicted of any felony, drug or drug-related offense, crime of falsehood or dishonesty, crime of moral turpitude or crime against another person during the ten-year period concluding on the date of execution of this contract or during the pendency of this contract, or any individual who is known by contractor to have had a prior employment history of abuse, neglect or exploitation of children or vulnerable adults, shall not be permitted to administer this contract or handle the funds conveyed under this contract;
  2. Persons with convictions for crimes against persons, for crimes of moral turpitude, including, but not limited to, sex offenses and crimes against children, or any individual who is known by contractor to have had a prior employment history of abuse, neglect or exploitation of children or vulnerable adults, shall not be permitted to provide services or interact in any way with persons served pursuant to this contract; and

3. Persons having been convicted of a serious driving offense, including but not limited to driving under the influence of alcohol or a controlled substance, during the five-year period concluding on the date of execution of this contract, or during the pendency of this contract, shall not be permitted to operate a vehicle in which a person served pursuant to this contract is a passenger. For purposes of this section, "serious traffic offense" shall not include any offense deemed a "traffic infraction" under K.S.A. 8-2116 and 8-2118.

4. Any question concerning the interpretation of this subsection E and/or its application to an individual shall be referred to the Director of the Agency administering the funding of this agreement for the County. The Director's decision shall be final for purposes of compliance with this contract. The term "conviction" shall include convictions from any federal, state, local, military, or other court of competent jurisdiction, and shall include being placed into a diversion or deferred judgment program in lieu of prosecution. Contractor shall not be held accountable for cases in which diversions or deferred judgments are not reflected in an individual's criminal record, or for expunged convictions, if Contractor would have no other reasonable way of knowing of these acts.

F. It is understood that this contract may be revoked at the discretion of the County if Contractor is in violation of Subsection E.

No penalty shall be assessed to the County for revocation of this agreement in the event of a breach of any portion of Appendix A, Section 3.

#### 4. PROHIBITION OF CONFLICTS OF INTEREST.

A. Interest of Public Officials and Others. No officer or employee of County, no member of its governing body, and no other public official who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of this project shall participate in any decision relating to this contract which affects such person's personal interest or the interest of any corporation, partnership, or association in which such person is directly or indirectly interested; nor shall any officer or employee of County or any member of its governing body or other public official have any interest, direct or indirect, in this contract or the proceeds thereof.

B. Interest of Contractor. Contractor covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this contract.

C. Employee Conflicts. Situations in which 1) an employee of the County shall also be an employee of Contractor at time of agreement, 2) an employee of Contractor seeks additional/alternate employment with County during pendency of agreement, or 3) an employee of County seeks additional/alternate employment with Contractor during pendency of agreement, shall require written notice to the County at the addresses listed in Section Twenty (20) below. The County shall make every effort to assure that such employees do not have any authority to approve 1) grant funds, 2) agreements, or 3) affiliate status to the Contractor or Contractor's competitors.

D. Notice to Bidders. Requests for proposal or invitations for bid issued by Contractor to implement this contract will provide notice to prospective bidders that County's conflict of interest provision is applicable in that contractors who develop or draft specifications, requirements, statements of work and/or RFP's for a proposed procurement shall be excluded from bidding or submitting a proposal to compete for the award of such procurement.

#### 5. FUNDING.

A. Reprogramming of Funds. It is understood and agreed that in the event the amount of funds County actually receives from the County mill levy is less than anticipated, County may decrease the total compensation and reimbursement to be paid hereunder.

B. Inability to Perform Contract. It is further understood and agreed that in the event Contractor's rate of progress on this contract is leading to underspending due to inability to provide services at planned levels, County may decrease the total compensation and reimbursement to be paid hereunder or withdraw from the agreement.

C. Cash Basis and Budget Laws. The right of the parties to enter into this Agreement is subject to the provisions of the Cash Basis Law (K.S.A. 10-1112 and 10-1113), the Budget Law (K.S.A. 79-2935), and other laws of the State of Kansas. This Agreement shall be construed and interpreted so as to ensure that each party shall at all times stay in conformity with such laws, and as a condition of this Agreement each party reserves the

right to unilaterally sever, modify, or terminate this Agreement at any time if, in the opinion of its legal counsel, the Agreement may be deemed to violate the terms of such laws.

D. Non-Supplanting Existing Funds. Contractor assures that grant funds made available under County mill levy grants and administered under this contract will not be used to supplant existing funds or other funding sources, but will be used to increase the amounts of those other funding sources.

E. Unexpended funds. It is agreed by Contractor and County that upon termination or expiration of the contract, any unexpended funds shall be returned to County.

#### 6. PROGRAM INCOME.

Contract-related program income, if generated, shall be collected by Contractor and reported to County on Contractor's quarterly reports, required in Section Seven (7) below. Program income shall be defined as gross income earned by Contractor that is directly generated by a supported activity or earned as a result of the award. Program income includes, but is not limited to, income from fees for services performed, the use or rental of real or personal property acquired under the contract, the sale of commodities or items fabricated under an award, license fees and royalties on patents and copyrights. Interest earned on advances of County funds is not program income. Except as otherwise provided in County contract requirements, program income does not include the receipt of principal on loans, rebates, credits, discounts, etc, or interest earned on any of them. Unless otherwise stated in the contract, program income earned during this contract term shall be retained by Contractor and shall be added to funds committed to the project by County and Contractor and used to further eligible project or program objectives.

#### 7. RECORDS, REPORTS AND INSPECTION.

A. Documentation of Costs. All costs incurred by Contractor for which Contractor purports to be entitled to reimbursement shall be supported by properly executed payrolls, time records, invoices, contracts or vouchers, or other official documentation evidencing in proper detail the nature and propriety of charges. All checks, payrolls, invoices, contracts, vouchers, orders or other accounting documents pertaining in whole or in part to this contract shall be clearly identified and readily accessible to both parties to this agreement.

B. Maintenance of Records. Except as otherwise authorized by County, Contractor shall retain such documentation for a period of three (3) years after receipt of the final expenditure report under this contract, unless action, including but not limited to litigation or audit resolution proceedings, necessitate maintenance of records beyond this three (3) year period.

C. Reports. During the term of this contract, Contractor shall furnish to County, in such form as County may require, such statements, records, reports, data and information as County requests pertaining to matters covered by this contract. Payments to Contractor will be withheld by County if Contractor fails to provide all required reports in a timely and accurate manner, until such time as all reports are furnished to County. Incomplete reports may be considered a breach of this contract.

D. Audit. Contractor shall provide for an annual independent audit of its financial records and shall provide a copy of said audit to County annually. With the copy of the audit Contractor shall include a copy of the audit letter to management and agency response. If not otherwise required by law to perform an audit and upon approval by County, Contractor may provide a copy of a financial balance sheet developed by a reputable accountant/accounting firm instead of a formal audit.

E. Availability of Records. Contractor agrees to make any and all of its records, books, papers, documents and data available to County, or the authorized representative of a State agency with statutory oversight authority, for the purpose of assisting in litigation or pending litigation, or making audits, examinations, excerpts, copies and transcriptions at any time during the terms of this contract and for a three (3) year period following final payment under the terms of this contract.

F. Contractor's Purchasing Procedure. Contractor certifies that it does not practice any form of discrimination based on race, ethnic origin, gender or religion or disability in its purchasing procedures. Contractor agrees to make available a written description of its purchasing procedures if requested by County.

G. Confidentiality. Both parties will comply with the provisions of State and federal regulations in regard to confidentiality of eligible participant records.

#### 8. METHOD OF BILLING AND PAYMENT.

A. Billing Procedures. Contractor agrees that billings and payments under this contract shall be processed in accordance with established budgeting, purchasing and accounting procedures of Sedgwick County, Kansas. Subject to the maximum amount of compensation prescribed on page 1 at paragraph 4 of this

contract, payment shall be made after the receipt of billing, and the amount of payment shall not exceed the maximum amount allowed by this contract.

- B. Support Documentation. Billing shall be supported with documentation required by County including, but not necessarily limited to, that documentation described in Section Seven (7) above.
- C. Reimbursement Restrictions. Payments shall be made to Contractor only for items and services provided to support the contract purpose when such items and services are specifically authorized by this agreement. County reserves the right to disallow reimbursement for any item or service billed by Contractor if County believes that such item or service was not provided to support the contract purpose or was not authorized by the contract.
- D. Pre-disbursement Requirements. Contractor must provide to County the documentation required pursuant to this contract prior to any disbursements being made by County to Contractor.
- E. Mailing Address. Payments shall be mailed to Contractor's address as listed in paragraph 20 below.

#### 9. PARTICIPANT INPUT.

Contractor shall provide persons receiving services funded pursuant to this contract with an opportunity to assess and evaluate the program at least once during the contract term, unless such requirements are more specifically addressed elsewhere in this agreement or by statute.

#### 10. LICENSES AND PERMITS.

Contractor shall maintain all licenses, permits, certifications, bonds, and insurance required by federal, state or local authority for carrying out this contract. Contractor shall notify County immediately if any required license, permit, bond or insurance is canceled, suspended or is otherwise ineffective. Such cancellation, suspension, or other ineffectiveness may form the basis for immediate revocation by County, in its discretion.

#### 11. INSURANCE REQUIREMENTS

Contractor shall annually provide evidence of its self-insured status upon request. Contractor shall also annually provide evidence of Professional Liability insurance, as appropriate.

#### 12. EPA APPROVED BUILDING.

Contractor will insure that the facilities under its ownership, lease or supervision which shall be utilized in the accomplishment of the contract are not listed on the Environmental Protection Agency's (EPA) list of Violating Facilities from the Director of the EPA Office of Federal Activities indicating that a facility to be used in the contract is under consideration for such listing by the EPA.

#### 13. HANDICAPPED ACCESSIBILITY.

Contractor will comply with the Rehabilitation Act of 1973, as amended, Section 504, which prohibits discrimination against handicapped persons in employment services, participation and access to all programs receiving federal financial assistance. Contractor shall also comply with applicable requirements of the Americans With Disabilities Act (ADA) which is a federal anti-discrimination statute designed to remove barriers which prevent qualified individuals with disabilities from enjoying equal treatment by state and local governments and their agencies in employment practices and accessibility in public services and programs.

#### 14. ASSIGNMENT.

Neither this contract nor any rights or obligations hereunder shall be assigned or otherwise transferred by either party without the prior written consent of the other.

#### 15. SUBCONTRACTING.

None of the work or services covered by this contract shall be subcontracted without the prior written approval of County. All approved subcontracts must conform to applicable requirements set forth in this contract and in its appendices, exhibits and amendments, if any.

#### 16. PUBLICATION OF CONTRACT RESULTS.

- A. Copyright. If this contract results in a book or other material which may be copyrighted, the author is free to copyright the work. County reserves a royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use all copyrighted material and all material which can be copyrighted.

B. Documentation of originality or source. All published material and written reports submitted under this contract or in conjunction with the third party agreement under this contract will be originally developed material unless specifically provided for otherwise. Material not originally developed included in reports will have the source identified either in the body of the report or in a footnote, whether the material is in a verbatim or extensive paraphrase format. All published material and written reports shall give notice that funds were provided by a grant from County.

#### 17. COMPLIANCE WITH APPLICABLE LAWS, SERVICE STANDARDS AND REQUIRED PROCEDURES.

A. Service Standards and Procedures. Contractor shall perform the services set forth in this contract in compliance with applicable standards and procedures specified in Appendix B which covers the specific purpose and outcomes of this agreement.

B. Governing Law. This contract shall be interpreted under and governed by the laws of the State of Kansas.

C. Compliance With Law. Contractor shall comply with all applicable local, state and federal laws and regulations, in carrying out this contract, regardless of whether those legal requirements are specifically referenced in this agreement.

D. Access to Meetings. Contractor agrees to grant access to County to meetings of its managing board or committee during that time when matters involving use of County grant funds are discussed, if requested by County.

#### 18. EQUAL OPPORTUNITY AND AFFIRMATIVE ACTION.

In carrying out this contract, Contractor shall deny none of the benefits or services of the program to any eligible participant pursuant to K.S.A. 44-1001 *et seq.*

A. Contractor shall observe the provisions of the Kansas act against discrimination and shall not discriminate against any person in the performance of work under this contract because of race, religion, color, sex, disability, national origin, or ancestry.

B. In all solicitations or advertisements for employees, Contractor shall include the phrase "equal opportunity employer" or a similar phrase to be approved by the Kansas Human Rights Commission.

C. If Contractor fails to comply the provisions of K.S.A. 44-1031, requiring reports to be submitted to the Kansas Human Rights Commission when requested by that Commission, Contractor shall be deemed to have breached this contract and it may be canceled, terminated or suspended, in whole or in part, by County.

D. If Contractor is found guilty of a violation of the Kansas act against discrimination under a decision or order of the Kansas Human Rights Commission which has become final, Contractor shall be deemed to have breached this contract and it may be canceled, terminated or suspended, in whole or in part by County.

E. Contractor shall include the provisions of paragraphs A through D inclusively of this section in every subcontract or purchase order so that such provisions will be binding upon such subcontractor or vendor.

F. The provisions of this section shall not apply to a contract entered into by a contractor who: 1) employs fewer than four employees during the term of this contract; or 2) whose contracts with the County cumulatively total \$5,000.00 or less during the fiscal year of the County pursuant to K.S.A. 44-1031(c).

#### 19. TERMINATION OF CONTRACT.

A. Termination for Cause. If Contractor shall fail to fulfill in a timely and proper manner its obligations under this contract, or if Contractor shall violate any of the terms, covenants, conditions, or stipulations of this contract, County shall thereupon have the right to terminate this contract by promptly giving written notice to Contractor of such termination and specifying the reasons for the termination and the effective date thereof. A breach shall include, but not be limited to, failure to comply with any or all items contained in this contract and any appendices, exhibits or amendments thereto, if any.

In the event of termination, such information prepared by Contractor to carry out this contract, including data, studies, surveys, records, drawings, maps and reports shall, at the option of County, become the property of the County and be immediately turned over to the County. Contractor shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials.

Notwithstanding the above, Contractor shall not be relieved of liability to County by virtue of any breach of this contract by Contractor and County may withhold any payments to Contractor for the purpose of set off until such time as the exact amount of damages due County from Contractor are determined.

B. Termination of Contract on Other Grounds. Except for paragraph A above, this contract may be terminated in whole or in part by either party, upon thirty (30) days written notice to the other party, stating the reasons(s) for the termination and the effective date of the termination. A partial termination shall also be specified in writing by the terminating party and shall not be effective unless and until the other party has given its written assent thereto. When this contract is terminated, Contractor shall not incur new obligations for the terminated portion after the effective date of the termination and shall cancel as many outstanding obligations as possible. County shall allow full credit to Contractor for the grant share of the non-cancelable obligations properly incurred by Contractor prior to termination. Whether this contract is canceled by County or Contractor as provided herein, Contractor shall be paid for work satisfactorily completed, so long as the provisions applicable to Billing and Payment have been met by Contractor.

## 20. INDEMNIFICATION AGREEMENT.

Both parties hereby expressly agree and covenant that they will hold and save harmless and indemnify the other party, its officers, agents, servants and employees from liability of any nature or kind connected with the work to be performed hereunder arising out of any act or omission of such party or of any employee or agent of that party to the degree such indemnification is allowed by law. Provided, however, that such indemnification shall not be required to the extent that either the indemnified party or the indemnifying party has (or but for the indemnity, would have) a defense against or limitation of the subject liability under the Kansas Tort Claims Act.

## 21. NOTIFICATION.

Notifications required pursuant to this contract shall be made in writing and mailed to the addresses shown below. Such notification shall be deemed complete upon mailing.

County: Sedgwick County Division of Health and Human Services  
Attn: Tim Kaufman, Director  
635 N. Main  
Wichita, KS 67203-3752  
PHONE (316) 660-7600  
FAX (316) 383-7925

Sedgwick County Legal Department  
Attn: Contract Notification  
Sedgwick County Courthouse  
525 N. Main, Suite 359  
Wichita, KS 67203-3790

Contractor: City of Wichita  
Mary K. Vaughn, Housing Director  
332 N. Riverview  
Wichita, Kansas 67203

City of Wichita Legal Department  
Attn: Contract Notification  
City Hall, 455 North Main  
Wichita, KS 67202

## 22. Amendments to Agreement.

To provide necessary flexibility for the most effective execution of this contract, whenever both County and Contractor mutually agree, changes to this contract may be effected by placing them in written form and incorporating them into this contract. Any change which affects contract objectives must be approved by COMCARE and the Sedgwick County Board of Commissioners. Line item changes to the approved Appendix C- Budget

(where applicable) exceeding ten percent (10%) or \$5,000 (whichever is less) must be presented to and approved by the Executive Director of COMCARE.

23. Certificate of Tax Clearance.

Annually Contractor shall provide County with a certificate of tax clearance from the State of Kansas certifying Contractor has paid all state taxes.

24. Debarment/Suspension

Contractor acknowledges that as part of the Code of Federal Regulations (2 C.F.R. Part 180) a person or entity that is debarred or suspended in the Excluded Parties List System (EPLS) shall be excluded from Federal financial and nonfinancial assistance and benefits under Federal programs and activities. All non-federal entities, including Sedgwick County, must determine whether the Contractor has been placed on the Excluded Parties List System (EPLS) and any federal funding received or to be received by Sedgwick County in relation to this Agreement prohibits Sedgwick County from contracting with any Contractor that has been so listed. In the event the Contractor is debarred or suspended under the EPLS, the Contractor shall notify Sedgwick County in writing of such determination within five (5) business days as set forth in the Notice provision in this Agreement. Sedgwick County shall have the right, in its sole discretion, to declare the Agreement terminated for breach upon receipt of the written notice. Contractor shall be responsible for determining whether any sub-contractor performing any work for Contractor pursuant to this Agreement has been debarred or suspended under EPLS and to notify County within the same five (5) business days, and with the County reserving the same right to terminate for breach as set forth herein.

## APPENDIX B – PURPOSE AND OUTCOMES

### CITY OF WICHITA – HOUSING FIRST INITIATIVE

It is mutually agreed by and between County and City that it is the purpose of this contract for City to implement a Housing First model program to serve individuals who meet the criteria for chronic homelessness and have a disability (as defined by the U.S. Department of Housing and Urban Development) through its Housing and Community Services Department.

#### 1. GENERAL PROVISIONS.

- A. It is understood that City's records used in the preparation of all reports are subject to review by County to ensure the accuracy and validity of the information reported.
- B. It is mutually agreed by and between County and City that this contract will be evaluated by County in terms of meeting purpose and outcomes.
- C. City shall provide written notice to the Division of Human Services if it is unable to provide the requested quantity or quality of service. This written notice shall include a plan to address the issues affecting quantity and/or quality of services being provided.
- D. City agrees to submit a program progress report covering the outcomes as listed below by the 15<sup>th</sup> day of the month following each calendar quarter. Financial reports are due no later than the 15<sup>th</sup> day of the month following the end of each calendar quarter. Reports should be in a format acceptable to County. A report template is available. The report should be sent to the Division of Human Services Homeless Plan Specialist (e-mail address available upon request). The program progress report should address the outcomes as stated in the contract. Financial reports should provide a line item account of how the funds were expended over the last quarter in accordance with the budget as set out in Appendix C. If the reports are not received by the aforementioned deadline, City may be subject to suspension of payment until the reports have been received and approved.
- E. Sedgwick County funds will only be used to serve individuals who meet the criteria for chronic homelessness and have a disability as defined by the U.S. Department of Housing and Urban Development.

#### 2. SERVICE DESCRIPTION.

A Housing First program is designed to end homelessness and support recovery for individuals who are homeless and have a disability. The Housing First model is based on the belief that housing is a basic need and on a theoretical foundation that emphasizes consumer choice and harm reduction. The program addresses homeless individuals' needs

from a consumer perspective, encouraging them to define their own needs and goals, and provides immediate housing (in the form of apartments located in scattered sites) without any prerequisites for treatment.

Consumers' tenancy is not dependent on their adherence to treatment. Case managers work with consumers through housing loss, hospitalization, or incarceration and help consumers obtain housing after these episodes. While consumers can refuse services, the program requires them to meet with a case manager at least four times per month to ensure their safety and well-being.

Important components for all Housing First programs include:

- a) Case management is utilized to coordinate services that follow a housing placement;
- b) Housing is not contingent on the consumer's willingness to accept treatment services;
- c) Consumers are encouraged but not required to take medications or abstain from using substances to participate;
- d) Service plans are individualized and client driven;
- e) Assistance locating rental housing and lease negotiation, as well as relationship building with private market landlords; and,
- f) Housing placement is not time limited.

Sedgwick County is allocating \$191,368.00 for approximately 32 apartments in the Housing First Model Program. It is anticipated that 16 of the 32 apartments will be one-bedroom apartments but the figure can be adjusted contingent on County approval. Up to \$10,000 is budgeted for repairs.

### 3. OUTCOMES.

City agrees to report on outcomes quarterly. Performance reports are due by the 15<sup>th</sup> day of the month following the end of the calendar quarter. Reports should be submitted to the attention of the Division of Health and Human Services Homeless Plan Specialist at 635 N. Main, Wichita, KS 67203.

1. Maintain fidelity to the model as evidenced by adherence to the components listed above.
2. Reduction in length of stay in shelters as measured by time Housing First consumers spent in shelters during the last year as compared to length of time spent in shelters during the current year.
3. Number of consumers referred for Housing First services, placed in Housing First apartments, and number of consumers continuing in the Housing First program.
4. Reduction in subsidy amounts needed to continue housing participants, due to increases in participant income.
5. Reduction in homelessness for program participants as measured by consumers not re-entering the shelter system.
6. Number of positive exits from the Housing First program.

**APPENDIX C – BUDGET**

**CITY OF WICHITA HOUSING FIRST PROGRAM**

| EXPENDITURE               | BUDGETED AMOUNT |
|---------------------------|-----------------|
| Rent and Security Deposit | \$181,368.00    |
| Repairs                   | \$10,000.00     |
| TOTAL                     | \$191,368.00    |

**CITY OF WICHITA**  
**City Council Meeting**  
November 25, 2014

**TO:** Mayor and City Council

**SUBJECT:** Lease of Space at Colvin School (District III)

**INITIATED BY:** Office of Property Management

**AGENDA:** Consent

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**Recommendation:** Approve the lease.

**Background:** The City leases space from Unified School District 259 (USD 259) at Colvin School for recreational programs. During the lease term, there have been several changes in space usage, building configuration, operating procedures, etc. An amendment to the lease is necessary to adjust the lease to reflect the actual operations.

**Analysis:** The City pays a prorata share of operating costs in exchange for being allowed to utilize certain space at Colvin School. Since the current lease was drafted, the school has been increased in size from 78,067 square feet to 107,023 square feet and the area used by the City has decreased from 5,300 square feet to 5,023 square feet. The amendment adjusts the rental calculation to reflect these new areas. The current lease expires on December 31, 2015. The amendment modifies the lease term to year-to-year unless cancelled by either party. The amendment also formalizes the hours of operation, access to the building, and certain operating requirements.

**Financial Considerations:** Initial monthly rent is reduced from \$1,774.60 to \$1717.61. Future rent will be calculated as defined in the lease. The rent payments are accounted for in the budget for the Departments of Parks and Recreation.

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

**Recommendation/Action:** It is recommended that the City Council approve the Amendment to the Lease Agreement and authorize the necessary signatures.

**Attachments:** Amendment to Lease Agreement.

**AMENDMENT TO LEASE AGREEMENT**

This Amendment to Lease Agreement ("Amendment") is made on November \_\_, 2014, between Unified School District No. 259, Sedgwick County, Kansas ("Lessor") and the City of Wichita, Kansas ("Lessee").

**RECITALS**

Lessor and Lessee previously entered into a lease agreement dated the 21<sup>st</sup> day of July, 2005 (the "Lease Agreement"); and

Lessor and Lessee desire to amend the Lease Agreement.

**TERMS AND CONDITIONS**

Lessor and Lessee agree to amend the Lease Agreement as follows:

1. The square footage of the Colvin School building as defined in the Lease Agreement has increased to 107,023 square feet.

2. The leased premises ("Leased Premises") as described and shown in Attachment A of the Lease Agreement is amended to be the following:

|   |          |
|---|----------|
| Gym (room 104), 54.8% usage             | 3,210 sf |
| Restrooms (rooms 105 & 106) 33.3% usage | 160 sf   |
| Room 108, 100% usage                    | 170 sf   |
| Room 109, 100% usage                    | 257 sf   |
| Room 111, 15.7% usage                   | 145 sf   |
| Room 112, 15.7% usage                   | 145 sf   |
| Room 113, 54.8% usage                   | 298 sf   |
| Multipurpose room (A12), 15.7% usage    | 638 sf   |

**TOTAL**

**5,023 SQUARE FEET**

3. The occupancy of Rooms 104 and 113 by Lessee will be from 7:00 a.m. to 8:30 a.m. and 4:00 p.m. to 9:00 p.m. Monday through Friday on days school is in session during the school year. The occupancy of Rooms 104, 111, 112, 113 and A12 by Lessee will be from 8:00 a.m. to 7:00 p.m. Monday through Friday during June and July starting the Tuesday after Memorial Day and ending nine (9) weeks later.

4. The Leased Premises at the Colvin School is amended (including sharing of common areas) to equal 5,023 square feet.

5. The term of the Lease Agreement will be from October 1 to September 30. Base rent for the start of each upcoming term will be based on operating cost incurred between September 30 and August 31. At the end of any term, the Lease Agreement will be renewed for an additional year unless either party to this Lease Agreement provides the other party written notice of its intention not to renew the Lease Agreement at least sixty (60) days before the end of the current term.

6. The parties stipulate that the operating cost from September 1, 2013 to August 31, 2014, was \$20,612.00. The base rent payment for the September 1, 2014 through August 31, 2015 term will equal \$1,717.61. Starting on October 1, 2015, and through each subsequent October 1, the base rent payment will be calculated in accordance with Section 4 of the Lease Agreement. The adjustment amount will be provided to Lessee on or before September 15 each year.

7. Adjustment payments under Section 4 of the Lease Agreement will be due to be paid by October 31 of each year. There will be no adjustment payment due September 30, 2014.

8. Entrance by Lessee's employees and visitors will be through the door that is marked Door #2. Lessee's employees and visitors will not enter the Leased Premises through any other means of access to the Leased Premises other than Door #2. Lessor has implemented a safe and secure procedure for the Colvin School. Lessor's safe and secure procedure includes a check system that is used to determine if persons who are entering the Colvin School are listed on a sexual offender list. Lessee's current employees on a one-time basis will submit to this check system. Lessee's current employees will make arrangements to submit themselves to the check system as soon as possible after this Amendment is executed. Arrangements for Lessee's employees to submit themselves to the check will be coordinated with the Colvin School principal. Lessee's employees who, after this amendment is executed, are assigned to work on the Leased Premises will submit on a one-time basis to a sexual offender list check before they enter the Leased Premises. Lessee's employees who are listed on a sexual offender list will not be allowed to enter the Leased Premises.

9. At Colvin School the Lessor has implemented a positive behavior support program for its students. This positive behavior support program is "CHAMPS" which was developed by Safe & Civil Schools. The children served by Lessee at Colvin School in its latchkey program and its PACK program are for the most part the same children who attend Colvin School. It will be beneficial to the Colvin students who participate in Lessee's latchkey program and PACK program if the CHAMPS program is used by Lessor and Lessee. For the purpose providing consistent behavior management for the children who participate in Lessee's programs and who attend Colvin School CHAMPS will be implemented and utilized by Lessee and its staff when Lessee is conducting its latchkey and PACK programs. CHAMPS training will be provided to Lessee's staff by Colvin School staff. Lessee will implement and use CHAMPS once its staff has been trained. Updates and retraining on the use of CHAMPS will be provided by Colvin School staff from time to time.

10. The terms and conditions set forth in the Lease Agreement will remain in full force and effect except as amended by this Amendment to Lease Agreement.

LESSEE

CITY OF WICHITA, KANSAS

By \_\_\_\_\_  
CARL BREWER, Mayor

ATTEST:

By \_\_\_\_\_  
KAREN SUBLETT, City Clerk

APPROVED AS TO FORM:

By \_\_\_\_\_  
Sharon L. Dickgraft, Interim Director of Law and City Attorney

LESSOR

UNIFIED SCHOOL DISTRICT NO. 259, SEDGWICK  
COUNTY, KANSAS

By *Sheril Logan*  
SHERIL LOGAN, Board President



ATTEST:

By *Mike Willome*  
Mike Willome, Clerk of the Board

APPROVED AS TO FORM:

By *Thomas R. Powell*  
Thomas R. Powell, General Counsel

**CITY OF WICHITA**  
**City Council Meeting**  
November 25, 2014

**TO:** Mayor and City Council

**SUBJECT:** Approval of a Cathodic Protection Permit (District IV)

**INITIATED BY:** Office of Property Management

**AGENDA:** Consent

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**Recommendation:** Approve the permit.

**Background:** The City has received a request from Rose Rock Midstream Crude L.P. (Rose Rock) to place a cathodic protection array on a City parcel located west of Mickey Drive and Wheatridge Drive. The array is to protect a pipe line owned by Rose Rock from ionization. The array consists of several metal rods buried beneath the surface and connected to the pipeline by wires. The City parcel is an undeveloped tract located south of Auburn Hills golf course. A portion of the tract was used to develop the golf course. A significant portion of the remainder is in flood plain or floodway.

**Analysis:** All portions of the array on City property will be below the surface of the ground. Rose Rock is required to move the array at their cost if future plans for the site so require. Stormwater has reviewed the placement of the array and has no issues.

**Financial Considerations:** The City will receive \$2,500 for the permit.

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

**Recommendation/Action:** It is recommended that the City Council approve the permit and authorize all necessary signatures.

**Attachments:** Permit and aerial.

# Cathodic Array - Wheatridge and Mickey



### Legend

Parcels

0.2

0.09

0.04

0.02 Miles

Map Created On: 11/10/14 3:38 PM

This information is not an official record, and cannot be used as such. The user should rely only upon official records available from the custodian of records in the appropriate City and/or County department. Some data provided here and used for the preparation of these maps has been obtained from public records not created or maintained by the City of Wichita.

1: 5,516





### PERMIT FOR CATHODIC PROTECTION SYSTEM

THIS PERMIT made this \_\_\_ day of \_\_\_\_\_, 2014, by and between the City of Wichita, Kansas, a municipal corporation herein referred to as "Grantors", successor and assigns and Rose Rock Midstream Crude, L.P., a Delaware Limited Partnership, herein referred to as "Grantee"..

WITNESSETH: That Grantor, in consideration of the sum of Two Thousand Five Hundred Dollars and Zero Cents (\$2,500.00) and other valuable consideration, the receipt whereof is hereby acknowledged, do hereby grant unto the Grantee, its successors, assigns and lessees, the right, privilege and permit to lay, construct, install, renew, operate and maintain under varying conditions of operation, inspect, alter, repair, and remove a cathodic protection system consisting of a ground bed and cables, together with the necessary appurtenances. Said cathodic protection system shall be located in, under, upon, across, over and through certain lands owned by the Grantor situated in Sedgwick County, State of Kansas, and specifically described as follows:

Attached as Exhibit A

(As built metes and bounds legal description of the cathodic protection system location to be verified, inserted and identified as Exhibit B upon completion of Grantee post-construction survey. Grantee approximate pre-construction location of said cathodic protection system location identified on Exhibit A attached hereto).

together with the right of ingress to and egress from the above described land and contiguous land owned by Grantor. In exercising its right of access, Grantee shall, whenever practicable, use existing roads or lanes.

Grantor hereby covenants and agrees that no building, structure, engineering works or any other obstructions will be created, built, erected or constructed on, over or within the above described area after cathodic protection system is in place with the exception of sidewalks, utilities, utilities appurtenances and road right-of-way appurtenances without prior approval and written consent of Grantee. Additionally, Grantor shall not change the topography of the terrain over the cathodic protection system without the prior approval and written consent of the Grantee. However, the granting of this permit shall not be construed to prohibit the Grantor from developing constructing, operating, repairing and maintaining any adjoining property, and Grantor reserves to itself the right to cross, traverse or otherwise occupy the above described area with the present use(s) together with appurtenant facilities and supporting structures in a manner which will not interfere with this Permit and operation. If Grantor provides development plans that are of such a nature that Grantee cannot grant approval for development compatible with the cathodic protection system, Grantee will abandon the cathodic protection system and install, if Grantee deems such as necessary, another cathodic protection system,



## Exhibit A:

A tract of land in the Southeast Quarter of Section 25, Township 27 South, Range 02 West of the 6<sup>th</sup> P.M., Sedgwick County, Kansas, further described as follows: The East 60 feet of Lot 3, Block 1, Wheatridge Addition, Sedgwick County, Kansas. Together with the part of said Southeast Quarter described as beginning at the Northwest Corner of said Southwest Quarter; thence East along the North line of said Southeast Quarter to a point 50 feet West of the Northeast Corner of Wheatridge Drive as measured along the North line of said Southeast Quarter; thence Southerly along a curve to the left having a radius of 50 feet to a point 535.6 feet West and 99 feet South of the Northeast Corner of said Southeast Quarter; thence South parallel with and 535.6 feet West of the East line of said Southeast Quarter to a point 200 feet North of the North line of Lynndale Street as platted in C. Pate Addition to Wheatridge, Sedgwick County, Kansas; thence West parallel with the North right-of-way line of U.S. Highway 54 (Condemnation Case A-38302), 931.2 feet, more or less, to a point on the East line of Hornecker Drive as platted in Wells Acre, Sedgwick, Kansas, said point being 35 feet South of the Northeast Corner of said Hornecker Drive; thence North along the East line of said Hornecker Drive, 35 feet to the Northeast Corner of said Hornecker Drive; thence West along the North line of said Hornecker Drive and along the North line of Lot 1, Block A in said Wells Acre, 294.6 feet to the Northwest Corner of said Lot 1; thence Northwesterly with a deflection angle to the right of 32 Degrees, 29 Minutes, 45 Seconds, 236 feet; thence with a deflection angle to the left of 89 Degrees, 00 Minutes, 00 Seconds, 429 feet; thence with a deflection angle to the left of 35 Degrees, 07 Minutes, 30 Seconds, 117 feet; thence with a deflection angle to the left of 18 Degrees, 00 Minutes, 00 Seconds, 148 feet; thence Easterly 190 feet, more or less, to a point on the West line of Block 1 in said C. Pate Addition to Wheatridge, said point being 1120 feet North of the North right-of-way line of said U.S. Highway 54; thence South along the West Line of said Block 1, 770 feet, more or less, to the Southwest Corner of lot 9 in said Block 1; thence West along the North line of Block 1, Wheatridge Addition, Sedgwick County, Kansas, 167.19 feet to a point 60 feet normally distant West of the East line of Lot 3, Block 1 in said Wheatridge Addition; thence North parallel with the East line of said Lot 3, as extended North, 250 feet; thence West parallel with the North line of said Block 1, Wheatridge Addition, 202.62 feet to a point 371 feet normally distant West of the West line of Block 1 in said C. Pate Addition to Wheatridge; thence North parallel with the West line of Block 1, in said C. Pate Addition to Wheatridge, 692.50 feet; thence East parallel with the North line of Block 1 in said Wheatridge Addition, 54 feet to a point 417 feet normally distant West of North parallel with the West line of Block 1 in said C. Pate Addition to Wheatridge, 330.55 feet to a point 1722 feet North of the South line of said Southeast Quarter as measured parallel with the West line of said Southeast Quarter; thence West parallel with the South line of said Southeast Quarter to a point on the West line of said Southeast Quarter; thence North along the West line of said Southeast Quarter to the point of beginning

City of Wichita  
City Council Meeting  
November 25, 2014

**TO:** Mayor and City Council

**SUBJECT:** Approval of Sublease (Shannon No. 2, LLC) (District IV)

**INITIATED BY:** Office of Urban Development

**AGENDA:** Consent

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**Recommendation:** Approve the sublease.

**Background:** On July 16, 2013, the Wichita City Council approved the issuance of Industrial Revenue Bonds (IRBs) for Shannon No. 2, LLC (Shannon) in an amount not-to-exceed \$3,500,000. The bonds were used to finance the construction of a 90,000 square foot speculative manufacturing and warehouse/distribution facility near Pawnee and West Street in Southwest Wichita. While bonds are outstanding, the City holds title to the property and leases it to the developer. As a condition of the Lease Agreement, the City Council is required to approve all subleases. Shannon is requesting approval of a sublease with Lewis-Goetz and Company, Inc., a Pennsylvania company.

**Analysis:** The current City-County Economic Development Incentive Policy, adopted August 14, 2012, allows for IRBs with a property tax exemption to be issued for speculative industrial buildings that are 50,000 square feet or larger. The tax exemption for the first five years is 100%. A compliance review will be conducted at the five year mark (2018) to determine the project's eligibility for the second five years of tax abatement. The total capital investment, actual net new job creation by the companies occupying the building at that time and the average annual salaries of all jobs located in the building compared to the North American Industrial Classification System (NAICS) average in the Wichita Metropolitan Statistical Area (MSA) will be measured to determine the percentage of abatement for the second five years. Additionally, at least 51% of the product stored in the project must be exported to end-users outside the Wichita MSA as required by the current incentive policy.

Shannon has already leased 27,000 square feet to Norandex, and 22,500 square feet to Crown leaving 40,500 square feet of the facility to lease to Lewis-Goetz. With locations throughout the United States and Canada, the company manufactures and installs industrial hoses and conveyor belts for a variety of industries including steel, power generation, oil and gas, chemical, original equipment manufacturers and food processing. Its primary lease term is seven years with two-five year options. Lewis-Goetz currently leases space at 1850 N. Ohio, in north Wichita where it has 13 employees. The expansion will add 25% more space and the company projects that it will add at least three new jobs in the next five years.

**Financial Considerations:** There is no financial impact to the City by approving the sublease.

**Legal Considerations:** Under the terms of the IRB Lease Agreement, the Lewis-Goetz sublease is subject to City Council approval. The attached sublease has been approved as to form by the Law Department.

**Recommendations/Actions:** It is recommended that the City Council approve the sublease between Shannon No. 2, LLC and Lewis-Goetz and Company, Inc.

**Attachment:** Sublease

## LEASE AGREEMENT

**THIS LEASE AGREEMENT** (the "Lease"), dated as of the \_\_\_ day of October, 2014 (the "date of this Lease"), is made by and between **SHANNON NO. 2, L.L.C.**, a Kansas limited liability company having an office at 1223 North Rock Road, Suite I-200, Wichita, Kansas 67206 (the "Landlord"), and **LEWIS-GOETZ AND COMPANY, INC.**, a Pennsylvania corporation having an office at 650 Washington Road, Suite 500, Pittsburgh, Pennsylvania 15228 Attn: Corporate Counsel (the "Tenant").

