

**AGENDA**  
**CITY COMMISSION MEETING**  
**Tuesday, September 3, 2013**  
**1:00 P.M.**

- I. **Note: Pre-meeting at 11:00 a.m. – 11:45 a.m., located in the large meeting room at the City Administrative Center to discuss a Rental Inspection program. Administrative staff will be present and the pre-meeting is open to the public.**
- 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)**
- VI. **CONSIDERATION OF PETITIONS, MEMORIALS AND REMONSTRANCES.**
  - A. Ms. Tasha Berry, Donor Recruitment Representative for American Red Cross will be present to announce the winner of the 3<sup>rd</sup> annual Garden City Battle of the Badges Blood Drive that was held August 26 and 27, 2013.
  - B. Fire Chief Allen Shelton has provided the enclosed memorandum detailing the success of the firefighters during the annual Muscular Dystrophy Association Boot Block on Sunday, August 25, 2013. The community responded with donations totaling \$5,339.43.
  - C. Governing Body consideration of authorizing the Mayor to proclaim the month of September 14 – October 14, 2013 as Hispanic Heritage Month. The request comes from Angelica Castillo-Chappel on behalf of the Community Mexican Fiesta Association.
- VII. **REPORT OF THE CITY MANAGER.**
  - A. Public Works Director Curran will be present to review with the Governing Body the plans for the 2013 Fall Clean-up program to be held September 30 – October 11, 2013.
  - B. The City has received the July 2013 franchise payment in the amount of \$6,077.48 from AT&T and from Cox Communication the second quarter franchise payment in the amount of \$59,045.21.
  - C. Staff has provided items of information for Governing Body review including the following:  
from Finance Director Hitz the monthly sales tax report, and from Fire Chief Shelton the monthly activity report.
  - D. Meetings of note:
    - ✓ September 7, 2013 – A Wild Affair at Lee Richardson Zoo at 6:00 p.m.
    - ✓ September 10, 2013 – Finney County Job Fair
    - ✓ September 14, 2013 – 87<sup>th</sup> Garden City Community Mexican Fiesta

- ✓ September 18, 2013 – The Mayor’s “State of the City” address at Chamber Breakfast
- ✓ September 19, 2013 - Annual Parks tour – starting at the Train Depot at 6:00 p.m.
- ✓ 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 of Commerce “Fire and Ice” Wine Tasting – 7:00 p.m.
- ✓ September 22, 2013 – Lee Richardson Zoo’s Cat Canyon Grand Opening from 1:00 -3:00 p.m.
- ✓ October 10, 2013 – Diversity Dinner at the Clarion Inn - 6:30 p.m. – 8:30 p.m.
- ✓ October 11, 2013 – Multi-Cultural Summit – Garden City Community College 8:00 a.m. – 5:30 p.m.
- ✓ October 12-14, 2013 – League of Kansas Municipalities Annual Conference – Overland Park, Kansas
- ✓ October 19, 2013 – Boo! At the Zoo

**VIII. CONSIDERATION OF APPROPRIATION ORDINANCE.**

A. Appropriation Ordinance No. 2347-2013A.

**IX. CONSIDERATION OF ORDINANCES AND RESOLUTIONS.**

- A. Ordinance No. \_\_\_\_\_-2013, an ordinance establishing water rates for the City of Garden City, Kansas; amending current Code Sections 90-177 and 90-180; repealing current Code Sections 90-177 and 90-180; all to the Code of Ordinances of the City of Garden City, Kansas.
- B. Resolution No. \_\_\_\_\_ - 2013, a resolution authorizing the execution of an official statement, a letter of representation and a continuing disclosure agreement, all relating to the issuance of revenue bonds by the Kansas Municipal Energy Agency for the Jameson Energy Center; and authorizing certain other documents and actions in connection therewith.
- C. Ordinance No. \_\_\_\_\_ - 2013, an ordinance approving the rezoning of land from “I-2” Medium Industrial District to “R-3” Multiple Family Residential District; amending the zoning ordinance and the district zoning map of the city; and repealing the current zoning ordinance, and district zoning map; all to the Code of Ordinances of the City of Garden City, Kansas. (2607 – 2615 N. 10<sup>th</sup> Street)
- D. Ordinance No. \_\_\_\_\_ - 2013, an ordinance approving the rezoning of land from “I-2” Medium Industrial District to “R-3” Multiple Family Residential District; amending the zoning ordinance and the district zoning map of the city; and repealing the current zoning ordinance, and district zoning map; all to the Code of Ordinances of the City of Garden City, Kansas. (2619 N. 10<sup>th</sup> Street)
- E. Ordinance No. \_\_\_\_\_-2013, an ordinance regulating the “C-3” Central Business District of the City of Garden City, Kansas; amending the zoning regulations for the City of Garden City, Kansas by allowing condominiums in the “C-3” district; amending zoning regulation Article 16; repealing in its entirety current zoning regulation Article 16; all to the Code of Ordinances of the City of Garden City, Kansas. (consideration to allow condominiums as second story dwelling units)

- F. Ordinance No. \_\_\_\_\_-2013, an ordinance regulating the “C-3” Central Business District of the City of Garden City, Kansas; amending the zoning regulations for the City of Garden City, Kansas by allowing tattoo facilities in the “C-3” district; amending zoning regulation Article 16; repealing in its entirety current zoning regulation Article 16; all to the Code of Ordinances of the City of Garden City, Kansas. (consideration to include Tattoo Parlors as a permitted use)
- G. Resolution No. \_\_\_\_\_ - 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. (205 S. Fourth Street)
- H. Resolution No. \_\_\_\_\_ - 2013, a resolution authorizing the removal of motor vehicle nuisances from certain properties in the City of Garden City, Kansas, pursuant to Section 38-63 of the Code of Ordinances of the City of Garden City, Kansas. (1907 Vinzant Street – white Pontiac mini-van and blue Ford mini-van)

**X. OLD BUSINESS.**

- A. Mark Pamplin will update the Governing Body on his fundraising efforts for renovation of the State Theater.
- B. The City Commission directed Staff to arrange for an appraiser to evaluate the old American Legion building at 125 W. Pine Street in order to begin the process of selling the building. Staff received the evaluation on August 21, 2013.
- C. Continued discussion from the August 20, 2013 City Commission meeting on allowing the Mayor to sign a letter along with several Kansas communities asking Congress for immigration policy reform.

**XI. NEW BUSINESS.**

- A. On June 4, 2013, a group of local hoteliers requested the City Commission to consider and approve to amend the local Clear Air Ordinance to reflect State law regarding the minimum percentage of hotel rooms which are required to be non-smoking.
- B. Governing Body consideration and acceptance of bids received August 29, 2013 for the 2013 Main Street KLINK bids and authorization for the Mayor and City Clerk to execute the contracts.
- 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. Governing Body rejection of bids received August 29, 2013 for the Seventh & Laurel Streetscape Project, the bids exceeded the engineer’s estimate.
- 2. Licenses:

**(2013 New)**

- a) Tequilas/Medardo Munoz .....Temporary Cereal Malt Beverage
- b) WOODCO, Inc.....Class A General

D. Staff requests Governing Body consideration of an Executive Session pursuant to K.S.A. 75-4319(b)(2) pertaining to consultation with an attorney for the body or agency which would be deemed privileged in the attorney-client relationship.

E. Staff requests Governing Body consideration of an Executive Session pursuant to K.S.A. 75-4319(b)(2) pertaining to consultation with an attorney for the body or agency which would be deemed privileged in the attorney-client relationship.

**XII. CITY COMMISSION REPORTS.**

A. Commissioner Law

B. Commissioner Cessna

C. Commissioner Dale

D. Commissioner Doll

E. Mayor Fankhauser

**XIII. ADJOURN.**

## THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS

City of Garden City  
August 20, 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, August 20, 2013 with all members present. Commissioner Doll opened the meeting with the Pledge of Allegiance to the Flag and Invocation.

Mayor Fankhauser moved to approve a request from Eric Cenatiempo with The Appliance and Furniture Mart for a waiver to the sign and temporary structure requirements from September 18 – September 30, 2013 at 1117 Fleming in order to hold a tent sale. 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

City Manager Allen introduced and welcomed Steve Coen, President and the CEO of Kansas Health Foundation. Steve and the Kansas Health Foundation have played a vital role in working to improve the health of all Kansans.

Bids were to be received on August 14, 2013 for the renovation project at the Windsor Hotel. Unfortunately, no bids were received. The parties are discussing how to proceed with KDOT and will report to the Governing Body at a future meeting.

The City's auction was held on Friday, July 12, 2013. Net proceeds were \$23,344.00.

The City received correspondence from Cox Communications regarding channel line-up changes.

Staff provided several items of information for Governing Body review including the following: from Director of Aviation Powell the monthly enplanement and operations report, from Community Development Director Kentner the monthly building and code enforcement reports, from Finance Director Hitz the monthly financial report, from Police Chief Hawkins the monthly activity report, from Public Works Director the CIP schedule and City Link monthly report, and from Zoo Director Sexson the monthly zoo report.

Meetings of note:

- ✓ August 21, 2013 – 2013 KMEA Regional Meeting, City Administrative Center, Meeting Room – 10:00 a.m. – 2:00 p.m.
- ✓ August 24 – 25, 2013 – Tumbleweed Festival, Lee Richardson Zoo
- ✓ August 26 – 27, 2013 – Battle of the Badges Blood Drive at Trinity Lutheran Church
- ✓ September 7, 2013 – A Wild Affair at Lee Richardson Zoo at 6:00 p.m.
- ✓ September 10, 2013 – Finney County Job Fair
- ✓ September 14, 2013 – 87<sup>th</sup> Garden City Community Mexican Fiesta
- ✓ September 18, 2013 – The Mayor's "State of the City" address at Chamber Breakfast
- ✓ 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 of Commerce "Fire and Ice" Wine Tasting – 7:00 p.m.
- ✓ September 22, 2013 – Lee Richardson Zoo's Cat Canyon Grand Opening from 1:00 -3:00 p.m.
- ✓ October 10, 2013 – Diversity Dinner at the Clarion Inn - 6:30 p.m. – 8:30 p.m.
- ✓ October 11, 2013 – Multi-Cultural Summit – Garden City Community College 8:00 a.m. – 5:30 p.m.

- ✓ October 12-14, 2013 – League of Kansas Municipalities Annual Conference – Overland Park, Kansas
- ✓ October 19, 2013 – Boo! At the Zoo

Appropriation Ordinance No. 2346-2013A, “AN APPROPRIATION ORDINANCE MAKING CERTAIN APPROPRIATIONS FOR CERTAIN CLAIMS IN THE AMOUNT OF \$2,167,758.45,” was read and considered section by section. Mayor Fankhauser moved to approve and pass Appropriation Ordinance No. 2346-2013A. Commissioner Dale seconded the motion. The vote was taken by yeas and nays and recorded as follows:

Ordinance No. 2614-2013, “AN ORDINANCE REGULATING TRAFFIC WITHIN THE CORPORATE LIMITS OF THE CITY OF GARDEN CITY, KANSAS; INCORPORATING BY REFERENCE THE STANDARD TRAFFIC ORDINANCE FOR KANSAS CITIES, EDITION OF 2013, WITH CERTAIN OMISSIONS, ADDITIONS, OR CHANGES; PRESCRIBING ADDITIONAL REGULATIONS; PROVIDING CERTAIN PENALTIES; AMENDING CODE SECTION 86-2; REPEALING EXISTING CODE SECTION 86-2; ALL TO THE CODE OF ORDINANCES OF THE CITY OF GARDEN CITY, KANSAS,” was read and considered section by section. Commissioner Cessna moved to approve Ordinance No. 2614-2013. 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

Ordinance No. 2615-2013, “AN ORDINANCE REGULATING PUBLIC OFFENSES WITHIN THE CORPORATE LIMITS OF THE CITY OF GARDEN CITY, KANSAS; INCORPORATING BY REFERENCE THE UNIFORM PUBLIC OFFENSE CODE FOR KANSAS CITIES, EDITION OF 2013, WITH CERTAIN OMISSIONS, ADDITIONS OR CHANGES; AMENDING CODE SECTION 62-2; REPEALING EXISTING CODE SECTION 62-2; ALL TO THE CODE OF ORDINANCES OF THE CITY OF GARDEN CITY, KANSAS,” was read and considered section by section. Commissioner Cessna moved to approve Ordinance No. 2615-2013. 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. 2541-2013, “A RESOLUTION MAKING CERTAIN FINDINGS AND DETERMINATIONS AS TO THE NEED FOR HOUSING WITHIN THE CITY OF GARDEN CITY, KANSAS AND SETTING FORTH THE LEGAL DESCRIPTION OF REAL PROPERTY PROPOSED TO BE DESIGNATED AS A RURAL HOUSING INCENTIVE DISTRICT WITHIN THE CITY (undeveloped properties adjacent the Wilson Addition and Heritage Place neighborhoods),” was read and considered section by section. Mayor Fankhauser moved to approve Resolution No. 2541-2013. 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. 2616-2013, “AN ORDINANCE AUTHORIZING THE EXECUTION OF A POWER SALES CONTRACT, BETWEEN THE CITY OF GARDEN CITY, KANSAS, AND THE KANSAS MUNICIPAL ENERGY AGENCY RELATING TO THE PURCHASE OF ELECTRICITY FROM THE JAMESON ENERGY CENTER BY THE CITY FROM THE KANSAS MUNICIPAL ENERGY AGENCY FOR SALE OR USE BY THE CITY; AUTHORIZING THE EXECUTION OF A SITE LEASE BETWEEN THE CITY OF GARDEN CITY, KANSAS, AS LESSOR, AND THE KANSAS MUNICIPAL ENERGY AGENCY, AS LESSEE, FOR THE REAL PROPERTY ON WHICH THE JAMESON ENERGY CENTER WILL BE LOCATED; AND MAKING CERTAIN COVENANTS AND AGREEMENTS TO PROVIDE FOR

THE PAYMENT AND SECURITY THEREOF AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH,” was read and considered section by section. Commissioner Cessna moved to approve Ordinance No. 2616-2013. 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

Ordinance No. 2617-2013, “AN ORDINANCE REGULATING CONDUCT AT LOCATIONS WHERE CEREAL MALT BEVERAGES OR ALCOHOLIC LIQUORS ARE SOLD OR CONSUMED; AMENDING CODE SECTION 62-14; REPEALING CURRENT CODE SECTION 62-14, ALL TO THE CODE OF ORDINANCES OF THE CITY OF GARDEN CITY, KANSAS”, was read and considered section by section. Commissioner Cessna moved to approve Ordinance No. 2617-2013. 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

Resolution No. 2542-2013, “A RESOLUTION AUTHORIZING THE CITY OF GARDEN CITY, KANSAS TO ENTER INTO A MUNICIPAL LEASE AGREEMENT TO REFINANCE AN EXISTING FIRE TRUCK,” was read and considered section by section. Commissioner Doll moved to approve Resolution No. 2542-2013. 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

The Governing Body considered two items pertaining to the Tax Increment Financing District (TIF) and Community Improvement District (CID) financing for the Stone Development, Inc. Retail Project following public hearings on both.

At 2:00 p.m. Mayor Fankhauser opened the Public Hearing for the purpose of the Governing Body hearing questions, concerns and comments from the public on the matter of creating a Tax Increment Financing District (TIF) and approving the Development Project Plan for Stone Development, Inc.

Korb Maxwell, Polsinelli PC; Amro Samy, Stone Development Inc.; and Kent Carmichael, Gibson, Mancini, Carmichael & Nelson, PA were present and announced the restaurant is expected to be completed by the end of 2013.

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

Ordinance No. 2618-2013, “AN ORDINANCE APPROVING AND ADOPTING A REDEVELOPMENT PROJECT PLAN FOR A PROJECT AREA IN THE 2013 REDEVELOPMENT DISTRICT IN THE CITY OF GARDEN CITY, KANSAS (STONE DEVELOPMENT PROJECT) AND APPROVING RELATED DOCUMENTS,” was read and considered section by section. Commissioner Cessna moved to approve Ordinance No. 2618-2013. 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

At 2:15 p.m. Mayor Fankhauser opened the Public Hearing for the purpose of the Governing Body hearing questions, concerns and comments from the public on the matter of creating a Community Improvement District (CID) in the City of Garden City, Kansas.

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

Ordinance No. 2619-2013, "AN ORDINANCE CREATING THE STONE DEVELOPMENT COMMUNITY IMPROVEMENT DISTRICT IN THE CITY OF GARDEN CITY, KANSAS AND AUTHORIZING THE LEVY OF A COMMUNITY IMPROVEMENT DISTRICT RETAILERS' SALES TAX TO BE COLLECTED WITHIN THE DISTRICT," was read and considered section by section. Commissioner Dale moved to approve Ordinance No. 2619-2013. 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

Mayor Fankhauser requested Governing Body consideration to authorize the Mayor to sign a letter along with several Kansas Mayors asking Congress for immigration policy reform. The Governing Body asked for additional time to review the request.

Governing Body consideration and approval of an agreement for 2013 membership for the City of Garden City, Kansas with Great Plains Development Inc.

The Sunflower Foundation is accepting application for another round of walking trail grants. City Engineer Cottrell discussed possible projects for Governing Body consideration. As Sunflower Foundation staff is evaluating one of the potential projects, the topic will be brought back to the Governing Body at a future meeting.

Governing Body recommended staff to prepare an ordinance for the September 3, 2013 meeting to raise the minimum monthly charge for all water accounts by \$5.15.

Commissioner Law moved to approve the proposal from Mayer Specialty Services, LLC, of Goddard, Kansas to clean approximately 8,500 feet of heavily corroded cast iron water mains in the amount of \$15.00 per linear foot. Mayer is the only company that could be found to provide the service requested. 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

Commissioner Cessna moved to approve to terminate the underutilized Residential Incentive Program in 2014. 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

The Governing Body considered several Traffic Advisory Board recommendations:

Commissioner Cessna moved to approve the request to install "Truck Parking" signs on Lareu Road next to the AmericInn. 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 Dale moved to deny the request to allow left turn movement from Grant Avenue onto Main Street for safety reasons. Commissioner Cessna seconded the motion. The vote was taken by yeas and nays and recorded as follows:

Cessna	Dale	Doll	Fankhauser	Law
Yea	Yea	Nay	Yea	Yea

Commissioner Cessna moved to deny the request to install 30 MPH speed limit signs on Maple Street between Sixth Street and Seventh Street. 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 Cessna moved to approve changing the speed limit to 30 MPH on Fulton Street between Seventh Street and Eighth Street. 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

The Governing Body discussed the proposed pavement marking configuration from 4-lanes to 3-lanes with a center turning lane in the Downtown Area. No action was required by the Governing Body.

Commissioner Cessna moved to deny the request to install “Resident Parking Only” signs on Teitelbaum Avenue. 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 Cessna moved to approve installing the stop sign on Leslie Road for northbound traffic with the additional signage. 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

Advisory Board Recommendations:

Commissioner Doll moved to approve and appoint Vicki Germann to serve a three-year term from August 20, 2013 - July 31, 2016 on the Traffic Advisory Board. 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

Commissioner Cessna moved to approve and appoint Alicia Weber to serve a three-year term from August 20, 2013 - December 31, 2015 on the Police/Citizen Advisory Board. 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 Doll moved to approve the following:

1. Governing Body acceptance and approval of an annexation agreement with First Christian Church Discipulos de Cristo for their property at N. Eighth Street and Bellevue Avenue.
2. Governing Body consideration and approval of a lot split of the Reserves at Prairie Ridge Addition.
3. Governing Body consideration and approval of a short-term lease agreement with United Wireless Communications.

4. Licenses:

(2013 New)

- a) Finney County Preservation Alliance ..... Temporary Cereal Malt Beverage
- b) Mathews Mechanical..... Class D-Mechanical
- c) BAR-TE & Associates, Inc. .... Class D-E Mechanical

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

Commissioner Cessna moved that the City Commission go into executive session pursuant to K.S.A. 75-4319 (b)(6) for 10 minutes for the purpose of preliminary discussion relating to the acquisition of real property and that the City Commission reconvene into open session in the City Commission Chambers at 3:13 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:

\_\_\_\_\_  
Marisela Aragon, Administrative Assistant

**City Commission Reports**

Mayor Fankhauser passed out his words of wisdom to everyone that read, “Be cautious when others are bold, be bold when others are cautious”.

Commissioner Law had no comments.

Commissioner Cessna had no comments.

Commissioner Dale had no comments.

Commissioner Doll thanked Chief Shelton for the tour and the ride in the new fire truck. Commissioner Doll stated it was a great experience.

# Petitions



## Garden City Fire Department

P.O. Box 998  
302 N. 9<sup>th</sup>  
Garden City, KS 67846  
E-mail: [fire@garden-city.org](mailto:fire@garden-city.org)

Allen Shelton  
Fire Chief  
(620) 276-1140  
Fax: (620) 276-1142

### MEMO

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To: Matt Allen, City Manager  
From: Allen Shelton, Fire Chief  
Date: August 26, 2013  
Re: GCFD 2013 Annual MDA Boot Block Drive

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On Sunday, August 25, 2013, fifteen Garden City Firefighters and support personnel participated in our annual Boot Block for the Muscular Dystrophy Association.

This year's event was held from 10:00AM to 3:00PM with Firefighters positioned at the intersections of Main & Fulton, Kansas & Fleming and in front of both entrances of Wal-Mart Super Store.

Firefighters' collected \$5,339.43 in donations this year. Donations were down \$145.40 from the 2012 amount of \$5,484.83.

I am very proud of these Firefighters and sincerely appreciate their selfless donation of time and efforts by continuing their tradition of fundraising for the Muscular Dystrophy Association.

I also want to commend Battalion Chief James Morris for his organization skills used to plan and direct this year's MDA Boot Block Drive. These skills continue to make him a valuable asset to the Garden City Fire Department.

Department Firefighters and Personnel taking part in this year's MDA Boot Block Fund raising event were: James Bennett, Brad Conrady, James Daily, Luke Freeman, Jacob Gonzales, Jeremy Kemp, Chris Law, Pedro Luna-Hernandez, Jim Morris, Adam Patterson, Ron Peek, Stephen Pekaar, Allen Shelton, James Southern, Dan Wimmer.

# PROCLAMATION

- WHEREAS,** On the night of September 15, 1810, Father Miguel Hidalgo y Costilla of Dolores in Guanajuato, Mexico, gave the signal for his people to rise up in arms and free themselves from Spain; and
- WHEREAS,** After a long and weary revolutionary struggle, Mexico was established as a free and independent nation in 1821; and
- WHEREAS,** The United States of Mexico has since grown in stature and importance to be one of the leading independent nations of the Western Hemisphere, adding the richness of its culture and heritage to Kansas through the state's many citizens of Mexican ancestry; and
- WHEREAS,** The celebration of freedom and independence is a tribute to the achievements which have made possible a way of life for the people as individuals in a free society; and
- WHEREAS,** We are proud to celebrate 87 years of the Community Mexican Fiesta celebration in Garden City which is a tradition that has provided cultural richness to our community; and
- WHEREAS,** Garden City residents who are of Hispanic heritage have had an opportunity to rejoice in celebrating and utilizing Hispanic American cultural traditions; and
- WHEREAS,** Hispanics have contributed their interests, dedication, and accomplishments in promoting the economic and social growth to Garden City.
- NOW, THEREFORE, BE IT RESOLVED,** that I, Dan Fankhauser, Mayor of the City of Garden City, Kansas, do hereby proclaim the Month of September 14<sup>th</sup> to October 14<sup>th</sup> 2013 as:

## HISPANIC HERITAGE MONTH

In Garden City, and urge all residents of the city to join in this observance.

**SIGNED AND SEALED** this 3<sup>rd</sup> day of September, 2013.

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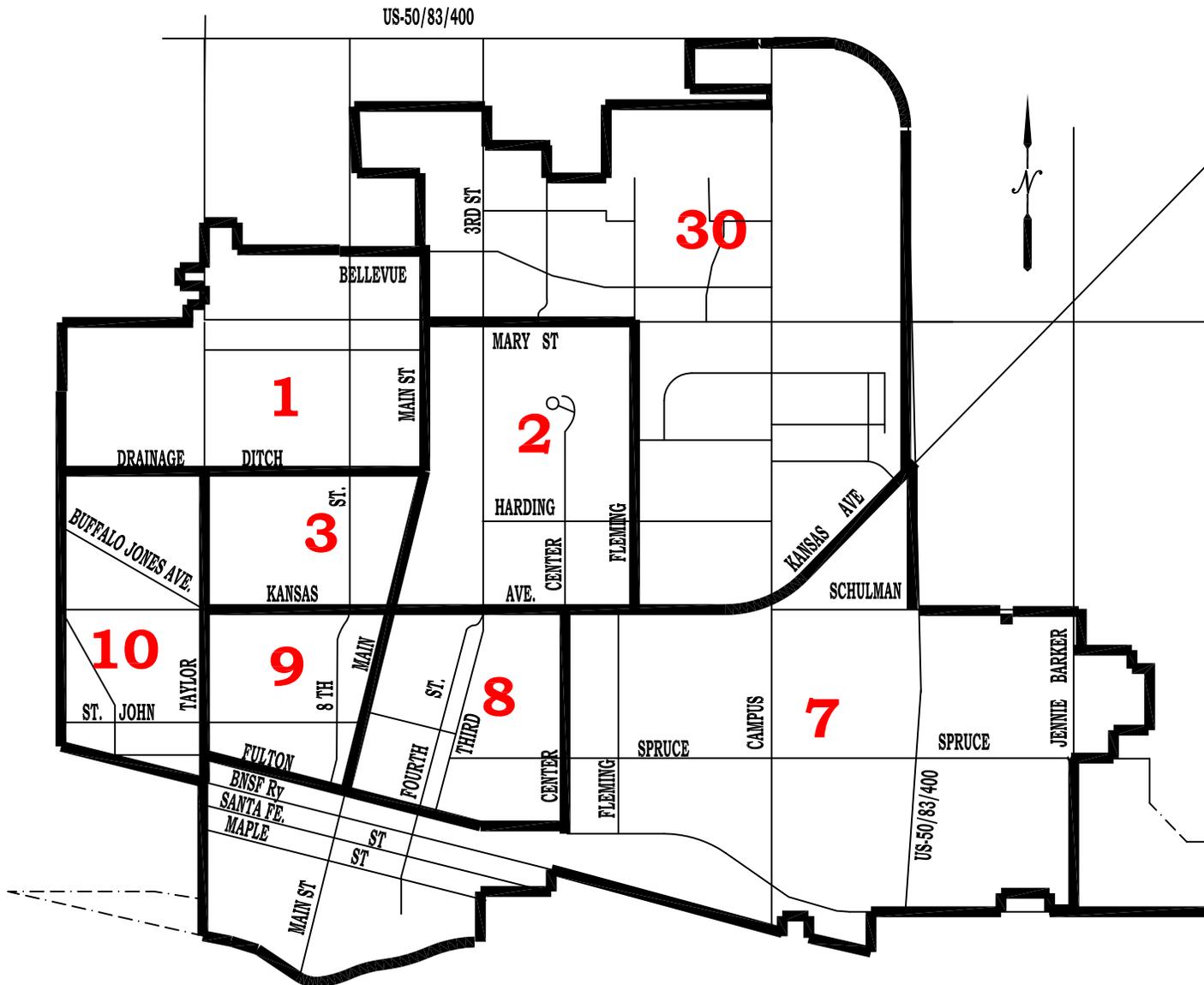
Dan Fankhauser, Mayor

ATTEST:

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Celyn N. Hurtado, City Clerk

# Report of the City Manager



**GARDEN CITY**  
**PUBLIC WORKS DEPARTMENT**  
**2013 FALL CLEAN UP**  
**September 30 - October 11**  
**FOR MORE INFO**  
**CALL 276-1270**  
 CLEAN UP BOUNDARY LINE 

# City of Garden City Public Works

## 2013 Fall Clean-Up September 30 – October 11, 2013

### RULES:

1. Clean-up is for Residential Areas **ONLY**. (No Commercial).
2. **ALL ITEMS** to be picked up must be placed by the street curb, NO alley pick-ups.
3. **Please do not put your debris on the water meters.**
4. Because of landfill regulations, we ask homeowners to separate tree trimmings into one pile, old furniture and boxes into another, and old appliances into another.
5. **IMPORTANT! - We are unable to pick up Refrigerators or Air Conditioners** unless arrangements are made with the Street Department. The Street Department is not responsible for having the units decharged of all **Refrigerants**. A copy of the certification must be attached to each unit before collection.
6. We can pick up tree trimmings as long as they are no longer than **8 feet** in length.
7. **One truckload of tree branches/brush per home.**
8. Grass clippings and leaves are not permitted.
9. Liquid paints and petroleum products (oil, roofing tar, crack sealer, gas, diesel and etc) are not permitted.
10. Vehicle motors or batteries are not permitted.
11. Shingles or roofing materials are not permitted.
12. Building demolition debris is not permitted.
13. The cost of **all Tires and Rim Removal** will be charged back to the address the City crews collect them from.
14. Any waste created by a contractor for tree trimming, home remodeling, appliances, and etc. will not be accepted. The contractor is responsible for the removal service.

For those individuals who have been missed, please call 276-1270 before Friday, October 4<sup>th</sup> or Thursday, October 10<sup>th</sup>, to make arrangements to have your trash collected.

This is a great opportunity to clean up old furniture and junk in the alleys. The City of Garden City encourages all residents to take pride in the appearance of Garden City by participating in the 2013 Fall Clean-Up Program.

**KS**

Kansas, Garden City Municipal Fee (AT&T)

**Reporting Period:** July 1, 2013 to July 31, 2013

FEIN: 430529710  
Southwestern Bell Telephone Company  
AT&T

3100 Cumberland Boulevard, Suite 700  
Atlanta, GA 30339  
770-240-8882 - Phone  
770-956-0700 - Fax

Tax Identification Number

43-0529710

**Return Due:** 08/15/2013

Total Fee Due:	<b>\$6,077.48</b>
Adjustments:	<b>\$0.00</b>
Uncollectibles:	<b>\$0.00</b>
Admin Fees:	<b>\$0.00</b>

Net Fee Amount to be Remitted: **\$6,077.48**

**Remit To:**

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

**Tax Payer:**



Steven Shashack, Assistant Vice President - Tax

8/13/2013

**Date**

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

**Tax Preparer:**



Jade Wade, Attorney-in-Fact

8/13/2013

**Date**

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

COX COMMUNICATIONS, INC.  
1400 LAKE HEARN DRIVE, NE  
ATLANTA, GA 30319



Return Service Requested



003741 R3K5T1A  
CITY OF GARDEN CITY - FRANCHISE  
301 N 8TH  
GARDEN CITY KS 67846-5340

Check Date: 08/08/2013  
Vendor Number: 13037

Invoice Number	Invoice Date	Voucher Number	P.O. Number	Reference	Gross Amount	Adjustment		Net Amount
						Amount	R	
FF10JUL1327977	06/30/13	COX		2Q 2013 FRANCHISE FEES	\$59,045.21			\$59,045.21

CITY of GARDEN CITY, KANSAS

99688

Garden City, Kansas, 8/15, 20 13

RECEIVED OF Cox Communications \$ 59,045.21  
DOLLARS

For Franchise fee 4/1 - 6/30/13

General Operating \_\_\_\_\_ Cemetery Endowment 001000003065

Water \_\_\_\_\_ Solid Waste \_\_\_\_\_

Electric \_\_\_\_\_ Housing \_\_\_\_\_

Airport \_\_\_\_\_ Fund \_\_\_\_\_

Melinda Hitz  
City Clerk

\$59,045.21	\$0.00	\$59,045.21
-------------	--------	-------------



R3K5T120 003741 220152132151 NNNNN NNNNN NNNNN NNNNN 000001

# 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	238,623
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	213,331
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	<u>1,118,546</u>	<u>1,142,399</u>	<u>1,291,473</u>	<u>1,196,011</u>	<u>1,163,668</u>	<u>1,129,136</u>	<u>1,114,745</u>	<u>1,114,837</u>	<u>1,156,551</u>	<u>1,250,370</u>	<u>1,400,082</u>	<u>1,416,852</u>	<u>2,030,635</u>	<u>2,161,984</u>	<u>2,364,946</u>	<u>1,681,049</u>
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	554,262
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	504,212
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	<u>4,090,304</u>	<u>4,097,107</u>	<u>4,361,650</u>	<u>4,264,300</u>	<u>4,199,181</u>	<u>4,085,619</u>	<u>4,239,689</u>	<u>4,135,146</u>	<u>4,286,883</u>	<u>4,554,294</u>	<u>5,171,057</u>	<u>5,112,939</u>	<u>4,926,706</u>	<u>5,241,531</u>	<u>5,526,416</u>	<u>3,913,489</u>
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%	

# Garden City Fire Department

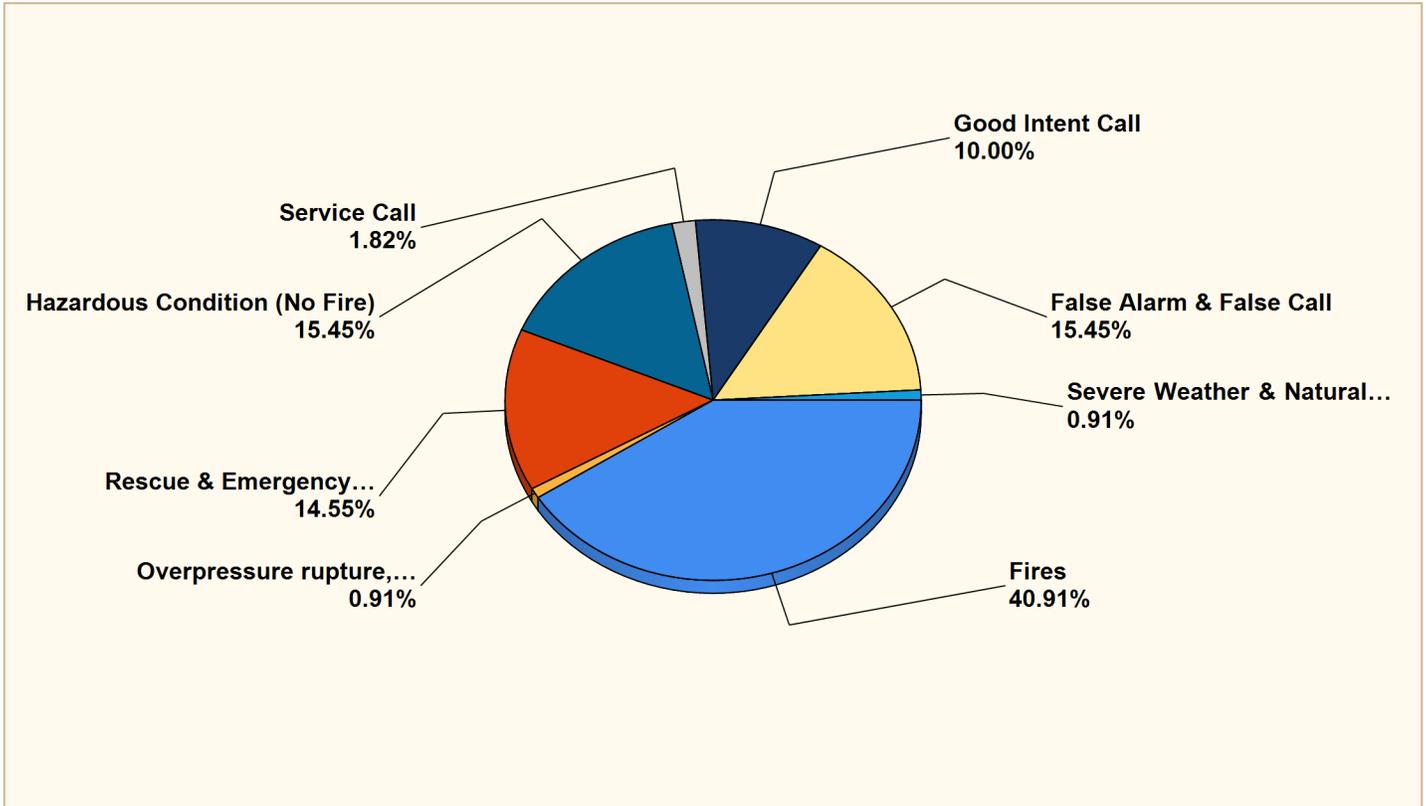
Garden City, KS

This report was generated on 8/29/2013 3:01:34 PM



## Breakdown by Major Incident Types for Date Range

Start Date: 07/01/2013 | End Date: 07/31/2013



MAJOR INCIDENT TYPE	# INCIDENTS	% of TOTAL
Fires	45	40.91%
Overpressure rupture, explosion, overheating - no fire	1	0.91%
Rescue & Emergency Medical Service	16	14.55%
Hazardous Condition (No Fire)	17	15.45%
Service Call	2	1.82%
Good Intent Call	11	10.00%
False Alarm & False Call	17	15.45%
Severe Weather & Natural Disaster	1	0.91%
<b>TOTAL</b>	<b>110</b>	<b>100.00%</b>

Only REVIEWED incidents included. Summary results for a major incident type are not displayed if the count is zero.

### Detailed Breakdown by Incident Type

INCIDENT TYPE	# INCIDENTS	% of TOTAL
100 - Fire, other	1	0.91%
111 - Building fire	6	5.45%
113 - Cooking fire, confined to container	2	1.82%
118 - Trash or rubbish fire, contained	1	0.91%
121 - Fire in mobile home used as fixed residence	1	0.91%
131 - Passenger vehicle fire	3	2.73%
140 - Natural vegetation fire, other	3	2.73%
142 - Brush or brush-and-grass mixture fire	2	1.82%
143 - Grass fire	11	10.00%
150 - Outside rubbish fire, other	1	0.91%
151 - Outside rubbish, trash or waste fire	2	1.82%
154 - Dumpster or other outside trash receptacle fire	11	10.00%
162 - Outside equipment fire	1	0.91%
240 - Explosion (no fire), other	1	0.91%
300 - Rescue, EMS incident, other	2	1.82%
311 - Medical assist, assist EMS crew	1	0.91%
322 - Motor vehicle accident with injuries	5	4.55%
323 - Motor vehicle/pedestrian accident (MV Ped)	1	0.91%
324 - Motor vehicle accident with no injuries.	5	4.55%
352 - Extrication of victim(s) from vehicle	1	0.91%
357 - Extrication of victim(s) from machinery	1	0.91%
400 - Hazardous condition, other	1	0.91%
412 - Gas leak (natural gas or LPG)	5	4.55%
424 - Carbon monoxide incident	1	0.91%
440 - Electrical wiring/equipment problem, other	1	0.91%
442 - Overheated motor	2	1.82%
444 - Power line down	3	2.73%
445 - Arcing, shorted electrical equipment	2	1.82%
461 - Building or structure weakened or collapsed	1	0.91%
462 - Aircraft standby	1	0.91%
551 - Assist police or other governmental agency	1	0.91%
561 - Unauthorized burning	1	0.91%
600 - Good intent call, other	5	4.55%
611 - Dispatched & cancelled en route	2	1.82%
622 - No incident found on arrival at dispatch address	2	1.82%
631 - Authorized controlled burning	1	0.91%
652 - Steam, vapor, fog or dust thought to be smoke	1	0.91%
700 - False alarm or false call, other	8	7.27%
733 - Smoke detector activation due to malfunction	1	0.91%
735 - Alarm system sounded due to malfunction	1	0.91%
741 - Sprinkler activation, no fire - unintentional	1	0.91%
743 - Smoke detector activation, no fire - unintentional	4	3.64%
745 - Alarm system activation, no fire - unintentional	2	1.82%
814 - Lightning strike (no fire)	1	0.91%
<b>TOTAL INCIDENTS:</b>	<b>110</b>	<b>100.00%</b>

Only REVIEWED incidents included. Summary results for a major incident type are not displayed if the count is zero.

# CONSIDERATION OF APPROPRIATION ORDINANCE

# Ordinances & Resolutions



## MEMORANDUM

**TO:** Governing Body

**THRU:** Matt Allen, City Manager

**FROM:** Mike Muirhead, Public Utilities Director

**DATE:** August 26, 2013

**RE:** Water Rate Change

**ISSUE:**

Adopt revised ordinance Section 90-176 through Section 90-180 adjusting water rates charged. (Ordinance attached)

**BACKGROUND:**

On August 6, 2013 the City Commission directed staff to make the necessary changes to existing City ordinances adjusting water rates charged. This is a result of the Wheatland Electric Cooperative raising the rate Garden City is charged for water treated and water purchased by 39% effective September 1, 2013. This increase is equivalent to \$505,000 annual increase to the City of Garden City. Staff was also directed to adjust the "cost per 1,000 gallons" to generate approximately \$370,000 on an annual basis to be used for water system modifications specifically addressing the cast iron type of water mains by cleaning or replacing them.

**ALTERNATIVES:**

- a. Approve the ordinance reflecting the change in rates.
- b. Do not approve the ordinance reflecting the change in rates.

**RECOMMENDATION:**

Staff recommends that the City Commission approve the new water rate structure as presented in the revised ordinance 90-176 through 90-180.

**FISCAL NOTE:**

The new water rate structure will generate approximately \$880,970 in annual revenues to cover the \$509,000 increase from the Wheatland Electric Cooperative, and approximately \$371,970 to be used for water system improvements.

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. 8<sup>TH</sup>  
P.O. Box 998  
GARDEN CITY, KS  
67846-0998  
620.276.1160  
FAX 620.276.1169  
[www.garden-city.org](http://www.garden-city.org)

ORDINANCE NO. \_\_\_\_\_-2013

AN ORDINANCE ESTABLISHING WATER RATES FOR THE CITY OF GARDEN CITY, KANSAS; AMENDING CURRENT CODE SECTIONS 90-177 AND 90-180; REPEALING CURRENT CODE SECTIONS 90-177 AND 90-180; ALL TO THE CODE OF ORDINANCES OF THE CITY OF GARDEN CITY, KANSAS.

