

SPECIAL CITY COMMISSION MEETING AGENDA

City Hall Commission Chambers

Wednesday, December 29, 2014

5:00 p.m.

MEETING #4988

CALL TO ORDER

ROLL CALL

PUBLIC HEARING

2014 Budget Amendments

NEW BUSINESS

1. Approval of 2014 Budget Amendments. Report by Nannette Pogue.
2. Approval of Depot Theater Agreement. Report by Cherise Tieben.
3. Approval of Grant Agreement with Kansas Housing Resource Corporation for Moderate Income Housing Funds. Report by Leslie Lomas.

ADJOURNMENT

Memorandum

To: Cherise Tieben, City Manager
From: Nannette Pogue
Date: December 23, 2014
Subject: Approval of 2014 Budget Amendments

Agenda Item Public Hearing and New Business

Recommendation: I recommend the approval 2014 Budget Amendments.

Background: Kansas law provides that each year municipalities set a budget for each of the funds that the municipality has. It also provides that if the revenues exceed what was budgeted and the expenditures exceed the budget, the budget can be amended by going through the same procedure as when the budget was originally adopted. The 2014 budget was passed by the City Commission in August of 2013. A public hearing notice was published in the December 18th, 2014, edition of the Dodge City Daily Globe notifying the public that the City Commission would hold a public hearing to consider the amendments for the 2014 budget.

Justification: To ensure no violations of the budget law.

Financial Considerations: Cash is available in all funds that are being amended. The following funds are being amended:

Sales Tax-Special Projects Fund – This fund accounts for the special sales tax projects and the operating budgets for those projects which include the Athletic Fields Maintenance, payment of sales tax revenue bond payments, administration of the projects, Dodge City Raceway Park and the special events centers. The original budget for this fund that was sent to the State of Kansas was a basic budget that was approved at the same time the overall city budget was approved in August, 2013. In February, 2014 the Joint City/County Commissions approved a budget which included some of the items that caused an amendment to the 2014 Special Sales Tax Project Fund. The items that caused a budget amendment is an increase of transfer to the Organizational Funding account than was originally budgeted; additional payment for the bond payments to stay a month ahead; and the reconciling of the 2013 United Wireless Arena Operating Account and additional utility expenses for the United Wireless Arena.

Convention and Visitors – The salary costs for the Project Development Coordinator had been paid from Sales Tax Fund in previous years. In 2014, it was decided to pay for this position from Transient Guest Tax Funds to free up money in the Sales Tax Fund to fund an additional sales tax project. This was not originally budgeted in the Convention and Visitors Fund.

Special Alcohol & Drug Fund – More money was available in this fund because revenue was up, so more was expended.

Capital Improvement Fund – More money was available in the fund to accomplish more projects. Also, some of the projects were carried over from previous years so need to be budgeted in 2014.

Transportation – Transportation is an internal Service Fund which pays for vehicle maintenance on all city vehicles, then is charged back to the departments. It is difficult to anticipate the amount necessary for this department each year. Funds are available for the increase.

Purpose/Mission: To promote open communications and inform the public when necessary budget changes are needed.

Legal Considerations: This amendment will allow us to comply with the State of Kansas Budget Law.

Attachments: Notice of hearing and budget amendments.

**Amended
Certificate
For Calendar Year 2014**

To the Clerk of Ford, State of Kansas
We, the undersigned, duly elected, qualified, and acting officers of
Dodge City
certify that: (1) the hearing mentioned in the attached publication was held;(2) after the Budget Hearing this Budget was duly approved and adopted as the maximum expenditure for the various funds for the year.

Table of Contents:			2014 Amended Budget		
			Amount of 2013 Tax that was Levied	Adopted 2014 Expenditures	Proposed Amended 2014 Expenditures
Fund	<u>K.S.A.</u>	Page No.			
Sales Tax Project Fund		2		5,719,845	6,297,985
Convention & Visitors		3		875,117	905,100
Special Alcohol & Drug Fund		3		100,000	106,000
Capital Improvement Fund	12-1,118	4	290,514	531,020	581,020
Transportation		4		348,740	408,740
Totals		xxxxxxx	290,514	7,574,722	8,298,845
Summary of Amendments		5			

Attested date: _____

County Clerk

Assisted by:

Address:

Email:

Governing Body

Adopted Budget

Sales Tax Project Fund	2014 Adopted Budget	2014 Proposed Budget
Unencumbered Cash Balance January 1	3,115,914	3,115,914
Receipts:		
Sales Tax	4,747,000	4,747,000
Sales Tax from Ford County	1,200,000	1,200,000
Interest Income	5,000	5,000
Concessions	6,000	6,000
Field Rental	5,000	5,000
Other Athletic Field Inc	7,000	7,000
Sign Sponsorships	7,000	7,000
Interest on Idle Funds		
Total Receipts	5,977,000	5,977,000
Resources Available:	9,092,914	9,092,914
Expenditures:		
FIELD SPORTS		
FIELD MAINTENANCE		
Personal Services	227,185	227,185
Contractual	99,850	98,250
Commodities	85,350	85,350
Capital Outlay	<u>397,000</u>	<u>15,000</u>
Total - Field Maintenance	809,385	425,785
ADMINISTRATION		
Contractual	136,000	136,000
Commodities	<u>0</u>	<u>0</u>
Total - Administration	136,000	136,000
TOTAL FIELD SPORTS OPERATIONS	945,385	561,785
ADMINISTRATION		
Contractual	475,300	895,300
Commodities	300	300
Payment for Expo Center	0	0
Transfer to Depreciation & Replacement Fund	750,000	345,000
Series A & B - Debt Service	2,530,000	3,090,140
Other Payments	<u>2,000</u>	<u>2,000</u>
TOTAL - ADMINISTRATION	3,757,600	4,332,740
MOTOR SPORTS		
Personal Services	6,480	7,020
Contractual	301,700	268,300
Commodities	19,500	19,500
Capital Outlay	31,000	6,000
TOTAL - MOTOR SPORTS OPERATIONS	358,680	300,820
SPECIAL EVENTS CENTERS		
Contractual	610,600	1,075,600
Commodities	<u>0</u>	<u>0</u>
TOTAL - SPECIAL EVENTS CENTER	610,600	1,075,600
SALES TAX PROJECTS-FACILITIES MAINTENANCE		
Personal Services	30,780	16,740
Contractual	500	500
Commodities	<u>16,300</u>	<u>9,800</u>
TOTAL-FACILITIES MAINTENANCE	47,580	27,040
Total Expenditures	5,719,845	6,297,985
Unencumbered Cash Balance December 31	3,373,069	2,794,929

Adopted Budget

Convention & Visitors	2014 Adopted Budget	2014 Proposed Budget
Unencumbered Cash Balance January 1	695,798	
Receipts:		
Intergovernmental	850,000	850,000
Trolley Charges	45,000	45,000
Other	0	0
Contributions & Donations	23,547	23,547
Total Receipts	918,547	918,547
Resources Available:	1,614,345	918,547
Expenditures:		
Personal Services	376,330	383,480
Adj current salaries mid year + proposed raise	7,150	
Contractual	354,057	384,040
Commodities	32,500	32,500
Capital Outlay	45,080	45,080
Transfer to General	60,000	60,000
Total Expenditures	875,117	905,100
Unencumbered Cash Balance December 31	739,228	13,447

Special Alcohol & Drug Fund	2014 Adopted Budget	2014 Proposed Budget
Unencumbered Cash Balance January 1	2,009	2,009
Receipts:		
Intergovernmental	100,000	104,000
Interest on Idle Funds		
Total Receipts	100,000	104,000
Resources Available:	102,009	106,009
Expenditures:		
Contractual	100,000	106,000
Transfer to General Fund for Dare		
Transfer to Component Unit (Library)		
Miscellaneous		
Total Expenditures	100,000	106,000
Unencumbered Cash Balance December 31	2,009	9

Adopted Budget

Capital Improvement Fund	2014 Adopted Budget	2014 Proposed Budget
Unencumbered Cash Balance January 1	187,915	187,915
Receipts:		
Ad Valorem Tax	275,988	275,988
Delinquent Tax	5,000	5,000
Motor Vehicle Tax	36,449	36,449
Recreational Vehicle Tax	213	213
16/20M Vehicle Tax	255	255
Rent	25,200	25,200
Total Receipts	343,105	343,105
Resources Available:	531,020	531,020
Expenditures:		
Administration	490,000	490,000
Airport Hangar (TBR)	41,020	41,020
Recreation		
Public Buildings & Grounds		
Capital Outlay		
Airport Match		
Total Expenditures	531,020	531,020
Unencumbered Cash Balance December 31	0	0

Transportation	2014 Adopted Budget	2014 Proposed Budget
Unencumbered Cash Balance January 1	14,674	14,674
Receipts:		
Reimbursements	335,000	395,000
Interest on Idle Funds		
Total Receipts	335,000	395,000
Resources Available:	349,674	409,674
Expenditures:		
Personnel Services	112,590	112,590
Adj. current salaries + proposed raise	2,850	2,850
Contractual	39,800	79,800
Commodities	183,900	203,900
Capital	9,600	9,600
Total Expenditures	348,740	408,740
Unencumbered Cash Balance December 31	934	934

**Notice of Budget Hearing for Amending the
2014 Budget**

The governing body of
Dodge City

will meet on the day of December 29, 2014 at 5:00 P.M. at City Commission Meeting Chambers, 806 Second Avenue for the purpose of hearing and answering objections of taxpayers relating to the proposed amended use of funds.

