

Sedgwick County

525 North Main Street 3rd Floor
Wichita, KS 67203



*Sedgwick County...
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Meeting Minutes - Final

Wednesday, May 9, 2012

9:00 AM

BOCC Meeting Room

Board of Sedgwick County Commissioners

Pursuant to Resolution #131-2010, adopted by the Board of County Commissioners on August 11, 2010, members of the public are allowed to address the County Commission for a period of time limited to not more than five minutes.

Anyone who requires an auxiliary aid or service for effective communication, or a modification of policies or procedures to participate in a program, service, or activity of Sedgwick County, should contact the office of Lindsey Mahoney, Sedgwick County ADA Coordinator, 510 N. Main, Suite 306, Wichita, Kansas 67203

Phone: (316) 660-7052, TDD: Kansas Relay at 711 or 800-766-3777

Email: Lmahoney@sedgwick.gov, as soon as possible but no later than 48 hours before the scheduled event. Please include the name, location, date and time of the service or program, your contact information and the type of aid, service, or policy modification needed.

ORDER OF BUSINESS

CALL MEETING TO ORDER

The Regular Meeting of the Board of the County Commissioners of Sedgwick County, Kansas, was called to order at 9:05 a.m. on Wednesday, May 9, 2012, in the County Commission Meeting Room in the Courthouse in Wichita, Kansas, by Chairman Tim R. Norton, with the following present: Chair Pro Tem James B. Skelton; Commissioner David M. Unruh; Commissioner Karl Peterjohn; Commissioner Richard Ranzau; Mr. William P. Buchanan, County Manager; Mr. Rich Euson, County Counselor; Mr. David Spears, Director, Bureau of Public Works; Colonel Mike Stover, Sheriff's Office; Mr. Mark Masterson, Director, Department of Corrections; Ms. Marilyn Cook, Director, COMCARE; Ms. Emily Graf, Assistant to the County Manager, County Manager's Office; Mr. Chris Chronis, CFO; Mr. Troy Bruun, Deputy CFO; Mr. Ron Holt, Assistant County Manager; Mr. Joe Thomas, Acting Director, Purchasing Department; Ms. Kristi Zukovich, Director, Communications; Ms. Amanda Lee, Deputy County Clerk; and Ms. Jill Bailey, Deputy County Clerk.

GUESTS

*Ms. Anita Dixon, President, Operation Freedom Memorial Foundation, Inc.
Mr. Stephen Stewart, Chair of the Board of Directors, Go Wichita
Ms. Luella Sanders, Director of Community Impact, United Way of the Plains
Ms. Debbie Parks, 8005 North Hoover Road, Valley Center
Mr. John L. Schlegel, Director, Planning Department
Mr. Dale Carter, President, South Wichita Business Association
Ms. Connie Klassen, 1614 Alta, Wichita
Mr. David Robbins, 920 Silverdale Court, Wichita
Mr. Myron Ackerman, 3019 E Central, Wichita
Mr. Brian Romalis, 7507 Huntington, Wichita
Mayor Marcey Gregory, Mayor, City of Goddard
Mr. Dave Trabert, President, Kansas Policy Institute
Ms. Shirley Koehn, 442 Waverly, Wichita
Mr. John Todd, 1559 North Payne, Wichita
Ms. Susan Estes, 151 South Whittier, Wichita
Mr. Craig Gabel, 150 East 44th Street South, Wichita
Mr. Kelly Parks, 8005 N Hoover, Valley Center
Mr. Tim Austin, Poe and Associates, Southfork Developer
Mr. James Clendenin, Councilman, City of Wichita
Mr. Jay Maxwell, 116 North Rainbow Lake Road, Wichita
Mr. A.J. Boleski, General Manager, Intrust Bank Arena*

INVOCATION

Led by Bishop Michael O. Jackels, Catholic Diocese of Wichita

FLAG SALUTE

ROLL CALL

The Clerk reported, after calling roll, that all Commissioners were present.

Present 5 - Chairman Karl Peterjohn, Commissioner Richard Ranzau, Commissioner Jim Skelton, Commissioner Tim Norton and Commissioner Dave Unruh

CONSIDERATION OF MINUTES

A **12-0299** REGULAR MEETING OF APRIL 4, 2012.
All Commissioners were present.

Chairman Norton said, "Commissioners, the minutes are before you, what is the will of the Board?"

MOTION

Commissioner Skelton moved to approve the Regular Meeting minutes of April 4, 2012.

Commissioner Ranzau seconded the motion.

There was no discussion on the motion, the vote was called.

VOTE

<i>Commissioner Unruh</i>	<i>Aye</i>
<i>Commissioner Peterjohn</i>	<i>Aye</i>
<i>Commissioner Ranzau</i>	<i>Aye</i>
<i>Commissioner Skelton</i>	<i>Aye</i>
<i>Chairman Norton</i>	<i>Aye</i>

Chairman Norton said, "Next item."

A motion was made by Commissioner Skelton, seconded by Commissioner Ranzau, that this Minutes be Approved. The motion carried by the following vote:

Aye: 5 - Chairman Peterjohn, Commissioner Ranzau, Commissioner Skelton, Commissioner Norton and Commissioner Unruh

Present: 0

PROCLAMATIONS

B [12-0176](#)

PROCLAMATION DECLARING MAY 13-19, 2012, AS POLICE WEEK.
Read by: Chairman Tim Norton.

RECOMMENDED ACTION: Adopt the proclamation.

Chairman Norton said, "Commissioners, I have the following proclamation to read into the record;

PROCLAMATION

WHEREAS, in 1962, the United States Congress first passed Public Law 87-726 designating May 15 of each year as "Peace Officers Memorial Day," honoring federal, state and local officers who have been killed or disabled in the line of duty, and the corresponding week as "Police Week;" and

WHEREAS, over the years, devoted law enforcement officers of America have courageously sacrificed their personal safety, while working on behalf of the people; and

WHEREAS, due to their steadfast efforts to enforce our laws, citizens enjoy a system of peace and order; and

WHEREAS, Sedgwick County desires to honor the valor, service and dedication of, not only its own sheriff's deputies, but peace officers everywhere.

NOW THEREFORE BE IT RESOLVED that I, Tim Norton, Chairman of the Board of Sedgwick County Commissioners, do hereby proclaim May 13-19, 2012 as

'POLICE WEEK'

in Sedgwick County, and call upon our citizens to show their sincere appreciation for the many law enforcement officers of Sedgwick County, past and present, and their legacy of humble, dedicated service to the community.

"Commissioners, you have heard the proclamation, what is the will of the Board?"

MOTION

Commissioner Skelton moved to adopt the proclamation.

Commissioner Ranzau seconded the motion.

There was no discussion on the motion, the vote was called.

VOTE

<i>Commissioner Unruh</i>	<i>Aye</i>
<i>Commissioner Peterjohn</i>	<i>Aye</i>
<i>Commissioner Ranzau</i>	<i>Aye</i>
<i>Commissioner Skelton</i>	<i>Aye</i>
<i>Chairman Norton</i>	<i>Aye</i>

Chairman Norton said, "Mike Stover is here today to accept the proclamation."

Colonel Mike Stover, Sheriff's Office, greeted the Commissioners and said, "This year at the National Law Enforcement Officer Memorial in Washington D.C., when the names of the officers of the 173 law enforcement officers who died in the line of duty in 2011 are added to that monument, there will be over 19,000 names inscribed there. Fortunately, no deputies or officers from the Sedgwick County area are part of that number this year. In the past two years, however, we've seen an increase in the number of officers killed. 2011 saw an increase of 13 percent over 2010. Gunfire continues to take more officers than any other category. Kansas' only law enforcement officer death in 2011 was killed by gunfire in an ambush situation while the officer was attempting to serve a nuisance order. In our own community we've witnessed a rise in the number of assault cases against law enforcement officers where guns are used.

"It is remarkable, though, that during 2011, the number of traffic-related fatalities to law enforcement officers dropped by about 10 percent. 2011 was the first time in the past 14 years that traffic deaths were lower than firearm deaths.

"What continues to amaze me, though, is that despite these types of tragic and senseless murders, and the multitude of dangers faced by our law enforcement officers, hundreds of thousands of cops pin on the badge and put on the uniform each and every day to go out there and do their job to keep our communities safe. Now, our own memorial service is scheduled for May 18th when we will gather to read this very proclamation to remember the 29 local hero from the Wichita Police Department, the Derby Police Department, a Deputy Marshall from Clearwater and deputies from the Sedgwick County Sedgwick Sheriff's office.

"We will hold the ceremony across the street, and part of that ceremony will be at our [National] Law Enforcement Memorial. As you know, that memorial is a physical tribute to the officers and deputies who gave their lives. We will never forget our fallen heroes who have done this. On behalf of Sheriff Robert Hinshaw and the men and women of the sheriff's office who accept these challenges with pride and love the profession they have chosen, it is my privilege to accept this proclamation on their behalf. Thank you very much."

Chairman Norton said, "Thank you, Colonel Stover. It doesn't take citizens very long to understand that we have sheriffs and police and other first responders that put themselves in harm's way in our community, and we hope every year that we don't lose any in the line of duty. But it is a reality that our sheriff and police department deals with every day, and we should be so thankful that we have people that step up and take that on in our community, keep us safe, and secure in the community that we love. Thank you very much."

Colonel Stover said, "Thank you."

Chairman Norton said, "Appreciate it. Madam Clerk, call the next item."

A motion was made by Commissioner Skelton, seconded by Commissioner Ranzau, that this Proclamation(s) be Adopted. The motion carried by the following vote:

Aye: 5 - Chairman Peterjohn, Commissioner Ranzau, Commissioner Skelton, Commissioner Norton and Commissioner Unruh

Present: 0

C [12-0283](#)

PROCLAMATION HONORING KANSAS FALLEN PATRIOTS.
Read by: Chairman Tim Norton.

RECOMMENDED ACTION: Adopt the proclamation.

Chairman Norton said, "I have the following proclamation to read into the record;

PROCLAMATION

WHEREAS, on September 11, 2001 the United States of America was subjected to terrorist acts of war and the United States Armed Forces were mobilized by the president in response to the global war on terror; and

WHEREAS, these brave men and women of the United States Armed Forces were, and continued to be, called to duty with the mission to defend our country and restore peace; and 5,000 members of the United States Armed Forces – 83 from Kansas – lost their lives in these military campaigns in the name of liberty, justice, and freedom for all; and

WHEREAS, Operation Freedom Memorial Foundation, Inc. is dedicated to promoting awareness of these fallen Kansas patriots by preserving their historical footprints and legacies of duty, honor, and country; and

WHEREAS, the proposed war memorial will be dedicated to the Kansas men and women serving in the United States Armed Forces who sacrificed their lives in the terrorist attack on the Pentagon on September 11, 2001 and during the military operations: Desert Storm; Iraqi Freedom; Enduring Freedom; New Dawn and other acts of terrorism; and

WHEREAS, the vision is to promote education to persons of all ages through historical preservation of our 83 fallen Kansas patriots, further raising the awareness and dedicating a memorial in their honor and the goal is to provide a moment of reflection in honor and remembrance of our Kansas hometown heroes who made the ultimate sacrifice.

NOW, THEREFORE BE IT RESOLVED, that I, Tim Norton, Chairman of the Board of Sedgwick County Commissioners, do hereby recognize, honor, and remember the

'KANSAS FALLEN PATRIOTS'

and applaud the efforts of the Operation Freedom Memorial Foundation, Inc. to establish the Operation Freedom Memorial.

"Commissioners, you have heard the proclamation, what is the will of the Board?"

MOTION

Commissioner Skelton moved to adopt the proclamation.

Commissioner Ranzau seconded the motion.

There was no discussion on the motion, the vote was called.

VOTE

Commissioner Unruh	Aye
Commissioner Peterjohn	Aye
Commissioner Ranzau	Aye
Commissioner Skelton	Aye
Chairman Norton	Aye

Chairman Norton said, "And Anita Dixon with Operation Freedom [Memorial Foundation] is here with us today. Anita."

Ms. Anita Dixon, President, Operation Freedom Memorial Foundation, Inc, greeted the Commissioners and said, "I am a Gold Star Mother of Sergeant Evan S. Parker, KIA (killed in action), 26th October, Operation Iraqi Freedom. He was born here in Wichita and he was a native of South Haven, Kansas. Operation Freedom Memorial Foundation [Inc.] (OFM) is the first war memorial in the State of Kansas, right here in Wichita, and Veterans Memorial Park, that will honor the native Kansas fallen American heroes from Desert Storm, Iraqi Freedom, Enduring Freedom, and this is Iraq and Afghanistan, the acts of terror of 9-11 in the Pentagon, and the Khobar Towers bombings in 1996, that will stand on three granite walls listing their rank, their name, their branch of service, their KIA date and their location. Eighty-four as of this week.

"Also with pride and recognition, all past and present service members from any state will be recognized on granite paving stones as the flooring of the memorial.

"OFM has dedicated ourselves this past 18 months to raising awareness across the State of Kansas, and in this community, desperately raising funding to build this beautiful needed memorial. We are still in need of financial funding to start our construction and see our completion. On behalf of Operation Freedom Memorial, I would like to thank the Sedgwick County and the Board of [County] Commissioners for the adoption of this proclamation, and the awareness of the community. Your dedication, your recognition, and your respect to the United States Armed Forces, to those who have served, and are still serving is most commendable. Less we never forget the service and sacrifice of these fine brave men and women that keep our community and our country free. Thank you."

Chairman Norton said, "Thank you, Anita. If you've ever been to Washington D.C., and seen the World War II Memorial, the Korean War Memorial, the Vietnam Memorial, all of those keep us ever mindful that our fallen patriots are with us today. They sacrificed their lives, but they are forever remembered for their acts of courage and bravery to keep us our freedoms. We thank you for trying to bring a part of that to Wichita, Kansas, and make sure that we never forget. Thank you, Anita. I know it's hard work, but keep up the good work."

Ms. Dixon said, "Yes, thank you so much."

Chairman Norton said, "Thank you. Madam Clerk, call the next item."

A motion was made by Commissioner Skelton, seconded by Commissioner Ranzau, that this Proclamation(s) be Adopted. The motion carried by the following vote:

Aye: 5 - Chairman Peterjohn, Commissioner Ranzau, Commissioner Skelton, Chairman Norton and Commissioner Unruh

Present: 0

D [12-0305](#)

PROCLAMATION DECLARING CORRECTIONAL OFFICERS WEEK.
Read by: Chairman Tim Norton.

RECOMMENDED ACTION: Adopt the proclamation.

Chairman Norton said, "Commissioners, I have the following proclamation to read into the record;

PROCLAMATION

WHEREAS, much is expected from the men and women who work in our county correctional facilities every day; and

WHEREAS, correctional officers are skilled professionals who must act as counselors, communicators and experts at crisis intervention, and must preserve the safety of lives and property, maintaining their professional demeanor while often facing hostile, aggressive and intimidating behavior from inmates; and

WHEREAS, these officers must possess an intuitive sense to resolve conflicts and save lives, while also preserving the physical ability to restrain persons representing a danger to themselves and others; and

WHEREAS, Sedgwick County is pleased to join in celebrating Correctional Officers Week, and in urging all citizens to pay special tribute to these men and women who serve so faithfully, often with little thanks or recognition.

NOW, THEREFORE BE IT RESOLVED, that I, Tim Norton, Chairman of the Board of Sedgwick County Commissioners, do hereby proclaim May 6-12, 2012, as

'CORRECTIONAL OFFICERS WEEK'

and encourage all citizens to honor and show sincere appreciation for the correctional officers who make it possible to keep the detention and correctional facilities safe each day.

"Commissioners, you have heard the proclamation, what is the will of the Board?"

MOTION

Commissioner Skelton moved to adopt the proclamation.

Commissioner Unruh seconded the motion.

There was no discussion on the motion, the vote was called.

VOTE

<i>Commissioner Unruh</i>	<i>Aye</i>
<i>Commissioner Peterjohn</i>	<i>Aye</i>
<i>Commissioner Ranzau</i>	<i>Aye</i>
<i>Commissioner Skelton</i>	<i>Aye</i>
<i>Chairman Norton</i>	<i>Aye</i>

Chairman Norton said, "And with us again is Colonel Mike Stover and Mark Masterson."

Colonel Stover said, "My comments will be very brief to allow Mr. Masterson to speak as well, as we both have corrections units within our agencies. As we all know, the field of corrections is one of the least visible and probably least understood fields in our criminal justice system. However, as Sheriff Hinshaw likes to say, they are the gatekeepers of our society in the jobs that they do every day, and on behalf of Sheriff Hinshaw and the over 300 corrections employees within the Sheriff's office, I want to thank you for this proclamation."

Mr. Mark Masterson, Director, Department of Corrections, greeted the Commissioners and said, "I, too, want to thank you on behalf of our corrections personnel for issuing this proclamation. Corrections work is carried out by the dedicated professionals that at our four juvenile facility programs, the Juvenile Detention Facility, Juvenile Residential Facility, Sedgwick County Youth Program, Judge Riddle Boys' Ranch and at our Adult Residential Center operated by Community Corrections. Corrections officers are on duty 24/7, 365, serving these important public safety functions. They work holidays, they work weekends, and they pull extra shifts on short notice. The work is stressful, it can be stressful on their families as well, and as Colonel Stover so well said, it can be dangerous. With good staffing, appropriate staffing, training, and teamwork, that danger is mitigated, and they do a tremendous job every day for the citizens of Sedgwick County. Thank you."

Chairman Norton said, "We know that EMS workers sometimes are dealing with people at one of the worst times of their lives, and truthfully, so do correction officers, because people have been incarcerated, they are being charged many times, not...they are either acquitted or moved on to other things, but it's some of the worst times of their lives, and they have to deal with that stress and strain in those people's lives, and they do it with such professionalism, and caring, and we honor them today. That's very important. Thank you, Mark, and Colonel for being here."

Mr. Masterson said, "Thank you."

Chairman Norton said, "Madam Clerk, call the next item."

A motion was made by Commissioner Skelton, seconded by Commissioner Ranzau, that this Proclamation(s) be Adopted. The motion carried by the following vote:

Aye: 5 - Chairman Peterjohn, Commissioner Ranzau, Commissioner Skelton, Commissioner Norton and Commissioner Unruh

Present: 0

E [12-0306](#)

PROCLAMATION DECLARING NATIONAL TRAVEL AND TOURISM WEEK.
Read by: Chairman Tim Norton.

RECOMMENDED ACTION: Adopt the proclamation.

Chairman Norton said, "Commissioners, I have the following proclamation to read into the record;

PROCLAMATION

WHEREAS, the travel industry ranks as the 3rd largest industry in Kansas and is among the largest private sector employers in the United States; and

WHEREAS, visitors to the Sedgwick County area each year contribute \$600 million in economic activity, generating \$62 million in tax revenue for city, county and state governments, providing employment for 11,200 people in the Wichita MSA, and creating a payroll of \$170 million; and

WHEREAS, leisure travel, which accounts for more than three-quarters of all trips taken in the United States, spurs countless benefits to travelers' creativity, cultural awareness, education, happiness, productivity, relationships and wellness; and

WHEREAS, business travel serves as a catalyst that moves the national economy forward through meetings, conventions and events, which are core business functions that help companies strengthen business relationships, align and educate employees and customers, and reward business performance.

NOW, THEREFORE BE IT RESOLVED, that I, Tim Norton, Chairman of the Board of Sedgwick County Commissioners, do hereby proclaim May 5-13, 2012, as

'NATIONAL TRAVEL AND TOURISM WEEK'

and encourage the people of Sedgwick County to join in this special observance with appropriate ceremonies and activities.

"Commissioners, you heard the proclamation. What is the will of the Board?"

MOTION

Commissioner Skelton moved to adopt the proclamation.

Commissioner Unruh seconded the motion.

There was no discussion on the motion, the vote was called.

VOTE

<i>Commissioner Unruh</i>	<i>Aye</i>
<i>Commissioner Peterjohn</i>	<i>Aye</i>
<i>Commissioner Ranzau</i>	<i>Aye</i>
<i>Commissioner Skelton</i>	<i>Aye</i>
<i>Chairman Norton</i>	<i>Aye</i>

Chairman Norton said, "And with us today to receive that is Stephen Stewart, Chairman

of the Board of Go Wichita.”

Mr. Stephen Stewart, Chair of the Board of Directors, Go Wichita, greeted the Commissioners and said, “This year’s theme for the National and Travel Tourism Week is Power of Partnership. And Go Wichita is working to show travelers in tourism related businesses how partnering can improve, can improve profit and increase visitations. Some examples of that would be the Go [Wichita] Card discount admissions program, also partnership between the Kansas Aviation Museum and the Wichita Grand Opera, to reach out to a broader base and new audience base. Additionally, partnership with the Exploration Place to help promote the upcoming Star Wars exhibit. And most recently, an example of yesterdays efforts by the Go Wichita team to help build a better partnership with the taxi community and all they did with a lunch provision and information provisions to the taxi community in hopes that they help create a greater experience for our travelers when they come to Wichita.

“Travel and tourism is the third largest industry in the State of Kansas. And whether visitors come to Wichita for business or leisure, they use our hotels, our restaurants, and they shop and they spend money and pay taxes to the county, state and local government. Through creative partnerships, we are encouraging visitors to come more often, stay longer, and do more while they are here in the community. Tomorrow Go Wichita will be hosting a luncheon that will be to...as an example to explore the benefits of the Power of Partnership at the Old Cowtown Museum Center. That will be from 11:30 [a.m.] to 1:00 [p.m.], and we hope to see some of you there. Thank you very much.”

Chairman Norton said, “Thanks, Stephen. We certainly appreciate all that the convention and visitors bureau does for Wichita to promote our quality of life, our strength of economic value in our business community, and just as a good place to come and visit and enjoy all the rich heritage and history that we have here in Wichita. Thanks so much for all you do every day.”

Mr. Stewart said, “Thank you.”

Chairman Norton said, “And I’m looking forward to Star Wars myself. It’s going to be a huge event for our community, one of only seven places in the United States that will host that event. We should all be very proud. And I know Go Wichita will be intimately involved in promoting that, and making sure that it brings value in the economics and quality of life to our community.”

Mr. Stewart said, “Yes, we will. Thank you.”

Chairman Norton said, “Thank you. Madam Clerk, call the next item.”

A motion was made by Commissioner Skelton, seconded by Commissioner Unruh, that this Proclamation(s) be Adopted. The motion carried by the following vote:

Aye: 5 - Chairman Peterjohn, Commissioner Ranzau, Commissioner Skelton, Commissioner Norton and Commissioner Unruh

Present: 0

F [12-0307](#)

PROCLAMATION DECLARING MENTAL HEALTH MONTH.
Read by: Chairman Tim Norton.

RECOMMENDED ACTION: Adopt the proclamation.

Chairman Norton said, "Commissioners, I have the following proclamation to read into the record;

PROCLAMATION

WHEREAS, COMCARE of Sedgwick County is proud to continue its tradition by providing mental health awareness in May during Mental Health Month. This year we focus on two national issues; 'Do More for 1 in 4' and 'Healing Trauma's Invisible Wounds'; and

WHEREAS, 'Do More for 1 in 4' is a call to action to help the 1 in 4 American adults who live with a diagnosable, treatable mental health condition and the fact that they can go on to live full and productive lives; and

WHEREAS, secondly, 'Healing Trauma's Invisible Wounds' focuses on the impact of a traumatic event on individuals and communities, such as childhood abuse, violence, being bullied, and serving in combat; and

WHEREAS, mental health conditions are real and prevalent in our community; and

WHEREAS, early detection, diagnosis and treatment of mental health problems greatly increases the likelihood of restored health; and

WHEREAS, healthy individuals and healthy communities are essential elements of any strong and vibrant society.

NOW, THEREFORE BE IT RESOLVED, that I, Tim Norton, Chairman of the Board of Sedgwick County Commissioners, do hereby proclaim the month of May as

'MENTAL HEALTH MONTH'

in Sedgwick County and call upon all government agencies, public and private institutions, businesses and schools in Sedgwick County to increase awareness and understanding of mental health, the steps we can take to protect our mental health and the importance of appropriate and accessible services for all people with mental health conditions.

"Commissioners, you've heard the proclamation. What is the will of the Board?"

MOTION

Commissioner Skelton moved to adopt the proclamation.

Commissioner Unruh seconded the motion.

There was no discussion on the motion, the vote was called.

VOTE

Commissioner Unruh	Aye
Commissioner Peterjohn	Aye
Commissioner Ranzau	Aye
Commissioner Skelton	Aye
Chairman Norton	Aye

Chairman Norton said, "And Marilyn Cook, Director of COMCARE, is with us today."

Ms. Marilyn Cook, Director, COMCARE, greeted the Commissioners and said, "I want to thank you for the proclamation. Appreciate the acknowledgment of May as Mental Health Month, and also the opportunity to share some things that we know about mental health to the people here today and those that may be listening in. For instance, we know from a National Institute of Mental Health study that mental illness has the number one ranking of all illnesses in terms of the burden of the disease on the lives of those who live with it every day.

"We know that we lost more veterans to suicide than to combat these past few years. We know that the average onset of mental illness symptoms is age 14, and that 75 percent of individuals who go on to developmental illness will have done that by age 24. Very importantly, we know that treatment works, and that early treatment saves a lot of distress for those experiencing mental illness, and it greatly increases the likelihood of restored health and functioning. We know we don't do as well in cardiac treatment, for instance, if we only catch the heart disease after the first heart attack. And that best outcomes come from early identification and problems in early treatment, and it is no different for mental illness, if we wait until the first psychotic episode, we're treating an illness late in the game.