**BE IT ORDAINED** by the Governing Body of the City of Garden City, Kansas:

**SECTION 1.** Section 90-177 of the Code of Ordinances of the City of Garden City, is hereby amended, to read as follows:

**Sec. 90-177. – Water rates.**

The monthly water rates required to be charged and collected through its officers and agents for water service furnished by the waterworks system of the city, the same being a part of the water and sewage system, shall be as follows:

(1) *Rates for residential water used inside the corporate limits of the city:*

- a. *Availability.* Water service under this rate schedule is available within the corporate limits of the city.
- b. *Applicability.* Water service under this schedule is applicable in individually metered service units for single and multifamily and for multiple service units served through single service connections all of which are considered dwelling units. The city reserves the right to require special contracts in the case of unusual water requirements.
- c. *Net monthly rate schedule.*

	Effective 10/01/2013 and thereafter
Gallons of Consumption	Rate per 1,000 gallons
0-15,000	\$1.80
15,001-30,000	\$2.05
30,001-60,000	\$2.45
60,001 and over	\$3.00
Gallons of consumption are computed on a per meter basis.	

- d. *Minimum monthly charge.* The minimum monthly charge shall be determined by the size of the meter and main tap through which individual service units and for multiple serviced units served through single service connections and shall be charged according to the following schedule at such time as service is made available following application therefore.

Meter Size in Inches	Minimum Monthly Charge
¾	\$11.15
1	\$12.65
1½	\$15.15
2	\$23.90
3	\$42.65
4	\$61.15
6	\$80.15
8	\$130.15
The minimum monthly charge is computed on a per meter basis.	

e. *Delayed payment.* The total amount based upon the net monthly rates specified herein is due on the date indicated on the bill. After that date the amount due will be increased by five percent.

(2) *Rates for commercial water used inside the corporate limits of the city:*

- a. *Availability.* Water service under this rate schedule is available within the corporate limits of the city.
- b. *Applicability.* Water service under this schedule is applicable to individually metered service units and for multiple service units served through single service connections all of which are considered for commercial or industrial type use. The city reserves the right to require special contracts in case of unusual water requirements.
- c. *Net monthly rate schedule.*

	Effective 10/01/2013 and thereafter
Gallons of Consumption	Rate per 1,000 gallons
All	\$1.86
Gallons of consumption are computed on a per meter basis.	

d. *Minimum monthly charge.* The minimum monthly charge shall be determined by the size of the meter and main tap through which individual service units and for multiple served units served through single service connections shall be charged according to the following schedule at such time as service is made available following application thereof.

Meter Size in Inches	Minimum Monthly Charge
¾	\$11.15
1	\$12.65
1½	\$15.15
2	\$23.90
3	\$42.65
4	\$61.15
6	\$80.15

<u>8</u>	\$130.15
The minimum monthly charge is computed on a per meter basis.	

- e. *Delayed payment.* The total amount based upon the net monthly rates specified herein is due on the date indicated on the bill. After that date, the amount due will be increased by five percent.
- (3) *Rates for residential and commercial water used outside the corporate limits of the city:*
- a. *Availability.* Water service under this rate schedule is available outside the corporate limits of the city; provided, that water service shall not be made available for use outside the corporate limits of the city, in any manner whatsoever except upon specific approval of the governing body.
  - b. *Applicability.* Service under this schedule is applicable to individually metered service units and multiple service units served through single service connections for all normal water use.
  - c. *Net monthly rate.* The rate for water service outside the corporate limits shall be two times the rate established for like service within the corporate limits. Bills shall be computed under the inside city rate and multiplied by two.
  - d. *Minimum monthly charge.* The minimum monthly charge is computed on a per meter basis and shall be two times the minimum monthly charge for the same size of service connection inside the city.
  - e. *Delayed payment.* The total amount based upon the net monthly rates specified herein is due on the date indicated on the bill. After that date, the amount due will be increased by five percent.

The rates scheduled in this section shall apply and be figured on the consumption of water by the 1,000 gallons or fraction thereof to the nearest 100 gallons.

**SECTION 2.** Section 90-180 of the Code of Ordinances of the City of Garden City, is hereby amended, to read as follows:

**Sec. 90-180. – Tank water and miscellaneous sales.**

For miscellaneous and tank water sales provided at the dispensing station or by agreement with the water department at a hydrant and not delivered to a service connection attached to the municipal waterworks distribution system, the following charges shall apply:

- (1) All water so delivered at a rate per 1,000 gallons or fraction thereof according to the schedule below; provided, that delivery of any such sales shall be made only at dispensing stations within the corporate limits of the city, and under rules and regulations as may be established by the city manager; provided further, that the minimum charge for any such water sales shall be \$10.00.

	Effective 10/01/2013 and thereafter
Gallons of Consumption	Rate per 1,000 gallons
All	\$5.00

- (2) Water delivered through a hydrant, at a rate per 1,000 gallons or fraction thereof according to the schedule below, shall require a meter issued by the water department. Written authorization from the water department is required and shall indicate specific locations and duration of use, and shall be available at the point of use for verification. In the event of an extended period of use, meter readings are required to be reported to the water department by the twenty-fifth of each month. Readings not reported or meters not returned by the twenty-fifth of the month will be assessed a nonrefundable \$50.00 monthly meter fee, and will be billed regardless of water usage.

	Effective 10/01/2013 and thereafter
Gallons of Consumption	Rate per 1,000 gallons
All	\$5.00

- (3) Unauthorized taking of water from a hydrant, or failure to use a meter, as required by this section, is a Class C violation, punishable as provided in section 1-8.

**SECTION 3.** Code of Ordinances Sections 90-177 and 90-180 as previously existing, are hereby repealed, to be replaced as specified in this ordinance.

**SECTION 4.** That this ordinance shall be in full force and effect October 1, 2013, and after its publication in the Garden City Telegram, the official city newspaper.

APPROVED AND PASSED by the Governing Body of the City of Garden City, Kansas, the 3rd day of September, 2013.

\_\_\_\_\_  
DAN FANKHAUSER, Mayor

ATTEST:

\_\_\_\_\_  
CELYN N. HURTADO, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
RANDALL D. GRISELL, City Counselor



CITY COMMISSION

DAN FANKHAUSER,  
Mayor

ROY CESSNA

MELVIN DALE

JANET DOLL

CHRIS LAW

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City Manager

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## MEMORANDUM

**TO:** Governing Body  
**THRU:** Matt Allen, City Manager  
**FROM:** Mike Muirhead, Public Utilities Director  
**DATE:** August 27, 2013  
**RE:** KMEA Documents / Resolution

---

**ISSUE:**

With the Jameson Energy Center (JEC) construction moving forward, it is necessary for The City of Garden City to acknowledge that it will purchase the electricity generated from the JEC, and that it will make the necessary monthly payments to KMEA so KMEA can obtain the necessary permanent financing for the project.

The documents include;

- Purchase Contract with Letter of Representation
- Continuing Disclosure Agreement
- Preliminary Official Statement

**BACKGROUND:**

The City Commission voted on December 4, 2012 to terminate the all requirements power supply agreement with Wheatland Electric Cooperative. This contract will expire on December 31, 2013. The City Commission accepted the proposal from KMEA for its power supply to begin January 1, 2014. This power supply included the installation of Generating Facilities (27MW) to be located in Garden City. The JEC is adjacent to the Wastewater Treatment Plant on City property located at 325 South Jenny Barker Road.

**ALTERNATIVES:**

1. Approve the Resolution covering the Purchase Contract, Continuing Disclosure Agreement and the Preliminary Official Statement and authorizing the Mayor to sign and the City Clerk to attest the agreements.
2. Do not approve the Resolution covering the Purchase Contract, Continuing Disclosure Agreement and the Preliminary Official Statement and authorizing the Mayor to sign and the City Clerk to attest the agreements.

**RECOMMENDATION:**

Staff recommends The City Commission approve the Resolution covering the Purchase Contract, Continuing Disclosure Agreement and the Preliminary Official Statement and authorize the Mayor to sign, and the City Clerk to attest the agreements.

**FISCAL NOTE:**

Costs associated with the new power supply portfolio will be covered within the Wholesale Electric line item in the Electrical Budget.

**KANSAS MUNICIPAL ENERGY AGENCY**

[\$49,885,000]

Power Project Revenue Bonds (Jameson Energy Center Project), Series 2013

**PURCHASE CONTRACT**

September 12, 2013

KANSAS MUNICIPAL ENERGY AGENCY  
6300 W. 95<sup>th</sup> Street  
Overland Park, Kansas 66212-1431

Dear Ladies and Gentlemen:

The undersigned Underwriters (the "Underwriters") offer to enter into the following agreement (this "Purchase Contract") with the Kansas Municipal Energy Agency (the "Agency") which, upon the Agency's acceptance of this offer, will be binding upon the Agency and upon the Underwriters. This offer is made subject to the Agency's written acceptance hereof on or before 5:00 P.M., Overland Park, Kansas time, on September 12, 2013, and, if not so accepted will be subject to withdrawal by the Underwriters upon written notice delivered to the Agency at any time prior to the acceptance hereof by the Agency.

Capitalized terms used herein and not otherwise defined shall have the meanings specified therefor in the Preliminary Official Statement (as hereinafter defined) of the Agency, dated August 30, 2013, relating to the Bonds (as hereinafter defined).

**Section 1. Purchase and Sale.** Upon the terms and conditions and upon the basis of the representations, warranties and agreements set forth herein and in the Letter of Representation of the City of Garden City, Kansas (the "City"), the Underwriters hereby agree to purchase from the Agency, and the Agency hereby agrees to sell and deliver to the Underwriters, all (but not less than all) of the [\$49,885,000] principal amount of its Power Project Revenue Bonds (Jameson Energy Center Project), Series 2013 (the "Bonds"). The Bonds shall be dated the date of initial delivery.

The Bonds shall bear interest at the rates, and mature in the amounts and on the dates and be subject to redemption as set forth in Schedule 1 hereto.

The purchase price for the Bonds shall be \$\_\_\_\_\_ (equal to the par amount of the Bonds, plus the original issue premium of \$\_\_\_\_\_, less underwriters' discount of \$\_\_\_\_\_), payable as set forth in Section 7 hereof (such payment and delivery of the Bonds and the other actions contemplated hereby to take place at the time of such payment and delivery being herein sometimes called the "Closing").

**Section 2. The Bonds.** The Bonds shall be as described in, and shall be issued pursuant to, a Trust Indenture dated as of September 1, 2013 (the “Bond Indenture”) between the Agency and UMB Bank, N.A., as trustee (the “Trustee”), as supplemented by a Supplemental Indenture, dated as of September 1, 2013, between the Agency and the Trustee providing for the issuance of the Bonds (the “Supplemental Indenture”). The Bond Indenture and the Supplemental Indenture are hereinafter collectively called the “Indenture”.

**Section 3. Authority.** BMO Capital Markets GKST Inc. (the “Representative”) has been duly authorized to execute this Purchase Contract on behalf of the other Underwriters and has been duly authorized to act hereunder by and on behalf of the Underwriters.

**Section 4. Offering.** It shall be a condition to the Agency’s obligations to sell and to deliver the Bonds to the Underwriters that the entire [\$49,885,000] principal amount of the Bonds shall be purchased, accepted and paid for at the Closing (as hereinafter defined) by the Underwriters. It shall be a condition to the Underwriters’ obligations to purchase, to accept delivery of and to pay for the Bonds that the entire [\$49,885,000] principal amount of the Bonds shall be issued, sold and delivered by the Agency at the Closing. The Underwriters agree to make a bona fide public offering of all of the Bonds, at prices not in excess of the initial public offering prices or yields below yields set forth on the inside cover of the Official Statement.

**Section 5. Delivery of Official Statement; Use of Documents.**

(a) Prior to the date hereof, the Agency delivered to the Underwriters the Preliminary Official Statement that the Agency deemed final as of its date for purposes of Rule 15c2-12 (the “Rule”) under the Securities Exchange Act of 1934 (the “Exchange Act”), except for the information not required to be included therein under the Rule.

(b) The Agency shall deliver to the Underwriters a copy of the Official Statement of the Agency, dated September 12, 2013, relating to the Bonds (the “Official Statement”) as promptly as practicable but in no more than seven business days after the date hereof and in sufficient time to accommodate any order from a customer, such number of copies of the final Official Statement in “designated electronic format” (as defined in MSRB Rule G-32) as the Underwriters may reasonably request in order for the Underwriters to comply with the rules of the Municipal Securities Rulemaking Board (“MSRB”) and the Rule.

(c) At or before the time of the Agency’s acceptance hereof, the Agency shall also deliver to the Underwriters (i) the Letter of Representation of the City, substantially in the form attached hereto as Exhibit A (the “Letter of Representation”); and (ii) a copy of a letter or letters from Lewis, Hooper & Dick LLC, addressed to the City, to the effect that it consents to the inclusion of its report on the financial statements of the City for the fiscal years ended December 31, 2012 and December 31, 2011 in the Preliminary Official Statement and the final Official Statement.

(d) The Agency hereby authorizes the use by the Underwriters of the Indenture, the Preliminary Official Statement, the Official Statement (including any supplements or amendments thereto) and the hereinafter defined Power Sales Contract and Continuing Disclosure Agreement, and the information therein contained, in connection with the public

offering and sale of the Bonds. The Agency consents to and ratifies the use by the Underwriters prior to the date hereof of the Preliminary Official Statement in connection with the public offering of the Bonds.

(e) The Agency acknowledges and agrees that: (i) the transactions contemplated by this Purchase Contract are arm's length, commercial transactions between the Agency and the Underwriters in which the Underwriters are acting solely as a principal and not acting as a municipal advisor, financial advisor or fiduciary to the Agency; (ii) the Underwriters have not assumed any advisory or fiduciary responsibility to the Agency with respect to the transactions contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriters or their affiliates have provided other services or is currently providing other services to the Agency on other matters); (iii) the only obligations the Underwriters have to the Agency with respect to the transaction contemplated hereby expressly are set forth in this Purchase Contract; and (iv) the Agency has consulted its own financial and/or municipal, legal, accounting, tax, and other advisors, as applicable, to the extent it has deemed appropriate.

The primary role of the Underwriters, as underwriters, is to purchase the Bonds, for resale to investors, in an arm's-length commercial transaction between the Agency and the Underwriters. The Underwriters have financial and other interests that differ from those of the Agency. The Agency waives to the full extent permitted by applicable law any claims it may have against the Underwriter arising from an alleged breach of fiduciary duty in connection with the offering of Bonds.

(f) The Underwriters agree to deliver the Official Statement, and any supplements and amendments thereto, as soon as practicable after the acceptance by the Agency of this Purchase Contract, to the MSRB.

(g) The Underwriters agree that they will not confirm the sale of any Bonds unless the confirmation of sale requesting payment is accompanied or preceded by the delivery of a copy of the Official Statement. Unless otherwise notified in writing by the Representative on or prior to the date of Closing, the Agency can assume that the "end of the underwriting period" for all of the Bonds for all purposes of the Rule is the date of the Closing. In the event such notice is given by the Representative, the Representative shall notify the Agency in writing as soon as practicable following the occurrence of the "end of the underwriting period" for the Bonds. As used in this Purchase Contract, the "end of the underwriting period" shall mean the date of Closing or such later date as to which notice is given by the Representative in accordance with the preceding sentence.

(h) From the date hereof to and including the date which is twenty-five (25) days after the end of the underwriting period, if there shall exist any event which, in the opinion of the Representative or in the opinion of the Agency, requires a supplement or amendment to the Official Statement so that it will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, when it is delivered to a potential investor, the Agency (or the City pursuant to the Letter of Representation) will supplement or amend at its own expense the Official Statement in a form

and in a manner approved by the Underwriters and the Agency. The Agency will notify promptly the Representative of the occurrence of any event of which it has knowledge which, in its opinion, is an event described in the preceding sentence. The amendments of supplements that may be authorized for use with respect to the Bonds are hereinafter included within the term "Official Statement".

**Section 6. Representations, Warranties and Agreements.** The Agency hereby represents, warrants and agrees as follows:

(a) The Agency is a quasi-municipal corporation duly created and validly existing pursuant to K.S.A. 12-885 to 12-8111, inclusive, as amended (the "Act");

(b) (1) The Agency has the full legal right, power and authority to enter into (i) the Power Sales Contract dated as of \_\_\_\_\_, 2013 (the "Power Sales Contract") with the City, the Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") and the Indenture, (ii) to sell, issue and deliver the Bonds to the Underwriters as provided herein, and (iii) to carry out and consummate the transactions contemplated by this Purchase Contract, the Indenture, the Official Statement, the Power Sales Contract and the Continuing Disclosure Agreement; and (except as otherwise disclosed in the Official Statement) the Agency has complied, and will at the Closing be in compliance in all material respects, with the terms of the Act, the obligations in connection with the issuance of the Bonds on its part contained in the Indenture, the Bonds, this Purchase Contract (including compliance with all agreements and satisfaction of all conditions on its part to be performed or satisfied hereunder), and at the Closing, the Power Sales Contract, the Continuing Disclosure Agreement, the Indenture and the Power Sales Contract will be in full force and effect;

(c) By all necessary official action, the Agency has duly authorized and approved the Preliminary Official Statement and the Official Statement, has duly authorized and approved the execution and delivery of, and the performance by the Agency of the obligations in connection with the issuance of the Bonds on its part contained in, the Bonds, the Indenture, this Purchase Contract, the Power Sales Contract and the Continuing Disclosure Agreement and the consummation by it of all the other transactions contemplated by this Purchase Contract is, and the Indenture, the Power Sales Contract and the Continuing Disclosure Agreement in connection with the issuance of the Bonds; this Purchase Contract is, the Indenture, the Power Sales Contract and the Continuing Disclosure Agreement will be on the date of Closing, the legal, valid and binding obligations of the Agency, enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law); and the Bonds, when issued, authenticated and delivered to the Underwriters in accordance with the Indenture and this Purchase Contract, will constitute legal, valid and binding obligations of the Agency, enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law);

(d) Except as otherwise disclosed in the Official Statement, the Agency is not in material breach of or default under any applicable constitutional provision, law or administrative regulation of the State of Kansas (the “State”) or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, agreement or other instrument to which the Agency is a party or to which the Agency or any of its property or assets is otherwise subject, and the Agency has no actual knowledge of any event that has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument; and the execution and delivery of the Bonds, this Purchase Contract, the Indenture, the Power Sales Contract and the Continuing Disclosure Agreement, and compliance with the provisions on the Agency’s part contained therein, will not conflict with or constitute a breach of or default under any constitutional provision, law, administrative rule or regulation, the Agency’s by-laws or any judgment, decree, order, indenture, bond, note, agreement, commitment or other instrument to which the Agency is a party or to which the Agency or any of its property or assets is otherwise subject, or any license or permit to which the Agency is a party, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge, pledge or encumbrance upon any of the property or assets of the Agency or under the terms of any such law, regulation or instrument, except as provided by the Bonds and the Indenture;

(e) Except as described in the Official Statement, all filings with, and all authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction in the matters which are required for the due authorization of, and which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the Agency of its obligations (i) in connection with the issuance of any Bonds under this Purchase Contract and the Indenture or (ii) under the Power Sales Contract, the Indenture and the Continuing Disclosure Agreement will be made or obtained prior to the date of Closing, except for (A) such approvals, consents and orders as may be required under the Blue Sky or securities law of any state in connection with the offering and sale of the Bonds; or (B) such construction and operating permits and approvals relating to the Jameson Energy Center or the construction thereof which by their terms may not be obtained until a future date;

(f) The Bonds, when issued, authenticated and delivered in accordance with the Indenture and sold to the Underwriter as provided herein, will be validly issued and outstanding obligations of the Agency, entitled to the benefits of the Indenture; and upon such issuance, authentication and delivery the Indenture will provide, for the benefit of the holders from time to time of the Bonds, the legally valid and binding pledge of and lien on the Revenues (as defined in the Indenture) and the funds and accounts pledged thereto under the Indenture, subject only to the provisions of the Indenture permitting the application thereof on the terms and conditions set forth in the Indenture;

(g) Between the date of this Purchase Contract and the date of the Closing, the Agency will not, without the prior written consent of the Underwriters, offer or issue any bonds, notes or other obligations for borrowed money, or incur any material liabilities, direct or contingent, other than (i) as contemplated by the Official Statement, (ii) as provided in the Power

Sales Contract and the Continuing Disclosure Agreement, or (iii) in the ordinary course of its business;

(h) As of the date hereof, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the actual knowledge of the Agency, threatened against the Agency (nor to the actual knowledge of the Agency without any independent inquiry is there any such action, suit, proceeding, inquiry or investigation pending or threatened against the City), affecting the corporate existence of the Agency or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of any of the Bonds or the collection of the Revenues of the Agency or the pledges of and liens on the Revenues, funds and accounts pursuant to the Indenture, or questioning, contesting or affecting as to the Agency the validity or enforceability of the Act, the Bonds, the Indenture, this Purchase Contract, the Power Sales Contract or the Continuing Disclosure Agreement, or questioning or contesting the exclusion of interest on the Bonds from gross income for federal income tax purposes, or questioning or contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or the powers of the Agency to carry out the transactions contemplated thereunder or any authority for the issuance of the Bonds, or the execution and delivery by the Agency of the Indenture, this Purchase Contract, the Power Sales Contract or the Continuing Disclosure Agreement, and nothing has come to the attention of the Agency that leads it to believe there is any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Act or the authorization, execution, delivery or performance by the Agency of any of the Bonds, the Indenture, the Power Sales Contract, the Continuing Disclosure Agreement or this Purchase Contract or which may result in any material adverse change in the operation of the business, properties, other assets or financial condition of the Agency;

(i) To the extent permitted by applicable law, administrative or other legal action, the Agency will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters as the Underwriters may reasonably request in order (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriters may designate and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Bonds; provided, however, that the Agency shall not be required to execute a general or special consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction; and

(j) As of its date, the Preliminary Official Statement (excluding information concerning The Depository Trust Company (“DTC”) and the book-entry system and information under the captions “THE CITY AND THE SYSTEM,” “LITIGATION – The City” and “UNDERWRITING” and in Appendices A and B) did not, and at the time of the Agency’s acceptance hereof, the Official Statement (excluding information concerning DTC and the book-entry system and information under the captions “THE CITY AND THE SYSTEM,” “LITIGATION – The City” and “UNDERWRITING” and in Appendices A and B) does not,

contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

**Section 7. Closing.** At 9:00 A.M., Central Daylight Savings time, on September 26, 2013, or on such later date as may be mutually agreed upon by the Agency and the Underwriters, the Agency will deliver or cause to be delivered to the Underwriters at the Kansas City, Missouri offices of Gilmore & Bell, P.C., or such other place as shall have been mutually agreed upon by the Agency and the Underwriters, the Closing documents hereinafter mentioned and the Underwriters will accept delivery of the Bonds and the Closing documents and pay the aggregate purchase price of all of the Bonds as set forth in Section 1 hereof in immediately available funds to the order of the Agency. Delivery of the Bonds shall be made to the Underwriters through the facilities of DTC. The Bonds shall be in fully registered form without coupons bearing CUSIP numbers and registered in the name of CEDE & Co., as nominee for DTC, and shall be made available to the Underwriters at least one business day before the Closing for purposes of inspection.

**Section 8. Closing Conditions.** The Underwriters have entered into this Purchase Contract in reliance upon the representations and warranties of the Agency contained herein, the representations of the City contained in the Letter of Representation and in reliance upon the representations and warranties to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Agency and the City of their respective obligations hereunder and under the Letter of Representation, both as of the date hereof and as of the date of the Closing. Accordingly, the Underwriters' obligations under this Purchase Contract to purchase, to accept delivery of and to pay for the Bonds shall be conditioned upon the performance by the Agency and the City of their respective obligations to be performed hereunder and under the Letter of Representation and under such documents and instruments at or prior to the Closing, and shall also be subject to the following additional conditions:

(a) The representations and warranties of the Agency contained herein and the representations of the City contained in the Letter of Representation shall be true, complete and correct on the date hereof and on and as of the date of the Closing, as if made on the date of the Closing;

(b) At the time of the Closing, the Official Statement shall not have been supplemented or amended except as may have been agreed to by the Underwriters;

(c) (i) At the time of the Closing, all official actions of the Agency and the City and of the other parties thereto relating to this Purchase Contract, the Bonds, the Indenture, the Power Sales Contract and the Continuing Disclosure Agreement shall be in full force and effect in accordance with their respective terms and shall not have been amended, modified or supplemented in any material respect from the date hereof except as may have been agreed to in writing by the Underwriters; and (ii) the City shall be in compliance with paragraph 11 of the Letter of Representation;

(d) At or prior to the Closing, the Underwriters shall have received copies of each of the following documents:

- (1) A certificate of the General Manager of the Agency to the effect that the Indenture has been duly executed by the Agency and is in full force and effect and, except (A) as amended and supplemented by the Supplemental Indenture (a certified copy of each of which shall be attached thereto), has not been amended, supplemented or modified;
- (2) An opinion dated the date of the Closing and addressed to the Agency, of Gilmore & Bell, P.C., as Bond Counsel to the Agency, in substantially the form included in the Official Statement as Appendix E;
- (3) An opinion, substantially in the form of Exhibit C hereto, dated the date of the Closing and addressed to the Underwriters, of Gilmore & Bell, P.C., as Bond Counsel to the Agency;
- (4) An opinion, substantially in the form of Exhibit D hereto, dated the date of the Closing and addressed to the Underwriters, of Gilmore & Bell, P.C., as General Counsel to the Agency;
- (5) An opinion, substantially in the form of Exhibit E hereto, dated the date of the Closing and addressed to the Underwriters, of Randall Grisell, Esq., City Attorney;
- (6) A certificate, dated the date of the Closing, signed by the General Manager of the Agency in substantially the form attached hereto as Exhibit B;
- (7) Reserved;
- (8) A letter of an authorized officer of the City, dated the date of the Closing and addressed to the Underwriters and the Agency, to the effect that the representations contained in the Letter of Representation are to the best of his knowledge after due inquiry, true and correct in all material respects on and as of the date of the Closing as if made on the date of the Closing;
- (9) Appropriate tax certifications relating to the Bonds by the Agency in form and substance satisfactory to Bond Counsel;
- (10) An opinion, dated the date of the Closing and addressed to the Underwriters, of Fulbright & Jaworski LLP, counsel for the Underwriters, in substantially the form attached hereto as Exhibit F;
- (11) Letters from Standard & Poor's Rating Services ("S&P") to the effect that the Bonds have been assigned the ratings of "\_\_\_";
- (12) Such additional legal opinions, certificates, instruments and other documents consistent in substance with the certificates and opinions agreed to be provided pursuant to this Purchase Contract as the Underwriters or Gilmore & Bell, P.C. or Fulbright & Jaworski LLP may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the Agency's representations and warranties contained herein and of the City's representations contained in the Letter of Representation and of the statements and information contained in the Official Statement and the due performance or satisfaction by the

Agency on or prior to the date of the Closing of all the agreements then to be performed and conditions then to be satisfied by it; and

(13) Three transcripts of all proceedings relating to the authorization and issuance of the Bonds.

All the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Purchase Contract shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Underwriters.

If the Agency shall be unable to satisfy the conditions to the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Bonds contained in this Purchase Contract, or if the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and neither the Underwriters nor the Agency shall be under any further obligation hereunder, except that the respective obligations of the Agency and the Underwriters set forth in Sections 10 and 12 hereof shall continue in full force and effect.

**Section 9. Termination.** The Underwriters may terminate this Purchase Contract by telefax notice to the General Manager of the Agency if at any time between the date hereof and the Closing (a) legislation is (A) enacted by or introduced in Congress, (B) favorably reported for passage to either House of the Congress of the United States of America by any Committee of such House to which such legislation has been referred for consideration, (C) recommended to the Congress for passage by the President of the United States of America or the Treasury Department, or (D) officially presented by the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives for formal action by such Committee, or proposed by any conference committee of the two Houses of Congress or any member of any conference committee, or by the occurrence of any other Congressional action, only, however, if the occurrence of any of the foregoing events is generally accepted by the municipal bond market as potentially affecting the Federal tax status of the Agency, its property or income or the interest on the Bonds or by any decision rendered by a court established under Article III of the Constitution of the United States of America or by the Tax Court of the United States of America, or a final order, ruling, regulation or official statement issued or made by or on behalf of the Treasury Department of the United States of America or the Internal Revenue Service, with the purpose or effect, directly or indirectly, of imposing Federal income taxation upon such interest as would be received by the holders of the Bonds, or upon such revenues or other income of the general character expected to be received by the Agency; (b) there occurs the outbreak or the escalation of hostilities involving the United States of America or the declaration by the United States of America of a national emergency or war, or other national or international calamity or crisis or financial crisis, if the effect of any such event specified in this clause (b) or the effect of the continuation of any such event existing on the date hereof in the judgment of the Underwriter makes it impracticable or inadvisable to proceed with the public offering or the delivery of the Bonds on the terms and in the manner contemplated by the Official Statement; (c) the New York Stock Exchange or other national securities exchange, or any governmental authority, shall impose, as to the Bonds, any material restrictions not now in force, or increase

materially those now in force or being enforced, with respect to the charges to the net capital requirements of underwriters; (d) there shall be in force a general suspension of trading on the New York Stock Exchange as the result of an event affecting the national economy; (e) a general banking moratorium shall have been established by Federal, New York or Kansas authorities or a disruption in commercial banking or securities settlement or clearance services which is material to the transaction contemplated by this Purchase Contract shall have occurred; (f) there shall have been any downgrading, suspension or withdrawal, or any official statement as to a possible downgrading, suspension or withdrawal, of any rating by S&P or Fitch of the Bonds; (g) an event shall have occurred which in the opinion of the Underwriters requires the preparation and publication of a supplement or amendment to the Official Statement; or (h) legislation shall be enacted, or actively considered for enactment, or a decision by a court of competent jurisdiction shall hereafter be rendered, or action shall hereafter be taken or a ruling or regulation shall hereafter be issued by the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject, to the effect that the issuance, offering or sale of the Bonds or obligations of the general character of the Bonds is in violation of, or that such obligations are not exempt from the registration, qualification under or other similar requirements of, the Securities Act of 1933, amended and as then in effect, or requires qualification of the Indenture under the Trust Indenture Act of 1939, as amended and as then in effect.

**Section 10. Expenses.** (a) The Underwriters shall be under no obligation to pay, and the Agency shall pay, any expenses incident to the performance of the Agency's obligations hereunder including, but not limited to: (i) the cost of preparation and printing of the Preliminary Official Statement and the Official Statement and any supplements and amendments thereto, (ii) the cost of preparation and printing of the Bonds; (iii) the fees and disbursements of Columbia Capital Management, Inc., financial advisor to the Agency, Gilmore & Bell, P.C., Bond Counsel to the Agency, and general counsel to the Agency, and Randall Grisell, City Attorney; (iv) the fees and disbursements of any other engineers, accountants, and other experts, consultants or advisors retained by the Agency; (v) fees for bond ratings; and (vi) the fees and expenses of the Trustee and its counsel as provided for in its agreement. Except as otherwise specified in this paragraph (a) of this Section 10, the Agency shall be under no obligation to pay any expenses incident to the performance of the obligations of the Underwriters hereunder, including specifically the fees and expenses of Fulbright & Jaworski LLP, as counsel to the Underwriters.

(b) The Underwriters shall pay: (i) the cost of preparation and printing of this Purchase Contract and the Blue Sky Survey; (ii) all advertising expenses and Blue Sky filing fees in connection with the public offering of the Bonds; and (iii) all other expenses incurred with the public offering of the Bonds, including the fees and disbursements of Fulbright & Jaworski LLP.

**Section 11. Notices.** Any notice or other communication to be given to the Agency under this Purchase Contract may be given by delivering the same in writing to the Agency's address set forth above, and any notice or other communication to be given to the Underwriters under this Purchase Contract may be given by delivering the same in writing to BMO Capital Markets GKST Inc., 3 Times Square, New York, New York 10036, Attention: Edward Meyers.

**Section 12. Parties in Interest.** This Purchase Contract is made solely for the benefit of the Agency and the Underwriters (including the successors or assigns of the Underwriters) and no other person shall acquire or have any right hereunder or by virtue hereof. All of the Agency's representations, warranties and agreements contained in this Purchase Contract shall remain operative and in full force and effect and shall survive delivery of and payment for the Bonds hereunder and regardless of any investigation made by or on behalf of the Underwriters. The agreements in paragraphs (a) and (b) of Section 10 hereof shall survive any termination of this Purchase Contract.

**Section 13. Effectiveness.** This Purchase Contract shall become effective upon the execution of the acceptance hereof by the authorized representative of the Agency and shall be valid and enforceable at the time of such acceptance.

**Section 14. Headings.** The headings of the sections of this Purchase Contract are inserted for convenience only and shall not be deemed to be a part hereof.

**Section 15. Governing Law.** THIS PURCHASE CONTRACT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF KANSAS

Very truly yours,

BMO CAPITAL MARKETS GKST INC.  
GEORGE K. BAUM & COMPANY  
RAYMOND JAMES & ASSOCIATES, INC.  
UMB BANK, N.A.

By: BMO CAPITAL MARKETS GKST INC.

\_\_\_\_\_  
Name: Edward Meyers  
Title: Managing Director

Accepted:

This 12th day of September, 2013

KANSAS MUNICIPAL ENERGY AGENCY

By: \_\_\_\_\_  
Name: Gregory DuMars  
Title: President

**Schedule 1**

**KANSAS MUNICIPAL ENERGY AGENCY**

[\$49,885,000]

Power Project Revenue Bonds (Jameson Energy Center Project), Series 2013

<b><u>Maturity</u></b> <b><u>(July 1)</u></b>	<b><u>Principal Amount</u></b>	<b><u>Interest Rate</u></b>	<b><u>Yield</u></b>
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\* Final maturity

The Bonds will be dated and bear interest from the date of their delivery, calculated on the basis of a 360-day year consisting of twelve 30-day months, payable semiannually on each January 1 and July 1, commencing July 1, 2014, to their stated date of maturity or prior redemption.

**Optional Redemption**

The Bonds maturing on or after July 1, 2025 are subject to redemption at the option of the Agency, in whole or in part, on any date on or after July 1, 2024, at a redemption price of 100 percent of the principal amount thereof plus interest accrued to the date fixed for redemption.

## Sinking Fund Redemption

The Bonds maturing on July 1, \_\_\_\_ are subject to redemption prior to maturity from mandatory sinking fund installments, upon payment of the principal amount set forth below together with accrued interest to the date fixed for redemption, on July 1 of each of the applicable years set forth below.

Year

Amount

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\* Final maturity

**EXHIBIT A**

**CITY OF GARDEN CITY, KANSAS**  
**301 N. 8<sup>th</sup> Street**  
**Garden City, Kansas 67846**

September 12, 2013

Kansas Municipal Energy Agency  
6300 W. 95<sup>th</sup> Street  
Overland Park, Kansas 66212-1431

BMO Capital Markets GKST Inc.  
As Representative of the Underwriters  
3 Times Square  
New York, New York 10036

Dear Ladies and Gentlemen:

The City of Garden City (the “City”), hereby represents to the Kansas Municipal Energy Agency (“the Agency”) and BMO Capital Markets GKST Inc., as representative of the Underwriters (the “Underwriters”) as follows:

(1) This Letter of Representation is furnished in connection with the Purchase Contract, dated September 12, 2013 (the “Purchase Contract”) between the Agency and the Underwriters relating to the sale of [\$49,885,000] aggregate principal amount of the Agency’s Power Project Revenue Bonds (Jameson Energy Center Project), Series 2013 (the “Bonds”), as more fully described in the Official Statement of the Agency relating to the Bonds dated September 12, 2013, including the cover page, the inside cover page and the Appendices thereto (the “Official Statement”). Capitalized terms used herein and not otherwise defined have the meaning given such terms in the Purchase Contract.

(2) The City is a legally constituted municipal Corporation duly organized and existing under the laws of the State of Kansas.

(3) This Letter of Representation constitutes a legal and valid obligation of the City enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy laws of the United States of America, insolvency, reorganization, arrangement, moratorium, or other laws relating to or affecting the enforcement of creditors’ rights generally, regardless of general principles of equity, whether such enforceability is considered in a proceeding in equity or at law.

(4) The Power Sales Contract will be duly authorized, executed and delivered by the City and, assuming due authorization, execution and delivery by the Agency, will constitute, when executed, a legal and valid obligation of the City enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy laws of the United States of

America, insolvency, reorganization, arrangement, moratorium, or other laws relating to or affecting the enforcement of creditors' rights generally, regardless of general principles of equity, whether such enforceability is considered in a proceeding in equity or at law.

(5) The execution and delivery by the City of this Letter of Representation and the Power Sales Contract and compliance with the provisions thereof applicable to the City, will not conflict with or constitute a breach of or default under any constitutional provision, law or administrative regulation, or under any judgment, decree, loan agreement, indenture, bond, note, resolution or other instrument to which the City is a party or to which the City or any of its property or assets is subject.

(6) The City has performed and complied with all agreements, covenants and conditions required by the Power Sales Contract to be performed or complied with by the City on or before the date hereof.

(7) Except as otherwise set forth in the Official Statement (defined herein), there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending, or, to the best of my knowledge after due inquiry, threatened, against the City affecting the existence of the City or contesting or affecting the validity or enforceability of the Power Sales Contract.

(8) The information in the Preliminary Official Statement dated August 30, 2013 (the "Preliminary Official Statement"), under the headings "THE CITY AND THE SYSTEM," "LITIGATION – The City" and in APPENDIX A and APPENDIX B as of the date of the Preliminary Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(9) The information in the Official Statement dated September 12, 2013 (the "Official Statement"), under the headings "THE CITY AND THE SYSTEM," "LITIGATION – The City" and in APPENDIX A and APPENDIX B, as of the date of the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(10) The City hereby agrees with the Agency and the Underwriters that if during the period from the date hereof to and including the date which is twenty-five (25) days following the End of the Underwriting Period for the Bonds (as determined in accordance with Section 5(g) of the Purchase Contract) any event shall occur which might or would cause the information in the Official Statement, as then supplemented or amended, under the headings, "THE CITY AND THE SYSTEM," "LITIGATION – The City" and in APPENDIX A and APPENDIX B to the Official Statement, to contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the City shall notify the Agency and the Underwriters thereof and, if the Underwriter decides pursuant to Section 5(h) of the Purchase Contract that such event requires the preparation and publication of a supplement or amendment to the Official Statement,

the City will cooperate and assist in the preparation and publication of such a supplement or amendment.

(11) The City has not failed to comply with all previous undertakings with respect to the Rule in any material respect in the preceding five years.

(12) The City acknowledges and agrees that: (i) the transactions contemplated by the Purchase Contract are arm's length, commercial transactions between the Agency and the Underwriters in which the Underwriters are acting solely as a principal and are not acting as a municipal advisor, financial advisor or fiduciary to the City; (ii) the Underwriters have not assumed any advisory or fiduciary responsibility to the City with respect to the transactions contemplated by the Purchase Contract and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriters or its affiliates have provided other services or is currently providing other services to the City on other matters); (iii) the only obligations the Underwriters have to the City with respect to the transaction contemplated by the Purchase Contract expressly are set forth in the Purchase Contract; and (iv) the City has consulted its own financial and/or municipal, legal, accounting, tax, and other advisors, as applicable, to the extent it has deemed appropriate.

The primary role of the Underwriters, as underwriters, is to purchase the Bonds, for resale to investors, in an arm's-length commercial transaction between the Agency and the Underwriters. The Underwriters have financial and other interests that differ from those of the City.

The City waives to the full extent permitted by applicable law any claims it may have against the Underwriters arising from an alleged breach of fiduciary duty in connection with the offering of Bonds.

Sincerely,

City of Garden City, Kansas

By: \_\_\_\_\_  
Mayor

**EXHIBIT B-1 TO THE PURCHASE CONTRACT**

**KANSAS MUNICIPAL ENERGY AGENCY**

**CERTIFICATE**

The undersigned, Robert Poehling, General Manager of the Kansas Municipal Energy Agency (the "Agency"), hereby certifies in his capacity as General Manager, that:

1. The representations and warranties of the Agency contained in the Purchase Contract, dated September 12, 2013, between the Agency and the Underwriters named therein (the "Purchase Contract") with respect to the sale by the Agency of [\$49,885,000] principal amount of its Power Project Revenue Bonds (Jameson Energy Center Project), Series 2013 (the "Bonds"), as more fully described in the Official Statement of the Agency, are true and correct in all material respects on and as of the date of the Closing as if made on the date of the Closing.

2. The Power Sales Contract is in full force and effect and has not been altered, amended or modified.

All capitalized terms employed herein, which are not otherwise defined, shall have the same meanings as in the Purchase Contract.

IN WITNESS WHEREOF, I have hereunto set my hand this 26<sup>th</sup> day of September, 2013.

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Robert Poehling  
General Manager,  
KANSAS MUNICIPAL ENERGY AGENCY

## EXHIBIT C

### OPINION OF GILMORE & BELL, P.C.

(Date of Closing)

BMO Capital Markets GKST Inc.,  
As Representative of the Underwriters  
3 Times Square  
New York, New York 10036

Re: [\$49,885,000] Kansas Municipal Energy Agency  
Power Project Revenue Bonds (Jameson Energy Center Project), Series 2013

Ladies and Gentlemen:

This letter is addressed to you, as Underwriters, pursuant to Section 8(d)(3) of the Purchase Contract, dated April 19, 2013 (the "Purchase Contract"), between you and Kansas Municipal Energy Agency ("the Agency"), providing for the purchase of [\$49,885,000] principal amount of the Agency's Power Project Revenue Bonds (Jameson Energy Center Project), Series 2013 (the "Bonds"). The Bonds are being issued pursuant to the provisions of K.S.A. 12-885 to K.S.A. 12-8111, as amended (the "Act"), and under and pursuant to a Trust Indenture dated as of September 1, 2013 between the Agency and UMB Bank, N.A., as trustee (the "Trustee"), and an Indenture supplemental thereto dated as of September 1, 2013, between the Agency and the Trustee, authorizing the Bonds (such Indenture as supplemented being herein called the "Indenture"). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture or, if not defined in the Indenture, in the Purchase Contract.

We have delivered our approving legal opinions (the "Bond Opinion") as Bond Counsel concerning the validity of the Bonds and certain other matters, dated the date hereof and addressed to the Agency. You may rely on such opinions as though the same were addressed to you.