In consideration of good and valuable consideration, the receipt and sufficiency is hereby acknowledge by the parties, and for the mutual covenants contained herein, the foregoing recitals, and the parties intend to be legally bound hereby, Landlord and Tenant hereby agree with each other as follows:

1. Demised Premises.

1.1 Recitals. The recitals set forth in this Lease above, are hereby incorporated and made a part of the terms and conditions of this Lease for all purposes by this reference.

1.2 Demised Premises. The "Demised Premises" is a part of Landlord's multi-tenant commercial industrial warehouse and distribution facility commonly known as 2113 South West Street, Wichita, Kansas 67213, depicted and described on Exhibit "A" attached hereto and made a part hereof for all purposes (the "Property"). The Property includes the "Land" more particularly described on Exhibit "A" page 2, the "Building" (defined hereafter) and all other improvements and common areas located upon the Land. For the purpose of this Lease, the term "Building" shall mean the commercial industrial warehouse and distribution building located upon the Land and consisting of approximately 90,000 total square feet of space (the "Building"). An overhead elevation of the Building is shown on Exhibit "A" attached hereto. The term "Demised Premises" shall mean the approximately 40,500 square feet of space located near the center of the Building. The Demised Premises will have a common address of 2113 South West Street, Suite 200, Wichita, Kansas 67213. The approximate location of the Demised Premises is depicted and labeled as the "Demised Premises" on Exhibit "A" attached hereto.

Landlord hereby leases and lets the Demised Premises to Tenant, and Tenant hereby takes, leases and hires the Demised Premises from Landlord, upon and subject to the terms, conditions, covenants and provisions of this Lease. Tenant shall have access to the Demised Premises 24 hours per day and 7 days per week.

1.3 Bond Transaction. Landlord hereby discloses to Tenant that the construction of the Building and other related improvements installed and constructed by Landlord on the Land has been financed with Industrial Revenue Bonds issued by the City of Wichita, Kansas (the "Bond Transaction"). The parties acknowledge that as a result of the Bond Transaction, the City of Wichita, Kansas (the "City") is the fee owner of the Property and that the City leases the Property to the Landlord pursuant to a lease by and between the City, as landlord, and the Landlord, as lessee (the "Bond Lease"). Subject to certain conditions set forth in the Bond Lease and the other agreements entered into by and between the City and Landlord in connection with the Bond Transaction, the Building is eligible for an exemption from ad valorem taxes (the "Exemption") for a period of up to ten (10) years beginning with the year 2014 (the "Exemption Period"), provided, however, Landlord hereby discloses that there is no guaranty that the Building will receive the Exemption for the entire Exemption Period. It is the City's policy to review the Exemption after the first five (5) years of the Exemption Period to determine whether or not the Exemption shall continue for the remainder of the Exemption Period. Landlord covenants and agrees with Tenant that Landlord shall: (1) not take any action that would result in the termination or nonrenewal of

the Exemption prior to the expiration of the Exemption Period and (2) diligently pursue and use its best commercial efforts to cause the Exemption to be extended for the entire Exemption Period.

Tenant covenants and agrees that it will cooperate with Landlord in connection with the Bond Transaction, provided that Tenant is not thereby required to incur any cost or expense, or assume any liability or obligation, not otherwise contemplated by this Lease. Tenant does not hereby assume any obligation of Landlord under the Bond Lease or any other document with respect to the Bond Transaction. Tenant and Landlord hereby agree that simultaneously with the execution and delivery of this Lease, the parties shall enter into the Addendum to Lease Agreement attached hereto as Annex "A" and made a part hereof for all purposes (the "Addendum"). The parties acknowledge and agree that this Lease, the Addendum hereto and the rights of Landlord and Tenant hereunder and thereunder are subject to and conditioned upon the review and approval of the City. Landlord will provide a written notice of the City's approval (or disapproval) of the Lease to Tenant upon the City's determination. If the City has not approved the Lease within sixty (60) days of the date the Lease is fully executed by the parties, Tenant shall have the right to terminate this Lease by providing written notice thereof to Landlord. Upon such termination, the parties will be relieved of their respective rights and obligations set forth herein.

1.4 Bond Lease. In the event that the Bond Transaction should expire or terminate during the "Term" (defined hereafter), Landlord shall give written notice to Tenant of such expiration or termination, and the provisions of this Lease referring and/or pertaining to the Bond Transaction and/or the Bond Lease shall be void and of no effect, provided however, that all other provisions of this Lease and the agreements and obligations of the parties set forth therein shall continue to be of full force and effect and legally binding upon Landlord and Tenant.

## 2. Term.

2.1 Commencement Date. The Initial Term (as hereinafter defined) of this Lease shall commence on the later to occur of: (1) January 1, 2015, and (2) date the Demised Premises is delivered to Tenant by Landlord with the Landlord's Work (as hereinafter defined) in its "substantially completed" condition pursuant to the terms of Section 35.1 below (as the case may be, the "Commencement Date"). If the Commencement Date occurs on other than the first day of the month, Tenant shall pay rent for such partial month on a pro-rata basis. Promptly after the Commencement Date, Landlord and Tenant shall confirm in writing the exact Commencement Date and the exact expiration date of the Initial Term

Following the execution of this Lease, Landlord shall provide Tenant access to the Demised Premises prior to the Commencement Date, without incurring the obligation to pay Rent (as hereinafter defined) or any other charges) for the purposes of installing Tenant's fixtures, inventory and equipment; provided, however, Tenant must first obtain the insurance policies required hereunder and Tenant will not interfere with Landlord's completion of Landlord's Work.

2.2 Initial Term. The initial term of this Lease shall expire on the last day of the eighty fourth (84<sup>th</sup>) full calendar month after the Commencement Date (the "Initial Term"), unless sooner terminated or extended as herein provided.

2.3 Option Periods. Provided that no Event of Default exists under this Lease on the applicable Notice Date (as hereinafter defined) after any required notice and beyond any applicable grace or cure period, Tenant shall have the option and right to extend the term of this Lease for two (2) additional five (5) year periods (each an "Extended Term" and, collectively, the "Extended Terms") upon all of the terms and conditions herein set forth, and at the Base Rent (as hereinafter defined) to be determined pursuant to Section 3.1(b) below. Tenant shall exercise each such option and right, if at all, upon written notice to Landlord at least one hundred twenty (120) days prior to the expiration of the

Initial Term or the first Extended Term, as the case may be (the "Notice Date"). As used in this Lease, the word "Term" shall refer to the Initial Term and the Extended Terms, if exercised and in effect. The exercise of such right and option with respect to the First Extended Term (the "First Extension Option") shall not imply the exercise of such right and option with respect to the second Extended Term (the "Second Extension Option"). If Tenant does not exercise the First Extension Option or the Second Extension Option pursuant to this Section 2.3, as the case may be, including not exercising such Extension Option within time frame permitted by this Section 2.3, then, at Landlord's option, Tenant's right to extend this Lease shall terminate, and Landlord shall have the right during the remainder of the Term to advertise the availability, as detailed herein, of the Demised Premises for reletting and to erect upon the Premises signs appropriate for the purpose of indicating such availability. Should Tenant's right to extend this Lease terminate, then Landlord shall additionally have the right, upon at least forty eight (48) hours' notice to Tenant and at a mutually agreeable time, to enter upon the Demised Premises to show the same to prospective tenants; provided, Landlord shall not interfere with Tenant's business operations at the Demised Premises.

2.4 Early Termination. Provided no Event of Default then exists, Tenant shall have the one-time option and right to terminate this Lease effective as of the end of the sixtieth (60<sup>th</sup>) month of the Initial Term (the "Termination Date"); provided that Tenant must provide not less than six (6) months prior written notice of such exercise. If Tenant fails to deliver a notice of early termination of this Lease to Landlord in the preceding sentence, then Tenant's option and right to terminate this Lease pursuant to this Section 2.4 shall terminate and become null and void. If Tenant timely elects to terminate this Lease, then Tenant shall pay to Landlord as consideration an amount which represents the portion of the unamortized cost of the "Landlord's Work" and leasing commissions paid by Landlord to the Brokers (as hereinafter defined). Such termination fee shall be paid to Landlord by Tenant on or before the early Termination Date. When Landlord's Work is completed, Landlord will provide a written notice to Tenant disclosing the total cost incurred by Landlord to complete the Landlord's Work.

### 3. Rent.

#### 3.1 Base Rent.

(a) Tenant covenants and agrees to pay Landlord promptly when due and without notice or demand and without deduction or set-off of any amount for any reason whatsoever (except as otherwise expressly set forth herein), for the Demised Premises, base rent (the "Base Rent") as follows: (a) during the Initial Term, at the annual rate of One Hundred Ninety Six Thousand Four Hundred Twenty Five Dollars (\$196,425.00), payable in monthly installments of Sixteen Thousand Three Hundred Sixty Eight and 75/100 Dollars (\$16,368.75) for lease months one through forty-eight (1-48); and at the annual rate of Two Hundred Six Thousand Five Hundred Fifty Dollars (\$206,550.00), payable in monthly installments of Seventeen Thousand Two Hundred Twelve and 50/100 Dollars (\$17,212.50) for lease months forty-nine through eighty-four (49-84) and (b) during the Extended Terms, if any, the amounts determined pursuant to Section 3.1(b) below. All Base Rent shall be payable by Tenant on the first (1<sup>st</sup>) day of each and every calendar month during the Term, and shall be payable at the office of the Landlord set forth in Section 26 hereof or at such other place of which Landlord shall have given Tenant written notice at least thirty (30) days in advance.

(b) During each Extended Term, Tenant shall pay Landlord as Base Rent for the Demised Premises the "Fair Rental Value" (as defined below) of the Demised Premises determined at the commencement of the applicable Extended Term; however, in no event shall the Base Rent during any Extended Term be less than Base Rent during the Initial Term (in the case of the First Extended Term) or the First Extended Term (in the case of the Second Extended Term).

The term "Fair Rental Value," with respect to the Demised Premises, shall mean the annual rental, expressed in terms of cash, which a five (5)-year lease of the Demised Premises, on the terms and conditions contained in this Lease, would bring if exposed upon the open market for a reasonable length of time, excluding any improvement allowance, free rent or other tenant inducements, the tenant being willing but under no compulsion to rent and the landlord being willing but under no compulsion to rent.

The Fair Rental Value shall be determined (i) by agreement of the parties by negotiating in good faith during the ninety (90) day period after Tenant gives Landlord notice of exercise of the applicable Extension Option (the "Negotiation Period") or (ii) in accordance with the appraisal provisions of this Section 3.1 (b) if the parties fail to reach agreement through negotiation during the Negotiation Period.

If the parties are unable to reach agreement upon the Fair Rental Value of the Demised Premises during the Negotiation Period, the Fair Rental Value shall be determined by a board of appraisers in accordance with the following provisions:

Within ten (10) days after the expiration of the Negotiation Period, each party shall designate a professional real estate appraiser who is engaged in the business of appraising commercial real estate in the Wichita, Kansas market area and shall notify the other party of the appraiser so selected. Within thirty (30) days after their appointment, the two appraisers so selected shall determine the Fair Rental Value. If the two appraisers cannot agree on the determination by that date, then they shall select a third appraiser who is similarly qualified within fifteen (15) days after that date. The parties shall use reasonable efforts to cause the board of appraisers to render a prompt written decision as to the Fair Rental Value by not later than thirty (30) days after selection of the third appraiser. Each party shall bear the cost of the appraiser appointed by it. The cost of the third appraiser shall be shared equally by Landlord and Tenant.

The Fair Rental Value shall be that determined by the majority by the board of appraisers, or if a majority cannot agree, than that determined by the third appraiser. The board of appraisers shall notify each party of its determination in writing. Both Landlord and Tenant shall be bound by the determination by the board of appraisers and the determination shall be enforceable against each party.

If the Fair Rental Value for an Extended Term has not been determined in accordance with this Section 3.1 (b) at the commencement of an Extended Term, this Lease shall remain in full force and effect on the same terms and conditions except that the Base Rent payable shall be that amount payable immediately prior to the commencement of that Extended Term. If the Base Rent payable during the Extended Term as determined by the board of appraisers exceeds the amount paid as Base Rent during the immediately preceding term, Tenant shall pay Landlord the difference within thirty (30) days after the new Base Rent is determined, and shall thereafter pay Base Rent in accordance with all other provisions of this Section 3.1.

3.2 Rent. As herein used the term "Rent" shall be deemed to include the Base Rent and all additional rent, if any, payable by Tenant to Landlord hereunder.

3.3 Size of Demised Premises. The parties acknowledge that any statement of square footage of the Demised Premises set forth in this Lease is merely an approximation. If it is ultimately determined that the actual square footage of any building or the entire Demised Premises is more or less than stated in

this Lease, such discrepancy shall not result in any modification of this Lease, including modification in the Base Rent amounts to be paid under this Lease.

3.4 Triple Net Lease. Except as otherwise expressly provided by this Lease, it is intended that the Rent and all amounts due hereunder shall be an absolute net return to Landlord throughout the Term, free of any expense, charge, or other deduction whatsoever with respect to the Demised Premises or Landlord's interest therein, or the operation, management, maintenance, repair, use or occupation thereof. Except as otherwise expressly provided by this Lease, this Lease is a "triple net lease" and Tenant's obligations arising or accruing during the Term to pay all Rent and other payments hereunder required to be made by Tenant shall be absolute and unconditional and except as otherwise expressly provided by this Lease, Tenant shall pay all such amounts without notice, demand, counterclaim, set off, deduction or defense and except as otherwise expressly provided by this Lease, without abatement, suspension, deferment, diminution or reduction, free from any charges, assessments, impositions, expenses or deductions of any and every kind or nature whatsoever.

3.5 Late Charge. Tenant's failure to pay Rent promptly may cause Landlord to incur unanticipated costs. The exact amount of such costs is impractical or extremely difficult to ascertain. Such costs may include, but are not limited to, processing and accounting charges and late charges that may be imposed on Landlord by any ground lease, mortgage or trust deed encumbering the Property. Therefore, if Landlord does not receive any Rent payment within ten (10) days after it becomes due, Tenant shall pay Landlord a late charge equal to five percent (5%) of the overdue amount. The parties agree that such late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of such late payment.

3.6 Interest on Past Due Obligations. Any sums due to Landlord in connection with a monetary "Event of Default" (hereafter defined) under Section 22.1 of this Lease shall bear interest at the rate of twelve percent (12%) per annum from the due date of such amount. If the interest rate specified in this Lease is higher than the rate permitted by law, the interest rate is hereby decreased to the maximum legal interest rate permitted by law. Payment of such interest shall not excuse or cure any default by Tenant under this Lease.

### 3.7 Common Areas.

3.7.1. As used in this Lease, "Common Areas" shall mean all areas within the Property which are designated from time to time by Landlord for the common use or convenience of tenants of the Property and which are not leased or held for the exclusive use of Tenant or other tenants, including, but not limited to, parking areas, driveways, sidewalks, loading areas, access roads, corridors, trash areas, landscaping and planted areas, utility installations and appurtenant equipment serving the Property, and other similar common areas and facilities at the Property. Landlord reserves the right from time to time: to install, use, maintain, repair and replace pipes, ducts, conduits, wires and appurtenant meters and equipment for service to other parts of the Building above the ceiling surfaces, below the floor surfaces, within the walls and any central core areas, and to relocate any pipes, ducts, conduits, wires and appurtenant meters and equipment included in the Property which are located in the Demised Premises or located elsewhere outside the Demised Premises; to make changes to the Common Areas, including, without limitation, changes in the location, size, shape and number of driveways, entrances, parking spaces, parking areas, loading and unloading areas, ingress, egress, direction of traffic, landscaped areas and walkways, and increase or decrease Common Area land and/or facilities; to temporarily close or designate for other uses any of the Common Areas for purposes of improvement, maintenance or repair, to add additional improvements to the Common Areas or the Property; to use the Common Areas while engaged in making improvements, repairs or

alterations to the Property, or any portion thereof; or to do and perform such other acts and make such other changes in, to or with respect to the Property as Landlord may, in the exercise of sound business judgment, deem to be appropriate. Tenant acknowledges that such activities may result in inconvenience to Tenant, and no such activities shall entitle Tenant to any abatement of Rent or other claim against Landlord, provided that the change does not deprive Tenant of its customary and reasonable access to or use of the Property.

3.7.2 Use of Common Areas. Tenant shall have the nonexclusive right (at no additional charge and in common with other tenants and all others to whom Landlord has granted or may grant such rights) to use the Common Areas for the purposes intended, subject to such reasonable rules and regulations as Landlord may establish from time to time. Tenant shall abide by such rules and regulations and shall use its best effort to cause others who use the Common Areas with Tenant's express or implied permission to abide by Landlord's rules and regulations. At any time, Landlord may close any Common Areas to perform any acts in the Common Areas as, in Landlord's sole discretion, are desirable; provided, however that at all times during the Term, Landlord will endeavor to provide Tenant, its employees, agents and customers reasonable access to the Premises and the parking lots servicing the Building. Tenant shall not interfere with the rights of Landlord, other tenants or any other person entitled to use the Common Areas.

3.7.3 Vehicle Parking. Except as otherwise provided in this Section, Tenant's parking shall not be reserved and, except as otherwise noted herein, shall be limited to vehicles no larger than standard size automobiles, pickup utility vehicles and sport utility vehicles. Tenant shall park in the Property's designated parking areas located on the north and south sides of the Property. Large trucks or other large vehicles shall be parked in the parking areas located south of Tenant's six (6) loading docks on the south side of the Property. The parking of large vehicles on the Property shall be subject to the rules and regulations established by Landlord, which rules and regulations may be amended from time to time or by Landlord granting a variance from one or more rules and regulations to one or more tenants in the Property.

3.7.4 Maintenance of Common Areas. Landlord shall maintain the Common Areas in good condition and repair and shall otherwise operate the Property in a manner consistent with similar projects in the vicinity of the Property. Tenant shall pay "Tenant's Share" (as determined below) of all costs incurred by Landlord in connection with the operation and maintenance of the Property and Common Areas. Such costs (sometimes referred to in this Lease as "Common Area Costs") include, but are not limited to, costs and expenses for the following: gardening and landscaping, snow removal, utilities, water and sewage charges; maintenance of signs (other than Tenant's signs); premiums for liability, casualty property damage, fire and other types of insurance on the Property that are not billed directly to Tenant as provided in Section 15.2; all property taxes and special assessments levied on or attributable to the Property that are not billed directly to Tenant as provided in Section 5.1; the cost of the annual HVAC service and maintenance agreements; the annual fees and expenses of the City and Bond Trustee in connection with the Bond Transaction for so long as the Exemption is in effect and provided that such fees and expenses shall not exceed the benefits received by Tenant as a result of the Exemption; all personal property taxes levied on or attributable to personal property used in connection with the Common Areas; straight-line depreciation on personal property owned by Landlord which is consumed in the operation or maintenance of the Common Areas; rental or lease payments paid by Landlord for rented or leased personal property used in the operation or maintenance of the Common Areas; fees for required licenses and permits; repairing, resurfacing, repaving, maintaining, painting, lighting, cleaning, refuse removal, security and similar items; reserves for roof replacement and exterior painting; and a commercially reasonable payment to Landlord for Landlord's management of the Property. Landlord may cause any or all of such

services to be provided by third parties and the cost of such services shall be included in Common Area costs. Notwithstanding anything contained in this Lease to the contrary, the following will be excluded from Common Area Costs: (a) brokerage commissions, (b) costs of casualty restoration to the extent reimbursed to Landlord by insurance proceeds, (c) ground rent, fees and other all other amounts payable under, or with respect to, the debt costs of Landlord, (d) costs of tenant improvements or renovations (including the Landlord's Work), (e) costs of capital improvements or capital replacements, (f) costs to correct defects in the original design or construction of the Building, (g) overhead or profit, or costs in excess of competitive third-party rates, paid to affiliates of Landlord for services rendered to the Property, (h) costs of repairs, alterations or replacements caused by the exercise of the rights of eminent domain, (i) legal fees and other costs incurred in the negotiation of leases in the Building (including this Lease) or the enforcement of leases in the Building, (j) salaries and employment expenses of personnel above the level of the on-site Building manager, (k) any cost or expense for which Landlord is paid or reimbursed by or is legally entitled to payment or reimbursement from any tenant of the Building (other than from tenants paying their share of Common Area Costs) or any other party, (l) cost to comply with existing laws applicable to the Building on or before the Commencement Date, (m) any expenses for repairs or maintenance which are covered by warranties or guarantees, (n) costs, interest and penalties incurred by reason of violation by Landlord of any laws or contractual obligation, and (o) any costs incurred by Landlord in connection with the remediation of any Hazardous Materials (as hereinafter defined) on the Property (unless such remediation is the Tenant's responsibility as set forth in Section 21 below).

3.7.5 Tenant's Share. During the month of January each year, Landlord will estimate in advance the Common Area Costs, maintenance and repair costs for which Tenant is liable under Section 8.2 of this Lease, and/or all other Common Area Costs payable by Tenant under this Lease in the same year. Landlord will endeavor to deliver the statement of estimated costs to Tenant by the end of January of each year during the Term. Following Tenant's receipt of the estimated costs from Landlord, Tenant will begin paying 1/12<sup>th</sup> of "Tenant's Share" (defined hereafter) of such estimated amounts each month as additional rent at the same time it makes its Rent payment. Tenant agrees to pay its share of the estimated costs for the month of January (and February if applicable) to Landlord with its first payment of the estimated cost. The statement of estimated costs provided by Landlord shall be accompanied or supplemented by reasonable supporting documentation.

As used in this Lease, the term "Tenant's Share" means that portion of any Common Area Costs (or other costs to which Tenant's Share is applicable) determined by multiplying the cost of such item by forty-five percent (45%). The forty-five percent (45%) factor was derived by dividing the 40,500 square footage of the Demised Premises by the 90,000 total rentable square footage of the Building. The Landlord represents to Tenant that the total "Tenant's Shares" of all tenants of the Property does not exceed 100%. In the event that Landlord reasonably determines in its sole but reasonable, good faith discretion that any premises (including the Demised Premises) within the Building incurs a non-proportional benefit from any expense, or is the non-proportional cause of any such expense, Landlord may reasonably allocate a greater percentage of such Common Area Costs to such premises, as applicable. Landlord may adjust its estimates at any time during the course of a year based upon Landlord's experience and reasonable anticipation of costs. Such adjustments shall be effective as of the next rent payment date which is at least thirty (30) days after written notice to Tenant accompanied or supplemented by such reasonable supporting documentation as Tenant may request.

Within thirty (30) days after the end of each calendar year of the Lease Term, Landlord shall deliver to Tenant a reconciliation statement prepared in accordance with good accounting

principles setting forth, in reasonable detail, the Common Area Costs, real property taxes for which Tenant is liable under Section 5.1 of this Lease, insurance premiums for which Tenant is liable under Section 15.2 of this Lease, and maintenance and repair costs for which Tenant is liable under Section 8.2 of this Lease, all incurred by Landlord during the preceding calendar year and Tenant's Share therefor, which statement shall be accompanied by such reasonable supporting detail as Tenant may request. Upon receipt of such statement, there shall be an adjustment between Landlord and Tenant, with payment to or credit given by Landlord, as the case may be (provided that any amount owed to Tenant in the last year of the Term or following expiration of this Lease shall be paid to Tenant within thirty (30) days following the date of such statement), so that Landlord shall receive the entire amount of Tenant's Share of such costs and expenses for such period.

Tenant (and/or an accountant engaged by Tenant) shall have the right to inspect and make photocopies of relevant portions of Landlord's books and records relating to the expenses set forth in the statement for the relevant calendar year reflected in such Landlord's statement and the prior year during the Term. If such inspection results in a determination that Landlord has made an error resulting in an overpayment by Tenant for such calendar year and any prior years during the Term, then (i) Landlord shall promptly credit such overcharge to Rent thereafter payable until such excess has been exhausted (or, if no further Rent is due or may be due under the Lease, Landlord shall pay such excess to Tenant within thirty [30] days after the amount of such excess has been ascertained), and (ii) if such error is more than ten percent (10%) of the amount that should have been paid, then Landlord shall also promptly reimburse Tenant for all reasonable fees and expenses incurred by Tenant conducting such audit. Tenant's right to inspect Landlord's books and records as provided in this paragraph are limited to the most recent two (2) preceding years.

3.8 Security Deposit. Intentionally Deleted.

4. Use of Premises; Permitted Use.

The Demised Premises will be used for general office, storage, sales, leasing, servicing and distribution of industrial and commercial conveyor belts, hose products, sealing products, safety products, and other related products, parts and inventory ("Tenant's Use" and any other lawful purpose (excluding for retail and restaurant purposes)), provided that use of the Demised Premises for any lawful purpose other than Tenant's Use does not void any insurance policies issued in connection with or in relation to the Demised Premises.

5. Taxes and Utility Expenses.

5.1 Payment of Taxes and Utilities.

5.1.1 (a) Tenant shall, commencing on the Commencement Date and thereafter throughout the Term pay to Landlord, as additional rent, within thirty (30) days after Tenant's receipt of one or more invoices from Landlord accompanied by a copy of the applicable tax bills and such other reasonable supporting documentation as Tenant may request, Tenant's Share of the real estate taxes, general and special assessments levied against the Property (collectively, "Taxes"), and each and every installment thereof to the extent such Taxes become due and payable, with respect to the Property, or any part thereof, including, without limitation, the Demised Premises during the Term, together with all interest and penalties thereon resulting from Tenant's nonpayment thereof (except as provided below), under or by virtue of all present or future laws, ordinances, requirements, orders, directives, rules or regulations of the Federal, State,

County, Town and City Governments and of all other governmental authorities whatsoever (all of which shall also be included in the term "Taxes" as heretofore defined). Notwithstanding the foregoing, Tenant will have no obligation to pay any interest or penalties which may accrue or be assessed upon such unpaid amount as a result of Tenant not receiving a copy of such invoice from Landlord by such date. Landlord will be responsible for the payment of all such interest and penalties which may accrue or be assessed upon such unpaid amount as a result of Landlord's failure to provide such original invoice to Tenant by such date and/or Landlord's failure to pay the Taxes. Landlord shall promptly deliver to Tenant a copy of each invoice from the local taxing authority with respect to the Taxes as soon as Landlord has received the same.

(b) The parties acknowledge and agree that Taxes for the Property are currently subject to the Exemption, and that Landlord shall pass the Tenant's Share of the savings actually realized from such Exemption to Tenant. Notwithstanding any statement contained herein to the contrary, if at any time during the Term of this Lease, the Exemption for the Property is revoked or terminated for any reason whatsoever, then Tenant shall be responsible to pay Tenant's Share of all Taxes assessed and levied against the Property (including the Building) and/or for any payment in-lieu of taxes which may be imposed upon the Property (including the Building) by the City, Sedgwick County, the State of Kansas or any other applicable taxing district or governmental body.

(c) Tenant shall be responsible for the punctual payment of all personal property taxes assessed or levied against Tenant's personal property.

5.1.2 (a) Tenant shall contract for in its own name and shall be responsible to punctually pay and discharge all rents, fees and charges for heat, gas, electricity, light and power, trash service, telephone or other communication service and all other service or services, utility or utilities furnished, used, rendered or supplied to, upon or in the Demised Premises or the occupants thereof during the Term of this Lease except water and sanitary sewer service (the "Utilities"). Landlord represents and warrants that all Utilities are separately metered to the Premises. The term "Utilities" shall not include water and sanitary sewer service as it is anticipated that such utilities will not be separately metered to the Premises. Tenant's costs for water and sanitary sewage service shall be determined pursuant to subsection (b) below.

(b) Tenant shall pay Landlord Tenant's Share of the charges for water and sewer services furnished to the Property during the Term. Such charges shall be included in Common Area Costs and paid by Tenant in accordance with Section 3.7.5 above; provided, however Landlord may reasonably and equitably determine that the Tenant's Share for purpose of such charges only, may be less than or greater than the Tenant's Share.

5.1.3 Tenant shall be deemed to have complied with the covenants of this Section 5.1 if payment of such Taxes and/or Utilities shall have been made either within any period allowed by law, by the governmental authority or by the Utility provider, as the case may be, imposing the same during which payment is permitted without penalty or interest or before the same shall become a lien upon the Property, and Tenant shall produce and exhibit to Landlord satisfactory evidence of such payment, if Landlord shall demand the same in writing.

## 5.2 Right to Contest Taxes.

5.2.1 Landlord or its designees shall have the right to contest all such Taxes by legal proceedings, or in such other manner as it may reasonably deem suitable. Notwithstanding the foregoing, Landlord shall promptly pay all such Taxes if at any time the Property or any part

thereof shall then be immediately subject to forfeiture, lien or other liability by reason of non-payment, or if Landlord shall be subject to any criminal liability, arising out of the non-payment thereof.

5.2.2 The legal proceedings referred to in Section 5.2.1 hereof shall include appropriate certiorari proceedings and appeals from orders therein and appeals from any judgments, decrees or orders. In the event of any reduction, cancellation or discharge, Tenant shall promptly pay Tenant's Share of the amount finally levied or assessed against the Property, or any portion thereof, or adjudicated to be due and payable on any such contested Taxes.

5.2.3 Tenant shall reasonably cooperate with Landlord in obtaining all available real estate tax exemptions, abatements and/or credits available with respect to the Demised Premises.

5.3 Landlord covenants and agrees that if there shall be any refunds or rebates on account of the Taxes paid by Tenant under the provisions of this Lease, such refund or rebate shall belong to Tenant (which covenant shall survive the expiration or termination of this Lease). Landlord will, upon the request of Tenant, promptly sign any receipts which may be necessary to secure the payment of any such refund or rebate, and will promptly pay over to Tenant such refund or rebate as received by Landlord. Landlord hereby agrees upon request of Tenant to execute such instruments and to give Tenant such assistance in connection with such applications as may reasonably be requested by Tenant. Landlord may include its reasonable costs and expenses incurred in contesting the Taxes as a part of the Common Area Costs, but only to the extent of any Tax savings realized as a result of such contest.

5.4 Nothing herein or in this Lease otherwise contained shall require or be construed to require Tenant to pay any inheritance, estate, succession, transfer, gift, franchise, income or profit taxes, that are or may be imposed upon Landlord.

## 6. Tenant's Alterations or Improvement Work.

Subject to Landlord's prior written consent, which consent shall not be unreasonably withheld conditioned or delayed, Tenant may construct alterations, additions or improvements to the Demised Premises at Tenant's sole cost and expense ("Tenant's Alterations"). For example purposes only, should Tenant build an addition to and/or remodel the office portion of the Demised Premises, such additions and alterations will be considered Tenant's Alterations. For the purpose of further clarification, the installation of "Tenant's Property" (hereafter as defined by Section 7.1 below) in the Demised Premises shall not be considered Tenant's Alterations, regardless of whether or not such Tenant's Property is affixed or attached to the Demised Premises. Notwithstanding the foregoing, Tenant shall have the right to make up to Twenty Five Thousand and No/100 Dollars (\$25,000) of nonstructural alterations during the Term without being required to obtain Landlord's consent; provided, however, Tenant shall provide to Landlord a written description of all Tenant Alterations made to the Demised Premises by Tenant. Tenant shall perform all work described in this Section 6 in accordance with all applicable laws, codes and ordinances, and in a good and workmanlike manner, and shall notify Landlord in advance of commencing such work and submit to Landlord written plans for any of Tenant's Alterations requiring Landlord's consent for Landlord's approval, which shall not be unreasonably withheld, conditioned or delayed. Tenant covenants and agrees not to permit any mechanic or material liens to be filed against the Property in connection with the Tenant Alterations, or otherwise, and in the event any mechanic or material liens are filed against the Property, Tenant shall make reasonable, good faith efforts to cause the same to be satisfied and released, by bonding or otherwise, within thirty (30) days of the date the liens, or the notice thereof, were filed against the Property. Landlord may require Tenant to remove any Tenant's Alterations at the expiration or termination of the Lease. If Landlord so requires such removal or Tenant elects to remove any Tenant Alterations, Tenant shall promptly repair any damage caused by such removal at Tenant's sole cost.

7. Tenant's Property.

7.1 Tenant shall have the unconditional right, at its sole cost and expense, and without Landlord's consent, to install, use, replace, substitute, and remove all trade fixtures, equipment, furniture, inventory and other personal property owned or leased by it, such as, without limitation, telephone, teletype and other equipment, machinery, conveyor systems, modular docks, task lights, office furniture and supplies, racks, bins, material hoists, etc. ("Tenant's Property") in the Demised Premises. Upon the expiration or earlier termination of the Term, Tenant shall remove Tenant's Property from the Demised Premises, and Tenant shall repair any damage to the Demised Premises solely resulting from such removal.

7.2 Landlord acknowledges that all of Tenant's Property is owned by Tenant. Neither Landlord nor any other person or entity other than Tenant has any right, title, or interest in Tenant's Property. Tenant shall have the right to remove Tenant's Property from the Demised Premises at any time and from time to time, including if Tenant is in default hereunder, provided that any damage caused by such removal is promptly and fully repaired. Landlord hereby waives any lien rights it might have under common law and any statutes granting Landlord any lien against and/or interest in any of Tenant's Property. In addition, upon written request from Tenant, Landlord agrees to execute and deliver one or more waiver and access agreements in reasonable form for the benefit of Tenant's lenders.

8. Repairs and Operations.

8.1 Landlord shall, at its sole cost and expense (except as otherwise provided below), perform all necessary maintenance, repairs and replacements and keep in good condition and repair the exterior walls, roof and foundation of the Building (the "Structural Components") and the Common Areas of the Property. Notwithstanding any of the foregoing, Landlord shall have no obligation to make repairs to and/or replace the Structural Components if the repair or replacement is necessitated by a negligent act or omission of Tenant, Tenant's employees, agents, licensees and the like, said obligation being that of Tenant. Landlord shall, at its sole cost and expense, repair any damage to other portions of the Demised Premises arising as a result of Landlord's negligence or willful act and those of its contractors, agents, licensees and employees. Landlord shall undertake such maintenance, repairs and replacement whenever necessary. In the event that Tenant provides written notice to Landlord of the need for any maintenance, repairs or replacements, Landlord shall undertake the same within fifteen (15) days after receipt of such notice and shall diligently pursue completion thereof. In the event that Landlord fails to complete such maintenance, repairs or replacements within sixty (60) days following Tenant's written notice to Landlord, Tenant may elect perform the maintenance, repairs or replacements. Upon Tenant's completion of the maintenance, repairs or replacements, Landlord shall reimburse Tenant for the reasonable costs incurred by Tenant in completing the maintenance, repairs or replacements within thirty (30) days of the date Tenant delivers to Landlord an invoice together with satisfactory documentation evidencing the costs.

8.2 Tenant shall, at its sole cost and expense, perform all necessary maintenance, repairs and replacements, and keep in good condition and repair the entire Demised Premises, including, without limitation, all glass, plumbing systems, carpet, electrical systems, doors (including overhead doors), interior walls, sidewalls, insulation, light fixtures and, subject to the limitations set forth in this Section 8.2, the HVAC. During the Term hereof, Landlord will obtain a semi-annual HVAC maintenance contract covering the HVAC system for the Demised Premises. The costs incurred by Landlord in connection with the HVAC maintenance contract will be included as a part of the Common Area Costs. In addition, Tenant agrees to pay for any repairs needed to the HVAC system serving the Demised Premises up to a maximum of One Thousand Dollars (\$1,000.00) per unit per year. During the Term,

Landlord will be responsible for replacing any unit that is no longer repairable. Upon the expiration or earlier termination of this Lease, Landlord shall be responsible for any necessary replacement of any such unit.

8.3 Upon delivery of the Demised Premises to Tenant, Landlord shall assign to Tenant all warranties and guaranties relating to the HVAC system that Tenant is required to maintain or repair pursuant to Section 8.2 hereof. Landlord shall cooperate with Tenant in enforcing such warranties and guaranties. Landlord represents and warrants to Tenant that as of the Commencement Date, the HVAC plumbing, and electrical systems servicing the Demised Premises and the overhead doors for the Demised Premises shall be in good working order.

8.4 Landlord shall not be liable, and this Lease shall not terminate and Rent shall not abate, for any failure or interruption of any utility or service to the Demised Premises. Notwithstanding the foregoing and provided Tenant is not the cause of the interruption, if any utility or service to the Demised Premises is interrupted for more than ten (10) consecutive days, Rent shall abate in proportion to the untenable portion of the Demised Premises until the affected utility or service is restored.

## 9. Requirements of Public Authority.

9.1 During the Term, Tenant shall, at its own cost and expense, promptly observe and comply with all present and future laws, ordinances, requirements, orders, directives, rules and regulations of the Federal, State, County and City Governments and of all the governmental authorities applicable to Tenant's specific use of the Demised Premises or appurtenances thereto or any part thereof whether the same are in force at the commencement of the Term or may in the future be passed, enacted or directed (collectively, "Legal Requirements"), and Tenant shall pay all costs, expenses, liabilities, losses, damages, fines, penalties, claims and demands, including reasonable counsel fees, that may in any manner arise out of or be imposed because of the failure of Tenant to comply with the covenants of this Section 9. Notwithstanding, all matters with respect to compliance with 'Hazardous Materials Laws (as defined by Section 21 below) shall be controlled by such Section 21 rather than this Section 9 and (b) Tenant shall not be obligated to make, and Landlord shall make at its sole cost and expense, any alteration or improvement to the Demised Premises required by Legal Requirements except to the extent that the requirement arises because of Tenant's specific use of the Demised Premises and is not a general requirement (the intent being that if the alteration or improvement is triggered by Tenant's specific use of the Demised Premises, then in that case Tenant shall make the alteration or improvement).

9.2 Tenant shall have the right to contest by appropriate legal proceedings diligently conducted in good faith, in the name of Tenant, or Landlord (if legally required), or both (if legally required), without any cost or expense whatsoever to Landlord, the validity or application of any Legal Requirement, to be complied with by Tenant, and, if by the terms of any such Legal Requirement, compliance therewith may legally be delayed pending the prosecution of any such proceeding, Tenant may delay such compliance therewith until the final determination of such proceeding. Tenant covenants to indemnify, defend and hold harmless Landlord from any costs, expenses or liabilities incurred by Landlord as a result of such contest by Tenant.

9.3 Landlord agrees to execute and deliver any reasonably appropriate papers or other instruments which may be necessary or proper to permit Tenant to contest the validity or application of any such Legal Requirement and to fully cooperate with Tenant in such contest.

9.4 Landlord, to the best of its knowledge, represents and warrants to Tenant that as of the Commencement Date, the Demised Premises and Property are in compliance with any and all Legal Requirements.

