

CITY COMMISSION MEETING AGENDA

City Hall Commission Chambers

Monday, March 4, 2019

7:00 p.m.

MEETING #5120

CALL TO ORDER

ROLL CALL

INVOCATION BY Pastor Steve Ormond, First Baptist Church

PLEDGE OF ALLEGIANCE

PUBLIC HEARING

1. Tax Exemption Consideration – National Beef Company LLC.
2. Consider the Establishment of a Rural Housing Incentive District and Adoption of a Development Plan for Candle Tree 8, Phase II

PETITIONS & PROCLAMATIONS

Problem Gambling Awareness Proclamation

VISITORS (Limit of five minutes per individual and fifteen minutes per topic. Final action may be deferred until the next City Commission meeting unless an emergency situation does exist).

CONSENT CALENDAR

1. Approval of City Commission Meeting Minutes, February 18, 2019;
2. Appropriation Ordinance No.5 March 4, 2019;
3. Cereal Malt Beverage License:

ORDINANCES & RESOLUTIONS

Ordinance No. 3707: An Ordinance of the Governing Body of the City of Dodge City, Kansas, Establishing a Rural Housing Incentive District within the City, Adopting a Plan for the

Development of Housing and Public Facilities in Such District, and Making Certain Findings in Conjunction Therewith (Candletree 8, Phase II). Report by Special Projects Coordinator, Mollea Wainscott.

Resolution No. 2019-04: A Resolution Establishing Fees and Rates for Water Utility Service for the City of Dodge City. Report by Director of Administration, Ryan Reid

Resolution No. 2019-05: A Resolution Establishing Fees and Rates for Sanitary Sewer Service for the City of Dodge City. Report by Director of Administration, Ryan Reid.

Resolution No. 2019-06: A Resolution Establishing Fees and Rates for Solid Waste Collection Service in the City of Dodge City. Report by Director of Administration, Ryan Reid.

Resolution No. 2019-07: A Resolution Establishing Fees and Rates for Storm Water Utility Service for the City of Dodge City. Report by Director of Administration, Ryan Reid.

Resolution No. 2019-08: A Resolution Providing for Advalorem Property Tax Exemption Under Section 13, Article II of the Constitution of the State of Kansas for National Beef Packing Company, LLC of Dodge City, Kansas. Report by Finance Director/City Clerk, Nannette Pogue.

UNFINISHED BUSINESS

NEW BUSINESS

1. Approval of Consulting Agreement with Kirkham, Michael and Associates, Inc. for US 50 and Gary Avenue Intersection Design. Report by Director of Engineering, Ray Slattery.

OTHER BUSINESS

ADJOURNMENT

DEVELOPMENT PLAN
VOLZ BUILDERS, LLC – CANDLETREE 8 PHASE II RURAL HOUSING INCENTIVE
DISTRICT OF THE CITY OF DODGE CITY, KANSAS

January 22, 2019

INTRODUCTION

On April 4, 2016 the Governing Body of the City of Dodge City, Kansas (the “City”) adopted Resolution 2016-11 that found and determined that:

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

Based on these findings and determinations, the Governing Body proposed the establishment of a Rural Housing Incentive District within Dodge City pursuant to the Act.

Following the adoption of Resolution 2016-11, a certified copy of said Resolution was submitted to the Secretary of Commerce for approval of the establishment of the Rural Housing Incentive District in Dodge City, as required by K.S.A. 12-5244(c).

On May 10, 2016, the Secretary of Commerce provided written confirmation, approving the establishment of Volz Builders, LLC – Candletree 8 Rural Housing Incentive District (the “District”) (Resolution 2016-11, Exhibit A-17).

DEVELOPMENT PLAN ADOPTION

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

DEVELOPMENT PLAN

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

1. The legal description of the Volz Builders, LLC – Candletree 8 Phase II Rural Housing Incentive District is:

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13 Block 4 and Lots 2, 3, 4, 5, 6, 7, 8 Block 5 Candletree Addition, Unit 8

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

2. The assessed valuation of all real estate within the District for 2018 is \$390.00. There are no existing structures on the real estate within the District.

3. The name and address of the owner of record for the real estate within the District is:

Volz Builders, LLC
11170 Kliesen
Dodge City, KS 67801

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

Housing Facilities

The housing facilities will be composed of twenty (20) single-family residences with an assessed evaluation of not less than One Hundred Eighty Thousand Dollars (\$180,000.00) each. The proposed single-family units consist of three bedroom homes with garages comparable to the area.

Public Facilities

Public improvements include the extension of water and sewer by the City of Dodge City, gas distribution lines by Black Hills Energy and electric distribution lines to the boundaries of the District by Victory Electric. These improvements will be constructed concurrently with the project.

Public improvements will also include construction of infrastructure improvements located within the boundaries of the District, including electric, gas, water, sanitary sewer, storm sewer, storm water detention, streets, street lighting, fire services and sidewalks. Infrastructure improvements will be constructed concurrently with the project

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

Owner of Real Property: Volz Builders, LLC
11170 Kliesen
Dodge City, KS 67801

Developer: Volz Builders, LLC
(Site Work and Infrastructure) 11170 Kliesen
Dodge City, KS 67801

Individuals with Specific Interest: Volz Builders, LLC Members
Timothy E. Volz
11170 Kliesen
Dodge City, KS 67801

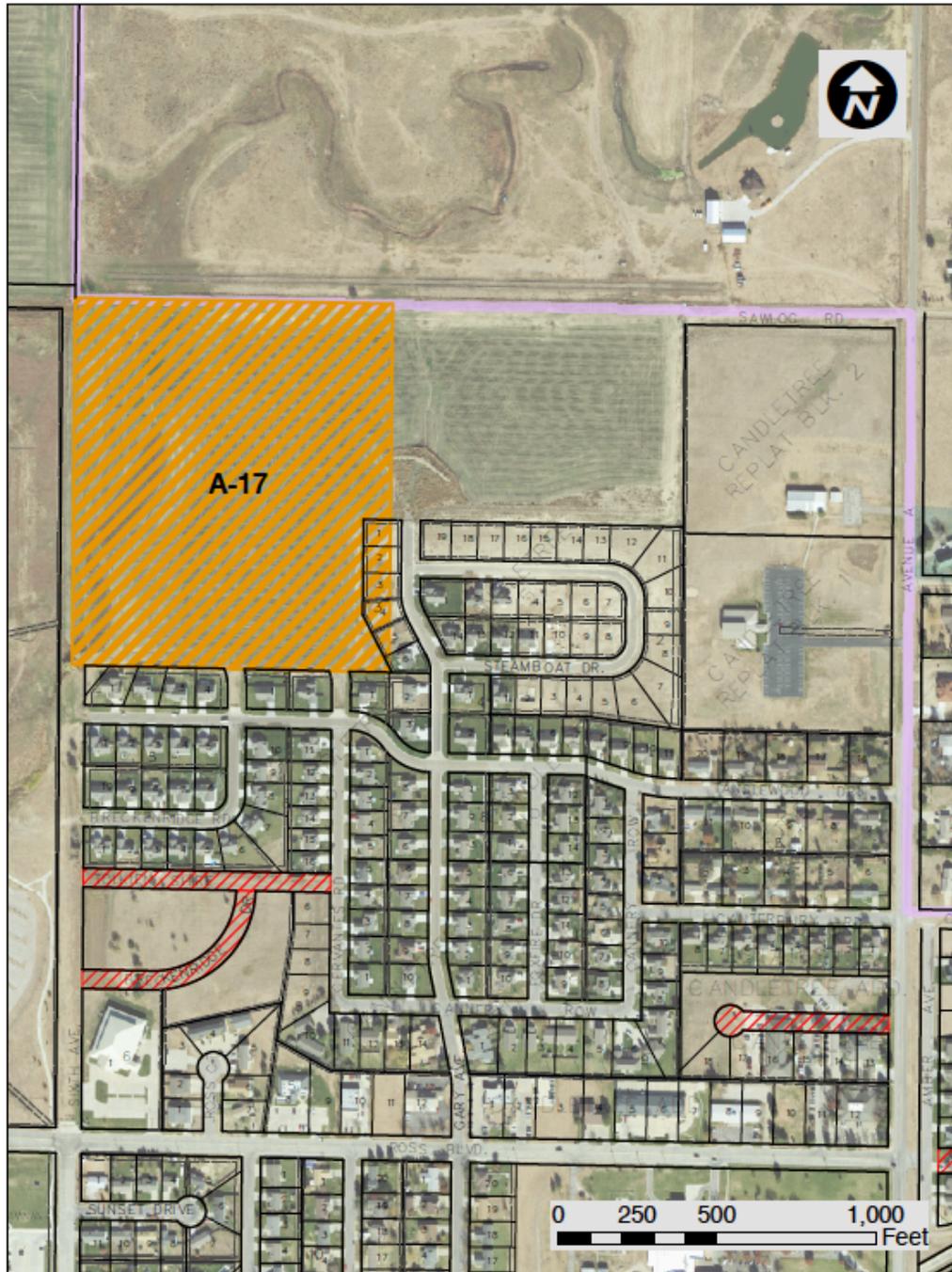
6. The Governing Body of the City entered into a Development Agreement with Volz Builders, LLC, a Kansas limited liability corporation, (the “Developer”) in January of 2019. The Development Agreement, as supplemented and amended, includes the project construction schedule, a description of projects to be constructed, financial obligations of

the Developer and financial and administrative support from the City. The complete Development Agreement is attached hereto as **Exhibit C**.

7. The City's Finance Director conducted a study to determine whether the public benefits derived from the District will exceed the costs and that the income from the District, together with other sources of revenue provided by the Developer, would be sufficient to pay for the public improvements to be undertaken in the District. A copy of the analysis is attached hereto as **Exhibit B**. The analysis estimates the property tax revenues that will be generated from the District, less existing property taxes, to determine the revenue stream available to support financing the public infrastructure. The revenue stream is compared to the estimated debt service of any bonds needed to finance the project. The estimated costs of the improvements and the costs of the financing is compared to the estimated revenue stream. The estimates indicate that the estimated revenue realized from the project would be adequate to pay the costs of the public infrastructure.

DEVELOPMENT PLAN - EXHIBIT A

**MAP OF THE VOLZ BUILDERS, LLC – CANDLETREE 8 PHASE II
RURAL HOUSING IMPROVEMENT DISTRICT**



DEVELOPMENT PLAN - EXHIBIT B
COMPREHENSIVE FINANCIAL FEASIBILITY ANALYSIS

Actual Valuations

			Estimated Value	Property Class	Mill Levy	Est. Property Tax	Less State 1.5 Mills	Less USD 20 Mills	Property Tax Less nt Not Eligible	Annual Increment Tax	Annual Cumulative	Year 1	Year 2	Year 3	Year 4	Year 5	Total for Life of Project	Accumulated for Life of Project Based on build out over 4 years	
At 100% increment going to pay off infrastructure costs																			
Lot 1	Block 1	Candletree #8	5,120	11.50%	191.462	112.73	0.88	11.78	100.07	100.07	100.07	100.07						1,300.96	
Lot 2	Block 1	Candletree #8	5,100	11.50%	191.462	112.29	0.88	11.73	99.68	99.68	199.76	199.76						1,295.88	
Lot 3	Block 1	Candletree #8	5,390	11.50%	191.462	118.68	0.93	12.40	105.35	105.35	305.11	305.11						1,369.56	
Lot 4	Block 1	Candletree #8	5,060	11.50%	191.462	111.41	0.87	11.64	98.90	98.90	404.01	404.01						1,285.71	
Lot 5	Block 1	Candletree #8	5,110	11.50%	191.462	112.51	0.88	11.75	99.88	99.88	503.89	503.89						1,298.42	
Lot 6	Block 1	Candletree #8	5,060	11.50%	191.462	111.41	0.87	11.64	98.90	98.90	602.79	602.79						1,285.71	
Lot 7	Block 1	Candletree #8	5,060	11.50%	191.462	111.41	0.87	11.64	98.90	98.90	701.69	701.69						1,285.71	
Lot 1	Block 2	Candletree #8	5,030	11.50%	191.462	110.75	0.87	11.57	98.31	98.31	800.00	800.00						1,278.09	
Lot 2	Block 2	Candletree #8	5,010	11.50%	191.462	110.31	0.86	11.52	97.92	97.92	897.93	897.93						1,273.01	11,673.04
Lot 3	Block 2	Candletree #8	5,020	11.50%	191.462	110.53	0.87	11.55	98.12	98.12	996.05		996.05					1,177.43	
Lot 4	Block 2	Candletree #8	5,070	11.50%	191.462	111.63	0.87	11.66	99.10	99.10	1,095.14		1,095.14					1,189.16	
Lot 5	Block 2	Candletree #8	5,140	11.50%	191.462	113.17	0.89	11.82	100.46	100.46	1,195.61		1,195.61					1,205.57	
Lot 6	Block 2	Candletree #8	10,210	11.50%	191.462	224.81	1.76	23.48	199.56	199.56	1,395.17		1,395.17					2,394.73	
Lot 7	Block 2	Candletree #8	5,220	11.50%	191.462	114.93	0.90	12.01	102.03	102.03	1,497.20		1,497.20					1,224.34	
Lot 8	Block 2	Candletree #8	154,350	11.50%	191.462	3,398.50	26.63	355.01	3,016.87	3,016.87	4,514.06		4,514.06					36,202.42	
Lot 9	Block 2	Candletree #8	5,150	11.50%	191.462	113.39	0.89	11.85	100.66	100.66	4,614.72		4,614.72					1,207.92	
Lot 10	Block 2	Candletree #8	5,230	11.50%	191.462	115.15	0.90	12.03	102.22	102.22	4,716.95		4,716.95					1,226.68	
Lot 11	Block 2	Candletree #8	5,210	11.50%	191.462	114.71	0.90	11.98	101.83	101.83	4,818.78		4,818.78					1,221.99	
Lot 1	Block 3	Candletree #8	199,460	11.50%	191.462	4,391.74	34.41	458.76	3,898.57	3,898.57	8,717.35		8,717.35					46,782.86	93,833.10
Lot 2	Block 3	Candletree #8	169,500	11.50%	191.462	3,732.07	29.24	389.85	3,312.98	3,312.98	12,030.34			12,030.34				36,442.83	
Lot 3	Block 3	Candletree #8	129,410	11.50%	191.462	2,849.37	22.32	297.64	2,529.40	2,529.40	14,559.74				14,559.74			27,823.40	
Lot 4	Block 3	Candletree #8	101,740	11.50%	191.462	2,240.12	17.55	234.00	1,988.57	1,988.57	16,548.31				16,548.31			21,874.30	
Lot 5	Block 3	Candletree #8	107,020	11.50%	191.462	2,356.38	18.46	246.15	2,091.77	2,091.77	18,640.08				18,640.08			23,009.51	
Lot 6	Block 3	Candletree #8	10,550	11.50%	191.462	232.29	1.82	24.27	206.21	206.21	18,846.29				18,846.29			2,268.27	
Lot 7	Block 3	Candletree #8	5,260	11.50%	191.462	115.82	0.91	12.10	102.81	102.81	18,949.10				18,949.10			1,130.91	
Lot 8	Block 3	Candletree #8	99,570	11.50%	191.462	2,192.35	17.18	229.01	1,946.16	1,946.16	20,895.26				20,895.26			21,407.74	
Lot 8	Block 5	Candletree #8	0	11.50%	191.462	0.00	0.00	0.00	0.00	0.00	20,895.26				20,895.26			0.00	
Lot 9	Block 5	Candletree #8	451	11.50%	191.462	9.93	0.08	1.04	8.82	8.82	20,904.07				20,904.07			96.97	
			1,069,501					2,459.85									239,560.06	105,506.14	

Costs shown at 3 different levels - 960,000, 1,060,000 and 1,160,000

Highlights show at what level the costs will work paying the special assessments only. This will not include and additional eligible costs such as land.

DEVELOPMENT PLAN - EXHIBIT C

DEVELOPMENT AGREEMENT

PROCLAMATION

Whereas, the National Council on Problem Gambling and the Southwest Kansas Problem Gambling Task Force have designated March 2019 as Problem Gambling Awareness Month; and

Whereas, problem gambling is a public health issue affecting millions of Americans of all ages, races, and ethnic backgrounds; and

Whereas, problem gambling has a significant societal and economic cost for individuals, families, businesses, and communities; and

Whereas, problem gambling is treatable, and treatment is effective in minimizing the harm to both individuals and society as a whole; and

Whereas, numerous individuals, professionals, and organizations have dedicated their efforts to the education of the public about problem gambling and the availability and effectiveness of treatment; and

Whereas, the National Council on Problem Gambling and Southwest Kansas Problem Gambling Task Force invite all residents of Dodge City and Southwest Kansas to participate in National Problem Gambling Awareness Month.

Now, Therefore, I, Brian Delzeit, Mayor of Dodge City, do hereby proclaim the month of March as

Problem Gambling Awareness Month

and encourage all citizens to support the National Council on Problem Gambling and the Southwest Kansas Problem Gambling Task Force in their efforts to 'Have the Conversation' with friends, family, patients, and clients about gambling addiction.

Brian Delzeit, Mayor

SEAL

Nannette Pogue, City Clerk

CITY COMMISSION MEETING MINUTES

City Hall Commission Chambers

Monday, February 18, 2019

7:00 p.m.

MEETING #5119

CALL TO ORDER

ROLL CALL: Mayor Brian Delzeit, Commissioners Kent Smoll, Jan Scoggins, Joyce Warshaw and Rick Sowers.

PLEDGE OF ALLEGIANCE

PETITIONS & PROCLAMATIONS

VISITORS (Limit of five minutes per individual and fifteen minutes per topic. Final action may be deferred until the next City Commission meeting unless an emergency situation does exist).

Lara Brehm, Executive Director of Boot Hill gave update on Boot Hill and the activities going on. She updated the Commission on the construction progress and fund raising progress. She showed a video of the new museum spaces and building. She also introduced Andrew Roesener who will be the new face of Boot Hill's branding.

CONSENT CALENDAR

1. Approval of City Commission Work Session Minutes, February 4, 2019;
2. Approval of City Commission Meeting Minutes, February 4, 2019;
3. Appropriation Ordinance No. 4 February 18, 2019.

Commissioner Kent Smoll moved to approve the Consent Calendar as presented. Commissioner Jan Scoggins seconded the motion. The motion carried unanimously.

ORDINANCES & RESOLUTIONS

Resolution No. 2019-03: A Resolution of the City of Dodge City, Kansas, authorizing certain Public Improvements and providing for the payment of the costs thereof was approved on a motion by Commissioner Rick Sowers; Commissioner Joyce Warshaw seconded the motion. The motion carried unanimously.

NEW BUSINESS

1. Commissioner Joyce Warshaw moved to approve the bid from RJA Dozer in the amount of \$217,915.32 for the Linn Street Reconstruction & Drainage Improvement Project. Commissioner Kent Smoll seconded the motion. The motion carried unanimously.

2. Commissioner Rick Sowers moved to approve the Supplemental Agreement to the Consulting Service Agreement with PEC Consultants in the amount of \$19,500 for the Design of a Sampling Basin and Force Main at the National Beef Processors location. Commissioner Rick Sowers seconded the motion. The motion carried unanimously.

3. Commissioner Rick Sowers moved to approve the Highway-Rail Signal Interface Agreement and cost of the improvements in the amount of \$125,247.00 for the BNSF tracks at the 14th Avenue crossing. Commissioner Joyce Warshaw seconded the motion. The motion carried unanimously.

4. Commissioner Kent Smoll moved to approve the proposal from Ric Marboeuf and Leon Frazier in the amount of \$60,000 for the Lot at 14th Avenue and Soule Street Subdivision and direct staff to enter into a Letter of Intent with the purchasers and proceed with a Development Agreement. If another developer presents a ready to build plan prior to the development agreement being finalized, the purchasers will have 30 days to present their plan including tenants that will occupy the space. Commissioner Rick Sowers seconded the motion. The motion carried unanimously.

EXECUTIVE SESSION

At 7:37 Commissioner Jan Scoggins moved to recess into Executive Session pursuant to the preliminary discussion related to the acquisition of real property found in K.S.A. 75-4319(b)(6). The justification for closing the meeting is to protect the city's position in the negotiations. The open meeting will resume in 15 minutes at 7:52 p.m. The Commission will not take action upon returning to the open session and prior to adjournment. Commissioner Kent Smoll seconded the motion. The motion carried unanimously.

The regular meeting was reconvened at 7:52 p.m.

ADJOURNMENT

Commissioner Joyce Warshaw moved to adjourn the meeting. Commissioner Rick Sowers seconded the motion. The motion carried unanimously.

Mayor

City Clerk

Memorandum

*To: City Manager
City Commissioners*

*From: Mollea Wainscott
Special Projects/Housing*

Date: 3/4/19

Subject: RHID

Agenda Item: Ordinance No. 3707

Recommendation: Staff recommends the approval of the Development Agreement between the City of Dodge City and Volz Builders. The second action required is the approval of Ordinance 3707 which includes approval of the Ordinance and the Development Plan.

Background: In 2010, the City staff began working with developers interested in building multi- family and single-family residential developments. Most developers were interested in utilizing the Rural Housing Incentive District program which provides assistance for various eligible costs such as infrastructure. The Volz Builders development will provide twenty (20) single- family residences with a market value of not less than \$ 180,000.00 each. The housing facilities will be constructed in Phases. The proposed single family units consist of three bedroom homes with garages comparable to the area.

Justification: Offering this incentive helps reduce the cost of construction for the developer which in turn allows projects to cash flow and become feasible. Without such incentives, projects appear to not cash flow in our market, deterring developers.

Financial Considerations: The County and the School District have no risk in this process; in addition, they would not have received the increment as the development would not have been feasible without the incentive. The City has minimal risk with this developer due to the issuances of general obligation bonds, and feel that the agreement lessens that risk. Should the developer not complete the full development, the developer will simply not receive the increment.

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

Legal Considerations: None

Attachments: Development Agreement, Ordinance 3707 and Development Plan.

ORDINANCE NO. 3707

AN ORDINANCE OF THE GOVERNING BODY OF THE CITY OF DODGE CITY, KANSAS, ESTABLISHING A RURAL HOUSING INCENTIVE DISTRICT WITHIN THE CITY AND ADOPTING A PLAN FOR THE DEVELOPMENT OF HOUSING AND PUBLIC FACILITIES IN SUCH DISTRICT, AND MAKING CERTAIN FINDINGS IN CONJUNCTION THEREWITH (CANDLETREE 8 PHASE II)

WHEREAS, K.S.A. 12-5241 *et seq.* (the “Act”) authorizes any city incorporated in accordance with the laws of the state of Kansas (the “State”) with a population of less than 60,000 located in a county with a population of less than 80,000, to designate rural housing incentive districts within such city; and

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

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

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

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

WHEREAS, the City of Dodge City, Kansas (the “City”) has an estimated population of approximately 27,340, is located in Ford County, Kansas, which has an estimated population of approximately 33,848, and therefore constitutes a city as said term is defined in the Act; and

WHEREAS, the Governing Body of the City has performed a Housing Needs Analysis dated March 2018 (the “Needs Analysis”), a copy of which is on file in the office of the City Clerk; and

WHEREAS, the Governing Body of the City has heretofore adopted Resolution No. 2016-11 which made certain findings relating to the need for financial incentives relating to the construction of quality housing within the City, declared it advisable to establish a Rural Housing Incentive District pursuant to the Act and authorized the submission of

such Resolution and a Housing Needs Analysis to the Kansas Department of Commerce in accordance with the provisions of the Act; and

WHEREAS, the Secretary of the Kansas Department of Commerce, pursuant to a letter dated May 10, 2016, authorized the City to proceed with the establishment of a Rural Housing Incentive District pursuant to the Act (the “District”); and

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

WHEREAS, the Plan includes:

1. The legal description and map required by subsection (a) of K.S.A. 12-5244;
2. The existing assessed valuation of the real estate in the proposed District, listing the land and improvement values separately;
3. A list of the names and addresses of the owners of record of all real estate parcels within the proposed District;
4. A description of the housing and public facilities project or projects that are proposed to be constructed or improved in the proposed District, and the location thereof;
5. A listing of the names, addresses and specific interests in real estate in the proposed District of the developers responsible for development of the housing and public facilities in the proposed District;
6. The contractual assurances, if any, the Governing Body has received from such developer or developers, guaranteeing the financial feasibility of specific housing tax incentive projects in the proposed District;
7. A comprehensive analysis of the feasibility of providing housing tax incentives in the proposed District as provided in the Act, set forth the boundaries of the proposed District, provided a summary of the proposed Plan, called a public hearing concerning the establishment of the proposed District for September 6, 2016 and provided for notice of such public hearing as provided in the Act; and

WHEREAS, the Governing Body of the City has heretofore adopted Resolution No. 2019-02 which made a finding that the City is considering the establishment of the proposed District and adopting the proposed Plan pursuant to the Act, set forth the boundaries of the proposed District, provides a summary of the proposed Plan, called a public hearing concerning the establishment of the proposed District for March 4, 2018 and provided for notice of such public hearing as provided in the Act; and

WHEREAS, a public hearing was held on March 4, 2019, after due published and delivered notice in accordance with the provisions of the Act; and

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

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

Section 1. Findings. The Governing Body hereby finds that due notice of the public hearing conducted March 4, 2019 was made in accordance with the provisions of the Act.

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

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13 Block 4 and Lots 2, 3, 4, 5, 6, 7, 8 Block 5 Candler Addition, Unit 8

The boundaries of the District do not contain any property not referenced in Resolution No. 2019-02, which provided notice of public hearing on the creation of the District and adoption of the Plan.

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

Section 4. Adverse Effect on Other Governmental Units. If, within 30 days following the conclusion of the public hearing on March 4, 2019, any of the following occurs, the Governing Body shall take action to repeal this Ordinance:

- a. The Board of Education of U.S.D. No. 443 determines by resolution that the District will have an adverse effect on such school district; or
- b. The Board of County Commissioners of Ford County, Kansas, determines by resolution that the District will have an adverse effect on such county.

As of this date, the City has not received a copy of any such resolution and is not aware of the adoption of any such resolution by the governing body of Ford County or Unified School District No. 443.

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

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

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

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PASSED by the Governing Body of the City of Dodge City, Kansas and signed by the Mayor on March 4, 2019.

[SEAL]

Brian Delzeit, Mayor

Nannette Pogue, City Clerk

Memorandum

To: City Manager
From: Ryan Reid
Date: February 22, 2019
Subject: Utility Service Rates
Agenda Item: Ordinances and Resolutions

Recommendation: I recommend the approval of: Resolution No. 2019-04, setting fees for the water utility; Resolution No. 2019-05, setting fees for the sanitary sewer service, Resolution No. 2019-06, setting fees for solid waste collection; and Resolution No. 2019-07, setting fees for the storm water utility service for the City of Dodge City.

Background: In March of 1992 the City Commission adopted Ordinance No. 2997 that sets forth an annual review of utility rates. Rates for utility service are set by the City Commission through adoption of the appropriate ordinance. City Code requires the commission to review rates annually to ensure adequate income is received to cover operational maintenance, capital and debt requirements. At a minimum, the rates for each utility shall be adjusted by the amount of increase in the Consumer Price Increase, (CPI), for the Midwestern part of the U.S. The CPI is tabulated by the Bureau of Labor Statistics in Kansas City, KS. Information received from the Bureau in December, 2019, indicates that the Dodge City area had an annual increase of 1.3% in 2018. From this figure, the City of Dodge City will base their increase for water, wastewater, solid waste services and drainage for 2019. The increase in the water rate is 1.3% and the base fee will increase 1.3%. The sewer rate will increase by 1.3% and the sewer monthly service charge will increase by 1.3%. Both the solid waste and drainage fees have a proposed increase of 1.3%. Both the Resolution establishing rates for water and the Resolution establishing rates for sanitary sewer include a section that allows the City to charge one and one half the rate for service outside the city limits. To date, the City has not charged the one and one half rate for services outside the city limits.

Justification: The fee increases are part of an annual review of the fees to ensure adequate income is received to cover the costs of operation, capital and debt.

Additional Information: All fees including Industrial fees have been increased for the sanitary sewer fund. This will include the negotiated rates charged to National Beef and Mid-America Washout.

Financial Considerations: As the operational costs increase, the fees will keep pace to cover the costs of operations, debt payments and capital costs. We continue to make sure the wastewater revenues are adequate to cover future bond payments.

Purpose/Mission: On-going improvement of the City's utility systems

Legal Considerations: None

Attachments: 1. Resolutions; 2. Spreadsheet that illustrates current rates vs. proposed rates; 3. a list of rates from other similar size cities in Kansas. 4. Sheet that shows effect of new rates on some hypothetical bills

RESOLUTION NO. 2019--04

A RESOLUTION ESTABLISHING FEES AND RATES FOR WATER UTILITY SERVICE FOR THE CITY OF DODGE CITY.

WHEREAS, for the peace, health, safety, and welfare of the citizens of Dodge City, it is deemed necessary for the City to provide water utility service to its citizens; and

WHEREAS, it is necessary for each and every resident using the water utility of Dodge City to pay a fair and equitable share of the cost of operation for said utility; and

WHEREAS, Chapter 15, Article I, Section 123 requires the rates for water usage by all residents of the City to be set annually by Commission Resolution.

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of the City of Dodge City, Kansas, that the following shall be the fee schedule for Water Utility Service in Dodge City.

Section 1: REPEAL: Resolution 2018-01; adopted on the 19th day of March, 2018, is hereby repealed.

Section 3: RATES ESTABLISHED:

A. Fees for residents within the corporate limits of the City of Dodge City:

New Service Connection Fee	\$26.00
New service connection fee	\$52.00
After normal business hours, Saturdays, Sundays and Holidays	
Monthly Base Fee	\$ 8.57
Cost per thousand Gallons water	\$ 2.30
Kansas Water Protection fee	
Per thousand gallons water	\$.032

Sales Tax for Commercial Accounts
No Sales Tax on Residential Service

B. Fees for the residents within the service area of the City of Wright shall be the same as those listed above, plus any additional fees that were established when the City of Wright was originally provided with water service through the City of Dodge City's Water Utility.

- C. Fees will be one and one half times outside the corporate limits of Dodge City or the area serviced by the Wright Improvement District.

Section 4: LATE FEE: All bills for utility services furnished by the City are payable as specified under Chapter 15, Article I, Section 124. Failure to pay the total utility bill on the required date will result in a charge equal to 10% of the bill.

Section 5: DELINQUENCY FEE: a delinquency fee of \$40.00 will be charged to the past due account if not paid by the reminder due date

Section 6: RESTORATION OF SERVICE AFTER DISCONTINUANCE: Should the utility services be discontinued for being delinquent as outlined in Chapter 15, Article 1, Section 127, service shall be restored upon the payment of all rates, charges, penalties, and delinquency fees due. An additional charge for restoring service on Saturdays, Sundays and holidays is \$15.00.

Section 7: A fee of \$25.00 shall be charged to shut off water service for repair.

Section 8. New utility service applications will be required to provide a current signed and dated lease agreement prior to utility service being granted. The lease agreement will have the current lessee's name that is applying for utility service plus the landlord's name, address and phone number. The lease agreement shall be signed by both parties with current dates. Copies of the lease agreement will be required. If the applicant is delinquent for prior utility services, all delinquent accounts shall be paid and current before utility services is granted.

Section 9. EFFECTIVE DATE: The rates specified hereinabove shall be come effective during the month of April, 2019 as appropriate and upon its adoption by the City Commission and publication in the official City newspaper.

PASSED BY THE GOVERNING BODY OF THE CITY OF DODGE CITY, KANSAS, this 4th day of March, 2019.

Mayor

ATTEST:

Nannette Pogue, City Clerk

RESOLUTION NO. 2019-05

A RESOLUTION ESTABLISHING FEES AND RATES FOR SANITARY SEWER SERVICE FOR THE CITY OF DODGE CITY.

WHEREAS, for the peace, health, safety, and welfare of the citizens of Dodge City, it is deemed necessary for the City to provide wastewater collection and treatment service to its citizens; and

WHEREAS, such wastewater collection and treatment services includes residential, commercial, and industrial users; and

WHEREAS, Federal Regulations require that all users pay a fair and equitable share of the collection of wastewater and for the costs of treatment plant construction, operation and maintenance, and replacement costs.

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of the City of Dodge City, Kansas, that the following shall be the fee schedule for Sewer Service in Dodge City.

Section 1: REPEAL: Resolution 2018-02 adopted on the 19th day of March, 2018 is hereby repealed.

Section 2: SEWER USE FEES:

Sewer use fees to pay for the cost of collection and treatment of wastewater, for operation and maintenance of the wastewater collection and treatment system and for the cost of replacement of components of the system shall be established, as set forth herein below:

2.1 Residential Customers

Monthly Service charge	\$17.23
Monthly volume charge per 1,000 gallons	\$2.33

2.2 Mobile Home Parks served by master meter (s)

Monthly service charge	\$17.23
Master meter monthly accumulative reading, Q, multiplied by \$2.33 per 1,000 gallons	A= (Q) (2.33) (1000)
Total Bill =	T= \$17.23 + A

2.3 Commercial Customers with wastewater having strengths not exceeding 300 mg/1 of five day biological oxygen demand (BOD) or 700 mg/1 of total dissolved solids (TDS) per day:

Monthly service charge	\$17.23
Monthly volume charge per 1,000 gallons	\$2.33

2.4 Industrial Customers and Commercial Customers exceeding the BOD and TDS limits set forth in 2.3 hereinabove but not using the City sewer system:

Monthly service charge	\$17.23
Monthly volume charge per 1,000 gallons	\$2.33
Monthly 5 day BOD charge per lb.	\$0.1212
Monthly TDS charge, per lb.	\$0.0746

2.5 Industrial Customers and Commercial customers exceeding the BOD and TDS limits set forth in 2.3 hereinabove and who use the City sewer system shall pay both a monthly service charge, and a monthly volume and strength charge as specified:

Monthly service charge	\$17.23
Monthly volume charge	\$2.33
Monthly 5 day BOD charge per lb.	\$0.1212
Monthly TDS charge, per lb.	\$0.0746

The calculation of the strength charges for BOD and TDS shall be made as follows:

$$SBOD = V_s \times 8.34 \times CBOD \times BOD$$

$$STDS = V_s \times 8.34 \times CTDS \times TDS$$

$$ST = SBOD + STDS$$

Where:

SBOD shall be the strength charge attributable to 5 day biochemical demand

STDS shall be the strength charge attributable to the Total Dissolved Solids

V_s shall be the wastewater volume in million gallons

8.34 shall be the weight of water, pounds per gallon

CBOD shall be the unit charge for 5 day Biochemical Oxygen Demand in dollars per pound

CTDS shall be the unit charge for Total Dissolved Solids in dollars per pound

BOD shall mean five day BOD in mg/l

TDS shall mean Total Dissolved Solids in mg/l

- 2.7 National Beef, which is an industrial customer, has negotiated the following rate to discharge a high volume of wastewater that may exceed the limits allowed for industrial customers. The rate is based on a daily discharge of wastewater regardless of flow.

Volume charge regardless of flow per month	\$1,298.52 per million gallons
BOD ₅ > 2,889,866 lbs. per month	\$0.0335 per pound above parameter
TSS > 2,281,046 lbs. per month	\$0.0335 per pound above parameter
TDS > 1,521,238 lbs. per month	\$0.0335 per pound above parameter
O&G > 1,155,946 lbs. per month	\$0.0335 per pound above parameter

- 2.8 Mid-America Washout, which is an industrial customer, has negotiated the following rate to discharge a high volume of wastewater than may exceed the limits allowed for industrial customers. The rate structure is based on a daily discharge of 50,000 gallons of wastewater.

Volume charge if flow <= 1.5 million gallons per month	\$1,689.80 per million gallons
Volume charge if flow >1.5 million gallons per month	\$2,534.71 per million gallons
BOD > 25,020 lbs. per month	\$ 0.0599 per pound above parameter
TSS > 20,016 lbs. per month	\$ 0.0599 per pound above parameter
TDS > 13,448 lbs. per month	\$ 0.0599 per pound above parameter

- 2.7 Fees will be one and one half times outside the corporate limits of Dodge City.

3.0 OTHER TYPES OF CONTRIBUTORS

Any person desiring to use the wastewater treatment system by transporting liquid matter to said system by a means other than through the sewer system may do so if the quantity, quality, type, and character of the liquid waste to be deposited in the system is of a type permitted under the laws of the City, and consists solely of organic or biodegradable waste from septic tanks and cesspools.

Such fees shall be based on two factors, a flat fee designed to pay for testing and the cost of administration and billing and a volume charge.

To simplify the administration and accounting for the material dumped, the volume charge will be based on the total volume of the tank used, rather than a measurement of the actual volume of

material in the tank. The OMI staff has the right to measure any tank to determine the volume if there is any question about the reported volume.

The septage disposal fee shall be as follows:

Flat fee for administration and testing	\$38.27
Volume charge	\$ 0.1639 per gallon

4.0 EXTRA MONITORING FOR HIGH STRENGTH WASTES

When regulations require monitoring of wastewater from any user, whether for extra strength or for high discharges, that user shall pay a monitoring charge consisting of all costs for personnel, materials and equipment necessary to collect and analyze samples of the wastewater and shall also pay an additional administrative charge of 10% of the cost of collection and analysis.

5.0 EFFECTIVE DATE: The rates specified hereinabove shall be come effective during the month of April, 2019 as appropriate and upon its adoption by the City Commission and publication in the official City newspaper.

PASSED BY THE GOVERNING BODY OF THE CITY OF DODGE CITY, KANSAS, the 4th day of March, 2019.

Mayor

ATTEST:

Nannette Pogue, City Clerk

RESOLUTION NO. 2019-06

**A RESOLUTION ESTABLISHING FEES AND RATES FOR SOLID WASTE
COLLECTION SERVICE IN THE CITY OF DODGE CITY**

WHEREAS, for the peace, health, safety, and welfare of the citizens of Dodge City, it is deemed necessary for the City to provide Solid Waste Collection service to its citizens; and

WHEREAS, such Solid Waste Collection services includes both scheduled and non-scheduled garbage, refuse and trash pickup and disposal, and;

WHEREAS, because of current Ford County Landfill regulations, yard waste must be separated from municipal solid waste, now requiring the City to make separate collections, and;

WHEREAS, it is necessary for each and every citizen of the City of Dodge City to pay a fair and equitable share of the cost of this Solid Waste Collection Service.

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

Section 1: REPEAL: Resolution 2018-03; adopted on the 19th day of March, 2018, is hereby repealed.

Section 2: SERVICE TO DWELLINGS:

2.1 Dwellings shall include all single family residences, duplexes, or two family dwellings. Fees for dwellings shall be \$17.84 per month per dwelling plus an additional fee of \$1.38 per month per dwelling for recycling and the handling of disposal of household hazardous wastes.

2.2 Multiple family dwellings shall be all residential buildings, except hotels or motels, having three (3) or more separate living units. Fees for multiple family dwellings shall be \$17.84 for the first dwelling unit and \$12.03 for each additional dwelling unit plus an additional fee per month per unit of \$1.38 for recycling and the handling of disposal of household hazardous wastes.

2.3 Special fees. In addition to the base rates provided herein above, special fees shall be charged in those cases where the Sanitation Department personnel shall be required to collect such items as refrigerators, stoves, furniture, etc., and large accumulations of trash or metal. In addition, trash placed by either the poly-kart or dumpster will also be subject to an additional charge.

2.4 Commercial rate. The commercial rate will apply to landlords, contractors, or any other type of business that would require pick up of large accumulations of trash

Special fees for some items are as follows:

ITEM	FEE
Refrigerators	\$5.00 plus any fee for disposal of compressor or refrigerant
Freezers	\$5.00 plus any fee for disposal of compressor or refrigerant
Air Conditioners	\$5.00 plus any fee for disposal of compressor or refrigerant
Stoves, dishwashers or other white goods	\$5.00 per item
Metal goods	\$5.00 per item
Furniture, mattresses, carpet, or other large household items	\$5.00 per item
Bagged or loose trash not in poly-kart or dumpster	\$2.50 per bag
Should there be more than three (3) items placed at curb for special pickup, these items will be considered as a bulky accumulation and subject to that charge.	
Trees and other large brush accumulations and other bulky large accumulations	Minimum of \$25.00 per load plus \$12.50 per hour plus landfill charges
Tree piles and other bulky items picked up by hand. (Alley Cleanup or Curbside)	Minimum \$12.50 up to 30 minutes additional \$25.00 for over 30 minutes. Landfill fees could also apply in some situations.
Late Pickup	A \$5.00 charge for pickup of items and karts not placed at the curb on the scheduled pick up day.
Roll Off Containers (residential use)	\$50.00 set fee plus landfill charges. Maximum use time five working days from set date. Set fees and landfill fees apply to every time the container is dumped.
Commercial Rates as follows:	
Roll Off Containers (commercial use)	\$100.00 set fee plus landfill charges Maximum use time five working days from set date. Set fees and landfill fees apply to every time the container is dumped.
Large accumulations of brush, loose or bagged household trash, and other bulky large accumulations	\$40.00 per load plus \$25.00 per hour plus landfill fees
Special Cleanup Fee	\$100.00 per hour equipment fee plus \$25.00 per hour staff fee plus landfill charges and any other costs associated to the cleanup

Section 3. SERVICE TO HOME OCCUPATIONS

Home occupations and similar activities, but not including child care facilities shall pay \$17.84 per month fee for the residence and shall also pay an additional \$17.84 per month fee for service to the home occupation. Such home occupations shall also pay an additional \$1.38 each for the residence and for the home occupation for recycling and the handling and disposal of household hazardous wastes.

Section 4. SPECIAL CONDITIONS

Any special conditions not included in the above rate schedule shall be determined by the Superintendent of Public Works, subject to the approval of the Governing Body.

Section 5. DOWNTOWN SANITATION DISTRICT #1

Downtown Sanitation District #1 is defined as all commercial and or residential dwellings between the streets of 3rd Ave and Central Ave between Wyatt Earp Blvd. and Vine Streets. Any occupant of a commercial or residential dwelling that cannot provide proof of Solid Waste Collection services by any sanitation service provider whether commercial or residential shall be placed on the City of Dodge City Solid Waste Collection services. The occupant shall pay the \$17.84 per month per dwelling plus an additional fee of \$1.38 per month per dwelling for recycling and the handling and disposal of household hazardous wastes.

Section 6. YARD WASTE

As the Ford County Landfill requires that all yard wastes be separated from solid waste and that all yard wastes cannot be bagged, the City of Dodge City requires all residents desiring to have their yard waste disposed of by the City shall rent a container, provided by the City, for a cost of \$2.86 per month. Residents may dispose of yard waste by bagging the waste. Bags may not weigh more than 40 lbs. when full. Crews will pick up the bags for \$1.00 per bag.

Section 7. EFFECTIVE DATE: The rates specified hereinabove shall be come effective during the month of April, 2019 as appropriate and upon its adoption by the City Commission and publication in the official City newspaper.

PASSED BY THE GOVERNING BODY OF THE CITY OF DODGE CITY, KANSAS, the 4th day of March, 2019.

Mayor

ATTEST:

Nannette Pogue, City Clerk

RESOLUTION NO. 2019-07

**A RESOLUTION ESTABLISHING FEES AND RATES FOR STORM WATER
UTILITY SERVICE FOR THE CITY OF DODGE CITY.**

WHEREAS, for the peace, health, safety, and welfare of the citizens of Dodge City, it is deemed necessary for the City to provide Storm Water Utility Service to its citizens; and

WHEREAS, it is necessary for each and every resident of the City of Dodge City to pay a fair and equitable share of the cost of operation for said utility; and

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of the City of Dodge City, Kansas, that the following shall be the fee schedule for Storm Water Utility Service in Dodge City.

Section 1: REPEAL: Resolution 2018-04; adopted on the 190th day of March, 2018, is hereby repealed.

Section 2: RATES ESTABLISHED:

All properties are assessed \$1.28 per Drainage Unit per month. A Drainage Unit Has been established by Charter Ordinance No. 33.

Section 3. EFFECTIVE DATE: The rates specified hereinabove shall be come effective during the month of April, 2019 as appropriate and upon its adoption by the City Commission and publication in the official City newspaper.

PASSED BY THE GOVERNING BODY OF THE CITY OF DODGE CITY, KANSAS this the 4th day of March, 2019.

Mayor

ATTEST:

Nannette Pogue, City Clerk

2018 Utility Rates versus 2019 Utility Rates

	<u>2018</u>	<u>2019</u>
<u>Water:</u>		
Base Fee	\$8.46	\$8.57
Per 1000 gallon charge	\$2.27	\$2.30
<u>Sewer:</u>		
Base Fee	\$17.01	\$17.23
Per 1000 gallon charge (Residential, Commercial and Industrial)	\$2.30	\$2.33
<u>Industrial and Commercial exceeding BOD & TDS limits</u>		
Monthly 5 day BOD charge per lb.	\$0.1196	\$0.1212
Monthly TDS charge, per lb.	\$0.0736	\$0.0746
<u>Septage Disposal Fee</u>		
Flat fee for the administration and testing	\$37.78	\$38.27
Volume charge, per gallon	\$0.1618	\$0.1639
<u>National Beef</u>		
Volume charge regardless of flow per month per million gallons	\$1,281.86	\$1,298.52
BOD5 > 2,889,866 lbs per month - per pound above parameter	0.0331	\$0.0335
TSS > 2,281,046 lbs per month - per pound above parameter	0.0331	\$0.0335
TDS > 1,521,238 lbs per month - per pound above parameter	0.0331	\$0.0335
O&G > 1,155,946 lbs. per month - per pound above parameter	0.0331	\$0.0335
<u>Mid-America Washout</u>		
Volume charge if flow <= 1.5 mil gallons per month - per mil gal.	\$1,668.11	\$1,689.80
Volume charge if flow > 1.5 mil gallons per month - per mil gal.	\$2,502.18	\$2,534.71
BOD > 25,202 lbs. per month - per pound above parameter	\$0.0591	\$0.0599
TSS > 20,016 lbs. per month - per pound above parameter	\$0.0591	\$0.0599
TDS > 13,448 lbs. per month - per pound above parameter	\$0.0591	\$0.0599
<u>Solid Waste:</u>		
Refuse Pickup	\$17.61	\$17.84
Recycling Fee	\$1.36	\$1.38
Additional Unit	\$11.88	\$12.03
Grass Cart	\$2.82	\$2.86
<u>Drainage</u>		
Per Unit Fee	\$1.26	\$1.28

All other fees Remain the same

	AMOUNT OF WATER USED	WATER RATE	WATER USED X RATE			BASE RATE	WP FEE	WATER RATE X WP FEE		TOTAL WP FEE	TOTAL FOR WATER	SEWER AVERAGE	SEWER RATE	SEWER AVERAGE X SEWER RATE		SEWER RATE TOTAL	SEWER BASE RATE	SEWER TOTAL	SANITATION	GRASS KART	TOTAL OF SANITATION	STORM DRAINAGE	TOTAL OF BILL	TOTAL OF ALL BILLS FROM EACH CITY
DODGE CITY	3200	\$2.30	7360	1000	7.36	8.57	0.032	102.4	1000	0.10	16.03	5200	\$ 2.33	12116	1000	\$ 12.12	\$ 17.23	29.35	\$ 19.22		\$ 19.22	\$ 1.28	\$ 65.88	
	6000	\$2.30	13800	1000	13.80	8.57	0.032	192	1000	0.19	22.56	6033	\$ 2.33	14057	1000	\$ 14.06	\$ 17.23	31.29	\$ 19.22	\$ 2.86	\$ 22.08	\$ 1.28	\$ 77.21	
	4100	\$2.30	9430	1000	9.43	8.57	0.032	131.2	1000	0.13	18.13	6633	\$ 2.33	15455	1000	\$ 15.45	\$ 17.23	32.68	\$ 19.22	\$ 2.86	\$ 22.08	\$ 1.28	\$ 74.18	
	5300	\$2.30	12190	1000	12.19	8.57	0.032	169.6	1000	0.17	20.93	7033	\$ 2.33	16387	1000	\$ 16.39	\$ 17.23	33.62	\$ 19.22	\$ 2.86	\$ 22.08	\$ 1.28	\$ 77.91	
	3800	\$2.30	8740	1000	8.74	8.57	0.032	121.6	1000	0.12	17.43	3067	\$ 2.33	7146	1000	\$ 7.15	\$ 17.23	24.38	\$ 19.22		\$ 19.22	\$ 1.28	\$ 62.31	
	5000	\$2.30	11500	1000	11.50	8.57	0.032	160	1000	0.16	20.23	5167	\$ 2.33	12039	1000	\$ 12.04	\$ 17.23	29.27	\$ 19.22	\$ 2.86	\$ 22.08	\$ 1.28	\$ 72.86	
																								\$ 430.34
GARDEN CITY	3200	\$2.39	7648	1000	7.65	17.63	0.032	102.4	1000	0.10	25.38	5200	\$ 2.00	10400	1000	\$ 10.40	\$ 9.50	19.90	\$ 24.00	\$ -	\$ 24.00	\$ 1.50	\$ 70.78	
	6000	\$2.39	14340	1000	14.34	17.63	0.032	192	1000	0.19	32.16	6033	\$ 2.00	12066	1000	\$ 12.07	\$ 9.50	21.57	\$ 24.00	\$ -	\$ 24.00	\$ 1.50	\$ 79.23	
	4100	\$2.39	9799	1000	9.80	17.63	0.032	131.2	1000	0.13	27.56	6633	\$ 2.00	13266	1000	\$ 13.27	\$ 9.50	22.77	\$ 24.00	\$ -	\$ 24.00	\$ 1.50	\$ 75.83	
	5300	\$2.39	12667	1000	12.67	17.63	0.032	169.6	1000	0.17	30.47	7033	\$ 2.00	14066	1000	\$ 14.07	\$ 9.50	23.57	\$ 24.00	\$ -	\$ 24.00	\$ 1.50	\$ 79.53	
	3800	\$2.39	9082	1000	9.08	17.63	0.032	121.6	1000	0.12	26.83	3067	\$ 2.00	6134	1000	\$ 6.13	\$ 9.50	15.63	\$ 24.00	\$ -	\$ 24.00	\$ 1.50	\$ 67.97	
	5000	\$2.39	11950	1000	11.95	17.63	0.032	160	1000	0.16	29.74	5167	\$ 2.00	10334	1000	\$ 10.33	\$ 9.50	19.83	\$ 24.00	\$ -	\$ 24.00	\$ 1.50	\$ 75.07	
																								\$ 448.41

	AMOUNT OF WATER USED	AMOUNT OF WATER 3,000	WATER RATE FOR 3,000 GAL	WATER RATE FOR 1,000 AFTER THE FIRST 3000	# OF THOUSANDS OVER 3000	TOTAL OF AMOUNT 1,000 OVER 3,000	WP FEE	WATER RATE X WP FEE		TOTAL WP FEE	TOTAL FOR WATER	SEWER AVERAGE	# OF THOUSANDS OVER 3000	SEWER RATE FOR FIRST 3000 GAL	SEWER RATE FOR 1,000 GAL OVER 3,000		SEWER TOTAL	TOTAL OF SANITATION	GRASS KART	STORM DRAINAGE	WATER IMPROVEMENT FEE	TOTAL OF BILL	TOTAL OF ALL BILLS FROM EACH CITY	
LIBERAL	3200	200	\$14.68	4.05	810	\$0.81	0.032	102.4	1000	\$0.10	\$15.59	5200	2200	\$ 17.00	6.00	13200	1000	\$13.20	\$30.20	\$ 17.80	NO GRASS K	NO S/D	\$ 6.25	\$69.84
	6000	3000	\$14.68	4.05	12150	\$12.15	0.032	192	1000	\$0.19	\$27.02	6033	3033	\$ 17.00	6.00	18198	1000	\$18.20	\$35.20	\$ 17.80	NO GRASS K	NO S/D	\$ 6.25	\$80.02
	4100	1100	\$14.68	4.05	4455	\$4.46	0.032	131.2	1000	\$0.13	\$19.27	6633	3633	\$ 17.00	6.00	21798	1000	\$21.80	\$38.80	\$ 17.80	NO GRASS K	NO S/D	\$ 6.25	\$75.86
	5300	2300	\$14.68	4.05	9315	\$9.32	0.032	169.6	1000	\$0.17	\$24.16	7033	4033	\$ 17.00	6.00	24198	1000	\$24.20	\$41.20	\$ 17.80	NO GRASS K	NO S/D	\$ 6.25	\$83.16
	3800	800	\$14.68	4.05	3240	\$3.24	0.032	121.6	1000	\$0.12	\$18.04	3067	67	\$ 17.00	6.00	402	1000	\$0.40	\$17.40	\$ 17.80	NO GRASS K	NO S/D	\$ 6.25	\$53.24
	5000	2000	\$14.68	4.05	8100	\$8.10	0.032	160	1000	\$0.16	\$22.94	5167	2167	\$ 17.00	6.00	13002	1000	\$13.00	\$30.00	\$ 17.80	NO GRASS K	NO S/D	\$ 6.25	\$70.74
																							\$432.87	

DODGE CITY 2019	AMOUNT OF WATER USED	WATER RATE	WATER USED X RATE			BASE RATE	WP FEE	WATER RATE X WP FEE		TOTAL WP FEE	TOTAL FOR WATER	SEWER AVERAGE	SEWER RATE	SEWER AVEAGE X SEWER RATE		SEWER RATE TOTAL	SEWER BASE RATE	SEWER TOTAL	SANITATI ON	GRASS KART	TOTAL OF SANITATI ON	STORM DRAINAGE	NEW RATE TOTAL OF BILL	TOTAL OF ALL BILLS FROM EACH CITY	TOTAL OF BILL USING (EXISTING RATES)
	3200	\$2.30	7360	1000	7.36	8.57	0.032	102.4	1000	0.10	16.03	5200	\$ 2.33	12116	1000	\$ 12.12	\$ 17.23	29.35	\$ 19.22		\$ 19.22	\$ 1.28	\$ 65.88		\$ 65.04
	6000	\$2.30	13800	1000	13.80	8.57	0.032	192	1000	0.19	22.56	6033	\$ 2.33	14057	1000	\$ 14.06	\$ 17.23	31.29	\$ 19.22	\$ 2.86	\$ 22.08	\$ 1.28	\$ 77.21		\$ 76.22
	4100	\$2.30	9430	1000	9.43	8.57	0.032	131.2	1000	0.13	18.13	6633	\$ 2.33	15455	1000	\$ 15.45	\$ 17.23	32.68	\$ 19.22	\$ 2.86	\$ 22.08	\$ 1.28	\$ 74.18		\$ 73.22
	5300	\$2.30	12190	1000	12.19	8.57	0.032	169.6	1000	0.17	20.93	7033	\$ 2.33	16387	1000	\$ 16.39	\$ 17.23	33.62	\$ 19.22	\$ 2.86	\$ 22.08	\$ 1.28	\$ 77.91		\$ 76.91
	3800	\$2.30	8740	1000	8.74	8.57	0.032	121.6	1000	0.12	17.43	3067	\$ 2.33	7146	1000	\$ 7.15	\$ 17.23	24.38	\$ 19.22		\$ 19.22	\$ 1.28	\$ 62.31		\$ 61.51
	5000	\$2.30	11500	1000	11.50	8.57	0.032	160	1000	0.16	20.23	5167	\$ 2.33	12039	1000	\$ 12.04	\$ 17.23	29.27	\$ 19.22	\$ 2.86	\$ 22.08	\$ 1.28	\$ 72.86		\$ 71.92
																								\$ 430.34	

Memorandum

To: City Commissioners
From: Cherise Tieben
Date: March 1, 2019
Subject: Resolution No. 2019-08 and Public Hearing
Agenda Item: Ordinances and Resolutions

Recommendation: The Tax Abatement Review Committee consisting of representatives from the of the affected taxing entities recommends approval of a pro-rated ten-year tax exemption for National Beef Packing Co. LLC. and approval of Resolution No. 2019-08.

Background: National Beef submitted a tax exempt application using the constitution abatement authorization. The project description is an expansion to enhance food safety. National Beef will be adding an area that includes a hide-on carcass wash. This will give them the ability to clean the exterior of the hides prior to skinning to prevent contaminants from the hide being passed to the carcass in the skinning process. The capital investment by National Beef is \$16,561,526 in building and improvements and \$10,229,871 in furniture, fixtures and equipment. The abatement is for the building and improvements in the amount of 16,561,526. The equipment is already exempt.

The committee, consisting of Bill Hammond with USD 443, Debbie Cox and Patti Israel, Ford County, Jessica West, Dodge City Community College and Nannette Pogue and Nicole May, City of Dodge City met to consider this request. The committee voted unanimously to recommend to the City Commission to grant a 10 year exemption with a declining schedule with one hundred percent 100% the first year and declining ten percent 10% each year thereafter.

A notice was published in the Dodge City Daily Globe on February 22, 2019, notifying the public that a Public Hearing will be held on March 4, 2019 to consider the National Beef Tax Exemption request. A notice was also sent to Ford County, USD 443 and Dodge City Community College.

Justification: Tax exemptions for manufacturing facilities are eligible for up to 100% for ten years under the constitution property tax exemption laws of the State of Kansas now referred to as EDX.

Financial Considerations: The prorated ten year scenario offers new tax revenues to the taxing entities in year 1 of the project. The cost benefit for each local taxing entity shows in excess of a 1.76 – 2.8 rate of return. It also shows a 13.23 rate of return to the State of Kansas. This indicates a favorable project to the local community as well as the State of Kansas

Purpose/Mission: On going community improvement allowed jobs to be retained and grow in Dodge City.

Legal Considerations: Allowed by the Kansas Constitution.

Attachments: Resolution No. 2019-08 and Cost Benefit Study

RESOLUTION NO. 2019-08

A RESOLUTION PROVIDING FOR AD VALOREM PROPERTY TAX EXEMPTION UNDER SECTION 13, ARTICLE 11 OF THE CONSTITUTION OF THE STATE OF KANSAS FOR NATIONAL BEEF PACKING CO. LLC OF DODGE CITY, KANSAS.

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

Section 1. That National Beef Packing Co. LLC of Dodge City, Kansas, has made application to the City of Dodge City, Kansas for exemption from ad valorem property tax under Section 13, Article 11 of the Constitution of the State of Kansas, for acquisition of land, buildings and improvements in the amount of \$16,561,526.

Section 2. That it is found by the Governing Body that the building and improvements being constructed by National Beef Packing Co. LLC is being constructed for its business purposes involving the manufacturing of articles of commerce, will be used exclusively for such purposes and as such, meets the criteria set out by the above referenced constitutional provisions and also meets the criteria of Resolution No. 2015-16 being the City of Dodge City's policy for granting of exemptions for economic development purposes.

Section 3. That a public hearing on the application for tax exemption was held on March 4, 2019, during a regularly scheduled meeting of the governing body; that notice of said hearing was published in the Dodge City Daily Globe in accordance with statutory requirements; and that notice was delivered to the Board of County Commissioners of Ford County, Kansas, the Board of Education of Unified School District 443 and the Board of Trustees of Dodge City Community College, all as provided for K.S.A. 79-251.

