

**EDGERTON CITY COUNCIL
MEETING AGENDA
CITY HALL, 404 EAST NELSON STREET
March 24, 2016**

Call to Order

1. **Roll Call** ____ Roberts ____ Longanecker ____ Crooks ____ Troutner ____ Brown ____ Crist
2. **Welcome**
3. **Pledge of Allegiance**

Consent Agenda *(Consent Agenda items will be acted upon by one motion unless a Council member requests an item be removed for discussion and separate action)*

4. Agenda Approval
5. Approve City Council Meeting Minutes March 10, 2016

Regular Agenda

6. **Public Comments.** Persons who wish to address the City Council regarding items not on the agenda and that are under the jurisdiction of the City Council may do so when called upon by the Mayor. Comments on personnel matters and matters pending before court or other outside tribunals are not permitted. Please notify the City Clerk before the meeting if you wish to speak. Speakers are limited to three (3) minutes. Any presentation is for informational purposes only. No action will be taken.
7. **Declaration.** At this time Council members may declare any conflict or communication they have had that might influence their ability to impartially consider today's issues.

Business Requiring Action

8. **PUBLIC HEARING REGARDING RESOLUTION NO. 03-24-16A CONSENTING TO THE PARTIAL ASSIGNMENT OF A RESOLUTION OF INTENT FROM EDGERTON LAND HOLDING COMPANY, LLC TO ELHC XXXII, LLC, OR ITS SUCCESSORS IN INTEREST**
9. **CONSIDER RESOLUTION NO. 03-24-16A CONSENTING TO THE PARTIAL ASSIGNMENT OF A RESOLUTION OF INTENT FROM EDGERTON LAND HOLDING COMPANY, LLC TO ELHC XXXII, LLC, OR ITS SUCCESSORS IN INTEREST**

Motion: _____ Second: _____ Vote: _____

10. **PUBLIC HEARING REGARDING RESOLUTION NO. 03-24-16B RESOLUTION CONSENTING TO THE PARTIAL ASSIGNMENT OF A RESOLUTION OF INTENT FROM EDGERTON LAND HOLDING COMPANY, LLC TO ELHC XXXIII, LLC, OR ITS SUCCESSORS IN INTEREST**
11. **CONSIDER RESOLUTION NO. 03-24-16B RESOLUTION CONSENTING TO THE PARTIAL ASSIGNMENT OF A RESOLUTION OF INTENT FROM EDGERTON LAND HOLDING COMPANY, LLC TO ELHC XXXIII, LLC, OR ITS SUCCESSORS IN INTEREST**

Motion: _____ Second: _____ Vote: _____

12. **CONSIDER ORDINANCE NO. 1012 AUTHORIZING THE CITY OF EDGERTON, KANSAS, TO ISSUE INDUSTRIAL REVENUE BONDS (ELHC V, LLC PROJECT) SERIES 2016, IN AN AGGREGATE MAXIMUM PRINCIPAL AMOUNT NOT TO EXCEED \$31,500,000, FOR THE PURPOSE OF PROVIDING FUNDS TO PAY THE COST OF ACQUIRING, PURCHASING, CONSTRUCTING, INSTALLING AND EQUIPPING A COMMERCIAL PROJECT, CONSISTING OF A WAREHOUSE AND DISTRIBUTION FACILITY, INCLUDING LAND, BUILDINGS, STRUCTURES, IMPROVEMENTS, FIXTURES, MACHINERY AND EQUIPMENT; AUTHORIZING THE CITY TO ENTER INTO A TRUST INDENTURE WITH UMB BANK, N.A., AS TRUSTEE; AUTHORIZING THE CITY TO ENTER INTO A LEASE AGREEMENT WITH ELHC V, LLC; AUTHORIZING THE CITY TO ENTER INTO A BOND PURCHASE AGREEMENT IN CONNECTION WITH THE BONDS, AND AUTHORIZING AND APPROVING THE EXECUTION OF CERTAIN DOCUMENTS AND THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF THE BONDS.**

Motion: _____ Second: _____ Vote: _____

13. **CONSIDER CORPORATE INSURANCE POLICY FOR APRIL 1, 2016 TO MARCH 31, 2017**

Motion: _____ Second: _____ Vote: _____

14. **Report by the City Administrator**

15. **Report by the Mayor**

16. **Future Meeting/Event Reminders:**

- April 12th 7:00 PM – Planning Commission Meeting
- April 14th 7:00 PM – City Council Meeting
- April 20th Noon – Senior Lunch
- April 28th 7:00 PM – City Council Meeting

17. **CONSIDER RECESSING INTO EXECUTIVE SESSION PURSUANT TO K.S.A. 75-4319 (b) (2) CONSULTATION WITH AN ATTORNEY DEEMED PRIVILEGED IN THE ATTORNEY-CLIENT RELATIONSHIP**

Motion: _____ Second: _____ Vote: _____

RECONVENE INTO OPEN SESSION

18. **CONSIDER RECESSING INTO EXECUTIVE SESSION PURSUANT TO K.S.A. 75-4319 (b) (1) PERSONNEL MATTERS OF NONELECTED PERSONNEL**

Motion: _____ Second: _____ Vote: _____

RECONVENE INTO OPEN SESSION

19. **Adjourn** Motion: _____ Second: _____ Vote: _____

**City of Edgerton, Kansas
Minutes of City Council Regular Session
March 10, 2016**

A Regular Session of the City Council was held in the Edgerton City Hall, 404 E. Nelson, Edgerton, Kansas on March 10, 2016. The meeting convened at 7:00 p.m. with Mayor Roberts presiding, and City Clerk Janeice L. Rawles recording.

1. ROLL CALL

Charlie Troutner	present
Clay Longanecker	present
Darius Crist	present
Jody Brown	present

Cindy Crooks	absent
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With a quorum present, the meeting commenced.

Staff in attendance:	City Administrator Beth Linn
	Community Development Director Kenny Cook
	Johnson County Sheriff Department Representative

2. WELCOME

3. PLEDGE OF ALLEGIANCE

CONSENT AGENDA

MEETING AGENDA

4. Proposed agenda was considered.

MEETING MINUTES

5. Meeting Minutes of February 25, 2016 were considered.

Motion by Brown, seconded by Crist, to approve the Consent Agenda.

Motion was approved, 4-0.

6. PUBLIC COMMENTS

Michael Sleister, 400 First Street, appeared to speak to the Council in regards to dogs. He spoke about rescue dogs and shared a letter. He stated it is his desire to be grandfathered in, adding there are no other breeders in town.

Mr. Cook addressed the code and Mr. Sleister vocalized his disagreement. He noted his dogs have changed the life of children and adults as used for therapy.

Mayor Roberts indicated potential of bringing the matter back before the Council.

Mr. Sleister stated he could bring in some people with his dogs to a future meeting and noted his attorney suggested he work with the City to resolve the issue.

Mr. Sleister also spoke about the fees.

Mayor Roberts explained the ordinance passed on December 10, 2015 regarding new fees.

Mr. Sleister questioned who would be inspecting the breeder kennels. Mr. Cook noted it would be the Animal Control Officer. Mr. Sleister debated his inspection qualifications.

7. DECLARATION

Councilmember Troutner stated he would excuse himself for the discussion and decision of the replacement roof for the Edgerton Community Museum.

DONATION REQUEST

8. DONATION REQUEST FROM RELAY FOR LIFE WAS CONSIDERED

Rita Jones addressed the Council regarding this event scheduled for Friday, July 8, 2016. She spoke about the research and noted past donations have worked toward a decline in cancer cases. She provided contact information for the American Cancer Society and spoke about the Hope Lodge in Kansas City. She requested a donation for \$500.00 from the City for this event.

Motion by Brown, seconded by Troutner, to approve the donation of \$500.00 for the Relay for Life event.

Motion was approved, 4-0.

BUSINESS REQUIRING ACTION

CAPITAL IMPROVEMENT PROGRAM

9. THE 2016 MULTI-YEAR CAPITAL IMPROVEMENT PROGRAM (CIP) WAS CONSIDERED.

City Administrator Beth Linn overviewed the program which is prioritized from discussions at the November 19, 2015 Work Session.

The Council was informed of the update of the costs and funding for Manor Park Improvements, noting the additional funds will come from the general fund. The Council was informed the project is delayed while waiting on equipment from vendors.

It was also noted the 207th Street Grade Separation project was added in order to be eligible for the Mid-America Regional Council call for projects.

Ms. Linn stated staff desires to discuss the CIP during the annual budget process.

Motion by Brown, seconded by Longanecker, to approve the 2016 Multi-Year Improvement Program.

Motion was approved, 4-0.