10. Covenant Against Liens.

If, because of any act or omission of Tenant, or of any work, labor, services or materials done or, or supplied to, or claimed to have been done for or supplied to, Tenant or anyone holding the Demised Premises or any part thereof by, through or under Tenant, any mechanic's lien or other lien, charge or order for the payment of money shall be filed against Landlord or any portion of the Property, including the Demised Premises, Tenant shall, at its own cost and expense, use reasonable, good faith efforts to cause the same to be discharged of record or bonded within sixty (60) days after written notice from Landlord to Tenant of the filing thereof; and Tenant shall indemnify and save harmless Landlord against and from all costs, liabilities, suits, penalties, claims and demands, including reasonable counsel fees, resulting therefrom. If Tenant shall fail to discharge any such lien within sixty (60) days following such written notice from Landlord, then, in addition to any other right or remedy of Landlord, Landlord may, but shall not be obligated to, procure the discharge of the same. Any amounts reasonably paid or deposited by Landlord, including reasonable legal fees, in defending any such action or in or about procuring the discharge of such lien, with all necessary disbursements in connection therewith, together with interest thereon at the interest rate stated in Section 3.7 above, shall become immediately due and payable by Tenant to Landlord. Landlord shall have the right to post and keep posted at all reasonable times on the Demised Premises any notices which Landlord shall be required to so post for the protection of Landlord and the Demised Premises from any lien resulting from work performed for Tenant on the Demised Premises, or materials supplied for the Demised Premises.

11. Access to Premises.

Landlord and its respective agents and designees shall have a right, but not the obligation, to enter upon the Demised Premises at all reasonable times with at least twenty-four (24) hours' advance notice to Tenant (except in an emergency) and at Landlord's own risk, to perform its obligations pursuant to Section 8.1 hereof, to inspect the Demised Premises, to confirm that Tenant is complying with the terms of this Lease, to make repairs which Tenant is obligated to make under this Lease, and for all other reasonable purposes, including to exhibit the Demised Premises to prospective purchasers and during the last six (6) months of the Term, prospective tenants. In exercising its rights pursuant to this Section 11, Landlord shall not unreasonably interfere with Tenant's operations at the Demised Premises. The performance by Landlord of Tenant's obligations under this Lease shall not operate as a waiver by Landlord of any default by Tenant. The Landlord may, during the progress of said repairs mentioned above, keep and store on the Demised Premises all necessary materials, supplies and equipment but shall not unreasonably interfere with Tenant's access to, use of and operations in the Demised Premises.

12. Assignment and Subletting.

(a) Except as otherwise provided in subsection (b) below, Tenant may not assign this Lease, sublease the Demised Premises (in whole or in part or parts), and/or encumber this Lease (in whole or in part or parts) without first obtaining Landlord's written consent therefore, which consent shall not be unreasonably withheld, conditioned or delayed.

(b) Landlord agrees that the consent of Landlord shall not be required with respect to a Change of Control (hereinafter defined) of Tenant or the assignment or transfer of the Lease to an affiliate of Tenant, which shall mean any Person controlling, under control of, or under the common control with Tenant. As used herein, "Change of Control" shall mean, with respect to Tenant, (1) the direct or indirect acquisition by merger, consolidation, business combination or otherwise by any Person or group or Persons of beneficial ownership or voting power of Tenant; (2) any transaction or arrangement pursuant to which any Person possesses, directly or indirectly, the power to direct or to cause the direction of the management or policies of Tenant or its business, whether through the ownership of voting securities, by

contract or otherwise; or (3) the direct or indirect acquisition by any Person or group of Persons of all or substantially all of the assets of Tenant; provided, that ten (10) days prior to the assignment of this Lease described in clause (3) above to a successor tenant, Tenant will provide Landlord with written notice of such transaction, and upon Landlord's written request, such successor tenant will provide Landlord with evidence that its financial condition is reasonably sufficient to meet its obligations under this Lease as they come due. As used herein, "Person" shall mean and include any natural person, partnership, limited liability company, corporation, association, cooperative, trust, estate, custodian, nominee and/or any other individual or entity in its own or representative capacity.

(c) Notwithstanding any allowed assignment or sublease, Tenant shall remain directly, primarily and fully responsible for the obligations, monetary and otherwise, under this Lease until the expiration or earlier termination of the Lease as permitted under the terms hereof, except and unless Landlord agrees to otherwise release Tenant.

### 13. Signs.

Subject to Landlord's prior written approval of the proposed size, location, type and design of Tenant's sign, which shall not be unreasonably withheld, conditioned or delayed, Tenant will have the right, at Tenant's sole cost, to install, maintain and replace a sign above its space on the North and South sides of the Building. In addition, Tenant at Tenant's cost, may place a sign in the top location on the Property's pylon sign. Tenant shall comply with all applicable requirements of governmental authorities having jurisdiction and shall obtain any necessary permits for such purposes and comply with the requirements, if any, of the industrial park or subdivision in which the Demised Premises is located. As used in this Section 13, the word "sign" shall be construed to include any placard, light or other advertising symbol or object, irrespective of whether same be temporary or permanent. Landlord reserves the right to approve the size, design, construction materials and planned location of such signs, which shall not be unreasonably withheld, conditioned or delayed.

### 14. Indemnity.

14.1 Except as provided in Section 21 hereof which governs environmental matters exclusively, from and after the Commencement Date until the expiration or earlier termination of this Lease and except for the negligence or willful misconduct of Landlord, its officers, agents, servants, employees, contractors, licensees, assignees and sublessees or Landlord's breach of or default under this Lease, Tenant shall indemnify and save harmless Landlord from and against any and all liability, damage, costs, penalties or judgments arising from injury to person or property sustained by anyone in and about the Property resulting from, related to or in connection with: (a) any acts or omissions of Tenant, or Tenant's officers, agents, servants, employees, contractors, licensees, assignees or sublessees; (b) from the operation or management, maintenance, repair, use or occupation of the Demised Premises by Tenant, or Tenant's officers, agents, servants, employees, contractors, licensees, assignees or sublessees; (c) from any Event of Default on the part of Tenant; and (d) from any accident, injury or damage whatsoever occurring during the Term hereof, or having a genesis during the Term hereof, in or about the Demised Premises caused by the negligence or willful misconduct of Tenant, its agents, employees, contractors, licensees and invitees. Tenant shall, at its own cost and expense, defend any and all suits or actions (just or unjust) which may be brought against Landlord or in which Landlord may be impleaded with others upon any such above mentioned matter, claim or claims, except as may result from the acts set forth in Section 14.2.

14.2 Except as provided in Section 21 hereof which governs environmental matters exclusively, from and after the Commencement Date, except for the negligence or willful misconduct of Landlord, its officers, agents, employees and contractors or any default by Landlord of its obligations

hereunder, Landlord, including its officers, agents, employees and contractors shall not be responsible or liable for any damage or injury to any property, fixtures, buildings or other improvements, or to any person or persons, at any time on the Demised Premises, including any damage or injury to Tenant or to any of Tenant's officers, agents, servants, employees, contractors, customers or sublessees. Landlord shall indemnify and hold harmless Tenant and its officers, agents, servants, employees, contractors, licensees, assignees and sublessees from and against any and all liability, damage, costs, penalties or judgments arising out of Landlord's or its officer's, agent's, employees' and contractor's negligence or willful misconduct or a default by Landlord of its obligations hereunder.

15. Insurance:

15.1 Tenant's Insurance. Tenant shall obtain and maintain, or cause to be obtained and maintained, pursuant to the terms of this Lease, at its sole expense, the following types of insurance coverage, with minimum limits as set forth below:

15.1.1. Commercial general liability covering liability protecting against claims of any and all persons, firms and corporations for personal injury, death or property damage, and for liability arising from premises, operations, independent contractors, products-completed operations, personal and advertising injury, and contractual liability - \$1,000,000 each occurrence.

15.1.2. Business automobile liability covering all owned, hired, and non-owned vehicles - \$1,000,000 each occurrence, including all statutory coverages for all states of operation.

15.1.3. Workers compensation - statutory limit for all the States of Kansas.

15.1.4. Employers liability - \$1,000,000 each employee for bodily injury by accident and \$1,000,000 each employee for bodily injury by disease.

15.1.5. Commercial property insurance covering Tenant's personal property including contents, fixtures, equipment, improvements and betterments for "all-risk" perils included in the standard special causes of loss form and flood and earthquake, subject to such deductibles as Tenant maintains in its sole discretion.

15.1.6. All policies of insurance procured by Tenant herein shall be written as primary policies, not contributing with nor in excess of coverage that Landlord may carry. If Tenant's liability policies do not contain the standard separation of insured's provision, or a substantially similar clause, they shall be endorsed to provide cross-liability coverage.

15.2 Landlord's Insurance. Landlord shall obtain and maintain casualty property insurance covering the full replacement cost value of the Property, including the Landlord's Work and all of Tenant's Alterations from damages, hazards and losses caused by fire, lightning, wind and tornado and other risk covered by a "special form" or "all risk" policy. Tenant shall pay Tenant's Share of the premiums of such casualty property to Landlord as additional rent within thirty (30) days after written invoice therefor from Landlord to Tenant. Throughout the term of this Lease, Landlord agrees to obtain and maintain a commercial general liability insurance policy for Landlord's benefit.

15.3 Insurance Requirements. At the request of Landlord, Tenant shall provide Landlord with certificate(s) of insurance evidencing compliance with the insurance requirements set forth in Section 15.1 hereof. Certificate(s) will provide that Landlord shall be named an additional insureds on all liability policies (except Workers' Compensation, Products Liability and Employers Liability). Landlord shall

receive thirty (30) days prior written notice from the Tenant of any termination or material reduction in the amount or scope of coverage. All insurance policies required pursuant to this Section 15 shall be written by insurance companies qualified to sell insurance in the State of Kansas.

15.4 Waiver of Liability and Subrogation. All insurance policies carried by either party covering the Demised Premises and the Building, including but not limited to contents, fire and casualty insurance, shall expressly waive any right on the part of the insurer against the other party.

16. Destruction.

16.1 Destruction. In the event that, at any time during the term of this Lease, the Building shall be destroyed or damaged in whole or in part by fire or other cause within the extended coverage of the fire insurance policies carried by Landlord in accordance with this Lease, then Landlord shall, within forty-five (45) of such casualty, determine whether to terminate this Lease or to cause the Building to be repaired, replaced or rebuilt. If Landlord determines to repair, replace or rebuild the Building, then this Lease shall continue in full force and effect and such restoration shall be completed such that the Building is restored to substantially its condition prior to such casualty within a period of time which, under all prevailing circumstances, shall be reasonable, but in any event within one hundred eighty (180) days after the date of such damage or destruction.

16.2 Abatement of Rent. From and after the date the Building is destroyed or damaged until the same is repaired, replaced or rebuilt, the Rent and all other rents and charges provided for in this Lease shall abate entirely, if the Demised Premises is totally untenable or prorata with respect to the portion which is untenable, if only a portion of the Demised Premises is untenable; provided, however, that if Tenant cannot reasonably operate from the undamaged portion of the Demised Premises as a result of the damage or destruction of other parts of the Building, the Demised Premises shall be deemed totally untenable.

16.3 Repair of Building. Notwithstanding anything herein contained to the contrary,

16.3.1 If Landlord reasonably determines that the restoration of the Building, including the Demised Premises, cannot be completed within one hundred eighty (180) days after the date of such damage or destruction, then either party shall have the right to terminate this Lease by written notice to the other within forty-five (45) days after the casualty. Also, if Landlord has not completed restoration of the Demised Premises within one hundred eighty (180) days after the date of such damage or destruction, Tenant shall have the right to terminate this Lease by written notice to Landlord at any time after the expiration of such one hundred eighty (180) day period and prior to the completion of such restoration.

16.3.2 If more than fifty percent (50%) of the Building is so damaged or destroyed during the last two (2) years of the Term, Landlord and Tenant shall each have the right to terminate this Lease by written notice to the other party within forty-five (45) days after the date of such damage or destruction.

16.3.3 If the Building is damaged or destroyed by a casualty not covered or required to be covered by the insurance described in Section 15.2 hereof, and Landlord does not wish to pay for the cost of restoration, then either party shall have the right to terminate this Lease by written notice to the other within forty five (45) days after the date of such damage or destruction. If Landlord does not so terminate the Lease, Landlord shall restore the Building and the Demised Premises to substantially their condition prior to the casualty. If such restoration is not completed within one hundred and eighty (180) days following the casualty, Tenant may terminate this

Lease by written notice to Landlord given within thirty (30) days following the expiration of such one hundred and eighty (180)-day period.

17. Eminent Domain.

17.1 Total Taking. If the whole of the Property, including the Demised Premises, shall be taken for any public or quasi public use under any statute or by right of eminent domain or by private purchase in lieu thereof, then this Lease shall automatically terminate as of the date that possession has been taken. In the event fifty (50%) percent or more of the Property is so taken (or so purchased), and, in Landlord's and Tenant's reasonable and mutual opinion, the Demised Premises (or the portion remaining) is not adequate and suitable for Tenant's use as required by Tenant, then Landlord and/or Tenant shall have the right to terminate this Lease by giving written notice of such termination to the other party on or prior to the date thirty (30) days after the date of such taking (or purchase), and upon the giving of such notice of termination the Term shall expire and come to an end on the last day of the calendar month in which such notice shall be given, with the same force and effect as if said day had been originally fixed herein as the expiration date of the Term. In the event this Lease shall terminate or shall be terminated, the Rent and all other rents and charges shall, if and when necessary, be adjusted to the day of the taking (or purchase) and neither party shall have any further rights or liabilities hereunder, except as may be specifically provided for herein.

17.2 Condemnation Proceeds. In the event of a taking (or purchase) resulting in the termination of this Lease pursuant to the provisions of Section 17.1, the parties hereto agree to cooperate in applying for and in prosecuting any claim for such taking. All damages awarded for such taking shall belong to and be the property of the Landlord whether such damages shall be awarded as compensation for diminution in value to the leasehold or to the fee of the Demised Premises. Tenant shall have the right to make its own independent claim for loss of business, Tenant improvements or fixtures or relocation costs and expenses provided that such claims do not directly diminish the award due to Landlord.

17.3 Partial Takings.

17.3.1 In the event of a partial taking (or purchase) not resulting in the termination of this Lease, pursuant to the provisions of Section 17.1 hereof, Landlord shall expeditiously, using the condemnation proceeds received, make all repairs to the Demised Premises affected by such taking (or purchase) to the extent necessary to restore the same to a complete architectural unit (to the extent permitted, however, taking into consideration the amount of Land remaining after any such taking or purchase).

17.3.2 All compensation available or paid to Landlord or Tenant upon such a partial taking (or purchase) shall be used for the repair and restoration of the Building, including the Demised Premises. To the extent there are condemnation proceeds left over from the repair and restoration of the Building, including the Demised Premises, the excess proceeds shall be paid to Landlord.

18. Performance by Subtenant.

Any act required to be performed by Tenant pursuant to the terms of this Lease may be performed by any sublessee or assignee of Tenant and/or Tenant's interests in the Lease, occupying all or any part of the Demised Premises as permitted under this Lease and the performance of such act shall be deemed to be performance by Tenant and shall be deemed by Landlord to be the same as an act by Tenant.

19. Subordination.

Tenant covenants and agrees, on the terms and conditions provided in this Section 19, that this Lease shall be subordinate to any institutional mortgage or deed of trust that now or hereafter shall encumber the Demised Premises, provided Tenant's obligation to subordinate its interest hereunder shall be conditioned upon the receipt from each named mortgagee or beneficiary a subordination, non-disturbance, and attornment agreement stating (in addition to other reasonable terms, if any) in substance that (i) no Event of Default exists hereunder beyond any applicable notice and cure periods, the right of possession of Tenant to the Demised Premises and all of Tenant's other rights under this Lease shall not be affected or disturbed by any mortgagee in the exercise of any of its rights under a mortgage or the note secured thereby, and any sale of the Demised Premises pursuant to the exercise of any rights and remedies under a mortgage or otherwise shall be made subject to this Lease and all of Tenant's rights hereunder; (ii) Tenant shall not be joined as defendant in any foreclosure action unless such joinder is required by applicable law and (iii) Tenant shall attorn to any mortgagee or purchaser at a foreclosure sale (a "Purchaser") upon acquisition of title to the Demised Premises by a mortgagee or Purchaser and notice to Tenant thereof, and this Lease shall continue in full force and effect between Tenant and such mortgagee or Purchaser. Upon Tenant's receipt and approval of such a non-disturbance/attornment agreement from a mortgagee or beneficiary from time to time, such approval not to be unreasonably withheld, Tenant covenants and agrees to attorn to such mortgagee or beneficiary upon foreclosure.

20. Quiet Enjoyment.

Landlord covenants and agrees that if Tenant shall pay the Rent performed by Tenant, Tenant may peaceably and quietly occupy and enjoy the full possession of the Demised Premises during the Term and any extension thereof (if applicable), without molestation or hindrance of Tenant by Landlord or any person(s) claiming under or through Landlord.

21. Environmental Matters.

21.1 Restoration of Hazardous Material Laws. The term "Hazardous Materials Laws" shall mean any and all federal, state or local statutes, regulations and ordinances pertaining to the protection of human health or the environment and/or the regulation, and prohibition of chemical substances, including Hazardous Materials, and reporting and disclosure concerning same, and shall specifically include, without limitation, the following statutes and their state law counterparts, as amended and/or re-authorized: the Comprehensive Environmental Response Compensation and Liability Act of 1980 ("CERCLA"), 42 U.S.C. Section 9601; the Resource Conservation Recovery Act of 1976 ("RCRA"), 42 U.S.C. Section 6901; the Federal Water Pollution Control Act ("FWPCA"), 33 U.S.C. Section 1251; the Toxic Substances Control Act ("TSCA"), 15 U.S.C. 2401, and the Clean Air Act ("CAA"), 42 U.S.C. Section 7401, or otherwise.

21.2 Definition of Hazardous Materials. The term "Hazardous Materials" shall mean any and all hazardous, toxic, infectious or radioactive substances, wastes or materials, or terms of such similar import as may be listed or, defined by any Hazardous Materials Laws and specifically shall include petroleum oil and its fractions, and asbestos.

21.3 Warranty and Representation by Landlord. Landlord warrants and represents that to the best of Landlord's knowledge and except for possible ground water contamination caused by an off-site source as disclosed and discussed in the No Further Action Determination For the Shannon No. 2, LLC Property issued by the Kansas Department of Health and Environment dated December 15, 2008, a copy of which has been provided to Tenant:

21.3.1 Landlord further warrants and represents that the Demised Premises and any operations now or heretofore conducted at, and the use of the Demised Premises, are in compliance in all material respects with all applicable Hazardous Materials Laws; there are no claimed, alleged, nor, to the best of Landlord's knowledge, threatened violations of any Hazardous Materials Laws; there are no present discussions or negotiations with any agency regarding any release of any Hazardous Materials; there have been no releases of such Hazardous Materials at, on, from or under the Demised Premises which would or could give rise to a cleanup or remediation obligation under any Hazardous Materials Laws; all federal, state and local permits, licenses, registrations and authorizations required for the use of and operations at the Demised Premises have been obtained and further, there are currently no violations of such permits, licenses, registrations or authorizations; and the Demised Premises have not been used for the treatment, storage or disposal of any Hazardous Materials as such treatment, storage or disposal may be regulated under RCRA, or its state counterparts, as amended or reauthorized, and regulations promulgated thereunder.

21.3.2 Landlord further warrants and represents that there are currently no underground or aboveground storage tanks at, on or under the Demised Premises. The parties acknowledge and agree that Tenant will not use or operate any underground storage tanks ("USTs") in connection with Tenant's use of or operations at the Demised Premises.

21.3.3 Landlord further warrants and represents that the Demised Premises does not contain asbestos in any form (including insulation or flooring).

21.4 Warranty and Representation by Tenant. Tenant warrants and represents that it will comply in all material respects with, and use or operate the Demised Premises in accordance with, all Hazardous Materials Laws specifically applicable to its use of or operations at the Demised Premises. Tenant further covenants, warrants and represents that, during the Term, it will not violate any such Hazardous Materials Laws, nor will it allow any of its agents, sublessees, assignees, employees, licensees and the like to violate any such Hazardous Materials Laws. Tenant agrees to give prompt written notice to Landlord of any violation of any Hazardous Materials Laws of which violation Tenant has actual knowledge.

21.5 Indemnities.

(a) Indemnity by Tenant. Tenant shall indemnify, defend, protect and hold Landlord harmless from and against any and all damages, claims, liabilities, penalties, losses and reasonable expenses, attorney's fees, consultation and expert fees (hereinafter collectively referred to as "Claims"), to which Landlord may be subjected as a result of Tenant's breach of its warranties herein, or arising out of or involving the release of any Hazardous Materials in, on, under or about the Demised Premises directly or indirectly caused by Tenant, its contractors, agents or employees.

(b) Indemnity by Landlord. Landlord shall indemnify, defend, protect and hold Tenant harmless from and against all Claims to which Tenant may be subjected as a result of (x) Landlord's breach of its warranties or obligations herein; or (y) arising out of or involving the release of any Hazardous Materials in, on, under or about the Demised Premises caused by Landlord or its employees, agents or contractors.

21.6 Notices. Each party shall give prompt written notice to the other party of any (i) enforcement, cleanup, removal or other governmental or regulatory action concerning the Demised Premises instituted, completed or threatened pursuant to any Hazardous Materials Law; (ii) written claim

made or threatened by anyone against Landlord and/or Tenant, or the Demised Premises, relating to damage, contribution, cost recovery, compensation, loss or injury resulting from or claimed to result from any Hazardous Materials; and (iii) Hazardous Materials that either party knows has been, or will come to be, released or located within, under or about the Demised Premises in violation of Hazardous Materials Laws or which require cleaning, removal, or remediation pursuant to Hazardous Materials Laws.

21.7 Remediation. In the event a condition or release of Hazardous Materials which would require remediation under applicable Hazardous Materials Laws is identified at the Demised Premises, the party responsible under the terms of this Lease shall promptly take all necessary steps to remediate the condition in accordance with, and to the extent required by applicable Hazardous Materials Laws. The parties acknowledge and agree to cooperate in good faith and use all reasonable efforts to allow the remediation of the condition by the responsible party identified herein. In the event Landlord must remediate a condition or release at the Demised Premises during the Term, Landlord shall not unreasonably interfere with Tenant's operations at the Demised Premises or impair access thereto by Tenant, its agents, employees, contractors and invitees, and Tenant shall have the opportunity to review and comment on, and approve, Landlord's proposed remediation plan as it may relate to Tenant's use of and operations at the Demised Premises. Without limiting any of the foregoing, Tenant shall have no obligation or liability hereunder with respect to (A) any Hazardous Materials affecting the Property which exist on the Commencement Date; (B) any Hazardous Materials affecting the Property emanating from off-site sources; or (C) any Hazardous Materials affecting the Property caused by Landlord or any other past, present or future tenant, owner, user, or occupier of the Property, or any portion thereof, or its contractors, agents, representatives, licensees or invitees.

21.8 Survival. This Section 21 shall survive the expiration or earlier termination of this Lease.

## 22. Defaults.

22.1 In the event any one or more of the following events (each, an "Event of Default") shall have occurred and shall not have been remedied as hereinafter provided: (i) The occurrence of any event set forth in Section 23 hereof, without the curing of same as therein provided; (ii) Tenant's failure to pay any installment of Base Rent, additional rent or other sums payable under this Lease when due and the continuance of such failure without the curing of same for a period of five (5) days after receipt by Tenant of notice in writing from Landlord of such failure, it being understood and agreed that Landlord shall not be required to give more than two (2) such notices in any twelve (12)-month period; (iii) Tenant's failure to perform any of the other covenants, conditions and agreements herein contained on Tenant's part to be kept or performed and the continuance of such failure without the curing of same for a period of thirty (30) days after receipt by Tenant of notice in writing from Landlord specifying in detail the nature of such failure; or (iv) the abandonment of the Demised Premises by the Tenant; then, Landlord may, at its option, give to Tenant a notice of election to end the term of this Lease upon a date specified in such notice, which date shall be not less than ten (10) days after the date of receipt by Tenant of such notice from Landlord, and upon the date specified in said notice, the term and estate hereby vested in Tenant shall cease and any and all other right, title and interest of Tenant hereunder shall likewise cease without further notice or lapse of time, as fully and with like effect as if the entire term of this Lease had elapsed, but Tenant shall continue to be liable to Landlord as hereinafter provided.

22.2 In the event that Landlord gives notice of a non-monetary default of such a nature that it cannot be cured within such thirty (30) day period, then such default shall not be deemed to continue so long as Tenant, after receiving such notice, proceeds to cure the default within such thirty (30) day period and thereafter cures same within an additional thirty (30) day period (for a maximum cure period of sixty (60) days).

22.3 Notwithstanding anything to the contrary contained in this Section 22, in the event that any Event(s) of Default of Tenant shall be cured in any manner hereinabove provided, such Event(s) of Default shall be deemed never to have occurred and Tenant's rights hereunder shall continue unaffected by such Event(s) of Default.

22.4 During the occurrence of an Event of Default, and after expiration of all notice, cure or grace periods, Landlord may, in addition to and without prejudice to any other rights and remedies Landlord shall have under this Lease, at law or in equity, re-enter the Demised Premises, and recover possession thereof and dispossess any or all occupants of the Demised Premises in the manner prescribed by the statute relating to summary proceedings, or similar statutes, but Tenant in such case shall remain liable to Landlord as hereinafter provided.

22.5 In case of any such Event of Default, re-entry, expiration and/or dispossession by summary proceedings: (i) all Rent, and all other sums and amounts becoming due hereunder up to the time of such reentry, expiration and/or dispossession shall be paid; (ii) Landlord may relet the Demised Premises or any part or parts thereof, either in the name of Landlord or otherwise, for a reasonable term or terms which may, at Landlord's sole option, be less than or exceed the period which would otherwise have constituted the balance of the Term and may grant reasonable concessions or free rent; and (iii) Tenant or the legal representatives of Tenant shall also pay Landlord as damages for the failure of Tenant to observe and perform Tenant's covenants herein contained any deficiency between the Rent hereby reserved and/or covenanted to be paid and the net amount, if any, of the rents collected on account of the lease or leases of the Demised Premises for each month of the period which would otherwise have constituted the balance of the Term. In computing such damages, there shall be added to the said deficiency such reasonable expenses as Landlord may incur in connection with re letting, such as reasonable brokerage and reasonable preparation for re-letting. Any such damages shall be paid in monthly installments by Tenant on the rent day specified in this Lease and any suit brought to collect the amount of the deficiency for any month shall not prejudice in any way the rights of Landlord to collect the deficiency for any subsequent month by a similar proceeding. Landlord, at Landlord's option, may make such reasonable alterations, repairs, replacements and/or decorations in the Demised Premises as Landlord, in Landlord's reasonable judgment, considers advisable and necessary for the purpose of re-letting the Demised Premises; and the making of such alterations, repairs, replacements and/or decorations shall not operate or be construed to release Tenant from liability hereunder as aforesaid. Landlord agrees to use its reasonable good faith efforts to mitigate all damages and to re-let the Demised Premises in the event of any Event of Default specified herein.

22.6 Notwithstanding anything herein contained to the contrary, if Tenant shall be in default in the performance of its obligations under this Lease after notice and the expiration of the cure period provided for in Section 22.2, Landlord may cure such default and Tenant shall reimburse Landlord the reasonable costs, with interest at the interest rate stated in Section 3.7 above, of such curing within thirty (30) days after the receipt of an invoice therefor.

22.7 Landlord shall not be deemed in default under the terms of this Lease unless Landlord shall fail to perform its obligations under this Lease for more than thirty (30) days after written notice of such default shall have been received by Landlord, provided that if the curing of such default reasonably requires in excess of thirty (30) days, Landlord shall not be deemed in default hereunder if it shall commence to cure such default within such thirty (30) day period and thereafter diligently prosecutes such cure. Notwithstanding the foregoing, if the nature of such failure of performance by Landlord poses an imminent risk of damage to property or injury to persons, Landlord shall cure such failure within thirty (30) days after Landlord's receipt of written notice by Tenant of such default and, if Landlord fails to so cure such failure within such period, Landlord shall be deemed to be in default hereunder. In the event of a default by Landlord hereunder, Tenant may terminate this Lease by written notice to Landlord and/or

exercise any other right or remedy to which Tenant is entitled under this Lease or at law or in equity, all of which shall be cumulative and nonexclusive.

22.8 The rights and remedies of Landlord in relation to this Lease shall be cumulative and not exclusive in nature and in addition to the remedies set forth herein Landlord shall be entitled to pursue all remedies available at law or in equity.

23. Bankruptcy and Insolvency.

If, after the commencement of the Term: (a) Tenant shall be adjudicated bankrupt or adjudged to be insolvent; (b) a receiver or trustee shall be appointed for Tenant's property and affairs; (c) Tenant shall make an assignment for the benefit of creditors or shall file a petition in bankruptcy or insolvency or for reorganization or shall make application for the appointment of a receiver; or (d) any execution or attachment shall be issued against Tenant or any of Tenant's Property, whereby the Demised Premises or any building or buildings or any Improvements thereon shall be taken or occupied or attempted to be taken or occupied by someone other than the aforesaid Tenant, except as may herein be permitted, and such adjudication, appointment, assignment, petition, execution or attachment shall not be set aside, vacated, discharged or bonded within thirty (30) days after the issuance of the same, then an Event of Default shall be deemed to have occurred so that the provisions of Section 22 hereof shall become effective and Landlord shall have the rights and remedies provided for therein. Notwithstanding anything to the contrary hereinabove contained, upon the occurrence of an Event of Default pursuant to this Section 23, if the Rent and all other sums due and payable hereunder shall continue to be paid in full and the other covenants, conditions and agreements of this Lease on Tenant's part to be kept and performed shall continue to be timely kept and performed, no Event of Default shall have been deemed to have occurred and the provisions of Section 22 shall not become effective.

24. Waivers.

Failure of Landlord or Tenant to complain of any act or omission on the part of the other party, no matter how long the same may continue, shall not be deemed to be a waiver by said party of any of its rights hereunder. No waiver by Landlord or Tenant at any time, express or implied, of any breach of any provision of this Lease shall be deemed a waiver of a breach of any other provision of this Lease or a consent to any subsequent breach of the same or any other provision. No acceptance by Landlord of any partial payment shall constitute an accord or satisfaction but shall only be deemed a partial payment on account.

25. Force Majeure.

In the event that Landlord or Tenant shall be delayed, hindered in or prevented from the performance of any non-monetary act required hereunder by reason of strikes, lock outs, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, the act, failure to act or default of the other party, war or other reason beyond their reasonable control (each a "Force Majeure Event"), the performing party shall give immediate written notice to the other party of such Force Majeure Event and the performance of such act shall be excused for the period of the delay (unless such performance can reasonably be completed on an earlier date) and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay (unless such performance can reasonably be completed on an earlier date). Notwithstanding the foregoing, the maximum consecutive days of delay a party may attribute to a Force Majeure Event shall be fifteen (15) unless agreed to otherwise in writing by the other party.

26. Notices.

Every notice, approval, consent or other communication authorized or required by this Lease shall not be effective unless same shall be in writing and sent postage prepaid by United States registered or certified mail, return receipt requested, or recognized overnight delivery service, directed to the other party at its address hereinabove set forth below, or such other address as either party may designate by notice given from time to time in accordance with this Section 26. Each such notice shall be effective upon receipt or refusal to accept delivery. The Rent payable by Tenant hereunder shall be paid to Landlord at the same place where a notice to Landlord is herein required to be directed.

If to Landlord: Shannon No. 2, L.L.C.  
Attn: David Shannon  
1223 North Rock Road, Suite I-200  
Wichita, Kansas 67206

With a copy to: Hinkle Law Firm LLC  
Attn: L. Dale Ward  
8621 East 21<sup>st</sup> Street North, Suite 200  
Wichita, Kansas 67206

If to Tenant: Lewis-Goetz and Company, Inc.  
Attn: Corporate Counsel  
650 Washington Road, Suite 500  
Pittsburgh, Pennsylvania 15228

27. Certificates.

Either party shall, without charge, at any time and from time to time hereafter, within fifteen (15) days after written request of the other, certify by written instrument duly executed and acknowledged to mortgagee or purchaser, or proposed mortgagee or proposed purchaser, or any other person, firm or corporation specified in such request: (a) as to whether this Lease has been supplemented or amended, and if so, the substance and manner of such supplement or amendment; (b) as to the validity and force and effect of this Lease, in accordance with its tenor as then continued; (c) as to the existence of any default thereunder; (d) as to the existence of any offsets, counterclaims or defenses hereto on the part of such other party; (e) as to the commencement and expiration dates of the Term; and (f) as to any other factual matters as may be reasonably so requested. Any such certificate may be relied upon by the party requesting it and any other person, firm or corporation to whom the same may be addressed, and the contents of such certificate shall be binding on the party executing same.

28. Governing Law.

This Lease and the performance thereof shall be governed, interpreted, construed and regulated by the laws of the State of Kansas without reference to its conflict of laws principles.

29. Partial Invalidity.

If any term, covenant, condition or provision of this Lease or the application thereof to any person or circumstance shall, at any time or to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant, condition and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

30. Short Form Lease.

The parties will at any time but not more than once during the Term, at the request of either one, promptly execute duplicate originals of an instrument, in recordable form, which will constitute a short form of lease, setting forth a description of the Demised Premises, the term of this Lease and any other portions thereof, excepting the rental provisions, as either party may request.

31. Interpretation.

Wherever herein the singular number is used, the same shall include the plural, and the masculine gender shall include the feminine and neuter genders, and vice versa, as the context shall require. The section headings used herein are for reference and convenience only, and shall not enter into the interpretation thereof. This Lease may be executed in several counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument. The term "Landlord" whenever used herein shall mean only the owner at the time of Landlord's interest herein, and upon any sale or assignment of the interest of Landlord herein, its successors in interest and/or assigns shall, during the term of their ownership, be deemed to be Landlord.

32. Nonliability of Landlord.

In the event Landlord hereunder or any successor owner of the Demised Premises shall sell or convey the Demised Premises, all liabilities and obligations on the part of the original Landlord or such successor owner under this Lease accruing thereafter shall terminate, and thereupon all such liabilities and obligations shall be binding upon the new owner; provided such new owner assumes in writing all of Landlord's obligations under this Lease, subject to the terms of this Lease. Tenant shall attorn to such new owner subject to all of the terms and conditions of this Lease.

33. Entire Agreement.

This Lease, including all exhibits attached hereto, constitutes the entire agreement between the parties as to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings of the parties in connection therewith. There are no verbal understandings, agreements or representations or warranties which are not set forth herein. This Lease may not be amended except in writing signed by duly authorized representative of both parties.

34. Parties.

Except as herein otherwise expressly provided, the covenants, conditions and agreements contained in this Lease shall bind and inure to the benefit of Landlord and Tenant and their successors, and assigns.

35. Landlord's Work.

35.1 With respect to the Demised Premises, Landlord, at its cost, shall construct in a timely fashion the improvements and perform the other work described in the plans, drawings and specifications also attached hereto as a part of Exhibit "B" and Exhibit "C" (the "Plans and Specifications") (collectively, the "Landlord's Work"). The Landlord's Work shall consist of, among other things, the construction of an approximately 2,500 square foot of office space in the Demised Premises, including, the HVAC system for the office space, the installation of a gas-fired heating system for the warehouse portion of the Demised Premises and the installation of a minimum lighting system of 25' candles with

high efficiency T-5 fixtures. Landlord shall procure in a timely fashion all building and other permits and approvals necessary for performing Landlord's Work. Possession of the Demised Premises shall be delivered by Landlord upon "substantial completion" of the Landlord's Work (except that Tenant shall have the early access rights granted in Section 2.1 hereof), which shall mean that: (i) that the Landlord's Work has been performed in a good and workmanlike manner and, unless otherwise specified in the Plans and Specifications, with new materials of similar quality and finish as used in the "Norandex" premises contained in the Building; (ii) that the Demised Premises are in broom clean condition, with all utility and service lines and conduits brought up to the space and in good working order and condition, and ready for Tenant's use of the Demised Premises; (iii) that the Demised Premises shall not contain material debris or other obstructions that would interfere with Tenant's use of the Demised Premises; (iv) that the Demised Premises shall be constructed in accordance with the approved Plans and Specifications and all applicable laws; and (v) Landlord has obtained a temporary certificate of occupancy or equivalent with respect to the Demised Premises. Landlord shall obtain a permanent certificate of occupancy within thirty (30) days following the issuance of any temporary certificate of occupancy. All of the Landlord's Work shall be free from defect and warranted for a minimum of one (1) year from the date of delivery of possession of the Demised Premises to Tenant. Tenant shall be entitled to receive the benefit of any manufacturers' warranties if longer in duration and to the extent such warranties are assignable, Landlord shall assign such warranties to Tenant.

The \$24,300.00 cost of constructing that portion of Landlord's Work described on Exhibit "C" attached hereto, which includes the construction and installation of a dock door (10' wide and 12' tall) on the South side of the Demised Premises and a concrete drive-up ramp for forklift usage, shall be Tenant's responsibility. The \$24,300.00 cost will be amortized throughout the initial eighty-four (84) month Term of this Lease at an interest rate of eight percent (8%) per annum. The amortized amount will be paid by Tenant to Landlord in eighty four (84) monthly installments of Three Hundred Seventy Eight and 75/100 Dollars (\$378.75), as additional rent.

35.2 Landlord shall provide Tenant at least fifteen (15) days prior written notice of the date on which Landlord reasonably expects the Landlord's Work to be substantially completed. Within ten (10) days prior to such date, Landlord and Tenant, or their respective representatives, shall inspect the Demised Premises. If, as a result of Tenant's inspection of the Demised Premises as set forth in this Section 35.2, Tenant discovers material deviations or deficiencies from the Plans and Specifications for Landlord's Work or that the Landlord's Work has not been completed in accordance with this Section 35 to Tenant's reasonable satisfaction, Tenant shall deliver a list of such deviations or deficiencies (the "Punch List Items") to Landlord. Landlord, at its sole cost and expense, shall correct or cure such Punch List Items in a reasonable period of time after Landlord receives the Punch List, but in no event later than thirty (30) days after its receipt of such Punch List Items, provided, however, that until such time as Landlord has corrected substantially all Punch List Items to Tenant's reasonable satisfaction, Landlord may enter the Demised Premises at any reasonable time to correct or cure such Punch List Items.

35.3 Landlord covenants and agrees that the Landlord shall deliver possession of the Demised Premises with all of the Landlord's Work achieving substantial completion on or before January 31, 2015 (the "Target Completion Date"). In the event that Landlord fails to cause substantial completion of the Landlord's Work and delivery of possession of the Demised Premises to Tenant on or before the Target Completion Date, then Tenant shall receive a per diem credit against the next installment of Rent due under the Lease for each day after the Target Completion Date that Landlord fails to complete the Landlord's Work and deliver possession. In addition, in the event that Landlord fails to cause substantial completion of the Landlord's Work and deliver possession of the Demised Premises to Tenant on or before February 28, 2015, then Tenant, at its option, may terminate this Lease upon written notice to Landlord.

