AGENDA
CITY COMMISSION MEETING
Tuesday, July 2, 2013
1:00 P.M.

I. Note: No Pre-Meeting.

II. REGULAR MEETING CALLED TO ORDER AND CITY CLERK ANNOUNCING QUORUM PRESENT.

III. PLEDGE OF ALLEGIANCE TO THE FLAG AND INVOCATION.

IV. APPROVAL OF THE MINUTES OF THE LAST REGULAR MEETING, WHICH IF NO CORRECTIONS ARE OFFERED, SHALL STAND APPROVED.

V. PUBLIC COMMENT Agenda Schedule Allowance: 30 minutes (5 minutes per spokesperson)

A. Representative Russ Jennings will be present to give an update on recent legislative issues.

VI. CONSIDERATION OF PETITIONS, MEMORIALS AND REMONSTRANCES.

A. None at this writing.

VII. REPORT OF THE CITY MANAGER.

A. The City has received correspondence from Cox Communication regarding channel line-up changes.

B. The City has received the May 2013 franchise payment in the amount of $5,989.46 from AT&T.

C. The Sunflower Foundation has advised the City that the application for a Sunflower Trail Grant for Phase 3 of the Wiley Park Walking Trail was not funded.

D. Staff has provided several items of information for Governing Body review including the following: from Director of Finance Hitz the monthly sales tax reports, and from Zoo Director Sexson the monthly zoo reports for April and May.

E. Meetings of note:

- ✓ July 24 – 28, 2013 – Finney County Fair
- ✓ July 30, 2013 – Town Hall meeting at 7:00 p.m. at the City Administrative Center
- ✓ August 1, 2013 – Chamber Annual Banquet at Garden City High School at 6:00 p.m.
- ✓ August 7 – 11, 2013 – Southwest Kansas Pro Am
- ✓ August 8, 2013 – SHRM of SWKS – 5th Annual HR Workshop, 8:00 a.m. – 4:00 p.m.
- ✓ August 24 – 25, 2013 – Tumbleweed Festival
- ✓ September 7, 2013 – A Wild Affair at Lee Richardson Zoo
- ✓ September 14, 2013 – 87th Garden City Community Mexican Fiesta
- ✓ September 21, 2013 – FallFest 2013 featuring Art in the Park, Knights of Columbus' OktoberFest, Doxie Derby & Nasduck 500 Duck Races – 8:30 a.m. to 3:00 p.m.

- ✓ September 21, 2013 – Chamber's "Fire and Ice" Wine Tasting – 7:00 p.m.
- ✓ October 10, 2013 – Cultural Relations 2013 Diversity Dinner

VIII. CONSIDERATION OF APPROPRIATION ORDINANCE.

A. Appropriation Ordinance No. 2343-2013A.

IX. CONSIDERATION OF ORDINANCES AND RESOLUTIONS.

A. 1:30 p.m. – Public Hearing required by Resolution No. 2528-2013, for the purpose of the Governing Body hearing and answering concerns, questions, and/or objections of taxpayers relating to the TIF district plan for the redevelopment of the Stone Development, Inc. property and creation of a redevelopment district for the Development. (Lareu Road and Stone Creek Drive)

1. Ordinance No. _____ - 2013, an ordinance of the Governing Body of the City of Garden City, Kansas making findings regarding a redevelopment district and establishing a redevelopment district within the city.

B. 2:00 p.m. – Public Hearing for the purpose of the Governing Body hearing and answering concerns, questions and/or objections of taxpayers relating to the establishment of the District and adoption of the Plan of Chappel Heights Phase I project.

1. Ordinance No. _____ - 2013, an ordinance of the Governing Body of the City of Garden City, Kansas, establishing a Rural Housing Incentive District within the City and adopting a plan for the development of housing and public facilities in such district, and making certain findings in conjunction therewith (Chappel Heights Phase I Project)

C. Resolution No._____- 2013, a resolution of the Governing Body of the City of Garden City, Kansas determining that the city is considering establishing a Rural Housing Incentive District within the city and adopting a plan for the Development of Housing And Public Facilities in such proposed district; establishing the date and time of a public hearing on such matter, and providing for the giving of notice of such public hearing. (Prairie Trails Partners II, LLC Project)

D. The Governing Body is asked to consider and approve the first of several items related to the Schulman Crossing Phase 2 development located just north of Menards on Lareu Road.

1. Resolution No. _____ - 2013, a resolution stating the intent of the City of Garden City, Kansas to consider adoption of a redevelopment project plan within the 2012 redevelopment district created by the City and providing for notice of a public hearing on such matters.

X. OLD BUSINESS.

A. 2:30 p.m. - Public Hearing relating to 705 Taylor Avenue to determine compliance with the order of the Governing Body of May 21, 2013 and whether additional orders need to be issued consistent with the Code of Ordinances.

B. The City Commission is asked to set a proposed budget for 2014. If the Commission agrees to a proposed budget, the appropriate step required for the meeting on July 2, 2013 would be to authorize a notice of public hearing. From this point the published mill levy can decrease, but not increase, prior to final adoption.

C. Governing Body consideration and approval of the Development Agreement for Gian Addition.

D. Staff continues to receive inquiries concerning the American Legion Building and requests Governing Body direction concerning the property.

XI. NEW BUSINESS.

A. Governing Body consideration of bids received on June 25, 2013 for the construction/assembly of Substation #10. Staff recommends rejecting the bid due to the amount being in excess of Engineer's estimate and rebid the project.

B. Governing Body consideration and authorization of Vehicle Rental Lease Agreements with Wheatlands, Inc. (d/b/a Hertz) and EAN Holdings, LLC. (d/b/a Enterprise Rent-A-Car).

C. ***Consent Agenda for approval consideration:*** (The items listed under this "consent agenda" are normally considered in a single motion and represent items of routine or prior authorization. Any member of the Governing Body may remove an item prior to the vote on the consent agenda for individual consideration.)

1. KDOT has awarded the Transportation Enhancement Project for a pedestrian/bicycle pathway on K-156 from Campus Drive to Leslie Road. A completed Request for Project Construction is one of the required documents. The Governing Body is asked to approve the document.

2. Governing Body consideration and authorization of the lease amendment between American Airlines and the City of Garden City.

3. Governing Body consideration and approval of bids received on June 25, 2013 for 35 KV GOAB switches.

4. Permission for Eunice Leeper to reserve Space 4, Lot 60, Zone J of Valley View Cemetery for the consideration of $50.00 for the period of one year.

5. Licenses:

(2013 New)

a) Acapulco Mexican Grill ..... Cereal Malt Beverage
b) G&R Concrete Specialists – Precision Builders, Inc. ..... Class A General
c) Hellas Construction, Inc. ..... Class A General
d) Prairie Winds Construction, Inc ..... Class B General
e) Padgett Enterprises, Inc. ..... Class D-P Plumbing w/ Gas
f) CBS Constructors ..... Class E-SOC Specialized Other

XII. CITY COMMISSION REPORTS.

A. Commissioner Cessna

B. Commissioner Dale

C. Commissioner Doll

D. Mayor Fankhauser

E. Commissioner Law

XIII. ADJOURN.

THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS
City of Garden City
June 18, 2013

The regular meeting of the Board of Commissioners of the City of Garden City was held at 1:00 p.m. at the City Administrative Center on Tuesday, June 18, 2013 with all members present. Mayor Fankhauser opened the meeting with the Pledge of Allegiance to the Flag and Invocation.

Commissioner Law moved to approve a request from Angelica Castillo-Chappel and Jeremy Haden, on behalf of the Board of Directors for the Garden City Community Mexican Fiesta Association Inc., to waive the sign ordinance to allow for a sign to be posted in the northwest corner of Stevens Park for one week prior to September 14, 2013. Commissioner Doll seconded the motion. The vote was taken by yeas and nays and recorded as follows:

Cessna	Dale	Doll	Fankhauser	Law
Yea	Yea	Yea	Yea	Yea

Commissioner Cessna moved to approve a request from First Christian Church Discipulos de Cristo at Eighth Street and Bellevue Avenue, across from Cornerstone Church, to connect to City sewer and water subject to an annexation agreement, to serve a new church and future residential development. Commissioner Dale seconded the motion. The vote was taken by yeas and nays and recorded as follows:

Cessna	Dale	Doll	Fankhauser	Law
Yea	Yea	Yea	Yea	Yea

The Kansas Department of Transportation has awarded the Transportation Enhancement projects for 2013. The City's application for a pedestrian/bicycle path along K-156 from Campus Drive to Leslie Road was approved, while our streetscape application on E. US-50/400 was not funded.

The City has submitted a grant application for USDOT TIGER funding on behalf of the Southwest Chief Rural Rail Partnership. City Engineer Cottrell and Jeff Sural, Alston & Bird, prepared the application. The City's application is one of 568 applications totaling $9 billion in requests for the $474 million of available funding.

Staff provided several items of information for Governing Body review including the following: from Director of Aviation Powell the monthly enplanement report, from Community Development Director Kentner the monthly code enforcement report and building report, from Assistant City Engineer Mestdagh a final construction update, from Finance Director Hitz the monthly financial report, from Police Chief Hawkins the monthly activity report and from Public Works Director Curran the CIP schedule, Finney County Transit May report and City Link ridership.
Meetings of note:

- ✓ June 22, 2013 – Global Bazaar, 8:00 a.m. – 4:00 p.m. at LRZ (west side)
- ✓ July 24 – 28, 2013 – Finney County Fair
- ✓ July 30, 2013 – Town Hall meeting, 7:00 p.m. at City Administrative Center
- ✓ August 1, 2013 – Chamber Annual Banquet at Garden City High School at 6:00 p.m.
- ✓ August 7 – 11, 2013 – Southwest Kansas Pro Am
- ✓ August 8, 2013 – SHRM of SWKS – 5th Annual HR Workshop, 8:00 a.m. – 4:00 p.m.
- ✓ August 24 – 25, 2013 – Tumbleweed Festival
- ✓ September 14, 2013 – 87th Garden City Community Mexican Fiesta
- ✓ September 21, 2013 – FallFest 2013 featuring Art in the Park, Knights of Columbus' OktoberFest, Doxie Derby & Nasduck 500 Duck Races – 8:30 a.m. to 3:00 p.m.
- ✓ September 21, 2013 – Chamber's "Fire and Ice" Wine Tasting – 7:00 p.m.
- ✓ October 10, 2013 – Cultural Relations 2013 Diversity Dinner

Appropriation Ordinance No. 2342-2013A, "AN APPROPRIATION ORDINANCE MAKING CERTAIN APPROPRIATIONS FOR CERTAIN CLAIMS IN THE AMOUNT OF $1,457,988.89," was read and considered section by section. Commissioner Law moved to approve and pass Appropriation Ordinance No. 2342-2013A. Commissioner Cessna seconded the motion. The vote was taken by yeas and nays and recorded as follows:

Cessna	Dale	Doll	Fankhauser	Law
Yea	Yea	Yea	Yea	Yea

Resolution No. 2529-2013, "A RESOLUTION AUTHORIZING THE REMOVAL OF NUISANCE CONDITIONS FROM THE PROPERTY LISTED BELOW IN THE CITY OF GARDEN CITY, KANSAS, PURSUANT TO SECTION 38-139 OF THE CODE OF ORDINANCES OF THE CITY OF GARDEN CITY, KANSAS" (1605 George Street), was read and considered section by section. Mayor Fankhauser moved to approve Resolution No. 2529-2013. Commissioner Dale seconded the motion. The vote was taken by yeas and nays and recorded as follows:

Cessna	Dale	Doll	Fankhauser	Law
Yea	Yea	Yea	Yea	Yea

Resolution No. 2530-2013, "A RESOLUTION FIXING A TIME AND PLACE AT WHICH THE OWNER, OWNER'S AGENT, ANY LIENHOLDER OF RECORD AND ANY OCCUPANT OF THE STRUCTURE MAY APPEAR AND SHOW CAUSE WHY THE STRUCTURE SHOULD NOT BE CONDEMNED AND ORDERED REPAIRED, OR DEMOLISHED AND REMOVED, PURSUANT TO SECTION 18-81 ET SEQ OF THE CODE OF ORDINANCES OF THE CITY OF GARDEN CITY, KANSAS" (110 Stevens Avenue), was read and considered section by section. Commissioner Cessna moved to approve Resolution No. 2530-2013. Commissioner Law seconded the motion. The vote was taken by yeas and nays and recorded as follows:

Cessna	Dale	Doll	Fankhauser	Law
Yea	Yea	Yea	Yea	Yea

Ordinance No. 2601-2013, "AN ORDINANCE APPROVING THE REZONING OF LAND FROM "A" AGRICULTURAL DISTRICT TO "P-F" PUBLIC FACILITIES DISTRICT; AMENDING THE ZONING ORDINANCE, THE COMPREHENSIVE PLAN OF THE CITY, AND THE DISTRICT ZONING MAP OF THE CITY; AND REPEALING THE CURRENT ZONING ORDINANCE, COMPREHENSIVE PLAN, AND DISTRICT ZONING MAP; ALL TO THE CODE OF ORDINANCES OF THE CITY OF GARDEN CITY, KANSAS" (325 S. Jennie Barker Road), was read and considered section by section. Commissioner Law moved to approve Ordinance No. 2601-2013. Mayor Fankhauser seconded the motion. The vote was taken by yeas and nays and recorded as follows:

Cessna	Dale	Doll	Fankhauser	Law
Yea	Yea	Yea	Yea	Yea

At 2:00 p.m., Mayor Fankhauser opened the public hearing for the purpose of the Governing Body hearing and answering concerns, questions and/or objections of taxpayers relating to the Plan of East Cambridge Square Phase II Project.

There being no comments from the public, Mayor Fankhauser closed the public hearing.

Ordinance No. 2602 - 2013, "AN ORDINANCE OF THE GOVERNING BODY OF THE CITY OF GARDEN CITY, KANSAS, ESTABLISHING A RURAL HOUSING INCENTIVE DISTRICT WITHIN THE CITY AND ADOPTING A PLAN FOR THE DEVELOPMENT OF HOUSING AND PUBLIC FACILITIES IN SUCH DISTRICT, AND MAKING CERTAIN FINDINGS IN CONJUNCTION THEREWITH," (East Cambridge Square Phase II Project) was read and considered section by section. Commissioner Cessna moved to approve Ordinance No. 2602-2013. Commissioner Doll seconded the motion. The vote was taken by yeas and nays and recorded as follows:

Cessna	Dale	Doll	Fankhauser	Law
Yea	Yea	Yea	Yea	Yea

Bond Counsel Mary Carson provided a Resolution authorizing the 2013 General Obligation Bond sale for July 16, 2013 for Capital Improvement Projects and Special Assessments being levied this year. Financial Advisory Chuck Boully provided the Preliminary Official Statement for Governing Body approval.

Resolution No. 2531 - 2013, "A RESOLUTION OF THE CITY OF GARDEN CITY, KANSAS, AUTHORIZING AND PROVIDING FOR THE PUBLIC SALE OF THE CITY'S (I) GENERAL OBLIGATION BONDS, SERIES 2013-A, IN THE APPROXIMATE PRINCIPAL AMOUNT OF $7,792,000 AND (II) TAXABLE GENERAL OBLIGATION BONDS, SERIES 2013-B IN THE APPROXIMATE PRINCIPAL AMOUNT OF $612,000", was read and considered section by section. Commissioner Cessna moved to approve Resolution No. 2531-2013. Commissioner Law seconded the motion. The vote was taken by yeas and nays and recorded as follows:

Cessna	Dale	Doll	Fankhauser	Law
Yea	Yea	Yea	Yea	Yea

Commissioner Law moved to approve the Preliminary Official Statement for General Obligation Bond Series 2013-A and 2013-B. Commissioner Dale seconded the motion. The vote was taken by yeas and nays and recorded as follows:

Cessna	Dale	Doll	Fankhauser	Law
Yea	Yea	Yea	Yea	Yea

Bond Counsel Mary Carson prepared an ordinance correcting errors discovered in Ordinance No. 2596-2013, adopted May 21, 2013, levying special assessments.

Ordinance No. 2603 - 2013, "AN ORDINANCE OF THE CITY OF GARDEN CITY, KANSAS, AMENDING ORDINANCE NO. 2596-2013 OF THE CITY TO CORRECT LEGAL DESCRIPTIONS AND SPECIAL ASSESSMENTS TO BE LEVIED IN TAYLOR NORTH ADDITION", was read and considered section by section. Mayor Fankhauser moved to approve Ordinance No. 2603-2013. Commissioner Doll seconded the motion. The vote was taken by yeas and nays and recorded as follows:

Cessna	Dale	Doll	Fankhauser	Law
Yea	Yea	Yea	Yea	Yea

Mr. Charles Claar and Ms. Theresa Dasenbrock of Lewis, Hooper and Dick, the City's auditors, were present to review with the Governing Body the Comprehensive Annual Financial Report (Audit) for the City of Garden City for the year 2012.

Finance Director Hitz was present to discuss the following items related to the 2014 Proposed Budget:

1. Review of remaining General Fund departments, Health Insurance (#55) and Health Insurance Reserve Fund (#56).

Commissioner Cessna moved to approve an exemption provided by Section 2(i) of Senate Substitute for House Bill 2052 approved by the Kansas Legislature this spring, which would provide for an additional six months to consider a security plan for City owned public facilities or remove signs prohibiting firearms. Mayor Fankhauser seconded the motion. The vote was taken by yeas and nays and recorded as follows:

Cessna	Dale	Doll	Fankhauser	Law
Yea	Yea	Yea	Yea	Yea

Public Utilities Director Muirhead discussed with Governing Body the Wheatland Electric Water Rate Increase of $510,000 that would impact Garden City residents.

Commission directed staff to research options on rate increases and report back to the commission.

Commissioner Cessna moved to approve a request from Fire Chief Allen Shelton for a waiver to the ordinance prohibition requirement to allow for the discharge of fireworks within the corporate limits of the city from July 3, 2013 to July 5, 2013 between the hours of 10:30 a.m. and 10:30 p.m. Commissioner Dale seconded the motion. The vote was taken by yeas and nays and recorded as follows:

Cessna	Dale	Doll	Fankhauser	Law
Yea	Yea	Yea	Yea	Yea

Commissioner Law moved to re-appoint Tammy Rieth and appoint Jim Deal and Taylor Freburg to three-year terms to the Zoo Advisory Board from July 2013 - July 2016. Commissioner Cessna seconded the motion. The vote was taken by yeas and nays and recorded as follows:

Cessna	Dale	Doll	Fankhauser	Law
Yea	Yea	Yea	Yea	Yea

Buffalo Dunes Advisory Committee Chairman Caleb Woods presented recommendations for new rates. Commissioner Dale moved to approve a rate increase at Buffalo Dunes Golf Course with an August 1, 2013 implementation date.

Buffalo Dunes 2013 Schedule of Membership Fees

Memberships	Rate	Proposed
Family	$565	*$625*
Adult	$400	*$440*
Senior	$300	*$330*
Junior	$100	*$100*

Gold Membership	Rate	Proposed
Single Adult	$1,000	*$1,100*
Single Senior (Over 65)	$900	*$1,000*
Family of 2	$1,250	*$1,375*
Family of 3 plus	$1,500	*$1,650*
Junior 16-20	$750	*$825*

Trail Fee	Rate	Proposed
Adult	$450	*$500*
Senior	$375	*$425*

Mayor Fankhauser seconded the motion. The vote was taken by yeas and nays and recorded as follows:

Cessna	Dale	Doll	Fankhauser	Law
Yea	Yea	Yea	Yea	Yea

Commissiner Law moved to approve a transfer of ownership agreement between the City of Garden City, Kansas and David E. Smith Sr. for Arco, a trained police dog. Commissioner Doll seconded the motion. The vote was taken by yeas and nays and recorded as follows:

Cessna	Dale	Doll	Fankhauser	Law
Yea	Yea	Yea	Yea	Yea

Commissioner Law moved to approve the following:

1. Governing Body consideration and approval of a Fiduciary Engagement Letter between the City of Garden City, Kansas and George K. Baum & Company.

2. KDOT has provided Agreement No. 128-13 to the City for the first half of the FY 2013 Federal Fund Exchange program, which is for concrete reconstruction of Rebel Road.

3. Governing Body consideration and authorization of Task Order #10 – Snow Removal Equipment Building, Runway Guard Lights and Hold Position Sign between HNTB Corporation and the City of Garden City.

4. Governing Body consideration and approval of bids received on May 23, 2013 for 35 kV switchgear Vault for Substation #10.

5. Governing Body consideration and approval of bids received on May 16, 2013 for Substation #10 Control Building.

6. Governing Body consideration and approval of bids received on May 21, 2013 for 35kV and 15kV circuit switchgear for Substation #10.

7. Governing Body consideration and approval of bids received on June 4, 2013 for 35KV Overhead Gang Operated Air break switches for Substation #10.

8. Governing Body consideration and approval of bids received on June 4, 2013 for 6 inch high density Poly Ethylene (HDPE) conduit for Substation #10.

9. Governing Body consideration and approval of bids received on June 10, 2013 for circuit breakers and switches for Substation #11.

10. The heirs of Mrs. Helen Bowyer are Quit Claim deeding Burial Rights of Space 2, Lot 150, Zone D to Caroline Atherton and/or Sarah Atherton.

11. Permission for Peggy Rivera and/or Ricky Rios to reserve Space 3, Lot 9, Zone: J located in Valley View Cemetery for the consideration of $50.00 for the period of one year.

12. Permission for Ruby M. Ryan to reserve Space 5, Lot: 31, Zone: J of Valley View Cemetery for the consideration of $50.00 for the period of one year.

13. Permission for Becky Hill to reserve Space 6, Lot 60, Zone: J of Valley View Cemetery for the consideration of $50.00 for the period of one year.

14. Permission for Eugene & Deanna Martinez to reserve Space 8, Lot 71, Zone: J of Valley View Cemetery for the consideration of $50.00 for the period of one year.

15. Permission for Deanne Tremmel to reserve Space 6, Lot 63, Zone: J of Valley View Cemetery for the consideration of $50.00 for the period of one year.

16. Permission for Nora Collazo &/or Ronald D. Collazo to reserve Space 3, Lot: 1, Zone: J of Valley View Cemetery for the consideration of $50.00 for the period of one year.

17. Permission for Jesse Garcia &/or Kajleigh Collazo to reserve Space 2, Lot: 93, Zone: J of Valley View Cemetery for the consideration of $50.00 for the period of one year.

18. Licenses:

(2013 New)

a) G.M. Northrup.....Class A General
b) Midwest Steel, Inc.....Class B General

c) Williams General Contractors & Repair.....Class B General

Commissioner Doll seconded the motion. The vote was taken by yeas and nays and recorded as follows:

Cessna	Dale	Doll	Fankhauser	Law
Yea	Yea	Yea	Yea	Yea

Commissioner Cessna moved that the City Commission go into executive session pursuant to K.S.A. 75-4319(b)(2) for 30 minutes for the purpose of consultation with City legal counsel on matters which are privileged in the attorney/client relationship which if discussed in open session would waive that privilege and that the City Commission reconvene into open session in the City Commission Chambers at 4:23 p.m. Commissioner Doll seconded the motion. The vote was taken by yeas and nays and recorded as follows:

Cessna	Dale	Doll	Fankhauser	Law
Yea	Yea	Yea	Yea	Yea

At the expiration of the designated time, and in open session, Mayor Fankhauser stated no action was taken.

Commissioner Cessna moved that the City Commission go into executive session pursuant to K.S.A. 75-4319(b)(1) for 10 minutes for the purpose of discussing matters of non-elected personnel and their contractual obligations because if this matter were discussed in open session it might invade the privacy of those discussed and that the City Commission reconvene into open session in the City Commission Chambers at 4:34 p.m. Mayor Fankhauser seconded the motion. The vote was taken by yeas and nays and recorded as follows:

Cessna	Dale	Doll	Fankhauser	Law
Yea	Yea	Yea	Yea	Yea

At the expiration of the designated time, and in open session, Mayor Fankhauser stated no action was taken.

Mayor Fankhauser adjourned the meeting since there was no further business before the Governing Body.

_____
Dan Fankhauser, Mayor

ATTEST:

_____
Celyn N. Hurtado, City Clerk

City Commission Reports

Commissioner Law had no comments.

Commissioner Cessna commended the Garden City Police Department and local law enforcement agencies for the recent arrests in and around our community. Commissioner Cessna commented on the great job by City Engineer Cottrell on the KDOT grant application and thanked him. Commissioner Cessna commended Director of Aviation Powell and the airport staff for their work at the airport and the continued increase of enplanements. Commissioner Cessna thanked City Manager Allen and Finance Director Hitz for their work on the budget.

Commissioner Dale thanked and congratulated City Manager Allen and Finance Director Hitz for their work on the budget information and stated their hard work makes the job of reviewing the documents easier for commissioners. Commissioner Dale wanted to thank the person (Kendall Kepley) that waters the flowers that are located up and down Main Street. Commissioner Dale would like the Governing Body to consider the Central Fire Station to be considered for a remodel in the next year.

Commissioner Doll thanked city staff and past Commissioners for their work on this year's budget and years past.

Mayor Fankhauser received an invite from Wichita's Mayor Brewer for a conference call regarding immigration issues. Mayor Fankhauser stated the discussion was regarding a proposed Senate bill that addresses border security and work permit. Mayor Fankhauser stated it was great to be included in the discussion. Mayor Fankhauser passed out a card with "words of wisdom" to everyone. Mayor Fankhauser thanked city staff and stated his appreciation for everyone's hard work on the budget.

Petitions

Report of the City Manager

901 S. George Washington Blvd.
Wichita, Kansas 67211
316.260.7000 **tel**
www.cox.com

June 13, 2013

Mr. Dan Fankhauser
Mayor of Garden City
P.O. Box 499
Garden City, KS 67846

Dear Mr. Fankhauser,

Cox Communications announces the following channel changes on or after Tuesday, July 30:

UniMás HD, channel 2315, will officially launch and customers will need a subscription to the Cox Advanced TV Latino Pak and HD or HD/DVR receiver rental to maintain access.

The following channels will be moved and customers will need a subscription to TV Essential and a digital receiver or CableCARD to maintain access to the below networks:

- Hallmark Channel – currently on channel 217 will be moved to channel 85
- Hallmark Channel HD – currently on channel 2217 will be moved to channel 2085
- Hallmark Movie Channel – currently on channel 205 will be moved to channel 86
- Hallmark Movie Channel HD – currently on channel 2205 will be moved to channel 2086

The following channel will be moved and customers will need a subscription to TV Essential or TV Economy and a digital receiver or CableCARD to maintain access to the below network:

- GSN – currently on channel 227 will be moved to channel 74.

The following channels will be removed from the Cox lineup:

- HBO Comedy (E) HD – channel 2405
- MoreMAX (W) HD – channel 2430
- The Movie Channel Xtra (E) HD – channel 2424
- Starz Cinema (E) HD – channel 2512

We are truly grateful for the opportunity to serve your community. If you have any questions regarding these changes, please contact me at (785) 215-6720 or coleen.jennison@cox.com.

Best Regards,

Coleen Jennison

Coleen Jennison
Government Affairs Director
Cox Communications

Mixed Sources
Product group from well-managed forests, controlled sources and recycled wood or fiber
www.fsc.org Cert no. SGS-COC-003557
© 1996 Forest Stewardship Council
FSC

In harmony with the Cox Conserves eco-friendly program, we are proud to print on Forest Stewardship Council-certified paper.

KS

Kansas, Garden City Municipal Fee (AT&T)

Reporting Period: May 1, 2013 to May 31, 2013

FEIN: 430529710
Southwestern Bell Telephone Company
AT&T

3100 Cumberland Boulevard, Suite 700
Atlanta, GA 30339
877-829-4141 - Phone
770-956-0700 - Fax

Tax Identification Number
43-0529710

Return Due: 06/15/2013

Total Fee Due:	**$5,989.46**
Adjustments:	**$0.00**
Uncollectibles:	**$0.00**
Admin Fees:	**$0.00**
Net Fee Amount to be Remitted:	**$5,989.46**

Remit To:

City Treasurer
City of Garden City
P.O. Box 998
Garden City, KS 67846

Tax Payer:

Steven Shashack

6/13/2013

Steven Shashack, Assistant Vice President - Tax

Date

I hereby declare that all information provided herein is true, complete and accurate to the best of my knowledge.

Tax Preparer:

Jade Wade

6/13/2013

Jade Wade, Manager

Date

I hereby declare that all information provided herein is true, complete and accurate to the best of my knowledge.

From: Sunflower Foundation
To: Steve Cottrell
Subject: SUNFLOWER FOUNDATION AWARDS MORE THAN $200,000 FOR TRAILS
Date: Tuesday, June 25, 2013 9:04:28 AM

This message was sent to you by Sunflower Foundation because of past contacts or a request to receive information from us.
For best results add info@sunflowerfoundation.org to your address book. Click Here if you have trouble reading this message.

SUNFLOWER FOUNDATION AWARDS MORE THAN $200,000 FOR TRAILS

June 24, 2013

The Sunflower Foundation Board of Trustees recently awarded more than $200,000 to seven communities and one school district to build new trails or enhance existing trails. The Sunflower Trails program is designed to promote healthy living by providing safe and accessible places for physical activity, as well as connect Kansans to each other and the great outdoors.

"We are pleased to welcome these communities into the growing Sunflower Trails family. Each grant reflects strong community and grassroots planning and support," said Billie Hall, President & CEO of the Sunflower Foundation. "While the Sunflower Trails program focuses on enhancing the built environment, we are learning that a trail can be the catalyst for engaging the community around health and wellness," she added.

The Sunflower Foundation's Board of Trustees approved the following eight grants at its June board meeting:

New Community-Based Trails

- City of Baldwin, Baldwin City, will construct a half-mile concrete trail beginning at the town's historic train depot and ending near a city park. The West Trail will give both depot visitors and residents of the surrounding neighborhood a place to walk and be active while enjoying the beauty of Baldwin.
- City of Fort Scott and the Youth Activity Team (YAT), Fort Scott, plans to develop a .71 mile concrete trail in a popular city park as part of the community's overall visioning process. Local fundraising efforts for the park and the Ellis Park Walking/Running Trail included a winning entry into the Guinness Book of World Record for the world's longest penny chain.
- Hesston College and the Dyke Arboretum of the Prairie, Hesston, want to expand the arboretum's existing trail system with a .57 mile long addition. Ten feet wide and made from crushed limestone, the Prairie Window Project will give prairie center visitors and locals alike a great view of the Kansas prairies as they enjoy some activity.
- Kickapoo Tribe in Kansas will build its first health promotion trail on reservation land in Horton with the half-mile ".Ki ka lo i. mi e ki." (The Kickapoo Trail). The multiuse trail is an important strategy in the ongoing efforts to combat diabetes and a first step in the community's plans to showcase the natural beauty and outdoor opportunities of tribal land.
- City of Paola, Paola, will add to the city's master plan and trail system with a new expansion to "Paola Parkways." The completed multiuse trail, anchored in Wallace Park, is just over three miles long and constructed of crushed limestone screening. It will connect to newly marked bike lanes and local recreational facilities.
- City of Wellington, Wellington, will take advantage of the natural beauty of its Hargis Creek Reservoir by constructing a walking/biking trail adjacent to the shore. The multiuse trail, .75 mile long and constructed from concrete, is part of the community's comprehensive plan for ongoing health and wellness.

Improvements to Existing Trails

- Iowa Tribe of Kansas and Nebraska, White Cloud, plans to enhance its existing NawoBaxoje (Ioway Trail) by adding solar lighting to extend visitor hours and distance signage in both English and the tribe's native language.

New School-Based Trails

- MoKan 20/20 Vision, Inc., Kansas City, KS will increase opportunities for physical activity on the campus of JC Harmon High School with a new walking trail. The student organization of Leadership 20/20 will learn real-life skills as they help supervise and build the quarter-mile trail and contribute to the vision of their campus serving as a community "hub" of recreation and activity.

Since its inception in 2005, the **Sunflower Trails program** has helped more than 100 trail projects in more than 45 Kansas counties. The next Requests for Proposals is expected to be released by late July, 2013. For additional information about the Sunflower Trails program, please contact Elizabeth Stewart, Sunflower Trails program officer at **estewart@sunflowerfoundation.org** or 785-232-3000.

The mission of the Sunflower Foundation is to serve as a catalyst for improving the health of Kansans, which it supports through a program of grants and related activities. Further details about the foundation's programs and grants are available at **www.SunflowerFoundation.org**.

1200 SW Executive Drive, Suite 100 Topeka, KS | toll free 866.232.3020 | info@sunflowerfoundation.org

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Staff Reports

CITY OF GARDEN CITY, KANSAS

ANALYSIS OF COUNTY-WIDE SALES TAX RECEIPTS

MONTH RECEIVED	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
JANUARY	110,613	98,895	82,749	119,104	99,080	87,049	90,999	89,620	90,890	96,504	112,365	136,559	194,148	172,402	201,675	215,987
FEBRUARY	116,101	102,071	135,771	115,633	119,867	107,746	112,817	106,162	108,918	117,464	120,392	112,708	168,090	206,332	201,136	213,048
MARCH	76,790	57,317	111,517	94,385	89,945	83,994	93,138	83,528	84,800	91,096	111,384	127,434	176,275	176,089	187,616	198,757
APRIL	106,447	123,837	110,045	92,941	86,892	88,516	82,176	88,156	88,367	97,920	97,076	105,529	136,058	140,393	176,191	179,735
MAY	68,320	97,870	111,720	98,017	94,809	97,270	92,019	96,607	100,809	103,484	113,955	102,518	173,875	182,165	217,621	215,823
JUNE	101,351	82,439	99,148	93,362	101,379	98,922	86,040	82,884	99,561	98,793	107,235	110,225	174,577	192,468	197,406	205,745
JULY	111,185	110,519	111,647	91,208	99,915	97,573	91,205	88,888	95,381	109,492	130,863	126,193	163,203	175,188	199,698	
AUGUST	99,497	103,623	113,844	98,717	96,327	91,715	97,295	101,836	104,308	99,317	123,221	103,580	180,595	178,778	209,006	
SEPTEMBER	80,911	99,996	84,773	99,232	88,585	102,820	94,038	87,159	93,570	106,941	133,521	111,381	174,612	178,054	180,008	
OCTOBER *	91,376	107,914	129,697	106,658	102,705	97,918	90,696	105,259	101,146	112,166	117,796	108,343	174,202	189,062	203,819	
NOVEMBER	82,002	82,861	103,094	97,348	82,869	78,619	89,706	95,946	94,231	107,500	117,428	111,973	153,378	174,342	208,611	
DECEMBER	73,954	75,058	97,466	89,406	101,296	96,993	94,616	88,792	94,570	109,693	114,846	160,409	161,622	196,711	182,159	
TOTAL RECEIPTS	1,118,546	1,142,399	1,291,473	1,196,011	1,163,668	1,129,136	1,114,745	1,114,837	1,156,551	1,250,370	1,400,082	1,416,852	2,030,635	2,161,984	2,364,946	1,229,095
PERCENTAGE CHANGE	8.60%	2.13%	13.05%	-7.39%	-2.70%	-2.97%	-1.27%	"FLAT"	3.74%	8.11%	11.97%	1.20%	43.32%	6.47%	9.39%	

*REFLECTS HERE & THEREAFTER THE NET AMOUNT OF COUNTY-WIDE SALES TAX.
CITY REIMBURSES TO COUNTY THE DEDICATED 1/4 CENT FOR FAIRGROUNDS PROJECT.

(1) REFLECTS HERE & THERE AFTER INCREASE IN COUNTY TAX FROM .75¢ TO 1¢

CITY OF GARDEN CITY, KANSAS

ANALYSIS OF CITY SALES TAX RECEIPTS

MONTH RECEIVED	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
JANUARY	407,469	383,636	310,710	390,595	379,780	309,257	357,335	335,673	351,457	351,627	409,255	529,129	415,161	432,278	483,869	508,705
FEBRUARY	440,061	360,909	447,336	389,764	444,123	419,884	434,310	423,853	416,061	444,506	465,707	415,062	416,555	509,745	497,844	514,511
MARCH	273,056	191,835	371,146	344,152	321,705	304,720	346,371	316,320	317,599	338,956	418,336	461,822	432,675	426,585	438,777	468,745
APRIL	380,780	467,188	364,979	334,588	303,909	313,029	317,571	318,835	321,431	358,967	361,119	388,668	328,743	328,309	409,253	411,491
MAY	241,167	343,692	377,482	356,202	340,131	354,013	345,880	351,143	372,027	382,562	426,812	362,989	430,701	442,882	502,577	481,623
JUNE	358,841	284,831	344,293	341,573	336,435	356,920	340,240	319,314	364,552	363,536	398,458	413,934	423,173	471,595	457,884	469,940
JULY	408,343	382,217	361,811	331,627	359,143	329,005	338,923	330,628	350,754	394,947	456,516	469,538	402,144	431,189	453,965	
AUGUST	311,866	365,112	369,837	350,737	342,529	322,875	376,955	371,521	377,510	372,473	456,809	373,995	433,641	420,914	490,394	
SEPTEMBER	303,113	364,871	304,050	363,139	324,385	366,794	362,024	323,475	341,558	388,244	463,398	421,706	415,115	433,117	424,160	
OCTOBER	374,010	362,872	449,981	382,926	368,395	357,624	341,725	369,193	365,725	408,881	446,179	411,421	425,392	450,833	468,586	
NOVEMBER	320,162	319,267	332,271	355,951	296,743	287,373	339,384	337,133	351,892	352,723	435,767	402,883	390,433	412,877	474,976	
DECEMBER	271,436	270,677	327,755	323,048	381,904	364,126	338,971	338,058	356,317	396,872	432,701	461,792	412,973	481,207	424,131	
TOTAL RECEIPTS	4,090,304	4,097,107	4,361,650	4,264,300	4,199,181	4,085,619	4,239,689	4,135,146	4,286,883	4,554,294	5,171,057	5,112,939	4,926,706	5,241,531	5,526,416	2,855,015
PERCENTAGE CHANGE	10.72%	0.17%	6.46%	-2.23%	-1.53%	-2.70%	3.77%	-2.47%	3.67%	6.24%	13.54%	-1.12%	-3.64%	6.39%	5.44%	

CITY OF GARDEN CITY
ZOO DEPARTMENT
APRIL 2013 MONTHLY REPORT

ANIMAL DIVISION

ACCESSIONS:

Birth/Hatchings

None

Transactions (Purchases, donations, etc.)

0.1	Addax	On loan - Rolling Hills Zoo
1.2	Bar-headed goose	Donated- Sedgwick County Zoo
1.0	Snow leopard	On loan - Tautphaus Park Zoo
5.8.15	Madagascar hissing cockroach	Donated - Sedgwick County Zoo
0.0.5	Gambel's quail	Donated - public

DEACCESSIONS

Deaths

0.1	Red kangaroo	Euthanized (arthritis and related trauma)
0.0.1	Red tailed hawk	Biliary disease (age related)

Transactions (Sales, donations, etc.)

None

Otter pups sexed (2.1), vaccinated. Meeting with GLMV architect re: conceptual plans for next 3 projects and elephant exhibit expansion. Specialist conducted reproductive tract health assessments on elephants.

ADMINISTRATION DIVISION

Cat Canyon fence contractor still on job and a few other subs still have punch list items. Planning for in-house projects (irrigation, landscaping, paths, public fencing, graphics, etc) underway. Half-cent sales tax renewed, benefitting zoo operations. A compost sale was conducted, and weekday sales (by appointment) are regular. Extended summer hours resumed. Street Dept. assisted with delivery of milling for CC service area road, and concrete crew poured a concrete path in the aviary and a smaller slab near Kansas Waters. A contractor replaced sidewalk in Asia that was removed for plumbing repairs. Five new zoo signs designed by zoo and funded by CTB were installed on Hwy 156 and 50W. Received funding from CTB for new logo directional signs in Finnup Park. Press releases and interviews for otter pups and Telegram Community Resource Guide. Attended Finnup Park Master planning sessions.