In connection with our role as Bond Counsel, we have reviewed the Purchase Contract; an executed copy of the Indenture; an executed copy of the Continuing Disclosure Agreement; the Official Statement of the Agency, dated September 12, 2013, relating to the Bonds (the "Official Statement"); the Tax Compliance Agreement executed and delivered by the Agency on the date hereof in connection with the issuance of the Bonds (the "Tax Agreement"); certificates of the Agency, the Trustee and others; and such other documents, opinions and matters to the extent we deemed necessary to provide the opinions or conclusions set forth herein.

The opinions and conclusions expressed herein are based upon an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions or conclusions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any

person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the Agency. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the third paragraph hereof (except that we have not relied on any such legal conclusions that are to the same effect as the opinions or conclusions set forth herein). Furthermore, we have assumed compliance with all covenants and agreements contained in such documents. We call attention to the fact that the rights and obligations under the Bonds, the Indenture, the Tax Agreement, the Continuing Disclosure Agreement and the Purchase Contract and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against bodies politic and corporate of the State of Kansas. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum or waiver provisions contained in the foregoing documents.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions or conclusions:

1. The Agency has all requisite right, power and authority to execute and deliver the Purchase Contract and to carry out the transactions contemplated thereby and the Purchase Contract has been duly and lawfully authorized, executed and delivered by the Agency and is the legal, valid and binding obligation of the Agency enforceable against it in accordance with its terms.

2. The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

3. The statements contained in the Official Statement under the captions "INTRODUCTION", "THE SERIES 2013 BONDS", "SECURITY AND SOURCES OF PAYMENT" and "TAX MATTERS," the statements contained in Appendix D to the Official Statement, insofar as such statements expressly summarize certain provisions of the Indenture, the Power Sales Contract and our Bond Opinion concerning certain tax matters relating to the Bonds, are accurate in all material respects.

4. The Continuing Disclosure Agreement has been duly executed and delivered by the Agency and is a valid and binding agreement of the Agency, enforceable in accordance with its terms. No opinion regarding the adequacy of the Continuing Disclosure Agreement for purposes of S.E.C. Rule 15c2-12 may be inferred from this opinion.

We are not passing upon and do not assume any responsibility for the accuracy (except as explicitly stated in paragraph 3 above), completeness or fairness of any of the statements contained in the Official Statement, and make no representation that we have independently

verified the accuracy, completeness or fairness of any such statements. In our capacity as Bond Counsel to the Agency in connection with the issuance of the Bonds, we participated in conferences with your representatives, your counsel, representatives of the Agency, Columbia Capital Management, the Agency's Financial Advisor, the City of Garden City, Kansas (the "City"), Randall Grisell, City Attorney, and others, during which conferences the contents of the Official Statement and related matters were discussed. No inquiry was made as to the other attorneys at our firm not working directly on the issuance of the Bonds who may have information material to the same. Based on our participation in the above-referenced conferences (which did not extend beyond the date of the Official Statement), and in reliance thereon and on the records, documents, certificates and opinions herein mentioned (as set forth above), subject to the limitations on our role as bond counsel, we advise you as a matter of fact and not of opinion that no facts came to the attention of the attorneys in our firm rendering legal services in connection with such issuance which caused us to believe that the Official Statement as of its date and as of the date hereof (except for any financial, statistical or economic or engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion (other than our opinions relating to the Bonds and the Power Sales Contract), or any information about book-entry or DTC, and the information contained under the headings "THE CITY AND THE SYSTEM," "LITIGATION – The City" and in Appendices A and B to the Official Statement, included therein, which we expressly exclude from the scope of this paragraph and as to which we express no opinion or view) contained or contains any untrue statement of a material fact or omitted or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

This letter is furnished by us as Bond Counsel to the Agency. No attorney-client relationship has existed or exists between our firm and you in connection with the Bonds or by virtue of this letter. We disclaim any obligation to update this letter. This letter is delivered to you as Underwriters of the Bonds, is solely for your benefit as such Underwriters and is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person. This letter is not intended to, and may not, be relied upon by owners of Bonds or by any other party to whom it is not specifically addressed.

Very truly yours,

**EXHIBIT D**

**OPINION OF GILMORE & BELL, P.C.**

(Date of Closing)

BMO Capital Markets GKST Inc.  
As Representative of the Underwriters  
3 Times Square  
New York, New York 10030

Gentlemen:

We have served as General Counsel to the Kansas Municipal Energy Agency (“the Agency”) in connection with the issuance and sale by the Agency of [\$49,885,000] principal amount of its Power Project Agency Revenue Bonds (Jameson Energy Center Project), Series 2013 (the “Bonds”), to the Underwriters named in the Purchase Contract referred to herein.

This letter is provided to you pursuant to §8(d)(4) of the Purchase Contract. Terms used herein which are defined in said Purchase Contract shall have the meanings specified therein or, if not defined therein, in the Official Statement, dated September 12, 2013, relating to the Bonds.

In connection with our role as General Counsel, we have examined, among other things, the Act, the Indenture, the proceedings of the Board of Directors of the Agency with respect to the authorization and issuance of the Bonds and the authorization, execution and delivery of the Power Sales Contract, the Continuing Disclosure Agreement, the Purchase Contract, the opinions of Randall Grisell, City Attorney of Garden City, Kansas (the “City”) and the Official Statement and such certificates and other documents relating to the Agency, the City, the Bonds, the Indenture, the Power Sales Contract and the Continuing Disclosure Agreement and have made such other examination of applicable State of Kansas (the “State”) law, as we have deemed necessary in giving this opinion.

Based upon the foregoing, we are of the opinion that:

1. To our actual knowledge, no litigation is pending or threatened against the Agency affecting its corporate existence or the titles of its officers to their respective offices; or affecting or seeking to restrain or enjoin the issuance or delivery of the Bonds or the execution, delivery and performance of the Indenture, the Purchase Contract, the Power Sales Contract or the Continuing Disclosure Agreement; or contesting the exclusion of interest on the Bonds from gross income for federal income tax purposes or contesting the completeness or accuracy of the Official Statement or any supplement or amendment thereto or the collection of the Revenues or the respective pledges thereof, or the performance by the Agency of the provisions of the Indenture, the Purchase Contract, the Power Sales Contract or the Continuing Disclosure

Agreement, nor has it come to our attention that there is any basis for any such action, suit, proceeding, inquiry, or investigation wherein an unfavorable decision, ruling, or finding would materially adversely affect the validity or enforceability of the Act, or the Bonds, the Indenture, the Purchase Contract, the Power Sales Contract or the Continuing Disclosure Agreement.

2. The Purchase Contract, the Power Sales Contract, the Indenture and the Continuing Disclosure Agreement have been duly authorized, executed and delivered by the Agency and constitute the legal, valid and binding obligations of the Agency, enforceable in accordance with their respective terms.

3. The Agency is duly existing as a quasi-municipal corporation organized and existing under the laws of the State, with full legal right, power and authority to enter into and perform its obligations under the Indenture, the Purchase Contract, the Power Sales Contract and the Continuing Disclosure Agreement.

4. To our actual knowledge and except as otherwise disclosed in the Official Statement the Agency is not in material breach of or default under the Act, any applicable constitutional provision, law or administrative regulation of the State or the United States of America or any applicable judgment or decree or any loan agreement, indenture, bond, note, agreement or other instrument known to us after reasonable inquiry to which the Agency is a party or to which the Agency or any of its property or assets is otherwise subject, and no event has occurred and is continuing which with the passage of time or the giving of notice or both would constitute a default or event of default under any such instrument.

5. The charges to be made by the Agency for the capacity and energy sold to the City under the Power Sales Contract are not presently subject to regulation by any regulatory authority of the State or the Federal Energy Regulatory Commission.

It is to be understood that the rights and obligations of the parties under the Purchase Contract, the Power Sales Contract the Continuing Disclosure Agreement and the Indenture and the enforceability thereof may be subject to judicial discretion, the valid exercise of the sovereign police powers of the State and the constitutional powers of the United States of America and valid bankruptcy, insolvency, reorganization and other laws affecting creditors' rights and general principles of equity.

We are furnishing this letter to you, as General Counsel. This letter is delivered to you as Underwriters of the Bonds, solely for your benefit as Underwriters. The letter is not to be used, circulated, quoted, otherwise referred to or relied upon for any other purpose or by any other person. This letter is not intended to, and may not, be relied upon by owners of the Bonds or by any other party or person to whom it is not specifically addressed. We disclaim any obligation to update this letter. No attorney-client relationship has existed or exists between us and you in connection with the issuance of the Bonds, or by virtue of this letter or for any other purpose.

Very truly yours,

**EXHIBIT E**

**OPINION OF RANDALL GRISELL, CITY ATTORNEY**

(Date of Closing)

BMO Capital Markets GKST Inc.  
As Representative of the Underwriters  
3 Times Square  
New York, New York 10036

Gentlemen:

I have served as City Attorney to the City of Garden City, Kansas (the “City”), in connection with the issuance and sale by the Kansas Municipal Energy Agency (“the Agency”) of [\$49,885,000] principal amount of its Power Project Revenue Bonds (Jameson Energy Center Project), Series 2013 (the “Bonds”), to BMO Capital Markets GKST Inc., as representative of the Underwriters named therein (the “Underwriters”), pursuant to a Purchase Contract dated September 12, 2013 (the “Purchase Contract”) between the Agency and the Underwriters. Terms used herein which are defined in said Purchase Contract shall have the meanings specified therein or, if not defined therein, in the Official Statement, dated September 12, 2013, relating to the Bonds.

In connection with my role as City Attorney, I have examined, among other things, the Act, the proceedings of the City Council of the City with respect to the authorization, execution and delivery of the Power Sales Contract, the Letter of Representation and the Continuing Disclosure Agreement, the opinions of Gilmore & Bell, P.C., Bond Counsel and General Counsel to the Agency and the Official Statement and rely upon such certificates and other documents relating to the City, the Bonds, the Indenture, the Power Sales Contract, the Letter of Representation and the Continuing Disclosure Agreement, and have made such other examination of applicable Kansas law, as I have deemed necessary in giving this opinion.

Based upon the foregoing, I am of the opinion that:

1. To my actual knowledge, no litigation is pending or threatened against the City affecting its corporate existence or the titles of its officers to their respective offices; or affecting or seeking to restrain or enjoin the execution, delivery and performance of the Power Sales Contract, the Letter of Representation or the Continuing Disclosure Agreement, or contesting the exclusion of interest on the Bonds from gross income for federal income tax purposes or contesting the completeness or accuracy of the Official Statement or any supplement or amendment thereto, or the performance by the City of the provisions of the Power Sales Contract, the Letter of Representation or the Continuing Disclosure Agreement, nor has it come to my attention that there is any basis for any such action, suit, proceeding, inquiry, or investigation wherein an unfavorable decision, ruling, or finding would materially adversely

affect the validity or enforceability of the Act, or the Bonds, the Indenture, the Power Sales Contract, the Letter of Representation or the Continuing Disclosure Agreement.

2. The City has full legal right, power and authority to enter into and perform its obligations under the Power Sales Contract and the Letter of Representation.

3. The Power Sales Contract, the Letter of Representation and the Continuing Disclosure Agreement have been duly authorized, executed and delivered by the City and constitute the legal, valid and binding obligations of the City, enforceable in accordance with their respective terms.

4. The City is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State of Kansas or the United States of America or any applicable judgment or decree or any loan agreement, indenture, bond, note, agreement or other instrument known to me after reasonable inquiry to which the City is a party or to which the City or any of its property or assets is otherwise subject, and no event has occurred and is continuing which with the passage of time or the giving of notice or both would constitute a default or event of default under any such instrument.

5. The charges to be made by the City for electric energy sold in the service area of the City are not presently subject to regulation by any regulatory authority of the State or the Federal Energy Regulatory Commission.

It is to be understood that the rights and obligations of the parties under the Power Sales Contract, the Letter of Representation, the Continuing Disclosure Agreement and the enforceability thereof may be subject to judicial discretion, the valid exercise of the sovereign police powers of the State and the constitutional powers of the United States of America and valid bankruptcy, insolvency, reorganization and other laws affecting creditors' rights and general principles of equity.

Although I am not passing upon and do not assume any responsibility for the accuracy or adequacy of the statements contained in the Official Statement and I make no representation that I have undertaken to verify independently the same, based on my reliance on the records, documents, certificates and opinions herein mentioned (as set forth above), subject to the limitations on my role as Counsel to the City, I advise you as a matter of fact and not of opinion that no facts came to my attention in connection with the issuance of the Bonds which caused me to believe that the information in Official Statement as of its date and as of the date hereof under the headings "THE CITY AND THE SYSTEM," "LITIGATION – The City" and in "APPENDIX A" (except for any financial, statistical or economic or engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, which I expressly exclude from the scope of this paragraph and as to which I express no opinion or view), as to matters within my purview as City Attorney, contained or contains any untrue statement of a material fact or omitted or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

As City Attorney, I am furnishing this letter to you, as Underwriters of the Bonds, solely for your benefit as Underwriters. The letter is not to be used, circulated, quoted, otherwise referred to or relied upon for any other purpose or by any other person. This letter is not intended to, and may not, be relied upon by owners of the Bonds or by any other party or person to whom it is not specifically addressed. I disclaim any obligation to update this letter. No attorney-client relationship has existed or exists between me and you in connection with the issuance of the Bonds, or by virtue of this letter or for any other purpose.

Very truly yours,

Randall Grisell  
City Attorney

## EXHIBIT F

### FORM OF OPINION OF FULBRIGHT & JAWORSKI LLP

(Date of Closing)

BMO Capital Markets GKST Inc.  
As Representative of the Underwriters  
3 Times Square  
New York, New York 10036

Re: Power Project Revenue Bonds (Jameson Energy Center Project), Series 2013

Ladies and Gentlemen:

This opinion is rendered to you as the Representative of the Underwriters (the “Underwriters”) of the above-referenced bonds (the “Bonds”), pursuant to a Purchase Contract between the Underwriters and the Kansas Municipal Energy Agency, (the “Issuer”) dated September 12, 2013 (the “Purchase Contract”). Capitalized terms not otherwise defined herein have the meanings given to such terms in the Purchase Contract.

In our capacity as your counsel, we have examined originals, or copies certified or otherwise identified to our satisfaction as being true copies of originals, of such documents, records and other instruments as we have deemed necessary or appropriate for purposes of this opinion including, without limitation: (i) the Purchase Contract; (ii) the Indenture; (iii) the Power Sales Contract; (iv) the Continuing Disclosure Agreement, (v) the Issuer’s Official Statement relating to the Bonds, dated September 12, 2013 (the “Official Statement”); and (vi) the various certificates and opinions provided on the date hereof pursuant to the Purchase Contract.

In accordance with our understanding with you, we have participated in the preparation of the Official Statement, and in that connection have participated in conferences with officers and representatives of, among others, representatives of the Underwriters, Gilmore & Bell, PC, the Issuer, the Issuer’s financial advisor, the City of Garden City, Kansas (the “City”), and counsel to the City. No inquiry was made of other attorneys in our firm not rendering legal services in connection with the issuance of the Bonds who may have information material to the issuance of the Bonds. Based upon our participation in the preparation of the Official Statement as Counsel to the Underwriters and without having undertaken to determine independently the accuracy or completeness of the contents in the Official Statement other than as provided in paragraph 2 below, we have no reason to believe that (A) as of the date of the Preliminary Official Statement, the Preliminary Official Statement (except for the financial, engineering and statistical data included therein, and the information contained in Appendices A and B to the Preliminary Official Statement, as to which we express no view) contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, or (B) as of its date

and as of the date hereof, the Official Statement (except for the financial, engineering and statistical data included therein, and the information contained in Appendices A and B to the Official Statement, as to which we express no view) contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

We are of the opinion that:

1. The Bonds are exempted securities as described in Section 3(a)(2) of the Securities Act of 1933, as amended, and Section 304(a)(4) of the Trust Indenture Act of 1939, as amended, to extent provided in such Acts, respectively, and it is not necessary in connection with the sale of the Bonds to the public to register the Bonds under the Securities Act of 1933, as amended, or to qualify the Indenture under the Trust Indenture Act of 1939, as amended.

2. The statements contained in the Official Statement under the headings entitled “INTRODUCTION,” “THE SERIES 2013 BONDS” and “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” and in the Official Statement in “APPENDIX D – SUMMARY OF THE PRINCIPAL FINANCING DOCUMENTS” insofar as such statements constitute summaries of certain provisions of the Bonds, the Indenture, and the Power Sales Contract are fair and accurate statements or summaries of the matters referred to therein in all material respects.

3. The undertakings of the Issuer pursuant to the Continuing Disclosure Agreement to provide continuing disclosure satisfies the requirements of paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934, as amended, in effect as of the date hereof.

This opinion is solely for the benefit of, and may be relied upon solely by, the Underwriters. This opinion is not to be used, circulated, quoted, or otherwise referred to within or without the underwriting syndicate for any purpose other than the offering of the Bonds, except that references may be made to it in the Purchase Contract or in the list of closing documents pertaining to the delivery of the Bonds. This opinion is expressly limited to the matters set forth above and we render no opinion, whether by implication or otherwise, as to any other matters. We assume no obligation to update or supplement this opinion to reflect any facts or circumstances which may hereafter come to our attention, or any changes in laws which may hereafter occur.

Very truly yours,

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**CONTINUING DISCLOSURE AGREEMENT**

**Dated as of September 1, 2013**

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**Between**

**KANSAS MUNICIPAL ENERGY AGENCY**

**And**

**UMB BANK, N.A.,  
as Trustee**

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**[\$[Principal Amount]  
Kansas Municipal Energy Agency  
Power Project Revenue Bonds  
(Jameson Energy Center Project)  
Series 2013**

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## CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** dated as of September 1, 2013 (this “**Continuing Disclosure Agreement**”), is executed and delivered by **Kansas Municipal Energy Agency** (the “**Issuer**”) and **UMB Bank, N.A.**, as dissemination agent (the “**Dissemination Agent**”).

### RECITALS

1. This Continuing Disclosure Agreement is executed and delivered in connection with the issuance by the Issuer of its \$[Principal Amount] **Power Project Revenue Bonds (Jameson Energy Center) Series 2013** (the “**Bonds**”), pursuant to a Bond Trust Indenture dated as of September 1, 2013 between the Issuer and UMB Bank, N.A., as trustee (the “**Indenture**”).

2. The Issuer and the Dissemination Agent are entering into this Continuing Disclosure Agreement for the benefit of the Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission (the “**Rule**”). The City of Garden City Kansas (the “**City**”) is the only “**obligated person**” with responsibility for continuing disclosure hereunder. The City will execute a Consent and Acceptance substantially in the form of **Exhibit C** to this Agreement in conjunction with the issuance of the Bonds, pursuant to which the City will agree to provide the information contained in the Annual Reports described below to the Issuer or the Dissemination Agent on or before the date time provided herein.

In consideration of the mutual covenants and agreements herein, the Issuer and the Dissemination Agent covenant and agree as follows:

**Section 1. Definitions.** In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Continuing Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“**Annual Report**” means any Annual Report provided by the Issuer pursuant to, and as described in, **Section 2** of this Continuing Disclosure Agreement.

“**Beneficial Owner**” means any registered owner of any Bonds and any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“**Dissemination Agent**” means UMB Bank, N.A., acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Issuer.

“**EMMA**” means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at [www.emma.msrb.org](http://www.emma.msrb.org).

“**Fiscal Year**” means the **12-month** period beginning on **January 1** and ending on **December 31** or any other **12-month** period selected by the City as the Fiscal Year of the City for financial reporting purposes.

“**Material Events**” means any of the events listed in **Section 3(a)** of this Continuing Disclosure Agreement.

“**MSRB**” means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the Securities and Exchange Commission in accordance with the Rule.

“**Participating Underwriter**” means any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“**Rule**” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

## **Section 2. Provision of Annual Reports.**

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than **270** days after the end of the each Fiscal Year, commencing with the year ending December 31, 2013, file with the MSRB, through EMMA, the following financial information and operating data, subject to the receipt thereof by the Issuer from the City (the “**Annual Report**”):

- (1) The audited financial statements of the City for the prior fiscal year, beginning with the fiscal year ended December 31, 2013, prepared in accordance with accounting principles generally accepted in the United States of America. If audited financial statements of the City are not available by the time the Annual Report is required to be filed, the Annual Report may contain unaudited financial statements in a format similar to the financial statements contained in this Official Statement, and the audited financial statements will be filed in the same manner as the Annual Report promptly after they become available.
- (2) Updates as of the end of the fiscal year of certain financial information and operating data contained in the final Official Statement, as described in **Exhibit A**, in substantially the same format contained in the final Official Statement.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the City is an “**obligated person**” (as defined by the Rule), which have been provided to the MSRB and is available through EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB on EMMA. The Issuer shall clearly identify each such other document so included by reference.

In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Section; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the City’s fiscal year changes, it shall give notice of such change in the same manner as for a Material Event under **Section 3**.

- (b) Not later than the date specified in subsection (a) for providing the Annual Report to the MSRB, the Issuer shall either (1) provide the Annual Report to the Dissemination Agent, with written instructions to file the Annual Report as specified in subsection (a), or (2) provide written notice to the Dissemination Agent that the Issuer has provided the Annual Report to the MSRB (or will do so prior to the deadline specified in subsection (a)).
- (c) If the Dissemination Agent has not received either an Annual Report with filing instructions or a written notice from the Issuer that it has provided an Annual Report to the MSRB by the date required in subsection (a), the Dissemination Agent shall send a notice to the MSRB in substantially the form attached as **Exhibit B**.
- (d) The Dissemination Agent shall, unless the Issuer has provided the Annual Report to the MSRB, promptly following receipt of the Annual Report and instructions required in subsection (b) above, provide the Annual Report to the MSRB and provide a report to the Issuer certifying that the Annual Report has been provided pursuant to this Continuing Disclosure Agreement, stating the date it was provided to the MSRB.
- (e) In addition to the foregoing requirements of this Section, the Issuer agrees to provide copies of the most recent Annual Report to any requesting Beneficial Owner or prospective Beneficial Owner, but only after the same have been delivered to the MSRB on EMMA.
- (f) The Annual Report shall be filed with the MSRB in such manner and format as is prescribed by the MSRB.

### **Section 3. Reporting of Material Events.**

- (a) No later than **10** business days after the occurrence of any of the following events, the Issuer shall give, or cause to be given to the MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the Bonds (“**Material Events**”):
  - (1) principal and interest payment delinquencies;
  - (2) non-payment related defaults, if material;
  - (3) unscheduled draws on debt service reserves reflecting financial difficulties;
  - (4) unscheduled draws on credit enhancements reflecting financial difficulties;
  - (5) substitution of credit or liquidity providers, or their failure to perform;
  - (6) adverse tax opinions; the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2013 Bonds, or other material events affecting the tax status of the Series 2013 Bonds;
  - (7) modifications to rights of bondholders, if material;
  - (8) bond calls, if material, and tender offers;
  - (9) defeasances;
  - (10) release, substitution or sale of property securing repayment of the Series 2013 Bonds, if material;
  - (11) rating changes;
  - (12) bankruptcy, insolvency, receivership or similar event of KMEA;

- (13) the consummation of a merger, consolidation, or acquisition involving KMEA or the sale of all or substantially all of the assets of KMEA, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
  - (14) appointment of a successor or additional trustee or the change of name of the trustee, if material.
- (b) The Dissemination Agent shall, promptly after obtaining actual knowledge of the occurrence of any event that it believes may constitute a Material Event, contact the General Manager of the Issuer or his or her designee, or such other person as the Issuer shall designate in writing to the Dissemination Agent from time to time, inform such person of the event, and request that the Issuer promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsection (d). If in response to a request under this subsection (b), the Issuer determines that the event does not constitute a material event, the Issuer shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent whether or not to report the occurrence pursuant to subsection (d).
- (c) Whenever the Issuer obtains knowledge of the occurrence of a Material Event, because of a notice from the Dissemination Agent pursuant to subsection (b) or otherwise, the Issuer shall promptly notify and instruct the Dissemination Agent in writing to report the occurrence pursuant to subsection (d).
- (d) If the Dissemination Agent receives written instructions from the Issuer to report the occurrence of a Material Event, the Dissemination Agent shall promptly file a notice of such occurrence to the MSRB, with a copy to the Issuer. Notwithstanding the foregoing, notice of Material Events described in subsections (a)(8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the registered owners of affected Bonds pursuant to the Indenture.

**Section 4. Termination of Reporting Obligation.** The Issuer's and the Dissemination Agent's obligations under this Continuing Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the Issuer's obligations under this Continuing Disclosure Agreement are assumed in full by some other entity, such person shall be responsible for compliance with this Continuing Disclosure Agreement in the same manner as if it were the Issuer, and the Issuer shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination or substitution in the same manner as for a Material Event under **Section 3**.

**Section 5. Dissemination Agents.** The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Continuing Disclosure Agreement, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign as dissemination agent hereunder at any time upon **30** days prior written notice to the Issuer. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Report) prepared by the Issuer pursuant to this Continuing Disclosure Agreement. The initial Dissemination Agent is UMB Bank, N.A..

**Section 6. Amendment; Waiver.** Notwithstanding any other provision of this Continuing Disclosure Agreement, the Issuer and the Dissemination Agent may amend this Continuing Disclosure

Agreement and any provision of this Continuing Disclosure Agreement may be waived, provided that Bond Counsel or other counsel experienced in federal securities law matters provides the Issuer and the Dissemination Agent with its written opinion that the undertaking of the Issuer contained herein, as so amended or after giving effect to such waiver, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to this Continuing Disclosure Agreement. No amendment to this Continuing Disclosure Agreement may be made that affects the information and timing of information to be provided by the City without the written consent of the City.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Agreement, the Issuer shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (1) notice of such change shall be given in the same manner as for a Material Event under **Section 3**, and (2) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

**Section 7. Additional Information.** Nothing in this Continuing Disclosure Agreement or the Consent and Acceptance, as applicable, shall be deemed to prevent the Issuer or the City from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or, in the case of the Issuer, any notice of occurrence of a Material Event, in addition to that which is required by this Continuing Disclosure Agreement or the Consent and Acceptance, as applicable. If the Issuer or the City chooses to include any information in any Annual Report or, in the case of the Issuer, any notice of occurrence of a Material Event, in addition to that which is specifically required by this Continuing Disclosure Agreement or the Consent and Acceptance, as applicable, the Issuer or the City shall have no obligation under the applicable agreement to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

**Section 8. Default.** If the Issuer or the Dissemination Agent fails to comply with any provision of this Continuing Disclosure Agreement, any Participating Underwriter or any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer or the Dissemination Agent, as the case may be, to comply with its obligations under this Continuing Disclosure Agreement. A default under this Continuing Disclosure Agreement shall not be deemed an event of default under the Indenture or the Bonds, and the sole remedy under this Continuing Disclosure Agreement in the event of any failure of the Issuer or the Dissemination Agent to comply with this Continuing Disclosure Agreement shall be an action to compel performance.

**Section 9. Duties and Liabilities of Dissemination Agent.** The Dissemination Agent shall have only such duties as are specifically set forth in this Continuing Disclosure Agreement, and, to the extent permitted by law, the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or wilful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the



and other reproductions of original documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

**Section 15. Governing Law.** This Continuing Disclosure Agreement shall be governed by and construed in accordance with the laws of the State of Kansas.

*[Remainder of Page Intentionally Left Blank.]*

**IN WITNESS WHEREOF**, the Issuer and the Dissemination Agent have caused this Continuing Disclosure Agreement to be executed as of the day and year first above written.

**KANSAS MUNICIPAL ENERGY AGENCY**

By: \_\_\_\_\_  
Title: \_\_\_\_\_

**UMB BANK, N.A.**,  
as Dissemination Agent

By: \_\_\_\_\_  
Title: Authorized Officer

## **EXHIBIT A**

### **FINANCIAL INFORMATION AND OPERATING DATA TO BE INCLUDED IN ANNUAL REPORT**

The following sections and tables contained in Appendix A to the final Official Statement:

- (i) THE SYSTEM – System Rates.
- (ii) THE SYSTEM – Peak Loads.
- (iii) THE SYSTEM – System Revenues and MWh by Sector.
- (iv) THE SYSTEM – Summary Financial Information.
- (v) THE SYSTEM – 10 Largest System Customers.

The Summary Financial Information for the System need not be provided separately in the Annual Report if such information is available in the audited financial statements of the City or in schedules to the audited financial statements of the City (without regard to whether such schedules are considered audited).

**EXHIBIT B**

**NOTICE OF FAILURE TO FILE ANNUAL REPORT**

**Name of Issuer:** Kansas Municipal Energy Agency

**Name of Bond Issue:** \$[Principal Amount] Power Project Revenue Bonds (Jameson Energy Center Project) Series 2013 (the "Bonds")

**Name of Obligated Person:** Kansas Municipal Energy Agency (the "Issuer")

**Date of Issuance:** [Closing Date]

**NOTICE IS HEREBY GIVEN** that Kansas Municipal Energy Agency has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement dated as of September 1, 2013, between Kansas Municipal Energy Agency and UMB Bank, N.A., as Dissemination Agent. [The Issuer has informed the Dissemination Agent that the Issuer anticipates that the Annual Report will be provided by \_\_\_\_\_.]

**Dated:** \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_

**UMB BANK, N.A.**, as Dissemination Agent  
on behalf of **Kansas Municipal Energy Agency**

cc: Kansas Municipal Energy Agency  
City of Garden City, Kansas

## EXHIBIT C

### CONSENT AND ACCEPTANCE

The City of Garden City, Kansas (the “City”) consents to the attached Continuing Disclosure Agreement dated as of September 1, 2013 (the “**Continuing Disclosure Agreement**”). Capitalized terms not otherwise defined in this Consent and Acceptance have the meanings given those terms in the Continuing Disclosure Agreement.

**1.** The City shall, not later than 270 days after the end of each Fiscal Year, commencing with the year ending December 31, 2013, submit to the Issuer or the Dissemination Agent:

- (a) The audited financial statements of the City, prepared in accordance with accounting principles generally accepted in the United States of America. If audited financial statements of the City are not available by the time the Annual Report is required to be filed, the Annual Report may contain unaudited financial statements in a format similar to the financial statements contained in this Official Statement, and the audited financial statements will be filed in the same manner as the Annual Report promptly after they become available.
- (b) Updates as of the end of the fiscal year of certain financial information and operating data contained in the final Official Statement, as described in **Exhibit A** to the Continuing Disclosure Agreement in substantially the same format contained in the final Official Statement. The Summary Financial Information for the System need not be provided separately in the Annual Report if such information is available in the audited financial statements of the City or in schedules to the audited financial statements of the City (without regard to whether such schedules are considered audited).

**2.** If the City fails to comply with any of its obligations under this Consent and Acceptance, any Participating Underwriter or any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City to comply with its obligations hereunder. A default under this Consent and Acceptance shall not be deemed an event of default under the Power Sales Contract, and the sole remedy hereunder in the event of any failure of the City to comply herewith shall be an action to compel performance.

**Date:** \_\_\_\_\_, 2013

**THE CITY OF GARDEN CITY, KANSAS**

By \_\_\_\_\_  
Mayor

The City waives to the full extent permitted by applicable law any claims it may have against the Underwriters arising from an alleged breach of fiduciary duty in connection with the offering of Bonds.

Sincerely,

City of Garden City, Kansas

By: \_\_\_\_\_  
Mayor



NEW ISSUE—Book Entry Only

RATINGS: S&amp;P “\_\_”

*In the opinion of Gilmore & Bell, P.C., Bond Counsel, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the “Code”), (1) the interest on the Series 2013 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes except as described in this Official Statement, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, (2) the interest on the Series 2013 Bonds is exempt from Kansas income taxation and (3) the Series 2013 Bonds have not been designated as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code. See “TAX MATTERS”.*

**[\$[Principal Amount]\***  
**KANSAS MUNICIPAL ENERGY AGENCY**  
**Power Project Revenue Bonds**  
**(Jameson Energy Center Project)**  
**Series 2013**

**Dated: Date of delivery****Due: As shown on the inside cover**

The Series 2013 Bonds are issued in book-entry only form through The Depository Trust Company, which will act as securities depository for the Series 2013 Bonds. Interest on the Series 2013 Bonds is payable on each January 1 and July 1, commencing January 1, 2014. The Series 2013 Bonds are subject to optional and mandatory sinking fund redemption prior to maturity.

The Series 2013 Bonds are being issued by the Kansas Municipal Energy Agency to (a) finance the acquisition and construction of the Jameson Energy Center described in this Official Statement, (b) refund and redeem the Short-Term Funding Bonds described in this Official Statement, (c) fund capitalized interest for the Series 2013 Bonds, (d) fund a debt service reserve for the Series 2013 Bonds, and (e) pay costs of issuance of the Series 2013 Bonds.

The Series 2013 Bonds and the interest thereon will be special, limited obligations of KMEA payable solely out of the Revenues (as defined in this Official Statement) received by KMEA pursuant to the Power Sales Contract (defined in this Official Statement) between KMEA and the City of Garden City, Kansas (the “City”) and certain other funds held under the Indenture and will be secured by a pledge and assignment of and a grant of a security interest in the Trust Estate to the Trustee and in favor of the owners of the Series 2013 Bonds as provided in the Indenture. Payments will be made by the City to KMEA under the Power Sales Contract solely from the revenues and funds of the City’s Electric Utility System (the “System”), which payments will constitute operating expenses of the System. The City’s obligation to make payments under the Power Sales Contract from the revenues of the System is absolute and unconditional and not subject to any reduction by offset, counterclaim, recoupment or otherwise and is not conditioned upon delivery of electricity or other performance by KMEA. **The City’s obligation to make payments to KMEA under the Power Sales Contract does not constitute a general obligation of the City, and the City is not required to make payments from any source other than System Revenues as defined in this Official Statement.**

The Series 2013 Bonds and interest thereon shall not be deemed to constitute a debt or liability of the State of Kansas or of any political subdivision thereof within the meaning of any state constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the State of Kansas, the City or of any political subdivision thereof, but shall be payable solely from the funds provided for in the Indenture. The issuance of the Series 2013 Bonds shall not, directly, indirectly or contingently, obligate the State of Kansas, the City or any political subdivision thereof to levy any form of taxation therefor or to make any appropriation of tax revenues for their payment. KMEA has no taxing power. No individual Member of KMEA is obligated to make payments under the Indenture. The City is the only party obligated to make payments under the Power Sales Contract.

**Maturity Schedule, Interest Rates and Yields**

(see inside cover)

**An investment in the Series 2013 Bonds involves certain risks. See “INVESTMENT CONSIDERATIONS.”**

The Series 2013 Bonds are offered when, as and if issued and received by the Underwriters, subject to the approval of legality by Gilmore & Bell, P.C., Bond Counsel and General Counsel to KMEA, and certain other conditions. Certain legal matters will be passed upon for the City by Randall Grisell, City Attorney. Certain legal matters will be passed on for the Underwriters by Fulbright & Jaworski LLP, a member of Norton Rose Fulbright. Columbia Capital Management, LLC is serving as financial advisor to KMEA in connection with the issuance of the Series 2013 Bonds. It is expected that the Series 2013 Bonds will be available for delivery in book-entry form through the Depository Trust Company on or about September \_\_, 2013.

**[UNDERWRITERS’ LOGOS]**

This Official Statement is dated September \_\_, 2013.

\*Preliminary, subject to change.

**MATURITY SCHEDULE**

**[\$(Principal Amount)\*  
KANSAS MUNICIPAL ENERGY AGENCY  
Power Project Revenue Bonds  
(Jameson Energy Center Project)  
Series 2013**

**Dated: Date of delivery**

**Due: As shown below**

\$ \_\_\_\_\_ **SERIAL BONDS**

<u>Due July 1,</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Price</u>	<u>CUSIP<sup>†</sup></u>
--------------------	--------------------------	----------------------	--------------	--------------------------

\$ _____	<b>TERM BONDS DUE JULY 1, 20__</b>	<b>INTEREST RATE _____</b>	<b>% PRICE _____</b>	<b>% CUSIP<sup>†</sup></b>
\$ _____	<b>TERM BONDS DUE JULY 1, 20__</b>	<b>INTEREST RATE _____</b>	<b>% PRICE _____</b>	<b>% CUSIP<sup>†</sup></b>
\$ _____	<b>TERM BONDS DUE JULY 1, 20__</b>	<b>INTEREST RATE _____</b>	<b>% PRICE _____</b>	<b>% CUSIP<sup>†</sup></b>

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\* Preliminary, subject to change

† CUSIP numbers have been assigned to this issue by the CUSIP Service Bureau and are included for the convenience of the owners of the Series 2013 Bonds. Neither KMEA nor the Underwriters are responsible for the selection or correctness of the CUSIP numbers set forth above.

**KANSAS MUNICIPAL ENERGY AGENCY**

6300 West 95<sup>th</sup> Street  
Overland Park, Kansas 66212-1431

**Officers and Administration**

Greg DuMars – President  
Dave Howard – Vice-President  
Duane Banks – Secretary/Treasurer  
Bob Poehling – General Manager  
Lance Boyd – Managing Director, Electric Operations  
Jennifer Moore – Director, Finance & Accounting

**CITY OF GARDEN CITY, KANSAS**

301 North 8<sup>th</sup>  
Garden City, Kansas 67846

**City Commission**

Dan Fankhauser – Mayor  
Roy Cessna – Vice Mayor  
Melvin Dale – Commissioner  
Janet Doll – Commissioner  
Chris Law – Commissioner

**Appointed Officials**

Matthew C. Allen – City Manager  
Melinda A. Hitz – Finance Director  
Mike Muirhead – Public Utilities Director

**BOND COUNSEL**

Gilmore & Bell, P.C.  
Wichita, Kansas

**FINANCIAL ADVISOR**

Columbia Capital Management, LLC  
Overland Park, Kansas

**TRUSTEE**

UMB Bank, N.A.  
Kansas City, Missouri

## **REGARDING USE OF THIS OFFICIAL STATEMENT**

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of that information.

The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder will under any circumstances create any implication that there has been no change in the affairs of KMEA, the City or DTC since the date hereof.

**No dealer, broker, salesperson or other person has been authorized by KMEA, the City or the Underwriter to give any information or to make any representations, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. Statements contained in this Official Statement that involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as a representation of fact.**

**IN CONNECTION WITH THE OFFERING OF THE SERIES 2013 BONDS, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2013 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.**

**THE SERIES 2013 BONDS HAVE NOT BEEN REGISTERED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE CITY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE SERIES 2013 BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

### **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

This Official Statement contains “forward-looking statements.” These forward-looking statements include statements about the future plans and strategies of KMEA and the City and other statements that are not historical in nature, including the information contained in the Engineer’s Report included as *Appendix C*. These forward-looking statements are based on the current expectations of KMEA and the City. Forward-looking statements involve future risks and uncertainties that could cause actual results and experience to differ materially from the anticipated results or other expectations expressed in forward-looking statements. These future risks and uncertainties include those discussed in the “**INVESTMENT CONSIDERATIONS**” section of this Official Statement. KMEA and the City have no obligation to update any forward-looking statements contained in this Official Statement to reflect future events or developments.

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## OFFICIAL STATEMENT

\$[Principal Amount]\*  
KANSAS MUNICIPAL ENERGY AGENCY  
POWER PROJECT REVENUE BONDS  
(JAMESON ENERGY CENTER PROJECT)  
SERIES 2013

### INTRODUCTION

*This introduction provides brief descriptions of the Series 2013 Bonds and the information contained in the Official Statement. Prospective investors should make a full review of the Official Statement, including the Appendices.*

#### **The Kansas Municipal Energy Agency**

The Kansas Municipal Energy Agency (“**KMEA**”) is a quasi-municipal corporation created under the laws of the State of Kansas. KMEA was created by a group of Kansas cities under K.S.A. 12-885 to 12-8,111, inclusive (the “**Act**”) in May 1980 for the purpose of securing an adequate, economical and reliable supply of electricity, or other energy, and transmitting energy or electricity to the distribution systems of its member cities (the “**Members**”). See “**THE KANSAS MUNICIPAL ENERGY AGENCY.**” **No individual Member of KMEA is obligated to make payments under the Indenture. The City of Garden City, Kansas (the “City”) is the only party obligated to make payments under the Power Sales Contract described below.**

#### **The City and the System**

The City is a city of the first class incorporated in 1883. The City’s Electric Utility System (the “**System**”) serves the citizens of the City by providing electric power to meet residential, commercial and industrial needs.

#### **The Series 2013 Bonds**

The \$[Principal Amount]\* principal amount KMEA Power Project Revenue Bonds (Jameson Energy Center Project) Series 2013 (the “**Series 2013 Bonds**”) are being issued under and secured by a Trust Indenture dated as of September 1, 2013 as supplemented by a Supplemental Trust Indenture No. 1 dated as of September 1, 2013 (as so supplemented and amended, the “**Indenture**”) between KMEA and UMB Bank, N.A. as trustee (“**Trustee**”). The Series 2013 Bonds will mature on the dates and bear interest at the rates as shown on the inside cover page. Interest on the Series 2013 Bonds is payable on January 1 and July 1, commencing January 1, 2014.

#### **Use of Funds**

The proceeds of the Series 2013 Bonds will be used to (a) finance the acquisition and construction of the Jameson Energy Center described in this Official Statement, (b) refund and redeem the KMEA Revenue Bonds, Series 2013A issued June 27, 2013 in the principal amount of \$5,000,000 (the “**Short-Term Funding Bonds**”), (c) fund capitalized interest for the Series 2013 Bonds, (d) fund a debt service reserve for the Series 2013 Bonds, and (e) pay costs of issuance of the Series 2013 Bonds. See “**PLAN OF FINANCE.**”

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\* Preliminary, subject to change.

## **Jameson Energy Center**

A portion of the proceeds of the Series 2013 Bonds will be used to finance the acquisition and construction of a simple-cycle gas turbine peaking facility (the “**Jameson Energy Center**”) constructed on an 11-acre greenfield site in the City (the “**Site**”) owned by the City and leased to KMEA pursuant to the Site Lease dated as of \_\_\_\_\_, 2013 (the “**Site Lease**”). All rights of KMEA under the Site Lease are pledged to the Trustee under the Indenture as additional security for the Series 2013 Bonds.