36. Surrender.

Tenant agrees to quit and surrender possession of the Demised Premises to Landlord at the expiration of the Term in at least as good a condition as the Demised Premises existed on the Commencement Date, except for the following: (a) ordinary wear and tear; (b) any appropriation or taking under power of eminent domain or by paramount authority; and (c) damage by fire or other casualty, provided the same is not the responsibility of Tenant to repair hereunder. Upon expiration of the Lease, Landlord, in its sole discretion, may elect to cause the all racking and anchor bolts to be removed from the floor of the Demised Premises and to repair and restore the floor of the Demised Premises to the condition in which it existed prior to the installation of such bolts and repair any or all holes in the walls at the Premises. Tenant agrees to broom sweep the Demised Premises before surrendering possession

37. Holding Over.

If Tenant remains in possession of the Demised Premises after the expiration of the Term, it shall be deemed to be a tenant from month-to-month only, and the Base Rent shall be increased to an amount equal to one hundred twenty five percent (125%) of the monthly installment of the Base Rent in effect during the last month of the expired Term. Except as aforesaid, such tenancy shall be upon and subject to the terms of this Lease. Either party may terminate such month-to-month tenancy by giving the other at least thirty (30) days prior written notice of its intent to terminate. Nothing herein, however, shall be deemed to grant to Tenant the right to hold over in the Demised Premises beyond the expiration of the Term, and Landlord shall be entitled to all remedies available to it, under this Lease, at law or in equity, as a result of any holding over in the Demised Premises without Landlord's consent.

38. Brokers.

Tenant and Landlord each hereby represent and warrant to the other that it has not dealt with any real estate brokers or leasing agents in the negotiation of this Lease, and that no commissions are payable to any person or party claiming by, through or under such party as a result of the consummation of the transaction contemplated by this Lease, other than J. P. Weigand & Sons, Inc. and NAI Martens (collectively the "Brokers"). Landlord agrees to pay the aforesaid Brokers a commission in respect to this Lease pursuant to separate written commission agreements to be made and entered into by and between Landlord and said Brokers. Landlord and Tenant each hereby agree to indemnify, defend and hold the other harmless of, from and against any and all loss, costs, damages or expenses, including, without limitation, all attorneys' fees and disbursements, by reason of any claim of or liability to any broker, agent, entity or person (other than the Brokers) claiming by, through or under such indemnifying party or as a result of such indemnifying party's acts, omissions or commitments and arising out of or in connection with the negotiation and execution of this Lease. Landlord's and Tenant's indemnification obligations under this paragraph shall survive the expiration or earlier termination of the Lease.

39. Financial Statements. Tenant shall provide to Landlord within fifteen (15) days of a written request therefore, the annual "Financial Statements" (hereafter defined) of Tenant certified by Tenant's Chief Financial Officer; provided that Landlord shall execute and deliver the Tenant's form of confidentiality agreement. For the purpose of this Section 38 the term "Financial Statements" shall mean the financial statements routinely provided by Tenant to its landlords.

[Remainder of page intentionally left blank.]

**IN WITNESS WHEREOF**, the parties hereto have hereunto set their hands and seals the day and year first above written.

“Landlord”

**SHANNON NO. 2, L.L.C.**,  
a Kansas limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

“Tenant”

**LEWIS-GOETZ AND COMPANY, INC.**,  
a Pennsylvania corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## ANNEX "A"

### ADDENDUM TO LEASE AGREEMENT

**THIS ADDENDUM TO LEASE AGREEMENT** (this "Addendum") is made and entered into to be effective on this \_\_\_\_ day of \_\_\_\_\_, 2014, by and between **SHANNON NO. 2, L.L.C.**, a Kansas limited liability company (the "Landlord") and **LEWIS-GOETZ AND COMPANY, INC.**, a Pennsylvania corporation (the "Tenant").

WITNESSETH THAT:

WHEREAS, Landlord and Tenant entered into a Lease Agreement dated \_\_\_\_\_, 2014 (the "Lease") covering the Demised Premises located in a commercial industrial warehouse and distribution facility commonly known as 2113 South West Street, Wichita, Kansas, 67213 (the "Property"), as more fully described in the Lease; and

WHEREAS, the Landlord financed the Building and related improvements of which the Demised Premises are a part by means of the issuance of certain Taxable Industrial Revenue Bonds (the "Bonds") issued by the City of Wichita, Kansas (the "City") (the "Bond Transaction") pursuant to the terms of a Trust Indenture (the "Indenture") entered into by and between the City, as issuer, and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee");

WHEREAS, as part of the Bond Transaction, Landlord transferred and conveyed the Property to the City and subsequent thereto the City and Landlord entered into a lease by and between the City, as landlord, and Landlord, as tenant (the "Bond Lease"); and

WHEREAS, in order to satisfy the requirements of the Bond Transaction, Landlord and Tenant desire to modify certain terms and conditions set forth in the Lease.

NOW THEREFORE, in consideration of the foregoing recitations, the mutual covenants hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Defined Terms. Terms used in this Addendum beginning with a capital letter which are not defined herein, shall have the meaning given to such terms in the Lease. A copy of the Bond Lease is attached hereto as Exhibit "A" and made a part hereof for all purposes.

2. Termination of Exemption. The parties acknowledge that the Landlord entered into the Bond Transaction, in part, to obtain an exemption from ad valorem taxes for the Building, which exemption will benefit both Landlord and Tenant. Tenant covenants that it will cooperate with Landlord to make the necessary filings in connection with the Bond Transaction in order to maintain the ad valorem tax exemption (provided the failure to maintain such tax exemption, regardless of reason, shall not constitute default of the Landlord or the Tenant under the Lease). Tenant acknowledges and agrees that in the event that the Building should no longer be exempt from ad valorem taxes, Tenant will pay Tenant's Share of ad valorem taxes, as provided in Section 5 of the Lease and in accordance with the terms and conditions of that Section. In the event that the Bonds should no longer be outstanding, regardless of the reason, Landlord shall give Tenant written notice thereof, and the terms and provisions of this Addendum shall automatically terminate, provided however, the Lease and all other amendments thereto shall remain in full force and effect subject to the terms and conditions set forth therein.

3. Amendment to Section 4 “Use of Premises; Permitted Use”. The parties agree that Section 4 of the Lease is hereby amended by inserting the following at the end of such Section:

“Tenant shall use commercially reasonable efforts to (i) comply with all the terms and conditions of Section 28.04 of the Bond Lease (but expressly excluding subsections (e) and (h) thereof) and (ii) have an approved Equal Employment Opportunity/Affirmative Action Plan submitted to and on file with the City once the Tenant has formally adopted the same for its company. Tenant agrees to demonstrate a good faith effort to achieve its proposed employment goals; provided, however, that Tenant shall have complete discretion over the scope and content of the Equal Opportunity/Affirmative Action goals. The failure of Tenant to demonstrate a good faith effort to achieve its employment goals and/or Equal Opportunity/Affirmative Action goals may result in the City revoking the ad valorem tax abatements by either imposing an annual payment-in-lieu of taxes or by declining to make the annual exemption filing with the Sedgwick County Appraiser’s office, in such an event Tenant will be required to pay its proportionate share of ad valorem taxes or payments in lieu of taxes, as the case may be. Such failure by Tenant and/or revocation by the City shall not be a default or breach by Tenant under this Lease, nor shall Landlord have any recourse against Tenant for such failure and/or revocation.”

4. Amendment to Section 11 “Access to Premises”. The parties agree that Section 11 of the Lease is hereby amended by inserting the following at the end of such Section:

“Subject to Article XXVI of the Bond Lease, the City, for itself and duly authorized representatives and agents, including the Trustee and Bondowners (as defined in the Indenture), reserves the right to enter the Demised Premises at all reasonable times during usual business hours of Tenant throughout the Term, upon not less than twenty-four (24) hours’ advance notice to the Tenant (except in an emergency) and at the City’s and its duly authorized representatives’ and agents’ sole risk, for the purpose of (a) examining and inspecting the same, (b) performing such work as may be made necessary by reasons of Landlord’s default under the Bond Lease, and (c) while an Event of Default (as defined under the Bond Lease) is continuing, and with reasonable notice to the Tenant for the purpose of exhibiting the Demised Premises to prospective purchasers or lessees; provided, however that the City and the Bondowners (as defined in the Indenture) shall agree to take such measures as Landlord or Tenant may reasonably require for the purpose of complying with security procedures and laws and regulations applicable to Landlord or Tenant such as HIPAA. Only during the continuance of an Event of Default by Tenant under this Lease, the City may, during the progress of said work mentioned in (b) above, keep and store on the Demised Premises, at the City’s sole risk of loss and without any obligation of Tenant to safeguard, all necessary materials, supplies and equipment and shall not be liable for necessary inconvenience, annoyances, disturbances, loss of business or other damage suffered by reason of the performance of any such work or the storage of such materials, supplies and equipment, provided that the storage of such materials by the City shall not materially interfere with Tenant’s access to or use or enjoyment of the Demised Premises or the conduct of Tenant’s operations therein.”

5. Amendment to Section 12 “Assignment and Subletting”. The parties agree that Section 12 of the Lease is hereby amended by inserting the following at the end of such Section as a new subsection (d):

“(d) In addition to the terms, conditions and provisions set forth in subsections (b) and (c) above, Tenant shall not assign its interest in and to the Lease or sublease the Demised

Premises without the prior written consent of the City and the owners of the Bonds, which consent shall be filed with the Trustee. Notwithstanding the foregoing, in the event any assignment or transfer of this Lease by the Tenant pursuant to this Section 12 results in the City revoking the ad valorem tax abatements by either imposing payments in lieu of taxes or by declining to make the annual exemption filing with the county appraiser's office pursuant to Section 7.05 of the Bond Lease, Tenant and the successor tenant (their liability being joint and several) shall pay Tenant's Share of the property taxes imposed or assessed as a result of such transfer or assignment to the appropriate governmental authority when due and payable, subject to Tenant's right to contest such taxes or payments pursuant to Section 5.2 of this Lease. Notwithstanding any statement to the contrary contained in this subsection (d), the City agrees that the consent of Landlord nor the consent of the City or the Bondowners shall be required with respect to a Change of Control of Tenant or the assignment, sublease or transfer of the Lease to an affiliate of Tenant, which shall mean any Person controlling, under control of, or under the common control with Tenant."

6. Amendment to Section 14 "Indemnity". The parties agree that Sections 14.1 of the Lease is hereby amended by deleting such Section in its entirety and replacing such Section with the following:

"14.1 Except as provided in Section 21 hereof which governs environmental matters exclusively, from and after the Commencement Date until the expiration or earlier termination of this Lease, except for the negligence or willful misconduct of the City and/or Landlord and their officers, agents, servants, employees, contractors, licensees, assignees and sublessees, Tenant shall indemnify and save harmless Landlord and City from and against any and all liability, damage, costs, penalties or judgments arising from injury to person or property sustained by anyone in and about the Property to the extent resulting from, related to or in connection with: (a) any acts or omissions of Tenant, or Tenant's officers, agents, servants, employees, contractors, licensees, assignees or sublessees; (b) from the operation or management, maintenance, repair, use or occupation of the Demised Premises by Tenant, or Tenant's officers, agents, servants, employees, contractors, licensees, assignees or sublessees; (c) from any breach or default on the part of Tenant in the performance of any covenant or agreement made under this Lease; and (d) from any accident, injury or damage whatsoever occurring during the Term hereof, or having a genesis during the Term hereof, in or about the Demised Premises caused by the negligence or willful misconduct of Tenant, its agents, employees, contractors, licensees and invitees. Tenant shall, at its own cost and expense, defend any and all suits or actions (just or unjust) which may be brought against Landlord and/or the City or in which Landlord and/or the City may be impleaded with others upon any such above mentioned matter, claim or claims, except as may result from the acts set forth in Section 14.2."

7. Amendment to Section 15.2 "Landlord's Insurance". The parties agree that Section 15.2 of the Lease is hereby amended by inserting the following at the end of such Section:

"The City and Trustee shall be named as additional insureds on the casualty property insurance policies."

8. Amendment to Section 15.3 "Insurance Requirements". The parties agree that Section 15.3 of the Lease is hereby amended by deleting such Section in its entirety and replacing it with the following:

“15.3 Insurance Requirements. At the request of Landlord, Tenant shall provide Landlord with certificate(s) of insurance evidencing compliance with the insurance requirements set forth in Section 15.1 hereof. Certificate(s) will provide that Landlord, the City and the Trustee shall be named an additional insured on all liability policies (except Workers’ Compensation, Products Liability and Employers Liability). Such certificate(s) shall provide that Tenant, Landlord, the City, Original Purchaser (as defined in the Indenture) and Trustee shall receive thirty (30) days prior written notice from the insurer of any termination or material reduction in the amount or scope of coverage as to any such liability insurance policy. Landlord warrants and represents such Original Purchaser to be INTRUST Bank, N.A. (the “Bank”) with respect to the Series V, 2013 Bonds and Landlord with respect to the Series VI, 2013 Bonds. All insurance policies required pursuant to this Section 15 shall be written by insurance companies qualified to sell insurance in the State of Kansas.”

9. Amendment to Section 19 “Subordination”. The parties agree that Section 19 of the Lease is hereby amended by inserting the following at the end of such Section:

“This Lease shall also be subordinate and subject to all the terms and conditions of the Bond Lease. Tenant acknowledges that this Lease and all the rentals due hereunder will be assigned to the City and/or Trustee as part of the Bond Transaction. Should either the City or the Trustee succeed to the interest of Landlord hereunder, the Trustee, whether in its capacity as trustee or Bondholder, shall perform all the duties and obligations of Landlord hereunder including the covenant of quiet enjoyment as contemplated by Section 20.”

10. Amendment to Section 20 “Quiet Enjoyment”. The parties agree that Section 20 of the Lease is hereby amended by deleting such Section in its entirety and replacing it with the following:

“Landlord represents and agrees that (a) the City is the lawful owner of the Demised Premises, (b) Landlord has the right, under the Bond Lease, to make this Lease for the term aforesaid and (c) the Bond Lease is in full force and effect on the date of this Lease without default by Tenant. Landlord covenants and agrees that if Tenant shall pay the rentals performed by Tenant, Tenant may peaceably and quietly occupy and enjoy the full possession of the Demised Premises during the Term and any extension thereof (if applicable), without molestation or hindrance of Tenant by Landlord, the City, the Trustee or any person(s) claiming under or through Landlord.”

11. Amendment to Section 21.5(a) “Environmental Matters”. The parties agree that Section 21.5(a) of the Lease is hereby amended by deleting such Section in its entirety and replacing it with the following:

“Tenant shall indemnify, defend, protect and hold Landlord and City harmless from and against any and all damages, claims, liabilities, penalties, losses and reasonable expenses, attorney’s fees, consultation and expert fees (hereinafter collectively referred to as “Claims”), to which Landlord or City may be subjected as a result of Tenant’s breach of its warranties herein, or arising out of or involving the release of any Hazardous Materials in, on, under or about the Demised Premises caused by Tenant’s use of and operations of the Demised Premises (for the sake of clarity, such indemnity shall not apply to liabilities resulting from environmental contaminations primarily caused by the City’s or Landlord’s own agents or employees or other third parties or for which Tenant is not otherwise responsible for hereunder).”

12. Amendment to Section 21.5(b) “Environmental Matters”. The parties agree that Section 21.5(b) of the Lease is hereby amended by deleting such Section in its entirety and replacing it with the following:

“Landlord shall indemnify, defend, protect and hold Tenant and City harmless from and against any and all damages, claims, liabilities, penalties, losses and reasonable expenses, attorney’s fees, consultation and expert fees (hereinafter collectively referred to as “Claims”), to which Tenant or City may be subjected as a result of: (a) Landlord’s breach of its warranties or obligations herein, (b) or arising out of or involving the release of any Hazardous Materials in, on, under or about the Demised Premises caused by Landlord or its employees, agents or contractors; (c) the Existing Environmental Condition or any other release or presence of Hazardous Materials existing or occurring prior to the date of this Lease in, on, under, from or about the Demised Premises; or (d) any Claims arising out of the performance or the adequacy of performance of Landlord’s obligations hereunder. Tenant agrees to give prompt written notice to Landlord of any violation of any environmental law of which violation Tenant has actual knowledge.”

13. Amendment to Section 27 “Certificates”. The parties agree that Section 27 of the Lease is hereby amended by inserting the words “the City,” immediately before the phrase “mortgagee or purchaser” set forth in the first sentence of such Section.

14. Amendment to Section 33 “Entire Agreement”. The parties agree that Section 33 of the Lease is hereby amended by deleting such Section in its entirety and replacing it with the following:

“This Lease, including all exhibits attached hereto, is subordinate and subject to the Bond Lease, constitutes the entire agreement between the parties as to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings of the parties in connection therewith. There are no verbal understandings, agreements or representations or warranties which are not set forth herein. This Lease may not be amended except in writing signed by duly authorized representative of both parties.”

15. Amending Effect. The Lease is hereby amended to conform to the provisions of this Addendum. If any of the terms or provisions of the Lease conflict with the terms of this Addendum, the terms of this Addendum shall control. The Lease, as amended hereby, shall remain in full force and effect and is hereby affirmed and ratified by the parties.

16. Binding Effect. This Addendum shall be binding upon and inure to the benefit of the parties hereto and their respective beneficiaries, legal representatives, successors and assigns.

17. Counterparts. This Addendum may be executed in separate counterparts, each of which shall be an original and all of which when taken together shall constitute one and the same instrument. Further, this Addendum may be executed by both Landlord and Tenant by facsimile or electronic signature, such that execution of this Addendum by facsimile or electronic signature shall be deemed effective for all purposes as though this Addendum was executed as a “blue ink” original.

[Remainder of page intentionally left blank.]

**IN WITNESS WHEREOF**, the parties have caused this Addendum to Lease Agreement to be executed to be effective as of the day and year first above written.

“Landlord”

**SHANNON NO. 2, L.L.C.**,  
a Kansas limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

“Tenant”

**LEWIS-GOETZ AND COMPANY, INC.**,  
a Pennsylvania corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

City of Wichita  
City Council Meeting  
November 25, 2014

**TO:** Mayor and City Council

**SUBJECT:** Amended Agreement for Legal Services with Hite, Fanning & Honeyman L.L.P.

**INITIATED BY:** Department of Law

**AGENDA:** Consent

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**Recommendation:** Approve the amended agreement with Hite, Fanning & Honeyman L.L.P., to provide outside legal counsel to assist the City Attorney in representation of the legal interests of the City.

**Background:** In May of 2014, the City of Wichita entered into an agreement, not to exceed \$25,000, approved by the City Manager, with Hite, Fanning & Honeyman L.L.P. The agreement was for legal services to assist the City Attorney in connection with the representation of former Wichita Police Department Officer Randy Williamson.

**Analysis:** The proposed amended agreement will provide the necessary funding for the continued employment of Hite, Fanning & Honeyman L.L.P. to assist the City Attorney in connection with the representation of former Wichita Police Department Officer Randy Williamson.

Based on the high quality services provided by the law firm and the continued need for its specialized assistance, it is recommended that the firm be retained for the completion of all matters with which it is involved. The current firm has not increased its rates or fees charged since the contract was entered into in 2013.

**Financial Considerations:** The amended agreement is for an additional amount not to exceed \$50,000. The hourly rate and expense items for the legal consultation services are the same as the original contract. Funding for the contract, in an amount not to exceed \$50,000, will be paid from the Tort Claims Fund. The Finance Department is authorized to make any necessary budget adjustments.

**Legal Considerations:** The Law Department has drafted the supplemental contract and has approved it as to form.

**Recommendations/Actions:** It is recommended that the City Council approve the supplemental contract, authorize the Mayor to sign, and approve any necessary budget adjustments.

**Attachments:** Amended Agreement for Legal Services

AMENDED AGREEMENT

By and Between

THE CITY OF WICHITA, KANAS

and

for an on behalf of its Department of Law (hereinafter called “City Attorney”), and

HITE, FANNING & HONEYMAN L.L.P. (hereinafter called “Attorney”)

THIS AMENDED AGREEMENT made and entered into this \_\_\_\_\_ day of November, 2014, by and between THE CITY OF WICHITA, KANSAS, a municipal corporation of the State of Kansas, having its principal office at 455 North Main Street, Wichita, Kansas (hereinafter called “City”), acting for an on behalf of its Department of Law (hereinafter called “City Attorney”), and HITE, FANNING & HONEYMAN L.L.P., having its principal office at 100 N. Broadway, Suite 950, Wichita, Kansas 67202 (hereinafter called “Attorney”);

WITNESSETH:

WHEREAS, pursuant to the original Agreement, City, through its City Attorney, is authorized by law to employ outside counsel to assist the City Attorney in his representation of the legal interests of the City; and

WHEREAS, the initial amount authorized as compensation for the Attorney in the original Agreement was for a sum not to exceed \$25,000.00.

WHEREAS, it has become necessary to amend the original Agreement to permit additional expenditures of an amount not to exceed \$75,000.00 for City to continue to employ outside counsel to provide legal services for the City in connection with representation in *Dawn Herington, et al. v. City of Wichita, et al.*, U.S. District Court Case No. 14-CV-1094.

NOW, THEREFORE, IT IS MUTUALLY AGREED by and between the parties hereto as follows:

1. Paragraph 2 of the original Agreement is hereby modified and amended to read as follows:

The total compensation pursuant to this contract shall not exceed the sum of Seventy-five Thousand Dollars (\$75,000.00) unless specifically authorized by the City Council of the City of Wichita, Kansas.

2. In all other respects, the terms and provisions of the original Agreement, as amended, between the parties hereto shall remain in force and effect as the same were originally approved by the parties in the original Agreement.

IN WITNESS WHEREOF, this Amended Agreement has been executed the day and year first above written.

HITE, FANNING & HONEYMAN L.L.P.

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Arthur Chalmers  
Attorney at Law

THE CITY OF WICHITA, KANSAS

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Carl Brewer  
Mayor

Approved as to Form:

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Sharon L. Dickgrafe  
Chief Deputy City Attorney

City of Wichita  
City Council Meeting  
November 25, 2014

**TO:** Mayor and City Council  
**SUBJECT:** Pooled Funds Investment Policy  
**INITIATED BY:** Department of Finance  
**AGENDA:** Consent

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**Recommendation:** Approve the Pooled Funds Investment Policy.

**Background:** Investment activities are performed in accordance with State law, City Ordinance and the Pooled Funds Investment Policy, which was most recently approved by the City Council in November 2013. Under the provisions of K.S.A. 12-1677b, the City of Wichita holds expanded investment authority granted by the State Pooled Money Investment Board (PMIB) allowing the City to purchase certain Federal agency securities and extend investment maturities from two to four years.

The City's investment portfolio averages \$362 million with investment purchases and maturities totaling \$1.3 billion annually.

As outlined in the Investment Policy, primary objectives of the City's investment activities are as follows in order of priority:

1. Safety of principal;
2. Liquidity to meet cash flow requirements; and
3. Achieving a rate of return to provide maximum earnings consistent with the higher priorities of safety and liquidity.

**Analysis:** In compliance with K.S.A. 12-1677b, information regarding the City's Pooled Funds investment portfolio and the investment policy must be submitted annually to the PMIB for review and approval of continued expanded investment authority. In 2012, the PMIB imposed a requirement for each entity seeking expanded powers to have its investment policy approved by the governing body on an annual basis.

Following approval by the City Council, the Pooled Funds Investment Policy will be submitted to the PMIB on or before November 30, 2014 for consideration and approval in connection with its annual review of the City's expanded investment authority at the January 2015 PMIB meeting.

The Pooled Funds Investment Policy will also be submitted for review and certification by the Association of Public Treasurers of the United States and Canada (APT US&C). The City's Pooled Funds Investment Policy was most recently awarded the Certification of Excellence Award in July 2011, and no comments or suggestions for improvement were received as a result of this review. Critical elements of the APT US&C review pertain to: liquidity, selection and review of suitable investment instruments, internal controls, reporting, portfolio diversification, custody and safekeeping, criteria for selection of investment institutions, ethics and conflicts of interest.

The City of Wichita is one of nearly 30 governments to have its investment policy certified by the APT US&C's Investment Policy Certification Program. Of the policies received each year for review, only two-thirds are accepted on their first submission.

**Financial Considerations:** None.

**Legal Considerations:** The Pooled Funds Investment Policy has been reviewed by the Law Department.

**Recommendations/Actions:** It is recommended that the City Council approve the City of Wichita Pooled Funds Investment Policy.

**Attachments:** City of Wichita Pooled Funds Investment Policy

# Pooled Funds Investment Policy

For The



Department of Finance

November 2014

Council Approved: September 1991  
Revised: May 1993, Resolution R-93-235  
Revised: February 1995, Resolution R-95-076  
April 1995: Municipal Treasurer's Association Certification of Excellence  
Revised: August 1995, Resolution R-95-396  
State Pooled Money Investment Board Expanded Authority Approval, Sept. 19, 1995  
Revised: October, 1996, Resolution R-96-406  
Revised: December 2001  
August 2002: Association of Public Treasurers Certification of Excellence  
City Council Approved: December 2005  
August 2008: Association of Public Treasurers Certification of Excellence  
Revised: December 2008, City Council Approved December 2008  
Revised: October 2009, City Council Approved December 2009  
Revised: November 2012, City Council Approved November 2012  
Revised: November 2013, City Council Approved November 2013

# CITY OF WICHITA, KANSAS

## Pooled Funds Investment Policy

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**CITY OF WICHITA, KANSAS**  
**POOLED FUNDS INVESTMENT POLICY**

**I. Policy**

It is the policy of the City of Wichita that, giving due regard to the safety and risk of investment, all available funds shall be invested in conformance with legal and administrative guidelines and, to the maximum extent possible, at the highest rates obtainable at the time of investment, while meeting the daily cash flow demands of the City of Wichita. This policy is intended to establish principles and basic procedural guidelines for the City's investments and management of such funds.

**II. Scope**

This investment policy applies to all financial resources of the City of Wichita, other than funds of the pension trust held by the Pension Boards' custodian, the cemetery permanent fund, the special assessment advance payments agency fund, and such funds excluded by law, bond indenture or other Council-approved covenants which are covered in separate investment policies.

The City of Wichita maintains a pooled funds investment strategy. The intent of the pooled investment strategy is to optimize revenue through the pursuit of effective cash management, thereby providing basic liquidity while taking advantage of longer investment horizons. Pooled funds are accounted for by the City's Department of Finance and the Controller's Office, as represented in the City of Wichita Comprehensive Annual Financial Report and include:

- General Fund
- Special Revenue Funds
- Debt Service Funds (unless prohibited by bond indentures)
- Capital Projects Funds
- Enterprise Funds
- Internal Service Funds
- Fiduciary Funds
- Any new fund created, unless exempted by the City Council

The City Treasurer's Office maintains the accounting for investment transactions representing the total pooled funds portfolio.

**III. Objectives**

The City's pooled investment portfolio shall be designed and managed in a manner responsive to the public trust and consistent with state and local law. The primary objectives, in priority order of the City's investment activities, shall be as follows:

**A. Safety of Principal**

Safety of principal is the foremost objective of the investment program. Investments of the City of Wichita shall be undertaken in a manner that seeks to ensure preservation of capital in the overall portfolio, while mitigating credit and interest rate risk.

### Credit Risk

The City will minimize credit risk, which is the risk of loss associated with the failure of a security issuer or broker, by:

1. Limiting investments to the safest types of securities.
2. Pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisers with which the City will do business.
3. Diversifying the investment portfolio so that potential losses on individual securities will be minimized.

### Interest Rate Risk

The City of Wichita will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, by:

1. Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
2. Investing funds primarily in shorter-term securities.
3. Diversifying investments by investing among a variety of securities offering independent returns.

#### B. Liquidity

The City of Wichita pooled investment portfolio will remain sufficiently liquid to meet all operating requirements that might be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands. A portion of the portfolio may be placed in investments which offer one-day liquidity for short-term funds, such as repurchase agreements or the Kansas Municipal Investment Pool.

#### C. Return on Investments

The City of Wichita pooled investment portfolio shall be designed with the objective of attaining a benchmark rate of return throughout budgetary and economic cycles, taking into consideration investment risk constraints and the cash flow characteristics of the portfolio. Return on investments is of secondary importance, compared to the safety and liquidity objectives described above.

## **IV. Authority**

In accordance with Chapter 2.18 of the City Code, the City Manager is directed to arrange for the investment of funds not needed for current obligations and the Director of Finance has management responsibility for the investment program. The Director shall establish written procedures for the operation of the investment program consistent with this investment policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions.

No person may engage in an investment transaction for the City of Wichita, except as provided under the terms of this policy and the procedures established by the Director. The Director shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

The investment policy adopted by the City of Wichita shall apply uniformly to all officials, employees, departments, agencies, boards, commissions, representatives and authorized agents in the performance of their official duties and to the processing and management of all investment transactions of the City's pooled funds portfolio. All participants in the investment process shall seek to act responsibly as custodians of the public trust. Investment officials shall avoid any transactions that might impair public confidence in the effectiveness of the government of the City of Wichita.

## **V. Prudence**

Investment officials acting pursuant to this policy shall be subject to the “prudent investor rule”, as set forth in the Uniform Prudent Investors Act, K.S.A. 58-24a01 *et seq.* and amendments thereto that shall be applied in the context of managing an overall portfolio. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The investment officers, when adhering to written procedures and exercising due diligence, shall not be held personally responsible for a specific security's credit risk or market price changes, provided any deviations from expectations are reported to management in a timely manner and any necessary action is taken to control adverse consequences to the City.

## **VI. Ethics and Conflicts of Interest**

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the City Manager and City Attorney any material financial interests in financial institutions that conduct business with the City of Wichita, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the City's portfolio. Employees and officers shall subordinate their personal investment transactions to those of the City, particularly with regard to the time of purchases and sales.

## **VII. Pooled Investment Committee**

The City of Wichita shall establish a Pooled Investment Committee to review and provide oversight regarding administration of the investment policy. The investment committee shall meet not less than annually and shall consist of the following members:

- Director of Finance
- Budget Officer
- City Treasurer
- Controller
- Cash Manager
- Other appointees, as designated by the Director of Finance

The Investment Committee shall review investment policies and procedures for compliance and adopt revisions to the Investment Operating Guidelines. Minutes of the committee meetings shall be available for review by both the internal and external auditors.

## **VIII. Internal Controls**

In the development of the system of internal controls, consideration shall be given to documentation of strategies and transactions, techniques for avoiding collusion, separation of functions, delegation of authority and limitations of action, custodial safekeeping, and avoidance of bearer-form securities.

The internal control framework and compliance with investment policies and procedures shall be reviewed in connection with the annual audit of the City's financial statements performed by an independent certified public accounting firm.

## **IX. Management Fees**

To support the costs of managing the City's investment pool, the Director of Finance is authorized, upon approval by the City Manager, to assess a management fee to the funds. This management fee shall be deducted from interest earnings before allocation to the funds. The management fee shall be established to cover all costs involved in managing the investment operations. The current pooled investment management fee is established in the Investment Operating Guidelines.

## **X. Investment Earnings**

An aggressive cash management and investment strategy shall be pursued to take advantage of investment earnings as a viable and material revenue source to operating and capital funds. Although interest income is included as a revenue source in the City budget, the investment policy and program is not administered to meet specific budgetary requirements or goals.

All moneys earned and collected from investments authorized in this policy shall be credited or charged to the appropriate funds/projects of the City, as determined by the cash position of each fund/project and in accordance with the budget as adopted by the City Council or otherwise directed by law. It is unlawful for the City to create indebtedness (borrow) in excess of the amount of funds actually on hand in the treasury, except for the following cases:

- A. payment has been authorized by a vote of the electors of the municipality;
- B. provision has been made for payment by the issuance of bonds or temporary notes - including all capital projects (general, special assessment, and enterprise fund types);
- C. provision has been made for payment by the issuance of no-fund warrants;
- D. provision has been made for a revolving fund for the operation of any municipal airport financed and sustained partially or wholly by fees, rentals, proceeds from the sale of merchandise or charges for rendering services, received from the users of such airport;
- E. provision has been made for payment pursuant to a service agreement entered into pursuant to K.S.A. 12-5503 (a municipality may enter into a service agreement for a term not to exceed 30 years).

## **XI. Authorized Investments**

The investments authorized under this policy shall be in accordance with K.S.A. 12-1675, K.S.A. 12-1677b and any other applicable statutes or ordinances and amendments thereto. The following list represents the types of investments that the City will consider and shall be authorized to invest in.

- United States Treasury and Agency Securities: The City may invest in obligations of, or obligations that are insured as to principal and interest by, the United States of America or any agency thereof and obligations and securities of United States sponsored enterprises which under federal law may be accepted as security for public funds, except that none of the City's funds may be invested in mortgage-backed securities.
- Repurchase Agreements (Repo): The City may invest in repurchase agreements with banks, savings and loan associations and savings banks which have main or branch offices located in the city of Wichita, or with a primary government securities dealer which reports to the market reports division of the Federal Reserve Bank of New York for direct obligations of, or obligations that are insured as to principal and interest by, the United States government or any agency thereof and obligations and securities of United States government sponsored enterprises which under federal law may be accepted as security for public funds. Such repurchase agreements may be made only with institutions that have entered into fully executed master repurchase agreements on file with the City. The market value of the securities underlying any repurchase agreement shall be maintained with a market value of at least 105% of the amount of the repurchase agreement. If the market value of the securities falls below 105% of the amount of the repurchase agreement, additional securities shall be required to attain full security.
- Collateralized Public Deposits (Certificates of Deposit): The City may invest in instruments issued by any bank, savings and local associations and savings banks which have main or branch offices located within the city of Wichita stating specified sums have been deposited for specified periods and at specified rates of interest. The certificates of deposit are required to be backed by acceptable collateral securities as dictated by state statute and further restricted by this investment policy. The maximum dollar amount invested in Certificates of Deposit in any one bank shall never exceed four percent (4%) of the pooled funds portfolio. Interest will be calculated on a 365-day year/actual day month basis, or another method approved by the Director of Finance or designee in writing.
- Temporary Notes or No-Fund Warrants: The City may invest in temporary notes or no-fund warrants issued by the City of Wichita.
- State Municipal Investment Pool: The City may invest in a pool of funds that is managed by and under the authority of the Pooled Money Investment Board established by K.S.A. 12-1677a and amendments thereto.
- Multiple Municipal Client Investment Pools: The City may invest with trust departments of banks which have main or branch offices located in Sedgwick County, or with trust companies incorporated under the laws of the Kansas which have contracted to provide trust services under the provisions of K.S.A. 9-2107, and amendments thereto, with banks which have main or branch offices located in Sedgwick County. These accounts will be secured as provided for under K.S.A. 9-1402 and amendments thereto. Authorized investments in these pools will be subject to the same terms, conditions and limitations as are applicable to the State Municipal Investment Pool established by K.S.A. 12-1677a and amendments thereto.

It is the practice of the City of Wichita to retain expanded investment authority under K.S.A. 12-1677b. Expanded investment authority authorizes the City to extend maturities from two years to four years and allows the City to further diversify the portfolio by investing in government agency securities. The authorized investments and maturity structure defined in this policy are contingent on the City's ability to retain expanded investment powers.

## XII. Investment Parameters

### A. Diversification

It is the policy of the City of Wichita to diversify its investment portfolio by security type and institution to reduce overall portfolio risk, protect from material losses due to issuer defaults, market pricing changes, technical complications leading to temporary lack of liquidity, or other risks resulting from an over-concentration of assets in a specific maturity sector, a specific issuer, or a specific class of securities. Investments shall be diversified by:

- Limiting investments to avoid over-concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities);
- Limiting investment in securities that have higher credit risks;
- Investing in securities with varying maturities; and
- Continuously investing a portion of the portfolio in readily available funds, such as the Kansas Municipal Investment Pool, money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

The following maximum limits, by instrument, are established for the City's pooled funds portfolio:

| <i>Instrument</i>                               | Minimum | Maximum |
|---|---------|---------|
| Demand Deposit / Repurchase Agreements          | -       | 5%      |
| Kansas Municipal Investment Pool                | -       | 15%     |
| Certificates of Deposit                         | -       | 100%    |
| Temporary Notes                                 | -       | 10%     |
| Treasury Securities                             | -       | 100%    |
| U.S. Agency Bullet/Discount Securities          | -       | 95%     |
| Bullet/Discount                                 | -       | 95%     |
| Agency Callable                                 | -       | 30%     |
| Agency Floater                                  | -       | 10%     |
| <br><i>Concentration</i>                        |         |         |
| Maximum CD's of one issuer to total portfolio   |         | 4%      |
| Maximum single agency issuer to total portfolio |         | 40%     |
| <br><i>Maturity</i>                             |         |         |
| Less than 6 months                              | 25%     | 65%     |
| 6 months to 12 months                           | 15%     | 50%     |
| 1 year to 4 years                               | 10%     | 60%     |
| <br>Weighted Average Maturity (days)            | <br>125 | <br>400 |
| Modified Duration (years)                       | .3      | 1.4     |

To allow efficient and effective placement of proceeds from bond sales and County tax distributions, the limit on repurchase agreements and State MIP deposits may be exceeded up to fifty percent (50%) for a maximum of ten days following receipt of proceeds during adverse market conditions. To allow for investment maturity timing prior to bond payment dates, the limit on repurchase agreements and State MIP deposits may be exceeded up to the amount of the bond payment for a maximum of five days prior to a bond payment date.

**B. Maximum Maturities**

Investment maturities shall be scheduled in consideration with projected cash flow needs, taking into consideration large routine expenditures, as well as sizeable blocks of anticipated revenue. Maximum maturities for investment of funds under this policy shall be in accordance with K.S.A. 12-1675, K.S.A. 12-1677b, and any other applicable statutes or ordinances and amendments thereto. Maximum maturities by investment type are established as follows:

| Type of Investment                   | Maximum Maturity |
|--------------------------------------|------------------|
| U.S. Treasury and Agency Securities  | Four (4) years   |
| Repurchase Agreements                | Four (4) years   |
| Collateralized Public Deposits (CDs) | Four (4) years   |
| Temporary Notes/No-Fund Warrants     | One (1) year     |
| State Municipal Investment Pool      | Two (2) years    |
| Multiple Municipal Client Pools      | Two (2) years    |

The sale of securities prior to maturity shall require the prior approval of the Director of Finance based on the following reasons:

- A security with declining credit may be sold prior to maturity to minimize the loss of principal.
- A security swap to improve the quality, yield, or target maturity of the portfolio.
- Liquidity needs requiring that a selected security be sold.

In the event of an unforeseen liquidity crisis, the current holdings of the portfolio shall be reviewed by the City Treasurer to determine particular investment securities suitable for sale prior to maturity, taking into consideration existing future cash flow requirements, to minimize potential losses. Securities identified for liquidation shall be approved by the Director of Finance prior to sale.