EDUCATION DIVISION

The division gave 92 programs to 2529 people and reached 1817 people through 82 hours of informal programming. Earth Day was attended by over 1400 people. Registration is open for Zoo Edventures (summer camp), and staff has been planning for summer weekend giraffe feeding for the public (training volunteers, logistics, etc.). A new display featuring carnivorous plants is being designed for the Finnup Center gallery, and various new graphics are underway. Volunteer trip taken to the Stauth Museum in Montezuma to see the Endangered Species exhibit.

MAINTENANCE DIVISION

Set large rocks in front of bobcat window, and began fence work and sprinkler work at Cat Canyon. Helped the Street Dept. with aviary concrete. We are finishing the climb barriers in new panda yard and will pour the new pond soon. Sprinkler systems have been turned on, repairs done and weekly mowing has resumed. Checked and unclogged many drains. Assisted with compost sale and weekday sales. Repaired power washers, skid steer loader, a mower, and a gator. Built a kookaburra nest box and installed. Put two new elements and a thermostat on lion barn heater. Helped prepare and cleanup from Earth Day. Interviewing for summer positions. The wood fence for duck pond pumps was repaired. Finished final details on rails for elephant scale. Assembled and set a memorial bench. Finished wooden picnic table refurbishment.

CITY OF GARDEN CITY
ZOO DEPARTMENT
MAY 2013 MONTHLY REPORT

ANIMAL DIVISION

ACCESSIONS:

Birth/Hatchings

0.0.3 Trumpeter swan
0.0.1 Goeldi's monkey
0.0.5 Madagascar hissing cockroach

Transactions (Purchases, donations, etc.)

0.4	Chilean flamingos	Purchased from San Antonio Zoo

DEACCESSIONS

Deaths

0.1	Silkie chicken	Euthanized - ectopic egg
0.0.5	Gambel's quail	DNS
0.1	Yellow-billed cardinal	Trauma
0.1	Madagascar hissing cockroach	Undetermined

Transactions (Sales, donations, etc.)

1.0	Swift fox	Donated to Pueblo Zoo (SSP recommendation)

Tropical birds moved to aviaries. Red kangaroo mob on exhibit. Preparing for possible panda birth. Interviewing full-time keeper and seasonal keeper candidates. Hosted colleagues from Cheyenne Mountain and Pueblo Zoos. Giraffe feedings for public began with proceeds benefitting zoo operations.

ADMINISTRATION DIVISION

Cat Canyon punch list for contractors nearly done and in-house projects are underway. Irrigation is installed and ready for plants. Hosted kickoff dinner for statewide Leadership Kansas class. Submitted Annual Report on Conservation and Science to AZA. Kristi and Kathy attended Principles of Elephant Management school in St. Louis and KAZOO meeting in Topeka. Met with Finney Co. Emergency Management director on contingency plan. New directional signage is being installed. Planning for Blues at the Zoo in June. Attended Kansas Sampler Festival with zoo display.

EDUCATION DIVISION

The division gave 133 programs to 3717 people, reached 652 people through 16 hours of informal programming, and served 120 people in 6 classes through a discovery box loan. Spring tours on grounds have wrapped up but DL programs will continue thru June due to varying school calendars nationwide. Giraffe feedings have been well received, and will occur 1:30 to 2:30 Saturday's and Sunday's through the summer. Graphics for Cat Canyon, panda, gaur, etc. were designed and are ready to order. Staff research into cell phone tour service providers will result in a change of providers in late summer. All summer camps met minimum registration requirements and many are nearly full. Tarra is working on projects for AZA Snake TAG per her position as Education Liaison.

MAINTENANCE DIVISION

Cat Canyon work included planting of native grass seed, relocation of bronze cat and yard furniture (large trees), service fence installation, irrigation work, cut out of metal letters for exhibit name, and procurement of materials to build feed chutes. Shades have been put up at the camels, gaur, and playground. The fogging system at Wild Asia was installed. All drinking fountains were turned on. Panda yard work is complete including a new shallower pond bottom, climb barriers, and nesting and feeding structures. New shrubs and flowers planted at the west green gazebo and grape vines planted at two pergolas. Several days were spent cleaning up after a major wind storm, causing six downed trees, damaged perimeter and exhibit fences, damaged picnic tables, and branches and debris zoo wide. The crew gave a demo and safety class for staff on snaking clogged drains. Compost sales are steady prompting a Friday only policy for low volume purchases. Did ground prep for Memorial Day weekend, and wired in elephant scale.

CONSIDERATION OF APPROPRIATION ORDINANCE

Ordinances
&
Resolutions

GARDEN CITY
KANSAS

CITY COMMISSION

DAN FANKHAUSER,
Mayor

ROY CESSNA

MELVIN DALE

JANET DOLL

CHRIS LAW

MATTHEW C. ALLEN
City Manager

MELINDA A. HITZ, CPA
Finance Director

RANDALL D. GRISELL
City Counselor

CITY ADMINISTRATIVE CENTER
301 N. 8TH
P.O. BOX 499
GARDEN CITY, KS
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620.276.1160
FAX 620.276.1169
www.garden-city.org

Memorandum

To: City Commission
Date: May 15, 2013
From: Staff
RE: REDEVELOPMENT DISTRICT — Stone Development, Inc.

Issue

Pursuant to the May 21st Memorandum of Understanding (MOU) with Stone Development, Inc., the Governing Body is asked to consider approving several items pertaining to the tax increment finance retail development project. Items for consideration are: 1) conduct a public hearing, scheduled for 1:30 p.m., on the advisability of creating a Redevelopment District, and 2) after the hearing, Governing Body adoption of an ordinance making findings required by statute and creating the redevelopment district.

Background

The proposed redevelopment of the fun center property will include a 90 unit hotel, a national franchise restaurant and an indoor waterpark as a regional attraction. The developer hopes to have the hotel open for the 2013 Christmas holiday. A TIF district is proposed for funding of some of the improvements. The Governing Body will be asked to consider creation of a Community Improvement District (CID) to levy and additional sales tax, at your July 16th meeting.

Item # 1

No. 2528-2013 stated the intent of the City to consider creation of a redevelopment district and approve a redevelopment plan for the district, and called for a public hearing on the matter at 1:30 p.m., on July 2nd. Copies of the Resolution were sent by certified mail to the Board of County Commissioners, Board of Education, USD 457, and the Board of Trustees, Garden City Community College, and to the current owners and occupants of land in the proposed district.

The public hearing is to receive comment from the public on the advisability of creating the redevelopment district and approving the district plan. The Planning Commission will consider the TIF plan at a special meeting tomorrow to determine compliance with the Comprehensive Plan. After hearing any comments and closing the public hearing the Governing Body will consider the ordinance creating the redevelopment district.

Item # 2

The ordinance makes a finding that the proposed Redevelopment District is an eligible area under the under the provisions of K.S.A. 12-1770 *et seq*., as amended (the "Act") because it is an area in the City designated as an enterprise

zone before July 1, 1992, pursuant to K.S.A. 12-17,107 through 12-17,113, before such statutes were repealed, and the conservation, development or redevelopment of the Redevelopment District is necessary to promote the general and economic welfare of the City.

The ordinance creates the Redevelopment District which is identified by legal description and a map and approves the district plan. Bond Counsel Mary Carson has prepared the accompanying Ordinance for Governing Body consideration. Staff recommends Governing Body adoption of the Ordinance.

Alternatives

1. After the public hearing, adopt the Ordinance.
2. Defer action until a later date.
3. Deny the request.

Recommendation

Staff recommends that the Governing Body approve Alternative No 1.

Fiscal Note

Under the funding scenario for this development, there will be no cost to the City for infrastructure or other improvements.

GARDEN CITY
KANSAS

CITY COMMISSION

DAN FANKHAUSER,
Mayor

ROY CESSNA

MELVIN DALE

JANET DOLL

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MATTHEW C. ALLEN
City Manager

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(Published in *The Garden City Telegram* on July __, 2013)

ORDINANCE NO. ____-2013

AN ORDINANCE OF THE GOVERNING BODY OF THE CITY OF GARDEN CITY, KANSAS MAKING FINDINGS REGARDING A REDEVELOPMENT DISTRICT AND ESTABLISHING A REDEVELOPMENT DISTRICT WITHIN THE CITY.

WHEREAS, pursuant to the provisions of K.S.A. 12-1770 *et seq*., as amended (the "Act"), the City of Garden City, Kansas (the "City") is authorized to establish redevelopment districts within defined areas of the City which are determined by the City's governing body to be "eligible areas" as defined in the Act; and

WHEREAS, the Act defines "eligible area" to include an area in the City designated as an enterprise zone before July 1, 1992 pursuant to K.S.A. 12-17,107 through 12-17,113, before such statutes were repealed, and where the conservation, development or redevelopment of the area is necessary to promote the general and economic welfare of the City; and

WHEREAS, the proposed redevelopment district in the City is in an area that was designated an enterprise zone pursuant to K.S.A. 12-17,107 through 12-17,113, by Resolution No. 18-90 of Finney County, Kansas, adopted on June 19, 1990, and is included in the definition of an "enterprise zone" as defined in the Act; and

WHEREAS, the governing body of the City previously adopted Resolution No. 2528-2013 which stated its intent and calls a public hearing under the provisions of the Act to receive public comment on the advisability of creating the redevelopment district as described in Resolution No. 2528-2013 and further described herein (the "2013 Redevelopment District"); and

WHEREAS, the public hearing was held on his date, after publication and delivery of notice in accordance with the provisions of the Act; and

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

Section 1. Eligible Area Findings. The governing body finds and determines that the 2013 Redevelopment District is an "eligible area" under the Act because it is an area in the City designated as an enterprise zone before July 1, 1992, pursuant to K.S.A. 12-17,107 through 12-17,113, before such statutes were repealed, and the conservation, development or redevelopment of the 2013 Redevelopment District is necessary to promote the general and economic welfare of the City.

Section 2. Description of and Creation of Redevelopment District. The legal description of the 2013 Redevelopment District is:

Lot 1, Block 1, Stone Creek Addition, City of Garden City, Finney County, Kansas

The property described above, including adjacent rights-of-way, is hereby designated and created as the 2013 Redevelopment District, according to the Act.

A map depicting the general location of the 2013 Redevelopment District is attached as **Exhibit A** and incorporated here by this reference. The 2013 Redevelopment District does not contain any property not referenced in Resolution No. 2528-2013 providing notice of a public hearing.

Section 3. Redevelopment District Plan. The proposed redevelopment project may include separate project areas and consists of the acquisition of property, necessary infrastructure and site improvements to permit development of a hotel, restaurant and water park. The redevelopment district plan is attached to this ordinance as **Exhibit B.** A description of the 2013 Redevelopment District and the redevelopment district plan are available for inspection at the City Clerk's office, 301 N. 8th Street, from 8:00 a.m. to 5:00 p.m., Monday through Friday.

Section 4. Consequences to Other Governmental Units. No privately owned property subject to ad valorem taxation within the 2013 Redevelopment District shall be acquired and redeveloped pursuant to the Act if the Board of County Commissioners of Finney County, Kansas (the "County") or the Board of Education of Unified School District No. 457 (the "School District") determines by resolution adopted within thirty (30) days following the adoption of this Ordinance that the 2013 Redevelopment District will have an adverse effect on the County or the School District, respectively.

Section 5. Further Action. The Mayor, City Manager, City Clerk and other officials and employees of the City, including the City Attorney and the City's Financial Advisor and Bond Counsel, are hereby further authorized and directed to take such other actions as may be appropriate or desirable to accomplish the purposes of this Ordinance.

Section 6. Effective Date. This Ordinance, including Exhibit A and Exhibit B, shall become effective upon its passage by the governing body of the City and publication in the official newspaper of the City.

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PASSED AND APPROVED by the governing body of the City of Garden City, Kansas on July 2, 2013.

CITY OF GARDEN CITY, KANSAS

[seal]

_____

Dan Fankhauser, Mayor

ATTEST:

_____

Celyn N. Hurtado, City Clerk

EXHIBIT A

(MAP OF THE REDEVELOPMENT DISTRICT)

EXHIBIT B

(REDEVELOPMENT DISTRICT PLAN)

REDEVELOPMENT DISTRICT PLAN FOR REDEVELOPMENT THROUGH TAX INCREMENT FINANCING GARDEN CITY, KANSAS

July 2, 2013

SECTION 1. PURPOSE

The City of Garden City, Kansas (the "City") intends to create a redevelopment district within the City. Kansas statutes governing the creation of redevelopment districts and tax increment financing (K.S.A. 12-1770 *et seq.*, and particularly, K.S.A. 12-1771(a)) require preparation of a "redevelopment district plan" (referred to herein as the "district plan") before creation of a redevelopment district. The district plan is the preliminary plan identifying the proposed redevelopment project areas and generally describing the buildings, facilities and improvements proposed to be constructed in such areas.

SECTION 2. DESCRIPTION OF TAX INCREMENT FINANCING

Projects financed through tax increment financing involve the creation of an "increment" in real estate property taxes. The increment is the amount of property taxes paid on the increase in assessed valuation of property in the redevelopment district over the property taxes paid in the redevelopment district before redevelopment occurs. When the aggregate tax rates of all tax jurisdictions are applied to the increased property valuation in the redevelopment district, tax increment is generated and paid to the City to fund and pay over time certain costs of the development project. The property taxes attributable to the assessed value of the district before redevelopment (the "base valuation"), are distributed to all taxing jurisdictions just as before development of the redevelopment district.

SECTION 3. REDEVELOPMENT DISTRICT

A map showing the boundaries of the proposed redevelopment district is attached as **Exhibit A.** The proposed redevelopment district is within the city limits of Garden City, Kansas and consists of 6.37 acres (more or less) of currently undeveloped real estate, located at Lot 1, Block 1, Stone Creek Addition, City of Garden City, Finney County, Kansas.

The proposed redevelopment district qualifies as an "eligible area" for tax increment financing because it is an area in the City designated as an enterprise zone before July 1, 1992, pursuant to K.S.A. 12-17,107 to 12-17,113 before such statutes were repealed, and the development of the area is necessary to promote the general and economic welfare of the City.

SECTION 4. REDEVELOPMENT PROJECT

The proposed district is near existing commercial and retail development in the City, including Home Depot, Menards, Wal-Mart, as well as hotels and restaurants is in an area identified by the City as desirable for additional commercial and retail development. The establishment of the proposed redevelopment district will permit the City to aid in financing of eligible costs including land acquisition, infrastructure and site development and to partner with private developers to bring additional retail and other commercial development to the City.

The proposed redevelopment project consists of the acquisition of the site and construction of infrastructure, public improvements and other site improvements to permit the full-scale commercial development anticipated to include an approximately 90-room hotel, 6,000 square feet for a restaurant, and a 22,000 square foot water park. The proposed costs eligible to be financed in this case include costs of land acquisition and the aforementioned infrastructure, public improvements, and other site improvements, as well as soft costs and costs of financing related to those items. These eligible costs may include costs incurred prior to the time the redevelopment district is created.

SECTION 5. TAX INCREMENT FINANCING

Kansas statutes governing tax increment financing allow such financing to be used for property acquisition, site preparation, utilities, drainage, street improvements, landscape amenities, public outdoor spaces, streetscape amenities and parking facilities in a redevelopment district. The City anticipates using tax increment financing pay a portion of these costs related to the proposed project. The project plan (described in Section 6) and development agreements between the City and private developers will specify details. The anticipated plan contemplates that 100% of the tax increment attributable to the redevelopment will be pledged to finance such costs for a period not exceeding 20 years as provided by law. Tax increment financing may be accomplished by issuing the City's special obligation bonds and/or the City's general obligation bonds with such bonds payable over time from the tax increment. Financing may also be structured as "pay as you go" reimbursement over time. The City plans to utilize a "pay as you go" financing structure for the proposed redevelopment project.

SECTION 6. PROJECT PLAN

The statutes governing tax increment financing and redevelopment districts require that all proposed redevelopment projects in a redevelopment district be presented to and authorized by the City Commission through its approval of detailed "project plans". Each project plan will identify specific project areas within the redevelopment district and will include detailed descriptions of the proposed improvements and methods of financing. Before approving a project plan the City must obtain a financial feasibility study as required by statute. Project plans must be reviewed by the Holcomb - Garden City - Finney County Area Planning Commission and are submitted to a public hearing after published notice and notification of affected property owners. Before going forward a project plan must be adopted by a two-thirds majority of the City Commission. No tax increment may be applied to a redevelopment project until a project plan is approved.

GARDEN CITY
KANSAS

COMMUNITY
DEVELOPMENT
DEPARTMENT
SERVING
GARDEN CITY
HOLCOMB
AND
FINNEY COUNTY
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inspection@garden-city.org

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Memo

To: City Commission

From: Kaleb Kentner

CC: File

Date: 6/14/2013

Re: An Ordinance Adopting a Development Plan, and Establishing the Chappel Heights Phase I RHID.

ISSUE: An Ordinance Adopting a Development Plan, and Establishing the Chappel Heights Phase I RHID.

BACKGROUND: The Chappel Heights Phase I RHID project has come before the City Commission twice before as State Statute requires. This Ordinance is the final step in the RHID process. The purpose of the Ordinance is to adopt the attached Development Plan and establish the RHID. If the Ordinance is adopted, the County, USD 457, and Garden City Community College, as taxing entities, will then have thirty (30) days in which to evaluate the proposed RHID and find that it has an adverse effect on their jurisdiction. If no such resolutions are passed, then the Ordinance shall be in effect. If within that timeframe any of the taxing entities passes such a resolution, then the City will need to take action to repeal the Ordinance as required by statute.

Alternatives:

1. The Commission may elect to adopt the attached ordinance.
2. The Commission may elect to not adopt the attached ordinance.

Recommendation: Staff recommends approval of the ordinance.

Fiscal Note: The developer will be using private financing to fund the eligible costs of the RHID. The City will reimburse property tax increments to the developer over the life of the project, which is up to fifteen (15) years.

DEVELOPMENT PLAN
FOR THE CHAPPEL HEIGHTS PHASE I RURAL HOUSING INCENTIVE DISTRICT
OF THE CITY OF GARDEN CITY, KANSAS

July, 2013

INTRODUCTION

On January 15, 2013 the Governing Body of the City of Garden City, Kansas (the City) adopted Resolution No. 2516-2013 that found and determined that:

1. There is a shortage of quality housing of various price ranges in the City despite the best efforts of public and private housing developers.
2. The shortage of quality housing can be expected to persist and that additional financial incentives are necessary in order to encourage the private sector to construct or renovate housing in the City.
3. The shortage of quality housing is a substantial deterrent to the future economic growth and development of the City.
4. The future economic wellbeing of the City depends on the Governing Body providing additional incentives for the construction of/or renovation of quality housing in the City.

Based on these findings and determinations, the Governing Body proposed the establishment of a Rural Housing Incentive District within the City pursuant to the Act. (K.S.A. 12-5219 et seq.)

Following the adoption of Resolution No. 2516-2013, a certified copy was submitted to the Secretary of Commerce for approval of the establishment of the Rural Housing Incentive District in the City, as required by K.S.A. 12-5244(c).

On April 16, 2013, the Secretary of Commerce provided written confirmation, approving the establishment of the Chappel Heights Phase I Rural Housing Incentive District (the District) (Resolution 2516-2013, exhibits A-1 and A-2).

DEVELOPMENT PLAN ADOPTION

K.S.A. 12-5245 states that once the City receives approval from the Secretary of Commerce for the development of a Kansas Rural Housing Incentive District, the governing body must adopt a plan for the development of housing and public facilities within the proposed district.

DEVELOPMENT PLAN

As a result of the shortage of quality housing within Garden City, the City proposes this Development Plan to assist in the development of quality housing within the City.

1. The legal description of the Chappel Heights Phase I Rural Housing Incentive District is:

   A parcel of land located in the Northwest Quarter of Section 10, Township 24 South, Range 32 West of the 6th P.M., Finney County, Kansas, more particularly described as follows:

   Commencing at the Northwest corner of said Section 10, thence S 89°45’29” E, on the North Line of said Northwest Quarter, for a distance of 1,127.34 feet; thence S 00°00’00” W, for a distance of 40.00 feet to the POINT OF BEGINNING; thence S 89°45’29” E, 258.49; thence S 00°00’52” E, for a distance of 300.00 feet; thence S 89°45’29” E, for a distance of 170.00 feet; thence S 00°00’52” E, for a distance of 130.00 feet;

thence N 89°45'29" W, for a distance of 30.00 feet; thence S 00°00'52" E, for a distance of 221.99 feet; thence S 31°15'41" W, for a distance of 391.87 feet to the beginning of a curve; thence Southwesterly on a curve concave to the Southeast, having a radius of 2,075.00 feet, a delta angle of 20°23'15", a chord bearing S 19°23'53" W, a chord distance of 853.16 feet, for an arc distance of 859.29 feet; thence N 66°55'04" W, for a distance of 316.75 feet to the beginning of a curve; thence Northwesterly on a curve concave to the Southwest, having a radius of 830.00 feet, a delta angle of 22°50'27", a chord bearing N 78°20'16 W, a chord distance of 328.69 feet, for an arc distance of 330.88 feet; thence N 89°45'29" W, for a distance of 45.46 feet to a point on the Easterly right-of-way line of Drainage Ditch Number 2, said point being the beginning of a curve; thence Northeasterly on the Easterly right-of-way line of Drainage Ditch Number 2 on a curve concave to the Southeast, having a radius of 2,755.00 feet, a delta angle of 21°35'19", a chord bearing N 20°28'01" E, a chord distance of 1,031.93 feet, for an arc distance of 1,038.06 feet; thence N 31°15'41" E on the Southeasterly right-of-way line of Drainage Ditch Number 2 for a distance of 743.77 feet to the point of beginning. Said tract consisting of 25.36 acres, more or less

A map of the District is attached as **Exhibit A** to this document.

2. The assessed valuation of all real estate within the District for 2013 is $7,460.00.
3. The name and address of the owner(s) of record for the real estate with in the District is:

Bernard and Marian Chappel
3170 North Farmland road
Garden City, KS 67846

Chris A. Woods, Trustee
Glen Woods Trust
922 Center Street
Garden City, KS 67846

Thomas J. Chappel, Partner
RBC, LLC
3308 Yellowstar Street
Garden City, KS 67846

4. The housing and public facilities project that are proposed to be constructed include the following:

Housing Facilities

There will be eight (8) four (4) unit apartment buildings, and forty-seven (47) lots for duplexes and single family homes. Parking will be provided on site for the apartments and the duplexes and homes will have garages. The apartments, duplexes, and single family homes will have cable and washer and dryer hookups.

Public Facilities

Public improvements will include construction of infrastructure improvements located within the boundaries of the District, including street, water, sanitary sewer, and electric improvements. Infrastructure improvements will be constructed concurrently with the project.

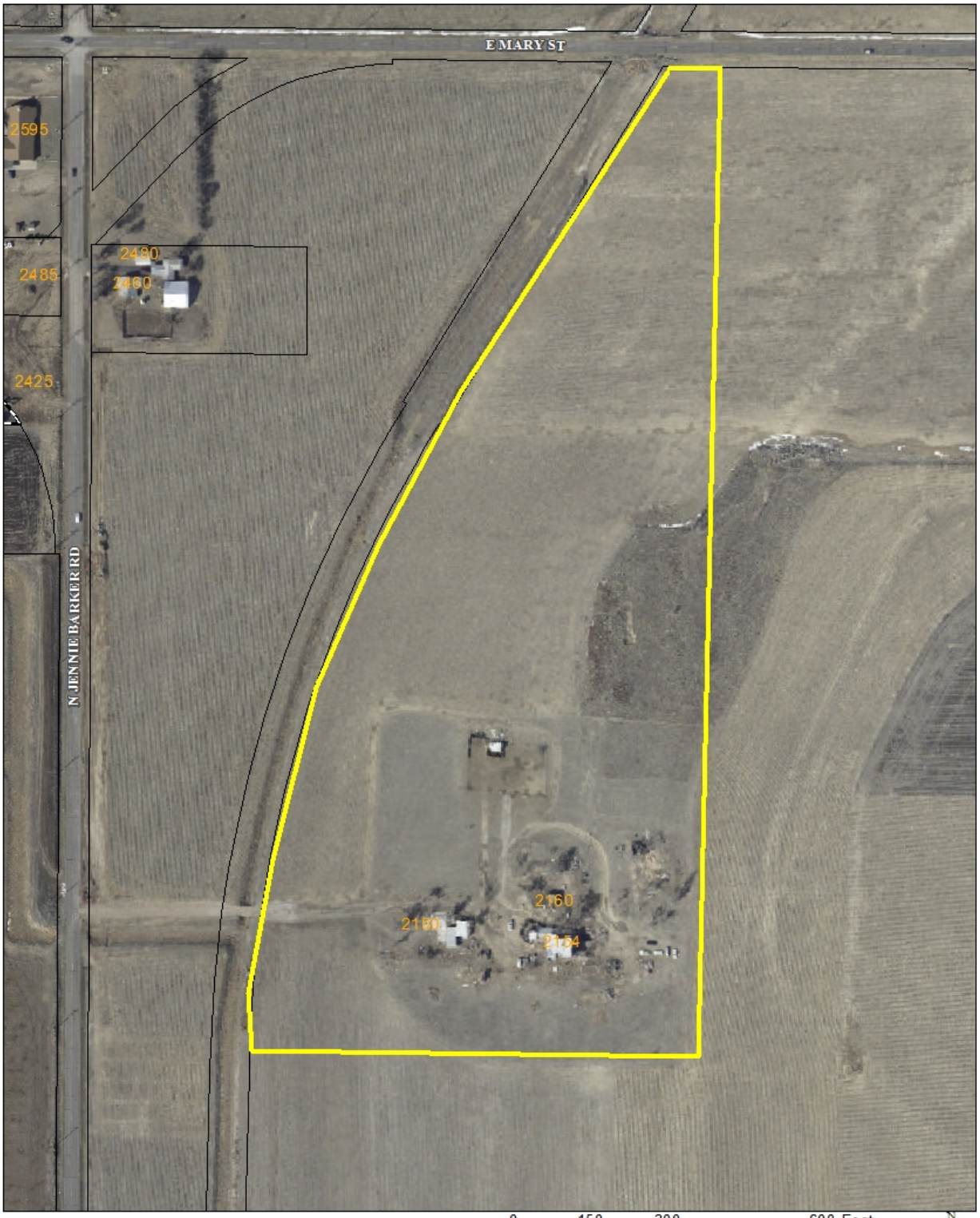
5. The names, addresses, and specific interests in the real estate in the District of the developers responsible for development of the housing and public facilities are:

Owner(s) of Real Property:	BERNARD CHAPPEL 3170 N. FARMLAND RD GARDEN CITY, KS 67846 DIXIE MAI 8250 E. CARRIAGE LANE PARKER, CO 80134 MARY WHITE 2918 NANCY PL. GARDEN CITY, KS 67846 THOMAS J. CHAPPEL 21O W. AVENUE LAKIN, KS 67860 ALBERT CHAPPEL 3308 YELLOWSTAR STREET GARDEN CITY, KS 67846 JOHN CHAPPEL 3108 YELLOWSTAR STREET GARDEN CITY, KS 67846 DEBRA CHAPPEL 3213 PRIMROSE GARDEN CITY, KS 67846 DARLA JEFFERSON 2O19 ELLIOTT ALEXANDRIA, LA 71301
Developer: (Site Work and Infrastructure)	BERNARD CHAPPEL 3170 N. FARMLAND RD GARDEN CITY, KS 67846

1. The Governing Body of the City entered into a Development Agreement with Bernard Chappel, in July of 2013. The Development Agreement, as supplemented and amended, includes the project construction schedule, a description of projects to be constructed, financial obligations of the developer and financial and administrative support from the City. The complete Development Agreement is attached hereto as **Exhibit C**.
2. The City conducted a study to determine whether the public benefits derived from the District will exceed the costs and that the income from the District, together with other sources of revenue, would be sufficient to pay for the public improvements to be undertaken in the

District. A copy of the analysis is attached hereto as **Exhibit B**. the analysis estimates the property tax revenues that will be generated from the District, less existing property taxes, to determine the revenue stream available to support reimbursement to the Developer for all or a portion of the costs of financing the public infrastructure. The estimates indicate that the revenue realized from the project would be adequate to pay all or a significant portion of the eligible costs.

DEVELOPMENT PLAN – EXHIBIT A
MAP OF THE CHAPPEL HEIGHTS PHASE I
RURAL HOUSING INCENTIVE DISTRICT



Approximate Area of Chappel Heights Phase 1 RHID

0 150 300 600 Feet

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DEVELOPMENT PLAN – EXHIBIT B
COMPREHENSIVE FINANCIAL FEASIBLIITY ANALYSIS

Cost of Infrastructure Improvements
$ 1,586,140.00

	Current Value	Property Class	Mill Levy	Tax Amount
Estimate	$ 7,460.00	30.0%	0.148716	$ 332.83

	Platted Value	Property Class	Mill Levy	Tax Amount	Number of Lots	Total Tax
80'x120'	$ 17,250.00	12.0%	0.148716	$ 307.84	11	$3,386.26
79'x120'	$ 17,100.00	12.0%	0.148716	$ 305.17	15	$4,577.48
100'x120'	$ 20,250.00	12.0%	0.148716	$ 361.38	1	$ 361.38
142'x120'	$ 26,250.00	12.0%	0.148716	$ 468.46	1	$ 468.46
85'x120"	$ 18,000.00	12.0%	0.148716	$ 321.23	4	$1,284.91
90'x120'	$ 18,750.00	12.0%	0.148716	$ 334.61	11	$3,680.72
86'x120'	$ 18,150.00	12.0%	0.148716	$ 323.90	1	$ 323.90
83'x120'	$ 17,700.00	12.0%	0.148716	$ 315.87	2	$ 631.75
62'x120'	$ 15,500.00	12.0%	0.148716	$ 276.61	1	$ 276.61
5.32 acres	$ 15,000.00	12.0%	0.148716	$ 267.69	1	$ 267.69

15 year Estimate for Build Out Over Time							
	Estimated Value	Property Class	Mill Levy	Est. Property Tax	Annual Increment	Increment Years	Total Rebate
Apartments	$ 1,760,000.00	11.5%	0.128716	$ 26,052.12	$ 25,784.43	15	$ 386,766.44
4 Duplexes 12 SFH	$ 2,690,000.00	11.5%	0.128716	$ 39,818.29	$ 34,906.21	14	$ 488,686.87
5 Duplexes 5 SFH	$ 1,760,000.00	11.5%	0.128716	$ 26,052.12	$ 23,000.47	13	$ 299,006.06
5 Duplexes 5 SFH	$ 1,760,000.00	11.5%	0.128716	$ 26,052.12	$ 22,706.01	11	$ 249,766.09
11 SFH	$ 1,760,000.00	11.5%	0.128716	$ 26,052.12	$ 22,370.51	9	$ 201,334.55
							$ 1,625,560.01

If the apartments are appraised at $1,760,000.00, single family homes at $160,000.00, and the duplexes at $192,500.00 and the project is built out over approximately five years the increment tax for 15 years would total approximately $1,625,560.00. This would exceed the amount of estimate eligible expenses.

DEVELOPMENT PLAN – EXHIBIT C

Development Agreement
CHAPPEL HEIGHTS PHASE I

THIS DEVELOPMENT AGREEMENT (hereinafter "Agreement"), entered into this ____ day of July, 2013, by and between the **CITY OF GARDEN CITY**, Kansas, a municipal corporation of the State of Kansas (hereinafter "City"), and **Bernard Chappel** (hereinafter "Developer").

RECITALS

A. **WHEREAS**, City and Developer (hereinafter "Parties") desire to memorialize their intent with respect to their obligations and responsibilities for the construction of a residential development to be known as "Chappel Heights Phase I" (hereinafter "the Development"); and,

B. **WHEREAS**, Developer is the title owner of real property located within the boundaries of City and described on ***Exhibit A***, further described as Chappel Heights Phase I Project, attached hereto and incorporated herein by reference (hereinafter "the Property"); and,

C. **WHEREAS**, Developer desires to develop the Property by construction of single family residences, duplexes, and all related internal infrastructure improvements, all as more fully described herein; and,

D. **WHEREAS**, City has determined that the construction of the Development will foster the economic development of City and surrounding area of Finney County, Kansas; and,

E. **WHEREAS**, the Parties hereto are authorized to enter into this Agreement and to complete the responsibilities set forth herein.

AGREEMENT

NOW THEREFORE, in consideration of the premises and promises contained herein and other good and valuable consideration, the adequacy and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

ARTICLE I

DEFINITIONS

1.1 Definitions. As used in this Agreement, the following words and terms shall have the meaning set forth below:

Agreement—means this Development Agreement, as the same may be from time to time modified, amended or supplemented in writing by the Parties hereto.

City—means the City of Garden City, Kansas

Concept Site Plan—means the site development plan prepared by a licensed professional engineer, or firm thereof, acceptable to City, attached as ***Exhibit C*** hereto and incorporated herein by reference, depicting the conceptual program for construction of the Development Project and the Public Improvements.

Construction Plans—means plans, drawings, specifications and related documents, and construction schedules for the construction of the Work, together with all supplements, amendments or corrections.

Developer—means Bernard Chappel or permitted successors or assigns in interest.

Development Area—means the collective areas described in ***Exhibit B*** attached hereto and incorporated herein by reference.

Development Costs—means the total amount spent or expected to be spent by Developer to construct the Work.

Development Project—means quality multi-family residences to be constructed in the Development Area in accordance with the Concept Site Plan.

Governing Body—means the City Commission of Garden City, Kansas.

Internal Infrastructure Improvements—means the water, sanitary sewer, electric improvements necessary for the Development and located within the boundaries of the Development Area, including engineering costs, any costs of right-of-way and appurtenances related thereto, as set forth on the approved plat for the Development, all as more specifically described on ***Exhibit D*** attached hereto and incorporated herein by this reference.

Material Change—shall mean any change in the Concept Site Plan that significantly affects the nature of the Public Improvements, the number of Units, or increases/decreases the cost of the Development Project by twenty-five thousand dollars ($25,000.00) or more for each change.

Mayor—means the Mayor of Garden City, Kansas or his duly authorized agent.

Plans and Specifications—means the plans and specifications for the Public Improvements prepared by a licensed professional engineer, or firm thereof, acceptable to City.

Project Costs—means all costs associated with the completion of the Public Improvement and all associated legal, engineering, and other soft costs as described on the cost estimates set forth on ***Exhibit D*** attached hereto and incorporated herein by this reference.

Property—means the real property (including but not limited to fee interests, leasehold interests, tenant-in-common interests, and such other like or similar interests) on which the Development Project will be located, more specifically described in ***Exhibit A*** attached hereto and incorporated by this reference.

Public Improvements—means the electric, sewer, and water improvements which will be owned, operated and maintained by the City of Garden City.

Related Third Party—means any party related to the Developer by one of the relationships described in Section 267(b) of the United States Internal Revenue Code of 1986, as amended and any successor entity in which the principals of the Developer (either individually or collectively) or Developer own or control no less than fifty percent (50%) of the voting interest in such successor entity.

Rural Housing Incentive District—means a rural housing incentive district to be created by the City for the Development Project pursuant to the Kansas Rural Housing Incentive District Act.

Substantial Completion—means the stage in the progress of the Work when the Work or designated portions thereof is sufficiently complete in accordance with the Construction Plans, excepting all punch list items so that Developer can occupy or utilize the Work for its intended purpose.

Unit—means each individual apartment unit in a multi-family residence development.

Work—means all work necessary to prepare the Property and to construct the Development Project and the Public Improvements, including; (1) demolition and removal of certain existing improvements located on the Property; (2) construction, reconstruction and/or relocation of utilities; (3) construction of the multi-family residences and structures, including surface parking facilities, and screening and site landscaping on the Property, as described in the Concept Site Plan; and (4) all other Work described in the Concept Site Plan, or reasonably necessary to effectuate the intent of this Agreement.

ARTICLE II

RURAL HOUSING INCENTIVE DISTRICT

2.1 PRELIMINARY RESOLUTION. Governing Body has heretofore adopted Resolution No. 2516-2013 on January 15, 2013, which made certain findings pursuant to the Rural Housing Incentive District Act, relative to the need for housing in City and declaring intent to establish Rural Housing Incentive Districts within City, which would include the Property.

2.2 DEPARTMENT OF COMMERCE FINDING. Pursuant to the resolution described in *Section 2.1* hereof, City caused to be prepared a Housing Needs Analysis and forwarded the same with said resolution, to the Kansas Secretary of Commerce. On April 16, 2013, the Kansas Secretary of Commerce issued a letter to City making certain findings required by the Rural Housing Incentive District Act, and approved City's ability to establish a Rural Housing Incentive District.

2.3 FURTHER PROCEEDINGS. The City has caused to be prepared a Development Plan in accordance with the provisions of the Rural Housing Incentive District Act, adopted a resolution calling a public hearing relative to such Development Plan, conducted a public hearing, and will pass an ordinance approving the Development Plan and establish a Rural Housing Incentive District that includes the Property. The Rural Housing Incentive District will be deemed to be established at the time said

ordinance is passed by the Governing Body. The Parties acknowledge that the creation of the Rural Housing Incentive District is subject to nullification in the manner set forth in K.S.A. 12-5246

ARTICLE III

CONSTRUCTION OF THE PROJECT AND INTERNAL INFRASTRUCTURE IMPROVEMENTS

3.1 Development Project Construction Schedule. Developer shall commence construction of the Development Project and Internal Infrastructure Improvements within the Development Area, not more than sixty (60) days after the Rural Housing Incentive District ordinance is passed by the Governing Body. Developer will diligently pursue Substantial Completion of the Development Project.

3.2 CONSTRUCTION OF THE DEVELOPMENT PROJECT. Developer shall construct the Development Project in a good and workmanlike manner in accordance with the terms of this Agreement and as set forth in the Construction Plans.

3.2.1 CONSTRUCTION CONTRACTS; INSURANCE. Developer may enter into one or more construction contracts to compete the Development Project. Prior to the commencement of construction of the Development Project, Developer shall obtain or shall require that any such contractor obtains workers' compensation, comprehensive public liability and builder's risk insurance as provided in *Section 5.8* hereof and shall deliver evidence of such insurance to City. Developer shall require that the insurance required is maintained by any such contractor for the duration of the construction of the Development Project of part thereof, if such contract relates to less than all of the Development Project. If Developer serves as general contractor for the Development Project, Developer shall not charge more for such services than a third-party contractor would customarily charge for such services.

3.3 CONCEPT SITE PLAN. Developer, at its cost, has had prepared a Concept Site Plan. Said Concept Site plan is hereby approved by the Parties. Developer shall promptly notify City in writing of any Material Changes to the Concept Site Plan at least thirty (30) days prior to the implementation of any such Material Change, including a description of the Material Change and reasons therefore. During the progress of the Work, Developer may make changes to the Concept Site Plan or any aspect thereof as site conditions or other issues of feasibility may dictate or as may be necessary or desirable in the sole determination of Developer to enhance the economic viability of the Development Project provided, however, that Developer may not make Material Changes to the Public Improvements or reduce the number of Units on the Concept Site Plan without the advance written consent of City.

3.4 CONSTRUCTION OF INTERNAL INFRASTRUCTURE IMPROVEMENTS. Developer shall construct, at its cost, the Internal Infrastructure Improvements in a good and workmanlike manner in accordance with the Plans and Specifications approved by City consistent with the construction of the Development Project so that the Substantial Completion of the Internal Infrastructure Improvements associated with the Development Project shall be completed on or before Substantial Completion of the Development Project and in accordance with the Subdivision and Zoning Regulations or as approved by the Governing Body.

3.4.1 ACQUISITION OF EASEMENTS; PERMITS. Developer is responsible for securing any rights-of-way and/or easement rights from private parties necessary to improve or build the Internal Infrastructure Improvements and City will cooperate with Developer with respect to any such acquisition. All costs associated with the acquisition of rights-of-way and/or easements shall be considered a Project Cost. City shall cooperate with Developer in obtaining all necessary permits for construction of the Internal Infrastructure Improvements.