## **Security and Sources of Payment**

The Series 2013 Bonds are special, limited obligations of KMEA payable solely from and secured by a pledge of the Revenues (described below) and certain other funds and amounts held by the Trustee pursuant to the Indenture. Pursuant to the Jameson Energy Center Power Sales Contract dated as of September \_\_, 2013 (the “**Power Sales Contract**”) between KMEA and the City, the City has agreed to pay to KMEA, from the revenues and funds of the System (the “**System Revenues**”): (1) the Monthly Power Costs (2) the Energy Related Costs and (3) the Service Charges. The City’s obligation under the Power Sales Contract does not constitute a general obligation of the City, and the City is not required to make payments from any source other than System Revenues. Payments made under the Power Sales Contract are required to be made as operating expenses from the System Revenues legally available for the payment of costs and expenses of the System and will be in addition to any other payments owed by the City to KMEA. See “**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – The Power Sales Contract.**”

The Monthly Power Costs required to be paid by the City to KMEA include all required principal and interest payments on the Series 2013 Bonds. [For purposes of this Official Statement, the following terms have the following meanings:

“**System**” means the City’s Electric Utility System. [Term already defined on the cover].

“**System Revenues**” means all revenues and funds of the System. The City’s obligation to make payments to KMEA under the Power Sales Contract, including the payment of Monthly Power Costs, is limited to System Revenues. [Term defined in the first paragraph of this Section].

“**Revenues**” means all revenues of KMEA that are pledged by KMEA to the Trustee under the Indenture and are the sole source of payment of the Series 2013 Bonds (in addition to other funds and accounts held by the Trustee under the Indenture). Revenues include all revenues, income, rents and receipts derived or to be derived by KMEA from or attributable to or relating to the Jameson Energy Center or to the payment of the costs thereof, including all revenues received or to be received by KMEA or the Trustee under the Power Sales Contract or under any other arrangement by KMEA with respect to the sale or use of the Jameson Energy Center or any portion thereof or the capacity or energy thereof. [Term more fully defined on p. 10].

See *Appendix D* for the complete definitions of “System,” “System Revenues,” and Revenues. ] [Is the bracketed subsection needed?]

## **Debt Service Reserve**

The Series 2013 Bonds are secured by the Common Debt Service Reserve Account of the Debt Service Reserve Fund, which will be funded with \$\_\_\_\_\_ from proceeds of the Series 2013 Bonds, which is an amount equal to the Common Debt Service Reserve Requirement. See “**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Debt Service Reserve Fund.**”

## **Additional Bonds**

The Indenture permits the issuance of additional bonds secured by the Revenues on a parity with the Series 2013 Bonds (together with the Series 2013 Bonds, the “**Bonds**”) upon the satisfaction of certain requirements set forth in the Indenture. The Indenture also permits the issuance of Subordinated Bonds payable out of and secured by a pledge of amounts in the Subordinated Bond Fund. Any payments out of or pledge of the Subordinated Bond Fund will be subordinate and junior in all respects to the pledge and lien created under the Indenture as security for the Bonds. See “**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Additional Bonds and Subordinated Bonds.**”

## **Redemption**

The Series 2013 Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as described herein. See “**THE SERIES 2013 BONDS – Redemption Prior to Maturity.**”

## **Continuing Disclosure**

[To come.] See “**CONTINUING DISCLOSURE.**”

## **Investment Considerations**

Investment in the Series 2013 Bonds is subject to certain risks, including the events and circumstances described under “**INVESTMENT CONSIDERATIONS.**”

## **Capitalized Terms**

*Certain capitalized terms used in this Official Statement and not otherwise defined herein have the meanings given to such terms under the heading, “DEFINITIONS” in Appendix D.*

## **PLAN OF FINANCE**

The proceeds of the Series 2013 Bonds will be used to (a) finance the acquisition and construction of the Jameson Energy Center, (b) refund and redeem the Short-Term Funding Bonds, (c) fund capitalized interest for the Series 2013 Bonds, (d) fund a debt service reserve for the Series 2013 Bonds, and (e) pay costs of issuance of the Series 2013 Bonds.

### **The Jameson Energy Center**

KMEA expects its total costs associated with the acquisition and construction of the Jameson Energy Center to be approximately \$40 million, of which approximately \$5 million was previously financed with the proceeds of the Short-Term Funding Bonds. The costs of acquisition and construction include, among others (a) acquisition of three gas turbine generator sets, (b) project and construction management, (c) start-up testing costs, and (d) a project contingency.

**Project Description.** The Jameson Energy Center will be a simple-cycle gas turbine peaking facility consisting of three gas turbine generator sets (the “**Generators**”) constructed on a greenfield site in the City and connected to the City’s transmission system through a new 13.8 to 34.5 kV substation on the site. KMEA acquired the Generators pursuant to a Contract for the Purchase and Sale of Equipment and Services with Siemens Energy, Inc. dated as of May 31, 2013 (the “**Generator Purchase Contract**”). KMEA made progress payments to Siemens Energy, Inc. under the Generator Purchase Contract on June 28, 2013, with a portion of the proceeds of the Short-Term Funding Bonds. The remaining amount owed under the Generator Purchase Contract will be paid with proceeds of the Series 2013 Bonds.

Construction of the Jameson Energy Center is projected to be completed by March 30, 2014.

**Project Costs.** The Jameson Energy Center costs are estimated to be approximately \$40 million, consisting of the following:

Purchase of Generators	\$26,500,000
Installation of Generators and Construction of Jameson Energy Center	9,412,000
Other Costs and Contingency	<u>3,316,000</u>
<b>Total</b>	\$39,228,000

**Construction Contract.** The design and construction of the Jameson Energy Center, including installation of the Generators, will be performed by Sega, Inc. (the “**Contractor**”) pursuant to the Balance of Plant Engineering, Procurement and Construction Agreement (the “**Construction Contract**”) between KMEA and the Contractor dated as of May 17, 2013. See “**INVESTMENT CONSIDERATIONS – Construction Delays and Cost Overruns.**”

The Contractor is an employee-owned engineering and technical services firm that has been providing services for 40 years to utilities, institutions, and industrial facilities, including assisting clients with planning, design, procurement, construction, programming and field services for projects related to the production and distribution of energy. The Contractor has extensive experience providing engineering services for combustion turbine projects, including:

- *Orange Grove Energy and San Diego Gas & Electric, Orange Grove Power Plan, Pala, California* - The Contractor performed engineering, procurement and construction services, including site development and installation of two 45-MW simple-cycle combustion turbine generators to a “greenfield” site. The project included site preparation, a two-mile gas pipeline, trucked-in water supply, 69-kV underground transmission line to utility substation, foundations, maintenance building with central control room, 69-kV substation with protection and control, gas compressors, SCR, noise restrictions, and plant controls integration.
- *City of Chanute, Knasas, Gas Turbine Addition, Chanute, Kansas* – The Contractor installed a single 50-MW Siemens Westinghouse combustion turbine generator at an existing power plant site.
- *Kansas City, Kansas Board of Public Utilities, Nearman Creek Power Plant, Knasas City, Kansas* – The Contractor assisted with the design, procurement and construction of a new 80-MW combustion turbine generator.

**Consulting Engineer’s Report.** Sawvel and Associates, Inc. (“**Sawvel**”) has prepared a Consulting Engineer’s Report dated \_\_\_\_\_, 2013 (the “**Engineer’s Report**”), which is included as *Appendix C* to this Official Statement. Sawvel concludes in the Engineer’s Report that the Jameson Energy Center is technically feasible and represents a reasonable resource for the Power Supply Plan (described below). The Engineer’s Report includes projected [System Revenues for the five years ending \_\_\_\_\_, 20\_\_] provided by KMEA management. **THE ENGINEER’S REPORT SHOULD BE READ IN ITS ENTIRETY, INCLUDING THE ASSUMPTIONS DESCRIBED THEREIN.** See *Appendix C*.

**Generators.** The Generators are Siemens, Inc. model SGT-400 gas turbines rated at 12.9 MW (gross, ISO conditions). The Generators are equipped with dry low emission (DLE) combustion systems to burn

natural gas and distillate fuels. The Generators are currently assembled and permanently mounted on two trailers.

**Operation and Maintenance.** KMEA intends to enter into an operation and maintenance agreement for generation operation and maintenance service of the Jameson Energy Center, pursuant to which the operator will, among other things, provide supervision and personnel for the operation and maintenance of the Jameson Energy Center in accordance with applicable laws and best industry practices.

**Fuel Supply.** KMEA intends to enter into a fuel supply agreement to obtain the fuel necessary to operate the Generators and the Jameson Energy Center.

**Permitting and Air Quality Controls.** KMEA has and will apply for and has received or expects to receive various permits and authorizations before the start of construction on the Jameson Energy Center. See the Engineer's Report included as *Appendix C*. The air permit issued by the Kansas Department of Health and Environment for the operation of the Jameson Energy Center requires limiting annual operation of the Generators to minimize emissions.

### **Refunding of Short-Term Funding Bonds**

A portion of the proceeds of the Series 2013 Bonds will be used to refund and redeem the Short-Term Funding Bonds. The Short-Term Funding Bonds will be redeemed simultaneously with the issuance of the Series 2013 Bonds at a redemption price equal to 100% of the principal amount of the Short-Term Funding Bonds outstanding, plus accrued and unpaid interest thereon to the redemption date. The proceeds of the Short-Term Funding Bonds were used to make the progress payments under the Generator Purchase Contract.

## **ESTIMATED SOURCES AND USES OF FUNDS**

The sources and uses of funds in connection with the issuance of the Series 2013 Bonds are estimated to be as follows:

### **Sources of Funds**

Series 2013 Bonds  
Net Original Issue Premium/Discount  
Short-Term Funding Bonds Project Fund  
Total

### **Uses of Funds**

Deposit to Project Fund  
Refund Short-Term Funding Bonds  
Deposit to Common Debt Service Reserve Account  
Deposit to Capitalized Interest Subaccount  
Costs of Issuance<sup>(1)</sup>  
Total

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(1) Includes Underwriters' discount, trustee fees, legal fees, rating agency fees, printing fees and other miscellaneous costs of issuance.

## THE SERIES 2013 BONDS

### General

The Series 2013 Bonds will be dated as of the date of their original issuance and will mature on the dates and in the amounts set forth on the inside cover page of this Official Statement. The Series 2013 Bonds will be issued as fully-registered bonds in book-entry form, in the denomination of \$5,000 or any integral multiple thereof, not exceeding the amounts of each maturity.

The Series 2013 Bonds will bear interest at the rates set forth on the inside cover page of this Official Statement. Interest on the Series 2013 Bonds is payable semiannually on each January 1 and July 1 commencing January 1, 2014 (each, an “*Interest Payment Date*”). Interest on the Series 2013 Bonds is computed on the basis of a 360-day year of twelve 30 day months. Interest on the Series 2013 Bonds accrues from the dated date or from the most recent Interest Payment Date to which interest has been paid or duly provided for.

### Redemption Prior to Maturity

**Optional Redemption.** The Series 2013 Bonds maturing on and after July 1, 20\_\_ are subject to redemption prior to maturity at the option of KMEA on or after July 1, 20\_\_ in whole or in part at any time, at a redemption price equal to 100% of the principal amount of the Series 2013 Bonds to be redeemed plus accrued interest to the redemption date.

#### **Mandatory Sinking Fund Redemption.**

The Series 2013 Bonds maturing July 1, 20\_\_, July 1, 20\_\_ and July 1, 20\_\_ (the “*Term Bonds*”), will be subject to mandatory redemption and payment prior to maturity through mandatory sinking fund installments on January 1 in each of the years set forth below, at the Redemption Price of **100%** of the principal amount thereof plus accrued interest to the redemption date, without premium:

#### **Term Bonds Maturing July 1, 20\_\_**

<u>Year</u>	<u>Principal Amount</u>
-------------	-------------------------

†  
† Final Maturity

#### **Term Bonds Maturing July 1, 20\_\_**

<u>Year</u>	<u>Principal Amount</u>
-------------	-------------------------

†  
† Final Maturity

#### **Term Bonds Maturing July 1, 20\_\_**

<u>Year</u>	<u>Principal Amount</u>
-------------	-------------------------

†  
† Final Maturity

In determining the amount of Term Bonds of a particular maturity to be redeemed with any Sinking Fund Installment, there will be deducted the principal amount of any Term Bonds of such maturity which have been purchased, to the extent permitted by the Indenture, with amounts in the Series 2013 Debt Service Account in the Debt Service Fund in accordance with the Indenture (exclusive of amounts deposited from proceeds of Bonds). In addition, if any Term Bonds of a particular maturity are (a) purchased or redeemed with amounts other than moneys on deposit in the Series 2013 Debt Service Account, or (b) deemed to have been paid within the meaning of the Indenture and, with respect to the Term Bonds of such maturity which have been deemed paid, irrevocable instructions have been given to the Trustee to redeem or purchase the same on or prior to the due date of the Sinking Fund Installment to be credited, the Term Bonds of such maturity may be credited against any future Sinking Fund Installment established for the Term Bonds of such maturity as determined by KMEA at any time.

#### ***Selection by Trustee of Bonds to be Redeemed***

The particular maturities of the Series 2013 Bonds to be redeemed at the option of KMEA will be determined by KMEA in its sole discretion. If less than all of the Series 2013 Bonds of a maturity are called for prior redemption, the particular Series 2013 Bonds to be redeemed shall be selected by the Trustee at random in such manner as the Trustee shall deem fair and equitable.

#### ***Notice of Redemption***

Unless waived by any owner of Series 2013 Bonds to be redeemed, official notice of any such redemption shall be given by the Trustee by fax, first class mail or prepaid overnight delivery service, at least 20 days prior to the redemption date to each registered owner of the Series 2013 Bonds to be redeemed at the address shown on the bond register.

With respect to optional redemptions, such notice may be conditioned upon moneys being on deposit with the Trustee on or prior to the redemption date in an amount sufficient to pay the redemption price on the redemption date. If such notice is conditional and moneys are not received, such notice shall be of no force and effect, the Trustee shall not redeem such Series 2013 Bonds and the Trustee shall give notice, in the same manner in which the notice of redemption was given, that such moneys were not so received and that such Series 2013 Bonds will not be redeemed.

The failure of any owner of Series 2013 Bonds to receive such notice, or any defect therein, shall not affect the validity of any proceedings for the redemption of any Series 2013 Bonds. Any notice mailed as provided in this section shall be conclusively presumed to have been duly given and shall become effective upon mailing, whether or not any owner receives such notice.

**So long as DTC is effecting book-entry transfers of the Series 2013 Bonds, the Trustee shall provide the notices specified above only to DTC. It is expected that DTC will, in turn, notify the Direct Participants, that the Direct Participants will, in turn, notify the Indirect Participants and that the Direct Participants and the Indirect Participants will notify or cause to be notified the Beneficial Owners. Any failure on the part of DTC, a Direct Participant or an Indirect Participant, or failure on the part of a nominee of a Beneficial Owner of a Series 2013 Bond (having been mailed notice from the Trustee, a Direct Participant, an Indirect Participant or otherwise), to notify the Beneficial Owner of the Series 2013 Bond so affected, shall not affect the validity of the redemption of such Series 2013 Bond.**

## **Book-Entry System**

**General.** The Series 2013 Bonds are available in book-entry only form. Purchasers of the Series 2013 Bonds will not receive certificates representing their interests in the Series 2013 Bonds. Ownership interests in the Series 2013 Bonds will be available to purchasers only through a book-entry system (the “**Book-Entry System**”) maintained by DTC in New York, New York.

**The following information concerning DTC and DTC’s book-entry system has been obtained from DTC. Neither KMEA nor the City take any responsibility for the accuracy or completeness thereof and neither the Indirect Participants nor the Beneficial Owners should rely on the following information with respect to such matters, but should instead confirm the same with DTC or the Direct Participants, as the case may be. There can be no assurance that DTC will abide by its procedures or that such procedures will not be changed from time to time.**

DTC will act as securities depository for the Series 2013 Bonds. The Series 2013 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Series 2013 Bonds and will be deposited with DTC.

**DTC and its Participants.** DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“**Direct Participants**”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“**DTCC**”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“**Indirect Participants**”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

**Purchases of Ownership Interests.** Purchases of Series 2013 Bonds under the DTC system must be made by or through Direct Participants, who will receive a credit for the Series 2013 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“**Beneficial Owner**”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2013 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Series 2013 Bonds is discontinued.

**Transfers.** To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2013 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

**Notices.** Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2013 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Series 2013 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

**Redemption notices will be sent to DTC.** If less than all of the Series 2013 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

**Voting.** Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to KMEA as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

**Payments of Principal, Redemption Price and Interest.** Redemption proceeds, distributions, and dividend payments on the Series 2013 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from KMEA or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or KMEA, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

**Discontinuation of Book-Entry System.** DTC may discontinue providing its services as depository with respect to the Series 2013 Bonds at any time by giving reasonable notice to KMEA or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

KMEA may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2013 Bond certificates will be printed, registered in the name of DTC's partnership nominee, Cede & Co. (or such other name as may be requested by an authorized representative of DTC), and delivered to DTC (or a successor securities depository), to be held by it as

securities depository for Direct Participants. If, however, the system of book-entry-only transfers has been discontinued and a Direct Participant has elected to withdraw its Bonds from DTC (or such successor securities depository), Bond certificates may be delivered to Beneficial Owners in the manner described in the Indenture.

***Transfer and Exchange.*** So long as the book-entry system is in effect, Beneficial Owners may transfer their interests in the Series 2013 Bonds through the book-entry system. In the event of a discontinuance of the book-entry system, the Series 2013 Bonds may be transferred or exchanged only upon the registration books of the Bond Registrar, subject to the restrictions described below.

## SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

### Special, Limited Obligations

The Series 2013 Bonds and the interest thereon will be special, limited obligations of KMEA payable solely out of the Revenues (defined below) received by KMEA pursuant to the Power Sales Contract and certain other funds held under the Indenture (the “***Trust Estate***”), and will be secured by a pledge and assignment of and a grant of a security interest in the Trust Estate to the Trustee and in favor of the owners of the Bonds (including the Series 2013 Bonds), as provided in the Indenture. Payments will be made by the City under the Power Sales Contract from System Revenues, which payments will constitute operating expenses of the System. The City’s obligation to make payments under the Power Sales Contract from System Revenues is absolute and unconditional and not subject to any reduction by offset, counterclaim, recoupment or otherwise and is not conditioned upon delivery of Electricity or other performance of KMEA. **The City’s obligation to make payments to KMEA under the Power Sales Contract does not constitute a general obligation of the City, and the City is not required to make payments from any source other than the System Revenues.** For further information relating to the Trust Estate, see “**Power Sales Contract**” and “**Pledge and Assignment of Trust Estate**” below.

The Series 2013 Bonds and interest thereon shall not be deemed to constitute a debt or liability of the State of Kansas or of any political subdivision thereof within the meaning of any state constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the State of Kansas or of any political subdivision thereof, but shall be payable solely from the funds provided for in the Indenture. The issuance of the Series 2013 Bonds shall not, directly, indirectly or contingently, obligate the State of Kansas, the City or any political subdivision thereof to levy any form of taxation therefor or to make any appropriation of tax revenues for their payment. KMEA has no taxing power.

### Revenues and Payments by the City under the Power Sales Contract

The Revenues pledged to the Series 2013 Bonds pursuant to the Indenture (“***Revenues***”) include (a) all revenues, income, rents and receipts derived or to be derived by KMEA from or attributable to or relating to the Jameson Energy Center or to the payment of the costs thereof, including all revenues received or to be received by KMEA or the Trustee under the Power Sales Contract or under any other arrangement by KMEA with respect to the sale or use of the Jameson Energy Center or any portion thereof or the capacity or energy thereof; (b) the proceeds of certain insurance required to be deposited with the Trustee, including the proceeds of any self-insurance fund, and insurance covering business interruption loss relating to the Jameson Energy Center; (c) amounts transferred from the General Reserve Fund to the Revenue Fund; and (d) interest and other investment income received or to be received on any moneys or securities held pursuant to the Indenture and required to be paid into the Revenue Fund. See “**SUMMARY OF PRINCIPAL FINANCING DOCUMENTS**” in *Appendix D*.

## Power Sales Contract

The Power Sales Contract requires the City to pay to the Trustee on behalf of KMEA (1) Monthly Power Costs, (2) Energy Related Costs and (3) Service Charges in exchange for KMEA's provision of Electricity produced at the Jameson Energy Center to the City as required by the City to meet a portion of its energy demands. The City entered into the Power Sales Contract pursuant to K.S.A. 12-825j (the "**Power Sales Contract Act**"). The Power Sales Contract will continue in force so long as any Bonds remain Outstanding; provided, however, that the term of the Power Sales Contract may not exceed 40 years.

The Monthly Power Costs payable by the City will accrue monthly and will consist of (a) the amount required under the Indenture to be paid or deposited into a fund or account established by the Indenture for the payment of Debt Service on the Bonds; (b) other amounts required under the Indenture to be paid or deposited into a fund or account established by the Indenture (including amounts required to be deposited in the Bond Coverage Account of the General Reserve Fund to maintain such account in an amount equal to the Bond Coverage Account Requirement); (c) amounts (net of insurance proceeds) paid by KMEA for the prevention or correction of any loss or damage to the Jameson Energy Center or for renewals, replacements, repairs, additions, improvements, betterments and modifications which are necessary to keep any portion of the Jameson Energy Center in good operating condition or to prevent a loss of revenues; (d) the costs of operating and maintaining the Jameson Energy Center and of producing and delivering electricity to the City; (e) an equitably allocated portion of monthly costs of operating KMEA to the extent not directly attributable or traceable to supplying power and energy and other services to the City or any other Member; (f) all costs and expenses (net of insurance proceeds) relating to injury and damage claims arising out of the Jameson Energy Center and required to be paid by KMEA and any additional amount paid by KMEA attributable to and resulting from the ownership, operation, maintenance and repair, renewals, replacements, additions, improvements, betterments and modifications to the Jameson Energy Center; and (g) any additional amounts allocable to Bonds issued to finance any part of the Jameson Energy Center which must be realized by KMEA to meet the requirement of any rate covenant of the Indenture with regard to Debt Service coverage with respect to such Bonds or which KMEA deems advisable in the marketing of its Bonds.

Energy Related Costs are the costs of fuel and the variable portion of operation and maintenance expenses and all other costs that vary with the amount of Electricity produced from time to time for delivery by KMEA to the City. Service Charges are costs directly attributable and assignable to KMEA's performance of its obligations under the Power Sales Contract not otherwise included as Monthly Power Costs or Energy Related Costs.

Payments made by the City under the Power Sales Contract are required to be made as operating expenses from the System Revenues legally available for the payment of costs and expenses of the System and will be in addition to any other payments owed by the City to KMEA. The City's obligation to make payments under the Power Sales Contract from System Revenues is absolute and unconditional and not subject to any reduction by offset, counterclaim, recoupment or otherwise and is not conditioned upon delivery of Electricity or other performance of KMEA.

**The City's obligation to make payments to KMEA under the Power Sales Contract does not constitute a general obligation of the City and the City is not required to make payments from any source other than the System Revenues. See "INVESTMENT CONSIDERATIONS – Special, Limited Obligations."**

Pursuant to the City's Ordinance authorizing the execution of the Power Sales Contract, the City pledged the System Revenues to the payment of its obligations under the Power Sales Contract.

See "**POWER SUPPLY PLAN**" for a discussion of KMEA's obligations under the Power Sales Contract. Except for payments made under the Power Sales Contract, payments received by KMEA in

exchange for the power provided as part of the Power Supply Plan will not constitute Revenues under the Indenture and will not be applied toward the payment of debt service on the Series 2013 Bonds.

### **Rate Covenant**

The City agrees in the Power Sales Contract to establish, impose, maintain, enforce and collect rates, fees and charges for electric power and energy to its consumers which shall provide to the City revenues sufficient to meet its obligations to KMEA under the Power Sales Contract and all other operating expenses, and to pay all obligations payable from, or constituting a charge or lien on, the System Revenues.

### **Pledge and Assignment of Trust Estate under the Indenture**

Under the Indenture, KMEA has pledged and assigned to the Trustee, for the benefit of the owners of the Series 2013 Bonds, on a parity with all other Series of Bonds that may hereafter be issued under the Indenture subsequent to the Series 2013 Bonds, all right, title and interest of KMEA in and to the Trust Estate, which includes (a) the proceeds of sale of the Series 2013 Bonds, (b) all Revenues, (c) the Site Lease and the Power Sales Contract (including the right to enforce any of the terms thereof), (d) all money and securities in the Funds held by the Trustee under the Indenture (except for the Rebate Fund) including the investments thereof, and (e) any and all other property (real, personal or mixed) of every kind and nature from time to time, by delivery or by writing of any kind, pledged, assigned or transferred as and for additional security under the Indenture. See “**SUMMARY OF THE PRINCIPAL FINANCING DOCUMENTS** in *Appendix D*.

### **Debt Service Reserve Fund**

***Common Debt Service Reserve Account.*** The Indenture creates a Common Debt Service Reserve Account within the Debt Service Reserve Fund held by the Trustee as additional security for the Series 2013 Bonds and any additional Series of Bonds that KMEA elects to be secured by the Common Debt Service Reserve Account (the “***Covered Bonds***”). Amounts held in the Common Debt Service Reserve Account of the Debt Service Reserve Fund will be applied only to prevent deficiencies in the payments of principal of and interest on the Covered Bonds (initially, only the Series 2013 Bonds). KMEA will fund the Common Debt Service Reserve Account in the amount of \$\_\_\_\_\_ with proceeds of the Series 2013 Bonds.

The Indenture defines “***Common Debt Service Reserve Requirement***” to mean, as of any date of calculation, with respect to any Bonds to be secured by the Common Debt Service Reserve Account, including the Series 2013 Bonds and any additional Series of Bonds KMEA elects to be secured by the Common Debt Service Reserve Account, an amount equal to the least of (a) 10% of the aggregate original principal amount (or “issue price”, as computed for federal income tax purposes, if original issuance premium or discount is greater than two percent) of the Covered Bonds, (b) Maximum Annual Debt Service on the Covered Bonds, and (c) 125% of the average annual Debt Service on the Covered Bonds; *provided, however*, that such requirement shall be limited, with respect to any given Series, to the lesser of (i) Maximum Annual Debt Service on said Series, (ii) 10% of the aggregate original principal amount (or “issue price,” as computed for federal income tax purposes, if original issue premium or discount is greater than 2%) of said Series, or (iii) 125% of average annual Debt Service on said Series.

***Series Debt Service Reserve Account.*** The Indenture also creates a Debt Service Reserve Fund and within such Fund allows for the creation of a Series Debt Service Reserve Account to be held by the Trustee as additional security for any additional Series of Bonds KMEA elects to be secured by such Series Debt Service Reserve Account. Amounts held in a Series Debt Service Reserve Account will be applied only to prevent deficiencies in the payments of principal of and interest on any such additional Series of Bonds. There is currently no Series Debt Service Reserve Account securing the Series 2013 Bonds. The Series 2013 Bonds are Covered Bonds secured by the Common Debt Service Reserve Account.

## **General Reserve Fund**

The Indenture creates a General Reserve Fund, consisting of a Bond Coverage Account which is required to be maintained in an amount equal Bond Coverage Account Requirement (defined in the Indenture as 10% of Maximum Annual Debt Service on the Bonds. If at any time the amount in any Series Debt Service Account in the Debt Service Fund shall be less than the requirement of such Account pursuant to the Indenture, or the amount in any Debt Service Reserve Account in the Debt Service Reserve Fund shall be less than the applicable Debt Service Reserve Requirement and no other moneys are available to cure such deficiencies, then the Trustee will transfer moneys from the General Reserve Fund, first to the Series Debt Service Accounts, pro rata based on the amount of such deficiencies, the amount necessary (or all the moneys in the General Reserve Fund if less than the amount necessary) to make up such deficiencies; and second to the Debt Service Reserve Accounts, pro rata based on the amount of such deficiencies, the amount necessary (or all the moneys in the General Reserve Fund if less than the amount necessary) to make up such deficiencies.

## **Flow of Funds**

Under the Indenture, as soon as practicable in each month after the deposit of Revenues into the Revenue Fund, but in any case no later than the last business day of each month, KMEA is required to withdraw from the Revenue Fund and credit to, or transfer to the Trustee for deposit in, the following Funds and Accounts in the following order the amounts set forth below:

- (a) To the Debt Service Fund, for credit to the Debt Service Account for each Series of Bonds the amount, if any, required so that the balance in said Account shall equal the Accrued Debt Service with respect to such Series of Bonds as of the last day of the then current month; provided that, if there is a deficiency of Revenues to make the deposits required by this subsection, such Revenues shall be deposited into each Series Debt Service Account on a pro rata basis based on the amount of each required deposit.
- (b) To the Debt Service Reserve Fund, for credit to the Common Debt Service Reserve Account and to any Series Debt Service Reserve Account established with respect to any Series of Bonds pursuant to a Supplemental Indenture, the amount, if any, required (1) to restore any deficiency in said account and (2) to fund the applicable Debt Service Reserve Requirement; provided, that, if there is a deficiency of Revenues to make the deposits required by this subsection, such Revenues shall be deposited into each Series Debt Service Reserve Account on a pro rata basis based on the amount of each such required deposit.
- (c) To the General Reserve Fund, for credit to each Series Bond Coverage Account established with respect to each Series of Bonds, on a parity with the transfer to each other Series Bond Coverage Account, the amount, if any, required so that the balance in said Account shall equal ten percent (10%) of the Accrued Debt Service with respect to such Series of Bonds as of the last day of the then current month;
- (d) To the Operation and Maintenance Fund (1) for credit to the Operating Account such amount as shall be necessary for the payment of all Operation and Maintenance Expenses which are unpaid and which are estimated to become due prior to the end of the following calendar month in the Annual Jameson Energy Center Budget, and (2) if the amount on deposit in the Operating Reserve Account in the Operation and Maintenance Fund is less than the Operating Reserve Requirement, for credit to the Operating Reserve Account, the amount required to restore the balance in the Operating Reserve Account to the Operating Reserve Requirement, over a period of **24** months in equal monthly installments. If and to the extent provided in this Indenture and any Supplemental Indenture, there may be deposited in the Operating Reserve Account moneys received for or in connection with the Jameson Energy Center from any other source, unless required to be otherwise applied as provided in this Indenture.

- (e) To the Subordinated Bond Fund, for credit to each Series Subordinated Bond Account established with respect to Subordinated Bonds pursuant to a Supplemental Indenture, such amounts as shall be required by the Supplemental Indenture authorizing such Subordinated Bonds.
- (f) To the General Account of the General Reserve Fund, the remaining balance, if any, of moneys in the Revenue Fund after making the above credits, transfers and deposits.

See “**SUMMARY OF THE PRINCIPAL FINANCING DOCUMENTS – Payments into Certain Funds**” in *Appendix D*.

#### **Additional Bonds and Subordinated Bonds**

KMEA is authorized under the Indenture to issue additional Bonds for purposes of financing the Jameson Energy Center in one or more Series from time to time under and upon compliance with certain terms and conditions set forth in the Indenture and pursuant to one or more Supplemental Indentures. Such additional Bonds may be issued for the purpose of (a) paying all or a portion of the Costs of Acquisition and Construction relating to the Jameson Energy Center, or (b) refunding any Outstanding Bonds. The number of additional Bonds and the aggregate principal amount of the Bonds which may be executed, authenticated and delivered under the Indenture is not limited except as may be provided in the Indenture or as may be limited by law. All such Bonds will be equally and ratably secured by the Indenture on a parity with the Series 2013 Bonds. See “**SUMMARY OF THE PRINCIPAL FINANCING DOCUMENTS– Authorization of Bonds**” in *Appendix D*.

The Indenture requires for the issuance of any Bonds issued to finance Additional Facilities, that KMEA deliver to the Trustee an Officer’s Certificate stating, among other things, (a) that no Event of Default has occurred and is then continuing under the Indenture and (b) that such facilities are (i) necessary or desirable, in the opinion of KMEA, to keep the Jameson Energy Center in good operating condition, to prevent a loss of Revenues from the Jameson Energy Center, (ii) required by any governmental agency having jurisdiction over the Jameson Energy Center, or (iii) required by the Power Sales Contract.

The Indenture also authorizes the issuance of Subordinated Bonds for purposes of financing the Jameson Energy Center. Subordinated Bonds will be payable out of and may be secured by a pledge of amounts in the Subordinated Bond Fund as may from time to time be available therefor; provided, however, that any such payment or pledge will be, and will be expressed to be, subordinate and junior in all respects to the pledge and lien created under the Indenture as security for the Bonds. See “**SUMMARY OF THE PRINCIPAL FINANCING DOCUMENTS – Subordinated Bonds**” in *Appendix D*.

**DEBT SERVICE REQUIREMENTS**

The following table shows the debt service requirements for the Series 2013 Bonds.

**Series 2013 Bonds**

<b><u>Bond Year</u></b> <b><u>Ending July 1</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2014			
2015		\$	
2016			
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
Total			

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## THE CITY AND THE SYSTEM

The City is a city of the first class incorporated in 1883. The City operates under a Commission-Manager form of government. The City encompasses 8.70 square miles of land in Finney County, Kansas, with a current population of approximately 29,176. See *Appendix A* for additional information about the City. The System serves the citizens of the City by providing the power needed to meet residential, commercial and industrial needs. The System provides service to approximately 11,639 electric meters and maintains nine electric substations, 245 miles of overhead power line and 40 miles of underground power line throughout the City. The System is a division of the City's Public Utilities Department. See *Appendix A* for additional information about the System.

The City currently purchases the System's power supply requirements from Wheatland, a member Cooperative of the Sunflower Electric Power Corporation, and 2.3 MW in the summer from the Western Area Power Administration ("WAPA"). On \_\_\_\_, 2013, the City notified Wheatland that the City would purchase capacity and energy from KMEA commencing January 1, 2014. See "**POWER SUPPLY PLAN.**"

## POWER SUPPLY PLAN

KMEA and the City expect that KMEA will provide all of the System's power supply requirements for the five-year period beginning January 1, 2014. KMEA has developed peak demand and energy projections for the City and developed a comprehensive 5-year power supply plan (the "**Power Supply Plan**") to meet those projections. KMEA expects to provide the necessary financial and contractual arrangements for peaking and base-load resources to implement the Power Supply Plan, manage the City's power supply resources and coordinate with the Southwest Power Pool ("**SPP**") on behalf of the City through a portfolio of agreements between KMEA and the City, not all of which have been executed as of the date of this Official Statement. See The Engineer's Report included as *Appendix C* for additional information about the Power Supply Plan. Except for payments made under the Power Sales Contract, payments received by KMEA in exchange for the power provided as part of the Power Supply Plan will not constitute Revenues under the Indenture and will not be applied toward the payment of debt service on the Series 2013 Bonds. See "**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS.**"

*The following discussion of the Power Supply Plan is for general background purposes only and is preliminary and subject to change. The obligation of the City to make payments to KMEA under the Power Sales Contract is not dependent upon KMEA implementation of any part of the Power Supply Plan described herein.*

### Power Supply Plan Sources

KMEA has identified the sources described below to provide the resources required by the Power Supply Plan. See "**Table 1 – Garden City Power Supply Plan Capacity and Energy Requirements**" in the Engineer's Report included as Appendix C to this Official Statement, which sets forth the projected energy requirements and proposed energy resources provided by KMEA.

**EMP2.** KMEA's Energy Management Project No. 2 ("**EMP2**") was created by the cities of Ashland, Beloit, Hoisington, Lincoln Center, Osborne, Pratt, Russell, Stockton and Washington, Kansas to coordinate an interconnected electric system under a central dispatching center, share capacity, exchange electricity and jointly plan new electric power supplies. KMEA and the City intend to enter into an Energy Management Project No. 2 Agreement dated \_\_\_\_, 2013 ("**EMP2 Agreement**") pursuant to which KMEA expects to provide base-load capacity and energy to the City from currently available EMP2 base-load resources through 2018. KMEA expects to manage the City's power supply resources in conjunction with the other EMP2

participants' power supply resources to minimize power supply costs of the City and other EMP2 participants. KMEA has requested and was granted a delivery point transfer from Southwest Power Pool to add the City's load to EMP2. See "**Litigation – KMEA**".

**WAPA.** WAPA is one of four power marketing administrations within the United States Department of Energy and markets and transmits electricity from multi-use water projects in a 15-state region of the central and western United States. KMEA and the City [have entered into] a Hydro Power Pooling Contract (LAO Power Project) dated \_\_\_\_\_, 2013 ("**WAPA Agreement**") pursuant to which KMEA will deliver the City's WAPA allocation to the City and, when economical and cost-effective, make market purchases from WAPA on behalf of the City.

**Market Purchases.** [KMEA acquired a 20 MW capacity energy purchase as part of the Power Supply Plan, which will be transmitted using short-term firm transmission service through SPP.] KMEA will make other market purchases when economical and cost-effective to deliver power to the City. See "**INVESTMENT CONSIDERATIONS – Power Supply Plan Sources and Costs.**"

**Jameson Energy Center.** The Jameson Energy Center will be used to meet the City's peaking energy requirements during peak periods, and during periods of emergencies and power outages of the transmission system serving the City. The Generators are estimated to provide a total capacity of 27.5 MW.

## KMEA

### General

KMEA is a quasi-municipal corporation created under the laws of the State of Kansas. KMEA was created by a group of Kansas cities under K.S.A. 12-885 to 12-8,111, inclusive in May 1980 for the purpose of securing an adequate, economical and reliable supply of electricity, or other energy, and transmitting the energy to the distribution of such cities. KMEA consists of 77 member cities ("**Members**") and provides electricity through seven major long-term electricity supply projects. **No individual Member of KMEA is obligated to make payments under the Indenture.** See "**INVESTMENT CONSIDERATIONS – Special, Limited Obligations.**"

### Organization and Management

A Board of Directors governs the business affairs of KMEA. Each Member appoints two Directors and the Board elects nine directors to serve on the Executive Committee, which acts in place of the Board on a day-to-day basis and has all powers of the Board except the power to (1) adopt annual budgets; (2) approve contracts that entail the issuance of bond anticipation notes or revenue bonds; and (3) approve interest rates or official financing documents. Full Board meetings are held in May and November.

**Executive Committee.** The members of KMEA's Executive Committee are as follows:

<u>Name</u>	<u>Term Expires</u>	<u>Occupation</u>
Greg DuMars – President	May 2014	City Administrator, City of Lindsborg, Kansas
Dave Howard – Vice President	May 2014	City Manager, City of Pratt, Kansas
Duane Banks – Secretary/Treasurer	May 2014	Electric Utility Director, City of Russell, Kansas
Kent Hixson	May 2014	City Administrator, City of

Merl Page	May 2015	Mulvane, Kansas City Manager, City of Wamego, Kansas
Duane Moeder	May 2014	City Manager, City of La Crosse, Kansas
Jeff Oleson	May 2015	Assistant Director of Utilities, City of Ottawa, Kansas
Chris Lowe	May 2014	City Administrator, City of Baldwin City, Kansas
Mike Muirhead	May 2015	Public Utilities Director, City of Garden City, Kansas

The Board of Directors selects and appoints a General Manager of KMEA charged with the business of KMEA under the general control, supervision and direction of the Board of Directors. The General Manager, Managing Director of Electric Operations and Director of Finance and Accounting are as follows:

**Bob Poehling, General Manager (age 50)**, employed since June 2010. Prior to joining KMEA, Mr. Poehling served as Vice President of Kansas Energy LLC, a natural gas and power wholesale trading company, where he was responsible for marketing, sales and business development. Mr. Poehling’s 23 years of energy industry experience include 15 years with Aquila Inc. where he held various senior level positions both domestically and internationally. Mr. Poehling’s most recent position with Aquila, Inc. was Senior Vice President, Corporate Development & Energy Resources. Mr. Poehling has served on the Boards of Directors of U.S. Oil Company (the largest independently owned oil distributor in the United States), Aquila Merchant Services, Inc. (at one time, the second largest energy trading firm in North America), Everest Communications (as Chairman of the Board) and Utilimode Proprietary Limited (a centralized services business based in Melbourne, Australia). Mr. Poehling received a Bachelor of Science degree in Business Administration from the University of Nebraska-Lincoln.

**Lance Boyd, Managing Director, Electric Operations (age 58)**, employed since June 2005. Mr. Boyd started at KMEA as Director, Electric Power Supply overseeing power supply strategies as well as developing SCADA monitoring and scheduling hardware and software applications associated with collecting real-time metering and data collection for KMEA’s Energy Management Projects. He was promoted to Managing Director, Electric Operations on January 2009. Prior to joining KMEA, Mr. Boyd worked at Aquila, Inc. for 28 years having positions of Manager - FERC Regulatory Affairs, Director - Wholesale Marketing, System Operations Supervisor (overseeing real-time dispatch of generation and transmission system reliability in Kansas), Engineer 1 – Systems Programmer (working as SCADA System and Applications Programmer), and Engineer 1 – Communications (FCC licensed radio, carrier and SCADA RTU’s). Mr. Boyd has over 35 years of experience in the electric utility industry that includes 21 years of experience in the wholesale energy markets. Mr. Boyd received an Associate Degree from Barton County Community College as well as attended Johnson County Community College, Fort Hays State University, and Avila College.

**Jennifer Moore, Director, Finance and Accounting (age 50)**, employed since August 2010. Prior to joining KMEA, Ms. Moore was the Manager of Financial Performance at Kansas City Power & Light Company (“**KCP&L**”), responsible for the monthly operating reporting to the senior strategy team and budget coordination for the power supply unit. Prior to the merger of KCP&L and Aquila, Inc., Ms. Moore served as the Director of Financial Management – Energy Resources, Generation and Gas Supply at Aquila, Inc., responsible for all financial aspects for Aquila, Inc.’s Energy, Generation and Gas Supply departments, including financial reporting, budgeting and metric reporting. Ms. Moore received a Bachelor of Science degree in Accounting from the University of Missouri – Kansas City.

**Sam Mills, Director, Project and Asset Management (age 58)**, joined KMEA on August 12, 2013 to assist in the development of the Jameson Energy Center and other power supply projects for KMEA’s

member cities. Prior to joining KMEA, Mr. Mills was employed by the C-Tech Industrial Group of El Dorado, Kansas. While at C-Tech, he co-managed remote ethanol plant projects and managed C-Tech's operations at the HollyFrontier Refinery in El Dorado, Kansas which included approximately 60 people involved in mechanical construction, piping, insulation, and scaffolding. Prior to entering into construction management Sam served for more than 27 years with the Kansas Highway Patrol and retired as a Captain in the Kansas City area. Mr. Mills has an associate's degree from Butler County Community College and is currently working on his Project Management Professional certification.