**XIII. External Investment Pools**

Prior to investing in any externally managed pool, including the State Municipal Investment Pool or Multiple Municipal Client Investment Pools, the City shall conduct a thorough investigation of the pool’s operations. The following information regarding the management of the pool shall be maintained on file in the City Treasurer’s Office and updated annually:

- A description of eligible investment securities, and a written statement of investment policy and objectives.
- A description of interest calculations, interest distribution methods, and treatment of losses.
- A description of how the securities are safeguarded (including the settlement processes), and how often securities are priced and the program is audited.
- A description of who may invest in the program, how often, and minimum and maximum amounts for deposit and withdrawals.
- A schedule for receiving statements and portfolio listings.
- A review of the pool's usage of reserves and retained earnings.
- A fee schedule, including when and how fees are assessed.
- Determination of whether the pool is eligible for deposits of bond proceeds.

#### **XIV. Derivatives**

Derivatives, defined as securities whose value relies on or is derived from an underlying security or index, are not authorized investments for the pooled funds portfolio. Exceptions to this policy statement are the following securities:

- U.S. Treasury Strips
- U.S. Treasury or Agency callable securities
- U.S. Treasury or Agency floating rate securities

These securities will meet all other policies and guidelines. Leveraging of the portfolio is strictly prohibited.

#### **XV. Performance Standards and Reporting**

The investment portfolio shall be designed with the objective of obtaining a benchmark return throughout budgetary and economic cycles, commensurate with the investment risk constraints and cash flow needs. The benchmark for the portfolio consists of the average return on the three-month U.S. Treasury Bill. This index is considered the benchmark for investment transactions with minimum risk and, therefore, is a minimum standard for the portfolio rate of return.

Following the primary objective of preservation of capital, the investment portfolio shall be actively managed to take advantage of market opportunities. In so doing, negotiable securities may be sold prior to their maturity to provide liquid funds as needed for cash flow purposes, to enhance portfolio returns, or to restructure maturities to increase yield and/or decrease risk. In practice, however, it is generally a hold to maturity portfolio.

##### Performance Evaluation Methodology

The value of the pooled investment portfolio's holdings shall be calculated and reported in three ways: market value, par value and amortized cost.

The earnings of the pooled funds portfolio shall be calculated and reported based on generally accepted accounting principles for pooled funds investments of local government units.

The yield on the pooled funds portfolio shall be calculated and reported as the yield to maturity. This calculation takes into account the face value (par), price paid, coupon rate and time to maturity.

## Investment Reporting and Performance Analysis

Investment performance is continually monitored and evaluated by the Cash Manager and the City Treasurer using investment strategies developed by the Pooled Investment Committee and this policy, in conjunction with the Pooled Funds Investment Operating Guidelines. The Cash Manager generates monthly investment performance statistics and activity reports. The Director of Finance will provide summary information to the City Manager and the City Council as part of the Quarterly Financial Report.

The Cash Manager and City Treasurer shall prepare monthly, quarterly, and annual reports summarizing and supporting the investment activity for the prior period. Additional comparative performance reviews will be conducted, as the Pooled Investment Committee deems necessary. The Pooled Investment Committee shall be responsible for developing specific reporting guidelines, detailed in the Pooled Funds Investment Operating Guidelines.

The pooled funds investment portfolio will be reviewed annually by the external auditors for compliance with these policies and generally accepted accounting principles.

### **XVI. Collateralization**

#### **A. Initial Placement**

Moneys to be deposited in financial institutions shall not be released until the financial institution's board has executed the required Collateral and Custodial Agreements.

Deposits in depository institutions doing business with the City of Wichita shall be fully collateralized at all times. Acceptable collateral for City deposits is listed below as provided in K.S.A. 9-1402. The City does not accept all forms of collateral authorized by Statute. Only the types listed below are acceptable collateral to the City of Wichita.

Collateral shall be priced on a market value basis. The aggregate market value of the collateral must be sufficient to equal the outstanding amount of City funds deposited, plus accrued interest thereon, less federal deposit insurance coverage. The depository bank shall ensure that deposits and accrued interest are always sufficiently collateralized. Sufficiency of collateral values will be validated by the City Treasurer's Office.

If a depository bank fails to meet requirements established by the City, the depository bank shall be required to close the account and return to the City all principal and accrued interest without penalty.

#### **B. Collateral Requirements**

Financial institutions may pledge or assign for the City's benefit sufficient securities, the market value of which is at least 105% of the total deposits. Peak period collateral agreements permitted under K.S.A. 9-1403 and mortgages as contemplated by K.S.A. 9-1402 are not to be accepted by the City of Wichita. The allowable securities and forms of collateral acceptable to the City are limited to:

1. Direct obligations of, or obligations insured by, the U.S. government or any agency thereof.
2. Obligations and securities of U.S. sponsored corporations, which under federal law, may be accepted as security for public funds.

3. Bonds of any Kansas municipality, which has been refunded and is secured by U.S. obligations.
4. Bonds of the State of Kansas.
5. General obligation bonds of any Kansas municipality.
6. Revenue bonds of any Kansas municipality, if they meet approval by the State Banking (or Savings and Loan) Commissioner.
7. General obligation temporary notes of any Kansas municipality.
8. No-fund warrants of any Kansas municipality.
9. Certain Kansas municipality sponsored revenue bonds rated Aa or higher by Moody's Investors Service or AA by Standard & Poor's Corp.
10. Commercial paper that does not exceed 270 days to maturity and that has received one of the two highest commercial paper credit ratings by a nationally recognized investment rating firm.
11. Corporate surety bonds approved by the Kansas Commissioner of Insurance and in the standard format acceptable to the City of Wichita, as follows:
  - a. The issuer of the surety bond shall be admitted and licensed to issue surety bonds in Kansas.
  - b. The City of Wichita shall be designated as the insured public depositor.
  - c. The issuer and the depository bank are required to notify the City of Wichita by certified or registered mail no fewer than 90 days prior to non-renewal and no fewer than 45 days prior to a bond's cancellation.
  - d. The claims-paying ability of the issuer must be rated and remain rated in the highest rating category of one of the nationally recognized rating agencies ("A++" or "A+" from A.M. Best Company or "AAA" from Standard and Poor's). Within 48 hours of discovery of a downgrade by a rating agency or notice of financial regulatory action by any jurisdiction in which the issuer is licensed, notice must be given to the City Treasurer by the issuer in the form of certified or registered mail.
  - e. No more than \$5 million per depository bank or an aggregate of \$20 million for all depository banks can be collateralized in the form of surety bonds.
  - f. The issuer is required to send quarterly reports to the Office of the City Treasurer listing all depository banks that have purchased a surety bond for deposits, the insured amount covering deposits of the City of Wichita, and the total insured amount per depository bank in Sedgwick County.
12. A personal bond in an amount, which is double the amount on deposit.
13. A letter of credit (LOC) issued by a U.S. sponsored enterprise that under federal law may be accepted as security for public funds, subject to the following:
  - a. The letter of credit (LOC) must be in the format acceptable to the City of Wichita.
  - b. The City of Wichita must be designated as the irrevocable and unconditional beneficiary of the letter of credit.
  - c. The issuer and the depository bank must notify the City Treasurer by certified or registered mail at least 45 days prior to cancellation or the non-renewal of a letter of credit.
  - d. The issuer may not provide letters of credit for any one depository bank in an amount, which exceeds ten percent of the issuer's capital and surplus.

## **XVII. Competitive Selection of Investment Instruments**

As outlined by K.S.A. 12-1675 and amendments thereto, the City's public funds must first be offered to banks, savings and loan associations and savings banks within the city of Wichita. The City will accomplish this by sending written letters to all local financial institutions on a quarterly basis directing them to contact the City Treasurer or Cash Manager if they are interested in submitting offers on City investments. A notice will also be posted on the City's website providing instructions for local institutions desiring to make offers on investments for City funds. Those institutions who indicate a willingness to bid on the City's investments will be placed on a list so that the City may contact them when funds are available for investment.

The Treasurer will include a letter to the Pooled Money Investment Board with the annual application for expanded powers certifying compliance with subsection (c) of K.S.A. 12-1675 which includes a listing of the local financial institutions from which the City requested bids on City investments.

Should the offered rate from local institutions not equal or exceed the "investment rate" as defined by K.S.A. 12-1675a, the City may solicit offers for investments in the State's investment pool or through brokers and dealers.

Each security transaction, other than directly issued instruments, securities in syndicate or specially bid or offered securities, shall be executed through a competitive process involving solicitation of bids or offers from qualified institutions. When purchasing a security, the offer that provides the highest anticipated current and future rate of return and meets the investment objectives of the portfolio shall be accepted. When selling a security, the bid that generates the highest sales price shall be accepted.

## **XVIII. Staff Qualifications**

To establish and implement cash management practices for the City, the City Manager shall establish the position of City Treasurer and Cash Manager within the Department of Finance. The City Manager, Director of Finance and City Treasurer shall adopt and implement procedures and practices for the efficient cash management of all funds held by or belonging to the City of Wichita.

The position of City Treasurer is appointed by the City Manager upon recommendation of the Director of Finance and is responsible for planning, directing and managing the investment programs of the City as outlined by the City of Wichita Pooled Funds Investment Policy and Operating Guidelines. The City Treasurer shall have at least five years experience in investment management, managing banking relationships and/or cash management. Such appointee shall meet the criteria defined by the Personnel Classification Manual included in the exhibits of the Pooled Funds Investment Operating Guidelines.

## **XIX. Bond of Treasurer**

In accordance with K.S.A. 13-526a and Section 2.16.020 of the City Code, the City Treasurer shall furnish a corporate surety bond in the principal sum of one hundred thousand dollars conditioned that he/she will account for all moneys belonging to the City and will faithfully perform the office of Treasurer of the City. Such bond shall be approved by the City Attorney before acceptance and filed with the City Clerk.

## **XX. Brokers and Dealers**

Investment transactions shall only be conducted with qualified institutions, i.e., banks, savings and loan associations and savings banks, the Federal Reserve Bank of Kansas City, Missouri, or with primary government securities dealers which report to the market report division of the Federal Reserve Bank of New York, or any broker-dealer which is registered in compliance with Section 15C of the Securities Exchange Act of 1934 and registered pursuant to K.S.A. 17-1254, and amendments thereto.

All financial institutions and broker/dealers who desire to become qualified for investment transactions must supply the following as appropriate:

- Audited financial statements.
- Proof of National Association of Securities Dealers (NASD) certification.
- Proof of State Registration.
- Completed broker/dealer questionnaire.
- Business resume of individual assigned to the City's account.
- Certification of having read and understood and agreeing to comply with the City of Wichita's investment policy.

A list will be maintained of approved security broker/dealers selected by credit worthiness and experience. Approved broker/dealers shall have a minimum capital requirement of \$10,000,000 and at least five years of operation. This may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule). An annual review of the financial condition and registration of qualified financial institutions and broker/dealers will be conducted by the City Treasurer.

#### **XXI. Safekeeping and Custody**

All security transactions entered into by the City of Wichita shall be conducted on a delivery versus payment basis. Securities will be held by either the Federal Reserve Bank or a third-party custodian, designated by the City of Wichita and evidenced by safekeeping receipts.

#### **XXII. Separate Provisions of Policy and Conflicts with Kansas Law**

The above policies shall be approved at least annually by the governing body and shall remain in full force and effect until revoked by the Wichita City Council. If after adoption of this policy, should there exist any conflict of this policy with Kansas laws and/or statutes, current law shall dictate.

APPROVED by the Governing Body of the City of Wichita, Kansas, on November 25, 2014.

CITY OF WICHITA, KANSAS

(Seal)

By \_\_\_\_\_  
Carl Brewer, Mayor

Attest:

By \_\_\_\_\_  
Karen Sublett, City Clerk

Approved as to form:

By \_\_\_\_\_  
Sharon L. Dickgrafe, Interim Director of Law and City Attorney

City of Wichita  
City Council Meeting  
November 25, 2014

**TO:** Mayor and City Council  
**SUBJECT:** False Alarm Registration and Management Services Contract  
**INITIATED BY:** Police Department  
**AGENDA:** Consent

---

**Recommendation:** Approve the contract.

**Background:** The existing contract for False Alarm Registration and Management Services expires on December 31, 2014.

**Analysis:** The Wichita Police Department convened a selection committee of nine individuals from the Police Department, Fire Department, Finance Department, Law Department and Sedgwick County Emergency Communications. The committee reviewed proposals from two vendors. The committee reviewed the proposals in terms of experience in conversion of data to Northrop Grumman Computer Aided Dispatch, experience with false alarm tracking and billing, the approaches to the project, and fees. The committee unanimously recommended Public Safety Corporation (Crywolf).

**Financial Consideration:** In 2013 & 2014 false alarm services was budgeted for \$250,000; however the actual paid to the vendor was \$285,030 in 2013 and projects that same amount for 2014. The 2015 adopted budget is \$285,000 and the vendor selected has proposed an approximate 10 percent reduction in fees. Due to the fee reduction, we do not anticipate exceeding Wichita Police Department's budget.

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

**Recommendations/Actions:** It is recommended that City Council approve the contract with Public Safety Corporation.

**Attachments:** Contract

**CONTRACT**  
**for**  
**False Alarm Registration & Management Services**  
**Blanket Purchase Order Number BP4400097**

**THIS CONTRACT** entered into this 25<sup>th</sup> day of November, 2014, by and between the **CITY OF WICHITA, KANSAS**, a municipal corporation, hereinafter called "**CITY**", and **AOT PUBLIC SAFETY CORPORATION**, a Maryland Corporation, 103 Paul Mellon Court, Waldorf, Maryland, telephone number (240) 607-1400, herein after called "**CONTRACTOR**".

**WITNESSETH:**

**WHEREAS**, the **CITY** has solicited proposals for **False Alarm Registration & Management Services** (Formal Proposal – FP440055), and

**WHEREAS**, **CONTRACTOR** has submitted the proposal most beneficial to the **CITY** and is ready, willing, and able to provide the commodities and/or services required by the **CITY**.

**NOW, THEREFORE**, the parties hereto agree as follows:

1. **Scope of Services.** **CONTRACTOR** shall provide to the **CITY** all those commodities and/or services specified in its response to Formal Proposal Number – FP440055 which is incorporated herein by this reference the same as if it were fully set forth. The proposal package, including all specifications, plans and addenda, provided by the City of Wichita as part of the proposal letting process for Formal Proposal – FP440055, shall be considered a part of this contract and is incorporated by reference herein without limiting this provision.

-**CONTRACTOR** shall perform on behalf of the **CITY** the false alarm tracking billing services in accordance with the current Wichita Alarm Ordinance and as generally outlined below. Services are more specifically described in **Appendix C** and attached hereto ("**AOT Services**"):

-Receive, process and map false alarm information contained in the Sedgwick County NG Command Point CAD system via Web Service to **CONTRACTOR's** Crywolf system.

-Provide a daily web service transfer of permit database from the **CONTRACTOR's** Crywolf system to the Sedgwick County NG Command Point CAD system via Web Service.

- Provide tracking and matching of CAD Records with alarm owner data, determination of applicable fees and service charges, billing of fees and service charges, including mailing of bills and notices, recording in appropriate account records all receipts of payments received.

-Provide tracking method for alarm-owner appeals. Waive and/or assess fees when applicable.

-Provide general alarm-owner account maintenance and alarm reporting to the **CITY**.

-All forms of alarm-related notices and/or correspondence distributed by **CONTRACTOR** will be pre-approved by the **CITY**. All correspondence shall include the City logo.

-**CONTRACTOR's** performance of all payment recording and account-processing services on behalf of the **CITY** shall be complete and done in a timely and accurate method. Records of any and all payments received shall be maintained for subsequent review by both internal and external audit.

-Except as otherwise provided herein, **CONTRACTOR** understands that any data provided to **CONTRACTOR** by the **City** or the Wichita Police Department (**WPD**) shall be received in strict confidence and used only for purposes of this contract, and that no such information shall be disclosed by **CONTRACTOR**, its agents or employees without prior consent of the **CITY**.

-**CONTRACTOR** agrees to prepare and negotiate a collection agreement with a City-approved third-party collection agent. **CONTRACTOR** will submit collection data to the third-party collection agency, post payments back into the ATB system and monitor the collection agreement. **CONTRACTOR** will include a confidentiality statement regarding **CITY** data.

-To facilitate effective communication between the **CITY** and **CONTRACTOR**, the **CONTRACTOR** shall designate a Project Manager (**PM**). The **PM** will cooperate and coordinate with the **CITY PM**. The **CONTRACTOR's** proposed **PM** is Sarah LaRoque. The **City's PM** is designated as Deanna Perkins.

-Appendix C attached hereto describes the services that comprise the AOT services and describes the functionality of the **CONTRACTOR's** software that will be utilized to perform the service. If the **CITY** requests the **CONTRACTOR** perform services in addition to the AOT services, or if the **CITY** requests the **CONTRACTOR's** software provide additional software functionality, features, enhancements or reports, the **CITY** and the **CONTRACTOR** shall negotiate in good faith a written modification to this agreement, describing terms, conditions and compensation.

2. **Compensation.** **CONTRACTOR** agrees to pay to **CITY** 35% of each month's collected alarm and registrations related revenue for the AOT services as per the proposal, plans, specifications, addenda and **CONTRACTOR's** proposal of

September 24, 2014 (Formal Proposal – FP440055), and as approved by the City Council on November 25, 2014.

3. **Term.** The term of this contract is effective from **January 1, 2015 through December 31, 2015**, with options to renew the contract under the same terms and conditions for four (4) successive one (1) year terms by mutual agreement of both parties. This contract is subject to cancellation by the **CITY**, at its discretion at any time within the original contract term or within any successive renewal, upon thirty (30) days written notice to **CONTRACTOR**.

4. **Indemnification and Insurance.**

a. **CONTRACTOR** shall save and hold the **CITY** harmless against all suits, claims, damages and losses for injuries to persons or property arising from or caused by errors, omissions or negligent acts of **CONTRACTOR**, its officers, agents, servants, or employees, occurring in the performance of its services under this contract, or arising from any defect in the materials or workmanship of any product provided in the performance of this contract.

b. **CONTRACTOR** will carry insurance coverage during the term of this contract and any extensions thereof in the amounts and manner provided as follows:

1. Comprehensive General Liability on an occurrence basis covering premises—operations, Product/Completed operations, Broad Form Property Damage, Management and Contractual Liability with minimum limits as follows:

|   |   |
|---|---|
| Bodily Injury Liability   | \$500,000 each occurrence<br>\$500,000 each aggregate |
| Property Loss or Damage Liability   | \$500,000 each occurrence<br>\$500,000 each aggregate |
| Or  |   |
| Bodily Injury and Property Loss or Damage Liability (Combined Single Limit) | \$500,000 each occurrence<br>\$500,000 each aggregate |

2. Automobile Liability - Comprehensive Form including, all Owned, Non-Owned and Hired vehicles with minimum limits for:

|                           |                         |
|---------------------------|-------------------------|
| Bodily Injury Liability   | \$500,000 each accident |
| Property Damage Liability | \$500,000 each accident |

Or

Bodily Injury and Property Damage  
Liability (Combined Single Limit) \$500,000 each accident

3. Workers' Compensation/Employers Liability for minimum limits of:  
Employers Liability \$100,000 each accident

The Insurance Certificate must contain the following:

- A. Statement that the Management and Contractual Liability includes the Liability of the City of Wichita assumed by the Contractor in the contract documents.
  - B. Cancellation – should any of the above policies be canceled before the expiration date thereof the issuing company will mail ten (10) days written notice to certificate holder.
5. **Compliance with Laws.** **CONTRACTOR** shall comply with all laws, statutes and ordinances which may pertain to the providing of services under this contract.
6. **No Assignment.** The services to be provided by the **CONTRACTOR** under this contract are personal and cannot be assigned, sublet or transferred without the specific written consent of the **CITY**. A change in ownership of the **CONTRACTOR** or a purchase of the majority of assets or stock of the **CONTRACTOR** by another company shall not be considered an assignment of this contract.
7. **Non-Discrimination.** **CONTRACTOR** shall comply with all applicable requirements of the **CITY** of Wichita Revised Non-Discrimination and Equal Employment/Affirmative Action Program Requirements Statement for Contracts or Agreements attached hereto as Exhibit A.
8. **Third Party Rights.** It is specifically agreed between the parties that it is not intended by any of the provisions of any part of this contract to create the public or any member thereof a third-party beneficiary hereunder, or to authorize anyone not a party to this contract to maintain a suit for damages pursuant to the terms or provisions of this contract.
9. **No Arbitration.** The **CONTRACTOR** and the **CITY** shall not be obligated to resolve any claim or dispute related to the contract by arbitration. Any reference to arbitration in bid or proposal documents is deemed void.
10. **Governing Law.** This contract shall be interpreted according to the laws of the State of Kansas.

11. **Representative's Authority to Contract.** By signing this contract, the representative of the **CONTRACTOR** or **CONTRACTOR** represents that he or she is duly authorized by the **CONTRACTOR** to execute this contract, and that the **CONTRACTOR** has agreed to be bound by all its provisions.

12. **Cooperative Purchases.** This contract may be used by other government agencies. The **CONTRACTOR** has agreed to offer similar services to other agencies under the same terms and conditions as stated herein except that the revenue share percentage (Compensation) may be negotiated between the **CONTRACTOR** and other agencies based on the specific revenue expectations, agency reimbursed costs, and other agencies based on the specific revenue expectations, agency reimbursed costs, and other agency requirements. The CITY will in no way whatsoever incur any liability in relation to specifications, delivery, payment, or any other aspect of purchases by such agencies.

**IN WITNESS WHEREOF**, the parties have set their hands the day and year first above written.

**ATTEST:**

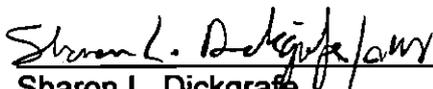
**CITY OF WICHITA, KANSAS**

\_\_\_\_\_  
Janice Edwards  
Deputy City Clerk

\_\_\_\_\_  
Carl G. Brewer  
Mayor

**APPROVED AS TO FORM:**

**AOT PUBLIC SAFETY CORPORATION**

  
\_\_\_\_\_  
Sharon L. Dickgrafe  
Interim Director of Law and City Attorney

  
\_\_\_\_\_  
Signature  
George R. Wikon  
\_\_\_\_\_  
Print Name  
Vice President  
\_\_\_\_\_  
Title (President or Corporate Officer)

## **EXHIBIT A**

### **REVISED NON-DISCRIMINATION AND EQUAL EMPLOYMENT OPPORTUNITY/AFFIRMATIVE ACTION PROGRAM REQUIREMENTS STATEMENT FOR CONTRACTS OR AGREEMENTS**

During the term of this contract, the contractor or subcontractor, Contractor or supplier of the City, by whatever term identified herein, shall comply with the following Non-Discrimination--Equal Employment Opportunity/Affirmative Action Program Requirements:

- A. During the performance of this contract, the contractor, subcontractor, Contractor or supplier of the City, or any of its agencies, shall comply with all the provisions of the Civil Rights Act of 1964, as amended: The Equal Employment Opportunity Act of 1972; Presidential Executive Orders 11246, 11375, 11131; Part 60 of Title 41 of the Code of Federal Regulations; the Age Discrimination in Employment Act of 1967; the Americans with Disabilities Act of 1990 and laws, regulations or amendments as may be promulgated thereunder.
  
- B. Requirements of the State of Kansas:
  - 1. The contractor shall observe the provisions of the Kansas Act against Discrimination (Kansas Statutes Annotated 44-1001, et seq.) and shall not discriminate against any person in the performance of work under the present contract because of race, religion, color, sex, disability, and age except where age is a bona fide occupational qualification, national origin or ancestry;
  - 2. In all solicitations or advertisements for employees, the contractor shall include the phrase, "Equal Opportunity Employer", or a similar phrase to be approved by the "Kansas Human Rights Commission";
  - 3. If the contractor fails to comply with the manner in which the contractor reports to the "Kansas Human Rights Commission" in accordance with the provisions of K.S.A. 1976 Supp. 44-1031, as amended, the contractor shall be deemed to have breached this contract and it may be canceled, terminated or suspended in whole or in part by the contracting agency;
  - 4. If the contractor is found guilty of a violation of the Kansas Act against Discrimination under a decision or order of the "Kansas Human Rights Commission" which has become final, the contractor shall be deemed to have breached the present contract, and it may be canceled, terminated or suspended in whole or in part by the contracting agency;

5. The contractor shall include the provisions of Paragraphs 1 through 4 inclusive, of this Subsection B, in every subcontract or purchase so that such provisions will be binding upon such subcontractor or Contractor.

C. Requirements of the City of Wichita, Kansas, relating to Non-Discrimination -- Equal Employment Opportunity/Affirmative Action Program Requirements:

1. The Contractor, supplier, contractor or subcontractor shall practice Non-Discrimination -- Equal Employment Opportunity in all employment relations, including but not limited to employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The contractor, supplier, contractor or subcontractor shall submit an Equal Employment Opportunity or Affirmative Action Program, when required, to the Department of Finance of the City of Wichita, Kansas, in accordance with the guidelines established for review and evaluation;
2. The Contractor, supplier, contractor or subcontractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, supplier, contractor or subcontractor, state that all qualified applicants will receive consideration for employment without regard to race, religion, color, sex, "disability, and age except where age is a bona fide occupational qualification", national origin or ancestry. In all solicitations or advertisements for employees the Contractor, supplier, contractor or subcontractor shall include the phrase, "Equal Opportunity Employer", or a similar phrase;
3. The Contractor, supplier, contractor or subcontractor will furnish all information and reports required by the Department of Finance of said City for the purpose of investigation to ascertain compliance with Non-Discrimination -- Equal Employment Opportunity Requirements. If the Contractor, supplier, contractor, or subcontractor fails to comply with the manner in which he/she or it reports to the City in accordance with the provisions hereof, the Contractor, supplier, contractor or subcontractor shall be deemed to have breached the present contract, purchase order or agreement and it may be canceled, terminated or suspended in whole or in part by the City or its agency; and further Civil Rights complaints, or investigations may be referred to the State;
4. The Contractor, supplier, contractor or subcontractor shall include the provisions of Subsections 1 through 3 inclusive, of this present section in every subcontract, subpurchase order or subagreement so that such provisions will be binding upon each subcontractor, subcontractor or subsupplier.

5. If the contractor fails to comply with the manner in which the contractor reports to the Department of Finance as stated above, the contractor shall be deemed to have breached this contract and it may be canceled, terminated or suspended in whole or in part by the contracting agency;

D. Exempted from these requirements are:

1. Those contractors, subcontractors, Contractors or suppliers who have less than four (4) employees, whose contracts, purchase orders or agreements cumulatively total less than five thousand dollars (\$5,000) during the fiscal year of said City are exempt from any further Equal Employment Opportunity or Affirmative Action Program submittal.
2. Those Contractors, suppliers, contractors or subcontractors who have already complied with the provisions set forth in this section by reason of holding a contract with the Federal government or contract involving Federal funds; provided that such contractor, subcontractor, Contractor or supplier provides written notification of a compliance review and determination of an acceptable compliance posture within a preceding forty-five (45) day period from the Federal agency involved.

CITY OF WICHITA

APPENDIX C

| ITEM NO.                               | SYSTEMS REQUIREMENT FOR CONTRACT BILLING SERVICE   | VENDOR WILL PROVIDE/AGREE |    |
|--|--|---------------------------|----|
|  |  | YES                       | NO |
| <b>GENERAL POLICIES AND PROCEDURES</b> |  |                           |    |
| 1 .01 .00                              | Establish policies and procedures for handling/processing and reporting the following in a manner which is consistent with the accounting practices used by the City of Wichita Police Department:   | YES                       |    |
| .01                                    | Alarm user registration of alarm system permits.   | YES                       |    |
| .02                                    | Collection of registration fees, false alarm response fees, late fees, appeal fees, and administrative penalties from alarm users.   | YES                       |    |
| .03                                    | Company procedure for collection on all past due fees and administrative penalties from alarm users.   | YES                       |    |
| .04                                    | Accounting for and reporting of items .01 through .03  | YES                       |    |
| 1 .02 .00                              | Provide all hardware, software, staff, advertising, and office supplies required to enforce the City of Wichita False Alarm Ordinance, (i.e. paper, envelopes, postage, educational brochures, etc.)   | YES, as proposed          |    |
| 1 .03 .00                              | The nature of the information related to alarm ownership is considered confidential. The City of Wichita is the sole owner of this data and considers it proprietary. Vendor may not use the alarm database for any other use outside the scope of services required under the False Alarm Ordinance Billing system contract, including other City vendor operations or vendor operations. Therefore, vendor must demonstrate through bonding and other security measures the confidentiality and non-disclosure of any data maintained on vendors system is assured and maintained. | YES                       |    |
| 1 .04 .00                              | Vendor does not have authority to initiate the "non-response" clause within the City ordinance. The "non-response" clause can only be authorized, in writing, by the City of Wichita   | Understood                |    |
| .01                                    | Vendor's system will have the ability to mark a permit as "no-response."   | YES                       |    |
| 1 .05 .00                              | The Alarm Administrator will be provided with a virtual private network to access the system.  | YES                       |    |
| .01                                    | Full access will be made available to the Alarm Administrator for printing reports, receipting payments, making adjustments, selecting letterhead and processing appeals.  | YES                       |    |
| .02                                    | Cost of VPN connection and PC for Alarm Administrator and access for other user to be included in the proposal.  | YES                       |    |
| .03                                    | System will be available twenty four (24) hours a day, seven (7) days a week.  | YES                       |    |
| 1 .06 .00                              | All vendor supplied marketing, billing and communication material, of any kind, are subject to the approval of the Alarm Administrator PRIOR to any distribution of materials.   | YES                       |    |
| .01                                    | Vendor will provide education materials and/or funds for training to the Alarm Administrator or designated staff member for Alarm School and/or attendance at a false alarm conference.  | YES, online school        |    |
| 1 .08 .00                              | Alarm Company licensing will not be included as part of this proposal. A separate city department will handle this process. The vendor system will provide a data field to enter a city license number or status when provided.  | YES                       |    |
| <b>CASH RECEIPT FUNCTION</b>           |  |                           |    |
| 2 .01 .00                              | Audit activity to cash receipts and retain all transaction documentation for a period of not less than seven years from final payment under the contract for subsequent review by both internal and external auditors.   | YES                       |    |
| 2 .02 .00                              | Set up a lock-box with the City of Wichita's bank to handle payment processing for checks, money orders and cash deposits.   | YES                       |    |
| .01                                    | Set up a PCI compliant credit card payment program allow online credit card payments.  | YES                       |    |

## CITY OF WICHITA

## APPENDIX C

| ITEM NO.  | SYSTEMS REQUIREMENT FOR CONTRACT BILLING SERVICE   | VENDOR WILL PROVIDE/AGREE |    |
|-----------|--|---------------------------|----|
|           |  | YES                       | NO |
| 2 .03 .00 | Research all payments received, without clear payment posting instructions, to ensure proper posting to accounts.  | YES                       |    |
| 2 .04 .00 | Return NSF checks to the City of Wichita Alarm Administrator for forwarding to the City check collection contractor.   | YES                       |    |
| 2 .05 .00 | Post NSF checks to database to re-instate amount due and possible late fees.   | YES                       |    |
| 2 .06 .00 | Reconcile daily activity to cash receipts (including checks, credit cards, cash and money orders).   | YES                       |    |
| 2 .07 .00 | Maintain accounts receivable database of registered alarm users, alarm companies and monitoring companies with outstanding balances due  | YES                       |    |
| 2 .08 .00 | Daily reconciliation of the following:   |                           |    |
| .01       | Beginning Accounts Receivable Balance<br>minus Days A/R Cash Receipts<br>plus Days Invoicing<br>plus/minus Adjustments<br>equals Ending Accounts Receivable Balance  | YES                       |    |
| .02       | Other Miscellaneous Fees<br>Registration and renewal Fees<br>Appeal Fees   | YES                       |    |
| 2 .09 .00 | Ability to remove and/or re-apply payment posting errors within the same alarm location or alarm company account.  | YES                       |    |
| 2 .10 .00 | Ability to remove and/or re-apply payment posting errors between different alarm locations or alarm company accounts.  | YES                       |    |
| 2 .11 .00 | Cash Receipt collection capabilities:  |                           |    |
| .01       | Ability to input cash receipts and indicate which charge/fees to apply pymt.   | YES                       |    |
| .02       | Ability to apply partial payments on collection of charges only.   | YES                       |    |
| .03       | Ability to handle returned checks.   | YES                       |    |
| .04       | Ability to process cash receipts the same day as received.   | YES                       |    |
| .05       | Ability to post payments collected at the City of Wichita.   | YES                       |    |
|           |  |                           |    |
|           | <b>ACCOUNTS RECEIVABLE</b>   |                           |    |
| 3 .01 .00 | Ability to capture Accounts Receivable/Billing data by:  |                           |    |
| .01       | Alarm User Registration Number   | YES                       |    |
| .02       | Alarm Company Name   | YES                       |    |
| 3 .02 .00 | Ability to input miscellaneous charges on an account directly to the accounts receivable system (i.e. returned check charge) and generate an audit trail.  | YES                       |    |
| 3 .03 .00 | Ability to remove false alarm late fees - or flag specific events as no late fee.  | YES                       |    |
| 3 .04 .00 | Billing and payment history will be available, identifying when each incident was billed and when each payment was received.   | YES                       |    |
| .01       | Ability to flag an account as "bankrupt" to avoid invoices being sent.   | YES                       |    |
|           |  |                           |    |
|           | <b>ALARM COMPANY DATA REQUEST</b>  |                           |    |
| 4 .01 .00 | Alarm companies are required to obtain a City Alarm Business License which is currently tracked in a separate Licensing database. The vendor database will contain a place to store this information in their system as the data is supplied by the Alarm Administrator. | YES                       |    |

CITY OF WICHITA

APPENDIX C

| ITEM NO.  | SYSTEMS REQUIREMENT FOR CONTRACT BILLING SERVICE  | VENDOR WILL PROVIDE/AGREE |    |
|-----------|---|---------------------------|----|
|           |   | YES                       | NO |
| 4 .02 .00 | Database must be able to bill, report and track administrative fees and penalty billings to the alarm businesses.   | YES                       |    |
| 4 .03 .00 | Database must be able to generate mailings and/or labels for mailings to the alarm businesses.  | YES                       |    |
| 4 .04 .00 | Prepare mailings and/or advertising to target alarm businesses operating in the City of Wichita without a license, to advise them that they are required to obtain a license and to educate them regarding the alarm ordinance and a timetable for compliance.                            | YES                       |    |
| 4 .05 .00 | Prepare mailings and/or advertising to target alarm users within the City of Wichita to educate them in regards to the false alarm ordinance.   | YES                       |    |
| 4 .06 .00 | Provide marketing and communications support to new and existing alarm users and alarm businesses as needed, to effectively administer the City of Wichita False Alarm Ordinance Program.   | YES                       |    |
|           |   |                           |    |
|           | <b>ALARM USER REGISTRATION AND ALARM COMPANY DATA</b>   |                           |    |
| 5 .01 .00 | Alarm users must register each alarm system within five (5) business days of installation. Vendor to use current numbering system and similar registration forms. Vendor will use similar process for registering and collecting permit fees. The payment is due at time of registration. | YES                       |    |
| .01       | Permits expire one (1) year from date of issuance and must be renewed annually by the alarm user. Vendor's system will prepare mailing/billing to the alarm user for annual registration renewals.  | YES                       |    |
| .02       | Vendor's system capable of creating permits on-line or by phone.  | YES                       |    |
| .03       | Vendor will transfer and load selected existing alarm data into their system.   | YES                       |    |
| 5 .02 .00 | The alarm user database must include:   |                           |    |
| .01       | Alarm User Registration Number  | YES                       |    |
| .02       | Alarm User Name   | YES                       |    |
| .03       | Alarm User mailing information - must include apt/suite letter or number, or some other individual identifier to distinguish it from other alarm users having the same address.   | YES                       |    |
| .04       | Alarm Location - must include apt/suite letter or number to identify and/or distinguish it from other alarm users having the same address.  | YES                       |    |
| .05       | Alarm User type (residential, commercial, medical, government)  | YES                       |    |
| .06       | Alarm User Telephone Number   | YES                       |    |
| .07       | Alarm Permit Status (closed, active, expiring, expired, suspended, pending)   | YES                       |    |
| .08       | Alarm User Registration Issued date   | YES                       |    |
| .09       | Alarm User Registration Expiration date   | YES                       |    |
| .10       | Alarm Company/Monitoring Company name   | YES                       |    |
| .11       | Keyholder Name  | YES                       |    |
| .12       | Keyholder Address   | YES                       |    |
| .13       | Keyholder Telephone Number  | YES                       |    |
| .14       | Alarm Location Special Conditions (pets, guns, disabilities, etc. as provided by the alarm user)  | YES                       |    |
| .15       | Comments/notes section  | YES                       |    |
| .16       | Alarm user history  | YES                       |    |
| 5 .03 .00 | Alarm Co and Monitoring Co database must include:   | YES                       |    |
| .01       | City of Wichita License Number (if known)   | YES                       |    |
| .02       | Alarm Company Status (if known, current, expired, past due, etc.)   | YES                       |    |
| .03       | Alarm Company Status effective Date (if known)  | YES                       |    |
| .04       | Alarm Company Business License End Date   | YES                       |    |
| .05       | Alarm Company Type (Sales, Service, Monitoring)   | YES                       |    |
| .06       | Alarm Company Name  | YES                       |    |

CITY OF WICHITA

APPENDIX C

| ITEM NO.  | SYSTEMS REQUIREMENT FOR CONTRACT BILLING SERVICE   | VENDOR WILL PROVIDE/AGREE |    |
|-----------|--|---------------------------|----|
|           |  | YES                       | NO |
| .07       | Alarm Company Mailing Address  | YES                       |    |
| .08       | Alarm Company Telephone  | YES                       |    |
| .09       | Comments/notes section   | YES                       |    |
| .10       | Alarm company permits counts   | YES                       |    |
| 5 .04 .00 | Alarm User registration information must be entered into the database on the day it is received excluding weekends and Holidays. | YES                       |    |
| .02       | Prepare mailings/billings to alarm companies and alarm users regarding non-compliance and explanation of ordinance.              | YES                       |    |
| 5 .05 .00 | Alarm Companies must provide a copy of the alarm ordinance to alarm users at time of installation.                               | understood                |    |
| .01       | A statement of acknowledgement regarding the City's non-liability shall be included on the permit application form.              | YES                       |    |
| .02       | A summary copy of the alarm ordinance will be provided to the alarm user for each permit issued.                                 | YES                       |    |
| .03       | Vendor to retain registration/acknowledgement form.  | YES                       |    |
| 5 .06 .00 | Process all new alarm user registrations and renewals.   | YES                       |    |
| 5 .07 .00 | Process all alarm user cancellations when notified by the alarm user and/or alarm administrator.                                 | YES                       |    |
| 5 .08 .00 | City of Wichita will determine method vendor will use to verify/validate addresses in Wichita/Sedgwick County.                   | YES                       |    |
| 5 .09 .00 | Notify Alarm Administrator if any alarm company is in non-compliance with the City ordinance by:                                 |                           |    |
| .01       | operating within the City of Wichita without a valid City license  | YES                       |    |
| .02       | failure to pay administrative fees and/or penalty fees   | YES                       |    |