Section 4: That a cost/benefit analysis of this proposed tax exemption has been conducted as prescribed by City Resolution 2015-16 and K.S.A. 79-251.

Section 5: That the requested exemption is specifically only for the construction of building and improvements.

Section 6: That it is found by this governing body that the requested exemption is necessary to create new jobs and is necessary to retain jobs at National Beef Packing Co. LLC located in Dodge City, Ford County, Kansas.

Section 7: That this governing body, having considered and reviewed the facts herein and the effect of this exemption on state revenues as detailed by the cost/benefit analysis, hereby approves the request of National Beef Packing Co. LLC for ad valorem property tax exemption for the acquisition of land and construction of a building and improvements.

Section 8: That the governing body does hereby grant to National Beef Packing Co. LLC of Dodge City, Kansas, a tax exemption for land and building for a period of ten years;

Year 1	100%
Year 2	90%
Year 3	80%
Year 4	70%
Year 5	60%
Year 6	50%
Year 7	40%
Year 8	30%
Year 9	20%
Year 10	10%

Section 9: The above exemption is subject to all applicable laws, rules and regulations of the State of Kansas; is subject to final approval by the Kansas Board of Tax Appeals and is subject to all monitoring and compliance required by the City of Dodge City, Kansas, in accordance with the provisions of Resolution No. 2015-16.

Adopted by the Governing Body of the City of Dodge City, Kansas, this 4th day of March, 2019.

Brian Delzeit, Mayor

ATTEST:

Nannette Pogue, City Clerk

A Tax Abatement Cost-Benefit Analysis of National Beef

The firm is located in: **City of Dodge City**

Report Printed: 1/10/2019

Description of the firm's location or expansion in the community:

This expansion is being done to enhance food safety. NBP will be adding an area that includes a hide-on carcass wash. This will give us the ability to clean the exterior of the hide prior to skinning to prevent contaminants from the hide being passed to the carcass in the skinning process.

This report includes an analysis of costs and benefits from the firm for the following taxing entities where the firm is or will be located. These taxing entities are considering tax abatements or incentives for the firm:

City:	Dodge City
County:	Ford
School District:	USD 443
Special Taxing District:	DCCC
State of Kansas	

Contents of this report:

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This Kansas Tax Abatement Cost Benefit Analysis (CBA) is prepared by the Kansas Department of Commerce for the benefit and use of the State of Kansas and its local units of government. This model was developed to assess the costs and benefits property tax abatement and economic development incentives have on state revenues. The Department of Commerce makes no representations, guarantees, or warranties as to the accuracy, completeness, or suitability of the analysis or information contained in this CBA. The Kansas Department of Commerce specifically disclaims any and all liability for any claims or damages that may result from other uses of the analysis in this CBA.

About this Cost-Benefit Analysis Report

This cost-benefit analysis report was prepared using a computer program that analyzes economic and fiscal impact. The report shows the impact that the firm, its employees and workers in spin-off jobs will have on the community and the state.

The economic impact over the next ten years is calculated along with the accompanying public costs and benefits for the State of Kansas and the taxing entities included in this analysis.

The analysis also shows the effect of tax abatements and incentives that may be considered for the firm.

Here is how the analysis was performed:

1. Data was entered for the state and community's tax and other rates; the firm and its employees; tax abatements and other incentives being considered for the firm; construction activity; and expected visitors.
2. Using the data entered, as well as some rates built into the computer program, calculations were made of the economic impact of the firm along with the related costs and benefits.

The calculations of impact include direct, indirect and induced impact. Regional economic multipliers, specific to the firm's industry group, were used by the program to calculate the direct and induced or spin-off jobs and earnings in the community.

These are the report sections:

Summary of Costs and Benefits for all Taxing Entities

This report page summarizes the costs and benefits for all taxing entities resulting from the firm and from new direct, indirect and induced jobs.

The Economic Impact that the Firm will have on the Community

This report page shows the number of direct, indirect and induced jobs that will be created in the community, the number of new residents and additional school children, and increases in local personal income, retail sales, economic activity and the property tax base in the first year and over the next ten years.

Benefits and Costs for Each Taxing Entity

These report pages summarize the costs and benefits for the State of Kansas and for each taxing entity as a result of the firm locating or expanding in the Kansas community.

The public benefits include additional revenues from the firm and employees for the taxing entities - -sales taxes, property taxes, utilities, utility franchise fees, other payments by new residents, Payments in lieu of taxes (PILOT) by the firm and additional school funding. Public costs include the additional costs of public services for new residents and the firm, costs of educating new students that move to the school district, along with tax abatements and incentives provided to the firm.

In addition to a presentation of public costs and benefits, this report also computes the present value of net benefits to be received by each taxing entity; the payback period for incentives and taxes to be abated; the rate of return on investment for each entity, and, cost benefit ratios.

Payback Period

The investment payback period for each taxing entity was computed. This analysis views the financial incentives, including tax abatement, that the taxing entities are considering for the firm as an investment that the public will be making in the company. The payback period, therefore, is the number of years that it will take each taxing entity to recover the cost of incentives from the net annual benefits that they will receive. This payback period also shows the point in time where the cost and benefits are equal for the level and length of tax abatements and incentives being granted. The payback period is a basis for judging the appropriateness of providing incentives to a firm. Generally, the shorter the payback period the better the investment.

Present Value

The present value of the expected cash flow over the next ten years for each entity was computed. Present value is a way of expressing in today's dollars, dollars to be paid or received in the future. Today's dollar and a dollar to be received or paid at differing times in the future are not comparable because of the time value of money. The time value of money is the interest rate or each taxing entity's discount rate. The analysis uses a discount rate that is entered to make the dollars comparable—by expressing them in today's dollars (present value). Generally, a positive present value indicates an acceptable investment.

Rate of Return on Investment

The rate of return on investment for each taxing entity was also computed. As with the computation of payback, the rate of return analysis views the incentives that each taxing entity is considering as an investment that the public will be making in the company. The rate of return, therefore, is the compound rate of return, over the next ten years, on each taxing entity's investment in the firm. Generally, a positive compound rate of return is considered desirable.

Benefit to Cost Ratio

The benefit to cost ratio for each taxing entity was also computed. This ratio compares public benefits over a ten year period from the new or expanding firm to public costs during the same period. For example, a benefit to cost ratio of 1.55 (or 1.55 to 1) shows that ten year benefits are 155 percent of public costs. Conversely, a benefit to cost ratio of .75 shows that public benefits are only 75 percent of public costs --costs exceed benefits. Generally, a benefit to cost ratio of 1.30 to 1 is considered acceptable for a taxing entity to grant tax abatements and other financial incentives to a firm.

How were the benefits and costs determined?

City, County, Special Taxing District and State Benefits and Costs

The Cost Benefit Analysis (CBA) operates with the assumption that 70% of the jurisdiction's revenues and expenditures supports its citizens, and 30% supports its businesses. Therefore, 70% of the revenues/costs (divided by number of residents) are calculated as the average revenue/cost per resident; 30% of these revenues/costs (divided by the number of workers in the jurisdiction) are calculated as the average revenue/cost per worker.

The CBA predicts potential benefits and costs from residents by multiplying the number of new employees moving to the jurisdiction by the average revenue/cost per resident. Benefits and costs from the business expansion are predicted by multiplying the average revenue/cost per worker.

Collection of sales taxes, transient guest taxes and property taxes as well as utility enterprises and franchise fees are potential benefits from an expansion.. Other revenues include fees, permits, license, and other charges.

The program predicts costs by removing utility enterprise expenditures and internal transfers from the general operating budget, and reducing the result to a cost per resident and a cost per worker.

School District Benefits and Costs

Property taxes as well as state and federal payments per full time student are used to predict benefits a school district may realize. The Kansas Department of Education condenses the school district's budget to a cost per student. One new student will not cause the addition of a new classroom or the hiring of another teacher, so it would not be fair to estimate the impact of new students using the average cost per student. The program utilizes a marginal cost per student (10% of the average cost per student, unless a different percentage is requested) to predict the cost to the district when a new student is added. Revenue per student is calculated from the amount of state and federal payment per student that the district receives.

The business predicts the average family size of new employees moving to the jurisdiction and the number of school age children in the family. The CBA can work with percentages, as in a family size of 2.5.

Indirect Jobs

The ripple or spin-off economic activity created by an expansion generates indirect or induced benefits. The number of jobs this activity generates depends largely on the type of business that is expanding and what types of jobs will be needed to support not only the business, but the new employees and their families. The program uses a default of 10% of the number of new employees to predict these jobs. The percentage can be adjusted, depending on community conditions, which also determine whether the indirect workers will be moving from out of state or out of county.

Formulas used in this analysis

- Present Value = (Total Benefits (for the year) ÷ 1+Discount Rate (5.5%))^{Number of Years Abated}
- Compound Rate of Return = ((Present Value of Total Costs ÷ Present Value of Total Benefits)^{1/Number of Years Abated})-1
- Benefit to Cost Ratio = Present Value of Total Benefits ÷ Present Value of Total Costs
- Payback Period = The point where total benefits equal or surpass total costs.

K.S.A. 79-213 (g) allows governmental bodies to seek assistance provided by the Kansas Department of Commerce (COMMERCE) in preparing an application requesting exemption from property taxes. COMMERCE prepared this cost benefit analysis as a service under this statute utilizing data gathered by the requesting governmental body, and makes no recommendation to the Board of Tax Appeals either for or against approval of a request for tax abatement.

Summary of Costs and Benefits for all Taxing Units

Benefits:

	Sales Taxes	Property Taxes	Utilities and Utility Franchise Fees	Corporate and Personal Income Taxes	Additional School Funding	Other Revenues (Including PILOT)	Total Benefits
City: Dodge City	\$72,477	\$2,314,148	\$437,482			\$158,916	\$2,983,024
County: Ford	\$26,966	\$2,190,787				\$16,659	\$2,234,412
USD 443		\$2,713,849			\$0		\$2,713,849
DCCC		\$1,542,322				\$59,693	\$1,602,016
State of Kansas	\$368,744	\$71,197		\$1,452,039		\$236,890	\$2,128,870

Costs, Incentives and Taxes Abated:

	Costs of Services for the Firm and New Residents	Costs of Educating New Students	Taxes Abated	Incentives	Total Taxes Abated & Incentives	Total Costs
City: Dodge City	\$54,384		\$1,216,431	\$0	\$1,216,431	\$1,270,815
County: Ford	\$15,179		\$1,151,587	\$0	\$1,151,587	\$1,166,766
USD 443		\$0	\$1,426,534		\$1,426,534	\$1,426,534
DCCC	\$30,397		\$810,721		\$810,721	\$841,118
State of Kansas	\$142,358	\$0	\$37,425	\$0	\$37,425	\$179,783

Net Benefits:

	Total Benefits	Present Value of Total Benefits	Total Costs (Includes Taxes Abated and Incentives)	Present Value of Total Costs	Benefit to Cost Ratio (Over 10 Years)
City: Dodge City	\$2,983,024	\$2,227,401	\$1,270,815	\$1,021,453	2.18 : 1
County: Ford	\$2,234,412	\$1,669,313	\$1,166,766	\$939,990	1.78 : 1
USD 443	\$2,713,849	\$2,019,124	\$1,426,534	\$1,150,428	1.76 : 1
DCCC	\$1,602,016	\$1,191,912	\$841,118	\$676,421	1.76 : 1
State of Kansas	\$2,128,870	\$1,800,116	\$179,783	\$136,097	13.23 : 1

Other

	Net Benefits	Present Value of Net Benefits	Taxes Abated & Incentives	Present Value of Taxes Abated and Incentives	Payback Period for Taxes Abated and Incentives and	Compound Rate of Return (Over 10 Yrs)
City: Dodge City	\$1,712,209	\$1,209,159	\$1,216,431	\$980,991	5 Years	8.11%
County: Ford	\$1,067,646	\$729,323	\$1,151,587	\$938,659	6 Years	5.91%
USD 443	\$1,287,315	\$868,696	\$1,426,534	\$1,150,428	6 Years	5.79%
DCCC	\$760,898	\$515,490	\$924,906	\$653,806	6 Years	5.83%
State of Kansas	\$1,949,086	\$1,619,986	\$37,425	\$30,181	1 Year	29.46%

The Economic Impact of this expansion by National Beef

NAICS Code 311611 - Food, beverage, and tobacco product mfg

	<u>In the first year</u>	<u>Over the next ten years</u>
*Number of new direct and indirect jobs to be created	49	49
Number of new residents in the community	0	0
Number of additional students in the local school district	0	0
**Increase in local personal income	\$2,503,872	\$2,503,872
***Increase in local retail sales	\$876,355	\$876,355
Increase in the community's property tax base	\$33,123,052	\$43,218,070
Land	\$0	\$0
Buildings	\$16,561,526	\$21,609,035
Furniture, fixtures & Equipment	\$0	\$0
Residential Property	\$0	\$0

*The Employment Multiplier for NAICS Code 311611 is 3.4756. The Employment Multiplier is used to estimate the total change in the number of direct and indirect jobs as a result of the expansion.

**The Earnings Multiplier for NAICS Code 311611 is 3.312. The Earnings Multiplier is used for estimating to what degree more personal income will be generated.

