

AGENDA
JOINT CITY/COUNTY MEETING
Learning Center, 308 W. Frontview
Monday, October 22, 2018
Following Joint City/County/USD #443/DCCC Meeting that begins at 5:30
MEETING #

CALL TO ORDER

ROLL CALL

**City Resolution No 2018-17
County Resolution No. 2018-23**

A Resolution approving the Tax Distribution Agreement among the City of Dodge City, Kansas; Ford County, Kansas; Treasurer of the State of Kansas; and Security Bank of Kansas City (as Trustee and as Escrow Agent); and approving the First Amendment to Agreement Between the City of Dodge City, Kansas and Ford County, Kansas

Approval of the 2019 Sales Tax Projects Fund Budget

Discussion and Approval of Shared Road Agreement

Other Information

Venuworks Business Plan

Progress Reports for 2017 CFAB Organizational Funding Grantees

ADJOURNMENT

Memorandum

*To: County Commissioners
City Commissioners*
*From: JD Gilbert, County Administrator
Cherise Tieben, City Manager*
Date: October 16, 2018
*Subject: STAR Bond Project – Tax
Distribution Agreement & First
Amendment to the Pledge Agreement*
*Agenda Item: County Resolution 2018-23
City Resolution 2018-17*

Recommendation: Staff recommends approval of joint County Resolution 2018-23 and the City Resolution 2018-17, which includes the approval of the STAR Bond Tax Distribution Agreement & the First Amendment to the Pledge Agreement.

Background: As you may recall, on October 2, 2017 the City and County approved the STAR Bond Pledge Agreement. Through this document the County agreed to participate in the Power Center STAR Bond project by committing their share of the sales tax from the Power Center area and the County's share of the incremental property tax from this same area. The City is doing the same.

We are moving rapidly forward on this project and expect to issue the STAR Bonds on December 4, 2018. In order to accomplish this task, we must approve the joint Resolution which includes:

- a. The First Amendment to the original Pledge Agreement is necessary due to the map being changed when the Power Center Area was reduced and for transparency purposes. By amending the map, it does mean that the County's incremental property tax would be captured from a development that may occur on the southeast corner of 14th Ave. and Soule, which was not anticipated when we approved the original pledge agreement. There is no financial implication to the County as the amount the County would contribute is capped at \$760,860.00. So very simply, by incorporating this property, the County should reach the cap faster. I also believe that the County will not reach their individual cap since both entities are committing their full property tax increment from this area and the City's mill levy is currently higher. However, without knowing what the future

holds for the mill levy it is difficult to provide an exact number, hence the cap was incorporated in the original agreement.

- b. The Tax Distribution Agreement document basically reiterates to the State of Kansas and the STAR Bond buyers that both the City and County sales tax from the Power Center area has been committed to the STAR Bond project. In addition, the City also commits to make an annual budget allocation that will guarantee payment of the County's share of the property tax. So if the County ever decided to discontinue payments, the STAR Bond buyers are assured that this revenue for repayment of the bonds will be available. I do not believe this is necessary but due to Cash Basis laws it gives bond buyers the assurance they need to make the bonds more attractive in a crowded market. This clause also alleviates the County from needing to perform an annual disclosure and puts that onus on the City only.

Justification: Approval of this joint document is necessary to market the bonds and move forward with the sale of the STAR Bonds the first week in December.

Financial Considerations: There are no additional financial considerations to the County. The City should be aware of the obligation to cover the County's share of the property tax increment should the County opt to discontinue payments agreed to in the Pledge Agreement. As stated previously, I do not believe this will ever be an issue.

Purpose/Mission: Together, we promote open communications with our community members to improve quality of life and preserve our heritage to foster a better future.

Legal Considerations: These documents were prepared by STAR Bond legal counsel and Bond Counsel at Gilmore and Bell. The City Attorney has reviewed these documents and have been provided to the County Counsel.

Attachments: Joint County Resolution 2018-23 and City Resolution 2018-17

(Published in _____ on October ____, 2018)

**Ford County – RESOLUTION NO. 2018-23
City of Dodge City - RESOLUTION NO. 2018-17**

**A RESOLUTION ADOPTING THE TAX DISTRIBUTION AGREEMENT
AMONG THE CITY OF DODGE CITY, KANSAS; FORD COUNTY,
KANSAS; TREASURER OF THE STATE OF KANSAS; AND SECURITY
BANK OF KANSAS CITY (AS TRUSTEE AND AS ESCROW AGENT);
AND ADOPTING THE FIRST AMENDMENT TO INTERLOCAL
AGREEMENT BETWEEN THE CITY OF DODGE CITY, KANSAS AND
FORD COUNTY, KANSAS**

WHEREAS, the City of Dodge City, Kansas (the "City") has the authority to create a STAR bond project district within an eligible area of the City for certain purposes set forth in the STAR Bond Financing Act, K.S.A. 12-17,160 *et seq.*, as amended from time to time (the "Act"); and

WHEREAS, the City approved a STAR Bond Project District (the "Original STAR Bond District") pursuant to the Act by passage of Ordinance No. 3527 on March 19, 2012. The Original STAR Bond District included two (2) separate, non-contiguous areas totaling approximately 526 acres located within the City: (i) approximately 166 acres located in the historic downtown area of Dodge City, Kansas (the "Heritage Area"); and (ii) approximately 360 acres generally located between U.S. Highway 50 and 108th Road, south of Frontview Road (the "Entertainment Area"). By letter dated February 14, 2012, the Kansas Secretary of Commerce (the "Secretary") designated the Original STAR Bond District as eligible for STAR bond financing; and

WHEREAS, the City amended the Original STAR Bond District on October 23, 2014, adding approximately twenty five (25) acres of real property to the eastern boundaries of the Heritage Area of the Original STAR Bond District (as amended, the "2014 Amended District"). By letter dated October 22, 2014, the Secretary designated the 2014 Amended District as eligible for STAR bond financing; and

WHEREAS, the City adopted the Heritage Area STAR Bond Project Plan on April 20, 2015 (the "Heritage Area Project Plan") by passage of Ordinance No. 3605 and by letter dated July 8, 2015, the Secretary approved the Heritage Area Project Plan and approved the issuance of up to \$14,642,244 (exclusive of approved financing costs) of STAR Bonds. On December 22, 2015, the City issued, sold and delivered STAR Bonds yielding approximately \$13,150,000 of net proceeds in connection with the Heritage Area Project Plan; and

WHEREAS, the City amended the 2014 Amended District on February 3, 2017, adding approximately 219 acres of real property (the "Power Center Area") by passage of Ordinance No. 3650 (as amended, the "2017 Amended District"). By letter dated January 27, 2017, the Secretary designated the 2017 Amended District as eligible for STAR bond financing; and

WHEREAS, the City and Ford County, Kansas (the "County") entered into an interlocal agreement on October 16, 2017 (the "Interlocal Agreement"), pursuant to which the County agreed

to pledge its portion of the local sales and use taxes (the "County Sales Taxes") and its portion of the incremental ad valorem property taxes (the "County Property Taxes") generated within the Power Center Area to any STAR bonds issued in connection with the Power Center Area; and

WHEREAS, the City further amended the 2017 Amended District pursuant to K.S.A. 12-17,171 of the Act on April 23, 2018 by passage of Ordinance No. 3684, removing approximately 184 acres of real property from the Power Center Area and clarifying that the revised 2017 Amended District has only one project area in the Power Center Area, not two (as amended, the "2018 Amended District"). By letter dated April 23, 2018, the Secretary designated the 2018 Amended District as eligible for STAR bond financing; and

WHEREAS, the City, in consultation with the City's Planning Commission, prepared a STAR bond project plan for the Power Center Area dated May 3, 2018 (the "Power Center Area Project Plan"), which the City adopted by passage of Ordinance No. 3688 on June 11, 2018. By letter dated June 11, 2018, the Secretary approved the Power Center Area Project Plan and approved the issuance of up to \$14,926,949 (exclusive of approved financing costs) of STAR Bonds; and

WHEREAS, the City adopted Ordinance No. 3697 on October 15, 2018 to issue STAR Bonds in the amount of \$17,500,000 for the Power Center Area; and

WHEREAS, the County Commissioners have determined that is advisable to enter into the First Amendment to Interlocal Agreement with the City, attached as Exhibit A hereto (the "First Amendment") in order to clarify the property that is governed by the County's pledge of the County Sales Taxes and County Property Taxes; and

WHEREAS, the County Commissioners have further determined that it is advisable to enter into the Tax Distribution Agreement with the City, the Treasurer of the State of Kansas, and Security Bank of Kansas City (as Trustee and as Escrow Agent), attached as Exhibit B hereto, in order to set forth procedures for the collection and distribution of certain tax revenues to related to the STAR Bonds for the Power Center Area.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNTY
COMMISSIONERS:**

Section 1. That the County Commissioners hereby approve the First Amendment and the Tax Distribution Agreement in substantially the forms attached hereto.

Section 2. That the County Administrator is hereby authorized to execute in the name of the County, the First Amendment, the Tax Distribution Agreement, and any other certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution. The County Clerk is hereby authorized and directed to publish this Resolution once in *the Dodge City Daily Globe*.

Section 3. This Resolution shall be effective upon adoption by the County Commissioners.

**ADOPTED BY THE COUNTY COMMISSIONERS
THIS 22ND DAY OF OCTOBER, 2018.**

Commissioner

Commissioner

Commissioner

ATTEST:

County Clerk

(Seal)

EXHIBIT A

FIRST AMENDMENT TO INTERLOCAL AGREEMENT

THIS FIRST AMENDMENT TO AGREEMENT (the "First Amendment") is entered into as of October 22, 2018, by the City of Dodge City, Kansas (the "City") and Ford County, Kansas (the "County").

RECITALS:

A. Reference is hereby made to that certain Agreement between the City and County executed and delivered as of October 16, 2017 (the "Agreement"). All capitalized terms used in this First Amendment but not otherwise defined herein shall have the meanings assigned to them in the Agreement.

B. The purpose of the Agreement was for the County to agree to pledge certain County Sales Taxes and County Property Taxes to finance a portion of the Project described therein, and for the City to pledge its portion of the incremental ad valorem property taxes to finance a portion of the Project.

C. In connection with the STAR Bond Act and the 2017 Amended District, the Agreement references two separate project areas within the Power Center Area: (a) "Power Center Project Area 1," which was contemplated to be approximately 14 acres of real property generally located immediately west of the intersection of North 14th Avenue and Soule Street and includes the Site; and (b) "Power Center Project Area 2" was intended to include the remaining approximately 205 acres in the Power Center Area. A map showing Power Center Project Area 1 and Power Center Project Area 2 was attached to the Agreement as Exhibit C and the two project areas comprising the Power Center Area were legally described on Exhibit D attached thereto.

D. However, on April 23, 2018, the City adopted Ordinance No. 3684, which approved an amendment to the 2017 Amended District, removing approximately one hundred eighty four (184) acres of real property from the Power Center Area of the 2017 Amended District to focus on the land that will be necessary for the Project, and the revised STAR Bond District (the "2018 Amended STAR Bond District") has only one project area in the Power Center Area, not two.

E. The purpose of this First Amendment, among other things, is to amend and clarify the property that is governed by the County's pledge of the County Sales Taxes and the County Property Taxes.

NOW THEREFORE, in consideration of the premises and for good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. **Modification of Definitions:** The parties hereby agree that the following definitions in the Agreement shall be modified as follows:

(a) "Project Plan." Notwithstanding the definition in Recital E of the Agreement, the term "Project Plan" shall be deemed to mean that certain Project Plan dated May 3, 2018, which was approved by the City's governing body on June 11, 2018 by the adoption of Ordinance 3688.

(b) "Power Center Project Area." Notwithstanding the references to two separate project areas for the Power Center Area in Recital D of the Agreement, the term "Power Center Project Area 1" shall be deemed to mean all of the property included in the Power Center Area under the 2018 Amended STAR Bond District. A map showing the Power Center Area under the 2018 Amended STAR Bond District is hereby attached to this First Amendment as **Exhibit C (Amended)** and the legal description of such Power Center Area is hereby attached to this First Amendment as **Exhibit D (Amended)** attached thereto. All references to "Power Center Area 1" in the Agreement, including the reference in Section 2 thereof, shall be deemed to mean the Power Center Area under the 2018 Amended STAR Bond District as shown on **Exhibit C (Amended)** and **Exhibit D (Amended)** and all references to **Exhibit C** or **Exhibit D** in the Agreement (including the mistaken reference to **Exhibits B** and **C** in Recital D of the Agreement) shall be deemed to mean **Exhibit C (Amended)** or **Exhibit D (Amended)**, respectively.

(c) "Site." The term Site as used in Recital G of the Agreement, as used to define "County Property Taxes" shall be deemed to mean the Power Center Area under the 2018 Amended STAR Bond District as shown on **Exhibit C (Amended)** and **Exhibit D (Amended)**. **Exhibits A-1** and **A-2** of the Agreement shall be replaced with **Exhibit C (Amended)** and **Exhibit D (Amended)**

2. Full Force and Effect/Binding Upon Parties/Successors and Assigns. Except as modified and amended by this First Amendment, the Agreement shall remain in full force and effect in accordance with the respective terms thereof. The provisions of this First Amendment shall inure to the benefit of and be binding upon the parties hereto, their successors and assigns.

3. Counterparts. This First Amendment may be executed in any number of counterparts, each of which, when taken together, shall constitute but one and the same fully executed instrument. Signatures on counterparts of this First Amendment that are delivered via fax, email or by other electronic means are authorized and shall be acknowledged as if such signatures were an original execution.

[Remainder of page intentionally left blank. Signature pages immediately follow.]

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment as of the day and year first above written.

COUNTY:

FORD COUNTY, KANSAS

By: _____
_____, Commissioner

By: _____
_____, Commissioner

By: _____
_____, Commissioner

STATE OF KANSAS)
) SS.
COUNTY OF FORD)

This instrument was acknowledged before me on October ____, 2018, by _____ as _____ of Ford County, Kansas.

Printed Name: _____

Notary Public in and for said State

Commissioned in Ford County

My commission expires:

CITY:

CITY OF DODGE CITY, KANSAS

By: _____

E. Kent Smoll, Mayor

STATE OF KANSAS)

) SS.

COUNTY OF FORD)

This instrument was acknowledged before me on October __, 2018, by E. Kent Smoll as Mayor of Dodge City, Kansas.

Printed Name: _____

My commission expires:

EXHIBIT B (Amended)
Map of Power Center Area

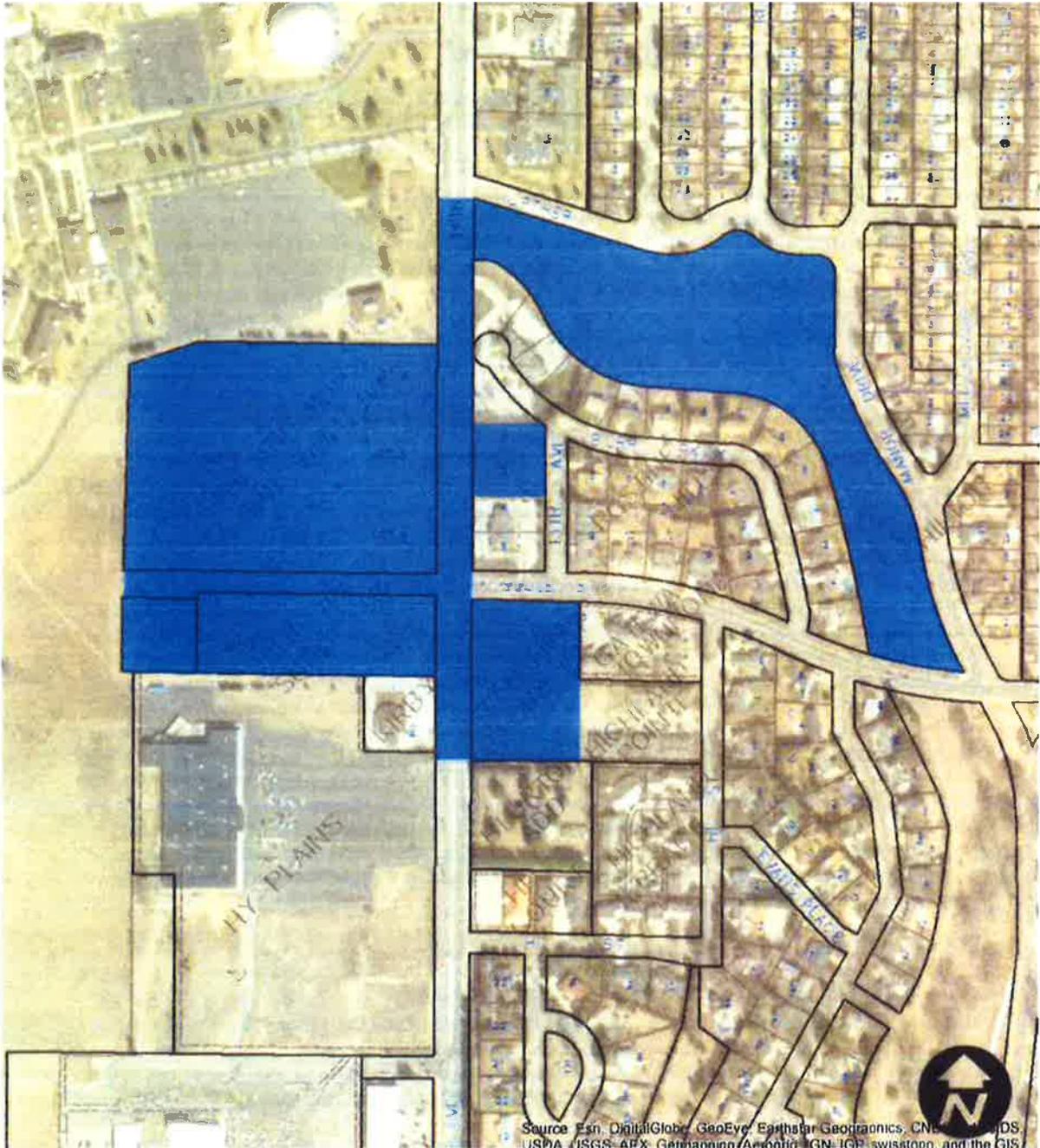


EXHIBIT C (Amended)

Legal Description of Power Center Area

A tract of land located in the east ½ of Section 22, and the west ½ of Section 23, Township 26 south, range 25 west of the 6th principle meridian Ford County, Kansas for the uses of STAR Bond and described as follows: beginning at the southeast corner of Lot 1 of the Fourteenth and Soule Subdivision said point also being on the west right of way line of Fourteenth Ave and on the South line of the northeast quarter of Section 22; thence west along said south line to a point on said line intersecting the extension of the west line of the Fourteenth and Soule Subdivision Unit Two; thence north along said west line and extension thereof to the western most northwest corner of the Fourteenth and Soule Subdivision Unit Two; thence northeasterly to the northern most northwest corner of the Fourteenth and Soule Subdivision Unit Two; thence east along the north line of the Fourteenth and Soule Subdivision Unit Two to the northeast corner thereof also being on the west right of way line of Fourteenth Avenue; thence north along said west right of way line to a point directly across from and perpendicular to a point on the east right of way of Fourteenth Avenue that intersects the extension of the south right of way line of Speirs Street to Northern Street to Manor Drive; thence east to the east right of way line of Fourteenth Avenue and the intersection of the extension of the south right of way line of Spiers Street to Northern Street to Manor Drive; thence easterly and southerly along said south right of way line and extension thereof to the northerly right of way line of Soule Street; thence westerly along said north right of way line to the southeast corner of Lot 1 Block 1 of the Replat of Rostine Hills; thence northerly and westerly along the eastern boundary of the Replat of Rostine Hills to the east right of way line of Fourteenth Avenue; thence south along said east right of way line to the northwest corner of Lot 2, Block 3 Rostine Hills Addition; thence east along the north line of said Lot 2 to the west right of way line of Thirteenth Avenue; thence south along said west right of way line to the southeast corner of Lot 3, Block 3, Rostine Hills Addition; thence west along the south line of said Lot 3 to the east right of way line of Fourteenth Avenue; thence south along said east right of way line to the northwest corner of Lot 1, Green Hills O'Ford No. 2; thence east along the north line of said Lot 1 to the northeast corner thereof; thence south along the east line of said Lot 1 to the southeast corner thereof; thence west along the south line of said Lot 1 and extension thereof to the west right of way line of Fourteenth Avenue; thence north along said west right of way line to the point of beginning.