***KMEA Projects.*** KMEA manages seven major long-term electricity supply projects on behalf of its Members:

- The WAPA Hydro Power Pool Project;
- Southwestern Power Administration Hydro Power Pool Project;
- Nearman Creek Unit Power Project;
- Grand River Dam Authority Power Project;
- Energy Management Project No. 1;
- Energy Management Project No. 2;
- Energy Management Project No. 3.

## **INVESTMENT CONSIDERATIONS**

*The following is a discussion of certain risks that could affect the availability or sufficiency of System Revenues payments to be made by the City under the Power Sales Contract and the availability of other funds and revenues affecting payments to be made by the City with respect to the Series 2013 Bonds. Such discussion is not, and is not intended to be, exhaustive and should be read in conjunction with all other parts of this Official Statement and should not be considered as a complete description of all risks that could affect such payments. Prospective purchasers of the Series 2013 Bonds should analyze carefully the information contained in this Official Statement, including the Appendices hereto, and additional information in the form of the complete documents summarized herein and in Appendix D, copies of which are available as described herein.*

### **Special, Limited Obligations**

The Series 2013 Bonds and interest thereon do not constitute a debt or liability of the State of Kansas or of any political subdivision thereof within the meaning of any state constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the State of Kansas or of any political subdivision thereof, but shall be payable solely from the funds provided for in the Indenture. The issuance of the Series 2013 Bonds shall not, directly, indirectly or contingently, obligate the State of Kansas, the City or any political subdivision thereof to levy any form of taxation therefor or to make any appropriation of tax revenues for their payment. KMEA has no taxing power. The obligation of the City to make payments under the Power Sales Contract from System Revenues is an operating expense of the System and such payments are to be made solely from System Revenues. **The City's obligation to make payments to KMEA under the Power Sales Contract does not constitute a general obligation of the City, and the City is not required to make payments from any source other than the System Revenues.** See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

### **Regulation of the Electric Utility Industry**

The electric utility industry is affected on a day-to-day basis by numerous legislative, regulatory and industry-imposed operational and financial requirements, which are administered by a variety of federal and state governmental agencies and entities. There is an increasingly expanding and complex body of law,

regulation and policy relating to the generation and transmission of electricity. Current or future regulation could increase costs and expenses of the System or otherwise affect the availability of System Revenues to make payments under the Power Sales Contract.

The operations of all generating electric utilities and electric utility transmission systems are subject to continuing environmental regulation. Federal, state and local standards and procedures which regulate the environmental impact of these operations are subject to change. These changes may arise from continuing legislative, regulatory and judicial action regarding such standards and procedures. Consequently, there is no assurance that the Jameson Energy Center or the System will always be in compliance with future regulations or will always be able to obtain all required operating permits. If either the Jameson Energy Center or the System are not in operation, costs of the System may increase and System Revenues may diminish, both of which may affect the availability of System Revenues to make payments under the Power Sales Contract.

### **Construction Delays and Cost Overruns**

The Series 2013 Bonds will finance the acquisition and construction of the Jameson Energy Center. See “**PLAN OF FINANCE.**” The Construction Contract does not include a gross maximum price for the portion of the Jameson Energy Center subject to the Construction Contract. In addition, the Construction Contract does not provide for liquidated damages if the Jameson Energy Center is not by the required final completion date set forth in the Construction Contract. If the Jameson Energy Center is not completed within the projected timeframe, KMEA may need to purchase peaking capacity for the City from outside sources, the availability and costs of which cannot be ascertained in advance. Thus, a significant delay in completion of the Jameson Energy Center could increase the overall expenses of the System and potentially affect the availability of System Revenues to make payments under the Power Sales Contract. Delays could result from factors beyond the control of KMEA, the City or the Contractor, including inclement weather, strikes or work stoppages.

In addition to construction delays, KMEA may experience construction cost overruns beyond the normal construction contingencies built into the estimated costs of constructing the Jameson Energy Center. If construction costs exceed projections and contingencies, KMEA may need to seek additional financing to complete the Jameson Energy Center, which would increase the costs to the System and may affect the availability of System Revenues to make payments under the Power Sales Contract.

### **Power Supply Plan Sources and Costs**

The projected power sources identified in the Power Supply Plan may not be available to KMEA for distribution to the City for a variety of reasons, including contractual disputes. See [Sunflower Dispute Litigation]. In addition, the costs associated with the projected power sources or any sources ultimately incorporated into the Power Supply Plan or utilized by KMEA for the City cannot be predicted in advance. The unavailability of certain power sources and the costs of projected or alternate power sources may increase the costs to the System and may affect the availability of System Revenues to make payments under the Power Sales Contract.

### **Economic and Demographic Conditions**

Future economic and other conditions, the demand for electricity within the City’s boundaries and surrounding areas, economic and employment trends and events, demographic changes, changes in governmental regulations and policies, and other factors may adversely affect the future financial condition of the City or the System and, consequently, the availability of System Revenues to make payments under the Power Sales Contract.

## **Enforcement of Remedies**

Enforcement of the remedies under the Indenture and the Power Sales Contract may be limited or restricted by federal and state laws relating to bankruptcy, fraudulent conveyances, and rights of creditors and by application of general principles of equity applicable to the availability of specific performance, and may be substantially delayed in the event of litigation or statutory remedy procedures. The various legal opinions to be delivered concurrently with the delivery of the Series 2013 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by state and federal laws, rulings and decisions affecting remedies, and by general principles of equity and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors.

## **Bond Rating**

There can be no assurance that the ratings assigned to the Series 2013 Bonds at the time of issuance will not be lowered or withdrawn at any time, the effect of which could adversely affect the market price for, and marketability of, the Series 2013 Bonds. See **“RATINGS”**.

## **Secondary Market**

There can be no assurance that there will be a secondary market for the Series 2013 Bonds or, if a secondary market exists, that such Series 2013 Bonds can be sold for any particular price.

EACH PROSPECTIVE PURCHASER IS RESPONSIBLE FOR ASSESSING THE MERITS AND RISKS OF AN INVESTMENT IN THE SERIES 2013 BONDS AND MUST BE ABLE TO BEAR THE ECONOMIC RISK OF SUCH INVESTMENT. THE SECONDARY MARKET FOR THE SERIES 2013 BONDS, IF ANY, COULD BE LIMITED.

## **Additional Bonds**

The Indenture and the Power Sales Contract permit the issuance of additional Bonds secured under the Indenture on a parity with the Series 2013 Bonds. See **“SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Additional Bonds and Subordinated Bonds.”** Such additional indebtedness could increase the City’s payments under the Power Sales Contract and could adversely affect debt service coverage on the Series 2013 Bonds.

## **Loss of Exemption of Interest from Federal Income Taxes.**

The excludability of interest on the Series 2013 Bonds from federal income taxes is dependent upon continuing compliance by KMEA and the City with the requirements of the Code, which KMEA and the City have covenanted to do in the Tax Compliance Agreement. If the interest on the Series 2013 Bonds should be declared taxable by the Internal Revenue Service (the **“IRS”**) or legislation or regulations are adopted or there is a final determination by a judicial or administrative authority requiring interest on the Series 2013 Bonds to be included in gross income for federal income tax purposes, the interest rate will remain unchanged and KMEA will not be obligated to redeem the Series 2013 Bonds. If interest on the Series 2013 Bonds should become included in gross income for federal income tax purposes, the market value of such Series 2013 Bonds will likely be adversely affected. For additional information with respect to the excludability of interest on the Series 2013 Bonds, see **“TAX MATTERS”**.

## TAX MATTERS

The following is a summary of the material federal and State of Kansas income tax consequences of holding and disposing of the Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Kansas, does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Bonds.

### Opinion of Bond Counsel

In the opinion of Gilmore & Bell, P.C., Bond Counsel, under the law existing as of the issue date of the Series 2013 Bonds:

***Federal and Kansas Tax Exemption.*** The interest on the Series 2013 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes and is exempt from income taxation by the State of Kansas.

***Alternative Minimum Tax.*** Interest on the Series 2013 Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations.

Bond counsel's opinions are provided as of the date of the original issue of the Series 2013 Bonds, subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2013 Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Series 2013 Bonds in gross income for federal Kansas income tax purposes retroactive to the date of issuance of the Series 2013 Bonds. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Series 2013 Bonds but has reviewed the discussion under the heading "TAX MATTERS."

### Other Tax Consequences

**[\*\*Original Issue Discount.** For federal income tax purposes, original issue discount ("OID") is the excess of the stated redemption price at maturity of a Bond over its issue price. The issue price of a Bond is the first price at which a substantial amount of the Series 2013 Bonds of that maturity have been sold (ignoring sales to bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers). Under Section 1288 of the Code, OID on tax-exempt bonds accrues on a compound basis. The amount of OID that accrues to an owner of a Bond during any accrual period generally equals (1) the issue price of that Bond, plus the amount of OID accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that Bond during that accrual period. The amount of OID accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income

tax purposes, and will increase the owner's tax basis in that Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of OID.\*\*]

**[\*\*Original Issue Premium.** If a Bond is issued at a price that exceeds the stated redemption price at maturity of the Bond, the excess of the purchase price over the stated redemption price at maturity constitutes "premium" on that Bond. Under Section 171 of the Code, the purchaser of that Bond must amortize the premium over the term of the Bond using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the owner's basis in the Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner. This will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the Bond prior to its maturity. Even though the owner's basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium.\*\*]

**Sale, Exchange or Retirement of Series 2013 Bonds.** Upon the sale, exchange or retirement (including redemption) of a Bond, an owner of the Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the Bond (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the Bond. To the extent a Bond is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Bond has been held for more than 12 months at the time of sale, exchange or retirement.

**Reporting Requirements.** In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on the Series 2013 Bonds, and to the proceeds paid on the sale of the Series 2013 Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

**Collateral Federal Income Tax Consequences.** Prospective purchasers of the Series 2013 Bonds should be aware that ownership of the Series 2013 Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Series 2013 Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Series 2013 Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Series 2013 Bonds, including the possible application of state, local, foreign and other tax laws.

## CONTINUING DISCLOSURE

KMEA and the Trustee, as dissemination agent (the "**Dissemination Agent**"), are entering into a Continuing Disclosure Agreement for the benefit of the Owners and Beneficial Owners of the Series 2013 Bonds and in order to assist the Underwriters in complying with Rule 15c2-12 of the Securities and Exchange Commission (the "**Rule**"). The City has agreed with KMEA to provide the information described below to KMEA that is to be provided by the City and the times and in the formats described below.

Pursuant to the Continuing Disclosure Agreement, KMEA will, or will cause the Dissemination Agent to, not later than [\*270\*] days after the end of the City's fiscal year, provide to the Municipal Securities

Rulemaking Board (the “**MSRB**”) through the Electronic Municipal Market Access system (“**EMMA**”) the following financial information and operating data (the “**Annual Report**”):

- (1) The audited financial statements of the City for the prior fiscal year, beginning with the fiscal year ended June 30, 2014, prepared in accordance with accounting principles generally accepted in the United States of America. If audited financial statements of the City are not available by the time the Annual Report is required to be filed, the Annual Report may contain unaudited financial statements in a format similar to the financial statements contained in this Official Statement, and the audited financial statements will be filed in the same manner as the Annual Report promptly after they become available.
- (2) Updates as of the end of the fiscal year, beginning with the fiscal year ending December 31, 2013, of the following financial information and operating data contained in this Official Statement in substantially the same format contained in this Official Statement:
  - (i) THE SYSTEM – System Rates.
  - (ii) THE SYSTEM – Peak Loads.
  - (iii) THE SYSTEM – System Revenues and MWh by Sector.
  - (iv) THE SYSTEM – Summary Financial Information.
  - (v) THE SYSTEM – 10 Largest System Customers.

The Summary Financial Information for the System need not be provided separately in the Annual Report if such information is available in the audited financial statements of the City or in schedules to the audited financial statements of the City (without regard to whether such schedules are considered audited).

Pursuant to the Continuing Disclosure Agreement, KMEA will give, or cause the Dissemination Agent to give, notice of the occurrence of any of the following events with respect to the Series 2013 Bonds (“**Material Events**”):

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions; the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2013 Bonds, or other material events affecting the tax status of the Series 2013 Bonds;
- (7) modifications to rights of bondholders, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the Series 2013 Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of KMEA;
- (13) the consummation of a merger, consolidation, or acquisition involving KMEA or the sale of all or substantially all of the assets of KMEA, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

- (14) appointment of a successor or additional trustee or the change of name of the trustee, if material; and
- (15) failure of KMEA to file with the MSRB an Annual Report for any fiscal year by the deadline for the filing prescribed above.

If the Dissemination Agent has been instructed by KMEA to report the occurrence of a Material Event, the Dissemination Agent will promptly file a notice of such occurrence, but no later than 10 business days after the occurrence, with the Municipal Securities Rulemaking Board with a copy to KMEA.

KMEA may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under the Continuing Disclosure Agreement, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by KMEA pursuant to the Continuing Disclosure Agreement. The initial Dissemination Agent is the Trustee.

Notwithstanding any other provision of the Continuing Disclosure Agreement, KMEA and the Dissemination Agent may amend the Continuing Disclosure Agreement (and the Dissemination Agent shall agree to any amendment so requested by KMEA) and any provision of the Continuing Disclosure Agreement may be waived, provided Bond Counsel or other counsel experienced in federal securities law matters provides the Dissemination Agent with its opinion that the undertaking of KMEA, as so amended or after giving effect to such waiver, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to the Continuing Disclosure Agreement. No amendment to the Continuing Disclosure Agreement may be made that affects the information and timing of information to be provided by the City without the consent of the City.

All Annual Reports and notices of Material Events required to be filed by KMEA, the City or the Dissemination Agent under the Continuing Disclosure Agreement must be submitted to the MSRB through the MSRB's Electronic Municipal Market Access system. EMMA is an internet-based, online portal for free investor access to municipal bond information, including offering documents, material event notices, real-time municipal securities trade prices and MSRB education resources, available at [www.emma.msrb.org](http://www.emma.msrb.org). Nothing contained on EMMA relating to KMEA or the City is incorporated by reference into this Official Statement.

[\*KMEA has not failed to file on a timely basis any annual report required by any previous continuing disclosure undertaking made by KMEA. – subject to confirmation.\*]

## **LITIGATION**

### **Litigation – KMEA**

No litigation, investigations or proceedings are now pending or, to the KMEA's knowledge, threatened against KMEA that would in any manner challenge or adversely affect the creation, organization or existence of KMEA, its authority to operate the Jameson Energy Center and enter into the agreements incidental thereto, seeking to restrain or enjoin the issuance, sale, or delivery of the Series 2013 Bonds or directly or indirectly contesting or affecting the proceedings or the authority by which the Series 2013 Bonds are issued; or the validity of the Series 2013 Bonds.

### ***FERC Complaint***

On August 8, 2013, KMEA filed a complaint with the Federal Energy Regulatory Commission ("**FERC**") against Sunflower Electric Power Corporation ("Sunflower"), Mid-Kansas Electric Company, LLC ("Mid-Kansas") and SPP. In its complaint, KMEA asserted that Sunflower has attempted to register without authorization as the Market Participant in the SPP Integrated Marketplace for the load and city-owned

generation resources of certain KMEA members. KMEA further alleged that Sunflower's continuing refusal to deregister the load and resources of the KMEA members participating in EMP2 is blocking KMEA from registering with the SPP to manage the load and resources once the Integrated Marketplace is launched.

The claims under the FERC complaint do not affect the registration by KMEA for the City's load and resources. KMEA has successfully registered as the Market Participant on behalf of the City and Sunflower is not contesting that registration.

### ***Mid-Kansas lawsuit***

Mid-Kansas filed a lawsuit against KMEA on August 15, 2013 in District Court of Ellis County, Kansas. The petition alleges that KMEA breached the provisions of a Firm Energy and Load Following Agreement ("**LFA**") between KMEA and Mid-Kansas. The LFA was executed on March 19, 2010 to provide for Mid-Kansas load following services in the SPP Energy Imbalance Service market for the cities in the EMP 2. On December 19, 2012, KMEA exercised its right to terminate the LFA upon three (3) years advance notice, effective December 31, 2015.

The subject matter of the petition involves KMEA's annual submission to Mid-Kansas for the EMP2 cities' load and available capacity for the remaining years of the LFA. The annual submissions are identified as Exhibit 2 to the LFA. In March 2013, KMEA submitted its annual Exhibit 2 in which it removed as an available resource under the LFA, effective January 1, 2014, 17.5MW of the EMP2 cities' purchase from the Grand River Dam Authority ("**GRDA**"). Mid-Kansas alleges that KMEA's removal of 17.5 MW of the GRDA resource from Exhibit 2 without mutual written consent constitutes a breach of the LFA. Mid-Kansas also alleges that KMEA breached the LFA by attempting to register with the SPP as the Market Participant for the load and generating resources of the EMP2 cities and that KMEA has failed to properly identify all of the EMP2 cities' accredited generating capacity under the LFA. Mid-Kansas is seeking injunctive relief preventing KMEA from removing 17.5MW of the GRDA resource from Exhibit 2 to the LFA as of January 1, 2014, from attempting to register as the Market Participant for the load and generating resources with SPP, and from not properly identifying accredited generating capacity under the LFA. In the alternative, Mid-Kansas seeks damages against KMEA alleged to be in an amount in excess of \$75,000.00, plus fees and costs.

### **Litigation – The City**

No litigation, investigations or proceedings are now pending or, to the City's knowledge, threatened against the City that would in any manner challenge or adversely affect the City's ability to enter into and carry out the transactions described in or contemplated by, or the execution, delivery, validity or performance by the City of, the Power Sales Contract or the Continuing Disclosure Agreement.

## **FINANCIAL STATEMENTS**

The comprehensive annual financial report of the City for the year ended December 31, 2012 is included in *Appendix B* to this Official Statement and contains the financial statements of the City for the year ended December 31, 2012. Such financial statements have been audited by Lewis, Hooper & Dick LLC, as stated in their report which also appears in *Appendix B*. The City did not request that Lewis, Hooper & Dick LLC perform any updating procedures subsequent to the date of its audit report on the December 31, 2012 financial statements.

Under the Continuing Disclosure Agreement, the City is obligated to file with the MSRB the City's audited financial statements for the years ending December 31, 2013 and thereafter. The inclusion of the City's audited financial statements in this Official Statement and the filing of audited financial statements in the future on the MSRB's EMMA website do not and will not constitute any obligation by the City to make payments under the Power Sales Contract from any revenues or funds of the City other than System Revenues.

See “**SECURITY AND SOURCES OF PAYMENTS FOR THE BONDS – Revenues and Payments by the City under the Power Sales Contract**”.

### **FINANCIAL ADVISOR**

Columbia Capital Management, LLC (“*Columbia Capital*”), Overland Park, Kansas, is serving as financial advisor to KMEA with respect to the offering of the Series 2013 Bonds. Columbia Capital assisted in the planning, structuring and issuance of the Series 2013 Bonds. Columbia Capital will not participate as an underwriter in any offer or sale of the Series 2013 Bonds.

### **LEGAL MATTERS**

All legal matters incident to the authorization and issuance of the Series 2013 Bonds are subject to the approval of Gilmore & Bell, P.C., Bond Counsel and General Counsel to KMEA. Certain legal matters will be passed upon for the City by Randall Grisell, City Attorney. Certain legal matters will be passed upon for the Underwriters by Fulbright and Jaworski, LLP, a member of Norton Rose Fulbright.

The approving opinion of Bond Counsel in the form set forth in *Appendix E* to this Official Statement will be delivered with the Series 2013 Bonds.

### **BOND RATINGS**

Standard & Poor’s Ratings Services, a division of McGraw Hill Financial, Inc. (“*S&P*”) has assigned its municipal bond ratings to the Series 2013 Bonds as shown on the cover page hereof. Such ratings reflect only the views of such organizations at the time such ratings are given, and KMEA, the Underwriters and the City make no representation as to the appropriateness of such ratings. An explanation of the significance of such ratings may be obtained only from such rating agencies. KMEA and the City furnished such rating agency with certain information and materials relating to the Series 2013 Bonds, KMEA and the City that have not been included in this Official Statement. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies and assumptions by the rating agencies. There is no assurance that a particular rating will be maintained for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing such rating, circumstances so warrant. Neither KMEA nor the City has undertaken any responsibility to bring to the attention of the holders of the Series 2013 Bonds any proposed revision or withdrawal of a rating of the Series 2013 Bonds or to oppose any such proposed revision or withdrawal. Any such revision or withdrawal of such a rating could have an adverse effect on the market price and marketability of the Series 2013 Bonds.

### **UNDERWRITING**

The Series 2013 Bonds are being purchased for reoffering by the underwriters named on the cover page hereof (the “*Underwriters*”), for whom BMO Capital Markets is acting as Senior Manager. The Underwriters have agreed to purchase the Series 2013 Bonds at an aggregate purchase price of \$\_\_\_\_\_ (which takes into account an underwriters’ discount of \$\_\_\_\_\_ and a net original issue [discount/premium] on the Series 2013 Bonds of \$\_\_\_\_\_, plus accrued interest to the date of delivery. The Purchase Contract with respect to the Series 2013 Bonds provides that the Underwriters will purchase all of the Series 2013 Bonds if any are purchased.

The Underwriters intend to offer the Series 2013 Bonds to the public initially at the offering prices set forth on the cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Underwriters reserve the right to join with dealers and other underwriters in offering the Series 2013 Bonds to the public. The Underwriters may offer and sell Series 2013 Bonds to certain dealers

(including dealers depositing Series 2013 Bonds into investment trusts) at prices lower than the public offering prices. In connection with this offering, the Underwriters may over allot or effect transactions which stabilize or maintain the market price of the Series 2013 Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

BMO Capital Markets is the trade name for certain capital markets and investment banking services of Bank of Montreal and its subsidiaries, including BMO Capital Markets GKST Inc., which is a direct, wholly-owned subsidiary of BMO Financial Corp. which is itself a wholly-owned subsidiary of Bank of Montreal.

**[CERTAIN RELATIONSHIPS]**

**MISCELLANEOUS**

The references herein to the Act, the Indenture, and the Power Sales Contract are brief outlines of certain provisions thereof and do not purport to be complete. For full and complete statements of the provisions thereof, reference is made to the Act, the Bond Indenture, and the Power Sales Contract. Copies of such documents are on file at the offices of the Underwriters and following delivery of the Series 2013 Bonds will be on file at the office of the Trustee.

The agreement of KMEA with the owners of the Series 2013 Bonds is fully set forth in the Indenture, and neither any advertisement of the Series 2013 Bonds nor this Official Statement is to be construed as constituting an agreement with the purchasers of the Series 2013 Bonds. Statements made in this Official Statement involving estimates, projections or matters of opinion, whether or not expressly so stated, are intended merely as such and not as representations of fact.

The cover page hereof and the Appendices hereto are integral parts of this Official Statement and must be read together with all of the foregoing statements.

The execution and delivery of this Official Statement has been duly authorized by KMEA and the City.

**KANSAS MUNICIPAL ENERGY AGENCY**

By: \_\_\_\_\_  
President

**GARDEN CITY, KANSAS**

By: \_\_\_\_\_  
Mayor

**APPENDIX A**

**CERTAIN INFORMATION REGARDING THE CITY  
AND THE CITY'S SYTEM**

**APPENDIX B**

**CITY OF GARDEN CITY, KANSAS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2012**

**APPENDIX C**

**CONSULTING ENGINEER'S REPORT**

**APPENDIX D**

**SUMMARY OF THE PRINCIPAL FINANCING DOCUMENTS**

**APPENDIX E**

**PROPOSED FORM OF OPINION OF BOND COUNSEL**

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY OF GARDEN CITY, KANSAS, AUTHORIZING THE EXECUTION OF AN OFFICIAL STATEMENT, A LETTER OF REPRESENTATIONS AND A CONTINUING DISCLOSURE AGREEMENT, ALL RELATING TO THE ISSUANCE OF REVENUE BONDS BY THE KANSAS MUNICIPAL ENERGY AGENCY FOR THE JAMESON ENERGY CENTER; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.**

**WHEREAS**, the City of Garden City, Kansas (the "*City*") owns or operates a utility furnishing electricity; and

**WHEREAS**, the Kansas Municipal Energy Agency ("*KMEA*") is a municipal energy agency organized and existing under the laws of the State of Kansas, including K.S.A. 12-885 *et seq.*; and

**WHEREAS**, the City and KMEA have executed a Power Sales Contract, dated August 20, 2013, for the purchase of electricity from three (3) natural gas powered electric turbine generators for installation at the Jameson Energy Center (the "*Project*"); and

**WHEREAS**, KMEA is financing the Project through the issuance of revenue bonds in a principal amount of approximately \$46,000,000 (the "*Bonds*"); and

**WHEREAS**, in connection with the issuance of the Bonds, the City will execute the following documents (collectively, the "*City Documents*");

- (1) Letter of Representations attached as Exhibit A to the Purchase Contract between KMEA and the underwriters named therein;
- (2) Official Statement; and
- (3) Continuing Disclosure Agreement.

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

**Section 1.** The Letter of Representations is hereby approved in substantially the form and text as presented to the governing body this date. The Mayor is authorized to execute the Letter of Representations for and on behalf of the City.

**Section 2.** The Preliminary Official Statement is hereby approved in substantially the form presented to the governing body this date. The City hereby consents to the use and public distribution of the Preliminary Official Statement in connection with the offering for sale of the Bonds.

The Official Statement is hereby authorized to be prepared by supplementing, amending and completing the Preliminary Official Statement, with such changes and additions thereto as are necessary to conform to and describe the transaction. The Mayor is hereby authorized to execute the Official Statement as so supplemented, amended and completed, and the use and public distribution of the Official Statement by the underwriters in connection with the reoffering of the Bonds is hereby

authorized. The proper officials of the City are hereby authorized to execute and deliver a certificate pertaining to such Official Statement as prescribed therein, dated as of the Issue Date.

**Section 3.** The Continuing Disclosure Agreement is hereby approved in substantially the form presented to the governing body this date. The Mayor is authorized to execute the Consent and Acceptance to the Continuing Disclosure Agreement.

**Section 4.** This Resolution shall take effect and be in full force from and after its adoption by the governing body of the City.

ADOPTED by the governing body of the City and signed by the Mayor this \_\_\_\_ day of September, 2013.

(SEAL)

\_\_\_\_\_  
Mayor

ATTEST:

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

**STAFF REPORT**  
**GC2013-39: Rezone 2607, 2609, 2613, and 2615 N. 10<sup>th</sup> Street from “I-2” Medium Industrial to “R-3” Multiple Family Residential District, Garden City, KS**

**GENERAL INFORMATION**

<b>Date:</b>	May 6, 2013	<b>Jurisdiction:</b>	Garden City
<b>Owner:</b>	Rental Enterprise		
<b>Applicant:</b>	Rental Enterprise		
<b>Requested Action:</b>	Rezoning from “I-2” to “R-3” District		
<b>Purpose:</b>	Rezone to Build Multiple Family Housing		
<b>Location address:</b>	2607-2615 N. 10 <sup>th</sup> Street		
<b>Comprehensive Plan:</b>	Proposed land use is consistent with the Comprehensive Plan		
<b>Sites Existing Zoning:</b>	“I-2” Medium Industrial District		
<b>Surrounding Zoning:</b>	North	“I-2” Medium Industrial District	
	South	“I-2” Medium Industrial District	
	East	“I-1” Medium Industrial District	
	West	“C-2” General Commercial District	
<b>Land Area:</b>	Contains 1.5 acres +/-		
<b>Notice Date:</b>	This project was published and noticed by mail as required by code.		

**COMMENTS & REQUIRED IMPROVEMENTS**

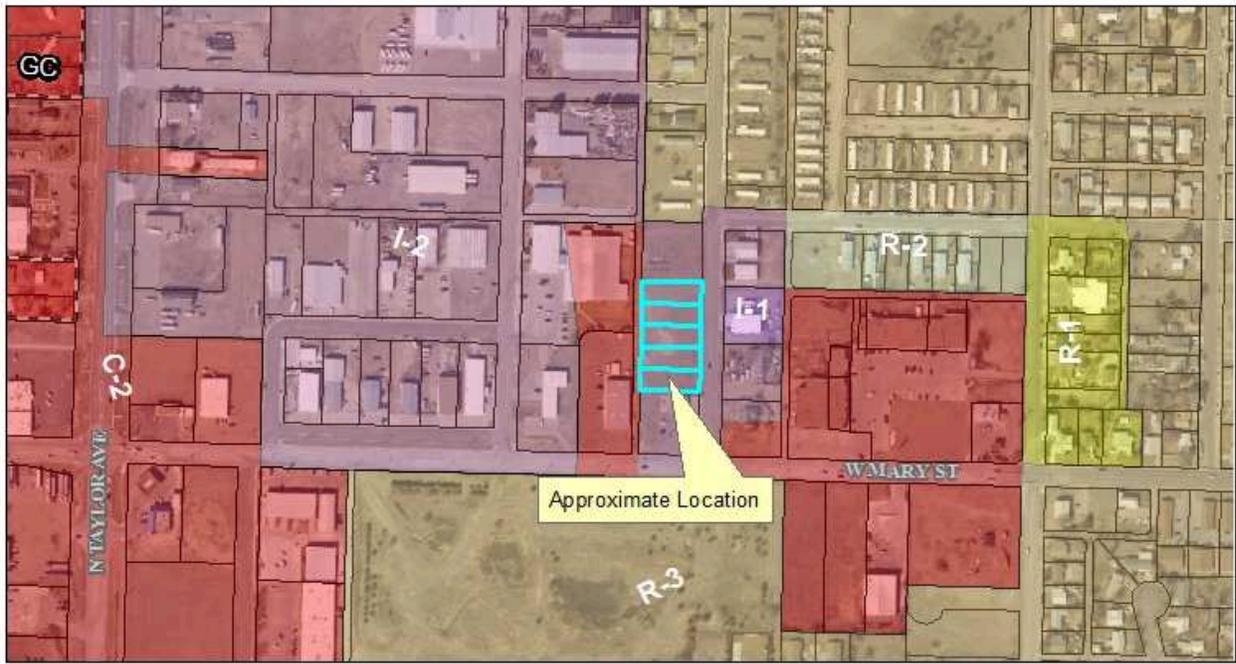
1. The applicant is planning on building four (4) five (5) unit apartment buildings on these lots.
2. Residential uses are not permitted in the “I-2” Medium Industrial District; therefore the applicant is requesting to rezone the property to “R-3” Multiple Family District.
3. The properties are not contiguous with an “R-3” District, however the vacant lot to the north of the properties in this request (2619 N. 10<sup>th</sup> St) does abut and “R-3” District and the owner of that property has also submitted a rezoning request for that property in order to also allow these lots to be rezoned. That is case GC2013-41.
4. After the June Planning Commission the applicant began to work with the owner of 2619 N. 10<sup>th</sup> Street to purchase the property and include it in their plans to build residential units.
5. The applicant stated that they are under contract to sell the property to John Chappel pending the successful rezoning of the property.
6. Two members of the Planning Commission recused themselves from discussing the case. Neighboring property owners again voiced concerns about placing a multi-family development in a predominantly industrial area.

**RECOMMENDATION**

Staff is unable to recommend approval of the rezoning unless 2619 N. 10<sup>th</sup> Street is also rezoned from “I-2” to “R-3”.

**PLANNING COMMISSION RECOMMENDATION:** The Planning Commission recommends against approval of the rezoning request.

Present- 8  
Yea- 4  
Nay-1  
Abstain-1  
Recused-2



Case Number: GC2013-39  
 Applicant: Dan Fankhauser  
 Address: 2607-2615 N. 10th  
 Request: Rezone from "I-2" to "R-3"





View of the property from the alley looking East.



View of the property from the alley looking SE.



View looking North from the property.



View of property looking SW.



View of property looking West.

(Published in the Garden City Telegram on the \_\_\_\_\_ day of July, 2013)

ORDINANCE NO.

AN ORDINANCE APPROVING THE REZONING OF LAND FROM "I-2" MEDIUM INDUSTRIAL DISTRICT TO "R-3" MULTIPLE FAMILY RESIDENTIAL DISTRICT; AMENDING THE ZONING ORDINANCE AND THE DISTRICT ZONING MAP OF THE CITY; AND REPEALING THE CURRENT ZONING ORDINANCE, AND DISTRICT ZONING MAP; ALL TO THE CODE OF ORDINANCES OF THE CITY OF GARDEN CITY, KANSAS.

**BE IT ORDAINED by the Governing Body of the City of Garden City, Kansas:**

**SECTION 1.** The Zoning Ordinance of the City of Garden City, Kansas, adopted by Ordinance No. 2528-2011 with all amendments thereto, is hereby amended and shall read as follows:

The boundary of the "R-3" Public Facilities District is hereby amended to include the following described real property:

Lots 1,2,3,4, and 5 of Block 1 of the Rental Enterprise Addition to the City of Garden City, Kansas

**SECTION 2.** The District Zoning Map referred to in the Zoning Regulations Article 3, Section 3, of the Garden City, Kansas, adopted by Ordinance No. 2528-2011, as previously existing and amended, be and the same is hereby amended, to be consistent with the amendments set forth herein.

**SECTION 3.** The current Zoning Ordinance and District Zoning Map of the City of Garden City, Kansas, as previously existing and amended, be and the same hereby are repealed, to be replaced as specified in this ordinance.

**SECTION 4.** That this ordinance shall be in full force and effect from and after its publication in the Garden City Telegram, the official city newspaper.

APPROVED AND PASSED by the Governing Body of the City of Garden City, Kansas, this 16<sup>th</sup> day of July, 2013.

\_\_\_\_\_  
DAN FANKHAUSER, Mayor

ATTEST:

\_\_\_\_\_  
Celyn N. Hurtado,  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
RANDALL D. GRISELL,  
City Counselor

**STAFF REPORT**  
**GC2013-41: Rezone 2619 N. 10<sup>th</sup> Street from "I-2" Medium Industrial to "R-3" Multiple Family Residential District, Garden City, KS**

**GENERAL INFORMATION**

<b>Date:</b>	May 16, 2013	<b>Jurisdiction:</b>	Garden City
<b>Owner:</b>	McMillan Plumbing		
<b>Applicant:</b>	McMillan Plumbing		
<b>Requested Action:</b>	Rezoning from "I-2" to "R-3" District		
<b>Purpose:</b>	Rezone to Build Multiple Family Housing		
<b>Location address:</b>	2619 N. 10 <sup>th</sup> Street		
<b>Comprehensive Plan:</b>	Proposed land use is consistent with the Comprehensive Plan		
<b>Sites Existing Zoning:</b>	"I-2" Medium Industrial District		
<b>Surrounding Zoning:</b>	North "R-3" Multiple Family Residential District South "I-2" Medium Industrial District East "I-1" Light Industrial District West "C-2" General Commercial District		
<b>Land Area:</b>	Contains .58 acres +/-		
<b>Notice Date:</b>	This project was published and noticed by mail as required by code.		

**COMMENTS & REQUIRED IMPROVEMENTS**

1. The applicant is requesting this lot be rezoned to "R-3" Multiple Family Residential so that the lots to the south of this property may about an "R-3" District and thereby be permitted to request rezoning to the "R-3" District.
2. At the time of the June meeting, the applicant had no plans to develop the property for residential use. As a result, combined with resistance from neighboring properties, the Planning Commission recommended against rezoning this property.
3. After that meeting, the applicant decided to take the request to the Governing Body for a final decision. At the time of the City Commission meeting the applicant stated his desire to sell the property to the John Chappel and submitted an amended development plan to include two (2) more five-plexes to be built on 2619 N. 10<sup>th</sup> Street.
4. Due to this development the City Commission voted to refer the case back to the Planning Commission for a recommendation considering the new information.
5. At the August 15, 2013, Planning Commission meeting John Chappel reiterated that he was under contract with Mr. McMillan to purchase the property pending the successful rezoning.
6. Two members of the Planning Commission recused themselves from discussing the case. Neighboring property owners again voiced concerns about placing a multi-family development in a predominantly industrial area.

**RECOMMENDATION**

Staff recommended approval of the request contingent upon finalization of the sale to the developers of 2607-2615.

**PLANNING COMMISSION RECOMMENDATION:** The Planning Commission recommended against approval of the rezoning request.

Present- 8  
 Yea- 4  
 Nay-1  
 Abstain-1  
 Recused-2



Case Number: GC2013-41  
 Applicant: Mc Millan Plumbing  
 Address: 2619 N. 10th  
 Request: Rezone from "I2" to "R-3"





View looking South from property.



View of property looking North.



View looking West from the property.



View of property from alley. (looking NE)



View looking East from the property.



View of trailers to the North of the property.

(Published in the Garden City Telegram on the \_\_\_\_\_ day of July, 2013)

ORDINANCE NO.

AN ORDINANCE APPROVING THE REZONING OF LAND FROM "I-2" MEDIUM INDUSTRIAL DISTRICT TO "R-3" MULTIPLE FAMILY RESIDENTIAL DISTRICT; AMENDING THE ZONING ORDINANCE AND THE DISTRICT ZONING MAP OF THE CITY; AND REPEALING THE CURRENT ZONING ORDINANCE, AND DISTRICT ZONING MAP; ALL TO THE CODE OF ORDINANCES OF THE CITY OF GARDEN CITY, KANSAS.

**BE IT ORDAINED by the Governing Body of the City of Garden City, Kansas:**

**SECTION 1.** The Zoning Ordinance of the City of Garden City, Kansas, adopted by Ordinance No. 2528-2011 with all amendments thereto, is hereby amended and shall read as follows:

The boundary of the "R-3" Public Facilities District is hereby amended to include the following described real property:

Lots 8 of Block 5 of the 83 Commercial Subdivision Addition to the City of Garden City, Kansas

**SECTION 2.** The District Zoning Map referred to in the Zoning Regulations Article 3, Section 3, of the Garden City, Kansas, adopted by Ordinance No. 2528-2011, as previously existing and amended, be and the same is hereby amended, to be consistent with the amendments set forth herein.

**SECTION 3.** The current Zoning Ordinance and District Zoning Map of the City of Garden City, Kansas, as previously existing and amended, be and the same hereby are repealed, to be replaced as specified in this ordinance.

**SECTION 4.** That this ordinance shall be in full force and effect from and after its publication in the Garden City Telegram, the official city newspaper.

APPROVED AND PASSED by the Governing Body of the City of Garden City, Kansas, this 16<sup>th</sup> day of July, 2013.

\_\_\_\_\_  
DAN FANKHAUSER, Mayor

ATTEST:

\_\_\_\_\_  
Celyn N. Hurtado,  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
RANDALL D. GRISELL,  
City Counselor



COMMUNITY  
DEVELOPMENT  
DEPARTMENT  
SERVING  
GARDEN CITY  
HOLCOMB

AND  
FINNEY COUNTY  
620-276-1170

INSPECTIONS  
620-276-1120

[inspection@garden-city.org](mailto:inspection@garden-city.org)

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PLANNING AND  
ZONING  
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CITY ADMINISTRATIVE  
CENTER  
301 N. 8<sup>TH</sup>  
P.O. Box 998  
GARDEN CITY, KS  
67846-0998  
PH 620.276.1170  
FAX 620.276.1173  
[www.garden-city.org](http://www.garden-city.org)

# Memo

To: City Commission  
From: Kaleb Kentner  
CC: File  
Date: 8/15/2013  
Re: GC2013-44 Amend the "C-3" Central Business District Regulations – Condominiums as Second Story Dwelling Units

---

**Issue:** GC2013-44 Amend the "C-3" Central Business District Regulations to clearly allow condominiums as second story dwelling units

**Background:** At the June, 2013, Planning Commission Meeting, Staff requested a clarification of ambiguity in the "C-3" Central Business District regulations with regard to condominiums as second story dwelling units. Currently the regulations state that, "Apartments above ground floor level," are a permitted use. At that meeting, the Planning Commission clarified that the term "Apartment" included condominiums.

Staff therefore submits the following amendment to the "C-3" Central Business District regulations:

5. Apartments and Condominiums above ground level.

**Alternatives:** the Commission may:

1. Recommend approval of the amendment as presented.
2. Recommend approval of the amendment with changes.
3. Recommend against approval of the amendment.

**Recommendation:** Staff recommends approval of the amendment as presented.

**Planning Commission Recommendation: Approval**

Present: 7

Yea- 7

Nay- 0

**ORDINANCE NO. \_\_\_\_\_-2013**

AN ORDINANCE REGULATING THE "C-3" CENTRAL BUSINESS DISTRICT OF THE CITY OF GARDEN CITY, KANSAS; AMENDING THE ZONING REGULATIONS FOR THE CITY OF GARDEN CITY, KANSAS BY ALLOWING CONDOMINIUMS IN THE "C-3" DISTRICT; AMENDING ZONING REGULATION ARTICLE 16; REPEALING IN ITS ENTIRETY CURRENT ZONING REGULATION ARTICLE 16; ALL TO THE CODE OF ORDINANCES OF THE CITY OF GARDEN CITY, KANSAS.

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

**SECTION 1.** Article 16 of the Zoning Regulations for the City of Garden City, Kansas, is hereby amended to read as follows:

**ARTICLE 16**

**"C-3" CENTRAL BUSINESS DISTRICT**

**SECTIONS:**

16.010	Purpose and Intent
16.020	Permitted Uses
16.030	Conditional Uses
16.040	Height Regulations
16.050	Yard Requirements
16.060	Parking Requirements
16.070	Sign Regulations
16.080	Supplemental Development Standards

**16.010 PURPOSE AND INTENT.** The Central Business District is established to provide a District of concentrated retail commercial and service uses that are intended to service the needs of the local trade area. The "C-3" District is intended to be located only in the downtown area of the City and to be expanded out from that central area in an orderly and progressive manner as demand for additional commercial land is generated.