## CITY OF WICHITA

## APPENDIX C

| ITEM NO.  | SYSTEMS REQUIREMENT FOR CONTRACT BILLING SERVICE   | VENDOR WILL PROVIDE/AGREE |    |
|-----------|--|---------------------------|----|
|           |  | YES                       | NO |
| 6 .05 .00 | The following billing data will be retrieved from the CAD data and associated with each false alarm. This data will be retained and maintained by the vendor as false alarm detail history, along with the additional information listed in items below. |                           |    |
| .01       | Alarm Occurrence Number  | YES                       |    |
| .02       | Date Created   | YES                       |    |
| .03       | Incident Number  | YES                       |    |
| .04       | Location Address   | YES                       |    |
| .05       | Called in by Name  | YES                       |    |
| .06       | Called in by Phone Number  | YES                       |    |
| .07       | Alarm User Name  | YES                       |    |
| .08       | Type of Alarm  | YES                       |    |
| .09       | Time Entered with minutes and seconds  | YES                       |    |
| .10       | Time Dispatched with minutes and seconds   | YES                       |    |
| .11       | Time Enroute with minutes and seconds  | YES                       |    |
| .12       | Time on-scene with minutes and seconds   | YES                       |    |
| .13       | Time Cancelled with minutes and seconds  | YES                       |    |
| .14       | Time Closed with minutes and seconds   | YES                       |    |
| .15       | Call Disposed Code   | YES                       |    |
| .16       | Date Disposed  | YES                       |    |
| .17       | Time Disposed with minutes and seconds.  | YES                       |    |
| .18       | Unit & Officer Data  | YES                       |    |
| .19       | Complaint ID   | YES                       |    |
| .20       | Dispatcher ID  | YES                       |    |
| .21       | Panic Alarm (Y/N)  | YES                       |    |
| .22       | The following additional data will be created through the appeal process and retained and maintained as part of the false alarm history:   |                           |    |
|           | > Appeal status of false alarm (granted or denied with reason.)  | YES                       |    |
|           | > Appeal response sent to alarm owner  | YES                       |    |
| 6 .06 .00 | The daily billing for false alarms will include the following billing information:   |                           |    |
| .01       | Alarm User Registration Number   | YES                       |    |
| .02       | Alarm User Type (Residential, Commercial, Medical, Government)   | YES                       |    |
| .03       | Alarm User Name or Business Name   | YES                       |    |
| .04       | Alarm User Mailing Address   | YES                       |    |
| .05       | Alarm Location (must match City of Wichita/Sedgwick county address)  | YES                       |    |
| .06       | Date of Alarm  | YES                       |    |
| .07       | Time Dispatched with minutes and seconds   | YES                       |    |
| .08       | Time Disposed with minutes and seconds   | YES                       |    |
| .09       | Alarm type   | YES                       |    |
| .10       | Appropriate fee per line item billed   | YES                       |    |
| 6 .07 .00 | Vendor to use similar design currently used by City of Wichita. Any changes to the invoice must be approved by the alarm administrator.  | YES                       |    |
| .01       | Remit to address for payment is included on the invoice.   | YES                       |    |
| .02       | Explanation of appeal process and address to send appeals is included.   | YES                       |    |
| .03       | Statement that returned checks will be charge a fee of \$30.   | YES                       |    |
| .04       | Late fee explanation is included.  | YES                       |    |
| .05       | Vendors system capable of reproducing a duplicate copy of original invoice.  | YES                       |    |
| 6 .08 .00 | Database must allow for deletion of alarms from one alarm location and addition of alarms to other alarm locations, to correct detail errors.  | YES                       |    |
| 6 .09 .00 | Process and mail false alarm invoices daily.   | YES                       |    |
| 6 .10 .00 | Generate past due statements which include \$10 late fee if applicable.  | YES                       |    |
| 6 .11 .00 | Maintain a table of charges for alarm incident type (false or true)  | YES                       |    |

## CITY OF WICHITA

## APPENDIX C

| ITEM NO.  | SYSTEMS REQUIREMENT FOR CONTRACT BILLING SERVICE  | VENDOR WILL PROVIDE/AGREE |    |
|-----------|---|---------------------------|----|
|           |   | YES                       | NO |
| 6 .12 .00 | Determine false alarm charge based on the following:  | YES                       |    |
| .01       | Within "free" call limits   | YES                       |    |
| .02       | Type of Incident  | YES                       |    |
| .03       | Permit registration status (i.e expired, pending)   | YES                       |    |
| 6 .13 .00 | Ability to display all incidents and their associated charges during the current permit registration year including "free" calls. | YES                       |    |
| 6 .14 .00 | Ability to provide balance forward capability on statements   | YES                       |    |
|           | <b>REPORTING</b>  |                           |    |
| 7 .01 .00 | Generate management reports in a timely fashion.  | YES                       |    |
| .01       | End user to have access to print approved reports on an as needed basis.  | YES                       |    |
| .02       | Daily Cash Receipts, adjustments and returned checks by type of fee   | YES                       |    |
| .03       | Monthly report of new registered alarm users and total registered users   | YES                       |    |
| 7 .02 .00 | Ability to provide reports in both alpha and permit/account number order.   | YES                       |    |
| 7 .03 .00 | Statistical reports will include:   |                           |    |
| .01       | Number of alarm users by alarm businesses   | YES                       |    |
| .02       | Number of alarm users by type   | YES                       |    |
| .03       | Number of incidents by alarm user (full history, including appeals)   | YES                       |    |
| .04       | Number of incidents by alarm/monitoring company   | YES                       |    |
| .05       | Top offenders list for both end users and alarm company   | YES                       |    |
| .06       | GIS Mapping capabilities  | YES                       |    |
| .07       | Alarm business listing with account information   | YES                       |    |
| .08       | Alarm user listing  | YES                       |    |
| .09       | Report of non registered alarm users within the City of Wichita   | YES                       |    |
| .10       | Report of all accounts placed into "non-response"   | YES                       |    |
| .11       | Number of accounts by status  | YES                       |    |
| .12       | Report of non-licensed alarm companies within City of Wichita.  | YES                       |    |
| .13       | Report of multiple (active) permits at one alarm site.  | YES                       |    |
| .14       | Information by monitoring service   | YES                       |    |
| .15       | False alarm ratio for each alarm company, highest to lowest.  | YES                       |    |
| .16       | Number of daily false alarm events received by Sedgwick County CAD  | YES                       |    |

## CITY OF WICHITA

## APPENDIX C

| ITEM NO.  | SYSTEMS REQUIREMENT FOR CONTRACT BILLING SERVICE   | VENDOR WILL PROVIDE/AGREE |    |
|-----------|--|---------------------------|----|
|           |  | YES                       | NO |
| 7 .04 .00 | Financial reports will include:  |                           |    |
| .01       | Revenue receipts by date   | YES                       |    |
| .02       | Revenue receipts by fee type   | YES                       |    |
| .03       | Revenue by alarm user and/or alarm company   | YES                       |    |
| .04       | Overdue Accounts by invoice, time overdue 30,60, 90, 120/120+  | YES                       |    |
| .05       | A/R by time due (30/60/90/days overdue) by user, amount due  | YES                       |    |
| .06       | Appeal type with the dollar amount of filing fees  | YES                       |    |
| .07       | Dollar amount of total fees waived.  | YES                       |    |
| .08       | Delinquent accounts, by residential or non-residential types   | YES                       |    |
|           | <b>APPEALS &amp; QUESTIONS</b>   |                           |    |
| 8 .01 .00 | Ability to enter appeal notes in each false alarm and other billing history.   | YES                       |    |
| 8 .02 .00 | Ability to flag each alarm history line or billing event as appeal granted or appeal denied, along with the reason.  | YES                       |    |
| 8 .03 .00 | Vendor is to provide a "Customer Support Center" through a toll-free number to answer citizen telephone inquiries between the hours of 8:00 a.m. and 5:00 p.m. CST Monday through Friday. Vendor will provide personnel to answer basic questions from persons billed, such as billing, address correction, appeals, and whom to contact at the City for further questions. Vendor will provide phones, space and all other requirements to perform/ fulfill this requirement. | YES                       |    |
| 8 .04 .00 | The City of Wichita Alarm Administrator will hear all appeals.   | YES                       |    |
| .01       | Alarm Administrator to have access to generate appeal granted or denial letters which will flag the alarm history of the alarm user.   | YES                       |    |
|           | <b>SYSTEM</b>  |                           |    |
| 9 .01 .00 | System should be available for use 24 hours a day, 7 weeks a week  | YES                       |    |
| 9 .02 .00 | Maintain all database information for the City of Wichita Alarm Ordinance requirements.  | YES                       |    |
| 9 .03 .00 | It will be the vendor's responsibility to accommodate all transfers of data.   | YES                       |    |
| .01       | It will be the vendor's responsibility to import existing alarm data into vendors database.  | YES                       |    |
| .01       | Receive Sedgwick County CAD Data via web service.  | YES                       |    |
| .02       | Alarm permit data exported via web service to Sedgwick County CAD  | YES                       |    |
| 9 .04 .00 | Provide all programming requirements of the system and work with Sedgwick County on any needed changes to the False Alarm Export File.   | YES                       |    |
| .01       | Create GEO mapping capabilities to match Sedgwick County/City of Wichita addresses.  | YES                       |    |
| 9 .05 .00 | All master file and detail transactions will be maintained on the system developed/provided by the vendor. Vendor's system must accommodate easy "user friendly ad hoc inquiry".   | YES                       |    |
| 9 .06 .00 | Ability to maintain <i>historical</i> information on all activities within the database in regards to alarm users and alarm companies, on a real-time basis for a 60 month period.   | YES                       |    |

CITY OF WICHITA

APPENDIX C

| ITEM NO.  | SYSTEMS REQUIREMENT FOR CONTRACT BILLING SERVICE  | VENDOR WILL PROVIDE/AGREE |    |
|-----------|---|---------------------------|----|
|           |   | YES                       | NO |
| 9 .07 .00 | Ability to maintain all <u>current</u> information on all activities within the database in regards to alarm users and alarm companies, on a real-time basis.   | YES                       |    |
| 9 .08 .00 | Ability to provide cross-reference search and inquiry capabilities between:   | YES                       |    |
| .01       | Alarm user registration number, alarm user names, alarm user addresses and alarm companies.   | YES                       |    |
| .02       | Alarm company code, alarm company name, alarm company City of Wichita license number  | YES                       |    |
| .03       | Soundex feature should be available when searching alarm user names.  | YES                       |    |
| 9 .09 .00 | Ability to archive and purge historical data over 60 months old.  | YES                       |    |
| 9 .10 .00 | Search lookups must contain links to incident, billing and payment data.  | YES                       |    |
| 9 .11 .00 | False Alarm Data will be retrieved daily via Vendor web service to Sedgwick County Emergency Communication Center Web service.  | YES                       |    |
| .01       | Vendor must have experience working with Northrop Grumman, the Sedgwick County CAD Vendor.  | YES                       |    |
| .02       | Vendor to maintain database of alarm import and export files.   | YES                       |    |
| 9 .12 .00 | Responsible for the integrity of all inputs, outputs, adjustments, corrections and modifications to the alarm system database. Corresponding documentation will be retained for a period of not less than seven years from final payment under the contract for subsequent review by both internal and external auditors. | YES                       |    |
| 9 .13 .00 | Ability to transfer ATB database/files to the City or its designee upon completion to the contract and/or when requested.   | YES                       |    |
| 9 .14 .00 | System must have security levels based on system administrator assigned privileges.   | YES                       |    |
| 9 .15 .00 | All modules of the false alarm tracking system must include record creation and modification information (date and user) for tracking purposes.   | YES                       |    |
| 9 .15 .00 | Vendor to have Back-up System and Disaster Recovery Plan.   | YES                       |    |

City of Wichita  
City Council Meeting  
November 25, 2014

**TO:** Mayor and City Council

**SUBJECT:** Petition to approve a Community Improvement District for River Vista (District VI)

**INITIATED BY:** Office of Urban Development

**AGENDA:** Consent

-----

**Recommendation:** Accept the petition and adopt the resolution setting a public hearing for consideration of the establishment of a Community Improvement District (CID).

**Background:** In 2009, the Kansas Legislature enacted, and the Governor signed into law, the Community Improvement District Act, which allows property owners to petition cities or counties to create districts in which certain special taxes are imposed and the resulting revenue used to fund certain public and private improvements and the payment of certain ongoing operating costs, within the districts. In April, 2010 the City Council adopted a policy which addresses how the City will utilize the tool and outlined the approval process. In December, 2010, the City Council amended the CID Policy to require a public purpose statement in a CID petition, limit the maximum eligible reimbursement amount to 125% of the projected CID revenue, require that notice of public hearing be provided to any existing occupants within the district, and require signs to be posted next to store entrances.

On October 15, 2013 the City established a TIF project plan for the West Bank Apartments Project, to develop the River Vista Apartments. Infrastructure and parking garage costs have increased in the project. River Vista has requested the use of CID special assessment financing to help pay for the additional expenses.

The process for creation of a CID begins with the submission of a petition that identifies the property included in the CID, the type of funding (sales tax or special assessment) and the costs eligible for payment with CID proceeds. The attached CID petition includes only the River Vista lot within the CID. Since the land is currently owned by the City, the petition is signed by the City's Real Estate Administrator as well as River Vista, LLC.

**Analysis:** River Vista LLC plans to develop a 154 unit apartment complex and multi-level parking structure within the West Bank Apartment TIF project area. Construction costs for the parking structure and infrastructure improvements exceed the amount of approved tax increment financing approved by the City Council in 2013. River Vista LLC is requesting a Community Improvement District to finance the additional costs that exceed the TIF capacity.

Community Improvement District financing is proposed to fund River Vista infrastructure and parking structure costs that are not eligible under state law for special assessment financing. State law and City policy allows CID financing for virtually any capital cost located within the CID. Special CID taxes can be imposed within the district to pay such costs, using either a CID sales tax on retail sales or CID special assessments levied on real estate within the district. In this case, CID special assessments are proposed. By law, CID special assessments are collected in the same manner as special assessments levied in benefit districts, through the normal property tax payment process.

The City's CID Policy generally does not allow the use of City general obligation bonds as a method of financing. However, pay-as-you-go financing does not work with special assessments, where the property owner pays the specials which are later returned to the property owner to reimburse CID project costs. River Vista LLC requests the issuance of general obligation bonds to be repaid with CID special assessments, which repayment will be covered by the personal guaranties of the developers.

**Public Purpose Statement:** The public purpose of the Project is to encourage the redevelopment of a site identified by the Project Downtown master plan as a priority for redevelopment as well as compliment and extend the tourism-related public access improvements along the banks of the Arkansas River between the Keeper of the Plains Plaza and bridges on the north and the WaterWalk Fountain and amphitheater on the south. The tourism-related public access component of the Project will create landscaped public walkways and bike paths along the River between Douglas Avenue and 1st Street North. The public amenities will incorporate and improve the existing Delano Park and its historic monument to Wichita pioneer Ben McLean, along with public art and public gathering areas suitable for concerts on the River.

To establish a CID, the City Council must first adopt a resolution which states that the Council is considering the establishment of the CID and sets a date for a public hearing on the matter. The resolution must then be published at least once each week for two consecutive weeks and be sent by certified mail to all owners and by regular mail to all occupants of property within the proposed CID. Given this process, the earliest date a public hearing may be held for this project would be December 16, 2014. After closing the public hearing, the City Council may adopt an ordinance establishing the district.

**Financial Considerations:** The cost of mailing the Resolution to all owners and occupants of property located within the proposed district will be charged to the Economic Development Fund and will be repaid with administrative fees collected from the district.

River Vista LLC has requested the issuance of full faith and credit general obligation bonds, secured by CID special assessments against the property. Special assessment will be paid with property taxes and distributed to the City for bond payments. The Developer will provide a guaranty to the City for payment of the bonds.

**Legal Considerations:** State Law allows Community Improvement Districts to be established by Ordinance following a public hearing. The form of the petition and resolution has been approved by the Law Department as to form.

**Recommendation/Action:** It is recommended that the City Council accept the petition and adopt the resolution setting a public hearing on December 16, 2014 for consideration of the establishment of a Community Improvement District.

**Attachments:** Resolution and Petition

(Published in *The Wichita Eagle* on November 28, 2014 and December 5, 2014)

**RESOLUTION NO. 14-335**

**A RESOLUTION CALLING AND PROVIDING FOR THE GIVING OF NOTICE OF A PUBLIC HEARING ON THE ADVISABILITY OF CREATING A COMMUNITY IMPROVEMENT DISTRICT IN CITY OF WICHITA, KANSAS AND UNDERTAKING AND FINANCING OF CERTAIN COMMUNITY IMPROVEMENT DISTRICT PROJECTS THEREIN; AND PROVIDING FOR THE GIVING OF NOTICE OF SAID HEARING (RIVER VISTA VILLAGE PROJECT).**

**WHEREAS**, K.S.A. 12-6a26 *et seq.* (the "Act") authorizes the governing body of any city or county to create community improvement districts within such jurisdiction, to undertake and construct any "project," which means (1) Any project within the district to acquire, improve, construct, demolish, remove, renovate, reconstruct, rehabilitate, maintain, restore, replace, renew, repair, install, relocate, furnish, equip or extend: (A) Buildings, structures and facilities; (B) sidewalks, streets, roads, interchanges, highway access roads, intersections, alleys, parking lots, bridges, ramps, tunnels, overpasses and underpasses, traffic signs and signals, utilities, pedestrian amenities, abandoned cemeteries, drainage systems, water systems, storm systems, sewer systems, lift stations, underground gas, heating and electrical services and connections located within or without the public right-of-way, water mains and extensions and other site improvements; (C) parking garages; (D) streetscape, lighting, street light fixtures, street light connections, street light facilities, benches or other seating furniture, trash receptacles, marquees, awnings, canopies, walls and barriers; (E) parks, lawns, trees and other landscape; (F) communication and information booths, bus stops and other shelters, stations, terminals, hangers, rest rooms and kiosks; (G) paintings, murals, display cases, sculptures, fountains and other cultural amenities; (H) airports, railroads, light rail and other mass transit facilities; and (I) lakes, dams, docks, wharfs, lakes or river ports, channels and levees, waterways and drainage conduits; (2) within the district, to operate or to contract for the provision of music, news, child-care, or parking lots or garages, and buses, minibuses or other modes of transportation; (3) within the district, to provide or contract for the provision of security personnel, equipment or facilities for the protection of property and persons; (4) within the district, to provide or contract for cleaning, maintenance and other services to public or private property; (5) within the district, to produce and promote any tourism, recreational or cultural activity or special event, including, but not limited to, advertising, decoration of any public place in the district, promotion of such activity and special events and furnishing music in any public place; (6) within the district, to support business activity and economic development, including, but not limited to, the promotion of business activity, development and retention and the recruitment of developers and business; (7) within the district, to provide or support training programs for employees of businesses; and (8) to contract for or conduct economic impact, planning, marketing or other studies; and

**WHEREAS**, the Act further authorizes said governing body, in order to pay the costs of such community improvement district projects, to levy special assessments upon property within such community improvement districts, and to issue bonds; and

**WHEREAS**, a petition (the "Petition") was filed with the City Clerk of City of Wichita, Kansas (the "City"), on November 21, 2014, proposing the creation of a community improvement district a development project in Lot 1, Block 1, River Vista Village Addition to the City of Wichita, Sedgwick County, Kansas (the "District"), the undertaking of community improvement district projects therein, the

levy of special assessments on certain property within the District in order to pay the costs of such projects, and the issuance of full faith and credit general obligation bonds to finance the costs of such projects; and

**WHEREAS**, said Petition was signed by the owners of 100% of the land area within the proposed District, and signed by owners collectively owning of 100% by assessed value of the land area within the proposed District; and

**WHEREAS**, the Act provides that prior to creating the proposed District, the governing body shall adopt a resolution to give notice of a public hearing on the advisability of creating such District, publish the resolution to give notice of the hearing at least once a week for two consecutive weeks in the official City newspaper, and mail the resolution by certified mail to all property owners within the proposed District, the second of such publications to be at least seven days prior to the hearing and such certified mailing to be at least ten days prior to such hearing; and

**WHEREAS**, such published and mailed notices shall contain the following information: (a) the time and place of the hearing; (b) the general nature of the proposed community improvement district projects; (c) the estimated cost of such proposed projects; (d) the proposed method of financing the costs of the such projects; (e) the proposed amount of community improvement district sales tax, if any; (f) the proposed amount of special assessments and the method of assessment, if any; and (g) the map and legal description of the proposed District; and

**WHEREAS**, the governing body hereby finds and determines it to be necessary to direct and order a public hearing on the advisability of creating the proposed District and the undertaking and financing of community improvement district projects therein, as set forth in the Petition, pursuant to the authority of the Act; and further to provide for the giving of notice of said hearing in the manner required by the Act; and

**WHEREAS**, in the Petition, the owners of 100% of the property within the proposed District have waived any formal written notice of the public hearing on the establishment of the District.

**THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS:**

**SECTION 1. Petition.** The governing body hereby finds that the Petition meets the requirements of the Act.

**SECTION 2. Public Hearing.** It is hereby authorized, ordered and directed that the governing body shall hold a public hearing, in accordance the provisions of the Act, on the advisability of creating the River Vista Village Project Community Improvement District, its intention to levy special assessments on property within such district, and the undertaking and financing of community improvement district projects within such district, as set forth in the Petition, such public hearing to be held on December 16, 2014, at 9:00 a.m., or as soon thereafter as the matter can be heard, in the City Council Chambers at City Hall, 455 N. Main, Wichita, Kansas 67202, under the authority of the Act.

**SECTION 3. Notice of Hearing.** The City Clerk is hereby authorized, ordered and directed to give notice of said public hearing by publication of this Resolution, including the Notice of Public Hearing attached hereto as *Exhibit A*, once a week for two consecutive weeks in the official City newspaper, the second of such publications to be at least seven days prior to the date of the hearing.

**SECTION 4. Effective Date.** This Resolution shall be effective upon adoption by the governing body.

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**ADOPTED** City Council of the City of Wichita, Kansas, on November 25, 2014.

(SEAL)

---

Carl Brewer, Mayor

ATTEST:

---

Karen Sublett, City Clerk

APPROVED AS TO FORM:

---

Sharon L. Dickgrafe, Interim Director of  
Law and City Attorney

**CERTIFICATE**

I hereby certify that the above and foregoing is a true and correct copy of Resolution No. 14-[\_\_\_\_] adopted by the City Council of the City of Wichita, Kansas on November 25, 2014, as the same appears of record in my office.

DATED: November 25, 2014.

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Karen Sublett, City Clerk

## ***EXHIBIT A***

### **NOTICE OF PUBLIC HEARING**

The City Council of City of Wichita, Kansas (the "City"), will meet for the purpose of holding a public hearing, as provided by K.S.A. 12-6a26 *et seq.* (the "Act") for the purpose of considering the advisability of creating a proposed Community Improvement District, on property legally described below (the "District"), the levy of special assessments on certain property within such district and undertaking and financing certain hereinafter described community improvement projects.

#### **Time and Place of Hearing**

December 16, 2014, at 9:00 a.m., or as soon thereafter as the matter can be heard, in the City Council Chambers at City Hall, 455 N. Main, Wichita, Kansas 67202.

The general nature of the proposed community improvement district projects (the "Projects") to be constructed and undertaken within the proposed District is as follows:

Construction of a multi-level parking structure (the "Parking Structure") for approximately 251 vehicles and infrastructure improvements, including, but not limited to surface parking, streets, utilities, landscaping, irrigation, sidewalks, site lighting and site improvements

#### **Estimated Costs**

The estimated costs of the proposed Project is \$5,590,650, to be increased at the pro rata rate of 1 percent per month from and after the date of passage of an ordinance creating the District.

#### **Method of Financing**

The costs of the Project are proposed to be financed by full faith and credit general obligation bonds of the City as authorized by K.S.A. 12-6a36, or alternatively, by special obligation bonds as authorized by K.S.A. 12-6a35; payable from special assessments levied as set forth below.

#### **Special Assessments**

There are proposed to be special assessments on property within the boundaries of the District, with the properties to be assessed, amount and method of assessment and apportionment of cost for such Projects to be as follows:

100% of the costs of the Project (less the amount of any tax increment bond financing applied to the Parking Structure) shall be assessed on all real property within the boundaries of the District. The proposed method of assessment is all costs to Lot 1 described in subsection (a) above. In the event all or part of said Lot is replatted before assessments have been levied, the assessments against the replatted area shall be recalculated on a square foot basis. Where the ownership of said Lot is or may be divided into two or more parcels, the assessment to the lot so divided shall be assessed to each ownership or parcel on a square foot basis.

## **Sales Tax**

No community improvement district sales tax is proposed for the District.

## **Map and Legal Description of Proposed Community Improvement District**

A map generally outlining the boundaries of the proposed District is attached as *Schedule I* hereto, and incorporated by reference herein. The legal description of the property to be contained in the proposed District is as follows:

Lot 1, Block 1, River Vista Village Addition to the City of Wichita, Sedgwick County, Kansas.

The public hearing may be adjourned from time to time. At the conclusion of the public hearing, the governing body may, by passage of an ordinance, create the District and establish the boundaries thereof, authorize the Project, approve the estimated costs of such Project, approve the maximum amount and method of assessment and approve the method of financing the Project, including the issuance of full faith and credit general obligation bonds of the City.

ALL PERSONS DESIRING TO BE HEARD WITH REFERENCE TO THE PROPOSED DISTRICT, PROJECT, AND RELATED MATTERS SHALL BE HEARD AT THE PUBLIC HEARING.

**DATED:** November 25, 2014.

/s/ Karen Sublett, City Clerk

*SCHEDULE I*

**MAP OF PROPOSED COMMUNITY IMPROVEMENT DISTRICT  
(CID PROJECT AREA IS DESCRIBED AS "PHASE I LOT")**



PETITION

REQUESTING THE CREATION OF A COMMUNITY IMPROVEMENT DISTRICT  
(RIVER VISTA VILLAGE)

TO: The Mayor and City Council (the "Governing Body")  
City of Wichita, Kansas

1. The undersigned, being the owner of 100% of the land area within the proposed community improvement district set forth in *Section 1(a)* below (the "District"), said District to be located within the City of Wichita, Kansas (the "City"), does hereby request that the Governing Body create the District and authorize the projects hereinafter set forth in the manner provided by K.S.A. 12-6a26 *et seq.*, as amended (the "Act"). In furtherance of such request, the petitioner hereby states as follows:

(a) The legal description of the property to be contained in the proposed District is as follows:

Lot 1, Block 1, River Vista Village Addition to the City of Wichita, Sedgwick County, Kansas.

(b) The general nature of the proposed projects to be constructed and undertaken within the proposed District is as follows (collectively, the "Project").

Construction of a multi-level parking structure (the "Parking Structure") for approximately 251 vehicles and infrastructure improvements, including, but not limited to surface parking, streets, utilities, landscaping, irrigation, sidewalks, site lighting and site improvements

(c) The public purpose of the Project is to compliment and extend the tourism-related public access improvements along the banks of the Arkansas River between the Keeper of the Plains Plaza and bridges on the north and the WaterWalk Fountain and amphitheater on the south. The tourism-related public access component of the Project will create landscaped public walkways and bike paths along the River between Douglas Avenue and 1st Street North. The public amenities will incorporate and improve the existing Delano Park and its historic monument to Wichita pioneer Ben McLean, along with public art and public gathering areas suitable for concerts on the River.

(d) The estimated cost of the proposed Project is \$5,590,650, to be increased at the pro rata rate of 1 percent per month from and after the date of passage of an ordinance creating the District. A more detailed estimate is attached hereto as *Exhibit B*.

(e) It is anticipated that the costs of the Project will be paid in part from proceeds of tax increment financing in the approximate amount of \$2,500,000, with the balance proposed to be financed by full faith and credit general obligation bonds of the City as authorized by K.S.A. 12-6a36, or alternatively, by special obligation bonds as authorized by K.S.A. 12-6a35; payable from special assessments levied as set forth in subsection (e) hereof.

(f) 100% of the costs of the Project (less the amount of any tax increment bond financing applied to the Parking Structure) shall be assessed on all real property within the boundaries of the District. The proposed method of assessment is all costs to Lot 1 described in

subsection (a) above. In the event all or part of said Lot is replatted before assessments have been levied, the assessments against the replatted area shall be recalculated on a square foot basis. Where the ownership of said Lot is or may be divided into two or more parcels, the assessment to the lot so divided shall be assessed to each ownership or parcel on a square foot basis.

(g) No community improvement district sales tax is proposed for the District.

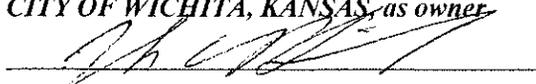
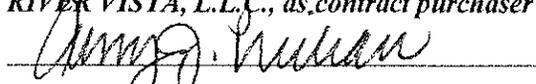
(h) The proposed District is generally located east of McLean Boulevard, south of 1<sup>st</sup>/2<sup>nd</sup> Street, west of the Arkansas River, and north of Douglas Avenue. A map generally outlining the boundaries of the proposed District is attached as *Exhibit A* hereto, and incorporated by reference herein.

2. Names may not be withdrawn from this Petition by the signers hereof after the Governing Body commences consideration of this Petition, or, later than seven (7) days after the filing hereof, whichever occurs first.

3. The undersigned consent to any special assessments described herein without regard to benefits conferred by the Project.

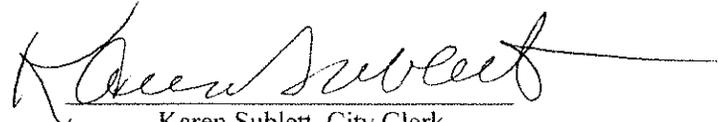
4. The undersigned and the contract purchaser set forth below each hereby waive the right be notified, by certified mail or otherwise, of the public hearing to be held by the Governing Body concerning the advisability of creating the District.

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]

| Name  | Date     | Property Owned Within Proposed Community Improvement District |
|---|----------|---|
| <b>CITY OF WICHITA, KANSAS, as owner</b><br><br>By: John Philbrick<br>Title: Real Estate Administrator | 11/20/14 | All   |
| <b>RIVER VISTA, L.L.C., as contract purchaser</b><br><br>By: Amy Liebau<br>Title: President            | 11-20-14 | All   |

\*\*\*\*\*

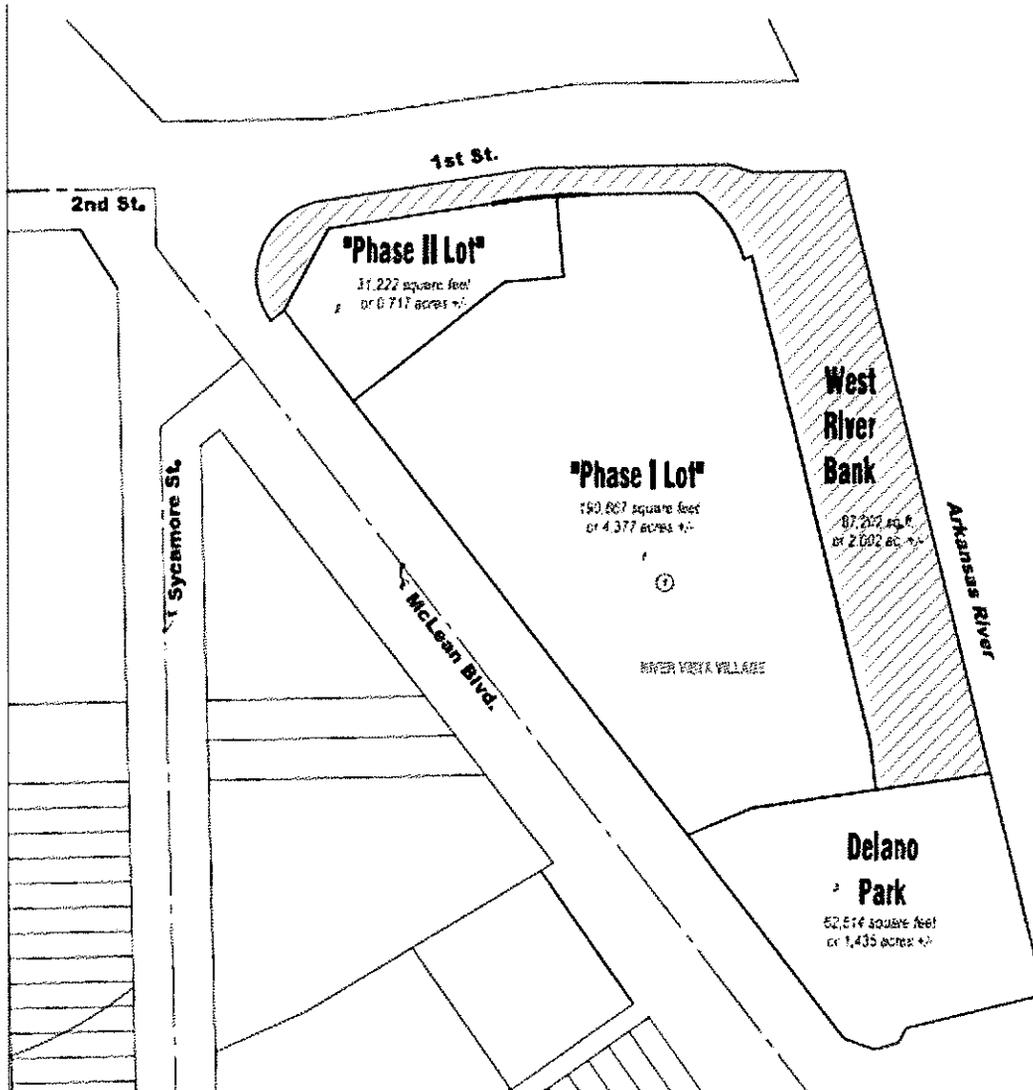
THIS PETITION was filed in my office on 20<sup>th</sup>, 2014; and was examined, considered and found sufficient by the Governing Body of the City, Kansas on November, 2014.

  
 Karen Sublett, City Clerk



*EXHIBIT A*

**MAP OF PROPOSED COMMUNITY IMPROVEMENT DISTRICT  
[CID DISTRICT IS PHASE I LOT DESCRIBED BELOW]**



**EXHIBIT B**

**COST ESTIMATE FOR PROPOSED COMMUNITY IMPROVEMENT DISTRICT PROJECT**

|  |                              |
|--|------------------------------|
| <b>CID Infrastructure Improvements Budget</b>                          |                              |
| Parking Garage (partial)   | \$1,670,000.00               |
| Earthwork/Paving   | \$504,752.50                 |
| Landscape & Irrigation (including well)                                | \$110,348.00                 |
| Site Lighting  | \$156,891.00                 |
| Signage  | \$25,000.00                  |
| Plan Review and Permit   | \$39,357.41                  |
| CM Administration, Contract Review and Legal                           | \$230,412.00                 |
| Engineering & Inspection   | \$248,389.20                 |
| Architectural  | \$105,500.00                 |
| <i>Subtotal</i>  | <b><i>\$3,090,650.11</i></b> |
| <b>TIF Public Infrastructure Improvements Budget</b>                   |                              |
| Utilities  | \$582,396.00                 |
| Sidewalks  | \$36,786.20                  |
| Intersection   | \$298,791.50                 |
| Plan Review and Permit   | \$7,274.59                   |
| CM Administration, Contract Review and Legal                           | \$42,588.00                  |
| Engineering & Inspection (\$11,600 has been paid by Developer already) | \$45,910.80                  |
| Architectural  | \$19,500.00                  |
| Subtotal   | <b><i>\$1,033,247.09</i></b> |
| <b>TIF Project Budget</b>  |                              |
| Parking Garage (partial)   | <b><i>\$1,466,752.80</i></b> |
| <b>TOTAL</b>   | <b><i>\$5,590,650.00</i></b> |

**Second Reading Ordinances for November 25<sup>th</sup> (first read on November 4, 2014)**

**A. Public Hearing and Issuance of Taxable Industrial Revenue Bonds, Spirit AeroSystems, Inc. (District III)**

ORDINANCE NO. 49-884

AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF A LEASE AGREEMENT BETWEEN SPIRIT AEROSYSTEMS, INC. AND THE CITY OF WICHITA, KANSAS; APPROVING AND AUTHORIZING THE EXECUTION OF AN INDENTURE OF TRUST BETWEEN SAID CITY AND THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.; PLEDGING CERTAIN PAYMENTS UNDER SAID LEASE AGREEMENT AND MONEYS AND SECURITIES HELD BY THE TRUSTEE UNDER THE TERMS OF SAID INDENTURE OF TRUST; AUTHORIZING AND DIRECTING THE ISSUANCE OF INDUSTRIAL REVENUE BONDS SERIES VIII, 2014 (SPIRIT AEROSYSTEMS, INC. PROJECT) OF SAID CITY IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$10,000,000 FOR THE PURPOSE OF PROVIDING FUNDS FOR THE ACQUISITION, CONSTRUCTION, RECONSTRUCTION AND IMPROVEMENT OF CERTAIN INDUSTRIAL AND MANUFACTURING FACILITIES OF SPIRIT AEROSYSTEMS, INC., A DELAWARE CORPORATION, IN SEDGWICK COUNTY, KANSAS; DESIGNATING THE TRUSTEE AND THE PAYING AGENT FOR SAID BONDS; AUTHORIZING THE SALE OF SAID BONDS AND THE EXECUTION OF A BOND PURCHASE AGREEMENT THEREFOR; APPROVING AND AUTHORIZING THE EXECUTION OF AN ADMINISTRATIVE SERVICE FEE AGREEMENT; AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN RELATED INSTRUMENTS.

**B. Ordinance Amend Sections 3.49.030, 3.49.100, 3.49.110, 3.49.130, 3.49.140 of the Code of the City of Wichita, Kansas, pertaining to Wrecker Services.**

ORDINANCE NO. 49-886

AN ORDINANCE AMENDING SECTIONS 3.49.030, 3.49.100, 3.49.110, 3.49.130 AND 3.49.140 AND CREATING SECTIONS 3.49.215, 3.49.220, 3.49.225, 3.49.230, 3.49.235, 3.49.240, 3.49.245, 3.49.250, 3.49.255, 3.49.260, 3.49.265 AND 3.49.270 OF THE CODE OF THE CITY OF WICHITA, KANSAS, PERTAINING TO WRECKER SERVICES.

