



STAFF REPORT

DATE: 12/30/25

TO: City Council

FROM: Ted Henry, City Manager

SUB: Authorizing Resolution for Public Works Facility

SUMMARY

The City of Bel Aire operates under Kansas's Cash Basis Laws, which require that no debts exceed available cash or budgeted funds. An authorizing resolution under these laws enables municipalities to take specific financial actions, such as issuing bonds, entering lease-purchase agreements, utilizing temporary notes, or securing grants, while ensuring compliance with financial regulations.

Typically, we issue an authorizing resolution in conjunction with bonds issued to fund large projects. However, this is not the case for our new public works facility. As you know, in April 2023, the City of Bel Aire was awarded a BASE Grant to support improvements at Sunflower Commerce Park. Shortly after the grant application was submitted, Integra Technologies announced its planned expansion in Bel Aire. This project is contingent on Integra receiving a federal "CHIPS Act" grant aimed at reshoring the semiconductor supply chain to the United States. The status of the CHIPS Act grant and Integra's expansion remains uncertain.

Given this uncertainty and the timeline for utilizing BASE Grant funds, city staff determined that the use of our grant funding should be revised. The Kansas Department of Commerce approved the building of a new utilities and public works facility as the revised project. This facility will enhance the reliability and service capabilities of critical infrastructure, supporting the area and economic development within Sunflower Commerce Park. Key improvements include an equipment storage facility, additional administrative space, and upgraded cybersecurity measures.

With grant deadlines approaching, the city has taken key steps to ensure the project's progress. These steps include hiring an owner's representative and architect, completing architectural and engineering designs, and conducting a bidding process to secure contractors.

The authorizing resolution before you tonight establishes a maximum amount the city is authorized to spend on the project. Current estimates are based on the bids for construction and other expenses. These Staff will continue to refine the budget as the project advances.

DISCUSSION

Current estimates are based on the following:

	Construction	\$	6,438,300	
	A&E (6.5%)	\$	418,490	
	OR (4%)	\$	257,532	
	Equipment	\$	500,000	
	Other	\$	150,000	
	Total	\$	7,764,322	

The City of Bel Aire was awarded \$4,716,225 in grant proceeds, requiring a \$1,572,075 match from the City. This leaves an additional \$1,476,022 to be funded, bringing the total City contribution to \$3,048,097. These are preliminary estimates, and we should discuss potential sources of funding for our portion of the project.

This project supports both our public utilities and economic development efforts. We have three primary reserves that address these areas: the Water, Sewer, and Land Funds. The largest reserve account to consider is the Land Fund, which has accumulated over \$6,000,000 from land sales and interest in recent years. The Water Reserve account is projected to end FY25 with \$1,873,153, and the Sewer Reserve account is projected to end FY25 with \$3,055,307.

Looking ahead, the City's water and sewer needs are expected to grow significantly over the next five years. On the sewer side, we are currently expanding our sewer treatment plant. On the water side, two significant risks are anticipated: the need for a future water tower and potential short-term impacts from water restrictions.

Timing is another critical factor. The grant funds of \$4,716,225 and the City's match of \$1,572,075 must be expended by July 1, 2025. While I am working with the Department of Commerce to request an extension, even with additional time, the timeline will remain tight. The remaining \$1,476,022 serves as a helpful buffer to complete the project without being tied to a strict deadline.

I understand this is a substantial amount of information, but staff and I will be available to answer questions and provide further insight at the council meeting. This decision does not impact the authorizing resolution being considered tonight but serves as an opportunity to present relevant information.

RECOMMENDATION:

Staff recommends approving the authorizing resolution as presented.