**16.020 PERMITTED USES.** The following uses and structures, and no others, are permitted in the "C-3" District.

1. Amusement places.
2. Antique shops, providing all merchandise be enclosed in or building.
3. Apparel and accessory stores.
4. Artist studios and art shops.
5. Apartments and Condominiums above ground floor level.
6. Automobile supply accessory stores.
7. Auditorium.
8. Bakery and pastry shops (retail only).
9. Banks and other savings and lending institutions.
10. Barber shops, beauty shops, chiropody, massage, or similar personal service shops.
11. Bicycle shops (sales and repair).
12. Boarding and Lodging Houses.
13. Books and stationery stores or shops.
14. Business or commercial schools, including dancing and music academies.

15. Business machine repair, sales, and services.
16. Cigar and tobacco stores.
17. Clothing and costume rental.
18. Commercial recreation uses.
19. Convenience store. (Ord. #1687, 2/10/88)
20. Custom dressmaking, millinery, tailoring and similar trades.
21. Delicatessens and catering establishments.
22. Department stores.
23. Drug stores.
24. Dry goods and notion shops.
25. Dry cleaning establishments.
26. Electric repair shops.
27. Fire stations, police stations, and other public buildings.
28. Fix-it, radio or television repair shops.
29. Florist or gift shops.
30. Furniture and home furnishing shops and stores.
31. Garages for storage of motor vehicles.
32. Government administration buildings.
33. Grocery, fruit, and vegetable stores.
34. Hardware stores and shops.
35. Hobby shops.
36. Hotels and motels.
37. Household appliance stores.
38. Interior decorator shops.
39. Jewelry and metal craft stores and shops.
40. Laundries and laundrettes.
41. Leather goods and luggage stores.
42. Libraries and museums.
43. Lock and key shops.
44. Mail order catalogue stores.
45. Medical and dental clinics.
46. Medical and orthopedic equipment stores.
47. Meeting halls and auditoriums.
48. Messenger and telegraph service stations.
49. Milk and milk products distribution stations.
50. Music and music instrument stores and studios.
51. Newspaper offices.
52. Newsstands.
53. Newsprint, job printing, and printing supplies stores.
54. Offices and office buildings.
55. Office supply and equipment stores.
56. Pet shops.
57. Photographic equipment and supply stores.
58. Photographic studios.
59. Post office and court buildings.
60. Picture frame shops.
61. Package liquor stores.
62. Parking lots and garages (commercial, public and private).
63. Paint stores.
64. Pawn shops.
65. Plumbing, heating, and air conditioning shops when the entire operation is conducted entirely within the building.
66. Prescription shops.
67. Private clubs fraternities, sororities, and lodges.
68. Public and private parking lots for temporary storage of automobiles.

69. Radio and TV stores.
70. Radio and television studios.
71. Railway, taxi, and bus passenger stations.
72. Restaurants and tea rooms.
73. Sporting goods stores.
74. Service stations (gas and oil).
75. Shoe stores and repair shops.
76. Tailor shops.
77. Taverns.
78. Theaters.
79. Toy shops.
80. Travel bureaus.
81. Utility company offices.
82. Stores and shops, for the conduct of retail business, similar to the uses enumerated above.

16.030 **CONDITIONAL USES.** The following uses and structures may be permitted only after they have been reviewed and approved as required by Article 29.

- (A) Towers.
- (B) Garages and auto repair shops, but not including auto body and fender work and auto painting.
- (C) Licensed Day Care Home, Group Day Care Home or Child Care Center.

16.040 **HEIGHT REGULATIONS.** A building may be erected to any height not in conflict with other ordinances.

16.050 **YARD REQUIREMENTS.**

- (A) Front Yard:
  - (1) No front yard is required for structures in this district except to conform to the building code, fire code, and other City ordinances.
- (B) Side Yard:
  - (1) No side yard is required for structures in this district except to conform to the building code, fire code, and other City ordinances.
- (C) Rear Yard:
  - (1) No rear yard is required for structures in this district except to conform to the building code, fire code, and other City ordinances. For all new construction or major additions there shall be required a rear yard of ten (10) feet.

16.060 **PARKING REQUIREMENTS.** None required.

16.070 **SIGN REGULATIONS.** See Article 23.

16.080 **SUPPLEMENTAL DEVELOPMENT STANDARDS.** See Article 22.

**SECTION 2.** The Zoning Regulations for the City of Garden City, Kansas, Article 16 as previously existing, are hereby repealed, to be replaced as specified in this ordinance. All Zoning Regulation Sections not specifically amended or deleted herein shall remain in full force and effect.

**SECTION 3.** This ordinance shall be in full force and effect from and after its publication in the Garden City Telegram, the official city newspaper.

APPROVED AND PASSED by the Governing Body of the City of Garden City, Kansas, this 3rd day of September, 2013.

\_\_\_\_\_  
DAN FANKHAUSER, Mayor

ATTEST:

\_\_\_\_\_  
CELYN N. HURTADO, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
RANDALL D. GRISELL  
City Counselor



COMMUNITY  
DEVELOPMENT  
DEPARTMENT  
SERVING  
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# Memo

To: City Commission  
From: Kaleb Kentner  
CC: File  
Date: August 15, 2013  
Re: GC2013-55 an Amendment to Article 16 "C-3" Central Business District Regulations to Include Tattoo Parlors as a Permitted Use

**ISSUE:** An amendment to Article 16 "C-3" Central Business District Regulations to include Tattoo Parlors as a Permitted Use.

**BACKGROUND:** The proprietors of the Art Shop, a tattoo parlor, have requested an amendment to the "C-3" Central Business District Regulations to allow Tattoo Parlors as a Permitted Use. Currently Tattoo Parlors are permitted in the "C-O" Commercial Office, "C-1" Neighborhood Commercial, and "C-2" General Commercial Districts, but not in the "C-3" Central Business District.

The proposed text for the amendment would be similar to text used in the other commercial districts:

"Tattoo Facilities licensed with the Kansas Department of Cosmetology"

Because the use is inconsistent with the uses recommended for the Downtown in the Comprehensive Plan for the City as well as the recently adopted Master Plan for the Downtown which recommends a focus on retail, office, restaurant, recreation, and entertainment and other family friendly activities, Staff was unable to recommend approval of this amendment.

The Planning Commission voted to recommend against approval of the amendment. The vote was 8-0.

**Alternatives:** The City Commission may;

1. Deny the amendment.
2. Approve the amendment with a 2/3 majority vote.
3. Approve the amendment with changes with a 2/3 majority vote.

**Recommendation:** Staff is unable to recommend approval of this request. However, should the Commission vote to override the Planning Commission recommendation an amendment has been included with this memo.

**Planning Commission Recommendation:** The Planning Commission recommended against approval of this amendment.

**Present- 8**  
**Yea- 8**  
**Nay- 0**

**ORDINANCE NO. \_\_\_\_\_-2013**

AN ORDINANCE REGULATING THE "C-3" CENTRAL BUSINESS DISTRICT OF THE CITY OF GARDEN CITY, KANSAS; AMENDING THE ZONING REGULATIONS FOR THE CITY OF GARDEN CITY, KANSAS BY ALLOWING TATTOO FACILITIES IN THE "C-3" DISTRICT; AMENDING ZONING REGULATION ARTICLE 16; REPEALING IN ITS ENTIRETY CURRENT ZONING REGULATION ARTICLE 16; ALL TO THE CODE OF ORDINANCES OF THE CITY OF GARDEN CITY, KANSAS.

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

**SECTION 1.** Article 16 of the Zoning Regulations for the City of Garden City, Kansas, is hereby amended to read as follows:

**ARTICLE 16**

**"C-3" CENTRAL BUSINESS DISTRICT**

**SECTIONS:**

16.010	Purpose and Intent
16.020	Permitted Uses
16.030	Conditional Uses
16.040	Height Regulations
16.050	Yard Requirements
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16.080	Supplemental Development Standards

**16.010 PURPOSE AND INTENT.** The Central Business District is established to provide a District of concentrated retail commercial and service uses that are intended to service the needs of the local trade area. The "C-3" District is intended to be located only in the downtown area of the City and to be expanded out from that central area in an orderly and progressive manner as demand for additional commercial land is generated.

**16.020 PERMITTED USES.** The following uses and structures, and no others, are permitted in the "C-3" District.

1. Amusement places.
2. Antique shops, providing all merchandise be enclosed in or building.
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6. Automobile supply accessory stores.
7. Auditorium.
8. Bakery and pastry shops (retail only).
9. Banks and other savings and lending institutions.
10. Barber shops, beauty shops, chiropody, massage, or similar personal service shops.
11. Bicycle shops (sales and repair).
12. Boarding and Lodging Houses.
13. Books and stationery stores or shops.

14. Business or commercial schools, including dancing and music academies.
15. Business machine repair, sales, and services.
16. Cigar and tobacco stores.
17. Clothing and costume rental.
18. Commercial recreation uses.
19. Convenience store. (Ord. #1687, 2/10/88)
20. Custom dressmaking, millinery, tailoring and similar trades.
21. Delicatessens and catering establishments.
22. Department stores.
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25. Dry cleaning establishments.
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40. Laundries and laundrettes.
41. Leather goods and luggage stores.
42. Libraries and museums.
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51. Newspaper offices.
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54. Offices and office buildings.
55. Office supply and equipment stores.
56. Pet shops.
57. Photographic equipment and supply stores.
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62. Parking lots and garages (commercial, public and private).
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67. Private clubs fraternities, sororities, and lodges.

68. Public and private parking lots for temporary storage of automobiles.
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72. Restaurants and tea rooms.
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74. Service stations (gas and oil).
75. Shoe stores and repair shops.
76. Tailor shops.
77. Taverns.
78. Theaters.
79. Toy shops.
80. Travel bureaus.
81. Utility company offices.
82. Stores and shops, for the conduct of retail business, similar to the uses enumerated above.
83. Tattoo facilities licensed with the Kansas Department of Cosmetology.

16.030 **CONDITIONAL USES.** The following uses and structures may be permitted only after they have been reviewed and approved as required by Article 29.

- (A) Towers.
- (B) Garages and auto repair shops, but not including auto body and fender work and auto painting.
- (C) Licensed Day Care Home, Group Day Care Home or Child Care Center.

16.040 **HEIGHT REGULATIONS.** A building may be erected to any height not in conflict with other ordinances.

16.050 **YARD REQUIREMENTS.**

- (A) Front Yard:
  - (1) No front yard is required for structures in this district except to conform to the building code, fire code, and other City ordinances.
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  - (1) No side yard is required for structures in this district except to conform to the building code, fire code, and other City ordinances.
- (C) Rear Yard:
  - (1) No rear yard is required for structures in this district except to conform to the building code, fire code, and other City ordinances. For all new construction or major additions there shall be required a rear yard of ten (10) feet.

16.060 **PARKING REQUIREMENTS.** None required.

16.070 **SIGN REGULATIONS.** See Article 23.

16.080 **SUPPLEMENTAL DEVELOPMENT STANDARDS.** See Article 22.

**SECTION 2.** The Zoning Regulations for the City of Garden City, Kansas, Article 16 as previously existing, are hereby repealed, to be replaced as specified in this ordinance. All Zoning Regulation Sections not specifically amended or deleted herein shall remain in full force and effect.

**SECTION 3.** This ordinance shall be in full force and effect from and after its publication in the Garden City Telegram, the official city newspaper.

APPROVED AND PASSED by the Governing Body of the City of Garden City, Kansas, this 3rd day of September, 2013.

\_\_\_\_\_  
DAN FANKHAUSER, Mayor

ATTEST:

\_\_\_\_\_  
CELYN N. HURTADO, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
RANDALL D. GRISELL  
City Counselor

(Published in The Garden City Telegram on the \_\_\_\_\_ day of \_\_\_\_\_, 2013)

**RESOLUTION NO. \_\_\_\_\_**

**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.**

**WHEREAS**, the Governing Body of the City of Garden City has declared it unlawful for any person to maintain nuisance conditions on private property within the City of Garden City, and

**WHEREAS**, the resident and/or owners of the private property at the address listed herein have been notified pursuant to Section 38-137 of the Environmental Code of Ordinances and have neither abated the nuisance conditions nor requested a hearing before the Governing Body.

**NOW THEREFORE, BE IT RESOLVED** by the Governing Body of the City of Garden City, Kansas:

**SECTION 1.** Ten (10) days after passage of this Resolution, and after notification of person in violation by one of the methods prescribed in Section 38-139, the Public Officer is hereby authorized to abate the following nuisance conditions:

*205 S. Fourth Street- furniture, cabinets, tires, scrap wood, trash & debris throughout property*

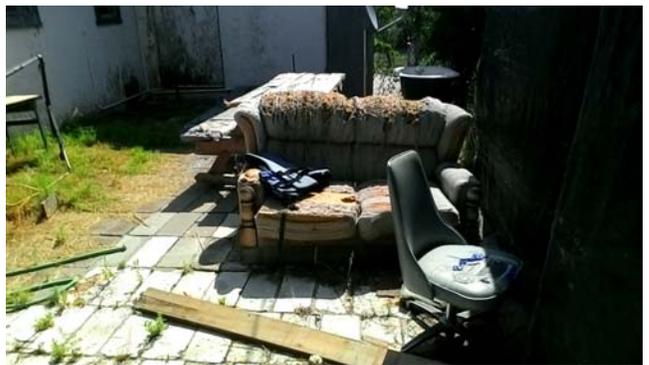
**SECTION 2.** The abatement costs incurred by the City shall be charged against the lot or parcel of ground on which the nuisance is located.

**PASSED AND APPROVED** by the Governing Body of the City of Garden City, Kansas, on this 3rd day of September, 2013.

\_\_\_\_\_  
**Dan Fankhauser, MAYOR**

**ATTEST:**

\_\_\_\_\_  
**Celyn N. Hurtado, CITY CLERK**





**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION AUTHORIZING THE REMOVAL OF MOTOR VEHICLE NUISANCES FROM CERTAIN PROPERTIES IN THE CITY OF GARDEN CITY, KANSAS, PURSUANT TO SECTION 38-63 OF THE CODE OF ORDINANCES OF THE CITY OF GARDEN CITY, KANSAS.**

**WHEREAS**, the Governing Body of the City of Garden City has declared it unlawful for any person to maintain a motor vehicle nuisance on private property within the City of Garden City, and

**WHEREAS**, the residents and/or owners of the private property at the addresses listed herein have been notified pursuant to Section 38-63 of the Code of Ordinances and have neither abated the nuisance conditions nor requested a hearing before the Governing Body.

**NOW THEREFORE, BE IT RESOLVED** by the Governing Body of the City of Garden City, Kansas:

**SECTION 1.** Ten (10) days after passage of this Resolution the Public Officer is hereby authorized to abate the following motor vehicle nuisance conditions:

*1907 Vinzant Street – Inoperable and/or unregistered-white Pontiac mini-van*

*1907 Vinzant Street – Inoperable and/or unregistered-blue Ford mini-van*

**SECTION 2.** The abatement costs incurred by the City shall be charged against the lots or parcels of ground on which the motor vehicle nuisance is located.

**PASSED AND APPROVED** by the Governing Body of the City of Garden City, Kansas, on this 3rd day of September 2013.

\_\_\_\_\_  
**Dan Fankhauser, MAYOR**

**ATTEST:**

\_\_\_\_\_  
**Celyn N. Hurtado, CITY CLERK**

**1907 Vinzant Street**



# Old Business



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

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[www.garden-city.org](http://www.garden-city.org)

# Memo

To: City Commission  
From: Kaleb Kentner  
CC: File  
Date: August 22, 2013  
Re: Appraisal of the old American Legion Building at 125 W. Pine Street

---

**ISSUE:** Appraisal of the old American Legion building at 125 W. Pine Street.

**BACKGROUND:** The City Commission directed Staff to arrange for an appraiser to evaluate the old American Legion building at 125 W. Pine Street in order to begin the process of selling the building. Staff received the evaluation report on August 21, 2013.

The appraiser valued the “as is” market value for the building at \$57,000.00 and states that, “The subject value is predicated on the sales comparison approach. The property is in poor condition and is in need of significant structural, interior and exterior repair and updating.”

The County Appraiser has the building and property valued at \$169,010.00.

**Alternatives:** The Commission may

1. Set the asking price for the building at \$57,000.00, or
2. Set the asking price for the building at some other amount.

**Recommendation:** Staff recommends alternative number 1.

**Fiscal Note:** The cost of the appraisal was \$1,200.00. The sale of the property will generate revenue for the City and allow the building to be added to the tax rolls.

Wartman Appraisal Services  
2107 Grandview Dr. East  
Garden City, Kansas 67846

APPRAISAL FOR  
City of Garden City  
P.O. Box 998  
Garden City, Kansas 67846

Subject Property Address:  
125 W. Pine  
Garden City, Kansas 67846

Effective Date  
August 19, 2013

Lonny Wartman  
Kansas License # G-2121  
Oklahoma #12666CGA

File- 1345

Wartman Appraisal Services  
2107 Grandview Dr. East  
Garden City, Kansas 67846  
620-272-9866 / Fax 620-272-0652

Kaleb Kentner  
P.O Box 998.  
City of Garden City  
Garden City, Kansas 67846

August 19, 2013

Mr. Kentner:

At your request I have made a personal examination of a vacated commercial property known as the American Legion building on 125 W. Pine in Garden City, Kansas. .

The purpose of this assignment is to develop an opinion of the fee simple market value of the land and the improvements that are deemed appurtenant to the property as of August 19, 2013. This is a "Current Appraisal" assignment.

The scope of this appraisal is intended to comply with the Uniform Standards of Professional Appraisal Practice (USPAP). This appraisal report is a summary written report prepared under Standards Rule 2-2(b), pursuant to the Scope of Work as disclosed in this report.

After full consideration of the strengths and weaknesses of each approach to value, it is the opinion of this appraiser that the Market Value of the "As Is" fee simple estate of the subject property, subject to the assumptions and limiting conditions, certifications, extraordinary and hypothetical conditions, if any is \$57,000.00

To reach this valuation conclusion, I have given careful consideration to many factors which include area and neighborhood trends, comparable market transactions, prevailing rentals in the area, current levels of land value, replacement costs, zoning and all other factors I felt necessary to estimate the property's Market Value. Information and data supplied is believed to be accurate and has been verified to the best of my ability, but cannot be guaranteed. The following report sets forth the data, assumptions and analysis for this appraiser's conclusions.

This appraisal is intended only for the use of the client and the functions specified therein. The client and owner of this report is the City of Garden City. Any other use shall render this appraisal null and void. The appraiser herein shall not be required to give testimony or appear in any court of law, either as an expert or fact witness in reference to this appraisal unless arrangements satisfactory to the appraiser have been made.

The opinion of value expressed in this report is contingent upon the limiting conditions attached to this report.

Respectively submitted



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## Executive Summary:

Address:

125 W. Pine

Garden City, Kansas 67846

Building size 7,134 sqft., above grade Total sqft., of building is 14,268.

Style Bi-level 1920's style masonry building

Site area 4,658 sqft.

Year built 1920

Age 93

Condition Poor

**Additional comments on size of structure:** In most all instances below grown level square footage is considered to be basement area. In this report I included it in the total square footage as contributing value to the whole. The reasoning is based upon the square footage of the building as determined by the Finney County Appraiser.

Sales Comparison Approach to Value \$57,000.00

Cost Approach To Value N/A

Income Approach To Value N/A

Conclusion of Value \$57,000.00

The subject value is predicated on the sales comparison approach. The property is in poor condition and in need of significant structural, interior and exterior repair and updating.

Neither the cost nor the income approaches to value were considered to be valid indicators of value as the building is very old and the property cannot be rented in its current condition.

**DEFINITION OF MARKET VALUE:**

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, acting prudently, knowledgeably and assuming the price is not affected by undue stimulus, Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- 1.) Buyer and seller are typically motivated.
- 2.) Both parties are well informed or well advised, and acting in what he considers  
His own best interest.
- 3.) A reasonable time is allowed for exposure in the open market.
- 4.) Payment is made in terms of cash in US dollars or in terms of financial arrangements  
comparable thereto.
- 5.) The price represents the normal consideration for the property sold unaffected by  
special or creative financing or sales concessions granted by anyone associated with  
the sale. (Data Source: USPAP 2012-2013 Edition , The Appraisal Foundation)

**SCOPE OF WORK:**

The property is a combination, bar, kitchen, dance, and meeting facility. On August 16, 2013 the property was viewed, measured, photographed, and an assessment of its condition made. The measurements were then checked against Finney County Inventory Contents Records. The property is in very poor condition with a significant amount of structural updating needed if it is to continue in any use.

The Finney County Treasurer, Register of Deeds, and County Appraiser's office were visited to gather factual data for this appraisal. Recent sales of like, fraternal and restaurant properties were identified and viewed. Either the owner or an agent of the comparable properties was interviewed to verify sales data and condition of the property when sold.

An analysis of the existing improvements, zoning, surrounding land uses, stage of completion and supply and demand was completed to establish the highest and best use of the property. Only sales recorded at the Ford and Finney County Courthouses were used in this assignment. The amount or type of information researched and the analysis applied in this assignment conforms to the expectations of participants in the market for the same or similar appraisal services and what the appraiser's peer's actions would be in performing the same or a similar assignment in compliance with USPAP.

**PURPOSE:**

The purpose of this assignment is to develop an opinion of the "as is" market value of the land and the improvements that are deemed appurtenant to the subject property assuming fee simple title.

**COMPETENCY:**

In accordance with the Competency Provision of the Uniform Standards of Professional Appraisal Practice (USPAP), the appraiser states that he is familiar with the subject's neighborhood, as well as nearby competitive neighborhoods. Further, the appraiser states he has appraised or assisted in the appraisal of other properties in the subject neighborhood and competing neighborhoods.

**CLIENT AND INTENDED USERS:**

The City of Garden City

**INTENDED USE:**

Valuation for internal decision making purposes

**PROPERTY RIGHTS APPRAISED:**

The property interest appraised is the 'as is" fee simple estate of the subject property, free and clear of all liens and encumbrances.

**EFFECTIVE DATE OF APPRAISAL:**

August 16, 2013, the date property viewed. This is a current appraisal

**DATE OF REPORT:**

August 19, 2013 (Date appraisal completed)

**HYPOTHETICAL CONDITIONS AND EXTRAORDINARY ASSUMPTIONS:**

That the income approach to value would not lead to a valid opinion of value

**ADDRESS:**

125 W Pine  
Garden City Kansas 67846

**PRESENT OWNERSHIP OF PROPERTY:**

City of Garden City

**LEGAL:**

All of that portion of Lots Nineteen (19), Twenty (20), and Twenty-one (21) of Block One (1) of Jones Addition to the City of Garden City, Finney County, Kansas, lying North and East of the curb line in existence in 1931, as detailed more specifically in Exhibit A attached hereto and incorporated herein (hereinafter referred to as the American Legion Property

**ZONING REGULATIONS:**

The subject property is city zoned C-3 "Central Business District". The Central Business District is established to provide a district of concentrated retail and commercial service uses that are intended to service the needs of the local trade area. The "C-3" District is intended to be located only in the downtown area of the City and to be expanded out from that central area in an orderly and progressive manner as demand for additional commercial land is generated.

There are no front, side, and rear yard requirements except to conform with the building code, fire code, and other City ordinances. For all new construction or major additions there shall be required a rear yard of ten (10) feet. A building may be erected to any height not in conflict with other ordinances.

*(See Article 16 Finney County Comprehensive Plan and Zoning Regulations)*

**PRIOR SALE OF SUBJECT PROPERTY:**

None within the past three years. The property was deeded to the City of Garden City by the American Legion contingent upon certain requirements of their new property on South Main which was deeded to them by the City .

**PROPOSED CONSTRUCTION, PARTIAL LEASE, MARKET RENTS, TRACT DEVELOPMENTS:**

None to the knowledge of this appraiser

**PERSONAL PROPERTY:**

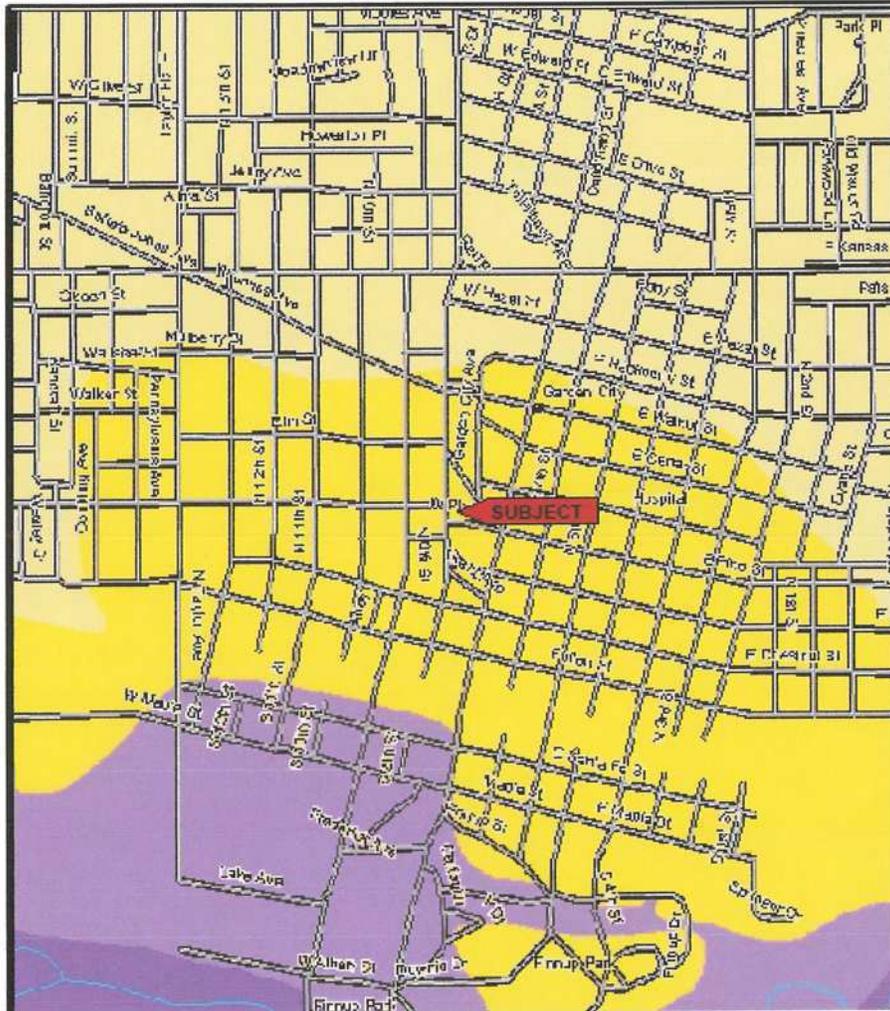
Consideration was not given to any personal property located on the property. (All equipment was included in the sale and has very little economic value)

**FLOOD ZONE: Subject property is in a 500 year flood zone**

Wartman Appraisal Service  
**FLOOD MAP ADDENDUM**

File No.  
 Case No. 02nd

Borrower		State		Zip Code	
Property Address	305 W. Mary125 W Pine	KS	67846-5445		
City	Garden City	County			
Lender/Client	Address				



Flood Map Legends	Flood Zone Determination
<p><b>Flood Zones</b></p> <ul style="list-style-type: none"> <li><span style="display: inline-block; width: 15px; height: 10px; background-color: yellow; border: 1px solid black; margin-right: 5px;"></span> Area inundated by 500-year flooding</li> <li><span style="display: inline-block; width: 15px; height: 10px; background-color: lightblue; border: 1px solid black; margin-right: 5px;"></span> Area outside of the 10 and 500 year flood plains</li> <li><span style="display: inline-block; width: 15px; height: 10px; background-color: purple; border: 1px solid black; margin-right: 5px;"></span> Area inundated by 100-year flooding</li> <li><span style="display: inline-block; width: 15px; height: 10px; background-color: blue; border: 1px solid black; margin-right: 5px;"></span> Area inundated by 10-year flooding with velocity hazard</li> <li><span style="display: inline-block; width: 15px; height: 10px; background-color: darkblue; border: 1px solid black; margin-right: 5px;"></span> Floodway areas</li> <li><span style="display: inline-block; width: 15px; height: 10px; background-color: lightblue; border: 1px solid black; margin-right: 5px;"></span> Floodway areas with velocity hazard</li> <li><span style="display: inline-block; width: 15px; height: 10px; background-color: white; border: 1px solid black; margin-right: 5px;"></span> Area of undetermined but possible flood hazard</li> <li><span style="display: inline-block; width: 15px; height: 10px; background-color: lightgreen; border: 1px solid black; margin-right: 5px;"></span> Area not mapped on any published FIRM</li> </ul>	<p><b>Flood Zone Determination</b></p> <p>SFHA (Flood Zone): <b>Out</b>                  Within 200 ft. of multiple flood hazard? <b>No</b>                  Community: <b>20518b</b>                  Community Name: <b>GARDEN CITY, CITY OF</b>                  Zone: <b>X50 Panel 205186 0005D</b> Panel Date: <b>09/03/1997</b>                  FIPS Code: <b>20055</b> Census Tract: <b>9603.00</b></p> <p>This Flood Report is for the sole benefit of the Customer who ordered and paid for the Report and is based on the property information provided by the customer. That customer's use of this report is subject to the terms agreed by that customer when accessing this product. No third party is authorized to use or rely on this report. In any lawsuit, NEITHER FIRST AMERICAN FLOOD DATA SERVICES NOR THE SELLER OF THIS REPORT MAKES ANY REPRESENTATIONS OR WARRANTIES TO ANY PARTY CONCERNING THE CONTINUED ACCURACY OR COMPLETENESS OF THIS REPORT INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. Neither FADS nor the seller of the Report shall have any liability to any third party for any use or misuse of this Report.</p>

**ENVIRONMENTAL DISCLAIMER TOXIC WASTE:**

The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, and other potentially hazardous materials may affect the value of the property. The value estimated is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired" (The Appraisal of Real Estate, 10th Edition, The Appraisal Institute, Chicago, Ill: 1992, pg. 574)

**REVENUE TRENDS:**

The property consists of a ninety-three year old masonry bi-level building that is vacant and in poor condition. It is located in the downtown area of Garden City, Kansas. Surrounding the property are a variety of retail, service and public buildings.

The most similar properties are food or drink related with an emphasis on fraternal organizations. The market for these types of properties is limited especially if they need updating or a makeover. Two of the more important value creating factors are location and condition. In most instances these properties sell in the low single digit range as all you are getting is an empty shell.

There have been several sales of like property within the past three years and they are greatly discounted when you compare them to new construction. You typically find that these types of properties have been on the market for an extended period of time as it typically takes a higher loan to equity ratio than on other properties. The reason is due to the high cost of making the necessary repairs to bring the property up to local building standards.

## **AREA AND NEIGHBORHOOD ANALYSIS:**

Garden City, a community of approximately 28,500 people, is the county seat of Finney County and serves the area as the major retail trading center for most of West central and Southwest Kansas. As of the 2010 census, the city population was 26,658. The city is home to Garden City Community College and the Lee Richardson Zoo, the largest zoological park in western Kansas

Garden City has an elevation of 2,838 feet. It lies on the north side of the Arkansas River in the High Plains region of the Great Plains. Located in southwestern Kansas at the intersection of U.S. Route 50 and U.S. Route 83, Garden City is 192 miles west-northwest of Wichita, 204 miles north-northeast of Amarillo, and 255 miles southeast of Denver. Garden City is a culturally unique city blended with over 100 years of history.

Located inside 110-acre area is the Finnup Park and one of the largest outdoor swimming pools in the USA. The pool is co-located with Finney County Historical Museum and Lee Richardson Zoo, the largest zoological facility in western Kansas, housing more than 300 animals representing 110 species. Walking tours are free to the public; there is a charge for driving into the zoo. A few miles from Finnup Park, The Big Pool and Lee Richardson Zoo is the Buffalo Game Preserve, with one of the largest herds of bison in the world.

The economy of Garden City is driven largely by agriculture. There are several feedlots and grain elevators located in and around the city. Relying on the area's feed grains, millions of cattle are yearly finished in the commercial feed yards that surround Garden City. The world's largest meat packing facility is located nearby in the community of Holcomb. Additionally, an ethanol plant was built in 2005 by Conestoga Engineering which uses 19.6 million bushels of grain per year. Some of the largest employers located in Garden City include Tyson, Garden City Public Schools, and St. Catherine Hospital.

Health services account for a large share of employment. Garden City is served by St. Catherine Hospital. Additionally, the Southwest Kansas Surgery Center, Heart Center, Cancer Center, and Maternal Child Center provide additional employment, as well as several other health-related businesses. According to the United States Census Bureau, the city has a total area of 8.82 square miles, all of it land.

Garden City has a semi-arid steppe climate with hot, dry summers and cold, dry winters. The average temperature in Garden City is 54.5 °F and the average relative humidity is 62%. Over the course of a year, temperatures range from an average low of 16 °F in January to an average high of 92 °F in July. The high temperature reaches or exceeds 90 °F an average of 66 days a year and reaches or exceeds 100 °F an average of 11 days a year. The minimum temperature falls below the freezing point 32 °F an average of 137 days a year.

Typically, the first fall freeze occurs by the second week of October, and the last spring freeze occurs by the last week of April. Garden City receives 19 inches of precipitation during an average year with the largest share being received from May through August. There are, on average, 72 days of measurable precipitation each year. Annual snowfall averages 19 inches. Measurable snowfall occurs an average of 8.5 days a year with at least an inch of snow being received on six of those days. Snow depth of at least an inch occurs an average of 19 days a year.

The 2010 Census indicates that Finney County has a population of 39,732 with 28,451 living in Garden City. There are two smaller communities within Finney County, Pierceville and Holcomb. Non-Farm employment is 25,885 with the bulk of the employment concentrated in the meatpacking, retail, health and educational fields. Per capita income in Finney County has been historically low ranking it in the lower 10% of all counties in the State. Regardless there are ample job opportunities available with much of it centered in the construction, mining and retail areas. New oil extraction techniques and well as an ample supply of wind are having a significant impact on the local economy.

Current unemployment is under 4.0% as compared with the current statewide average of 6%. A measure of the health of the retail sector of the community is the County Trade Pull Factor. This is calculated annually from sales tax data and is a measure of money coming into a county from surrounding areas versus the money leaving the county for retail spending. The pull factor for Finney County is 1.04, which ranks it at number 14 out of the 105 counties in Kansas.

## **HIGHEST AND BEST USE:**

**Definition: Highest and Best Use:** The legally and physically possible use of land that is likely to produce the highest land (property) value. It considers the balance between site and improvements as well as the intensity and length of uses. The theory is based on the assumption that the owner, purchaser or user of the property will put it to its highest and best use. There are two types of highest and best use: (1. Highest and best use of land or a site "as vacant" and (2. Highest and best use of a property "as improved". Each type requires separate analysis and may result in a situation in which the present improved use may or may not be the same as the vacant site's highest and best use.

Highest and best use analysis "as vacant" assumes that the land or site is vacant and available for development whether or not it is actually vacant at the time of the appraisal. Highest and best use analysis "as improved" begins with the property, as it now exists, improvements and all. It applies the criteria listed below to determine if an alternate use would increase the overall return to the owner of the property more than the cost to alter or remove the present improvements. If such a use can be found, that use will become the highest and best use.

A property's Highest and Best Use must meet the following four (4) criteria.

1. It must be legally permitted
2. It must be physically possible
3. It must be economically feasible and
4. It must be maximally productive

**Highest and Best Use as Vacant:**

### **1. Legally Permissible**

The subject property is city zoned C-3 Central Business.

### **2. Physically Possible:**

**Location and Access:** Both private and public utilities are in place. The site is flat and there appeared to be no physical or soil type impediments.

### **3. Economically Feasible**

Access to major traffic arteries is rated as good. There are no topographical issues that would cause extraordinary expense.

### **4. Maximally Productive:**

There is a lack of high profile commercial sites available in the neighborhood.

In summary, the subject if vacant, would appear to be suited for commercial use. This is the use that would command the highest overall return given the existing legal, physical and productive circumstances.

The highest and best use of the subject properties "as vacant" is as either a residential or /commercial site.

Highest and Best Use as Improved:

1. Legally Permissible:

Current zoning is applicable.

2. Physically Possible:

Location and access is good with both private and public utilities in place. Improvements would have to be remodeled as the building is very old and in poor condition.

3. Economically Feasible

The site has good visibility and there is a lack of downtown commercial sites available. Access is good. There is a need for good quality low cost housing.

4. Maximally Productive:

Being located in the downtown area of Garden there is very little use for either retail or professional usage as the retail growth area of the community has shifted to the northeast part of the community.

In summary, the subject as improved, is not suited for its current use. Its usage needs to change

The highest and best use of the subject "as improved" is as either public or residential in nature.

**REAL ESTATE TAXES:**

Property was recently revalued by the Finney County Appraiser for \$169,010.00 or \$11.85 per sqft. The mill levy is 148.716.

## SUBJECT PROPERTY DESCRIPTION:

Address	125 W. Pine Garden City, Kansas 67846
Parcel Id.	028-274-18-0-10-34-005.00-0
Building Usage	Fraternal building with dance floor and bar
Building type	Bi level masonry
Building size	14,268 sq feet
Total area	7,134 above grade
Lot Size:	4658 sq ft.s. (According to Finney County Property Record Card (PRC))
Building to site ratio	.50
Parking	Mostly public
Construction date	1920
Actual Age:	93
Effective Age	80
Condition	Poor
Site:	Level, is a good location for either residential or commercial activity
Utilities:	Public electrical, phone, streets, water, and sewer,
Air conditioned	Yes
Bathroom	5 (all non ADA compliant)

### Comments:

The property is a bi-level masonry constructed building with a total of 7,134 sqft. of space above grade. There is an additional 7,134 sqft below grade. It was originally a combination dance, bar, meeting, and restaurant type fraternal property. The area surrounding the property is mostly all downtown type properties consisting of service, professional and retail type properties. Being a two story structure the site is rather small at 4,658 sqft., making parking an issue. However, there is a public parking lot across Pine Street to the south.

Both the interior and interior of the property are in poor condition. The interior wall, ceilings, restrooms and flooring need to be removed and rebuilt. Essentially the building is an empty shell. The property cannot be made ADA compliant without the installation of an elevator and this would most likely be cost prohibitive for either retail or professional usage. Most all income producing properties, including apartment buildings, need to be made ADA compliant.

Upon entering the building you either go up or down via two sets of stairs. The lower level includes a bar, and dance floor/ meeting room and what appears to be a vacant kitchen. There are also two restrooms in this area. The second level could be classified as a meeting room or dance floor with a bar and two additional restrooms. Both the upper and lower levels have been stripped of most all fixtures. There are holes in the walls and the flooring is in very poor condition. The ceilings in both areas are missing panels. I did not detect any fire prevention equipment. However, most of the building was without light and I certainly could have missed the safety equipment.

The exterior of the building consists of four different colors and types of bricks and cinder blocks. I did not access the roof as I couldn't identify where the access door was located. From the exterior there were power lines in the way which obstructed any access with a ladder.

I have rated the property as being in poor condition and of very little economic life or remaining value.



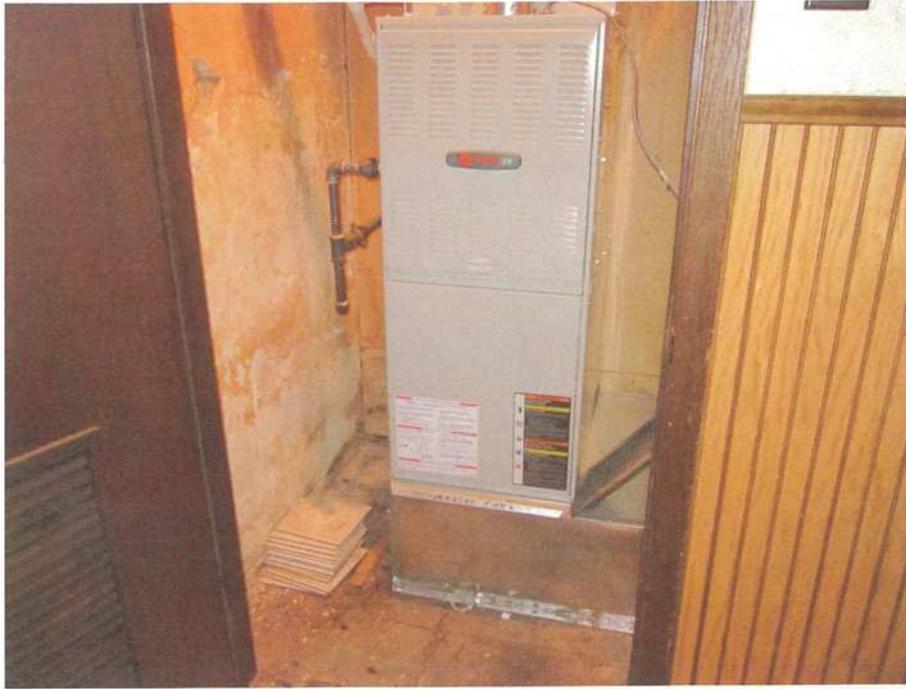


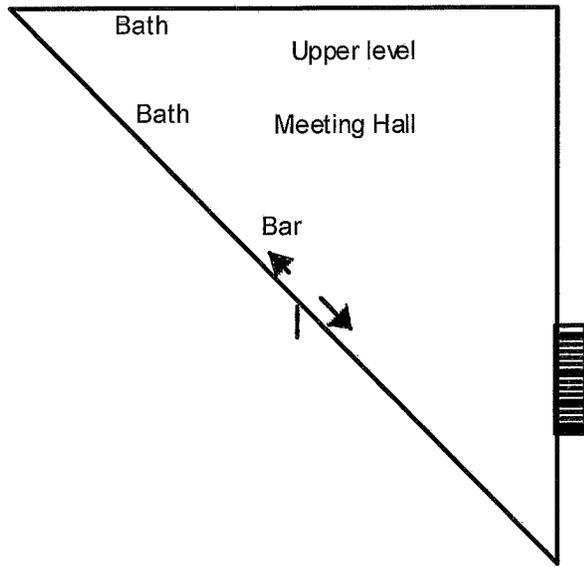
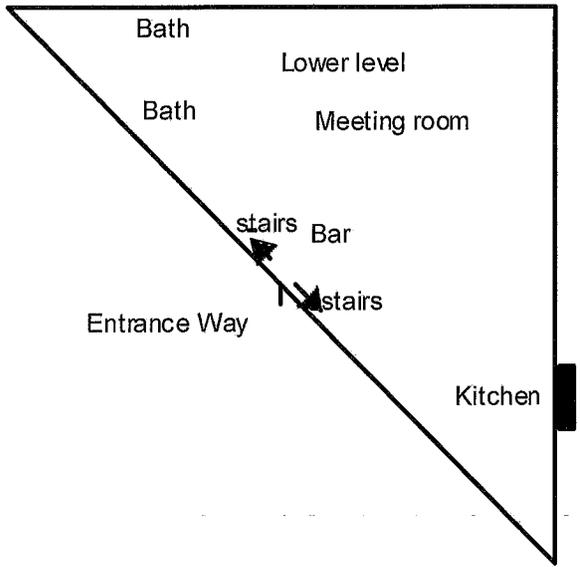






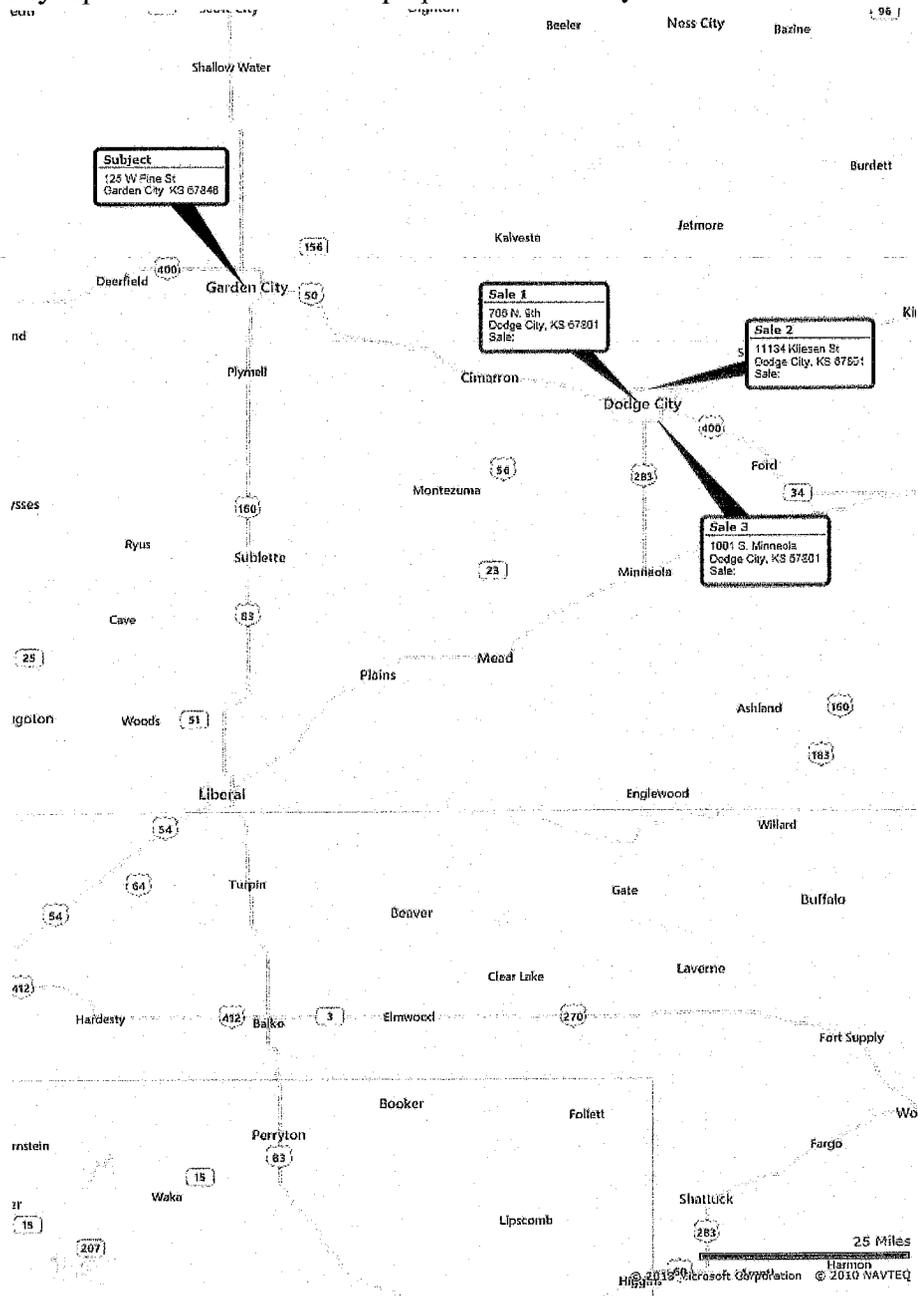






# SALES / MARKET COMPARISON APPROACH TO VALUE

The Sales Comparison approach is a set of procedures in which an appraiser derives a value indication by comparing the property being appraised to similar properties that have been sold recently, applying appropriate units of comparison and making judgments, based on the elements of comparison to the sales price of the comparable. This appraiser looked at 8 properties within the area and chose only those that qualified for this analysis. We have included a synopsis of these sales for the purposes of this analysis.



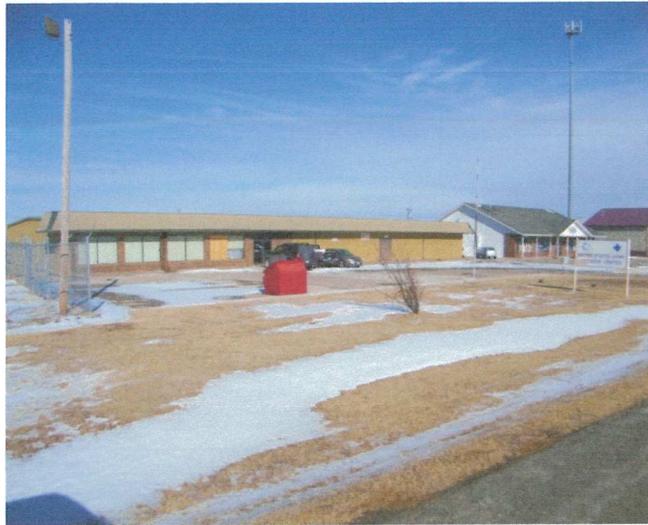
**Sale-1: 706 9th Avenue Dodge City, Kansas**



<b>Sale Date</b>	11/2007	<b>Lot Size</b>	21600
<b>Sale Amount</b>	\$45,000.00	<b>Total building Size</b>	9240
<b>Building Size</b>	9240	<b>Building to site ratio</b>	2.34
<b>Price per SF</b>	\$4.87	<b>Value of Lot psf</b>	\$0.75
<b>Grantor</b>	Tom and sheila Sanchez	<b>Total</b>	\$16,200.00
<b>Grantee</b>	Madhatters LLC	<b>Construction</b>	Masonry
<b>Zoning</b>	R-2 Residential	<b>Date Built</b>	1955
		<b>Age</b>	52
		<b>Quality</b>	Avg
		<b>Condition</b>	Poor

The property, when purchased, was in poor condition. The buyer purchased it and has turned it into a very nice eight unit apartment building. I appraised this property while it was under construction. It is a two story building with 4,620 Sq. Ft. on each level.

**Sale- 2: Army Reserve Building 11134 Kliesen St., Dodge City, KS**



<b>Sale Date</b>	5/2010		<b>Lot Size</b>	44041
<b>Sale Amount</b>	\$235,000.00		<b>Total building Size</b>	12600
<b>Building Size</b>	12600		<b>Building to site ratio</b>	3.50
<b>Price per SF</b>	\$18.65		<b>Site Value psf</b>	\$1.00
<b>Grantor</b>	Reserve Facilities		<b>Total</b>	\$44,041.00
<b>Grantee</b>	DJD LLC		<b>Construction</b>	Metal
<b>Zoning</b>	Commercial		<b>Date Built</b>	1977
			<b>Age</b>	34
			<b>Quality</b>	Avg
			<b>Condition</b>	Avg

Property is located on Kliesen street in northeast Dodge City, KS. It has a large open area in the center, some office space, training rooms, as well as a food preparation area. I appraised this property shortly after it was sold

**Sale-3: Moose Lodge 1001 S Minneola, Dodge City, Kansas**



<b>Sale Date</b>	2/2011	<b>Lot Size</b>	130680
<b>Sale Amount</b>	\$140,000.00	<b>Total building Size</b>	11157
<b>Building Size</b>	11157	<b>Building to site ratio</b>	11.71
<b>Price per SF</b>	\$12.55	<b>Site Value psf</b>	\$1.00
<b>Grantor</b>	Loyal Order of Moose	<b>Total</b>	\$130,680.00
<b>Grantee</b>	Isidora Villa Vasquez/ Edgar Villa	<b>Construction</b>	Metal
<b>Zoning</b>	Commercial	<b>Date Built</b>	1964
		<b>Age</b>	48
		<b>Quality</b>	Fair
		<b>Condition</b>	Fair

This is an older metal framed building with dance hall, meeting room, bar and kitchen. The lot is unpaved and the building is in fair condition but superior to the subject.

**Sales Comparison Summary Analysis:**

	<b>Subject</b>	<b>Sale-1</b>	<b>Sale-2</b>	<b>Sale-3</b>	
<b>Address</b>		706 9th	1134 Kliesen s	1001 Minneola	
		DC	DC	DC	
<b>Date of Sale</b>		11-2007	5-2010	N/A	
<b>Sales Price</b>		\$45,000	\$235,000	\$140,000	
Building Size	14317	9240	12600	11157	
<b>Sales Price per Sq. ft.</b>	<b>\$0.00</b>	<b>\$4.87</b>	<b>\$18.65</b>	<b>\$12.55</b>	
Value of lot.	\$6,987	\$16,200	\$66,062	\$65,340	
Lot Size	4658	21600	44041	130680	
Value of lot per SF	\$1.50	\$0.75	\$1.50	\$0.50	
Building to lot Ratio	0.33	2.34	3.50	11.71	
<b>Adjustment.....</b>		<b>(\$1.51)</b>	<b>(\$4.76)</b>	<b>(\$5.69)</b>	
Market conditions					
Age of bldg.	93	52	50	47	
Effective Age	93	52	35	47	
Condition	Poor	Poor	Good	Fair	
<b>Adjustment.....</b>		<b>\$0.00</b>	<b>(\$10.00)</b>	<b>(\$2.00)</b>	
Quality	Average	Average	Average	Average	
Construction	Metal	Masonry	Metal	Metal	
Second floor	Bi Level	Yes	None	None	
<b>Adjustment.....</b>					
Basement					
Special addition					
<b>Adjustment.....</b>					
Adjusted Value		\$3.36	\$3.89	\$4.86	
Subject Property Value	\$4.00				
Total Value	\$57,268.00				
Average	\$4.04				
Median	\$3.89				

It was the decision of this appraiser to keep the adjustments to a minimum. The reasoning is due to the age and condition of both the subject and the comparable sales. All three are or have been similar type properties. The unit of measurement/ value is (square footage of building size)

Sale-1 was a fraternal type property built by the local "Odd Fellows" organization in 1952. It is very much like the subject as it is of similar condition and in need of a total make over. However, it was purchased to be renovated into upscale apartments. If you abstract the land out of the sales price you find that it constitutes 36 % of the selling price of the building. It is an all masonry type structure and in need a significant renovation.

Sale-2 was the National Guard Armory on the north side of Dodge City. It is a much superior property with a structurally sound building.

Sale-3 It was originally belonged to the Royal Order of the Moose. It is a combination bar with dancing and restaurant facilities. The major problem with the property was its poor location and lack of marketability.

In conclusion the range in adjusted values fell between \$3.89 and 3.15sf. The location and its condition are the major value limiting factors.

**Based upon the Comparable Sale Approach to Value the subject has a value of \$57,000.00. (rounded to the nearest \$1,000)**

Neither the cost nor the income approach were considered to be valid indicators of value. In the first place the subject is very old and in very poor condition. In the second place the property is not rentable in its current condition. It would take a significant amount of money to remodel it for any usage.

## **RECONCILIATION**

Sales Comparison Approach to Value	\$57,000.00
Cost Approach To Value	N/A
Income Approach To Value	N/A
Conclusion of Value	\$57,000.00

After reviewing the only applicable approach it was my decision to base the value on the Sales Comparison Approach to value.

**Based upon this data it is my opinion that the subject property would have an "as is" fee simple market value as of August 19, 2013 of \$50,000.00**

MARKETING PERIOD: Is defined as the amount of time it takes an interest in real property to sell on the market subsequent to the date of an appraisal. Reasonable marketing time is an estimate of the amount of time it might take to sell an interest in real property at its estimated market value during the period immediately after the effective date of the appraisal; the anticipated time required to expose the property to a pool of prospective purchasers and to allow appropriate time for negotiation, the exercise of due diligence, and the consummation of a sale at a price supportably by the current market conditions. (Dictionary of Real Estate Appraisal Third Edition)

### Conclusion:

It is my opinion that an orderly marketing period would exceed six months.

## STATEMENT OF LIMITING CONDITIONS AND APPRAISER'S CERTIFICATION

Contingent and Limiting Conditions: The appraiser's certification that appears in the appraisal report is subject to the following conditions.

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
2. The appraiser has provided a sketch in the appraisal report to show approximate dimensions of the improvements and the sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question unless specific arrangements to do so have been made beforehand.
5. The appraiser has estimated the value of the land in the cost approach at its highest and best use and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.
6. The appraiser has noted in the appraisal report any adverse conditions (such as, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
7. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
8. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
9. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.

10. The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower; the mortgagee or its successors and assigns; the mortgage insurer, consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the property description section of the report only to data collection or reporting service (s) without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.

11. This appraiser cannot be held responsible for unforeseen events that would alter market conditions prior to the effective date of this appraisal.

APPRAISERS CERTIFICATION: The Appraiser certifies and agrees that:

1. I have researched the subject market area and have selected a minimum of three recent sales of properties most similar and proximate to the subject property for consideration in the sales comparison analysis and have made a dollar adjustment when appropriate to reflect the market reaction to those items of significant variation. If a significant item in a comparable property is superior to or more favorable than, the subject property, I have made a negative adjustment to reduce the adjusted sales price of the comparable and, if a significant item in a comparable property is inferior to, or less favorable than the subject property, I have made a positive adjustment to increase the adjusted sales price of the comparable.
2. I have taken into consideration the factors that have an impact on value in my development of the estimate of market value in the appraisal report. I have not knowingly withheld any significant information from the appraisal report and I believe to the best of my knowledge that all statements and information in the appraisal report are true and correct.
3. I state in the appraisal report only my own personal unbiased, and professional analysis opinions, and conclusions, which are subject only to the contingent and limiting conditions specified in this form.
4. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or the estimate of market value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property.
5. I have no present or contemplated future interest in the subject property, and neither my current or future employment nor my compensation for performing this appraisal is contingent on the appraised value of the property.
6. I was not required to report a predetermined value or direction in value that favors the cause of the client or any related party, the amount of the value estimate, the attainment of a specific result, or the occurrence of a subsequent event in order to receive my compensation and/or employment for performing the appraisal. I did not base the appraisal report on a requested minimum valuation, a specific valuation or the need to approve a specific mortgage loan.
7. I performed this appraisal in conformity with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place as of the effective date of this appraisal, with the exception of the departure provision of those Standards, which does not apply. I acknowledge that an estimate of a reasonable time for exposure in the open market is a condition in the definition of market value and the estimate I developed is consistent with the marketing time noted in the neighborhood section of this report, unless I have otherwise stated in the reconciliation section.
8. I have personally inspected the interior and exterior areas of the subject property and the exterior of all properties listed as comparables in the appraisal report. I further certify that I have noted any apparent or known adverse conditions in the subject improvements, on the subject site, or on any site within the immediate vicinity of the subject property of which I am aware and have made adjustments for these adverse conditions in my analysis of the property value to the extent that I had market evidence to support them. I have also commented about the effect on the adverse conditions on the marketability of the subject property.

9. I personally prepared all conclusions and opinions about the real estate that were set forth in the appraisal report. If I relied on significant professional assistance from any individual or individuals in the performance of the appraisal or the preparation of the appraisal report, I have named such individual (s) and disclosed the specific tasks performed by them in the reconciliation section of this appraisal report. I certify that any individuals named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in the report; therefore if an unauthorized change is made to the appraisal report, I will take no responsibility for it.

10. I have performed no other services, as an appraiser or in any other capacity, regarding the property that is the subject of the work under review within the three-year period immediately preceding acceptance of this assignment

Respectively submitted



Appraiser

State Certification:

Kansas G-2121

Oklahoma 12666 CGA

Expiration Date of Certification or License:

Kansas 6-30-2014

Oklahoma 3-2014

# Addendum

Deed

Qualifications

License

301 337



DATA ENTRY  
LAND INDEX ✓

State of Kansas, Finney County SS  
This instrument was filed for Record  
10:19:2011 at 03:50 PM  
& recorded in Book 0301 on Page 337  
Fees: \$28.00  
2011-04662

*Ulrike Lappin*  
ULRIKE LAPPIN  
FINNEY COUNTY REGISTER OF DEEDS  
*by Connie Hoffmann, Deputy*

Entered in Transfer Record in my office this  
26 day of Oct. A.D., 2011  
*Elan Ulrich*  
Finney County Clerk

GENERAL WARRANTY DEED

**HARRY H. RENICK POST NO. 9, OF THE AMERICAN LEGION DEPARTMENT OF KANSAS;  
THE TRUSTEES OF THE HARRY H. RENICK POST NO. 9, THE AMERICAN LEGION  
DEPARTMENT OF KANSAS; and THE TRUSTEES OF THE AMERICAN LEGION  
AUXILIARY UNIT OF HARRY H. RENICK POST NO. 9 DEPARTMENT OF KANSAS,  
GRANTORS**

CONVEY AND WARRANT TO

**THE CITY OF GARDEN CITY, KANSAS, a municipality GRANTEE**

The following described REAL ESTATE in the County of FINNEY and the State of KANSAS,  
to-wit:

- ✓ All of that portion of Lots Nineteen (19), Twenty (20), and Twenty-one (21) of Block One (1) of Jones Addition to the City of Garden City, Finney County, Kansas, lying North and East of the curb line in existence in 1931, as detailed more specifically in Exhibit A attached hereto and incorporated herein (hereinafter referred to as the American Legion Property).

IN CONSIDERATION OF the sum of One Dollar (\$1.00) and other good and valuable consideration.

EXCEPT AND SUBJECT TO easements, restrictions of record, and special assessments of record, if any, and to the following terms and conditions:

Should GRANTORS cease doing business and terminate operation of GRANTORS' post, for a period of six (6) continuous months or more, within five (5) years of the date of this General Warranty Deed, title to the following described real property located in Garden City, Finney County, Kansas, to-wit:

Block Four (4), Finnup Acres, EXCEPT that portion described as beginning at the Southwest corner of Block Eighty (80), Original Plat, thence Westerly along an extension of the Southerly line of Block Eighty (80), to the Southeasterly right-of-way line of Frederick Avenue, as platted by Finnup Acres; thence Northeasterly along

**Wartman Appraisal Services**  
**2107 Grandview East Garden City, Kansas 67846**  
**620-272-9866 Fax 272-0652**

**Lon Wartman**  
**2107 Grandview**  
**Garden City, Kansas 67846**  
[Wartman1@cox.net](mailto:Wartman1@cox.net)

Lonny has been actively involved in agriculture, commercial and residential appraisal work since August of 2001 when he began his second career in life. His 27 years of farm management /ownership experience along with three years of commercial and residential construction have acted to smooth this transition. Lonny has appraised a variety of agriculture, commercial and residential properties. The agriculture appraisals have included dry land, irrigated, native grass, farm stead and feedlot property. Commercial properties have included, office buildings, retail liquor stores, auto facilities, quick lube, fast food restaurants and industrial type buildings.

**PROFESSIONAL EXPERIENCE:**

Tohono O'odham Indian Nation / Mid Kansas Ag. Inc.  
Tucson Arizona  
Tohono O'odham Farming Authority  
August of 2000 to October 2001  
Title: Farm Supervisor/Manager

D & D Builders  
Garden City, Kansas  
November 1997- March 1999  
Marketing and sales

Wartman, Ranch, Inc.  
Ingalls, Kansas  
1972- 1997  
Title: Manager /Owner

**EDUCATION**

Bachelor of Business,                    Kansas State University, Manhattan, Ks.  
Associates Degree Business        Santa Barbara City, College, Santa Barbara, Cal.

**Offices:**

Past Chairman of Gray Co. Livestock Association  
Past Chairman of Kansas Livestock Association Cow Calf/ stocker council  
Past Chairman of Southwest Arts and Humanities Council  
Past Member of Kansas Arts Commission  
Past Vice Chairman of Sandhills Arts Association  
Past Elder of Presbyterian Church  
Current Treasure of Community Congregation Church

Appraisal Education	Hours	Date	Appraisal Education	Hours	Date
Income Approach to Appraising	15	2001	Mineral Valuation	8	2007
Uniform Residential Report Writing	15	2001	Relocation Appraisal	7	2007
USPAP	15	2001	Motel/Hotel Valuation	7	2007
Principals of Appraisal Part 1	15	2001	Statistics and Real Estate Fir	14	2008
Principals of Appraisal Part 2	15	2001	USPAP	7	2009
Market Approach to Residential Appraisir	15	2001	Ethics	7	2009
What is a House	3	2002	USPAP	7	2011
Small Business Issues	4	2002	Ad Valorem Tax Consulting	3	2011
Income Capitalization	24	2002	Expert Witness Testimony	7	2011
Small Business Valuation	7	2002	Land and Site Valuation	7	2011
Commercial Case Studies	16	2002	The Art of the Addenda	4	2011
FHA and the Appraisal Process	7	2003	USPAP	7	2012
Distressed Properties	4	2003	How to Analyze & Value Incc	7	2013
Appraisal Principals and Applications	24	2003	Appraising FHA Today	7	2013
Principals of Rural Properties	40	2003	The Dirty Dozen	3	2013
USPAP	15	2004	Ad Valorem Tax Consulting	2	2013
Appraisal of Feedlots	7	2004	Appraising and Analyzin Retail Shopping		
Oil and Gas Appraisal	7	2004	For Mortgage Underwritting	7	2013
Condemnation Appraisal	16	2004			
URAR	7	2005	TOTAL	403	
USPAP	7	2005			
HP-12	7	2006			
Litigation Appraisal	7	2007			

#### MAJOR CLIENTS

Western State Bank, Garden City, KS  
 Commerce Bank, Garden City, KS  
 First National Bank Liberal, KS  
 Landmark National Bank, Dodge City  
 Landmark National Bank, Dodge City  
 Colorado East Bank and Trust Lamar, CO  
 Ramsey Law Firm, Garden City, KS  
 Lindner Law Firm, Garden City, KS  
 Burgardt Law Firm, Garden City, KS

#### REFERENCES

Mike Ramsey, Attorney 620-276-3203  
 Marlo Miller, Banker 620-276-5600  
 Jim Randall, Banker 620-277-5687  
 Jason Weber, Banker 620-624-0707  
 Gary Johnson, Banker 620-227-8111  
 Marty Nusser, Realtor 620-275-7421

State of Kansas



# Real Estate Appraisal Board

This is to certify that

**Lonny N. Wartman**

has complied with the provisions of the Kansas State Certified and Licensed Real Property Appraisers Act to transact business as a

**Certified General Real Property Appraiser**  
in the State of Kansas

License #: G-2121

Effective Date: 7/1/2013

Expiration Date: 6/30/2014

A handwritten signature in black ink, appearing to read "Scott", is written over a faint background.

Chairman

SB744

## **Border Security, Economic Opportunity, and Immigration Modernization Act of 2013**

Senators Schumer, McCain, Durbin, Graham, Menendez, Rubio, Bennet and Flake

### Short Summary

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#### **Title I. Border Security**

This Title provides for border security measures that will achieve and maintain effective control in high risk areas of the Southern border.

- **Border Plan:** Stage one requires the DHS Secretary to develop a Comprehensive Border Security Strategy and Southern Border Fencing Strategy within six months before the registration period for Registered Provisional Immigrant status (RPI) begins. These strategies must be designed to achieve persistent surveillance of the border and a 90% effectiveness rate for apprehensions and returns in high risk border sectors. The bill appropriates \$3 billion for this plan which will include technology, personnel and other resources.
- **Triggers:** The Secretary's border plan must be operational before any RPIs may apply for adjustment of status. The Secretary must develop and implement a fencing plan (\$1.5 billion); E-Verify must be mandatory and operational; and a biographic entry-exit system at air and seaports must be implemented before RPIs may adjust to permanent residence.
- **Southwest Governors Commission:** After five years, if the specified goals of 90% effectiveness and persistent surveillance have not been met, a Southern Border Security Commission will be established to make further recommendations for achieving these goals. The Commission would recommend up to \$2 billion in additional DHS spending that would be available to achieve the border security goals if they have not yet been met.
- **Additional Resources:** To further ensure completion of these targets, Customs and Border Patrol personnel and resources will be increased, additional funding for border prosecutions in the Tucson sector are funded, and the authority of the National Guard to assist in border security operations is codified.
- **DHS Oversight:** To protect the integrity of the system, additional resources and training will be devoted to implementing a DHS-wide use of force policy and associated training in appropriate use of force and the impact of federal operations on border communities. A Border Oversight Taskforce is established to take testimony and conduct hearings in order to review and recommend changes to existing border policies. The current duties of the USCIS Ombudsman's office will be expanded to encompass all DHS immigration functions. DHS will be required to issue regulations on racial profiling that are based on a study analyzing individualized data on DHS officers enforcement activity.

#### **Title II. Legalization (Registered Provisional Immigrant program) and Legal Immigration**

This title provides a path to citizenship for the 11.5 undocumented immigrants in the United States. It establishes a new framework for future legal immigration by revamping the current family and employment based systems and creating two additional merit-based immigration systems.

#### **SubPart A. Creation of Registered Provisional Immigrant program**

- **Registration Requirements:** Immigrants who entered the United States before December 31, 2011 and have been physically present in the U.S. since that time will be eligible to apply for Registered Provisional Immigrant (RPI) status provided they pass a background check, have not been convicted of a serious crime, pay any assessed tax liability, and pay appropriate fees and a \$500 fine.
- **Initial registration** will be valid for six years. It provides for work and travel authorization, and includes spouses and children in the United States on the same application.
- **Renewal:** RPIs applying for renewal will be subject to a new background check, payment of processing fees, payment of taxes, and a \$500 fine. RPIs must provide evidence of having been 1) regularly employed while meeting a requirement that he/she is not likely to become a public charge or 2) having resources to demonstrate 100% of the poverty level.
- **Adjustment of Status to Permanent Residency:** At the end of ten years, RPIs may apply for adjustment of status, provided that they demonstrate: 1) they are admissible, 2) pay an additional \$1000 fine per adult plus application fees; 3) prove they are learning English; 4) pay their taxes; 5) pass a background check and 6) demonstrate compliance with the employment requirement. Specifically, they must show: 1) they have regularly worked in the U.S. such that they are not likely to become a public charge or 2) they have resources to meet 125% of the Federal Poverty Level. Under the revamped legal immigration system, individuals present in the U.S. for 10 years in lawful status can adjust status to lawful permanent residence including RPIs and other legal immigrants. RPIs may apply for naturalization after an additional three year wait, making the total path to citizenship about 13 years. The bill includes a "back of the line" requirement: RPIs may not adjust status until the family and employment backlogs are cleared.
- **Timeline:** DHS has 12 months to issue regulations. Then there is a one year initial application period which can be extended by the Secretary for up to 18 months.
- **DREAM Act:** Individuals who entered the U.S. before the age of 16 and who have completed high school or obtained a GED in the U.S. may register for RPI status through the DREAM Act. There is no age cap for the program. Individuals who received Deferred Action for Childhood Arrivals are grandfathered into RPI status. DREAM RPIs are exempted from penalties and the triggers. Five years after registration, DREAM RPIs may apply for adjustment of status; their time in RPI status will count towards eligibility for naturalization, allowing them to become citizens immediately after receiving their green card. Children under age 16 have a five year path to citizenship and are exempted from certain requirements. The bill heightens child welfare protections to ensure parental rights are not terminated on the basis of a parent's immigration status alone.
- **Agricultural program:** Undocumented farm workers who can demonstrate a minimum of 100 work days or 575 hours in the two years prior to the date of enactment would be eligible for an Agricultural Card. Workers who work at least 100 days a year for five years or workers who perform at least 150 days a year for three years can adjust status to permanent residency. To be eligible for permanent residence, agricultural workers

must show that they have paid all taxes, have not been convicted of any serious crime, and pay a \$400 fine.

- **Integration:** Creates an Office of New Americans, a New Americans taskforce and additional initiatives to help immigrants learn English, American civics and integrate into local communities. Provides funding for programs to help non-profits and local government with these initiatives.

### SubPart B. Legal Immigration Reforms

- **New Merit-Based System:** Creates a "Track One" merit based visa which will initially allocate 120,000 visas annually based on a points system, with the possibility of increasing the allotment by 5% (up to 250,000) in any year when unemployment is under 8.5%. Points will be awarded for factors such as education, employment, family in the U.S. and length of residence in the U.S. Half of the merit visas will be set aside for high skilled individuals and half of the cap will be for lower skilled workers.
- **A new "Track Two" merit-based system** is created to clear the employment and family backlogs. In addition, this system allows individuals who are lawfully present in the U.S. for over ten years with work authorization to adjust status to permanent residence.
- **Lawful Permanent Residents' spouses and children:** The current family based categories will be revised to permit the spouses and children of lawful permanent residents to immigrate immediately.
- **Additional changes to the current family system:** The current sibling category will be eliminated 18 months after enactment. The 3<sup>rd</sup> preference family category (adult married children of U.S. citizens) will have an age cap of 31 beginning 18 months after enactment. The backlog reduction program will include processing of petitions in phased-out family categories. U.S. citizens can petition for a sibling for up to 18 months after enactment.
- **New Family "V" Visa:** Creates a new nonimmigrant visa for families with approved petitions to work and live in the U.S. while waiting for their green card. Allows other family members including siblings to visit the U.S. for up to 60 days per year.
- **Employment-Based Reforms:** Spouses and children of employment based visa applicants, STEM graduates with doctoral degrees, certain other professionals, and certain foreign doctors are exempt from the employment visa cap. The cap on low-skilled workers is raised.
- **Additional Backlog Reduction and Improvements:** Additional provisions to streamline processing and reduce backlogs include elimination of employment based country caps, an increase in family based country limits, and recapture of unused visa numbers. Popular programs for foreign doctors (Conrad-30), religious worker recruitment, and EB-5 investors are permanently reauthorized. Numerous other technical fixes to improve and streamline current visa programs are included (additional protections for stepchildren, widows, and other family members.)

- **Judicial Discretion:** Expands the authority of immigration judges and DHS to waive removal on humanitarian grounds.

### **Title Three. Interior Enforcement.**

This title mandates E-Verify, provides additional worker protections, reforms the immigration court system and provides additional measures related to interior enforcement.

- **Five year phase-in of mandatory E-Verify:** An electronic employment verification system (E-verify) will cover all employers within a five year period, beginning with federal contractors and critical infrastructure employers. It requires identity verification through use of enhanced fraud-proof documents. Specifically prohibits creation of a national ID card.
- **Anti-fraud measures:** Expands ability to protect against identity theft of Social Security numbers by allowing employees to block their social security number and gives employees access to personal E-verify history. It provides for an expansion of the photo identification mechanism as a component of E-verify and encourages states to provide photos to DHS.
- **Due Process:** Expands due process protections for employees to ensure that legal workers are not prevented from working due to errors in the system or because of employer negligence or misconduct. Provides for back-pay if an employee loses work unfairly due to system or employer error. Provides a stay of termination of employment to give the worker time to correct any errors in the system.
- **Worker Protections:** Includes protections for employers and employees, including pre-emption of state verification laws, expansion of U visas in employer abuse situations, and program funding. The bill also cracks down on labor recruitment abuse.
- **Refugee/Asylum Issues:** Streamlines processing in refugee and asylum cases by eliminating one year asylum filing deadline, eliminating family reunification barriers for asylees and refugees, authorizing streamlined processing of certain high risk refugee groups, authorizing asylum officers to grant asylum for eligible applicants during credible fear interviews, and permits qualified stateless individuals to apply for lawful permanent resident status.
- **Immigration Court Improvements:** Authorizes increase in immigration court personnel, additional resources, and more training for judges and other staff; access to counsel for vulnerable populations to improve efficiency of courts, and permanently codifies Board of Immigration Appeals and legal orientation programs.
- **Interior Enforcement:** Tightens certain grounds of inadmissibility relating to document and passport fraud, driving while intoxicated following three convictions, conviction for gang related activities, convictions related to domestic violence, child abuse, stalking, violation of protection orders and failing to register as a sex offender. Prohibits and or increases penalties for abusive smuggling, illegal entry, and re-entry. Creates a mandatory exit verification system,
- **Detention Reform:** Increases oversight of detention facilities, expands the ability of immigration judges to conduct bond hearings, and expands alternatives to detention.

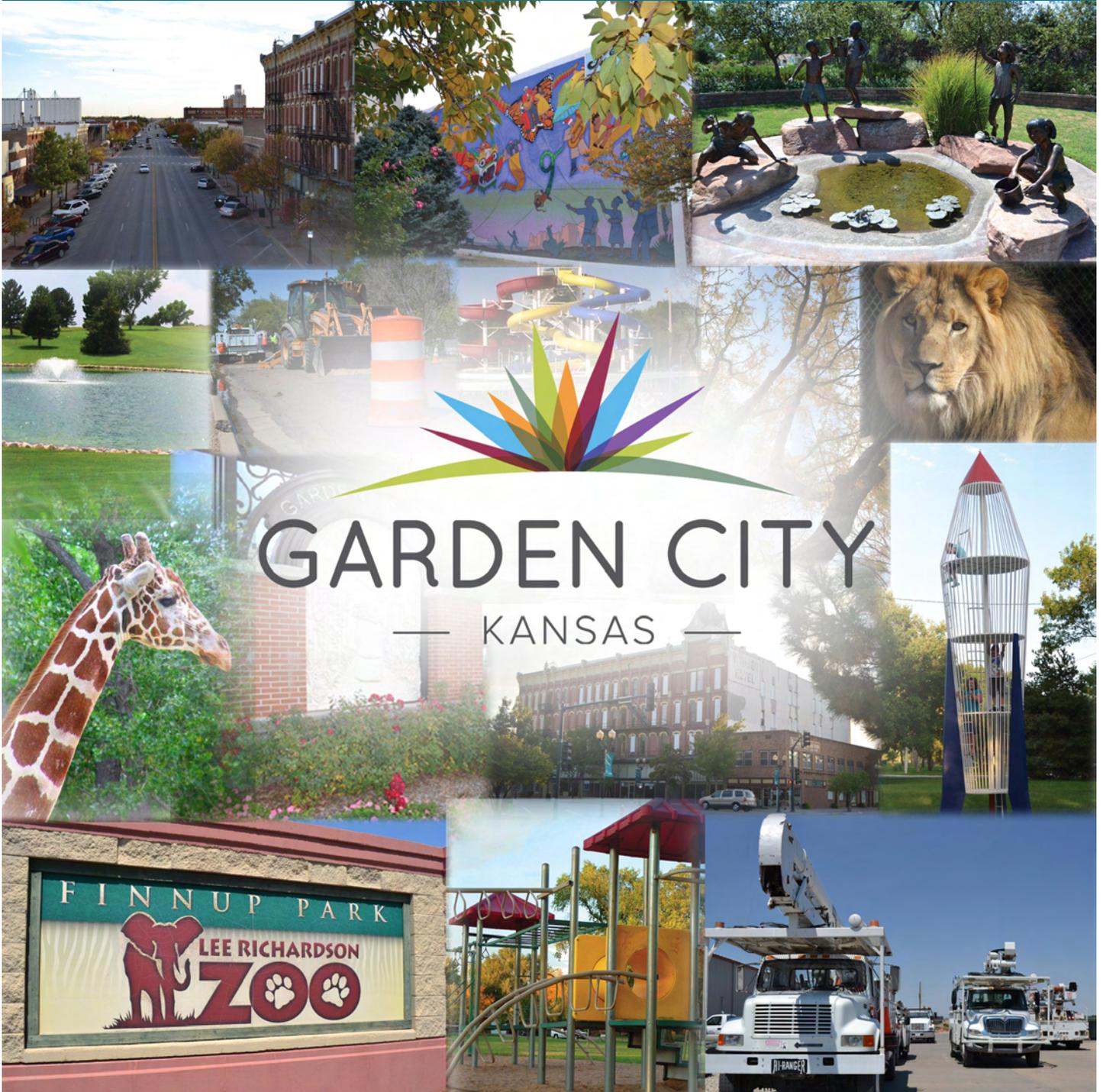
**Title IV. Reforms to Non Immigrant Visa Programs.**

This Title reforms current non-immigrant visa programs and creates a new worker visa that melds greater employer flexibility with worker protections and ability to apply for permanent residence.

- **H-1B:** Changes to the H-1B high skilled visa program include expanding the current cap from 65,000 to 110,000 with an option to ultimately increase the cap to 180,000 visas annually based on a High Skilled Jobs Demand Index. Allows for work authorization for spouses and children. Increases requirements for recruiting and offering jobs to U.S. workers at higher wages prior to hiring foreign workers. Increases fines and wage requirements for companies that are heavy-users of H-1B visas. After 3 years, companies whose workforce is more than fifty percent H-1Bs are barred.
- **Deterring Abuse:** Establishes significant new authorities and penalties to prevent, detect, and deter fraud and abuse of the H-1B and L-1 visa systems by fraudulent employers. Increases wages for foreign workers to help protect Americans.
- **H-2B:** Makes permanent the H-2B returning worker provision.
- **New Worker Program (W Visa):** Establishes a new nonimmigrant W classification for lesser-skilled foreign workers performing services or labor for a registered employer in a registered position. Spouses and minor children are included and are work-authorized. It is a three year visa with three year renewal periods. Initially, 20,000 W visas will be made available, rising to 75,000 visas in four years. The visa program cap can rise to 200,000 depending on a formula based on unemployment, job openings, number of applications and the recommendations of a newly established Bureau of Immigration and Labor Market Research. Shortage occupation employers can hire workers outside the cap. W visa holders may switch from one registered employer to another without penalty and apply for the merits-based lawful permanent residence program or the Employment-Based system.
- **Agriculture:** A new agricultural guest worker visa program would be established to provide a more stable agricultural workforce. A portable, at-will employment based visa (W-3 visa) and a contract-based visa (W-2 visa) administered by the Department of Agriculture would replace the current H-2A program. It will provide growers with a streamlined process to petition for worker while ensuring critical worker protections. The H-2A program would sunset after the new guest worker visa program is operational.
- **INVEST Visa:** This bill creates a new INVEST visa for foreign entrepreneurs who seek to come to the U.S. to start their own companies. This 3-year visa would be available to immigrant entrepreneurs who have a qualifying investor in the US and can be renewed if it can demonstrate certain benchmarks related to the number of jobs it creates and revenue it produces.

# 2013 Legislative Agenda

*City of Garden City*



## SUMMARY POSITION

In 2013 the City of Garden City seeks to preserve the values and funding essential to effective local governance. The 2013 Legislative Policy outlines a set of legislative issues that the City will ask State and Federal representatives to champion. These issues ensure that core government services to Garden City residents remain intact; particularly roads, public safety, passenger rail, commercial air service, and airport infrastructure and protection from unfunded mandates. Furthermore, the goals promote undiminished Home Rule powers for Garden City including the ability to adequately provide for managed growth through annexation and the proper use of eminent domain. The following agenda identifies these and other core areas of legislative importance to Garden City as well as specific items we are asking our delegation to address during the 2013 session.

## CORE PRINCIPLES

### **Annexation:**

The ability of Garden City to plan for growth is inherent to the ultimate success of our community and Finney County. We support the ability of cities to use their annexation powers as they are currently established in state statute. We oppose any change that limits the authority of cities to grow through annexation.

### **Eminent Domain:**

Eminent Domain is a fundamental municipal right. The authority to acquire property through condemnation proceeds is critical for public improvement projects. Furthermore, the use of eminent domain for economic development has long been recognized as a legitimate and beneficial use of this authority. We support the existing statutory safeguards that were enacted to protect private property interests.

### **Home Rule:**

We support self-governance by locally elected officials as provided for in the State's Constitution. Specifically, we feel local governments should control their rights-of-way, have condemnation authority, be immune from tort liability, and be free to voluntarily cooperate with other public and private entities, as well as State government, to ensure the best level of service for our citizens. We do not support actions at the state level that erode representative democracy or local self-determination.

### **Kansas Open Meetings Act (KOMA) and Kansas Open Records Act (KORA):**

We support all levels of government being subject to the same open meetings requirements which promote citizen involvement without being unduly burdensome. Open Records laws should balance the public's right to access with the necessity of protecting the privacy of individual citizens and the ability of public agencies to conduct essential business functions.

### **Restoration of Demand Transfers:**

The State unfortunately continues to fail to meet its statutory obligation to local units of government with respect to demand transfers. Demand Transfers fund core services for cities. Therefore, if the State continues to withhold those payments to local governments, they are only shifting the State's tax burden onto local taxing units and their constituents.

### **Transportation:**

Passenger rail, freight rail, commercial aviation, general aviation and adequate highways are critical to the safety of our citizens as well as a vital means of maintaining and growing our local economy. We feel that infrastructure development in the western half of the state should be a top priority as the State of Kansas seeks to select projects through the Transportation Works For Kansas Program.

### **Unfunded Mandates:**

We oppose unfunded mandates. If the state or federal governments seek to promote particular policy objectives, an appropriate level of funding should accompany such mandates.

### **Tax Spending Lid:**

We oppose any state-imposed limits on the taxing and spending authority of cities. We believe that local spending and taxing decisions are best left to locally elected officials and the citizens they serve.

## HOUSING

### POSITION

Garden City and southwest Kansas continue to face critical housing shortages. The United States Congress should pursue housing policies that include communities whose populations exceed 20,000, yet are less than 35,000 as designated by the 2010 Census. We seek specific legislation relating to the USDA's Rural Development Programs that would adjust population limits so our communities that serve as regional trade centers qualify for housing programs provided under section 503 of the Housing Act of 1948.