"And despite the early onset of symptoms, we know that it takes an average of six years from the onset of those beginning symptoms before most individuals seek mental health treatment. We know that the cost of treating common physical diseases such as diabetes and heart conditions increases when an individual has an untreated mental health illness. We know that half of all Americans will experience symptoms that meet the criteria for mental illness at some point in their lives. And we know that all of us fit the profile of someone potentially who could have a mental illness, because mental illness doesn't discriminate. It affects all ages, races, religions, and socioeconomic groups.

"I am going to end, as I typically do, with a story. This is a true story about a young man by the name of Kevin Hines. Kevin was born to a very poor and dysfunctional family, and was taken away from his biological parents when he was nine months old. He was adopted by a very loving family, in the San Francisco area, and his adoptive family provided him with a wonderful home, wonderful environment, and went on to adopt two other children. Kevin was a loving individual himself, but his adoptive mother kind of described him, as he was growing up, as wearing his heart on his sleeve. So he reacted pretty strongly to a lot of things emotionally.

"He developed a bipolar disorder at age 16, and, sadly, had his first psychotic break on stage while he was acting in a high school play. His parents also separated that year, so he had a number of things going on when he was 16. During that year he developed stronger and stronger mood swings with depressive cycles that came very regularly to him. He was struggling to get along with other people, and he ended up arguing with his mother after his parents separated so much that he eventually went to live with his

father.

“One Friday in September, Kevin’s girlfriend broke up with him, and all throughout that weekend he kind of isolated himself in his room at his father’s house. He made six attempts to write a suicide letter that would articulate what it was he wanted to say to those he was leaving behind, and he kept throwing them out. But finally, by the seventh letter, he had on paper what he wanted to express to his family. His father saw that he was distressed all weekend. And in fact on Monday morning he told his son that, or asked his son if he wanted to go to work with him, and Kevin said no, and he said, well, you know something, I’ll take the day off and spend it with you, maybe we can go to a movie or something. Because he realized the impact that this breakup on him. Kevin assured him he was fine, and so his dad drove him to school, and after his dad dropped him off, Kevin got on a bus that was headed to the Golden Gate Bridge, because he had heard that that would be a very easy way to die. He was 19 years old.

“When he got off the bus, or on the bus, while he was on the bus he started thinking about what was going on. Ended up having more internal voices talking to him, telling him about how no one cared about him. He got off the bus, looked for a place on the bridge where he could jump where he wouldn’t hit a pillar, and started sobbing. And as he was sobbing, a female police officer rode by slowly on a bike and saw him, and didn’t intervene. Two bridge workers saw him sobbing and went on their way. And finally, a female tourist, who had a German accent, came up to him and asked him to take a picture of her by that bridge. Again, not responding to what she was seeing on him.

“When she walked away, Kevin turned, convinced that no one cared about him, and took three running steps and plunged into the water, or toward the water. The surface of the water at that point of the bridge was 25 stories below where he jumped. I got to tell you that more than 1,200 people have jumped from the Golden Gate Bridge, and only 26 are believed to have survived that. And Kevin was one of those. On the way down he, like the others who have agreed to talk about it that they could find who made that jump, all said, 100 percent of them said they had instant regrets the minute they left that bridge.

“On the way down, Kevin decided, I don’t want to die, this is not worth it, and he tried to position his body in a way that he would hit the surface and not cause much bodily damage. So he maneuvered his way on the way down, gained some speed to a sitting position, and entered the water. He sunk about 30 feet, and what he describes was an indescribable pain, and come to find out he broke several of his vertebrae when he hit the water. He saw the light and the air up above him and struggled to get up there. He managed to get to the surface of the water, but he was in so much pain, he dropped down again, and it was at that point that he felt some kind of creature, he thought it was a shark at first, touch his leg. It ended up being a sea lion, who pushed him to the surface.

Ms. Cook continued, “He was in the audience last month in a conference that a number of us went to, and Jason Scheck, our Crisis Director, attended that session, and the presenter didn’t realize that Kevin was in the audience. And he stood up, and talked to the audience about how important it is to care, and how he is kind of committed himself to caring for other individuals. Now, I’ve got to tell you that the people who crossed his path that day weren’t cold individuals, and uncaring individuals,

but many people when they see somebody in distress, don't know what to say and don't know how to react. And many people feel that if they talk to someone about what they are experiencing in front of them, it will get worse.

"I want to make the public aware that COMCARE now offers a class called Mental Health First Aid. And much like the American Red Cross First Aid, it is a 12-hour course that educates individuals on what to look for in different diagnosable mental illnesses and how to intervene. It doesn't teach people to become clinicians any more than the American Red Cross teaches people to become EMT's (Emergency Medical Technician), but it does allow people to understand different symptoms, know what they are looking at and know what some next steps will be.

"Our next Mental Health First Aid class is in the evening, it's the first one we've done in the evening, I believe, and it's a 12-hour class, so it's in three different evenings, June 11th, June 18th and June 25th from 6:00 [p.m.] to 10:00 [p.m.] at night. We normally charge for this, but due to the generosity of the Kansas Health Foundation, and from a Visioneering [Wichita] grant, there are still ten openings for anyone in the community that wants to participate in that class. And anybody who wants to do that can register for that class, and find that information on COMCARE's website, you would go to the county website first, www.sedgwickcounty.org, and then click on COMCARE. I want to thank you for your support and work we've been doing for 50 years in this community and for acknowledging this month as Mental Health Awareness Month."

Chairman Norton said, "Marilyn, you are getting ready to celebrate 50 years of COMCARE in the near future, too, are you not?"

Ms. Cook said, "Yes, we are. This Friday we are having a reception from 2:00 [p.m.] to 5:00 [p.m.] in our administrative building."

Chairman Norton said, "Fifty years is a long time to provide those services for a community. You know, we all have physical health, and truthfully, it can be good or bad. And we all have mental health, which can be good or bad. And when we did our Community Health Assessment, we had a whole wealth of people that came together, tried to discuss the health of our community, tried to find those things that we thought we needed to work on. And, surprisingly we worked on health access, we looked at obesity, and diabetes, we looked at oral health, but one of the critical conversations was to include mental health in that conversation about how do we take care of healthcare in the community. And I found that striking that we would attach mental health and oral health with our other physical health needs. And I think that's important for the public to know.

"You know, as we struggle with our jail population, we understand that mental health is a huge component of those individuals that are incarcerated are in the system. As we struggle with homelessness and that in our community, we understand that many of those people have dual diagnoses and drug issues and other mental health issues.

"Our veterans that we try to serve and we've even talked about a proclamation honoring veterans today, struggle with mental health issues and traumatic brain injuries other maladies from serving our country. And domestic violence, bullying, child abuse, all of those issues are in our community, must be dealt with, and we know that a system has to be put together to deal with it.

“And, finally, in this human condition we live in, life events affect our mental health. We can be perfectly well, perfectly situated in our life mentally, and those life events so effect the human condition. They take us from mentally well to mentally ill quickly. And I'm so proud that Sedgwick County has a rich, robust system that deals with all those issues that our citizens have. Citizens that pay their taxes, work hard, play by the rules, but for whatever reason, have a condition in their lives that makes it hard to deal with the everyday parts of life. Thank you, Marilyn, for what you do. We really appreciate it.”

Ms. Cook said, “You are welcome.”

Chairman Norton said, “Please pass that on to your staff.”

Ms. Cook said, “I will do that.”

Chairman Norton said, “Madam Clerk, call the next item.”

A motion was made by Commissioner Skelton, seconded by Commissioner Unruh, that this Proclamation(s) be Adopted. The motion carried by the following vote:

Aye: 5 - Chairman Peterjohn, Commissioner Ranzau, Commissioner Skelton, Commissioner Norton and Commissioner Unruh

Present: 0

G [12-0326](#)

PROCLAMATION DECLARING CHILDREN'S MENTAL HEALTH AWARENESS DAY.
Read by: Chairman Tim Norton.

RECOMMENDED ACTION: Adopt the proclamation.

Chairman Norton said, "Okay, we have one last proclamation to read into the record;

PROCLAMATION

WHEREAS, addressing the complex mental health needs of children and families today is fundamental to the future of Sedgwick County, Kansas; and

WHEREAS, the need for comprehensive, coordinated mental health services for children and families places upon our community a critical responsibility; and

WHEREAS, it is appropriate that a day should be set apart each year for the direction of our thoughts toward our children's mental health and well-being; and

WHEREAS, a coordinated, no-wrong-door approach is utilized by Kansas Children's Initiative Fund partners and other early childhood mental health care providers serving Sedgwick County and the surrounding area, to effectively care for the mental health needs of children and families in our community; and

NOW, THEREFORE BE IT RESOLVED, that I, Tim Norton, Chairman of the Board of Sedgwick County Commissioners, do hereby proclaim May 9, 2012, as

'CHILDREN'S MENTAL HEALTH AWARENESS DAY'

and urge all residents of Sedgwick County and all agencies and organizations interested in meeting every child's mental health needs to unite in the observance of exercises that will acquaint the people of Sedgwick County, Kansas with the fundamental necessity of a year-round program for children with mental health needs and their families.

"Commissioners, you have heard the proclamation, what is the will of the Board?"

MOTION

Commissioner Skelton moved to adopt the proclamation.

Commissioner Unruh seconded the motion.

There was no discussion on the motion, the vote was called.

VOTE

<i>Commissioner Unruh</i>	<i>Aye</i>
<i>Commissioner Peterjohn</i>	<i>Aye</i>
<i>Commissioner Ranzau</i>	<i>Aye</i>
<i>Commissioner Skelton</i>	<i>Aye</i>
<i>Chairman Norton</i>	<i>Aye</i>

Chairman Norton said, "With us today is Luella Sanders from the United Way of the

Plains. Luella, welcome."

Ms. Luella Sanders, Director of Community Impact, United Way of the Plains, greeted the Commissioners and said, "It's my pleasure to accept this proclamation with our thanks on behalf of United Way of the Plains and the early childhood providers who partner in three community initiatives focused on services for children, especially age zero to five, and their families. I am joined today in accepting this proclamation by Angie Moore, Kayla Watson, with Rainbows United, and Kandi Miller, also with United Way of the Plains. So I thank them for being here with us today. All of us on behalf of partners in the Early Childhood Block Grant Initiatives, the Smart Start providers in the Wichita and Butler County and Early Childhood Mental Health work group members of the Sedgwick County Early Childhood Coordinating Council want to thank you and express our appreciation for your support and acknowledgment of Children's Mental Health Awareness Day.

"By offering services that promote healthy child development, recovery and resilience from trauma, these partners help ensure there's a coordinated well-trained, and quality system of care for children and their families. partners in these previously noted initiatives include Catholic Charities, Child Care Aware of Kansas, Child Start, Center for Health and Wellness, Cerebral Palsy Research Foundation, Child Behavior Specialists, COMCARE of Sedgwick County, Families Together, Futures Unlimited, Greater Wichita YMCA, Harvey County Community Partnership, Harvey County United Way, Kansas Children's Service League, Mental Health Association of South Central Kansas, Newton Community Childcare, Rainbows United, Sumner Mental Healthcare Center, Wichita Child Guidance Center, Wichita Public Schools Parents and Teachers and Youth for Christ.

"That group that contribute, and not only from the services that they provide but also by collaborating and in planning and coordinating services in our community, serve as key components of mental health services for children and their families. And information about all of those partners and other agencies and services are available by dialing 211, or also by visiting United Way of the Plains website at www.211kansas.org for more information. We thank you."

Chairman Norton said, "Thank you, Luella. Thanks, Angie, Kayla and Kandi for coming also. You know the system of all kinds of mental health is important, but children's issues are even more important. You know, we understand that lives are complicated for children, we're very involved in trying to understand child abuse and how it affects the lives of children. And it affects their mental health later in life. And all of you do the good work, and it's interesting to hear the list of the consortium that's come together to deal with this issue in our community. So we're proud to have the proclamation for you today, and thanks for coming. Madam Clerk, call the next item."

A motion was made by Commissioner Skelton, seconded by Commissioner Unruh, that this Proclamation(s) be Adopted. The motion carried by the following vote:

Aye: 5 - Chairman Peterjohn, Commissioner Ranzau, Commissioner Skelton, Commissioner Norton and Commissioner Unruh

Present: 0

CITIZEN INQUIRIES

H [12-0322](#)

REQUEST TO ADDRESS THE BOARD OF COUNTY COMMISSIONERS REGARDING SEDGWICK COUNTY COMMUNICATIONS TO TAXPAYERS.
Presented by: Debbie Parks, Valley Center.

RECOMMEND ACTION: Receive and file.

Ms. Debbie Parks, 8005 North Hoover Road, Valley Center, greeted the Commissioners and said, "I appreciate the opportunity to speak this morning. I am one of two appointees appointed that have been appointed by Commissioner Ranzau to serve on the Sedgwick County Animal Control Advisory Board. For the general public unaware of the advisory board positions, each Commissioner is allowed two appointees to the Animal Control [Advisory] Board. The other person serving for Commissioner Ranzau is Stacia Miles; Commissioner Skelton's two appointees are Charles Fletcher and Sandy Avello; Commissioner Peterjohn's current and new appointee is Dr. Preston Hickman, DVM (Doctor of Veterinary Medicine); Commissioner Norton's current appointee is Harold Prester, Jr.; Commissioner Unruh's appointees are Dr. Christopher Hesse and Ellen Querner. As a collective board, we meet currently once a month on the second Tuesday at 6:30 p.m. in the basement of the conference room of the Sedgwick County Public Works building, which is located at 1144 South Seneca, Wichita, Kansas.

"Also present at the [Animal Control] Advisory Board meetings is Bud Lett, Interim Director of Sedgwick County Code Enforcement. These meetings are open to the public. As animal control officers carry out their duties, they are often the first county employees taxpayers interact with concerning animals. As you consider budget line items, I would encourage each Commissioner to deeply think about amounts of funds to include proper training, hours for work and equipment to humanely care for taxpayers' animals that need the animal control officer's attention. My main concern of coming to speak to the Commission today is to voice my frustration at the length of time and considerable amount of effort to have some questions I have had concerning a recent case that involved Sedgwick County animal control. At the March 20, 2012 Animal Control Advisory Board meeting, I had requested a certain topic be placed on the agenda for discussion. The Interim Code Enforcement Director at the time was Irene Hart, and she did pass along my request for the agenda item.

"At our advisory meeting, the topic was discussed. However, to my frustration, certain questions were refused to be answered by the new Animal Control Supervisor, Mr. Fred Taylor. In an effort to save time at our board meeting, it was suggested by Irene Hart that I contact Mr. Taylor after the meeting. I did so by email, only be told that I needed to contact the Sedgwick County legal department, because that particular case was still pending. After contacting that department I was contacted back by email, that because the case was still pending and the staff of the legal department is bound by the Kansas Rules of Professional Conduct (KRPC) regarding confidentiality, and matters before a tribunal, specifically KRPC Rule 3.8, Special Responsibilities of a Prosecutor, and Rule 5.4, Professional Independence of a Lawyer. Bill Raymond, Assistant County Counselor, has stated in an email that the legal department asked animal control officers not to discuss active cases as with any legal matter before a court or tribunal.

"So to tie this information into my concern of county employees regarding to taxpayers, the topic I stated to the County Manager's office before being allowed to speak today, is that it took from March 20th, 2012, to just last night at the May 8th Sedgwick County Animal Control meeting Advisory Board to be handed a packet of information of partial

answers to the questions I had wanted to get answers for. I find that extremely frustrating, and would hope that in the future a better line of communication can be found to support any other Advisory Board members appointed by County Commissioners to be able to get answers to their questions. Advisory Board members are taxpayers, and serve at the discretion of our County Commissioners.

"I appreciate the amount of work and time that our County Commissioners spend addressing issues of the county, and would appreciate on behalf of all Advisory Board members the suggestion of cooperation between Sedgwick County employees, Advisory Board members, and taxpayers in general when questions of concern come up so that everyone can continue to live in Sedgwick County. If any other citizen or taxpayer has concerns about animal control, I would encourage you to contact Mr. Fred Taylor, Supervisor, or Mr. Bud Lett, Interim Director of Sedgwick County Code Enforcement or your County Commissioner. Thank you for allowing me to speak today. I will stand now for any questions or comments from the Commissioners."

Chairman Norton said, "Commissioner Ranzau."

Commissioner Ranzau said, "Thank you, Mr. Chairman. Thank you, Ms. Parks. I think for the record you need to state your name and address."

Ms. Parks said, "Oh, okay. My name is Debbie Parks, and I live at 8005 North Hoover Road, Valley Center, Kansas."

Commissioner Ranzau said, "Well, I want to first of all thank you for your service on the board, and I appreciate you coming today and speaking to us. I know you did get some information yesterday. It is correct that not all the questions were answered this time because it is still in litigation, but I can assure you once this is done, you'll get answers to all of your questions. Thank you."

Ms. Parks said, "Thank you."

Chairman Norton said, "Commissioner Peterjohn."

Commissioner Peterjohn said, "Thank you, Mr. Chairman. The question I would have is excluding the case that I think brought you here today, in terms of prior cases that have already been adjudicated, does your board regularly receive information about those cases after the fact, or is this, would this be getting this information, has that been part of your concern, in terms of bringing you down in front of us today, in terms of not getting information after these cases are adjudicated, whether it's in county court or district court?"

Ms. Parks said, "Um, no, none of the prior cases, we were told that if we want to know firsthand, basically, information about how cases are handled or information about the cases themselves, that we should attend the court hearings, I believe held on Monday afternoons."

Commissioner Peterjohn said, "In [Sedgwick] County Court."

Ms. Parks said, "In County Court, yes, sir."

Commissioner Peterjohn said, "Let me ask you, has this been, has there been to your

knowledge a change in the volume of cases coming in front of the County Court involving animals?"

Ms. Parks said, "I'm sorry, I cannot answer the volume of cases either way."

Commissioner Peterjohn said, "Okay. Thank you, Mr. Chairman."

Chairman Norton said, "Okay. Thank you, Debbie, for coming today. Appreciate it."

Ms. Parks said, "Thank you."

MOTION

Commissioner Peterjohn moved to receive and file.

Commissioner Skelton seconded the motion.

There was no discussion on the motion, the vote was called.

VOTE

<i>Commissioner Unruh</i>	<i>Aye</i>
<i>Commissioner Peterjohn</i>	<i>Aye</i>
<i>Commissioner Ranzau</i>	<i>Aye</i>
<i>Commissioner Skelton</i>	<i>Aye</i>
<i>Chairman Norton</i>	<i>Aye</i>

Chairman Norton said, "Thank you, Madam Clerk. Next item."

A motion was made by Chairman Peterjohn, seconded by Commissioner Skelton, that this Receive and File be Received and Filed. The motion carried by the following vote:

Aye: 5 - Chairman Peterjohn, Commissioner Ranzau, Commissioner Skelton, Commissioner Norton and Commissioner Unruh

Present: 0

PLANNING DEPARTMENT

- I [12-0341](#) ZON2012-00006 ZONE CHANGE FROM RR RURAL RESIDENTIAL (“RR”) TO SF-20 SINGLE-FAMILY RESIDENTIAL (“SF-20”) ON PROPERTY GENERALLY LOCATED ON THE EAST SIDE OF SOUTH BROADWAY, 1,500 FEET NORTH OF EAST 87TH STREET SOUTH. (DISTRICT 2).

Presented by: John L. Schlegel, Director of Planning.

RECOMMENDED ACTION: Adopt the findings of the Metropolitan Area Planning Commission, approve the zone change to SF-20 Single-family Residential, subject to platting within one year, authorize the Chairman to sign the resolution once the plat is recorded and authorize the resolution to be published.

VISUAL PRESENTATION

Mr. John L. Schlegel, Director, Planning Department, greeted the Commissioners and said, “Here to present this case. The applicant in this case is the South Broadway Baptist Church. They own the parcel that’s outlined in bold on the graphic that’s in front of you now, just under 10 acres in size. It is about 1,500 feet north of the intersection of South Broadway and 87th Street South. They are seeking to rezone the property, which is currently split zoning between rural residential, which is the light green color on the graphic, and SF (Single Family)-20 designation to have the property entirely designated as SF-20. This eliminates potential conflict in how they use the property as a church.

“The item, this property is within the Haysville zoning area of influence. And it went to the Haysville Planning Commission on March 22nd where the [Haysville] Planning Commission voted 7-0-1 to recommend approval with condition of platting within one year. There was no one at the meeting to speak in opposition to the rezoning. It then went to the Metropolitan Area Planning Commission (MAPC), at its meeting on April 5th. And the MAPC voted unanimously to recommend approval with platting within one year. And there was no one to speak in opposition at that meeting. We did receive an email from a neighboring property owner, it’s in your agenda packet indicating their preference for traditional construction on a permanent foundation on this property, but expressing no opposition to the rezoning.

“And we have received no valid protests for this case. And I found out since I spoke with all of you and briefed you on this case that the City of Haysville, because it is within their subdivision jurisdiction, has already reviewed and approved a plat for this property. So the recommendation from the MAPC is to adopt the findings of the MAPC and approve this request. I’ll stand for any questions.”

Chairman Norton said, “Any questions? You’ve heard the presentation. Any questions of Mr. Schlegel?”

MOTION

Chairman Norton moved to adopt the findings of the Metropolitan Area Planning Commission, approve the zone change to SF-20 Single-family Residential, subject to platting within one year, authorize the Chairman to sign the resolution once the plat is recorded and authorize the resolution to be published.

Commissioner Skelton seconded the motion.

There was no discussion on the motion, the vote was called.

VOTE

Commissioner Unruh	Aye
Commissioner Peterjohn	Aye
Commissioner Ranzau	Aye
Commissioner Skelton	Aye
Chairman Norton	Aye

Chairman Norton said, "Thank you, John. Madam Clerk, call the next item."

A motion was made by Commissioner Norton, seconded by Commissioner Skelton, that this Zone Change be Adopted. The motion carried by the following vote:

Absent: 1 - Chairman Peterjohn

Aye: 4 - Commissioner Ranzau, Commissioner Skelton, Commissioner Norton and Commissioner Unruh

Present: 0

PUBLIC HEARING

J [12-0321](#)

CONSIDERATION OF A GRANT IN THE AMOUNT OF \$362,521.00 FOR THE 2012 EDWARD J. BYRNE JUSTICE ASSISTANCE GRANT: PUBLIC SAFETY ENHANCEMENT PROGRAM.

Presented by: Emily Graf, Assistant to the County Manager, County Manager's Office.
Marty Hughes, Revenue Manager, Accounting Department.

RECOMMENDED ACTION: Open the public hearing, accept public comments, close the public hearing. Approve the grant application and the related Agreement with the City of Wichita and authorize the Chairman or his designee to submit the application through the Justice Department Grants Management System (GMS) and accept a grant award agreement containing substantially the same terms and conditions as the application; and approve establishment of budget authority at the time the grant award documents are executed.

VISUAL PRESENTATION

Ms. Emily Graf, Assistant to the County Manager, County Manager's Office, greeted the Commissioners and said, "I am here today to present to you the 2012 Edward J. Byrne Memorial Justice Assistance Grant (JAG). This grant is commonly known as the JAG grant. It is the primary provider of federal justice funding to state and local jurisdictions. Currently, the City of Wichita and Sedgwick County are classified as disparate jurisdictions by the Bureau of Justice Assistance. This means they receive funding in one lump sum. The sum can then be divided up through a memorandum of understanding between the city and the county. The total amount of funding available for both jurisdictions for 2012 is \$362,521. Sedgwick County and the City of Wichita have decided to split the amount 50/50. Sedgwick County's share for the year is \$181,260.50. Today in addition to accepting staff's recommendation to accept this grant, we also ask that you conduct a public hearing to accept public comments as required by this grant, by the United States Department of Justice.

"The JAG grant allows funding for a variety of components. These components include within the criminal justice system: law enforcement; prosecution and court programs; prevention and education initiatives; corrections programs; drug treatment programs; planning evaluations; technology improvement programs, as well as criminal victim and witness programs.

Ms. Graf continued, "Therefore, we received request funding from four different departments. These departments are as followed: the Regional Forensic Science Center for \$146,000, the District Attorney's office, for \$3,937.49; the Department of Corrections, for \$170,000, and the Sheriff's Office, for \$87,150; for a total of \$407,087.49.

"After submission, these requests went to an internal advisory board. This advisory board was made up of elected officials and county staff. This board met on April 17th, and it consisted of: Commissioner David Unruh; Bob Lamkey, Director of Public Safety; Richard Powell, with the Sheriff's Department; Sedgwick County Sheriff Robert Hinshaw; Ann Schlegel, Chief Administrative Attorney for the District Attorney's office; Ellen House, Court Services Administrative Officer with the 18th Judicial District; Mark Masterson of Corrections administration; Dr. Timothy Rohrig of the Forensic Science Center; Marty Hughes of the Finance; and myself. These members reviewed requests and prioritized them and submitted recommendations for the distribution of funds which is before you today.

"Now I'm going to take a minute to discuss the advisory board's recommendations and

describe to you what the money will go towards. For 2012, the advisory board's recommendations came with multiple requests for funding. Included in these requests, that the advisory board is going to recommend today, is \$125,000 for one gas chromatograph with an infrared spectrophotometer detector for the Regional Forensic Science Center, science laboratory. This instrument will help identify the new substituted cathinone drugs known as bath salts, and other hallucinogenic drugs coming into the county. Currently, there is no other forensic science laboratory in Kansas with this technology. This instrument will provide necessary laboratory information to assist in the investigation of drug crimes. By municipal law enforcement agencies and the Sedgwick County Sheriff and subsequent prosecution by city prosecutors in Sedgwick County and the District Attorney's office.