EXHIBIT B

TAX DISTRIBUTION AGREEMENT

Draft: October 17, 2018

TAX DISTRIBUTION AGREEMENT

Dated as of December 1, 2018

Among

CITY OF DODGE CITY, KANSAS,

FORD COUNTY, KANSAS,

**SECURITY BANK OF KANSAS CITY,
as Trustee**

TREASURER OF THE STATE OF KANSAS,

and

**SECURITY BANK OF KANSAS CITY,
as Escrow Agent**

TAX DISTRIBUTION AGREEMENT

Page

ARTICLE I

DEFINITIONS

Section 101.	Definitions of Words and Terms	3
Section 102.	Rules of Construction.....	8

ARTICLE II

COLLECTION OF TAX REVENUES; REPORTING REQUIREMENTS

Section 201.	Collection of Local Tax Revenues; Reporting by the Department	8
Section 202.	Reporting of Local Tax Revenues by Retailers.....	9
Section 203.	Collection of State Tax Revenues; Reporting by the Department.....	9
Section 204.	Reporting of State Tax Revenues by Retailers.....	9
Section 205.	Information to be Provided to Escrow Agent.....	10
Section 206.	Semi-Annual Report to City.....	10
Section 207.	Confidentiality of Tax Information and Identity of Certain Bondowners.....	10

ARTICLE III

CREATION OF ESCROW FUND; REMITTANCE OF TAX REVENUES TO ESCROW AGENT

Section 301.	Establishment of Escrow Fund.....	10
Section 302.	Remittance of Local Tax Revenues to Escrow Agent; Deposit Into Escrow Fund.....	11
Section 303.	Remittance of Limited Appropriation Revenues to Escrow Agent; Deposit Into Escrow Fund.....	11
Section 304.	Application of Moneys in City Bond Finance Fund	11
Section 305.	Allocation of State Tax Revenues, Local Tax Revenues and Limited Appropriation Revenues	12
Section 306.	Investment of Moneys	13

ARTICLE IV

APPLICATION OF MONEYS ON DEPOSIT IN ESCROW FUND

Section 401.	Application of Tax Revenues in Escrow Fund Prior to Each Interest Payment Date	13
Section 402.	Application of Local Tax Revenues to Payment of Certain Fees on Each May 15 and November 15	15
Section 403.	Limitation on Tax Revenues to be Transferred to Trustee in the Event that a Series of Bonds Will be Paid in Full on an Interest Payment Date	16

ARTICLE V

THE ESCROW AGENT

Section 501.	Duties of Escrow Agent	16
Section 502.	Certain Rights of Escrow Agent.....	17
Section 503.	Compensation.....	17

Section 504.	Corporate Escrow Agent Required; Eligibility	17
Section 505.	Resignation and Removal of Escrow Agent.....	18
Section 506.	Appointment of Successor Escrow Agent.....	18
Section 507.	Acceptance of Appointment by Successor Escrow Agent	19
Section 508.	Merger, Consolidation and Succession to Business	19
Section 509.	Representations of the Escrow Agent.....	19

ARTICLE VI

MISCELLANEOUS PROVISIONS

Section 601.	Non-Business Days	20
Section 602.	Notices.....	20
Section 603.	Amendments.....	21
Section 604.	Governing Law.....	22
Section 605.	Severability.....	22
Section 606.	Binding Effect; Benefit of Tax Distribution Agreement.....	22
Section 607.	Electronic Transactions	22
Section 608.	Execution in Counterparts	22
	Signatures	S-1

Exhibit A - Legal Description of the Project Area

TAX DISTRIBUTION AGREEMENT

This **TAX DISTRIBUTION AGREEMENT** (the “Tax Distribution Agreement”) is entered into as of December 1, 2018, among the **CITY OF DODGE CITY, KANSAS**, a municipal corporation and political subdivision duly organized and existing under the laws of the State of Kansas (the “City”), **FORD COUNTY, KANSAS**, a legally constituted political subdivision duly organized and existing under the laws of the State of Kansas (the “County”), **SECURITY BANK OF KANSAS CITY**, a state banking corporation duly organized and existing under the laws of the State of Kansas, as trustee under the herein described Indenture (the “Trustee”), the **TREASURER OF THE STATE OF KANSAS** (the “State Treasurer”) and **SECURITY BANK OF KANSAS CITY**, a state banking corporation duly organized and existing under the laws of the State of Kansas, acting as escrow agent hereunder for the benefit of the Trustee (the “Escrow Agent”).

RECITALS

1. Pursuant to K.S.A. 12-17,160 *et seq.* (the “Act”), the City is authorized to create a STAR bond project district within an eligible area of the City for certain purposes set forth in the Act.
2. On February 6, 2012, the governing body of the City adopted Resolution No. 2012-05 establishing its intent to create a STAR bond project district within the City (the “Original STAR Bond District”) and setting a date for a public hearing with respect thereto.
3. On February 14, 2012, the Secretary of Commerce of the State of Kansas (the “Secretary”) determined that the Original STAR Bond District is an “eligible area” under provisions of K.S.A. 12-17,160, *et seq.*, as amended (the “Act”).
4. Pursuant to the provisions of the Act, and following a public hearing, the governing body of the City adopted Ordinance No. 3527 on March 19, 2012, which created the Original STAR Bond District. The Original STAR Bond District contained two project areas known as the “Heritage Area” and the “Entertainment Area”.
5. On September 22, 2014, the governing body of the City adopted Resolution No. 2014-23 establishing its intent to expand the Original STAR Bond District by including approximately 25 acres of additional real property in the Heritage Area (such expanded district to be referred to herein as the “STAR Bond Project District”) and setting a date for a public hearing with respect thereto.
6. On October 22, 2014, the Secretary determined that the expanded STAR Bond Project District is an “eligible area” under the Act.
7. Pursuant to the provisions of the Act, and following a public hearing, the governing body of the City adopted Ordinance No. 3594 on October 23, 2014, which created the expanded STAR Bond Project District.
8. The City prepared the STAR Bond Project Plan for the Heritage Area dated March 10, 2015 (the “Heritage Area Project Plan”) in consultation with the City’s Planning Commission, which Project Plan provides for the redevelopment of the Heritage Area of the STAR Bond Project District as described therein (the “Heritage Area Project”).
9. On March 16, 2015, the governing body of the City adopted Resolution No. 2015-05 setting a date for a public hearing with respect the Heritage Area Project Plan.

10. Pursuant to the provisions of the Act, and following a public hearing, the City passed Ordinance No. 3605 on April 20, 2015, adopting the Heritage Area Project Plan.

11. On July 8, 2015, the Secretary (a) determined that the STAR Bond Project District is an “eligible area” under the Act, (b) approved the Heritage Area Project as a “STAR bond project” within the meaning of the Act and (c) approved the issuance of up to \$14,642,244 (exclusive of approved financing costs) of STAR bonds to be issued to finance the Heritage Area Project.

12. On December 22, 2015, the City issued \$13,150,000 of STAR bonds to finance the Heritage Area Project.

13. On December 5, 2016 the governing body of the City adopted Resolution No. 2016-30 to set a public hearing for January 5, 2017 for the consideration of adding a new project area known as the “Power Center Area” to the STAR Bond Project District and to adopt an amended STAR Bond Project District Plan.

14. A public hearing was held on January 5, 2017, after proper notice was published in accordance with the Act, regarding the Amended STAR Bond District Plan.

15. On January 27, 2017 the Secretary of Commerce made a finding that the proposed amended STAR Bond Project District is an “eligible area” under the Act.

16. The governing body of the City adopted Ordinance No. 3650 on February 3, 2017, approving the Amended STAR Bond District Plan.

17. On October 16, 2017, the City entered into an interlocal agreement with the County, which was later amended on October 22, 2018, pursuant to which the County agreed to pledge its sales taxes generated within the Power Center Area to any STAR Bonds issued in connection with the redevelopment of the Power Center Area of the STAR Bond Project District.

18. On March 19, 2018 the governing body of the City adopted Resolution No. 2018-05 to set a public hearing for April 23, 2018 for the consideration of removing certain property consisting of approximately 184 acres from the Power Center Area of the STAR Bond District and to adopt an amended STAR Bond Project District Plan.

19. A public hearing was held on April 23, 2018, after proper notice was published in accordance with the Act regarding amending the STAR Bond District Plan.

20. The governing body of the City adopted Ordinance No. 3684 on April 23, 2018 to remove approximately 184 acres within the Power Center Area from the STAR Bond Project District and approved an Amended STAR Bond District Plan.

21. The City prepared the STAR Bond Project Plan for the Power Center Area dated May 3, 2018 (the “Project Plan”) in consultation with the City’s Planning Commission, which Project Plan provides for the redevelopment of the Power Center Area of the STAR Bond Project District as described therein (the “Project”).

22. On May 7, 2018, the governing body of the City adopted Resolution No. 2018-10 setting a date for a public hearing with respect the Project Plan.

23. A public hearing was held on June 11, 2018, after proper notice was published in accordance with the Act, regarding the Project Plan.

24. The governing body of the City adopted Ordinance No. 3688 on June 11, 2018, adopting the Project Plan.

25. On June 11, 2018, 2018, the Secretary (a) determined that the STAR Bond District is an “eligible area” under the Act, (b) approved the Project as a “STAR bond project” within the meaning of the Act and (c) approved the issuance of up to \$14,926,949 (exclusive of approved financing costs) of STAR bonds to be issued to finance the Project.

26. The City is authorized under the Act to issue special obligation bonds for the purpose of implementing the Project Plan.

27. Pursuant to the Act and Ordinance No. 3697 duly adopted by the City on October 15, 2018, the City is authorized and has agreed to issue its “Special Obligation Revenue Bonds (Power Center Project Area), Series 2018” (the “Series 2018 Bonds”) under the Bond Trust Indenture dated as of December 1, 2018 (the “Indenture”) between the City and the Trustee in the original principal amount of \$[Principal Amount] for the purpose of implementing the Project Plan by providing funds to (a) finance a portion of the Costs of the Project (as defined in the Indenture), (b) fund a deposit to the debt service reserve fund established under the Indenture, (c) fund a deposit to the capitalized interest fund established under the Indenture and (d) pay certain costs related to the issuance of the Series 2018 Bonds.

28. The City, the County, the Trustee, the State Treasurer and the Escrow Agent now desire to enter into this Tax Distribution Agreement in order to set forth procedures for the collection and distribution of certain tax revenues to pay the principal of, Accreted Value, redemption premium, if any, and interest on the Series 2018 Bonds and any other bonds that may be issued by the City in the future pursuant to the Indenture.

AGREEMENT

ARTICLE I DEFINITIONS

Section 101. Definitions of Words and Terms. For all purposes of this Tax Distribution Agreement, except as otherwise provided or unless the context otherwise requires, the following words and terms used in this Tax Distribution Agreement shall have the following meanings:

“**Accreted Value**” shall have the meaning given such term in the Indenture.

“**Act**” means K.S.A. 12-17,160, *et seq.*, as amended and supplemented from time to time.

“**Bonds**” means the Series 2018 Bonds and any Additional Bonds (as defined in the Indenture) issued under the Indenture.

“**Business Day**” means a day on which the State Treasurer, the Escrow Agent and the Trustee shall be scheduled in the normal course of their respective operations to be open for the conduct of regular business.

“City” means the City of Dodge City, Kansas created pursuant to the laws of the State, and its successors and assigns or any body, agency or instrumentality succeeding to or charged with the powers, duties and functions of the City.

“City Bond Finance Fund” means the account relating to the Project Area created within the City Bond Finance Fund created by K.S.A. 79-3620b, as amended, and established with the State Treasurer.

“City Continuing Disclosure Undertaking” means the City Continuing Disclosure Undertaking dated as of December 1, 2018 delivered by the City, as may be from time to time amended.

“City Increased Property Tax Revenues” means, with respect to each Property Tax Year, the City’s portion of the ad valorem real property taxes generated by levy on the taxable valuation of the property within the Project Area for such Property Tax Year to the extent such amount exceeds the City 2018 Base Property Tax.

“City Representative” means the Mayor or City Manager of the City, and any other duly authorized officer of the City whose authority to execute any particular instrument or take a particular action under this Tax Distribution Agreement shall be evidenced to the satisfaction of the Escrow Agent.

“City Transient Guest Tax Payments” means the gross collections of the State under the City Transient Guest Tax Statute from the transient guest tax (currently eight percent (8.0%)) with respect to sleeping accommodations in any hotel, motel or tourist court located within the Project Area.

“City Transient Guest Tax Revenues” means gross receipts of the City under the City Transient Guest Tax Statute, from the transient guest tax (currently seven and eighty-four one hundredths of one percent (7.84%)), based upon the current tax rate of eight percent (8.0%) less the administrative fee retained by the State on such amount as provided in the City Transient Guest Tax Statute (currently two percent (2%)), with respect to sleeping accommodations in any hotel, motel or tourist court located within the Project Area.

“City Transient Guest Tax Statute” means K.S.A. 12-1696 *et seq.*, as amended by Charter Ordinance No. 28 adopted by the governing body of the City on February 18, 1991, as amended by Charter Ordinance No. 37 adopted by the governing body of the City on April 1, 2013, as further amended and supplemented from time to time.

“City 2018 Base Property Tax” means the City’s portion of the ad valorem real property taxes generated by levy on the taxable valuation of the property within the Project Area during the year commencing on December 1, 2018 and ending November 30, 2019, based on the taxable valuation of such property determined on January 1, 2018.

“Continuing Disclosure Agreement” means each Continuing Disclosure Undertaking of the City or Continuing Disclosure Agreement between a Disclosure Party (as defined in the Indenture) and a Dissemination Agent relating to a series of Bonds, as amended and supplemented from time to time.

“County” means the County of Ford County, Kansas created pursuant to the laws of the State, and its successors and assigns or any body, agency or instrumentality succeeding to or charged with the powers, duties and functions of the County.

“County Increased Property Tax Revenues” means, with respect to each Property Tax Year, the County’s portion of the ad valorem real property taxes generated by levy on the taxable valuation of the

property within the Project Area for such Property Tax Year to the extent such amount exceeds the County 2018 Base Property Tax.

“County 2018 Base Property Tax” means the County’s portion of the ad valorem real property taxes generated by levy on the taxable valuation of the property within the Project Area during the year commencing on December 1, 2018 and ending November 30, 2019, based on the taxable valuation of such property determined on January 1, 2018.

“Debt Service Reserve Accounts” means the Debt Service Reserve Accounts established under the Indenture with respect to the Bonds.

“Debt Service Reserve Requirement” shall have the meaning given such term in the Indenture.

“Department” means the Department of Revenue of the State of Kansas.

“Developer” means Sutherlands High Plains, LLC, a Kansas limited liability company, and its successors and assigns.

“Development Agreement” means the Sutherlands Development Agreement dated as of July 6, 2017, as amended by the First Amendment to Sutherlands Development Agreement dated as of March 5, 2018, the Second Amendment to Development Agreement dated as of March 30, 2018 and the Third Amendment to Development Agreement, each between the City and the Developer, as further amended and supplemented from time to time.

“Dissemination Agents” means, collectively, each corporation or association serving as dissemination agent from time to time under a Continuing Disclosure Agreement or engaged by the City to assist the City in complying with its obligations under a Continuing Disclosure Undertaking with respect to a series of Bonds.

“Escrow Agent” means Security Bank of Kansas City, and its successor or successors at the time acting as escrow agent under this Tax Distribution Agreement.

“Escrow Fund” means the “Tax Revenues Escrow Fund – Power Center Project Area” created pursuant to **Section 301**.

“Indenture” means the Bond Trust Indenture dated as of December 1, 2018 between the City and the Trustee, as amended and supplemented from time to time, pursuant to which the Series 2018 Bonds were issued.

“Interest Payment Date” means June 1 and December 1 of each year, commencing June 1, 2019.

“Internal Revenue Code” means the Internal Revenue Code of 1986, as amended, and, when appropriate, any statutory predecessor or successor thereto, and all applicable regulations (whether proposed, temporary or final) thereunder and any applicable official rulings, announcements, notices, procedures and judicial determinations relating to the foregoing.

“Limited Appropriation Revenues” means the Out of District City Sales Tax Revenues budgeted, appropriated and paid by the City to the Escrow Agent for deposit in the Escrow Fund in an amount not to exceed the Limited Incremental Property Tax Revenues with respect to each Property Tax Year, up to a maximum aggregate amount of \$1,521,720.

“Limited Incremental Property Tax Revenues” means, with respect to each Property Tax Year, an amount equal to the sum of (a) the County Increased Property Tax Revenues with respect to such Property Tax Year and (b) the City Increased Property Tax Revenues with respect to such Property Tax Year; provided, however, that in no event shall the aggregate Limited Incremental Property Tax Revenues for all Property Tax Years exceed \$1,521,720; and provided, further, that in no event shall the aggregate County Increased Property Tax Revenues for all Property Tax Years exceed \$760,860.

“Local Percentage” means the percentage produced by the following formula:

$$IP = \frac{x}{x + y}$$

where

IP = Local Percentage,

x = the sum of (i) 0.50, or the then currently applicable city retail sales tax percentage that is not specifically dedicated to other uses by election of voters, (ii) 0.28826, or the portion of the countywide retail sales tax percentage then currently allocated to the City pursuant to K.S.A. 12-192, as amended, and (iii) 0.19290, or the portion of the countywide retail sales tax percentage then currently allocated to the County pursuant to K.S.A. 12-192, as amended, and

y = 6.50, or the then currently applicable statewide retailers sales tax percentage pursuant to K.S.A. 79-3601 *et seq.*, as amended.

“Local Sales Tax Revenues” means gross receipts of the City under K.S.A. 12-187 *et seq.*, as amended, and K.S.A. 12-198, as amended, from (a) the portion of the city retail sales and compensating use taxes that is not committed to other uses by election of voters (currently five-tenths of one percent (0.5%) of the total one percent (1.0%) imposed by the City), and any successor taxes thereto, (b) the City’s portion (currently 0.28826%) of the countywide retail sales and compensating use taxes that is not committed to other uses by election of voters (currently five-tenths of one percent (0.50%) of the total one and fifteen hundredths of one percent (1.15%)) and any successor taxes thereto, and (c) the County’s portion (currently 0.19290%) of the countywide retail sales and compensating use taxes that is not committed to other uses by election of voters (currently five-tenths of one percent (0.50%) of the total one and fifteen hundredths of one percent (1.15%)) and any successor taxes thereto, in each case with respect to retail sales *within* the Project Area, to the extent such amounts are distributed to the Escrow Agent by the State Treasurer on or before October 1, 2038. Local Tax Revenues shall be based on tax revenues received by the City and County from sales occurring within the Project Area, after taking into account applicable destination-based sourcing rules of the State.

“Local Tax Revenues” means, collectively, the Local Sales Tax Revenues and the City Transient Guest Tax Revenues.

“Out of District City Sales Tax Revenues” means gross receipts received by the City under K.S.A. 12-187 *et seq.*, as amended, and K.S.A. 12-198, as amended, from (a) the portion of the city retail sales and compensating use taxes that is not committed to other uses by election of voters, any successor taxes thereto, and (b) the City’s portion of the countywide retail sales and compensating use taxes that is not committed to other uses by election of voters, and any successor taxes thereto, in each case with respect to retail sales *outside* the STAR Bond District.

“**Project Area**” means the "Power Center Area" described in the STAR Bond District Plan, which is described in the Indenture.

“**Property Tax Year**” means each year commencing on December 1 and ending on the immediately succeeding November 30, during the period commencing on December 1, 2019 and ending on November 30, 2035. For each Property Tax Year, the ad valorem real property taxes generated by levy on the taxable valuation of property within the Project Area for such Property Tax Year is based on the taxable valuation of such property determined on the January 1 immediately preceding the first day of such Property Tax Year (e.g., the ad valorem real property taxes generated by levy on the taxable valuation of property within the Project Area for the Property Tax Year commencing December 1, 2019 is based on the taxable valuation of such property determined on January 1, 2019).

“**Rebate Analyst**” means any firm engaged by the City to compute arbitrage rebate on any series of tax-exempt Bonds.

“**Series 2018 Bonds**” means the Sales Tax Special Obligation Revenue Bonds (Power Center Project Area) Series 2018 in the original principal amount of \$[Principal Amount], issued by the City pursuant to the Indenture, and any bonds issued for the purpose of refunding such bonds that are identified in the trust indenture under which such refunding bonds are issued as being secured by the amounts required to be transferred to the Debt Service Account established with respect to the Series 2018 Bonds pursuant to this Tax Distribution Agreement.

“**State**” means the State of Kansas.

“**State Percentage**” means the percentage produced by the following formula:

$$SP = \frac{y}{x + y}$$

where

SP = State Percentage,

x = the sum of (i) 0.50, or the then currently applicable city retail sales tax percentage that is not specifically dedicated to other uses by election of voters, (ii) 0.28826, or the portion of the countywide retail sales tax percentage then currently allocated to the City pursuant to K.S.A. 12-192, as amended, and (iii) 0.19290, or the portion of the countywide retail sales tax percentage then currently allocated to the County pursuant to K.S.A. 12-192, as amended, and

y = 6.50, or the then currently applicable statewide retailers sales tax percentage pursuant to K.S.A. 79-3601 *et seq.*, as amended.

“**State Tax Revenues**” means gross receipts of the State from the taxes imposed by K.S.A. 79-3603, as amended, and K.S.A. 79-3703, as amended, with respect to retail sales within the Project Area (currently six and five-tenths percent (6.50%)), to the extent such amounts are transferred to the City Bond Finance Fund by the State Treasurer on or before October 1, 2038. State Tax Revenues shall be based on tax revenues received by the State from sales occurring within the Project Area, which may include tax revenues sourced to other locations within the State under applicable destination-based sourcing rules of the State.

“**State Transfer Amount**” shall have the meaning set forth in **Section 304(c)(iii)** hereof.

“**State Treasurer**” means the State Treasurer of the State or, if the functions and duties of the State Treasurer under K.S.A. 79-3620, K.S.A. 79-3620b and K.S.A. 79-3710(d) shall be given by law to any other person or entity, such person or entity.

“**Tax Distribution Agreement**” means this Tax Distribution Agreement dated as of December 1, 2018, among the City, the County, the Trustee, the State Treasurer and the Escrow Agent, relating to the collection and distribution of Local Tax Revenues, State Tax Revenues and Limited Appropriation Revenues, as amended and supplemented from time to time.

“**Tax Revenues**” means, collectively, Local Tax Revenues, State Tax Revenues and Limited Appropriation Revenues.