Detailed budget information is available at City Hall, 806 Second Avenue
and will be available at this hearing.

Summary of Amendments

Fund	2014 Adopted Budget			2014 Proposed Amended Expenditures
	Actual Tax Rate	Amount of Tax that was Levied	Expenditures	
Sales Tax Project Fund			5,719,845	6,297,985
Convention & Visitors			875,117	905,100
Special Alcohol & Drug Fund			100,000	106,000
Capital Improvement Fund	2.065	290,514	531,020	581,020
Transportation			348,740	408,740

Nannette Pogue

Official Title: Finance Director/City Clerk



City of Dodge City

806 N. Second Ave.
PO Box 880
Dodge City, KS 67801

Phone: 620-225-8100
FAX: 620-225-8144
www.dodgecity.org

Memorandum

To: City Commissioners
From: City Manager
Date: December 24, 2014
Subject: Memorandum of Lease Agreement for the
Depot Theater Company
Agenda Item: New Business

Recommendation: Staff recommends acceptance of the lease agreement terms for the Depot Theater Company (“Company”) for the Atchison, Topeka and Santa Fe Railway Depot (“Depot”) as of January 1, 2015.

Background: The Atchison, Topeka and Santa Fe (ATSF) Railway Depot constructed in 1898, serves as Dodge City’s premier example of Richardsonian Architecture. It was designed by J.C. Holland and Co., of Topeka Kansas and constructed by Fellows and Van Sant Company of Topeka. It is the largest Depot in the State of Kansas and the largest Depot still standing between Kansas City and Albuquerque. It was also deemed in the Master Tourism Plan as Dodge City’s most historically significant building.

The Depot was donated to the City of Dodge City, (“City”) by the Atchison, Topeka and Santa Fe Railway Company (ATSF) on the twenty-six (26th) of August, 1996. However, prior to the donation of the building, the City entered into a renovation lease agreement with the Boot Hill Repertory Company, now the Depot Theater Company on April 1, 1996. The term of the agreement was set for a period of time from the time of execution of the contract to the date when the City would transfer legal title of ownership of the Depot to the Company. Based on the lease the Company was responsible for all costs, fees and expenses incurred in regards to the maintenance and operation of the Depot. In addition, it was the intention of the agreement that the City incur no financial obligation or responsibility for the Depot by virtue of its legal ownership. The basis of the agreement was that the Depot would be deeded to the Company by the City.

On February 15, 2004, the City and the Company entered into a sublease of a lease purchase agreement with Landmark National Bank (“Landmark”). The previous financing agreement with Landmark was fully paid and the City now has clear title to the property.

The renovation of the Depot, took approximately eight years and over \$10,500,000 was invested to restore the historic facility and build a state of the art dinner theater in the original foot print of the building. Stephen Fried, Fred Harvey expert and author of *Appetite for America* wrote in his book that the Depot had been “brilliantly restored.”

Justification: The lease agreement is in accordance with the current needs of the City and the Company.

Financial Considerations: It is estimated that \$250,000 of the \$300,000 awarded to the City through “Why Not Dodge” for the Depot and Master Tourism Plan will be needed for the management and operation of the Depot. Funding for the Depot will be utilized to cover building repairs/maintenance expenses, insurance, maintenance salaries and utilities.

Legal Considerations:

The terms of the lease agreement will supersede all previous agreements.

Purpose /Mission: This projects fulfills the City of Dodge City’s mission by preserving our heritage to foster a better future. It also meets our core purpose of making Dodge City the best place to be while matching the core value of ongoing improvement.

Attachments:

The Depot Theater Company Lease Agreement and Exhibits A, B, C & D

LEASE AGREEMENT

This lease agreement (the “Agreement”) is made and entered into by and between the City of Dodge City, a municipal corporation (the “City”) and the Depot Theater Company, Inc., a Kansas not for profit corporation (the “Company”);

WHEREAS, the City is the titled owner of all of the property and improvements described in Exhibit A, attached hereto and made a part hereof by the reference, commonly known as the Santa Fe Depot Complex (the “Complex”), and

WHEREAS, the Complex consists of the Depot structure (the “Depot”), the Homestead Theater building and the Harvey Girls’ Dormitory (collectively referred to as the “Homestead”) and the exterior grounds, including the parking lot and passenger platform and designated interior areas of the Depot (the “Common Area”), and

WHEREAS, the Company and the City have been involved over the past several years in the restoration and renovation of the Complex which, except for the AMTRAK waiting area, has been occupied by the Company under a lease agreement with the City, and

WHEREAS, with increased expenses for utilities, operating and maintenance of the Complex, and restricted allocations from Why Not Dodge funds, it is no longer feasible for the Company to occupy and care for the entire Complex as has been the case over the past several years, and

WHEREAS, the City has need for office space within the Depot for the City's tourism and development operations, and other City programs, and

WHEREAS, the City and Company desire to work together with regard to the ongoing use and maintenance of the Complex in order that the public and tourists may enjoy the benefits of this historic structure and Complex along with the Company's theater activities and programs:

NOW THEREFORE, IN CONSIDERATION OF THE MUTUAL CONVENANTS AND PROMISES OF THE PARTIES IT IS AGREED:

1. Termination and Satisfaction of Prior Leases and Agreements: On December 31, 2014, at midnight, any and all existing Leases and/or Renovation Agreements between the parties shall terminate and no longer be of any force and effect. As a part of the termination of such leases and agreements, any and all obligations, duties and responsibilities between the parties arising out of the renovation, occupancy and use of the Complex, including but not limited to an obligation of the Company to the City for reimbursement of loan payments of approximately \$309,426 incurred by the City on behalf of the Company during the renovation of the Complex, shall be and are hereby released, satisfied and discharged. It is further agreed by the parties that this Agreement shall supersede and replace any and all agreements, written or verbal, between the parties in any manner arising out of or relating to the use and occupancy of the Complex and operation thereof by the Company.

2. City Ownership and Management: As of January 1, 2015, the City, as the owner of the Complex, shall assume and be responsible for all ownership, use, rights, enjoyment, and management of the Complex; subject only to the provisions of this Agreement.

3. Company's Lease of Certain Areas of the Complex: The City does hereby lease to the Company and Company hereby leases from the City that portion of the Complex as described in paragraphs (a) and (b) below and reflected in Exhibit B as the "Theater Area", subject to the terms and conditions as provided herein:

a) All areas of the Depot as reflected in Exhibit B, which areas are commonly referred to as:

a. Theater

b. Scene Shop

c. Orchestra pit

d. Adjacent basement storage room

e. Gallery

f. Kitchen

g. Bar

h. East end of the second floor (excluding HVAC Room and Janitor's Closet)

i. Renovated Harvey House Hotel room on the 2nd floor

b) All of the Homestead as reflected in Exhibit C and commonly known as:

-Homestead Theater Building

-Harvey Girls Dormitory Building

4. Right of Use of Common Areas: In addition to the areas described in 3(a) and (b) above, the Company shall have the right to utilize and temporarily occupy for its theater and other program purposes the Common Areas identified on Exhibit B, under the terms and conditions as provided herein, such Common Areas to include:

- a. Hotel Lobby
- b. Elevator
- c. Baggage Room
- d. Dining Room
- e. Restrooms in Dining Room and Train Station
- f. Janitor Closet – 2nd Floor East End

In addition to the Common Areas described on Exhibit B, the Company shall have right to utilize and temporarily occupy the east parking lot and passenger platform located within the Complex under the terms and conditions provided herein. All other areas of the Complex shall be for the exclusive use of the City, and its agencies and tenants.