Currently, Garden City is limited due to population, however, mid-size rural towns, near populated areas are permitted in the program even though the larger neighboring community could provide for their housing needs. We are caught in a gray space that disqualifies us for many federal housing programs. We wish to correct this legal anomaly.

The State legislature should continue to fund programs such as the Moderate Income Housing program initiated in 2012. The program utilizes grants to assist municipalities and nonprofits with funding programs that develop housing for moderate income owners and renters.

We also encourage the retention and simplification of programs such as Rural Housing Incentive Districts and Neighborhood Revitalization programs that are currently permitted by statute in qualifying communities.

The legislature should continue to grant affordable housing tax credits. The tax credit program continues to be a gap financing necessity that is imperative for developers to create affordable housing facilities.

### BACKGROUND

Many communities, such as ours, serve as regional trade centers and provide a major source of employment for smaller, neighboring communities. Current USDA regulations exclude our communities from access to USDA initiatives, and severely limit funding opportunities for housing and infrastructure development, which, in turn, limits opportunities for growing the economy in these and surrounding communities.

The State of Kansas has provided many useful tools for communities to utilize where gaps between construction rates and market rates prohibit development without incentives. We want to encourage the retention of these programs. However, we would also encourage the simplification of the processes required to make utilization timely and less complicated.

## IMPROVE THE PATH TO CITIZENSHIP

### POSITION

The Kansas Legislature and the United States Congress should engage the immigration issue in a sensible way: a way that is built upon the recognition that Southwest Kansas cities not only require a reduction in time and distance barriers between an immigrant and his or her pursuance of legal residency, but also require additional resources in the process of integrating immigrants into the community.

Garden City believes that United States Citizenship and Immigration Services (USCIS) should make a mobile unit available frequently in southwest Kansas as one way to reduce the time and distance barriers between immigrants and legal residency.

### BACKGROUND

Many rural and micropolitan-sized areas depend on immigrant and refugee labor. In fact, many such areas are experiencing significantly lower unemployment rates than the rest of the country in a time of economic downturn.

Therefore, immigration policy must be sensible, meaning it should consider the many aspects of a complicated issue.

Congress should consider providing assistance to underserved rural areas with large immigrant populations with the services provided by Federal Immigration Offices.

The establishment of such services would signify a sustained effort by the Federal Government to remove time and distance barriers between an immigrant and his or her pursuit of citizenship.

## AIR TRANSPORTATION

**POSITION**

Continue federal funding for passenger air service to Southwest Kansas

**BACKGROUND**

Essential Air Service (EAS) is critical to maintaining commercial air service to Garden City and western Kansas. We encourage continued support from our Congressional Delegation.

## AIRPORT IMPROVEMENT PROGRAM FUNDING

**POSITION**

Support continued and uninterrupted funding of Federal Aviation Administration and continued Airport Improvement Projects (AIP) for primary airports.

**BACKGROUND**

Federal funding through the Airport Improvement Program (AIP) is critical to maintaining the infrastructure of primary airports. Garden City Regional Airport exceeds the threshold for primary airport status and the uninterrupted funding of the AIP program is critical to the timely delivery of major airport improvements.

In the 2007 to 2011 timeframe, Congress was unable to reach agreement on a broad measure to finance the FAA, able only to pass 21 temporary extensions. We have had to bid three major construction projects which required the contractor to guarantee their bids for 60 to 90 days, and with the wildlife fence 120 days, until FAA funding was finalized. This creates an untenable situation in an economy where construction and material prices are subject to volatile change.

## ECONOMIC DEVELOPMENT

### POSITION

Congress should further refine the USDA Rural Housing Program language to allow participation of communities with populations of more than 20,000, yet less than 35,000.

### BACKGROUND

Communities being classified as “micropolitan” is relatively new. The designation includes some areas previously classified as “nonmetropolitan” or “rural.” More commonly known as micropolitan statistical areas (mSA), this geographical designation applies to cities with populations between 20,000 and 40,000. mSA’s function as regional trade centers, providing opportunities for regional growth, benefiting the population “core” as well as the broader region.

Unfortunately, many definitions used in federal policy targeting metro/non-metro areas are neither consistent nor interchangeable with urban/rural classifications. As a result, many mSA’s are excluded from programs targeting urban areas because such communities are too small; these same communities are excluded from programs targeting rural areas because the community is too large.

Refining the definition of mSA’s, and/or enhancing programs and policy aimed at assisting rural and mSA-sized communities, achieves growth by integrating thoughtful cluster strategies, which in turn stimulates business and residential development in such areas.

## FEMA

### POSITION

Prohibit FEMA from adding new Special Flood Hazard Areas as part of any map modernization or remapping of Flood Insurance Rate Maps and curtail FEMA’s use of approximating new flood hazard areas.

### BACKGROUND

We support new legislation prohibiting FEMA from adding previously unmapped or any new Special Flood Hazard Areas to Flood Insurance Rate Maps without local government agency approval. In addition, we support new legislation prohibiting FEMA from using the “approximation method” for establishing new Special Flood Hazard Areas, particularly in developed areas of the country. The approximation method was designed by FEMA to streamline map modernizations and employs no reasonable opportunity for due process by affected property owners and local officials. New Special Flood Hazard Areas should only be added to the Flood Insurance Rate Maps after a detailed study and concurrence of local government.

## HIGHWAYS

**POSITION**

Support continued funding of the Federal Highway Program at authorized levels.

**BACKGROUND**

Continued funding of the Federal Highway Program at authorized levels helps ensure jobs are created and our country provides an infrastructure that can support business and economic development.

It is not possible for Kansas to maintain our transportation system and the related jobs without the help of the Federal Highway Program and the reimbursement funds provided to the State. The Federal Highway Program helps ensure that the thousands of jobs secured or created with the Kansas T-WORKS program can continue to provide an infrastructure that supports business and economic development.

## MAINTAIN LOCAL CONTROL OF RIGHTS-OF-WAY

**POSITION**

Oppose legislation eliminating or limiting the authority of cities and counties to control their rights-of-way.

**BACKGROUND**

We ask our delegation to continue to protect local control of rights-of-way by opposing legislation which eliminates, circumvents or limits the rights of City's to control public rights-of-way within their jurisdiction. We also oppose the intervention of the FCC chairman to take action in opposition to Congressional position on this matter.

## RAIL TRANSPORTATION

**POSITION**

Continue rail and passenger rail service to and through southwest Kansas.

**BACKGROUND**

Preserving cross-country rail service through Garden City and southwest Kansas is important as rural regions must offer alternative modes of transportation. Freight and passenger rail service is one way to maintain and grow the economy of southwest Kansas. Such service includes, but is not limited to, southwest Kansas Amtrak service. Amtrak should continue to be adequately funded at the federal level.

## STREAMLINED SALES TAX

**POSITION**

Support permanent adoption of Streamlined Sales Tax for Internet sales.

**BACKGROUND**

We support the adoption of permanent Streamlined Sales Tax for Internet sales, including a local compensating use component. We urge Congress to take action as soon as practicable to pave the way for mandatory collection of sales and use taxes on remote sales. Any federal legislation should not preempt state and local sales tax authority. We categorically oppose including any other issue, including changes in the ability of cities to impose and collect taxes and franchise fees on telecommunications providers, as part of streamlined sales tax legislation.

## AIR TRANSPORTATION

### POSITION

Continue state funding for the Kansas Affordable Airfares program.

### BACKGROUND

We support continuation of state funding for the Kansas Affordable Airfares program, which has allowed American Eagle to provide daily jet service at Garden City regional Airport.

## ECONOMIC DEVELOPMENT

### POSITION

Modify the IMPACT Act so that the Kansas Department of Commerce can better meet the needs of businesses in the region.

### BACKGROUND

Businesses in the region have struggled to remain competitive in recruitment and retention efforts due to the inflexibility of incentive programs offered by the State. As such, the Kansas Legislature should act to:

Modify the IMPACT Act in order to allow it to more effectively meet the needs of Kansas companies while also allowing their recruitment and retention efforts to remain competitive.

- Allow choice of debt service or cash based financing thereby maximizing investment value to the State and the businessmen
- Eliminate the 95% withholding limit.
- Set targets for rural and small business opportunities.
- Allow unallocated funds to carry over from year to year.

Streamline and simplify investment and job creation tax credit programs.

- Simplify qualified investment calculation.
- Create Investment credits and Job creation credits.

Allow Kansas Department of Commerce the flexibility to create a “deal closing” fund.

Create “Investment in Kansas Employment” (IKE), a job creation incentive that is payroll withholding tax driven and serves as a cash-equivalent incentive for job creation.

## EDUCATION FUNDING

### POSITION

The City of Garden City supports a stable and equitable school funding formula.

### BACKGROUND

The City of Garden City supports legislative action that serves to continue a stabilized tax distribution funding formula for education in Kansas. Any action that would impact the existing funding formula could create a scenario in which school districts are forced to increase local mill levy tax rates in order to offset education funding which places undue burden on the local tax base.

## EMPLOYEE BENEFITS

### POSITION

We support the State's efforts to maintain the solvency of the Kansas Public Employees Retirement System in difficult economic times.

### BACKGROUND

The Kansas Public Employees Retirement System (KPERS) serves an integral function in allowing municipal organizations to provide employees with beneficial reliable retirement options.

As such, the City of Garden City supports legislative efforts to enhance the solvency of KPERS in times of economic upheaval by providing employees with a diverse professional investment portfolio that will offer long-term security.

## PASSENGER/FREIGHT RAIL

### POSITION

The State of Kansas should invest in rail modernization to preserve passenger rail service in Western Kansas and to preserve and foster economic development. The State of Kansas should not support a new passenger rail route to the detriment of the Southwest Chief.

### BACKGROUND

Preserving cross-country rail service through Garden City and southwest Kansas is important as rural regions must offer many alternative modes of transportation. Freight and passenger rail service is one way to maintain and grow the economy of southwest Kansas. Such service includes, but is not limited to, southwest Kansas Amtrak service. We ask that our delegation continue support of passenger rail service to southwest Kansas.

## RECLAMATION OF SAND PIT SITES

### POSITION

Support amending existing reclamation statutes to provide for the timely closure of abandoned aggregate mining sites.

### BACKGROUND

Existing reclamation statutes (KSA 49-601, et. Seq.) do not provide for suitable enforcement of the law's intent. The timely closure and reclamation of aggregate mining sites has a positive environmental impact, aesthetically as well as from a groundwater quality perspective. Amendments should trigger reclamation efforts following two years of no appreciable amount of aggregate extraction (1,000 tons or less) and require completion of responsibilities within one year.

## RESTORE DEMAND TRANSFERS

### POSITION

Restore critical funding transfers for core local services.

### BACKGROUND

While the City of Garden City recognizes that everyone should share in restoring the fiscal health of the State budget, the shift to the local property taxpayer has been disproportionate. State revenues should restore these transfers, which were created in good faith cooperation between the State of Kansas and its local governments, in advance of funding new programs and initiatives.

## T-WORKS

**POSITION**

The State of Kansas should adhere to multi-year transportation commitments. It should also augment KDOT and T-Works funding with increased or alternative funding sources, such as an automatic CPI escalation on gas tax or a Vehicle Miles Traveled tax mechanism.

**BACKGROUND**

The state of Kansas should not adversely affect the T-WORKS program or reduce its funding source.

## WATER USE

**POSITION**

We support thoughtful water policy that enables cities to safely and effectively meet water needs while also protecting resources.

**BACKGROUND**

Many areas in Kansas are experiencing the decline of traditional water supplies and now severe drought conditions. Water policy should be flexible and encourage establishing long-term regional water supply augmentation. We also believe increased local involvement is essential to effective water policies.

# *City of Garden City*

## *2013 Legislative Policy*

City Administrative Center  
P.O. Box 998  
301 N. 8th Street  
Garden City, KS 67846  
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# New Business



## MEMORANDUM

TO : City Commission  
FROM: Matt Allen, City Manager  
Randall D. Grisell, City Counselor  
DATE : August 29, 2013  
RE : Consideration to amend the Clean Air Ordinance

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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

### **ISSUE**

A group of local hoteliers requests the City Commission's consideration and approval to amend the local Clean Air Ordinance to reflect State law regarding the minimum percentage of hotel rooms which are required to be non-smoking. Current local ordinance does not allow smoking in hotel rooms. State law requires 80% of rooms be non-smoking.

### **BACKGROUND**

State law prohibits smoking in at least 80% of the sleeping rooms in hotels and motels. That does not mean a hotel/motel has to allow smoking in rooms, just that it can be authorized. Municipalities can pass ordinances on subjects that are not specifically limited to state control, and deviate from state statutes, if the changes are more restrictive, or stricter in the imposition of a penalty.

Garden City has amended the UPOC to prohibit smoking in all sleeping rooms in hotels/motels. If the Governing Body was so inclined, it could amend the city's current code to allow smoking in up to 20% of sleeping rooms in hotels/motels. Even if the Governing Body were to take such an action, an individual hotel/motel could still decide to not allow smoking in its sleeping rooms.

Garden City is also more restrictive than the state smoking prohibition law in the following areas:

- Garden City prohibits smoking no closer than 50' to an access point, while state law is 10'.
- Garden City prohibits smoking, otherwise authorized by state law, in private clubs and fraternal organizations, public assembly seating, bleachers or grandstands on public property, athletic fields owned or leased by school district or community college, and Lee Richardson Zoo.

### **ALTERNATIVES**

1. Direct the City Attorney to craft an ordinance amending existing Code to reflect State law with respect to smoking in hotel rooms.
2. Direct the City Attorney to make other changes to the Clean Air Ordinance.
3. Determine not to change the Clean Air Ordinance.

### **RECOMMENDATION**

Staff request Governing Body direction

### **FISCAL NOTE**

No direct fiscal impact to the operational budget of the City.

CITY ADMINISTRATIVE  
CENTER  
301 N. 8<sup>TH</sup>  
P.O. Box 998  
GARDEN CITY, KS  
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June 4, 2013

Dan Fankhauser, Mayor  
Roy Cessna, Vice Mayo  
Melvin Dale, Commissioner  
Janet Doll, Commissioner  
Chris Law, Commissioner  
301 N. 8<sup>th</sup>  
Garden City, KS 67846

Mayor Fankhauser and Commissioners:

We, the hoteliers in Garden City, request a change to the smoking ordinance currently in place in Garden City. Our city ordinance mandates that all lodging facilities be non-smoking entities and is contrary to that of the state ordinance, which allows lodging facilities to designate up to 20% of their rooms as smoking. Nearby communities, such as Dodge City, Liberal, Great Bend, Hays and Hutchinson, allow smoking in their lodging facilities per the state ordinance.

While we recognize the health issues of smoking, we respectfully ask you to consider amending the ordinance and allow us to designate up to 20% of our rooms as smoking rooms. The city ordinance is a hardship on our guests who smoke, and oftentimes, upon learning about the smoking ban, a guest will choose not to lodge in Garden City; opting to stay in a community where the smoking ordinance is more lenient. This has resulted in a loss of revenue not only to our establishments, but the community as well.

The following lodging facilities may or may not allow smoking: rooms should this ordinance be amended; however, they are in support of those of us who are asking for this change to the city ordinance.

Thank you for considering this request.

*Nikunj B. Bhakta*

Nikunj Bhakta  
Sunflower Inn

*Chandra Kant*

Chandra Kant  
Garden City Inn

*Hasmukh Patel*

Hasmukh Patel  
Flamingo Hotel

*Amro Samy*

Amro Samy  
Clarion Inn

*Mike Gandhi*

Mike Gandhi  
National 9 Inn

*Barrett Patel*

Barrett Patel  
Magnuson Hotel

*P-Jay Patel*

P-Jay Patel  
Continental Inn

*Kerry Spanier* For Kerry  
Boa Pecky

Kerry Spanier  
Dusty Trail Inn

# ***MEMORANDUM***

**TO:** GOVERNING BODY

**FROM:** Steve Cottrell

**DATE:** 29 August 2013

**RE:** MAIN STREET KLINK PROJECT – BIDS

## ISSUE

Bids were received this morning for the Main Street KLINK, which is jointly funded by KDOT. The project applies a slurry seal on Main Street from Kansas Avenue to Fulton Street, and includes concrete reconstruction of portions of Main Street.

## BACKGROUND

The project had a base bid for all the work on Main Street, including the concrete reconstruction at the Stevens & Pine intersection, and alternate bids were taken for concrete reconstruction of Walnut Street from Main west to the alley and from the alley west to Garden City Avenue.

We received two bids, one being under the engineer's estimate. The low bid was submitted by J-A-G Construction Co. KLINK projects are generally shared on a 50/50 basis, subject to a KDOT maximum of \$200,000, with non-participating items (curb & gutter replacement) at 100% City cost.

We have funding available to cover the Base Bid and Alternate # 1; the split is \$200,000.00 for KDOT and \$460,854.80 for the City. Construction could begin yet this fall, but will likely not be completed until next spring.

## ALTERNATIVES

- 1) The Governing Body may accept the low bid and award a contract for the Base Bid plus Alternate # 1.
- 2) The Governing Body may accept the low bid and award a contract for the Base Bid only.
- 3) The Governing Body may reject the bids.

## RECOMMENDATION

Staff recommends awarding the contract, for Alternative # 1, or # 2, subject to KDOT concurrence, to J-A-G Construction Company, and authorizing the Mayor and City Clerk to execute the contracts when the documents have been returned by the contractor.

## FISCAL

Our share was included in the 2012 Major Trafficway Bond issue, augmented with some Drainage Utility funding if any of the Walnut Street work is awarded.



### **Engineering Department**

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

Assistant City Engineer

CITY ADMINISTRATIVE  
CENTER  
301 N. 8<sup>TH</sup>  
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A handwritten signature in black ink that reads "Steve Cottrell".

W WALNUT ST

Alternate # 2

Alternate # 1

N MAIN ST

E WALNUT ST

N GARDEN CITY AVE

W CEDAR ST





KLINK 1R RESURFACING  
PROJECT NO. 50B-28 U-0110-01

US-50B (MAIN STREET) - KANSAS AVENUE TO FULTON STREET

No.	Bid Item	Unit	Quan	Engineer's Estimate		J-A-G Construction Co. Dodge City		Smoky Hill, LLC Salina	
				UNIT COST	TOTAL COST	UNIT COST	TOTAL COST	UNIT COST	TOTAL COST
<b>PARTICIPATING ITEMS</b>									
1	Common Excavation	CY	505	\$ 10.00	\$ 5,050.00	\$ 34.00	\$ 17,170.00	\$ 21.30	\$ 10,756.50
2	Removal of Existing Pavement	CY	2019	\$ 8.00	\$ 16,152.00	\$ 30.00	\$ 60,570.00	\$ 26.00	\$ 52,494.00
3	Contractor Furnished Borrow	CY	1010	\$ 12.75	\$ 12,877.50	\$ 9.00	\$ 9,090.00	\$ 26.30	\$ 26,563.00
4	Compaction of Earthwork (Type AA-MR-0-5)	SY	5636	\$ 5.00	\$ 28,180.00	\$ 4.00	\$ 22,544.00	\$ 2.00	\$ 11,272.00
5	6" Signal Conduit	LF	250	\$ 30.00	\$ 7,500.00	\$ 14.00	\$ 3,500.00	\$ 16.25	\$ 4,062.50
6	Concrete Pavement (9" Uni)(AE)(NRDJ)	SY	5,636	\$ 48.00	\$ 270,528.00	\$ 47.25	\$ 266,301.00	\$ 55.15	\$ 310,825.40
7	Concrete Pavement (9" Uni)(AE)(Colored/Patterned)	SY	422	\$ 90.00	\$ 37,980.00	\$ 83.00	\$ 35,026.00	\$ 123.00	\$ 51,906.00
8	Modified Slurry Seal	SY	23,320	\$ 3.50	\$ 81,620.00	\$ 1.50	\$ 34,980.00	\$ 3.40	\$ 79,288.00
9	Pavement Marking (Epoxy)(White)(6")	LF	2,000	\$ 5.00	\$ 10,000.00	\$ 1.75	\$ 3,500.00	\$ 1.75	\$ 3,500.00
10	Pavement Marking (Epoxy)(Yellow)(4")	LF	2,536	\$ 4.00	\$ 10,144.00	\$ 1.20	\$ 3,043.20	\$ 1.30	\$ 3,296.80
11	Pavement Marking (Intersection Grade)(White)(24")	LF	759	\$ 115.00	\$ 87,285.00	\$ 17.65	\$ 13,396.35	\$ 17.20	\$ 13,054.80
12	Pavement Marking (Intersection Grade)(White)(Left Turn Arrow)	EA	50	\$ 1,200.00	\$ 60,000.00	\$ 150.00	\$ 7,500.00	\$ 210.00	\$ 10,500.00
13	Modification of Brick Streets	LS	1	\$ 2,000.00	\$ 2,000.00	\$ 13,500.00	\$ 13,500.00	\$ 15,250.00	\$ 15,250.00
14	Adjust Sanitary Manhole to Grade	EA	5	\$ 500.00	\$ 2,500.00	\$ 500.00	\$ 2,500.00	\$ 600.00	\$ 3,000.00
15	Adjust Valve Box to Grade	EA	5	\$ 100.00	\$ 500.00	\$ 100.00	\$ 500.00	\$ 275.00	\$ 1,375.00
16	Construction Staking	LS	1	\$ 500.00	\$ 500.00	\$ 10,000.00	\$ 10,000.00	\$ 5,500.00	\$ 5,500.00
17	Erosion and Sediment Control	LS	1	\$ 1,000.00	\$ 1,000.00	\$ 2,000.00	\$ 2,000.00	\$ 950.00	\$ 950.00
18	Construction Signs (0 to 9.25 SQFT)	Ea/Day	5400	\$ 0.50	\$ 2,700.00	\$ 0.15	\$ 810.00	\$ 0.13	\$ 702.00
19	Construction Signs (9.26 to 18.25 SQFT)	Ea/Day	2160	\$ 0.50	\$ 1,080.00	\$ 0.15	\$ 324.00	\$ 0.13	\$ 280.80
20	Construction Barricades (Type III - 4' to 12')	Ea/Day	1800	\$ 1.75	\$ 3,150.00	\$ 0.20	\$ 360.00	\$ 0.20	\$ 360.00
21	Channelizer (Fixed)	Ea/Day	36000	\$ 0.40	\$ 14,400.00	\$ 0.15	\$ 5,400.00	\$ 0.13	\$ 4,680.00
22	Construction Warning Light (Type "A" Low Intensity)	Ea/Day	360	\$ 0.75	\$ 270.00	\$ 0.60	\$ 216.00	\$ 0.60	\$ 216.00
23	Arrow Display	Ea/Day	120	\$ 7.50	\$ 900.00	\$ 6.00	\$ 720.00	\$ 6.10	\$ 732.00
24	Pavement Marking (Temporary)(4" Solid)(Type I Tape of Paint)	STA/LINE	142	\$ 40.00	\$ 5,680.00	\$ 120.00	\$ 17,040.00	\$ 108.00	\$ 15,336.00
25	Pavement Marking Removal	LF	3630	\$ 1.20	\$ 4,356.00	\$ 0.60	\$ 2,178.00	\$ 0.70	\$ 2,541.00
26	Traffic Control (Initial Setup)	LS	1	\$ 15,000.00	\$ 15,000.00	\$ 50,000.00	\$ 50,000.00	\$ 49,750.00	\$ 49,750.00
27	Flagger (Set)	Hour	1	\$ 50.00	\$ 50.00	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00
28	T-Works Sign Assembly	EA	2	\$ 1,500.00	\$ 3,000.00	\$ 1,400.00	\$ 2,800.00	\$ 1,600.00	\$ 3,200.00
<b>PARTICIPATING TOTAL:</b>				<b>\$</b>	<b>684,402.50</b>	<b>\$</b>	<b>584,980.55</b>	<b>\$</b>	<b>681,403.80</b>
<b>NON-PARTICIPATING ITEMS</b>									
28	Concrete Curb & Gutter	LF	100	\$ 20.00	\$ 2,000.00	\$ 21.00	\$ 2,100.00	\$ 27.55	\$ 2,755.00
<b>NON-PARTICIPATING TOTAL:</b>				<b>\$</b>	<b>2,000.00</b>	<b>\$</b>	<b>2,100.00</b>	<b>\$</b>	<b>2,755.00</b>
<b>GRAND TOTAL BASE BID:</b>				<b>\$</b>	<b>686,402.50</b>	<b>\$</b>	<b>587,080.55</b>	<b>\$</b>	<b>684,158.80</b>
<b>ALTERNATE # 1</b>									
1	Common Excavation	CY	89	\$ 10.00	\$ 890.00	\$ 34.00	\$ 3,026.00	\$ 20.20	\$ 1,797.80
2	Removal of Existing Pavement	CY	355	\$ 8.00	\$ 2,840.00	\$ 30.00	\$ 10,650.00	\$ 27.80	\$ 9,869.00
3	Contractor Furnished Borrow	CY	178	\$ 12.75	\$ 2,269.50	\$ 9.00	\$ 1,602.00	\$ 12.60	\$ 2,242.80
4	Compaction of Earthwork (Type AA-MR-0-5)	SY	901	\$ 5.00	\$ 4,505.00	\$ 4.00	\$ 3,604.00	\$ 1.55	\$ 1,396.55
5	Concrete Pavement (9" Uni)(AE)(NRDJ)	SY	901	\$ 48.00	\$ 43,248.00	\$ 47.25	\$ 42,572.25	\$ 56.85	\$ 51,221.85
6	Concrete Pavement (9" Uni)(AE)(Colored/Patterned)	SY	165	\$ 48.00	\$ 7,920.00	\$ -	\$ -	\$ -	\$ -
7	Concrete Curb and Gutter	LF	235	\$ 20.00	\$ 4,700.00	\$ 21.00	\$ 4,935.00	\$ 27.55	\$ 6,474.25
8	Concrete Sidewalk (4")(AE)(Colored/Patterned)	SY	50	\$ 35.00	\$ 1,750.00	\$ 53.00	\$ 2,650.00	\$ 87.25	\$ 4,362.50
9	Pavement Marking (Epoxy)(White)(6")	LF	100	\$ 5.00	\$ 500.00	\$ 1.75	\$ 175.00	\$ 1.60	\$ 160.00
10	Pavement Marking (Epoxy)(Yellow)(4")	LF	150	\$ 4.00	\$ 600.00	\$ 1.20	\$ 180.00	\$ 1.10	\$ 165.00
11	Pavement Marking (Intersection Grade)(White)(24")	LF	24	\$ 115.00	\$ 2,760.00	\$ 20.00	\$ 480.00	\$ 15.95	\$ 382.80
12	Pavement Marking (Intersection Grade)(White)(Left Turn Arrow)	EA	2	\$ 1,200.00	\$ 2,400.00	\$ 150.00	\$ 300.00	\$ 135.00	\$ 270.00
13	Modification of Brick Streets	LS	1	\$ 2,000.00	\$ 2,000.00	\$ 1,000.00	\$ 1,000.00	\$ 3,200.00	\$ 3,200.00
14	Adjust Sanitary Manhole to Grade	EA	1	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 450.00	\$ 450.00
15	Construction Staking	LS	1	\$ 500.00	\$ 500.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
16	Erosion and Sediment Control	LS	1	\$ 1,500.00	\$ 1,500.00	\$ 500.00	\$ 500.00	\$ 750.00	\$ 750.00
17	Traffic Control	LS	1	\$ 1,000.00	\$ 1,000.00	\$ 600.00	\$ 600.00	\$ 500.00	\$ 500.00
<b>ALTERNATE # 1 TOTAL:</b>				<b>\$</b>	<b>79,882.50</b>	<b>\$</b>	<b>73,774.25</b>	<b>\$</b>	<b>84,242.55</b>

ALTERNATE # 2									
1	Common Excavation	CY	48	\$ 10.00	\$ 480.00	\$ 34.00	\$ 1,632.00	\$ 7.15	\$ 343.20
2	Removal of Existing Pavement	CY	190	\$ 8.00	\$ 1,520.00	\$ 30.00	\$ 5,700.00	\$ 27.80	\$ 5,282.00
3	Contractor Furnished Borrow	CY	95	\$ 12.75	\$ 1,211.25	\$ 9.00	\$ 855.00	\$ 12.60	\$ 1,197.00
4	Compaction of Earthwork (Type AA-MR-0-5)	SY	570	\$ 5.00	\$ 2,850.00	\$ 4.00	\$ 2,280.00	\$ 1.55	\$ 883.50
5	Concrete Pavement (9" Uni)(AE)(NRDJ)	SY	570	\$ 48.00	\$ 27,360.00	\$ 47.25	\$ 26,932.50	\$ 55.10	\$ 31,407.00
6	Modification of Brick Streets	LS	1	\$ 2,000.00	\$ 2,000.00	\$ 1,000.00	\$ 1,000.00	\$ 3,200.00	\$ 3,200.00
7	Construction Staking	LS	1	\$ 500.00	\$ 500.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
8	Erosion and Sediment Control	LS	1	\$ 1,000.00	\$ 1,000.00	\$ 500.00	\$ 500.00	\$ 650.00	\$ 650.00
9	Traffic Control	LS	1	\$ 1,500.00	\$ 1,500.00	\$ 600.00	\$ 600.00	\$ 500.00	\$ 500.00
<b>ALTERNATE # 1 TOTAL:</b>				<b>\$</b>	<b>38,421.25</b>	<b>\$</b>	<b>40,499.50</b>	<b>\$</b>	<b>44,462.70</b>
<b>GRAND TOTAL BASE BID + ALTERNATES 1 &amp; 2:</b>				<b>\$</b>	<b>804,706.25</b>	<b>\$</b>	<b>701,354.30</b>	<b>\$</b>	<b>812,864.05</b>

KDOT Share \$ 292,490.28  
 City Share \$ 294,590.28

# Consent Agenda

# ***MEMORANDUM***

**TO:** GOVERNING BODY

**FROM:** Steve Cottrell

**DATE:** 29 August 2013

**RE:** SEVENTH & LAUREL STREETScape BIDS

## ISSUE

Bids were received today for the Seventh & Laurel Streetscape project. The bid tabulation is attached.

## BACKGROUND

Bruce and Beverly Glass purchased the McAllister building at the southwest corner of Seventh and Laurel Streets. The Governing Body approved the use of special assessment financing for the project.

Two bids were received, both of which exceeded the engineer's estimate.

## ALTERNATIVES

- 1) The Governing Body must reject the bids.

## RECOMMENDATION

Staff recommends rejecting the bids. The project will be revised and rebid at a later date.

## FISCAL

The project costs would be shared, with 34% paid by the property owners and 66% by the City-at-large. This will be permanently financed in 2014.

*Steve Cottrell*



### **Engineering Department**

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

Assistant City Engineer

CITY ADMINISTRATIVE  
CENTER  
301 N. 8<sup>TH</sup>  
P.O. BOX 998  
GARDEN CITY, KS  
67846-0998  
620.276.1130  
FAX 620.276.1137  
[www.garden-city.org](http://www.garden-city.org)

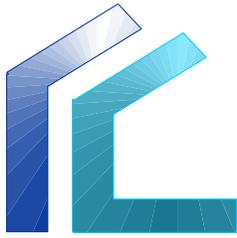
**SEVENTH & LAUREL STREETScape**

BIDDER	TOTAL	COMMENT
ENGINEER'S ESTIMATE	\$ 106,529.25	
Lee Construction, Inc.	\$ 122,902.08	
J-A-G Construction Co.	\$ 124,761.53	

**SEVENTH & LAUREL STREETScape**

No.	Bid Item	Unit	Quan	Engineer's Estimate		Lee Construction, Inc. Garden City		J-A-G Construction Co. City		Dodge	
				UNIT COST	TOTAL COST	UNIT COST	TOTAL COST	UNIT COST	TOTAL COST	UNIT COST	TOTAL COST
1	Excavation	CY	100	\$ 20.00	\$ 2,000.00	\$ 15.00	\$ 1,500.00	\$ 26.00	\$ 2,600.00		
2	Remove Existing Curb & Gutter	LF	298.3	\$ 10.00	\$ 2,983.00	\$ 6.00	\$ 1,789.80	\$ 5.00	\$ 1,491.50		
3	Curb & Gutter (Special)	LF	303.3	\$ 25.00	\$ 7,582.50	\$ 30.00	\$ 9,099.00	\$ 21.00	\$ 6,369.30		
4	6" AB-2 Base	SY	320.0	\$ 8.00	\$ 2,560.00	\$ 6.50	\$ 2,080.00	\$ 6.25	\$ 2,000.00		
5	Remove Existing Pavement Conc/Brick	SY	217.5	\$ 15.00	\$ 3,262.50	\$ 15.00	\$ 3,262.50	\$ 16.50	\$ 3,588.75		
6	Recompact Existing Roadbase	SY	217.5	\$ 2.00	\$ 435.00	\$ 7.00	\$ 1,522.50	\$ 13.00	\$ 2,827.50		
7	Remove Sidewalk	SY	332.9	\$ 7.50	\$ 2,496.75	\$ 14.75	\$ 4,910.28	\$ 5.25	\$ 1,747.73		
8	4" Sidewalk	SY	233.5	\$ 35.00	\$ 8,172.50	\$ 48.00	\$ 11,208.00	\$ 33.50	\$ 7,822.25		
9	Paving Bricks (sdwk)	SY	136.4	\$ 130.00	\$ 17,732.00	\$ 54.50	\$ 7,433.80	\$ 110.00	\$ 15,004.00		
10	7" Valley gutter	SY	86.9	\$ 60.00	\$ 5,214.00	\$ 60.00	\$ 5,214.00	\$ 48.00	\$ 4,171.20		
11	7" Alley Approach	SY	19.2	\$ 45.00	\$ 864.00	\$ 60.00	\$ 1,152.00	\$ 44.00	\$ 844.80		
12	Patching Concrete/Brick Pavement	SY	111.4	\$ 90.00	\$ 10,026.00	\$ 45.00	\$ 5,013.00	\$ 100.00	\$ 11,140.00		
13	Construct Sidewalk Ramp	EA	2	\$ 750.00	\$ 1,500.00	\$ 950.00	\$ 1,900.00	\$ 1,000.00	\$ 2,000.00		
14	Trees	EA	8	\$ 350.00	\$ 2,800.00	\$ 1,315.00	\$ 10,520.00	\$ 690.00	\$ 5,520.00		
15	Tree grates	EA	4	\$ 1,500.00	\$ 6,000.00	\$ 1,845.00	\$ 7,380.00	\$ 1,900.00	\$ 7,600.00		
16	Street Lights	EA	4	\$ 4,000.00	\$ 16,000.00	\$ 8,575.00	\$ 34,300.00	\$ 10,000.00	\$ 40,000.00		
17	Drip, UG power	LS	1	\$ 10,000.00	\$ 10,000.00	\$ 4,825.00	\$ 4,825.00	\$ 1,000.00	\$ 1,000.00		
18	Traffic Control	LS	1	\$ 2,500.00	\$ 2,500.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00		
19	7" Colored/Patterned Concrete	SY	48.9	\$ 90.00	\$ 4,401.00	\$ 98.00	\$ 4,792.20	\$ 82.50	\$ 4,034.25		
<b>GRAND TOTAL:</b>				<b>\$</b>	<b>106,529.25</b>	<b>\$</b>	<b>122,902.08</b>	<b>\$</b>	<b>124,761.28</b>		

# Other Entities Minutes



# Garden City Recreation

310 N. 6<sup>th</sup>, Garden City, Kansas 67846 – Phone: 620-276-1200 Fax: 620-276-1203 – email: [grec@garden-city.org](mailto:grec@garden-city.org)

## AGENDA - Garden City Recreation

Regular Meeting

Monday – August 26, 2013, 5:15 p.m.

Garden City Recreation Center, 310 N. 6<sup>th</sup> Street

- 
- I. Call Meeting to Order**
- II. Approval of Agenda**
- III. Consent Agenda**-The following shall stand approved/accepted as presented unless action is taken to remove an item from the consent agenda.
- Minutes of Regular Meeting Monday, July 29, 2013
  - Financial Reports for July 2013
  - Staff Reports August
  - Participation Reports July
- IV. Superintendent Report**
- NRPA Congress and Exposition in Houston, TX, October 07-10, 2013
  - Welcome! Travis Neidig from St John, KS (Recreation Specialist/UIC)
  - Facility Usage
  - Clint Lightner & Academy Baseball Field
  - Tangeman Sports Complex
- V. New Business**
- 2013-2019 Capital Improvement**-Discussions will be developed from our current Master Plans and staff recommendations for future Recreational Capital Outlay and Recreation Facilities.
  - Clint Lightner Stadium master Plan**- Renovation work to the infield turf, grandstand seats, batting cages, dugouts and lights.
  - John is seeking reimbursement for the purchases of supplies during the Babe Ruth Tournaments in the amount of \$120.71 on 08/01//2013.
- VI. Old Business**
- Approval for \$3,903.21 for floor scrubber purchase.** – Board would like more information on this purchase.
  -
- VII. Executive Session** –Recreation Board will go into executive session for the purpose of discussing Real Property and/or Personnel/Contracts at 6:00 p.m. The Recreation Board will reconvene into open session upon completion at 6:45p.m...
- Garden City Recreation Commission Questions and Comments**
- VIII. Adjournment**

### Next Meeting

September 30, 2013 @ 5:15

Activity Center

310 N. 6<sup>th</sup> Street, Room 112

**Garden City Recreation Commission  
Minutes  
Monday, July 29, 2013**

**I. Call Meeting to Order**

Chairperson Maria Hardwick calls the meeting to order at 5:20 p.m. GCRC Board present was Anna Urrutia, David DuVall and Marcus Ramos. GCRC Staff present was Assistant Superintendent Donna Gerstner and Finance Director Terri Hahn.

**II. Approval of Agenda**

Donna would like to add under Superintendents Report, Regional Tournament and on New Business, 3. Approval for \$3,903.21 for floor scrubber purchases. Motion by David DuVall to approve the amended agenda, seconded by Anna Urrutia. Motion carried with all in favor.

**III. Consent Agenda**

**The following shall stand approved/accepted as presented unless action is taken to remove an item from the consent agenda.**

- **Regular Meeting Monday, June 24, 2013.**
- **Special Meeting Monday, July 15, 2013**
- **Financial Reports for June 2013.**
- **Staff Reports.**
- **Participation Reports June 2013.**

Motion by David DuVall to approve the consent agenda, seconded by Anna Urrutia. Motion carried with all in favor.

**IV. Superintendents Report**

- **SWKR Golf Tournament – August 16, 2013 @ 9am.** – Reminder about the SWKR Golf Tournament on August 16, 2013 @ 9am at Buffalo Dunes. Please contact John or Jared if you would like to play.
- **Tangeman Sports Complex PA Booths Completion.** – PA booths are completed.
- **Visit to the Water Zoo in Clinton, Oklahoma.**- Donna and Brian Knight, Maintenance Director went to Clinton, Oklahoma to look at the Water Zoo. The Manager gave them ideas on what they would like to improve and not to do on the water park. Like on mistake on all the glass in the building, makes it a hot house. Not enough drains. Lockers inside, party room open into one big room. Too much space in restrooms. Leave enough room in lobby for customers to come in out of the weather. The staff gave them a lot of information. The Board requested more information on budget to run the water park. It was explained that we could not provide that information except in a rough estimate until the plans were drawn up and we could see how many guards it would take and the amount of water needing treated.
- **Clint Lightner Stadium Master Plan** – New Lights, Dugouts and Artificial Turf.-Working with college and high school on turf for all three (3) baseball fields, (Clint Lightner, Academy and the College field). John will have additional information at your next Board meeting.
- **Regional Tournament.** – Donna is asking if any Board members would like to have boys at their home for the 14 year old State Baseball Tournament. The boys are required to stay with community people when they are playing, which required the community to take them to ball games, wash their uniforms and feed them.

**V. New Business**

1. **John is seeking reimbursement for the purchases of supplies during the Babe Ruth Tournaments in the amount of \$220.54 on 07/16/2013.** – John brought picnic supplies for the 9 year old State Baseball Tournament at Sam’s and would like reimbursement for this. Motion by David DuVall to reimburse John Washington in the amount of \$220.54 for the 9 year old State Baseball Tournament picnic supplies. The motion was seconded by Anna Urrutia. Motion carried with all in favor.
2. **Discussion on De Minimis Fringe Benefits and a restructure of our current policy.** – De Minimis Fringe Benefits is Board Members cannot receive compensation for being on the Board. Donna is going to do more research into this and get back with the Board at the next meeting.
3. **Approval for \$3,903.21 for floor scrubber purchase.** – Motion by David DuVall to table this until the next meeting, what more information on this purchases, seconded by Anna Urrutia. Motion carried with all in favor.

**VI. Executive Session – Applies only if requested by Staff or a Board Member. Recreation Board will go into executive session at \_\_\_pm. for the purpose of discussing personnel or real property. The Recreation Board will reconvene into open session at \_\_\_pm.**

**Garden City Recreation Commission Questions and Comments**

David asked about the State Theater and the Clifford Hope.

Donna explained that we are not using the State Theater and that we are trying to work an Agreement on the Clifford Hope and that is not going well. USD 457 does not want us to manage the theater. Will have meeting with USD 457 later on this.

Anna asked why GCRC did not charge a team fee for Jim Clanton Memorial Tournament. Jared did this to get the teams here and the CVB provided monies including team fees in their grant. The amount needed was granted and teams had to provide a dozen baseballs.

**VII. Adjournment**

Motion by Marcus to adjourn the meeting. Seconded by David DuVall. Meeting adjourned at 6:13 pm.

Terri Hahn  
Secretary

Approved August 26, 2013

**Garden City Police Department**  
**Police Citizens' Advisory Board**  
**August 20, 2013**

**Present:** James R. Hawkins, Chief of Police; Connie Bonwell; Dan Le; Lupe Carrasco, Administrative Assistant.

**Not Present:** Sergeant David Wheet.

The meeting convened at 1730.

Connie Bonwell inquired about the design of the Patrol vehicles, a short discussion was held.

Chief Hawkins notified the board of Patrol and Communications testing dates.

The monthly activity reports were reviewed by all.

Chief Hawkins notified the board of Michelle Branton's and Gwen Tietgen's resignation from the board.

Chief Hawkins notified the board that Courtney Prewitt was promoted to Senior Sergeant.

The meeting adjourned at 1750.