***The Percentage of Gross Salaries expected to be spent on retail sales is 0.35

Property taxes to be abated by the following taxing entities:

City	<input checked="" type="checkbox"/>	Special Taxing District 1	<input checked="" type="checkbox"/>
County	<input checked="" type="checkbox"/>	Special Taxing District 2	<input type="checkbox"/>
School District	<input checked="" type="checkbox"/>	The State	<input checked="" type="checkbox"/>

Percent of property taxes to be abated on:

	Land	Buildings and Improvements	Furniture, Fixtures & Equipment
Year 1	0.00%	100.00%	0.00%
Year 2	0.00%	90.00%	0.00%
Year 3	0.00%	80.00%	0.00%
Year 4	0.00%	70.00%	0.00%
Year 5	0.00%	60.00%	0.00%
Year 6	0.00%	50.00%	0.00%
Year 7	0.00%	40.00%	0.00%
Year 8	0.00%	30.00%	0.00%
Year 9	0.00%	20.00%	0.00%
Year 10	0.00%	10.00%	0.00%

City of: Dodge City

Benefits:

Year	Sales Taxes	Property Taxes	Utilities and Utility Franchise Fees	Other Municipal Revenues (Including PILOT)	Total
Construction Period	\$47,444	\$0	\$0	\$0	\$47,444
1	\$25,003	\$201,864	\$27,450	\$13,862	\$268,179
2	\$3	\$207,920	\$30,195	\$14,278	\$252,396
3	\$3	\$214,158	\$33,215	\$14,706	\$262,082
4	\$3	\$220,583	\$36,536	\$15,148	\$272,269
5	\$3	\$227,200	\$40,190	\$15,602	\$282,995
6	\$3	\$234,016	\$44,208	\$16,070	\$294,298
7	\$3	\$241,037	\$48,629	\$16,554	\$306,224
8	\$4	\$248,268	\$53,492	\$17,049	\$318,812
9	\$4	\$255,716	\$58,842	\$17,560	\$332,121
10	\$4	\$263,387	\$64,726	\$18,087	\$346,204
Total	\$72,477	\$2,314,148	\$437,482	\$158,916	\$2,983,024

Costs:

Year	Property Taxes Abated	Incentives	Taxes Abated & Incentives	City Costs for the firm and Municipal Services for New Residents	Total Costs, Taxes Abated & Incentives
Construction Period	\$0	\$0	\$0	\$0	\$0
1	\$201,864	\$0	\$201,864	\$4,744	\$206,608
2	\$187,128	\$0	\$187,128	\$4,886	\$192,014
3	\$171,326	\$0	\$171,326	\$5,033	\$176,359
4	\$154,408	\$0	\$154,408	\$5,184	\$159,592
5	\$136,320	\$0	\$136,320	\$5,339	\$141,659
6	\$117,008	\$0	\$117,008	\$5,499	\$122,508
7	\$96,415	\$0	\$96,415	\$5,664	\$102,079
8	\$74,480	\$0	\$74,480	\$5,834	\$80,315
9	\$51,143	\$0	\$51,143	\$6,009	\$57,153
10	\$26,339	\$0	\$26,339	\$6,190	\$32,528
Total	\$1,216,431	\$0	\$1,216,431	\$54,384	\$1,270,815

Net Benefits (or Costs)

Year	Public Benefits	Public Costs, Property Taxes Abated and Incentives	Net Benefits or (Costs)	Present Value of Net Benefits	Present Value of taxes abated and incentives
Construction Period	\$47,444	\$0	\$47,444	\$47,444	\$0
1	\$268,179	\$206,608	\$61,571	\$61,571	\$191,341
2	\$252,396	\$192,014	\$60,382	\$54,250	\$168,126
3	\$262,082	\$176,359	\$85,723	\$73,003	\$145,904
4	\$272,269	\$159,592	\$112,678	\$90,955	\$124,641
5	\$282,995	\$141,659	\$141,335	\$108,141	\$104,303
6	\$294,298	\$122,508	\$171,790	\$124,590	\$84,860
7	\$306,224	\$102,079	\$204,145	\$140,336	\$66,279
8	\$318,812	\$80,315	\$238,497	\$155,405	\$48,531
9	\$332,121	\$57,153	\$274,968	\$169,829	\$31,587
10	\$346,204	\$32,528	\$313,675	\$183,635	\$15,419
Total	\$2,983,024	\$1,270,815	\$1,712,209	\$1,209,159	\$980,991

Discounted payback period for taxes abated and incentives	5 Years
Compound rate of return over the next ten years on the city's investment of taxes abated and incentives for the firm	8.11%
Benefit/Cost Ratio (Over 10 Years).....	2.18 : 1

Ford County

Benefits:

Year	Sales Taxes	Property Taxes	Other County Revenues (Including PILOT)	Total
Construction Period	\$26,933	\$0	\$0	\$26,933
1	\$3	\$191,103	\$1,453	\$192,560
2	\$3	\$196,837	\$1,497	\$198,336
3	\$3	\$202,742	\$1,542	\$204,286
4	\$3	\$208,824	\$1,588	\$210,415
5	\$3	\$215,089	\$1,636	\$216,727
6	\$3	\$221,541	\$1,685	\$223,229
7	\$3	\$228,188	\$1,735	\$229,926
8	\$4	\$235,033	\$1,787	\$236,824
9	\$4	\$242,084	\$1,841	\$243,929
10	\$4	\$249,347	\$1,896	\$251,247
Total	\$26,966	\$2,190,787	\$16,659	\$2,234,412

Costs:

Year	Property Taxes Abated	Incentives	Taxes Abated & Incentives	County Costs for the firm and County Services for New Residents	Total
Construction Period	\$0	\$0	\$0	\$0	\$0
1	\$191,103	\$0	\$191,103	\$1,324	\$192,428
2	\$177,153	\$0	\$177,153	\$1,364	\$178,517
3	\$162,193	\$0	\$162,193	\$1,405	\$163,598
4	\$146,177	\$0	\$146,177	\$1,447	\$147,624
5	\$129,053	\$0	\$129,053	\$1,490	\$130,543
6	\$110,771	\$0	\$110,771	\$1,535	\$112,306
7	\$91,275	\$0	\$91,275	\$1,581	\$92,856
8	\$70,510	\$0	\$70,510	\$1,628	\$72,138
9	\$48,417	\$0	\$48,417	\$1,677	\$50,094
10	\$24,935	\$0	\$24,935	\$1,728	\$26,662
Total	\$1,151,587	\$0	\$1,151,587	\$15,179	\$1,166,766

Net Benefits (or Costs)

Year	Public Benefits	Public Costs, Property Taxes Abated and Incentives	Net Benefits or (Costs)	Present Value of Net Benefits	Present Value of taxes abated and incentives
Construction Period	\$26,933	\$0	\$26,933	\$26,933	\$0
1	\$192,560	\$192,428	\$132	\$125	\$191,103
2	\$198,336	\$178,517	\$19,820	\$17,807	\$159,163
3	\$204,286	\$163,598	\$40,688	\$34,651	\$138,126
4	\$210,415	\$147,624	\$62,791	\$50,686	\$117,996
5	\$216,727	\$130,543	\$86,184	\$65,942	\$98,743
6	\$223,229	\$112,306	\$110,924	\$80,447	\$80,336
7	\$229,926	\$92,856	\$137,070	\$94,227	\$62,746
8	\$236,824	\$72,138	\$164,686	\$107,309	\$45,944
9	\$243,929	\$50,094	\$193,835	\$119,718	\$29,904
10	\$251,247	\$26,662	\$224,584	\$131,478	\$14,598
Total	\$2,234,412	\$1,166,766	\$1,067,646	\$729,323	\$938,659

Discounted payback period for taxes abated and incentives	6 Years
Compound rate of return over the next ten years on the county's investment of taxes abated and incentives for the firm.....	5.91%
Benefit/Cost Ratio (Over 10 Years).....	1.78 : 1

School District: USD 443

Benefits:

Year	Property Taxes	Additional State, Federal and Other School Funding (Including PILOT)	Total
1	\$236,730	\$0	\$236,730
2	\$243,832	\$0	\$243,832
3	\$251,147	\$0	\$251,147
4	\$258,682	\$0	\$258,682
5	\$266,442	\$0	\$266,442
6	\$274,435	\$0	\$274,435
7	\$282,669	\$0	\$282,669
8	\$291,149	\$0	\$291,149
9	\$299,883	\$0	\$299,883
10	\$308,880	\$0	\$308,880
Total	\$2,713,849	\$0	\$2,713,849

Costs:

Year	Additional Costs	Property Taxes Abated	Total
1	\$0	\$236,730	\$236,730
2	\$0	\$219,449	\$219,449
3	\$0	\$200,918	\$200,918
4	\$0	\$181,077	\$181,077
5	\$0	\$159,865	\$159,865
6	\$0	\$137,218	\$137,218
7	\$0	\$113,067	\$113,067
8	\$0	\$87,345	\$87,345
9	\$0	\$59,977	\$59,977
10	\$0	\$30,888	\$30,888
Total	\$0	\$1,426,534	\$1,426,534

Net Benefits (or Costs)

Year	Public Benefits	Total Costs and Property Taxes Abated	Net Benefits or (Costs)	Present Value of Net Benefits	Present Value of Taxes Abated
1	\$236,730	\$236,730	\$0	\$0	\$224,389
2	\$243,832	\$219,449	\$24,383	\$21,907	\$197,165
3	\$251,147	\$200,918	\$50,229	\$42,776	\$171,104
4	\$258,682	\$181,077	\$77,605	\$62,644	\$146,169
5	\$266,442	\$159,865	\$106,577	\$81,546	\$122,318
6	\$274,435	\$137,218	\$137,218	\$99,517	\$99,517
7	\$282,669	\$113,067	\$169,601	\$116,590	\$77,727
8	\$291,149	\$87,345	\$203,804	\$132,798	\$56,914
9	\$299,883	\$59,977	\$239,906	\$148,173	\$37,043
10	\$308,880	\$30,888	\$277,992	\$162,745	\$18,083
Total	\$2,713,849	\$1,426,534	\$1,287,315	\$868,696	\$1,150,428

Discounted payback period for taxes abated and incentives	6 Years
Compound rate of return over the next ten years on the school district's investment of taxes abated and incentives for the firm	5.79%
Benefit/Cost Ratio (Over 10 Years).....	1.76 : 1

Special Taxing District: DCCC

Benefits:

Year	Property Taxes	Additional Revenues	Total
1	\$134,538	\$5,207	\$139,745
2	\$138,574	\$5,363	\$143,937
3	\$142,731	\$5,524	\$148,255
4	\$147,013	\$5,690	\$152,703
5	\$151,423	\$5,861	\$157,284
6	\$155,966	\$6,036	\$162,002
7	\$160,645	\$6,218	\$166,862
8	\$165,464	\$6,404	\$171,868
9	\$170,428	\$6,596	\$177,024
10	\$175,541	\$6,794	\$182,335
Total	\$1,542,322	\$59,693	\$1,602,016

Costs:

Year	Additional Costs	Property Taxes Abated	Total
1	\$2,652	\$134,538	\$137,189
2	\$2,731	\$124,716	\$127,447
3	\$2,813	\$114,185	\$116,998
4	\$2,897	\$102,909	\$105,806
5	\$2,984	\$90,854	\$93,838
6	\$3,074	\$77,983	\$81,057
7	\$3,166	\$64,258	\$67,424
8	\$3,261	\$49,639	\$52,900
9	\$3,359	\$34,086	\$37,445
10	\$3,460	\$17,554	\$21,014
Total	\$30,397	\$810,721	\$841,118

Net Benefits (or Costs)

Year	Public Benefits	Total Costs and Property Taxes Abated	Net Benefits or (Costs)	Present Value of Net Benefits	Present Value of Taxes Abated
1	\$139,745	\$137,189	\$2,556	\$2,422	\$127,524
2	\$143,937	\$127,447	\$16,490	\$14,815	\$112,052
3	\$148,255	\$116,998	\$31,257	\$26,619	\$97,241
4	\$152,703	\$105,806	\$46,896	\$37,856	\$83,070
5	\$157,284	\$93,838	\$63,446	\$48,544	\$69,515
6	\$162,002	\$81,057	\$80,946	\$58,705	\$56,557
7	\$166,862	\$67,424	\$99,438	\$68,358	\$44,173
8	\$171,868	\$52,900	\$118,968	\$77,519	\$32,345
9	\$177,024	\$37,445	\$139,580	\$86,209	\$21,052
10	\$182,335	\$21,014	\$161,321	\$94,442	\$10,277
Total	\$1,602,016	\$841,118	\$760,898	\$515,490	\$653,806

Discounted payback period for taxes abated and incentives	6
Compound rate of return over the next ten years on the taxing district's investment of taxes abated and incentives for the firm	5.83%
Benefit/Cost Ratio (Over 10 Years).....	1.76 : 1

State of Kansas

Benefits:

Year	Sales Taxes	Property Taxes	Corporate and Personal Income Taxes	Other State Revenues (Including PILOT)	Total
Construction Period	\$368,539		\$476,100	\$0	\$844,639
1	\$18	\$6,211	\$85,132	\$20,664	\$112,024
2	\$18	\$6,397	\$87,686	\$21,284	\$115,385
3	\$19	\$6,589	\$90,316	\$21,922	\$118,846
4	\$20	\$6,786	\$93,026	\$22,580	\$122,412
5	\$20	\$6,990	\$95,816	\$23,258	\$126,084
6	\$21	\$7,200	\$98,691	\$23,955	\$129,867
7	\$21	\$7,416	\$101,652	\$24,674	\$133,763
8	\$22	\$7,638	\$104,701	\$25,414	\$137,776
9	\$23	\$7,867	\$107,842	\$26,177	\$141,909
10	\$23	\$8,103	\$111,077	\$26,962	\$146,166
Total	\$368,744	\$71,197	\$1,452,039	\$236,890	\$2,128,870

Costs:

Year	Property Taxes Abated	Incentives	Taxes Abated & Incentives	State Costs for the firm and Services for New Residents	Cost of Educating New Students	Total
Construction Period	\$0	\$0	\$0	\$0	\$0	\$0
1	\$6,211	\$0	\$6,211	\$12,418	\$0	\$18,629
2	\$5,757	\$0	\$5,757	\$12,791	\$0	\$18,548
3	\$5,271	\$0	\$5,271	\$13,174	\$0	\$18,445
4	\$4,751	\$0	\$4,751	\$13,569	\$0	\$18,320
5	\$4,194	\$0	\$4,194	\$13,977	\$0	\$18,171
6	\$3,600	\$0	\$3,600	\$14,396	\$0	\$17,996
7	\$2,966	\$0	\$2,966	\$14,828	\$0	\$17,794
8	\$2,291	\$0	\$2,291	\$15,273	\$0	\$17,564
9	\$1,573	\$0	\$1,573	\$15,731	\$0	\$17,304
10	\$810	\$0	\$810	\$16,203	\$0	\$17,013
Total	\$37,425	\$0	\$37,425	\$142,358	\$0	\$179,783

Net Benefits (or Costs)

Year	Public Benefits	Public Costs, Property Taxes Abated and Incentives	Net Benefits or (Costs)	Present Value of Net Benefits	Present Value of taxes abated and incentives
Construction Period	\$844,639	\$0	\$844,639	\$800,605	\$0
1	\$112,024	\$18,629	\$93,396	\$88,527	\$5,887
2	\$115,385	\$18,548	\$96,837	\$87,004	\$5,173
3	\$118,846	\$18,445	\$100,401	\$85,503	\$4,489
4	\$122,412	\$18,320	\$104,092	\$84,025	\$3,835
5	\$126,084	\$18,171	\$107,914	\$82,568	\$3,209
6	\$129,867	\$17,996	\$111,871	\$81,134	\$2,611
7	\$133,763	\$17,794	\$115,969	\$79,721	\$2,039
8	\$137,776	\$17,564	\$120,211	\$78,330	\$1,493
9	\$141,909	\$17,304	\$124,605	\$76,959	\$972
10	\$146,166	\$17,013	\$129,153	\$75,610	\$474
Total	\$2,128,870	\$179,783	\$1,949,086	\$1,619,986	\$30,181

Discounted payback period for taxes abated and incentives	1 Year
Compound rate of return over the next ten years on the state's investment of taxes abated and incentives for the firm	29.46%
Benefit/Cost Ratio (Over 10 years).....	13.23 : 1

Memorandum

*To: City Manager
City Commissioners*

*From: Ray Slattery, P.E.
Director of Engineering Services*

Date: February 26, 2019

*Subject: Consulting Agreement for US 50 &
Gary St. Intersection Design, ST 1901
Agenda Item: New Business*

Recommendation: Approve the Agreement for Engineering Services with Kirkham, Michael & Associates, Inc. (KM). Pending approval by City Attorney.