5. Responsibility for Repairs and Maintenance: The City shall be responsible for all exterior and interior maintenance and repairs to the Complex, except for repairs and maintenance resulting from the negligence, or lack of proper care, by the Company, its licensees, servants, employees and agents. Any such maintenance and repairs resulting from the negligence or lack of proper care by the Company shall be performed by, or under the supervision of the City, and will be paid for, or performed by the City. Any such costs and expenses incurred will be reimbursed to the City by the Company and

will be paid by the Company in addition to any basic rent or utility payments required by this Agreement. Under no circumstances will the Company allow any mechanic's or materialman's liens to attach to the buildings or grounds of the Complex.

6. Custodial and Landscaping Responsibilities: The City shall be responsible for all custodial services for all interior and exterior Common Areas of the Complex, including the parking lot and passenger platform. The City shall be responsible for all snow removal and all landscaping care.

The Company shall be responsible for custodial services for the areas leased exclusively to the Company as described on Exhibits B and C, described as the "Theater Area," which services shall be provided in a timely and effective manner so as to provide a clean and properly cared for premises acceptable to the City. Such custodial service shall include, but not be limited to the replacement of light bulbs, trash removal, care and cleaning of floors and carpets, furniture care and repair or replacement.

7. Insurance and Taxes: The City shall maintain at its expense, property damage insurance on all buildings and the Complex property. The Company shall be responsible for tenant insurance for all personal property and equipment under lease to Company, as herein after provided, and will maintain, at its expense, public liability and volunteer/workers' compensation insurance. Such policies will name the City as an additional and provide notice to the City of cancellation of coverage at least 30 days prior to the date of cancellation.

City shall be responsible for the payment of any real estate tax which may be assessed against the Complex or any portion thereof.

8. Utilities: The City shall be responsible for payment of all utility services for the Depot and Common Areas, including but not limited to electric, gas, sewer, water and trash; subject, however, to prorated tenant charges pursuant to the provisions of paragraph 16 below. The Company shall be responsible for its own telephone, computer, television and internet service. City will be responsible for the computer for HVAC room and for the building security system.

9. Ownership and Use of Equipment, Fixtures and Furniture: The parties have performed an inventory of the assets of the Complex including items of personal property, equipment, fixtures and furniture, such inventory being marked Exhibit D, attached hereto, and made a part hereof by this reference. In consideration of the City's forbearance and waiver of reimbursement of the financial obligations as reflected in paragraph number one (1) above, the Company does hereby give, transfer and convey to the City the ownership of, and any and all interest in and to, all items of equipment, personal property and fixtures listed in Exhibit D as "City Equipment," free and clear of all liens or encumbrances. All Items of equipment, personal property and fixtures listed in Exhibit D as "Theater Equipment" shall remain the property of the Company, the repair and replacement of which shall be the responsibility of the Company.

During the term of this Agreement the City does hereby lease to the Company and the Company hereby leases from the City, all of the personal property, equipment, furniture and fixtures listed as "City Equipment" in Exhibit D and necessary for the Company's theater operations at no cost to the Company. The lease of such items to the Company to run simultaneous with the term of this Agreement, subject however, to the following terms and conditions:

a) The Company shall be responsible for the maintenance and care of the City Equipment leased to the Company and for the repair and/or replacement of such Equipment at the Company's expense. If the need for repair or replacement occurs, prior to such repair or replacement the Company will confer with the City and obtain the City's prior approval before proceeding with the purchase or repair of such City Equipment.

b) Upon the termination or expiration of this Agreement, all City Equipment leased by the Company shall be returned to the City. The City shall reimburse the Company for the depreciated value of said City Equipment repaired or replaced by the Company during the term of this Agreement, if any, based on a 10 year straight line depreciation schedule of the Equipment at the time of such termination or expiration of this Agreement. With regard to the Theater Equipment which has been repaired or replaced during the Term of the Agreement, or which is necessary for the operation of the Theater or Depot, upon termination or expiration of this Agreement the City shall have the right to

purchase the items at their depreciated value. Items not purchased by the City shall be removed in a reasonable time.

10. Kitchen Area: The Kitchen area and equipment shall be part of the area leased exclusively to the Company and will not be accessible for the City's use. The Company shall be responsible for the maintenance, repair and replacement of said equipment with prior approval of the City. The Company and City will continue the current partnership in order to best accommodate effective use of the Kitchen facilities. Scheduling preference shall be given to food service in support of theater operations, but continued efforts will be made to increase potential food service opportunities in the Dining Room area of the Depot.

11. Dining Room and Lobby Areas: The Dining Room and Lobby areas will be Common Areas, the use of which will be managed and scheduled by the Company. In the event of the use of the Dining Room and/or Lobby area by outside organizations or groups, the rental rate for such user, if any, shall be established by the Company after consultation with the City. If food service is requested the Company shall provide such service at a reasonable price.

If the City, or any of its agencies or departments, uses the Dining Room and/or Lobby area, no rental charge will be applied by the Company. If food service is desired by the City or its agencies, the Company shall be given the first opportunity

to provide such service, but outside catering may be utilized by the City and its agencies at its expense.

All fees resulting from activity initiated by the Company will go to the Company, which will be solely responsible for the payment of all costs and expenses associated with such food service and rental.

12. City Use of Theater: With the Company's prior approval, which will not be unreasonably denied, the City and its agencies may use the Theater area for meetings or programs, rent free, so long as the Company is not paying rent or utilities for the areas of the Complex used exclusively by the Company and so long as such use does not interfere with or disrupt the Company's use thereof. City will pay for technical support if such is required and for any required custodial duties. If food service is desired by the City or its agencies, the company shall be given the first opportunity to provide such service but outside catering may be utilized by the City and its agencies at its expense.
13. Other Common Areas: The City shall be responsible for all maintenance, repairs and custodial services for the Common Areas. The Common Areas shall be available for use of both the Company, including the Theater Guild, and the City as well as future tenants of the Depot building. The scheduling of use of the Common Area for displays, programs, performances and activities shall be determined by the Company in cooperation with the City and shall be made available for the use of

outside agencies when such use does not conflict with, or is not incompatible, with the use by the City or the Company.

14. Bar Area: The Bar Area, which is located in the southeast corner of the Lobby, shall be considered as a part of the Theater Area and, along with bar equipment, will be operated by the Company and will be the responsibility of the Company. In the event of any failure of the Bar equipment, the Company will be responsible for the cost of repairs and/or replacement. The scheduling of Bar hours will be determined by the Company, but shall take into consideration the scheduling and use of the Lobby area. All revenues from Bar sales shall go to the Company which shall be responsible for all cost of operations and inventory.

15. Term of Agreement: This Agreement shall commence and become effective as of January 1, 2015, for an initial term of 10 calendar years (the "Initial Term"), and shall automatically renew for additional 10 year terms unless either party provides to other written notice of its intent not to renew the Agreement at least 60 calendar days prior to expiration date. This Agreement may be terminated or amended at any time by mutual written consent of the Parties. In the event of termination by virtue of a non-renewal, mutual agreement or breach, the Company will vacate the Complex in a timely manner and remove all items of personal property belonging to the Company without damage to any portion of the Complex.

16. Company Payments During Initial Term of Agreement: For the first 3 years of the Initial Term of this Agreement the Company will not be charged rent or utilities; provided however, during the first 3 years of Initial Term of this Agreement the Company will be responsible for and shall pay 100% of the utility charges incurred by the Homestead, which charges shall be paid directly to the utility provider by the Company.

(a) The Company agrees that commencing January 1, 2018, and continuing annually thereafter, the Company will assess at least a one dollar (\$1.00) facilities charge for any ticket sold by the Company for any performance or activity for which a ticket for admission is required. All such facility charges shall be applied toward the rent charges which have been or may be assessed to the Company.

(b) The parties agree that pursuant to this Lease Agreement the Company will exclusively occupy 100% of the Homestead and exclusively occupy 37% of the Depot, not including the Common Areas. Following the initial 3 year period of the Initial Term the Company will be responsible for a portion of the Depot utility charges in addition to the Homestead utilities. To determine the portion of Depot utilities to be reimbursed to the City, the amount of monthly bills for electric, gas, sewer and water and trash service for the entire Depot will be totaled and a utility charge equal to 37% of such total charges shall be reimbursed to the City by the Company;

(c) Following the initial 3 year period of the Initial Term, upon the payment by the City of the total monthly Depot utility bills, the City shall provide to the Company a statement reflecting the amount of such total payments and the amount of reimbursement due to the City pursuant to the above computations. The reimbursement payment from the Company will be due within 15 calendar days of receipt of the reimbursement statement. The Company will pay the Homestead utility bill directly to the service provider.

(d) Beginning June 1, 2017 and annually thereafter, the City and Company shall evaluate the financial status of the Company to determine a reasonable rental payment to be made by the Company, if any, in addition to the utility reimbursement and dollar facility charge.

17. Non-Assignment: Neither this Agreement nor the lease of the facilities and of equipment provided for herein may be assigned by the Company to any other person or entity except with the prior written approval of the City. Nor may the company sublease or rent to any other entity the Company's right to occupy any of the leased premises or rights therein without the prior written approval of the City. The City may, however, assign, transfer, convey or otherwise divest itself of ownership or control of the facilities or any portion thereof to another entity without the approval or consent of the Company.

18. Non-Waiver: The failure of either party to take action to enforce the provisions of this Agreement shall not constitute a waiver of any legal right of said party to bring such action at any later time within the appropriation statute of limitations.
19. Right of Future Tenants: The parties understand that it is the intent of the City to rent portions of the Depot not encumbered by this Agreement and the leases provided for herein to other tenants and occupants. Such future tenants and occupants shall have shared access to the Common Areas as described in this Agreement.
20. Laws of State of Kansas: This Agreement shall be governed and interpreted under the laws of the state of Kansas.
21. Agreement Subject to Annual City Budget Appropriations: The Parties agree and understand that the City's obligation to provide utility and other services for the Complex during the Term of this Agreement is contingent upon the availability of funds budgeted and appropriated for that purpose during the City's current budget year, or funds made available from any lawfully operated revenue producing source.
22. This Agreement shall be binding on the Parties hereto, and their respective successors and assigns.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the dates reflected below.

The "City"

The "Company"

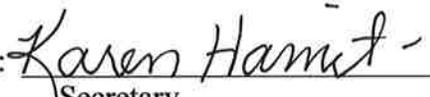
City of Dodge City, Kansas
a municipal corporation

Depot Theater Company, Inc.

by _____
Brian Delzeit, Mayor

by  _____
President

Attest: _____
Nannette Pogue, City Clerk

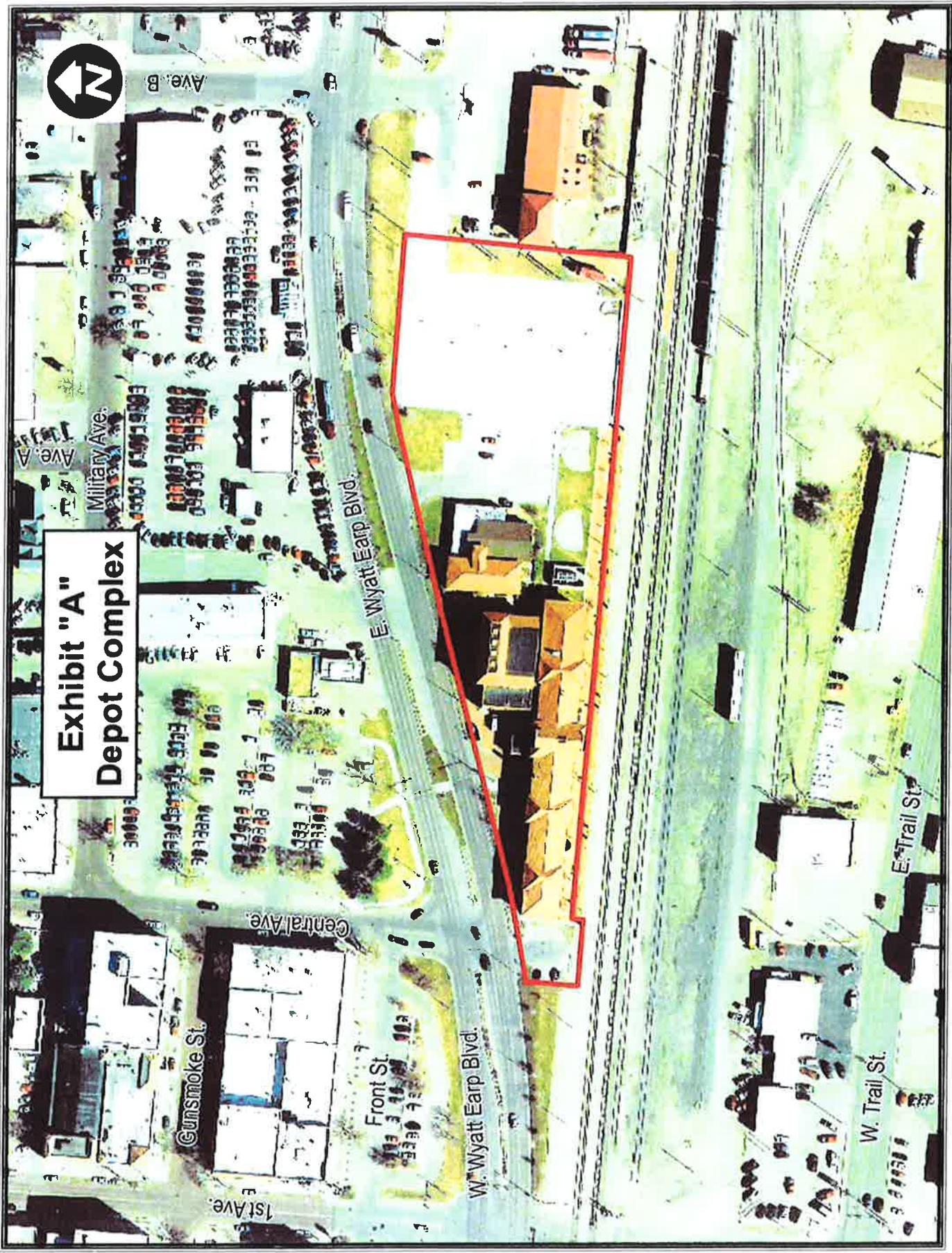
Attest:  _____
Secretary

Dated _____

Dated 12-29-2014



**Exhibit "A"
Depot Complex**



Ave. B

Military Ave.

Ave. A

E. Wyatt Earp Blvd.

Central Ave.

Gunsmoke St.

Front St.

W. Wyatt Earp Blvd.

W. Trail St.

E. Trail St.

Exhibit B
Depot



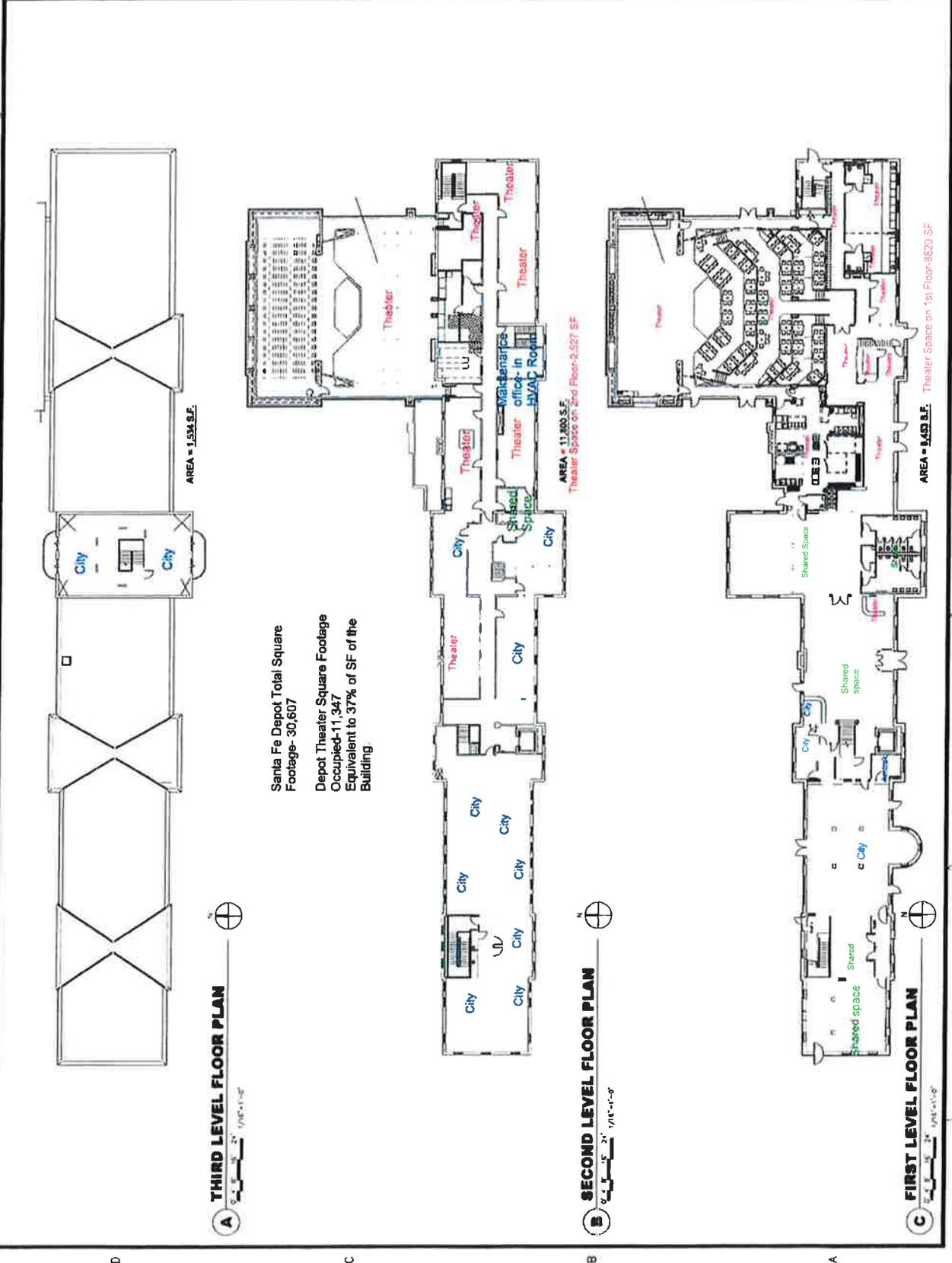
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2013-000000-00
SANTA FE DEPOT
BUILDING IMPROVEMENTS
DODGE CITY, KANSAS