3.4.2 CONSTRUCTION CONTRACTS; INSURANCE. Developer may enter into one or more construction contracts to compete the Work for the Internal Infrastructure Improvements. Prior to the commencement of construction of the Internal Infrastructure Improvements, Developer shall obtain or shall require that any such contractor obtains workers' compensation, comprehensive public liability and builder's risk insurance coverage as provided in ***Section 5.8*** hereof and shall deliver evidence of such insurance to City. Developer shall require that the insurance required is maintained by any such contractor for the duration of the construction of the Internal Infrastructure Improvements or part thereof, if such contract relates to less than all of the Internal Infrastructure Improvements. If Developer serves as general contractor for the Internal Infrastructure Improvements, Developer shall not charge more for such services than a third-party contractor would customarily charge for such services.

3.4.3 CERTIFICATION OF SUBSTANTIAL COMPLETION. Promptly after Substantial Completion of the Work with respect to the Internal Infrastructure Improvements and/or Public Improvements, or a phase thereof, in accordance with the provisions of this Agreement, Developer will furnish to City a Certificate of Substantial Completion in the form attached hereto as ***Exhibit E***. City shall, within thirty (30) days following delivery of each Certificate of Substantial Completion, carry out such inspections as it deems necessary to verify reasonable satisfaction with, and the accuracy of, the certifications contained in each Certificate of Substantial Completion. Each Certificate of Substantial Completion shall be deemed accepted by City unless, prior to the end of such thirty (30) day period after delivery to City of each Certificate of Substantial Completion, City furnishes Developer with specific written objections to the status of the Work, describing such objections and the written objections to the status of the Work, describing such objections and the measures required to correct such objections in reasonable detail. At Substantial Completion of the Internal Infrastructure Improvements, Developer will dedicate to City, and City will accept, title to the Public Improvements designated on **Exhibit D**. Following said dedication, City will be responsible, at its sole cost and expense, for all operating and capital costs for the dedicated Internal Infrastructure Improvements from that date forward, and shall maintain the dedicated Internal Infrastructure Improvements in a manner consistent with similar public improvements in city. Notwithstanding the foregoing, Developer may, at its sole discretion and expense, enhance the maintenance of operation of the Internal Infrastructure Improvements for the betterment of the Development Project.

ARTICLE IV

FINANCING OBLIGATIONS

4.1 FINANCING OF PUBLIC IMPROVEMENTS. All costs of the Internal Infrastructure Improvements shall be paid in cash or finance by Developer. City agrees to pay to Developer, in reimbursement of all or a portion of the Project Costs, those amounts paid to the Treasurer of the City, as a result of this Project, pursuant to K.S.A. 12-5250 (b)(2)(A). These payments shall be made within thirty (30) days of receipt of such funds from the County Treasurer beginning in 2013 and shall continue until such time as the Project Costs have been fully reimbursed to Developer, but not to exceed fifteen (15) years from the date of the establishment of the Rural Housing Incentive District. City shall have no liability and/or responsibility to Developer for any payment greater than the amounts received from the Finney County Treasurer as mandated in K.S.A. 12-5250(b)(2)(A).

ARTICLE V

GENERAL PROVISIONS

5.1 CITY'S RIGHT TO TERMINATE. In addition to all other rights of termination as provided herein, City may terminate this Agreement at any time if Developer defaults in or breaches any material provision of this Agreement and fails to cure such default or breach within thirty (30) days after receipt of written notice from City of such default or breach.

5.2 DEVELOPER'S RIGHT TO TERMINATE. In addition to all other rights of termination as provided herein, Developer may terminate this Agreement at any time if City defaults in or breaches any material provision of this Agreement (including any City default under *Article IV* hereof) and fails to cure such default or breach within thirty (30) days after receipt of written notice from Developer of such default or breach.

5.3 SUCCESSORS AND ASSIGNS.

a. This agreement shall be binding on and shall inure to the benefit of the Parties named herein and their respective heirs, administrators, executors, personal representatives, agents, successors and assigns.

b. Without limiting the generality of the foregoing, all or any part of the Property or any interest therein may be sold, transferred, encumbered, leased, or otherwise disposed of at any time, and the rights of Developer named herein or any successors in interest under this Agreement or any part hereof may be assigned at any time before, during or after completion of the Development Project, whereupon the Party disposing of its interest in the Property or assigning its interest under this Agreement shall be thereafter released from further obligation under this Agreement (although prior to Substantial Completion of the Improvements to such Property so disposed of or to which such interest pertains shall remain subject to the terms and conditions of this Agreement); provided, however, that the buyer, transferee or assignee shall be financially solvent as demonstrated to City.

c. Until Substantial Completion of the Development Project has occurred, the obligations of Developer under this Agreement may not be assigned in whole or in part without the prior written approval of City, which approval shall not be unreasonably withheld, conditioned, or delayed upon a reasonable demonstration by Developer of the proposed assignee's experience and financial capability to undertake and complete all portions of the Work with respect to the Development Project, all in accordance with this Agreement. Notwithstanding the foregoing, Developer may be permitted to subcontract the construction of any portion of the Development Project without the consent of City as long as Developer remains liable therefore hereunder. Notwithstanding anything herein to the contrary, City hereby approves, and no prior consent shall be required in connection with, (a) the right of Developer to encumber or collaterally assign its interest in the Property or any portion thereof or any interest in the Agreement to secure loans, advances or extensions of credit to finance or from time to time refinance all or any part of the Development Project Costs, or the right of the holder of any such encumbrance or transferee of any such collateral assignment; (b) the right of Developer to assign Developer's rights, duties and obligations under the Agreement to a Related Party; or (c) the right of Developer to sell or lease individual portions of the Property in the ordinary course of the development of the Development Project; provided that in each such event Developer named herein shall remain liable hereunder for the Substantial Completion of the Development Project, and shall be released from such liability hereunder only upon Substantial Completion of the Development Project.

5.4 REMEDIES. Except as otherwise provided in this Agreement and subject to Developer's and City's respective rights of termination, in the event of any breach of any term or condition of this Agreement by either Party, or any successor, the breaching Party (or successor) shall, upon written notice from the other Party specifying such claimed breach, proceed immediately to cure or remedy such breach, and, shall, in any event, within thirty (30) days after receipt of notice, cure or remedy such default. If the breach shall not be cured or remedied, the aggrieved Party may hold the breaching Party in default of this Agreement and there upon may institute such proceedings as may be necessary or desirable in its opinion to cure and remedy such default or breach, including, but not limited to proceedings to compel specific performance by the defaulting or breaching Party, withholding funds received pursuant to K.S.A. 12-5250(b)(2)(A) and/or repeal of the ordinance establishing the Rural Housing Incentive District. For purposes of this ***Section 5.4***, no Party may be deemed in default of this Agreement unless and until it has received notice of any claimed breach and has been given an opportunity to cure the same.

5.5 FORCE MAJEURE. Neither City nor Developer nor any successor in interests shall be considered in breach or default of their respective obligations under this Agreement, and times for performance of obligations hereunder shall be extended in the event of any delay caused by force majeure, including, without limitation, damage or destruction by fire or casualty; strike; lockout; civil disorder; act of terror; war; restrictive government regulations; lack of issuance of any permits and/or legal authorization by any governmental entity necessary for the Developer

to proceed with construction of the Work or any portion thereof, shortage of delay in shipment of material or fuel; acts of God; unusually adverse weather or soil conditions; unforeseen site conditions that render the site economically or physically undevelopable (as a result of additional cost or delay), or any other cause or contingency similarly; or other causes beyond the Parties' reasonable control, including but not limited to, any litigation, court order or judgment resulting from any litigation affecting the validity of this Agreement; provided that such event of force majeure shall not be deemed to exist as to any matter initiated or unreasonably sustained by Developer, and further provided that Developer notifies city in writhing within thirty (30) days of the commencement of such claimed event of force majeure.

5.6 NOTICES. Any notice, demand or other communication required by this Agreement to be given by either Party hereto to the other shall be in writing and shall be sufficiently given or delivered if dispatched by certified United State first class mail, postage prepaid, or delivered personally,

a. In the case of Developer, to:
Bernard Chappel
3170 N Farmland Rd
Garden City, KS 67846
Phone: 620-521-0857

b. In the case of City, to:
City of Garden City, Kansas
301 N. 8th Street
Garden City, KS 67846
Attention: City Clerk
Phone: (620)276-1170
Fax: (620)276-1173

Or to such other address with respect to either Party as that Party may, from time to time, designate in writing and forward to the other as provided in this ***Section 5.6***.

5.7 CONFLICT OF INTEREST. No member of the Governing Body or any branch of City's government who has any power of review or approval of any of Developer's undertakings, or of City's contracting for goods or services for the Development, shall participate in any decisions relating thereto which affect that member's personal interests or the interests of any corporation or partnership in which that member is directly or indirectly interested. Any person having such interests shall immediately, upon knowledge of such possible conflict, disclose, in writing, to the Governing Body the nature of such interest and seek a determination by the Governing Body with respect to such interest and, in the meantime, shall not participate in any actions or discussions relating to the activities herein proscribed. City represents to Developer that no such conflicts of interest exist as of the date hereof.

5.8 INSURANCE; DAMAGE OR DESTRUCTION OF DEVELOPMENT PROJECTS.

(a.) Developer will cause there to be insurance coverage as hereinafter set forth at all times during the process of constructing the Work and, from time to time at the request of City, shall furnish City with proof of payment of premiums on:

(i.) Builder's Risk insurance, written on the so called "Builder's Risk—Completed Value Basis," in an amount equal to one hundred percent (100%) of the insurable value of the Work at the date of completion, and with coverage available in non-reporting form on the so called "all risk" form of policy. The interest, if any, of City shall be protected in accordance with a clause in form and content satisfactory to City; and,

(ii.) Comprehensive general liability insurance (including operations, operations of subcontractors, completed operations and contractual liability insurance) together with an owner's contractor's policy, with limits against bodily injury and property damage of not less than Five Million Dollars ($5,000,000.00) for all claims arising out of a single accident or occurrence and Two Million Dollars ($2,000,000.00) for any one person in a single accident or occurrence (to accomplish the above required limits, an umbrella excess liability policy may be used); and

(iii.) Workers Compensation insurance, with statutorily required coverage.

(b.) The policies of insurance required pursuant to clauses (i.) and (ii.) above shall be in form and content reasonably satisfactory to City and shall be placed with financially sound and reputable insurers licensed to transact business in the State of Kansas with general policy holder's rating of not less than A- and a financial rating of A- as rated in the most current available "Best's" insurance reports. The policy of insurance delivered pursuant to clause (i.) above shall contain an agreement of the insurer to give not less than thirty (30) days advance written notice to the City in the event of cancellation of such policy or change affecting the coverage thereunder. All policies of insurance required pursuant to this section shall name City as an additional insured. Developer shall deliver to City evidence of all insurance to be maintained hereunder.

5.9 INSPECTION. Developer shall allow City and its employees, agents and representatives to inspect, upon request, all architectural, engineering, demolition, construction and other contracts and documents pertaining to the construction of the Work as City determines is reasonable and necessary to verify Developer's compliance with the terms of this Agreement.

5.10 CHOICE OF LAW. This Agreement shall be deemed to have been fully executed, made by the Parties in, and governed by the laws of State of Kansas for all purposes and intents.

5.11 ENTIRE AGREEMENT: AMENDMENT. The Parties agree that this Agreement and the Development Plan constitute the entire agreement between the Parties and that no other agreements or representations other than those contained in this Agreement have been made by the Parties. This Agreement shall be amended only in writing and effective when signed by the authorized agents of the Parties.

5.12 COUNTERPARTS. This Agreement is executed in multiple counterparts, each of which shall constitute one and the same instruments.

5.13 SEVERABILITY. If any term or provision of this Agreement is held to be unenforceable by a court of competent jurisdiction, the remainder shall continue in full force and effect, to the extent the remainder can be given effect without the invalid provision.

5.14 REPRESENTATIVES NOT PERSONALLY LIABLE. No elected or appointed official, agent, employee or representative of City shall be personally liable to Developer in the event of any default or breach by any Party under this Agreement or for any amount which may become due to any Party or on any obligations under the terms of this Agreement.

5.15 LEGAL ACTIONS. If a third party brings an action against city, or any officials, agents, employees or representatives thereof contesting the validity or legality of any of the terms of this Agreement, or the ordinance approving this Agreement, Developer may, at Developer's option but only with City's consent, assume the defense of such claim or action (including without limitation, to settle or compromise any claim or action for which Developer has assumed the defense) with counsel of Developer's choosing. The Parties expressly agree that so long as no conflicts of interest exist between them, the same attorney or attorneys may simultaneously represent City and Developer in any such proceeding; provided, Developer and its counsel shall consult with City throughout the course of any such action and Developer shall pay all reasonable and necessary costs incurred by City in connection with such action. If such defense is assumed by Developer, all costs of any such action incurred by City shall be promptly paid by Developer. If City refuses to permit Developer to assume the defense of any action, then costs incurred by City shall be paid by City.

5.16 RELEASE AND INDEMNIFICATION. The indemnifications and covenants contained in this ***Section 5.16*** shall survive termination or expiration of this Agreement and shall be specifically subject to the limitation of ***subsection 5.16.7*** of this Agreement.

> **5.16.1** Notwithstanding anything herein to the contrary, City and its Governing Body members, officers, agents, servants, employees and independent contractors shall not be liable to Developer for damages or otherwise in the event that any ordinance, order or resolution adopted in connection with this Agreement is declared invalid or unconstitutional in whole or in part by the final (as to which all rights of appeal have expired or have been exhausted) judgment of any court of competent jurisdiction, and by reason thereof either City is prevented from performing any of the covenants and agreements herein or Developer is prevented from enjoying the rights and privileges hereof.

5.16.2 Developer releases from, agrees to indemnify and hold harmless City, its Governing Body members, officers, agents, servants and employees against, and covenants and agrees that City and its Governing Body members, officers, agents, servants, employees and independent contractors shall not be liable for, any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the acquisition of the Property or construction of the Work including any and all claims arising from the acquisition of the Property, including, but not limited to, location of hazardous wastes, hazardous materials or other environmental contaminants on the Property, including all costs of defense, including attorney's fees, except for those matters rising out of the willful and/or wanton negligence of City and its governing body members, officers, agents, servants, and employees.

5.16.3 City and its Governing Body members, officers, agents, servants and employees shall not be liable for any damage or injury to the persons or property of Developer or its officers, agents, servants or employees or any other person who may be about the Property or the Work except for matters arising out of the willful and/or wanton negligence of City and its Governing Body members, officers, agents, servants and employees.

5.16.4 All covenants, stipulations, promises, agreements and obligations of City contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of City and not of any of its Governing Body members, officers, agents, servants or employees in their individual capacities.

5.16.5 No official, employee or representative of City shall be personally liable to Developer in the event of a default or breach by any Party to this Agreement.

5.16.6 Developer releases from and covenants and agrees the City, its Governing Body members, officers, employees, agents and independent contractors shall not be liable for, and agrees to indemnify and hold City, its Governing Body, members, officers, employees, agents and independent contractors harmless from and against any and all suits, interest, claims and cost of attorney fees incurred by any of them, resulting from, arising out of, or in any way connected with: (1) the Development Project or its approval, (2) the construction of the Work, (3) the negligence or willful misconduct of Developer, its employees, agents or independent contractors in connection with the management, development, and construction of the Work, (4) the compliance by Developer with all applicable state, federal and local environmental laws, regulations, ordinances and orders, (5) underground storage tanks located on or about the Property, (6) friable asbestos or asbestos-containing materials at, on, or in the Property, (7) the operation of all or any part of the Property , or the condition of the Property, including, without limitation, any environmental cost or liability, or (8) negotiations, inspections, acquisitions, preparations, construction, leasing, operations, and other activities of Developer or its agents in connection with or leading to the Development Project or the Property; except that the foregoing release and indemnification shall not apply in the case of such liability arising directly out of the willful and/or wanton negligence of City or its authorized Governing Body members,

officers, employees and agents or which arises out of matters undertaken by city following termination of this Agreement as Development Project or portion thereof.

5.17 COST OF THE LEGAL FEES. Upon execution of this Agreement, Developer shall reimburse City for all legal and professional Costs, fees and expenses incurred by City with regard to the preparation of this Agreement and any and all other Ordinances, Resolutions or other documents necessary for implementation of the Rural Housing Incentive District as well as for representation and appearances of legal counsel at any hearings or proceedings required to implement the Rural Housing Incentive District or the Project. All such reimbursement paid by Developers shall be considered Project Costs.

5.18 SURVIVAL. Notwithstanding the expiration, termination or breach of this Agreement by either Party, the agreements contained in ***Section 5.16*** of this Agreement shall, except as otherwise expressly set forth herein, survive such expiration, termination or breach of this Agreement by Parties hereto.

ARTICLE VI

REPRESENTATIONS OF THE PARTIES

6.1 REPRESENTATIONS OF CITY. City hereby represents and warrants that to the best of its collective knowledge and belief it has full constitutional and lawful right, power and authority, under current applicable law, to execute and deliver and perform the terms and obligations of the Agreement, and all of the foregoing have been or will be, duly and validly authorized and approved by all necessary city proceedings, findings and actions. Accordingly, this Agreement constitutes the legal, valid and binding obligation of City, enforceable in accordance with its terms.

6.2 REPRESENTATIONS OF DEVELOPER. Developer hereby represents and warrants it has full corporate power to execute and Deliver and perform the terms and obligations of this Agreement and all of the foregoing has been duly and validly authorized by all necessary corporate proceedings. This Agreement constitutes the legal, valid and binding obligation of Developer, enforceable in accordance with its terms.

IN WITNESS WHEREOF, City and Developer have caused this Agreement to be executed in their respective names and City has caused its seal to be affixed thereto, and attested as to the date first above written.

CITY OF GARDEN CITY, KANSAS

By: _____ Dated: July ___, 2013
Dan Fankhauser, Mayor

ATTEST: (SEAL)

_____

Celyn N. Hurtado, City Clerk

By: _____
Bernard Chappel
Dated: July ___, 2013

SCHEDULE OF EXHIBITS OF THE DEVELOPMENT AGREEMENT

Exhibit A	Property Description
Exhibit B	Map of Rural Housing Incentive District Boundaries for the CHAPPEL HEIGHTS PHASE I Project
Exhibit C	The CHAPPEL HEIGHTS PHASE I Site Development Plan
Exhibit D	Eligible costs for the CHAPPEL HEIGHTS PHASE I Project
Exhibit E	Certification of Substantial Completion Form

EXHIBIT A

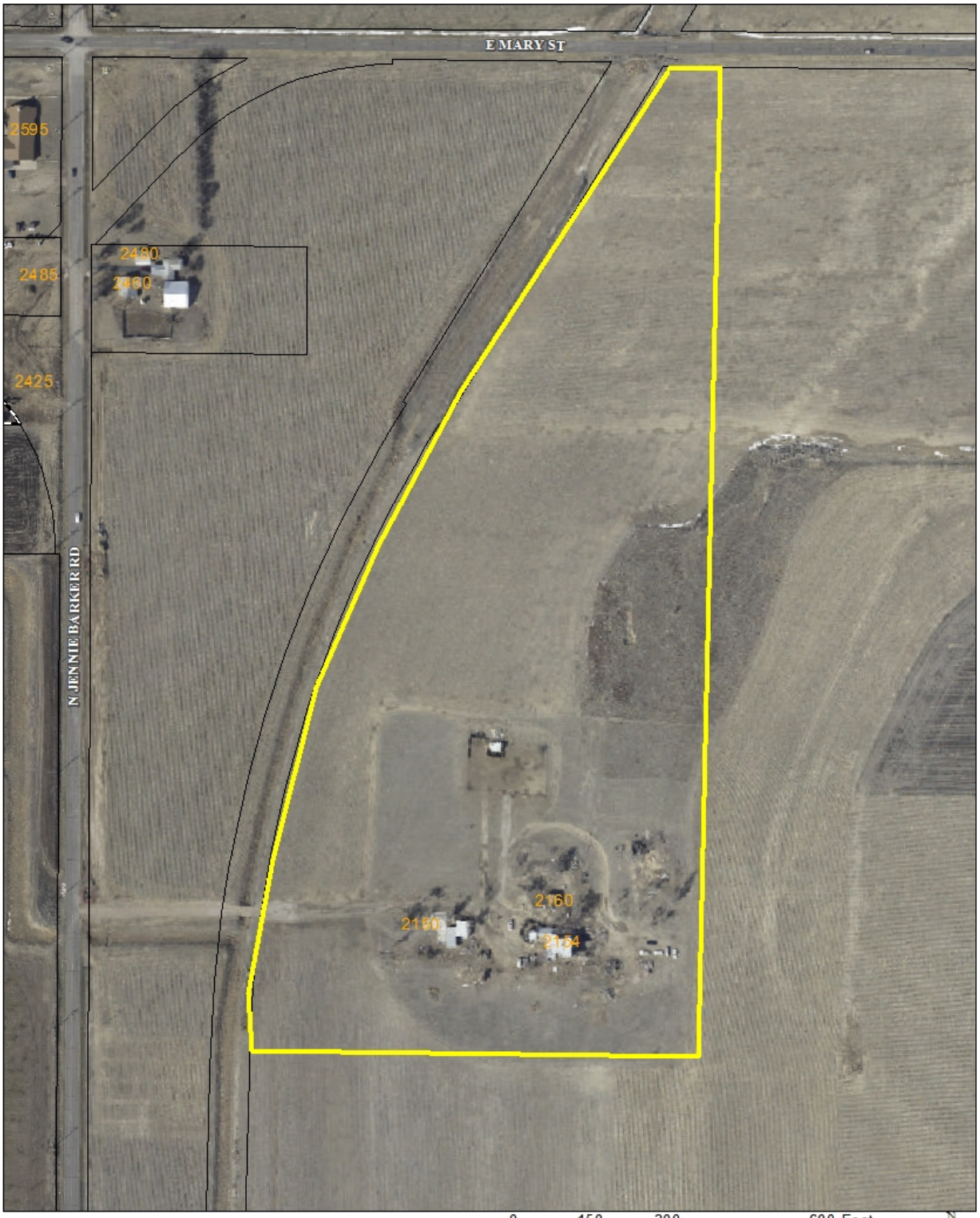
PROPERTY DESCRIPTION

A parcel of land located in the Northwest Quarter of Section 10, Township 24 South, Range 32 West of the 6th P.M., Finney County, Kansas, more particularly described as follows:

Commencing at the Northwest corner of said Section 10, thence S 89°45’29” E, on the North Line of said Northwest Quarter, for a distance of 1,127.34 feet; thence S 00°00’00” W, for a distance of 40.00 feet to the POINT OF BEGINNING; thence S 89°45’29” E, 258.49; thence S 00°00’52” E, for a distance of 300.00 feet; thence S 89°45’29” E, for a distance of 170.00 feet; thence S 00°00’52” E, for a distance of 130.00 feet; thence N 89°45’29” W, for a distance of 30.00 feet; thence S 00°00’52” E, for a distance of 221.99 feet; thence S 31°15’41” W, for a distance of 391.87 feet to the beginning of a curve; thence Southwesterly on a curve concave to the Southeast, having a radius of 2,075.00 feet, a delta angle of 20°23’15”, a chord bearing S 19°23’53” W, a chord distance of 853.16 feet, for an arc distance of 859.29 feet; thence N 66°55’04” W, for a distance of 316.75 feet to the beginning of a curve; thence Northwesterly on a curve concave to the Southwest, having a radius of 830.00 feet, a delta angle of 22°50’27”, a chord bearing N 78°20’16 W, a chord distance of 328.69 feet, for an arc distance of 330.88 feet; thence N 89°45’29” W, for a distance of 45.46 feet to a point on the Easterly right-of-way line of Drainage Ditch Number 2, said point being the beginning of a curve; thence Northeasterly on the Easterly right-of-way line of Drainage Ditch Number 2 on a curve concave to the Southeast, having a radius of 2,755.00 feet, a delta angle of 21°35’19”, a chord bearing N 20°28’01” E, a chord distance of 1,031.93 feet, for an arc distance of 1,038.06 feet; thence N 31°15’41” E on the Southeasterly right-of-way line of Drainage Ditch Number 2 for a distance of 743.77 feet to the point of beginning. Said tract consisting of 25.36 acres, more or less.

EXHIBIT B

MAP OF RURAL HOUSING INCENTIVE DISTRICT BOUNDARIES FOR THE CHAPPEL HEIGHTS PHASE I PROJECT



Approximate Area of Chappel Heights Phase 1 RHID

0 150 300 600 Feet

N

EXHIBIT C

THE CHAPPEL HEIGHTS PHASE I SITE DEVELOPMENT PLAN

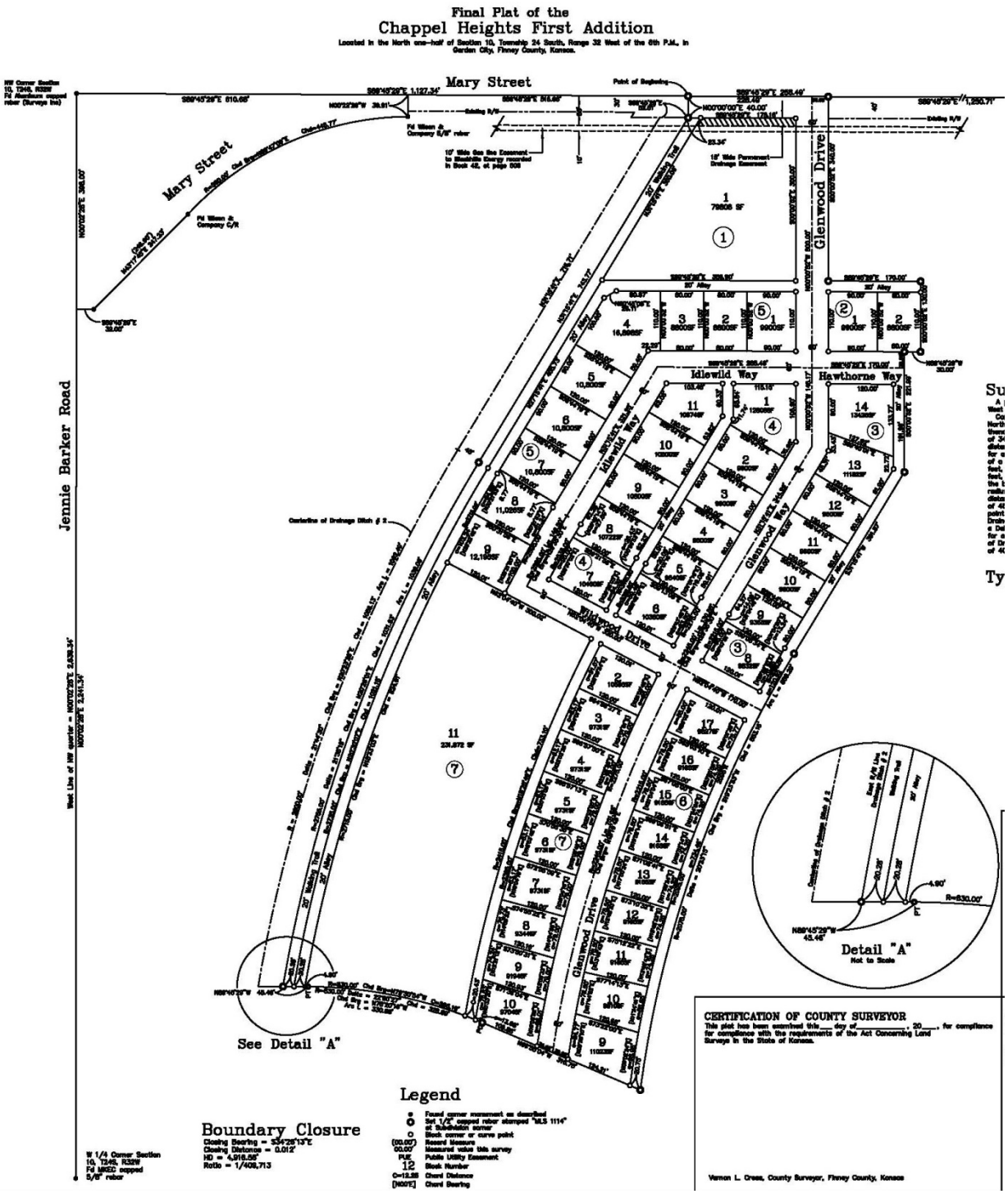


EXHIBIT D

ELIGIBLE COSTS FOR
THE CHAPPEL HEIGHTS PHASE I PROJECT

The Chappel Heights Phase I Site Work Estimates:

Eligible Expenses	
Sewer	$ 513,075.00
Water	$ 218,320.00
Streets	$ 605,400.00
Insurance	$ 10,338.00
Interest	$ 90,409.00
Engineering	$ 67,344.00
Street Lights	$ 22,000.00
Signs	$ 1,000.00
Sidewalks	$ 58,254.00
Total	**$ 1,586,140.00**

Upon substantial completion, public improvements shall be dedicated to the City of Garden City.

EXHIBIT E

CERTIFICATION OF SUBSTANTIAL COMPLETION FORM

The undersigned, on behalf of Bernard Chappel (the Developer), pursuant to Section 3.4.3 of the Development Agreement dated as of July ___, 2013 (the Development Agreement) by and among the City of Garden City, Kansas, and the Developer, hereby certifies as follows. All capitalized terms used herein shall have the meaning attributable to such terms in the Development Agreement.

1. The Work with respect to the Internal Infrastructure Improvements in Development Project is sufficiently complete in accordance with the Construction Plans, excepting all punch list items, such that the Developer can occupy or utilize the Work for its intended purpose.

2. The Work has been completed in a good and workmanlike manner.

3. There are no mechanic's or materialmen's liens or other statutory liens on file encumbering title to the Property; all bills for labor and materials furnished for the Work which could form the basis of a mechanic's, materialmen's or other statutory lien against the Property have been paid in full, and within the past four months no such labor or materials have been furnished which have not been paid for.

4. All applicable building codes have been complied with in connection with the Work.

Dated: _____

Bernard Chappel

By: _____
Name:
Title:

(Published in the Garden City Telegram on the _____day of July, 2013)

ORDINANCE NO._____

AN ORDINANCE OF THE GOVERNING BODY OF THE CITY OF GARDEN CITY,KANSAS, ESTABLISHING A RURAL HOUSING INCENTIVE DISTRICT WITHIN THE CITY AND ADOPTING A PLAN FOR THE DEVELOPMENT OF HOUSING AND PUBLIC FACILITIES IN SUCH DISTRICT, AND MAKING CERTAIN FINDINGS IN CONJUNCTION THEREWITH (CHAPPEL HEIGHTS PHASE I PROJECT)

WHEREAS, K.S.A. 12-5241 et seq. (the "Act") authorizes any city incorporated in accordance with the laws of the State of Kansas (the "State") with a population of less than 40,000 located in a county with a population of less than 60,000, to designate rural housing incentive districts within such city; and

WHEREAS, prior to such designation the governing body of such city shall conduct a housing needs analysis to determine what, if any, housing needs exist within its community; and

WHEREAS, after conducting such analysis, the governing body of such city may adopt a resolution making certain findings regarding the establishment of a rural housing incentive district and providing the legal description of property to be contained therein; and

WHEREAS, after publishing such resolution, the governing body of such city shall send a copy thereof to the Secretary of Commerce of the State (the "Secretary") requesting that the Secretary agree with the finding contained in such resolution; and

WHEREAS, if the Secretary agrees with such findings, such city may proceed with the establishment of a rural housing incentive district within such city and adopt a plan for the development or redevelopment of housing and public facilities in the proposed district; and

WHEREAS, the City of Garden City , Kansas (the "City") has an estimated population of 30,685, is located in Finney County, Kansas which has a population of 43,008 and therefore constitutes a city as said term is defined in this act; and

WHEREAS, in August of 2012 the Governing Body of the updated the Community Housing Assessment Team Report dated December 15, 2008 (CHAT), a copy of which is on file in the office of the City Clerk; and

WHEREAS, the Governing Body of the City has heretofore adopted Resolution No. 2516-2013 which made certain findings relating to the need for financial incentives relating to the construction of quality housing within the City, declared it advisable to establish a Rural Housing Incentive District pursuant to the Act and authorized the submission of such Resolution and a Housing Needs Analysis to the Kansas Department of Commerce in accordance with the provisions of the Act; and

WHEREAS, the Secretary, pursuant to a letter dated April 16, 2013, authorized the City to proceed with the establishment of Rural Housing Incentive Districts pursuant to the Act; and

WHEREAS, the City has caused to be prepared a plan for the development or redevelopment of housing and public facilities in the proposed Rural Housing Incentive District (the "District") in accordance with the provisions of the Act (the "Plan"); and

WHEREAS, the Plan includes:

1. The legal description and map required by subsection (a) of K.S.A. 12-5244;

2. The existing assessed valuation of the real estate in the proposed District, listing the land and improvement values separately;

3. A list of the names and addresses of the owners of record of all real estate parcels within the proposed District;

4. A description of the housing and public facilities project or projects that are proposed to be constructed or improved in the proposed District, and the location thereof;

5. A listing of the names, addresses, and specific interest in real estate in the proposed District of the developers responsible for development of the housing and public facilities in the proposed District;

6. The contractual assurances, if any, the Governing Body has received from such developer or developers, guaranteeing the financial feasibility of specific housing tax incentive projects in the proposed District;

7. A comprehensive analysis of the feasibility of providing housing tax incentives in the proposed District as provided in the Act, set forth the boundaries of the proposed District, provided a summary of the proposed Plan, called a public hearing concerning the establishment of the proposed District for February 19, 2013, and provided for notice of such public hearing as provided in the Act; and

WHEREAS, the Governing Body of the City has heretofore adopted Resolution No. 2527-2013 which made a finding that the City is considering the establishment of the proposed District and adopting the proposed Plan pursuant to the Act, set forth the boundaries of the proposed District, provides a summary of the proposed Plan, called a public hearing concerning the establishment of the proposed District for July 2, 2013, and provided for notice of such public hearing as provided in the Act: and

WHEREAS, a public hearing was held on July 2, 2013, after due published and delivered notice in accordance with the provisions of the Act; and

WHEREAS, upon and considering the information and public comments received at the public hearing, the Governing Body of the City hereby deems it advisable to make certain findings to establish the proposed District and to adopt the proposed Plan.

NOW, THEREFORE, BE IT ORDAINED by the Governing Body of the City of Garden City, Kansas, as follows:

Section 1. **Findings.** The Governing Body hereby finds that due notice of the public hearing conducted July 2, 2013, was made in accordance with the provisions of the Act.

Section 2. **Creation of Rural Housing Incentive District.** A Rural Housing Incentive District is hereby created within the City in accordance with the provisions of the Act, which shall consist of the following described real property in the Development, in the City of Garden City, Finney County, Kansas:

A parcel of land located in the Northwest Quarter of Section 10, Township 24 South, Range 32 West of the 6th P.M., Finney County, Kansas, more particularly described as follows:
Commencing at the Northwest corner of said Section 10, thence S 89°45’29” E, on the North Line of said Northwest Quarter, for a distance of 1,127.34 feet; thence S 00°00’00” W, for a distance of 40.00 feet to the POINT OF BEGINNING; thence S 89°45’29” E, 258.49; thence S 00°00’52” E, for a distance of 300.00 feet; thence S 89°45’29” E, for a distance of 170.00 feet; thence S 00°00’52” E, for a distance of 130.00 feet; thence N 89°45’29” W, for a distance of 30.00 feet; thence S 00°00’52” E, for a distance of 221.99 feet; thence S 31°15’41” W, for a distance of 391.87 feet to the beginning of a curve; thence Southwesterly on a curve concave to the Southeast, having a radius of 2,075.00 feet, a delta angle of 20°23’15”, a chord bearing S 19°23’53” W, a chord distance of 853.16 feet, for an arc distance of 859.29 feet; thence N 66°55’04” W, for a distance of 316.75 feet to the beginning of a curve; thence Northwesterly on a curve concave to the Southwest, having a radius of 830.00 feet, a delta angle of 22°50’27”, a chord bearing N 78°20’16 W, a chord distance of 328.69 feet, for an arc distance of 330.88 feet; thence N 89°45’29” W, for a distance of 45.46 feet to a point on the Easterly right-of-way line of Drainage Ditch Number 2, said point being the beginning of a curve; thence Northeasterly on the Easterly right-of-way line of Drainage Ditch Number 2 on a curve concave to the Southeast, having a radius of 2,755.00 feet, a delta angle of 21°35’19”, a chord bearing N 20°28’01” E, a chord distance of 1,031.93 feet, for an arc distance of 1,038.06 feet; thence N 31°15’41” E on the Southeasterly right-of-way line of Drainage Ditch Number 2 for a distance of 743.77 feet to the point of beginning. Said tract consisting of 25.36 acres, more or less

Section 3. **Approval of Development Plan.** The Plan for the development or redevelopment of housing and public facilities in the District, as presented to the Governing Body this date, is hereby approved.

Section 4. **Adverse Effect on Other Government Units.** If, within thirty (30) days following the conclusion of the public hearing on July 2, 2013, any of the following occurs, the Governing Body shall take action to repeal this Ordinance:

1. The Board of Education of U.S.D. No. 457 determines by resolution that the District will have an adverse effect on such school district; or

2. The Board of County Commissioners of Finney County, Kansas, determines by resolution that the District will have an adverse effect on such county.

3. The Board of Trustees Garden City Community College determines by resolution that the District will have an adverse effect on such community college.

As of this date, the City has not received a copy of any such resolution and is not aware of the adoption of any such resolution by the governing body of Finney County, Unified School District No. 457, or Garden City Community College.

Section 5. **Reimbursement.** The Act authorizes the City to reimburse the developer for all or a portion of the costs of implementing the Plan through the use of property tax increments allocated to the City under the provisions of the Act.

Section 6. **Further Action.** The Mayor, City Clerk and other officials and employees of the City, including the City Attorney, are hereby further authorized and directed to take such other actions as may be appropriate to accomplish the purposes of this Ordinance.

Section 7. **Effective Date.** This Ordinance shall be effective upon its passage by the Governing Body of the City of Garden City, Kansas and publication one time in the official City newspaper.

PASSED by the Governing Body of the City of Garden City, Kansas and signed by the Mayor on July 2, 2013.

_____
Dan Fankhauser, Mayor

ATTEST:

_____
Celyn N. Hurtado,
City Clerk

APPROVED AS TO FORM:

_____
RANDALL D. GRISELL, City Counselor

GARDEN CITY
KANSAS

COMMUNITY
DEVELOPMENT
DEPARTMENT
SERVING
GARDEN CITY
HOLCOMB
AND
FINNEY COUNTY
620-276-1170

INSPECTIONS
620-276-1120
inspection@garden-city.org

CODE COMPLIANCE
620-276-1120
code@garden-city.org

PLANNING AND ZONING
620-276-1170
planning@garden-city.org

CITY ADMINISTRATIVE CENTER
301 N. 8TH
P.O. BOX 998
GARDEN CITY, KS
67846-0998
620.276.1170
FAX 620.276.1173
www.garden-city.org

Memo

To: City Commission

From: Kaleb Kentner

CC: File

Date: July 2, 2013

Re: Rural Housing Incentive District Resolution Establishing a Date and Time for a Public Hearing

ISSUE: Rural Housing Incentive District Resolution Establishing a Date and Time for a Public Hearing.

BACKGROUND: As Required by the RHID Statute, this resolution establishes a date and time for a public hearing at which a development plan and an ordinance establishing the Reserves at Prairie Ridge Phase II RHID will be considered.

The date and time established in the resolution is: August 6, 2013 at 2:00 PM. A preliminary copy of the Development Plan, which includes the Development Agreement, to be considered at that time is included with this memo for your review.

The development will consist of two (2) sixteen (16) unit apartment buildings. Parking will be provided on site for the apartments. The apartments will have cable and washer and dryer hookups.

Phase I of the development was completed in May of 2012 and the Developer reported that the units were completely leased out prior to completion of construction.

Alternatives:

1. The Commission may elect to pass the attached resolution.
2. The Commission may elect to not pass the attached resolution.

Recommendation: Staff recommends approval of the resolution.

Fiscal Note: There is no fiscal note at this time. The Developer will fund the project through private financing.

