

MANAGERS REPORT



DATE: April 2, 2024
TO: Mayor Benage and City Council
FROM: Ted Henry, Assistant City Manager
RE: March 28, 2024 Agenda

Consent Agenda (Item VI)

In addition to the Minutes of the March 19, 2024 City Council meeting, the Consent Agenda also contains an action to accept and file a Termination and Release of Real Estate Exchange Agreement between the Bel Aire Public Building Commission (PBC) and Willowrock Properties, LLC.

In 2011, the PBC owned the northeast corner of 53rd and Webb which is in Phase 2 of the Sunflower Commerce Park. At that time, there was no development north of 53rd and the land was being farmed. Kevin Arnel (DBA Willowrock Properties, LLC) owned the 80 acres where Deer Run is now being developed. Utilities were at the Arnel property and the area was prime for residential development. Development of the parcel in Phase 2 of the Sunflower Commerce Park is just now seeing interest. In order to utilize the public infrastructure in 2011, the PBC traded Arnel the 80 acres at Webb & 53rd for the parcel now privately owned and being developed as Deer Run. There is a developer now interested in purchasing the Willowrock Properties parcel and would like the Real Estate Exchange Agreement between the PBC and Willowrock removed from the deed. The PBC will meet shortly before the City Council meeting to consider this document. If the PBC approves the document, the only action requested of the City Council is to accept and file the document.

Appropriations Ordinance (Item VII)

This appropriations ordinance encompasses 03/12/2024 through 03/26/2024 expenses and two payroll cycles. Expenditure amounted to \$1,040,810.35. Of the reported expenses, \$339,306.44 are infrastructure costs for new developments. These costs are paid through special assessments.

City Requested Appearances (Item VIII)

There are three items under City Requested Appearances. First, I will take the Oath of Office for my new role as City Manager. Then, the Mayor would like to recognize Gary Northwall, who has recently ended his long-time service on the Tree Board. Finally, he would like to recognize Tristin Terhune, Director of Human Resources and Communications, who has recently accepted a new position with the City of Maize.

Public Hearing for IRB Issuance, Waltons 53rd Holdings, LLC (Item XI)

At the March 19th meeting, the Council approved a Letter of Intent to issue Taxable Industrial Revenue Bonds for Waltons 53rd Holdings LLC. A Notice of Public Hearing was published in the City's official newspaper of record and Notice was mailed to local taxing entities (Circle School District and the Sedgwick County Clerk), per State statute requirements. Now, the Council will conduct the public hearing. The purpose of the public hearing is to hear from taxpayers, citizens, and other stakeholders regarding the proposed issuance of the bonds. Later in the meeting, the Council will consider the Resolution of Intent to issue the bonds.

IRB Resolution, Waltons 53rd Holdings, LLC (Item A)

A related Public Hearing will be held directly before this item. If the Resolution is approved, the bonds will be used to pay the costs of acquiring, equipping and constructing a 100,000-square-foot commercial facility. The City further intends to lease the facility to Waltons 53rd Holdings LLC (the "Tenant"). The company provides equipment and supplies for meat processing. The facility would be located on Lot 8, Block C of the Sunflower Commerce Park Addition (just south of 53rd Street, between Webb Road and Greenwich Road).

LOI to Issue IRB's & Notice of Hearing, Aspen Funds, LLC (Items B & C)

Aspen Funds LLC is planning to develop a speculative building project on 75 acres located at the northeast corner of 53rd Street and Webb Road in the City of Bel Aire. The proposal involves an investment of \$105 million to finance the construction of five buildings, covering a total of 912,925 square feet. This development is expected to generate approximately 609 jobs with an average salary of \$44,000. The project is slated to begin with the construction of Building 1, estimated to cost \$23 million, with market demand assessments guiding the timeline for the remaining buildings. The completion of all five buildings is anticipated by the end of the fourth quarter of 2034.

To support this initiative, Aspen Funds has applied for Industrial Revenue Bonds (IRBs), seeking property tax abatement and sales tax exemptions. An agreement has been finalized for a 100% property tax exemption for the first five years and a

75% exemption for the subsequent five years, in addition to a 1% origination fee, capped at \$100,000.

Two cost-benefit analyses conducted by the Wichita State University Center for Economic Development and Business Research have yielded favorable outcomes, with ratios of 1.34 for Building 1 and 1.38 for all five buildings, demonstrating that public benefits surpass costs. Based on these positive findings and the anticipated community benefits, city staff recommends scheduling a public hearing on April 16, 2024, to further discuss and consider the proposal. The Developer will be at the meeting to explain the project. Kevin Cowan and staff will be available for questions.

Amended PUD, Tierra Verde South Addition (Item D)

The Ordinance adopting this Amended Planned Unit Development (PUD) was approved by City Council in February. Now the Developer is ready to sign the Agreement included in your packet. The agreement outlines the responsibilities of the Developer and City during and after construction of the development. Staff recommends Council approve the agreement.

Traffic signal at 45th and Woodlawn (Item E)

The traffic signal at 45th and Woodlawn is currently flashing red in all four directions. Council members and citizens have expressed the desire to turn this into a fully functioning signal. Staff reached out to Pearson to determine what is needed to fully activate the traffic signal at 45th and Woodlawn. Pearson questioned whether we wanted the signal on pre-timed cycles, or permanently stripe the intersection and utilize detection to determine when to change the signal. Any permanent striping south of the intersection will likely need to be removed or blacked out when the reconstruction of Woodlawn begins. At the time of this report, we are still waiting on costs from Pearson, but they are estimated to be under \$5,000.

Urgent Sewer Pipe Repair, Odessa Street (Item F)

Late last week, Public Works was called out for a sewer backup and could not resolve the problem. Mayer Specialty was called out for an emergency to clean and televise the line. The 8" clay pipe was determined to be full of roots and have several misaligned joints of pipe causing the sewer to hold water and material causing it not to drain properly. This 140-foot sewer line was installed around 1952 and staff feels needs to be replaced immediately. Marty is here to answer any questions.

Executive Session (Item XIII)

Staff has no need for an executive session.

Discussion And Future Issues: Workshop April 9th (Item XIV)

The next City Council workshop will be held on April 9th at 6:30 p.m.