"The advisory board also recommends one request for the District Attorney's office. This request is for \$3,287.49 for two laptops and associated software, which are within the courtroom for various purposes. The use and demand for this equipment is increasing with expansion at electronic case-related information. They are used for presentations during jury trials, as well as to access information during drug court, preliminary probation violations, and sentencing hearings. The advisory board also recommends \$43,023 for the Department of Corrections to fund drug testing and electronic monitoring. The funding covers contractual fees that corrections must pay to provide these services.

"The board also recommends \$25,650 for the Sheriff's Department to fund 10 stun cuffs and 2 multi-cuff transmitters. These stun cuffs will be placed on the ankles of trustees performing outdoor work. This will allow for freedom of movements for trustees, performing necessary work safely while allowing the deputy to help ensure the trustee stays within the bounds. At this time, Commissioners, it is staff recommendation that you open the public hearing and receive any comments, as well as accept the internal advisory board's recommendations for the distribution of the 2012 JAG program grant funds, take the recommended action, including the approval of the agreement with the City of Wichita. I am happy to answer any questions if I can. We also have members of our advisory board here. Any questions?"

Chairman Norton said, "Commissioners, are there any questions of Emily or Marty before we open the public hearing? I see none, so at this point I'll open the public hearing for anyone that would like to speak to the Edward J. Byrne Justice Assistance Grant for the year of 2012. Is there anyone who would like to speak to that issue? Seeing no one approaching the podium, I will close the public hearing and limit the comments to the bench. Is there any questions of Emily? Commissioner Ranzau."

Commissioner Ranzau said, "Thank you, Mr. Chairman. Yes, Emily, I have a question on the department priority we have on each of these. I notice some of them are listed, for example, one, two, three, four, but in some, you have multiple ones. Explain to me how that works. Are they supposed to be listed in order of priority, or can you have several things that are priority one, several things that are a priority three?"

Ms. Graf said, "It's by department, and then you might notice, I'm guessing you are referring to the District Attorney's office? There's multiple number one's. Those department priorities came in one group, she wanted all of those together."

Commissioner Ranzau said, "I see. Same thing down here for the..."

Ms. Graf said, "For Corrections..."

Commissioner Ranzau said, "Yes. Supervision Program funding for client services, they have multiple number ones."

Ms. Graf said, "Correct."

Commissioner Ranzau said, "Okay, thank you. I will say this, all of these things I think are good things, and I support us having these things and using these things, but I can't justify using federal dollars for local issues. I mean, we're talking buying computers, Microsoft Office, a piece of software for \$27? We can't buy that ourselves? I know for a fact that we can. And that's the disconcerting problem here, is that we're, every year we have leftover funds from each of these departments. We should be spending that and using that for our money, for our purposes. Federal dollars need to go to federal issues, local dollars need to go for local issues. If this is that important to us that we need to prioritize the way we spend money and find money to pay for these things.

"You know, if we would stop giving away money in the form of a variety of corporate welfare programs and things like TIF districts that we're going to talk about here today, perhaps we wouldn't have to go to the federal trunk so often. So, while I'm supportive of the individual departments and the things that they need, I can't support funding with federal dollars. However, I do stand ready to find money within our own budget to pay for these things with our own local tax dollars. Thank you, Mr. Chairman."

Chairman Norton said, "Okay. Are there any other questions or discussion? Commissioner Peterjohn."

Commissioner Peterjohn said, "Thank you, Mr. Chairman. I appreciate the concerns that Commissioner Ranzau expressed. I have voted in the past in support of [Edward J.] Byrne [Justice Assistance] Grants, and working with other local units in terms of being willing to accept these fundings, and I agree in principle we can go ahead and do so.

Commissioner Peterjohn continued, "But today I am going to be in support of this motion because we are in an environment where in a perfect world, we might not have some of the obfuscation of responsibility in the lines that comes with grants from one local government to another, but in this case, I plan to support this resolution. Thank you, Mr. Chairman."

Chairman Norton said, "All right. Commissioner Unruh."

Commissioner Unruh said, "Thank you, Mr. Chairman. Well, I would like to just express appreciation for the committee as they went through this prioritization process and came to this conclusion. This JAG grant is something that we've been using to assist us in the administration of public safety in Sedgwick County, I think since the existence of the JAG grant. And it is just part of the system that we use and the funding sources we use to carry out the responsibilities we have for public safety and for keeping our community safe. So I am going to be supportive of this."

MOTION

Commissioner Unruh moved to open the public hearing, accept public comments, close the public hearing. Approve the grant application and the related Agreement with the City of Wichita and authorize the Chairman or his designee to submit the application through the Justice Department Grants Management System (GMS) and accept a grant award agreement containing substantially the same terms and conditions as the application; and approve establishment of budget authority at the time the grant award documents are executed.

Commissioner Skelton seconded the motion.

There was no discussion on the motion, the vote was called.

VOTE

<i>Commissioner Unruh</i>	<i>Aye</i>
<i>Commissioner Peterjohn</i>	<i>Aye</i>
<i>Commissioner Ranzau</i>	<i>No</i>
<i>Commissioner Skelton</i>	<i>Aye</i>
<i>Chairman Norton</i>	<i>Aye</i>

Chairman Norton said, "Thank you, Emily."

Ms. Graf said, "Thank you, Commissioners."

Chairman Norton said, "Thank you, Marty, for being here today. Appreciate it. Madam Clerk, call the next item."

A motion was made by Commissioner Unruh, seconded by Commissioner Skelton, that this Grant Application be Approved. The motion carried by the following vote:

No: 1 - Commissioner Ranzau

Aye: 4 - Chairman Peterjohn, Commissioner Skelton, Commissioner Norton and Commissioner Unruh

Present: 0

NEW BUSINESS

K [12-0294](#)

CONSIDER PROPOSED CREATION OF THE SOUTHFORK TAX INCREMENT DISTRICT.

Presented by: Chris Chronis, C.F.O.

RECOMMENDED ACTION: Consider the proposal and take action as appropriate.

VISUAL PRESENTATION

Mr. Chris Chronis, CFO, greeted the Commissioners and said, "In one second I will have the show up here. Twenty-nine days ago the Wichita City Council took action to approve the creation of a redevelopment district referred to as the Southfork Redevelopment District, and they conducted a public hearing pertaining to that. And pursuant to state law following that action by the city, the county and the school board have 30 days to take action, if they choose to, to either approve or deny the creation of that district, oppose the creation of that district. Under the state law, the grounds for opposition would be, in your case, that you find that the district would have an adverse effect on Sedgwick County. You have heard about this district before, you in fact, you considered an earlier action of city council late last year. At that point you made such a finding, so the city council followed your opposition action with a resolution that revoked their earlier creation of that district.

"Since then the city staff and the developer have refined their plans, the city has refined its development plan, and what you have before you today is that revised plan. The boundaries of the district are what you see on the slide on the chart here, and they are unchanged from what you have seen previously. But to recap, this district is located in South Wichita. It is bounded on the north by 47th Street South, which is the light beige line on this map at the very top of the map, it is bounded on the eastern side by the turnpike, on the far western side by Broadway, and the beige line that runs through the center of the map and bounds the western side of a part of the district is a drainage ditch that is under the control of a drainage district.

"You will see that the district includes an appendage that runs to the south that runs to I[nterstate]-135. The purpose for that inclusion is to permit the district to contribute funding towards the improvement of a drainage outflow facility that runs under the interstate, and that work is underway right now, and it is being funded as you will see later in this presentation. It is being funded largely by city funds and partially by special assessments that are being levied on this property that's within this district. The appendage on the far west, that includes part of Broadway, would allow the city, if it chose, to use TIF (Tax Increment Financing) funds to pay for improvements to Broadway. There are, however, no such improvements that have been contemplated in the district plan that is before you today.

"The district consists of approximately 72 acres of land. Approximately 50 acres are east of the drainage ditch, and it consists of two undeveloped parcels of land. That 50 acres, more or less, is currently located entirely within a 100 year flood zone. The 22 acres that lies west of the drainage district, the rectangular area that runs right to left and extends over to Broadway, consists of 11 parcels of land. Five of which are currently developed, or improved, and that property lies outside that flood zone.

"The district qualifies under state law for tax increment funding because of that flood zone area. In 2004 the state law was amended to include in the statutory definition of blighted areas, and those are the areas that are subject to, or eligible for, inclusion in TIF districts.

Mr. Chronis continued, "But the statute was amended to include in the definition of blighted area, an area in which more than half of the acreage is within a 100 year flood zone as defined by FEMA (Federal Emergency Management Agency). As I said previously, 50 acres of the total 72 in this district, or about 69 percent of the total project area is within the 100 year floodplain and so by state law, this property is eligible for inclusion in a redevelopment district, and it's eligible to receive TIF funding. This is the master plan that the city has approved for this improvement.

"As planned, the improvements would take place in three phases. Phase A is located on the northern portion of the 50 acre tract to the east of the drainage district. Phase A would include mixed use hotel, retail, and entertainment improvements. That would be the first development to be undertaken. Phase B would be the southern portion of the 50 acre tract, and that would include big box retail. The plan would be for that work to commence following completion of Phase A. And finally, Phase C is the property to the west of the ditch, and extending to Broadway. It consists of the 22 acre tract that currently is outside the flood zone, and that would consist of a medical office facility primarily and on the Broadway end of the track there would be retail and commercial developments.

"The city's plan is to enter into three separate and distinct development agreements governing each of these three phases. Those development agreements will commit the city to making certain specific improvements and providing certain specific funding sources and amounts for public improvements and those development agreements will commit the developer, on the other side of the table, to make certain private improvements and provide certain private funding for the developments. Until those development agreements are approved, we won't know specifically what is going to happen or how it is going to happen in this district.

"Under state law, the process that is defined is first the city creates a redevelopment district and defines the broad parameters of what might happen, what is possible to happen within the redevelopment district. The county and the school board then have 30 days to weigh in to determine whether or not they believe that redevelopment district, as defined by the city, might have an adverse effect on Sedgwick County. And following that period, then the city enters into any development agreements with developers to further pin down exactly what is going to happen in the district.

"The project cost estimate has been identified by the city as being \$154.9 million. That \$154.9 million would come from the funding sources that you see outlined on this chart. The owner would provide a little over \$29 million of owner's equity, that's roughly 19 percent of the total funding requirement of the project. And the owner would further incur debt in the amount of nearly \$116 million, roughly 75 percent of the total funding requirement for the project. So private funding would constitute \$145 million of the \$154.9 million.

"The balance, \$9.9 million, would come from tax increments that would be provided if this district is created. So the sum of the two, the \$145 million of private funding, the \$9.9 million of public funding together constitute the entire \$154.9 million of project funding that is required. The uses of that funding are defined on this slide. Land acquisition is estimated to represent \$2.25 million of costs. Floodplain elevation is estimated to cost \$1 million. Holding expenses incurred by the developer are estimated to require \$1 million. Private construction activity would cost just under \$141.3 million. And the various public improvements, those improvements funded by the city using tax

increment funds would cost just under \$9.9 million.

“Based on that project cost, that project definition, the developer and the city have provided us with a project pro forma that runs the numbers out for a 15 year period, and estimates at the end of each of those years what the net profit or loss would be to the developer from these improvements, from this project. The pro forma suggests that if the TIF is not approved, if public funding cannot be provided to this project, then there would be positive net earnings to the developer for five and only five of the first fifteen years of the project for the life of the project and the accumulated net deficit incurred by the developer over that 15 year period would be \$2.1 million.

“On the other hand, that pro forma suggests that if public funding support is provided, as outlined in the redevelopment plan, that would be positive net earnings in 14 of the first 15 years and the accumulated net earnings to the developer over that 15 year period would be \$7.8 million. So in summary, what the pro forma suggests is that if this proposed development district does not receive public support, it is not a financially viable project. It is unlikely that a developer would undertake it. On the other hand, if it receives public funding support as outlined in the district plan, then it is likely to be a profitable project for the developer. It certainly does not provide as much profit as the developer might wish, \$7.8 million over 15 years for a \$29 million equity investment is not a very substantial return, but nevertheless it is a positive return and so it suggest that the project might be viable without public funding support.

“This slide identifies the specific public improvements that had been defined by the city to be undertaken. Now, I would caution you that this listing of public improvements has been delivered to us, but it is not contained in the redevelopment plan, the district plan that the city has adopted. These specific improvements will be defined in the development agreements that the city enters into with the developer should this district be approved. But nevertheless, the \$9.8 million of publicly funded improvements that the city plans to make are constituted of the drainage outflow that we mentioned previously, \$900,000 of tax increment funding is proposed to be used for that project, the total project is identified by the city as a \$2.5 million project.

“The difference between \$2.5 million and \$900,000 is provided from general revenues in the city budget. The city plans to make \$2.6 million of storm water drainage improvements to the district. The city plans to incur \$527,000 for sanitary sewer lines within the district, \$255,000 for water lines within the district. They plan to do paving of the interior streets and public parking areas within the district and those are estimated to cost \$2.1 million. The city plans to improve Custy Street, which is currently a residential street that runs along the southern border of the proposed district, and those improvements are estimated to cost \$3.5 million. And that includes a bridge that would cross the drainage ditch that runs through the middle of the district.

“And finally, the city plans to finance all of those improvements with bonds that would, by the city's estimates, require the payment of about \$6.6 million of interest costs. The city has already begun work on the drainage outflow. And the city, expects to sell bonds to make these improvements as required by the development agreements that it expects to enter into with the developers. The improvements will all be supported by special assessments that the city levies on the developer at the time the bonds are sold. The city then under the development agreement proposes to reimburse the developer for those special assessment payments with the tax increment funds that it receives from this district.

Mr. Chronis continued, "So the improvements that you see listed here would be funded with the proceeds of a bond issue, one or more bond issues to be sold by the city. The city would repay those bonds with special assessments that it would impose on the developer. The city would use the tax increment from this district to reimburse the developer for those special assessments that the developer pays to the city. I'm sorry, one final point, you see here that the total required tax increment is \$16.5 million, that's the sum for these projects and \$6.6 million of interest on those bonds. Of that total \$16.5 million of tax increment, based on the current city share of total property tax, current county share of total property taxes in this area, we would estimate that the county's share of that \$16.5 million would be \$4.9 million.

"By the city's estimates, that \$4.9 million would be distributed to the tax district, it would be diverted from the county's budget over approximately the first eight years of this TIF district's life. One of the features of the redevelopment agreement that the city has adopted is that the district would receive only \$16.5 million, and once it has received \$16.5 million, it would be terminated. So under statute, TIF districts have a natural life of 20 years. The normal protocol has the city that creates a TIF district receiving 100 percent of the tax increment being diverted to the district for the entire 20 year life, and at the end of the 20 year natural life, any unused tax increments then gets redistributed to the county and school board. In this district, the city has proposed to do something different. It has proposed to cap the amount of tax increment that will be diverted to the district at \$16.5 million, and to terminate the district once that \$16.5 million has been provided.

"So, you see here, what the implications are for Sedgwick County of the proposed creation of this district, if it all plays out as planned. Currently the city is receiving approximately \$3,000 of tax per year from all of the improvements, all of the land within this redevelopment district, all 72 acres. It is mostly raw land as you have seen, so it produces very little tax revenue. Over the 20 year life of a TIF district, if nothing happened, the county would expect to receive about \$64,000. If the development takes place, as has been proposed, based on the pro forma that's been provided by the city, the county would expect to receive about \$885,000 of property tax revenue per year once the district is fully built out. Over the 20 year natural life of a TIF district, the county would expect to receive approximately \$18.7 million.

"So now, we need to consider your decision. Once again, your action is to approve or disapprove the creation of this district, and under state law, your reason for disapproval must be a finding that the district will create an adverse effect on Sedgwick County. State law does not define adverse effect. Under the county policy that you adopted several years ago, however, you have identified five potential reasons that you might find an adverse effect for any particular proposed TIF district. The first of those is that the potential loss of tax revenue would hinder future service delivery by Sedgwick County. In this instance, what that means is that if you believe that this TIF district and these projects could be completed without TIF funds, then the estimated loss of tax revenue would be \$4.9 million over eight years. That is if you believe the development could take place without public funding support, then the creation of a TIF district would cause the diversion of \$4.9 million of county property tax revenue to the district that would otherwise not be necessary. So in effect you would be giving away money.

"On the other hand, if you believe that this district and these developments would not be undertaken without public funding support, then I think the appropriate conclusion

is that the creation of this TIF district would result in no loss of county tax funds. "The \$4.9 million that would go to the district under this proposal is revenue that you would not receive if the district wasn't approved, because the developments would not take place. The second consideration that you have defined in policy for adverse effect is the question, is the proposed project economically feasible without TIF funding support? In this instance, based on the pro forma that has been provided to us by the city, and that originated with the developer, we would conclude that the project is not likely to be profitable without the public funding support. However, it appears that it would be profitable if the funding support from tax increment is provided.

"The third question that is considered in your policy is whether the proposed private equity investment is sufficient to effect default risk. In this case, we have a project cost estimate, and sources and uses of project funding, that identify a little over \$29 million of funding support in the form of developer equity. That represents about 19 percent of the total funding required for this project. So I would characterize that as adequate developer equity for the project. It suggests to me that the developer has sufficient skill, or will have sufficient skin in the game to discourage him from walking away from the project should it prove to go south, and that is the purpose of having developer equity in the project. We want to make sure that the developer is going to stay with the project, even if it should not be as profitable as he might have hoped. I would note, however, that the source of the developer equity has not been identified to us.

"The final, I'm sorry, the third question in your policy is, are costs to the county government from the proposed development likely to be greater than the benefits to the county government from that development? In this case, the estimated cost would be the foregone tax revenue of \$4.9 million. That is the county property tax that would go to fund the public improvements within the district. And that would take place over about eight years based on the city's pro forma and cost estimates. The estimated benefit to the county would be sales taxes that we would receive from the retail establishments that are proposed to be included within the district.

"And based on the city's estimates, we believe that the county might receive as much \$1.7 million of sales tax over a 20 year period from this district should this development go forward. We believe that the county would receive additional benefits in the form of increased property tax revenue after year eight of the development. That is, once we have fully funded the \$16.5 million of public improvements that the city has identified, any future tax revenue would be retained by the county, and based on the city's estimates of the values of the development, we believe that the county would be receiving approximately \$900,000 a year starting in roughly year eight after the development commences.

"Finally, there is a potential benefit to Sedgwick County from added property taxes that we could expect to collect from adjacent properties, properties in the neighboring area if we assume that this fairly upscale development project has a positive effect on the value of surrounding property, and that certainly is one of the reasons for doing these kind of projects, then it would follow that those surrounding properties would face increased tax bills in future years because the values of their property have increased. There is no way, however, of estimating what those increases might be. The proposal that is before you differs from the original proposal that you rejected in several significant ways.

"First, the amount of tax increment that can be diverted to this TIF district, should it be

created, now is capped at \$16.5 million.

Mr. Chronis continued, "We estimate that the TIF district, if the development takes place, will produce about \$65 million of property taxes for the city, the county, and the school district over a 20 year period. And so the reduction of taxes being diverted to the TIF district from the \$65 million universe, that is, all of the property taxes that are produced, to a maximum of \$16.5 million is a significant change of the proposed plan. Once again, the county's share of that proposed property tax has been reduced from \$16.5 million going to the TIF district in the original proposal to about \$4.9 million in the revised proposal. The county's share of the total property taxes, that total \$65 million, is estimated to be \$18.7 million over 20 years.

"Second major change is that under the redevelopment plan, the revised redevelopment plan that the city has adopted, the revised district plan, the developer now will be required as a condition of each development agreement to raise the land that is subject of that development agreement out of the floodplain, to elevate that property outside the 100 year floodplain. Those improvements, that topsoil addition, is estimated to add a \$1 million cost to the developer's side of the project sources and uses.

"A third significant change in the revised proposal is that the developer equity has increased from \$17.3 million to \$29.3 million. It now represents 19 percent of the total project costs. Once again, the sources of the developer's equity have not been identified to us. A fourth significant change is that a community improvement district (CID), which is the device under state law that would allow the city to impose a special sales tax within this district and provide the proceeds of that special sales tax to the developer, that improvement district has been dropped from the plan.

"In the original proposal, there was a plan for a community improvement district to be created, and that would have provided \$11.6 million of funding support for the project. In the revised plan, there is no CID, there is no sales tax funding provided, and so that \$11.6 million no longer goes to the developer. Now, I will note that under state law, the city has the right at any point to create a community improvement district, and the county does not have a voice in that decision. So there is nothing that precludes the city from coming in at some future point and creating a community improvement district if they should choose to do that.

"At this point, what I can tell you is that it has been dropped from this plan. It is no longer a part of anything that we have to consider, and I've been told by the city staff that they have no intention of recommending a CID to the city council and they suspect that even if they were to recommend one, city council would not approve it. I believe, however, that the developer still would like to have a community improvement district created. And so I don't doubt that the developer might be asking the city to create one sometime down the road, but everything that we've gotten from the city suggests that that will not happen.

"Finally, a significant change in the proposals is that in this revised proposal and revised pro forma, the developer's accumulated profit, what you see on here as EBITDA, earnings before interest, taxes, depreciation and amortization. The accumulative 15 year net earnings has been reduced from \$22.4 million, in the original proposal, to \$7.8 million in this revised proposal. A significant reason for that reduction is the prior item, the elimination of community improvement district sales tax, and conversely, the replacement of that sales tax with developer equity in the funding of the project.

"And I believe that's everything that I need to present to you about this. I would be happy to answer any questions that you might have about this proposal. I understand that you want to hear from the public, and I'm sure there are a few people in the audience who may want to speak about this. Although I expect most of the people are here to hear Troy's quarterly financial presentation later in the meeting, but we'll see."

Chairman Norton said, "Didn't see that coming. We do have some questions of Chris. Commissioner Ranzau."

Commissioner Ranzau said, "Thank you, Mr. Chairman. I have a few questions now. I'll certainly have more later, but I want to clarify a few things. First of all, I want to make sure, you presented a lot of information and I know last time there was some discussion between, or some concern between the developer, and us, and the city whether all this information was accurate, whether we have the correct information. I guess I want to make sure from you and if someone from the developer wants to speak to this. That all of this information, these numbers you've presented, do you have any reason to believe that there is any disagreement between anybody about what's being presented here? Is this accurate information as far as you are concerned, the city's concerned, or the developer is concerned?"

Mr. Chronis said, "As far as I know, the developer and the city are in full agreement on this. I've already told you that, based on what the developer's representative has said to me previously, I have no doubt that they still would like to see sales tax funding support that isn't in here, and so that might be a difference of opinion. I don't know, honestly. I haven't discussed that. Now, as to the accuracy of the data, I am certainly not going to attest to that. It's not my job to validate the data. It's my job to report to you the data presented to us. The validation of the data is the responsibility of the city, and they tell me that they have done that, and I take their word for that."

Commissioner Ranzau said, "Well, I guess I would have a problem with that. I think we have a responsibility to verify that data ourselves and not trust anyone else. With that being said, I just want to make sure that when I talk about these numbers here, no one is going to say these numbers are inaccurate, and if someone disagrees with this, then you know, I want them to say so. You talked about the equity and all of the pro forma and stuff that's not been verified by you. Did you ask for any detailed information from the developer as far as...?"

Mr. Chronis said, "Yes."

Commissioner Ranzau said, "What was the response?"

Mr. Chronis said, "I didn't receive a response."

Commissioner Ranzau said, "Okay. So you asked, but we didn't get the information. Now, if you go back to slide 16, I believe it was, I want to clarify here, it said the amount of tax being diverted from \$65 [million] to \$16.5 [million], my understanding was that was our exposure but that was never intended to spend \$65 million to begin with."

Mr. Chronis said, "That's correct."

Commissioner Ranzau said, "Okay. So it was going to be roughly a similar amount to what we're spending now. It's just that this has been hard quoted in there to make sure that it doesn't go above that."

Mr. Chronis said, "In the original proposal, there was no cap on the life of the district or on the amount of tax increment that goes into the district, and so under state law, 100 percent of the tax increment for 20 years would have gone to the district. That is \$65 million, roughly. The amount of the tax increment that the city said it needed always has been about \$16.5 million, actually it was a little bit less in the earlier proposal.

"But the key difference is that in the original proposal, even though the district, according to the city, only needed \$15 [million] or \$16 million, it would have received \$65 million, and under state law, the city would have held the difference between those two until the end of the 20 years and then redistributed it back to the city and school district and county. Under the revised proposal, the district will only receive the \$16.5 million that it needs. And once it receives that, it will cease to exist."

Commissioner Ranzau said, "Okay. That's all I have for now. Thank you."

Commissioner Skelton said, "Commissioner Peterjohn."

Commissioner Peterjohn said, "Thank you, Mr. Chairman."

Commissioner Skelton said, "Pro-tem."

Commissioner Peterjohn said, "Pro-tem. Get that squared away. A question I'd like to throw out, in the original presentation, we had a build out estimate of four years. Do you have any data on what the build out is under the current revised proposal in front of us today, and would any of the developer's representatives like to address that?"

Mr. Chronis said, "The pro forma that I've been given does not change that."

Commissioner Peterjohn said, "So to the best of our knowledge, it's still four years?"

Mr. Chronis said, "Well, that's what the pro forma is based on. Now, I don't believe either the developer or the city would say that they really expect that it will be completed in four years.

As I've indicated, the plan that's been described to me is a phased project with phase 1 being completed, or Phase A completed first, then Phase B, then Phase C. It seems unlikely that all three of those phases could be completed within a four year period. The point that the city has made to me is that it really doesn't affect the pro forma all that much if you do that phasing. It simply extends out the amount of time that you have the pro forma exist for."

Commissioner Peterjohn said, "Chris, the current zoning on that parcel at the moment is...?"

Mr. Chronis said, "I'm sorry. I don't know."