“**Term Bonds**” means any Series 2018 Bonds issued under the Indenture that are designated as “Term Bonds” pursuant to the provisions of the Indenture.

“**Trustee**” means Security Bank of Kansas City, Kansas City, Kansas, as trustee under the Indenture, and its successor or successors and any other corporation or association which at any time may be substituted in its place pursuant to and at the time serving as trustee under the Indenture.

Section 102. Rules of Construction. For all purposes of this Tax Distribution Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction apply in construing the provisions of this Tax Distribution Agreement:

- (a) The terms defined in this Article include the plural as well as the singular.
- (b) All references in this instrument to designated “Articles,” “Sections” and other subdivisions are to be the designated Articles, Sections and other subdivisions of this instrument as originally executed.
- (c) The words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Tax Distribution Agreement as a whole and not to any particular Article, Section or other subdivision.
- (d) The Article and section headings herein and in the Table of Contents are for convenience only and shall not affect the construction hereof.

ARTICLE II

COLLECTION OF TAX REVENUES; REPORTING REQUIREMENTS

Section 201. Collection of Local Tax Revenues; Reporting by the Department. The Department, pursuant to K.S.A. 12-187 *et seq.*, as amended, is required to administer, enforce and collect all Local Sales Tax Revenues and City Transient Guest Tax Payments from taxpayers doing business within the Project Area and to cause such Local Sales Tax Revenues and City Transient Guest Tax Payments to be credited to the appropriate funds established with the State Treasurer in accordance with K.S.A. 12-189, as amended. The State Treasurer shall request that the Department determine and advise the State Treasurer and the Escrow Agent not later than the last Business Day of each calendar month of the total amount of Local Sales Tax Revenues and City Transient Guest Tax Payments collected by the Department during the

immediately preceding calendar month. Upon receipt of this information by the State Treasurer, the State Treasurer shall remit the Local Tax Revenues with respect to the immediately preceding calendar month to the Escrow Agent pursuant to **Section 302**. By way of example, no later than October 31 of each year: (a) as required by this **Section 201**, the Department shall determine and advise the State Treasurer and Escrow Agent of the total amount of Local Tax Revenues received during the immediately preceding month of September, which Local Tax Revenues will be derived primarily from sales and compensating use within the Project Area during the immediately preceding month of August; and (b) as required by **Section 302**, the State Treasurer shall remit such Local Tax Revenues received during the immediately preceding month of September to the Escrow Agent.

Section 202. Reporting of Local Tax Revenues by Retailers. Pursuant to K.S.A. 12-189, each retailer that does business within the Project Area is required to submit to the Department, at the times specified in such statute, (i) Local Sales Tax Revenues collected by such taxpayer and (ii) returns detailing the collection of such Local Sales Tax Revenues. Pursuant to K.S.A. 12-1698, each business that levies and collects transient guest taxes pursuant to the City Transient Guest Tax Statute within the Project Area is required to submit to the Department, at the times specified in such statute, (A) City Transient Guest Tax Payments collected by such taxpayer and (B) returns detailing the collection of such City Transient Guest Tax Payments. The Developer has agreed in the Development Agreement, that so long as any Bonds are outstanding, each time the Developer (or any party holding or operating by, through or under it, or otherwise operating on or from the Site (as defined in the Development Agreement)), submits a return relating to Local Sales Tax Revenues to the Department, such entity shall, simultaneously therewith, or within 10 days thereafter, submit a copy of such return to the Escrow Agent. The Escrow Agent also may request that the City request the Department to provide, and the Department shall provide if requested, information with respect to Local Tax Revenues collected by any retailer that does business within the Project Area pursuant to the provisions of K.S.A. 12-17,174.

Section 203. Collection of State Tax Revenues; Reporting by the Department. The Department, pursuant to K.S.A. 79-3601 *et seq.*, as amended, and K.S.A. 79-3701 *et seq.*, is required to administer, enforce and collect all State Tax Revenues from taxpayers doing business within the Project Area and to cause the State Tax Revenues to be credited to the City Bond Finance Fund pursuant to K.S.A. 79-3620(d), as amended, and K.S.A. 79-3710(d), as amended, until the date upon which the aggregate amount deposited therein is equal to an amount sufficient to retire the principal of, Accreted Value and interest on the Bonds. The State Treasurer shall request that the Department determine and advise the State Treasurer and the Escrow Agent not later than the last Business Day of each calendar month of the total amount of State Tax Revenues collected by the Department during the immediately preceding calendar month and the balance in the City Bond Finance Fund at the close of business on the last day of the immediately preceding calendar month. By way of example, no later than October 31 of each year, the Department shall determine and advise the State Treasurer and Escrow Agent of the total amount of State Tax Revenues received during the immediately preceding month of September, which State Tax Revenues will be derived primarily from sales and compensating use within the Project Area during the immediately preceding month of August.

Section 204. Reporting of State Tax Revenues by Retailers. Pursuant to K.S.A. 79-3607 and 79-3706, each retailer that does business within the Project Area is required to submit to the Department, at the times specified in such statutes, (i) State Tax Revenues collected by such taxpayer and (ii) returns detailing the collection of such State Tax Revenues. The Developer has agreed in the Development Agreement, that so long as any Bonds are outstanding, each time the applicable Developer (or any party holding or operating by, through or under it, or otherwise operating on or from the Site (as defined in the Development Agreement)), submits a return relating to State Tax Revenues to the Department, such entity shall, simultaneously therewith, or within 10 days thereafter, submit a copy of such return to the Escrow Agent. The Escrow Agent also may request that the City request the Department to provide, and the

Department shall provide if requested, information with respect to State Tax Revenues collected by any retailer that does business within the Project Area pursuant to the provisions of K.S.A. 12-17,174.

Section 205. Information to be Provided to Escrow Agent.

(a) *Notice Regarding Principal and Accreted Value Payments.* Each time any principal or Accreted Value is paid with respect to Bonds of any series, the applicable Trustee shall notify the Escrow Agent of the following within two (2) Business Days of such payment: (i) the date and amount of such payment; (ii) the outstanding principal amount or Accreted Value of such series of Bonds following such payment; and (iii) the schedule for payment of principal or Accreted Value and interest on such series of Bonds following such payment.

(b) *Notices Regarding Tax Rates.* The State Treasurer shall request that the Department promptly advise the State Treasurer, the Escrow Agent and the City of any adjustments in State or local retail sales or use tax rates applicable with respect to retail sales within the Project Area and any adjustments to the City's or County's share of the countywide retail sales and use tax. The City shall promptly advise the Escrow Agent of any adjustments in the transient guest tax rates applicable to sleeping accommodations in hotels, motels and tourist courts located within the Project Area.

Section 206. Semi-Annual Report to City. Within 20 days after each June 1 and December 1, the Escrow Agent shall prepare and send to the City by first class mail or electronic mail, a report containing the amount of State Tax Revenues and Local Tax Revenues received for the most recent semi-annual period ending June 1 or December 1, to be incorporated into the City's semi-annual continuing disclosure report in substantially the form set forth in Exhibit B to the City Continuing Disclosure Undertaking (as defined in the Indenture).

Upon receipt of such report, (a) the City shall compare the amount of State Tax Revenues and Local Tax Revenues received by the Escrow Agent as set forth in such report with the copies of tax returns detailing the collection of State Tax Revenues and Local Tax Revenues received by the City or County from businesses operating within the Project Area during the same period, and (ii) if any discrepancies exist, the City shall contact the Escrow Agent or the Department, as appropriate, to reconcile such discrepancies and ensure that all State Tax Revenues and Local Tax Revenues received by the Department were properly applied and credited.

Section 207. Confidentiality of Tax Information and Identity of Certain Bondowners. The Escrow Agent hereby agrees that it shall not use or communicate, publish or disclose to any third party any sales, use or transient guest tax information of any individual taxpayer or group of less than five taxpayers for any purpose other than carrying out the Escrow Agent's obligations under this Tax Distribution Agreement, without the prior written consent of the individual taxpayer that submitted such tax information to the Department; provided, however, that such restriction on use and disclosure shall not apply to information that, in the opinion of counsel to the Escrow Agent, is required to be disclosed by applicable law, court order or other governmental authority.

ARTICLE III

**CREATION OF ESCROW FUND;
REMITTANCE OF TAX REVENUES TO ESCROW AGENT**

Section 301. Establishment of Escrow Fund. The Escrow Agent shall establish a special and irrevocable separate trust fund to be held in the custody of the Escrow Agent and designated as the "Tax

Revenues Escrow Fund – Power Center Project Area” (the “Escrow Fund”). Moneys in the Escrow Fund shall be held in trust by the Escrow Agent and applied solely in accordance with the provisions of this Tax Distribution Agreement.

Section 302. Remittance of Local Tax Revenues to Escrow Agent; Deposit Into Escrow Fund. The City and County hereby direct, and the State Treasurer hereby covenants and agrees, that all Local Tax Revenues collected by the Department and credited to the appropriate funds established with the State Treasurer pursuant to **Section 201** shall be remitted directly to the Escrow Agent for deposit in the Escrow Fund monthly by not later than the last Business Day of the calendar month immediately succeeding the calendar month in which such amounts were collected. The Escrow Agent shall provide a monthly report to the City by not later than the 10th day of each month stating the amount of Local Tax Revenues remitted to the Escrow Agent by the State Treasurer during the immediately preceding month and deposited to the Escrow Fund. By way of example, (a) no later than October 31 of each year the State Treasurer shall remit the Local Tax Revenues received during the immediately preceding month of September to the Escrow Agent, which Local Tax Revenues will be derived primarily from sales and compensating use within the Project Area during the immediately preceding month of August; and (b) no later than November 10 of each year, the Escrow Agent shall provide a monthly report to the City stating the amount of such Local Tax Revenues remitted to the Escrow Agent by the State Treasurer during the preceding month of October.

Section 303. Remittance of Limited Appropriation Revenues to Escrow Agent; Deposit Into Escrow Fund. During each Property Tax Year, the City shall (i) calculate the amount of Limited Incremental Property Tax Revenues as of April 1 and October 1 of such Property Tax Year and (ii) transfer Limited Appropriation Revenues equal to the amount of the Limited Incremental Property Tax Revenues appropriated by the City as of April 1 and October 1 of such Property Tax Year to the Escrow Agent no later than April 15 and October 15, respectively, of such Property Tax Year. The Escrow Agent will deposit all Limited Appropriation Revenues received by the City into the Escrow Fund to be applied in accordance with the provisions of this Tax Distribution Agreement.

Section 304. Application of Moneys in City Bond Finance Fund.

(a) The State Treasurer shall cause the State Tax Revenues credited to the City Bond Finance Fund pursuant to K.S.A. 79-3620(d), as amended, and K.S.A. 79-3710(d), as amended, to be transferred biannually to the Escrow Agent for deposit in the Escrow Fund to (i) pay or reimburse principal and Accreted Value of (whether by maturity, mandatory sinking fund redemption or Special Mandatory Redemption) and interest on any series of Bonds, or (ii) replenish any debt service reserve fund that was initially funded with Bond proceeds and was subsequently depleted in order to pay principal of, Accreted Value or interest on a series of Bonds (i.e., the Debt Service Reserve Accounts), all in accordance with this Tax Distribution Agreement. Moneys in the City Bond Finance Fund shall not be used to (A) pay the fees and expenses of the Credit Enhancers, if any, the Trustee, the Escrow Agent, the Dissemination Agents or the Rebate Analysts, (B) pay any premium payable on any Bonds upon the redemption or purchase thereof or (C) pay any fees or other transaction costs relating to the redemption, purchase or defeasance of any Bonds. Interest earnings on amounts on deposit in the City Bond Finance Fund shall be transferred to the State general fund.

(b) On each May 5 and November 5:

(i) The State Treasurer shall advise the Escrow Agent of the amount then on deposit in the City Bond Finance Fund.

(ii) The Trustee shall advise the Escrow Agent of the following: (A) the amount of any due and unpaid principal of, Accreted Value and interest on each series of Bonds issued under the Indenture; (B) the amount of principal of, Accreted Value and interest becoming due at maturity, Special Mandatory Redemption or upon mandatory sinking fund redemption on the upcoming Interest Payment Date on each series of Bonds issued under the Indenture (less any amounts that will be on deposit in the applicable Debt Service Accounts on such Interest Payment Date, after making transfers, if any, from the applicable Capitalized Interest Accounts established under the Indenture); and (C) the extent, if any, to which the amounts on deposit in each of the Debt Service Reserve Accounts established with respect to a series of Bonds issued under the Indenture is less than the Debt Service Reserve Requirement with respect to such series of Bonds.

(c) On or prior to each May 10 and November 10, the Escrow Agent shall take the following actions:

(i) The Escrow Agent shall make a determination of the allocation and distribution on the upcoming Interest Payment Date of available Tax Revenues with respect to such upcoming Interest Payment Date pursuant to the provisions of **Section 401**.

(ii) The Escrow Agent shall advise the Trustee of the allocation and distribution of the moneys on deposit in the Escrow Fund on the upcoming Interest Payment Date, including each payment or transfer to be made on the upcoming Interest Payment Date with respect to Bonds. The Trustee shall in turn give notice of any redemption of Bonds issued pursuant to the trust indenture under which it serves as trustee to the owners of such Bonds as required by the provisions of such trust indenture.

(iii) The Escrow Agent shall advise the State Treasurer of the amount of State Tax Revenues on deposit in the City Bond Finance Fund to be transferred to the Escrow Agent for deposit in the Escrow Fund to pay or reimburse debt service on the Bonds on the upcoming Interest Payment Date (the "State Transfer Amount"). Such amount shall be equal to the lesser of (A) the amount on deposit in the City Bond Finance Fund on the preceding May 5 or November 5, and (B) the amount that will be used on the upcoming Interest Payment Date to pay or reimburse principal of, Accreted Value, and interest on the Bonds (whether by maturity, mandatory sinking fund redemption, Special Mandatory Redemption, optional redemption, defeasance or purchase) and to replenish any Debt Service Reserve Accounts pursuant to the provisions of **Section 401**.

(d) Not less than two (2) Business Days prior to each Interest Payment Date, the State Treasurer shall transfer the State Transfer Amount to the Escrow Agent for deposit in the appropriate accounts of the Escrow Fund.

(e) The Escrow Agent shall provide to the City, by not later than 20 days after each Interest Payment Date, a report stating the amount of the State Transfer Amount remitted by the State Treasurer prior to the upcoming Interest Payment Date and deposited to the Escrow Fund.

Section 305. Allocation of State Tax Revenues, Local Tax Revenues and Limited Appropriation Revenues. In making distributions of State Tax Revenues, Local Tax Revenues and Limited Appropriation Revenues pursuant to **Article IV**:

(a) *first*, all State Tax Revenues shall be allocated (i) *first*, to pay or reimburse principal and Accreted Value of (whether by maturity, mandatory sinking fund redemption, Special Mandatory Redemption, optional redemption, defeasance or purchase) and interest on Bonds and (ii) *second*, to replenish debt service reserve funds that were initially funded with Bond proceeds and were subsequently

depleted in order to pay principal of, Accreted Value or interest on a series of Bonds (i.e., the Debt Service Reserve Accounts); and

(b) *second*, the Local Tax Revenues and the Limited Appropriation Revenues and any investment earnings thereon shall be allocated (i) *first*, to pay the fees and expenses of each Credit Enhancer, if any, the Trustee, the Escrow Agent, the Dissemination Agents and the Rebate Analysts, (ii) *second*, to pay any premium payable on any Bonds upon the redemption or purchase thereof, (iii) *third*, to pay any fees or other transaction costs relating to the redemption, purchase or defeasance of any Bonds, (iv) *fourth*, to replenish debt service reserve funds that were initially funded with Bond proceeds and were subsequently depleted in order to pay principal of, Accreted Value or interest on a series of Bonds (i.e., the Debt Service Reserve Accounts) and (v) *fifth*, to pay or reimburse principal and Accreted Value of (whether by maturity, mandatory sinking fund redemption, Special Mandatory Redemption, optional redemption, defeasance or purchase) and interest on Bonds.

Section 306. Investment of Moneys. Moneys held in the Escrow Fund shall, pursuant to written directions of the City Representative, or in the absence of such direction at the discretion of the Escrow Agent, be invested and reinvested by the Escrow Agent in Permitted Investments (as defined in the Indenture) which mature or are subject to redemption by the owner thereof prior to the date such funds are expected to be used or transferred as provided in this Tax Distribution Agreement. The Escrow Agent may make any investments permitted by the provisions of this Section through its own bond department or short-term investment department or that of any affiliate of the Escrow Agent and may pool moneys for investment purposes. Any such Permitted Investments shall be held by or under the control of the Escrow Agent and shall be deemed at all times a part of the account in which such moneys are originally held.

The interest accruing on the Escrow Fund and any profit realized from such Permitted Investments shall be credited to the Escrow Fund and any loss from such Permitted Investment shall be charged to the Escrow Fund. The Escrow Agent shall sell or present for redemption and reduce to cash a sufficient amount of Permitted Investments whenever it shall be necessary to use or transfer moneys in any account pursuant to the provisions of this Tax Distribution Agreement and the Escrow Agent shall not be liable for any loss resulting from such investments.

ARTICLE IV

APPLICATION OF MONEYS ON DEPOSIT IN ESCROW FUND

Section 401. Application of Tax Revenues in Escrow Fund Prior to Each Interest Payment Date. Not less than one (1) Business Day prior to each Interest Payment Date, the Escrow Agent shall allocate and distribute Tax Revenues on deposit in the Escrow Fund in the following order of priority:

(a) *Debt Service.* The Escrow Agent shall transfer to the Trustee, for deposit in the applicable Debt Service Accounts established with respect to the Bonds under the Indenture, an amount equal to the sum of (i) the amount of any due and unpaid principal of, Accreted Value and interest on the Bonds (the "Past Due Debt Service"), plus (ii) the amount of principal of, Accreted Value and interest becoming due on the upcoming Interest Payment Date on the Bonds, less any amounts then on deposit in such Debt Service Accounts and any applicable Capitalized Interest Accounts, in accordance with the provisions of the Indenture (the "Current Debt Service"). Such amount shall be applied by the Trustee *first*, to the payment of Past Due Debt Service, and *second*, to the payment of Current Debt Service.

(b) *Replenishing of Debt Service Reserve Accounts.* If and to the extent there are moneys remaining in the Escrow Fund after the transfers required under subsection (a) of this **Section 401** have been made, the Escrow Agent shall transfer to the Trustee, for deposit in the applicable Debt Service Reserve Accounts established with respect to the Bonds under the Indenture, an amount equal to the amount, if any, necessary to be deposited in such Debt Service Reserve Accounts in order to cause the aggregate amount on deposit in such Debt Service Reserve Accounts as of the close of business on the upcoming Interest Payment Date to be equal to the aggregate Debt Service Reserve Requirement with respect to the Bonds (or, if applicable, to reimburse the provider of a surety bond or other credit facility satisfying the Debt Service Reserve Requirement with respect to Bonds for a prior payment of debt service on such Bonds).

(c) *Reserve for Next Scheduled Debt Service Payment.* If and to the extent there are moneys remaining in the Escrow Fund after the transfers required under subsections (a) and (b) of this **Section 401** have been made, the Escrow Agent shall determine the aggregate scheduled principal and Accreted Value payments (whether at maturity or upon mandatory sinking fund redemption) and interest payments required to be made with respect to the Bonds pursuant to the terms of the Indenture on the next succeeding Interest Payment Date (*i.e.*, the Interest Payment Date immediately succeeding the upcoming Interest Payment Date), less any amounts then on deposit in the applicable Debt Service Accounts and Capitalized Interest Accounts established with respect to the Bonds under the Indenture (the “Next Scheduled Debt Service Payment”) and shall reserve in the Escrow Fund (or, with respect to the State Percentage of the hereinafter defined Reserved Revenues, in the City Bond Finance Fund, as provided in the last sentence of this subsection (c)) an aggregate amount (the “Reserved Revenues”) equal to the Next Scheduled Debt Service Payment. An amount equal to the State Percentage of the Reserved Revenues shall be retained in the City Bond Finance Fund until the next succeeding Interest Payment Date (*i.e.*, the Interest Payment Date immediately succeeding the upcoming Interest Payment Date) and an amount equal to the City Percentage of the Reserved Revenues shall be retained in the Escrow Fund until such next succeeding Interest Payment Date, at which time the Reserved Revenues shall be applied along with other amounts on deposit in the Escrow Fund as provided in this **Section 401**.

Notwithstanding anything to the contrary in this subsection (c), if the Bonds of a particular series would be paid in full on the upcoming Interest Payment Date if the portion of the Reserved Revenues allocable to such series of Bonds were available to be applied to the redemption of such Bonds pursuant to the provisions of this **Section 401** on the upcoming Interest Payment Date, then the Escrow Agent shall transfer to the Trustee the portion of the Reserved Revenues allocable to such series of Bonds that is needed to pay such series of Bonds in full, which amount shall be applied to the redemption of such Bonds in accordance with the applicable subsection of this **Section 401**.

(d) *Special Mandatory Redemption of Term Bonds on the Upcoming Interest Payment Date.* If and to the extent there are moneys remaining in the Escrow Fund after the transfers required in subsections (a) and (b) of this **Section 401** have been made, and the amount to be retained in the Escrow Fund under subsection (c) of this **Section 401** has been reserved, the Escrow Agent shall transfer to the Trustee, for deposit in the applicable Special Mandatory Redemption Subaccounts of the Debt Service Accounts established with respect to any Term Bonds under the Indenture, an amount sufficient to redeem such outstanding Term Bonds pursuant to the terms of the Indenture on the upcoming Interest Payment Date. The Trustee shall use the moneys so deposited in such Special Mandatory Redemption Subaccounts to redeem such outstanding Term Bonds on such date. If there is more than one series of such outstanding Term Bonds and the moneys to be transferred pursuant to this subsection (e) are insufficient to redeem all such outstanding Term Bonds, such moneys shall be allocated among such outstanding Term Bonds in ascending order of maturity.

(e) *Redemption or Prepayment of Other Bonds.* If and to the extent there are moneys remaining in the Escrow Fund after the transfers required under subsections (a), (b) and (d) of this **Section**

401 have been made, in which case provision for payment of all Term Bonds shall have been made, and the amount to be retained in the Escrow Fund under subsection (c) of this **Section 401** has been reserved, then the Escrow Agent shall apply an amount sufficient to redeem, purchase, defease or prepay any outstanding Bonds pursuant to the terms of the Indenture, to the redemption, purchase, defeasance or prepayment of such Bonds in such manner, proportions and priority and on such dates as shall be determined as set forth in an amendment to this Tax Distribution Agreement to be effective at the date of issuance of the first series of Bonds that are not Term Bonds.

(f) *Payment of Junior or Subordinate Lien Obligations.* If and to the extent there are moneys remaining in the Escrow Fund after the transfers required under subsections (a), (b), (d) and (e) of this **Section 401** have been made, in which case provision for payment of all Bonds shall have been made, then the Escrow Agent shall apply such remaining moneys to the payment of any obligations issued under the Indenture that are subordinate and junior to the Bonds and payable from the Revenues (as defined in the Indenture) in such manner, proportions and priority and on such dates as shall be determined as set forth in an amendment to this Tax Distribution Agreement to be effective at the date of issuance of the first series of such obligations.

(h) *Payments to State Treasurer, City and County.* If and to the extent there are moneys remaining in the Escrow Fund after the transfers required under subsections (a) and (b) and subsections (d) through (f) of this **Section 401** have been made, in which case no Bonds or other obligations will be outstanding under the Indenture at the close of business on the upcoming Interest Payment Date, the Escrow Agent shall (1) transfer to the State Treasurer, for deposit in the State general fund, an amount equal to the State Percentage of such remaining moneys, and (2) transfer to the City, an amount equal to the product of (A) the Local Percentage of such remaining moneys multiplied by (B) a fraction, the numeration of which is the percentage of the countywide retail sales tax then currently allocated to the City and the denominator of which is the percentage of the countywide retail sales taxes then allocated to the City and the County, and (3) transfer to the County, an amount equal to the project of (i) the Local Percentage of such remaining moneys multiplied by (ii) a fraction, the numeration of which is the percentage of the countywide retail sales tax then currently allocated to the County and the denominator of which is the percentage of the countywide retail sales taxes then allocated to the City and the County.

Section 402. Application of Local Tax Revenues to Payment of Certain Fees on Each May 15 and November 15. On each May 15 and November 15, the Escrow Agent shall, from Local Tax Revenues and any investment earnings thereon on deposit in the Escrow Fund:

(a) *first*, pay to each Credit Enhancer, the sum of (i) such Credit Enhancer's semiannual fees and expenses due on such date, as provided in the related reimbursement agreement, (ii) any due and unpaid fees and expenses of such Credit Enhancer, and (iii) any other amounts due and payable to such Credit Enhancer under the related reimbursement agreement (other than reimbursement of such Credit Enhancer for payment of the principal of, Accreted Value and interest on the related series of Bonds);

(b) *second*, pay to the Trustee the sum of (i) the Trustee's fees and expenses due on such date, as provided in the Indenture (including a semiannual payment in an amount not to exceed \$2,250 for the Trustee's fees and ordinary expenses with respect to the Series 2018 Bonds), and (ii) any due and unpaid fees and expenses of the Trustee;

(c) *third*, pay to the Dissemination Agents the sum of (i) the Dissemination Agents' semiannual fees and expenses due on such date, as provided in the Continuing Disclosure Agreements (including a semiannual payment in an amount not to exceed \$1,500 for their fees and ordinary expenses thereunder), and (ii) any due and unpaid fees and expenses of the Dissemination Agents;

(d) *fourth*, pay to itself, as Escrow Agent, the sum of (i) the Escrow Agent's fees and expenses due on such date, as provided in **Section 503** (including a semiannual payment in an amount not to exceed \$1,000 for its fees and ordinary expenses hereunder) and (ii) any due and unpaid fees and expenses of the Escrow Agent, to the extent such fees and expenses were determined on the date originally due to be payable from moneys on deposit in the Escrow Fund pursuant to this **Section 402**; and

(e) *fifth*, pay to the Rebate Analysts, the sum of (i) the Rebate Analysts' fees and expenses due on such date, if any, and (ii) any due and unpaid fees and expenses of the Rebate Analysts.

Section 403. Limitation on Tax Revenues to be Transferred to Trustee in the Event that a Series of Bonds Will be Paid in Full on an Interest Payment Date. On any Interest Payment Date on which all of the outstanding Bonds of a series can be paid in full with the sum of (a) moneys on deposit in the Debt Service Reserve Account established with respect to such series of Bonds and (b) Tax Revenues available on such Interest Payment Date pursuant to the provisions of **Section 401** for the payment of the principal, Accreted Value and interest on such Bonds (whether by maturity, mandatory sinking fund redemption, Special Mandatory Redemption, optional redemption, defeasance or purchase), the Escrow Agent, in making the calculations required by **Section 401**, shall assume that all of the moneys on deposit in such Debt Service Reserve Account shall be applied to the payment of the principal, Accreted Value and interest on such Bonds on such Interest Payment Date (whether by maturity, mandatory sinking fund redemption, Special Mandatory Redemption, optional redemption, defeasance or purchase) prior to the allocation of any Tax Revenues to the payment of such Bonds pursuant to **Section 401**, in which case the amount of Tax Revenues to be transferred to the Trustee, with respect to such series of Bonds, shall not exceed the difference between (i) the amount of money necessary to pay all of the outstanding Bonds of such series in full and (ii) the amount on deposit in such Debt Service Reserve Account.

ARTICLE V

THE ESCROW AGENT

Section 501. Duties of Escrow Agent. The Escrow Agent agrees to perform the duties imposed upon it by this Tax Distribution Agreement, but only upon the following terms and conditions:

(a) The Escrow Agent undertakes to perform such duties and only such duties as are specifically set forth in this Tax Distribution Agreement, and no implied covenants or obligations shall be read into this Tax Distribution Agreement against the Escrow Agent.

(b) No provision of this Tax Distribution Agreement shall be construed to relieve the Escrow Agent from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(i) the Escrow Agent shall not be liable for any error of judgment made in good faith by an authorized officer of the Escrow Agent, unless it shall be proved that the Escrow Agent was negligent in ascertaining the pertinent facts; and

(ii) no provision of this Tax Distribution Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

Section 502. Certain Rights of Escrow Agent.

(a) The Escrow Agent may rely and shall be protected in acting or refraining from acting upon any certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) The Escrow Agent may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by the Escrow Agent hereunder in good faith and in reliance thereon.

(c) The Escrow Agent shall not be bound to make any investigation into the facts or matters stated in any certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, or other paper or document, but the Escrow Agent, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit.

(d) The Escrow Agent, in its individual or any other capacity, may become the owner or pledgee of Bonds and may otherwise deal with the City with the same rights it would have if it were not Escrow Agent.

(e) All money received by the Escrow Agent shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received. Money held by the Escrow Agent in trust hereunder need not be segregated from other funds except to the extent required by law or by this Tax Distribution Agreement. The Escrow Agent shall be under no liability for interest on any money received by it hereunder except as to investments authorized and directed pursuant to **Section 306** of this Tax Distribution Agreement. The liability of the Escrow Agent to make the payments required by this Tax Distribution Agreement shall be limited to the money and Permitted Investments within the Escrow Fund.

(f) The Escrow Agent may perform any duties hereunder either directly or by or through agents or attorneys and the Escrow Agent shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

Section 503. Compensation. The Escrow Agent shall be entitled to payment and reimbursement as follows:

(a) on each May 15 and November 15, commencing November 15, 2019, a reasonable semiannual fee for its services rendered hereunder not to exceed \$1,000 for each semiannual fee; and

(b) upon its request, payment or reimbursement of all reasonable expenses, disbursements and advances incurred or made by the Escrow Agent in accordance with any provision of this Tax Distribution Agreement (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to the Escrow Agent's negligence or bad faith.

All such payments and reimbursements shall be made only from amounts in the Escrow Fund as provided herein.

Section 504. Corporate Escrow Agent Required; Eligibility. There shall at all times be a Escrow Agent hereunder which shall be a bank or trust company organized and doing business under the laws of the United States of America or of any state thereof, authorized under such laws to exercise

corporate trust powers, subject to supervision or examination by federal or state authority, and having a combined capital and surplus of at least \$50,000,000. If such bank or trust company publishes reports of condition at least annually, pursuant to law or to the requirements of such supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Escrow Agent shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect specified in this Article.

Section 505. Resignation and Removal of Escrow Agent.

(a) The Escrow Agent may resign at any time by giving written notice thereof to the City, the Trustee and the State Treasurer. If an instrument of acceptance by a successor Escrow Agent shall not have been delivered to the Escrow Agent within 60 days after the giving of such notice of resignation, the resigning Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor Escrow Agent.

(b) If the Escrow Agent has or shall acquire any conflicting interest, it shall, within 90 days after ascertaining that it has a conflicting interest, or within 30 days after receiving written notice from the City that it has a conflicting interest, either eliminate such conflicting interest or resign in the manner and with the effect specified in subsection (a).

(c) The Escrow Agent may be removed at any time by an instrument in writing delivered to the Escrow Agent by the City. The Trustee may at any time petition any court of competent jurisdiction for the removal of the Escrow Agent for cause.

(d) The Escrow Agent shall give notice of each resignation and each removal of the Escrow Agent and each appointment of a successor Escrow Agent by mailing written notice of such event by first-class mail, postage prepaid, to the City, the Trustee, and the State Treasurer. Each notice shall include the name and address of the successor Escrow Agent and the address of its principal corporate trust office.

(e) No resignation or removal of the Escrow Agent and no appointment of a successor Escrow Agent pursuant to this Article shall become effective until the acceptance of appointment by the successor Escrow Agent under **Section 507**.

Section 506. Appointment of Successor Escrow Agent. If the Escrow Agent shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Escrow Agent for any cause, the City, by an instrument in writing delivered to the retiring Escrow Agent, shall promptly appoint a successor Escrow Agent. If, within 30 days after such resignation, removal or incapability or the occurrence of such vacancy, a successor Escrow Agent shall be appointed in the manner herein provided, the successor Escrow Agent so appointed shall, forthwith upon its acceptance of such appointment, become the successor Escrow Agent and supersede the retiring Escrow Agent. If no successor Escrow Agent shall have been so appointed and accepted appointment in the manner herein provided, the Trustee may petition any court of competent jurisdiction for the appointment of a successor Escrow Agent, until a successor shall have been appointed as above provided. The successor so appointed by such court shall immediately and without further act be superseded by any successor appointed as above provided. Every such successor Escrow Agent appointed pursuant to the provisions of this Section shall be a bank or trust company in good standing under the law of the jurisdiction in which it was created and by which it exists, meeting the eligibility requirements of this Article.

Section 507. Acceptance of Appointment by Successor Escrow Agent. Every successor Escrow Agent appointed hereunder shall execute, acknowledge and deliver to the City and to the retiring Escrow Agent an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Escrow Agent shall become effective and such successor Escrow Agent, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Escrow Agent and the duties and obligations of the retiring Escrow Agent shall cease and terminate; but, on request of the City or the successor Escrow Agent, such retiring Escrow Agent shall, upon payment of its charges, execute and deliver an instrument conveying and transferring to such successor Escrow Agent upon the trusts herein expressed all the rights, powers and trusts of the retiring Escrow Agent, and shall duly assign, transfer and deliver to such successor Escrow Agent all property and money held by such retiring Escrow Agent hereunder. Upon request of any such successor Escrow Agent, the City shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Escrow Agent all such estates, properties, rights, powers and trusts.

No successor Escrow Agent shall accept its appointment unless at the time of such acceptance such successor Escrow Agent shall be qualified and eligible under this Article.

Section 508. Merger, Consolidation and Succession to Business. Any corporation or association into which the Escrow Agent may be merged or with which it may be consolidated, or any corporation or association resulting from any merger or consolidation to which the Escrow Agent shall be a party, or any corporation or association succeeding to all or substantially all of the corporate trust business of the Escrow Agent, shall be the successor of the Escrow Agent hereunder, provided such corporation or association shall be otherwise qualified and eligible under this Article, and shall be vested with all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any paper or any further act on the part of any of the parties hereto.

Section 509. Representations of the Escrow Agent. The Escrow Agent hereby represents and warrants to the City, the Trustee and the State Treasurer as follows:

(a) The Escrow Agent is a state banking corporation duly organized and existing under the laws of the State of Kansas, is authorized and empowered to execute and deliver this Tax Distribution Agreement and has full power and authority to act as Escrow Agent as provided in this Tax Distribution Agreement.

(b) This Tax Distribution Agreement has been duly executed and delivered on behalf of the Escrow Agent by the duly authorized officer of the Escrow Agent. The execution and delivery by the Escrow Agent of this Tax Distribution Agreement and the performance by the Escrow Agent of its express duties under this Tax Distribution Agreement has been duly authorized by all necessary action on the part of the Escrow Agent. This Tax Distribution Agreement constitutes the valid and binding obligation of the Escrow Agent, enforceable in accordance with its terms.

(c) The Escrow Agent is eligible to serve as Escrow Agent hereunder in accordance with the provisions of **Section 504**.

ARTICLE VI

MISCELLANEOUS PROVISIONS

Section 601. Non-Business Days. If any provision of this Tax Distribution Agreement provides that an action shall be performed on a day other than a Business Day, such action need not be performed on such day but instead may be performed on the next succeeding Business Day.

Section 602. Notices. All notices, certificates or other communications required or desired to be given hereunder shall be in writing and shall be deemed duly given when mailed by first class, registered or certified mail, postage prepaid, or by facsimile or electronic transmission, addressed as follows:

(a) To the City at:

City of Dodge City, Kansas
806 North Second Avenue
Dodge City, Kansas 67801
Attention: City Manager
Fax: (620) 225-8144

(b) To the County at:

Ford County, Kansas
100 Gunsmoke
Dodge City, Kansas 67801
Attention: County Administrator
Fax: (620) 227-4626

(c) To the Trustee at:

Security Bank of Kansas City, as Trustee
One Security Plaza
701 Minnesota
Kansas City, Kansas 66101
Attention: Corporate Trust Department
Fax: (913) 621-8448

(d) To the State Treasurer at:

State Treasurer of Kansas
900 S.W. Jackson, Suite 201
Topeka, Kansas 66612
Attention: State Treasurer

(e) To the Department at:

Department of Revenue
915 S.W. Harrison
Topeka, Kansas 66625
Attention: Director of Taxation

(f) To the Escrow Agent at:

Security Bank of Kansas City, as Escrow Agent
One Security Plaza
701 Minnesota
Kansas City, Kansas 66101
Attention: Corporate Trust Department
Fax: (913) 621-8448

A duplicate copy of each notice, certificate or other communication given hereunder by the City, County, the Trustee, the State Treasurer or the Escrow Agent to any other shall also be given to the Department. The City, the County, the Trustee, the State Treasurer and the Escrow Agent may from time to time designate, by notice given hereunder to the other such parties, another address to which subsequent notices, certificates or other communications shall be sent.

Section 603. Amendments.

(a) *Amendments Without Consent of Bondowners.* This Tax Distribution Agreement may be amended or otherwise modified by a written instrument executed by all parties hereto for any one or more of the following purposes, at any time or from time to time:

(i) to add to the limitations and restrictions herein other limitations and restrictions to be observed by the other parties to this Tax Distribution Agreement which are not contrary to or inconsistent with this Tax Distribution Agreement as theretofore in effect;

(ii) to add to the covenants and agreements of any of the other parties hereto other covenants and agreements to be observed by such parties which are not contrary to or inconsistent with this Tax Distribution Agreement as theretofore in effect;

(iii) to cure any ambiguity, supply any omission or cure or correct any defect or inconsistent provision in this Tax Distribution Agreement;

(iv) to insert such provisions clarifying matters or questions arising hereunder as are necessary or desirable and are not contrary to or inconsistent with this Tax Distribution Agreement as theretofore in effect; and

(v) to make such modifications or changes herein that are not materially adverse to the interests of the owner of any outstanding Bond, as determined by the Escrow Agent its discretion (which determination shall be binding and conclusive on the City and the owners of the outstanding Bonds).

(b) *Amendments With Consent of Bondowners.* This Tax Distribution Agreement may be amended or otherwise modified by a written instrument executed by all parties hereto at any time or from time to time for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Tax Distribution Agreement with the written consent of the owners of not less than a majority of the Bond Obligation affected by such amendment; provided, however, that no such amendment shall, without the consent of the owner of each outstanding Bond affected thereby:

(i) affect the amount of Tax Revenues to be transferred from the Escrow Agent to the Trustee pursuant to this Tax Distribution Agreement; or

(ii) reduce the percentage of the Bond Obligation, the consent of whose owners is required for any such amendment.

The Trustee in its discretion may determine whether or not any Bonds would be affected by any such amendment to this Tax Distribution Agreement and any such determination shall be conclusive upon the City and the owners of the Bonds, whether theretofore or thereafter authenticated and delivered hereunder. The Trustee shall not be liable for any such determination made in good faith.

Section 604. Governing Law. This Tax Distribution Agreement shall be construed in accordance with and governed by the laws of the State of Kansas.

Section 605. Severability. If for any reason any provision of this Tax Distribution Agreement shall be determined to be invalid or unenforceable, the validity and enforceability of the other provisions hereof shall not be affected thereby.

Section 606. Binding Effect; Benefit of Tax Distribution Agreement. This Tax Distribution Agreement shall inure to the benefit of and shall be binding upon the City, the Trustee, the State Treasurer and the Escrow Agent and their respective successors and assigns, subject, however, to the limitations contained herein. With the exception of rights expressly conferred in this Tax Distribution Agreement, nothing in this Tax Distribution Agreement, express or implied, shall give to any person, other than the parties hereto and their successors and assigns hereunder and the owners of outstanding Bonds, any benefit or any legal or equitable right, remedy or claim under this Tax Distribution Agreement.

Section 607. Electronic Transactions. The transaction described herein may be conducted and related documents may be sent, received or stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed 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 608. Execution in Counterparts. This Tax Distribution Agreement may be executed simultaneously in several counterparts, each of which shall be deemed to be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Tax Distribution Agreement to be executed in their respective names by their duly authorized officers, all as of the date first above written.

CITY OF DODGE CITY, KANSAS

[SEAL]

By: _____
Name: E. Kent Smoll
Title: Mayor

ATTEST:

By: _____
Name: Nannette Pogue
Title: City Clerk

FORD COUNTY, KANSAS

[SEAL]

ATTEST:

By: _____
Name:
Title:

By: _____
Name: Debbie Cox
Title: County Clerk

**SECURITY BANK OF KANSAS CITY, as Trustee
under the Indenture**

By: _____

Name: Peter B. Gardner

Title: Vice President

TREASURER OF THE STATE OF KANSAS

(SEAL)

By: _____
Name:
Title:

**SECURITY BANK OF KANSAS CITY, as Escrow
Agent**

By: _____
Name: Peter B. Gardner
Title: Vice President

EXHIBIT A

LEGAL DESCRIPTION OF THE PROJECT AREA

A tract of land located in the east ½ of Section 22, and the west ½ of Section 23, Township 26 south, range 25 west of the 6th principle meridian Ford County, Kansas for the uses of STAR Bond and described as follows: beginning at the southeast corner of Lot 1 of the Fourteenth and Soule Subdivision said point also being on the west right of way line of Fourteenth Ave and on the South line of the northeast quarter of Section 22; thence west along said south line to a point on said line intersecting the extension of the west line of the Fourteenth and Soule Subdivision Unit Two; thence north along said west line and extension thereof to the western most northwest corner of the Fourteenth and Soule Subdivision Unit Two; thence northeasterly to the northern most northwest corner of the Fourteenth and Soule Subdivision Unit Two; thence east along the north line of the Fourteenth and Soule Subdivision Unit Two to the northeast corner thereof also being on the west right of way line of Fourteenth Avenue; thence north along said west right of way line to a point directly across from and perpendicular to a point on the east right of way of Fourteenth Avenue that intersects the extension of the south right of way line of Speirs Street to Northern Street to Manor Drive; thence east to the east right of way line of Fourteenth Avenue and the intersection of the extension of the south right of way line of Spiers Street to Northern Street to Manor Drive; thence easterly and southerly along said south right of way line and extension thereof to the northerly right of way line of Soule Street; thence westerly along said north right of way line to the southeast corner of Lot 1 Block 1 of the Replat of Rostine Hills; thence northerly and westerly along the eastern boundary of the Replat of Rostine Hills to the east right of way line of Fourteenth Avenue; thence south along said east right of way line to the northwest corner of Lot 2, Block 3 Rostine Hills Addition; thence east along the north line of said Lot 2 to the west right of way line of Thirteenth Avenue; thence south along said west right of way line to the southeast corner of Lot 3, Block 3, Rostine Hills Addition; thence west along the south line of said Lot 3 to the east right of way line of Fourteenth Avenue; thence south along said east right of way line to the northwest corner of Lot 1, Green Hills O'Ford No. 2; thence east along the north line of said Lot 1 to the northeast corner thereof; thence south along the east line of said Lot 1 to the southeast corner thereof; thence west along the south line of said Lot 1 and extension thereof to the west right of way line of Fourteenth Avenue; thence north along said west right of way line to the point of beginning.

October 16, 2018

MEMO

TO: Cherise Tieben, City Manager

FROM: Nannette Pogue, Finance Director/City Clerk
Nicole May, Assistant Finance Director

SUBJECT: 2019 Special Sales Tax Project Budget

In your packet of information is the Sales Tax Projects budget by summary. I will have the detailed budget available if any of the board members want to review it.

The Sales Tax Project Budget consists of 4 Funds:

1. Operating Fund – Which is the main fund that is broken down into five departments:
 - a. Field Sports
 1. Field Maintenance
 2. Concessions
 3. Tournament
 - b. Administration
 - c. Motor Sports
 - d. Special Events Center
 - e. Facilities Maintenance
 - f. Outdoor Regional Aquatics Facilities
2. Sales Tax Fund-Depreciation and Replacement
3. Sales Tax Fund-Organizational Funding
4. Debt Service Fund

SALES TAX PROJECT – OPERATING FUND

The revenue that funds the Sales Tax Fund is a ½ cent City Sales Tax and a ½ County Sales Tax. Projected revenue in the Sales Tax Project Fund for 2019 is \$5,896,000. This is slightly lower than what was budgeted for 2018 and slightly lower than actual collections for 2017. There is also \$505,500 in revenues budgeted from the admissions, programs and concessions at the outdoor aquatics park. The other revenues that fund this budget are interest on idle funds, sign sponsorships, and athletic field sports revenue. Beginning in 2019, we have added the Sports Commission activity to the Sales Tax fund.

This was added due to the main activities of the Sports Commission having to do with sports tournaments. No sales tax funds will be used to fund the Sports Commission, the revenues generated by the tournaments hosted by the Sports Commission such as gate receipts, sponsorships and contributions from the Convention & Visitors are used to fund the activities.

The total Field Sports Operations budget for 2019 is \$801,254. The Field Sports Operations budget includes the Field Maintenance, Concessions, and Tournaments.

Field Maintenance

The field sports budget includes:

Personal Services	\$265,544
Contractual	\$113,050
Commodities	\$82,850
Capital Outlay	\$63,000

The Personal Services, Contractual and Commodities line items reflect normal operating costs and reflect no major changes or increases from the 2018 budget. The Capital Outlay are proposed requests by the department. The following items are included in the proposed capital outlay:

- One new and one used utility vehicle - \$18,000
- Half ton pickup - \$25,000
- Backstops at St. Mary's, Kiwanis - \$9,000
- Soccer goals at Farrow Ford Park and St. Mary's - \$11,000

Athletic Field Concessions

There is no budgeted expenditure in 2019 for concessions. Request for proposals were solicited in 2015 and the contract for concessions at the baseball, softball and soccer fields was given to Ezequiel Alvarez owner and operator of Paleteria Rio Grande. The compensation back to the Sales Tax Projects Fund is 20 percent of gross revenues after taxes for concessions.

Athletic Fields Tournaments

The tournament director position is budgeted at \$83,400 including salaries and benefits. There is also \$103,750 budgeted for Athletic Fields Tournaments. This amount includes \$25,000 for the A's mini camps plus \$78,750 for tournament umpires contract labor. Also, for 2019, we began showing the Sports Commission expenses under the Tournaments department due to athletic tournaments being the major activity of the Sports Commission. There are no sales tax funds used to fund the Sports Commission, an equal amount of revenue and expenses are budgeted.

Sales Tax Project Administration

The Administration Division includes Administrative costs, legal fees and other, organizational funding, and debt service.

Included in the Administration budget is \$150,000 for City Administration costs. The budget for legal fees and other contractual costs is \$5,300. The organizational funding account is budgeted at \$710,000. The actual amount will need to be formally approved by the CFAB and City/County Commissions at a later date. \$3,255,000 is budgeted for debt. This reflects \$2,561,075 for the bonds issued to fund the Special Events Center and \$693,925 for the bonds issued to fund the aquatics facility. \$705,000 is budgeted to transfer into the Depreciation and Replacement Fund, this is an increase of \$60,000 from 2018 due to the new turf at Legends.

Special Events Center

\$875,500 is budgeted for the operating costs of the Special Events Center and \$20,000 additional funding for an ice or hockey event if that event were to be scheduled. In addition to the operations budget an additional \$100,000 is being proposed for capital improvements. In addition to the operations of the Special Events Center \$40,000 is proposed for insurance for the United Wireless Arena and Conference Center and \$3,200 is budgeted for electricity for an LED sign.

The capital items being requested by the United Wireless Arena are:

- Replacement computer - Chef – \$1,500
- Replacement computer – Director of Operations –\$ 1,500
- Laptops for Conference Center – \$3,000
- Server Replacement – \$10,000
- Replacement computer – Box Office Manager - \$1,500
- Copy/Fax/Scanner for Admin Office - \$13,000
- Glassware – \$3,000
- Large Outdoor Message Center 3.5” x 60” sq - \$2,500
- 4 Projectors for Conference Center HDMI connected - \$5,500
- 2 Sets of Stage Legs – 9 decking - \$14,000
- Sand and resurface basketball court - \$25,000
- LED lights under bleachers - \$8,000
- Replace computer – Fire Command - \$5,000
- Annual update to HVAC computer - \$1,500

The Business Plan for the United Wireless Arena for 2019 is also included in your packet.

Racetrack

The Dodge City Raceway Park budget is \$371,000. This includes a contract with Triple T Promotions to conduct major events and local shows (approximately 12) in an amount not to exceed \$250,000. The actual amount is pending approval of the CFAB board. It also includes: temporary position during the racing season to take care of buildings and grounds; insurance; utilities; maintenance contract on the elevator; building maintenance; event clean up; and capital projects. Some maintenance items included in the proposed budget are plumbing and electric maintenance, replacement of lighting and building doors and repairing of water damage in the pit booth. This amount also includes contractual lawn services for watering, mowing and trimming. Capital outlay is budgeted at \$15,300 for miscellaneous improvements.

Facilities Maintenance

This was a new department that was added in 2011. It was found that the contracts with the operators of the facilities focused on the operation and maintenance of the facilities. The maintenance of the grounds is outside of those contracts, so we felt it was necessary to put resources into maintaining the landscaping and parking lots. This budget includes labor and materials necessary to maintain the grounds at the Special Events Center and is in the amount of \$23,450.

Outdoor Regional Aquatics Facilities

\$553,000 is budgeted for the operating costs of the Regional Aquatics Park. This includes a management contract with StandGuard Aquatics in the amount of \$455,000, this is equal to what was paid to them in 2017. In addition to the operations budget an additional \$10,000 was budgeted for insurance and bonds, \$5,000 for building improvements and \$12,500 for chemicals and supplies.

SALES TAX FUND-DEPRECIATION AND REPLACEMENT

In early 2010, the CFAB and City and County Commissions approved the establishment of a Depreciation and Replacement Fund for the Sales Tax Projects. The initial transfer into this fund was \$2,500,000, with an annual transfer of \$750,000. This Depreciation and Replacement Fund was set up to replace and/or improve all of the assets that were funded by the sales tax. As the discussion progressed regarding additional projects, several questions were asked as to whether or not the amount being transferred into this account was too much. We then reviewed the list of assets that were being depreciated and determined whether or not they would be replaced or if insurance would take care of the costs, or if they were completely wiped out, would they even be rebuilt or replaced. Toward that end, we took out all of the equipment, deciding when they needed replaced they would be paid for from the operating funds. We determined which parts of the buildings or complexes would actually need to be replaced or upgraded once they were worn out. After all of the items were reviewed, it was determined by staff that a more comfortable level would be at \$345,000 annually. Due to the addition of the aquatics park this amount was increased to \$645,000 in 2018. Due to the addition of the turf at the

Legends complex the amount being proposed for 2019 has been increased to \$705,000 to be transferred from the Special Sales Tax Projects Fund to the Depreciation and Replacement Fund. The depreciation includes only the projects that were previously funded by the Special Sales Tax. Any additional projects that are added would result in an increase to this fund.

Included in the Capital Improvement budget for 2019 is a Swirl Bowl slide for the waterpark. The amount budgeted is \$600,000. This would be paid for from the Sales Tax – Depreciation and Replacement Fund. This is a project that we will need some guidance on whether you want to add a new slide at this time.

SALES TAX FUND-ORGANIZATIONAL FUNDING

The Interlocal Agreement has a provision that up to 15% of the sales tax collected can be transferred into a special fund. The receipt and expenditure of these funds are a separate process, action by CFAB and the City and County Commissions approves the amount of money transferred into this fund. Applications are accepted and approved as to the amount of money spent on individual projects. The amount proposed to be transferred in 2019 is \$710,000.

SEC REVENUE BOND FUND

This is a non budgeted fund and it accounts for the bond reserve that is required as the result of issuing revenue bonds for the events center and the aquatics facility. It also accounts for a monthly transfer from the operating fund and funds the interest and principal payments on the bonds when they are due.

I have included a graph which shows the outstanding amount of revenue bonds each year through 2035 as well as a graph that shows the payments due each year.

If you have questions or wish additional information, please let me know.

SALES TAX FUND - SPECIAL PROJECTS

Fund Source: 1/2% City Sales Tax; 1/2% County Sales Tax.

Guidelines: On June 10, 1997, the voters went to the polls to approve a 1/2% Citywide Sales Tax and a 1/2% Countywide Sales Tax to fund Civic Center upgrades to air-conditioning and electrical, softball facilities and complex, a motor sports track, a special events center and other projects. 1/4% City and 1/4% County sales tax went into effect on October 1, 1997. The additional 1/4% City tax was added to fund these projects in January 2000, and the additional 1/4% County tax was added in June, 1999. Currently this fund is being funded at the full 1/2% City and 1/2% County Sales Taxes.

SALES TAX - SPECIAL PROJECTS	2017 Actual	2018 Budget or Estimate	2019 Budget
<i>Unreserved Fund Balance, January 1</i>	1,528,925	2,856,664	2,007,934
Revenues:			
Sales Tax	4,669,191	4,765,000	4,716,000
Sales Tax	1,242,426	1,180,000	1,180,000
Interest Income	19,689	6,000	20,000
Concessions	12,795	10,000	12,000
Field Rental	15,785		
Other Athletic Field Inc	78,421	120,000	105,000
Sign Sponsorships			
Aquatics Park Revenue	499,304	495,000	505,500
Contributions & Donations	1,800		40,810
Sale of Scrap	800	0	
Sports Commission	0	0	70,660
TOTAL RECEIPTS	6,540,211	6,576,000	6,649,970
RESOURCES AVAILABLE	8,069,136	9,432,664	8,657,904
Expenditures			
FIELD SPORTS			
FIELD MAINTENANCE			
Personal Services	216,065	235,975	265,544
Adj current salaries mid year + proposed raise			
Contractual	118,744	108,200	113,050
Commodities	83,821	80,850	82,850
Capital Outlay	<u>57,947</u>	<u>110,000</u>	<u>63,000</u>
Total - Field Maintenance	476,577	535,025	524,444
TOURNAMENTS			
Personal Services	70,070	85,275	83,400
Adj current salaries mid year + proposed raise			
Contractual	87,253	115,000	103,750
Sports Commission	0	0	70,660
Commodities	<u>19,885</u>	<u>10,000</u>	<u>19,000</u>
Total - Tournaments	177,208	210,275	276,810
TOTAL FIELD SPORTS OPERATIONS	653,785	745,300	801,254

ADMINISTRATION			
Contractual	163,769	870,300	865,300
Commodities	0	0	
Payment for Expo Center	0	0	
Aquatics Park (to be reimbursed)		0	
Transfer to Depreciation & Replacement Fund	345,000	645,000	705,000
Series A & B - Debt Service (SEC-2009)	190,341	1,171,300	1,199,275
Series A 2015 - Debt Service (Water Park)	527,611	690,000	693,925
Series A 2016	1,206,896	1,363,300	1,361,800
Transfer to Reserve for 2015 Series A			
Other Payments	<u>2,858</u>	<u>2,200</u>	<u>2,200</u>
TOTAL - ADMINISTRATION	2,436,475	4,742,100	4,827,500
MOTOR SPORTS			
Personal Services	8,479	10,800	10,800
Contractual	292,869	345,300	330,800
Commodities	10,989	11,000	14,100
Capital Outlay	15,000	5,000	15,300
Concessions	0	0	0
Reimbursed Expense	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL - MOTOR SPORTS OPERATIONS	327,337	372,100	371,000
SPECIAL EVENTS CENTERS			
Contractual	988,881	860,500	895,500
Insurance & Electrical	42,732	45,600	43,200
Capital Outlay	<u>162,887</u>	<u>150,000</u>	<u>100,000</u>
TOTAL - SPECIAL EVENTS CENTER	1,194,500	1,056,100	1,038,700
SALES TAX PROJECTS-FACILITIES MAINTENANCE			
Personal Services	11,360	16,150	16,150
Contractual	0	0	0
Commodities	<u>469</u>	<u>9,300</u>	<u>7,300</u>
TOTAL-FACILITIES MAINTENANCE	11,829	25,450	23,450
Outdoor Regional Aquatics Facility			
Personnel		9,180	0
Contractual	554,322	424,000	553,000
Insurance	0	10,000	10,000
Commodities	6,561	22,500	12,500
Improvements to Buildings	<u>27,663</u>	<u>18,000</u>	<u>5,000</u>
TOTAL-OUTDOOR REGIONAL AQUATICS FACILITY	588,546	483,680	580,500
Merit salary raises			-923
TOTAL EXPENDITURES	5,212,472	7,424,730	7,641,481
<i>Unreserved Fund Balance, December 31</i>	<i>2,856,664</i>	<i>2,007,934</i>	<i>1,016,423</i>

SALES TAX FUND-DEPRECIATION & REPLACEMENT

Sales Tax Fund-Depreciation & Replacement	2017 Actual	2018 Budget or Estimate	2019 Budget
<i>Unreserved Fund Balance, January 1</i>	1,750,277	1,569,230	2,214,230
Revenues:			
Transfer from Other Funds	457,500	645,000	705,000
TOTAL RECEIPTS	457,500	645,000	705,000
RESOURCES AVAILABLE	2,207,777	2,214,230	2,919,230
Expenditures:			
Capital Outlay	638,547	0	600,000
TOTAL EXPENDITURES	638,547	0	600,000
<i>Unreserved Fund Balance, December 31</i>	1,569,230	2,214,230	2,319,230

ST FUND - ORGANIZATIONAL FUNDING

ST - ORGANIZATIONAL FUNDING	2017 Actual	2018 Budget or Estimate	2019 Budget
<i>Unreserved Fund Balance, January 1</i>	119,353	101,606	94,931
Revenues:			
Non-Govt Grants	6,295		
Sale of Labor and Material	6		
Transfer from General Fund		93,000	0
Transfer from Other Funds	795,430	710,000	710,000
TOTAL RECEIPTS	801,731	803,000	710,000
RESOURCES AVAILABLE	921,084	904,606	804,931
Expenditures			
Personal Services	91,341	94,675	0
Contractual	725,256	713,600	710,000
Commodities	2,881	1,400	
Capital Outlay	0	0	
TOTAL EXPENDITURES	819,478	809,675	710,000
<i>Unreserved Fund Balance, December 31</i>	101,606	94,931	94,931

Sales Tax Projects-Events Fund

Sales Tax Projects-Events Fund	2017 Actual	2018 Budget or Estimate	2019 Budget
<i>Unreserved Fund Balance, January 1</i>	10,812	57,916	
Revenues:			
Contributions & Donations	112,227	0	0
Transfer from Other Funds			
TOTAL RECEIPTS	112,227	0	0
RESOURCES AVAILABLE	123,039	57,916	
Expenditures			
Contractual	65,123	0	0
Capital Expenditures	0		
TOTAL EXPENDITURES	65,123	0	0
<i>Unreserved Fund Balance, December 31</i>	57,916	57,916	

DEBT SERVICE ACCOUNT

ACCOUNT DESCRIPTION

In June of 1998, two series of Revenue Bonds were issued to fund the construction of projects voted on by the citizens of Dodge City. Series A was issued in the amount of \$6,000,000 was issued to fund the construction a fourplex softball complex, updates to the Cavalier Field baseball complex located behind Sheridan Activity Center, construction of soccer fields, addition of air-conditioning and mechanical and other updates to the Civi Center and updates to other baseball/softball fields in the community. Construction is complete on all of these projects. The Series A Revenue Bonds were paid off early when the new revenue bonds to fund the Special Events Center were issued.

Construction of the Motor Sports Complex was completed in 2000 and the bonds issued for financing the proejct were paid off in 2008.

New Revenue Bonds were issued in 2009 to fund the Special Events Center. The Revenue Bond was issued in the amount of \$40,300,000. A reserve fund and debt service fund was required to be set up.

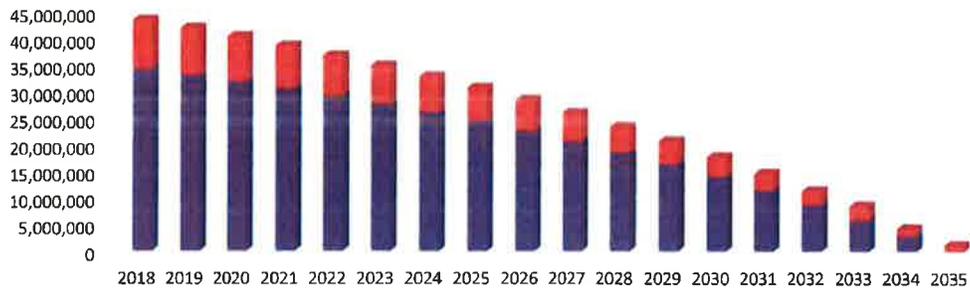
This account services the payment of annual principal and interest payments for those revenue bonds.

SEC Revenue Bond Fund	2017 Actual	2018 Budget or Estimate	2019 Budget
<i>Reserve for Debt Service</i>	1,400,406	429,706	
<i>Bond Reserve</i>	3,468,848	3,468,848	
Revenues:		Non Budgeted	
Investment Earnings	118,143	Fund	
Other Financing			
Transfer from Other Funds	1,397,237		
TOTAL RECEIPTS	1,515,380	0	0
RESOURCES AVAILABLE	6,384,634		
Expenditures			
Debt - Principal	1,090,000		
Debt-Interest	1,396,080		
Debt Service Fees	0		
TOTAL EXPENDITURES	2,486,080	0	0
<i>Reserved Fund Balance, December 31</i>	<i>3,898,554</i>		

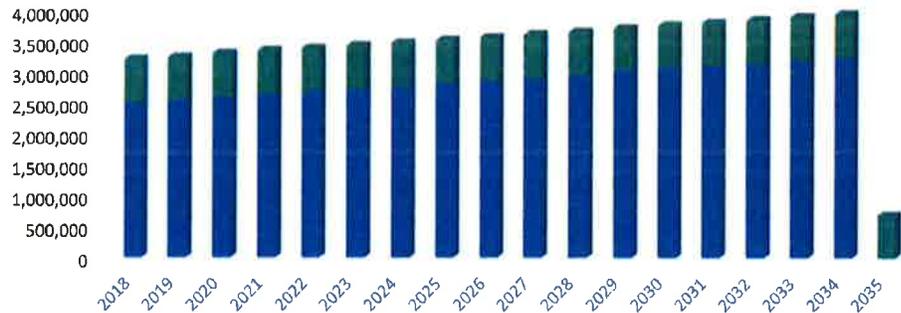
Water Park Revenue Bond Fund	2017 Actual	2018 Budget or Estimate	2019 Budget
Reserve for Debt Service	248,744	98,037	
Bond Reserve	699,991	699,991	
Revenues:		Non Budgeted Fund	
Investment Earnings	8,940		
Transfer from Other Funds (for Debt Serv Pmts)	527,611		
Transfer from Other Funds (for Reserve Fund)			
TOTAL RECEIPTS	536,551	0	0
RESOURCES AVAILABLE	1,485,286		
Expenditures			
Debt - Principal	360,000		
Debt-Interest	327,258		
Debt Service Fees	0		
TOTAL EXPENDITURES	687,258	0	0
Reserved Fund Balance, December 31	798,028		

The graphs depict the annual payments as well as the outstanding bond amounts in future years.

Sales Tax Revenue Bonds Outstanding



Sales Tax Revenue Bond Payments



Memorandum

To: County and City Commissioners
From: JD Gilbert, County Administrator
Cherise Tieben, City Manager
Date: October 16, 2018
Subject: Shared Road Agreement
Agenda Item: New Business

Recommendation: Joint staffs request the approval of the Shared Road Agreement.

Background: The City and County have met multiple times historically to resolve issues regarding shared roads. Due to the City limits running down the middle of our border streets, the City maintains one half and the County maintains the other. Generally, we have worked together so that both entities are not having to perform identical work on half of the same street. We have also worked cooperatively over the years to perform larger maintenance projects on these shared roads.

However, a larger issue with the shared border roads, is the fact that we may have two different speed limits – it could be 30 mph on the City side and 55 mph on the County side. Under this agreement, the City will formally annex the other side of the border roads and establish a consistent speed limit. This should resolve questions regarding speed limit and jurisdictional confusion for accidents, etc.

Additionally, in an effort to be proactive with our infrastructure and the fact that the City has a very limited number of dirt roads within the City Limits and it is difficult to maintain staff with that type of work experience necessary for that type of maintenance and where the County employs multiple staff with significant experience in maintaining dirt roads; the City will agree to take on all the routine maintenance of the asphalt roads, while County staff will maintain the dirt roads within the City limits. Large maintenance projects will continue to be shared and worked through both our normal budgets processes.

The last time that this issue was considered, the Frontage Road west of Loretta Ave. was missed. The asphalt portion of this road has been included in this document, however, the City already has an agreement with the Township that includes the dirt road maintenance to Matt Down and again north to the City Limits. In addition, Matt Down Rd. in front of Bob's Pawn Shop was annexed earlier this year. That small stretch of Matt Down Rd. has been struck from the agreement.

Justification: This agreement allows both entities to work together in the most efficient and practical manner to better serve our citizens and resolve confusion over law enforcement matters that citizens may incur. The last time that this issue was considered,

the Frontage Road west of Loretta Ave. was an issue. The asphalt portion of this road has been included in this document, however, the City already has an agreement with the Township that includes the dirt road maintenance.

Financial Considerations: The cost of general maintenance should offset each other through the exchange of responsibilities. Larger future maintenance projects for these areas will still come back before the Commissions either jointly or separately.

Purpose/Mission: We strive to set high performance and service standards set by us and expected by the Community.

Legal Considerations: See attached agreement.

Attachments: Shared Road Agreement

AGREEMENT

THIS AGREEMENT (this “Agreement”) made and entered into on the 22nd day of October, 2018, by and between the CITY OF DODGE CITY, KANSAS (DODGE CITY), a municipal corporation, and FORD COUNTY, KANSAS (FORD COUNTY), a governmental entity.

WHEREAS, DODGE CITY and FORD COUNTY maintain and operate multiple shared roads and boundary roads; and

WHEREAS, FORD COUNTY and DODGE CITY desire to simplify the maintenance of said roads as well as the issues related to jurisdiction and law enforcement of those roads; and

WHEREAS, DODGE CITY and FORD COUNTY have identified the shared roads and certain boundary roads for which the parties desire to address these issues.

NOW, THEREFORE, in consideration of the terms and conditions set forth below, the parties agree as follows:

1. IDENTIFICATION OF ROADS. FORD COUNTY and DODGE CITY have identified the boundary roads and shared roads that are the subject of this Agreement in Exhibit A attached hereto.
2. ANNEXATION. DODGE CITY shall take the necessary steps to prepare and complete those actions necessary to annex the right-of-way (ROW) of each of the roadways identified in Exhibit A. The annexation of said roadways is anticipated to be completed no later than March 1, 2019. At any point in time when additional annexation of real property causes DODGE CITY’s city limit to include real property on both sides of a roadway listed on Exhibit A, then that portion of said roadway will be considered deleted from Exhibit A for all purposes stated herein. The parties agree that in any future annexations by DODGE CITY the parties will avoid partial annexation of any roadway, and that annexations of roadways will result in the annexed roadway being listed on either Exhibit A or Exhibit B.
3. NORMAL MAINTENANCE-CITY. DODGE CITY will provide day-to-day maintenance of the paved roads and ROWs identified in Exhibit A, attached hereto and incorporated herein by reference. Day-to-day maintenance, as contemplated in this Agreement, will include but not be limited to, patching of potholes, maintenance and replacement of pavement marking, placement and maintenance of traffic signage, and snow removal.

4. MAJOR MAINTENANCE. When it is determined by DODGE CITY and FORD COUNTY that major maintenance must be performed on one (1) or more of the roadways listed in Exhibit A, FORD COUNTY and DODGE CITY will each pay one-half (1/2) of the cost of said major maintenance project. Major maintenance projects will include, but not be limited to, overlays, mill and overlays, adding shoulder pavement, and drainage structure improvements.
5. RECONSTRUCTION AND MODIFICATION. When it is determined by DODGE CITY and FORD COUNTY that a total reconstruction or major modification is required on one or more of the roadways listed in Exhibit A, the Parties to this Agreement will each pay for one-half (1/2) of the total cost of said total reconstruction or major modification (this total cost will include, but not be limited to design expense).
6. NORMAL MAINTENANCE-COUNTY. FORD COUNTY will provide day-to-day maintenance of DODGE CITY's unimproved roadways as listed in Exhibit B, which is attached hereto and incorporated herein by reference. Said day-to-day maintenance will include but not be limited to blading the gravel surface after precipitation events or as needed, adding gravel to provide sufficient cover, filling potholes, grading ditches, snow removal, and cleaning side road entrance pipes. This maintenance will also include those items necessary to maintain the generally accepted level of usage for such a roadway by the general public. Any roadway listed on Exhibit B that is subsequently improved to a gravel surface or better, shall be deleted from the list of roadways included on Exhibit B and said roadway will no longer be subject to this Agreement.
7. TERM. The term of this Agreement shall begin on the date of approval by both Parties, and end on December 31, 2019. Thereafter, the term of this Agreement shall automatically renew for annual terms from January 1 to December 31 of each subsequent year, unless this Agreement is terminated by either party, by giving written notice as provided in Section 8 below.
8. TERMINATION. Either PARTY may terminate this Agreement, for any reason, effective the first day of January of any subsequent year by providing the OTHER PARTY written notice of termination no later than July 1 of the year preceding the intended termination.
9. ANNUAL MEETING. The Parties will meet in March of each year to review this Agreement and the lists of roads subject to this Agreement.
10. SEVERABILITY. If any clause or provision herein shall be adjudged invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, it shall not affect the validity of any other clause or provision, which shall remain in full force and effect.
11. GOVERNING LAW. In the event of any dispute arising under this Agreement, it is agreed between the parties that the law of the State of Kansas will govern the interpretation, validity and effect of this contract.

12. DEFAULT. Should a party fail to meet its obligations under this Agreement, the other party shall give written notice of default. Should the defaulting party fail to cure the default within thirty (30) days of the notice, the non-defaulting party may declare this Agreement to be immediately terminated by serving a written notice of termination on the other party.
13. EFFECTIVE DATE. This Agreement shall take effect upon its approval by the governing bodies of the parties.
14. GENERAL COVENANTS.

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

(1) If to DODGE CITY: Dodge City City Manager
806 N. Second Avenue
PO Box 880
Dodge City, Kansas 67801

(2) If to FORD COUNTY: Ford County Commission Chair
100 Gunsmoke
Dodge City, Kansas 67801

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

- (b) This document incorporates all the obligations, agreements, and understandings of the parties hereto, and there are no oral agreements or understandings between the parties hereto concerning the purpose covered by this Agreement.
- (c) This Agreement may be amended, changed, or modified, only upon the written consent of the parties.
- (d) This Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective heirs, and personal representatives and permitted assigns, subject to approval of the governing bodies of the parties.
- (e) This Agreement shall be construed in accordance with the laws of the State of Kansas.

15. AUTHORITY. By signing below, the signatories certify that they have the authority to sign on behalf of and bind the entity indicated.

IN WITNESS WHEREOF, the parties hereto have approved and signed this Agreement the day and year indicated below.

CITY OF DODGE CITY, KANSAS

Date

By _____
Kent Smoll, Mayor

ATTEST:

Nannette Pogue, City Clerk

FORD COUNTY COMMISSION

Date

By _____
Chris Boys, Chair

ATTEST:

Debbie Cox, County Clerk

EXHIBIT B

UNIMPROVED CITY-OWNED ROADS TO BE MAINTAINED BY THE COUNTY

Roadway	Limits		Length, ft.
	Start	End	
Virginia St.	Beeson Rd.	McArtor Rd.	1,915
May Dr.	Beeson Rd.	McArtor Rd.	1,440
May St.	McArtor Rd.	South 335 ft.	335
Kansas Ave.	Colorado Dr.	Missouri Dr.	600
Missouri Dr.	McArtor Rd.	Oklahoma Ave.	1,330
Oklahoma Ave.	Colorado Dr.	S. 14th Ave.	950
Colorado Dr.	Oklahoma Ave.	South 230 ft.	230
Irene St.	Rath Ave.	Minneola Rd.	630
Lighter Ave.	Wilroads Garden Rd.	Jones St.	1,120
Jones St.	Lighter Ave.	Cecil Ave.	440
Cecil Ave.	Wilroads Garden Rd.	Beeson Rd.	1,205
Trent St.	Cecil Ave.	West 150 ft.	150
Cherry St.	Minneola Rd.	Water Sports Campground	470
Rd. 404	1,365 ft. S. of Trail St.	South End of Road	520
McCautland Rd. #2	Trail St.	City Limits (1,410 ft. South)	1,410
Algrim Ct.	Elm St.	North 270 ft.	270
Joel Ave.	Ave. A	William St.	2,355
Canterbury Rd.	Ave. A	Joel Ave.	500
Anna Ave.	Ross Blvd	Louise Ave.	610
Louise Ave.	Anna Ave.	North End	1,250
Westlawn Dr.	Division St.	Linn St. Extended	660
Gardner Ave.	Division St.	North 980 ft.	980
Total			19,370
			3.67
			feet miles

CFAB

Memorandum

To: City of Dodge City Commission and Ford County Commission

From: Assistant City Manager/Public Affairs

Date: October 16, 2018

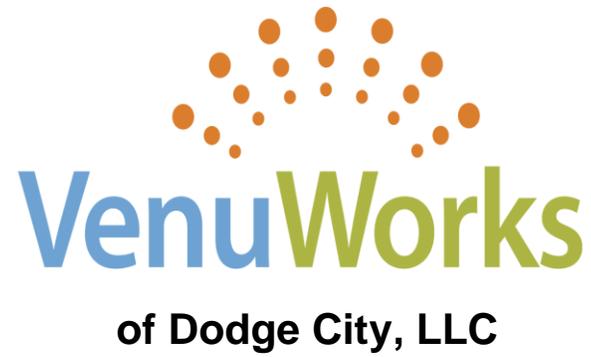
Subject: VenuWorks Business Plan

Agenda: Other Information

The attached document is the business plan for VenuWorks, the manager/operator of the United Wireless Arena and Boot Hill Casino and Resort Conference Center.

The attached report is for information only purposes and no official action will be taken on this document.

PROUDLY MANAGED BY



2019 Business Plan

4100 West Comanche
Dodge City, KS 67801
(620)-371-7390

www.unitedwirelessarena.com

**Information Regarding
United Wireless Arena & The Boot Hill Casino Conference Center
Business Plan**

This Business Plan contains information regarding the current and planned operations and business of United Wireless Arena & The Boot Hill Casino Conference Center. This Business Plan has been provided to the recipient solely for the purpose of assisting with the implementation of this business plan in accordance with procedures established by VenuWorks of Dodge City, LLC. The information in this plan should be considered proprietary information, however, it is a public record.

This Business Plan has been prepared by VenuWorks of Dodge City, LLC on the basis of internally prepared information, as well as information from public and private sources, including trade and statistical sources commonly used in the industry.

The projected information contained herein was prepared expressly for use herein and is based upon the stated assumptions and the VenuWorks analysis of information available at the time that this Business Plan was prepared. There is no representation, warranty, or other assurance that any of the projections set forth herein will be realized.

Any questions regarding the facilities should be directed to the following representatives named below.

Christopher Ragland
Executive
Director
(620)-371-7390

John Siehl
Chief Operating
Officer
(937)-823-3969

Amanda Nufer
Director of Finance
& Administration
(620)-371-7805

VenuWorks of Dodge City, LLC
4100 W. Comanche
Dodge City, KS 67801
(620)-371-7390
www.unitedwirelessarena.com

Executive Summary

United Wireless Arena & The Boot Hill Casino Conference Center are Southwest Kansas' premier sports, entertainment, and conference centers. United Wireless Arena & The Boot Hill Casino Conference Center operate within the highly competitive conference, entertainment and meeting industry.

Located in Dodge City, Kansas, United Wireless Arena & The Boot Hill Casino Conference Center opened to the public on February 17, 2011. The facility has seen a wide variety of major touring shows and increased meeting/conferences during its years of operation. With the guidance of the City of Dodge City and Ford County, the venue has become a formidable competitor as a regional destination with a reputation of first-class quality service and high value in the products delivered. VenuWorks is continuously exploring opportunities to meet the needs of all clients in a competitive environment. With a dedicated staff of professionals whom are empowered to make every event the best possible experience for all of the venue guests, United Wireless Arena & The Boot Hill Casino Conference Center are positioned to maintain current clients and attract new ones for years to come.

As we evaluate the regional facilities and industry trends, we see there are continued opportunities for United Wireless Arena & The Boot Hill Casino Conference Center. Southwest Kansas is a vibrant area and Dodge City has established itself as a regional hub for surrounding communities. Coupled with a first-class established facility built to serve our residents and visitors alike, United Wireless Arena & The Boot Hill Casino Conference Center fill a much needed niche in regional entertainment, sports, and meeting needs. As one of the newest in a large number of regional facilities, we are establishing ourselves to grow our position within Kansas as a destination for conferences and national touring shows.

The objective of this Business and Marketing Plan is to continue to increase and diversify the event load for the entire venue. This objective will increase revenues for the facilities and it will ensure that United Wireless Arena & The Boot Hill Casino Conference Center are able to realize the economic impact goals for the area. In order for the facilities to remain viable for the foreseeable future, we are continuously exploring new revenue opportunities and ways to be more efficient.

Food and Beverage

With food and beverage services part of our in-house operation, we have established not only a great revenue center, but have put United Wireless Arena & The Boot Hill Casino Conference Center management in control of the quality and presentation provided. Our past years of operation have received wonderful feedback on food quality, selection, and client satisfaction. While our efforts in providing a great product have been well received, we continue to improve our sales efforts to attract more business, be more competitive, and make the facilities welcoming to a diverse group of people. More people create more business, more visitors to the Dodge City area, and continued improvement to our bottom line. While we have seen growth in all areas of sales, we will continue to evaluate and rework menus and offerings to meet the changing needs of our customers. We look to maintain and grow the level of quality of food and service at United Wireless Arena & The Boot Hill Casino Conference Center. By doing so, our vision is to set the bar high for the entire region as we continue to strive for excellence.

The Boot Hill Casino Conference Center

The Boot Hill Casino Conference Center's design, layout, and location in Dodge City provides great sales and event possibilities that are only limited by the imagination. Because the Conference Center is available for use in multiple space configurations, it has grown in demand and event load over the years since opening. Being directly attached to the arena allows for combined efforts and expanded exhibit spaces. We will continue to pitch multi-day events and regional events as well as take advantage of Arena events and related space needs. We have also partnered with the Boot Hill Casino & Resort, not only with naming rights for the Conference Center, but also in offering concerts on a smaller scale to be held in the Conference Center and our Courtyard, and have had Dinner Show type events.

We are proceeding with updated sales material to provide individual packaged products to make the sales and purchasing process easier. We are also evaluating the physical structure of the facility to improve our sellable space and to be able to accommodate the requests for larger weddings and meeting functions. We continue to better utilize our mezzanine/club level area of the arena increasing usage of that space. We have also started using the Event Garden separating the Conference Center from the Casino for weddings, smaller get-togethers and a weekly concert series during the summer.

United Wireless Arena & The Boot Hill Casino Conference Center is now in a much better position to attract regional and even national events and we have become more aggressive to capitalize on future efforts. We continue to work with the CVB and area hotels to increase availability of room inventory necessary for larger, multi-day conventions and conferences. In March 2015 the Arena and Conference Center hosted the National Mennonite Conference. This Conference spanned three days and had a total attendance of 4,100. As part of this Conference, our Food & Beverage department provided four meals to an average of 1,400 people each meal. This National Conference has already requested we hold space for them for their 2019 Conference. The Kansas Sheriffs Association held their annual conference here in 2014, 2016 and again in 2018. The KSA Conference has an average attendance of 200 people each day for 4 days. We have been in talks with the Association about having the conference here in Dodge City every other year for the next 10 years. We are actively combining sales efforts with the CVB staff, and the growth of long-range bookings will secure our business model for the Conference Center. As an example, we worked closely with all the stakeholders to ensure the success of the Kansas Recreation and Parks Association Conference in April 2016. The event was a success and the planners have noted that they would like to see the conference return to Dodge City.

The Naming Rights for The Conference Center were contracted out to the Boot Hill Casino & Resort for 10 years in May 2016. This partnership will allow the two entities, with buildings attached by the breezeway, to work closer together to bring more entertainment and meetings to Dodge City.

United Wireless Arena

The last eight seasons of events has continued to establish event history at the United Wireless Arena, creating a track record for regional, national, and family show promoters. This is instrumental when establishing our venue as a viable, regional facility. We will continue to diversify our events for economic and public relation benefits working to bring more event activity to Southwestern Kansas. The indoor football team, the Dodge City Law, which utilized office space in the arena as well as

played all their home games in the Arena, finished the 2017 season number 1 in their division. But due to the cost of running the team and other issues, the team did not renew their affiliation with the CIF League and has left the Arena and Dodge City. The Arena will continue to look for an indoor football team, an indoor soccer team or an ice hockey team for the 2019 season. The Arena hosted the Dodge City High School TOC basketball tournament as well as the SPIAA basketball tournament again in 2018, and look forward to hosting each again in 2019. We hosted our fourth State Basketball Tournament in March 2018 with the Division 2, 1A State Tournament. Our Food & Beverage department catered hospitality for the tournament and received great reviews. We look forward to hosting this event again in the future. We will once again host the Gunsmoke Wrestling tournament as well as the USA Wrestling tournament, which bring in kids from all over Kansas and a 7 state region to compete. We will continue to pursue events such as high school tournaments, collegiate tournaments, and exhibition games/matches.

For the concert fans, we will continue to build on the events that we have hosted at United Wireless Arena. We have worked hard to establish our relationships with regional and national promoters and agents as well as continuing to purchase events when appropriate. With the support of VenuWorks Events & Entertainment Division and the City "Entertainment Fund", we will collectively look at the best opportunities available for the community and facility.

Diversity will be important in the types of events and we will try to influence routing and booking patterns to draw artists and sell tickets. Increased competition by outdoor festivals, such as Country Stampede, and other regional facilities such as Kansas Star Casino will continue to have an impact on our concert bookings since they are booking similar shows. We have realized some successes with comedy tours, country, rock, Hispanic entertainment and Christian acts, and we will continue our efforts to appeal to all genres and to all tastes.

We will also continue to work to inform, educate, and develop the regional ticket buyer to improve the overall attendance at our events.

Events Center Snapshot

The following is a snapshot of the setup and projected structure of United Wireless Arena & The Boot Hill Casino Conference Center as it relates to governance, staffing, rates, and booking guideline.

A. CITY OF DODGE CITY & FORD COUNTY

United Wireless Arena & The Boot Hill Casino Conference Center directly reports to the City of Dodge City. The City of Dodge City supplies information to Ford County Officials.

PROUDLY MANAGED BY



B. VENUWORKS, INC.

VenuWorks, Inc. has been retained by the City of Dodge City & Ford County to provide ongoing management for the United Wireless Arena & The Boot Hill Casino Conference Center. The original management agreement contract commenced on January 1, 2011 and was renewed to continue through December 31, 2019.

VenuWorks of Dodge City, LLC 2019 Business Plan

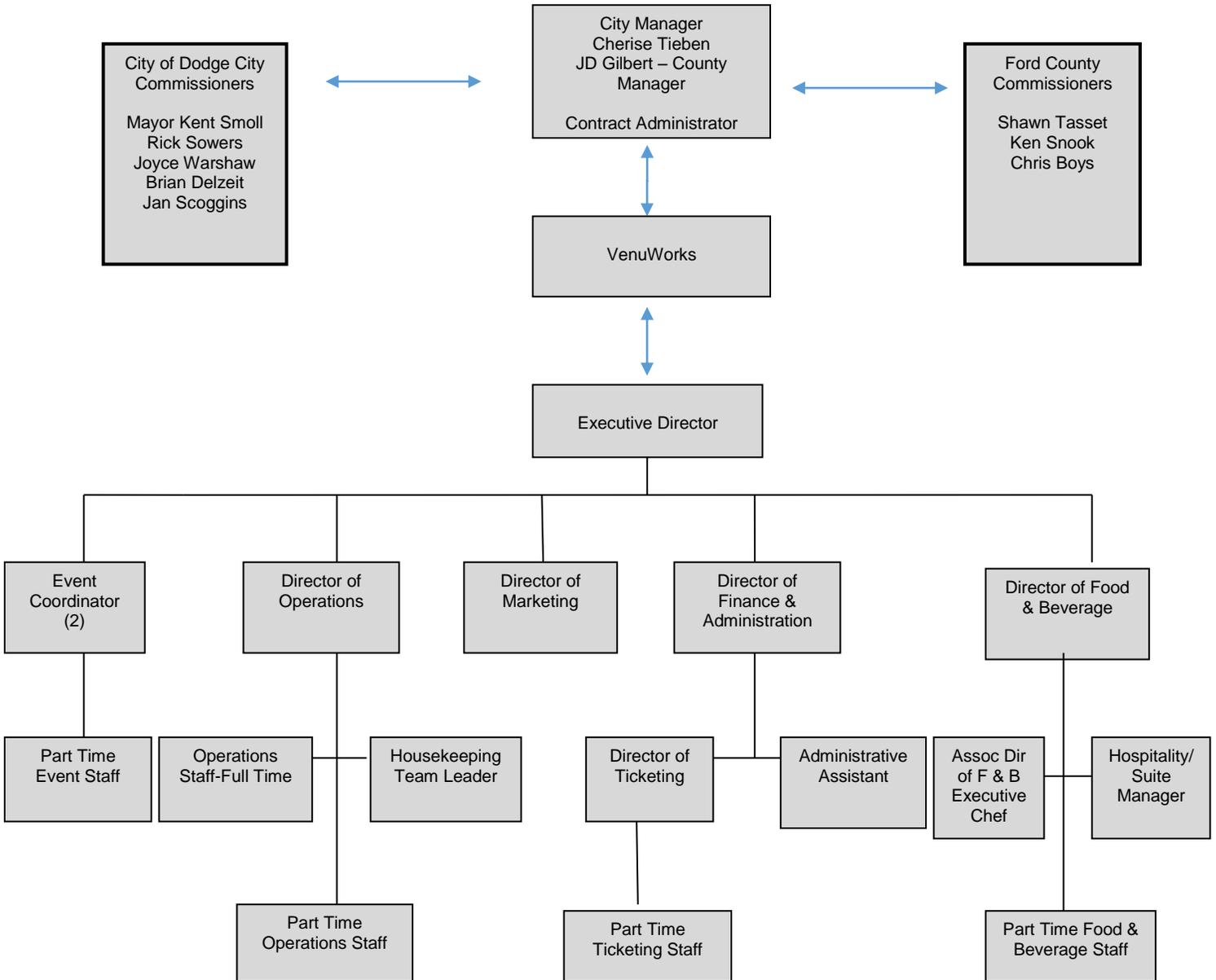
VenuWorks will continue to use its management, marketing, programming, and operational services to maximize the utilization of the Events Center. VenuWorks develops the operating budget with approval by the City Manager, provides monthly status and financial reports to the City, and provides an annual business marketing plan and annual financial report.

VenuWorks corporate office, located in Ames, Iowa, provides on-going support through site visits throughout the year, monthly booking and marketing calls and weekly scheduled phone calls between Executive Director and VenuWorks Regional VP.

C. UNITED WIRELESS ARENA & THE CONFERENCE CENTER

Below is a layout of the current organization chart at United Wireless Arena & The Boot Hill Casino Conference Center as it relates to on-site VenuWorks Staffing. As our event load grows in the future, we will add staff as necessary.

**VENUWORKS OF DODGE CITY, LLC
UNITED WIRELESS ARENA AND THE BOOT HILL CASINO CONFERENCE CENTER
ORGANIZATIONAL CHART**



D. 2018 ACCOMPLISHMENTS ARENA

Entertainment Events including:

2018.01.05 DCHS vs Cimarron
2018.01.18-20 TOC
2018.01.22-27 SPIAA
2018.02.18 Young Guns Rodeo Banquet
2018.03.03 Tanya Tucker
2018.03.07-10 State 1A Div 2 Basketball
2018.03.18 Bridal Expo
2018.03.22 3i Show Vendor Reception
2018.04.06 Jeff Dunham
2018.04.07 Gaither Vocal Group
2018.04.13 Skillet
2018.04.25 Rain: A Beatles Tribute
2018.05.05 DCCC Graduation
2018.05.09-11 American Public Works Conference
2018.05.12 Estrellas de Mariachi
2018.05.17 PJ Masks
2018.05.19 DCHS Graduation
2018.06.01-3 USA Wrestling
2018.07.20 Mini Cooper Car Show
2018.07.28 Justin Moore-DC Days Concert
2018.09.08 Intocable
2018.09.29 America
2018.10.02 Casting Crowns
2018.10.12 Hairball
2018.10.27 Scotty McCreery
2018.11.06-07 Kansas Sheriffs Association Conference
2018.11.29 Oak Ridge Boys
2018.11.30 Sesame Street
2018.12.08 United Wireless Skate Day
2018.09.01-12.31 Youth Hockey
2018.09.01-12.31 Public Skating

** Events listed are on our event calendar as of 8/1/18.

ATTACHED IS A FULL LIST OF CONFERENCE CENTER EVENTS HELD IN 2018
(scheduled as of 8/1/18)

FACILITY HIGHLIGHTS 2018:

- 129 events with 205 event days in 2018 (as of 8/1/18)
- 425 events with 475 event days in 2017
- Hosted the Tournament of Champions for the 7th year. Will be returning in 2019
- Hosted the SPIAA Basketball Tournament for the 7th year. Will be returning in 2019
- 4th year hosting the 1A Division II state basketball tournament. Will be returning in 2019, with dates on hold for 2020 and 2021.
- Expanded opportunities and times for Public Ice Skate
- Location for Youth Ice Hockey League
- Hosted the Dodge City High School Graduation Ceremony for the 8th year.
- Hosted the Chamber Banquet for the 7th Year
- Hosted the Young Guns Awards Banquet for 3rd Year. Average of 600 attendees
- Worked with local businesses for meetings/banquets with numerous repeat clients.
- Prepared and submitted bids for 2019 and beyond for conference and conferences that will have major hotel and space needs and produce a large economic impact for the area.
- Staff participated in the Parade of Lights and Chili Cook-off
- 3rd Annual Bridal Expo
- Host Site For State Conventions
- Host site for the Kansas State AA Convention-will return in 2019
- Host site for the Kansas Natural Resources Coalition Conference
- Hosted the Regional AMBUCS Conference
- Hosted the League of Municipalities Conference for the state of Kansas
- Hosted the Kansas State Register of Deeds Conference
- Hosted the annual State of the City and State of the County addresses.
- Hosted the State of the College address
- Hosted the Kansas State Dialogue Conference.
- Hosted the Kansas Respiratory Care Conference for the 5th year.
- Hosted the Kansas EMS Conference.
- Hosted the American Public Works Association Conference.
- Hosted the Kansas County Appraisal Association Conference.
- Hosted the Local Latina Outreach and Leadership Conference for the 5th Year.
- Hosted the Gubernational Democratic Party debate
- Partnered with the 3i Show as the Volunteer sponsor-Hosted the Volunteer Appreciation Banquet.
- Site for the USA Wrestling tournament, a national tournament for youth wrestlers. Will be returning in 2019
- Continue to be a site for wedding receptions and class reunions.
- Partnered with Boot Hill Casino & Resort-Hosted various employee and VIP Parties
- Site for the Kansas Department of Agricultural Economics Convention, Kansas Corn Growers Annual Meeting, Kansas Wheat Growers Annual Meeting, Kansas Society of Farm Managers Annual Meeting, Kansas Bankers Association meeting, as well as many insurance update meetings for regional agents.

E. 2018 PROGRAMMING AND SALES EFFORTS

Our efforts in 2019 will focus on the following items:

- United Wireless Arena hosted a Professional Indoor Football team in 2014, 2015, 2016 and 2017. The team left the CIF League at the end of the 2017 season and decided to fold the team. The Arena will actively work with the CIF League in 2018 and 2019 to obtain a tenant team for the 2019 season.
- We will continue our sales efforts in booking meetings, conferences, weddings, consumer shows, and banquets. Whether in conjunction with the Arena floor space or not, we will improve our usage of the conference center space. We will continue our sales efforts with Dodge City CVB on long-term bookings and improve our offerings and packaging as it relates to weddings, banquets, and conferences. We have established a tremendous reputation for food and beverage and will maintain and grow that area as to supplement our sales efforts.
- United Wireless Arena & The Boot Hill Casino Conference Center will continue to seek out and bid on larger, multi-day regional conferences for the years 2019 and beyond and work to capture the current bids that have been given for long term events. This will take a concerted effort to garner the full cooperation of the Hampton Inn. The booking policy of the facility allows for priority booking of multi-day conferences/conferences exclusively 18 months out.
- We will continue to actively promote the Arena side of the facility to national agents, independent promoters, and to cultivate new promoters within the region. We have had both challenges and successes with the events held so far and will continue to court those promoters to bring back more events. We have made progress with family touring shows and will continue to foster these relationships with positive, profitable engagements in the upcoming year. In addition, we worked with the City to help establish an “Entertainment Fund” in 2013 that affords the facility additional leverage to work with agents and better negotiate or outright buy talent for self-promoted events. The first use of the fund was utilized to book Alan Jackson for a show February 27, 2014. In addition, the fund was utilized to book Dwight Yoakam in 2013, Gabriel Iglesias and Boston in 2015, Rascal Flatts and Pepe Aguilar in 2016, Lee Brice, Jake Owen and Wynonna Judd in 2017. The Fund was utilized in 2018 to bring Rain: A Beatles Tribute, Justin Moore, Intocable, America and Scotty McCreery to Dodge City. By replenishing the fund at the beginning of each fiscal year, the City has increased the potential of hosting more events than standard promoter agreements would allow.
- A concerted attempt has been initiated to increase the diversity of programming at all our facilities. This process was started in 2015 with the booking of two boxing events in the Conference Center. 2016 saw the booking of Pepe Aguilar, the Arena’s first “A-list” Hispanic concert. MMA fights also came to the Arena in 2016 and have continued on a semiannual basis in the Conference Center. Los Tigres del Norte played at the Arena in April 2017 and 2018 has seen a Mariachi event with Yolanda del Rio and Beatriz Adriana as well as the group Intocable.

VenuWorks of Dodge City, LLC 2019 Business Plan

- United Wireless Arena & The Boot Hill Casino Conference Center will work to create and host home-grown events at and around the facility. By utilizing our location, our staffing, and equipment, we will work to create some home-grown events that will help fill the slower summer months when most artists go outdoors to fairs and festivals. 2016 also saw the start of a partnership between the Arena and the 3i show with a trade of advertising during the show for the Conference Center hosting the volunteer appreciation dinner after the show. This partnership has continued in 2018 and expanded, with the Conference Center hosting the 3i Show Vendor Reception. We will continue to look at more local events in 2019 as well as fostering partnerships with local businesses in these homegrown events.
- We will continue to work with local groups and organizations looking to grow their current events or begin new ones.
- We will also continue to monitor and control our expenses to make sure we work towards our financial goals for 2019.
- United Wireless Arena & The Boot Hill Casino Conference Center will continue to support and assist Dodge City High School and the Southern Plains Iroquois Athletic Association toward their goals in the presentation of successful sporting events. We will continue to pursue State and Regional sporting Tournaments/Events which will positively impact the Economies of Dodge City and Ford County.

F. APPROACH TO MARKETING

- One day at a time: We will continue to actively promote the use of the conference center facilities to local and regional users with a focus on the one-day event. Functions such as wedding receptions, holiday parties, corporate retreats & training, and other various single day events keep the conference center active with a majority of the revenue coming from the catering side of the business. We will improve and produce specific sales pieces and market directly to attract these types of events.
- Larger regional approach: Where possible, we will work to grow our market by including and involving the regional cities and outlying markets. This is an area we are striving to improve upon and need to be aggressive in finding a way to reach the people in these markets. We cannot rely just on Dodge City to support our events. In 2018 we continued focusing on a 40 county marketing target to include Western Kansas and Northern Oklahoma. We will continue to expand our reach in the years to come. Digital signage has been obtained in Dodge City, Garden City, Liberal and Woodward in 2015 and will continue to be utilized in 2019. We have worked out a marketing deal with Luminous Neon and obtained 2 Billboards, one next to the Howell Elevator and the other next to the KOCH Nitrogen plant. We will promote shows throughout the year with these billboards.
- Dodge City CVB & Dodge City Area Chamber of Commerce: United Wireless Arena & The Boot Hill Casino Conference Center will work with Dodge City CVB and the Chamber to aggressively seek out new business opportunities utilizing established relationships.
- Governmental agencies: Dodge City has become a regional hub for goods, services, and agencies for Southwest Kansas. United Wireless Arena & The Boot Hill Casino Conference

VenuWorks of Dodge City, LLC 2019 Business Plan

Center will take advantage of previous success and those synergies to attract more government based meetings and trainings. The State of Kansas has held successful meetings at the United Wireless Arena and The Boot Hill Casino Conference Center. This has opened up doors for other state agencies to hold their meetings here. The KRPA (Kansas Recreation and Parks Association) as well as the Kansas Sheriffs Association Conferences were held in 2016 with the Sheriffs Association returning in 2018.

- Book shows, sell tickets: Marketing focus will be in selling more tickets to events in 2019. Through a variety of channels, United Wireless Arena & The Boot Hill Casino & Resort Conference Center will work with promoters and pursue minimal risk events to more effectively market shows to the large target area in and around Dodge City. With the population in the region spread over a wide area, it is a challenge to effectively reach potential ticket buyers in the most cost efficient manner. Gathering information on buying habits, listening and reading habits, and the desired entertainment genres of the population will help to make those incoming promoters want to return. Utilizing social media, our website and customer satisfaction surveys will be key to gathering this information. We work with TicketMaster and have improved our abilities through technology improvements and will continue to look at our distribution capabilities to see what we can improve. Blue Digital, a division of Ticketmaster has shown to be a great success in promoting shows through social media, and we will continue to utilize those resources going forward. We will continue our partnership with United Wireless to make tickets accessible in outlying communities including Garden City, Liberal and Greensburg. We will look into expanding that accessibility into more Western Kansas areas. For the Pepe Aguilar show we utilized five ticket outlets in Dodge City, Garden City, Great Bend, Liberal and Ulysses. For the Los Tigres show we utilized three outlets in the Dodge City, Liberal and Garden City markets. We will continue to look at each show to see if outlets provide a viable option for ticket sales.
- Cater to the local population: We continue to engage the core population base to include them in United Wireless Arena & The Boot Hill Casino Conference Center activities to sustain the pride in their facilities.
- Partnership with Boot Hill Casino & Resort: Since 2013 United Wireless Arena & The Boot Hill Casino Conference Center has worked with the Casino to attract meetings and concerts/trade shows that benefit both marketing goals and bring more tax dollars to the community. We partnered in 2014 on the Highwaymen Show over Memorial Day weekend and an Elvis show over Labor Day weekend. Both were successful shows. The cooperation relationship continued in 2015 with another Elvis show and VIP parties. In 2016 the Casino agreed to Naming Rights for the Conference Center. Part of this 10 year agreement will allow for events to take place in the Conference Center and be hosted by the Casino in an effort to bring more entertainment options to the area. This relationship will continue to be fostered in 2019 and beyond.
- Our partnership with United Wireless was expanded in 2017. The contract for naming rights was set to expire in 2020. United Wireless approached us and proposed expanding the contract to 2026. This partnership remains strong and we hope to keep expanding it through 2019 and beyond.

VenuWorks of Dodge City, LLC 2019 Business Plan

- Social Media: In addition to our Facebook page, Twitter page, Instagram page, we also started utilizing Blue Digital, a division of Ticketmaster to promote shows through all social media platforms. We have also experimented with YouTube advertising for larger shows and hope to master this avenue in 2019.
- In mid 2018 the Arena and Conference Center revamped our website, making it more user friendly and user attractive. This has been an ongoing process since the launch of the new site in 2014. The new website was released in September 2018.
- In 2015 VenuWorks completed negotiations with several national ticketing companies regarding our national ticketing agreement. The process was very competitive, and ultimately TicketMaster submitted a proposal that surpassed their competitors, and even our own expectations. We were able to secure a deal that will net United Wireless Arena 40% of all service fees and per order processing fees. In addition, there will be no “inside charges” that independent facilities are often forced to pay, and there will be no cost for TicketMaster’s world renowned marketing expertise or their Mail Manager System. Corporately, VenuWorks is restructuring to focus more of our efforts on utilizing the market analytics available through TicketMaster. VenuWorks will create the role of Chief Marketing Officer and coordinate resources towards our digital marketing plan, which ultimately will sell more tickets for all of our managed venues.

Perhaps more exciting than the immediate financial impact of our new ticketing agreement is the opportunity VenuWorks has to partner with Live Nation, the world’s largest presenter of live entertainment events. Specifically, in an effort to drive more programming into VenuWorks facilities, Live Nation has committed to the following steps:

- Designate a national point person as the liaison for VenuWorks corporate booking staff.
- Host a bi-weekly conference call for VenuWorks booking staff focused on sharing relative programming information.
- Conduct quarterly meetings, with representation from key Live Nation Market Presidents, to discuss the programming of VenuWorks facilities.
- Host a meeting for VenuWorks executive staff on an annual basis in Los Angeles to review the prior years’ programming results and the upcoming year’s programming opportunities & strategy. This meeting will include at least one of the Co-Presidents of North American Concerts along with representation from Live Nation’s Touring Division.
- Because of this agreement, United Wireless Arena was able to bring the CMT Tour with Thomas Rhett and Brett Eldridge to Dodge City in 2015 and Justin Moore in 2018 for the Dodge City Days Concert.

We are very excited about this partnership and the booking advantage it will provide for each of our managed facilities, regardless of market size. It is an opportunity that is only made possible by bundling the ticketing and booking capacity of all VenuWorks managed facilities, and we are confident it will have a positive financial impact on all of our venues.

Corporately, VenuWorks has initiated a program of regional booking groups that will focus our efforts on buildings with similar scope and geographic locations. United Wireless Arena will be included with similar arenas in an effort to encourage the best possible routing scenarios, and lowest possible artist fees.

G. MARKETING PLAN

- In April 2017 Venues Today Spotlighted Midwest Venues in their April's Issue and United Wireless Arena ranked in the 'Top 10' 2017 'Top Stops'. The leading International magazine Venues Today focused in on the Midwest for their April issue and The United Wireless Arena made the issue coming in at #8 on the list. Venues Today congratulated the United Wireless Arena on making the list of 'Top 10' 2017 Midwest 'Top Stops' ranking in the 5,001-10,000 venue category based on concert and event grosses from February 1, 2016— January 31, 2017. Venues Today called it, "An Outstanding performance."
- In August 2016 and August 2018 Facilities & Event Management Magazine announced that United Wireless Arena was a 2016 and 2018 Prime Site Award Winner. The Facilities' Prime Site award is given to the top entertainment, sports, and special event venues, including Arenas, Civic Centers, Coliseums, Auditoriums, Stadiums, Theaters, PACs, Amphitheaters, University Venues, Fairgrounds and Special Event Venues. Readers of the magazine nominate venues based on numerous criteria ranging from promotional support and event staff proficiency to physical aspects such as seating versatility, A/V and staging quality, and back-of-house amenities. Winners of the award demonstrate the ability to please both incoming acts and patrons on multiple levels. This award serves to show the dedication and commitment to quality that the staff of the Arena shows at every event.
- United Wireless Arena & The Boot Hill Casino Conference Center Advertising:
 - Along with the Naming Rights agreement with Boot Hill Casino, advertising for certain shows will be included on Casino mailers, website, radio ads, etc. This will allow the Arena to reach a wider population of people when marketing shows.
 - Midwest Meetings Trade publication
 - Venues Today magazine
 - Regional News Papers
 - Regional Radio
 - Oklahoma and Colorado markets as we see our demographics grow there
 - United Wireless Arena Website-updated in 2014. Revamped in 2018.
 - Email blasts
 - Facebook/Twitter
 - Southwest Kansas Faith and Family
 - Informative Hispanic American
 - Dodge City Chamber Newsletter
 - LEGEND magazine of Southwest Kansas
 - Dodge City Days Guide
 - Pollstar National Magazine
 - Billboard AudArena Guide
 - IAVM Venue Connect Issue
 - Facilities Magazine Super book, Booking Guide and Facilities/Destinations
 - Meetings MidAmerica – Midwest Spotlight
 - ASAE association executives planning guide
 - High Plains Journal weekly magazine
 - Digital Billboards in Garden City, Dodge City, Liberal, Great Bend and Woodward
 - Static billboards on the East and West sides of Dodge City.

VenuWorks of Dodge City, LLC 2019 Business Plan

- Professional Memberships and Networking
 - Maintain professional industry memberships and attend monthly/bi-monthly/quarterly meetings and special events for networking opportunities and industry information. The membership includes the follow:
 - Dodge City Area Chamber of Commerce
 - Dodge City Sports Commission
 - Garden City Chamber of Commerce
 - International Association of Venue Managers (IAVM)
 - International Association of Entertainment Buyers (IEBA)
 - Dodge City Convention and Visitors Bureau
 - Tourism Promotion Area Meetings
- Tactics – Association, Government & Corporate/Social Markets
 - Direct Sales
 - Calls to local, regional, and statewide planners
 - Continue to work with the Dodge City Convention & Visitors Bureau to establish Dodge City as a destination city
 - Work closely with local vendors for referrals
 - Send comprehensive proposals when RFP process has been initiated for conventions working with CVB
 - Track leads using event management system
 - Follow up on all leads using tracking system
 - Follow up with clients after their event to re-book for future years
 - Network through current clients for additional business
 - Review files and lost business for new leads
 - Sales Trips
 - Conduct regional sales calls in the following areas
 - Dodge City
 - Garden City
 - Liberal
 - Sales Missions
 - Make sales calls to businesses
 - Conduct five Site Tours a quarter
 - Self Promote Show opportunities
 - Self Promote summer festivals, home grown events
 - Annual Conferences
 - Annual conferences bring increased revenue into the area that supports the local hotels, restaurants, and retail establishments. We will work with groups to establish Dodge City as the annual conference destination
 - Attend the following conferences & events
 - International Association of Venue Managers convention – July 2018/July 2019
 - Pollstar Annual Conference-February 2018/February 2019
 - IAVM-Venue Management School-June 2018/June 2019

VenuWorks of Dodge City, LLC 2019 Business Plan

- EAMC-Event Arena Marketing Conference-June 2018/June 2019
 - IEBA-Event Booking Association-September 2018/September 2019
 - VenuWorks annual meetings
 - Regional events / festivals
- Sales Objectives
 - Retain and sign current partners and sponsors to reflect 2019 value increases into their new contracts.
 - Pursue new partners and sponsors to sell the remaining current inventory and creating new customized packages for larger sponsors.
 - Profit Objectives
 - Analyze the true industry value of current inventory and adjust price accordingly.
 - Maintain integrity of inventory value and sell for appropriate price.
 - Keys to Success

In order to meet the goals outlined in this marketing plan, it is important the marketing strategy does the following:

 - Continue to assess and utilize physical plant and equipment for cost savings
 - Assess current available signage and create attractive packaging to new sponsors and/or up-selling current partners and sponsors.
 - Continue to increase communication with Media to inform them of positive and ongoing projects that will benefit the community and increase the perceived value of both buildings.
 - Obtain new monies that may be available through local tax revenues to create, support and promote new major events.
 - Work to obtain state grant money availability to be used for needed improvements or promotion.
 - Increase signage, sponsorship, and suite value
 - Promotions

In the past years we have had success promoting our buildings through promoter's dollars and thereby creating a strong local media relationship and keeping them informed. We have also found success with promoting specific building events especially at the United Wireless Arena. To communicate clearly with our community and region, it is important that we present a consistent marketing message between the different marketing channels. We will integrate our marketing communication in the following categories:

 - Advertising – In tandem with current promoter dollars, we have budgeted advertising dollars to promote the presence of the facilities and to advertise our own specific building events. We will be partnering with print, radio and television and internet on a number of activities.
 - Public Relations and Publicity – More news releases will be sent on a monthly basis informing the media of how our ongoing activities will impact the guest experience.
 - Direct Marketing – A great deal of effort will come from the facility ticket office. This effort will look into creating a group sales network to inform and encourage spontaneous and easy ticket purchasing for large groups. We have partnered with United Wireless and have sent out “text blasts” to United Wireless customers to promote special group sales opportunities. The Casino mailers and e-blasts for events are also effective marketing for events.

VenuWorks of Dodge City, LLC 2019 Business Plan

- Promotions and Events – Partnering with local Radio and TV has been very limited. In most cases this is due to promoter wishes for concerts. We will attempt to offer the media a reward to their loyal listeners or viewers and will offer free give aways to bring ticket buyers to our building.
- Marketing Materials – A facility brochure and technical package has been developed for promoters. To better promote the rental of the buildings and to further the updating of our website, we have hired photographers to take specific photos of different concert set ups, sets, rigging, and lighting etc.
- Online Advertising – We are using our own sites to promote events and offer information. We have advertised events on Facebook, YouTube and Twitter. Working with United Wireless, we have pursued a cell phone internet texting opportunity that would promote an event. We have revamped our website with a new look that will make the site more appealing and user friendly.
- Social Media promotions – We are currently utilizing Facebook and Twitter to hold ticket “giveaways” and foster more community involvement with our events. We have given away meet & greets through Facebook and Twitter as well as ticket giveaways. We will continue this process in the future, as social media seems to be the best avenue for this type of marketing. Our Facebook page reached 10,000 “Likes” in 2016. That number grew to 13,820 in 2017 and 15,675 in 2018. We hope to grow that number into the future.
- Partnership with the Kansas Lottery- The Justin Moore concert offered us the chance to partner with the Kansas Lottery by selling tickets at a “group” rate to the Lottery, who then offered those tickets to their Play On app users as a promotion. The partnership produced ticket sales of 400 for this first event. The Lottery was enthusiastic about the amount of response they received for the promotion. We hope to offer this kind of promotional partnership with the Lottery on our larger shows going forward. The Arena has also partnered with the Lottery on the Oak Ridge Boys concert in November 2018. This resulted in 150 tickets being offered through the Play On app.
- Partnership with the City of Dodge City, the CVB, Boot Hill Casino & Resort and Round Up Rodeo for the 2018 Dodge City Days concert - funding for the artist guarantee was secured through the City by utilizing the Transient Guest Tax fund. All parties worked in conjunction with the Arena to bring in the artist Justin Moore and to advertise the event and Dodge City Days as a whole. The concert itself brought in 2363 concert goers and had an estimated economic impact of \$100,650 for the community.

H. BUSINESS OPERATIONS

VenuWorks has obtained and will continue to maintain all licenses and permits necessary for the management and operation of United Wireless Arena & The Boot Hill Casino Conference Center, subject to the State of Kansas, Ford County, and the City of Dodge City’s procedures (as applicable) for the granting of such licenses and permits. In addition, we are responsible for the collection of all revenues and payment of all operating expenses including payment and remittance of applicable sales taxes. United Wireless Arena & The Boot Hill Casino Conference Center maintains three separate commercial bank accounts, one for Operations, one for Box Office sales to hold escrow ticket sales and one for ATM machine transactions. These accounts are in the name of the City of Dodge City and utilize their federal identification number. Signatories include the Executive Director, Director of Finance and Director of Food & Beverage.

VenuWorks of Dodge City, LLC 2019 Business Plan

The City Clerk also is included as a signatory. As appropriate and if available, these accounts are held in commercial interest-bearing money market accounts.

The City of Dodge City has authorization at any time to obtain information and records from the bank concerning the above-mentioned accounts. The interest accrued in these accounts is be the revenue of the City of Dodge City and applied towards operation of the facilities.

VenuWorks maintains accounting records relating to United Wireless Arena & The Boot Hill Casino Conference Center using accounting practices in accordance with generally accepted accounting principles consistently applied. We will continue with our internal financial control policies and practices which are in accordance with generally accepted standards in the industry and acceptable to The City of Dodge City. The City of Dodge City has access to all accounting records and supporting documentation relating to the UWA/BHCCC during the term and any renewal term of the contract.

VenuWorks has purchased and continues to maintain adequate commercial general liability insurance including liquor liability insurance (as appropriate), to afford protection from claims arising out of incidents occurring at United Wireless Arena & The Boot Hill Casino Conference Center with limits of liability acceptable to the City of Dodge City and Ford County. VenuWorks also carries adequate workers compensation insurance, automobile liability insurance, umbrella and excess liability insurance, fire and extended insurance coverage for items of personal property, equipment, and fixtures, and crime insurance with limits acceptable to the City of Dodge City and Ford County. VenuWorks also requires event insurance be obtained for all events that are held in the Arena or Conference Center.

We also require subcontractors who perform work or services under this agreement to meet the same insurance requirements as required of VenuWorks. VenuWorks of Dodge City, LLC, the City of Dodge City, Ford County, United Wireless, BHCMC, LLC, their officers and employees will be named as additional insured on VenuWorks' and any subcontractor's policies and certificates of insurance. VenuWorks will also furnish UWA/BHCCC with certificates of insurance and a copy of our policies if requested. All insurance will remain in effect during the life of the contract.

VenuWorks will continue to manage the food and beverage operations in-house at United Wireless Arena & The Boot Hill Casino Conference Center. The philosophy behind this business decision is to maximize the revenue generated from this operation and return it to the facility rather than share it with an outside third party contractor. From a customer service standpoint, managing catering and concessions in-house allows VenuWorks to have much greater control and confidence in the quality of the products being served and in the quality of the service provided by its employees. VenuWorks may partner with 3rd party vendors to enhance operation if warranted.

Published Conference Center/Arena Rack Rates (2019)

	<u>Daily Rates</u>
½ Single	\$125.00
Single Room	\$200.00
Half of Conference Center	\$450.00
¾ Conference Center	\$675.00
Full Conference Center	\$900.00
Executive Meeting Rooms in Arena	
Jack Dalton Room	\$150.00
High Plains Journal Meeting Room	\$150.00
Club/Suite level concourse	\$300.00
Miscellaneous Charges	
Ice Time	\$250.00 per 90-minute use
Move-in Day	\$100.00 in addition to the above listed rent
Move-out Day	\$100.00 in addition to the above listed rent
Extra Hours	\$100.00 per hour
TULIP Insurance (estimate)	\$200.00

Published United Wireless Arena Rack Rates 2019

Arena (Ticketed Event)

Base Rent: \$5,000 minimum vs. 10% of Gross Ticket Sales (whichever is greater) + Reimbursed Event Expenses

Load-In/Load-Out/Rehearsal Days: \$1,500 + Reimbursed Event Expenses

Box Office Fee: \$300 minimum vs. 3% of Gross Ticket Sales

(Gross Ticket Price includes all applicable sales tax, does not include facility fee)

Facility Fee/Parking Fee: \$4.00 per ticket (Will be added to base ticket price)

Arena (Non-Ticketed Event)

Base Rent: \$3,500 per day + Reimbursed Event Expenses

Load-In/Load-Out Days: \$1,000 + Reimbursed Event Expenses

TULIP Insurance: estimate \$200

Box Office Fee: N/A

Facility Fee: N/A

Effective as of 1/1/2017. Prices subject to change without notice.

EQUIPMENT RATE SHEET 2019

10x14 Front Projector or Rear Projector Screen	\$50.00
2K Supertroopers (6 available) (operator separate charge)	\$150.00
Arena Clean Up Fee	\$1,000.00
Arena Set Up/Tear Down Fee (subject to change)	\$1,000.00
Bike Rack 8' Section	\$10.00
Booth 10'x10' W/Pipe and Drape {2} Chairs and {1} 8' Skirted Table (1)-110 v service	\$50.00 per booth
Carpet (per foot)	\$9.00
CD Player	\$25.00
Chairs**	\$1.00
Cocktail Table	\$5.00
Concert Barricade	\$150.00
Concert Stage 4'x8' Sections	\$8.00
Concert Stage 60'x40' Maximum Size	\$400.00
Conference Center Room set up fee**	\$50.00
Curtains Half House Coliseum Only	\$500.00
Dance Floor 30' x 30' Max.	\$200.00
Dry Erase Board	\$10.00
Easel	\$5.00
Flipchart	\$25.00
Flipchart Paper	\$25.00
Fork Lift (operator separate charge)	\$175.00
Hardwire Internet Connection-Arena	\$75.00
Hardwire Internet Connection-Conference Center	\$15.00
High Speed/ Special Drop	\$75.00
Laptop Computer	\$35.00
Laptop Powerpoint Clicker	\$5.00
Linens/Napkins (Black & White-non food event)**	\$2.00
Linens/Napkins (Colored)	\$7.00
Microphone, Hard Wired (with house sound)	\$10.00
Microphone, wireless or lapel (with house sound)	\$10.00
Photocopies	\$0.20 (b&w) \$0.50 (color)
Pipe and Drape- 3' High	\$6.00 per section
Pipe and Drape- 8' High	\$6.00 per

VenuWorks of Dodge City, LLC 2019 Business Plan

	section
Podium	\$10.00
Podium with corded microphone	\$20.00
2200 Lumen Projector	\$50.00
Projector Screen	\$50.00
Ribbon Board/Ad Panel (operator separate charge)	\$100.00
Riser (per 4' x 8' section)	\$8.00
Sound Board (operator labor extra)	\$50.00
Table 5' Round**	\$5.00
Table 8'***	\$5.00
Table Skirt & Linen (per table)**	\$6.00
Table Skirt 30" (per table)**	\$2.00
Telephone Conference Unit	\$25.00
TV/DVD Player	\$25.00
Video Board no live stream (DVD) (operator separate charge)	\$200.00
Wireless Internet Connection	\$15.00
Wireless Microphone (with house sound)	\$10.00
Changes (made day of event)	\$50.00

*Tables, chairs and room set-up are included in Conference Center room rental rates

*Black or white linens are included in the price of catering for Conference Center

Rates are based on upon equipment ordered and finalized two weeks prior to your event. Additional charges will be applied to equipment/changes ordered the day of your event.

Our facility will set up all equipment rented throughout the United Wireless Arena & The Conference Center; however it does not include a technician during your event without additional charges. You are welcome to bring in your own audio/visual equipment for your Conference Center event

Effective 1/1/2015. Prices subject to change without notice

LABOR RATE SHEET

Conversion Supervisor.....	\$16.00 per hour
Conversion Staff.....	\$13.00 per hour
Front of House Staff (ushers, ticket takers, greeters, receptionist).....	\$13.00 per hour
Event Operations (audio/visual techs, general oversight).....	\$16.00 per hour
Event Peer Security (door guards).....	\$16.00 per hour
Contracted Security.....	\$23.00 per hour
Event Custodial Attendants.....	\$13.00 per hour
Event Custodial Supervisors.....	\$16.00 per hour
EMT First Aid Attendants (2 required).....	\$75.00 per hour
Police.....	\$50.00 per hour
Video Display System Producer.....	\$50.00 per hour
Video Display System Control Crew.....	\$35.00 per hour
Video Display System Camera Operators.....	\$35.00 per hour
Electrician.....	\$45.00 per hour
Engineer.....	\$45.00 per hour
Arena House Sound & Lights Operator.....	\$20.00 per hour
Follow Spotlight Operators.....	\$20.00 per hour
Stagehands (Loader, Pusher, General Hand).....	\$24 p/h straight time
Stagehands (Riggers).....	\$44 p/h straight time
Forklift Operator	\$28 p/h straight time
Coat Check Attendant (1=100 guests)	\$40.00 per event
Bartender.....	\$80.00 per 4 hour Event
Carver Service	\$40.00 per
Cake Service	\$50.00 per event
Hospitality Labor (events less than 25 people).....	\$50.00 per event

As of 1/1/2017. Prices subject to change without notice.

I. Financial Operating Plan

The Financial Operating Plan for 2019 is attached in budget worksheet format. The operating plan encompasses the Business Plan into a financial plan with budget goals for both revenue and expenses.

The 2019 Financial Operating Plan for the year has total operating revenues of \$ 3,074,690 and projected expenses of \$ 3,950,190. This results in a net projected subsidy of (\$875,500). The budget is based on seven full years of actual historical performance numbers. Taken into account are the number of events increasing in 2018 and 2019, based on the increase in Arena shows in 2016 and 2017. In 2017/2018 we looked at rental prices for rooms and equipment and increased the prices on these items as well. Rates will stay at the new rates for 2019. Rental rates had not increased since the Conference Center opened in 2011. We have also taken a look at Catering Menu prices, as costs to purchase the products that we prepare has steadily increased over the years. A new Catering Menu was introduced in August 2018 and its prices and quality of food is more upscale and styled to suit any event that would like to book in our facility. It is United Wireless Arena & The Boot Hill Casino Conference Center's hope that with these increased number of events and rental rates, incomes will also rise as expenses do. To be conservative we have budgeted according to past event average expense/income numbers. Another issue that had arisen in 2014 and will continue into the future is the increased costs of upkeep of the infrastructure of the building and its equipment, such as HVAC units, lighting issues, ammonia plant and repairs to the ribbon board. The lack of storage in the building had become an issue until the new storage building was built in 2017. The City has approved the use of Capital Improvement money for some of these ongoing repair issues. That Capital Improvement request is also part of the Financial Operating Plan and is attached.

Goals of the Financial Operating Plan

- Maximize revenue from all sources to achieve projected revenues dollars.
- Use every effort to keep expenses under projected expense dollars.
- Host various region academic graduations, religious services, and meetings.
- Work with promoters and national and local agencies to present a minimum of fifteen entertainment events such as family shows, sports shows, comedy shows, concerts, and stage presentations.
- We will continue to look at promoting in-house as necessary to meet the demand for ticketed concert events. We will evaluate and analyze to eliminate as much risk as possible and include the City as part of the decision making process, utilizing the City's "Entertainment Fund".
- Seek out potential "Co-Promoters" to lessen the risk on shows we purchase.
- Increase regional appeal and overall attendance.
- Increase number of conventions held at facility.
- Increase Group Sales for ticketed events
- Increase food and beverage revenues.
- Use technology for cost savings through energy, labor and equipment.

VenuWorks of Dodge City, LLC 2019 Business Plan

	Jan - Dec '18
Ordinary Income/Expense	
Income	
5000 · Facility Rent Revenue	256,355.00
5001 · Ticket Revenue/Co-Pro Revenue	1,358,800.00
5002 · Facility Fee/Ticket Rebate	194,350.00
5003 · Ticket Office Revenue	0.00
5004 · Concession Revenue	249,015.00
5005 · Merchandise Revenue	6,500.00
5006 · Catering Revenue	521,802.00
5007 · Reimbursed Event Labor	9,200.00
5008 · Reimbursed Contract Labor	38,000.00
5009 · Reimbursed Expenses	142,450.00
5010 · Reimbursed In-House Equipment	39,000.00
5014 · Reimbursed Insurance Revenue	9,700.00
5013 · ATM Revenue	840.00
5015 · Contractual Income	457,615.00
5019 · Interest Income	120.00
5020 · Ice Revenue	40,000.00
5021 · Room Change Charge Revenue	0.00
Total Income	3,323,747.00
Cost of Goods Sold	
50000 · Cost of Goods Sold	249,057.00
Total COGS	249,057.00
Gross Profit	3,074,690.00
Expense	
7000 · Personnel Services	1,603,307.00
8000 · General & Administrative	100,368.00
8030 · Occupancy	613,610.00
8050 · Travel and Motor Vehicle	18,600.00
8060 · Event Expenses	1,266,800.00
8080 · Food & Beverage Expense	57,600.00
8090 · Services/Operations	289,905.00
Total Expense	3,950,190.00
Net Ordinary Income	-875,500.00
Other Income/Expense	
Other Income	
9011 · City Subsidy	875,500.00
Total Other Income	875,500.00
Net Other Income	875,500.00
	0.00

CFAB

Memorandum

To: City of Dodge City Commission and Ford County Commission

From: Assistant City Manager/Public Affairs

Date: October 16, 2018

Subject: Summary of 2018 Organizational Funding Progress Reports

Agenda: Other Information

The attached document includes the progress reports for the entities that received 2019 Community Facility Advisory Board Organizational Funding grants. This is a reimbursement grant and each entity is required to provide a twenty percent funding match and regularly attend Tourism Coalition meetings and assist the Dodge City Convention and Visitors Bureau with one external event such as the Kansas State Fair to promote their attraction.

The attached report is for information only and no official action will be taken.

CFAB

Memorandum

To: City of Dodge City Commission and Ford County Commission

From: Assistant City Manager/Public Affairs

Date: September 12, 2017

Subject: Summary of 2018 Organizational Funding Progress Reports

Agenda: Other Information

Applicant: Dodge City Area Arts Council

2018 Funds Awarded:

\$3,780.42 Insurance

\$6,824.00 Utilities

\$10,604.00 Total Funds Awarded

\$4,125.42-Remaining unused funds

Projects pending: Payment of utilities and insurance for remainder of 2018.

Requirements Completed: DCAAC attended 5 Tourism Coalition meetings and supported the Dodge City Convention and Visitor's Bureau at the Kansas State Fair.

Applicant: Dodge City Roundup Rodeo

2018 Funds Awarded:

\$1,796.00 Restroom Roofs

\$27,231.00 Contestant Payout

\$14,995.00 Speaker Stands

\$44,022.00 Total Funds Awarded

\$16,791.00 remaining unused funds

Projects pending: Restroom roofs are completed and they are waiting for the checks to clear the banks to submit request for reimbursement. The materials has been purchased for the speaker stands and the project is moving forward.

Requirements Completed: Roundup has attended the Tourism Coalition meeting 6 times this year and supported the Dodge City Convention at Visitor's Bureau at the Kansas State Fair.

Applicant: Dodge City Trail of Fame

2018 Funds Awarded:

\$12,000.00 Funding Contract for Charlie Meade

\$1,000.00 Operations/Advertising

\$13,000.00 Total Funds Awarded

\$5,600.00-Remaining unused funds

Projects pending: Pending payments for Special Deputy US Marshal Charlie Meade and printing and Advertisement request.

Requirements Completed: Trail of Fame has attended Tourism Coalition meeting 5 times this year and supported the Dodge City Convention and Visitor's Bureau and the Kansas State Fair

Applicant: Ford County Historical Society

2018 Funds Awarded:

\$12,200.00 Operations

\$3,500.00 Matching funds for Heritage Trust Grant for building repairs

\$15,700.00 Total Funds Awarded

\$0-Remaining unused funds

Projects pending: Request for funds were submitted at the same time as this report and so all funds have now been awarded

Requirements Completed: Ford County Historical Society has attended Tourism Coalition meeting 8 times this year and supported the Dodge City Convention and Visitor's Bureau at the Kansas State Fair

Applicant: Kansas Teacher Hall of Same

2018 Funds Awarded:

\$7,629.66 Utilities

\$4,943.34 Insurance

\$12,573.00 Total Funds Awarded

\$6,804.19-Remaining unused funds

Projects pending: Payment of utilities and insurance for remainder of 2018

Requirements Completed: Kansas Teachers Hall of Fame has attended Tourism Coalition meeting 7 times this year and supported the Dodge City Convention and Visitor's Bureau at the Kansas State Fair

Applicant: Young Guns

2018 Funds Awarded:

\$11,900.00 Operations for the WSB Expo

\$600.00 Rodeo Supplies

\$1,600.00 Office Supplies

\$14,100.00 Total Funds Awarded

\$5,716.32-Remaining unused funds

Projects pending: Two rodeos pending November 10-11 and December 2-3, 2018

Requirements Completed: Young Guns has attended Tourism Coalition meeting 8 time this year and supported the Dodge City Convention and Visitor's Bureau at the Kansas State Fair.