Rev	Date	By	Check

SANTA FE DEPOT
FLOOR PLANS
A-101

Job No: BLS-110
Date: 07/16/12
Drawn: JPC
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A THIRD LEVEL FLOOR PLAN
Scale: 1/8" = 1'-0"

Santa Fe Depot Total Square Footage-30,607
Depot Theater Square Footage Occupied-11,347
Equivalent to 37% of SF of the Building.

B SECOND LEVEL FLOOR PLAN
Scale: 1/8" = 1'-0"

C FIRST LEVEL FLOOR PLAN
Scale: 1/8" = 1'-0"

1 2 3 4

D

C

B

A

Book Asset Detail 7/01/14 - 6/30/15

FYE: 6/30/2015

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Transfer to City

Asset #	d t	Property Description	Date In Service	Book Cost	Book Sec 179 Exp c	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Group: 1702 - PRODUCTION EQUIP (continued)												
1060		Digital camera	6/29/00	534.49	0.00	0.00	534.49	0.00	534.49	0.00	S/L	7.0
1065		Upright bass	9/11/00	1,069.00	0.00	0.00	1,069.00	0.00	1,069.00	0.00	S/L	10.0
1074		Keyboard and cable	7/30/01	1,861.76	0.00	0.00	1,861.76	0.00	1,861.76	0.00	S/L	7.0
1076		2 wireless mics	7/03/01	1,821.60	0.00	0.00	1,821.60	0.00	1,821.60	0.00	S/L	7.0
1079		Keyboard	4/12/03	717.84	0.00	0.00	717.84	0.00	717.84	0.00	S/L	7.0
1080		2 headsets	4/14/03	1,047.06	0.00	0.00	1,047.06	0.00	1,047.06	0.00	S/L	7.0
1081		2 speakers	1/16/03	1,264.55	0.00	0.00	1,264.55	0.00	1,264.55	0.00	S/L	7.0
1139		Theatrical lighting & control system	6/19/04	172,095.00	0.00	0.00	86,047.50	8,604.75	94,652.25	77,442.75	S/L	20.0
1140		Counterweight fly system	6/19/04	25,530.00	0.00	0.00	12,765.00	1,276.50	14,041.50	11,488.50	S/L	20.0
1141		Draperies & drapery track for theatre	6/30/04	17,315.00	0.00	0.00	8,657.50	865.75	9,523.25	7,791.75	S/L	20.0
1142		Sound system for theater	6/01/04	132,110.00	0.00	0.00	66,605.46	6,605.50	73,210.96	58,899.04	S/L	20.0
1159		Monitors for new lighting system	6/10/04	1,072.98	0.00	0.00	1,072.98	0.00	1,072.98	0.00	S/L	10.0
1161		Video equipment	6/30/04	8,898.00	0.00	0.00	8,898.00	0.00	8,898.00	0.00	S/L	10.0
1165		Computer equipment	7/31/04	3,606.47	0.00	0.00	3,606.47	0.00	3,606.47	0.00	S/L	5.0
1166		Strobe	7/14/04	622.00	0.00	0.00	622.00	0.00	622.00	0.00	S/L	10.0
1168		Hazer & DM	7/14/04	1,190.00	0.00	0.00	1,190.00	0.00	1,190.00	0.00	S/L	10.0
1169		Twister II fan	7/14/04	1,060.00	0.00	0.00	1,060.00	0.00	1,060.00	0.00	S/L	10.0
1170		4 air casters	9/16/04	639.20	0.00	0.00	623.22	15.98	639.20	0.00	S/L	10.0
1171		Sound system (addl cost)	7/01/04	29,051.10	0.00	0.00	29,051.10	0.00	29,051.10	0.00	S/L	10.0
1177		6 color changers	5/27/05	3,554.86	0.00	0.00	3,229.03	325.83	3,554.86	0.00	S/L	10.0
1181		Gobo rotator	6/01/05	710.08	0.00	0.00	645.01	65.07	710.08	0.00	S/L	10.0
1186		Fly rigging light equipment	5/29/07	1,935.00	0.00	0.00	1,370.63	193.50	1,564.13	370.87	S/L	10.0
1189		Keyboard	2/11/09	1,970.09	0.00	0.00	1,524.47	281.44	1,805.91	164.18	S/L	7.0
1193		Homesite sound system upgrade	11/04/10	1,397.79	0.00	0.00	512.53	139.78	652.31	745.48	S/L	10.0
		Set panels	5/04/11	3,996.18	0.00	0.00	1,265.46	399.62	1,665.08	2,331.10	S/L	10.0
		1702 - PRODUCTION EQUIP		450,723.60	0.00c	0.00	272,716.21	18,773.72	291,489.93	159,233.67		
		*Less: Dispositions and Transfers		50.00	0.00	0.00	50.00	0.00	50.00	0.00		
		Net 1702 - PRODUCTION EQUIP		450,673.60	0.00c	0.00	272,666.21	18,773.72	291,439.93	159,233.67		
Group: 1703 - KITCHEN EQUIPMENT												
1012		Silverware (1987)	9/30/94	700.00	0.00	0.00	700.00	0.00	700.00	0.00	S/L	7.0
1039		Sinks	10/02/96	1,766.84	0.00	0.00	1,766.84	0.00	1,766.84	0.00	S/L	10.0
1040		Roasters	10/05/96	426.27	0.00	0.00	426.27	0.00	426.27	0.00	S/L	5.0
1041		Kitchen Small Goods	10/28/96	3,260.07	0.00	0.00	3,260.07	0.00	3,260.07	0.00	S/L	5.0
1042		Tables for Dining Room	11/11/96	1,922.32	0.00	0.00	1,922.32	0.00	1,922.32	0.00	S/L	10.0
1043		2 Refrigerators/Freezer	4/22/97	1,817.31	0.00	0.00	1,817.31	0.00	1,817.31	0.00	S/L	10.0
1044		Water Softener/Grease Trap	5/06/97	1,693.93	0.00	0.00	1,693.93	0.00	1,693.93	0.00	S/L	10.0
1045		2 6' Tables for Kitchen	6/02/97	176.96	0.00	0.00	176.96	0.00	176.96	0.00	S/L	10.0
1052		Water softener	5/03/98	2,081.34	0.00	0.00	2,081.34	0.00	2,081.34	0.00	S/L	10.0
1083		Eagle stem caster cart	6/01/04	282.15	0.00	0.00	282.15	0.00	282.15	0.00	S/L	10.0
1084		Advance 3 compartment sink	6/01/04	2,429.99	0.00	0.00	2,429.99	0.00	2,429.99	0.00	S/L	10.0
1085		Advance wall mounted shelf w/pot 1	6/01/04	278.87	0.00	0.00	278.87	0.00	278.87	0.00	S/L	10.0
1086		Eagle shelving - zinc finish	6/01/04	853.01	0.00	0.00	853.01	0.00	853.01	0.00	S/L	10.0
1087		Koipack walk-in cooler/freezer	6/01/04	14,050.60	0.00	0.00	14,050.60	0.00	14,050.60	0.00	S/L	10.0
1088		Eagle walk-in shelving - pewter gra	6/01/04	909.88	0.00	0.00	909.88	0.00	909.88	0.00	S/L	10.0
1089		Eagle walk-in shelving	6/01/04	752.38	0.00	0.00	752.38	0.00	752.38	0.00	S/L	10.0
1090		Metro dish cart	6/01/04	1,224.83	0.00	0.00	1,224.83	0.00	1,224.83	0.00	S/L	10.0