Commissioner Peterjohn said, "Okay. Because I don't remember seeing it. Anyone from the developer care to comment?"

Anonymous said, "Agriculture."

Commissioner Peterjohn said, "It's currently zoned agriculture, and that includes the cell tower, too?"

Anonymous said, "Yes. We do not own the cell tower."

Commissioner Peterjohn said, "Is the cell tower part of this parcel?"

Anonymous said, "No. It's under a long-term ground lease to the largest cell tower owner in the country."

Commissioner Peterjohn said, "Just looking at the map and wanted to understand, because I, in terms of the presentation earlier on the amount of tax revenue that's generated by that parcel, I find it very interesting, because I know of a case where a homeowner had his property involuntarily changed from residential to commercial zoning, and his property taxes were increased dramatically in the process. And so when that occurred, even though he did not request it, in fact, he did not want it, he wanted it to retain residential zoning, but this was not here in Sedgwick County. It ended up in extended litigation and went into the Kansas Appellate Courts. But I mention that, because I was trying to understand the information earlier because this large parcel, if it had commercial zoning by itself would have significant value.

"Chris, let me ask another question just as background. I don't remember seeing anything when this originally came up in front of us in terms of the cap rate for this project, as it's commonly referred to by people in the commercial property and development business. Is there any information on the cap rate for this project in the revised numbers? Because I didn't see anything in the backup data, and if so, if there's any details we can provide as part of this before we hear from the public."

Mr. Chronis said, "It is identified in the pro forma as I recall, but I don't recall what it is. I'm sorry."

Commissioner Peterjohn said, "Okay. Would anyone from the developer like to give a number here into the record? Okay. I'll assume that's a negative. Like Commissioner Ranzau, I'll have some other questions and comments later. But for the moment, that's my statement. Thank you, Mr. Chairman."

Chairman Norton said, "Any other questions of Chris before we...Commissioner Peterjohn."

Commissioner Peterjohn said, "I'm sorry, one other question. Chris, you didn't mention transportation development districts (TDD). My understanding is the state has a statute on that, and I was interested in light of the fact that Broadway specifically is included in this plan. Is it possible that there could be a request for a transportation development district in the future similar to the CID? My understanding is that this would be authorized under state law, too, and I didn't see anything in mentioning that, but with Broadway being specifically included, I thought perhaps there might be something that would be in material that I haven't seen."

Mr. Chronis said, "There has not been a transportation improvement district created in Sedgwick County, and so I'm not all that familiar with that statute. But as I understand it, the city has the authority to create such districts, and within those districts to levy

special sales taxes for the specific purpose of making transportation improvements. Mr. Chronis continued, "I'm not aware of anything that would preclude the city from creating a transportation improvement if they wanted to. I don't recall hearing any reference to that possibility in any of the discussions that I've been a part of.

"Now, as for whether or not that's the reason that Broadway is included in the TIF district, I would not think so, because as I understand the state law, the city would have to create a new district specifically for that transportation improvement. It might overlap the TIF district, but it would not be technically the same district."

Commissioner Peterjohn said, "Okay. Well, and I was thinking it says technical, in terms of Kansas statute, transportation development districts, but if it's transportation improvements districts or whatever..."

Mr. Chronis said, "It may very well be a..."

Commissioner Peterjohn said, "I wondered if it would fall into the category of the CID. And I throw it out because my understanding is we only have a say on the TIF's if there is a TDD, STAR (Sales Tax Revenue) bond, CID, whatever, those do not come in front of the County Commission...."

Mr. Chronis said, "To the best of my knowledge TDD's are similar to CID's in how they're created and in how they're funded. The key difference is that they are restricted to transportation improvements."

Commissioner Peterjohn said, "Thank you, Mr. Chairman."

Chairman Norton said, "Anything else for Chris before we move on to some public comment? I see none. At this point, we are not holding a public hearing today, but it is our tradition to offer time to the public that might have comments, either for or against particular items, and we'll offer that today. I'd ask that everyone be limited to three minutes as they speak to us on the subject matter at hand. We have a protocol where people have signed in. We'll start with person number one.

"Hopefully you know in what pecking order you'll be speaking, and if you'll kind of cue yourself so that we can move through this orderly. I would ask you to hold applause and any kind of reaction to comments down so that we can listen and not be distracted by outbursts of any sort so that we can move this process along in a professional manner, and we will start with, I believe, Mr. Carter, if he would step forward."

Mr. Dale Carter, President, South Wichita Business Association, greeted the Commissioners and said, "I own and operate a McDonald's restaurant at the intersection of 47th and South Broadway. Today I'm speaking to you as President of the South Wichita Business Association. As such, I represent over 60 businesses in South Wichita with a common interest of promoting a healthy and vibrant community where our businesses and employees can grow and prosper. To that, and pleased to know, that we fully support the proposed Southfork development and request the TIF. As we have said, before the city council and before this Commission before, we feel strongly that this is the right development coming to the right place at the right time. As you've heard in your previous public hearings and I'm search sure you'll hear it today, this project has a high level of support from residents, businesses, public officials and representatives.

A motion was made by Commissioner Skelton, seconded by Commissioner

Norton, that this Resolution be Approved. The motion carried by the following vote:

"Most important, that support comes most passionately from those who live, work and do business in South Wichita. The analysis done at both the city and the county level seems to us to clearly justify and support the return on investment for all of our stakeholders, both public and private at local, city, and county levels. In short, this seems to be a good deal for all of us. Our membership does not see the potential for higher property taxes or even new competition as threats to our success, rather we see them as signs of growth and health in our business community. To us, Southfork represents itself as an opportunity to increase traffic, build sales, promote and hire staff and contribute to a more diverse and prosperous South Wichita and Sedgwick County. We would like you to agree by approving this district. Thank you."

Chairman Norton said, "Thank you, Dale. Next."

Ms. Connie Klassen, 1614 Alta, Wichita, greeted the Commissioners and said, "He was quicker than I thought he was going to be, so I wasn't up here. My name is Connie Klassen. I live about a mile from the Southfork project. I have, I am, I live at 1614 Alta. I am President of the South Area Neighborhood Association. I have lived in South Wichita for 56 years, 20 more if you count that I was raised in Hilltop Manor. The last really big improvement to the convenience of living in South Wichita was a completion of the canal route which they finished in [19]79. Since then, it seems like Wichita has always grown north, east and west.

"Many, many of these improvements and developments, north, east and west, have been supported and made possible by some form of tax increments, incentives by the city or the county. Which I've not always agreed with, but all TIF's are not created equal. And this one is a very good, beneficial one that we're talking about now. It's time to stimulate the growth of South Wichita. [United States] 81 Highway is the old travel, the old travel trail of the covered wagons and the cattle drive, so it is historical, and now it's opening up again with the casino down south.

"And it's been passed up considerably in improvements and growth stimulation. If you question the residents within a five mile area of the Southfork project, it would be, you would be hard put to find one that didn't or wasn't for the development, even if it does require extra tax, extra incentives or whatever. We have plenty of restaurants and stores for buying groceries, shopping, but no large mixed use mall type facilities. Here are three examples which might seem petty to the Commissioners, or if you're not a family member that's involved in this sort of thing, but number one example, the first example is, if a resident in the south area shopping for a large assortment of craft items to create a special project for church, or school event, or anniversary, or a birthday, they would probably drive north on Ridge Road or Woodlawn to one of the Hobby Lobby's. That's about a 20 mile round trip from South Wichita. Number two is, suppose you live south of Pawnee and you want to browse around a nice, large, well stocked bookstore, we have one bookstore in Derby of used books, so that doesn't classify, and you would have to drive all the way north on Rock Road to 13th and Rock [Road] to the shopping center up there. That's a 27 mile round trip for me, because I've driven it many times.

"Okay, and third and lastly, if you're a parent or grandparent and want to take a child to a movie matinee, you will need to go to Town West [Square] cinema, a 20 mile round trip or more. We need a little more entertainment facilities down south. Finally, the

probability of eventually getting a medical facility in the Southfork development is especially exciting to Southfork, to south area residents. Right now, our closest emergency room or immediate care center is the local fire departments.

Ms. Klassen continued, "It is an eight mile drive easily to the Via Christi emergency room on Harry [Street] from South Wichita. If you have a scared and injured child in your car on the way, those 8 miles are going to seem like 80 [miles]."

"A great number of citizens have worked hundreds of hours in the last 10 years towards this project, and Jay Maxwell, the developer, has worked closely with us. He knows what we want. He will try to get what we need down there, and he will benefit, and so will we, by using the facilities. Everybody should come out with a little bit of money ahead. It would be a great disappointment if this County Commission voted down this part of the development. I realize we're going to be back here several times before we get everything we need down there, but this part of the development, we really need it, and we really want it, and we are willing to go to any extra income, any deductions from our income, like a tax incentive or anything. Anyway, to conclude, I think you see that I'm passionate about this. I've worked hard for this, and I don't know of any citizen that I've talked to that says, don't say, 'Go for it, Connie, let's get it!'. Any questions?"

Chairman Norton said, "Thank you, Connie."

Mr. David Robbins, 920 Silverdale Court, Wichita, greeted the Commissioners and said, "I was on the Park City council that voted to approve the casino in Park City, which brought on the Sedgwick County vote, and the citizens of Sedgwick County voted down the casino. The citizens of Sumner County voted for the casino, and now we have a casino located south of this location. This is going to be, this economic engine that was developed down there, I drove down there this last weekend and looked at it. These people down there are competing with you, Sedgwick County Commissioners. This economic development here on 47th Street is attempting to pull the travelers off of the interstate and the turnpike. This is a gateway into South Wichita. We need this Southfork development to compete against the Sumner County Commission. If you kill this project, I want you to put your visionary glasses on as a council member, we use 20 years. You, Commissioners, are responsible for a 30 year vision in your votes that you make.

"If you kill this project and you leave this land down here as a floodplain project and you allow all of that development to go on down south of you, competing against this area and against the City of Wichita, you have created an economic problem for our area here in South Wichita. And I would just ask that you vote in support of this Southfork development, because the clock is ticking, and the game is on, and it's up to you, Commissioners, to compete against Sumner County Commissioners. Thank you very much."

Mr. Myron Ackerman, 3019 E Central, Wichita, greeted the Commissioners and said, "I would like to thank the Commissioners that have provided information to me that I was unavailable to get from other sources, so I want to thank you for that. I also want to compliment your staff on its level of professionalism. Since I have only three minutes, I only want to speak specifically to Mr. Chronis. He has been very helpful. As a fellow accountant, I've read his papers. For those who are not accountants, I think there is a little bit of translation that needs to be given and that, well, I say we discuss this.

"Real simply, quite simply looking at it, his analysis is, no, no, no, with several exclamation points, no, no, and no. I read his evaluation and there are six clear very

blatant accountant's 'no's'. Three of those are what I would call a red flag 'no'. Number one, no comparable projects. When you ask an accountant to give you an appraisal, an idea, an opinion, what does he compare? He compares apples to apples.

"You don't want apples to oranges, or in this case apples to air. There is no supporting documentation. There's no other TIF, no comparable project, so there is nothing to compare. If you have nothing to compare, maybe there is a reason. Maybe the comparison is that no is the correct answer. No comparable, no comparison can be made, without a comparable project, the answer is no.

"The second, no county green field projects. Very specific. In county history, you have not developed undeveloped land. You have not tried to create something out of nothing. That's what this project is. You're taking vacant land. You're taking land that is in a floodplain. But the developer now says he will take out of the floodplain at his costs, which means, it's not blighted. But the most glaring to me and the multiple exclamation point 'no', no source data. These numbers that you were presented come out of thin air. You can say, well, we've done analysis, but where is that analysis? That analysis is somewhere, but it's not here for you to look at. Nothing about this proposal, the numbers that you have been given, complies with generally accepted accounting principles.

"There is no independent economic evaluation of this proposal. There is the developer's numbers. Now as a professional account accountant, I have to tell you the IRS (Internal Revenue Service) will not accept no supporting documentation. A bank will not accept no supporting documentation. Any investor will not consider no supporting evidence. The question is, will you accept no source data, or will you say no? Can the Commission go against any independent accounting analysis of this project?

"Because anyone with a professional accounting background will tell you no. If a client comes to me and they say, this is my income, this is my expenses, but I don't have any records, my answer is no, I'm not doing your taxes. If I took that to the IRS, if I filed it, they would say, where is the supporting documentation? Oh, there is none? So there is nothing that you claim. The answer is clearly no. No information, no data that you can rely on."

Chairman Norton said, "Are you getting close to finishing up?"

Mr. Ackerman said, "Yeah. I realize, that's why I went with the three. If you look at the numbers provided previously that you voted on and you look at the numbers provided this time, there are some very, very glaring discrepancies. Simply put, since I want to be respectful of your time, there is a high level of specificity. Why does one project line end at 137? Why not 130? Or 548 versus 540? 548 and 137 to me mean there's a certain high level of specificity, if you can get it down to one dollar, but where is the supporting documentation? And why is the owner equity up almost the exact amount of the TIF money? That's the change that I see when I look at the figures between last time and this time, I'm sorry, the CID money. The CID money is gone from this proposal but almost exactly that amount is in the developer's equity, but there is no supporting documentation."

Chairman Norton said, "Mr. Ackerman, can you wrap it up? You've gone well over your three minutes."

Mr. Ackerman said, "Exactly. No source data. Can you, as a Commission, say no? No

source data, no TIF. Your staff says no. Six times he said no in that report. As a taxpayer, I urge you to say no. The question is, as a taxpayer, I have to rely on you to say no. No specificity, no support, no TIF money.

Mr. Ackerman continued, "I do support the project, but not with my money, not with taxpayer money. If it can be done, which I think it can, there's no doubt in my mind, this project is viable, but we have no evidence to support their figures."

Mr. Brian Romalis, 7507 Huntington, Wichita, greeted the Commissioners and said, "I come here as a private citizen, and we may say a private investor. In Warren Buffet's teachings, when you invest, you're trying to invest in a great business. And it's exactly the business aspect of this project, at least as I read in the paper, I have the article here from one week ago. This TIF is based on retail sales tax. I don't know how much the prevailing sales tax now of 7.3 percent would be increased. I'd say right now, or would ask, if signs would be posted, that this is an exceptional area for sales tax. It's higher than in the rest of town, and in our free choice economy, you may want to go somewhere else and pay one percent less. The other thing that comes to my attention is how the property would be developed. First and foremost, 22 of the 69 acres would be a medical complex. Unless things are going to change drastically, no sales tax is generated in a medical facility, private office, or a hospital.

"Then we read that in addition to a hotel, restaurants and retail outlets, which would generate sales tax, there will be offices. Now, how much of the space would be for offices? And which of these tenants, if there are any named tenants now, would be able to charge sales tax by the nature of their business? Offhand, who goes into an office? Doctors, lawyers, architects, investment councilors and so forth, but how much of this office space would be occupied by tenants whose business would be able to charge sales tax? That is all that I have to say."

Mayor Marcey Gregory, Mayor, City of Goddard, greeted the Commissioners and said, "I believe the [Wichita] Eagle recognizes that as the fastest growing community in the city, or excuse me, in the State of Kansas. I'm also here as a business owner who, my business is currently in a building that was part of a TIF district many years ago. And as a business owner, I simply could not have afforded to put in the improvements, the street lights, the park benches, the trash receptacles, et cetera, that were paid for by this TIF district. If we are trying to create an economic climate where businesses can grow and thrive, we want to encourage business growth, we absolutely have to support projects like this.

"I'm a big believer in the saying, if you give a man a fish, you feed him for a day. You teach a man to fish, you feed him for a lifetime. This is an economic climate that is going to teach a man to fish. It's creating an economic opportunity for businesses to be able to come into an area that is developed and has other business that can draw for them there and add to our sales tax revenue. Currently, it doesn't generate, agricultural land doesn't generate very much tax revenue at all. So this is going to add to a revenue stream that's just going to do nothing but be beneficial. So with that, I encourage the Board of County Commissioners to please approve this project. Thank you very much."

Chairman Norton said, "Commissioner Peterjohn."

Commissioner Peterjohn said, "Mayor Gregory, a question, if I may. First off, let me welcome you to the County Commission."

Mayor Gregory said, "Thank you, my pleasure to be here."

Commissioner Peterjohn said, "Since your city is the largest city that is entirely within my County Commission district, I wanted to particularly greet you this morning."

Mayor Gregory said, "Well, thank you."

Commissioner Peterjohn said, "A question I'd like to throw out to you. How many square miles, in the City of Goddard, how many square miles of floodplain would be similar to this property do you have inside your city limits? Do you have an even ballpark..."

Mayor Gregory said, "I'm sorry. I don't. I don't have my eco[nomic] devo (development) guy. He's my numbers man, and I apologize I don't have those numbers for you."

Commissioner Peterjohn said, "Let me try it this way. I'm not aware of any TIF districts inside the city limits of Goddard."

Mayor Gregory said, "No."

Commissioner Peterjohn said, "Is that correct?"

Mayor Gregory said, "No, we don't have that in place. That's correct."

Commissioner Peterjohn said, "Thank you."

Mayor Gregory said, "Thank you."

Mr. Dave Trabert, President, Kansas Policy Institute, greeted the Commissioners and said, "I'm also a Sedgwick County resident personally. We appreciate this opportunity to speak out on this district, and I'd also like to make a few comments about subsidies in general. As a matter of policy, we are opposed to using taxpayer funds for subsidies, because, and especially in the case of a TIF district, any economic gains in that district are going to be transferred from other places within the county or nearby. We're talking about generally a transfer of economic activity, not an increase. But I'd like to devote the rest of my time to a little bit larger issue.

"First of all, this sounds like it's a very viable project. It sounds like a good project that could be done with just by the developer on their own, as many, many others are. In fact, most are in this county. But I'd like to talk about the bigger issue of subsidies. I understand, while we're opposed to them philosophically, I do understand that from a pragmatic standpoint where every government pretty much in the country is doing some form of subsidies that you could be at a competitive disadvantage not to have some. The bigger issue, though, seems to be that that tends to be the whole economic development plan for a lot of governments, just focus on various forms of subsidies, some of which may be good, some of which may not be so good. The bigger issue here is that despite all these well intentioned efforts, we're not seeing the long-term benefits from it.

"If you would go to the second page of the handout I provided, the first slide shows, and this is IRS data. This is net adjusted gross income leaving Sedgwick County for other states. They would count income coming in from other states to Sedgwick

County and going out. Every year between 2005 and 2010, Sedgwick County has seen a net loss of adjusted gross income, totaling \$237.5 million.

Mr. Trabert continued, "Only if you, in 2009 would there be a net gain if you count people moving from other parts of Kansas to Kansas, but even as you see there on the second slide, the gain is \$74 million, the loss is \$237 million. So there is a large net loss that has continued to occur.

"If you look at the increase in private sector jobs in the Wichita metro area, and I do believe the last time I was here, I mentioned this was Sedgwick County, I apologize for that mislabeling. Wichita metro area data does not exist from [www.]bls[.gov] on Sedgwick County, but the Wichita metro area right now is 6.3 percent below its private sector employment level compared to 1998. The State of Kansas is slightly ahead, four-tenths of a percent. But our regional neighbors, adjacent states, are up 3 percent, Texas is up 17 [percent]. We are dramatically falling farther and farther behind. There is some additional information here. But what I would really like to ask you to consider in closing is, would you consider some other things, because as some of the data provided shows, businesses value regulatory reform and tax reform much greater than they do subsidies. They'll take them, and I don't begrudge them for taking them. But will you consider some other forms like tax reform and regulatory reform as part of your economic development efforts? Thank you."

Chairman Norton said, "Commissioner Peterjohn."

Commissioner Peterjohn said, "Could I ask a couple of questions?"

Mr. Trabert said, "Sure."

Commissioner Peterjohn said, "Because you've been looking at data outside our county or outside our region. I have read that there are some other parts of the country that were much further along than Kansas. I'm thinking of California and Chicago, in terms of subsidy development for, whether it's TIF districts or other forms of assistance in terms of promoting development, but I've also heard more recently that I believe both Chicago and California have pulled back from that for a variety of reasons. Is there any information that you have that can provide some insight on that?"

Mr. Trabert said, "We've not looked specifically at a lot of subsidies. What we've looked at is, what are the differences between how states perform, and we typically look at state performance, not metro area, but for this purpose, we did want to include that. What we have seen is that the big difference is on tax burden. The tax foundation ranks every state based on its state and local tax burden. Kansas' tax burden has been getting progressively worse, especially since 2005. We may be nearing the 15th highest combined state and local tax burden, and frankly a big piece of that is the local side.

"What we see is that the states with the highest tax burdens dramatically underperform the states with the lowest tax burdens. For example, we talked about private sector job creation. Those ten high burden states from 1998 to 2011 added 2.6 percent jobs. The low burden states added 11.2 percent. Kansas was even below. Kansas, as I said, was only up four-tenths of a percent. If you look at whether it's a U.S. (United States) Chamber of Commerce survey or a Wichita Chamber of Commerce or WIBA (Wichita Independent Business Association) locally, businesses are looking for tax and regulatory reform, and the data on migration, both of income of jobs seems to support

that.”

Commissioner Peterjohn said, “Let me ask a follow-up question then, because you're talking about it a little bit more from 30,000 feet, and I'm trying to, would be more interested in terms of trying to understand the specifics here. Has the Kansas Policy Institute (KPI) looked at all, we've had general discussions about TIFs, a couple that have performed well enough that they've been closed out, but we have a lot more that haven't performed. Has KPI done any analysis of the TIF's locally, in terms of the overall performance here in Sedgwick County or the Wichita area that you could provide for us?”

Mr. Trabert said, “Not of the TIF districts themselves, no.”

Commissioner Peterjohn said, “Okay. Thank you, Mr. Chairman.”

Chairman Norton said, “I don't see any other lights. Thank you, Mr. Trabert.”

Ms. Shirley Koehn, 442 Waverly, Wichita, greeted the Commissioners and said, “In 2004, as has already been noted, the Kansas State Statutes were regarding the establishment of tax increment financing districts was changed to include in the designation of a blighted property, the property where over half of the property was in, I'm sorry, can't read, those properties where over half of the property is in a hundred year floodplain as certified by FEMA (Federal Emergency Management Agency). In the previous plan for the Southfork development, the property qualified for a tax increment district, or TIF, under the floodplain provision. Under the revised plan, the developer is building the land up to the level and circumstances needed to correct the floodplain.

“That sort of makes a conundrum. Doesn't that action then make the property no longer blighted and no any longer eligible for a TIF? The argument has been made that this property at 47th Street and the I-135 has stood undeveloped for years, and so now to be developed, it's very nearly a miracle and not to be denied. However, the property now benefits immensely from the new highway interchange completed in 2011. Stoplights are advantageously located just after coming across the bridge and right at access to that property. Even approaches for ingress and egress were completed as part of the interchange project. Once elevated above the floodplain, the whole picture changes for this property, which has lain rather dormant for many years.

“What was once a dead duck, pretty much becomes now a golden goose as far as marketability is concerned. Southfork benefited substantially from the Kansas Turnpike Authority project. Why has no one come forward to buy the property once the highway project was completed? I think because it was under option to Southfork. How can this property sitting at the corner of a major highway interchange be called blighted? In a real estate listing for south park medical park offices, which is this part of the south park development, the following businesses are listed in the area, Dillons, [The] Home Depot, which they list as under construction, K-Mart, Carlos O'Kelly's, McDonalds, Pizza Hut, a Comfort Inn, a Day's Inn and many others. It doesn't really sound or like look like, when I went down there, a blighted area.

“My concern is that the county know and evaluate all the aspects. We've heard many things already this morning that just don't quite fit together, and make a good business decision. I know it's also an emotional decision because this is an area that wants that center, and I think it will get it, probably in not the too distant future whether this

project goes forward or whether it becomes another project from someone with private funds, which would actually be better. Thank you. I'll stand for questions."

Chairman Norton said, "I see none. Thank you."

Ms. Koehn said, "Thank you."

Mr. John Todd, 1559 North Payne, Wichita, greeted the Commissioners and said, "I believe the brochure I'm passing out on a seminar is germane to the topic discussed today, the reality of capitalism, and the seminar is next week, and we invite all of you to attend. Good morning, Chairman Norton and the members of the Board of Sedgwick County Commissioners. My name is John Todd, my address is 1559 Payne. I speak today as a citizen and taxpayer of Wichita and of Sedgwick County and of the USD (Unified School District) 259 Wichita Public School district. I am opposed to the diversion of future increases of real estate tax revenues from the Southfork development into the pockets of the project developer rather than into the public treasury, and I believe it adversely affects local government's ability to pay for legitimate and necessary government functions like fire, police, public safety, streets, parks, and the education of our children. Based on a 62 percent to 38 percent outcome in the February 28th vote of referendum in Wichita that involved the diversion of taxes away from a public function, I don't believe there is a lot of public support from the people for a diversion of public, of taxpayer money into the hands of the private investor.

"First, I want to make it perfectly clear that I support the private development of the Southfork project. If the project makes economic sense to the developer and he decides there is a market demand for his project, then he needs to develop the project out of his own financial resources and the public taxpayer should not be asked to participate in funding his privately owned development. Second, as Shirley Koehn mentioned, there is a multi-million dollar project that has been completed courtesy of the state and federal government on 47th Street that provides excellence ingress and egress to this property. In my opinion, this is a legitimate function of government to provide this sort of help and I think it greatly enhances the ability for this property to be marketed.

"And third, the Southfork developer, if he failed to factor in flood control costs in his original projected development cost, I see no compelling reason or no public need why our city, county, and our public schools should forgo future tax revenues to assist him in correcting this error. We continually hear the arguments from developers that want to tap into the public treasury that this or that project would not be built but-for or without public subsidy. It hasn't been too many months ago that a developer stood before the Wichita City Council testifying that a Plainview Save-A-Lot grocery store would not be built without massive public investment.