**C. Amendment to Metropolitan Area Planning Department Filing Fees.**

ORDINANCE NO. 49-885

AN ORDINANCE CREATING SECTION 18.16.100 OF THE CODE OF THE CITY OF WICHITA, KANSAS, PERTAINING TO THE WAIVER OF CERTAIN SPECIAL ASSESSMENT FEES

**D. Waiver of MABCD Special Assessment Fees.**

ORDINANCE NO. 49-887

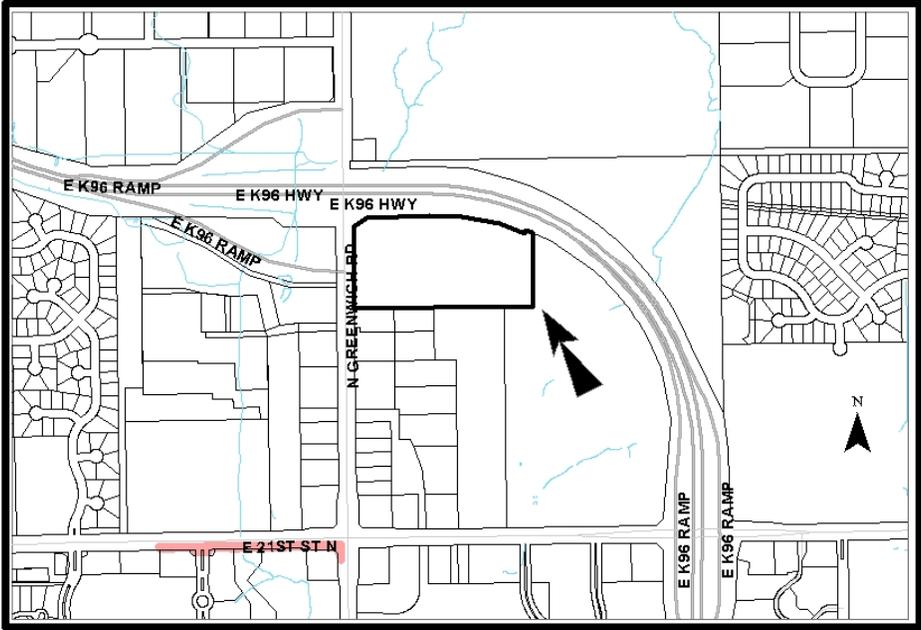
A ORDINANCE AMENDING THE SECTIONS 2.26.010, 2.26.020 AND 2.26.030 OF THE CODE OF THE CITY OF WICHITA, KANSAS, PERTAINING TO FEES AND CHARGES FOR PLANNING AND ZONING, BOARD OF ZONING APPEALS AND SUBDIVISION APPLICATIONS AND PROCEEDINGS; AND REPEALING THE ORIGINAL SECTION.

City of Wichita  
City Council Meeting  
November 25, 2014

**TO:** Mayor and City Council  
**SUBJECT:** SUB2013-00053 -- Plat of Wichita Crossing Addition located on the Southeast Corner of K-96 Highway and Greenwich Road (District II)  
**INITIATED BY:** Metropolitan Area Planning Department  
**AGENDA:** Planning (Consent)

**Staff Recommendation:** Approve the plat.

**MAPC Recommendation:** Approve the plat. (8-0)



**Background:** The site consists of four lots on 17.51 acres. A zone change (ZON2012-00026) has been approved from Single-Family Residential (SF-5) to Limited Industrial (LI). The site is contained within the K-96 and Greenwich South Community Unit Plan (CUP2012-00026, DP-328).

**Analysis:** Sewer, water and drainage improvements will be constructed by a private project. The applicant has submitted a Drive Approach Closure Certificate regarding the driveways required to be closed by access controls, which are being dedicated by the plat. The applicant has submitted a Restrictive Covenant to provide for the ownership and maintenance responsibilities of the reserves being platted, in addition to street maintenance. The site is within the noise impact area of Colonel James Jabara Airport; therefore the applicant has submitted an Avigational Easement and Restrictive Covenant to assure that adequate construction methods will be used to minimize the effects of noise pollution. The applicant has submitted a Notice of Community Unit Plan (CUP) identifying the approved CUP and special conditions for development. The applicant has submitted a Cross-Lot Circulation Agreement to assure internal vehicular movement between the lots.

The plat has been reviewed and approved by the Metropolitan Area Planning Commission subject to conditions.

Publication of the Ordinance should be withheld until the plat is recorded with the Register of Deeds.

**Financial Considerations:** There are no financial considerations associated with the plat.

**Legal Considerations:** The Law Department has reviewed and approved the Drive Approach Closure Certificate, Restrictive Covenants, Avigational Easement, Notice of Community Unit Plan and Cross-Lot Circulation Agreement as to form and the documents will be recorded with the Register of Deeds.

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

**Recommendations/Actions:** It is recommended that the City Council approve the documents and plat, authorize the necessary signatures and place the Ordinance on first reading. Publication of the Ordinance should be withheld until the plat is recorded with the Register of Deeds.

**Attachments:** Drive Approach Closure Certificate.  
Restrictive Covenants.  
Avigational Easement.  
Notice of Community Unit Plan.  
Cross-Lot Circulation Agreement.  
Ordinance.

**DRIVE APPROACH CLOSURE CERTIFICATE**

Sedgwick County     )  
                                  ) SS  
State of Kansas     )

SF-Wichita-I, L.P., a Texas limited partnership, owner of that certain real property to be known as **Wichita Crossing, an Addition to Wichita, Sedgwick County, Kansas**, is in the process of platting said property, and does hereby acknowledge that in accordance with the requirements of the platting process as set forth by the City of Wichita, any existing drive approaches on Greenwich Avenue, in excess of the one allowed per said platting requirements shall be closed.

This is to place on notice the owner of the above-described property and subsequent owners thereof that, as a result of the above-cited platting requirements, said owner and subsequent owners thereof are responsible for seeing that such drive approach or approaches are removed and closed per City of Wichita’s specifications for such work, and that sufficient guaranty of such closure(s), in a form acceptable to the City of Wichita (e.g. – bond, cash, letter of credit, etc.) and/or acknowledgement that the City of Wichita may withhold the issuance of an occupancy permit for any future building construction, will be a pre-condition of the issuance of any future building permit for all development on the above-described property.

Executed this 15<sup>th</sup> day of October, 2014.

SF-Wichita-I, L.P.

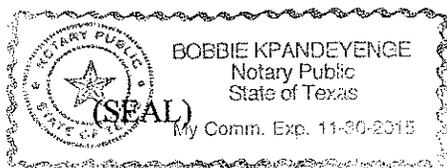
By: SF-Wichita GP, LLC,  
General Partner of SF-Wichita-I, L.P.

By: *R. Eric Seitz*  
R. Eric Seitz / President of SF-Wichita GP, LLC

STATE OF TEXAS            )  
  ) SS:  
COUNTY OF COLLINS    )

BE IT REMEMBERED, that on this 15<sup>th</sup> day of October, 2014, before me, the undersigned, a Notary Public in and for the State and County aforesaid, came **R. Eric Seitz, President of SF-Wichita GP, LLC the General Partner of SF-Wichita GP, LLC**, to me personally known to be the person who executed the foregoing instrument, and duly acknowledged the execution of the same, for and on behalf, and as the act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal, the day and year last above written.



*Bobbie Kpandeyenge*  
Notary Public

My Appointment Expires: 11-30-2015

APPROVED AS TO FORM:

\_\_\_\_\_  
Sharon L. Dickgrafe, Interim City Attorney  
& Director of Law

COPY

**RESTRICTIVE COVENANT**

THIS DECLARATION made this \_\_\_\_\_ day of October, 2014, by SF-Wichita-I, L.P., a Texas limited partnership, hereinafter called "Declarant",

WITNESSETH

WHEREAS, Declarant is the owner of the following described property:

**Lots 1, 2, 3 and 4, Block 1, and Reserves "A" and "B"  
Wichita Crossing, an Addition to Wichita, Sedgwick County, Kansas**

WHEREAS, the Declarant's property is located near **Colonel James Jabara Airport** and is accordingly subject to considerable noise from the operation of aircraft which may infringe upon the enjoyment of said property and may affect the health and/or well being of the property's users, and

WHEREAS, the City of Wichita, in connection with approval of the plat of said addition, shall require that proper consideration be given to abate outside noise pollution within buildings constructed on said property:

NOW, THEREFORE, Declarant hereby declares that Wichita Crossing, an Addition to Wichita, Sedgwick County, Kansas, shall be and the same is subjected to the following restrictive covenant, to wit:

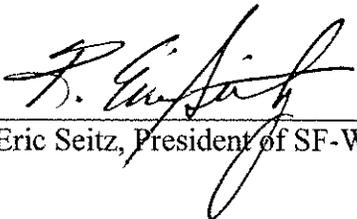
That any structure constructed on the premises shall be so designed and constructed as to minimize outside noise pollution in compliance with applicable City of Wichita and/or Sedgwick County codes and with due consideration given to the intended use of the structure. This covenant is for the benefit of said property and shall run with the land and shall inure to the benefit of and pass with said property and shall be binding upon the successors and assigns, jointly and severally, by these presents.

The covenants, conditions, and restrictions on the property created and established in this instrument may be waived, terminated, or modified only upon written consent of the City of Wichita and or County. No such waiver, termination or modification shall be effective until such written consent is recorded in the office of the Register of Deeds for Sedgwick County, Kansas.

Executed this 15<sup>th</sup> day of October, 2014.

SF-Wichita-I, L.P.

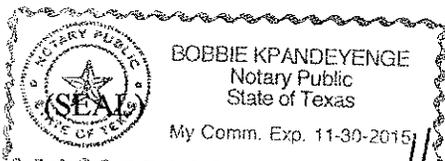
By: SF-Wichita GP, LLC,  
General Partner of SF-Wichita-I, L.P.

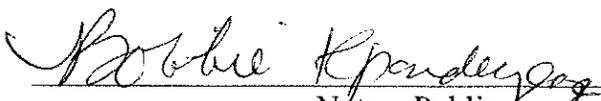
By:   
R. Eric Seitz, President of SF-Wichita GP, LLC

STATE OF TEXAS            )  
  ) SS:  
COUNTY OF COLLINS    )

BE IT REMEMBERED, that on this 15<sup>th</sup> day of October, 2014, before me, the undersigned, a Notary Public in and for the State and County aforesaid, came **R. Eric Seitz, President of SF-Wichita GP, LLC the General Partner of SF-Wichita GP, LLC**, to me personally known to be the person who executed the foregoing instrument, and duly acknowledged the execution of the same, for and on behalf, and as the act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal, the day and year last above written.



  
Notary Public

My Appointment Expires: 11-30-2015

APPROVED AS TO FORM:

\_\_\_\_\_  
Sharon L. Dickgrafe, Interim City Attorney  
& Director of Law

COPY

**RESTRICTIVE COVENANT**

THIS DECLARATION made this \_\_\_\_\_ day of October, 2014, by SF-Wichita-I, L.P., a Texas limited partnership, hereinafter called "Declarant",

WITNESSETH

WHEREAS, Declarant is the owner of the following described property:

**Lots 1, 2, 3 and 4, Block 1, and Reserves "A" and "B"  
Wichita Crossing, an Addition to Wichita, Sedgwick County, Kansas**

WHEREAS, the Declarant is desirous in connection therewith that various provisions for the maintenance and responsibility for the maintenance be placed of record for Reserves "A" and "B", Wichita Crossing, an Addition to Wichita, Sedgwick County, Kansas.

NOW, THEREFORE, Declarant hereby declares and covenants:

1. That Reserve "A" is hereby reserved for storm water detention, landscaping and irrigation.
2. That Reserve "B" is hereby reserved for storm water detention, landscaping and irrigation.
3. That a Owner's Association shall be formed and incorporated as a non-profit corporation under Kansas Statutes at the Declarant's sole cost within ninety (90) days of recording the final plat. That Reserves "A" and "B", as designated on the plat of the Wichita Crossing Addition, shall be deeded to the Owner's Association upon its incorporation or within thirty (30) days thereafter.

4. That the declaration of covenants and other provisions of the Owner's Association being formed shall provide specific pertinent language requiring that the Homeowner's Association shall include the first or any other subsequent phase or phases for the maintenance of any and all common areas contiguous to Reserves "A" and "B, Wichita Crossing Addition, under the same scope of responsibility as the initial phase of development.

5. That the Owner hereby grants an irrevocable easement to whichever appropriate governing body or authority has jurisdiction, to enter upon the common areas, as defined, for the purposes of maintaining such common areas. This easement is conditioned upon the following event or events happening:

A. That the Declarant or the Lot Owner, as may be appropriate, has failed to maintain the reserve in a reasonable and prudent manner.

and,

B. That the appropriate governing body has given written notice to the Declarant or the Lot Owner and neither entity has responded in initiating corrective action within thirty (30) days of such notice. If the governing body has taken action to maintain the reserve under this covenant, the Declarant or Lot Owner shall pay promptly the costs expended. If the costs are not paid within thirty (30) days of the rendering of an account, the costs shall be considered an assessment against the above-described real property in Wichita Crossing Addition, respectively, and shall be considered a lien thereon and be treated in the same manner as a special assessment.

6. The Owner's Association shall also maintain the right-of-way eighty (80) feet east of the center line of Greenwich Road, and shall have the right to assess reasonable costs for said maintenance to the Lot Owner(s), as applicable.

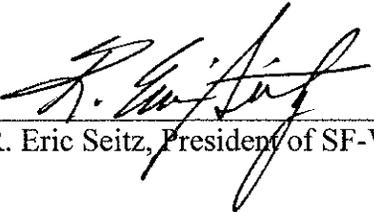
The covenants, conditions, and restrictions on the property created and established in this instrument may be waived, terminated, or modified only upon written consent of the City of Wichita and or County. No such waiver, termination or modification shall be effective until such written consent is recorded in the office of the Register of Deeds for Sedgwick County, Kansas.

This covenant shall be binding on the owner, their heirs, or successors or assigns and is a covenant running with the land and is binding on all successors in title to all lots, as platted in said Wichita Crossing, an Addition to Wichita, Sedgwick County, Kansas.

Executed this 15<sup>th</sup> day of October, 2014.

SF-Wichita-I, L.P.

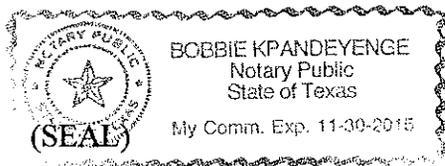
By: SF-Wichita GP, LLC,  
General Partner of SF-Wichita-I, L.P.

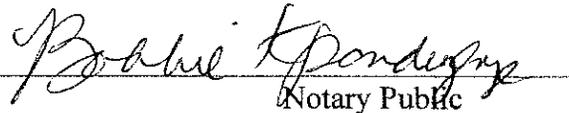
By:   
R. Eric Seitz, President of SF-Wichita GP, LLC

STATE OF TEXAS            )  
  ) SS:  
COUNTY OF COLLINS    )

BE IT REMEMBERED, that on this 15<sup>th</sup> day of October, 2014, before me, the undersigned, a Notary Public in and for the State and County aforesaid, came **R. Eric Seitz, President of SF-Wichita GP, LLC the General Partner of SF-Wichita GP, LLC**, to me personally known to be the person who executed the foregoing instrument, and duly acknowledged the execution of the same, for and on behalf, and as the act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal, the day and year last above written.



  
Notary Public

My Appointment Expires: 11-30-2015

APPROVED AS TO FORM:

\_\_\_\_\_  
Sharon L. Dickgrafe, Interim City Attorney  
& Director of Law

COPY

**AVIGATIONAL EASEMENT**

KNOW ALL MEN BY THESE PRESENTS THAT:

WHEREAS, this \_\_\_\_\_ day of October 2014, SF-Wichita-I, L.P., a Texas limited partnership ("Grantor") hereof, does hereby grant a permanent Avigational Easement to the public authority authorized by law to own and operate public-owned airports in Sedgwick County, Kansas, for the use of "Navigable Airspace" as defined by the Federal Aviation Act of 1958, over all the following-described real estate, to-wit:

**Lots 1, 2, 3 and 4, Block 1, and Reserves "A" and "B"  
Wichita Crossing, an Addition to Wichita, Sedgwick County, Kansas**

By virtue of this easement, the Grantor, for and on behalf of themselves and all successors in interest to any and all of the real property above-described, waives as to the public authority only any and all claims for damage of any kind whatsoever incurred as a result of aircraft using the "Navigable Airspace" granted herein. This easement does not grant or convey any surface use rights nor is it to be construed to grant any right to private persons or corporations.

"Navigable Airspace" means air space above the minimum altitudes of flight prescribed by regulations issued under the Federal Aviation Act of 1958, Section 101 (24) 49 U.S. Code 1301, and shall include air space needed to insure aircraft safety during take-off and landing.

To have and to hold said easement forever.

Executed this 15<sup>th</sup> day of October, 2014.

SF-Wichita-I, L.P.

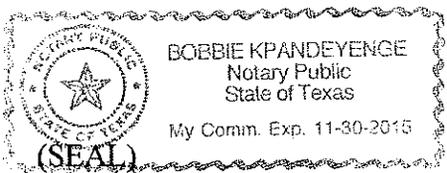
By: SF-Wichita GP, LLC,  
General Partner of SF-Wichita-I, L.P.

By: *R. Eric Seitz*  
R. Eric Seitz, President of SF-Wichita GP, LLC

STATE OF TEXAS            )  
  ) SS:  
COUNTY OF COLLINS    )

BE IT REMEMBERED, that on this 15<sup>th</sup> day of October, 2014, before me, the undersigned, a Notary Public in and for the State and County aforesaid, came **R. Eric Seitz, President of SF-Wichita GP, LLC the General Partner of SF-Wichita GP, LLC**, to me personally known to be the person who executed the foregoing instrument, and duly acknowledged the execution of the same, for and on behalf, and as the act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal, the day and year last above written.



*Bobbie Kpandeyenge*  
Notary Public

My Appointment Expires: 11-30-2015

COPY

**NOTICE OF COMMUNITY UNIT PLAN  
K-96 AND GREENWICH SOUTH (DP-328)**

THIS NOTICE made this \_\_\_\_ day of October, 2014, by SF-Wichita-I, L.P., a Texas limited partnership, hereinafter called "Declarant,"

WITNESSETH

WHEREAS, Declarant is the owner of the following-described property:

**Lots 1, 2, 3 and 4, Block 1, and Reserves "A" and "B"  
Wichita Crossing, an Addition to Wichita, Sedgwick County, Kansas**

and

WHEREAS, Declarant is desirous to file notice that a community unit plan approved by the City of Wichita is on file with the Wichita-Sedgwick County Metropolitan Area Planning Department, located on the 10th Floor, City Hall, Wichita, Kansas, (316) 268-4421.

NOW, THEREFORE, the Declarant gives notice that the approved community unit plan K-96 and Greenwich South has placed restrictions on the use and requirements on the development of the above-described real property. The community unit plan shall be binding on the owners, their heirs, or successors or assigns and is a document running with the land and is binding on all successors in title to Lots 1, 2, 3 and 4, Block 1, and Reserves "A" and "B", Wichita Crossing, an Addition to Wichita, Sedgwick County, Kansas

Executed this 15<sup>th</sup> day of October, 2014.

SF-Wichita-I, L.P.

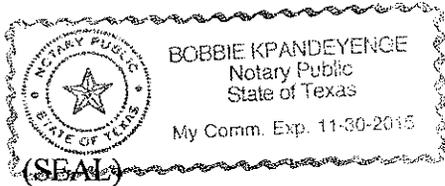
By: SF-Wichita GP, LLC,  
General Partner of SF-Wichita-I, L.P.

By: *R. Eric Seitz*  
R. Eric Seitz, President of SF-Wichita GP, LLC

STATE OF TEXAS            )  
  ) SS:  
COUNTY OF COLLINS    )

BE IT REMEMBERED, that on this 15<sup>th</sup> day of October, 2014, before me, the undersigned, a Notary Public in and for the State and County aforesaid, came **R. Eric Seitz, President of SF-Wichita GP, LLC the General Partner of SF-Wichita GP, LLC**, to me personally known to be the person who executed the foregoing instrument, and duly acknowledged the execution of the same, for and on behalf, and as the act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal, the day and year last above written.



*Bobbie Kpandeyenge*  
Notary Public

My Appointment Expires: 11-30-2015

APPROVED AS TO FORM:

\_\_\_\_\_  
Sharon L. Dickgrafe, Interim City Attorney  
& Director of Law

COPY

**CROSS-LOT CIRCULATION AGREEMENT**

THIS DECLARATION made this \_\_\_\_\_ day of October, 2014, by SF-Wichita-I, L.P., a Texas limited partnership, hereinafter called "Declarant",

WITNESSETH

WHEREAS, Declarant is the owner of the following described property:

**Lots 1, 2, 3 and 4, Block 1, and Reserves "A" and "B"**  
**Wichita Crossing, an Addition to Wichita, Sedgwick County, Kansas**

WHEREAS, it is necessary to provide off-street parking for the use and benefit of said property;

NOW, THEREFORE, Declarant hereby declares and established a cross-lot parking and circulation agreement as follows:

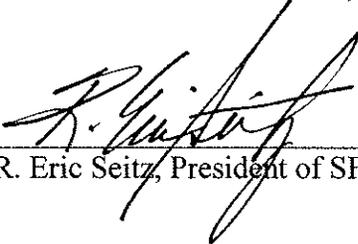
1. Declarant shall grant to all owners, future owners, their agents, assigns lessees, customers, invitees, licensees, tenants and employees a non-exclusive agreement over and through all areas constructed or designated for parking, driveways and walkways, for the purpose of ingress and egress, parking motor vehicles and the loading and unloading of commercial and other vehicles. All entrances, motor vehicles and the loading and unloading of commercial and other vehicles. All entrances, exits, aisleways and driveways shall be unobstructed so that vehicular and pedestrian traffic may easily move to and from adjoining parcels and the adjacent streets.

2. The rights herein granted and all provision hereof shall be deemed covenants that shall run with the land and shall inure to the benefit of and be binding upon Declarant and its successor and assigns.

Executed this 15<sup>th</sup> day of October, 2014.

SF-Wichita-I, L.P.

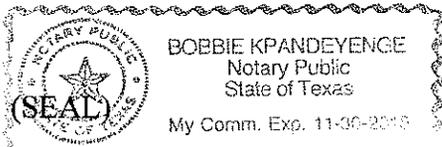
By: SF-Wichita GP, LLC,  
General Partner of SF-Wichita-I, L.P.

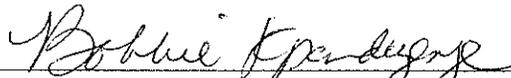
By:   
R. Eric Seitz, President of SF-Wichita GP, LLC

STATE OF TEXAS            )  
  ) SS:  
COUNTY OF COLLINS    )

BE IT REMEMBERED, that on this 15<sup>th</sup> day of October, 2014, before me, the undersigned, a Notary Public in and for the State and County aforesaid, came **R. Eric Seitz, President of SF-Wichita GP, LLC the General Partner of SF-Wichita GP, LLC**, to me personally known to be the person who executed the foregoing instrument, and duly acknowledged the execution of the same, for and on behalf, and as the act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal, the day and year last above written.



  
Notary Public

My Appointment Expires: 11-30-2015

APPROVED AS TO FORM:

\_\_\_\_\_  
Sharon L. Dickgrafe, Interim City Attorney  
& Director of Law

Published in The Wichita Eagle on December 5<sup>th</sup>, 2014

**ORDINANCE NO. 49-888**

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. ZON2012-00026**

Zone change request from SF-5 Single-family Residential to LI Limited Industrial on property described as:

Wichita Crossing Addition, Wichita, Sedgwick County, Kansas.

Generally located on the Southeast Corner of K-96 Highway and Greenwich Road.

**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.

**ADOPTED this 2nd day of December, 2014.**

**ATTEST:**

\_\_\_\_\_  
Karen Sublett, City Clerk

\_\_\_\_\_  
Carl Brewer, Mayor

(SEAL)

APPROVED AS TO FORM:

\_\_\_\_\_  
Sharon Dickgrafe, Interim  
Director of Law & City Attorney

City of Wichita  
City Council Meeting  
November 25, 2014

**TO:** Mayor and City Council

**SUBJECT:** SUB2014-00030 -- Plat of QuikTrip 16<sup>th</sup> Addition located on the Southwest Corner of Hydraulic and 47<sup>th</sup> Street South (District III)

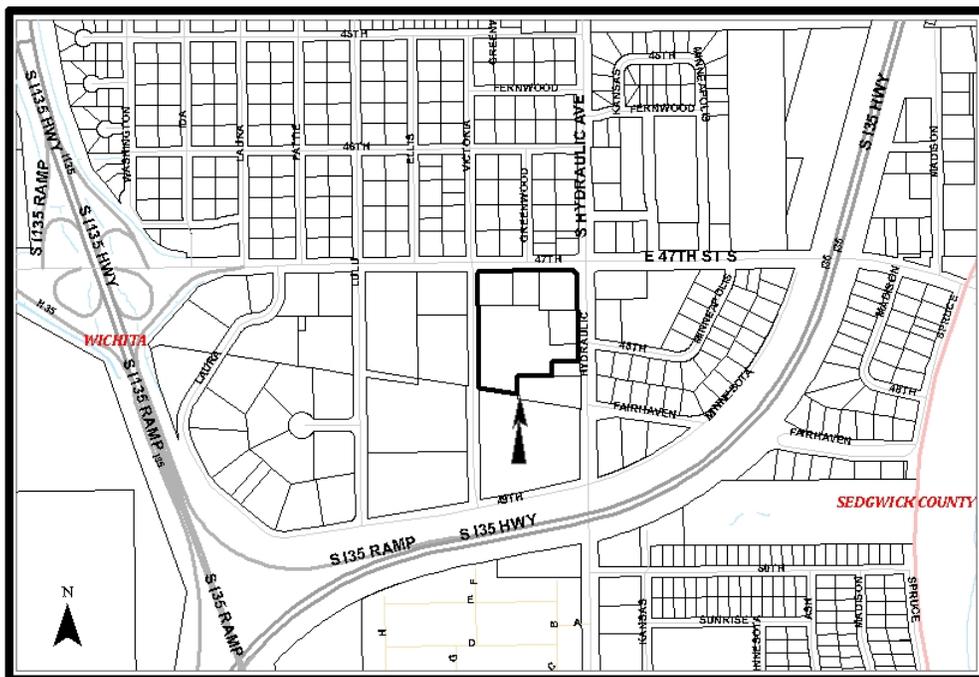
**INITIATED BY:** Metropolitan Area Planning Department

**AGENDA:** Planning (Consent)

---

**Staff Recommendation:** Approve the plat.

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



**Background:** The site is zoned General Commercial (GC) and consists of four lots on 8.24 acres. The property is also subject to the Funston Community Unit Plan (DP-315).

**Analysis:** Water service is available to serve the site. The applicant has submitted a 100 percent Petition and a Certificate of Petition for sewer improvements. Traffic improvements will be constructed by a private project. The applicant has submitted a Temporary Sanitary Sewer Easement for existing utilities proposed for removal. The applicant has submitted a Cross-Lot Circulation Agreement to assure internal vehicular movement between the lots. The applicant has submitted two Drive Approach Certificates regarding the driveways required to be closed by access controls, which are being dedicated by the plat. The applicant has submitted a Restrictive Covenant to provide for the ownership and maintenance responsibilities of the reserves being platted. The applicant has submitted a Notice of Community Unit Plan (CUP) identifying the approved CUP and special conditions for development.

**Financial Considerations:** There are no financial considerations associated with the plat.

**Legal Considerations:** The Law Department has reviewed and approved the Certificate of Petition, Temporary Sanitary Sewer Easement, Cross-Lot Circulation Agreement, Drive Approach Certificates, Restrictive Covenant, Notice of Community Unit Plan and Resolution as to form and the documents will be recorded by the applicant with the Register of Deeds.

**Recommendations/Actions:** It is recommended that the City Council approve the documents and plat, authorize the necessary signatures and adopt the Resolution.

**Attachments:** Certificate of Petition.  
Temporary Sanitary Sewer Easement.  
Cross-Lot Circulation Agreement.  
Drive Approach Certificates.  
Restrictive Covenant.  
Notice of Community Unit Plan.  
Resolution.

COPY

**CERTIFICATE**

STATE OF KANSAS, SEDGWICK COUNTY} ss:

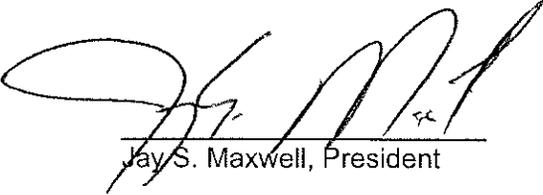
I, Jay S. Maxwell, President of, Southfork Investment, LLC, a Kansas limited liability company, owner and platter of Lots 2 and 3, Block 1, QuikTrip 16<sup>th</sup> Addition, do hereby certify that a petition for the following improvements have been submitted to the City Council of Wichita, Sedgwick County, Kansas.

1. Sanitary Sewer Petition

As a result of the above mentioned petition for improvements, Lots 2 and 3, Block 1, QuikTrip 16<sup>th</sup> Addition may be subject to special assessments assessed thereto for the cost of constructing the above described improvements.

Signed this 20<sup>th</sup> day of October, 2014.

SOUTHFORK INVSTMENT, LLC,  
a Kansas limited liability company

  
\_\_\_\_\_  
Jay S. Maxwell, President

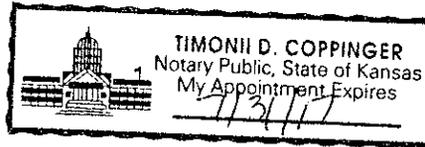
ATTEST:

STATE OF KANSAS, SEDGWICK COUNTY} ss:

This instrument was acknowledged before me on this \_\_\_\_ day of \_\_\_\_\_, 2014, by Jay S. Maxwell, President, Southfork Investment, LLC, a Kansas limited liability company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year last above written.

  
Notary Public  
My Term Expires: 7/31/17



APPROVED AS TO FORM:

\_\_\_\_\_  
Sharon L. Dickgrafe, Interim City Attorney  
& Director of Law  
City of Wichita, Kansas

COPY

Store #0356R

**TEMPORARY SANITARY SEWER EASEMENT**

STATE OF KANSAS §

COUNTY OF SEDGWICK §

THIS TEMPORARY SANITARY SEWER EASEMENT (“Easement”) is made and entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 2014, by and between CITY OF WICHITA, KANSAS, (hereinafter “Grantee”); and QUIKTRIP WEST, INCORPORATED, a Kansas corporation (hereinafter “Grantor”).

WITNESSETH:

WHEREAS, Grantor is the owner in fee of certain real property (the “Grantor Property”) located in the City of Wichita, Sedgwick County, Kansas, as more particularly described on the attached Exhibit “A”; and

WHEREAS, Grantee has requested and Grantor has agreed to grant Grantee a temporary sanitary sewer easement across a portion of the Grantor Property in order for Grantee to use, repair and maintain sanitary sewer facilities on the Grantor Property;

NOW, THEREFORE, in consideration of the premises, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Temporary Sanitary Sewer Easement. A 20’ wide non-exclusive easement (the “Temporary Sanitary Sewer Easement”) over, across, upon and under the property particularly described on the attached Exhibit “B”, for the purpose of maintaining existing sanitary sewer facilities (the “Sanitary Sewer Facilities”) located within the Temporary Sanitary Sewer Easement.

3. Duration. The Temporary Sanitary Sewer Easement shall terminate upon the date of Grantor completing the removal or abandonment of the Sanitary Sewer Facilities contained therein pursuant to the building plans for QuikTrip #356R associated with Permit # \_\_\_\_\_ and the specifications on file at the City of Wichita.

4. Indemnity. Grantee shall be responsible for, and shall indemnify Grantor against any claim or loss incurred, or physical damage to the Grantor Property resulting from said maintenance or otherwise in connection with, the easement granted herewith.

5. Restoration of Easement Areas. Upon the completion of any such use, repair, or maintenance by Grantee, the Grantor Parcel upon which such work was performed shall be restored to a substantially similar condition that existed prior to such work, except to the extent that such it has been maintained or improved as a result of such work.

6. Title. Grantor does hereby covenant and represent that it is lawfully seized with a valid fee simple title in the Grantor Property and has the right and authority to convey the easement herein granted.

7. Miscellaneous. The Easement granted herein shall run with the land and shall inure to the benefit of and be binding upon the parties hereto and their successors-in-title. This Easement is binding upon the parties hereto and their successors and assigns and may not be amended or modified except in writing signed by the parties hereto or their successors or assigns.

IN WITNESS WHEREOF, the parties hereto have executed this Easement as of the date first above written.

“Grantor”  
QUIKTRIP WEST, INC.

By: \_\_\_\_\_  
Chad M. Stanford  
Vice President

APPROVED AS TO FORM:

\_\_\_\_\_  
Sharon L. Dickgrafe, Interim City Attorney  
& Director of Law  
City of Wichita, Kansas

STATE OF OKLAHOMA )  
 ) ss.  
COUNTY OF TULSA )

This instrument was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_, 2014,  
by Chad M. Stanford, Vice President of QuikTrip West, Inc., on behalf of said company.

\_\_\_\_\_  
Notary Public, State of Oklahoma

My commission expires:

\_\_\_\_\_

Exhibit "A"  
Grantor Property

A tract of land lying within all of Lot 1, and portions of Lots 2, 4 and 5, Block 1, Funston Addition, Wichita, Sedgwick County Kansas; said tract being more particularly described as follows:

BEGINNING at a point lying 264.25 feet east of the northwest corner of said Addition on the north line of said Lot 2; thence along the north lines of said Lots 2 and 1, on a Kansas coordinate system of 1983 south zone bearing of N89°30'59"E, 295.00 feet to a northeasterly corner of said Lot 1; thence along a northeasterly line of said Lot 1, S45°34'33"E, 28.33 feet to the east line of said Lot 1; thence along said east line of said Lot 1 and along the east line of said Lot 5, S00°40'05"E, 245.00 feet; thence parallel with and 40.00 feet south of the south line of said Lot 1, S89°30'59"W, 176.25 feet; thence S00°29'01"E, 35.00 feet; thence S89°30'59"W, 138.64 feet; thence N00°40'05"W, 300.00 feet to the POINT OF BEGINNING.

Said tract CONTAINS: 88,130 square feet or 2.023 acres of land, more or less.

Exhibit "B"

Temporary Public Sanitary Sewer Easement

A 20.00 foot wide tract of land lying within portions of Lots 1 and 5, Block 1, Funston Addition, Wichita, Sedgwick County, Kansas, said 20.00 foot wide tract being centered 10.00 feet each side of the following described line:

COMMENCING at a point lying 264.25 feet east of the northwest corner of said addition on the north line of said Lot 2; thence along the north lines of said Lots 2 and 1, on a Kansas coordinate system of 1983 south zone bearing of N89°30'59"E, 295.00 feet to a northeasterly corner of said Lot 1; thence along a northeasterly line of said Lot 1, S45°34'33"E, 28.33 feet to the east line of said Lot 1; thence along said east line of said Lot 1 and along the east line of said Lot 5, S00°40'05"E, 245.00 feet; thence parallel with and 40.00 feet south of the south line of said Lot 1, S89°30'59"W, 166.25 feet to the POINT OF BEGINNING; thence N00°29'01"W, 105.00 feet to the POINT OF TERMINATION.

COPY

### CROSS-LOT CIRCULATION AGREEMENT

THIS DECLARATION, made this \_\_\_\_\_ day of \_\_\_\_\_, 2014, by Southfork Investments, LLC;

WITNESSETH: That,

WHEREAS, The declarant is the owner of Lots 2, 3, and 4, Block 1 in QuikTrip 16th Addition, an addition to Wichita, Sedgwick County, Kansas, which addition is presently in the process of being platted; and

WHEREAS, as a part of the platting process it is necessary to provide a cross-lot circulation agreement for the benefit of certain lots in QuikTrip 16th Addition; and

WHEREAS, Declarant is the owners of the property to be burdened by said agreement and desires hereby to establish the same, and

WHEREAS, Declarant is not the owner of Lot 1, Block 1 of said addition, but however, cross-lot access is being established for the benefit of said Lots 2, 3, and 4 by separate agreement.

NOW, THEREFORE, Declarants hereby declare and establish the cross-lot circulation agreement, as follows:

1. Declarants grant to all future owners, their agents, assigns, lessees, customers, invitees, licensees, tenants and employees a non-exclusive easement over, through, and around common area for driveways and walkways for ingress and egress on all lots developed for retail, commercial and office uses. All entrances, exits, and driveways shall, except in the event of construction, reconstruction, relocation, or modification as may be determined by each individual lot owner, be unobstructed so that vehicular and pedestrian traffic may easily move to and from adjoining lots and the adjacent streets.

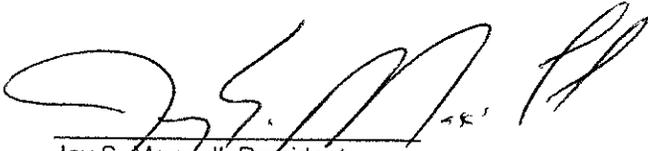
2. The rights herein granted and all provisions hereof shall be deemed covenants that shall run with the land and shall inure to the benefits of and be binding upon Declarants and their successors and assigns.

3. This Agreement may not be modified or amended in any respect whatsoever, or rescinded in whole or in part, except with upon the written agreement of the owners of the real property within QuikTrip 16<sup>th</sup> Addition.

IN WITNESS WHEREOF, this Declaration has been executed the date first above written.

STATE OF KANSAS, SEDGWICK COUNTY} ss:

SOUTHFORK INVSTMENT, LLC,  
a Kansas limited liability company



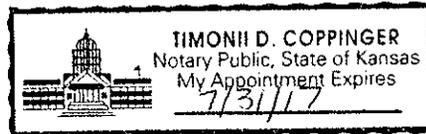
Jay S. Maxwell, President

STATE OF KANSAS, SEDGWICK COUNTY} ss:

This instrument was acknowledged before me on this 29<sup>th</sup> day of October, 2014, by Jay S. Maxwell, President, Southfork Investment, LLC, a Kansas limited liability company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year last above written.

 Notary Public  
Notary Public:  
My Term Expires: 7/31/17



APPROVED AS TO FORM:

\_\_\_\_\_  
Sharon L. Dickgrafe, Interim City Attorney  
& Director of Law  
City of Wichita, Kansas

COPY

**DRIVE APPROACH CERTIFICATE**

QuikTrip West, Incorporated, the owner of Lot 1, Block 1 and Reserve A, QuikTrip 16<sup>th</sup> Addition, an addition to Wichita, Sedgwick County, Kansas, is in the process of re-platting said property, and does hereby acknowledge that in accordance with the requirements of the re-platting process as set forth by the City of Wichita, that a certain existing drive not within the platted full movement openings designated on the face of the plat along 47<sup>th</sup> Street South be closed as part of the redevelopment process.

This is to place on notice the owner of the above-described property and subsequent owners thereof that, as a result of the above-cited platting requirements, said owner and subsequent owners thereof are responsible for seeing that such drive approach is removed and closed per City of Wichita specifications for such work, and that sufficient guaranty of such installations and closure(s), in a form acceptable to the City of Wichita (e.g. – bond, cash, letter of credit, etc.) and/or acknowledgement that the City of Wichita may withhold the issuance of an occupancy permit for any future building construction, will be a pre-condition of the issuance of any future building permit for all development on the above-described property.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

QUIKTRIP WEST, INCORPORATED,  
a Kansas limited liability company

\_\_\_\_\_  
Chad M. Stanford, Vice President

ATTEST:

STATE OF OKLAHOMA, TULSA COUNTY} ss:

This instrument was acknowledged before me on this \_\_\_\_ day of \_\_\_\_\_, 2014,  
by Chad M. Stanford, Vice President, QuikTrip West, Incorporated.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and  
year last above written.

\_\_\_\_\_, Notary Public

Notary Public:

My Term Expires: \_\_\_\_\_

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Sharon L. Dickgrafe, Interim City Attorney  
& Director of Law  
City of Wichita, Kansas

COPY

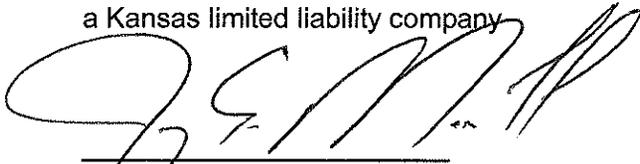
**DRIVE APPROACH CERTIFICATE**

Southfork Investment, LLC, the owner of Lot 4, Block 1, QuikTrip 16<sup>th</sup> Addition, an addition to Wichita, Sedgwick County, Kansas, is in the process of re-platting said property, and does hereby acknowledge that in accordance with the requirements of the re-platting process as set forth by the City of Wichita, that certain existing drives not within the platted full movement opening location designated on the face of the plat along Hydraulic Avenue be closed as part of the re-development process.

This is to place on notice the owner of the above-described property and subsequent owners thereof that, as a result of the above-cited platting requirements, said owner and subsequent owners thereof are responsible for seeing that such drive approach and alley returns are removed and closed per City of Wichita specifications for such work, and that sufficient guaranty of such installations and closure(s), in a form acceptable to the City of Wichita (e.g. – bond, cash, letter of credit, etc.) and/or acknowledgement that the City of Wichita may withhold the issuance of an occupancy permit for any future building construction, will be a pre-condition of the issuance of any future building permit for all development on the above-described property.

Signed this 13<sup>TH</sup> day of November, 2014.

SOUTHFORK INVSTMENT, LLC,  
a Kansas limited liability company



Jay S. Maxwell, President

ATTEST:

STATE OF KANSAS, SEDGWICK COUNTY} ss:

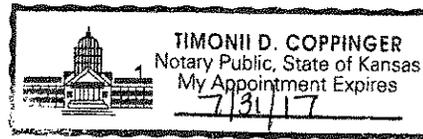
This instrument was acknowledged before me on this 13<sup>th</sup> day of November, 2014, by Jay S. Maxwell, President, Southfork Investment, LLC, a Kansas limited liability company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year last above written.

Timonii D. Coppinger Notary Public  
Notary Public:  
My Term Expires: 7/31/17

APPROVED AS TO FORM:

Sharon L. Dickgrafe  
Sharon L. Dickgrafe, Interim City Attorney  
& Director of Law  
City of Wichita, Kansas



COPY

### RESTRICTIVE COVENANT

This covenant, executed this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

W I T N E S S E T H: That,

WHEREAS, the undersigned is in the process of platting that certain real property to be known as QuikTrip 16<sup>th</sup> Addition, an addition to Wichita, Sedgwick County, Kansas; and

WHEREAS, as a part of the platting process certain requirements have been made by The City of Wichita regarding ownership and maintenance of reserves, and providing for the maintenance of drainage reserves being platted.

NOW, THEREFORE, the undersigned does hereby subject QuikTrip 16<sup>th</sup> Addition, an addition to Wichita, Sedgwick County, Kansas, to have the following covenants and restrictions.

1. The Reserve A located in said addition shall be owned and maintained by the owner of Lot 1, Block 1, of said addition.
2. Until said reserves are so conveyed, the ownership and maintenance of the reserves shall be by the undersigned, or its successor or assigns.
3. The owners of the reserves shall bear the cost of any repair or replacement of improvements within said reserves resulting from street construction, repair or maintenance.
4. The covenants, conditions, and restrictions on the property created and established in this instrument may be waived, terminated, or modified only upon written consent of the City of Wichita. No such waiver, termination or modification shall be effective until such written consent is recorded in the office of the Register of Deeds for Sedgwick County, Kansas.
5. In the event that the Undersigned, or its successor or assigns, shall fail at any time to maintain the Reserves dedicated for Drainage or fail in any manner to fulfill their obligation relating to the Reserves dedicated for Drainage, City of Wichita may serve a written Notice of Delinquency upon the Undersigned, or its successor or assigns has failed to fulfill its' obligations. Such Notice shall include a statement describing the obligation that has not been fulfilled and shall grant twenty (20) days within which the Undersigned, or its successor or assigns may fulfill the obligation. If said obligation is not fulfilled within the time specified, the City of Wichita, in order to preserve the taxable value of the properties within the Addition and to prevent the Reserves dedicated for Drainage from becoming a nuisance, may enter upon said Reserves dedicated for Drainage and perform the obligations listed in the Notice of Delinquency. All costs incurred by the City

of Wichita in carrying out the obligations of the Undersigned may be assessed against the Reserves in the same manner as provided by law for such assessments and said assessments may be established as liens upon said Reserves. Should the Undersigned, its successors or assigns, upon receipt of said Notice of Delinquency believe that the obligations described in said Notice are not proper for any reason, it may, within the twenty-day period to be provided in said Notice, apply for a hearing before the City Council to appeal said assessments, and any further proceedings under said Notice shall be suspended pending the outcome of any proceedings with respect to such appeal.

This covenant runs with the land and is binding on future owners and assigns.

IN WITNESS WHEREOF THIS covenant has been executed by the undersigned as its act and deed upon this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

QUIKTRIP WEST, INCORPORATED,  
a Kansas limited liability company

\_\_\_\_\_  
Chad M. Stanford, Vice President

ATTEST:

STATE OF OKLAHOMA, TULSA COUNTY} ss:

This instrument was acknowledged before me on this \_\_\_\_ day of \_\_\_\_\_, 2014, by Chad M. Stanford, Vice President, QuikTrip West, Incorporated.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year last above written.

\_\_\_\_\_, Notary Public  
Notary Public:  
My Term Expires:\_\_\_\_\_

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Sharon L. Dickgrafe, Interim City Attorney  
& Director of Law  
City of Wichita, Kansas

COPY

**NOTICE OF COMMUNITY UNIT PLAN**

QUIKTRIP 16TH ADDITION

THIS NOTICE made this \_\_\_\_\_ day of \_\_\_\_\_, 2014, by QuikTrip West, Incorporated and Jay S. Maxwell, President, Southfork Investment, LLC, a Kansas limited liability company, hereinafter collectively called "Declarant".

WITNESSETH

WHEREAS, declarant is the owner of all or a portion of the following described property:

QuikTrip 16<sup>th</sup> Addition, an addition to Wichita, Sedgwick County, Kansas.

WHEREAS, declarant is desirous to file notice that a Community Unit Plan approved by the Wichita City Council is on file with Metropolitan Area Planning Department, located on the 10th Floor, City Hall, Wichita, Kansas, (316)268-4421.

NOW, THEREFORE, the declarant wants to make notice that the approved Funston Community Unity Plan (CUP DP-315) has placed restrictions on the use and requirements on the development of the above described real property. The Community Unit Plan shall be binding on the owners, the heirs, successors, or assigns, and is a document running with the land and is binding on all successors in title to QuikTrip 16<sup>th</sup> Addition to Wichita, Sedgwick County, Kansas.

EXECUTED the day and year first written above

QUIKTRIP WEST, INCORPORATED,  
a Kansas limited liability company

\_\_\_\_\_  
Chad M. Stanford, Vice President

ATTEST:

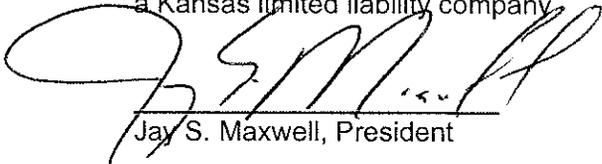
STATE OF OKLAHOMA, TULSA COUNTY} ss:

This instrument was acknowledged before me on this \_\_\_\_ day of \_\_\_\_\_, 2014, by  
Chad M. Stanford, Vice President, QuikTrip West, Incorporated.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year last  
above written.

\_\_\_\_\_, Notary Public  
Notary Public:  
My Term Expires: \_\_\_\_\_

SOUTHFORK INVESTMENT, LLC,  
a Kansas limited liability company

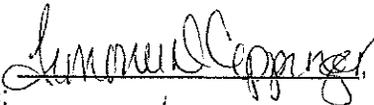
  
\_\_\_\_\_  
Jay S. Maxwell, President

ATTEST:

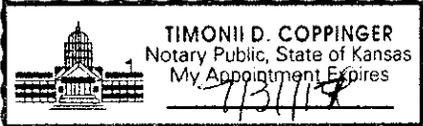
STATE OF KANSAS, SEDGWICK COUNTY} ss:

This instrument was acknowledged before me on this 29<sup>th</sup> day of October, 2014, by Jay S. Maxwell, President, Southfork Investment, LLC, a Kansas limited liability company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year last  
above written.

  
\_\_\_\_\_, Notary Public  
Notary Public:  
My Term Expires: 7/31/17

APPROVED AS TO FORM:



\_\_\_\_\_  
Sharon L. Dickgrafe, Interim City Attorney  
& Director of Law  
City of Wichita, Kansas

**RESOLUTION NO. 14-336**

RESOLUTION OF FINDINGS OF ADVISABILITY AND RESOLUTION AUTHORIZING CONSTRUCTION OF **LATERAL 101, MAIN 1, SOUTHWEST INTERCEPTOR SEWER (SOUTH OF 47<sup>TH</sup> STREET SOUTH, WEST OF HYDRAULIC) 468-84996** IN THE CITY OF WICHITA, KANSAS, PURSUANT TO FINDINGS OF ADVISABILITY MADE BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS.

BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS, THAT THE FOLLOWING FINDINGS AS TO THE ADVISABILITY OF THE CONSTRUCTION OF **LATERAL 101, MAIN 1, SOUTHWEST INTERCEPTOR SEWER (SOUTH OF 47<sup>TH</sup> STREET SOUTH, WEST OF HYDRAULIC) 468-84996** IN THE CITY OF WICHITA, KANSAS, ARE HEREBY MADE TO-WIT:

SECTION 1. That it is necessary and in the public interest to construct **Lateral 101, Main 1, Southwest Interceptor Sewer (south of 47<sup>th</sup> Street South, west of Hydraulic) 468-84996**.

Said sanitary sewer shall be constructed of the material in accordance with plans and specifications provided by the City Engineer.

SECTION 2. That the cost of said improvements provided for in Section 1 hereof is estimated to be **Forty-Eight Thousand Dollars (\$48,000)** exclusive of interest on financing and administrative and financing costs, with **100** percent payable by the improvement district. Said estimated cost as above set forth is hereby increased at the pro-rata rate of 1 percent per month from and after **December 1, 2014**, exclusive of the costs of temporary financing.

SECTION 3. That all costs of said improvements attributable to the improvement district, when ascertained, shall be assessed against the land lying within the improvement district described as follows:

**QUIKTRIP 16<sup>TH</sup> ADDITION**  
Lots 2 and 3, Block 1

SECTION 4. That the method of apportioning all costs of said improvements attributable to the improvement district to the owners of land liable for assessment therefore shall be on a **square foot** basis.

In the event all or part of the lots or parcels in the improvement district are replatted before assessments have been levied, the assessments against the replatted area shall be recalculated on the basis of the method of assessment set forth herein. Where the ownership of a single lot is or may be divided into two or more parcels, the assessment to the lot so divided shall be assessed to each ownership or parcel on a square foot basis.

SECTION 5. That payment of said assessments may indefinitely be deferred as against those property owners eligible for such deferral available through the Special Assessment Deferral Program.

SECTION 6. That the City Engineer shall prepare plans and specifications for said improvement and a preliminary estimate of cost therefore, which plans, specifications, and a preliminary estimate of cost shall be presented to this Body for its approval.

SECTION 7. Whereas, the Governing Body of the City, upon examination thereof, considered, found and determined the Petition to be sufficient, having been signed by the owners of record, whether resident or not, of more than Fifty Percent (50%) of the property liable for assessment for the costs of the improvement requested thereby; the advisability of the improvements set forth above is hereby established as authorized by K.S.A. 12-6a01 et seq., as amended.

SECTION 8. Be it further resolved that the above described improvement is hereby authorized and declared to be necessary in accordance with the findings of the Governing Body as set out in this resolution.

SECTION 9. That the City Clerk shall make proper publication of this resolution, which shall be published once in the official City paper and which shall be effective from and after said publication.

PASSED by the governing body of the City of Wichita, Kansas, this 25th day of November, 2014.

---

CARL BREWER, MAYOR

ATTEST:

---

KAREN SUBLETT, CITY CLERK

(SEAL)

APPROVED AS TO FORM:

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SHARON DICKGRAFE, INTERIM  
DIRECTOR OF LAW AND CITY ATTORNEY

City of Wichita  
City Council Meeting  
November 25, 2014

**TO:** Mayor and City Council

**SUBJECT:** A14-06: Request by JEDCO, LLC to Annex Lands Generally Located at the Northeast Corner of 31<sup>st</sup> Street South and 119<sup>th</sup> Street West (District IV)

**INITIATED BY:** Metropolitan Area Planning Department

**AGENDA:** Planning (Consent)

---

**Recommendation:** Approve the annexation request and place the ordinance on first reading.

**Background:** The City has received a request to annex approximately 77.22 acres of land generally located at the northeast corner of 31<sup>st</sup> Street South and 119<sup>th</sup> Street West. That area is bordered by property located within the City of Wichita's incorporated area to the south and east. Additionally, Sedgwick County Public Works has requested that the City annex approximately 11.49 acres of 31<sup>st</sup> Street South right-of-way that will be bordered on both sides by property located within the City of Wichita's incorporated area along the majority of its length.

**Analysis:**

**Land Use and Zoning:** The annexation area consists of approximately 77.22 acres zoned "SF" Single-Family Residential and is a farmstead. A zoning change to "LI" Limited Industrial with a Conditional Use to permit mining and quarrying (soil extraction) was approved for the subject property by the Sedgwick County Board of County Commissioners on January 23, 2013, subject to the condition of platting. The Metropolitan Area Planning Commission approved the Skyway West 4<sup>th</sup> Addition plat for the subject property on November 7, 2013. The adjacent properties to the north and west are zoned "SF" Single-Family Residential and are used for agriculture. The adjacent properties to the south and east are zoned "IP" Industrial Park and are undeveloped.

**Public Services:** The Skyway West 4<sup>th</sup> Addition plat requires a guarantee for the extension of water and sanitary sewer to serve the annexation area.

**Street System:** The annexation area abuts 31<sup>st</sup> Street South, an unimproved section line road, and 119<sup>th</sup> Street West, a two-lane arterial street. The Skyway West 4<sup>th</sup> Addition plat permits three access drives to 119<sup>th</sup> Street West and requires complete access control to 31<sup>st</sup> Street South.

**Public Safety:** Fire protection is currently provided to the area on the basis of a first-responder agreement between the City and County, and that service will continue following annexation. The nearest City station is Fire Station No. 17 at 10651 W. Maple. Upon annexation, police protection will be provided to the area by the Patrol West Bureau of the Wichita Police Department, headquartered at 661 N. Elder.

**Parks:** Pawnee Prairie Park, located approximately one mile northeast of the annexation area, is the nearest park. Pawnee Prairie Park is a semi-regional park along the Cowskin Creek that has been designated as a Wichita Wild Habitat area and is the largest in the Wichita Park system. Horseback riding on both marked and unmarked trails is featured at the park and a parking area for horse trailers is provided. The Park, Recreation and Open Space (PROS) Plan designates a "proposed park target area" in the vicinity of the annexation area.

**School District:** The annexation property is part of Unified School District 265 (Goddard School District). Annexation will not change the school district.

**Comprehensive Plan:** The proposed annexation is consistent with the Wichita-Sedgwick County Comprehensive Plan. The annexation property falls within the Wichita 2030 Urban Growth Area as shown in the Plan.

**Financial Considerations:** The current approximate appraised value of the proposed annexation lands, according to County records, is \$163,300 with a total assessed value of \$21,648. Using the current City levy (\$32.509/\$1000 x assessed valuation), this property would yield approximately \$704 in City annual property tax revenues upon annexation. The future assessed value of this property will depend on the type and timing of any other developments on the proposed annexation property and the current mill levy. At this time, the property owner is anticipating 500,000 square feet of industrial development with an estimated appraised value after completion of \$60 million. Assuming the current City levy remains about the same, this would yield approximately \$487,635 in City annual tax revenues.

**Legal Considerations:** The property is eligible for annexation under K.S.A. 12-517, *et seq.* The annexation ordinance has been reviewed by the Law Department and approved as to form.

**Recommendations/Actions:** It is recommended that the City Council approve the annexation request, place the ordinance on first reading, authorize the necessary signatures and instruct the City Clerk to publish the ordinance after approval on second reading.

**Attachments:** Map Sheet  
Ordinance

PUBLISHED IN THE WICHITA EAGLE ON December 5<sup>th</sup>, 2014

ORDINANCE NO. 49-889

AN ORDINANCE INCLUDING AND INCORPORATING CERTAIN  
BLOCKS, PARCELS, PIECES AND TRACTS OF LAND WITHIN THE  
LIMITS AND BOUNDARIES OF THE CITY OF WICHITA, KANSAS.  
(A14-06)

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

SECTION 1. The governing body, under the authority of K.S.A. 12-517, et seq, hereby annexes the following blocks, parcels, pieces and tracts of land and they are hereby included and brought within the corporate limits of the City of Wichita, Kansas and designated as being part of City Council District IV:

The South Half of the Southwest Quarter of Section 6, Township 28 South, Range 1 West of the Sixth Principal Meridian, Sedgwick County, Kansas EXCEPT that part designated as 119th Street West AND EXCEPT that part designated as 31st Street South

And Also

31st Street South, from the east right-of-way line of 119th Street West, thence east to the east line of the Southwest Quarter of Section 5, Township 28 South, Range 1 West of the Sixth Principal Meridian, Sedgwick County and the east line of the Northwest Quarter of Section 8, Township 28 South, Range 1 West of the Sixth Principal Meridian, Sedgwick County, Kansas.

SECTION 2. That if any part or portion of this ordinance shall be held or determined to be illegal, ultra vires or void the same shall not be held or construed to alter, change or annul any terms or provisions hereof which may be legal or lawful. And in the event this ordinance in its entirety shall be held to be ultra vires, illegal or void, then in such event the boundaries and limits of said City shall be held to be those heretofore established by law.

SECTION 3. That the City Attorney is hereby instructed at the proper time to draw a resolution redefining the boundaries and limits of the City of Wichita, Kansas, under and pursuant to K.S.A. 12-517, et seq.

SECTION 4. This ordinance shall become effective and be in force from and after its adoption and publication once in the official city paper.

ADOPTED at Wichita, Kansas, this December 2, 2014.

---

Carl Brewer, Mayor

ATTEST:

---

Karen Sublett, City Clerk

Approved as to form:

---

Sharon L. Dickgrafe, Interim City Attorney &  
Director of Law

# Planning Agenda

Item: \_\_\_\_\_

A14-06

Attachment No. 1

An ordinance including and incorporating certain blocks, parcels, pieces, and tracts of land within the limits and boundaries of the City of Wichita, Kansas, and relating thereto.

**General Location:** Generally located at the northeast corner of 31<sup>st</sup> Street South and 119<sup>th</sup> Street West

**Address:** 11600 W. 31<sup>st</sup> St. S.

**Reason(s) for Annexation:**

88.71

Area in Acres

Request

2

Existing population (est.)

Unilateral

1

Existing dwelling units

Island

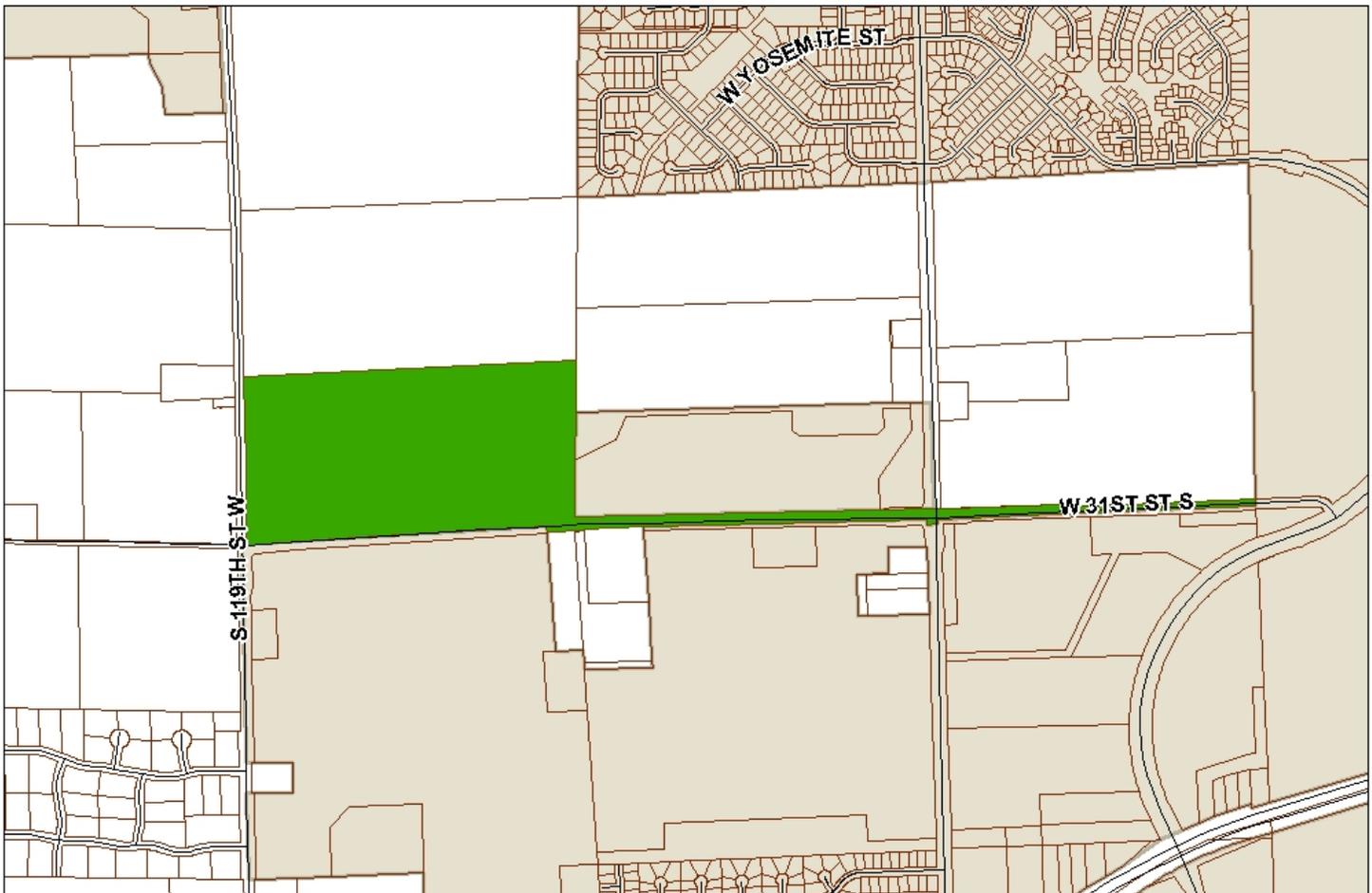
0

Existing industrial/commercial units

Other:

Existing zoning:

"SF-20" Single Family Residential



- ANNEXATION AREA
- WICHITA
- UNINCORPORATED



Software: ArcGIS  
Map Data Sources:  
City of Wichita  
Sedgewick County  
Prepared: 2/2013

I understand that while the City of Wichita Data Center Geographical Information Systems Department have no indication and reason to believe that there are errors or information incorporated in the base map, the Data Center-GIS personnel make no warranty or representation, either expressed or implied, with regard to the information or data displayed.  
Note: Public property represented on this map is not intended to be exclusive.

City of Wichita  
City Council Meeting  
November 25, 2014

**TO:** Wichita Airport Authority

**SUBJECT:** EagleMed, LLC – Amendment No. 4  
Wichita Mid-Continent Airport

**INITIATED BY:** Department of Airports

**AGENDA:** Wichita Airport Authority (Consent)

---

**Recommendation:** Approve the amendment.

**Background:** The Wichita Airport Authority (WAA) has an existing bond lease with EagleMed, LLC (EagleMed) for the hangar and corporate office complex at 6601 Pueblo Road. EagleMed operates an emergency air ambulance service headquartered at Mid-Continent Airport. EagleMed’s employees use a vehicle security gate for access to and from the Air Operations Area. The vehicle security gate is located on the northeast corner of EagleMed’s premises.

**Analysis:** Due to heightened restrictions required by the Transportation Security Administration, it is recommended that the current agreement with EagleMed be modified to identify the vehicle security gate as common use and under the control of the WAA. This will provide Airport staff, agents, or invitees full, unencumbered airfield access to and from the north end of the Mid-Continent campus using the vehicle security gate, and provide an improved level of security.

**Financial Considerations:** There are no significant financial impacts on the Airport with respect to costs. However, modifying the language will transfer future maintenance obligations to the WAA.

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

**Recommendations/Actions:** It is recommended that the Wichita Airport Authority approve the amendment and authorize the necessary signatures.

**Attachments:** Amendment No. 4.

AMENDMENT NO. 4

By and Between

THE WICHITA AIRPORT AUTHORITY  
Wichita, Kansas

and

EAGLEMED, LLC.

for

Use of Land – 6601 Pueblo Road

THIS AMENDMENT NO. 4, made and entered into this November 25, 2014 by and between THE WICHITA AIRPORT AUTHORITY, Wichita, Kansas, (“Landlord”), and EAGLEMED, LLC (“Tenant”).

WITNESSETH:

WHEREAS, the Landlord and Tenant have entered into a Bond Lease Agreement dated December 15, 1998, for the purpose of constructing a facility to serve as a limited fixed-base operator, and such purposes are further limited to the provision of public air charter services (including air ambulance services); Amendment No. 1, dated June 19, 2001 to allow the Tenant to provide maintenance of helicopter equipment owned and operated by the City of Wichita Police Department; Amendment No. 2, dated August 21, 2001 to expand the services which may be provided by Tenant; and Amendment No. 3, dated October 18, 2005 for parking lot expansion and movement/aircraft ramp area expansion; and

WHEREAS, the Landlord and Tenant wish to amend the Agreement for the purpose of modifying its language.

NOW, THEREFORE, in consideration of the covenants and agreements set forth herein, the parties hereto agree to supplement the original Bond Lease Agreement dated December 15, 1998, as follows:

### 1. REPAIRS AND MAINTENANCE

Section 10.1 of the original Bond Lease Agreement, dated December 15, 1998 shall be **modified** to add the following language:

The Landlord shall be responsible for maintenance, repair and replacement for the common use security vehicle gate, gate motor, controls and all accessories thereto. Landlord shall have access to the common use security gate to conduct reasonable inspections, and to direct work done as needed to meet the above-described maintenance condition in a timely manner.

### 2. LANDLORD'S ACCESS TO PROJECT

Section 15.1 of the original Bond Lease, dated December 15, 1998 shall be **modified** to add the following language:

Landlord, its agents or employees, shall have the right to enter and shall have full, unencumbered access across the leasehold for the purpose of ingress/egress to/from the common use vehicle security gate, as shown in Exhibit A. This right of access would also extend to Landlord's tenants, agents, contractors, or invitees during the term of this Lease.

### 3. OTHER TERMS

It is understood and agreed that all other terms and conditions of the existing Bond Lease Agreement and all Amendments between the parties hereto are incorporated herein and reaffirmed.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 4 the day and year first above written.

ATTEST:

THE WICHITA AIRPORT AUTHORITY

By \_\_\_\_\_  
Karen Sublett, City Clerk

By \_\_\_\_\_  
Carl Brewer, President  
"LANDLORD"

By \_\_\_\_\_  
Victor D. White, Director of Airports

ATTEST:

EAGLEMED, LLC

By \_\_\_\_\_

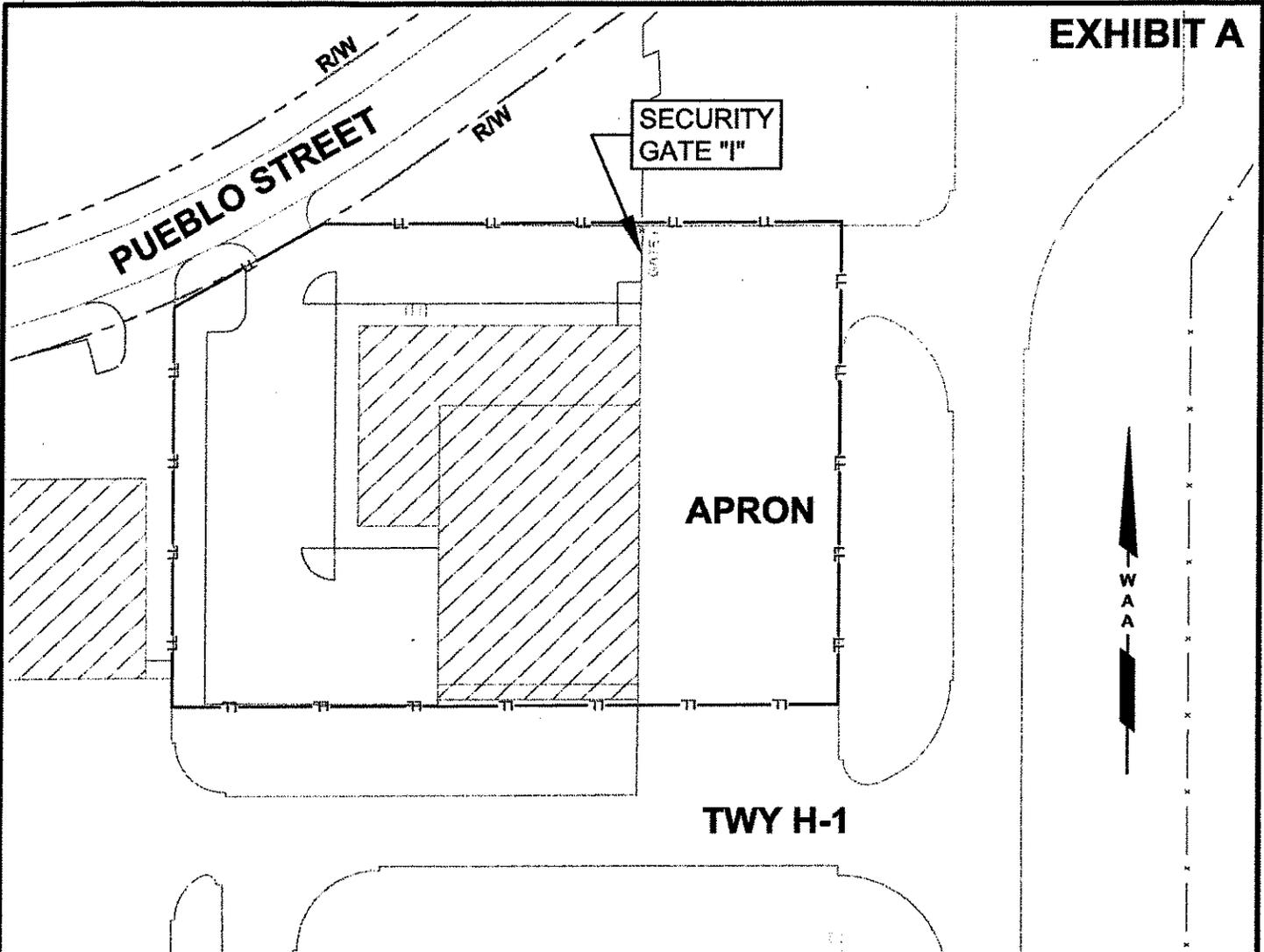
By \_\_\_\_\_

Title \_\_\_\_\_

Title \_\_\_\_\_  
Larry Bugg, President  
"TENANT"

APPROVED AS TO FORM: \_\_\_\_\_ Date: \_\_\_\_\_  
Interim Director of Law

:



**ORIGINAL BALLARD / EAGLE MED**

— BEGINNING AT A POINT 3298.45 FEET WEST AND 1172.25 FEET NORTH OF THE S.E. CORNER OF THE SECTION 27, T27S, RIW OF THE 6TH PRINCIPAL MERIDIAN; THENCE S88°16'28"W A DISTANCE OF 256.00 FEET; THENCE N46°37'02"W A DISTANCE OF 56.58 FEET, THENCE N1°30'33"W A DISTANCE OF 180.10 FEET; THENCE N59°01'28"E A DISTANCE OF 44.80 FEET, THENCE N88°16'28"E (N88°17'28"E CORRECTED) A DISTANCE OF 257.00 FEET (257.07 CORRECTED), THENCE S1°30'33"E A DISTANCE OF 242.00 FEET TO THE POINT OF BEGINNING. CONTAINING 70,483 SQUARE FEET MORE OR LESS.

**ADDITION TO BALLARD / EAGLE MED**

FROM THE SOUTHWEST CORNER OF THE ORIGINAL DESCRIPTION AND THE TRUE POINT OF BEGINNING (TPOB); THENCE ALONG THE SAME BEARING OF THE SOUTH LINE OF SAID LOT, S88°16'28"W A DISTANCE OF 75.08 FEET; THENCE N1°30'33"W PARALLEL AND 35.00 FEET WEST OF THE WEST LINE OF THE ORIGINAL LOT, A DISTANCE OF 200.54 FEET; THENCE N59°01'28"E A DISTANCE OF 40.20 FEET MORE OR LESS TO THE NORTHWEST CORNER OF ORIGINAL LOT; THENCE S1°30'33"E ALONG THE WEST LINE OF ORIGINAL LOT A DISTANCE OF 180.10 FEET MORE OR LESS TO A CORNER OF THE ORIGINAL LOT; THENCE S46°29'27"E ALONG THE SOUTHWEST LINE OF ORIGINAL LOT A DISTANCE OF 56.58 FEET MORE OR LESS TO THE POINT OF BEGINNING. CONTAINING 8,166 SQUARE FEET MORE OR LESS.

**NOTE:**

LEASE CONTAINS THE ORIGINAL LEASE PLAT IS DATED 10-14-98 AND AN ADDED PARCEL DATED 10-4-05

|  |        |          |        |
|--|--------|----------|--------|
| <b>EAGLEMED LLC</b>  |        |          |        |
| WICHITA MID-CONTINENT AIRPORT<br>THE WICHITA AIRPORT AUTHORITY |        |          |        |
| WICHITA, KANSAS  |        |          |        |
| DATE   | DR. BY | SCALE    | SHEET  |
| 8/28/14  | H.G.O. | 1" = 80' | 1 of 1 |

D:\Drawings\15-Hangar\15-Hangar\15-Hangar.dwg, new lease (2), 8/28/2014 4:06:07 PM

Wichita, Kansas  
November 24, 2014  
10:00 a.m., Monday  
Conference Room, 12<sup>th</sup> Floor

MINUTES - BOARD OF BIDS AND CONTRACTS\*

The Board of Bids and Contracts met with Marty Strayer, Administrative Assistant, Public Works Engineering in the Chair; Fanny Chan, Senior Accountant, Finance, representing the Director of Finance, Elizabeth Goltry-Wadle, Senior Budget Analyst, Budget Office, Clarence Rose, Senior Buyer, representing Purchasing, Zack Daniel Fellow representing the City Manager's Office and Janis Edwards, Deputy City Clerk.

Minutes of the regular meeting dated November 17, 2014, were read and on motion approved.

Bids were opened November 21, 2014, pursuant to advertisements published on:

**WICHITA AIRPORT AUTHORITY/ENGINEERING DIVISION: Reconstruction terminal apron PH.4 (A).**

Defer two weeks

The Purchasing Division recommended that the contracts be deferred as outlined above, same being the lowest and best bid.

On motion the Board of Bids recommended that the contracts be deferred as outlined above, same being the lowest and best bid.

On motion the Board of Bids adjourned.

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Marty Strayer, Administrative Assistant  
Department of Public Works

---

Janis Edwards, CMC  
Deputy City Clerk

**FORMAL BID REPORT**

**TO:** Robert Layton, City Manager  
**DATE:** November 24, 2014

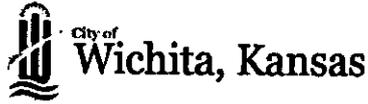
**WICHITA AIRPORT AUTHORITY BIDS – VICTOR WHITE, DIRECTOR OF AIRPORTS**  
**November 21, 2014**

Reconstruction of Terminal Apron - Phase 4 (Part A) – Wichita Airport Authority/Engineering Division  
(Defer to December 8, 2014) (Pending FAA Approval)

**ITEMS TO BE PURCHASED AS ADVERTISED IN THE OFFICIAL CITY NEWSPAPER.**



Melinda A. Walker  
Purchasing Manager



**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.

|  |              |   |                               |  |  |
|--|--------------|---|-------------------------------|--|--|
| <b>Vendor</b>                          | <b>Group</b> | <b>Line</b>                               |                               |  |  |
| <b>Solicitation:</b>                   |              | <b>Reconstruction Terminal Apron PH 4</b> |                               | <b>Close Date/Time:</b> 11/21/2014 10:00 |  |
| FB440218                               |              | (A)                                       |                               | AM CST                                   |  |
| <b>Solicitation Type:</b> Formal Bid   |              |   | <b>Return to the Bid List</b> |  |  |
| <b>Award Method:</b> Aggregate Cost    |              |   |                               |  |  |
| <b>Department:</b> Airport Engineering |              |   | <b>Responses:</b> 2           |  |  |

| Vendors                     | Complete | Bid Total    | City Comments   |
|-----------------------------|----------|--------------|---|
| WILDCAT CONSTRUCTION CO INC | Complete | \$494,353.00 | Defer to 12-8-14 Pending FAA Approval, Wichita Airport Authority/Engineering Division |
| CORNEJO & SONS LLC          | Complete | \$640,853.00 |   |

BIDS ARE WITHIN THE ENGINEERS ESTIMATE

[Top of the Page](#)

