

***MINUTES***  
***SPECIAL CITY COMMISSION MEETING***  
***TUESDAY, SEPTEMBER 10, 2013***  
***5:00 P.M.***

The Special City Commission Meeting of the City Commission was held at 5:00 p.m. in the City Commission Room. Mayor John E. Matta and Commissioners Wynn Butler, Karen McCulloh, Usha Reddi, and Richard B. Jankovich were present. Also present were the City Manager Ron R. Fehr, Deputy City Manager Jason Hilgers, City Attorney Bill Raymond, City Clerk Gary S. Fees, 3 staff, and approximately 19 interested citizens.

**PLEDGE OF ALLEGIANCE**

Mayor Matta led the Commission in the Pledge of Allegiance.

**SPECIAL MEETING ITEM**

**AWARD CONTRACT – AIRPORT TERMINAL EXPANSION, PHASE ONE (AIP 44)**

Ron Fehr, City Manager, introduced the item.

Peter Van Kuren, Airport Director, presented the Terminal Area Master Plan; historic and projected peak hour enplanements, exterior renderings, phasing plan, and the floor plan of the Manhattan Regional Airport Terminal Expansion; interior renderings of the Terminal Expansion and Renovation for Phase One and Phase Two of the construction; and highlighted the bid summary of the Terminal Expansion and Architect's Opinion of Probable Cost.

Herb Jensen, AIA, Project Manager, Mead & Hunt, presented an overview of the bids received. He provided background information on the process used by Mead & Hunt for this project and highlighted some of the contributing factors to the bid amount exceeding the Architect's Opinion of Probable Cost.

Peter Van Kuren, Airport Director, presented a breakdown of project costs for Phase One and Phase Two of the project. He provided a breakdown on costs and the Federal Aviation Administration (FAA) share amount, Passenger Facility Charges (PFC) eligibility, the local obligation amount, and status of the FAA grant agreement. He stated that Passenger Facility Charges (PFC) would be used to offset the annual debt service and are projected to be adequate for Phase One local obligations. He presented a map of the catchment area for the Manhattan Regional Airport and highlighted the growth and activity of the Airport. He then provided the recommendation and possible motion for the City Commission's consideration.

## SPECIAL MEETING ITEM (CONTINUED)

### AWARD CONTRACT – AIRPORT TERMINAL EXPANSION, PHASE ONE (AIP 44) (CONTINUED)

Ron Fehr, City Manager, and Peter Van Kuren, Airport Director, responded to questions from the Commission. They provided additional information and clarification of the phasing plan for Phase One and Phase Two, the projected revenues received from PFC, and the potential use of Economic Development Funds to cover any shortfalls. They also responded to questions and provided additional information on the timing for the parking project and the potential to charge for parking at the Manhattan Regional Airport.

Peter Van Kuren, Airport Director, provided additional information on the PFC's and past projects that have been funded with these funds. He responded to questions from the Commission and provided clarification on the process with the PFC application that will be submitted to the FAA.

Bernie Hayen, Director of Finance, responded to questions from the Commission regarding the revenue received annually from PFC. He stated that the auditors ensure that projects and PFC revenues are being used in accordance with FAA requirements. He then responded to questions from the Commission on the proposed term of the bonds.

Peter Van Kuren, Airport Director, provided additional information on the PFC eligibility items. He also responded to questions from the Commission for capacity areas to be considered in case the City does not receive the funding anticipated.

Herb Jensen, AIA, Project Manager, Mead & Hunt, responded to questions from the Commission and provided information on the estimated and actual square footage costs associated with Phase One of the project.

Peter Van Kuren, Airport Director, responded to questions from the Commission regarding current and projected enplanements.

Ron Fehr, City Manager, responded to questions from the Commission regarding the action proposed, project funding, and support received from the congressional delegation. He reiterated to the Commission that the City has received written verification that the grant is in the works. He also provided additional information on FAA funding, entitlement funds in out years, and financing options.

After discussion and comments from the Commission, Ron Fehr, City Manager, responded to additional questions from the Commission on utilizing the economic development funds for the local obligation share, future funding of the control tower, considerations to charge for parking, and current and future staffing at the Airport.

## SPECIAL MEETING ITEM (CONTINUED)

### AWARD CONTRACT – AIRPORT TERMINAL EXPANSION, PHASE ONE (AIP 44) (CONTINUED)

Lyle Butler, President, Manhattan Area Chamber of Commerce, informed the Commission that this item is huge for economic development and for leisure to attract conferences to the community. He stated that he fully supports the use of economic development funds for this item and asked the Commission to allow flexibility in the use of those funds, given the restrictions that each fund has. He stated that this is an exciting project and the Chamber fully supports the project.

Dick Hayter, Chair, Manhattan Airport Advisory Board, informed the Commission that the Airport Advisory Board received the same presentation and were in full support. He encouraged the Commission's endorsement of the project.

After additional discussion and comments from the Commission, Commissioner Jankovich moved to accept the Architect's Opinion of Probable Cost in the amount of \$7,203,576 as well as their explanation and recommendation for award of a higher bid amount; authorize the Mayor and City Clerk to execute a construction contract in the amount of \$9,120,000 with The Weitz Company, LLC, of Lenexa, Kansas, for construction of Phase One of the terminal expansion at the Manhattan Regional Airport; accept the federal Grant Offer (3-20-002-44) from FAA in the amount of \$7,876,540; authorize City Administration to finalize and the Mayor and City Clerk to execute Task Order No. 11 in an amount not to exceed \$754,683 with Mead & Hunt, Inc., of Madison, Wisconsin, for construction administration. Commissioner Butler seconded the motion. On a roll call vote, motion carried 5-0.

## WORK SESSION ITEM

### DOWNTOWN REDEVELOPMENT SOUTH END PERMANENT FINANCING OPTIONS FOR CITY FINANCED PROJECTS

Jason Hilgers, Deputy City Manager, provided an overview of the South End Redevelopment permanent financing options. He presented bonding options for the Conference Center, Parking Garage, and the Flint Hills Discovery Center Exhibit Design. He then responded to questions from the Commission regarding maintenance and responsibility of the Conference Center, average mill levy impact for the Conference Center, and discussed the dynamics and possibility of charging for parking at the Parking Garage in order to generate additional revenues.

Ron Fehr, City Manager, provided additional information on assessing a parking fee at the Parking Garage and funding considerations.

**WORK SESSION ITEM (CONTINUED)**

**DOWNTOWN REDEVELOPMENT SOUTH END PERMANENT FINANCING  
OPTIONS FOR CITY FINANCED PROJECTS (CONTINUED)**

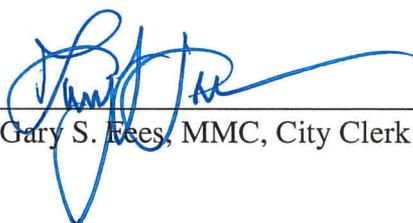
Bernie Hayen, Director of Finance, responded to questions from the Commission regarding the spreads on the 10, 15, and 20-year bond terms and interest rates. He also provided background information on the historic interest rates, anticipated rates, and considerations on the term of the bonds.

After additional discussion and comments from the Commission, Ron Fehr, City Manager, and Jason Hilgers, Deputy City Manager, responded to additional questions of the Commission and provided information on the financing options and flexibility to extend the temporary notes if that was the desire of the Commission.

As this was a Work Session item, no action was taken.

**ADJOURNMENT**

At 6:30 p.m., the Commission adjourned.

  
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Gary S. Fees, MMC, City Clerk