DEVELOPMENT PLAN
FOR THE PRAIRIE TRAILS PARTNERS, LLC RURAL HOUSING INCENTIVE DISTRICT
OF THE CITY OF GARDEN CITY, KANSAS
August, 2013

INTRODUCTION

On September 20, 2011 the Governing Body of the City of Garden City, Kansas (the City) adopted Resolution 2442-2011 that found and determined that:

1. There is a shortage of quality housing of various price ranges in the City despite the best efforts of public and private housing developers.
2. The shortage of quality housing can be expected to persist and that additional financial incentives are necessary in order to encourage the private sector to construct or renovate housing in the City.
3. The shortage of quality housing is a substantial deterrent to the future economic growth and development of the City.
4. The future economic wellbeing of the City depends on the Governing Body providing additional incentives for the construction of/or renovation of quality housing in the City.

Based on these findings and determinations, the Governing Body proposed the establishment of a Rural Housing Incentive District within the City pursuant to the Act. (K.S.A. 12-5219 et seq.)

Following the adoption of Resolution 2442-2011, a certified copy was submitted to the Secretary of Commerce for approval of the establishment of the Rural Housing Incentive District in the City, as required by K.S.A. 12-5244(c).

On December 12, 2011, the Secretary of Commerce provided written confirmation, approving the establishment of the Prairie Trails Partners, LLC Rural Housing Incentive District (the District) (Resolution 2442-2011, exhibit A-B).

DEVELOPMENT PLAN ADOPTION

K.S.A. 12-5245 states that once the City receives approval from the Secretary of Commerce for the development of a Kansas Rural Housing Incentive District, the governing body must adopt a plan for the development of housing and public facilities within the proposed district.

DEVELOPMENT PLAN

As a result of the shortage of quality housing within Garden City, the City proposes this Development Plan to assist in the development of quality housing within the City.

1. The legal description of the Prairie Trails Partners, LLC Rural Housing Incentive District is:

   A PORTION OF LOT 2, BLOCK 1, RESERVES AT PRAIRIE RIDGE ADDITION, GARDEN CITY, FINNEY COUNTY, KANSAS, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

   BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 2, THENCE ALONG THE SOUTH LINE OF SAID LOT 2, ON AN ASSUMED BEARING OF N 89°13'20" W A DISTANCE OF 224.29 FEET; THENCE

N 00°00'00" E ALONG THE WEST LINE OF SAID LOT 2, A DISTANCE OF 365.18 FEET; THENCE N 90°00'00" E A DISTANCE OF 79.84 FEET; THENCE N 00°00'00" E A DISTANCE OF 28.09 FEET; THENCE N 90°00'00" E A DISTANCE OF 203.00 FEET; THENCE N 00°00'00" E A DISTANCE OF 71.43 FEET; THENCE N 90°00'00" E A DISTANCE OF 197.14 FEET TO A POINT ON THE EAST LINE OF SAID LOT 2; THENCE S 00°00'00" W ALONG SAID EAST LINE, A DISTANCE OF 34.61 FEET; THENCE S 90°00'00" W A DISTANCE OF 140.16 FEET; THENCE S 00°00'00" W A DISTANCE OF 83.00 FEET; THENCE S 90°00'00" W A DISTANCE OF 56.98 FEET; THENCE S 00°00'00" W A DISTANCE OF 56.10 FEET; THENCE S 90°00'00" W A DISTANCE OF 246.97 FEET; THENCE S 00°00'00" W A DISTANCE OF 155.80 FEET; THENCE N 90°00'00" E A DISTANCE OF 188.42 FEET; THENCE S 00°00'00" W A DISTANCE OF 138.23 FEET TO THE POINT OF BEGINNING. CONTAINS 1.71 ACRES, MORE OR LESS. END OF DESCRIPTION.

A map of the District is attached as **Exhibit A** to this document.

2. The assessed valuation of all real estate within the District for 2013 is $2352.00.
3. The name and address of the owner of record for the real estate with in the District is:
   Prairie Trails Partners, LLC
   534 South Kansas Avenue, Suite 900
   Topeka, KS 66603
4. The housing and public facilities project that are proposed to be constructed include the following:

   Housing Facilities

   The housing facilities will be composed of two multi-family sixteen-plex residences. Each individual family unit will have laundry hookups, cable television hookups and onsite parking.

   Public Facilities

   Public improvements will include construction of infrastructure improvements located within the boundaries of the District, including water, sanitary sewer, and electric improvements. Infrastructure improvements will be constructed concurrently with the project.
5. The names, addresses, and specific interests in the real estate in the District of the developers responsible for development of the housing and public facilities are:

Owner of Real Property:	Prairie Trails Partners, LLC 534 South Kansas Avenue, Suite 900 Topeka, KS 66603
Developer: (Site Work and Infrastructure)	Overland Property Group, LLC 534 South Kansas Avenue, Suite 900 Topeka, KS 66603
Individuals with Specific Interest	Brett Johnson 534 South Kansas Avenue, Suite 900 Topeka, KS 66603

Ed Keating
534 South Kansas Avenue, Suite 900
Topeka, KS 66603

Pat Beatty
534 South Kansas Avenue, Suite 900
Topeka, KS 66603

Rex Vanier
534 South Kansas Avenue, Suite 900
Topeka, KS 66603

6. The Governing Body of the City entered into a Development Agreement with Overland Property Group, LLC a Kansas limited liability corporation, in December of 2011. The Development Agreement, as supplemented and amended, includes the project construction schedule, a description of projects to be constructed, financial obligations of the developer and financial and administrative support from the City. The complete Development Agreement is attached hereto as **Exhibit C**.
7. The City's Finance Director conducted a study to determine whether the public benefits derived from the District will exceed the costs and that the income from the District, together with other sources of revenue, would be sufficient to pay for the public improvements to be undertaken in the District. A copy of the analysis is attached hereto as **Exhibit B**. the analysis estimates the property tax revenues that will be generated from the District, less existing property taxes, to determine the revenue stream available to support reimbursement to the Developer for all or a portion of the costs of financing the public infrastructure. The estimates indicate that the revenue realized from the project would be adequate to pay all or a significant portion of the eligible costs.

DEVELOPMENT PLAN – EXHIBIT A
MAP OF THE PRAIRIE TRAILS PARTNERS, LLC
RURAL HOUSING INCENTIVE DISTRICT

Reserves at Prairie Ridge Phase II Map

0 70 140 280 Feet

N

DEVELOPMENT PLAN – EXHIBIT B
COMPREHENSIVE FINANCIAL FEASIBLIITY ANALYSIS

Cost of Infrastructure Improvements
$742,833.78

Unimproved	2011 Value	Property Class	Mill Levy	Tax Amount
2.93 Acres	$ 4,708.93	12.0%	0.146887	$ 83.00

Improved	Estimated Value of Buildings to be Constructed	Property Class	Mill Levy	Est. Property Tax	Annual Increment Tax	Increment Tax for 15 Years
Buildings + Land	$ 2,804,708.93	11.5%	0.146887	$ 47,377.16	$ 47,294.16	$ 709,412.33

If the buildings are valued at $2,800,000.00, the increment tax for 15 years would total approximately $709,412.33. This would be $33,421.45 less than the amount spent on the infrastructure. The estimated appraised value is based on the units in Dodge City, Kansas.

DEVELOPMENT PLAN – EXHIBIT C
DEVELOPMENT AGREEMENT

Development Agreement
Reserves at Prairie Ridge, Phase II
32 Units

THIS DEVELOPMENT AGREEMENT (hereinafter "Agreement"), entered into this 6th day of August, 2013, by and between the **CITY OF GARDEN CITY**, Kansas, a municipal corporation of the State of Kansas (hereinafter "City"), and **PRAIRIE TRAILS PARTNERS II, LLC** a Kansas limited liability corporation, with its principal place of business in Overland Park, Kansas (hereinafter "Developer").

RECITALS

A. **WHEREAS**, City and Developer (hereinafter "Parties") desire to memorialize their intent with respect to their obligations and responsibilities for the construction of a multi-family residential development to be known as "Reserves at Prairie Ridge" (hereinafter "the Development"); and,

B. **WHEREAS**, Developer is the title owner of real property located within the boundaries of City and described on ***Exhibit A***, further described as Phase 1 of Prairie Trails Partners, LLC Project, attached hereto and incorporated herein by reference (hereinafter "the Property"); and,

C. **WHEREAS**, Developer desires to develop the Property by construction of multi-family residences and all related internal infrastructure improvements, all as more fully described herein; and,

D. **WHEREAS**, City has determined that the construction of the Development will foster the economic development of City and surrounding area of Finney County, Kansas; and,

E. **WHEREAS**, the Parties hereto are authorized to enter into this Agreement and to complete the responsibilities set forth herein.

AGREEMENT

NOW THEREFORE, in consideration of the premises and promises contained herein and other good and valuable consideration, the adequacy and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

ARTICLE I

DEFINITIONS

1.1 Definitions. As used in this Agreement, the following words and terms shall have the meaning set forth below:

Agreement—means this Development Agreement, as the same may be from time to time modified, amended or supplemented in writing by the Parties hereto.

City—means the City of Garden City, Kansas

Concept Site Plan—means the site development plan prepared by a licensed professional engineer, or firm thereof, acceptable to City, attached as ***Exhibit C*** hereto and incorporated herein by reference, depicting the conceptual program for construction of the Development Project and the Public Improvements.

Construction Plans—means plans, drawings, specifications and related documents, and construction schedules for the construction of the Work, together with all supplements, amendments or corrections.

Developer—means Prairie Trails Partners II, LLC, a Kansas limited liability corporation, with its principal place of business in Overland Park, Kansas or its permitted successors or assigns in interest.

Development Area—means the collective areas described in ***Exhibit B*** attached hereto and incorporated herein by reference.

Development Costs—means the total amount spent or expected to be spent by Developer to construct the Work.

Development Project—means quality multi-family residences to be constructed in the Development Area in accordance with the Concept Site Plan.

Governing Body—means the City Commission of Garden City, Kansas.

Internal Infrastructure Improvements—means the water, sanitary sewer, electric improvements necessary for the Development and located within the boundaries of the Development Area, including engineering costs, any costs of right-of-way and appurtenances related thereto, as set forth on the approved plat for the Development, all as more specifically described on ***Exhibit D*** attached hereto and incorporated herein by this reference.

Material Change—shall mean any change in the Concept Site Plan that significantly affects the nature of the Public Improvements, the number of Units, or increases/decreases the cost of the Development Project by twenty-five thousand dollars ($25,000.00) or more for each change.

Mayor—means the Mayor of Garden City, Kansas or his duly authorized agent.

Plans and Specifications—means the plans and specifications for the Public Improvements prepared by a licensed professional engineer, or firm thereof, acceptable to City.

Project Costs—means all costs associated with the completion of the Public Improvement and all associated legal, engineering, and other soft costs as described on the cost estimates set forth on ***Exhibit D*** attached hereto and incorporated herein by this reference.

Property—means the real property (including but not limited to fee interests, leasehold interests, tenant-in-common interests, and such other like or similar interests) on which the Development Project

will be located, more specifically described in ***Exhibit A*** attached hereto and incorporated by this reference.

Public Improvements—means the electric, sewer, and water improvements which will be owned, operated and maintained by the City of Garden City.

Related Third Party—means any party related to the Developer by one of the relationships described in Section 267(b) of the United States Internal Revenue Code of 1986, as amended and any successor entity in which the principals of the Developer (either individually or collectively) or Developer own or control no less than fifty percent (50%) of the voting interest in such successor entity.

Rural Housing Incentive District—means a rural housing incentive district to be created by the City for the Development Project pursuant to the Kansas Rural Housing Incentive District Act.

Substantial Completion—means the stage in the progress of the Work when the Work or designated portions thereof is sufficiently complete in accordance with the Construction Plans, excepting all punch list items so that Developer can occupy or utilize the Work for its intended purpose.

Unit—means each individual apartment unit in a multi-family residence development.

Work—means all work necessary to prepare the Property and to construct the Development Project and the Public Improvements, including; (1) demolition and removal of certain existing improvements located on the Property; (2) construction, reconstruction and/or relocation of utilities; (3) construction of the multi-family residences and structures, including surface parking facilities, and screening and site landscaping on the Property, as described in the Concept Site Plan; and (4) all other Work described in the Concept Site Plan, or reasonably necessary to effectuate the intent of this Agreement.

ARTICLE II

RURAL HOUSING INCENTIVE DISTRICT

2.1 PRELIMINARY RESOLUTION. Governing Body has heretofore adopted Resolution No. 2433-2011 on September 20, 2011, which made certain findings pursuant to the Rural Housing Incentive District Act, relative to the need for housing in City and declaring an intent to establish Rural Housing Incentive Districts within City, which would include the Property.

2.2 DEPARTMENT OF COMMERCE FINDING. Pursuant to the resolution described in *Section 2.1* hereof, City caused to be prepared a Housing Needs Analysis and forwarded the same with said resolution, to the Kansas Secretary of Commerce. On December 12, 2011, the Kansas Secretary of Commerce issued a letter to City making certain findings required by the Rural Housing Incentive District Act, and approved City's ability to establish a Rural Housing Incentive District.

2.3 FURTHER PROCEEDINGS. The City has caused to be prepared a Development Plan in accordance with the provisions of the Rural Housing Incentive District Act, adopted a resolution calling a public hearing relative to such Development Plan, conducted a public hearing, and will pass an ordinance

approving the Development Plan and establish a Rural Housing Incentive District that includes the Property. The Rural Housing Incentive District will be deemed to be established at the time said ordinance is passed by the Governing Body. The Parties acknowledge that the creation of the Rural Housing Incentive District is subject to nullification in the manner set forth in K.S.A. 12-5246

ARTICLE III

CONSTRUCTIONI OF THE PROJECT AND INTERNAL INFRASTRUCTURE IMPROVEMENTS

3.1 Development Project Construction Schedule. Developer shall commence construction of the Development Project and Internal Infrastructure Improvements within the Development Area, not more than sixty (60) days after the Rural Housing Incentive District ordinance is passed by the Governing Body. Developer will diligently pursue Substantial Completion of the Development Project.

a. In conjunction with the Development Project, the parties acknowledge that Prairie Trails Partners II, LLC has applied for low-income housing tax credits

3.2 CONSTRUCTION OF THE DEVELOPMENT PROJECT. Developer shall construct the Development Project in a good and workmanlike manner in accordance with the terms of this Agreement and as set forth in the Construction Plans.

3.2.1 CONSTRUCTION CONTRACTS; INSURANCE. Developer may enter into one or more construction contracts to compete the Development Project. Prior to the commencement of construction of the Development Project, Developer shall obtain or shall require that any such contractor obtains workers' compensation, comprehensive public liability and builder's risk insurance as provided in *Section 5.8* hereof and shall deliver evidence of such insurance to City. Developer shall require that the insurance required is maintained by any such contractor for the duration of the construction of the Development Project of part thereof, if such contract relates to less than all of the Development Project. If Developer serves as general contractor for the Development Project, Developer shall not charge more for such services than a third-party contractor would customarily charge for such services.

3.3 CONCEPT SITE PLAN. Developer, at its cost, has had prepared a Concept Site Plan. Said Concept Site plan is hereby approved by the Parties. Developer shall promptly notify City in writing of any Material Changes to the Concept Site Plan at least thirty (30) days prior to the implementation of any such Material Change, including a description of the Material Change and reasons therefore. During the progress of the Work, Developer may make changes to the Concept Site Plan or any aspect thereof as site conditions or other issues of feasibility may dictate or as may be necessary or desirable in the sole determination of Developer to enhance the economic viability of the Development Project provided, however, that Developer may not make Material Changes to the Public Improvements or reduce the number of Units on the Concept Site Plan without the advance written consent of City.

3.4 CONSTRUCTION OF INTERNAL INFRASTRUCTURE IMPROVEMENTS. Developer shall construct, at its cost, the Internal Infrastructure Improvements in a good and workmanlike manner in accordance with

the Plans and Specifications approved by City consistent with the construction of the Development Project so that the Substantial Completion of the Internal Infrastructure Improvements associated with the Development Project shall be completed on or before Substantial Completion of the Development Project.

3.4.1 ACQUISITION OF EASEMENTS, PERMITS. Developer is responsible for securing any rights-of-way and/or easement rights from private parties necessary to improve or build the Internal Infrastructure Improvements and City will cooperate with Developer with respect to any such acquisition. All costs associated with the acquisition of rights-of-way and/or easements shall be considered a Project Cost. City shall cooperate with Developer in obtaining all necessary permits for construction of the Internal Infrastructure Improvements.

3.4.2 CONSTRUCTION CONTRACTS; INSURANCE. Developer may enter into one or more construction contracts to compete the Work for the Internal Infrastructure Improvements. Prior to the commencement of construction of the Internal Infrastructure Improvements, Developer shall obtain or shall require that any such contractor obtains workers' compensation, comprehensive public liability and builder's risk insurance coverage as provided in ***Section 5.8*** hereof and shall deliver evidence of such insurance to City. Developer shall require that the insurance required is maintained by any such contractor for the duration of the construction of the Internal Infrastructure Improvements or part thereof, if such contract relates to less than all of the Internal Infrastructure Improvements. If Developer serves as general contractor for the Internal Infrastructure Improvements, Developer shall not charge more for such services than a third-party contractor would customarily charge for such services.

3.4.3 CERTIFICATION OF SUBSTANTIAL COMPLETION. Promptly after Substantial Completion of the Work with respect to the Internal Infrastructure Improvements and/or Public Improvements, or a phase thereof, in accordance with the provisions of this Agreement, Developer will furnish to City a Certificate of Substantial Completion in the form attached hereto as ***Exhibit E***. City shall, within thirty (30) days following delivery of each Certificate of Substantial Completion, carry out such inspections as it deems necessary to verify reasonable satisfaction with, and the accuracy of, the certifications contained in each Certificate of Substantial Completion. Each Certificate of Substantial Completion shall be deemed accepted by City unless, prior to the end of such thirty (30) day period after delivery to City of each Certificate of Substantial Completion, City furnishes Developer with specific written objections to the status of the Work, describing such objections and the written objections to the status of the Work, describing such objections and the measures required to correct such objections in reasonable detail. At Substantial Completion of the Internal Infrastructure Improvements, Developer will dedicate to City, and City will accept, title to the Public Improvements designated on **Exhibit D**. Following said dedication, City will be responsible, at its sole cost and expense, for all operating and capital costs for the dedicated Internal Infrastructure Improvements from that date forward, and shall maintain the dedicated Internal Infrastructure Improvements in a manner consistent with similar public improvements in city. Notwithstanding the foregoing, Developer may, at its sole discretion and expense, enhance the maintenance of operation of the Internal Infrastructure Improvements for the betterment of the Development Project.

ARTICLE IV

FINANCING OBLIGATIONS

4.1 FINANING OF PUBLIC IMPROVEMENTS. All costs of the Internal Infrastructure Improvements shall be paid in cash or finance by Developer. City agrees to pay to Developer, in reimbursement of all or a portion of the Project Costs, those amounts paid to the Treasurer of the City, as a result of this Project, pursuant to K.S.A. 12-5250 (b)(2)(A). These payments shall be made within thirty (30) days of receipt of such funds from the County Treasurer beginning in 2014 and shall continue until such time as the Project Costs have been fully reimbursed to Developer, but not to exceed fifteen (15) years from the date of the establishment of the Rural Housing Incentive District. City shall have no liability and/or responsibility to Developer for any payment greater than the amounts received from the Finney County Treasurer as mandated in K.S.A. 12-5250(b)(2)(A).

ARTICLE V

GENERAL PROVISIONS

5.1 CITY'S RIGHT TO TERMINATE. In addition to all other rights of termination as provided herein, City may terminate this Agreement at any time if Developer defaults in or breaches any material provision of this Agreement and fails to cure such default or breach within thirty (30) days after receipt of written notice from City of such default or breach.

5.2 DEVELOPER'S RIGHT TO TERMINATE. In addition to all other rights of termination as provided herein, Developer may terminate this Agreement at any time if City defaults in or breaches any material provision of this Agreement (including any City default under *Article IV* hereof) and fails to cure such default or breach within thirty (30) days after receipt of written notice from Developer of such default or breach.

5.3 SUCCESSORS AND ASSIGNS.

a. This agreement shall be binding on and shall inure to the benefit of the Parties named herein and their respective heirs, administrators, executors, personal representatives, agents, successors and assigns.

b. Without limiting the generality of the foregoing, all or any part of the Property or any interest therein may be sold, transferred, encumbered, leased, or otherwise disposed of at any time, and the rights of Developer named herein or any successors in interest under this Agreement or any part hereof may be assigned at any time before, during or after completion of the Development Project, whereupon the Party disposing of its interest in the Property or assigning its interest under this Agreement shall be thereafter released from further obligation under this Agreement (although prior to Substantial Completion of the Improvements to such Property so disposed of or to which such interest pertains shall remain subject to the terms and conditions of this Agreement); provided, however, that the buyer, transferee or assignee shall be financially solvent as demonstrated to City.

c. Until Substantial Completion of the Development Project has occurred, the obligations of Developer under this Agreement may not be assigned in whole or in part without the prior written approval of City, which approval shall not be unreasonably withheld, conditioned, or delayed upon a reasonable demonstration by Developer of the proposed assignee's experience and financial capability to undertake and complete all portions of the Work with respect to the Development Project, all in accordance with this Agreement. Notwithstanding the foregoing, Developer may be permitted to subcontract the construction of any portion of the Development Project without the consent of City as long as Developer remains liable therefore hereunder. Notwithstanding anything herein to the contrary, City hereby approves, and no prior consent shall be required in connection with, (a) the right of Developer to encumber or collaterally assign its interest in the Property or any portion thereof or any interest in the Agreement to secure loans, advances or extensions of credit to finance or from time to time refinance all or any part of the Development Project Costs, or the right of the holder of any such encumbrance or transferee of any such collateral assignment; (b) the right of Developer to assign Developer's rights, duties and obligations under the Agreement to a Related Party; or (c) the right of Developer to sell or lease individual portions of the Property in the ordinary course of the development of the Development Project; provided that in each such event Developer named herein shall remain liable hereunder for the Substantial Completion of the Development Project, and shall be released from such liability hereunder only upon Substantial Completion of the Development Project.

5.4 REMEDIES. Except as otherwise provided in this Agreement and subject to Developer's and City's respective rights of termination, in the event of any breach of any term or condition of this Agreement by either Party, or any successor, the breaching Party (or successor) shall, upon written notice from the other Party specifying such claimed breach, proceed immediately to cure or remedy such breach, and, shall, in any event, within thirty (30) days after receipt of notice, cure or remedy such default. If the breach shall not be cured or remedied, the aggrieved Party may hold the breaching Party in default of this Agreement and there upon may institute such proceedings as may be necessary or desirable in its opinion to cure and remedy such default or breach, including, but not limited to proceedings to compel specific performance by the defaulting or breaching Party, withholding funds received pursuant to K.S.A. 12-5250(b)(2)(A) and/or repeal of the ordinance establishing the Rural Housing Incentive District. For purposes of this ***Section 5.4***, no Party may be deemed in default of this Agreement unless and until it has received notice of any claimed breach and has been given an opportunity to cure the same.

5.5 FORCE MAJEURE. Neither City nor Developer nor any successor in interests shall be considered in breach or default of their respective obligations under this Agreement, and times for performance of obligations hereunder shall be extended in the event of any delay caused by force majeure, including, without limitation, damage or destruction by fire or casualty; strike; lockout; civil disorder; act of terror; war; restrictive government regulations; lack of issuance of any permits and/or legal authorization by any governmental entity necessary for the Developer

to proceed with construction of the Work or any portion thereof, shortage of delay in shipment of material or fuel; acts of God; unusually adverse weather or soil conditions; unforeseen site conditions that render the site economically or physically undevelopable (as a result of additional cost or delay), or any other cause or contingency similarly; or other causes beyond the Parties' reasonable control, including but not limited to, any litigation, court order or judgment resulting from any litigation affecting the validity of this Agreement; provided that such event of force majeure shall not be deemed to exist as to any matter initiated or unreasonably sustained by Developer, and further provided that Developer notifies city in writhing within thirty (30) days of the commencement of such claimed event of force majeure.

5.6 NOTICES. Any notice, demand or other communication required by this Agreement to be given by either Party hereto to the other shall be in writing and shall be sufficiently given or delivered if dispatched by certified United State first class mail, postage prepaid, or delivered personally,

a. In the case of Developer, to:
Prairie Trails Partners II, LLC
6240 W. 135th St. Suite 200
Overland Park, KS 66223
Attention: Brett Johnson
Phone: (913) 396-6310
Fax: (913) 396-6312

b. In the case of City, to:
City of Garden City, Kansas
301 N. 8th Street
Garden City, KS 67846
Attention: City Clerk
Phone: (620)276-1170
Fax: (620)276-1173

Or to such other address with respect to either Party as that Party may, from time to time, designate in writing and forward to the other as provided in this ***Section 5.6***.

5.7 CONFLICT OF INTEREST. No member of the Governing Body or any branch of City's government who has any power of review or approval of any of Developer's undertakings, or of City's contracting for goods or services for the Development, shall participate in any decisions relating thereto which affect that member's personal interests or the interests of any corporation or partnership in which that member is directly or indirectly interested. Any person having such interests shall immediately, upon knowledge of such possible conflict, disclose, in writing, to the Governing Body the nature of such interest and seek a determination by the Governing Body with respect to such interest and, in the meantime, shall not participate in any

actions or discussions relating to the activities herein proscribed. City represents to Developer that no such conflicts of interest exist as of the date hereof.

5.8 INSURANCE; DAMAGE OR DESTRUCTION OF DEVELOPMENT PROJECTS.

(a.) Developer will cause there to be insurance coverage as hereinafter set forth at all times during the process of constructing the Work and, from time to time at the request of City, shall furnish City with proof of payment of premiums on:

(i.) Builder's Risk insurance, written on the so called "Builder's Risk—Completed Value Basis," in an amount equal to one hundred percent (100%) of the insurable value of the Work at the date of completion, and with coverage available in non-reporting form on the so called "all risk" form of policy. The interest, if any, of City shall be protected in accordance with a clause in form and content satisfactory to City; and,

(ii.) Comprehensive general liability insurance (including operations, operations of subcontractors, completed operations and contractual liability insurance) together with an owner's contractor's policy, with limits against bodily injury and property damage of not less than Five Million Dollars ($5,000,000.00) for all claims arising out of a single accident or occurrence and Two Million Dollars ($2,000,000.00) for any one person in a single accident or occurrence (to accomplish the above required limits, an umbrella excess liability policy may be used); and

(iii.) Workers Compensation insurance, with statutorily required coverage.

(b.) The policies of insurance required pursuant to clauses (i.) and (ii.) above shall be in form and content reasonably satisfactory to City and shall be placed with financially sound and reputable insurers licensed to transact business in the State of Kansas with general policy holder's rating of not less than A- and a financial rating of A- as rated in the most current available "Best's" insurance reports. The policy of insurance delivered pursuant to clause (i.) above shall contain an agreement of the insurer to give not less than thirty (30) days advance written notice to the City in the event of cancellation of such policy or change affecting the coverage thereunder. All policies of insurance required pursuant to this section shall name City as an additional insured. Developer shall deliver to City evidence of all insurance to be maintained hereunder.

5.9 INSPECTION. Developer shall allow City and its employees, agents and representatives to inspect, upon request, all architectural, engineering, demolition, construction and other contracts and documents pertaining to the construction of the Work as City determines is reasonable and necessary to verify Developer's compliance with the terms of this Agreement.

5.10 CHOICE OF LAW. This Agreement shall be deemed to have been fully executed, made by the Parties in, and governed by the laws of State of Kansas for all purposes and intents.

5.11 ENTIRE AGREEMENT: AMENDMENT. The Parties agree that this Agreement and the Development Plan constitute the entire agreement between the Parties and that no other agreements or representations other than those contained in this Agreement have been made by the Parties. This Agreement shall be amended only in writing and effective when signed by the authorized agents of the Parties.

5.12 COUNTERPARTS. This Agreement is executed in multiple counterparts, each of which shall constitute one and the same instruments.

5.13 SEVERABILITY. If any term or provision of this Agreement is held to be unenforceable by a court of competent jurisdiction, the remainder shall continue in full force and effect, to the extent the remainder can be given effect without the invalid provision.

5.14 REPRESENTATIVES NOT PERSONALLY LIABLE. No elected or appointed official, agent, employee or representative of City shall be personally liable to Developer in the event of any default or breach by any Party under this Agreement or for any amount which may become due to any Party or on any obligations under the terms of this Agreement.

5.15 LEGAL ACTIONS. If a third party brings an action against City, or any officials, agents, employees or representatives thereof contesting the validity or legality of any of the terms of this Agreement, or the ordinance approving this Agreement, Developer may, at Developer's option but only with City's consent, assume the defense of such claim or action (including without limitation, to settle or compromise any claim or action for which Developer has assumed the defense) with counsel of Developer's choosing. The Parties expressly agree that so long as no conflicts of interest exist between them, the same attorney or attorneys may simultaneously represent City and Developer in any such proceeding; provided, Developer and its counsel shall consult with City throughout the course of any such action and Developer shall pay all reasonable and necessary costs incurred by City in connection with such action. If such defense is assumed by Developer, all costs of any such action incurred by City shall be promptly paid by Developer. If City refuses to permit Developer to assume the defense of any action, then costs incurred by City shall be paid by City.

5.16 RELEASE ANAD INDEMNIFICATION. The indemnifications and covenants contained in this ***Section 5.16*** shall survive termination or expiration of this Agreement and shall be specifically subject to the limitation of ***subsection 5.16.7*** of this Agreement.

> **5.16.1** Notwithstanding anything herein to the contrary, City and its Governing Body members, officers, agents, servants, employees and independent contractors shall not be liable to Developer for damages or otherwise in the event that any ordinance, order or resolution adopted in connection with this Agreement is declared invalid or unconstitutional in whole or in part by the final (as to which all rights of appeal have expired or have been exhausted) judgment

of any court of competent jurisdiction, and by reason thereof either City is prevented from performing any of the covenants and agreements herein or Developer is prevented from enjoying the rights and privileges hereof.

5.16.2 Developer releases from, agrees to indemnify and hold harmless City, its Governing Body members, officers, agents, servants and employees against, and covenants and agrees that City and its Governing Body members, officers, agents, servants, employees and independent contractors shall not be liable for, any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the acquisition of the Property or construction of the Work including any and all claims arising from the acquisition of the Property, including, but not limited to, location of hazardous wastes, hazardous materials or other environmental contaminants on the Property, including all costs of defense, including attorney's fees, except for those matters rising out of the willful and/or wanton negligence of City and its governing body members, officers, agents, servants, and employees.

5.16.3 City and its Governing Body members, officers, agents, servants and employees shall not be liable for any damage or injury to the persons or property of Developer or its officers, agents, servants or employees or any other person who may be about the Property or the Work except for matters arising out of the willful and/or wanton negligence of City and its Governing Body members, officers, agents, servants and employees.

5.16.4 All covenants, stipulations, promises, agreements and obligations of City contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of City and not of any of its Governing Body members, officers, agents, servants or employees in their individual capacities.

5.16.5 No official, employee or representative of City shall be personally liable to Developer in the event of a default or breach by any Party to this Agreement.

5.16.6 Developer releases from and covenants and agrees the City, its Governing Body members, officers, employees, agents and independent contractors shall not be liable for, and agrees to indemnify and hold City, its Governing Body, members, officers, employees, agents and independent contractors harmless from and against any and all suits, interest, claims and cost of attorney fees incurred by any of them, resulting from, arising out of, or in any way connected with: (1) the Development Project or its approval, (2) the construction of the Work, (3) the negligence or willful misconduct of Developer, its employees, agents or independent contractors in connection with the management, development, and construction of the Work, (4) the compliance by Developer with all applicable state, federal and local environmental laws, regulations, ordinances and orders, (5) underground storage tanks located on or about the Property, (6) friable asbestos or asbestos-containing materials at, on, or in the Property, (7) the operation of all or any part of the Property , or the condition of the Property, including, without limitation, any environmental cost or liability, or (8) negotiations, inspections, acquisitions, preparations, construction, leasing, operations, and other activities of Developer or its agents in

connection with or leading to the Development Project or the Property; except that the foregoing release and indemnification shall not apply in the case of such liability arising directly out of the willful and/or wanton negligence of City or its authorized Governing Body members, officers, employees and agents or which arises out of matters undertaken by City following termination of this Agreement as Development Project or portion thereof.

5.17 COST OF THE LEGAL FEES. Upon execution of this Agreement, Developer shall reimburse City for all legal and professional Costs, fees and expenses incurred by City with regard to the preparation of this Agreement and any and all other Ordinances, Resolutions or other documents necessary for implementation of the Rural Health Incentive District as well as for representation and appearances of legal counsel at any hearings or proceedings required to implement the Rural Housing Incentive District or the Project. All such reimbursement paid by Developers shall be considered Project Costs.

5.18 SURVIVAL. Notwithstanding the expiration, termination or breach of this Agreement by either Party, the agreements contained in ***Section 5.16*** of this Agreement shall, except as otherwise expressly set forth herein, survive such expiration, termination or breach of this Agreement by Parties hereto.

ARTICLE VI

REPRESENTATIONS OF THE PARTIES

6.1 REPRESENTATIONS OF CITY. City hereby represents and warrants that to the best of its collective knowledge and belief it has full constitutional and lawful right, power and authority, under current applicable law, to execute and deliver and perform the terms and obligations of the Agreement, and all of the foregoing have been or will be, duly and validly authorized and approved by all necessary city proceedings, findings and actions. Accordingly, this Agreement constitutes the legal, valid and binding obligation of City, enforceable in accordance with its terms.

6.2 REPRESENTAIONS OF DEVELOPER. Developer hereby represents and warrants it has full corporate power to execute and Deliver and perform the terms and obligations of this Agreement and all of the foregoing has been duly and validly authorized by all necessary corporate proceedings. This Agreement constitutes the legal, valid and binding obligation of Developer, enforceable in accordance with its terms.

IN WITNESS WHEREOF, City and Developer have caused this Agreement to be executed in their respective names and City has caused its seal to be affixed thereto, and attested as to the date first above written.

CITY OF GARDEN CITY, KANSAS

By: _____ Dated: August 6, 2013
Dan Fankhauser, Mayor

ATTEST: (SEAL)

_____
Celyn N. Hurtado, City Clerk

PRAIRIE TRAILS PARTNERS II, LLC

By: _____ Dated:
Brett Johnson

SCHEDULE OF EXHIBITS OF THE DEVELOPMENT AGREEMENT

Exhibit A	Property Description
Exhibit B	Map of Rural Housing Incentive District Boundaries for the Reserves at Prairie Trails Partners, LLC Project
Exhibit C	The Reserves at Prairie Ridge Site Development Plan
Exhibit D	Eligible costs for the Reserves at Prairie Trails Partners, LLC Project
Exhibit E	Certification of Substantial Completion Form

EXHIBIT A

PROPERTY DESCRIPTION

A PORTION OF LOT 2, BLOCK 1, RESERVES AT PRAIRIE RIDGE ADDITION, GARDEN CITY, FINNEY COUNTY, KANSAS, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 2, THENCE ALONG THE SOUTH LINE OF SAID LOT 2, ON AN ASSUMED BEARING OF N 89°13'20" W A DISTANCE OF 224.29 FEET; THENCE N 00°00'00" E ALONG THE WEST LINE OF SAID LOT 2, A DISTANCE OF 365.18 FEET; THENCE N 90°00'00" E A DISTANCE OF 79.84 FEET; THENCE N 00°00'00" E A DISTANCE OF 28.09 FEET; THENCE N 90°00'00" E A DISTANCE OF 203.00 FEET; THENCE N 00°00'00" E A DISTANCE OF 71.43 FEET; THENCE N 90°00'00" E A DISTANCE OF 197.14 FEET TO A POINT ON THE EAST LINE OF SAID LOT 2; THENCE S 00°00'00" W ALONG SAID EAST LINE, A DISTANCE OF 34.61 FEET; THENCE S 90°00'00" W A DISTANCE OF 140.16 FEET; THENCE S 00°00'00" W A DISTANCE OF 83.00 FEET; THENCE S 90°00'00" W A DISTANCE OF 56.98 FEET; THENCE S 00°00'00" W A DISTANCE OF 56.10 FEET; THENCE S 90°00'00" W A DISTANCE OF 246.97 FEET; THENCE S 00°00'00" W A DISTANCE OF 155.80 FEET; THENCE N 90°00'00" E A DISTANCE OF 188.42 FEET; THENCE S 00°00'00" W A DISTANCE OF 138.23 FEET TO THE POINT OF BEGINNING. CONTAINS 1.71 ACRES, MORE OR LESS.

END OF DESCRIPTION.

EXHIBIT B

MAP OF RURAL HOUSING INCENTIVE DISTRICT BOUNDARIES FOR THE PRAIRIE TRAILS PARTNERS, LLC PROJECT

Reserves at Prairie Ridge Phase II Map

0 70 140 280 Feet

N

EXHIBIT C

THE RESERVES AT PRAIRIE TRAILS PARTNERS, LLC SITE DEVELOPMENT PLAN

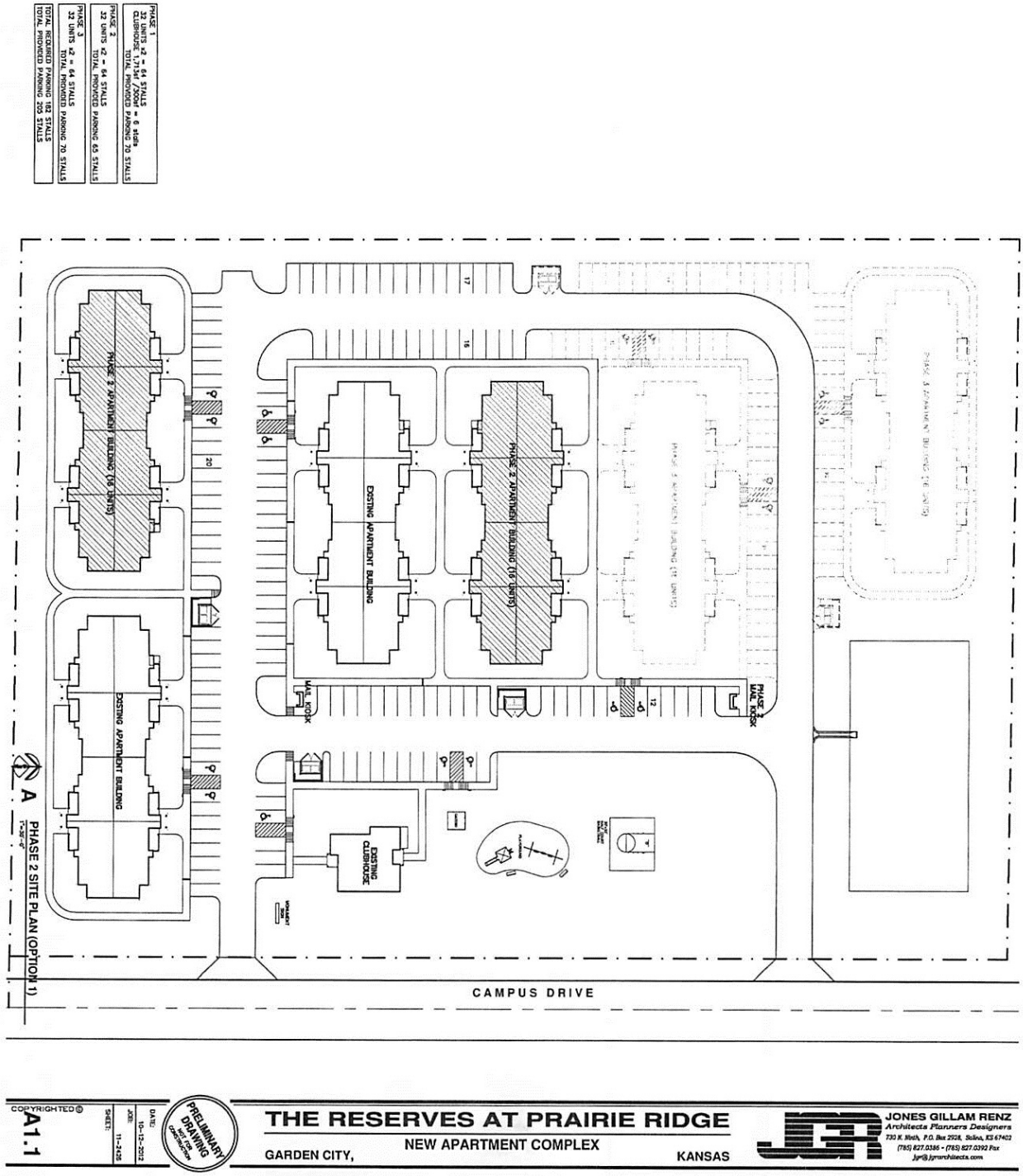


EXHIBIT D

ELIGIBLE COSTS FOR
THE RESERVES AT PRAIRIE TRAILS PARTNERS, LLC PROJECT

The Reserves at Prairie Ridge Site Work Estimates:

Garden City II Site Work Estimates	
Haul Off-Dem-Dump Fees	$14,834.93
Construction Staking	$12,814.00
Earthwork	$95,400.00
Erosion Control	$3,000.00
Dirt Testing	$6,491.52
Concrete Testing	$3,606.40
Trucks & Fuel	$13,260.62
Excavation Equipment Rental	$25,980.00
Temite Control	$3,000.00
Pavement Marking	$2,000.00
Power Transmission and Dist.	$21,000.00
Concrete Paving	$173,250.00
Concrete Walks	$32,625.00
Water Tap Fees	$6,000.00
Water Distribution	$21,000.00
Sanitary Sewage	$22,625.00
Sewer Connect Fees	$150.00
Irrigation	$12,800.00
Landscaping	$56,000.00
Footing & Foundation Sub	$216,650.00
Land	$140,000.00
Total	**$882,487.47**

*Upon substantial completion, public improvements shall be dedicated to the City of Garden City.