Transfer to City

Asset #	Property Description	Date In Service	Book Cost	Book Sec 179 Exp	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Group: 1703 - KITCHEN EQUIPMENT (continued)											
1091	2 Metro rack dollies	6/01/04	229.66	0.00	0.00	229.66	0.00	229.66	0.00	S/L	10.0
1092	Kemlee clean dish table	6/01/04	871.60	0.00	0.00	871.60	0.00	871.60	0.00	S/L	10.0
1093	Hatco booster heater, electric	6/01/04	1,100.16	0.00	0.00	1,100.16	0.00	1,100.16	0.00	S/L	10.0
1094	Hobart dishwasher	6/01/04	7,135.76	0.00	0.00	7,135.76	0.00	7,135.76	0.00	S/L	10.0
1095	Salvajor disposer	6/01/04	1,367.00	0.00	0.00	1,367.00	0.00	1,367.00	0.00	S/L	10.0
1096	Kemlee soiled dish table	6/01/04	2,870.71	0.00	0.00	2,870.71	0.00	2,870.71	0.00	S/L	10.0
1097	Advance work table	6/01/04	410.10	0.00	0.00	410.10	0.00	410.10	0.00	S/L	10.0
1098	Globe food slicer	6/01/04	2,810.56	0.00	0.00	2,810.56	0.00	2,810.56	0.00	S/L	10.0
1099	Advance work table w/drawer & sin	6/01/04	1,574.79	0.00	0.00	1,574.79	0.00	1,574.79	0.00	S/L	10.0
1100	Metro heater/proofer	6/01/04	1,908.34	0.00	0.00	1,908.34	0.00	1,908.34	0.00	S/L	10.0
1101	Hobart food mixer	6/01/04	6,672.07	0.00	0.00	6,672.07	0.00	6,672.07	0.00	S/L	10.0
1102	Cambro 32 gal ingredient bin	6/01/04	452.75	0.00	0.00	452.75	0.00	452.75	0.00	S/L	10.0
1103	Advance prep table, bakers top	6/01/04	1,066.26	0.00	0.00	1,066.26	0.00	1,066.26	0.00	S/L	10.0
1104	Metro RD3N pan rack	6/01/04	776.46	0.00	0.00	776.46	0.00	776.46	0.00	S/L	10.0
1105	Garland convection oven, gas	6/01/04	8,193.27	0.00	0.00	8,193.27	0.00	8,193.27	0.00	S/L	10.0
1106	Garland 36" gas range model S286	6/01/04	3,202.07	0.00	0.00	3,202.07	0.00	3,202.07	0.00	S/L	10.0
1107	Garland convection oven, gas mode	6/01/04	9,828.21	0.00	0.00	9,828.21	0.00	9,828.21	0.00	S/L	10.0
1108	Cleveland electric kettle	6/01/04	5,183.68	0.00	0.00	5,183.68	0.00	5,183.68	0.00	S/L	10.0
1109	Garland gas deck-type broiler	6/01/04	9,891.64	0.00	0.00	9,891.64	0.00	9,891.64	0.00	S/L	10.0
1110	Cleveland electric tilting skillet	6/01/04	9,278.12	0.00	0.00	9,278.12	0.00	9,278.12	0.00	S/L	10.0
1111	True refrigerator, reach-in model T-	6/01/04	1,803.35	0.00	0.00	1,803.35	0.00	1,803.35	0.00	S/L	10.0
1112	Eagle hot food serving counter	6/01/04	1,738.83	0.00	0.00	1,738.83	0.00	1,738.83	0.00	S/L	10.0
1113	Panasonic microwave oven model N	6/01/04	1,066.26	0.00	0.00	1,066.26	0.00	1,066.26	0.00	S/L	10.0
1114	Advance microwave shelf	6/01/04	300.74	0.00	0.00	300.74	0.00	300.74	0.00	S/L	10.0
1115	Advance work table 24" wide	6/01/04	306.21	0.00	0.00	306.21	0.00	306.21	0.00	S/L	10.0
1116	Eagle serving counter - 79"	6/01/04	819.11	0.00	0.00	819.11	0.00	819.11	0.00	S/L	10.0
1117	True reach-in refrigerator model T-2	6/01/04	2,362.18	0.00	0.00	2,362.18	0.00	2,362.18	0.00	S/L	10.0
1118	Kemlee work table - 30" x 60"	6/01/04	2,099.72	0.00	0.00	2,099.72	0.00	2,099.72	0.00	S/L	10.0
1119	Kemlee work table - 24" x 60"	6/01/04	1,678.68	0.00	0.00	1,678.68	0.00	1,678.68	0.00	S/L	10.0
1125	Theater linens	6/01/04	1,942.58	0.00	0.00	1,942.58	0.00	1,942.58	0.00	S/L	10.0
1126	Banquet linens	6/01/04	5,118.15	0.00	0.00	5,118.15	0.00	5,118.15	0.00	S/L	10.0
1144	Racks, silverware	6/10/04	1,451.22	0.00	0.00	1,451.22	0.00	1,451.22	0.00	S/L	10.0
1145	K Class fire extinguisher	6/30/04	160.95	0.00	0.00	160.95	0.00	160.95	0.00	S/L	10.0
1146	Coffee carafes, sugar disp, etc.	6/30/04	2,216.51	0.00	0.00	2,216.51	0.00	2,216.51	0.00	S/L	10.0
1154	Ice machine	6/04/04	2,734.00	0.00	0.00	2,734.00	0.00	2,734.00	0.00	S/L	10.0
1155	Grease trap	10/02/03	4,268.39	0.00	0.00	4,268.39	0.00	4,268.39	0.00	S/L	10.0
1160	Theater linens	7/15/04	979.02	0.00	0.00	979.02	0.00	979.02	0.00	S/L	10.0
1163	Dispensers, etc.	9/01/04	1,975.87	0.00	0.00	1,975.87	32.90	1,975.87	0.00	S/L	10.0
1172	Silverware	7/31/04	872.13	0.00	0.00	864.84	7.29	872.13	0.00	S/L	10.0
1195	100 gallon hot water heater	9/10/13	5,676.92	0.00	0.00	473.08	567.69	1,040.77	4,636.15	S/L	10.0
1205	100 gallon hot water heater	7/23/14	6,500.00	0.00c	0.00	0.00	595.83	595.83	5,904.17	S/L	10.0
			155,520.78	0.00c	0.00	143,776.75	1,203.71	144,980.46	10,540.32		
Group: 1706 - MAINTENANCE EQUIP											
1162	Smoking stations	7/31/04	820.85	0.00	0.00	814.05	6.80	820.85	0.00	S/L	10.0
1187	Carpet extractor	9/24/08	2,802.81	0.00	0.00	2,302.30	400.40	2,702.70	100.11	S/L	7.0