"This developer aroused neighborhood sentiment, and as a result a number of area residents spoke passionately about the need for a new grocery store within walking distance of their homes. As those of you serving on the County Commission at that time will recall Sedgwick County exercising its checks and balances power, as granted in the TIF statute wisely rejected the county taxpayer participation in this project. Within weeks after a public financing package was withdrawn, the Save-A-Lot grocery store owner purchased the land and built an even larger grocery store for the Plainview neighborhood and eliminated the two percent CID sales tax tribute that neighborhood residents would have been required to pay for the developer for years.

“Sedgwick County...Sedgwick County’s turning down the public financing for the original developer was a great win for the citizens of the Plainview neighborhood as well as for all of the taxpayers of Wichita, Sedgwick County and the Wichita Public Schools. On the grand opening day of the new Plainview Save-A-Lot store, I was there personally to thank the grocery store owner for building his new store in Wichita. There was not a single elected or nonelected city government official present that day to thank this developer for investing his private money into our community. Folks, I’m sorry to say this says something about these giveaway programs.

“I would bet that there would have been public officials everywhere for ribbon cutting if massive public subsidies had been used to finance this project. This part of the Plainview economic development story is truly a sad commentary. I’m going to cut it short here today with respect to your time. By rejecting county participating in the purposed TIF project, you are considering today, I believe you are acting in the best interest of the citizens of Sedgwick County, including those living in Wichita, those living in rural Sedgwick County, as well as those living in any of the 19 small cities located around our county. Thank you.”

Chairman Norton said, “Commissioner Peterjohn.”

Commissioner Peterjohn said, “Mr. Todd, I’ve got a question for you, because there was a public hearing that I had the opportunity to hear over at the Wichita City Council where you spoke in opposition to a city subsidies for a project where you were, had actually ended up on the ballot and the voters decided the issue. But at that time, you praised the developer because they managed to layer so many subsidies, whether it was, and I can’t remember in this case, whether it was IRB’s (Industrial Revenue Bonds), Sales and Property Tax Abatement, STAR bonds, grants, zero interest loans, forgivable loans, bonds, dollar-a-year leases for 99 years, TIF’s, CID’s, TDD’s, SSMID (Self-Supported Municipal Improvement District), whole public private partnerships, I would also toss in, I heard you mention tax credits, federal and state historic tax credits, and you basically said you thought the developer had been a genius, in terms of being able to layer all of these together and basically put themselves in a position that they had no skin in the game from a development point of view, in terms of they had no money at risk, and it was strictly taxpayers’ money at risk.

“I’m interested in your opinion this morning. We don’t have all of these things here today. We just have the TIF in front of us and some discussion on CID’s and TDD’s, but we don’t have a role in those latter items. Do you think that this development can proceed without the TIF, and is the TIF, and possible other ideas that could come up later, put the developer in the position that they may have literally very little or no skin in the game?”

Mr. Todd said, “I don’t know the answer about their equity in the project, but I have watched 47th Street for several years, and I’ve watched the new Dillon’s store go in. There is a nice and beautiful McDonald’s store, Applebee’s. There is a lot of development going on down there. Kudos, wonderful senior coffee for \$0.50.”

Commissioner Peterjohn said, “Free plug.”

Mr. Todd said, “You have to be late youth to get it. The, you know, I’ve sat back and

watched as developers have come before the city time after time. And I'll pass out, I have a list of economic development tools available to and implemented by local government that are facilitated by state and federal law.

Mr. Todd continued, "You know, I'm on the wrong side of this issue. I really, as a real estate practitioner, should be working towards this. Because I think I could become wealthy using these. You know, the layering for the hotel was a masterpiece. I think this has some masterly work with it, too. If you can come in, into an area, and figure out how to get local government to fund your streets, sewer, water, that's something that every other developer pays for or puts on a special assessment, that's a masterpiece. And it actually beats working for a living, and you really shouldn't allow this to happen."

Commissioner Peterjohn said, "Thank you, Mr. Chairman."

Chairman Norton said, "Commissioner Skelton."

Commissioner Skelton said, "My comment was that myself, James Clendenin, and Roger Smith were present there. I just wanted to correct that part."

Mr. Todd said, "Thank you."

Commissioner Skelton said, "You're welcome, sir."

Mr. Todd said, "You didn't stay around very long."

Commissioner Skelton said, "Hey, man, you know, I was there when you left. And you know what, I've got to tell you, sometime we'll sit down and discuss the truth about Plainview grocery store, because I was intimately involved in that detail, and I hear inaccurate information all the time. And I know first chapter of Dale Carnegie's book is human justification. So, I would appreciate your efforts to justify your position, sir."

Mr. Todd said, "Sir, I'll have to tell you that the bigger store is down there right now, and the folks of Plainview are not paying an extra two percent for their groceries. That is a win. And the private sector did it, not government. Thank you."

Commissioner Skelton said, "We'll discuss what really happened, sir. Maybe you'll be able to correct yourself again. Thank you."

Mr. Todd said, "Thank you, sir."

Chairman Norton said, "Susan Estes."

Ms. Susan Estes, 151 South Whittier, Wichita, greeted the Commissioners and said, "Also with Americans for Prosperity. I first would like to begin by connecting something that Mr. Ackerman and Ms. Koehn said. They made the point that this is green field, and normally you don't go to green field, but you're looking at this because it's in a flooding area. When Mr. Chronis read the definition of what a TIF is for, it is to mitigate the blighted area. So I whipped out my phone and my app, and I found that Merriam-Webster defines mitigate as to cause to become less harsh or hostile to modify, and they use the word relieve as a synonym. So when you look at the flooding and you look at what's in this TIF, we know that the developer said it's going to cost them \$1 million to fix the flooding, and he's doing that."

"And we know that there's \$9 million of other things actually in the TIF. So my question is, why are there things in the TIF that don't actually mitigate the problem that's going on?"

"In fact, the things that are in the TIF are some expenses that a city would bear, that there would be an improvement districts on or they would be normal developer expenses. So I really encourage you to think about what this TIF is doing and does it mitigate the flooding. The other thing I'd like to talk about is the premise of the TIF. You have the TIF, and you say, okay, property taxes are here. You improve that property, and property taxes go here, and you're going to use that in between to help the guy developing the property, or her."

"And that assumes that what comes in is new. But I was very concerned after the last time that we discussed this issue, and I've heard this mentioned again today, the number of people who say, this means I won't have to shop in Derby and I can shop closer to home or do my business closer to home. So I think rather than really seeing new, you're going to see a shift, and I really have to question the harm that happens to Derby and to the surrounding area. If you have less people shopping in Derby, all of a sudden you have less sales tax coming in in Derby. Also, eventually you have a decline in property value as you fail to meet customers. In the area around 47th [Street], you also will be drawing possibly from existing businesses and shifting them out of one building to another."

"So what happens when you lose property value from those buildings that aren't in the TIF because people have moved over there? The other thing that I would like to say is I'm very concerned about what Mr. Chronis said about the CID, because I've heard many different answers to the question, and the most recent answer I heard was, we are not, the developer is not going to ask for a CID, but a big box might. But at the end of the day, only a property owner under law is allowed to ask for the CID. So it would be the developer coming back. We will have lost all of our control at that point, because we know in the previous version of Southfork that if there was a CID, the TIF was not necessary and the project would be profitable without it. So I encourage you to vote no on this. I think you will have substantial harm to Derby and other businesses, and we still do not have anything in writing that protects us from a CID. Thank you very much for your time. I'll be happy to take any questions."

Chairman Norton said, "I see none. Thank you."

Ms. Estes said, "Okay, thank you."

Chairman Norton said, "I've got Tim Austin next. No, we'll wait and let the developer talk last. I have Craig Gabel."

Mr. Craig Gabel, 150 East 44th Street South, Wichita, greeted the Commissioners and said, "Thank you for letting us talk here. Anyhow, I was struck by Mr. Chronis' account that he gave and stuff. I got to thinking about something. This sounds a little bit like Nancy Pelosi saying let's pass the law and see what's in it, with this three separate agreements that they're going to development later. So, that's something to think about. The other thing to think about is Mr. Maxwell's record. You know, we've had several things that Mr. Maxwell has been involved in and stuff, one out at Maize and Kellogg."

"And when he was denied STAR bonds and other incentives there, the projects went on. This project is going to go on. Mr. Maxwell is going to go through it with or without"

your help. Okay. So, or if he doesn't, somebody else will, because this property is so much better than it has been for the last 20 years. I live at 44th and Broadway. I live eight blocks from this. This is my backyard.

Mr. Gabel continued, "And you know, when you, somebody gets up here and says, hey, we've contacted lots of people, nobody contacted me and asked my opinion on this and whatnot. As a matter of fact, we have the South Wichita's opinion on this kind of a project, and they voted overwhelmingly in the vote no thing. In North Wichita, about 20 percent of people said, hey, we're against the subsidies at the hotel. In South Wichita, where Kansans for Liberty worked, they voted against subsidies for businesses three to one, three to one. I mean, they overwhelmingly said we don't want corporate welfare in South Wichita.

"Anyhow, so, the other thing to think about here is the way that this is being, this TIF is being taken back, it's my understanding from the way I read the information that this money is not going straight to the project. It's going to the developer. Now, stop and think about this, guys. Every business that you put in a commercial development pays property taxes, pays the property taxes. They go in, and theoretically, those would property taxes would be paid back out with the TIF to the project. So, it appears from what this looks like, and of course, I may be wrong on this one, because I just tried to read what information I had, that the money is going to go back to Mr. Maxwell, you know, in a pure profit.

"Now, let's stop and think about this. Is it your job as government officials to make sure that Mr. Maxwell makes a profit? It's his job to make sure he makes a profit. It's not your job to take money out of other taxpayers' pockets, or whatnot, so he can make a profit. And the way he makes a profit is, these tax, all of these property taxes that these businesses are going to pay in, they're getting double taxed. Number one, they're paying taxes in, it's coming back to Mr. Maxwell. But they're also paying property taxes on their houses, and those property taxes from their houses then are going to be used for the services that Mr. Maxwell needs on this property.

"So you, each and every one of you and every citizen of Sedgwick County will be out there paying the property taxes that every time the police get called, guess who pays for it? You do. Not Mr. Maxwell and his development. Every time that the water main breaks, every time that the fire department comes, you are paying it, and the members of the county and whatnot. What right does Mr. Maxwell have to expect the people of Goddard to pay his, for his services? Or Andover or Clearwater or Valley Center? None, none whatsoever. Anyhow, you know, we said when I was here before that Kansans for Liberty, which we're the ones that, whenever you see these large crowds and stuff at the city council, 40 or 50 people or whatnot, we're the ones that bring in the extra people [inaudible]. We've said we would not oppose a CID on this project. If he wants to go and do a CID with the city, more power to him. We won't be over there.

"There won't be the oppositions they need. I talked to Mr. Clendenin about this, and there should be no reason for him not to get his CID. And we have no reason, if he's going to charge an extra two percent and people are crazy enough to go down there and pay it to help him fund this project, more power to him. Anyhow, let's talk about adverse affects, in South Wichita, the restaurant business is tough, dudes. I mean, I've got two restaurants in South Wichita, the Heritage at 47th and Broadway is in terrible shape. The little La Fiesta restaurant across the street from them is on their third owner in the last two years. We need a bunch more restaurants competing with us subsidized by county tax dollars like we need a hole in the head.

"I'm all for this development if he can make it work. And you know, I'll take the lumps and stuff as far as him competing with us as long as we're on a level playing field. But if he's being subsidized with my tax dollars to compete with me, that's not right.

"Anyhow, we need to send a clear message here. The number one message is, you know, this is the second time around for this. Some small children, you just have to train them and stuff that no means no. You've already said no once. Let's keep it at that. Anyhow, we need to, you know, somebody mentioned something about if you give a man a fish, you'll feed him for a day. If you teach him how to fish, he'll feed himself forever.

"Well we're teaching, by giving him this subsidy, we're teaching Mr. Maxwell to fish. He's going to go out there and troll for the next subsidy for his next project. He's already shown just about every major project he gets, he comes trolling for stuff, I got you, anyhow, we need, you need to send a clear picture here, guys. TIF's are off limits. If you vote no here, everybody at the city, everybody in the county will know that TIF districts are off limits, that we're not going to take county tax dollars to fund individual projects in individual cities and steal from the other 19 counties. Thank you very much."

Chairman Norton said, "I understand Kelly Parks would like to speak, so I'll call Kelly. Welcome back to our chambers..."

Mr. Kelly Parks, 8005 North Hoover, Valley Center, greeted the Commissioners and said, "Thank you."

Chairman Norton said, "Former Commissioner."

Mr. Parks said, "I didn't plan on speaking today. Kelly Parks, 8005 North Hoover, west valley unincorporated. But in the interest of justice to City of Maize and another TIF that went down about five years ago very similar to this, I thought I would get up and explain, do a little history lesson here on what we've had. When I was on the Commission, we did a TIF district up on 13th [Street]. It was blighted, there were bad buildings, moldy, it was a project that needed to be done. At Maize, they came in, and Richard LaMunyon sat down with me and said, hey, we'd like to have an IMAX. Well of course, I got lobbied by people that said we don't need an IMAX. Ironically enough, now they have one, those same people have one. But anyway, the situation at Maize was that we had an out of the flood zone wheat field. It was bare land. And this bare land, the closest thing to blight that I could see is maybe a disease in the wheat that's called blight, but that was not the kind of blight that the state law anticipated and said that the spirit and intent of this state law was to correct blighted areas. It wasn't to take bare land and build things on it.

"Now, I may be wasting my breath here, and you could have three votes, but I just wanted to, you know, I heard so much about the block study today, and I'm going to give my Commissioner an out here, because I think it is adverse. It's going to be my tax money, people in my township, when we talk about TIF's think it's adverse, and they don't want it. Voters will get a chance to see whether they want to spend millions of taxpayer dollars on a private business, and I urge those voters to watch how the vote goes today. Thank you, Commissioner Peterjohn, for bringing up the subtle but not so subtle compliment to Goddard, a growth city, and they've done it without TIF's. I think that's an excellent example. Thank you very much. I just wanted to make sure that we got a little justice in there for the Maize IMAX that didn't happen, and I think this is very similar. I had an agreement with Commissioners back then that this wasn't the type of thing that a TIF is generally made for. Thank you."

Chairman Norton said, "I think I've got down to the last few folks and have responded to all the notes that have been handed to me. I think we're ready for Tim Austin."

Mr. Tim Austin, Poe and Associates, Southfork Developer, greeted the Commissioners and said, "I think it's still morning, and it's been a long morning already. Appreciate the opportunity to address you guys. All I can say is wow. After listening to the testimony from some of the public comments, it's kind of amazing to me the lack of information. I agree with Mr. Gable, we need to have a very clear message, and it needs to be a message based on the facts. I'm always amazed because I've been involved in this process, as Commissioner Norton knows, I've been involved in this property for going on 13 years, about this month actually, with, originally with another client.

"But with Mr. Maxwell and his clients and partners, I've actually been involved in this project for about the last five years, and over that last five years, there has been literally countless meetings with the South Wichita Business Association, talking about this project, what its benefits are, the structure of the business plan, what the goals were, why it was necessary. I've had countless meetings with the South Area Neighborhood Association. I've been in front of the district advisory boards numerous times, and it's amazing to me that many of these individuals have been at those meetings and they still cannot get their facts correct.

"And that's disappointing to me, because we want to try to establish a clear message and have no problem debating the issues philosophically, whether it's 30,000 feet, 100,000 feet or 300 feet, but at least let's deal with factual information. I want to try to get a lot said here in just a couple minutes. But the main thing is, this property, the TIF money is being used to elevate the land from the floodplain. I think Ms. Estes commented the remark here that the TIF wasn't being used to elevate the property. That's not correct, \$1.9 million of the TIF is to elevate the property out of the floodplain, \$900,000 is this property share to lower the base flood elevation under the drain structure under the turnpike and the other additional \$1 million is to put in compacted fill to make up the difference to improve the floodplain.

"If there is no TIF, obviously we'll have to look at how that compacted fill gets placed. And quite frankly if there's no TIF, we don't have any obligation to remove all the property from the floodplain, so the blighted property's still there. That's a simple fact. We talked a lot about TIF. I think the most important thing about TIF and what has been lost in the discussion over the past, I guess four months now, since we've been having the public hearings on the TIF request. What's been lost in the discussion is why was there TIF legislation? Why was it necessary? It was a republican governor who signed that legislation into being in 1976. It was a republican controlled house. It was a republican controlled senate at the Kansas level when TIF legislation was created.

"That legislation specifically states, the necessary, or the reasons for TIF, it says 'The necessity in the public interest for the provisions of this act is hereby declared and as a matter of legislative determination.' What that tells us is, and we've heard it many times, let the free market work, let capitalism take its course, and you know, that's all good, and I said it the last time I appeared before you, certainly the capitalism and free market has made its choice, because the property has been, for the most part, laying vacant for 90 years. Sure there are some things that have changed. It has more to do,

more than just the cost of the development. It has to do with the community, the market, the demographics.

"But going back to the TIF. TIF is created for a purpose. It was created to address blight. What the legislators recognize is that the but-for argument, that it's important to recognize that conditions of blight have an impact on the rest of the communities. It's not a cost that's easily defined, but we know that in areas of blighted, that are blighted or may suffer from economic distress that there are more demands on public services. So it's really one of those things I think that we're losing the discussion of the forest for the trees about this project. TIF was created, and it's a pretty simple concept, the one that's being presented, and really contemplated by the legislation, is the public costs of having blight is greater to the public than the incentive being given to remedy in this particular case.

"One of the things that's always important to remember is this is a pay as you go TIF, and Mr. Chronis' presentation, while thorough, he overlooked the aspect of telling you it was a pay as you go TIF. The very tax dollars that would go back to reimburse Mr. Maxwell, it's not pure profit, as, I think as Mr. Gable said, pure profit of Mr. Maxwell's, it's a reimbursement of tax dollars for special assessment tax dollars that he's already paid. So there is no pure profit. There is no risk to the city. There is absolutely no risk to the county, and the only dollars that he gets paid back are dollars that he pays in or people who are downstream owners of him. This is an easy deal.

"You can look at the history, and we can second guess, and we can play arm chair quarterbacks all daylong and second guess, well, if Mr. Maxwell does this, or if he does this or does this, you can guess it all day long, but all we have to do is look at the history of the property, look at the history of the community in that area, and the history speaks for itself. In the five years Mr. Maxwell has owned this property, not a single person has come to him and offered to buy him out of this property. If it was such a great piece of property, that would have happened. It's not happened. At the city council meeting someone actually said they would bring \$20 million and take Mr. Maxwell out of half of his interest. We never got any calls. I think you need to be careful about people who are grandstanding and having ideological arguments about the use of TIF and look at what is framed within their context of law.

"The case for TIF is well documented. I've mentioned it before. It's in the South Wichita/Haysville Area Plan, I don't need to reiterate all the aspects of that. I just think we need to keep in mind and not lose focus of what the purpose of TIF is, what's happening with that area, what necessitates it, why this project is good. I think you've heard from many of the citizens. They look at that as a means to insight new investment, stabilize that area, provide opportunities that aren't existent if that area.

"I mean, can you honestly look at them and tell them that over the last 90 years in that location, that ownership, that something dramatically is going to be different? I think Mr. Robbins made an excellent point. We all know that Sumner County is moving forward. There is a lot of economic activity down there. And we all know why the casino is at the Mulvane exit, it's there because Wichita and Sedgwick County people are the ones supporting it. Those are tax dollars that are lost to this county and this community, except for the one percent they kick back by statute. With that, I'll be happy to answer any questions that you might have. Hopefully I addressed some of the questions I think that Mr. Peterjohn asked, but maybe not."

Chairman Norton said, "Thank you, Tim. Commissioner Peterjohn."

Commissioner Peterjohn said, "Thank you, Mr. Chairman. I appreciate your presentation, Tim, and I do want to get some things on the record and get a better understanding, because some of the critics that you've heard this morning said there was a lack of information. And Mr. Chronis' presentation, he said there were several items where there wasn't information in terms of details. I want to give you a specific opportunity with this question. Is there any additional specific information that you can provide that hasn't already been provided to us this morning, in terms of that type of data that Mr. Chronis was referring to?"

Mr. Austin said, "I'm not sure exactly what information Mr. Chronis was referring to, but I think as we learned from last time his data, which we supported, comes from the city. They do their analysis of our analysis, of our financial analysis and provide the county with their recommendation. We're comfortable with that. I think the information as it's been presented by Mr. Chronis is sufficient."

Commissioner Peterjohn said, "Well, let me ask you, what's the current zoning on that parcel?"

Mr. Austin said, "Actually the current zoning is, a portion of it is, zoned LC (limited commercial). It's an unplatted piece of tract. We did get zoning on the 50 acres, which lies east of the riverside drainage ditch. That 50 acres has been zoned general commercial subject to platting. The way we do platting, or zoning pretty much with the planning commission nowadays is all zoning is subject to platting. The plats has been reviewed and heard, and we're in the process of finalizing that plat. Once that plat is recorded at the Register of Deeds office, it would be recognized as general commercial zoning."

Commissioner Peterjohn said, "Then the rest of the parcel that wasn't part of that zoning is zoned as...?"

Mr. Austin said, "Everything west of the riverside drainage ditch is zoned single family residential."

Commissioner Peterjohn said, "Okay."

Mr. Austin said, "And that's a default zoning when property is brought or annexed within a city, it automatically defaults to single family residential."

Commissioner Peterjohn said, "Well, let me ask you then, how long have you had the commercial zoning on that?"

Mr. Austin said, "Actually, I believe the commercial zoning was part of the 1959 action by the Board of County Commissioners when they looked at the city at that time and they went out three mile radius around the City of Wichita limits and they zoned all the intersections around the city, around the periphery of the city of outlying areas. They zoned, in most cases, a 600 by 600 square on each corner of the intersection. They zoned it LC zoning. And so I think this is a remnant of it. I didn't go back and research that, but I believe that's probably what occurred."

Commissioner Peterjohn said, "So it's been there quite a while."

Mr. Austin said, "It's probably been there since [19]59, yeah."

Commissioner Peterjohn said, "Let me ask you this, some of the critics who came up this morning said, wait a minute, you've got \$1 million that you're putting into, but once you raise this out of the floodplain, it's no longer considered blighted. Would you comment on that and tell me why their arguments are wrong, in terms of making that point, that this no longer should be considered eligible for TIF once you've raised it up out of the floodplain. I've driven down there a number of times. Somebody has put a whole bunch of dirt in that area, and at least portions of that certainly have been raised up, whether it's one foot or two foot or wherever the exact amount is. It's certainly higher than it was the last time you were here."

Mr. Austin said, "Yeah, pardon me, my throat is dry. The floodplain, as it's defined for flood insurance purposes, is based on a, what they call FIRM (Flood Insurance Rate Maps) map that's published by the Federal Emergency Management Agency, and it establishes an elevation for the 100 year water surface. In this particular reach of the riverside drainage ditch or the Big Slough South, there is an elevation that was established in 1986, originally, when the firm maps first came out, and it was revised in 19...or pardon me, 2008. They revised again, but it shows a certain elevation.

"If you look at that elevation of that water surface compared to the ground elevation on the property right now, the difference is almost five feet probably on average. In other words, if you accept the hydraulic model by FEMA, there is a 100 year rainfall event, the water would inundate the property to a depth of five feet. The box structure of the project by the City of Wichita for which we're providing 42 percent of the financing, up to \$900,000, is going to open up that box structure so it has more capacity to handle more storm water flow. And what that box structure will do is reduce or lower that base flood elevation based on our calculations approximately three feet. So that five feet is now down to three feet.

"That extra \$1 million, which is actually part of the TIF project, is to bring compacted fill up to make up that last almost two foot of difference. Now, obviously we have some pavement sections and some base sections for our parking lots and streets and building pads and those would be constructed out of different material. But that's why the property, even if this, if this TIF isn't approved as it stands right now, that property would, upon completion of that city project, would not be out of the 100 year floodplain."

Commissioner Peterjohn said, "So if we approve this project, it's still going to be, for FEMA's purposes and the corps of engineers in the floodplain?"

Mr. Austin said, "Except as a condition for this project, I believe the city resolution mandates we use the money, TIF money, TIF proceeds to raise the property out of the 100 year floodplain. If we don't pass the TIF, my point is that the box improvement down at the turnpike south of 55th Street, that in and of itself does not remove the property from the floodplain."

Commissioner Peterjohn said, "Because it looks like work has been done that's raising up that property already, and we haven't gotten to approving the TIF yet."

Mr. Austin said, "Actually the dirt that's been placed there has been by the contractor doing the box structure at the KTA (Kansas Turnpike Authority). He needed a place to

put some spoils. We're going to need some dirt. So it's just a temporary stockpile there. There is another contractor that's doing some underground work, utility work for the City of Wichita in close proximity.

Mr. Austin continued, "He was needing a place to place some dirt there as well. I can tell you that the amount of dirt that is there, if you spread it over, isn't going to make an inch difference over that entire area of the property."

Commissioner Peterjohn said, "Let me change the subject just a little bit. The question, can you explain to us why that portion of Broadway is included in this proposal? This map really doesn't provide, there was the earlier Southfork plan that showed the portion of Broadway to be included in this TIF district. Can you give us some assurances, in terms of whether you're going to be requesting, there's talk about CID's, but I'm interested in a TDD or anything else for that matter that would be requested subsequently if approved today."