PROJECTS - STREETS

- 10. AN AGREEMENT AMONG JOHNSON COUNTY, KANSAS, CITY OF EDGERTON, KANSAS AND JOHNSON COUNTY, KANSAS FOR PUBLIC IMPROVEMENT OF SUNFLOWER ROAD FROM 215th STREET TO NELSON STREET WAS CONSIDERED.**

City Administrator Beth Linn overviewed the project indicating it was originally approved in July, 2014 as part of the Council Assistance Road System (CARS) program for 2012-2016. The Council was informed the County would be administering the project and would bid and let the project with its overlay project for 2016. It was noted the cost for the City is \$45,000, which was included in the 2016 budget under the Special Highway Fund.

Motion by Longanecker, seconded by Crist, to approve the agreement with Johnson County, Kansas, City of Edgerton, and Johnson County Kansas for the improvement of Sunflower Road, 215th Street to Nelson Street, pending any changes from the City Attorney.

Motion was approved, 4-0.

PROJECTS - STREETS

- 11. A RECOMMENDATION OF ENGINEER TO AWARD CONSTRUCTION OF MONTROSE STREET, PHASE II TO EMERY SAPP & SONS AND AUTHORIZE THE MAYOR TO EXECUTE THE CONTRACT WAS CONSIDERED.**

Ms. Linn overviewed the history of this project (in the vicinity of 196th and Waverly) which includes the construction of a 30-foot wide concrete roadway with associated storm sewer, sidewalk, and other related improvements and added this future roadway will begin near the southeast corner of Kubota and will continue south along the east side of Inland Port XIV turning to the west to connect to Waverly Road.

Ms. Linn noted the City received four (4) bids at the March 9, 2016 bid opening. The City Engineer reviewed bids received, provided tabulation and recommended Emery Sapp & Sons as the lowest and best bidder at \$1,389,364.22. It was also noted the City will award the construction contingent on the concurrence of the award and final approval of the Economic Development from the Kansas Department of Transportation.

Motion by Troutner, seconded by Crist, to approve the construction contract to Emery Sapp & Sons for Montrose Street, Phase II and further authorize the Mayor to execute the contract.

Motion was approved, 4-0.

PROJECTS - FACILITIES

12. THE BID FROM COTTONWOOD ROOFING FOR REPLACEMENT OF ROOF FOR EDGERTON COMMUNITY MUSEUM WAS CONSIDERED.

Council member Troutner left the meeting.

Mr. Cook overviewed this project, indicating this replacement roof was selected for 2016 Capital Improvement Funds. He indicated staff received three responses for requested bids and noted staff calculated the bid value of each option received by the bidders.

He noted staff recommends approval of the second lowest bidder, Cottonwood Roofing, due to its nearly equal bid and business existence in Edgerton. The Council was further informed that Cottonwood Roofing recently performed work for the City and provides a local contact in case of any issues.

Motion by Crist, seconded by Longanecker, to award to Cottonwood Roofing providing 3-tab shingles are not used.

Motion was approved, 3-0.

Mr. Troutner returned to the meeting.

UTILITY RATE FEES

13. RESOLUTION NO 03-10-16A ESTABLISHING FEES AND RATES FOR WATER AND WASTE WATER UTILITIES AND FOR PERMITS, LICENSE AND SERVICES WITHIN THE CITY OF EDGERTON WAS CONSIDERED.

Beth Linn, City Administrator, overviewed the fees for water and wastewater services, supplemented with a power point presentation. She noted with approval, this would be effective with the March, 2016 billing. She indicated this is the result of a comprehensive utility rate study for water and sewer utilities as prepared by Raftelis Financial Consultants, Inc. (RFC) from an October, 2015 approval by the Council. The Council was also informed one of the largest contributing factors to the cost of service is the increasing cost of electrical power. The rate increases of Kansas City Power & Light from 2009 to present were overviewed.

The method for calculating winter averaging for residential wastewater fees was presented to Mayor and Council this important step updating the city's policy regarding investment of idle funds. By adopting this resolution, the governing body of the City appoints the City Administrator and the Community Development Director as Administrators of the City's Investment Management Program.

Ms. Linn noted staff will continue to work with RFC in regards to analysis of water and wastewater capital improvement plans to develop connection fees in economic development purposes and will be presented to the Council in the near future.

Mike Sleister, 400 First Street, questioned the increases in utility costs. The Mayor addressed.

Motion by Brown, seconded by Troutner, to approve Resolution No. 03-10-16A establishing fees and rates for water and wastewater utilities.

Motion was approved, 4-0.

14. REPORT BY THE CITY ADMINISTRATOR

- Draft calendar for 2017 Budget was distributed – appears good to all
- Mid America Regional Council Call for Projects for 2019-2020 addition of 207th Bridge Separation

The Council members offered support of MARC actions and yes for CARS program

15. REPORT BY THE MAYOR

None

17. FUTURE MEETING/EVENT REMINDERS:

- March 16th Noon – Senior Lunch
- March 19th 11:00 AM – Easter Egg Hunt at Martin Creek (March 26 Rain Date)
- March 24th 7:00 PM – City Council Meeting
- April 12th 7:00 PM – Planning Commission Meeting
- April 14th 7:00 PM – City Council Meeting
- April 28th 7:00 PM – City Council Meeting

19. ADJOURNMENT

Motion by Brown, seconded by Crist, to adjourn the meeting.

Motion was approved, 4-0

Meeting adjourned at 8:13 pm.

CITY OF EDGERTON, KANSAS

COUNCIL AGENDA ITEM

Council Meeting Date: March 24, 2016

Agenda Item: Public Hearing
Partial Assignment of Resolution of Intent

Subject: Property Tax Abatement for ELHC XXXII, LLC Project

Hearing Notice Published: March 16, 2016 in the *Gardner News*

Summary:

The City has received an application for property tax abatement from ELHC XXXII, LLC. ELHC XXXII desires to construct an approximately 765,000 sq. ft. spec warehouse and distribution facility to be located at 31450 W. 196th Street in Edgerton, Kansas. In order for the City to grant property tax abatement, the City must first hold a public hearing, consider the cost-benefit report and then approve a partial assignment of the Master Resolution of Intent.

Public Hearing

A notice of the public hearing has been published at least seven days prior to the date of this meeting. Written notice of the public hearing has also been provided to the County and the School District. The Council should take comments from the public.

Cost-Benefit Report

Columbia Capital Management, LLC has prepared a cost-benefit report for the proposed project. The Council should consider the cost-benefit report and ask any questions the Council may have about the report.

Partial Assignment of Resolution of Intent

The City previously adopted a Master Resolution of Intent for the benefit of Edgerton Land Holding Company, LLC ("Edgerton Land") for constructing various projects in the Logistics Park-Kansas City, and provided for the issuance of up to \$1,000,000,000 in industrial revenue bonds. The Master Resolution of Intent allows Edgerton Land to assign portions of the Master Resolution of Intent to various companies that locate within the park. The partial assignment of the Master Resolution of Intent assigns \$38,250,000 of the Master Resolution of Intent to ELHC XXXII for the purpose of constructing this project.

RESOLUTION NO. 03-24-16A

RESOLUTION CONSENTING TO THE PARTIAL ASSIGNMENT OF A RESOLUTION OF INTENT FROM EDGERTON LAND HOLDING COMPANY, LLC TO ELHC XXXII, LLC, OR ITS SUCCESSORS IN INTEREST

WHEREAS, the City of Edgerton, Kansas (the "City"), desires to promote, stimulate and develop the general welfare and economic prosperity of the City and its inhabitants and thereby to further promote, stimulate and develop the general welfare and economic prosperity of the State of Kansas; and

WHEREAS, the City is authorized and empowered under the provisions of K.S.A. 12-1740 to 12-1749d, inclusive (the "Act"), to issue industrial revenue bonds to pay the cost of certain facilities (as defined in the Act) for the purposes set forth in the Act and to lease such facilities to private persons, firms or corporations; and

WHEREAS, the City adopted Resolution No. 07-08-10A on July 8, 2010, as amended by Resolution No. 04-25-13A adopted on April 25, 2013 and Resolution No. 04-09-15A adopted on April 9, 2015 (collectively, the "Resolution of Intent") determining the intent of the City to issue its industrial revenue bonds in multiple series, the aggregate amount of all series not to exceed \$1,000,000,000 (the "Bonds"), to finance the costs of acquiring, constructing, reconstructing, improving and equipping the Logistics Park Projects (as defined in the Resolution of Intent) for the benefit of Edgerton Land Holding Company, LLC (the "Developer"); and

WHEREAS, the Resolution of Intent permits the Developer, with the consent of the City, to assign a portion of its interest in the Resolution of Intent to another entity, thereby conferring on such entity the benefits of the Resolution of Intent and the proceedings related thereto; and

WHEREAS, the Developer desires to assign \$38,250,000 of its interest in the Resolution of Intent to ELHC XXXII, LLC, a Kansas limited liability company (the "Company"), for the purposes of permitting the Company to acquire, construct and equip a commercial project, consisting of an approximately 765,000 sq. ft. warehouse and distribution facility (the "ELHC Project"), to be located at 31450 W. 196th Street in Edgerton, Kansas; and

WHEREAS, the City desires to consent to such partial assignment of the Resolution of Intent to the Company.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF EDGERTON, KANSAS, AS FOLLOWS:

Section 1. Partial Assignment of Resolution of Intent. The Governing Body of the City hereby consents to the assignment by the Developer of \$38,250,000 of the Developer's interest in the Resolution of Intent to the Company for the purposes of completing the ELHC Project, which is a Logistics Park Project. The City agrees that the Company will now be

entitled to the benefits of the Resolution of Intent to the same extent and on the same terms as the Developer with respect to the ELHC Project.

Section 2. Authorization to Proceed. The Company is authorized to proceed with the acquiring, constructing and equipping of the ELHC Project, and to advance such funds as may be necessary to accomplish such purposes, and, to the extent permitted by law, the City will reimburse the Company for all expenditures paid or incurred therefor out of the proceeds of the Bonds.

Section 3. Benefit of Resolution. This Resolution will inure to the benefit of the City and the Company. The Company may, with the prior written consent of the City, assign its interest in this Resolution and the Resolution of Intent to another entity, and such assignee will be entitled to the benefits of this Resolution, the Resolution of Intent and the proceedings related hereto.

Section 4. Effective Date. This Resolution shall take effect and be in full force immediately after its adoption by the Governing Body of the City.

ADOPTED this 24th day of March, 2016.

CITY OF EDGERTON, KANSAS

By:

[SEAL]

Donald Roberts, Mayor

ATTEST:

Janeice Rawles, City Clerk

Approved as to form:

Scott W. Anderson, Bond Counsel



6330 Lamar
Suite 200
Overland Park, Kansas 66202
Jeff White, Principal
913.312.8077
jwhite@columbiacapital.com

March 21, 2016

Ms. Beth Linn
City Administrator
City of Edgerton
404 East Nelson
Edgerton, Kansas 66021

RE: Cost-Benefit Analysis for ELHC XXXII, LLC

Dear Beth:

Please find attached the results of our cost-benefit analysis related to the projected property tax abatement to be granted by the City to applicant ELHC XXXII, LLC, related to the construction of a new 765,000 square foot warehousing facility in Logistics Park Kansas City (LPKC). The purpose of this analysis is to satisfy the City's requirement pursuant to KSA 12-1749d or KSA 79-251(a)(1) to undertake a cost-benefit analysis before granting a property tax abatement. This analysis assumes the City grants a 100% property tax abatement for 10 years with the applicant paying an annual payment-in-lieu-of-taxes equal to \$0.21 per square foot on the building to be constructed.

KSA 12-1749d(2) requires notification of anticipated abatements only to counties or school districts affected. As a result, our analysis focuses on financial impacts to the City, Johnson County and the Gardner/Edgerton schools. We have not calculated the cost-benefit on other taxing jurisdictions. State law also requires the analysis to include "the effect of the exemption on state revenues." Our modeling includes such an estimate.

Our proprietary cost-benefit modeling relies on a number of key assumptions in the calculation of net present value benefit to the City, Johnson County and USD 231. Most of our assumptions are derived from public information, although some inputs are based upon dialogue with subject matter experts, including staff of the Kansas Department of Revenue. Some of these key assumptions include:

- An evaluation of the direct costs and benefits of the project. Columbia's model does not include indirect or "spin-off" effects as a result of input-output multipliers.
- A ten-year analysis timeframe for each individual project, matching the maximum permitted term of the abatement.
- Direct costs to the City, the County, the school district and the State as estimated by Columbia based upon the financial reports, expert analysis and/or conversations with key staff members within those agencies and at the State of

Kansas. Please note our analysis assumes the return of a school finance formula that provides aid to districts on a per pupil basis.

- Where applicable, reliance upon statistical data as reported in the 2010 US Census.
- The use of a discount rate comprised of two components: a risk-free rate of return (the current yield of the on-the-run 10-year US Treasury) plus a risk premium of two (2) percent. The value of the discount rate is a proxy for the opportunity cost of the City (and other agencies) of foregoing the future property and/or sales tax revenues that would be generated by the development. Thought of another way, if the City had those revenues in hand and placed them in an alternative investment with the same risk characteristics, what would be its expected rate of return?

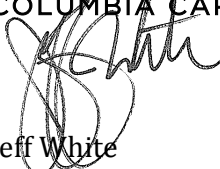
The output of the model is presented as the net present value benefit/(cost) of the project for the City, County and school district over the 10-year life of the abatement on each project. The net benefit (or, if negative, cost) of the incentive package is presented in today's dollars. The estimated impact on State revenues is presented in nominal (future value) terms. We also provide an estimated future value project contribution to the City's Public Infrastructure Fund (PIF). While the modeling shows a significant net present value benefit to the City, it is important to note that *the majority of the City's net benefit is reinvested in LPKC through the PIF.*

In the preparation of this cost-benefit analysis, Columbia has relied upon the information provided to it by applicant and has not independently verified or validated these data. The City must draw its own conclusions as to the reliability of these data.

Finally, the intent of this analysis and of the applicable statutes is to inform the governing body's policy debate about the value of the abatement incentive it is providing to the applicant. The project's generation of a net present value benefit to the agencies affected should be but one of the many factors in the governing body's decision about whether and how much incentive to provide to any applicant.

Thank you in advance for your thoughtful consideration of the analysis attached. Please let me know if you have any questions.

Respectfully submitted,
COLUMBIA CAPITAL MANAGEMENT, LLC



Jeff White
Principal



SUMMARY OF COSTS AND BENEFITS
City of Edgerton, Kansas

APPLICANT INFORMATION:

Application Date:	3/21/16	Summary of Incentives Provided:	100% real property tax abatement for a 10 year period, as well as a construction sales tax exemption for materials, with a PILOT payment of \$0.21/s.f. per year.
Firm Name:	ELHC XXXII, LLC		
Firm Address:	5015 NW Canal St., Suite 200 Riverside, Missouri 64150		
Firm Contact:	Patrick Robinson 913.915.7150		

SUMMARY OF INCENTIVE PACKAGE (LOCAL GOVERNMENT IMPACTS ONLY):

Year	Property Tax Abatement		Construction Sales Tax Abatement		Direct Incentives		
	(%)	(\$)	(%)	(\$)	City	County	School
2	100	540,213	100	70,284	0	0	0
3	100	540,213	100	0	0	0	0
4	100	540,213	100	0	0	0	0
5	100	540,213	100	0	0	0	0
6	100	540,213	100	0	0	0	0
7	100	540,213	100	0	0	0	0
8	100	540,213	100	0	0	0	0
9	100	540,213	100	0	0	0	0
10	100	540,213	100	0	0	0	0
11	100	540,213	100	0	0	0	0

PAYMENT IN LIEU OF TAXES RECEIPTS:

City	County	School
Year	Year	Year
34,550	20,122	71,094
34,550	20,122	71,094
34,550	20,122	71,094
34,550	20,122	71,094
34,550	20,122	71,094
34,550	20,122	71,094
34,550	20,122	71,094
34,550	20,122	71,094
34,550	20,122	71,094
34,550	20,122	71,094
34,550	20,122	71,094

SUMMARY OF PRESENT VALUE BENEFITS:

City Summary				
Year	Total Benefits	Total Costs	Net Benefit	Net PV Benefit
2	517,261	-169,524	347,738	321,998
3	516,506	-169,524	346,983	309,179
4	516,545	-169,524	347,021	297,550
5	516,586	-169,524	347,062	286,359
6	516,629	-169,524	347,105	275,592
7	516,674	-169,524	347,150	265,230
8	516,721	-169,524	347,197	255,260
9	516,770	-169,524	347,246	245,666
10	516,822	-169,524	347,298	236,435
11	516,877	-169,524	347,353	227,552
	5,167,390	-1,695,238	3,472,153	2,720,821

County Summary			
Total Benefits	Total Costs	Net Benefit	Net PV Benefit
180,256	-174,505	5,751	5,326
109,055	-104,221	4,834	4,307
109,110	-104,221	4,889	4,192
109,168	-104,221	4,948	4,082
109,229	-104,221	5,009	3,977
109,294	-104,221	5,073	3,876
109,361	-104,221	5,140	3,779
109,432	-104,221	5,211	3,687
109,506	-104,221	5,285	3,598
109,584	-104,221	5,363	3,514
1,163,996	-1,112,492	51,504	40,337

School District Summary			
Total Benefits	Total Costs	Net Benefit	Net PV Benefit
390,114	-324,206	65,908	61,030
390,114	-324,206	65,908	58,728
390,114	-324,206	65,908	56,512
390,114	-324,206	65,908	54,381
390,114	-324,206	65,908	52,329
390,114	-324,206	65,908	50,355
390,114	-324,206	65,908	48,456
390,114	-324,206	65,908	46,628
390,114	-324,206	65,908	44,869
390,114	-324,206	65,908	43,177
3,901,144	-3,242,061	659,083	516,465

SUMMARY OF ECONOMIC IMPACT (over 10-year period):

Number of jobs to be created : 227

Number of new residents:

City	6
County	7
School District	7

Expected 10-Year Contribution to PIF: \$ 2,618,800

Impact of exemption on state revenues: \$ (66,209)

CITY OF EDGERTON, KANSAS

COUNCIL AGENDA ITEM

Council Meeting Date: March 24, 2016

Agenda Item: Public Hearing
Partial Assignment of Resolution of Intent

Subject: Property Tax Abatement for ELHC XXXIII, LLC Project

Hearing Notice Published: March 16, 2016 in the *Gardner News*

Summary:

The City has received an application for property tax abatement from ELHC XXXIII, LLC. ELHC XXXIII desires to construct an approximately 927,000 sq. ft. spec warehouse and distribution facility to be located at 31100 W. 196th Street in Edgerton, Kansas. In order for the City to grant property tax abatement, the City must first hold a public hearing, consider the cost-benefit report and then approve a partial assignment of the Master Resolution of Intent.

Public Hearing

A notice of the public hearing has been published at least seven days prior to the date of this meeting. Written notice of the public hearing has also been provided to the County and the School District. The Council should take comments from the public.

Cost-Benefit Report

Columbia Capital Management, LLC has prepared a cost-benefit report for the proposed project. The Council should consider the cost-benefit report and ask any questions the Council may have about the report.

Partial Assignment of Resolution of Intent

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RESOLUTION NO. 03-24-16B

RESOLUTION CONSENTING TO THE PARTIAL ASSIGNMENT OF A RESOLUTION OF INTENT FROM EDGERTON LAND HOLDING COMPANY, LLC TO ELHC XXXIII, LLC, OR ITS SUCCESSORS IN INTEREST

WHEREAS, the City of Edgerton, Kansas (the "City"), desires to promote, stimulate and develop the general welfare and economic prosperity of the City and its inhabitants and thereby to further promote, stimulate and develop the general welfare and economic prosperity of the State of Kansas; and

WHEREAS, the City is authorized and empowered under the provisions of K.S.A. 12-1740 to 12-1749d, inclusive (the "Act"), to issue industrial revenue bonds to pay the cost of certain facilities (as defined in the Act) for the purposes set forth in the Act and to lease such facilities to private persons, firms or corporations; and

WHEREAS, the City adopted Resolution No. 07-08-10A on July 8, 2010, as amended by Resolution No. 04-25-13A adopted on April 25, 2013 and Resolution No. 04-09-15A adopted on April 9, 2015 (collectively, the "Resolution of Intent") determining the intent of the City to issue its industrial revenue bonds in multiple series, the aggregate amount of all series not to exceed \$1,000,000,000 (the "Bonds"), to finance the costs of acquiring, constructing, reconstructing, improving and equipping the Logistics Park Projects (as defined in the Resolution of Intent) for the benefit of Edgerton Land Holding Company, LLC (the "Developer"); and

WHEREAS, the Resolution of Intent permits the Developer, with the consent of the City, to assign a portion of its interest in the Resolution of Intent to another entity, thereby conferring on such entity the benefits of the Resolution of Intent and the proceedings related thereto; and

WHEREAS, the Developer desires to assign \$46,350,000 of its interest in the Resolution of Intent to ELHC XXXIII, LLC, a Kansas limited liability company (the "Company"), for the purposes of permitting the Company to acquire, construct and equip a commercial project, consisting of an approximately 927,000 sq. ft. warehouse and distribution facility (the "ELHC Project"), to be located at 31100 W. 196th Street in Edgerton, Kansas; and

WHEREAS, the City desires to consent to such partial assignment of the Resolution of Intent to the Company.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF EDGERTON, KANSAS, AS FOLLOWS:

Section 1. Partial Assignment of Resolution of Intent. The Governing Body of the City hereby consents to the assignment by the Developer of \$46,350,000 of the Developer's interest in the Resolution of Intent to the Company for the purposes of completing the ELHC Project, which is a Logistics Park Project. The City agrees that the Company will now be

entitled to the benefits of the Resolution of Intent to the same extent and on the same terms as the Developer with respect to the ELHC Project.

Section 2. Authorization to Proceed. The Company is authorized to proceed with the acquiring, constructing and equipping of the ELHC Project, and to advance such funds as may be necessary to accomplish such purposes, and, to the extent permitted by law, the City will reimburse the Company for all expenditures paid or incurred therefor out of the proceeds of the Bonds.

Section 3. Benefit of Resolution. This Resolution will inure to the benefit of the City and the Company. The Company may, with the prior written consent of the City, assign its interest in this Resolution and the Resolution of Intent to another entity, and such assignee will be entitled to the benefits of this Resolution, the Resolution of Intent and the proceedings related hereto.

Section 4. Effective Date. This Resolution shall take effect and be in full force immediately after its adoption by the Governing Body of the City.

ADOPTED this 24th day of March, 2016.

CITY OF EDGERTON, KANSAS

By:

[SEAL]

Donald Roberts, Mayor

ATTEST:

Janeice Rawles, City Clerk

Approved as to form:

Scott W. Anderson, Bond Counsel



6330 Lamar
Suite 200
Overland Park, Kansas 66202
Jeff White, Principal
913.312.8077
jwhite@columbiacapital.com

March 21, 2016

Ms. Beth Linn
City Administrator
City of Edgerton
404 East Nelson
Edgerton, Kansas 66021

RE: Cost-Benefit Analysis for ELHC XXXIII, LLC

Dear Beth:

Please find attached the results of our cost-benefit analysis related to the projected property tax abatement to be granted by the City to applicant ELHC XXXIII, LLC, related to the construction of a new 973,000 square foot warehousing facility in Logistics Park Kansas City (LPKC). The purpose of this analysis is to satisfy the City's requirement pursuant to KSA 12-1749d or KSA 79-251(a)(1) to undertake a cost-benefit analysis before granting a property tax abatement. This analysis assumes the City grants a 100% property tax abatement for 10 years with the applicant paying an annual payment-in-lieu-of-taxes equal to \$0.21 per square foot on the building to be constructed.

KSA 12-1749d(2) requires notification of anticipated abatements only to counties or school districts affected. As a result, our analysis focuses on financial impacts to the City, Johnson County and the Gardner/Edgerton schools. We have not calculated the cost-benefit on other taxing jurisdictions. State law also requires the analysis to include "the effect of the exemption on state revenues." Our modeling includes such an estimate.

Our proprietary cost-benefit modeling relies on a number of key assumptions in the calculation of net present value benefit to the City, Johnson County and USD 231. Most of our assumptions are derived from public information, although some inputs are based upon dialogue with subject matter experts, including staff of the Kansas Department of Revenue. Some of these key assumptions include:

- An evaluation of the direct costs and benefits of the project. Columbia's model does not include indirect or "spin-off" effects as a result of input-output multipliers.
- A ten-year analysis timeframe for each individual project, matching the maximum permitted term of the abatement.
- Direct costs to the City, the County, the school district and the State as estimated by Columbia based upon the financial reports, expert analysis and/or conversations with key staff members within those agencies and at the State of

Kansas. Please note our analysis assumes the return of a school finance formula that provides aid to districts on a per pupil basis.

- Where applicable, reliance upon statistical data as reported in the 2010 US Census.
- The use of a discount rate comprised of two components: a risk-free rate of return (the current yield of the on-the-run 10-year US Treasury) plus a risk premium of two (2) percent. The value of the discount rate is a proxy for the opportunity cost of the City (and other agencies) of foregoing the future property and/or sales tax revenues that would be generated by the development. Thought of another way, if the City had those revenues in hand and placed them in an alternative investment with the same risk characteristics, what would be its expected rate of return?

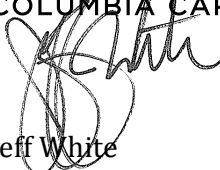
The output of the model is presented as the net present value benefit/(cost) of the project for the City, County and school district over the 10-year life of the abatement on each project. The net benefit (or, if negative, cost) of the incentive package is presented in today's dollars. The estimated impact on State revenues is presented in nominal (future value) terms. We also provide an estimated future value project contribution to the City's Public Infrastructure Fund (PIF). While the modeling shows a significant net present value benefit to the City, it is important to note that *the majority of the City's net benefit is reinvested in LPKC through the PIF.*

In the preparation of this cost-benefit analysis, Columbia has relied upon the information provided to it by applicant and has not independently verified or validated these data. The City must draw its own conclusions as to the reliability of these data.

Finally, the intent of this analysis and of the applicable statutes is to inform the governing body's policy debate about the value of the abatement incentive it is providing to the applicant. The project's generation of a net present value benefit to the agencies affected should be but one of the many factors in the governing body's decision about whether and how much incentive to provide to any applicant.

Thank you in advance for your thoughtful consideration of the analysis attached. Please let me know if you have any questions.

Respectfully submitted,
COLUMBIA CAPITAL MANAGEMENT, LLC



Jeff White
Principal



SUMMARY OF COSTS AND BENEFITS
City of Edgerton, Kansas

APPLICANT INFORMATION:

Application Date:	3/21/16	Summary of Incentives Provided:	100% real property tax abatement for a 10 year period, as well as a construction sales tax exemption for materials, with a PILOT payment of \$0.21/s.f. per year.
Firm Name:	ELHC XXXIII, LLC		
Firm Address:	5015 NW Canal St., Suite 200 Riverside, Missouri 64150		
Firm Contact:	Patrick Robinson 913.915.7150		

SUMMARY OF INCENTIVE PACKAGE (LOCAL GOVERNMENT IMPACTS ONLY):

Year	Property Tax Abatement		Construction Sales Tax Abatement		Direct Incentives		
	(%)	(\$)	(%)	(\$)	City	County	School
2	100	647,072	100	85,168	0	0	0
3	100	647,072	100	0	0	0	0
4	100	647,072	100	0	0	0	0
5	100	647,072	100	0	0	0	0
6	100	647,072	100	0	0	0	0
7	100	647,072	100	0	0	0	0
8	100	647,072	100	0	0	0	0
9	100	647,072	100	0	0	0	0
10	100	647,072	100	0	0	0	0
11	100	647,072	100	0	0	0	0

PAYMENT IN LIEU OF TAXES RECEIPTS:

City	County	School
Year	Year	Year
43,944	25,594	90,424
43,944	25,594	90,424
43,944	25,594	90,424
43,944	25,594	90,424
43,944	25,594	90,424
43,944	25,594	90,424
43,944	25,594	90,424
43,944	25,594	90,424
43,944	25,594	90,424
43,944	25,594	90,424
43,944	25,594	90,424

SUMMARY OF PRESENT VALUE BENEFITS:

City Summary				
Year	Total Benefits	Total Costs	Net Benefit	Net PV Benefit
2	645,402	-198,879	446,523	413,472
3	644,359	-198,879	445,480	396,946
4	644,398	-198,879	445,519	382,006
5	644,439	-198,879	445,560	367,629
6	644,482	-198,879	445,603	353,796
7	644,527	-198,879	445,647	340,485
8	644,574	-198,879	445,695	327,676
9	644,623	-198,879	445,744	315,350
10	644,675	-198,879	445,796	303,490
11	644,730	-198,879	445,851	292,078
	6,446,210	-1,988,792	4,457,418	3,492,927

County Summary			
Total Benefits	Total Costs	Net Benefit	Net PV Benefit
218,061	-206,486	11,575	10,719
131,623	-121,318	10,305	9,182
131,678	-121,318	10,361	8,884
131,737	-121,318	10,419	8,596
131,798	-121,318	10,480	8,321
131,862	-121,318	10,544	8,056
131,929	-121,318	10,611	7,802
132,000	-121,318	10,682	7,557
132,074	-121,318	10,756	7,323
132,152	-121,318	10,834	7,098
1,404,915	-1,298,347	106,568	83,537

School District Summary			
Total Benefits	Total Costs	Net Benefit	Net PV Benefit
469,850	-384,612	85,238	78,929
469,850	-384,612	85,238	75,952
469,850	-384,612	85,238	73,087
469,850	-384,612	85,238	70,330
469,850	-384,612	85,238	67,677
469,850	-384,612	85,238	65,124
469,850	-384,612	85,238	62,668
469,850	-384,612	85,238	60,304
469,850	-384,612	85,238	58,029
469,850	-384,612	85,238	55,840
4,698,501	-3,846,116	852,385	667,939

SUMMARY OF ECONOMIC IMPACT (over 10-year period):

Number of jobs to be created : 275

Number of new residents:

City	6
County	7
School District	7

Expected 10-Year Contribution to PIF: \$ 3,322,638

Impact of exemption on state revenues: \$ (79,305)

CITY OF EDGERTON, KANSAS

COUNCIL AGENDA ITEM

Council Meeting Date: March 24, 2016

Agenda Item: Ordinance Authorizing Bonds and Bond Documents

Subject: Industrial Revenue Bonds and Property Tax Abatement for ELHC V Project

Summary:

The City received an application for property tax abatement from ELHC V, LLC for a project located in the Logistics Park, consisting of an approximately 653,000 sq. ft. warehouse and distribution facility, to be located at 31201 W. 187th Street, which is located at the southwest corner of 191st Street and Waverly Road, in Edgerton, Kansas (the “Project”).

The City has previously adopted Resolution No. 07-08-10A on July 8, 2010, Resolution No. 04-25-13A on April 25, 2013, and Resolution No. 04-09-15A on April 9, 2015 (collectively, the “Resolution of Intent”) expressing the intent of the City to issue its industrial revenue bonds in multiple series, the aggregate amount of all series not to exceed \$1,000,000,000, to finance the costs of acquiring, constructing, reconstructing, improving and equipping various projects within The Logistics Park-KC for the benefit of Edgerton Land Holding Company, LLC, or its assigns (the “Developer”). The City adopted Resolution No. 06-11-15B on June 11, 2015 (the “Assignment Resolution”) consenting to the assignment of \$31,500,000 of the Developer’s interest in the Resolution of Intent to ELHC V, LLC for the Project. Prior to adopting the Assignment Resolution, the City held a public hearing on the Project and considered the cost-benefit report.

Ordinance:

The Ordinance authorizes the City to issue up to \$31,500,000 of industrial revenue bonds for the Project. This bond issue is commonly referred to as a “buy your own bonds bond issue.” ELHC V will be both the lessee on the project and the owner of the bonds. When the bonds are issued, ELHC V will lease the project site to the City as is required by state law in order to provide property tax abatement. The City will then sublease the project back to ELHC V. ELHC V will be obligated to repurchase the project at the conclusion of the tax abatement.

The bonds will be limited obligations of the City. This means that the City has to make payments on the bonds to ELHC V as the owner of the bonds only to the extent the City receives payments from ELHC V pursuant to the lease. If lease payments from ELHC V are insufficient to cover scheduled debt service on the bonds, the City is not obligated to make up any shortfall from any other funds of the City. The bonds are not a general obligation of the City and do not count against the City’s debt limit.

The Ordinance authorizes the City to enter into the following documents:

- (a) Trust Indenture which contains the terms governing the Bonds and contains the form of the Bonds;
- (b) Base Lease Agreement whereby the City leases the project site from ELHC V;
- (c) Lease Agreement whereby the City will lease the project to ELHC V for the term of the tax abatement;
- (d) Bond Purchase Agreement whereby ELHC V agrees to acquire the Bonds;
- (e) Performance Agreement whereby ELHC V agrees to make certain payments-in-lieu of tax payments; and
- (f) Origination Fee Agreement whereby ELHC V agrees to pay the origination fee to the City over time.

ORDINANCE NO. 1012

AN ORDINANCE AUTHORIZING THE CITY OF EDGERTON, KANSAS, TO ISSUE INDUSTRIAL REVENUE BONDS (ELHC V, LLC PROJECT) SERIES 2016, IN AN AGGREGATE MAXIMUM PRINCIPAL AMOUNT NOT TO EXCEED \$31,500,000, FOR THE PURPOSE OF PROVIDING FUNDS TO PAY THE COST OF ACQUIRING, PURCHASING, CONSTRUCTING, INSTALLING AND EQUIPPING A COMMERCIAL PROJECT, CONSISTING OF A WAREHOUSE AND DISTRIBUTION FACILITY, INCLUDING LAND, BUILDINGS, STRUCTURES, IMPROVEMENTS, FIXTURES, MACHINERY AND EQUIPMENT; AUTHORIZING THE CITY TO ENTER INTO A TRUST INDENTURE WITH UMB BANK, N.A., AS TRUSTEE; AUTHORIZING THE CITY TO ENTER INTO A LEASE AGREEMENT WITH ELHC V, LLC; AUTHORIZING THE CITY TO ENTER INTO A BOND PURCHASE AGREEMENT IN CONNECTION WITH THE BONDS, AND AUTHORIZING AND APPROVING THE EXECUTION OF CERTAIN DOCUMENTS AND THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF THE BONDS.

WHEREAS, the City of Edgerton, Kansas (the “City”), is authorized pursuant to the provisions of K.S.A. 12-1740 to 12-1749d, inclusive, as amended (the “Act”), to acquire, purchase, construct, install and equip certain commercial and industrial facilities, and to issue industrial revenue bonds for the purpose of paying the cost of such facilities, and to lease such facilities to private persons, firms or corporations; and

WHEREAS, the governing body of the City has heretofore and does now find and determine that it is desirable in order to promote, stimulate and develop the general economic welfare and prosperity of the City and the State of Kansas that the City issue its Industrial Revenue Bonds (ELHC V, LLC Project) Series 2016, in an aggregate maximum principal amount not to exceed \$31,500,000, for the purpose of acquiring, constructing and equipping a commercial project, consisting of an approximately 653,000 sq. ft. warehouse and distribution facility, to be located at 31201 W. 187th Street, Edgerton, Kansas, including land, buildings, structures, improvements, fixtures, machinery and equipment (the “Project”), and that the City lease the Project to ELHC V, LLC, a Kansas limited liability company (the “Company”); and

WHEREAS, the governing body of the City further finds and determines that it is necessary and desirable in connection with the issuance of these bonds that the City enter into certain agreements, and that the City take certain other actions and approve the execution of certain other documents as herein provided;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF EDGERTON, KANSAS, AS FOLLOWS:

Section 1. Authorization for the Acquisition, Purchase, Construction, Installation and Equipping of the Project. The City is hereby authorized to provide for the acquisition, purchase, construction, installation, rehabilitation and equipping of the Project, all in the manner and as more particularly described in the Indenture and the Lease hereinafter authorized.

Section 2. Authorization of and Security for the Bonds. The City is hereby authorized to issue and sell its Industrial Revenue Bonds (ELHC V, LLC Project) Series 2016, in an aggregate maximum principal amount not to exceed \$31,500,000 (the “Bonds”), for the purpose of providing funds to pay the cost

of acquiring, purchasing, constructing, installing and equipping the Project. The Bonds shall be issued and secured pursuant to the herein authorized Indenture and shall bear such date, shall mature at such time, shall be in such denominations, shall bear interest at such rates, shall be in such form, shall be subject to redemption and other terms and conditions, and shall be issued in such manner, subject to such provisions, covenants and agreements, as are set forth in the hereafter defined Indenture. The Bonds shall be payable solely out of the rents, revenues and receipts derived by the City from the Project, and the Project and the net earnings derived by the City from the Project shall be pledged and assigned to the hereafter defined Trustee as security for payment of the Bonds as provided in the Indenture.

Section 3. Authorization of Documents. The City is hereby authorized to enter into the following documents, in substantially the forms presented to and reviewed by the Council of the City (copies of which documents, upon execution thereof, shall be filed in the office of the City Clerk), with such changes therein as shall be approved by the officers of the City executing such documents, such officers' signatures thereon being conclusive evidence of their approval thereof:

(a) Trust Indenture dated the date set forth therein (the "Indenture"), between the City and UMB Bank, N.A. (the "Trustee"), pursuant to which the Bonds shall be issued and the City shall pledge the Project and assign the rents, revenues and receipts received pursuant to the hereafter defined Lease to the Trustee for the benefit of and security of the holder of the Bonds upon the terms and conditions as set forth in said form of Indenture;

(b) Base Lease Agreement dated the date set forth therein (the "Base Lease"), between the Company and the City, under which the City will lease the project site from the Company;

(c) Lease Agreement dated the date set forth therein (the "Lease"), between the City and the Company, under which the City will agree to use the proceeds derived from the sale of the Bonds for the purpose of acquiring, purchasing, constructing, installing and equipping the Project and to sublease the Project to the Company, and the Company will agree to make payments in amounts sufficient to provide for the payment of the principal of, redemption premium, if any, and interest on the Bonds as the same become due;

(d) Bond Purchase Agreement dated the date set forth therein (the "Bond Purchase Agreement"), between the City and the Company, as Purchaser;

(e) Performance Agreement dated the date set forth therein (the "Performance Agreement"), between the City and the Company; and

(f) Origination Fee Agreement dated the date set forth therein (the "Origination Fee Agreement"), between the City and the Company.

Section 4. Execution of Bond and Documents. The Mayor of the City is hereby authorized and directed to execute the Bonds and to deliver the Bonds to the Trustee for authentication for and on behalf of and as the act and deed of the City in the manner provided in the Indenture. The Mayor of the City is hereby authorized and directed to execute the Indenture, the Base Lease, the Lease, the Bond Purchase Agreement, the Performance Agreement, the Origination Fee Agreement and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance, for and on behalf of and as the act and deed of the City. The City Clerk of the City is hereby authorized and directed to attest to and affix the seal of the City to the Bonds, the Indenture, the Base Lease, the Lease, the Bond Purchase Agreement, the Performance Agreement, the Origination Fee Agreement and such other documents, certificates and instruments as may be necessary.

Section 5. Further Authority. The City shall, and the officers, employees and agents of the City are hereby authorized and directed to, take such action, expend such funds and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance and to carry out, comply with and perform the duties of the City with respect to the Bonds, the Indenture, the Base Lease, the Lease, the Performance Agreement, the Bond Purchase Agreement and the Origination Fee Agreement.

Section 6. Effective Date. This Ordinance shall take effect and be in force from and after its passage, approval and publication in summary form in the official City newspaper.

PASSED by the Council of the City of Edgerton, Kansas, this 24th day of March, 2016.

Donald Roberts, Mayor

[SEAL]

ATTEST:

Janeice Rawles, City Clerk

Approved as to form:

Scott W. Anderson, Bond Counsel

AGENDA ITEM INFORMATION FORM

Agenda Item: Consider renewal of Corporate Insurance Policy for April 1, 2016 to March 31, 2017

Department: Administration

Background/Description of Item: Annually, the City of Edgerton considers the renewal of its corporate insurance policy. The corporate insurance policy includes several coverages such as Property, Crime (for employee theft and securities), Inland Marine (contractors' equipment), General Liability, Public Officials Errors and Omissions, Automobile, Employment Practices and Business Automobile.

In 2014, the City of Edgerton together with the City's agent (The Reilly Company) solicited quotes from three insurance providers EMC, Midwest Public Risk and One Beacon. These quotes provided an extensive comparison of options available to the City. EMC, the city's previous carrier, has significant challenges. While EMC provided the broadest property coverage, it provided less liability coverage, excluded several coverages provided by the other companies as was the most expensive. Midwest Public Risk (MPR) provided the lowest premium but had high limits in liability but had gaps in coverage. The most significant concern for MPR is the limitation of it as an insurance pool. The maximum property payout across the pool in event of large scale storm is \$85 MM for any one event (across all pool participants). Additionally, MPR does not cover zoning claims.

Therefore, in 2014, Edgerton chose to move forward with coverage from One Beacon. One Beacon has the broadest overall coverage. It includes coverage for data breach, failure to supply and dam coverage. It also included a 10 year retroactive date. Based on the research from 2014, staff and the city's agent negotiated with One Beacon on a proposal for renewal for policy year April 1, 2016 to March 31, 2017. A summary of that proposal is included.

The total cost for the policy with One Beacon is \$54,374.00. Traditionally, the City has budgeted dollars from several sources for insurance to better allocate dollars over both the general fund and utility funds. The approved 2016 budget allocated \$57,026 for property insurance premiums. The proposal for 2016 is \$2,652 under the budget amount.

Additionally, Kevin O'Brien, of The Reilly Company, will present information at the March 24th City Council meeting regarding a new coverage for the City Council to consider for Pollution Liability: Edgerton Wastewater Treatment Plants Coverage.

Enclosures: Insurance Summary & Comparison provided by Kevin O'Brien of The Reilly Company
Information regarding Pollution Liability: Edgerton Wastewater Treatment Plants Coverage

Recommendation: Purchase Corporate Insurance Policy from One Beacon from April 1, 2016 to March 31, 2017

Funding Source: General – General Government – Insurance; General – Parks – Insurance; Water – Commercial/General – Insurance; Sewer – Commercial/General – Insurance

Prepared by: Beth Linn, City Administrator
Date: March 18, 2016



INSURANCE SUMMARY & COMPARISON

2016 Renewal Program

TERM DATES: April 1, 2016 to April 1, 2017

Presented: March 24, 2016

By: Kevin O'Brien, CPCU

The Reilly Company
11225 College Boulevard, Suite 210
Overland Park, KS 66210

**CITY OF EDGERTON, KANSAS
INSURANCE PROGRAM SUMMARY - 2016**

<u>Item of Coverage</u>		<u>2015</u>	<u>2016</u>
		One Beacon	One Beacon
Property	Blanket Building & Personal Property Values - RC	\$13,537,500	\$13,537,500
	Specific Building Values - ACV	\$292,500	\$292,500
	Flood & Earthquake	None	None
	Total Property Values Insured	\$13,830,000	\$13,830,000
	Business Interruption & Extra Expense	\$ 100,000	\$ 100,000
	Computer Equipment Coverage	\$72,476	\$72,476
	Property Deductible	\$ 1,000	\$ 1,000
	Wind-Hail Deductible	\$ 10,000	\$ 10,000
	<i>RC=Replacement Cost / ACV=Depreciated Value</i>		
	Property Premium	\$ 28,702.00	\$ 28,765.00
		One Beacon	One Beacon
Crime	Employee Dishonesty (Excluding Treasurer)	\$ 200,000	\$ 200,000
	Forgery & Alteration	\$ 25,000	\$ 25,000
	Money & Securities (Inside)	\$ 25,000	\$ 25,000
	Money & Securities (Outside)	\$ 25,000	\$ 25,000
	Money Orders and Counterfeit Paper Currency	\$ 25,000	\$ 25,000
	Computer Fraud	\$ 100,000	\$ 100,000
	Deductible	\$ 1,000	\$ 1,000
	Crime Premium	Incl In Property	Incl In Property
		One Beacon	One Beacon
Inland Marine	Contractor's Equipment - Unscheduled (ACV) -	\$ 20,000	\$ 20,000
	Contractor's Equipment - Scheduled (ACV)	\$ 480,482	\$ 523,524
	Leased/Rented Equipment (ACV)	\$ 25,000	\$ 25,000
	Playground Equipment (ACV)	Incl In Property	Incl In Property
	Data Breach Coverage	\$25,000/\$100,000	\$25,000/\$100,000
	Total Equipment Values	\$ 525,482	\$ 568,524
	Inland Marine Deductible	\$ 1,000	\$ 1,000
	<i>ACV = Actual Cash Value = Market Value</i>		
	Inland Marine Premium	\$ 2,597.00	\$ 2,614.00
		One Beacon	One Beacon
General Liability (Occurrence Form)	Limit of General Liability - Each Occurrence	\$ 1,000,000	\$ 1,000,000
	KS Tort Cap - where applicable	\$ 500,000	\$ 500,000
	Annual Aggregate Limit	\$ 2,000,000	\$ 2,000,000
	Employee Benefits Legal Liability *	\$ 1,000,000	\$ 1,000,000
	Sexual Abuse & Molestation	\$ 1,000,000	\$ 1,000,000
	Pesticide & Herbicide Coverage	\$ 1,000,000	\$ 1,000,000
	Failure to Supply	\$ 1,000,000	\$ 1,000,000
	Dam / Lake / Pond Coverage	Included	Included
	General Liability Deductible per claim	*None	*None
	Sewer Backup (resulting from negligence) *	\$ 1,000,000	\$ 1,000,000
	* Except \$1,000 ded for Sewer Backup and Employee Benefits Liability		
	General Liability Premium	\$ 8,525.00	\$ 8,835.00

CITY OF EDGERTON, KANSAS
INSURANCE PROGRAM SUMMARY - 2016

<u>Item of Coverage</u>	<u>2015</u>	<u>2016</u>
Public Official Errors & Omissions Liability	One Beacon	One Beacon
Limit of Liability - Each Claim	\$ 1,000,000	\$ 1,000,000
Annual Aggregate Limit	\$ 2,000,000	\$ 2,000,000
Public Official Liability Deductible	\$ 2,500	\$ 2,500
Network Security Coverage	\$ 1,000,000	\$ 1,000,000
Zoning Claims	Included	Included
Defense in Addition or Reduces Coverage Limit	In Addition	In Addition
Retroactive Date	4/1/2004	4/1/2004
Public Official Liability Premium	\$ 3,466.00	\$ 3,497.00
Employment Practices Liability	One Beacon	One Beacon
Limit of Liability - Each Claim	\$ 1,000,000	\$ 1,000,000
Annual Aggregate Limit	\$ 2,000,000	\$ 2,000,000
Employment Practices Liability Deductible	\$ 2,500	\$ 2,500
Defense in Addition or Reduces Coverage Limit	In Addition	In Addition
Third Party Coverage - Defense Only or Full Cover	Full Coverage	Full Coverage
Retroactive Date (None or an older date is better)	4/1/2004	4/1/2004
Employment Practices Premium	Incl in Gen Liab	Incl in POL
Business Automobile	One Beacon	One Beacon
Limit of Liability - Each Occurrence	\$1,000,000	\$1,000,000
Uninsured/Underinsured Motorist	\$1,000,000	\$1,000,000
Comprehensive Deductible	\$500	\$500
Collision Deductible	\$500	\$500
Valuation of Claim	ACV	ACV
Number of Vehicles Insured/Trailers	15 / 5	13 / 5
Auto Premium	\$ 8,603.00	\$ 7,602.00
Excess Liability	One Beacon	One Beacon
Limit of General Liability - Each Occurrence	\$ 1,000,000	\$ 1,000,000
Annual Aggregate Limit	\$ 1,000,000	\$ 1,000,000
Excess Over: General Liability	YES	YES
Auto Liability	YES	YES
Employment Practices Liability	YES	YES
Public Official Liability	YES	YES
Excess Liability Premium	\$ 3,025.00	\$ 3,061.00
Total Premium	\$ 54,918.00	\$ 54,374.00

Notes:

- (1) Property values remained same as 2015 values
- (2) Equipment values increased 9% by adding Bobcat Excavator in 2015 and additions/deletions of other equipment
- (3) General Liability and Excess Liability slight increase is due to increased expenditures per 2016 budget
- (4) Vehicle changes were adding two new trucks and deleting four older trucks
- (5) Excess Liability Policy does not extend above Sexual Abuse & Molestation Coverage, Failure to Supply Coverage, Pollution Coverage, or Uninsured Motorist/Underinsured Motorist Coverage

City of Edgerton Property Values 2016-17

Item	Address	Building Value	Contents Value
Community Center/City Hall	404 E. Nelson St, Edgerton, KS 66021	\$1,325,000	\$30,000
Water Tanks & Telemetry Equipment	818 W 8th St, Edgerton, KS 66021	\$500,000	\$0
Water Tanks & Telemetry Equipment & Siren	1st St at E. Martin St., Edgerton, KS 66021	\$425,000	\$0
Rubber Mulch at this location	1st St at E. Martin St., Edgerton, KS 66021	\$7,500	\$0
Old Sewer Treatment Plant,Fence, Barn	710 E. Nelson St, Edgerton, KS 66021	\$450,000	\$0
Sludge Belt Press / Storage Facility	710 E. Nelson St, Edgerton, KS 66021	\$100,000	\$215,000
Old Police Station Storage Bldg	309 E. Nelson St, Edgerton, KS 66021	\$70,000	\$0
Edgerton Lake Park Shelter Houses	600 E. 6th St, Edgerton, KS 66021	\$15,000	\$0
Sherrif's Dept Maintenance Building	307 E. Nelson St, Edgerton, KS 66021	\$35,000	\$20,000
Concessions/Playground Equipment	Martin Creek Park, Edgerton, KS 66021	\$70,000	\$5,000
Poles/Lights/Fence/Siren	Martin Creek Park, Edgerton, KS 66021	\$150,000	\$0
Sewer Lift Station	W. 7th & W. 8th St, Edgerton, KS 66021	\$50,000	\$0
Homestead Lift Station	32377 W. 191st St, Edgerton, KS 66021	\$265,000	\$0
IMF Lift Station	32882 W. 191st St, Edgerton, KS 66021	\$370,000	\$0
Library	319 E. Nelson St, Edgerton, KS 66021	\$500,000	\$0
Water Tower	20325 County Line Rd, Edgerton, KS 66021	\$600,000	\$0
Booster Pump Station	200 Road, Baldwin, KS 66006	\$135,000	\$0
Historical Museum	406 E. Nelson St, Edgerton, KS 66021	\$100,000	\$0
Skate Park / Mulch / Playground Equip	Glendell Acres Park, 310 W. Edgewood Dr, Edgerton,	\$40,000	\$0
Big Bull Creek-new WWTP	20600 Homestead Lane, Edgerton, KS 66021	\$7,030,000	\$0
Big Bull Creek-new WWTP-Solids Bldg	20600 Homestead Lane, Edgerton, KS 66021	\$370,000	\$5,000
Big Bull Creek-new WWTP-Admin Bldg	20600 Homestead Lane, Edgerton, KS 66021	\$750,000	\$10,000
Big Bull Creek-new WWTP-Headworks Bldg	20600 Homestead Lane, Edgerton, KS 66021	\$50,000	\$5,000
Single Family Dwelling	305 E Nelson St, Edgerton, KS 66021	\$100,000	\$0
Pole/Siren	1100 W. Braun, Edgerton, KS 66021	\$25,000	\$0
Water Control Vault w/Telemetry Equipment	100 W. 8th Street, Edgerton, KS 66021	\$4,500	\$0
Water Control Vault w/Telemetry Equipment	900 W. Braun, Edgerton, KS 66021	\$3,000	\$0

Total Values Insured	\$13,540,000	\$290,000
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Note: WWTP value includes all control panels, generators, communications, lights, fencing, etc.

Coverage is Blanket & Valuation is Replacement Cost with 120% Margin - Values of \$13,537,500	\$13,247,500	
Coverage is Specific & Valuation is Actual Cash Value = Depreciated Value - Values of \$292,500	\$292,500	
Property in the open can only be insured at ACV, not RC.		

Total Building	\$13,540,000	
Total Contents	\$290,000	\$290,000
Grand Total Property Values	\$13,830,000	

Edgerton Equipment List 2016

Scheduled Tools

Item	Serial Number	Value	Valuation	Ded
One Meyer 9 ft Snow Blade		\$3,500	ACV	\$1,000
One 11 ft Snow Blade		\$5,000	ACV	\$1,000
One 11 ft Snow Blade		\$7,500	ACV	\$1,000
Two Western 7.5 ft Snow Blades		\$5,000	ACV	\$1,000
2010 Henderson 8 ft Salt/Sand Spreader		\$6,000	ACV	\$1,000
10 ft Salt/Sand Spreader		\$10,000	ACV	\$1,000
1987 Roscoe Stay Back Roller	29908	\$8,650	ACV	\$1,000
1998 Case Uniloader 1840	JAF0248235	\$17,800	ACV	\$1,000
1980 Ditchwitch Trencher	5383000	\$6,000	ACV	\$1,000
1991 Ingersol Rand Paving Breaker & Air Hose	SPBQ4011	\$700	ACV	\$1,000
John Deere Compact Tractor w/60" Mower Deck	6505003290	\$5,500	ACV	\$1,000
1993 Case Backhoe 580	JG0178453	\$31,567	ACV	\$1,000
1994 Injector Knife	T940407	\$3,200	ACV	\$1,000
1980 Trailer Mounted FMC Sewer Cleaner	A-238980	\$3,005	ACV	\$1,000
John Deere Tractor w/attachments	C316G089847M	\$4,000	ACV	\$1,000
SpreadMaster Chip Spreader	TBD	\$1,000	ACV	\$1,000
1991 Pelican Sweeper	9135	\$30,000	ACV	\$1,000
2012 Craftco Supershot Crack Filling Machine with Air Compressor	TBD	\$48,902	ACV	\$1,000
2011 Simplicity Cobalt 30HP B&S Vanguard Big Block 61" ROPS Riding Mower	2014618334	\$6,929	ACV	\$1,000
Ferris IS3100ZBV3261 32 HP B&S Vanguard Air Cooled 61" Front & Rear Suspension Riding Mower	2014671793	\$10,899	ACV	\$1,000
1977 GMC Big Wheels Farm Unit	704	\$3,000	ACV	\$1,000
12M2 Caterpillar Grader		\$254,900	ACV	\$1,000
2014 Ex-Mark Mower		\$7,430	ACV	\$1,000
2013 Bobcat Excavator	A93K17160	\$37,834	ACV	\$1,000
2015 Henke Salt Spreader-Model EXP11AK	19148	\$23,128	ACV	\$1,000
2015 Henke Blade/Plow-Model EXP11AK	19053	\$11,746	ACV	\$1,000
2015 Bad Boy Outlaw 61" Zero Turn Mower	BB0612T74002151006	\$6,954	ACV	\$1,000
2015 Dyna Dac Roller Model CC900G	10000303KFC004901	\$16,530	ACV	\$1,000

Scheduled Equipment Total Value **\$523,524**

Unscheduled Tools **\$20,000** ACV \$1,000

Leased/Rented Unsheduled Equipment **\$25,000** ACV \$1,000

Electronic Data Processing **Hardware** **\$64,976** ACV \$1,000
Software **\$7,500** ACV \$1,000

Items newly added effective 4/1/16
 Items stricken through are to be deleted effective 4/1/16

Edgerton Vehicle List 2016

Year	Make	Model	Body Type	VIN	Coverage
1990	Ford	L8000 Dump	Truck	1FDPR82A8LVA12201	Full
1986	Chev	Dump Truck	Truck	1GBL7D1B5GV113637	Full
1998	Ford	F150	Pickup truck	1FTZF1821WKB03457	Liab Only
1987	GMC	7000 Jet Vac	Truck	1GDP7D1G2HV524631	Full
2000	Ford	F250	Pickup truck	1FTNF21L7YEC85335	Full
1991	Ford	F450 Bucket Truck	Truck	2FDLF47M1MCA42215	Full
2001	Ford	F250	Pickup truck	3FTNF21L71MA02545	Full
2000	Ford	Ranger	Pickup truck	1FTYR14V4YTA23778	Full
2001	Ford	F250	Pickup truck	1FTNF21L41EB39836	Full
2011	Ford	F750 Dump Truck	Truck	3FRXF7FJ7BV545633	Full
2003	Chev	Silverado	Pickup truck	1GCEC19Z43Z304694	Full
1987	Starlight	Utility Trailer	Trailer	TBD	Full
2005	Parker	Utility Trailer	Trailer	TBD	Full
1991	Elgin	Pelican Sweeper	Sweeper	9135	Full
2013	PJ	Utility Trailer CC222	Trailer	4P5CC2227D1190772	Full
2013	Crafco	Super Shot 125D w/Compressor	Tank Trailer	1C9SV1220D1418034	Full
2014	Ford	F250	Pickup truck	1FT7W2B68FEA88530	Full
2014	Ford	F350	Pickup truck	1FTRF3B61FEA88528	Full
2014	Sure-Trac	Utility Trailer	Trailer	5JW1U1624E1097528	Full
2015	Internat'l	Dump Truck	Dump	1HTWHSP8FH719577	Full
2015	Ford	F150 Supercab 4X4	Pickup truck	1FTEX1EPXFKD30819	Full
2015	Ford	F150 Supercab 4X4	Pickup truck	1FTEX1EP9FKE51454	Full

Items stricken through are to be deleted effective 4/1/16

Note: Coverage Column - Full Coverage means Liability & Physical Damage

POLLUTION LIABILITY: EDGERTON WASTEWATER TREATMENT PLANTS COVERAGE

Named Insured: City of Edgerton, Kansas
Company Name: Colony Specialty (rated **A** by A.M. Best)
Policy Term: April 1, 2016 to April 1, 2017

Coverage: Claims-Made Form
Retroactive Date: 4/1/2016 – Policy Inception
Locations: Edgerton WWTP; 710 E. Nelson St., Edgerton, KS 66021
Big Bull Creek WWTP; 20600 Homestead Lane, Edgerton, KS 66021

<u>Limits</u>	<u>Coverage Description</u>
\$ 1,000,000	Cleanup / Remediation Coverage for New Pollution Condition (not pre-existing) that migrates from a covered WWTP location
\$ 1,000,000	Third Party Liability Coverage for New Pollution Condition (not pre-existing) that migrates from a covered WWTP location
\$ 1,000,000	Non-Owned Disposal Site Liability for New Pollution Condition (not pre-existing) that migrates from a non-owned disposal site
\$ 1,000,000	Total Policy Aggregate Limit for all Pollution Incidents
\$ 10,000	Deductible per Pollution Incident

Limits above apply as an Each Pollution Condition Limit subject to the Policy Aggregate Limit. Defense costs are included within the limits above and reduce the limit of liability available.

Pollution Condition means the discharge, dispersal, release, or escape of any solid, liquid, gaseous or thermal irritant, contaminant or pollutant, including smoke, vapor, soot, fumes, acids, alkalis, toxic or hazardous substances, electromagnetic fields, chemicals, waste, and microbial matter, into or upon land or any structure on land, the atmosphere, or any watercourse or body of water, including groundwater, in concentrations or at levels in excess of those naturally present in the environment.

Note: Policy excludes cleanup coverage for a **Pollution Condition** within the boundaries of the WWTP premises. Policy also excludes claims arising out of any odor migrating from the WWTP. This coverage is intended to address claims associated with off premises bodily injury, property damage, and cleanup/remediation costs resulting from a **Pollution Condition** migrating from a WWTP premises or from a non-owned disposal site. Claim includes suits and government or regulatory actions filed against the City.

Condition: 25% Minimum Earned Premium in the event of cancellation mid-term

This page is designed to provide an overview of the Pollution Insurance coverages we are recommending for the City. It is intended only as a general summary and should not be construed as a legal interpretation of the insurance policy. Please refer to the specific insurance contract for details on coverages, conditions and exclusions.

Beth Linn

From: Kevin O'Brien <kevin.obrien@reillyinsurance.com>
Sent: Thursday, March 17, 2016 11:08 AM
To: Beth Linn
Cc: Karen Kindle
Subject: RE: Insurance Renewal - Pollution Quote
Attachments: Pollution - Edgerton WWTPs.pdf

Importance: High

Hi Beth,

I'm finishing up the renewal proposal document and should have it for you later today. Also, I am attaching a summary of the coverage for the Pollution quote we received for the two wastewater treatment plants.

The pollution premiums quoted are:

	One Year Policy	Two Year Policy	Three Year Policy
Without Terrorism	\$9,046.04	\$16,197.86	\$22,903.42
With Terrorism	\$9,493.36	\$17,002.40	\$24,042.92

Please let me know how you would like me to handle/present the Pollution coverage option.

Thanks,

Kevin

Kevin J. O'Brien, CPCU
The Reilly Company
11225 College Blvd., Suite 210
Overland Park, KS 66210
(913) 708-8053 Direct
(913) 708-8880 Fax
(913) 568-7013 Cell
www.reillyinsurance.com



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From: Beth Linn [mailto:blinn@edgertonks.org]
Sent: Thursday, March 17, 2016 10:55 AM
To: Kevin O'Brien
Cc: Karen Kindle
Subject: Insurance Renewal

Kevin – Do you have the information for City Council meeting regarding our insurance renewal? I was hoping to start packet tomorrow. It has to go to City Council on Monday.

Thanks,
Beth