EXHIBIT E

CERTIFICATION OF SUBSTANTIAL COMPLETION FORM

The undersigned, on behalf of Prairie Trails Partners II, LLC (the Developer), pursuant to Section 3.4.3 of the Development Agreement dated as of August ___, 2013 (the Development Agreement) by and among the City of Garden City, Kansas, and the Developer, hereby certifies as follows. All capitalized terms used herein shall have the meaning attributable to such terms in the Development Agreement.

1. The Work with respect to the Internal Infrastructure Improvements in Development Project is sufficiently complete in accordance with the Construction Plans, excepting all punch list items, such that the Developer can occupy or utilize the Work for its intended purpose.

2. The Work has been completed in a good and workmanlike manner.

3. There are no mechanic's or materialmen's liens or other statutory liens on file encumbering title to the Property; all bills for labor and materials furnished for the Work which could form the basis of a mechanic's, materialmen's or other statutory lien against the Property have been paid in full, and within the past four months no such labor or materials have been furnished which have not been paid for.

4. All applicable building codes have been complied with in connection with the Work.

Dated: _____

PRAIRIE TRAILS PARTNERS II, LLC

By: _____
Name:
Title:

Resolution No._____

A RESOLUTION OF THE GOVERNING BODY OF THE CITY OF GARDEN CITY, KANSAS DETERMINING THAT THE CITY IS CONSIDERING ESTABLISHING A RURAL HOUSING INCENTIVE DISTRICT WITHIN THE CITY AND ADOPTING A PLAN FOR THE DEVELOPMENT OF HOUSING AND PUBLIC FACILITIES IN SUCH PROPOSED DISTRICT; ESTABLISHING THE DATE AND TIME OF A PUBLIC HEARING ON SUCH MATTER, AND PROVIDING FOR THE GIVING OF NOTICE OF SUCH PUBLIC HEARING. (PRAIRIE TRAILS PARTNERS II, LLC PROJECT)

WHERAS, K.S.A. 12-5241 *et seq.* (the Act) authorizes any city incorporated in accordance with the laws of the state of Kansas (the State) with a population of less than 40,000 located in a county with a population of less than 60,000, to designate rural housing incentive districts within such city; and

WHEREAS, prior to such designation the governing body of such city shall conduct a housing needs analysis to determine what, if any, housing needs exist within its community; and

WHEREAS, after conducting such analysis, the governing body of such city may adopt a resolution making certain findings regarding the establishment of a rural housing incentive district and providing legal description of property to be contained therein; and

WHEREAS, after publishing such resolution, the governing body of such city shall send a copy thereof to the Secretary of Commerce of the State (the Secretary) requesting that the Secretary agree with the finding contained in such resolution; and

WHEREAS, if the Secretary agrees with such findings, such city may proceed with the establishment of a rural housing incentive district within such city and adopt a plan for the development or redevelopment of housing and public facilities in the proposed district; and

WHEREAS, the City of Garden City, Kansas (the City) has an estimated population of approximately 30,658, is located in Finney County, Kansas, which has an estimated population of approximately 43,008, and therefore constitutes a City as said term is defined in the Act; and

WHEREAS, the Governing Body of the City has performed a Housing Needs Analysis updated August, 2012 (the Analysis), a copy of which is on file in the office of the City Clerk, and

WHEREAS, the Governing Body of the City has heretofore adopted Resolution No.2442-2011 which made certain findings relating to the need for financial incentives for the construction of quality housing within the City, declared it advisable to establish a Rural Housing Incentive District pursuant to the Act and authorized the submission of such Resolution and a Housing Needs Analysis to the Kansas Department of Commerce in accordance with the provisions of the Act; and

WHEREAS, the Secretary of the Kansas Department of Commerce, pursuant to a letter dated December 12, 2011 authorized the City to proceed with the establishment of a Rural Housing Incentive District pursuant to the Act (the District); and

WHEREAS, the City has caused to be prepared a plan for the development or redevelopment of housing and public facilities in the proposed District in accordance with the provisions of the Act (the Plan); and

WHEREAS, the Plan includes:

1. The legal description and map required by subsection (a) of K.S.A. 12-5245;
2. The existing assessed valuation of the real estate in the proposed District listing the land and improvement values separately;
3. A list of the names and addresses of the owners of record of all real estate parcels within the proposed District;
4. A description of the housing and public facilities project or projects that are proposed to be constructed or improved in the District, and the location thereof;
5. A listing of the names, addresses and specific interests in real estate in the proposed District of the developers responsible for development of the housing and public facilities in the proposed District;
6. The contractual assurances, if any, the Governing Body has received from such developers, guaranteeing the financial feasibility of specific housing tax incentive projects in the proposed District;
7. A comprehensive analysis of the feasibility of providing housing tax incentives in the proposed District as provided in the Act, which shows the public benefits derived from such District will exceed the costs and that the income therefrom, together with all public and private sources of funding, will be sufficient to pay for the public improvements that may be undertaken in such District, and

WHERAS, the Governing Body of the City proposes to continue proceedings necessary to create a Rural Housing Incentive District, in accordance with the provisions of the Act, and adopt the Plan, by the calling of a public hearing on such matters.

THERFORE BE IT RESOLVED by the Governing Body of the City of Garden City, Kansas as follows:

Section 1. Proposed Rural Housing Incentive District. The Governing Body hereby declares an intent to establish within the City a Rural Housing Incentive District. The District is proposed to be formed within the boundaries of the real estate legally described in ***Exhibit A*** attached herein, and shown on the map depicting the existing parcels of land attached herein as ***Exhibit B***. A list of the names and addresses of the owners of record of all real estate parcels within the proposed District and the existing assessed valuation of said real estate, listing the land improvement values separately, is attached hereto as ***Exhibit C***.

Section 2. Proposed Plan. The Governing Body hereby further declares an intent to adopt the Plan in substantially the form presented to the Governing Body this date. A copy of the Plan shall be filed in

the office of the City Clerk and be available for public inspection during normal business hours. A description of the housing and public facilities projects that are proposed to be constructed or improved in the proposed District, and the location thereof are described in ***Exhibit D*** attached hereto. A summary of the contractual assurances by the developer and the comprehensive feasibility analysis is contained in ***Exhibit E*** attached hereto.

Section 3. Public Hearing. Notice is hereby given that a public hearing will be held by the Governing Body of the City to consider the establishment of the District and adoption of the Plan on August 6, 2013, at the City Commission Meeting Room, City Hall, 301 N. 8th Street, Garden City, Kansas 67846; the public hearing to commence at 2:00 p.m. or as soon thereafter as the Governing Body can hear the matter. At the public hearing, the Governing Body will receive public comment on such matters, and may, after the conclusion of such public hearing, consider the findings necessary for establishment of the District and adoption of the Plan, all pursuant to the Act.

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;

1. A certified copy of this resolution shall be delivered to:
    A. The Board of County Commissions of Finney County, Kansas;
    B. The Board of Education of U.S.D. 457;
    C. The Board of Trustees of Garden City Community College; and
    D. The Planning Commission of the City.
2. This Resolution, specifically including ***Exhibit A*** thru ***E*** attached hereto, shall be published at least 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 Action. The Mayor, City Manager, City Clerk and the officials and employees of the City, including the City Attorney, are hereby further authorized and directed to take such other actions as may be appropriate or desirable to accomplish the purposes of this Resolution.

Section 6. Effective Date. This Resolution shall take effect after its adoption by the Governing Body.

ADOPTED by the Governing Body of the City of Garden City, Kansas on July 2, 2013.

_____

Dan Fankhauser, Mayor

_____

Celyn N. Hurtado, City Clerk

EXHIBIT A

LEGAL DESCRIPTION OF PROPOSED RURAL HOUSING INCENTIVE DISTRICT BOUNDARIES FOR PRAIRIE TRAILS PARTNERS, LLC PROJECT

PROPERTY DESCRIPTION:

A PORTION OF LOT 2, BLOCK 1, RESERVES AT PRAIRIE RIDGE ADDITION, GARDEN CITY, FINNEY COUNTY, KANSAS, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 2, THENCE ALONG THE SOUTH LINE OF SAID LOT 2, ON AN ASSUMED BEARING OF N 89°13'20" W A DISTANCE OF 224.29 FEET; THENCE N 00°00'00" E ALONG THE WEST LINE OF SAID LOT 2, A DISTANCE OF 365.18 FEET; THENCE N 90°00'00" E A DISTANCE OF 79.84 FEET; THENCE N 00°00'00" E A DISTANCE OF 28.09 FEET; THENCE N 90°00'00" E A DISTANCE OF 203.00 FEET; THENCE N 00°00'00" E A DISTANCE OF 71.43 FEET; THENCE N 90°00'00" E A DISTANCE OF 197.14 FEET TO A POINT ON THE EAST LINE OF SAID LOT 2; THENCE S 00°00'00" W ALONG SAID EAST LINE, A DISTANCE OF 34.61 FEET; THENCE S 90°00'00" W A DISTANCE OF 140.16 FEET; THENCE S 00°00'00" W A DISTANCE OF 83.00 FEET; THENCE S 90°00'00" W A DISTANCE OF 56.98 FEET; THENCE S 00°00'00" W A DISTANCE OF 56.10 FEET; THENCE S 90°00'00" W A DISTANCE OF 246.97 FEET; THENCE S 00°00'00" W A DISTANCE OF 155.80 FEET; THENCE N 90°00'00" E A DISTANCE OF 188.42 FEET; THENCE S 00°00'00" W A DISTANCE OF 138.23 FEET TO THE POINT OF BEGINNING. CONTAINS 1.71 ACRES, MORE OR LESS.

END OF DESCRIPTION

EXHIBIT B

MAP OF PROPOSED RURAL HOUSING INCENTIVE DISTRICT BOUNDARIES FOR PRAIRIE TRAILS PARTNERS, LLC PROJECT

Reserves at Prairie Ridge Phase II Map

0 70 140 280 Feet

N

EXHIBIT C

LIST OF NAMES AND ADDRESSES OF THE OWNERS OF RECORD OF ALL REAL ESTATE PARCELS WITHIN THE PROPOSED DISTRICT

Prairie Trails Partners II, LLC
534 South Kansas Avenue, Suite 900
Topeka, KS 66603

EXHIBIT D

DESCRIPTION OF THE HOUSING AND PUBLIC FACILITIES PROJECT OR PROJECTS THAT ARE PROPOSED TO BE CONSTRUCTED OR IMPROVED IN THE PROPOESED RURAL HOUSING INCENTIVE DISTRICT

Housing Facilities

The housing facilities will include two (2) multi-family sixteen (16) unit apartment complexes.

A portion of the multi-family units may be developed as affordable rental housing. This is the second phase of a complex that includes a community clubhouse with computer and fitness rooms and office area for the on-site manager. Walking paths, green space and a playground area will also be provided. Each apartment unit will include individual laundry facilities, cable television hook-ups and on-site parking.

Public Facilities

Public improvements will include the extension of water and electric distribution lines along the boundaries of the development. Public improvements will also include construction of infrastructure improvements located within the boundaries of the development, including sanitary sewer, storm sewer and storm water detention. The public improvements will be constructed as necessary to serve each Project as described above.

EXHIBIT E

SUMMARY OF THE CONTRACTUAL ASSURANCES BY THE DEVELOPER AND OF THE COMPREHENSIVE FEASIBILTIY ANALYSIS

Contractual Assurances

The Governing Body of the City of Garden City has entered into a development agreement with Prairie Trails Partners II, LLC. This agreement, as supplemented and amended, includes the project construction schedule, a description of projects to be constructed, financial obligations of the developer and financial and administrative support from the City of Garden City.

Feasibility Study

The City conducted a study to determine whether the public benefits derived from the District will exceed the costs and that the income from the District, together with other sources of revenue provided by the Developer, would be sufficient to pay for the public improvements to be undertaken in the District. The analysis estimates the property tax revenues that will be generated from the Development, less existing property taxes to determine the revenue stream available to support the costs of the public infrastructure. The estimates indicate that the revenue realized from the project would be adequate to pay the costs of the public infrastructure.

GARDEN CITY
KANSAS

COMMUNITY
DEVELOPMENT
DEPARTMENT
SERVING
GARDEN CITY
HOLCOMB
AND
FINNEY COUNTY
620-276-1170

INSPECTIONS
620-276-1120
inspection@garden-city.org

CODE COMPLIANCE
620-276-1120
code@garden-city.org

PLANNING AND ZONING
620-276-1170
planning@garden-city.org

CITY ADMINISTRATIVE CENTER
301 N. 8TH
P.O. BOX 998
GARDEN CITY, KS
67846-0998
PH 620.276.1170
FAX 620.276.1173
www.garden-city.org

Memo

To: City Commission
From: Kaleb Kentner
CC: File
Date: June 27, 2013
Re: GC2013-45: Project Plan Approval – Planning Commission overall review project plan as to its compliance with the Comprehensive Plan.

ISSUE: Review and approval of the project plan as to its compliance with the Comprehensive Plan.

BACKGROUND: Pursuant to state statue, the Planning Commission is required to review and recommend approval of the project plan as to its compliance with the Comprehensive Plan.

ALTERNATIVES:

1. The Planning Commission may recommend approval of the project plan as it pertains to meeting compliance with the Comprehensive Plan.

2. The Planning Commission may recommend denial of the project plan as it pertains to meeting compliance with the Comprehensive Plan.

RECOMMENDATION: Staff has reviewed the project plan as it pertains to compliance with the Comprehensive Plan and recommends approval.

Planning Commission RECOMMENDATION: Approval.
Present- 6
Yea – 6
Nay – 0

SCHULMAN CROSSING

PHASE 2 TAX INCREMENT FINANCING
REDEVELOPMENT PROJECT PLAN

SUBMITTED TO THE GOVERNING BODY OF THE CITY OF GARDEN CITY, KANSAS
PURSUANT TO K.S.A. § 12-1770 *et seq*.

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I. Introduction

II. Phase 2 Redevelopment Project Plan

- A) Subject Property
- B) Established Redevelopment District
- C) Description of Proposed Project
- D) Financing Plan
- E) Feasibility Study
  1) Project Costs
  2) Eligible Costs
  3) Project Revenues
  4) Tax Increment Revenues and General Obligation Bond Financing
  5) Summary of the TIF Revenues and Project Costs
  6) City of Garden City Meetings and Minutes
  7) Impact on Outstanding Special Obligation Bonds
  8) Significant Contribution to Economic Development in the City
- F) Relocation Plan

III. Conclusion

EXHIBIT LIST

Exhibit A – Phase 2 Site Plan

Exhibit B – Map Exhibit of the Subject Property

Exhibit C – Legal Description of the Subject Property

Exhibit D – Ordinance No. 2544-2012

Exhibit E – General Obligation TIF Bond Proforma

Exhibit F – City of Garden City Meeting Minutes

Exhibit G – Project Costs

Exhibit H – TIF Eligible Project Costs

I. INTRODUCTION

Collett Properties, Inc. (the "**Developer**") is pleased to present this Phase 2 Garden City Tax Increment Financing Redevelopment Project Plan (this "**Project Plan**") to the Governing Body of the City of Garden City, Kansas (the "**City**"). This Project Plan contemplates the development of approximately 34 acres comprising the second phase ("**Phase 2**") of a larger commercial center on approximately 61.3 acres located at the northeast corner of the U.S. Highway 83 Bypass and Schulman Avenue, Garden City, Finney County, Kansas (the "**District**").

On April 17, 2012, the Governing Body designated the District as a Tax Increment Financing ("**TIF**") Redevelopment District pursuant to Ordinance No. 2544-2012. On June 5, 2012, the Governing Body approved Ordinance No. 2552-2012, which authorized a certain TIF Redevelopment Project Plan for the 27 acre first phase of the District ("**Phase 1**"), which consisted of an approximately 165,000 square foot Menard's retail store, as well as additional outparcel land. The Menard's was ultimately constructed and opened in May of 2013.

Under this Project Plan, the Developer is proposing approximately 241,000 square feet of development that will house a mix of national-level retail and restaurant tenants that will be new to the City. A site plan depicting Phase 2 is attached hereto as **Exhibit A**. These additions to the City's growing retail profile will create new shopping opportunities for the City's residents, as well as expanded reach into the City's already expansive surrounding trade area.

This Project Plan is premised on the need for a combination of public and private financing to reach the mutual aims of the City and the Developer in furthering this Project. Pursuant to the Kansas Tax Increment Financing Act, K.S.A. 12-1770 *et seq*., as amended (the "Act"), Kansas municipalities are authorized to establish Redevelopment Districts and prepare Redevelopment Project Plans for TIF Projects within such Districts. It is based on this authority that Developer hereby submits this Project Plan for the City's consideration.

II. PHASE 2 TAX INCREMENT FINANCING REDEVELOPMENT PROJECT PLAN

A. Subject Property

The property subject to this Project Plan consists of approximately 34+/- acres located at the northeast corner of the U.S. Highway 83 Bypass and Schulman Avenue, Garden City, Finney County, Kansas. A map generally depicting the subject property is attached hereto as **Exhibit B**, and a legal description of the subject property is attached hereto as **Exhibit C**.

B. Established Redevelopment District

The Property is within a Redevelopment District as approved by the City's Governing Body pursuant to Ordinance No. 2544-2012, a copy of which is attached hereto as **Exhibit D**. This Project Plan is consistent with such District and the established District Plan as described therein.

C. Description of the Proposed Project

As noted above, the Project consists of the construction of the second phase of a larger commercial development. Phase 2 will include approximately 241,000 square feet of retail and restaurant uses dedicated to a mix of national-level retailers, other large and small scale retail, restaurants, and associated commercial uses. Planned improvements pursuant to this Project Plan for Phase 2 include highway, street, parking, and infrastructure improvements, as well as the construction of approximately 241,000 square feet of commercial space. The site plan depicted on **Exhibit A** also references "Phase 3 Pads." This property is included within Phase 2, but has not been modeled into TIF revenue projections at this time. Should there be future development on the Phase 3 Pads, TIF revenues generated therein will be available to strengthen the coverage for any bonds issued pursuant to this Project Plan.

D. Financing Plan

As detailed in Section E below, the total estimated cost to complete the Project is $24,652,494. This amount will be financed through a combination of public and private sources, including private equity and debt, as well as Tax Increment Financing pursuant to this Project Plan.

E. Feasibility Study

A study has been performed to determine whether the Redevelopment Project's estimated benefits, tax increment revenue, and other revenues are expected to exceed the cost and that the income therefrom will be sufficient to pay the costs of the Project. This effort involved utilization of consultants with experience and expertise in the actual design, development, financing, management and leasing of projects of similar scope and nature. Further, outside resources were consulted to compare and verify the cost and revenue projections including outside industry sources and actual taxing jurisdiction data where available. The results of this study are as follows:

1. Project Costs

The total estimated cost to complete the Project, including land acquisition and site development, is $24,652,494. As determined from contract prices, engineering estimates and estimates made by the City and the Developer, a breakdown of the estimated costs by category is set forth below (see also **Exhibit G** for a detailed budget):

DESCRIPTION		COST
TOTALS		
Acquisition Costs	$	2,831,374
Site Work	$	3,408,000
Street Work	$	-
Hard Construction Costs	$	14,285,500
Soft Costs	$	3,287,620
SUBTOTAL	**$**	**23,812,494**
CONTINGENCY (4% on costs excluding land)	**$**	**840,000**
TOTAL	**$**	**24,652,494**

2. Eligible Costs

Pursuant to the Act, only certain costs are eligible for TIF financing and reimbursement. Of the total costs listed above, $9,044,374, exclusive of the Developer's private financing costs, qualifies under the Act as "Eligible Redevelopment Project Costs," meaning that only those costs may be financed using TIF proceeds. These Eligible Redevelopment Project Costs are set forth by category and amount below (see also **Exhibit H** for a more detailed itemization):

DESCRIPTION	TIF ELIGIBLE COST	
Acquisition Costs	$	2,831,374
Site Work	$	3,408,000
Street Work		
Hard Construction Costs	$	105,000
Soft Costs	$	1,860,000
SUBTOTAL	**$**	**8,204,374**
CONTINGENCY (4% on costs excluding land)	**$**	**840,000**
TOTAL	**$**	**9,044,374**

3. Project Revenues

TIF Revenues for the Project generated over a period of 20 years, as allowed by the Act (but excluding the City's sales tax), are estimated to produce $9,211,011 in net general obligation bond revenues, using a net present value rate of 4%, a coverage rate of 1.1, and issuance costs of 5%, which are all generally reasonable market rates for a general obligation bond issuance. Actual bond proceeds will be determined at the time of issuance based on the City's underwriting standards. Note also, as mentioned above, that the property depicted as "Phase 3 Pads" on the site plan attached hereto as **Exhibit A** is included under this Project Plan, but TIF revenues have not been assumed in the $9,211,011 bonded figure. Thus, to the extent development occurs on that property during the term of this Project Plan, TIF revenues generated therein will be available to provide additional support of any bonds issued.

The Project will generate TIF revenues from one of the two of the possible sources permitted by the Act:

a) *Ad Valorem* Tax Increment Revenues – the difference between the *ad valorem* taxes generated by real property within the TIF District as of the date the TIF District was established and future *ad valorem* taxes which will be generated after the redevelopment, (less *ad valorem* taxes not allowed to be captured pursuant to the Act); and

b) Local Sales Tax Revenues – although this source is available pursuant to the TIF Act, this Project Plan does not contemplate its use.

The 2012 assessed value for the Project is assumed to be $8,159. This figure serves as the base against which future Project values can be compared in order to determine the amount of *Ad Valorem* Tax Increment Revenues that will be generated by the Project. It is estimated that, at completion of all components, the Project will result in an assessed value of $6,626,722. The difference between the base year assessed value minus the assessed value at full build-out, when multiplied by the current mill

levy rate, creates a tax increment available for capture of approximately $850,000, which figure is assumed to grow annually. These conclusions are based on and confirmed against anticipated Project Costs, published tax appraisals for similar developments in Finney County and the valuation methodology historically utilized by the Finney County Appraiser's Office for comparable property.

4. Tax Increment Revenues and General Obligation Bond Financing

As noted above, based on the Project's captured *Ad Valorem* Tax Increment revenue for a period of 20 years, and utilizing general obligation bond financing methodologies, the net bonded value of the TIF revenue stream is $9,211,011. **Exhibit E** sets forth a principal and interest schedule along with the relevant calculations and assumptions utilized. The benefits derived from the Project, including tax increment revenue and other revenues associated with a developed Project will outweigh the costs and income from the Project is expected to be sufficient to pay costs of the Project.

5. Summary of the TIF Revenues and Project Costs

Based on the Plan's (1) Estimated Project Costs (2) Estimated Net TIF Proceeds, and (3) private debt/equity and other financial incentives, the Net TIF Proceeds are expected to pay for the Project Costs, as contemplated under the Act, when supplemented by private debt and equity.

- Estimated Project Costs - $24,652,494
- Estimated TIF Eligible Project Costs - $9,044,374 (plus private financing costs)
- Net General Obligation bond issuance supported by TIF Revenues - $9,211,011
- Private debt/equity and all other financing sources - $15,441,483

6. City of Garden City Meetings and Minutes

Upon approval of this Project Plan by the City, the City Clerk will attach the minutes of all City meetings where the Project was discussed as **Exhibit F**.

7. Impact on Outstanding Special Obligation Bonds

Given that only TIF revenues generated within Phase 2 will be utilized to implement this Project Plan, there is no anticipated impact on special obligation bonds payable from revenues described in (a)(1)(D) of K.S.A. 12-1774 and amendments thereto.

8. Significant Contribution to Economic Development in the City

The development of the Phase 2 will provide significant economic development for the City by, among other things, creating a significant commercial center that will provide enhanced commerce, shopping opportunities, employment, and general commerce for area residents. The increased consumer activity and employment profile within the City will result in substantially increased tax revenues and new economic vitality for the City. Also, given the City's unique location as a hub for rural shoppers, this Project will enhance the City's regional draw. The net result of this economic activity will be a revitalized economy for the City of Garden City on the whole.

F. Relocation Plan

The Developer or City is the owner or contract purchaser of all property within the Project. These properties were or will be acquired through negotiated arms-length transactions; thus, any funds required for relocation were included in the purchase price.

III. CONCLUSION

Based on the foregoing, the City and Developer hereby submit this Project Plan for public hearing and due consideration.

EXHIBIT A – PHASE 2 SITE PLAN

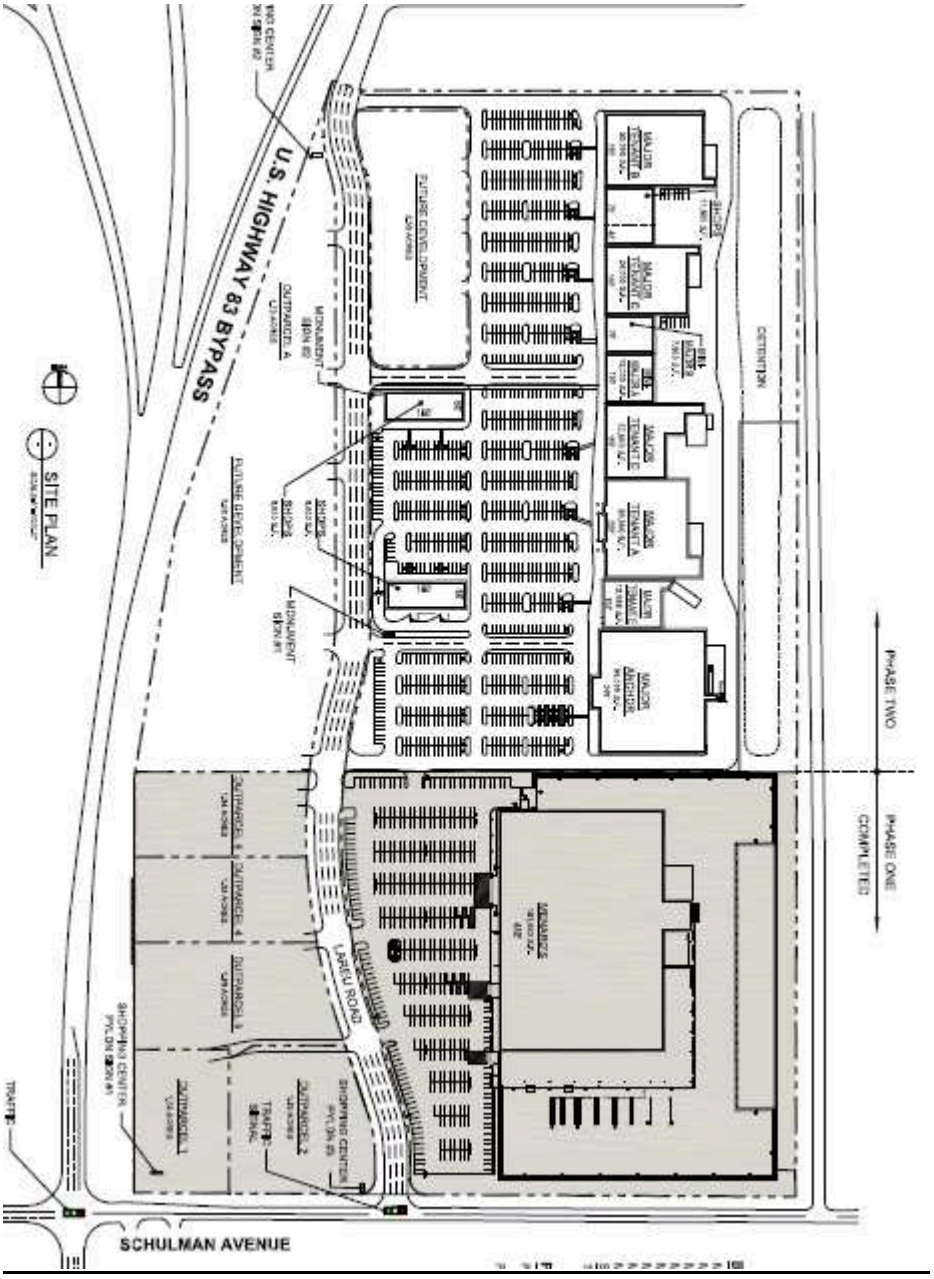


EXHIBIT B – MAP EXHIBIT

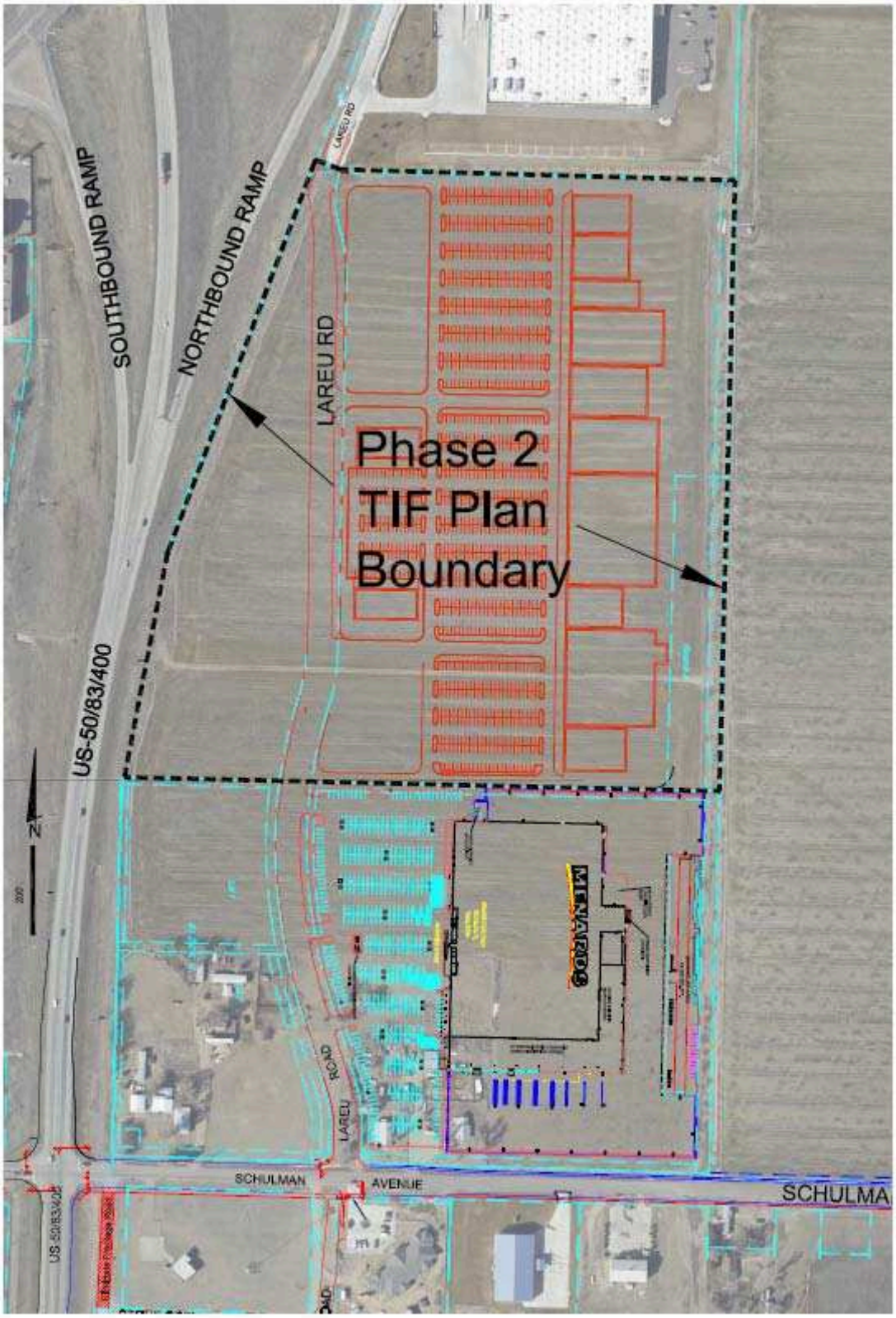


EXHIBIT C – LEGAL DESCRIPTION

A tract located in the Southeast Quarter of Section 9 Township 24 South, Range 32 West of the 6th P.M., Finney County, Kansas, more particularly described as follows:

Beginning at the Southwest corner of 156 Commercial, Phase Four, said Southeast Quarter; thence North 89°50'25" West, 869.90 feet; thence North 70°46'13" West, 60.00 feet to the intersection with the East right-of-way line of US Highway 50/83/400; thence South 20°45'56" West, 942.44 feet along said right-of-way line; thence South 10°45'12" West, 496.45 feet, along said right-of-way line, to the North line of Lot 1, Block 2, Schulman Crossing; thence South 88°38'07" East, 1318.81 feet, along said North line and continuing along the North line of Lot 1, Block 1, Schulman Crossing, to the East line of the West Half of said Southeast Quarter; thence North 01°30'03" East, 1355.81 feet along the East line of the West Half of said Southeast Quarter to the point of beginning, containing 36.05 Acres, more or less.

EXHIBIT D – ORDINANCE NO. 2544-2012

(Published in *The Garden City Telegram* on April 20, 2012)

ORDINANCE NO. 2544-2012

AN ORDINANCE OF THE GOVERNING BODY OF THE CITY OF GARDEN CITY, KANSAS MAKING FINDINGS REGARDING A REDEVELOPMENT DISTRICT AND ESTABLISHING A REDEVELOPMENT DISTRICT WITHIN THE CITY.

WHEREAS, pursuant to the provisions of K.S.A. 12-1770 *et seq.*, as amended (the "Act"), the City of Garden City, Kansas (the "City") is authorized to establish redevelopment districts within defined areas of the City which are determined by the City's governing body to be "eligible areas" as defined in the Act; and

WHEREAS, the Act defines "eligible area" to include an area in the City designated as an enterprise zone before July 1, 1992 pursuant to K.S.A. 12-17,107 through 12-17,113, before such statutes were repealed, and where the conservation, development or redevelopment of the area is necessary to promote the general and economic welfare of the City; and

WHEREAS, the proposed redevelopment district in the City is in an area that was designated an enterprise zone pursuant to K.S.A. 12-17,107 through 12-17,113, by Resolution No. 18-90 of Finney County, Kansas, adopted on June 19, 1990, and is included in the definition of an "enterprise zone" as defined in the Act; and

WHEREAS, the governing body of the City previously adopted Resolution No. 2462-2012 which stated its intent and calls a public hearing under the provisions of the Act to receive public comment on the advisability of creating the redevelopment district as described in Resolution No. 2462-2012 and further described herein (the "2012 Redevelopment District"); and

WHEREAS, the public hearing was held on his date, after publication and delivery of notice in accordance with the provisions of the Act; and

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

Section 1. Eligible Area Findings. The governing body finds and determines that the 2012 Redevelopment District is an "eligible area" under the Act because it is an area in the City designated as an enterprise zone before July 1, 1992, pursuant to K.S.A. 12-17,107 through 12-17,113, before such statutes were repealed, and the conservation, development or redevelopment of the 2012 Redevelopment District is necessary to promote the general and economic welfare of the City.

Section 2. Description of and Creation of Redevelopment District. The legal description of the 2012 Redevelopment District is:

A tract located in the Southeast Quarter of Section 9, Township 24 South, Range 32 West of the 6th P.M., Finney County, Kansas, more particularly described as follows:

Beginning at the Southeast Corner of 156 Commercial, Phase Four; thence North 89°50'25" West, 869.90 feet; thence North 70°46'13" West, 60.00 feet, to the intersection with the East right-of-way line of U.S. Highway 50/83/400; thence South 20°45'56" West, 942.44 feet, along said right-of-way line; thence South 10°45'12" West, 508.48 feet, along said right-of-way line; thence South 1°24'11" West, 867.71 feet, along said right-of-way line, to the South line of said Section 9, also being the centerline of Schulman Avenue; thence South 88°17'23" East, 1319.27 feet, more or less, along said right-of-way line, to the East line of the West Half of said Southeast Quarter of Section 9, said line being 30.00 feet North of as measured perpendicular to and parallel with the South line of Section 9; thence North 1°30'03" West, 2243.34 feet, more or less, along said East line, to the to the point of beginning, containing an area of 62.82 acres, more or less.

The property described above, including adjacent rights-of-way, is hereby designated and created as the 2012 Redevelopment District, according to the Act.

A map depicting the general location of the 2012 Redevelopment District is attached as Exhibit "A" and incorporated here by this reference. The 2012 Redevelopment District does not contain any property not referenced in Resolution No. 2462-2012 providing notice of a public hearing.

Section 3. Redevelopment District Plan. The proposed redevelopment project includes separate project areas and consists of the acquisition of property, necessary infrastructure and site improvements to permit a full scale commercial retail development, with national level tenants, anticipated to be over 400,000 square feet at full build-out, including large and small scale retail stores, restaurants and other complimentary uses. The redevelopment district plan is attached to this ordinance as **Exhibit B.** A description of the 2012 Redevelopment District and the redevelopment district plan are available for inspection at the City Clerk's office, 301 N. 8th Street, from 8:00 a.m. to 5:00 p.m., Monday through Friday.

Section 4. Consequences to Other Governmental Units. No privately owned property subject to ad valorem taxation within the 2012 Redevelopment District shall be acquired and redeveloped pursuant to the Act if the Board of County Commissioners of Finney County, Kansas (the "County") or the Board of Education of Unified School District No. 457 (the "School District") determines by resolution adopted within thirty (30) days following the adoption of this Ordinance that the 2012 Redevelopment District will have an adverse effect on the County or the School District, respectively.

Section 5. Further Action. The Mayor, City Manager, City Clerk and other officials and employees of the City, including the City Attorney and the City's Financial Advisor and Bond

Counsel, are hereby further authorized and directed to take such other actions as may be appropriate or desirable to accomplish the purposes of this Ordinance.

Section 6. Effective Date. This Ordinance, including Exhibit A and Exhibit B, shall become effective upon its passage by the governing body of the City and publication in the official newspaper of the City.

[Remainder of Page Intentionally Left Blank]

PASSED AND APPROVED by the governing body of the City of Garden City, Kansas on April 17, 2012.

CITY OF GARDEN CITY, KANSAS

[seal]

David D. Crase, Mayor

ATTEST:

Celyn N. Hurtado, City Clerk

TWG REF: 306757
Redevelopment District Ordinance

EXHIBIT A

(MAP OF THE REDEVELOPMENT DISTRICT)

EXHIBIT B

REDEVELOPMENT DISTRICT PLAN FOR REDEVELOPMENT THROUGH TAX INCREMENT FINANCING GARDEN CITY, KANSAS

March 6, 2012

SECTION 1. PURPOSE

The City of Garden City, Kansas (the "City") intends to create a redevelopment district within the City. Kansas statutes governing the creation of redevelopment districts and tax increment financing (K.S.A. 12-1770 *et seq.*, and particularly, K.S.A. 12-1771(a)) require preparation of a "redevelopment district plan" (referred to herein as the "district plan") before creation of a redevelopment district. The district plan is the preliminary plan identifying the proposed redevelopment project areas and generally describing the buildings, facilities and improvements proposed to be constructed in such areas.

SECTION 2. DESCRIPTION OF TAX INCREMENT FINANCING

Projects financed through tax increment financing involve the creation of an "increment" in real estate property taxes. The increment is the amount of property taxes paid on the increase in assessed valuation of property in the redevelopment district over the property taxes paid in the redevelopment district before redevelopment occurs. When the aggregate tax rates of all tax jurisdictions are applied to the increased property valuation in the redevelopment district, tax increment is generated and paid to the City to fund and pay over time certain costs of the development project. The property taxes attributable to the assessed value of the district before redevelopment (the "base valuation"), are distributed to all taxing jurisdictions just as before development of the redevelopment district.

SECTION 3. REDEVELOPMENT DISTRICT

A map showing the boundaries of the proposed redevelopment district is attached as **Exhibit A.** The proposed redevelopment district is will be annexed within the city limits of Garden City, Kansas before creation of the redevelopment district and consists of 61.3 acres (more or less) of currently undeveloped real estate, located at the northeast corner of the intersection of U.S. Highway 83 Bypass and Schulman Avenue and southeast of the existing southern terminus of Lareu Street..

The proposed redevelopment district qualifies as an "eligible area" for tax increment financing because it is an area in the City designated as an enterprise zone before July 1, 1992, pursuant to K.S.A. 12-17,107 to 12-17,113 before such statutes were repealed, and the development of the area is necessary to promote the general and economic welfare of the City.

SECTION 4. REDEVELOPMENT PROJECT

The proposed district is near existing large retail stores in the City, including Home Depot and Wal-Mart, and is in an area identified by the City as desirable for additional retail development. The establishment of the proposed redevelopment district will permit the City to aid in financing of

land acquisition, infrastructure and site development and to partner with private developers to bring additional retail and other commercial development to the City.

The proposed redevelopment project consists of the acquisition of the site, necessary infrastructure and site improvements to permit a full scale commercial development anticipated to include over 400,000 square feet of retail/commercial space at full build out, with national level tenants, large and small scale retail, restaurants and complimentary uses. The project is expected to develop in two phases, with the first phase including highway, street and infrastructure improvements, site development and construction of one large big box retail store, development of four (4) out lots for retail, parking and related infrastructure. The second phase of the project will include development of the remaining property in the district including larger retail sites and smaller out lots consistent with a detailed project plan to be approved by the City.

SECTION 5. TAX INCREMENT FINANCING

Kansas statutes governing tax increment financing allow such financing to be used for property acquisition, site preparation, utilities, drainage, street improvements, landscape amenities, public outdoor spaces, streetscape amenities and parking facilities in a redevelopment district. The City anticipates using tax increment financing pay a portion of these costs related to the proposed project. The project plan (described in Section 6) and development agreements between the City and private developers will specify details. The anticipated plan contemplates that 100% of the tax increment attributable to the redevelopment will be pledged to finance such costs for a period not exceeding 20 years as provided by law. Tax increment financing may be accomplished by issuing the City's special obligation bonds and/or the City's general obligation bonds with such bonds payable over time from the tax increment. Financing may also be structured as "pay as you go" reimbursement over time. The City is considering financing certain highway, street and related infrastructure improvements related to the project independently of any tax increment financing.

SECTION 6. PROJECT PLAN

The statutes governing tax increment financing and redevelopment districts require that all proposed redevelopment projects in a redevelopment district be presented to and authorized by the City Commission through its approval of detailed "project plans". Each project plan will identify specific project areas within the redevelopment district and will include detailed descriptions of the proposed improvements and methods of financing. Before approving a project plan the City must obtain a financial feasibility study as required by statute. Project plans must be reviewed by the Holcomb-Garden City - Finney County Area Planning Commission and are submitted to a public hearing after published notice and notification of affected property owners. Before going forward a project plan must be adopted by a two-thirds majority of the City Commission. No tax increment may be applied to a redevelopment project until a project plan is approved.

EXHIBIT E – GENERAL OBLIGATION TIF BOND PROFORMA

TIF YEAR	BASE ASSESSED VALUE	PROJECTED ASSESSED VALUE	REAL ESTATE TAX INCREMENT
1	$7,859	$7,859	$0
2	$7,859	$2,622,742	$332,655
3	$7,859	$5,245,484	$666,310
4	$7,859	$5,297,939	$672,983
5	$7,859	$5,350,918	$679,723
6	$7,859	$5,404,427	$686,530
7	$7,859	$5,458,472	$693,405
8	$7,859	$5,513,056	$700,349
9	$7,859	$5,568,187	$707,363
10	$7,859	$5,623,869	$714,446
11	$7,859	$5,680,108	$721,601
12	$7,859	$5,736,909	$728,827
13	$7,859	$5,794,278	$736,125
14	$7,859	$5,852,220	$743,496
15	$7,859	$5,910,743	$750,941
16	$7,859	$5,969,850	$758,461
17	$7,859	$6,029,549	$766,055
18	$7,859	$6,089,844	$773,726
19	$7,859	$6,150,743	$781,473
20	$7,859	$6,212,250	$789,298
TOTALS			**$13,403,765**
NET PRESENT VALUE		4.00%	**$8,718,416**
	Gross Bond Proceeds (NPV of Revenue Divided by DSCR)		**$7,925,833**
	Less: Bond Issuance		**($396,292)**
	Net Bond Proceeds		**$7,529,541**

Notes:

(1) Of the total ad valorem tax rate, the total mills captured by TIF is:	127.216
(2) The base assessed value was taken from the Finney County records for 2012	
(3) The projected appraised value is assumed to increase at the following percent every year:	1%
(4) Percentage of Projected Assessed Value online Year 1	0%
(5) Percentage of Projected Assessed Value online Year 2	50%
(6) Percentage of Projected Assessed Value online Year 3	100%

***Note – a separate analysis was prepared for a portion of Phase 2 consisting of a 30,000 SF Major Retail Tenant Space & 2 Pad Sites**

TIF YEAR	BASE ASSESSED VALUE	PROJECTED ASSESSED VALUE	REAL ESTATE TAX INCREMENT
1	$300	$300	$0
2	$300	$300	$0
3	$300	$300	$0
4	$300	$690,619	$87,820
5	$300	$1,381,238	$175,677
6	$300	$1,395,050	$177,435
7	$300	$1,409,000	$179,209
8	$300	$1,423,090	$181,002
9	$300	$1,437,321	$182,812
10	$300	$1,451,694	$184,641
11	$300	$1,466,211	$186,487
12	$300	$1,480,874	$188,353
13	$300	$1,495,682	$190,237
14	$300	$1,510,639	$192,139
15	$300	$1,525,746	$194,061
16	$300	$1,541,003	$196,002
17	$300	$1,556,413	$197,963
18	$300	$1,571,977	$199,943
19	$300	$1,587,697	$201,942
20	$300	$1,603,574	$203,962
TOTALS			**$3,119,684**
NET PRESENT VALUE		4.00%	**$1,946,965**

Gross Bond Proceeds (NPV of Revenue Divided by DSCR)	**$1,769,968**
Less: Bond Issuance	**($88,498)**
Net Bond Proceeds	**$1,681,469**

Notes:

(1) Of the total ad valorem tax rate, the total mills captured by TIF is:	127.216
(2) The base assessed value was taken from the Finney County records for 2012	
(3) The projected appraised value is assumed to increase at the following percent every year:	1%
(4) Percentage of Projected Assessed Value online Year 1 thru Year 3	0%
(5) Percentage of Projected Assessed Value online Year 4	50%
(6) Percentage of Projected Assessed Value online Year 5	100%

EXHIBIT F – CITY OF GARDEN CITY MEETING MINUTES

EXHIBIT G – PROJECT COSTS

ACQUISITION COSTS		
Worf Property	$	2,620,544
Phase III ROW	$	210,830
SUBTOTAL	$	2,831,374
SITE WORK		
Site Work	$	2,880,000
Landscaping	$	240,000
Lighting	$	288,000
SUBTOTAL	$	3,408,000
STREET WORK		
Paid by City		
HARD CONSTRUCTION COSTS		
Major Anchor	$	2,530,000
Major Tenant D	$	1,760,000
Major Tenant E	$	1,125,000
Major Tenant A	$	3,080,000
Mini Major A	$	1,200,000
Mini Major B	$	637,500
Inline Shops #1	$	600,000
Inline Shops #2	$	320,000
Major Tenant C	$	1,920,000
Outlot Shops #1	$	720,000
Outlot Shops #1 (TI)	$	288,000
Pylon Signs	$	45,000
Interstate Pylon Signs	$	60,000
SUBTOTAL	$	14,285,500
SOFT COSTS		
Architectural & Engineering	$	485,000
Geotechnical, Environmental, Construction Testing	$	160,000
Taxes, Insurance, Appraisal	$	70,000
Legal	$	435,000
Survey	$	45,000
Commissions & Fees	$	1,392,600
Miscellaneous	$	100,000
Financing Costs	$	600,020
SUBTOTAL	$	3,287,620
TOTALS		
Acquisition Costs	$	2,831,374
Site Work	$	3,408,000
Street Work	$	-
Hard Construction Costs	$	14,285,500
Soft Costs	$	3,287,620
SUBTOTAL	**$**	**23,812,494**
CONTINGENCY (4% on costs excluding land)	**$**	**840,000**
TOTAL	**$**	**24,652,494**

EXHIBIT H – TIF ELIGIBLE COSTS

DESCRIPTION		TIF ELIGIBLE COST
ACQUISITION COSTS		
SUBTOTAL	$	2,831,374
SITE WORK		
Site Work		
Landscaping		
Lighting		
SUBTOTAL	$	3,408,000
STREET WORK		
Paid by City		
SUBTOTAL		
HARD CONSTRUCTION COSTS		
Commercial Space	$	0
Pylon Signs	$	45,000
Interstate Pylon Signs	$	60,000
SUBTOTAL	$	105,000
SOFT COSTS		
Architectural & Engineering	$	150,000
Geotechnical, Environmental, Construction Testing	$	160,000
Taxes, Insurance, Appraisal	$	70,000
Legal	$	435,000
Survey	$	45,000
Commissions & Fees	$	750,000
Miscellaneous	$	50,000
Financing Costs	$	200,000
SUBTOTAL	$	1,860,000
TOTALS		
Acquisition Costs	$	2,831,374
Site Work	$	3,408,000
Street Work		
Hard Construction Costs	$	105,000
Soft Costs	$	1,860,000
SUBTOTAL	**$**	**8,204,374**
CONTINGENCY (4% on costs excluding land)	**$**	**840,000**
TOTAL	**$**	**9,044,374**

*The above noted costs exclude the Developer's private financing costs of undertaking these expenses

(Published in T*he Garden City Telegram* on July __, 2013)

RESOLUTION NO. ____-2013

A RESOLUTION STATING THE INTENT OF THE CITY OF GARDEN CITY, KANSAS TO CONSIDER ADOPTION OF A REDEVELOPMENT PROJECT PLAN WITHIN THE 2012 REDEVELOPMENT DISTRICT CREATED BY THE CITY AND PROVIDING FOR NOTICE OF A PUBLIC HEARING ON SUCH MATTERS.

WHEREAS, K.S.A. 12-1770 *et seq*., as amended ("Act") authorizes the city of Garden City, Kansas ("City") to create redevelopment districts, approve redevelopment plans for such districts and provide for the financing of certain of the costs of such redevelopment by issuing special obligation bonds or general obligation bonds; and

WHEREAS, pursuant to Ordinance No. 2544-2012 passed and approved on April 17, 2012 the City established the 2012 Redevelopment District as described therein; and

WHEREAS, on June 5, 2012 the City adopted Ordinance No. 2552-2012 which authorized a Phase 1 Tax Increment Financing Redevelopment Plan within the 2012 Redevelopment District consisting of development of a Menard's retail store and certain outparcels; and

WHEREAS, a Phase 2 Tax Increment Financing Redevelopment Project Plan (the "Phase 2 Project Plan") has been prepared pursuant to the Act describing proposed development within the 2012 Redevelopment District, including a description of the facilities and buildings proposed to be constructed in the area and other matters required by the Act; and

WHEREAS, at a meeting held on June 20, 2013 the Holcomb – Garden City – Finney County Area Planning Commission found the Phase 2 Project Plan is consistent with the intent of the comprehensive plan for the development of the City; and

WHEREAS, pursuant to the Act the City is required adopt this resolution describing its intent to consider adopting the Phase 2 Project Plan and to set a date for a public hearing to consider the adoption of the Phase 2 Project Plan.

THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF GARDEN CITY, KANSAS:

SECTION 1. The governing body of the City hereby finds and determines that, pursuant to the Act:

(a) A public hearing shall be held as part of the regular meeting of the City Commission on August 6, 2013 at 1:30 p.m., in the City Commission meeting room at 301 N. 8th Street, to consider adoption of the Phase 2 Project Plan.

(b) The area to be developed pursuant to the Phase 2 Project Plan is part of the 2012 Redevelopment District, the boundaries of which are described on **Exhibit A**, and includes the following property and adjacent rights-of-way:

A tract located in the Southeast Quarter of Section 9 Township 24 South, Range 32 West of the 6th P.M., Finney County, Kansas, more particularly described as follows:

Beginning at the Southwest corner of 156 Commercial, Phase Four, said Southeast Quarter; thence North 89°50'25" West, 869.90 feet; thence North 70°46'13" West, 60.00 feet to the intersection with the East right-of-way line of US Highway 50/83/400; thence South 20°45'56" West, 942.44 feet along said right-of-way line; thence South 10°45'12" West, 496.45 feet, along said right-of-way line, to the North line of Lot 1, Block 2, Schulman Crossing; thence South 88°38'07" East, 1318.81 feet, along said North line and continuing along the North line of Lot 1, Block 1, Schulman Crossing, to the East line of the West Half of said Southeast Quarter; thence North 01°30'03" East, 1355.81 feet along the East line of the West Half of said Southeast Quarter to the point of beginning, containing 36.05 Acres, more or less.

The area included in the Phase 2 Project Plan is shown on the map attached to this resolution as **Exhibit B** and identified as Phase 2.

(c) The Phase 2 Project Plan and a map of the area to be redeveloped or developed are available for inspection during regular office hours at the City Clerk's office, 301 N. 8th Street, from 8:00 a.m. to 5:00 p.m., Monday through Friday. The Phase 2 Project Plan includes a summary of the feasibility study, description of improvements and other information pertinent to the redevelopment project.

SECTION 2. The City anticipates it will issue full faith and credit tax increment bonds in an amount of approximately $9,000,000 to pay a portion of the costs of the Phase 2 redevelopment project. The feasibility study summarized in the Phase 2 Project Plan demonstrates that benefits derived from the redevelopment project will exceed the costs and that income derived from the redevelopment project will be sufficient to pay the costs of such project to be financed with such bonds. The bonds are anticipated to be paid from revenues derived from the 2012 Redevelopment District.

SECTION 3. This Resolution and its Exhibits shall be sent by certified mail with return receipt requested to the Board of Education of Unified School District No. 457, to the Board of County Commissioners of Finney County, to the Board of Trustees of Garden City Community College, and to each owner or occupant of land in the proposed redevelopment district, not less than 10 days after the date of this resolution. This Resolution and its Exhibits shall also be published one time in the official city newspaper not less than one week nor more than two weeks before the public hearing date of August 6, 2013.

[Remainder of Page Intentionally Left Blank]

ADOPTED AND APPROVED by the governing body of the City of Garden City, Kansas on July 2, 2013.

CITY OF GARDEN CITY, KANSAS

[seal]

By_____
Dan Fankhauser, Mayor

ATTEST:

By_____
Celyn N. Hurtado, City Clerk

EXHIBIT A – RESOLUTION NO. -2013

(DESCRIPTION OF REDEVELOPMENT DISTRICT)

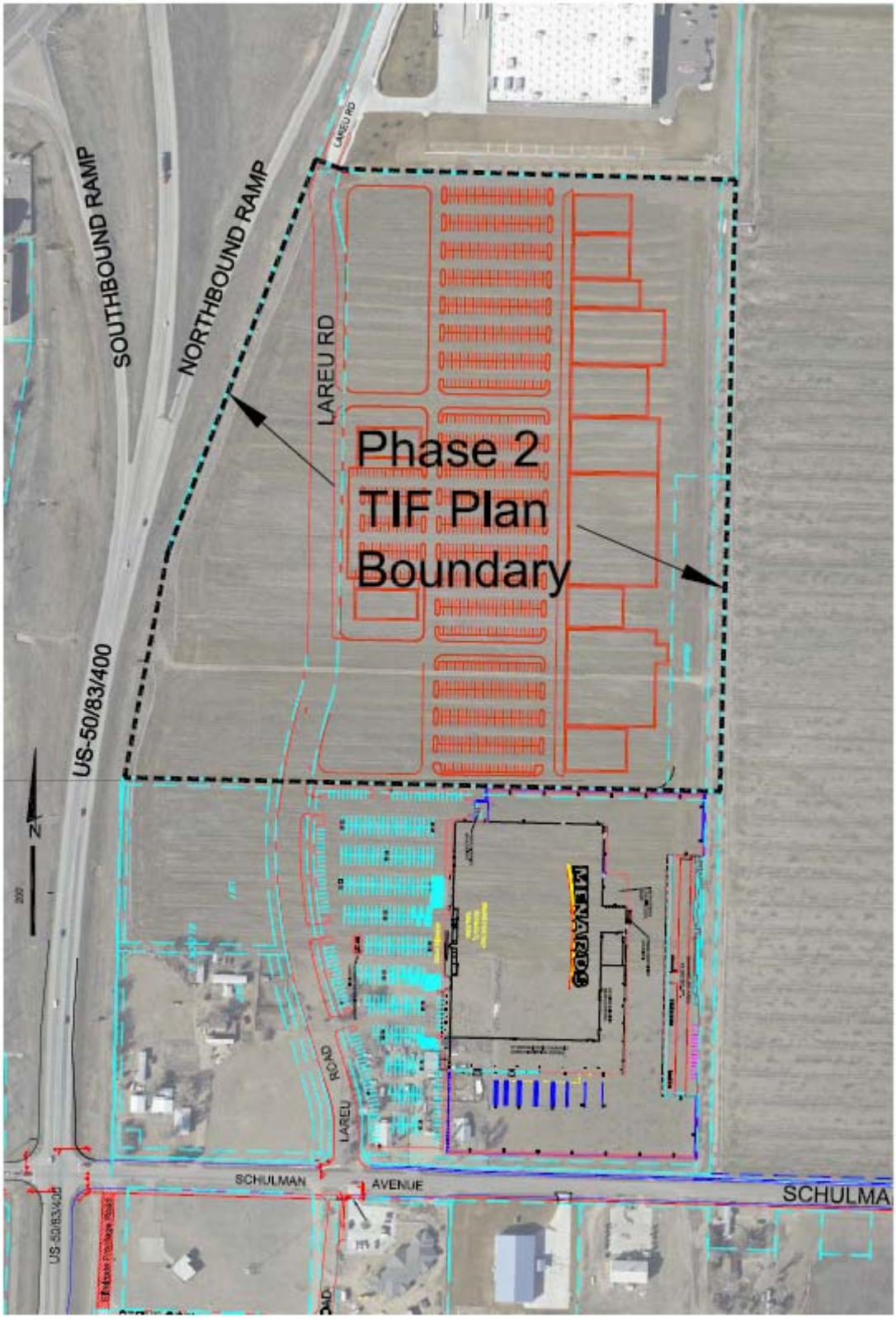
A tract located in the Southeast Quarter of Section 9, Township 24 South, Range 32 West of the 6th P.M., Finney County, Kansas, more particularly described as follows:

Beginning at the Southeast Corner of 156 Commercial, Phase Four; thence North 89°50'25" West, 869.90 feet; thence North 70°46'13" West, 60.00 feet, to the intersection with the East right-of-way line of U.S. Highway 50/83/400; thence South 20°45'56" West, 942.44 feet, along said right-of-way line; thence South 10°45'12" West, 508.48 feet, along said right-of-way line; thence South 1°24'11" West, 867.71 feet, along said right-of-way line, to the South line of said Section 9, also being the centerline of Schulman Avenue; thence South 88°17'23" East, 1319.27 feet, more or less, along said right-of-way line, to the East line of the West Half of said Southeast Quarter of Section 9, said line being 30.00 feet North of as measured perpendicular to and parallel with the South line of Section 9; thence North 1°30'03" West, 2243.34 feet, more or less, along said East line, to the to the point of beginning, containing an area of 62.82 acres, more or less.

And including adjacent public right-of-way

EXHIBIT B – RESOLUTION NO. -2013

(MAP OF PROJECT AREA – PHASE 2)



Old Business

GARDEN CITY
KANSAS

COMMUNITY DEVELOPMENT DEPARTMENT SERVING GARDEN CITY HOLCOMB AND FINNEY COUNTY

620-276-1170

INSPECTIONS
620-276-1120
inspection@garden-city.org

CODE COMPLIANCE
620-276-1120
code@garden-city.org

PLANNING AND ZONING
620-276-1170
planning@garden-city.org

CITY ADMINISTRATIVE CENTER
301 N. 8TH
P.O. BOX 998
GARDEN CITY, KS
67846-0998
620.276.1170
FAX 620.276.1173
www.garden-city.org

Memo

To: City Commission

From: Kaleb Kentner

CC: File

Date: June 28, 2013

Re: 705 N. Taylor Demolition/Cleanup Order

ISSUE: 705 N. Taylor Demolition/Cleanup Order.

BACKGROUND: At the May 21, 2013, City Commission meeting an order to cleanup, repair, demolish or remove the unsafe structure(s) on the property located at 705 N. Taylor Avenue was issued by the City (the Order). The Order directed the property owner to meet with the Chief Building Inspector of the City to review the property and set up a plan to cleanup, repair, demolish or remove the unsafe structure(s) by June 20, 2013 and have the process completed by July 2, 2013.

A public hearing is being held at this meeting to determine the owner's conformance to the Order. The Chief Building Inspector has visited the site throughout the process and is working with the owner to bring the structures into conformance with the building codes adopted by the City. The Chief Building Inspector has determined that the structures have been sufficiently cleaned, but the repair process is ongoing at this time. As of June 28, 2013, there are still some code violations, i.e. RV's parked and used for purposes not allowed by code.

Alternatives:

1. The Commission may determine that the owner has conformed to the Order and that the cleanup, repair, demolition or removal of the unsafe structure(s) is complete.
2. The Commission may determine that the owner has not conformed to the Order and direct Staff to begin the process of requesting bids to demolish the structure(s).
3. The Commission may determine that the owner is still in the process of conforming to the Order and extend the deadline to a later date.

Recommendation: Staff has visited the site on June 28, 2013, and determined that the owner has sufficiently cleaned the property, but the repair process is ongoing. While the process is not yet complete Staff has determined that the owner is complying with the order but may need more time to complete necessary repairs. Therefore Staff recommends alternative 3.

Fiscal Note: There is no fiscal note at this time. However, if the Commission moves to direct Staff to request bids for demolition the City would bear the cost of demolishing the structure(s) until the cost is recovered from the owner.

GARDEN CITY
KANSAS

CITY COMMISSION
DAN FANKHAUSER,
Mayor

ROY CESSNA
MELVIN DALE
JANET DOLL
CHRIS LAW

MATTHEW C. ALLEN
City Manager

MELINDA A. HITZ, CPA
Finance Director

RANDALL D. GRISELL
City Counselor

CITY ADMINISTRATIVE CENTER
301 N. 8TH
P.O. BOX 998
GARDEN CITY, KS
67846-0998
620.276.1160
FAX 620.276.1169
www.garden-city.org

MEMORANDUM

TO: City Commission

FROM: Matt Allen, City Manager & Melinda Hitz, Finance Director

DATE: June 28, 2013

RE: 2014 Proposed Budget

ISSUE

The City Commission is asked to set a proposed budget for 2014. If the Commission agrees to a proposed budget, the appropriate step required for the meeting on July 2, 2013 would be to authorize a notice of public hearing. From this point the published mill levy can decrease, but not increase, prior to final adoption.

BACKGROUND

Preparation of the 2014 budget began in the fall of 2012, with the citizen-based capital budgeting process. The citizen-based capital budgeting process culminated in the preparation of a draft CIP which was reviewed and considered as part of the City Commission Goal Setting Retreat, in February 2013. At this retreat, the Commission also established goals for 2013 and 2014 to assist staff in developing a draft annual budget.

During March and April of 2013, City staff developed departmental budget requests which were matured into the City Manager's Proposed Budget as required by the form of government.

This budget was presented by the staff to the Commission, fund by fund, over the course of five Commission meetings. At those meetings suggested alternatives and changes were made by Commissioners. Commissioners and staff have also offered possible changes based on more updated current year revenue and expense estimates. Furthermore, in light the budget shortfall that became obvious as the budget unfolded, Department Heads have offered cuts after closer scrutiny of departmental needs.

The resulting list of suggested changes are listed in the following table.

GARDEN CITY
KANSAS

CITY COMMISSION

DAN FANKHAUSER,
Mayor

ROY CESSNA

MELVIN DALE

JANET DOLL

CHRIS LAW

MATTHEW C. ALLEN
City Manager

MELINDA A. HITZ, CPA
Finance Director

RANDALL D. GRISELL
City Counselor

CITY ADMINISTRATIVE CENTER
301 N. 8TH
P.O. BOX 998
GARDEN CITY, KS
67846-0998
620.276.1160
FAX 620.276.1169
www.garden-city.org

Table 1. Proposed Changes to the 2014 Proposed Budget

	2014	2013
REVENUE		
General Fund -		
Engineering		394,673
Administration		263,115
Bond and Interest-		
PFC Allocation from Fund 40	20,000	
Revenue (Increase) Totals	**20,000**	**657,788**
	2014	**2013**
EXPENDITURES		
Airport - Woodchipper	5,000	
IT Dept	17,500	
Police Dept	50,435	
Street Dept - Transit	54,500	33,250
Parks - Salary	22,500	14,000
Benefits	14,000	8,000
Bucket Truck	49,000	
3/4 T to 1/2T Pickup	4,000	
Zoo - Shelter	46,000	
Pickup (new to used)	10,000	
*Capital Improvement-Social Funding		
*Fire Station #1 Expansion		
Expenditure (Decrease) Totals	**272,935**	**55,250**
Net Impact on the Budget Shortfall (by year)	**292,935**	**713,038**
*These are Commissioner suggestions for discussion		

Following are some 2014 Budget assumptions you may wish to consider as well:

- This Budget includes a 2% salary pool to fund employee performance-based increases. This requires an additional $210,000 to what would be required for General Fund salaries in the 2014 Budget based on current hourly rates.
- This Budget also includes an additional $20 per employee per month contribution by the City toward Fund 55 (Health Insurance). This will be an additional $72,000 expense to the operating funds (taxing and enterprise) and an additional $72,000 revenue to Fund 55 (Health Insurance).
- This Budget includes funding for partner agencies (FCEDC and Downtown Vision) as requested.

Entering into the July 2nd, 2013 regular meeting, without changes to expenditures or other revenue the 2014 Annual Budget would require an additional $1,208,273 in ad valorem tax (an additional 7.203 mills). The changes identified herein,

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reduce that shortfall to $202,300 (an additional 1.206 mills).

After discussion, the Commission may wish to adjust the City Manger's Proposed Budget and authorize a Notice of Public Hearing for the 2014 Annual Budget at the July 16, 2013 meeting.

ALTERNATIVES

1. Authorize a Notice of Public Hearing for July 16, 2013 at 1:30 p.m. using the City Manager's Proposed Budget.

2. Authorize a Notice of Public Hearing for July 16, 2013 at 1.30 p.m. using the City Manager's Proposed Budget and any combination of amendments.

3. Set another budget meeting date for additional consideration.

STATE OF KANSAS
City
2014

NOTICE OF BUDGET HEARING

The governing body of the CITY OF GARDEN CITY will meet on the 16th day of July, 2013 at 1:30 P.M., at 301 N. 8th Street (City Administrative Center) for the purpose of hearing and answering objections of taxpayers relating to the proposed use of all funds and the amount of Ad Valorem Tax.

Detailed budget information is available at the SERVICE & FINANCE OFFICE 301 N. 8th Street and will be available at this hearing.

BUDGET SUMMARY

Proposed Budget 2014 Expenditures and Amount of 2013 Ad Valorem Tax establish the maximum limits of the 2014 budget. Estimated Tax Rate* is subject to change depending on final assessed valuation.

	2012		2013		Proposed Budget 2014		
	Prior Year Actual	Actual Tax	Current Year Estimate of	Actual Tax		Amount of 2013 Ad	Est Tax
Fund	Expenditures	Rate*	Expenditures	Rate*	Expenditures	Valorem Tax	Rate*
GENERAL	19,166,546	21.817	20,196,990	21.932	23,338,000	3,826,783	22.813
AIRPORT	713,522	4.045	1,087,750	3.033	1,170,200	648,424	3.865
GO BOND & INT	1,883,583	8.101	1,861,500	9.014	2,130,000	1,427,561	8.510
REC COMMISSION	896,250	5.013	926,250	5.003	944,000	838,663	5.000
TAX INCREMENT FINANCING	0		0		250,000		
CAPITAL PROJECTS	8,359,557		-		-		
CAPITAL RESERVE	140,493		672,380		293,000		
CD LOAN FUND	5,852		16,500		12,000		
CEMETERY ENDOW	5,651		13,600		17,000		
COMMUNITY TRUST	600,624		781,500		2,404,000		
DEA FORFEITURE	12,223		28,000		35,350		
DRUG ENFORCEMENT	23,790		29,250		30,650		
ECONOMIC DEV LOAN	960		156,500		215,000		
ENHANCED WIRELESS	43,538		231,500		335,500		
FINNUP TRUST	87,476		169,041		105,000		
12-6a13 REVOLVE	106,824		141,000		60,000		
RISK MANAGEMENT	36,145		60,098		158,000		
SPEC ALCOH-DRUG	82,000		78,000		107,500		
SPEC REC & PARK	91,252		179,355		89,000		
SPEC TRAFFICWAY	721,010		867,700		1,482,700		
WORKERS COMP	319,478		344,171		436,000		
WORKERS COMP RESV	0		225,000		359,250		
COMMUNITY DEV	56,902		100,000		100,000		
HEALTH INS	3,273,517		3,852,500		4,522,582		
HEALTH INS RESV	0		700,000		0		
PROJECT DEVELOP	51,828		95,500		355,000		
AIRPORT IMP	1,309,480		580,633		1,648,264		
ELECTRIC	28,147,166		28,139,000		30,203,750		
GOLF COURSE	832,951		903,600		950,650		
BLDG FUND	13,728		35,000		25,000		
SOLID WASTE UTL	2,796,156		2,923,400		4,069,350		
DRAINAGE UTILITY	142,088		153,100		526,650		
WTR& SWR UTL	7,540,536		8,529,000		8,791,500		
WW MAINT RESV	100,000		100,000		730,000		
WATER MAINT RESV	150,000		150,000		1,130,000		
UTILITY DEPOSITS	145,090		270,000		535,000		
Totals	77,856,216	38.976	74,597,818	38.982	87,559,896	6,741,431	40.188
Less: Transfers	3,348,818		3,569,350		2,772,500		
Net Expenditures	74,507,398		71,028,468		84,787,396		
Total Tax Levied	6,164,521		6,402,896				
Assessed Valuation	157,703,449		164,252,630		167,745,026		

Outstanding Indebtedness, January 1,	2011	2012	2013
G.O. Bonds	25,100,000	27,460,000	22,440,000
Revenue Bonds			
Other			
Lease Purch Principal	744,533	694,026	601,250
Temporary Notes	250,000	0	11,913,400
Total	26,094,533	28,154,026	34,954,650

* Tax Rates are expressed in mills.

_____
Finance Director

County Clerk's Budget Information for the 2014 Budget

City of Garden City
Name of City

1. Valuation Information as of July 1, 2013:

	Estimated Assessed Valuation	Territory Added	Property with changed use
Real Estate	161,088,431	4,116	43,509
Personal Property	5,853,502		
State Assessed	2,732,447		
Oil & Gas	16,766		
Severed Minerals			
Total	169,691,146		
New Improvements	2,605,053		

2. Personal Property excluding oil, gas and mobile homes for July 1, 2013 4,833,604
(use this amount on Computation to Determine Limit for 2014 Budget, Line 5a)

3. Actual Tax Rates Levied for the 2013 Budget:

Fund	Rate
General	21.932
Airport	3.033
Bond & Interest	9.014
Recreation	5.003
Total	38.982

4. Final Assessed Valuation from the November 1, 2012 Abstract 164,252,630

5. Personal Property excluding oil, gas and mobile homes for Nov. 1, 2012 4,799,711
(use this amount on Computation to Determine Limit for 2014 Budget, Line 5b)

6. Gross Earning (Intangible) Tax Estimate 0

7. Neighborhood Revitalization District:
Valuation Subject to Rebates 317,016

8. Tax Increment Financing (TIF) for City:

TIF Total Assessed Valuation Area	1,993,543
TIF Base Year Assessed Valuation Area	47,423
TIF Difference in Vaulation	1,946,120
City's TIF Dollar Estimated Portion	$75,864
Other TIF Estimated Dollar Amounts	$175,347

06/25/2013 Provided by: Elsa Ulrich
Date

Name of County: Finney

Computation for TIF Estimated Dollar Amount

City of Garden City

Other TIF Estimated Dollar Amounts
(Note: Links information to Step #8)

Finney County:

TIF Difference in Vaulation (From Step #8)	1,946,120
County's Mill Rate for, 2013 Budget	37.120
TIF Estimated Dollar Amount	$72,240

Name of Spec. Dist.: Drainage District #2

TIF Difference in Vaulation (From Step #8)	1,946,120
Special District's Mill Rate for, 2013 Budget	1.867
TIF Estimated Dollar Amount	$3,633

Name of Spec. Dist.:

TIF Difference in Vaulation (From Step #8)	1,946,120
Special District's Mill Rate for, 2013 Budget	
TIF Estimated Dollar Amount	$0

Name of Spec. Dist.:

TIF Difference in Vaulation (From Step #8)	1,946,120
Special District's Mill Rate for, 2013 Budget	
TIF Estimated Dollar Amount	$0

Name of USD: 457

TIF Difference in Vaulation (From Step #8)	1,946,120
USD's Mill Rate for, 2013 Budget	29.918
TIF Estimated Dollar Amount	$58,224

Name of USD: Garden City Comm College

TIF Difference in Vaulation (From Step #8)	1,946,120
USD's Mill Rate for, 2013 Budget	21.196
TIF Estimated Dollar Amount	$41,250

FINNEY COUNTY TREASURER
BUDGET INFORMATION

Melinda Hitz
City of Garden City
P O Box 499
Garden City KS 67846-0499

The following estimates are provided for the preparation of your 2014 **General** budget:

Local alcohol liquor K.S.A. 79-41a04(f)	268,733.46
Motor vehicle tax K.S.A. 79-5111	704,428.33
Recreational vehicle tax K.S.A. 79-5123	5,600.85
Vehicle excise tax K.S.A 79-5101	13,241.84
16/20M vehicle tax K.S.A 79-5111	5,369.95

The following estimates are provided for the preparation of your 2014 **Recreation** budget:

Motor vehicle tax K.S.A. 79-5111	103,718.61
Recreational vehicle tax K.S.A. 79-5123	824.66
Vehicle excise tax K.S.A. 79-5101	1,955.69
16/20M vehicle tax K.S.A. 79-5111	792.61

6/18/13
Date

Raylene Dick
Raylene Dick
Finney County Treasurer

GARDEN CITY
KANSAS

COMMUNITY
DEVELOPMENT
DEPARTMENT
SERVING
GARDEN CITY
HOLCOMB
AND
FINNEY COUNTY
620-276-1170

INSPECTIONS
620-276-1120
inspection@garden-city.org

CODE COMPLIANCE
620-276-1120
code@garden-city.org

PLANNING AND ZONING
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planning@garden-city.org

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Memo

To: City Commission

From: Kaleb Kentner

CC: File

Date: June 27, 2013

Re: Development Agreement for the Gian Addition

ISSUE: Approval of the Development Agreement for the Gian Addition.

BACKGROUND: The Gian Addition is located between Mary Street and Thompson Street on the west side of Taylor Avenue. The property was recently platted and rezoned from "C-2" General Commercial to "I-2" Medium Industrial District. The development agreement is the last step in the process to complete the sale of the property and begin development.

Alternatives:

1. The Commission may approve the Agreement as presented.
2. The Commission may choose to not approve the Agreement.

Recommendation: Staff recommends approval of the agreement as presented.

Fiscal Note: The developer will be responsible for infrastructure improvements, however should the City deem it necessary to upsize the utilities the agreement states that the City will pay for the differential oversize cost.

DEVELOPMENT AGREEMENT
GIAN ADDITION

THIS DEVELOPMENT AGREEMENT (Agreement), made and entered into this _____ of **_____, 2013**, by and between the **City of Garden City, Kansas** ("City") and the **Leam Drilling Systems, LLC** ("Developer").

RECITALS

A. Developer owns the real property identified and legally described **Lots 1 through 9, Block 1, Gian Addition** ("Property").

B. Developer and City each recognize the importance of there being a general plan to guide the growth and development of the Property.

C. City has adopted regulations concerning development within its corporate limits, consisting of Development Policy, Zoning and Subdivision Regulations, Floodplain Regulations and any amendments thereto adopted and in place upon approval of this agreement.

D. City has established and recognizes the zoning as **"I-2" Medium Industrial District.**

E. City has approved a Final Plat for **Gian Addition** the ("Final Plat").

F. The Property is to be developed as follows: **Lots 1 through 9, Block 1, Gian Addition.**

G. Developer and City desire to provide in this Agreement for (i) Developers' assurances to City that the Property and the infrastructure improvements will be developed in accordance with the provisions of this Agreement and (ii) City's assurances to Developer that it will be permitted to develop the Property. Nothing in this agreement shall restrict the authority of the City to modify or amend any current policies or regulations.

H. City and Developer acknowledge that the development of the Property pursuant to this Agreement will significantly benefit Developer by providing the ability to improve the Property.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement, City and Developer state, confirm and agree as follows:

AGREEMENT

1. **Infrastructure.** All improvements shall be designed in compliance with standards and specifications of City and applicable state agencies. City shall approve all plans prior to construction. Construction of improvements shall be completed by a City approved contractor, and shall not commence until the plans and specifications have been approved by the City Engineer. All infrastructure improvements shall be constructed prior to the issuance of a Certificate of Occupancy on any lot in the Property. Below are additional descriptions of the infrastructure improvements for the Property.

   a) **Streets:** Construction plans and specifications are subject to provisions of the Subdivision Regulations and the 2006 General Surface Improvements Handbook.

   b) **Sanitary Sewer:** Waste water lines shall initially be constructed to service the subdivision connecting to an existing waste water main on Taylor Avenue or the alley to the west of the Property.

   c) **Water Distribution:** 12" water line shall initially be constructed to service the subdivision connecting to an existing 12" water main on Thompson Street or Mary Street. Should it be deemed necessary, the City shall pay the differential oversize cost between 8" and 12" water mains.

   d) **Electric:** No additional electric transmission or distribution system extensions are required. However, the connection fees associated with the actual facilities shall apply.

   e) **Storm Water Drainage and Erosion Control:** Storm water drainage plans, an erosion control plan and a Storm Water Pollution Prevention Plan (SWPPP), as applicable, shall conform to the following requirements for approval by the City Engineer. Developer shall submit a Notice of Intent (NOI) for stormwater discharge associated with construction activity to KDHE and provide a copy to the City Stormwater Coordinator.
      1. Erosion and Sediment Control Guidelines and Specifications per Sections 38-160 *et seq,* Code of Ordinances, and the *EROSION & SEDIMENT CONTROL MANUAL CITY OF GARDEN CITY, 2008 MANUAL*
      2. Post Construction Stormwater Guidelines and Specifications per Sections 38-190 *et seq,* Code of Ordinances, and the *POST CONSTRUCTION STORMWATER BEST MANAGEMENT PRACTICES MANUAL, CITY OF GARDEN CITY, 2009*

2. <u>Responsibility for funding and construction of the Infrastructure Improvements</u>: Subject to the provisions herein contained, Developer agrees to assume and satisfy all applicable development costs pursuant to applicable policies of City, and to construct or install, or

cause to be constructed or installed, all applicable improvements in accordance with such policies.

a) *Special Assessment Financing.* Developer has requested special assessment financing of the following improvement: curb & gutter, paving, ancillary storm drainage, water distribution, and related engineering and surveying costs. The City will prepare the necessary Petitions, for developer signature, within thirty calendar days of approval of the construction plans. The City will process the Petitions and related actions and schedule the construction bid lettings in a timely manner, but does not make any warranty of completion and/or acceptance date of the improvements. City and Developer agree to be bound by terms and conditions of Article III of the attached document "Property Development Agreement" concerning construction and financing; levy and payment of special assessment reimbursement to City by Developer.

b) *Engineering Fees*. Developer accepts responsibility for all engineering and surveying costs for any improvements for the Development constructed directly by Developer. City shall be responsible for inspection of all infrastructure construction. Developer shall pay the City an amount equal to 3.0% of the construction cost of those improvements constructed at developer expense.

c) *Construction Contracts*. For those improvements constructed by direct cost of Developer, all contracts issued by Developer for such improvements shall include a Contract and Maintenance Bond (1 year) and Statutory Bond, or other maintenance and payment guarantee acceptable and consented to by City.

d) Developer shall be responsible for the cost of installation of electric service lines, gas lines, cable services and telephone lines, in accordance with utility company installation policy and City Ordinances of a size as determined by the utility company and City.

3. **Infrastructure dedication; operation; maintenance.** All infrastructure improvements shall be constructed in a good and workmanlike manner and in accordance with all applicable laws, codes, ordinances and design standards. City reserves right to inspect construction at any time. Infrastructure improvements intended to become a part of City system shall, after approval by City in accordance with applicable laws, codes, ordinances, rules and regulations, be dedicated to City.

4. **Development rights.** Developer and City acknowledge and agree that upon recordation of the Final Plat, City shall not, unless requested by Developer, rescind or modify the approved Zoning during the term of this Agreement.

5. **Default; cure period.** Failure by either party to perform or otherwise act in accordance with any term or provision of this Agreement for a period of thirty (30) days after written notice

thereof from the other party shall constitute a default under this Agreement. Such notice shall specify the nature of the alleged default and the manner in which said default may be satisfactorily cured, if possible. In the event such default is not cured within the thirty (30) days, the non-defaulting party shall have all rights and remedies which may be available under law or equity including without limitation the right to institute an action for damages.

6. **Notices and filings.**
   a) Representatives. City and Developer shall designate and appoint a representative to act as a liaison between City and its various departments and Developer. The initial representative for City shall be the City Manager, and the initial representative for Developer shall be **Marshall Elmore** or such others as either party hereto may from time to time designate in writing and deliver in a like manner. The representatives shall be available at all reasonable times to discuss and review the performance of the parties to this Agreement, and the development of the Property.

   b) Manner of serving. All notices, filings, consents, approvals and other communications provided for herein or given in connection herewith shall be validly given, filed, made, delivered or served if in writing and delivered personally or sent by certified United States Mail, postage prepaid, return receipt requested, if to:

      City: **Matthew C. Allen, City Manager**
      City of Garden City
      301 N. 8th Street, P.O. Box 998
      Garden City, Kansas 67846

      Developer: **Marshall Elmore**
      Leam Drilling Systems, LLC
      PO Box 805
      Willis, TX 77378

      or to such other address as either party hereto may from time to time designate in writing and deliver in a like manner.

7. Mailing Effective. Notices, filings, consents, approvals and communication given by mail shall be deemed delivered upon receipt or seventy-two (72) hours following deposit in the U.S. Mail, postage prepaid and addressed as set froth above, whichever first occurs.

8. General.
   a) Waiver. No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by City or Developer of the breach of any covenant of this Agreement shall be construed as a waiver of any preceding or succeeding breach of the same or any other covenant or condition of this Agreement.

b) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The signature pages from one or more counterparts may be removed from such counterparts and such signature pages all attached to a single instrument.

c) Captions. The captions or descriptive headings of the paragraphs of this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

d) Adoption of Agreement. This Agreement shall be binding upon City only upon adoption of same by City's Governing Body.

e) Successors. All of the provisions hereof shall ensure to the benefit of and be binding upon the successors and assigns of the parties hereto as covenants running with the land.

f) No Agency/Partnership. It is not intended by this Agreement to, and nothing contained in this Agreement shall, create any partnership, joint venture or any other business relationship between Developer and City.

g) Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof. All prior and contemporaneous agreements, representations and understandings of the parties, oral or written, are hereby superseded and merged herein.

h) Amendment. No change or addition is to be made to this Agreement except by a written amendment executed by the parties hereto. Within ten (10) days after any amendments to this Agreement, such amendment shall be recorded with the Register of Deeds, Finney County, Kansas.

i) Good Standing; Authority. Each of the parties represents and warrants to the other that:

1. It is duly formed and validly existing under the laws of Kansas,

2. It is duly qualified to do business in the State of Kansas and is in good standing under applicable state laws, and

3. The individuals executing this Agreement on behalf of the respective parties are authorized and empowered to bind the party on whose behalf each such individual is signing.

j) Governing Law. This Agreement shall be construed and interpreted under the laws of Kansas.

k) Recordation/Agreement To Run With The Land and Effect. This Agreement shall be recorded in its entirety with the Register of Deeds, Finney County, Kansas, not later than ten (10) days after its execution. This Agreement shall constitute covenants that run with the land and are binding on successors in interest.

l) Construction of Agreement. This Agreement has been arrived at by negotiation and shall not be construed against either party to it or against the party who prepared the last draft.

[The remainder of this page left intentionally blank]

IN WITNESS WHEREOF, this Development Agreement is executed by City and Developer effective as to the day and year first above written.

DEVELOPER – Leam Drilling Systems, LLC

By:_____
Ron Brumley, Managing Member

ACKNOWLEDGEMENT

STATE OF KANSAS)
)SS.
COUNTY OF FINNEY)

The foregoing document was acknowledged before me this ____ day of _____, 2013, by Ron Brumley, Managing Member, Leam Drilling Systems, LLC.

_____
Notary Public

My appointment Expires: _____

CITY OF GARDEN CITY:

By: _____
David D. Crase, Mayor

ATTEST:

_____
Celyn N. Hurtado, City Clerk

REVIEWED BY:

_____
Randall D. Grisell, CITY ATTORNEY

ACKNOWLEDGEMENT

STATE OF KANSAS)
)SS.
COUNTY OF FINNEY)

This instrument was acknowledged before me on this ___ day of _____, 2013, by David D. Crase, MAYOR and Celyn N. Hurtado, CITY CLERK of the City of Garden City, Kansas, a Kansas municipal corporation.

_____
Notary Public

My appointment Expires: _____

MEMORANDUM

TO: GOVERNING BODY

FROM: Steve Cottrell

DATE: 20 June 2013

RE: AMERICAN LEGION BUILDING

GARDEN CITY
KANSAS

Engineering Department

Steven F. Cottrell, P.E., City Engineer

Alex L. Mestdagh, P.E. Assistant City Engineer

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ISSUE

Staff continues to receive inquiries about the American Legion Building and requests Governing Body direction concerning the property.

BACKGROUND

The RFP process undertaken the latter part of 2012 and early 2013 ended with no decision on use or disposition of the property. That process had some deficiencies which became apparent over time.

If another RFP is undertaken, some changes could be incorporated into the process. Review of the proposals by Planning and Inspection staff, and possibly the Planning Commission, for compliance with codes and ordinances, with written comments and recommendations, included with the submittal information reviewed by the Governing Body during the selection process.

We could set a price for the property and advise the Garden City Realtors Association that it is for sale. Another direct disposal option would be to auction the property and take the highest bid.

ALTERNATIVES

1) The Governing Body could direct staff to begin work on a new RFP process.
2) The Governing Body could market the property for sale at a price to be determined.
3) The Governing Body could put the property up for auction.
4) The Governing Body could defer action until a later date.

RECOMMENDATION

Staff requests direction from the Governing Body regarding this matter.

FISCAL

The fiscal impact to the City could be positive from revenues received from the sale of surplus properties, and from the avoidance of further expense in maintaining some properties.

Steve Cottrell

New Business

GARDEN CITY
— KANSAS —

CITY COMMISSION

DAN FANKHAUSER,
Mayor

ROY CESSNA

MELVIN DALE

JANET DOLL

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MEMORANDUM

TO: Governing Body

THROUGH: Matt Allen, City Manager

FROM: Mike Muirhead, Public Utilities Director

DATE: June 26, 2013

RE: Substation Construction Bid (Rejection)

ISSUE:
Bids were received on June 25, 2013 for the construction /assembly of Substation #10 located adjacent to the Electrical Service Center.
The engineering estimate for the construction contract was $250,000.
Only a single bid was received from Electricom came in over $200,000 higher than the Engineering estimate.

BACKGROUND:
The Electric Division is in the process of constructing Substation #10 as added transformation capacity is added to the Garden City electric grid.
The only bid received was in the amount of $635,199.27 and is far in excess of the Engineers estimate.

We are revising the scope of work to be performed by the contractor and moving some of the costs to be paid directly by the City and prepare a new set of bid documents. The revised specifications are expected to be issued by Friday June 28th with a bid due date of July 10, 2013 at 10:00.

We will also actively seek additional contractors to see if there is additional interest in the project.

ALTERNATIVES:
Accept the sole bid of $635,199.27 from Electricon
Reject the bid and direct staff to re-advertise for bids.

RECOMMENDATION:
Staff recommends that the City Commission reject the bid and direct staff to rebid the construction / assembly of substation #10.

FISCAL NOTE:
The Electric Department's Substation budget contains adequate funding for the project.

To: Governing Body

From: Rachelle Powell

Date: June 24, 2013

RE: Car Rental Lease Agreements

ISSUE

Governing Body consideration and authorization of Vehicle Rental Lease Agreements for Wheat Lands, Inc. (d/b/a Hertz) and EAN Holdings, LLC. (d/b/a Enterprise Rent-A-Car).

BACKGROUND

The current vehicle rental lease agreements began January 1, 2006 with a term expiring in December of 2011. The leases were extended twice during the parking lot construction project and are set to expire on June 30, 2013. The vehicle rental lease agreements incorporate a breakout rate structure. The office space, parking spaces and fee per vehicle rented are separate fees. The $10 per square foot rate for office space is standard. Parking spaces are charged a flat annual rate based on the number of spaces the tenant request. The fee per vehicle rental is an amount paid every time a vehicle is rented from airport property. The car rental companies provide a signed affidavit to validate the number of rented vehicles on a monthly basis.

On May 9, 2013, the Airport Advisory Board reviewed the suggested options for rental increase. The options provided are as follows:

- Option 1 – increase rates by 5%, which would create an estimated $300 increase in annual revenue
- Option 2 – increase rates by 10%, which would create an estimated $600 increase in annual revenue
- Option 3 – increase fee per vehicle rate to $5, which would create an estimated $8,000 increase in annual revenue
- Option 4 – increase fee per vehicle rate to $10, which would create an estimated $16,000 increase in annual revenue
- Option 5 – rates would change to 10% gross revenue or $350 per month (whichever is greater). This would increase the annual revenue by an estimated $2,000.

The Board recommended a new option of the parking space and fee per vehicle rental to be increased by $2.50.

- AAB Option – increase parking and fee per vehicle rate $2.50, which would create an estimated $3,300 increase in annual revenue

On June 13, 2013, the Airport Advisory Board reviewed the accompanying leases and recommend approval by the City Commission.

ALTERNATIVES

1. Governing Body authorization of the Vehicle Rental Lease Agreements for Wheat Lands, Inc. (d/b/a Hertz) and Enterprise Leasing Company-Southwest.
2. Governing Body rejection of the Vehicle Rental Lease Agreements for Wheat Lands, Inc. (d/b/a Hertz) and Enterprise Leasing Company-Southwest and provide recommended rental rates.

RECOMMENDATION

1. Governing Body authorization of the Vehicle Rental Lease Agreements for Wheat Lands, Inc. (d/b/a Hertz) and Enterprise Leasing Company-Southwest.

FISCAL NOTE

The proposed parking space and fee per vehicle rental increase of $2.50 would increase the airport revenue by an estimated $3,300 annually.

VEHICLE RENTAL LEASE AGREEMENT

THIS VEHICLE RENTAL LEASE AGREEMENT (Agreement), made this ___ day of _____, 2013, between **CITY OF GARDEN CITY, KANSAS**, a municipal corporation, hereinafter referred to as "City" and **WHEAT LANDS, INC.** (d/b/a HERTZ), a Kansas corporation, hereinafter referred to as "Tenant."

WITNESSETH:

WHEREAS, City owns and operates the Garden City Regional Airport (GCRA), Garden City, Finney County, Kansas; and

WHEREAS, Tenant desires to lease from City, office/counter space and parking spaces at the GCRA, to conduct a motor vehicle rental business; and

WHEREAS, City and Tenant desire to enter into a written agreement setting forth the terms and conditions of the agreement between the parties;

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, the parties agree as follows:

1. **PREMISES.** City does hereby grant, lease, and rent to Tenant for its use and occupancy, office/counter space and parking spaces located at the GCRA described as follows, and as detailed as the highlighted areas in Exhibit A and Exhibit B attached hereto and incorporated herein:

> A space in the Administrative Building of the GCRA, as depicted on Exhibit A (Leased Premises).

Tenant has inspected the Leased Premises and by execution of this Agreement accepts the Leased Premises in its present condition. The Leased Premises shall also include twelve (12) designated parking spaces at the GCRA.

2. **TERM.** The term of this Agreement shall be for a period of five (5) years, to commence on July 1, 2013, and end on June 30, 2018. The term shall automatically renew each year for a new one (1) year term, for a maximum of five (5) annual terms, unless either party gives the other party written notice of intent to terminate this Agreement not less than sixty (60) days prior to the end of the then current term.

3. **RENT.** Tenant shall pay to City as annual rent for the Leased Premises the following:

   A. Office/Counter Space—$1,440.00
   (144 sq. ft. at $10.00 per sq. ft.)

   B. Parking Spaces—$510.00
   (12 x $42.50/space) as depicted on Exhibit B

   C. Fee Per Vehicle Rental—$2.50

In addition to rent for office/counter space and parking spaces, Tenant shall also pay City the designated fee for each vehicle rented during the year at the GCRA, to include vehicles rented at the terminal building and the FBO, at the rate indicated in paragraph 3C. Tenant shall prepare and deliver to City a written report of the number of vehicles rented for the previous month, by the 20th of each month, with an annual report due prior to the 10th of March of each year.

All office/counter space and parking space rent shall be due and payable on or before the 10th day of March of each year of the term of this Agreement, with the first rent due on July 10, 2013. The fee for each vehicle rented shall be paid by Tenant to City on a quarterly basis as follows: Within twenty (20) days of March 31, June 30, September 30, and December 31. All rent payments shall be made to the GCRA Director of Aviation.

4. **USE OF PREMISES AND COUNTER SPACE.** Tenant intends to use the Leased Premises for the operation of a motor vehicle rental business

5. **DUTIES AND RESPONSIBILITIES OF TENANT.** Tenant agrees to the following terms and conditions in the operation of its business:

(a) To operate in a safe and environmentally responsible manner.

(b) To maintain the Leased Premises in a clean, safe, and sanitary condition and free of insects, rodents, vermin, and other pests.

(c) To refrain from performing any act or carrying out any practice which may injure the Leased Premises or any part of the GCRA, or cause any offensive odors, radio interference emission, or loud noise, or to constitute a nuisance to any other tenants, airline passengers, or the general public in the airport terminal.

(d) To conform to and comply with any and all laws, rules, and regulations which have been heretofore, which may hereinafter be adopted by any governmental authority having jurisdiction, including City, and the GCRA Advisory Board, except City shall not impose upon Tenant any rule or regulation inconsistent with the terms of this Agreement, or state or federal laws.

(e) To procure and maintain all permits and licenses, pay all charges, fees, and taxes, and give all notices required by law.

The parties acknowledge and agree that if Tenant fails or neglects to perform or observe any of Tenant's obligations, duties, or responsibilities as set forth above, such failure and/or neglect shall be considered material noncompliance with the terms and conditions of this Agreement.

6. **MAINTENANCE.** City shall be responsible for all necessary maintenance and repairs to the improvements and buildings on the Leased Premises; provided, however, Tenant shall be responsible for any repairs or maintenance required due to the negligence of Tenant, its employees, agents, or customers.

7. **UTILITIES.** City shall pay all utility charges in connection with the Leased Premises, including gas, electricity, and water. Tenant shall pay all telephone service, cable TV and internet charges, as applicable.

8. **ALTERATIONS.** Tenant shall not make any material or substantial alterations or additions to the Leased Premises without the prior written consent of City. All installations, additions, or improvements in or upon the upon the Leased Premises, made by either party, shall become the property of City and shall remain upon, and be surrendered with, the Leased Premises as a part thereof, at the expiration or sooner termination of this Agreement.

9. **AGE AND NUMBER OF RENTAL VEHICLES.** Tenant agrees that by July 1st of each year, at least twenty-five percent (25%) of all vehicles offered for rental shall be of the current model year with the remaining seventy-five percent (75%) no older than the previous three (3) model years. Tenant further agrees to have at least one (1) vehicle available for rental at all times, subject to unexpected or unusually busy mid-week periods.

10. **TAXES.** Tenant shall be responsible for payment of all taxes and assessments levied against personal property owned by Tenant and located on the Leased Premises. The parties acknowledge that the Leased Premises is exempt from ad valorum taxes at the present time since it is owned by City, however, the parties agree that should City be compelled at a later date to pay ad valorum taxes on the Leased Premises, that such taxes shall be assessed to and paid by Tenant on a pro-rata basis as determined by the square footage leased by Tenant compared to the total square footage of the real property subject to ad valorum taxes.

11. **INSURANCE.** Tenant agrees to procure and maintain a comprehensive liability insurance policy covering bodily injury and property damage in an amount not less than Five Hundred Thousand Dollars ($500,000.00) per person and One Million Dollars ($1,000,000.00) per occurrence, with City named as an additional insured. Tenant shall also maintain workers' compensation insurance for its employees and agents as required by Kansas law. Tenant acknowledges and agrees that it, its agents or employees are not employees of City. Tenant shall annually provide proof of required insurance to City, or at any time requested by City. In addition, Tenant shall immediately notify City of any cancellation of required insurance and Tenant shall require its insurance carriers to mail notices of cancellation to City.

12. **CASUALTY INSURANCE.** City agrees to keep the building where the Leased Premises are located insured against loss or damage caused by fire or other casualties. City shall not insure any property owned by Tenant, and Tenant shall not be a loss payee on any insurance policy maintained by City. Tenant shall be responsible for insuring its personal property located on the Leased Premises.

13. **INDEMNIFICATION.** Tenant shall keep, protect, and save harmless City from any loss, cost, claim, judgment or experience of any sort or nature, and from any liability to any person, on account of any injury, damage or death to any person or property arising out of any use of the Leased Premises by Tenant, its agents, employees, or customers. City shall keep, protect, indemnify and hold Tenant harmless from any loss, claim, judgment, or experience of any sort or nature, and from any liability to any person, on account of any injury, damage or death to any person or property arising out of any use and ownership of the GCRA by City, and the acts or omissions of its employees, agents, or elected officials.

14. **LIENS AND ENCUMBRANCES.** Tenant covenants and agrees at all times to keep the Leased Premises free from liens and encumbrances of whatever kind or nature arising from, or predicated upon, materials furnished or work or labor performed upon the Leased Premises, at Tenant's request or by Tenant's authority.

15. **DAMAGE BY FIRE OR OTHER CASUALTY.** Tenant shall use every precaution against fire and shall, in case of fire or other casualty for which Tenant is not under an obligation to repair, immediately notify City, who shall, unless the Leased Premises be so damaged that City shall decide not to repair or rebuild, thereupon cause the damage to be promptly repaired. If the Leased Premises are so destroyed or damaged so that City decides not to repair or rebuild, either temporarily or permanently, then the term of this Agreement shall cease as of the date upon which the casualty occurred, with no further obligation of either party hereunder to recognize this Agreement. If City decides to rebuild or repair, then the rent during the restoration period shall abate in proportion and to the extent the Leased Premises had been rendered untenantable by said casualty.

16. **RIGHT TO INSPECT.** City hereby reserves, and Tenant hereby accords to City, the right, personally or through any representative of City's choice, to enter upon and to inspect the Leased Premises, at any and all reasonable times, with 24 hours advance notice, for the purpose of inspecting the Leased Premises, exhibiting the same to a prospective purchaser or lessee, or otherwise.

17. **TENANT HOLDING OVER.** In the event that Tenant shall remain in the Leased Premises after the expiration of the term of this Agreement without having executed a new written Agreement with City, except in the case of an automatic annual renewal, as set forth in paragraph 2 hereof, for which no notice or new agreement is required, such holding over shall not constitute a renewal or extension of this Agreement. City may, at its option, elect to treat Tenant as one who has not been removed at the end of term, and thereupon be entitled to all the remedies against Tenant provided by law in that situation. In the alternative, City may elect, at its option, to construe such holding over as a tenancy from month-to-month, subject to all the terms and conditions of this Agreement, except as to duration thereof, and in that event Tenant shall pay monthly rent in advance at the rate provided herein as effective during the last month of the Agreement.

18. **SURRENDER AND TERMINATION.** Subject to the holding over period provided in paragraph 17 above, upon expiration of this Agreement for any reason, whether by reason of expiration of the term hereof or cancellation for default or otherwise, Tenant shall, and hereby covenants and agrees to peacefully surrender and deliver up possession of the Leased Premises to City, broom-clean and in as good condition or repair as the same were at the inception of this Agreement, reasonable depreciation, damages from the elements and wear and tear excepted, including, but not limited to, the obligation to repair any and all damages caused by Tenant's removal of any trade fixtures or equipment installed by Tenant during the term hereof.

19. **DEFAULT.** This Agreement is made upon the express condition that if Tenant fails to pay the rent specified in paragraph 3 above, after the same shall become due and such failure shall continue for a period of ten (10) days after written notice thereof from City to Tenant, or if Tenant fails or neglects to perform or observe any of Tenant's other obligations hereunder and such failure and neglect shall continue for ten (10) days after written notice to Tenant from City, or such additional reasonable time as may be necessary to remedy such failure or neglect, acting diligently, City at any time thereafter, by written notice to Tenant, may lawfully declare the termination of this Agreement and re-enter the Leased Premises or any part thereof. City shall have the right to remove, at Tenant's expense, any of Tenant's property left remaining in or upon the Leased Premises. In addition, Tenant shall remain and continue to be liable to City in a sum

equal to all fixed and additional rent herein reserved for the balance of the term herein originally granted, subject to the City's duty to mitigate damages. City shall have the right to pursue all available remedies allowed by law, should Tenant be in default.

20. **ASSIGNMENT OR SUBLEASE.** Tenant shall not assign, sublet, or transfer this Agreement or any rights granted to Tenant herein, nor shall Tenant sell or convey this Agreement or any right herein, without the prior written consent of City, which consent shall not be unreasonably withheld, conditioned or delayed.

21. **SIGNS.** Tenant shall have the right to install signs to the Leased Premises, either outside or inside, provided however, that no sign shall be installed without first obtaining written authorization from City. All signs and displays must be designed in such a fashion that they do not cause material damage to the Leased Premises. At the termination of this Agreement, all signs must be removed and all holes and damages from installing and removing signs must be repaired at Tenant's expense. All signs and displays must conform with applicable ordinances of City.

22. **NONEXCLUSIVE RIGHT.** It is understood and agreed that nothing contained herein shall be construed to grant or authorize the granting of an exclusive right for an aeronautical activity, pursuant to the Federal Aviation Act of 1958, Section 308, and the Civil Aeronautics Act of 1938, Section 303.

23. **NONDISCRIMINATION.**

(a) Tenant, as part of the consideration hereof, for itself, its personal representatives, successors in interest, and assigns, does hereby covenant and agree, as a covenant running with the land: (1) that no person on the grounds of race, color, religion, sex, or national origin, shall be excluded from participation in, denied the benefit of, or be otherwise subjected to discrimination by Tenant, in the use of the Leased Premises hereunder, (2) that in the construction of any improvements on, over, or under such Leased Premises, and the furnishing of services thereon, no person on the grounds of race, color, religion, sex, or national origin, shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, and (3) that Tenant shall use the Leased Premises hereunder in compliance with all other applicable requirements imposed by Title 49 Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation Effectuation of Title VI of the Civil Rights Act of 1964, as said regulations may apply or be amended from time to time.

(b) In the event that Tenant should breach any of the above nondiscrimination covenants, City shall have the right to terminate this Agreement and re-enter and repossess the Leased Premises, and hold the same as if this Agreement had never been made or issued.

(c) This Agreement shall be subordinate to the provisions of any existing and future agreements between City and the United States of America, the State of Kansas, and the City of Garden City, Kansas, their boards, agencies, or commissions, relative to the operation or maintenance of the GCRA, the execution of which has been or will be required as a condition to the expenditure of federal, state, or city funds or the issuance of bonds for the development of the GCRA.

24. **ACCESSIBILITY FOR HANDICAPPED.** City will be responsible for any alterations and/or construction within the Leased Premises, which may be mandated by the Americans with Disabilities Act of 1990, 42 U.S.C.S. § 12101, et seq, as amended.

25. **OBSTRUCTIONS.** City reserves the right to take any action it may deem necessary to protect aerial approaches of the GCRA against obstructions, together with the right to prevent Tenant from erecting, or permitting to be erected, any building or any other structure on the Leased Premises which, in the opinion of City, will limit the usefulness of the GCRA or constitute a hazard to the safe operation of the GCRA facilities. Tenant, and its successors and assigns will complete a Federal Aviation Administration (FAA) Form 7460-1, Notice of Proposed Construction or Alteration, and receive a favorable determination from the FAA prior to any construction on the GCRA which it may desire to undertake, and for which it has received City's prior written approval.

26. **NONDISCRIMINATION IN EMPLOYMENT OPPORTUNITIES.** Tenant assures that it will comply with pertinent federal and state statutes, Executive Orders, and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or handicap, be discriminated against in any employment opportunity with Tenant.

27. **STRICT COMPLIANCE WITH LAWS.** Tenant agrees to observe and obey, during the term of this Agreement, any and all laws, ordinances, rules, and regulations which have been or may be enacted or promulgated by the United States, Federal Aviation Administration, State of Kansas, City, the GCRA Director of Aviation, the GCRA Advisory Board, or any other governmental agency or entity having jurisdiction over the GCRA.

28. **ENVIRONMENTAL LAWS.** Tenant shall obey all applicable local, state and federal laws, ordinances and regulations relating to the safety, preservation or protection of human health and the environment and the handling, treatment, transportation, or disposal of waste. Tenant shall not maintain any underground fuel or oil storage tanks on or about the Leased Premises. Tenant shall be responsible for the cleanup of any spills of fuel, chemicals or other hazardous materials caused by Tenant's use and occupancy of the Leased Premises. Tenant shall indemnify City against damages related to any adverse environmental condition arising on or about the Leased Premises caused by the acts or negligence of Tenant, its employees or designees.

29. **RELEASE AND SUBROGATION.** City and Tenant each waive any right to recover against the other for damage to the GCRA or the Leased Premises or any part thereof or any property thereon, but only to the extent that such damage is covered by insurance actually carried or required to be carried by either City or Tenant. This provision is intended to waive fully, and for the benefit of each party, any rights and claims which might give rise to a right of subrogation in any insurance carrier.

30. **QUIET ENJOYMENT.** City covenants and agrees with Tenant that upon Tenant paying the rents and observing and performing all of the terms, covenants and conditions on Tenant's part to be observed and performed hereunder (subject to applicable grace or cure periods), Tenant may peaceably and quietly have, hold, occupy and enjoy the Leased Premises without hindrance or molestation from City or any persons lawfully claiming through City.

31. **GENERAL COVENANTS.**

(a) All notices required or which may be given hereunder shall be considered as properly given if delivered in writing, personally, or sent by certified mail, postage prepaid, addressed as follows:

(1) If to City:

Director of Aviation - Garden City Regional Airport
2225 South Air Service Road, Suite 112
Garden City, Kansas 67846
Telephone No. (620) 276-1190

(2) If to Tenant:

Wheat Lands, Inc.
1404 East Fulton
Garden City, Kansas 67846
Telephone No. (620) 276-6884

Notices served by mail shall be deemed to be given on the date on which such notice is deposited in the United States mail.

(b) This Agreement may be amended, changed, or modified, only upon the written consent of all the parties.

(c) This Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective heirs, and personal representatives and permitted assigns.

(d) This Agreement shall be construed in accordance with the laws of the State of Kansas.

IN WITNESS WHEREOF, the parties have entered into this Agreement the day and year first above written, in multi-part, each of which shall constitute an original.

CITY OF GARDEN CITY, KANSAS

By _____
DAN FANKHAUSER, Mayor

ATTEST:

_____
CELYN N. HURTADO, City Clerk

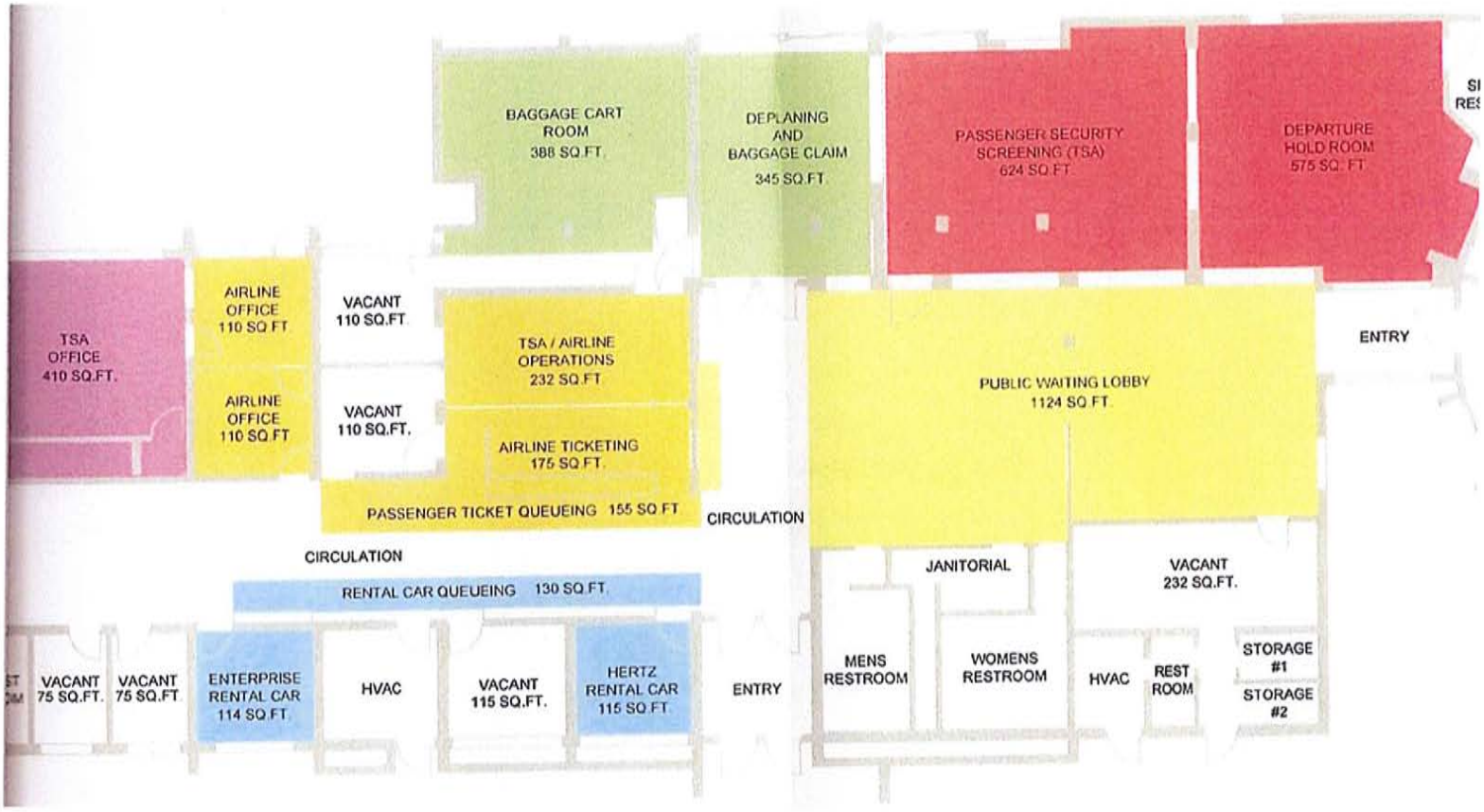
WHEAT LANDS, INC., d/b/a HERTZ

By _____
President

ATTEST:

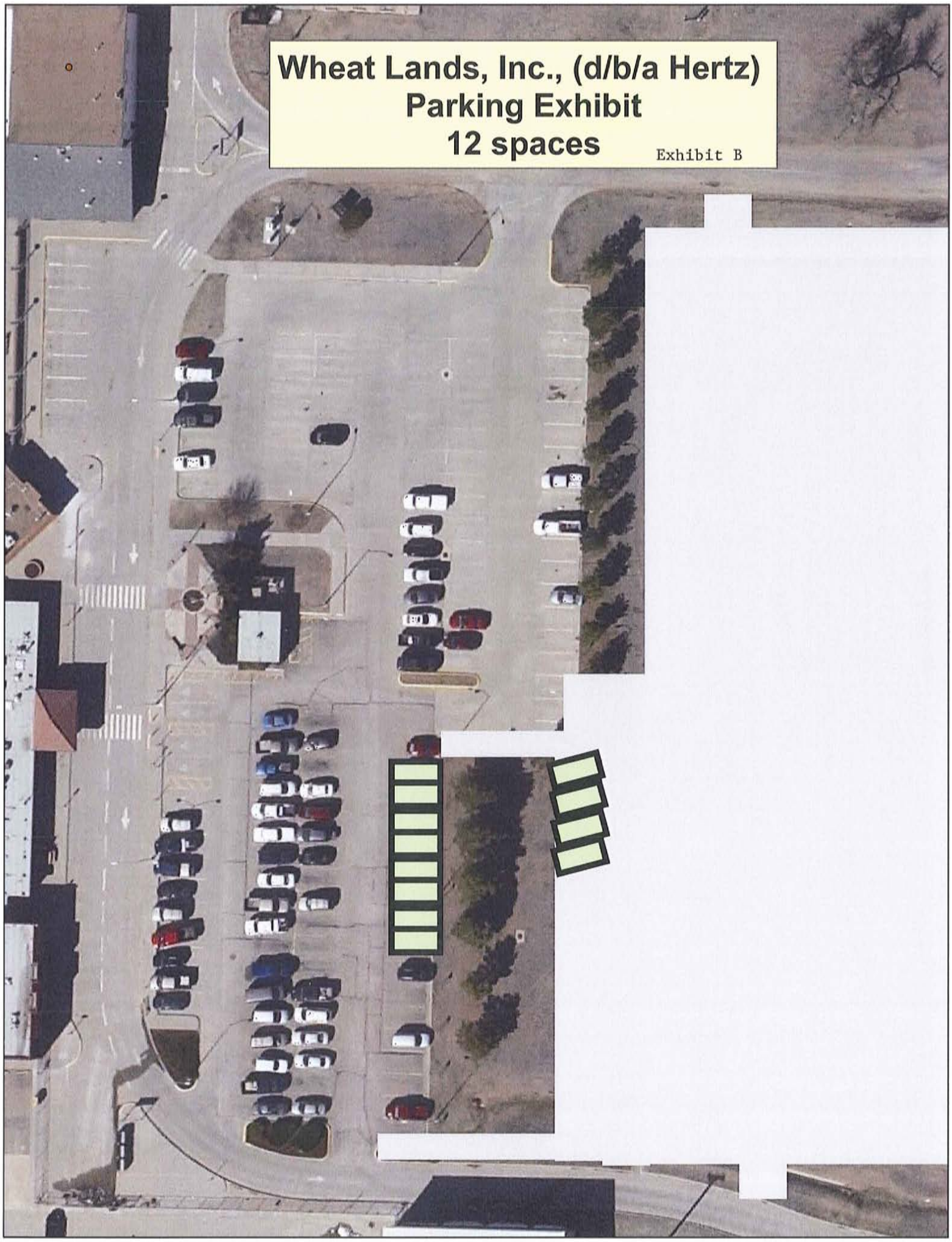
_____
Secretary

Garden City Regional Airport
Exhibit A



Wheat Lands, Inc., (d/b/a Hertz)
Parking Exhibit
12 spaces

Exhibit B



VEHICLE RENTAL LEASE AGREEMENT

THIS VEHICLE RENTAL LEASE AGREEMENT (Agreement), made this ___ day of _____, 2013, between **CITY OF GARDEN CITY, KANSAS**, a municipal corporation, hereinafter referred to as "City" and **EAN HOLDINGS, LLC** (d/b/a Enterprise Rent-A-Car), a Delaware limited liability company, hereinafter referred to as "Tenant."

WITNESSETH:

WHEREAS, City owns and operates the Garden City Regional Airport (GCRA), Garden City, Finney County, Kansas; and

WHEREAS, Tenant desires to lease from City, office/counter space and parking spaces at the GCRA, to conduct a motor vehicle rental business; and

WHEREAS, City and Tenant desire to enter into a written agreement setting forth the terms and conditions of the agreement between the parties;

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, the parties agree as follows:

1. **PREMISES.** City does hereby grant, lease, and rent to Tenant for its use and occupancy, office/counter space and parking spaces located at the GCRA described as follows, and as detailed as the highlighted areas in Exhibit A and Exhibit B attached hereto and incorporated herein:

> A space in the Administrative Building of the GCRA, as depicted on Exhibit A (Leased Premises).

Tenant has inspected the Leased Premises and by execution of this Agreement accepts the Leased Premises in its present condition. The Leased Premises shall also include twelve (12) designated parking spaces at the GCRA.

2. **TERM.** The term of this Agreement shall be for a period of five (5) years, to commence on July 1, 2013, and end on June 30, 2018. The term shall automatically renew each year for a new one (1) year term, for a maximum of five (5) annual terms, unless either party gives the other party written notice of intent to terminate this Agreement not less than sixty (60) days prior to the end of the then current term.

3. **RENT.** Tenant shall pay to City as annual rent for the Leased Premises the following:

   A. Office/Counter Space—$1,440.00
   (144 sq. ft. at $10.00 per sq. ft.)

   B. Parking Spaces—$510.00
   (12 x $42.50/space) as depicted on Exhibit B

   C. Fee Per Vehicle Rental—$2.50

In addition to rent for office/counter space and parking spaces, Tenant shall also pay City the designated fee for each vehicle rented during the year at the GCRA, to include vehicles rented at the terminal building and the FBO, at the rate indicated in paragraph 3C. Tenant shall prepare and deliver to City a written report of the number of vehicles rented for the previous month, by the 20th of each month, with an annual report due prior to the 10th of March of each year.

All office/counter space and parking space rent shall be due and payable on or before the 10th day of March of each year of the term of this Agreement, with the first rent due on July 10, 2013. The fee for each vehicle rented shall be paid by Tenant to City on a quarterly basis as follows: Within twenty (20) days of March 31, June 30, September 30, and December 31. All rent payments shall be made to the GCRA Director of Aviation.

4. **USE OF PREMISES AND COUNTER SPACE.** Tenant intends to use the Leased Premises for the operation of a motor vehicle rental business

5. **DUTIES AND RESPONSIBILITIES OF TENANT.** Tenant agrees to the following terms and conditions in the operation of its business:

(a) To operate in a safe and environmentally responsible manner.

(b) To maintain the Leased Premises in a clean, safe, and sanitary condition and free of insects, rodents, vermin, and other pests.

(c) To refrain from performing any act or carrying out any practice which may injure the Leased Premises or any part of the GCRA, or cause any offensive odors, radio interference emission, or loud noise, or to constitute a nuisance to any other tenants, airline passengers, or the general public in the airport terminal.

(d) To conform to and comply with any and all laws, rules, and regulations which have been heretofore, which may hereinafter be adopted by any governmental authority having jurisdiction, including City, and the GCRA Advisory Board, except City shall not impose upon Tenant any rule or regulation inconsistent with the terms of this Agreement, or state or federal laws.

(e) To procure and maintain all permits and licenses, pay all charges, fees, and taxes, and give all notices required by law.

The parties acknowledge and agree that if Tenant fails or neglects to perform or observe any of Tenant's obligations, duties, or responsibilities as set forth above, such failure and/or neglect shall be considered material noncompliance with the terms and conditions of this Agreement.

6. **MAINTENANCE.** City shall be responsible for all necessary maintenance and repairs to the improvements and buildings on the Leased Premises; provided, however, Tenant shall be responsible for any repairs or maintenance required due to the negligence of Tenant, its employees, agents, or customers.

7. **UTILITIES.** City shall pay all utility charges in connection with the Leased Premises, including gas, electricity, and water. Tenant shall pay all telephone service, cable TV and internet charges, as applicable.

8. **ALTERATIONS.** Tenant shall not make any material or substantial alterations or additions to the Leased Premises without the prior written consent of City. All installations, additions, or improvements in or upon the upon the Leased Premises, made by either party, shall become the property of City and shall remain upon, and be surrendered with, the Leased Premises as a part thereof, at the expiration or sooner termination of this Agreement.

9. **AGE AND NUMBER OF RENTAL VEHICLES.** Tenant agrees that by July 1st of each year, at least twenty-five percent (25%) of all vehicles offered for rental shall be of the current model year with the remaining seventy-five percent (75%) no older than the previous three (3) model years. Tenant further agrees to have at least one (1) vehicle available for rental at all times, subject to unexpected or unusually busy mid-week periods.

10. **TAXES.** Tenant shall be responsible for payment of all taxes and assessments levied against personal property owned by Tenant and located on the Leased Premises. The parties acknowledge that the Leased Premises is exempt from ad valorum taxes at the present time since it is owned by City, however, the parties agree that should City be compelled at a later date to pay ad valorum taxes on the Leased Premises, that such taxes shall be assessed to and paid by Tenant on a pro-rata basis as determined by the square footage leased by Tenant compared to the total square footage of the real property subject to ad valorum taxes.

11. **INSURANCE.** Tenant agrees to procure and maintain a comprehensive liability insurance policy covering bodily injury and property damage in an amount not less than Five Hundred Thousand Dollars ($500,000.00) per person and One Million Dollars ($1,000,000.00) per occurrence, with City named as an additional insured. Tenant shall also maintain workers' compensation insurance for its employees and agents as required by Kansas law. Tenant acknowledges and agrees that it, its agents or employees are not employees of City. Tenant shall annually provide proof of required insurance to City, or at any time requested by City. In addition, Tenant shall immediately notify City of any cancellation of required insurance and Tenant shall require its insurance carriers to mail notices of cancellation to City.

12. **CASUALTY INSURANCE.** City agrees to keep the building where the Leased Premises are located insured against loss or damage caused by fire or other casualties. City shall not insure any property owned by Tenant, and Tenant shall not be a loss payee on any insurance policy maintained by City. Tenant shall be responsible for insuring its personal property located on the Leased Premises.

13. **INDEMNIFICATION.** Tenant shall keep, protect, and save harmless City from any loss, cost, claim, judgment or experience of any sort or nature, and from any liability to any person, on account of any injury, damage or death to any person or property arising out of any use of the Leased Premises by Tenant, its agents, employees, or customers. City shall keep, protect, indemnify and hold Tenant harmless from any loss, claim, judgment, or experience of any sort or nature, and from any liability to any person, on account of any injury, damage or death to any person or property arising out of any use and ownership of the GCRA by City, and the acts or omissions of its employees, agents, or elected officials.

14. **LIENS AND ENCUMBRANCES.** Tenant covenants and agrees at all times to keep the Leased Premises free from liens and encumbrances of whatever kind or nature arising from, or predicated upon, materials furnished or work or labor performed upon the Leased Premises, at Tenant's request or by Tenant's authority.

15. **DAMAGE BY FIRE OR OTHER CASUALTY.** Tenant shall use every precaution against fire and shall, in case of fire or other casualty for which Tenant is not under an obligation to repair, immediately notify City, who shall, unless the Leased Premises be so damaged that City shall decide not to repair or rebuild, thereupon cause the damage to be promptly repaired. If the Leased Premises are so destroyed or damaged so that City decides not to repair or rebuild, either temporarily or permanently, then the term of this Agreement shall cease as of the date upon which the casualty occurred, with no further obligation of either party hereunder to recognize this Agreement. If City decides to rebuild or repair, then the rent during the restoration period shall abate in proportion and to the extent the Leased Premises had been rendered untenantable by said casualty.

16. **RIGHT TO INSPECT.** City hereby reserves, and Tenant hereby accords to City, the right, personally or through any representative of City's choice, to enter upon and to inspect the Leased Premises, at any and all reasonable times, with 24 hours advance notice, for the purpose of inspecting the Leased Premises, exhibiting the same to a prospective purchaser or lessee, or otherwise.

17. **TENANT HOLDING OVER.** In the event that Tenant shall remain in the Leased Premises after the expiration of the term of this Agreement without having executed a new written Agreement with City, except in the case of an automatic annual renewal, as set forth in paragraph 2 hereof, for which no notice or new agreement is required, such holding over shall not constitute a renewal or extension of this Agreement. City may, at its option, elect to treat Tenant as one who has not been removed at the end of term, and thereupon be entitled to all the remedies against Tenant provided by law in that situation. In the alternative, City may elect, at its option, to construe such holding over as a tenancy from month-to-month, subject to all the terms and conditions of this Agreement, except as to duration thereof, and in that event Tenant shall pay monthly rent in advance at the rate provided herein as effective during the last month of the Agreement.

18. **SURRENDER AND TERMINATION.** Subject to the holding over period provided in paragraph 17 above, upon expiration of this Agreement for any reason, whether by reason of expiration of the term hereof or cancellation for default or otherwise, Tenant shall, and hereby covenants and agrees to peacefully surrender and deliver up possession of the Leased Premises to City, broom-clean and in as good condition or repair as the same were at the inception of this Agreement, reasonable depreciation, damages from the elements and wear and tear excepted, including, but not limited to, the obligation to repair any and all damages caused by Tenant's removal of any trade fixtures or equipment installed by Tenant during the term hereof.

19. **DEFAULT.** This Agreement is made upon the express condition that if Tenant fails to pay the rent specified in paragraph 3 above, after the same shall become due and such failure shall continue for a period of ten (10) days after written notice thereof from City to Tenant, or if Tenant fails or neglects to perform or observe any of Tenant's other obligations hereunder and such failure and neglect shall continue for ten (10) days after written notice to Tenant from City, or such additional reasonable time as may be necessary to remedy such failure or neglect, acting diligently, City at any time thereafter, by written notice to Tenant, may lawfully declare the termination of this Agreement and re-enter the Leased Premises or any part thereof. City shall have the right to remove, at Tenant's expense, any of Tenant's property left remaining in or upon the Leased Premises. In addition, Tenant shall remain and continue to be liable to City in a sum

equal to all fixed and additional rent herein reserved for the balance of the term herein originally granted, subject to the City's duty to mitigate damages. City shall have the right to pursue all available remedies allowed by law, should Tenant be in default.

20. **ASSIGNMENT OR SUBLEASE.** Tenant shall not assign, sublet, or transfer this Agreement or any rights granted to Tenant herein, nor shall Tenant sell or convey this Agreement or any right herein, without the prior written consent of City, which consent shall not be unreasonably withheld, conditioned or delayed.

21. **SIGNS.** Tenant shall have the right to install signs to the Leased Premises, either outside or inside, provided however, that no sign shall be installed without first obtaining written authorization from City. All signs and displays must be designed in such a fashion that they do not cause material damage to the Leased Premises. At the termination of this Agreement, all signs must be removed and all holes and damages from installing and removing signs must be repaired at Tenant's expense. All signs and displays must conform with applicable ordinances of City.

22. **NONEXCLUSIVE RIGHT.** It is understood and agreed that nothing contained herein shall be construed to grant or authorize the granting of an exclusive right for an aeronautical activity, pursuant to the Federal Aviation Act of 1958, Section 308, and the Civil Aeronautics Act of 1938, Section 303.

23. **NONDISCRIMINATION.**

(a) Tenant, as part of the consideration hereof, for itself, its personal representatives, successors in interest, and assigns, does hereby covenant and agree, as a covenant running with the land: (1) that no person on the grounds of race, color, religion, sex, or national origin, shall be excluded from participation in, denied the benefit of, or be otherwise subjected to discrimination by Tenant, in the use of the Leased Premises hereunder, (2) that in the construction of any improvements on, over, or under such Leased Premises, and the furnishing of services thereon, no person on the grounds of race, color, religion, sex, or national origin, shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, and (3) that Tenant shall use the Leased Premises hereunder in compliance with all other applicable requirements imposed by Title 49 Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation Effectuation of Title VI of the Civil Rights Act of 1964, as said regulations may apply or be amended from time to time.

(b) In the event that Tenant should breach any of the above nondiscrimination covenants, City shall have the right to terminate this Agreement and re-enter and repossess the Leased Premises, and hold the same as if this Agreement had never been made or issued.

(c) This Agreement shall be subordinate to the provisions of any existing and future agreements between City and the United States of America, the State of Kansas, and the City of Garden City, Kansas, their boards, agencies, or commissions, relative to the operation or maintenance of the GCRA, the execution of which has been or will be required as a condition to the expenditure of federal, state, or city funds or the issuance of bonds for the development of the GCRA.

24. **ACCESSIBILITY FOR HANDICAPPED.** City will be responsible for any alterations and/or construction within the Leased Premises, which may be mandated by the Americans with Disabilities Act of 1990, 42 U.S.C.S. § 12101, et seq, as amended.

25. **OBSTRUCTIONS.** City reserves the right to take any action it may deem necessary to protect aerial approaches of the GCRA against obstructions, together with the right to prevent Tenant from erecting, or permitting to be erected, any building or any other structure on the Leased Premises which, in the opinion of City, will limit the usefulness of the GCRA or constitute a hazard to the safe operation of the GCRA facilities. Tenant, and its successors and assigns will complete a Federal Aviation Administration (FAA) Form 7460-1, Notice of Proposed Construction or Alteration, and receive a favorable determination from the FAA prior to any construction on the GCRA which it may desire to undertake, and for which it has received City's prior written approval.

26. **NONDISCRIMINATION IN EMPLOYMENT OPPORTUNITIES.** Tenant assures that it will comply with pertinent federal and state statutes, Executive Orders, and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or handicap, be discriminated against in any employment opportunity with Tenant.

27. **STRICT COMPLIANCE WITH LAWS.** Tenant agrees to observe and obey, during the term of this Agreement, any and all laws, ordinances, rules, and regulations which have been or may be enacted or promulgated by the United States, Federal Aviation Administration, State of Kansas, City, the GCRA Director of Aviation, the GCRA Advisory Board, or any other governmental agency or entity having jurisdiction over the GCRA.

28. **ENVIRONMENTAL LAWS.** Tenant shall obey all applicable local, state and federal laws, ordinances and regulations relating to the safety, preservation or protection of human health and the environment and the handling, treatment, transportation, or disposal of waste. Tenant shall not maintain any underground fuel or oil storage tanks on or about the Leased Premises. Tenant shall be responsible for the cleanup of any spills of fuel, chemicals or other hazardous materials caused by Tenant's use and occupancy of the Leased Premises. Tenant shall indemnify City against damages related to any adverse environmental condition arising on or about the Leased Premises caused by the acts or negligence of Tenant, its employees or designees.

29. **RELEASE AND SUBROGATION.** City and Tenant each waive any right to recover against the other for damage to the GCRA or the Leased Premises or any part thereof or any property thereon, but only to the extent that such damage is covered by insurance actually carried or required to be carried by either City or Tenant. This provision is intended to waive fully, and for the benefit of each party, any rights and claims which might give rise to a right of subrogation in any insurance carrier.

30. **QUIET ENJOYMENT.** City covenants and agrees with Tenant that upon Tenant paying the rents and observing and performing all of the terms, covenants and conditions on Tenant's part to be observed and performed hereunder (subject to applicable grace or cure periods), Tenant may peaceably and quietly have, hold, occupy and enjoy the Leased Premises without hindrance or molestation from City or any persons lawfully claiming through City.

31. **GENERAL COVENANTS.**

(a) All notices required or which may be given hereunder shall be considered as properly given if delivered in writing, personally, or sent by certified mail, postage prepaid, addressed as follows:

(1) If to City:

Director of Aviation - Garden City Regional Airport
2225 South Air Service Road, Suite 112
Garden City, Kansas 67846
Telephone No. (620) 276-1190

(2) If to Tenant:

EAN Holdings, LLC
6300 E. 37th North Street
Wichita, Kansas 67220-1999
Telephone No. (316) 689-0010

with copy as follows:

Enterprise Holdings, Inc.
600 Corporate Park Drive
St. Louis, Missouri 63105
Attn: Airport Properties and Relations

Notices served by mail shall be deemed to be given on the date on which such notice is deposited in the United States mail.

(b) This Agreement may be amended, changed, or modified, only upon the written consent of all the parties.

(c) This Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective heirs, and personal representatives and permitted assigns.

(d) This Agreement shall be construed in accordance with the laws of the State of Kansas.

IN WITNESS WHEREOF, the parties have entered into this Agreement the day and year first above written, in multi-part, each of which shall constitute an original.

CITY OF GARDEN CITY, KANSAS

By _____
DAN FANKHAUSER, Mayor

ATTEST:

_____
CELYN N. HURTADO, City Clerk

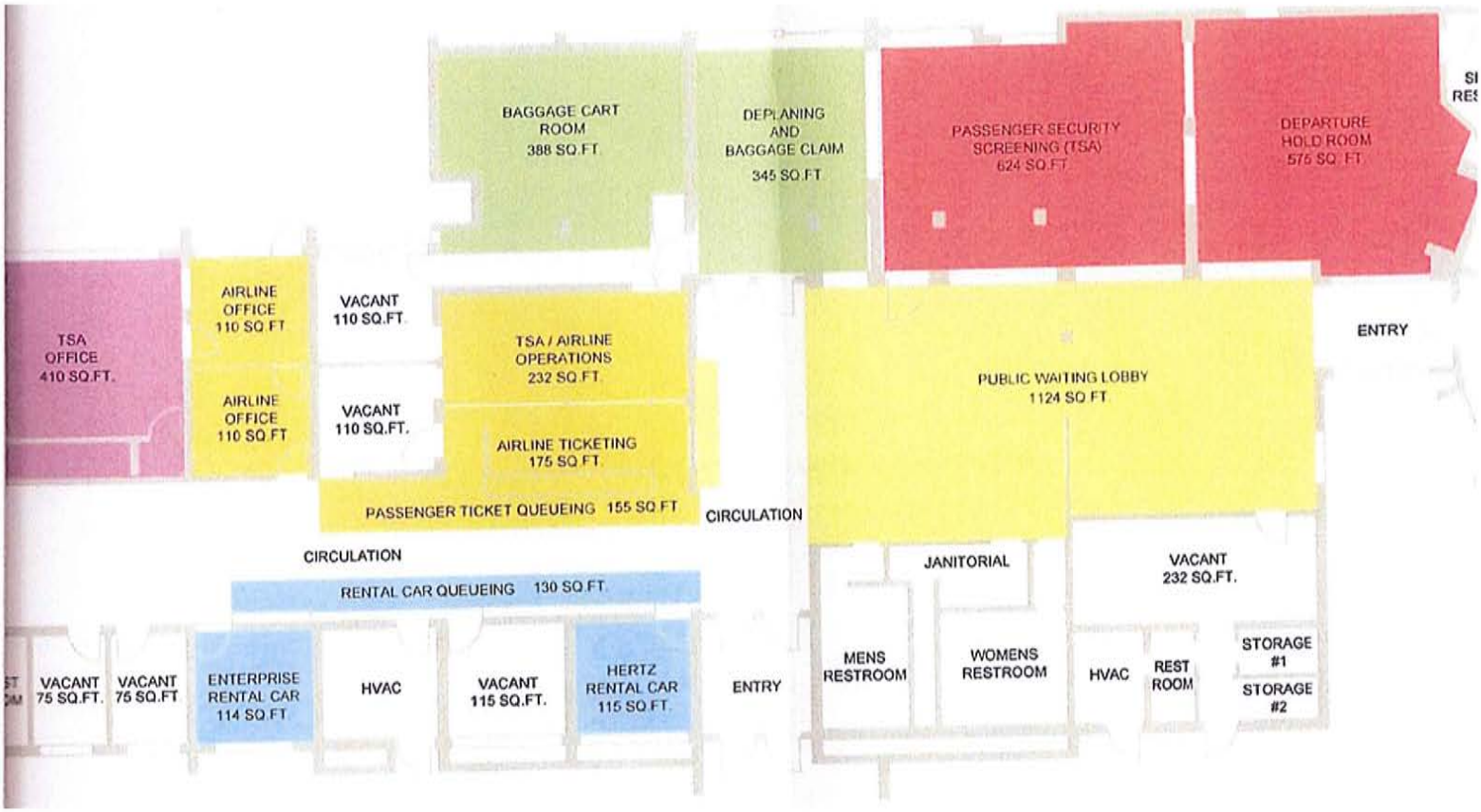
EAN HOLDINGS, LLC, d/b/a Enterprise Rent-A-Car
a Delaware limited liability company

By _____
ANTHONY HALAS, Regional Vice-President

ATTEST:

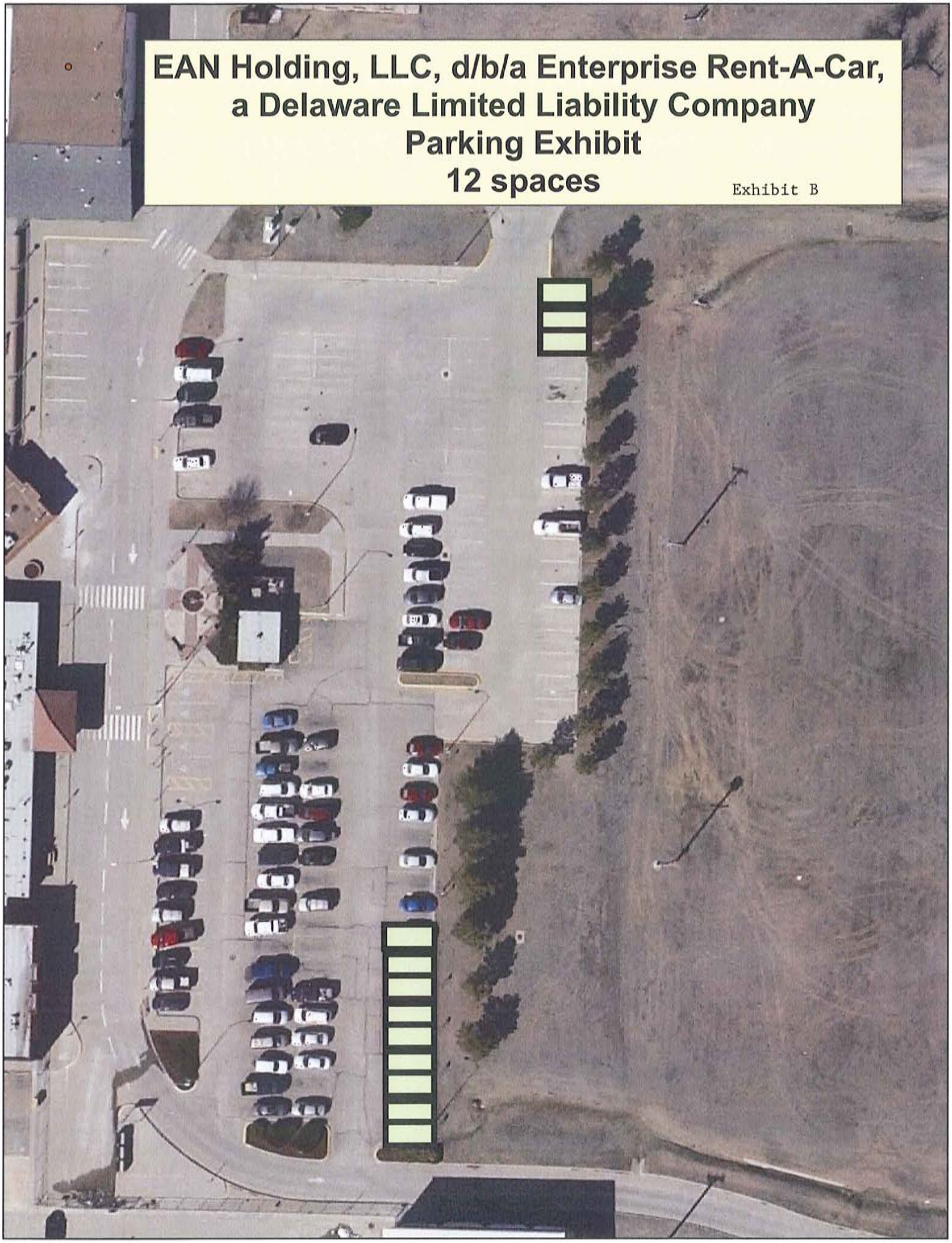
_____
Secretary

Garden City Regional Airport
Exhibit A



EAN Holding, LLC, d/b/a Enterprise Rent-A-Car, a Delaware Limited Liability Company
Parking Exhibit
12 spaces

Exhibit B



Consent Agenda

KANSAS DEPARTMENT OF TRANSPORTATION

BUREAU OF LOCAL PROJECTS

REQUEST FOR CONSTRUCTION PROJECT

Submit One (1) Copy, **With Map**, to KDOT

City Garden City

WHEREAS: The Secretary of Transportation of the State of Kansas, hereinafter referred to as the Secretary, has been designated as agent for City of Garden City County under an agreement dated _____, or,

WHEREAS: The Secretary's agency for the City of Garden City will be designated under an agreement to be executed, and,

WHEREAS: the Federal-Aid Highway Act of 1956, as amended, and subsequent acts and amendments, provided Federal-Aid funds to assist the counties, cities and other political sub-divisions in improving their roads and streets, and,

WHEREAS: The above-noted county/city desires to improve a certain portion of their road or street system as is more fully described hereinafter, now, therefore,

BE IT RESOLVED: That the Secretary is hereby requested to program, for construction, that portion of road / street which is functionally classified as a _____ on Route Number k-156 located:

Total Project Length _____ (Km) _____ (Mi)

ESTIMATED costs of such improvements are as follows:

Grading / Culverts / Storm Sewer		$ 0
Surfacing (Type)		$ 0
Bridges (Number)		$ 0
Other		$ 831000
ESTIMATED Total for Project		$ 831,000

Surveys and plans will be prepared by: City of Grden City, Engineering Department

BE IT FURTHER RESOLVED: That sufficient funds of Garden City City are now, or will be, available and are hereby pledged to the Secretary in the amount and at the time required for the supplementing of federal funds available for the completion of this project. Prior to Federal Authorization, any project expenditures made by the County/City are ineligible for federal funding and remain the responsibility of the County/City. Upon cancellation of the project by the County/City, the County/City shall reimburse the Secretary within thirty (30) days after receipt of statement of cost incurred by the Secretary prior to cancellation.

Adopted this 2nd day of July ,20 13 , at Garden City , Kansas.

Recommended for Approval: APPROPRIATE LOCAL OFFICIAL(S)

County/City Engineer or Administrator

Chairperson/Mayor

Member

ATTEST:

County/City Clerk

Member

REQUEST FOR CONSTRUCTION PROJECT

City: Garden City

Area Served: General Farming ____ Livestock ____ Oil/Gas ____ Industrial ____ Suburban ____ Urban ✔
Others: 831000

Utilities to be adjusted: none

Environmental Concerns: Parks No Wetlands No Other No

Traffic Data: Present AADT 9,490 Year Estimated Future AADT 10,800 Year 2023

Existing Facilities:					Curb & Gutter	Storm Sewer
Roadbed Width	Surface Type	Surface Width	Condition	Surface Thickness		
(M)		(M)				
(Ft)		(Ft)				

Proposed Facilities:				Surface Thickness or Rate/Km or /Mi	Curb & Gutter	Storm Sewer
Roadbed Width	Surface Type	Surface Width	Surfacing By:			
(M)		(M)				
(Ft)		(Ft)				

Existing Bridges:				Safe Load	Suff. Rating	Rating Year	Posted
NBIP Structure Number	Structure Type	Over-all Length	Clear Roadway				
		(M) (Ft)	(M) (Ft)				
		(M) (Ft)	(M) (Ft)				

Proposed New Bridges:		
Structure Type	Over-all Length	Clear Roadway
	(M) (Ft)	(M) (Ft)
	(M) (Ft)	(M) (Ft)

Railroad Crossings:	No. of Tracks	Main Tracks	Other Tracks	Avg. Trains Daily	Min. Vis. @ 300'	Present Protection	Proposed Protection
Company Name							
	2	2	2	200002	30000'	None	

Comments: Coosntruct 10' wide pbicycle/pedestrian pathway on K-156/Kansas Avenue from Campus Drive to Lelslie Road, Leslie Road from K-156 to Lareu Road, and Lareu Road west of Leslie. Includes traffic signal modifiactions, barrier wall relcation, landscaping & irrigation, and

REQUEST FOR CONSTRUCTION PROJECT

In accordance with the Bureau of Local Projects (BLP) Memo 99-11, dated December 16, 1999, we are required, under the Comprehensive Transportation Program (CTP) to collect and record total costs of all work phases of projects. This includes local agency federal-aid and state-aid projects that include any non-participating, pre-construction local agency costs for preliminary engineering (plan design), rights of way and utility adjustments.

Please show below your estimate of the cost of any of the following non-participating work phases for this proposed project.

Preliminary Engineering (PE)
Please estimate the payments you will make to your consultant. If your agency will perform its own PE, include your estimated direct costs plus overhead.

Rights of Way (R/W)
Please estimate the payments you will make to landowners.

Utility Adjustments (UTIL)
Please estimate the total of any payments you will make to utility companies for adjustments to utilities located on private easements.

ESTIMATED non-construction costs are as follows:

Preliminary Engineering		$ 0
Rights of Way		$ 0
Utility Adjustments		$ 0
Other		$ 831,000
ESTIMATED Total for Project		$ 831,000

LEASE AMENDMENT

THIS LEASE AMENDMENT (Amendment) is made and entered into the 2nd day of July, 2013, by and between **CITY OF GARDEN CITY, KANSAS** hereinafter referred to as "City" and **AMERICAN AIRLINES, INC.**, hereinafter referred to as "Tenant".

WITNESSETH:

WHEREAS, City and Tenant entered into a Lease Agreement (Agreement), dated June 4, 2013; and

WHEREAS, the Agreement had an incorrect landing fee in paragraph 4; and

WHEREAS, City and Tenant wish to correct the landing fee in this Amendment, by amending paragraph 4.

NOW, THEREFORE, City and Tenant hereby agree as follows:

4. LANDING FEE. Tenant shall pay to City a landing fee of Forty Cents ($0.40) per One Thousand (1,000) pounds of maximum gross aircraft weight between Twelve Thousand Five Hundred (12,500) pounds and Fifty-nine Thousand Nine Hundred Ninety-nine (59,999) pounds for each Tenant's aircraft that lands at the GCRA. Tenant shall pay the landing fee on a monthly basis, based upon aircraft landings for the previous month.

IN WITNESS WHEREOF, the undersigned parties have executed this Lease Amendment, effective as of the date first set forth above.

CITY OF GARDEN CITY, KANSAS

By _____
DAN FANKHAUSER, Mayor

ATTEST:

_____
CELYN N. HURTADO, City Clerk

AMERICAN AIRLINES, INC.

By _____
CHRIS COLLISON,
Director of Real Estate
American Airlines Regional Group

W:\RDG\CITY\AIRPORT\LEASES\AmericanAirlines.Amend(2013).doc

GARDEN CITY
— KANSAS —

CITY COMMISSION

DAN FANKHAUSER,
Mayor

ROY CESSNA

MELVIN DALE

JANET DOLL

CHRIS LAW

MATTHEW C. ALLEN
City Manager

MELINDA A. HITZ, CPA
Finance Director

RANDALL D. GRISELL
City Counselor

CITY ADMINISTRATIVE CENTER
301 N. 8TH
P.O. BOX 998
GARDEN CITY, KS
67846-0998
620.276.1160
FAX 620.276.1169
www.garden-city.org

MEMORANDUM

TO: Governing Body

THROUGH: Matt Allen, City Manager

FROM: Mike Muirhead, Public Utilities Director

DATE: June 26, 2013

RE: Bypass and Buss Tie GOAB Switches

ISSUE:
Bids were received on June 25, 2013 for the purchase of one (1) 35kV GOAB Switch and one (1) 15kV GOAB Switch for Substation #11. Bids were received from two (2) vendors with both meeting the deadline and the minimum specifications. Bid tally attached.

BACKGROUND:
The Electric Division is in the process of constructing Substation #11, and these high voltage switches are an integral part of the operation. This Substation is being constructed in conjunction with the KMEA Jameson Energy Center

ALTERNATIVES:
Accept the bid from Wesco Distribution for the 15 kV GOAB Switch and accept the bid from HD Supply for the 35 KV GOAB Switch.

Reject all bids and direct staff to re advertise for bids.

RECOMMENDATION:
Staff recommends awarding the bid to Wesco Distribution in the total amount of $9,543.60 ($8,800.00, plus tax $743.60, total $9,543.60) and award HD Supply the bid in the total amount of $9,135.83($8,424.00, plus tax $711.83, total $9,135.83)

FISCAL NOTE:
The Electric Department's Substation budget contains adequate funding for the project.

Cliff Sonnenberg
Electric Superintendent

Substation #11 GOAB Switches					
Vendor	Price Each	Amount	Extended Price	Tax	Total
HD Supply					
S & C					
320222R9-E 15 KV GOAB	$9,827.42	1	$9,827.42	$830.42	$10,657.84
135774R3-E 35 KV GOAB	$8,424.00	1	$8,424.00	$711.83	$9,135.83
Wesco					
S & C					
320222R9-E 15 KV GOAB	$8,800.00	1	$8,800.00	$743.60	$9,543.60
135774R3-E 35 KV GOAB	$8,720.00	1	$8,720.00	$736.84	$9,456.84

Other Entities Minutes

Garden City Recreation

310 N. 6th, Garden City, Kansas 67846 – Phone: 620-276-1200 Fax: 620-276-1203 – email: gcrec@gardencityks.us

REVISED AGENDA

Regular Meeting

Monday – June 24, 2013 @ 5:15pm

Recreation Center, 310 N. 6th Street

I. Call Meeting to Order

II. Approval of Agenda

III. Consent Agenda

The following shall stand approved and/or accepted as presented unless action is taken to remove an item from the consent agenda.

- Minutes of Regular Meeting for May 2013
- Financial Reports for May 2013
- Staff Reports
- Participation Reports May 2013

IV. Superintendent Reports

- 2013 SWKR Golf Tournament (August 16, 2013 @ 9am)
- Relocation of the Maintenance Division
- Thank You letter from Marcia Baird
- Concealed Carry Law and Public Facilities
- CDRR Grant
- Review Letter from Randall Grisell

V. New Business

1. Employee Insurance (Blue Cross Blue Shield of Kansas) Employee Contributions
2. Designation of July as Park and Recreation Month (Recreation Specialist Joan Scherman)
3. Liga Latinoamericana de Fut Bol (Soccer) de Garden City, KS (Sports Director Jared Rutti)
4. Approval of Lease with Kansas State Bank of Manhattan for 2009 and 2002 Ford Van for $18,500.
5. Options for relocating the GCREC Maintenance Division from North of the GCCC Track & Field/Football Project.
6. Approval of items going to City Auction.

VI. Old Business

1. 2014 Budget Review and Approval

VII. Executive Session – Recreation Board will go into executive session at ____ for the purpose of discussing personnel and/or real property. The Recreation Board will reconvene into open session at ___pm.

<u>Commission Questions & Comments</u>

VIII. Adjournment

Next Meeting

Special Meeting – Budget Hearing/Certified July 15th, 12pm (Noon)

Regular Meeting July 29, 2013 @ 5:15pm

Garden City Recreation Commission
Minutes
Monday, May 20, 2013

I. Call Meeting to Order

Chairperson Maria Hardwick called the meeting to order at 6:15pm. GCRC Board Members present were Anna Urrutia, Holly Chandler and David DuVall. GCRC Staff present were Superintendent John Washington, Assistant Superintendent Donna Gerstner and Finance Director Terri Hahn.

II. Approval of Agenda

Motion by Holly Chandler to approve the agenda, seconded by David DuVall. Motion carried with all in favor.

III. Consent Agenda

The following shall stand approved and/or accepted as presented unless action is taken to remove an item from the consent agenda.

a. **Minutes of Regular Meeting for April 2013**
b. **Financial Reports for April 2013**
c. **Staff Reports**
d. **Participation Reports April 2013**

Motion by David DuVall to approve the consent agenda, seconded by Anna Urrutia. Motion carried with all in favor.

IV. Superintendents Reports

a. **Big Pool Opening May 24, 2013 @ 1:00pm. –** The Municipal Pool opens May 24, 2013 @ 1pm.
b. **Spray Ground Construction Delay. –** trying to finish up the spray ground. When Grand Opening happen found mechanical parts that were not working.
c. **2013 SWKR Golf Tournament (August 16, 2013 @ 9am). –** Invite the GCRC Board to the 2013 SWKR Golf Tournament, August 16, 2013 @9am. Please let John or Donna know if you would like to golf in the tournament. Proceeds go toward scholarship for students in recreational.

Superintendent John Washington left at 6:00pm.

V. New Business

1. **2013 Budget Review. –** John requested to table this until the next meeting. Motion by Holly Chandler to table the 2013 Budget Review until the next meeting, seconded by Anna Urrutia. Motion carried with all in favor.

2. **Superintendent is requesting for approval of $3,342.26 for the removal of the grandstands located at the Garden City Community College. –** John hired Juan Valverde to remove the bleachers and the fencing from the GC Community College. Mr. Valverde presented a statement for $3,342.26 for removal of the bleachers. John is requesting approval for the amount. Motion by David DuVall to approve the request from Juan Valverde for $3,342.26 for removal of the grandstands from the Garden City Community College. The motion was seconded by Holly Chandler. Motion carried with all in favor.

3. **Requesting Approval for $18,500 for 2 work vans from Big L Sales. –** Donna is purchasing two (2) Ford Vans from Big L Sales for $18,500. This will replace the two (2) old vans that Maintenance Building and Concessions are using. The vans are a 2009 and 2002 Ford Vans. Motion by David DuVall to approve the purchase of two (2) Ford Vans from Big L Sales for $18,500, seconded by Anna Urrutia. Motion carried with all in favor.

4. **Requesting approval for $4,000 to Toscani for dugout repairs at Clint Lightner from storm damage. –** From the recent storm Clint Lightner dugouts were damaged. Toscani Construction will go the repairs at Clint for $4,000. Storm damage will be turned in to the insurance and will be reimbursed. Motion by Holly Chandler to approve Toscani Construction for $4,000 to repair dugouts at Clint Lightner Baseball Field due to the storms, seconded by Anna Urrutia. Motion carried with all in favor,

VI. Old Business

VII. Executive Session – Recreation Board will go into executive session at 5:20pm for the purpose of discussing Real Property and Contractual Obligations. The Recreation Board will reconvene into open session at 6pm. Upon Request by the Superintendent or a Board Member.

John requested to go into executive session for thirty (30) minutes for the purpose of discussing real property and contractual obligations. Motion by David DuVall to go into executive session for thirty (30) minutes, seconded by Holly Chandler. Motion carried with all in favor.

Went into executive session at 5:30pm.

Out of executive session at 6:00pm

No Action Taken.

Garden City Recreation Commission Questions & Comments

VIII. Adjournment

Motion by Holly Chandler to adjourn the meeting, seconded by Anna Urrutia. The meeting adjourned at 6:10pm.

Terri Hahn
Secretary

Approved 06/24/2013

Garden City Police Department
Police Citizens' Advisory Board Meeting
June 18, 2013

Present: James R. Hawkins, Chief of Police: Sergeant David Wheet; Dan Le; Gwen Tietgen; Lupe Carrasco, Administrative Assistant.

Not Present: Connie Bonwell; Storm Mosher; Michelle Branton.

Guest: Pastor John Elder.

The meeting convened at 1730.

Chief Hawkins voiced the need for placement homes for juveniles who cannot be placed in DCF care due to lack of foster homes throughout the state. A short discussion was held.

The recent gang and drug arrests were discussed.

The recent ABC compliance checks were discussed.

The definition of rape was discussed.

The new cars and motorcycles were discussed.

The monthly activity reports were reviewed.

The Garden City Animal Shelter operations were discussed.

The meeting adjourned at 1808.

Zoo Advisory Board
Minutes of Meeting Held
Tuesday, June 4, 2013

Members Present: Elaine Lott, Cathy McKinley, Della Brandenburger, Debbie Reynolds
Members Absent: Becky Clark, Tammy Rieth, Evelyn Bowman
Others Present: Kathy Sexson, Donna Wohler, Brian Nelson

I. The meeting was called to order at 5:07
II. Approval of Agenda – The agenda was approved.
III. Approval of Minutes – The minutes of the March meeting were approved.
IV. New Business
    a. Zoo Monthly Report – Three Trumpeter swans hatched. The zoo has been working toward a successful hatching for several years. The cygnets may be transferred to Oregon for a reintroduction program. Four Chilean flamingos were received this month from the San Antonio Zoo (paid for by Steve Burgess). The remaining swift fox was transferred to the Pueblo Zoo for a breeding recommendation and LRZ hopes to get a wild caught pair for future breeding.
    b. FOLRZ Report – The Friends have 740 members, which is 100 more than at the end of the year. Grants in the amount of $35,000 to go toward a train have been received. There will be a Dine & Donate at Lonestar on June 13.
    c. Blues at the Zoo Volunteers? – June 10 – A signup sheet for volunteers was passed around.
    d. Board Member Term Renewal & Election of New Officers – Terms will expire for Tammy, Della, and Cathy. Tammy offered to serve another term. Della and Cathy will go off the board. Debbie volunteered to serve as Chair, Elaine volunteered to be Vice-chair. Cathy made a motion to re-elect Tammy to another term, accept the slate of officers, and elect a secretary at the next meeting. The motion was seconded and passed.
    e. New Board Member Recommendations – Kathy had applications from Taylor Freburg and Jimmy Deal to fill the positions vacated by Della and Cathy. Elaine made a motion to accept the new board recommendations. The motion was seconded and passed. Kathy will submit the recommendations to City Commission for approval.
    f. Giraffe Feedings on Weekends – With the help of volunteers, the zoo has been offering public giraffe feedings on weekends from 1:30-2:30 pm. Proceeds from May totaled close to $900.
    g. July 4th Fireworks – There will be a Municipal Band Concert on the West Green and the zoo will be open late for fireworks viewing.

V. Old Business
    a. Cat Canyon Update – Native grass seed has been planted, the bronze cat statue and yard furniture relocated, irrigation system is completed, and the metal letters for the exhibit name are in production.
    b. Red Panda Update – Maintenance finished with the new exhibit. Keepers need to secure branches before the pandas can come out. The female is showing signs of possible pregnancy.
    c. Elephant Update – Kathy and Kristi went to Principles of Elephant Management School in St. Louis. It is now a requirement for Directors of AZA zoos that house elephants.

VI. Board Member Reports – Cathy and Della expressed appreciation for the opportunity to serve on the board
VII. The meeting was adjourned at 5:50 p.m.

Next Meeting July 2, 2013 at 5:00 p.m.