Mr. Austin said, "There will not be a TDD. That portion of Broadway is included because out of that \$16.5 million, part of that \$16.5 million is actually for Broadway. Unfortunately, I did not realize that made that over from the city to the county in terms of the staff report. But if the special assessment side of it is \$9.9 [million], that's for the onsite infrastructure that we're asking for, the drainage improvements. I believe there's an allocation of about another \$1.5 million to widen Broadway at some later phase. So that's \$16.5 million, part of it is actual construction costs. Part of it is bond financing and things of that nature that the city charges against the project. But there is some money in there for widening Broadway, if we ever need it."

Commissioner Peterjohn said, "I've had a little bit of experience with real estate and commercial development, before your build out, it was presented to me initially as totally unrealistic in my opinion, and I've seen the very successful development at northwest corner of 21st [Street] and Maize, and it took them a lot longer than four years. For the record, do you want to give us a revised estimate of what your anticipation for even just phase one of the build out would be, let alone this second and third phase?"

Mr. Austin said, "Well, and I think just to address your comment about New Market Square, I think you have to be careful about a couple things about it. One, that's a much larger project. Also, that property, that project was dependent upon them assembling a number of properties from various ownerships. So, those are factors that can affect build outs. The thing about this build out is, and I think Mr. Chronis was very accurate in it. If you understand how the business structure, the business side of this TIF is structured, it's really independent of whether it's four years, or six years, or eight years on the build out, mainly because the TIF is not, you know, it's not being done as a field of dreams. It's not, as in some TIF's that have been done in the past, it's not where we go out and create a TIF bond and go out and find bond in year one and build a bunch of infrastructure and hope that the improvements come.

"You know, we saw that as a problem. And I think that creates difficulty. It creates risk to the community. It creates risk for the developer when he has debt financing of that nature. That's why we broke the area up into three phases. The TIF is only being used to reduce special assessment payments. And special assessment financing is something everybody in this county, all the small cities, and even the county does special assessment financing, which is a public incentive, and people who have been talking here have enjoyed that public incentive in their own business practices.

"But having said that, we have to do special assessments, which require the developer to post a letter of credit, it gets spread against the property, and the way this structure of the deal is, the developer only gets the money back once he creates the value, so it's not just the value of the land itself. It's putting buildings out there, creating infrastructure.

"Those taxes get paid, and they reimburse him for the payment on the special assessments. It's only if he's paid his specials first. It's not here's my bill for the specials, pay it out of the TIF money. It's, here's my bill that shows I paid it, and then he asks the city for reimbursement. Because of that, it's like any normal development. We're not going to put all of the infrastructure in until we're sure, absolutely positive, that the market can absorb what's been offered.

"So our very first phase is obviously, as you can see on there, the stuff more up around 47th Street, the outparcels that are higher traffic, higher visibility. I think we're reasonably certain that that first phase can get absorbed fairly quickly. We've had a number of discussions going on with various downstream users on those, and once those fill up or it looks reasonable that maybe a big box comes in and wants to locate in that larger area, you know, then we'll run those specials or those other infrastructure, put them on specials and create the value. So the model, the financial model contemplates that. So it's a little bit different than some of the stuff that people have looked at in the past.

"We're not asking to float \$16.5 million right up front and go spend it and sit here and hold our hands and hope something gets created. What we're asking is just simply, you know, enable us to lower the cost of development, recognizing the disparity and the demographics to make it more attractive for retailers to come into this location to provide them services that they don't have today."

Commissioner Peterjohn said, "Let me try a slightly different approach. Because one of the comments in the hearing this morning was the continuum about the lack of information, but the data would he do have indicates there's going to be additional equity from Mr. Maxwell or his group. I was interested, in terms of what some of the details and with the capping of the TIF, which I find is an improvement, in terms of at a dollar amount as opposed to letting it run a set period of time. Has the cap rate on this project changed at all, and if so, what is the cap rate on the project today?"

Mr. Austin said, "And I did not calculate it, but if you just use Mr. Chronis' calculation that if Mr. Maxwell puts up \$26 million and over a 20 year period, he's only making \$7 million, a little over \$7 million, if you just annualize that as a cap rate, that's less than one-tenth of one percent."

Commissioner Peterjohn said, "I mean, that doesn't seem like that's, even with the TIF, that doesn't seem like that's going to be a very viable project."

Mr. Austin said, "Well, no, and the issue with the owner equity going in, I think Mr. Gable commented about, well, I think somebody did, well, it seems rather interesting that the owner's equity went up while the CID amount went down. Well, duh. I mean, the property, you know, the construction value is the construction value. If you don't have the CID money put in it, then the owner is going to have to make that up in

equity. That's pretty simple. What that does do is that increases the owner's risk. There's no guarantee of profit here. Nobody is guaranteeing, I think that comment was made that we're trying to guarantee developer profit.

Mr. Austin continued, "There are no guarantees here. He has to create the value. He's the one that pays the taxes that creates the increment. If he doesn't create the value, there's no increment and there's no reimbursement on special assessments. There's no guarantees on profit. The financial analysis that we did was our best forward look at that development, getting normal construction costs, lease rates in the market for South Wichita, and it's our best look at how things will go. Can we improve on it? We're going to have to."

Commissioner Peterjohn said, "Thank you, Mr. Chairman."

Chairman Norton said, "Commissioner Ranzau."

Commissioner Ranzau said, "Thank you, Mr. Chairman. Yes, Mr. Austin, I have several questions here. First of all, let me understand this TIF. The box that's going in down by the turnpike, that project is going on no matter what, is that correct? It's undergoing right now?"

Mr. Austin said, "That's correct."

Commissioner Ranzau said, "And whether this gets approved or not, it will happen. And even with that, though, you're not taking the property out of the floodplain. That's why we need the additional million dollars."

Mr. Austin said, "That's correct."

Commissioner Ranzau said, "So if we need \$1 million to actually get it out of the floodplain, why are we being asked, the taxpayers, to pay \$9.8 million? And when you add in interest, it's going to cost \$16.5 [million]. So it seems to me if it takes \$1 million to solve the problem, because this property is blighted because it's in a floodplain, if it costs \$1 million to solve that problem, why where we being asked for \$16.5 million into a \$1 million problem?"

Mr. Austin said, "Well, and I think that's your argument and our discussion from last week, and that question right there illustrates the lack of seeing the forest because of the trees. You're not being asked to just fix a floodplain problem for \$16.5 million. What you're being asked is to address things in this South Wichita/Haysville [Area Plan] study. You're being asked to provide an incentive for investment to happen that hasn't happened, and not only, your past predecessors on the Board of County Commission certainly saw that as a need, because if you read this document, it contemplates incentives, it recognizes that our incentives are needed to stimulate development in that area. It has to do, as Commissioner Peterjohn talked about, 30,000 foot level, it's really about a 100,000 foot level. You've got to understand what the problem is you're trying to fix.

"The problem is, you're not just trying to fix floodplain on a 50 acre development. The problem you're trying to fix is looking at all of the socioeconomic problems that are identified in this plan that were adopted by the city, adopted by the county, and you're trying to find a way that is virtually no risk to the city and no risk to the county, absolutely no risk to the county to provide an incentive to help that area grow, because

that blighted cost is a greater drain on public resources than if there is new investment. That's the point of the discussion that's being missed.

"You know, the argument, in fact, I would say, venture to say, you can't come to a conclusion of adverse findings. The only adverse finding that is being reported is that you're foregoing future revenue. That's like a lost profit argument in the private sector. If you get into a business contract with somebody and it goes sour on you and you try to sue them and you try to recover lost profits, good luck with that. The court won't give it to you. If that's the worst adverse finding that you guys have, that can come to, I don't see how you can do anything but approve it. It's no risk to the county, and this is the problem you're trying to address. You're not trying to address a 50 acre problem, you're trying to address, you know, a 20 square mile problem."

Commissioner Ranzau said, "Well, but we're being told that the reason this, under state statute, qualifies is because it's in a floodplain. And that's what the statute allows for, and so I guess you're basically making my point that the only problem, there's more than just a the floodplain issue with this, and we're being asked to subsidize other problems. That there's problems with the business model down there or the ability for businesses to thrive there without subsidies. I guess, if there wasn't a floodplain issue, it would still be a problem, you'd still need subsidies, is what you're saying?"

Mr. Austin said, "I think if there wasn't a floodplain, you know, there are opportunities to develop that, but I think we had that discussion last time I was here. Could it be developed as a truck stop? Sure. The last truck stop I looked at pays 500, you know, is valued, pardon me, is valued on the county tax rolls, the one up at 61st [Street] and I-135, sits on about 10 acres, appraised value at \$500,000 and assessed value is 25 percent, pays about \$10,000 in taxes. We're not saying that this couldn't be developed, but what this plan contemplates is providing an opportunity to the community down there that isn't there now. Is a truck stop, are you comfortable telling these people that are sitting here that a truck stop is what they need?"

Commissioner Ranzau said, "Well, as a government official, it's not my job to tell them what they need down there. And by subsidizing this, I basically am telling them..."

Mr. Austin said, "And I'm not, I just want to point out, your past County Commission in 2002 adopted this plan. And it talks, it tells them..."

Commissioner Ranzau said, "That's the problem with government plans, often is it leads to more tax payer money..."

Mr. Austin said, "It's not for these things to be done and set on a shelf to gather dust."

Commissioner Ranzau said, "What the bottom line is, we're using the state statute, saying that this is a floodplain as a justification to get more money than what's necessary to get it out of a floodplain, and that's the problem that I, I mean, we're asking the taxpayers to spend \$16.5 million in property tax money for a \$1 million problem. Now, go back to something you said. You're right, your return on investment, I calculated it, and in five years, would be 1.22 percent, and 15 years 5.25 percent based on the numbers here. And you said annualized it's, I don't know what number it was."

Mr. Austin said, "I was just using a quick calculation."

Commissioner Ranzau said, "It's very, very small, right?"

Mr. Austin said, "Yes. It is small, that's correct."

Commissioner Ranzau said, "My question is then, why are you doing this project? Because in January, I was told by Mr. Maxwell that he expects to double his money every three to five years, and that's a 20 to 33 percent return a year. So I don't understand, if that's his goal and he's not getting it, why would he go forward with this? There are some numbers here that aren't matching up, and they don't make sense."

Mr. Austin said, "Isn't it great that not everyone is a developer and they're willing to take risks? I mean if it was easy, everybody would be doing it. The financial model we gave you guys is our best guess looking forward. There are other things. I mean, we're showing projections for building costs, what if we can improve on those building costs. We're showing you projected lease rates that are comparable with those lease rates, what if we can improve on the lease rates. It's all about the risk."

"I can't stand here today and tell you what every tenant in a one million square foot shopping center, what they're actually going to pay on lease rate. I can't tell you what our construction costs are. It varies. It can vary from a restaurant, to a hotel, to a retail, and some retailers like Cabela's, you know, their finished floor space cost might be somewhere in the \$230 a square foot range. What we've done is taken what we believe to be a conservative approach using reasonable numbers, and we've made a projection to look at that. But that's the risk Mr. Maxwell and his partners are willing to take."

"They're willing to go in and take that risk. There's no guarantees for anybody here. And the thing is, and I can't stress it enough, this is a pay as you go TIF. The \$16.5 million, the only reason why there is \$16.5 million is because the people within that district paid it. It's not taken money away from Goddard. It's not taking money away from Mr. Parks. The developer is paying that. It's a pay as you go TIF, takes that risk and puts it on him, and he's willing to take that risk."

Commissioner Ranzau said, "All right. Listen, you're telling me, let's go back to this, see I think we're being misled here. There's something, the information you're giving us, you make it sound like you're only going to make 1.22 percent over five years, yet you're willing to invest that, but then you just stated you may take, you know your goal is 20 to 33 percent, so you make take some steps to make more money than what you're reporting there, and if you make this amount of money that your goal is, you clearly don't need taxpayer money. That is the problem here."

"Now, let me go on. It is taking money from Goddard, Valley Center, Derby, Clearwater, all of these, because a normal developer has to pay all of his special assessments and his property taxes to pay for police, fire and EMS (Emergency Medical Services). Well, in this particular case, this developer gets to redirect that money to pay for his specials so his overall cost is less, and everyone else has to subsidize that. So it is being subsidized..."

Mr. Austin said, "If this property never, I don't mean to interrupt you, if this property never gets developed, it stays in the same condition, nobody is any worse off than they would be going forward. And that's another point..."

Commissioner Ranzau said, "Well..."

Mr. Austin said, "Here is the deal, Commissioner Ranzau. You know, in your and my conversation the other day, I explained, commercial development, I've been involved with developer clients on literally thousands of deals in the last 20 years, and it's such a complex matter. I can't stand here and explain to you in the course of five minutes the complexities of it and how, you know, the risks that developers take. I think..."

Commissioner Ranzau said, "You've had four months."

Mr. Austin said, "Well, I can't explain it to you in four months what's taken me 20 years to learn myself. And you know, the thing is..."

Commissioner Ranzau said, "It's not that difficult."

Mr. Austin said, "I think you're underestimating it."

Commissioner Ranzau said, "Let me go on. I have some other questions here, because I know other people want to talk. Now, between last time and this time, the developer came up with \$12 million in equity. Okay? And last time, they were asking for 20, or you were asking for \$20.5 million total in public funding. Now you're asking for \$9.9 [million], because you've eliminated \$11.6 [million] in CID. Now, I don't see a CID on this here, but you told me last Thursday that this project has to have a CID. And that at some point you're going to ask for a CID."

Mr. Austin said, "The way we, in our conversation last Thursday, we were talking about the difference in the financials, and I explained to you and I think I just commented to Commissioner Peterjohn a moment ago, if you take the CID money out of it, that's why the owner's equity increases. It has to increase."

Commissioner Ranzau said, "I understand that."

Mr. Austin said, "Okay. That's a simple deal. On the CID, we've had some consultation, because we know it was an issue the last time. We can't in our financial analysis take into account the CID. The city hasn't approved it, we haven't petitioned for it, and we know there is a lot of opposition. There have been other CID requests in front of city council that haven't been approved, and that's a risk. We took it out of our financial analysis. The question came up of, in our conversation, as I shared with you, about the CID."

"We have never said we're not going to do a CID, but because of some concerns that have been expressed to us, as Mr. Chronis stated to you, the thought process is we won't do a CID unless somebody needs a CID. Say if Cabela's wanted to build a second store down south and they need to do a CID, we're not going to preclude them from doing that, but we're not going to ask for it ourselves."

Commissioner Ranzau said, "Well, I feel like the Commissioners of this Board have been misled. You told me specifically you need to have both for this project. That's what you said. With that being said, I mean, that's very disconcerting. You're telling us that you need this amount of return, but now we're being told you'll accept far less. I'm not quite sure that you're actually going to accept far less. That doesn't make good business sense. You know, you said you don't need a CID, and then you told me you

do, and now you're saying you don't. But one of the biggest problems is, last time you told us you needed \$20.5 million in public funding, and now you're saying you don't.

Commissioner Ranzau continued, "In the last four months, the developer has been able to come up with an additional \$12 million in personal equity. That's a lot of money. That's a lot of equity. We have not been provided anything to verify any of this stuff, which is troubling, because all of this wouldn't be enough to make a decision based on information none of which we can verify.

"But my question is, if you could come up with \$12 million in equity, why didn't you do it back then? Why did you ask for \$20.5 million when clearly you didn't need it? You could have gotten by with \$9.9 million. I feel like we were misled them. And by us voting 'no' the first time, we saved the taxpayers at least \$11.6 million. Do you see my concern there? Got to have it, got to have it, got to have it, I don't have any more equity. But now in four months, we've come up with another \$12 million in equity and you can get by with less. How do I know that you can't get by without this at all?"

Mr. Austin said, "I don't know how to answer that question. I mean, the analysis, if we take the CID money out of it, the developer is going to have to come up with the equity. It's pretty simple."

Commissioner Ranzau said, "I know. Well, if you could come up with it now, why couldn't you come up with it back then and not ask for it back then?"

Mr. Austin said, "Our business approach was to leverage the CID and reduce the developer's risk. The developer puts in more equity, it increases his risk."

Commissioner Ranzau said, "Your business model was to get more taxpayer money, that's right, and that's the problem."

Mr. Austin said, "No, the business model was to reduce the developer's risk where he felt it was manageable. And you know, quite frankly, the risk on this, he still has all the risk and there is none to the public."

Commissioner Ranzau said, "But okay, are you telling, but now at this new one, is the risk manageable now?"

Mr. Austin said, "We'll have to see."

Commissioner Ranzau said, "I would have to assume that the risk is still considered manageable otherwise you wouldn't consider going forward. So if it's manageable now with \$9.9 million of public funds, why wasn't it manageable then with \$9.9 million?"

Mr. Austin said, "Well, right now, it's not \$9.9 [million]. It's \$16.5 [million]."

Commissioner Ranzau said, "Well, right. You're going to get \$9.9 [million], but it's going to cost the taxpayer \$16.5 [million] with interest."

Mr. Austin said, "We're going to get \$9.9 [million] in special assessments, and it may not cost the taxpayer anything. One, if there is never any value created to pay down the \$9.9 [million]."

Commissioner Ranzau said, "My question is, if you can do it with less taxpayer money

now. Why couldn't you do it then? Are you telling me this pro forma and everything is too risky?"

Mr. Austin said, "And I've told you we can develop it as a truck stop today. It's what is going to be there..."

Commissioner Ranzau said, "I understand, but you're not going to develop it as a truck stop. You're developing it right there with \$9.9 million. But you asked for \$20.5 [million] last time."

Mr. Austin said, "It's all about managing risk."

Commissioner Ranzau said, "So why didn't you manage the risk back then to the point that you could only needed \$9.9 [million] instead of \$20.5 [million]?"

Mr. Austin said, "I don't think we're going to get anywhere on this argument."

Commissioner Ranzau said, "I mean, I think the answer is, because if you thought, you're going to take it if you can get. You can do it with less, as we've demonstrated now, you can do it with \$12 million less than what you asked for last time. But then the question is, I have to ask on behalf of the taxpayers, how do I know you can't do it with even \$9.9 million? Because you came up with \$12 million in four months, say if we wait another four months, you'll have enough money and can do it without any tax money and you won't even have to be here. Another thing is, I want to make very clear. I'm not opposed to this development.

"Right now you're going to propose to do it with a TIF of \$9.9 million. The citizens down there said they would be happy to pay increased tax sales, which was part of the plan last year. And you could do it, you could get the same amount of money with less than one cent of sales tax. And as you know, I'm not supportive of subsidies in general, anyway, but if you're going to do it, instead of making the entire county subsidize this through property taxes, it makes more sense to use a CID or a sales tax so that the users of this area can subsidize it and pay for it. And there again, it would be less than one percent, less than what they were expecting last time. And so I don't understand, you know, why you don't go that route. I understand there may be some opposition. But if you want it bad enough, if the City of Wichita wants this bad enough, they can do this, they could okay this without us even being involved, I suspect.

"I'm convinced that, to be honest, I'm not convinced you have \$12 million in more equity. I think you're going to ask for and get a CID at some point in the future. But if I'm wrong, it still begs the question, if you can come up with \$12 million in four months why you didn't do it to begin with. I think, if you're going to have a subsidy program, it should be subsidized to the absolute minimum possible, and that's not what was proposed the first time, and I have no way to verify this information. We didn't know then if this information was accurate. We know now that it wasn't accurate. We were led to believe that they could only come up with \$17 million in equity, and they had to have \$20.5 [million]. Now, we know that wasn't true.

"The only way we can verify that is because we have a new proposal that contradicts this and says, well, upon second thought, we can come up with an extra \$12 million and use less taxpayer money, but now we have no way to verify this. This is very, and you know, being told one thing and then another and we need this sort of return on investment, but this shows you're barely making any return on investment, I don't have

confidence in the numbers that we're given here are accurate. And I think it's unfair to ask this Commission to invest or okay a proposal to lead in the expenditure of \$16.1 million for a \$1 million problem.

Commissioner Ranzau continued, "You know, it's not adding up. I'm sorry, but I work for the taxpayers. I have to ask these questions. It doesn't make sense.

"The biggest thing is that you came up with \$12 million in four months, and you realized you could do the project with \$9.9 million instead of \$20.5 [million]. Why were we led to believe you had to have it then? That's very disconcerting. And I'll reiterate again, if we're going to use subsidies, we need to know that with the information we're getting is accurate. We need to be subsidized to the absolute minimum possible. Now to some of my colleagues, that may not matter, because you're going to make the decision anyway, but clearly we made a good decision four months ago by saying no, because we've already saved the taxpayers over \$10 million, and there were some on the Commission who didn't want to say no then. They would have gladly spent that. Well, I'll talk more later, but if you're willing to, I would like more information.

"You talk about facts. I would love to see how you came up with the \$12 million in equity. I would like to see how, you know, make some of these numbers make sense, how you're going to get a 20 to 33 percent return, which you're not, according to this, and why would you invest if you're not? You know, there are a lot of developers out there, you talked about it, and they don't go for this stuff, because they make good business decisions. They don't buy flooded land and floodplains. And they're not happy with this.

"And I think it's important for this Board to understand and for the citizens to understand, that the business community and developers out there are not unanimous in support of this, because they have to compete with this. The business in Derby will have to compete with this subsidized area. But I guess business in Derby don't matter to the surrounding areas. There are plenty of developers that do not do this and don't need this, and they do it with their own equity and that take the risk. I understand the risk. There's plenty of risk, but that also means you get the profit and the benefit. That's why they do it. And I just feel like we've been misled here, we don't have answers to some of these questions. Just, I've got to go back to the \$20.5 million you asked for the first time and now you've reduced it. I don't have any faith and confidence that you even need the \$9.9 million. That's all I have for now. Thank you."

Chairman Norton said, "Commissioner Unruh."

Commissioner Unruh said, "Thank you, Mr. Chairman. I have two quick questions, I think. Raising the grade of the property to take it out of the floodplain, is that going to cause detriment to surrounding properties in case of a big flood? I mean, I know that they're building that drainage box and all of that to handle water. They're doing that anyway. So now we're raising the ground and putting in some parking lots and some rooftops. Is that going to create an issue for those surrounding residences?"

Mr. Austin said, "No, it will not. We've, to raise property out of a floodplain, there is a process we have to follow. It's called getting a Letter of Map Revision from FEMA, and that process has already been accomplished, and I think it was two weeks ago we received a Letter of Map Revision from FEMA. It's called a conditional Letter of Map Revision. We submit the hydraulic analysis showing if the property is filled and lands removed from the floodplain, is there any adverse impacts to the surrounding properties, and our analysis said no, and FEMA reviewed that. The city reviewed that

prior to it being sent to FEMA, and that was approved.”

Commissioner Unruh said, “All right, thank you. The other question I had is, we've got verbiage in here that says the developer is going to personally guarantee the payment of the special assessments with a letter of credit. Is that accurate and correct?”

Mr. Austin said, “That's correct.”

Commissioner Unruh said, “All right. Thank you.”

Mr. Austin said, “Thank you.”

Chairman Norton said, “Okay, any other, Commissioner Peterjohn.”

Commissioner Peterjohn said, “Thank you, Mr. Chairman. Tim, you can have a seat. I don't have a question for you.”

Mr. Austin said, “Thank you.”

Commissioner Peterjohn said, “But I did receive recently an e-mail from a constituent who requested that she couldn't be here today. Her name is Mary Kay Ricke, 104 North Tarabury Wichita. She asked me to get in the record for this hearing today the following and I'd like to include that. ‘Dear Commissioners, below is description copied from the Southfork web page: ‘What we offer. Simply put, Southfork provides the premier retail commercial and office space location in South Wichita with huge visibility. This perfect 50 acre location for mixed use retail office, hotel and commercial businesses will have direct access from three major interstates. Upon completion of the project, redesigned exit, there will not be a better traffic county in South Central Kansas.’

“Ms. Ricke goes on to say, ‘How is the above description one of a blighted area? Nowhere does it say we are in a floodplain and it will not be able to go forward without a TIF fund. I guess that would be bad marketing, or is it the truth? Question, Southfork cannot argue it both ways. Either they are a premier retail space with huge visibility with access from three major interstates including all the casino traffic going by, or we do not believe we are a viable investment because of the floodplain location and need government tax money to make a go of it. Remember, Southfork markets itself as a ‘perfect location’.

“If they believe building in a floodplain is a ‘perfect location’, then Southfork should not come begging for a TIF district to be established. No one made Jay Maxwell buy the property or develop the property. It was his business decision to do so, and he should accept the responsibilities that come with that decision and not try to make it the city or county's responsibility. If I want to invest, I would have. Do not force me as a taxpayer to foot his problems. It would be irresponsible for the county to vote to establish a TIF district to help lighten Southfork owners fiscal issues. Get your private checkbooks out guys, if you buy into Southforks great promise, but keep the county's checkbook closed. Vote no to establishing yet another TIF district.’ This is Mary Kay Ricke, she is very active in West Wichita, and a precinct committee woman. I appreciate the opportunity to add these comments for the record. Thank you, Mr. Chairman.”

Chairman Norton said, "Commissioner Ranzau."

Commissioner Ranzau said, "Thank you, Mr. Chairman. I want to address the general issue here. We have to decide whether or not this TIF district has an adverse effect on the county. First of all, I would say it's clear that we know that retail TIF districts have a negative impact on municipal employment in general. It may help that one little area, but it hurts the municipality in general by reducing employment. So in general, we already know that it hurts the county. But beyond that, we have to address the five questions in our policy, and I'll address them as I see them very quickly.

"First of all, one of them is do we have sufficient data. Clearly not. We don't have sufficient data. We've been given data but have no way to verify if it's true. Is proposed equity enough to prevent a default risk? Well we don't know because we don't have enough data. The other three rely upon whether or not this project is economically feasible without county funding. We know from the last time that it clearly is, because they can have a CID, as I spoke about earlier, and it becomes viable. Now, we're being asked to forget about this for a minute just so they can get this passed so they can do a CID later. But we shouldn't operate under a vacuum, we understand that that possibility exists and is very real, and I would encourage them to finance this or subsidize this with a CID so that the users of that area will pay for it.