Background: In May of 2018 the City submitted a Geo-Metric Improvement (GI) application to KDOT for consideration of the widening of this intersection. The project consists of adding a third, a two-way left turn, lane from 6th Ave. to Central Ave. In August of 2018, KDOT issued a Press Release stating that the Dodge City was awarded the GI Project with a not to exceed funding amount from KDOT of \$500,000. Our construction estimate for the project is \$901,521. However, the City did not receive an official notification from KDOT either prior to or after the press release. After a few phone conversations with KDOT about the possibility of KDOT funding being secured, it was determined that the City needed to proceed even though we have not received anything official. In December of 2018, Request-for-Qualifications (RFQ) were requested for design services. Eight firms responded to the RFQ. A selection committee made up of Engineering Staff reviewed and evaluated these RFQ's. KM was then chosen for the design of the project. In January of 2019, KDOT has sent us the program packet outlining a timeline as to when crucial steps in the design process of this project have to be completed. Hiring of a consultant needs to be completed as soon as possible to meet and catch up to the schedule. The project is scheduled to be advertised for bid in September 2019. Construction will take place in the calendar year of 2020.

Justification: Improvements to this intersection will improve safety and reduce delay on US 50 from 6th Ave. to Central Ave. Numerous accidents have been reported on this section of US 50.

Financial Considerations: The contract with KM is for \$74,925.00. Funding for the design contract work will be from GOB which were approved early this year. Funding for the construction of the intersection was also approved early this year. The City will need to make payment to KDOT for the construction prior to KDOT bidding the project.

Purpose/Mission: The completion of this project will enable the City to have the documents necessary to meet KDOT's requirements for the bidding of this project. The intersection will provide better access for the residents, businesses, and emergency services.

Legal Considerations: The City is entering into a contract with KM and is bound by the provisions of this contract.

Attachments: The Agreement for Engineering Services with KM.

**Agreement for Engineering Services
between
the City of Dodge City, Kansas
and
Kirkham, Michael and Associates, Inc.
Ellsworth, Kansas**

THIS AGREEMENT, MADE AND ENTERED INTO THIS _____ DAY OF _____, 2019, by and between **the City of Dodge City**, hereinafter called the **OWNER**, and **Kirkham, Michael and Associates, Inc.**, hereinafter called the **ENGINEER**.

WITNESSETH: Whereas the **OWNER** has been awarded Federal Funds through the KDOT City Connecting Link Improvement Program (CCLIP) and; whereas the **OWNER** has requested the **ENGINEER** to provide a proposal for preliminary survey and engineering to develop final plans for the roadway improvement project as described below:

On US-50 Highway, construct a two-way center left turn lane from Sixth Ave east to Central Ave. This is anticipated to include removal and replacement of the existing shoulder pavement. Improvements to Gary Ave are anticipated to include replacement of the asphalt pavement south to the valley gutter at Edgemoor Street and a mill and overlay of Gary Ave north to the north edge of Frontview Street. Placement of curb and gutter at all four quadrants of Gary Ave may be included to address off-tracking vehicles at the corners. Improvements may also include a concrete pad across Gary Ave to provide an Americans with Disabilities Act compliant street crossing for the walk and bike trail. No improvements to 6th Ave or Central Ave are included in the scope of this agreement. Minimal grading is anticipated along US-50. Modification to drainage structures are not anticipated to be included in the plans. All pavement on US-50 will be asphalt pavement. The construction plans are to address grading, surfacing, permanent pavement markings, permanent signing, temporary erosion and pollution control, permanent seeding, and temporary traffic control. It is anticipated that temporary traffic control will not include modification to any existing traffic signals or modification to traffic signal timing or phasing. It is understood that the Federal Funds have been allocated for construction to occur in State Fiscal Year 2020. A figure is attached to this agreement to provide a visual of the anticipated boundaries of the preliminary survey.

A. Preliminary Survey – Preliminary Survey (subcontracted to Surveys Inc.)

1. The general area of the preliminary survey along US-50 is from the east side of 6th Ave east to the west side of Central Ave.
2. The general area to be surveyed along Gary Ave is from Edgemoor Street, then north to the north side of Frontview. The north and south edges of Frontview will be surveyed for approximately 100 feet east and west of Gary Ave.



3. Search for and shoot available existing section corner markers at the 14th Ave, 6th Ave, and Ave A intersections to assist with plotting property boundaries.
4. Submit a One-Call request for utility locates in the specified survey area.
5. Shoot surface locations of existing utilities as marked by their respective representatives (shoot utility poles, markers, paint marks/flags every 20' and at break points).
6. For pipelines (water, sewer, gas), attempt to get the depth to top of pipe, diameter of the pipe, and the material type from the pipeline owner.
7. Search for existing KDOT control points and shoot if in place.
8. Set benchmarks at locations per KDOT survey and design manuals and complete a double elevation level run on the benchmarks.
9. Shoot the centerline of roadway, edges of pavement, edge line pavement markings, break lines, fence posts, sign posts, drainage structures, side roads and entrances.
10. Shoot the perimeter of parking pavements, entrance pavements, and miscellaneous pavement areas and collect topo shots every 25' or at break lines.
11. Shoot existing R/W markers inside the survey area.
12. Shoot grassy areas on approximate 50' grid and at break points.
13. Shoot perimeter and break lines of concrete ditch liners.
14. Shoot top back of curb, gutter flowline, and gutter toe at 25' intervals and at radius returns or changes in profile.
15. Shoot centerline of road in curb and gutter sections.
16. The **ENGINEER** will use a sUAS to collect an aerial photograph of the project corridor.

B. Design and Preparation of Plans

1. The **ENGINEER** will prepare detailed plans for the proposed roadway improvement project according to the KDOT LPA Project Development Manual and the KDOT Standard Specifications for state road and bridge construction 2015 English version.
2. The **ENGINEER** will apply for appropriate permits from the state and federal authorities who have proper jurisdiction over the proposed work. Fees required for said permits will be paid for by the **ENGINEER**.



3. It is assumed that US-50 Highway must remain open to traffic during construction, but that Gary Street may be closed during construction.
4. The **ENGINEER** will prepare for the **OWNER** an Opinion of Probable Construction Cost to be used in budgeting the above named project.
5. The **ENGINEER** will participate in a Field Check of the plans with the **OWNER** and KDOT at approximately 45% plan completion to review the scope of the project.
6. The **ENGINEER** will furnish the **OWNER** an electronic PDF of preliminary plans for the **OWNER** to use for identifying needed temporary construction easements or right-of-way locations.
7. The **ENGINEER** will furnish the **OWNER** an electronic PDF of preliminary plans for the **OWNER** to send to utility owners for identification of potential utility conflicts.
8. The plans will be subject to review and approval by KDOT prior to advertising for construction bids.

C. Traffic Signal Interconnectivity Feasibility Analysis

1. Evaluate the feasibility and potential benefit of interconnecting the four traffic signals located along US-50 at 14th Ave, 6th Ave, Central Ave, and Fairway Drive.
2. Existing available traffic data will be utilized to set up a traffic simulation model in Synchro with current phasing of the four signals. The model will be modified to simulate traffic with the four signals interconnected using both current available traffic data as well as a 20-year projected growth.
3. A memo will be provided to describe the modeling process, the estimated benefit of interconnectivity, and an opinion of probable cost to install interconnectivity hardware.

D. Construction Contract Bid and Award

1. The project is to be advertised and bid for construction by KDOT using KDOT bid documents and procedures.

E. Construction Engineering

1. Construction engineering services are not a part of this agreement, but will be negotiated at a later date.



F. Payment of Engineering Fee by Owner to Engineer

1. For applicable services as outlined in Sections A through C, except as noted below, the **OWNER** agrees to pay the **ENGINEER** a maximum not to exceed of **\$74,925**. The fee calculation is attached as Exhibit B.
2. The estimated fee for each task is as follows:
 - a. Preliminary Survey - \$12,760
 - b. Plans through Field Check - \$23,345
 - c. Final Plan Completion - \$33,820
 - d. Traffic Signal Interconnectivity Analysis - \$5,000
3. The **ENGINEER** will bill monthly, a percentage of each task that was completed during the preceding month.
4. It is the understanding of the **ENGINEER** that local funds will be used to pay for the scope of this agreement.
5. Sub-surface testing, core-drilling, etc., if needed, shall be done by a competent geologist-driller selected by the **ENGINEER** and **paid for by the OWNER** in addition to the fee specified in Paragraph F-1.
6. Right of Way and easement descriptions, when requested by the **OWNER**, may be provided by the **ENGINEER** at the hourly rate noted in Paragraph F-10. This shall be in addition to the fee specified in Paragraph F-1.
7. Acquisition of land for right of way and easements and relocation of utilities is assumed to be the responsibility of the **OWNER**, but may be provided by the **ENGINEER** for additional fees, if requested by the **OWNER**.
8. Environmental documentation will be performed by KDOT.
9. Any change of plan alignment or project scope may be considered “**extra work**” by this agreement, and compensation will be at the hourly rate noted in Paragraph F-10.
10. “**Extra work**” required will be billed based on an hourly payroll cost plus a multiplier of **2.30** for employees specifically engaged on the required work, plus allowable reimbursable expenses.
11. The fee specified in Paragraph F-1 is based on final acceptance of the detailed plans within one (1) year of the date of this agreement. The fee specified will be adjusted by multiplying the original fee by an inflation factor of 1.05 for each year after the original three-year period has elapsed. From that time, the inflation factor will be compounded annually until final acceptance of the detailed plans by the **OWNER** or until termination of this agreement.



The three page attachment "Exhibit A: Terms and Conditions" shall be considered an integral part of this agreement.

Receipt of a signed agreement serves as the Notice To Proceed for the **ENGINEER** to begin work on the project.

IN WITNESS WHEREOF, said parties have caused this agreement to be signed by their duly authorized officers.

OWNER:
City of Dodge City, Kansas
806 N. Second Ave
Dodge City, KS 67801

By: _____

Title: _____

Attest:

By: _____

Title: _____

Attachment: Exhibit A (3 pages)
Exhibit B (1 page)

Cc: Corporate, File

ENGINEER:
Kirkham Michael & Associates, Inc.
217 N. Douglas
Ellsworth, KS 67439



Jon B. Halbgewachs, P.E.
Sr. Vice President

Exhibit A



General Terms and Conditions

1. AUTHORIZATION TO PROCEED

Signing of the accompanying agreement for engineering and related services shall be authorization by the client for Kirkham Michael & Associates, Inc. (Kirkham Michael) to proceed with the professional services described, unless otherwise stated in the agreement form.

2. DEFINITION

These mutually agreed covenants which include as a minimum the attached written proposal (Proposal) including a Scope of Services and these General Terms and Conditions constitute the "Agreement." This Agreement defines the relationship between the Client as identified in the Proposal and Kirkham Michael for the Project as defined in the Proposal. The professional services of Kirkham Michael shall include services performed by employees of Kirkham Michael, its affiliates, subsidiaries, independent professional associates, consultants and subconsultants.

3. STANDARD OF PRACTICE AND ABSENCE OF WARRANTY

Services performed by Kirkham Michael under this agreement will be conducted in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing in the same locality under similar conditions. No other representation, express or implied, and no warranty or guarantee is included or intended in the agreement or in any report, opinion, document, or otherwise. All estimates, recommendations, opinions, and decisions of Kirkham Michael will be made upon the basis of the information available to Kirkham Michael and Kirkham Michael's experience, technical qualifications, and professional judgment. Kirkham Michael makes no warranties, expressed or implied, under this Agreement or otherwise, in connection with Kirkham Michael's services.

Client expressly acknowledges that subsurface conditions may vary at locations other than at a particular location where borings, explorations, surveys and samplings are made, and that the data interpretations and recommendations of Kirkham Michael are based solely upon information available to Kirkham Michael. Client also acknowledges that Kirkham Michael shall not be responsible for interpretations by others of the information developed. All data obtained during investigative phases are subject to confirmation of conditions encountered during subsequent phases of the Project. Client recognizes that the scope of services under this Agreement is limited by Client's available budget and schedule and those additional services may yield more accurate and reliable information regarding conditions at or near the site.

4. PROJECT SITE AND RIGHT OF ENTRY

Client shall furnish or cause to be furnished to Kirkham Michael all documents and information known to CLIENT that relates to the identity, location, quantity, nature or characteristics of any hazardous waste at, on, or under the site. In addition, Client shall furnish and pay for such other reports, aerial photographs, data, studies, drawings, specifications, documents, and other information regarding surface and subsurface site conditions, which will be required by Kirkham Michael for performance of its services. Kirkham Michael shall be entitled to rely upon documents and information provided by Client in performing the services required under this Agreement; however, Kirkham Michael assumes no responsibility or liability for the accuracy or completeness of said documents and information. Client provided documents will remain the property of Client.

Kirkham Michael will not direct, supervise or control the work of contractors or their subcontractors. Kirkham Michael's services do not include a review or evaluation of a contractor's (subcontractor's) safety measures.

Kirkham Michael shall be responsible only for its activities and those of its employees on any site. Neither the professional activities nor the presence of Kirkham Michael, its employees, or its subconsultants on a site shall imply that Kirkham Michael controls the operations of others; nor shall this be construed to be an acceptance by Kirkham Michael of any responsibility for Project site safety.

Client shall provide right of entry for Kirkham Michael personnel, Kirkham Michael subconsultants and all equipment and vehicles necessary to perform services. Kirkham Michael will take reasonable measures to minimize damage to property; however, Client understands that some damage may occur and the cost of repair of such damage will be borne by the Client.

Client understands that Client will be responsible for designating the location of below grade structures, foundations, utilities and other subterranean obstacles. Kirkham Michael will take reasonable effort to avoid damage to these items. In the event these items cannot be located, Kirkham Michael, by Client written authorization, at Client's cost, will deploy feasible locating methods and employ specialty "dig up" crews to confirm locations. However, Client agrees to hold Kirkham Michael harmless for damages to or damages caused by any subsurface or subterranean utilities or structures which are not correctly located by Client or which Kirkham Michael could not locate using a reasonable standard of care.

5. INVOICING AND PAYMENT

The Client, recognizing that timely payment is a material part of the consideration of this agreement, shall promptly pay Kirkham Michael for services performed in accordance with the rates and charges set forth herein. Invoices will be submitted by Kirkham Michael on a monthly basis and shall be due and payable upon receipt. The Client shall pay an additional charge of one and one half percent (1.5%) (or the maximum percentage allowed by law, whichever is lower,) of the invoiced amount per month for any payment received by Kirkham Michael more than thirty (30) calendar days from the invoice date. Payment thereafter shall first be applied to accrued interest and then to principal unpaid amount.