★ = Transfer to City

Asset #	Property Description	Date In Service	Book Cost	Book Sec 179 Exp c	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Group: 1706 - MAINTENANCE EQUIP (continued)											
1706 - MAINTENANCE EQUIP											
1001	Tools (1987)	9/30/94	200.00	0.00	0.00	200.00	0.00	200.00	0.00	S/L	7.0
1002	Chairs (1987)	9/30/94	2,000.00	0.00	0.00	2,000.00	0.00	2,000.00	0.00	S/L	7.0
1004	Ladders and Tools (1987)	9/30/94	400.00	0.00	0.00	400.00	0.00	400.00	0.00	S/L	7.0
1009	Tools (1987)	9/30/94	100.00	0.00	0.00	100.00	0.00	100.00	0.00	S/L	7.0
1016	Vacuum (1987)	9/30/94	50.00	0.00	0.00	50.00	0.00	50.00	0.00	S/L	7.0
1021	Table Saw (1989)	9/30/94	250.00	0.00	0.00	250.00	0.00	250.00	0.00	S/L	7.0
1026	Radial Arm Saw (1990)	9/30/94	400.00	0.00	0.00	400.00	0.00	400.00	0.00	S/L	7.0
1033	Tables (1991)	9/30/94	450.00	0.00	0.00	450.00	0.00	450.00	0.00	S/L	7.0
1034	Shop Tools (1993)	9/30/94	1,500.00	0.00	0.00	1,500.00	0.00	1,500.00	0.00	S/L	7.0
1057	Mower, weed eater	5/04/98	338.12	0.00	0.00	338.12	0.00	338.12	0.00	S/L	7.0
1058	Sofa and chair	1/01/98	1,940.00	0.00	0.00	1,940.00	0.00	1,940.00	0.00	S/L	10.0
1067	Motor cars	11/28/00	3,300.00	0.00	0.00	1,815.00	165.00	1,980.00	1,320.00	S/L	20.0
1068	Caboose	11/30/00	10,262.40	0.00	0.00	5,644.32	513.12	6,157.44	4,104.96	S/L	20.0
1072	Mission tables	9/18/01	328.47	0.00	0.00	328.47	0.00	328.47	0.00	S/L	7.0
1082	Front street piano	9/10/01	500.00	0.00	0.00	500.00	0.00	500.00	0.00	S/L	10.0
1120	Bench	9/12/02	107.52	0.00	0.00	107.52	0.00	107.52	0.00	S/L	7.0
1121	170 theater chairs	6/01/04	44,030.00	0.00	0.00	44,030.00	0.00	44,030.00	0.00	S/L	10.0
1122	150 banquet chairs - emerald	6/01/04	7,377.47	0.00	0.00	7,377.47	0.00	7,377.47	0.00	S/L	10.0
1123	20 stacking chair dollies	6/01/04	989.93	0.00	0.00	989.93	0.00	989.93	0.00	S/L	10.0
1124	Banquet tables	6/01/04	9,812.43	0.00	0.00	9,812.43	0.00	9,812.43	0.00	S/L	10.0
1127	Tables in theater	6/01/04	2,833.58	0.00	0.00	2,833.58	0.00	2,833.58	0.00	S/L	10.0
1128	JLG/DVL 20 driveable personnel li	6/01/04	10,308.29	0.00	0.00	10,308.29	0.00	10,308.29	0.00	S/L	10.0
1129	24 counter stools - dressing rooms	6/01/04	3,787.04	0.00	0.00	3,787.04	0.00	3,787.04	0.00	S/L	10.0
1147	Security system	6/15/04	3,856.76	0.00	0.00	3,856.76	0.00	3,856.76	0.00	S/L	10.0
1148	Caboose refurbishment	10/22/03	11,250.00	0.00	0.00	11,250.00	0.00	11,250.00	0.00	S/L	10.0
1149	Dehumidifiers	10/02/03	1,256.82	0.00	0.00	1,256.82	0.00	1,256.82	0.00	S/L	10.0
1150	Machine & pin pad	6/22/04	1,011.55	0.00	0.00	1,011.55	0.00	1,011.55	0.00	S/L	10.0
1164	Misc small furnishings for depot	1/01/04	3,627.80	0.00	0.00	3,627.80	0.00	3,627.80	0.00	S/L	10.0
1173	Picture rail	9/01/04	664.86	0.00	0.00	664.86	11.04	664.86	0.00	S/L	10.0
1174	Depot furnishings	7/19/04	21,710.97	0.00	0.00	21,710.97	180.90	21,710.97	0.00	S/L	10.0
1175	Wood blinds	8/30/04	2,200.00	0.00	0.00	2,163.33	36.67	2,200.00	0.00	S/L	10.0
1175	Roller shades	11/02/04	3,144.00	0.00	0.00	3,039.20	104.80	3,144.00	0.00	S/L	10.0
1707 - OTHER FURN & EQUIP									5,424.96		
*Less: Dispositions and Transfers									0.00		
Net 1707 - OTHER FURN & EQUIP									5,424.96		
Group: 1750 - DEPOT BUILDING											
1157	Depot building	6/01/04	6,791,030.08	0.00	0.00	1,711,905.48	169,775.75	1,881,681.23	4,909,348.85	S/L	40.0
1158	Theater finish out	6/19/04	721,872.45	0.00	0.00	180,468.10	18,046.81	198,514.91	523,357.54	S/L	40.0
1190	Depot Theater sign	11/24/10	9,340.24	0.00	0.00	3,346.91	934.02	4,280.93	5,059.31	S/L	10.0
1191	Santa Fe sign	12/23/10	3,848.24	0.00	0.00	1,346.87	384.82	1,731.69	2,116.55	S/L	10.0
1192	Bird spikes	5/01/11	1,433.04	0.00	0.00	453.78	143.30	597.08	835.96	S/L	10.0

Transfer to City

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Group: 1750 - DEPOT BUILDING (continued)											
1196	Harvey hotel room improvements	6/07/14	5,829.83	0.00	0.00	32.39	388.66	421.05	5,408.78	S/L	15.0
	1750 - DEPOT BUILDING		7,533,353.88	0.00c	0.00	1,897,553.53	189,673.36	2,087,226.89	5,446,126.99		
Group: 1757 - HARVEY HOUSE DORM											
1046	Kitchen Remodel and Plumbing	5/06/97	5,966.39	0.00	0.00	5,966.39	0.00	5,966.39	0.00	S/L	10.0
1047	Carpet/Mens Room and Hall	10/19/96	436.82	0.00	0.00	436.82	0.00	436.82	0.00	S/L	5.0
1054	Heating and cooling system	12/09/97	12,421.77	0.00	0.00	12,421.77	0.00	12,421.77	0.00	S/L	10.0
1062	Mens urinal in Harvey House resto	3/30/00	1,156.00	0.00	0.00	1,156.00	0.00	1,156.00	0.00	S/L	10.0
1063	Pitcher filler at wait station	3/30/00	718.00	0.00	0.00	718.00	0.00	718.00	0.00	S/L	10.0
1152	Harvey House dorm building	7/01/03	552,684.03	0.00	0.00	151,988.10	13,817.10	165,805.20	386,878.83	S/L	40.0
1178	A/C unit for Homestead	7/08/05	3,602.13	0.00	0.00	3,241.89	360.24	3,602.13	0.00	S/L	10.0
	1757 - HARVEY HOUSE DORM		576,985.14	0.00c	0.00	175,928.97	14,177.34	190,106.31	386,878.83		
Group: 1759 - PARK LOT & LANDSCA											
1130	Storm sewer and drain line	10/31/03	56,504.65	0.00	0.00	30,135.79	2,825.23	32,961.02	23,543.63	S/L	20.0
1131	12' retaining wall	10/31/03	37,667.50	0.00	0.00	20,089.38	1,883.38	21,972.76	15,694.74	S/L	20.0
1132	Brick pavement and underlay	10/31/03	188,136.15	0.00	0.00	100,339.31	9,406.81	109,746.12	78,390.03	S/L	20.0
1133	Ornamental fence	10/31/03	29,700.00	0.00	0.00	15,840.00	1,485.00	17,325.00	12,375.00	S/L	20.0
1134	Sundials	10/31/03	32,100.00	0.00	0.00	17,120.00	1,605.00	18,725.00	13,375.00	S/L	20.0
1135	Outside lighting	10/31/03	91,000.00	0.00	0.00	48,533.33	4,550.00	53,083.33	37,916.67	S/L	20.0
1136	Benches & receptacles	10/31/03	10,200.00	0.00	0.00	10,200.00	0.00	10,200.00	0.00	S/L	10.0
1137	Railroad tracks for caboose	10/31/03	11,550.00	0.00	0.00	6,160.00	577.50	6,737.50	4,812.50	S/L	20.0
1138	Parking lot, landscaping, irrigation, Theater and Lobby entrance signs	10/31/03	566,591.70	0.00	0.00	302,182.29	28,329.59	330,511.88	236,079.82	S/L	20.0
1176	Theater and Lobby entrance signs	6/08/06	6,177.50	0.00	0.00	4,993.48	617.75	5,611.23	566.27	S/L	10.0
1197	Fred Harvey medalion	1/16/14	2,000.00	0.00	0.00	55.56	133.33	188.89	1,811.11	S/L	15.0
	1759 - PARK LOT & LANDSCA		1,031,627.50	0.00c	0.00	555,649.14	51,413.59	607,062.73	424,564.77		
Group: 1780 - LAND											
1151	Harvey House dormitory land	8/31/97	43,500.00	0.00	0.00	0.00	0.00	0.00	43,500.00	Land	99.0
1156	Depot land	7/01/96	218,000.00	0.00	0.00	0.00	0.00	0.00	218,000.00	Land	99.0
	1780 - LAND		261,500.00	0.00c	0.00	0.00	0.00	0.00	261,500.00		
	Grand Total		10,204,919.16	0.00c	0.00	3,228,737.39	277,690.77	3,506,428.16	6,698,491.00		
	Less: Dispositions and Transfers		7,049.99	0.00	0.00	7,049.99	0.00	7,049.99	0.00		
	Net Grand Total		10,197,869.17	0.00c	0.00	3,221,687.40	277,690.77	3,499,378.17	6,698,491.00		

Memorandum

*To: City Manager
City Commissioners*

*From: Leslie Lomas
Housing & Neighborhood
Development Coordinator*

Date: 12-29-14

Subject: MIH Grant Agreement

Agenda Item: New Business

Recommendation: Staff recommends the approval of the Moderate Income Housing Program Grant Agreement.

Background: The State of Kansas Housing Resource Corporation issued an RFP in May to assist municipalities and non-profits with funding programs which developed housing for moderate income owners and renters. The City submitted an application for the Abandoned Housing Program in Dodge City. Our application was approved by KHRC for Seventy-Five Thousand Dollars (\$75,000). The funds will be used to continue to with the Abandoned Housing Program through utilization of donated homes or homes acquired through the abandoned housing statute. The City has partnered in the program for the past two (2) years with budgeting fifty thousand dollars (\$50,000) in the 2013 and 2014 Capital Improvement Program, and has agree to do the same in 2015.

Justification: Abandoned homes tend to devalue a neighborhood over time and generally results in lost assessed valuation in the property. The Abandoned Housing Program has been successful and continues to grow and take properties and turn them into quality living and stabilize neighborhoods.

Financial Considerations: The City committed Fifty Thousand Dollars (\$50,000) of the 2015 Capital Improvement Funds which were budgeted and approved for this program in order to match the Seventy-Five Thousand Dollars (\$75,000) grant.

Purpose/Mission: Together, we value progress, growth & new possibilities by providing and preparing for the community's future.

Legal Considerations: None

Attachments: Grant Agreement

GRANT AGREEMENT

THIS GRANT AGREEMENT (“**Agreement**”) is made by and between the City of Dodge City, Kansas, (“**Grantee**”), P.O. Box 880, Dodge City, Kansas 67801 and Kansas Housing Resources Corporation, 611 South Kansas Avenue, Suite 300, Topeka, Kansas 66603 (“**KHRC**”) this 9th day of December, 2014.

WHEREAS, KHRC is a public corporation that administers Federal and State housing programs, as well as the State Housing Trust Fund (“**SHTF**”) which is used for funding housing programs and services.

WHEREAS, the Kansas Legislature passed and the Governor signed Senate Substitute for Substitute for HOUSE BILL No. 2231 (“**Bill**”) which provided \$2 million for the State Housing Trust Fund (“**SHTF**”) to be used for the purpose of loans or grants to cities or counties for infrastructure or housing development in rural areas (“**Eligible Activities**”).

WHEREAS, utilizing the funds provided under the Bill, KHRC issued a Kansas Moderate Income Housing (“**MIH**”) Request for Proposal (“**RFP**”) on May 27, 2014.

WHEREAS, Grantee requested MIH funds for proposed eligible activities by an application dated September 5, 2014 which is hereby incorporated by reference herein (“**Application**”), and which commitments and representations contained therein expressly remain a continuing obligation and responsibility of Grantee;

WHEREAS, KHRC’s Loans and Grants Committee approved a grant totaling \$75,000 for Grantee’s proposed eligible activities at its November 5, 2014 meeting;

NOW THEREFORE, the parties do mutually agree as follows:

1. **Grant Funds**. KHRC hereby grants Grantee up to \$75,000 (“**Funds**”) for Eligible Activities.
2. **Use of Grant Funds**. Grantee shall use the MIH Funds solely on the Eligible Activities proposed in Grantee’s Application and approved by KHRC, and in accordance with the following allocation:
 - a. Rehabilitate up to eight existing single family homes, of which up to three houses will be funded with the MIH grant and then sold with the proceeds being used in a revolving fund to rehabilitate additional homes.
 - b. Construction of this development shall begin by April 1, 2015 and be completed no later than December 31, 2015 unless a change is approved by KHRC.

3. **Leverage Commitment.** In addition to the Funds provided by KHRC, Grantee shall provide leveraged funds in accordance with its representations in its Application towards the costs of the Eligible Activities.
4. **Disbursement of Grant Funds.** Grantee commits to use its usual procurement processes for bidding out each portion of the approved Eligible Activities. As development costs are incurred, Grantee may make a lump sum or partial payment request from KHRC, providing documentation of such costs, as well as evidence that the leverage commitment in Grantee's Application is being used in the funded Eligible Activities. Requests for payment shall be accompanied by supporting documentation and made to the attention of Fred Bentley or James R. Behan, who may be reached as follows:

Fred Bentley, Director of Rental Development
E-mail: fbentley@kshousingcorp.org
Phone: 785-217-2029

James R. Behan, Director of Operations
E-mail: jrbehan@kshousingcorp.org
Phone: 785-217-2009

KHRC reserves the right to request additional documentation prior to disbursement of MIH Funds.

5. **Compliance with Regulations.** Grantee shall ensure compliance with all MIH rules and restrictions, as stated in the Bill and the MIH RFP, as well as other governing laws, **including the accessibility requirements of KSA 58-1401 et seq., unless the houses were constructed prior to July 1, 2002** and the 2006 International Energy Conservation Code or Energy Star Program. If Grantee is using the Funds for single family housing development or assistance, Grantee shall also enact and monitor a recapture provision as explained in the RFP. Prior to making any modifications to the approved Eligible Activities from Grantee's funding Application, Grantee commits to obtain written approval from KHRC.
6. **Program Income.** Grantee commits to use any income derived from or generated by the approved Eligible Activities, regardless of when the income is received, solely for housing purposes in accordance with the RFP.
7. **Reporting.** Beginning with the first business day of the month following the award being made to an applicant and each month thereafter, the awardee shall submit in writing monthly status reports to KHRC until the entire project is completed and all funds have been expended. The status report should detail the use of funds to date, along with a self-assessment comparing that use with the recipient's proposed use from its original application to KHRC. The status report should include an evaluation of the housing activities to date as well as the status of construction and the nature and reasons for any changes in the

activities. A monthly status report should be filed even if there has been no progress or activity from the previous month.

When the project has been completed and all funds have been expended, awardees shall provide KHRC a final accounting of funds verified by an independent auditor, including the use of any income generated from the housing activities within 60 days of project completion.

8. **Compliance Monitoring**. When MIH funds are used in the development of rental housing, either directly or indirectly, it shall be required that tenants be initially qualified with gross incomes within the established MIH ranges as outlined in the RFP. Generally, the housing tax credit qualification procedures will be used to certify tenants and verify incomes but will use the higher MIH ranges. Tenants need not be recertified once they are initially qualified. This process will be used for the first five years following project completion whenever a new tenant enters the property. At the end of the fifth year, there shall be no further qualification procedures.

When MIH funding is used for home ownership opportunities, either directly or indirectly, an initial certification using the housing tax credit procedures will be required when the home is purchased. There will be no certification required for subsequent purchasers of the home when the first purchaser was qualified under the MIH guidelines. However, KHRC will require that the city or county receiving funding for homeownership purposes shall record a deed restriction on the property limiting the profit that can be achieved whenever such home is sold within a five year period of its initial occupancy. The restriction shall require a declining refund of any profit payable to the city or county in increments of 20 percent annually. If a home is sold within one year of its initial occupancy, 100 percent of the profit earned from such sale shall be paid to the city or county. This percentage shall decline 20 percent each year so that in the fifth year, if the home is sold, 20 percent of the profit shall be returned to the city or county. At the end of the fifth year of occupancy, the deed restriction shall be lifted and there shall be no restriction on the profit achieved by the sale of the home.

9. **Noncompliance**. Noncompliance with the MIH RFP, this Agreement, or other reasonable requirements of KHRC, shall result in penalties including but not limited to recapture of Funds and/or loss of eligibility for future funds.
10. **Rescission/Unavailability of Funds**. Grantee understands that the MIH RFP and Grantee's award is funded in whole or in part by State of Kansas funds provided through the Bill. In the event the State funds supporting this Agreement become unavailable, are reduced, or rescinded, KHRC may terminate or amend this Agreement without penalty and will not be obligated to pay the Grantee from any other sources, including KHRC, SHTF, or State of Kansas monies.

11. **Miscellaneous.** The descriptive headings of this Agreement are for convenience only and shall not be deemed to affect the meaning of any provision. This Agreement may be modified only by the mutual written agreement of the parties. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable to any extent, the remainder of this Agreement shall not be affected and each provision of this Agreement shall be enforced to the fullest extent permitted by law. The failure of KHRC to exercise any of its rights or responsibilities under the Bill or this Agreement shall not constitute a waiver of the right to exercise the same or any other option at any subsequent time in respect to the same or any other event. This Agreement constitutes the entire agreement of the parties and supersedes all other prior written or oral contracts between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by their duly authorized official or officers on the date first indicated.

GRANTEE: CITY OF DODGE CITY

By: _____

Date: _____

KANSAS HOUSING RESOURCES CORPORATION

By: _____
DENNIS L. MESA, EXECUTIVE DIRECTOR

Date: _____