"You can have the project paid for by the people that use it and avoid the negative costs to the city, the county, and the school district, all of which are voting for property tax. Clearly, as a result of that property tax value, we will hinder the future delivery of public services, and it forces the rest of the county to subsidize the services that will be received in that area. And as I said, the costs to the county are greater than the benefits, because if we subsidize this with a CID, we don't have to give up any property.

"You get the project and property tax revenue. So, there is a better way to finance this. I know the residents want to get it one way or the other, and most people would rather subsidize things with sales tax instead of property tax. And that's the decision we're making. So it's clear to me, beyond the fact that we don't even know for sure if these numbers are accurate and if they even need any money at all, but if they do need money and we're going to insist upon subsidizing it, then we need to allow the users of that area to do it through a sales tax and not ask the entire county to subsidize it through our property taxes. But it's clear in my estimation that the criteria that is set forth for our policy that would require us to make the findings that it does have an adverse effect on the county.

"Now, if you want to deny some of the facts and the reality and the bigger picture and the other possibilities, I suppose that's up to the discretion of each individual Commissioner, but I think the, I will not be supportive of this TIF district because clearly there are better alternatives. This does have an adverse effect on the county. As I said, we can have this development without the adverse affect if they would just allow the users to pay with the sales tax. Thank you, Mr. Chairman."

Chairman Norton said, "I see no other lights on right now. I did understand that Councilman Clendenin is here and wanted to visit with us. And I understood that the developer, Jay Maxwell, is here. I'm not sure if he wants to speak, but we'll offer them a chance if they'd like to."

Mr. James Clendenin, Councilman, City of Wichita, greeted the Commissioners and said, "I can't shed off my position as Councilman in this city, but I will add that I am coming to you, also, as a citizen of this area.

"And also one who made a voting decision to establish this TIF district in the Southfork area. There is a problem in South Wichita. It's interesting in the Meadowlark neighborhood newsletter that was out recently talked about urban flight from the core of the city and how reinvestment into the core of the city has actually helped the Meadowlark neighborhood, because back when our core part of the city was thriving, that's where they had their offices. That's where they had their businesses.

"As flight brought people out to the fringes because it was easier to develop in those areas, it hurt very badly these neighborhoods. Most of the houses become rental houses, and people that didn't have as much skin in the game in these neighborhoods. This has happened, also, because in South Wichita because developers are taking the path of least resistance, and obviously they want to get the best return for their investment here in the City of Wichita. The City of Wichita is in competition with cities around the world for some of these developments. Also Sedgwick County, being that the City of Wichita is about 75 percent of Sedgwick County's population, Sedgwick County has a huge benefit and huge reason why they should consider carefully this project.

"There is a reason why the development has developed up and around this parcel of land. There is development north, south, east and west of it. This land is not a desirable area, and to make it a desirable area to develop, we feel that the TIF, especially in capped form, will make that a possibility. It becomes an emotional issue. I try not to make this an emotional issue. I would just leave you with this. The increment that is being created from this development is being reinvested back into this development to make it possible. As a matter of fact, its local tax dollars, not federal tax dollars, not tax dollars coming from anywhere else to be reinvested back with the people that will be here in this neighborhood.

"The developer is taking all the risk. Taxpayers are not taking any risk in this, especially with the pay as you go agreement that will be made. I'm just asking the Sedgwick County Commission to partner with the people of south Sedgwick County, specifically this area. And do the right thing, and support this TIF district for the residents down there, and that's really all I have to say at this point, and I'll take any questions if anybody has a question."

Chairman Norton said, "I don't see any. Thank you, Councilor. And I'd offer to Mr. Maxwell, if you would like to speak, doesn't have to."

Mr. Jay Maxwell, 116 North Rainbow Lake Road, Wichita, greeted the Commissioners and said, "How could I not want to speak, Tim? You know, I've heard so many things that just drive me nuts, but that's part of public debate. That's how our world works. Let me just point out five or six things that I'm polar opposite on on what people said today. Eluded to this is greenfield development, everything that I've read from graduate school on urban planning says this is an infield government. Look at every piece of ground that has platted around this piece of ground. You a piece of ground that's un-platted forever. It's infield.

"Take every limited government theory, of which I'm a limited government kind of guy. Everybody that knows me knows that. I can't stretch to where some of the ideology gets, but limited government, this is the perfect example of a public-private partnership

on limited government.

Mr. Maxwell continued, "So when you sit there and say, hey, you put \$12 million, and you put about, well, our return went through the tank and went down to nothing, but we have so much invested we had to make a choice of do you get rid of the project or do you go for less return in hopes that I can figure out a way to make money over the next five to ten years.

"The Wichita Clinic comes to me and says, I want to build a building down there, I'm going to say can I build it for you, because I might be able to make money off that deal. I took an extreme hit in the last four months on return because the subsidy wasn't being offered as high. I got what you guys said. Don't subsidize it so high, so we reduced it down as low as we could get by to make this thing feasible. It is barely feasible, guys. I'm hoping that in the next four years, as Karl has asked, Commissioner Peterjohn, that opportunities are going to present themselves and economic activity is going to happen that I can benefit from. We're taking a major risk to do that. So I'm a limited government guy, guys, but there are places for public-private partnerships.

"\$1.5 million of the money is going to remove a high pressured gas line that goes through the property. Who was ever going to remove that if we didn't have some kind of money? It says one thing that you're spending \$900,000, which I took the gamble because Tim said, show your good intentions, and you know what? Having a property that's three feet closer to being out of the floodplain is better than not. The city picked up the tab for, what was the final number, Tim? I think our tab was \$900,000 of it. The city came to the table, because the city is like, we have to get this out of the floodplain.

"So they're paying for that box structure. The City of Wichita is paying for it, because not only is it removing 50 acres or getting close to removing 50 acres of our parcel, it's removing 400 acres in that part of town. This isn't about using the dollars to line my pockets and make me wealthy. It is about using public dollars to provide public infrastructure that if I went in there and said, put a public street through there and fund it, you guys wouldn't know how to go fund it. If I ask you for certain services, there's no way that you can come up with the money with your limited budgets to do it. You're being able to do it through increased property taxes. What a great limited government concept.

"So I get it. And I get where this country is going and how we're getting polarized. One, I appreciate you hearing it for a second time, because I think it's a compelling case, and I think it's a great public argument. I'll be the biggest advocate out there to explain it to all the constituents of what my personal view is as the elections are being held. I think pragmatic and realism and limited government are where we need to be. That is my ideology. So let's have a vote, and I'll live with it however it comes down. Thank you."

Chairman Norton said, "Commissioner Skelton."

Commissioner Skelton said, "Thank you, Chairman. Jay, I just wanted to take a moment to thank you for reorganizing the plan. You know, you have to take some personal attacks here. I apologize about that, but I guess that's what we all have to tolerate sometimes. You really have shown yourself to be outstanding in the way you've

approached and worked with the community. We've been working together on this for probably seven years.

"When we had that South [Wichita/Haysville] Area [Plan] Haysville committee, the implementation committee, I appreciate your attendance there. You're listening to the citizens and providing them with feedback. I know that it has been a desire of you to follow the tenants of the South Wichita/Haysville [Area] Plan, and there are many such improvements that have been made there in cooperation with Mr. Maxwell. The Funston [Elementary] school is certainly one of them. So I see you as a definite benefit to the south side of Wichita.

"You've taken the time to stand there with the citizens and learn their issues, and I think that's rare, and I could continue to thank you, but I'll just let it sit at that. My view here is you're going to be using the tax dollars you create from improvements on the project. A lot of this is going to be mitigating the negative effects of infill development, but in the long run here, I'm sure we're going to see \$3,000 worth of property tax a year turn into \$885,000 a year in property tax. So, you know, that's my point of view here. So thank you, Mr. Chairman. Thank you, sir."

Chairman Norton said, "Commissioner Unruh."

Commissioner Unruh said, "Thank you, Mr. Chairman. Mr. Maxwell, could I ask you a question? One of the tests that we have in thinking about a TIF district is the but-for test. But-for this tax increment financing, would you do this project?"

Mr. Maxwell said, "I would tell you the same thing Tim Austin said, it will be a very limited down scale project that will not produce any kind of optimization of tax revenue for the county. And the goal is to produce highest and best use in the real estate business, and it will not be developed at a high and best use unless you can get the infrastructure issue solved before you go to develop it. It so there will be an increase in property taxes even if nothing happens, but you get commercial zoning on it and flip to someone who is going to build a \$3 million project on the place. I've had offers to put warehouse space down there. It's back to highest and best use, and the numbers work the best when we bring the most tax money to Sedgwick County and that gets me the best return on our investment."

Commissioner Unruh said, "So you're telling me you would not do this project without TIF financing?"

Mr. Maxwell said, "Correct."

Commissioner Unruh said, "Thank you."

Chairman Norton said, "Anything else, Commissioner?"

Commissioner Unruh said, "That's all I have."

Chairman Norton said, "Commissioner Peterjohn."

Commissioner Peterjohn said, "Well, I hate to make Mr. Maxwell keep jumping up and down, but I, since he lives in precinct 531, which happens to be in my County Commission district."

Mr. Maxwell said, "I do."

Commissioner Peterjohn said, "I did want to publicly acknowledge my appreciation for him coming down. We've had a long discussion and hopefully we've gotten some additional details on the table, but I wanted to ask you, give you the opportunity, because you've mentioned five or six things that you thought were incorrect from this. I was jotting down notes, and I got number two and wanted to give you an opportunity if there were a couple of others things where you thought...."

Mr. Maxwell said, "Sure, the CID is a perfect example. I've been pretty consistent. Whether it was conveyed right or wrong, let's straighten it out right now. If a major tenant comes to the table and says they would like to apply to the City of Wichita for a CID, and it's a Costco or whoever it is, and we have sold them a piece of ground that lets them develop that center, I would like to keep the option open that they can come ask for a CID. I will not, you know, I heard the comment of, it has to be the owner that petitions for a CID. We might sell off a large tract of ground to someone that might want to come ask for a CID, because they need incentives or subsidies, whatever you want to call them, to build 100,000 square feet. I would like to leave that option open."

Commissioner Peterjohn said, "Let me ask you this question, if you were sitting on this side of the bench, what is the optimal amount that the County Commission should provide for TIF benefits, whether you call it an incentive or you call it a subsidy? How should we, as elected officials, determine an optimal amount? We've got the five criteria that staff has put together and you've heard discussed, but I'd like to hear your opinion philosophically, in terms of what is the optimal amount that we should have for this type of effort, because this is a very difficult and challenging issue for me, and I'll go into more details on it later. But I'd like to get your thoughts in terms of looking at this as a whole as opposed to just your specific project that you're in front of us today."

Mr. Maxwell said, "I could tell you that I've looked at most of the TIF districts in the city, and I stated several times that some of the TIF districts I definitely would not have approved, being a business owner and real estate investor. So I think you get, first, to, does the project qualify? And I would tell you some of the districts in Sedgwick County I would have had a hard time trying to qualify. Southfork, I don't have any philosophical issue about it qualifying. It absolutely 100 percent qualifies. Probably if you ranked every TIF district in the county, it would be up at the high end on my scale. Secondly, then you get to how much is the amount of subsidy. I'm a limited government guy. Let's keep it as low as you possibly can. Commissioner Ranzau said it went from \$20 million to \$9.9 million. It did."

"Tim had to come in. My partners and I had serious meetings on this. I have thousands of hours into this deal, and we said, do we want to go forward? Do we want to bring it forth? And is that enough to make it work? And we were like, you know, to try to create this plan and have this opportunity over the next 3, 4, 5, 6, 8, 10, years, however long it is, it was worth it, even at that reduced subsidy. You take anything else out of that, guys, it's going to be hard for me to be convinced to try to build \$154 million worth of value down there. You're going to get \$10 [million], \$15 [million], \$20 million of value. That's the difference. What do you want on the tax rolls? \$10 million on the tax rolls or \$154 million being tried and worked on every day? So I don't know that there's a specific, you know, there is subjectivity. You take the class in school, and there is a fine line between a B+ and A-, and the teacher gets to make that decision."

Commissioner Peterjohn said, "Well, and I've talked with Stan Longhofer out at WSU (Wichita State University), and they talk about cap rates, that's a key criteria in any project. Is there any number you can throw out?"

Mr. Maxwell said, "You know, it's hard to throw a cap out when there is no income stream that's being produced. A cap rate's based on net income. Everybody in the real estate business knows that. This has no net income. We have a plan, a vision, a dream of what he's going to be put there, and once you put an income stream in place, the cap rate is different on a Costco than an Arby's, than on a Wichita Clinic, than on a industrial warehouse. And right now there is no net income. It's hard to cap plan."

Commissioner Peterjohn said, "Well..."

Mr. Maxwell said, "The appraisal theory in real estate for a cap rate is based on income. Fair market value is based on market analysis in real estate. Two totally different concepts, but there's three ways to value property, cost...you know, I'm preaching to the choir, Commissioner Peterjohn, you understand this."

Commissioner Peterjohn said, "Well, I understand that, but the question had come up in terms of trying to meet our criteria and getting as much information on the record, and you were here when Mr. Chronis spoke. And I wanted to give you the full opportunity to present every piece of data, because I appreciate you coming up and standing in front of us and sharing your thoughts as part of this process, because these issues are a challenge."

Mr. Maxwell said, "They very much are, and I appreciate the due diligence. I've tried to be forthcoming and answer every question anybody has ever given me. Some are easier answered than others. Some are more subjective than others. Some are more concrete than others. So, anybody else, or I'll go back and sit down again?"

Chairman Norton said, "Okay. I think you're safe to sit down for right now. Commissioner Skelton."

MOTION

Commissioner Skelton moved to adopt the resolution consenting to the City of Wichita's establishment of the Southfork Redevelopment District.

Chairman Norton seconded the motion.

Chairman Norton said, "Is there any other discussion? Certainly at some point I'm going to have a few comments. Commissioner Peterjohn."

Commissioner Peterjohn said, "Thank you, Mr. Chairman. I appreciate the fact we've gotten to this point. I will try and be as brief as I can. Let me begin by first expressing my appreciation to everyone who has come out here today from the applicant, all the people who were for this project, as well as those who are not for this project. I think a lot of good points have been made and a lot of information has been provided, and I think this has been useful for the public. I would also like to thank my colleagues,

because about a week ago when this first, we had a preliminary discussion in our staff meeting, and two of us, Commissioner Ranzau and myself, wanted to bring this up and have a public hearing, and initially there didn't seem to be a third Commissioner in support of that.

"But subsequently, at least one and maybe more than one decided we should go forward with this, and I'd like to thank my colleagues or colleague, or whoever it was, who made that change, because I think that's, I want to express my appreciation so that we did have this discussion and at least clarified it and gave some public understanding to everyone who is following this. Of course, this is the second time I've had the privilege of voting on a TIF issue since 2009. Sedgwick County has not approved a TIF district since that time. I noticed that the last one was approved after I was elected but before I joined the Commission, and there have been quite a few. That is, I think that history is important in our ongoing discussion. I voted against this. I was in the majority when this first came up earlier in the year.

"Now, what has changed? Obviously the additional equity is a significant factor, the fact that that funding is capped is a, moves this in a direction that I think is more favorable for taxpayers. But having said, I still have concerns with the underlying problems with TIF's and TIF subsidy districts when we're going to be spending property tax dollars for parking for streetscapes. I noticed an article in today's Wichita Eagle talking about how the City of Wichita is going to have to reduce their street projects because they don't have any money, and part of that is because if you go ahead and provide various subsidy projects, you end up with challenges.

"Now, the development of this area, putting high dollar commercial property in an area that is part of the flood zone, it was a problem for me earlier this year and continues to be a problem for me. In our backup material, we had the five reasons that they talked about. I want to briefly mention, you know, potential loss of tax revenue would hinder effective future delivery of the public services. The argument is that this property doesn't have any tax value, but let me tell you, if you've got property that zoned, ready to go with the assets that were presented in front of us today with a long-term land lease for a cell tower and some of the other factors in place, I think this property has the potential and maybe these numbers are correct, maybe they aren't, but that's, is it the role of government to go forward at this point? I have a hard time answering that in a way that would allow this TIF to go forward.

"I think that there is a good chance that this project is economically feasible without the county's funding. Now, of course, this is more than the county. We've got the city and school district would depend on this vote, too, because we would affect that. In terms of the default risk, that's very hard to go into with the information I've got in front of me and I think there is a good chance that the cost to the county government may be greater than the benefits that are out there, and then, of course, the question is, has adequate data been provided? I appreciate the applicant's effort to provide us with more data, but whether more is enough is a challenge to me.

"Now, I frankly believe that this development will probably have some folks coming back to the city, and whether it's a transportation development district, the CID, or something else and whether it's a, some other entity who's not involved in the hearing today who may be involved in it, that may be the way that this things going to proceed. But, you know, I think this project has great potential. I want to wish Mr. Maxwell and his group best success in terms of being able to go forward. But, the Plainview TIF proposal I think is an excellent example.

"You know, I can't speak to Commissioner Skelton because he was on the city council at that time when that came up, I can only say that the four Commissioners who were here who voted on this back in, a couple of years ago, and I'm including former Commissioner Parks in this, when we unanimously voted against this we were chastised publically by the developer. And later another developer came along, and as was pointed out, a bigger and better project without those subsidies was created and generated. And that makes me, I've got to balance this and say well, does this have the potential of going forward? Well, I go down there and I see some things happening.

"Now, maybe it won't be quite the development, and we've got to balance these things out in terms of where it goes. Now, in terms of the history of TIF districts, it's interesting, my understanding is that TIF's originally got started as part of the city's effort because the groundwater pollution area problems in the north quarter industrial area and the Gilbert and Mosley Street. So, we're looking at a situation where this has evolved from where it was being used initially to where we are today.

"I, and I see this proliferation of all these subsidies districts and I have concerns about it. And when I heard from the people in my district and the vote February 28, 2012 concerning the downtown subsidy for the hotel project, greater than 60 percent of the voters in my district said quite clearly they did not want that subsidy to occur. Now, I'll grant you that is different than the TIF subsidy we have here, but it's the most recent and it's the most relevant example I can think of on where this is going. And, my concern in the bigger side of things is if there are profits to be made they go to the private sector. If there are losses, inevitably they seem to end up in the lap of taxpayers.

"And I look at the history of TIF districts and on this I agree with Mr. Maxwell, there's a couple of TIF districts that have performed well. Hillside and Central, some folks have reminded me that Old Town has performed well, but there are a lot more that have not and, I think, leave the taxpayers at risk. So, my vote today is going to reflect the fact that when I put the pluses and minuses into this equation, I have a hard time feeling comfortable going forward with this project. Thank you, Mr. Chairman."

Chairman Norton said, "I don't see any other lights. We've got a motion on the floor, just have a couple comments. I guess I see the world totally different than some in the room here. I see this project as something that I've worked on since even I was Mayor of Haysville. I helped write the South Wichita/Haysville Plan. I was intimately involved with hundreds of citizens on the south side that thought a little differently than some in this room, but have advocated for this. I see that there's a public good, a public welfare, and a public quality of life for the south side that comes out of this project.

"We knew early on that one thing that had to be done was to fix the infrastructure at 47th [Street] and Broadway. That was one of the key elements of the South Wichita/Haysville Plan. And that languished for years, until we just kept hammering on it and it was embedded in the Department of Transportation to know that that was a great project. When some federal money became available that project got done. I don't know anybody that lives even close to the south side that doesn't think that that's a wonderful expenditure of wherever the money came from. But, linked to that was the second part of the project and that was to get economic value out of that expenditure

of infrastructure money. And we have the chance now to do just that in that area. I don't see a lot of other chances right now to take advantage of that new infrastructure and the hope for the south side.

"You know I've been involved with the South Wichita/Haysville Plan; the Delano Plan, I helped write that; the Quad Cities plan is being written right now, which is Haysville, Mulvane, Derby and South Wichita; I facilitated three meetings for the Clearwater Focus on the Future plan; I wrote the redevelopment plan for Haysville after the tornado, and by the way we created a neighborhood revitalization area that helped rebuild south Seneca, or main street as we called it, which diverted some taxpayer money into helping with the infrastructure on a tax increment kind of basis.

"This is an important project. I think for the whole county. Because you know, you can let areas continue to slide and become less than desirable and it becomes a spiral. It's a self fulfilling prophecy. And we have the chance to change that right now. Certainly the citizens in that area want it. I can hardly talk to anyone that lives down there, I guess except for Mr. Gabel who testified today, that aren't truly interested in what's going to happen with that area.

"You know, even the infrastructure project, if Mr. Maxwell hadn't been involved might not have moved forward. Because early on when there was not funding to do some of the studies that needed to be done, he put some of his businesses money into getting those studies done so that we could move the project along, the infrastructure project. So, he's been involved for a long time trying to understand what the need of that community is. Not just the need of his pocket book, but the need of the community. The idea that there might be a medical complex on the south side has got a lot of people excited. Because, you talk about underserved in a community, they are very underserved.

"Now how do I know that? Well, I live down there. I've elected to stay in the south side area for many, many years. Thirty-one years. I've dedicated my life to try and understand the district that I serve, and the county as a whole. And I have to tell you this is the time, this is the place, this is the project, I believe, that needs to move forward. And I'll be very supportive of it. So, it is about highest and best use. It's about the quality of life for the south side, but ultimately raising the quality of live for everyone in the City of Wichita. Because if we keep putting anchors on our community that drag it down we're all going to be saddened by the way the whole county, the whole city, the whole civilization that we aspire to have is going to look in a few years. And this is a great project. I'm going to be supportive. Commissioner Unruh."

Commissioner Unruh said, "Thank you, Mr. Chairman. I know you're ready to call the vote, but last time we considered this I went through a list of reasons why I would not support it. I wanted to go through a list of reasons why I am going to support the motion this time. One of the test is the but-for test. And the developer said but-for this financing he will not do this project. The property is coming out of the floodplain, which satisfies the criteria for blighted property, being defined as floodplain and it's going to come out. The value that's going to be created there will pay for these special assessments that is going to be assessed and should that value not happen, we have a letter of credit where the developer's going to guarantee those payments.

"In the progress of this project the TIF dollars are going to be capped at a certain amount, they weren't before. And the TIF projects that, the money that, the projects the money can be spent on are defined. They can only be used for infrastructure, not

for land acquisition or for buildings. We are not going to have any reduction in our current tax revenue. What we stand to gain out of this over the 20 year time frame has been shown to us, that we can receive \$18.7 million worth of accumulated increases in taxes according to the project and we will divert \$4.9 million.

"So the county will come out ahead by almost \$14 million during the time frame under the project as presented. So I don't see that we have adverse effects to the county. And that is it our policy to support city efforts to eliminate blight and promote development of substandard areas by allowing diversion of county tax revenues to TIF districts, when such actions are shown to create no adverse impacts. And so, Mr. Chairman, for those reasons I'll be supportive."

Chairman Norton said, "Okay. At this point I'm ready to move forward and call the vote. So Madam Clerk, will you please call the vote."

VOTE

<i>Commissioner Unruh</i>	<i>Aye</i>
<i>Commissioner Peterjohn</i>	<i>No</i>
<i>Commissioner Ranzau</i>	<i>No</i>
<i>Commissioner Skelton</i>	<i>Aye</i>
<i>Chairman Norton</i>	<i>Aye</i>

Chairman Norton said, "Thank you, Mr. Chronis for your presentation."

Mr. Chronis said, "Thank you."

Chairman Norton said, "At this point, I'm going to call a 10 minute break and we'll come back and finish up our business. Thanks for all that stayed today and presented, we appreciate the input."

The Board of County Commissioners went into recess at 1:08 p.m. and returned at 1:19 p.m.

Commissioner Ranzau exited the Meeting at 1:08 p.m.

Chairman Norton said, "We will call the next item."

L [12-0303](#)

PRESENTATION OF THE QUARTERLY FINANCIAL REPORT.

Presented by: Troy Bruun, Deputy CFO.

RECOMMENDED ACTION: Receive and file.

VISUAL PRESENTATION

Mr. Troy Bruun, Deputy CFO, greeted the Commissioners and said, "I have a brief update for you on the results of the county's finances for the first quarter. I'd like to make three points today. One, the amount of money Sedgwick County is spending continues to decrease every quarter. And our revenue collections appear to have stabilized. They're not falling, falling as they have been. Unfortunately over the last three years, revenue has been falling faster than expenditures so we still have an imbalance and you will be required to make some very tough decisions during the 2013 budget process to eliminate that imbalance.

"This slide shows you expenditures and transfers out for property tax supported funds. In 2009, in the first, or for 2009 for the entire year, property tax funds expended a little over \$225 million. The budget office has estimated current years, expenditures and transfers out of property tax supported funds of \$220.7 million. So over those three years, it's an estimated decrease of 1.9 percent.

Mr. Bruun continued, "Looking at those same years, and those same funds for revenue and transfers in, you can see in 2009 we collected \$232.58 million. And we estimate to collect \$219.93 million in 2012, a decrease of 5.4 percent. It doesn't sound like much, but if we could have kept revenues flat from 2009 through 2012 we'd have an additional \$35 million in our fund balance.

"So combining the small decrease in expenditures, the bigger decrease in revenues, estimated fund balance for property tax supported funds when comparing 2009 to 2012, it's a 17.4 percent decrease. And we anticipate ending the year at \$67.96 million. Which is only \$800,000 less than what we ended with last year.