If the Client for any reason fails to pay the undisputed portion of Kirkham Michael's invoices within thirty calendar days from the invoice date, Kirkham Michael may cease work on the project and the Client shall waive any claim against Kirkham Michael and shall defend and indemnify Kirkham Michael from and against any claims for injury or loss stemming from Kirkham Michael's cessation of services. Client shall also pay Kirkham Michael the cost associated with premature project demobilization. In the event the project is remobilized, Client shall also pay the cost of remobilization and shall renegotiate appropriate contract terms and conditions such as those associated with the budget, schedule or scope of services.

Unless the specific provisions of Proposal provide otherwise or the Current Year Schedule of Fees is not incorporated, then payment under this Agreement is based upon cost reimbursement (e.g., hourly rate, time and materials, direct personnel expense or per diem), and the provisions of the following sub-paragraphs shall apply:

a. The minimum time segment for billing field work is four (4) hours. The minimum time segment for billing work performed at an office is one-half (1/2) hour.

b. Project subcontracts (e.g. drilling, trenching, special testing, surveying, etc.) will be billed at cost plus 15% for handling and administration.

c. Other direct costs, excluding travel and subsistence, are payable at actual documented cost plus 10% for handling and administration. This shall include such items as shipping, communication, printing and reproduction, computer services, supplies and equipment, and equipment items rented from commercial sources. Travel and subsistence expenses of personnel when on business connected with the Project are reimbursable at cost plus 10%. The use of reusable field and support equipment owned by Kirkham Michael will be billed at negotiated rates. In the event that equipment does not have a current rate, a daily rate of 2% of purchase price of equipment will be used.

d. When applicable, rental charges will be applied to cover the cost of pilot-scale facilities or equipment, apparatus, instrumentation, or other technical machinery. When such charges are applicable, Client will be advised at the start of an assignment, task or phase. Analyses performed in Kirkham Michael or Kirkham Michael's subconsultants' laboratories will be billed on a unit-cost-per-analysis basis, unless specified otherwise in the accompanying Proposal (Scope of Services).

Exhibit A



General Terms and Conditions

e. Invoices based upon cost reimbursement will be submitted showing labor (hours worked) and total expense, but not actual documentation. If requested by Client, documentation will be supplied at the cost of providing such documentation, including labor and copying costs.

6. CHANGES OR DELAYS

Unless the accompanying Proposal provides otherwise, the proposed fees constitute Kirkham Michael's estimate to perform the services required to complete the Project as Kirkham Michael understands it to be defined. For those projects involving conceptual or process development services, activities often are not fully definable in the initial planning. In any event, as the Project progresses, the facts developed may dictate a change in the services to be performed, which may alter the scope. Kirkham Michael will inform CLIENT of such situations so that negotiation and compensation can be accomplished as required. If such change, additional services, or suspension of services results in an increase or decrease in the cost of or time required for performance of the services, whether or not changed by any order, an equitable adjustment shall be made, and the Agreement modified accordingly. Neither party shall be deemed in default of this Agreement to the extent that any delay or failure in the performance of either party's obligations results from any cause beyond either party's reasonable control and without either party's negligence.

7. LIMITATION OF LIABILITY

Kirkham Michael's liability is limited to amount of Kirkham Michael's compensation or the amount of fifty thousand dollars (\$50,000) whichever is less. To the fullest extent permitted by law, and notwithstanding any other provision of this Agreement, the total liability, in the aggregate, of Kirkham Michael and Kirkham Michael's directors, officers, principals, managers, employees, agents and Kirkham Michael's consultants and subconsultants, and any of them, to Client and anyone claiming, by, through, or under Client for any claims, losses, costs, or damages whatsoever arising out of, resulting from or in any way related to the Project or the Agreement from any cause or causes, including but not limited to the negligence, professional errors or omissions, strict liability or breach of contract, or warranty express or implied of Kirkham Michael or Kirkham Michael's directors, officers, principals, managers, employees, agents and Kirkham Michael's consultants and subconsultants, or any of them, shall not exceed the total compensation received by Kirkham Michael under this Agreement.

8. INSURANCE

Kirkham Michael agrees to purchase, at its own expense, Workers' Compensation Insurance and Comprehensive General Liability Insurance and will upon request, furnish insurance certificates to Client. Kirkham Michael agrees to indemnify Client for the claims covered by Kirkham Michael's insurance subject to the limitation of liability contained in Section 7. Kirkham Michael agrees to purchase additional insurance if requested by Client (presuming such insurance is reasonably available from carriers acceptable to Kirkham Michael), provided the costs for additional insurance are reimbursed by Client.

9. INDEMNIFICATION

~~Client and Kirkham Michael each agree to indemnify and hold the other harmless, and their respective officers, employees, agents and representatives, from and against liability for all claims, losses, damages and expenses, including reasonable attorneys' fees, to the extent such claims, losses, damages, or expenses are caused by the indemnifying party's negligent acts, errors or omissions. In the event claims, losses, damages or expenses are caused by the joint or concurrent negligence of Client and Kirkham Michael, they shall be borne by each party in proportion to its negligence.~~ JH

10. CONSEQUENTIAL DAMAGES

The Client shall not be liable to Kirkham Michael and Kirkham Michael shall not be liable to the Client for any consequential damages incurred by either party due to the fault of the other, regardless of the nature of

Revised: 09-02-11

this fault or whether it was committed by the Client or Kirkham Michael, their employees, agents, or subcontractors. Consequential damages include, but are not limited to, loss of use and loss of profit.

11. TERMINATION

Either party may terminate the Agreement, in whole or in part, fourteen (14) days after giving written notice, if the other party substantially fails to fulfill its obligations under the Agreement through no fault of the terminating party. Where method of payment is "lump sum," the final invoice will include all services and expenses associated with the Project up to the effective date of termination. Where method of payment is based upon cost reimbursement, the final invoice will include all services and expenses associated with the Project up to the effective date of termination. In any event, an equitable adjustment shall be made to provide for termination settlement costs Kirkham Michael incurs relating to commitments that had become firm before termination, and for a reasonable profit for services performed.

12. GOVERNING LAW

This Agreement is to be governed by and construed in accordance with the laws of the State of Kansas, unless mutually agreed in writing by Client and Kirkham Michael to be in accordance with the laws of the state where the Project is located.

13. DISPUTE RESOLUTION

Client and Kirkham Michael agree that as a prerequisite to the filing of a lawsuit or a demand for arbitration, they shall first submit any and all unsettled claims, counterclaims, disputes, and other matters in question between them arising out of or relating to this Agreement to mediation in accordance with the Construction Industry Mediation Rules of the American Arbitration Association, effective as of the date of this Agreement.

14. HAZARDOUS ENVIRONMENTAL CONDITIONS AND DISPOSAL OF CONTAMINATED MATERIAL

It is understood and agreed that Kirkham Michael is not, and has no responsibility as a handler, generator, treater, or storer, transporter, or disposer of hazardous or toxic substances found or identified at the Project site. It is acknowledged by both parties that Kirkham Michael's scope of services does not include any services related to the presence or discovery at the site of asbestos, PCBs, petroleum, hazardous waste, radioactive materials or any other hazardous material or toxic substance. Client acknowledges that Kirkham Michael is performing professional services for Client and Kirkham Michael is not and shall not be required to become an "arranger," "operator," "generator" or "transporter" of hazardous substances, as defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1990 (CERCLA). CLIENT shall undertake or arrange for the handling, removal, treatment, storage, transportation, and disposal of hazardous substances found or constituents found or identified at the Project site.

15. CONFIDENTIALITY

Kirkham Michael shall maintain as confidential and not disclose to others without Client's prior written consent all information obtained from Client that was not otherwise previously known to Kirkham Michael or in the public domain and is expressly designated by Client in writing to be "CONFIDENTIAL." The provisions of this paragraph shall not apply to information in whatever form that (1) is published or comes into the public domain through no fault of Kirkham Michael, (2) is furnished by or obtained from a third party who is under no obligation to keep the information confidential, or (3) is required to be disclosed by law on order of a court, administrative agency, or other authority with proper jurisdiction.

Client agrees that Kirkham Michael may use and publish Client's name and a general description of Kirkham Michael's services with respect to the Project in describing Kirkham Michael's experience and qualifications to other Clients or potential Clients.

Exhibit A



General Terms and Conditions

16. OWNERSHIP OF DOCUMENTS, RE-USE OF DOCUMENTS AND USE OF ELECTRONIC MEDIA

All documents including drawings and specifications prepared or furnished by Kirkham Michael (and Kirkham Michael's affiliates, subsidiaries, independent professional associates, consultants, and subconsultants) pursuant to this Agreement are instruments of service in respect of the Project, and Kirkham Michael shall retain an ownership and property interest therein, whether or not the Project is completed. Client may make and retain copies for information and reference in connection with the Project; however, such documents are not intended or represented to be suitable for re-use by Client or others as extensions of the Project or on any other project. Any Client re-use without written verification or adaptation by Kirkham Michael for the specific purpose intended will be at Client's sole risk and without liability or legal exposure to Kirkham Michael or Kirkham Michael's affiliates, subsidiaries, independent professional associates, consultants, and subconsultants with respect to any and all costs, expenses, fees, losses, claims, demands, liabilities, suits, actions, and damages whatsoever arising out of or resulting there from. Any such verification or adaptation will entitle Kirkham Michael to further compensation at rates to be agreed upon by Client and Kirkham Michael.

Copies of documents that may be relied upon by Client are limited to the printed copies (also known as hard copies) that are signed or sealed by Kirkham Michael. Files in electronic media format or text, data, graphic or other types that are furnished by Kirkham Michael to Client are only for convenience of Client. Any conclusion or information obtained or derived from such electronic files will be at the user's sole risk. When transferring documents in electronic media format, Kirkham Michael makes no representations as to long-term compatibility, usability, or readability of documents resulting from the use of software application packages, operating systems or computer hardware differing from those in use by Kirkham Michael at the time electronic files were furnished to the Client.

17. CONTROLLING AGREEMENT

These General Terms and Conditions shall take precedence over any inconsistent or contradictory provisions contained in any proposal, contract, purchase order, requisition, notice-to-proceed, or like document regarding Kirkham Michael's services. If any of these General Terms and Conditions are determined to be invalid or unenforceable in whole or part by a court of competent jurisdiction, the remaining provisions hereof shall remain in full force and effect and be binding upon the parties hereto. The parties agree to reform this Agreement to replace any such invalid or unenforceable provision with a valid and enforceable provision that as closely as possible expresses the intention of the stricken provision.

These General Terms and Conditions shall survive the completion of the services under this Agreement and the termination of this Agreement for any cause. This Agreement between Client and Kirkham Michael shall pertain only to the benefit of the parties hereto, and no third party shall have rights hereunder.

18. OPINIONS OF PROBABLE COST

Opinions of probable cost, cost estimates, and construction cost estimates provided herein are made based upon Kirkham Michael's experience and qualifications as professional engineers. However, since Kirkham Michael has no control over the cost of labor, materials, equipment or services furnished by others, or over the contractor(s)' methods of determining prices, or over competitive bidding or other market conditions, any opinions of cost shall be accepted by Client subject to Paragraph 3 of these General Terms and Conditions.

In the event Client desires a level of accuracy of an estimate which establishes cost ceilings or detailed cost component analyses, Kirkham Michael will upon written authorization from Client secure the services of a specialized cost estimating and analyzing firm acceptable to Client. The Client shall agree to the payment of additional compensation as required.

19. CONSTRUCTION PHASE SERVICES

If this Agreement provides for any construction phase services by Kirkham Michael, it is understood that the Contractor, not Kirkham Michael is responsible for the construction of the project, and that Kirkham Michael is not responsible for the acts or omissions of any contractor, subcontractor or material supplier; for safety precautions, programs or enforcement; or for construction means, methods, techniques, sequences and procedures employed by the Contractor.

Kirkham Michael understands that the Client has sole right to decide whether to engage Kirkham Michael for Construction Phase Services. In the event the Client chooses to not include Kirkham Michael in Construction Phase Services, the Client shall be solely responsible for interpreting the Contract Documents and observing the Work of the Contractor to discover, correct or mitigate errors, inconsistencies or omissions. If the Client authorizes deviations, recorded or unrecorded, from the documents prepared by Kirkham Michael, the Client shall not bring any claim against Kirkham Michael and shall indemnify and hold Kirkham Michael, its agents and employees harmless from and against any claims, losses, damages and expenses, including but limited to defense costs and time of Kirkham Michael professionals, to the extent such claim, loss, damage or expense arises out such deviations.

20. PROPRIETARY DATA

The technical and pricing information contained in the accompanying Proposal or this Agreement is to be considered Confidential and Proprietary, and is not to be disclosed or otherwise made available to third parties without the express written consent of Kirkham Michael.

Recapitulation of Hours and Development of Fee		FY2020 CCLIP Preliminary Survey and Final Plan Development						
City of Dodge City		TOTAL HOURS AND FEE						
Design	Principal	Project Manager	Traffic Engineer	Project Engineer	EIT	Sr. Designer	Admin Assistant	
a. Preliminary Survey (Surveys Inc. misc. expense)	1	8	12	16	4			
b. Plans through Field Check		4	8	20				
Title Shr and Typ Sections								
Plan & Profile 2 sheets	2	8	16	24	2			
Temp Traffic Control/Const Sequence	2	12	16	20	2			
Cross Sections		4	16	16				
FC OPC	1	2	4	4	2			
Field Check of Project	6	8	8		2			
c. Final Plan Completion								
Office Check Plans								
Update FC Plans per comments	1	8	8	12	2			
Summary of Quantities		4	12	24				
Erosion Control Plan	1	6	8	8	2			
Perm. Signing		4	4	4				
Perm Pymt Markings	2	8	4	8	4			
Temp Traffic Control and Striping	2	8	8	8	8			
Standard Sheets		2	2	2	16			
Update OPC		2	4	4	8			
KDHE NOI Permit (permit fee misc. exp.)		2	8	8	2			
PSE Plans								
Address Off Check Comments & OPC	1	8	12	24	2			
KDOT Required Forms		2	2					
Final Plans	2	2	4	8	2			
d. Traffic Signal Interconnectivity Analysis			40					
Total Hours	21	102	40	156	60	216	24	
Rates	\$240.00	\$160.00	\$125.00	\$115.00	\$95.00	\$65.00	\$70.00	
Sub-Total, Raw	\$5,040.00	\$16,320.00	\$5,000.00	\$17,940.00	\$5,700.00	\$14,040.00	\$1,680.00	
Total Labor		\$65,720.00						

Mileage = 250 @ \$0.580/mile	\$145.00
Hotel = 0 nights @ \$95.00/night	\$0.00
Per Diem = 0 days @ \$55/day	\$0.00
Expenses	\$9,060.00
Total Expenses	\$9,205.00
Total	\$74,925.00

EXPENSES				
Mileage	Per Diem	Hotel	Misc Exp	
250	0	0	9,060	
\$0.58	\$55.00	\$95.00		1
\$145.00	\$0.00	\$0.00	\$9,060.00	