"This slide shows the change in assessed value for real property, that's the blue line. It's the percent change year over year. In 2008 assessed value on real property grew 8.37 percent and you can see what it's done since 2008. This is the year for which the taxes are applied, so the 2012, the .66 percent increase is what you had last year when you adopted your budget for the taxes being receive in 2012. The green line is the change in the mill levy rate. In 2008 there was a technical adjustment, there was no change from 2007. In 2009 you lowered the mill levy one mill, a drop of three percent. 2010 it was a half a mill, a drop of 1.68 percent. Another half a mill for the budget year of 2011 dropped an additional 1.7 percent. So the addition of the drop and the rate of the increase in the assessment, and the drop in the mill levy rate has, I'm trying to tell you we don't have an expenditure problem. We have a revenue problem.

"Comparing the first quarter 2012 with the first quarter 2011 in property tax supported funds, revenues have grown 1.9 percent. Expenditures have decreased 11.2 percent, which appears at first glance to be very impressive. In 2012 we had six payrolls, in 2011 we had seven payrolls in the first quarter. So if I take out personnel and just show expenditures net of personnel, the rate of decrease in expenditures was 1.1 percent, so revenue is up 1.9 [percent], expenditures down 1.1 [percent]. This shows the same slide a year ago, comparing 2011 with [20]10, where we also had a 1.1 percent decrease in expenditures but we had a 2.5 percent decrease in revenue. Previous slide, we showed that revenue, our revenue picture is improving.

"Taxes by category. I've never shown this before, we usually just focus on ad valorem taxes. This slide shows you ad valorem taxes, the back taxes we're collecting, special assessments that really aren't classified as taxes but appear on your tax bill, motor vehicle taxes, and sales and use tax, and 'other', which barely shows up on the slide. You see the increase, the green line is for 2012. For the first quarter of 2012 compared to the first quarter of 2011, you see the property, or ad valorem taxes increased \$1.8 million. There was a slight increase in the assessed evaluation. But the increase is due to the collection rate of property taxes. So we anticipate by the end of the year that will be up by \$300,000 and not the \$1.8 million it is at the end of the first quarter. And in the lower right it just shows you all tax collections by Sedgwick County, 2009 through 2012. 2012 is higher than the last two years, but below the 2009 levels.

"Expenditures by category and property tax funds. You can see the personnel, we either hire people to provide services or under contractual we hire them. First quarter 2012 personnel is down significantly, but that's due to the one less payroll period than we had in 2009, [20]10, [20]11. If I were to add a 7th payroll into that, the personnel cost compared to 2011 would still be less, but I'd be in the \$300,000 range and not the \$5.8 million range. As you can see we spent a lot less in commodities in the first quarter of 2012. Relatively even on contractual, and dept service is about the same as it was in 2010.

"Total fund balance in the general fund, all the previous slides I've shown you, total property tax supported funds, this is just the general fund and its showing you total fund balance by quarter. You can see the county's cash flow cycle, the county's fund balance grows in the first two quarters of the year and decreases in the last two quarters. We ended the first quarter, 2012, with \$96 million, compared to \$91 [million] last year. Again, it's a combination of the increased collection in property tax, that \$1.8 million in ad valorem, and also the one less payroll period. If I were to take, the general fund has about \$3.75 million for every payroll that hits the general fund, if I add that to the \$1.8 million that's the difference between the two, the first quarter of 2012 and 2011.

"This slide should show you that our financial condition is still strong. The fund balance in the general fund isn't going down. We can still, the county can still pay its bills. Investment portfolio. The rate of return in the first quarter of 2012 had a slight uptick, I think we're up to .59 percent now in our investments. The fourth quarter always shows a dip in our rate of return because we have collective property taxes for other jurisdictions and we have them invested very short term, so we don't get very good return on that. Then after we pay those taxes out in January then we can invest our money in longer term.

"Short and sweet presentation. The next steps are your departmental budget hearings, May 21st and 22nd. Again on the [May] 29th through the 31st. The Managers recommended budget will come out July 18th, and you will adopt the 2013 budget on August 15th. I'd be happy to answer any questions, if not I ask that you receive and file."

Chairman Norton said, "Commissioner Peterjohn."

Commissioner Peterjohn said, "Thank you, Mr. Chairman. Troy, let me ask you on slide 10 where you said that you adjusted for the extra pay period, it would only be \$300,000 versus \$5.8 million. Last year the county went through a very painful

reduction in force with, I think a net reduction, my recollection is we reduced the number of positions by 106 slots and we had 119 people take early retirement. Some of those folks weren't replaced, I understand a fair number were, but some of them at lower levels. But I would have expected a much smaller reduction on expenditures on personnel than just \$300,000, if you net out the extra pay period, in light of the reduced number of employees. Do you have any insight you can provide as to why that \$300,000 figure wouldn't be larger?"

Mr. Bruun said, "That personnel not only includes salary, it include retirement contributions. Those rates continue to go up. It includes health insurance, those rates continue to go up. So the cost of an employee last year, even though they may not have received a raise, is higher this year."

Commissioner Peterjohn said, "Well, I think that's important for the public to know and understand in terms of where we are, because it was, I think, a big challenge for an awful lot of people in the county. Certainly for the folks who were directly affected. And I want to make sure I understand on this chart, when you say \$47.87 [million], exactly, is that numbers, I assume, millions?"

Mr. Bruun said, "Yes, sir."

Commissioner Peterjohn said, "\$47.87 million."

Mr. Bruun said, "Yes."

Commissioner Peterjohn said, "And for the prior year, in terms of expenditures, do you anticipate that that number, in terms of expenditures, is going to continue for the rest of this year? I mean it's basically \$6 million and significantly less than, I mean it's a very large percentage year-over-year reduction."

Mr. Bruun said, "Yes. I anticipate the 2012 expenditures to be less than 2011. I don't anticipate it to be as much less as it is currently, mainly to do with payroll because we will catch up. I will have seven pay periods in the second quarter. Whereas last year we did not."

Commissioner Peterjohn said, "Okay. Thank you, Mr. Chairman."

Chairman Norton said, "Okay, I don't see any other questions I would entertain a motion to receive and file."

MOTION

Commissioner Peterjohn moved to receive and file.

Commissioner Skelton seconded the motion.

There was no discussion on the motion, the vote was called.

VOTE

<i>Commissioner Unruh</i>	<i>Aye</i>
<i>Commissioner Peterjohn</i>	<i>Aye</i>
<i>Commissioner Ranzau</i>	<i>Absent</i>

Commissioner Skelton *Aye*
Chairman Norton *Aye*

Chairman Norton said, "Next item. Thank you, Troy."

Mr. Bruun said, "Thank you, Commissioners."

M [12-0325](#)

QUARTERLY INTRUST BANK ARENA REPORT.
Presented by: Ron Holt, Assistant County Manager.

RECOMMENDED ACTION: Receive and file.

VISUAL PRESENTATION

Mr. Ron Holt, Assistant County Manager, greeted the Commissioners and said, "I'll try to, I have a number of slides here, but I'll try to click through them pretty quickly and make this a fairly quick report. I want to also mention that A.J. Boleski, SMG's Intrust Bank Arena General Manager's here with us and also wanted to give special thanks to Becky Eby who has over the past year helped me put this report together each month, each quarter and even though she's gone onto bigger and better things within the county, she worked to help me put this report that you're seeing today together as well.

"Again, the discussion points are the same. The quarterly report outline is the same. These next three pages are listing of the events and performances that have occurred since January during this first quarter. Gross ticket sales, the average ticket cost and we get down to the bottom line here, is that we've had 29 events, 39 performances this year with an average attendance per performance of 4,694. You see that the overall attendance, 183,047. 161,032 tickets sold, for \$3,695,026 in dollars at an average cost per ticket of \$22.95.

"First quarter 2012 over first quarter 2011, you see that we had eight performances more this first quarter with the attendance up 43,059, tickets sold up 40,139, \$1,647,788 more in gross ticket sales this quarter, first quarter this year than last year. The average ticket price was up \$6.02. And you'll see the asterisk there that says that the Winter Jam is an at-the-door donation so ticket costs there are not included in these numbers.

"Again, the year-to-date in March, since we are in the first quarter, is the same as the last slide. You see that the net employee benefits for the first quarter, wages and benefits, \$669,999. Full time employees have been between 38-40, part time employees between 371-395. That number year-to-date is the same as the first quarter because we're in this first quarter.

"Total number of community groups volunteering in concession stands, this first quarter 75. They were paid \$181,632. Spending with Sedgwick County and/or Kansas companies, \$621,502. There have been five area presentations or tours and five local events or activities. Again, this slide mirrors the last one because it's first quarter and year-to-date March.

"Just clicking though, and I won't spend any time on these, I just wanted to say that you see that Intrust Bank Arena is actively involved in the community in a number of different ways, mainly, or heavily into ticket donations but also in other kinds of ways in supporting varies kinds of organizations in the community.

"Now getting to the real numbers that you probably are most interested in, is the first quarter financial summary. Again, going straight to the bottom line, looking at that quarterly total of number of performances, here you see 44. That's because in this slide we include the five 'other', so on the earlier slide we talked about 39, now we're talking about 44 because of the five other events. The gross building income for the quarter was \$1,604,525, other operating income \$377,014, for a total gross building

income of \$1,981,539 expenses. Building operating expenses, \$1,180,704, so the net building income for the first quarter, \$800,835.

"When you compare that to the first quarter last year, you see that we have 11 more performances including the 'other', six more 'other' events and a gross building income difference up of \$601,486. So, we're not where we were in 2010, we're certainly, from being at the plus number we're not where we were in 2011. Been at the negative number, we're now selling out here and we have a very solid performance this first quarter 2012.

"Again, these numbers just compare each of these line items, I won't spend time on that. Any of those, you can see what they are, and again, this is the year-to-date March, which mirrors the first quarter where the net building income is \$800,835. The parking and [Wichita] Transit services numbers are there.

Mr. Holt continued, "We're still in the positive for parking, we're still in the positive for Q-Line ridership and getting now to the Arena Sales Tax Reserves.

"At the end of March, we had \$11,178,836 in the O&M reserve. You'll see that the net revenue expenditures there total negative \$500[,000], or we overspent, not overspent, we spent more than we took in by \$558,541 for those item that we know are built in to our agreement with SMG, as well as you see the Coleman, finishing up the Coleman site project there, as well as the Kansas Pavilions. You see the upcoming events on this slide. We don't, since we worked on this report, Carrie Underwood and Van Halen has been announced. And those are the upcoming events. That's the end of that report, I'd be happy to answer any questions that you might have."

Chairman Norton said, "I don't...I see one light. Commissioner Peterjohn."

Commissioner Peterjohn said, "Thank you, Mr. Chairman. Ron, on slide 29, where you were talking about expenditures out of the O&M reserves. We've got a \$250,000 for capital improvements, but then we also have an additional expenditure for building repairs. Why weren't the repairs covered out of the capital improvements?"

Mr. Holt said, "In our agreement, thank you, Commissioner, in our agreement with SMG we have an item that calls for each year, we will take a look, they will request, the SMG Intrust Bank Arena management will request a capital improvements budget. We will approve that, we've done that up to the \$250,000. But in addition to that, we also have a clause that says we will take care of any emergency repairs. And that 'building repairs' there of \$10,462 had to do with an emergency repair item that came through, it had been worked on over time, it came through in February, had to do with a boiler repair that was not covered by warranty."

Commissioner Peterjohn said, "Thank you."

Chairman Norton said, "Okay, anything else of Ron? Well, since A.J.'s here, we'd give him an opportunity to talk about the first quarter. I think, as I talked to you the other day and a couple of days I was there you were pretty pleased with the first quarter and there's some things that are looking up for the rest of the year too."

Mr. A.J. Boleski, General Manager, Intrust Bank Arena, greeted the Commissioners and said, "It's been a great first quarter and we have the public to thank for all the support of the shows, but we finished, if you guys haven't heard, Pollstar does the

rankings every quarter. And we finished through the first quarter number 19 in the United States (U.S.) and number 43 in the world. So, we were very happy with those numbers through first quarter. We want to stay within the top 25 in the U.S., our goal for this year. But first lap around the track we're on pace. So, it's been a great first quarter, we've had, as Ron mentioned, two huge concert announcements in the past couple of weeks with Carrie Underwood and Van Halen and we're expecting another announcement here in the next couple of days."

Mr. William P. Buchanan, County Manager, said, "Who's that?"

Mr. Boleski said, "I knew you would ask, I'll leave you a little intrigued. But, we expect that coming up and it's going to look like a good fall. So we'll slow down a little bit in the summer, like our industry does, but the fall's looking very well, looking very good as well and spring has been pretty solid.

"We've had over 13,000 people in the building at least three times with Winter Jam, and George Straight, and a sold out Jason Aldean concert, also welcomed our one millionth guest through the doors at the Jason Aldean show. And then we had a great Tom Petty show just last week, which should lead, obviously already has to more rock shows with the announcement of Van Halen. So, great first quarter and looking like a good year."

Chairman Norton said, "Well, we couldn't be more pleased with that. Commissioner Peterjohn."

Commissioner Peterjohn said, "Mr. Chairman, I'm going to make a motion we receive and file Mr. Holt's report. But I also wanted to congratulate A.J because we had a great season even though the [Wichita] Thunder didn't go quite as far as I was hoping that they were going to get to, it was still a fantastic year and I think they did extremely well. And I think that shows up in some of these numbers and I think that's one heck of a tease you just gave us."

MOTION

Commissioner Peterjohn moved to receive and file.

Commissioner Skelton seconded the motion.

Mr. Boleski said, "If I could also comment real quick on the, you brought up a great point with the Thunder. We ended up playing nine additional playoff games this year that we hadn't counted on, so again, a great season. Not only that, but also great playoffs. Could have ended a little bit better, but I mean, I think everybody was pretty happy with how it turned out. And a lot to build on going into next season, but new ownership has done great things for the attendance and for the enthusiasm about the team and it was a good season."

Chairman Norton said, "Okay. Thank you. I do have a motion on the floor, and at this point, if there's no other discussion, please call the vote."

VOTE

*Commissioner Unruh Aye
Commissioner Peterjohn Aye*

Commissioner Ranzau Absent
Commissioner Skelton Aye
Chairman Norton Aye

Chairman Norton said, "Next item."

N [12-0329](#)

APPROVAL OF AN AGREEMENT BETWEEN THE BOARD OF COUNTY COMMISSIONERS AND NEWMAN UNIVERSITY FOR USE OF A PORTION OF SEDGWICK COUNTY PARK FOR THE PURPOSE OF SPONSORING AND HOSTING THE "WICHITA GLADIATOR DASH" EVENT.

Presented by: Ron Holt, Assistant County Manager.

RECOMMENDED ACTION: Approve the agreement and authorize the Chairman to sign.

Mr. Holt said, "This agreement allows Newman University exclusive use of a portion of Sedgwick County Park for the purpose of sponsoring and holding the Wichita Gladiator Dash event and related activities on Saturday June 9th. Proceeds from this event will be distributed proportionately between Newman University and for their scholarship fund in the Child Advocate Center. This event will require controlled access to certain portions of county roadways, such this agreement, or by this agreement the county grants Newman University, as necessary for this event, controlled access to Lake Shore Drive, a roadway controlled and maintained by the county. They will coordinate, as we do, with all of these with the Sheriff's office on traffic control. They have provided a Certificate of Insurance, approved by the County Counselor's office. Commissioners, I would recommend you approve the agreement and authorize the Chairman to sign."

MOTION

Commissioner Skelton moved to approve the agreement and authorize the Chairman to sign.

Chairman Norton seconded the motion.

There was no discussion on the motion, the vote was called.

VOTE

Commissioner Unruh Aye
Commissioner Peterjohn Aye
Commissioner Ranzau Absent
Commissioner Skelton Aye
Chairman Norton Aye

Mr. Holt said, "Thank you."

Chairman Norton said, "Thank you, Ron. Next item."

O [12-0360](#)

REPORT OF THE BOARD OF BIDS AND CONTRACTS' REGULAR MEETING ON
MAY 3, 2012.

Presented by: Joe Thomas, Acting Director, Purchasing Department.

RECOMMENDED ACTION: Approve the recommendations of the Board of Bids and
Contracts.

*Mr. Joe Thomas, Acting Director, Purchasing Department, greeted the Commissioners
and said, "The meeting of the Board of Bids and Contracts of May 3rd results in six
items for consideration. Item 1;*

1. CQS-1F EMULSIFIED OIL -PUBLIC WORKS
FUNDING -R175 PREVENTIVE MAINTENANCE -SELECTED RDS.

*"The recommendation is to accept the bid from Ergon Asphalt & Emulsions, Inc. for
an initial purchase of \$25,850.00 and establish contract pricing for one year with two
one-year options to renew. Item 2;*

2. MS-1 EMULSIFIED OIL -PUBLIC WORKS
FUNDING -R175 PREVENTIVE MAINTENANCE -SELECTED RDS.

*"The recommendation is to accept the bid from Ergon Asphalt & Emulsions, Inc. for
an initial purchase of \$707,550.00 and establish contract pricing for one year with two
one-year options to renew. Item 3;*

3. CITY SURFACE MIX -PUBLIC WORKS
FUNDING -R175 PREVENTIVE MAINTENANCE -SELECTED RDS.

*"The recommendation is to accept the low bid from Cornejo & Sons, LLC for an initial
purchase of \$93,500.00 and establish contract pricing for one year with two one-year
options to renew. Item 4;*

4. MICROPRISMATIC LENS RETRO REFLECTIVE SIGN SHEETING -
PUBLIC WORKS
FUNDING -R331 TRAFFIC CONTROL MAINTENANCE &
CONSTRUCTION

*"The recommendation is to accept the low bid from Osburn Associates, Inc. for an
initial purchase of \$12,881.00 and establish contract pricing for one year with two
one-year options to renew. Item 5;*

5. TRAFFIC SIGN BLANKS -PUBLIC WORKS
FUNDING -R331 TRAFFIC CONTROL MAINTENANCE &
CONSTRUCTION

*"The recommendation is to accept the low bid from Vulcan Aluminum for an initial
purchase of \$5,178.00 and establish contract pricing for one year with two one-year
options to renew. And finally, Item 6;*

6. TELESCOPING STEEL SIGN POST SYSTEM -PUBLIC WORKS
FUNDING -R331 TRAFFIC CONTROL MAINTENANCE &
CONSTRUCTION

"The recommendation is to accept the bid from J&A Traffic Products for an initial purchase of \$4,914.50 and establish contract pricing for one year with two one-year options to renew.

"I'll be happy to answer any questions and recommend approval of these items."

Chairman Norton said, "Thanks, Joe. You've heard the report of the Board of Bids and Contracts. What's the will of the Board?"

MOTION

Commissioner Unruh moved to approve the recommendations of the Board of Bids and Contracts.

Commissioner Skelton seconded the motion.

There was no discussion on the motion, the vote was called.

VOTE

<i>Commissioner Unruh</i>	<i>Aye</i>
<i>Commissioner Peterjohn</i>	<i>Aye</i>
<i>Commissioner Ranzau</i>	<i>Absent</i>
<i>Commissioner Skelton</i>	<i>Aye</i>
<i>Chairman Norton</i>	<i>Aye</i>

Mr. Thomas said, "Thank you."

Chairman Norton said, "Thank you, Joe. Madam Clerk, next item."

CONSENT

- P** [12-0262](#) Implement an administrative fee for employees with wage garnishments.
- Q** [12-0265](#) Elimination of Vacant Staff Position 20001069 and Transfer of Staff Position 20004138.
- R** [12-0310](#) Approval of an Agreement Between Sedgwick County and the Young Men's Christian Association (YMCA) of Wichita, Kansas, Inc for Controlled Access to Certain County Roadways for the Purpose of Sponsoring a Triathlon on Sunday, June 3, 2012.
- S** **12-0312** Memorial Donation to the Suicide Prevention Coalition.
- T** [12-0328](#) Cereal Malt Beverage License Application for the Gladiator Dash Event Located at 6511 W. 21st Street , Wichita, Kansas 67213, Sedgwick County Park.
- U** [12-0330](#) An employment agreement with Dr. Timothy Gorrill to provide Forensic Pathology Services.

- V [12-0331](#) One (1) Temporary Construction Easement on Sedgwick County Project 616-2-1370; 13th Street West between 375th & 391st Streets West. District 3.

- W [12-0332](#) One (1) Temporary Construction Easement on Sedgwick County Project 644-23-4033; 103rd Street South between Hoover and West Street. District 2.

- X [12-0333](#) One (1) Dedication Deed for Sedgwick County Drainage Project 826-V; south of 47th Street South near Clifton. D-20. District 5.

- Y [12-0343](#) Set for public hearing on May 30, 2012, one exclusion petition for the alteration of boundaries of the Sedgwick County Fire District Number One and authorize the publication of a Notice of Public Hearing in the official County newspaper on May 14, 2012 pursuant to K.S.A. 19-3604(b) and K.S.A. 19-270(b).

- Z [12-0320](#) Transfer of Staff Position 20003072 Senior Center Coordinator.

- AA 12-0309 Order dated 4/20/12 to correct tax roll for change of assessment.

- AB 12-0342 Order dated 04/26/2012 to correct tax roll for change of assessment.

- AC [11-1295](#) General Bill Check Register.

- AD [11-1294](#) General Bill Check Register.

- AE [11-1255](#) Payroll Check Register.

Mr. Buchanan said, "Commissioners, you have the Consent Agenda before you and I would recommend you approve it."

MOTION

Commissioner Unruh moved to approve the Consent Agenda.

Commissioner Skelton seconded the motion.

There was no discussion on the motion, the vote was called.

VOTE

<i>Commissioner Unruh</i>	<i>Aye</i>
<i>Commissioner Peterjohn</i>	<i>Aye</i>
<i>Commissioner Ranzau</i>	<i>Absent</i>
<i>Commissioner Skelton</i>	<i>Aye</i>
<i>Chairman Norton</i>	<i>Aye</i>

Chairman Norton said, "We're now to that point of 'other'. Is there anything else to come before us today? Commissioner Peterjohn."

OTHER

Commissioner Peterjohn said, "Thank you, Mr. Chairman. I would like to provide my weekly update and where we are with the number of folks who are in the Sheriff's custody in the Sedgwick County Jail. This morning it was 1,488, and of those people 1,100 exactly were in the main jail facility, there were 118 in Work Release, and out of county there were 270. The Sheriff classified them, for security reasons, broken down to 533 in maximum security; 581 in medium security; and minimum security, 323. These numbers haven't changed much, but they seem to, they've leveled off and seem to be, the decreases we have seen don't seem to be occurring. And these numbers seem to be fairly flat or creeping, very gradually creeping, upward a little bit. So, while we're out of the woods, I think, in terms of immediate jail detention policy at the moment, I think this continues to be a challenge and particularly for those of us who are involved with the CJCC (Criminal Justice Coordinating Council). That's all I have this morning, or this afternoon, thank you."

Chairman Norton said, "Okay. At this point, I see no other lights, I understand we need an Executive Session so I would entertain a motion."

MOTION

Commissioner Skelton moved that the Board of County Commissioners recess into Executive Session for five minutes to consider consultation with legal counsel on matters privileged in the attorney-client relationship relating to pending claims and litigation and legal advice; and that the Board of County Commissioners return to this room from Executive Session no sooner than 1:54 p.m.

Commissioner Unruh seconded the motion.

There was no discussion on the motion, the vote was called.

VOTE

<i>Commissioner Unruh</i>	<i>Aye</i>
<i>Commissioner Peterjohn</i>	<i>Aye</i>
<i>Commissioner Ranzau</i>	<i>Absent</i>
<i>Commissioner Skelton</i>	<i>Aye</i>
<i>Chairman Norton</i>	<i>Aye</i>

Chairman Norton said, "We are now recessed into Executive Session."

The Board of County Commissioners recessed into Executive Session at 1:48 p.m. and returned at 1:59 p.m.

EXECUTIVE SESSION

Chairman Norton said, "We're back from our Executive Session. According to state statute, there was no binding action taken while we were in Executive Session. But we do have some business to take care of, so Counselor."

Mr. Richard Euson, County Counselor, greeted the Commissioners and said, "While in Executive Session we discussed a claim involving a Dereck Daigneanlt and for that claim we would ask that you settle that in the amount of \$15,000."

Chairman Norton said, "I would entertain a motion."

MOTION

Commissioner Skelton moved to settle claim with Dereck Daigneanlt in the amount of \$15,000.

Commissioner Peterjohn seconded the motion.

There was no discussion on the motion, the vote was called.

VOTE

<i>Commissioner Unruh</i>	<i>Aye</i>
<i>Commissioner Peterjohn</i>	<i>Aye</i>
<i>Commissioner Ranzau</i>	<i>Absent</i>
<i>Commissioner Skelton</i>	<i>Aye</i>
<i>Chairman Norton</i>	<i>Aye</i>

Mr. Euson said, "Thank you, Commissioners."

Chairman Norton said, "Anything else to come before us, Mr. Counselor?"

Mr. Euson said, "No, sir."

Chairman Norton said, "Mr. Manager?"

Mr. Buchanan said, "No, sir."

Chairman Norton said, "Then we're adjourned."

ADJOURNMENT

There being no other business to come before the Board, the Meeting was adjourned at 2:00 p.m.

BOARD OF COUNTY COMMISSIONERS OF
SEDGWICK COUNTY, KANSAS

*TIM R. NORTON, Chairman
Second District*

*DAVID M. UNRUH, Commissioner
First District*

*KARL PETERJOHN, Commissioner
Third District*

*RICHARD RANZAU, Commissioner
Fourth District*

JAMES B. SKELTON, Commissioner
Fifth District

ATTEST:

Kelly B. Arnold, County Clerk

APPROVED:
