

## REQUEST FOR COUNCIL ACTION

<b>DATE:</b>	<b>TITLE:</b>
August 17, 2010	RESOLUTION NO. 19-2010 ENTERPRISE ZONE
<b>ORIGINATING DEPARTMENT:</b>	<b>TYPE OF ACTION:</b>
Administration	<input type="checkbox"/> ORDINANCE <input checked="" type="checkbox"/> RESOLUTION
	<input type="checkbox"/> FORMAL ACTION <input type="checkbox"/> OTHER

### RECOMMENDATION:

I recommend that the council approve Resolution No. 19-2010.

### FISCAL NOTE:

- There is no direct cost associated with this agenda item.

### DISCUSSION:

This resolution is nearly identical to one passed ten (10) years ago in support of a county-wide enterprise zone. The Kansas Enterprise Zone Program is designed to encourage businesses to create new jobs. Enterprise Zone incentives are available to qualified businesses throughout Kansas, based on the location of the facility, the type of facility (manufacturing, non-manufacturing, or retail), the capital investment made, and the number of jobs created. A sales tax exemption is available on materials, equipment, and services purchased when building, expanding, or renovating a business facility. State income tax credits are available for job creation and capital investment. Earned credits may be used to offset up to 100 percent of a company's annual state income tax liability.

Respectfully submitted,

Glenn Rodden  
City Administrator

## RESOLUTION NO. 19-2010

A RESOLUTION CONSENTING TO PARTICIPATE IN A KANSAS ENTERPRISE ZONE NONMETROPOLITAN REGION AND CONFIRMING SUPPORT FOR THE QUALIFYING REGIONAL STRATEGIC PLAN AND REQUESTING THAT THE SECRETARY OF COMMERCE APPROVE THE COUNTY OF MITCHELL INCLUDING THE CITY OF BELOIT AS A KANSAS ENTERPRISE ZONE DESIGNATED NONMETROPOLITAN BUSINESS REGION.

**WHEREAS**, K.S.A. 74-50,116(a)(2) requires the City to consent in writing to participate in a Kansas Enterprise Zone nonmetropolitan regional business program; and

**WHEREAS**, A regional strategic plan, required by K.S.A. 74-50,116(c)(2), has been updated and adopted\_ by the Board of Directors of North Central Regional Planning Council including Beloit and Mitchell County; and

**WHEREAS**, Regional business incentive(s) of at least eight (8) hours of staff time at the rate of \$45.00 per hour will be offered to all qualified businesses in the City; and

**WHEREAS**, Additional county-wide business incentive(s) of landfill fees for one (1) year will be offered to all qualified businesses in the County; and

**WHEREAS**, All qualified businesses in the City will be notified of the availability of the business incentive(s) indicated above by letter or public notice; and

**WHEREAS**, The City Council of the City of Beloit chooses to participate as a (or part of a) Kansas Enterprise Zone designated nonmetropolitan business region as provided by K.S.A. 74-50, 116; and

**WHEREAS**, the City intends this resolution to constitute and evidence a written agreement to consent to such participation in a Kansas Enterprise Zone nonmetropolitan region with Beloit County; and

**NOW, THEREFORE, BE IT FURTHER RESOLVED** by the City Council of the City of Beloit as follows:

That the Kansas Secretary of Commerce is hereby requested to approve the City of Beloit as a Kansas Enterprise Zone designated nonmetropolitan business region pursuant to the Kansas Enterprise Zone Act.

**PASSED AND ADOPTED** at a regular meeting of the Governing Body of the City of Beloit and signed by the Mayor this 17<sup>th</sup> day of August, 2010.

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Rebecca Koster, Mayor

**ATTEST:**

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Kerry Benson, Director of Finance/City Clerk



## REQUEST FOR COUNCIL ACTION

<b>DATE:</b>	<b>TITLE:</b>
August 17, 2010	RESOLUTION NO. 20-2010 MAYOR APPOINTMENTS
<b>ORIGINATING DEPARTMENT:</b>	<b>TYPE OF ACTION:</b> <input type="checkbox"/> <b>ORDINANCE</b> <input checked="" type="checkbox"/> <b>RESOLUTION</b>
Administration	<input type="checkbox"/> <b>FORMAL ACTION</b> <input type="checkbox"/> <b>OTHER</b>

### RECOMMENDATION:

Resolution 20-2010 Ratification of Mayor's Appointments of Officers and Members of Boards and Commissions is attached.

### FISCAL NOTE:

- There is no direct cost associated with this agenda item.

### DISCUSSION:

There is currently a vacancy on the 12<sup>th</sup> Judicial District Representative. Mayor Koster is recommending that Bob Richard fill the vacant position.

Article 3 of the City Code specifies that the Mayor shall appoint these positions, by and with the consent of the council. Therefore, Resolution 20-2010 Ratification of Mayor's Appointments of Officers and Members of Boards and Commissions is attached.

Respectfully submitted,

Glenn Rodden  
City Administrator

**RESOLUTION NO. 20-2010**

**THE CITY COUNCIL OF THE CITY OF БЕЛОIT  
CONFIRMING CITY OFFICER APPOINTMENT**

**WHEREAS**, the City of Beloit Municipal Code provides for the annual appointment of officers and the appointment of expired terms to Boards and Commissions by the Mayor;

**WHEREAS**, the appointments should be made for the 12<sup>th</sup> Judicial District Representative pursuant to the Municipal Code; and

**WHEREAS**, it is in the best interests of the City to have appointments who are responsible for City operations and duties associated with the offices, Boards and Commissions of the City of Beloit.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Beloit as follows:

The following appointed individuals are hereby ratified by the Council to serve in the respective positions of the City of Beloit:

1. 12<sup>th</sup> Judicial District Representative – Bob Richard

**PASSED AND ADOPTED** at a regular meeting of the Governing Body of the City of Beloit and signed by the Mayor this 17<sup>th</sup> day of August, 2010.

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Rebecca Koster, Mayor

**ATTEST:**

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Kerry Benson, Director of Finance/City Clerk



## REQUEST FOR COUNCIL ACTION

<b>DATE:</b>	<b>TITLE:</b>
August 17, 2010	SPECIAL EVENT LICENSE
<b>ORIGINATING DEPARTMENT:</b>	<b>TYPE OF ACTION:</b> <input type="checkbox"/> <b>ORDINANCE</b> <input type="checkbox"/> <b>RESOLUTION</b>
Administration	<input checked="" type="checkbox"/> <b>FORMAL ACTION</b> <input type="checkbox"/> <b>OTHER</b>

### RECOMMENDATION:

I recommend that the Council approve the Special Event License for the Mitchell County Fair Association for August 28, 2010 for the Solomon Valley Raceway Races to be held at the Mitchell County Fairgrounds.

### FISCAL NOTE:

- There is no direct cost associated with this item. There is a \$25 license fee.

### DISCUSSION:

Respectfully submitted,

Glenn Rodden  
City Administrator

119 North Hersey Avenue  
P O Box 567  
Beloit, Kansas 67420



Tel No (785) 738-3551  
Fax No (785) 738-2517  
Email beloit@nckcn.com

SPECIAL EVENT LICENSE REQUEST FORM

Name: Mitchell County Fair Assn

Address: PO Box 382

Phone: 785-738-7435

Location of event: Mitchell County Fairgrounds Solomon Valley Race Track

Purpose of event: 3/4 midget, med lite and vintage  
racing (Permit for Beer garden)

Date/Time of Event: 7:00 PM Aug 28, 2010

\*\*A \$25.00 special event license fee will be assessed. This fee is due upon receipt of the application.

Fee Received by \_\_\_\_\_

\*\*I have received a copy of Ordinances No. 2022, 2027, and 2035 and understand and agree to abide by all conditions stated in the Ordinances.

Signature: Douglas C Newquist

Port Library Board of Trustees Minutes  
July 6, 2010

The Port Library Board of Trustees met Tuesday, July 6, 2010. Trustees present were President Verlin Kolman, Vice President Rick Larson, Treasurer Sally Williams, Kitty Wagner, Jeri Bates and Connie Kopsa. Also present were Director Rachel Malay, City Administrator Glenn Rodden and Beloit City Council member James Crowley.

The meeting was called to order at 5:30.

Minutes from the June meeting were reviewed. Rick Larson moved to approve the minutes. Kitty Wagner seconded. Motion passed.

The financial report was reviewed. Rachel Malay highlighted that two computer towers had been purchased in June at a cost of \$1332.93 total. Insurance was also paid at a cost of \$1065. Jeri Bates moved that we accept the financial report, noting the above payments, and pay all bills. Connie Kopsa seconded. Motion passed.

Rachel Malay gave her report with the following high points:

- The June statistical report showed a big increase in the number of wireless Internet signal users.
- Anita Reiter's summer reading programs have gone well. She has hosted 5 programs for grade school kids and 3 for teens.
- Rachel's last Tea Party was not well attended but this could have been due to poor timing-during harvest.
- The new water cooler was delivered June 24<sup>th</sup>. It is up and working well.
- On July 7<sup>th</sup> Marla Evert will be attending a CKLS workshop in Russell on writing competitive grants for CKLS \$.
- An adult summer reading program will be starting July 9<sup>th</sup>. This is the first of these in many years to be hosted at the Port Library.

Old Business: Director Rachel Malay asked about the status of the Friends of the Library plans. There has been no formal action so far.

New Business:

Rick Larson reported that Lydia Becker from the Chamber of Commerce had contacted him regarding the Port Library possibly being a beneficiary of an upcoming fundraiser that the Chamber will be hosting. Nothing is official yet. More details will follow.

Verlin Kolman reported that Donnie Marrs had provided him with a rough draft of some estimates that he had been working on. These are cost estimates comparing the two future proposed sites of the Port Library. After much discussion it was decided that more information was needed from Donnie. Verlin will get back to Donnie and ask him to include the following in his next estimate:

- 1) Compare a 17,000 square foot remodeled building to a 17,000 square foot new building.
- 2) What type of assistance is available from FEMA with the inclusion of a safe room? What is the actual square feet allowed for a safe room and what percent of the total cost would FEMA absorb?
- 3) Estimate clean up cost of the building on the old Correctional Facility grounds.
- 4) When providing blueprints, be sure to allow for expansion to the north on the old correctional facility grounds.
- 5) Add a young adult area to the blueprint.
- 6) The children's area needs to be enclosed.
- 7) Please provide an identical floor plan for both building sites so we can make comparative costs.

Rick Larson moved that we adjourn. Seconded by Sally Williams. Meeting was adjourned at 6:28.

Next meeting will be Monday, August 2, 2010 at 5:30.

# Community Development Report

## August 2010

**North Campus Facility-** We will begin working on a master plan for the North Campus property. The NCK Technical College expressed interest in possibly utilizing part of the Administration Building for dormitory space. After further discussion it was decided this would be better to consider for next Spring if there is a demand for this type of facility.

**Housing-** The Beloit Crown Homes project is still moving forward at this time. Unfortunately we have run into another hold up with legislation in Congress. One of the programs needed to make this project feasible has not been renewed at this time. It is working it's way through the process at this time.

**Business Retention & Expansion Surveys-**We continue to follow up on the BRES surveys sent out in July. There is a clear concern in regard to the quantity and quality of housing for our workforce. Family quality rental housing is in short supply. Other business indicators are still positive despite difficult economic times.

**Renewal of the Neighborhood Revitalization Program-** All of the taxing entities have renewed their participation in the program and the last of the interlocal agreements are being turned in and will be ready for approval by the county commission later in August.

**E-Community Program-**Due to unforeseen issues, other projects and demands we are going to have to postpone our application for this round of the E-Communities program. Most of the work on the application and all related forms have been completed. But we do not have the time needed to sell the tax credits needed to have a great impact. We will try again next Spring.

### **Marketing-**

**Project Prospect-**Was spearheaded by the Department of Commerce. It is a media campaign to promote the Kansas Works program and their website for job hunters.

**Economic Development FAM-**I have presented a proposal to the North Central Kansas Rural Development Council, the Regional Planning Commission and several other groups to host an Economic Development FAM Tour. This is a "familiarization" tour to help site selectors and commercial realtors get familiarized with our region and our communities. We are planning to have the tour in October. I am working closely with representatives in Salina, Concordia, Marysville and Clay Center. Those are the communities that will be "stopping points" on the tour route this year. But we want to cover as much information as we can on the entire region. We want to promote our commercial building sites, available buildings and local incentives and assets. I have developed a mailing piece and we should be sending those out as soon as possible. This is a regional effort and we are getting financial commitments from economic development groups and organizations throughout north central Kansas.

**Convention & Tourism Marketing-**Janet Remus and I are working on behalf of the Convention & Tourism Committee to put together cable television commercials to help promote hunting and fishing in our region. We are working with Prime Media to produce the spots. They will be aired in Kansas, Nebraska, Missouri and Oklahoma.

## **Prospective business expansions-**

1. **August 12- Project Shutter-**I have been in contact with a person with a small business who is interested in expanding into a commercial location in Beloit. This would provide them the opportunity to expand their services and have more visibility for their business. I have been in contact with a specific property owner to discuss lease rates and utilities on a building they own in the downtown area.
2. **Project Cabinet- March 10-** I was contacted by a local business person who is interested in putting up a new building to expand their current business. I have put them in touch with several property owners to discuss potential sites for their building. We are also meeting to discuss their business plan and will be setting up a meeting with staff from NCK Regional Planning Commission to discuss possible financial assistance for this project. This would be a significant sized building and could create 2 to 3 new jobs.

**April Update-** We have met with staff from the Regional Planning Commission and Department of Commerce. There are several sources of tax credits available and financing options available to assist this business development. They have also expressed interest in building in the SVED Business Park and would construct a 50,000 s.f. facility.

**July 7 Update-** I was contacted by the business owner. He indicated they have been busy with another project. They are nearing completion and they are still very interested in putting up their building in the business park. They will be back in contact soon. (FYI first contact on this project was 5 years ago. We have remained in contact over this period of time)

**August 10 Update-**Nothing new to report.

## **Prospective new business developments-**

1. **July 27-Project Sky-** This is a prospect that came through the Kansas Department of Commerce. We were given 28 hours to prepare a written proposal for them. The proposal was completed and accepted. Since then we have been involved in two follow up conversations for additional information on the resources available locally. This is a large commercial business that would require a construction of a new building and a significant amount of water. We have confirmed the water availability from the City of Beloit and have been able to meet all other requirements of the business.
2. **July 2- Project Scale-**This is a local person who contacted me with interest in starting a new business in Mitchell County. They initially had interest in utilizing a building on the north campus. They are now looking at doing this from their home in Mitchell County. They have a business plan developed but need to do more research on their product and market. I have contacted K-State to assist with answering some of their questions. This is a very unique “ag-based” product.  
**August Update-**This project is becoming a lower priority for the business person. It may be removed from our active list in another 30 days.
3. **July 6- Project Hood-** Two gentleman first approached me on **July 6** with interest in starting a new retail business in Beloit. They have focused their interest in the downtown area but have not been able to find a suitable building. One they are most interested in utilizing is currently occupied.  
**On July 14-**They returned for a second visit and have expressed interest in a new location on Highway 24. I have made contact with the owner of the building but have not been able to make arrangements for them to see inside the building yet. I have been trying to contact a couple other building owners with no luck yet. **August Update-**No new contact within the past couple of weeks.

4. **July 7-Project Gem**-On July 7 I contacted a business owner from outside Mitchell County who had previously expressed interest in establishing a retail store in Beloit. They still have an interest but need to locate a suitable building. They also need to decide if they are more interested in purchasing or leasing a building. We are still discussing their options.  
**August update**-We continued to communicate and I will be in touch with them again soon as new opportunities are starting to become evident.
5. **July 12-Project Chow**-This person is interested in starting an agricultural business. But the supplier they have been getting to know is no longer going to be able to serve them in Mitchell County. They are currently looking for a new supplier. The product is not available in Mitchell County and they are involved in a national search for a new supplier. This business would employ 1 or 2 people and would be operated from an existing residential location in Mitchell County. They currently have all the equipment they need. They are working with their financial adviser on business and tax issues and may utilize the Workforce Opportunity Tax Credit program.  
**August Update**-We have been working together a lot over the past several weeks to find a new supplier. We have come very close to finding a match on several occasions but they seem to fall through at the last moment. We need to get a supplier lined up within the next week or two.
6. **June 18-Project Rake**-On June 18 I was contacted by a consultant from Illinois in regard to a business seeking proposals for a manufacturing facility and administrative office building. They have very high electrical needs. I contacted the city to confirm we could meet their electrical needs and submitted proposals on two locations that would meet their needs for manufacturing and administrative offices. On June 22, I was contacted by the Kansas Department of Commerce and informed both our proposals were approved to proceed to the second round of consideration by the company. It is currently under their review.  
**July 14 update**-The consultant said the responses are currently still under review. They have no additional questions for us at this time.  
**August Update**- Nothing new to report.
7. **May 14-Project Monument**- On May 14 I submitted an 8 page proposal for a new manufacturing business that was brought to our attention by the Kansas Department of Commerce. The business is seeking a site with 20-30 acres of land. They also sent us their specifications for a building, transportation, utilities, workforce, training and other items they are seeking. Our proposal is currently under review by the Kansas Department of Commerce and the company.  
**July 13 update**-KS Dept. of Commerce said the company received 14 proposals. They have not made a selection yet.  
**August Update**-Nothing new to report

**Businesses/Organizations requested information or assistance.**

Current Month    Current YTD    '09 YTD

Expansion Plans	1	9	11
Tax Assistance	1	1	2
Marketing/Planning Assistance	0	0	0
Employment Assistance	0	1	9
New Business Prospect	1	24	25

## ITEMS FOR COUNCIL DISCUSSION

DATE:

August 17, 2010

TITLE:

WORK SESSION DISCUSSION

### DISCUSSION:

Items for discussion at your August 17, 2010 Work Session will include the following:

1. **FBO Contract:** Enclosed is our contract with Travis Lattin for his service as the Beloit/Moritz Airport FBO. This is a three year contract that expires in November 2010. The current FBO receives \$900.00 per month and the profits from fuel sales and is responsible for staffing the airport five days a week.
2. **Water Distribution:** I have received many complaints during the past few months about dirty and rusty water. City workers have replaced 144,450 feet of cast iron lines during the past three decades. We have another 82,050 feet of cast iron line in our distribution system. We could continue with our current system or look for a contractor to replace all remaining cast iron line. The estimated cost for this project is and we do not presently have enough in cash reserves to pay for this project which means we would need to borrow. The two possibilities would be to borrow from KDHE or sell revenue bonds. Also, attached is a cost estimate for water line to RWD#3.
3. **New Library Cost Estimate:** Mark Regier from JGR Architects in Salina estimates that it would cost \$80 per square foot to renovate the cafeteria building on the Beloit North Campus. That is a much lower estimate than Don Marrs provided to the library board earlier this month.
4. **Pool Bath House:** Larkin Aquatics visited with Lynn, Morgan, and I this week about the pool bath house. According to Larkin Aquatics, it would cost between \$300,000 to construct a bath house similar to the one we currently have on the same site.

Respectfully submitted,

Glenn Rodden  
City Administrator

## FIXED BASE OPERATION CONTRACT

THIS CONTRACT made, effective as of the 7<sup>th</sup> day of November, 2001, by and between the City of Beloit, Kansas, a municipal corporation, hereinafter referred to as "City", and Travis W. Lattin, second parties, hereinafter referred to as "Operator".

The parties agree as follows:

### SECTION ONE FIXED BASE OPERATION

The City appoints the Operator as Operator of the Moritz Memorial Airport and the Operator accepts the position of Operator of the Moritz Memorial Airport.

### SECTION TWO TERM

This Fixed Base Operation Contract shall continue for a period of three years beginning on November 7, 2001, and terminating on November 6, 2004, unless sooner terminated as provided in this Contract. This Contract shall automatically renew for like terms unless either parties notify the other in writing on or before 180 days prior to the expiration of this Contract or any extended term thereof.

### SECTION THREE PAYMENT

For and in consideration of the services of Operator to the Moritz Memorial Airport, the City agrees to pay the Operator the sum of \$900.00 per month during the term of this Contract to cover Operator's cost of insurance and other miscellaneous operating expenses.

### SECTION FOUR HANGAR RENTALS

During the term of this Contract the Operator shall have the authority to lease all hangar rentals for a like term of his Fixed Base Operation Contract with form of leases approved by the City.

The Operator shall retain all hangar lease rental payments during the term of this Contract or extension and renewal, until date of its expiration or termination as provided for in this Contract.

SECTION FIVE  
MANAGEMENT AND RIGHTS OF OPERATOR

1. During the term of this Contract, Operator shall provide pilot services and flight training services and shall have the exclusive management of the airport including authority to regulate all activities that take place on the airport premises, subject to the terms of Section Eight, except as herein otherwise provided, and as such, shall have the right to:

- a. Take off, land, fly, taxi, tow, park, load and unload their aircraft and other equipment used in the operation of the airport.
- b. Load and unload persons, cargo and property.
- c. Repair, maintain, condition, service, test, park, or store aircraft or other equipment.
- d. Service aircraft and other equipment with gasoline, oil, grease, lubricants and sell other fuel or propellant. The City agrees to grant and make available to the Operators for their use, without charge, the existing storage and delivery gasoline fueling system.
- e. Install, maintain and operate without cost to the City, such radio communication and navigation systems or equipment as in the discretion of the Operators they deem necessary and advisable, except in addition to present furniture and equipment now owned by the City to be used for the benefit of the Operator, the City agrees at its expense, to furnish and maintain a base unit radio.
- f. Operate and maintain a flying school, including ground school for training of aircraft pilots and airplane mechanics.

g. Perform maintenance, repairs and overhaul of aircraft including aircraft services and inspection.

h. Conduct any other operation or activity that is reasonably necessary for the operation of Moritz Memorial Airport, except the City agrees that the Operator may continue private seasonal spraying work for others which lasts approximately six (6) months and is mostly done before 9:00 a.m. or after 5:00 p.m. each day except for busy spraying seasonal time which will require his time after 9:00 a.m. or before 5:00 p.m. and in such case, Operator will hire, at his expense, a part-time worker to assist in Operator's responsibilities under the terms of this Contract, except City will respond to airplane fuel requests in the event Operator or his part-time worker is not available.

2. The Operator shall be entitled to all income and likewise, is liable for all expenses associated with management duties and rights herein specified by this Section.

#### SECTION SIX MAINTENANCE, ET AL

1. The City shall, at all times, keep and maintain airport buildings, airport lighting system, the airport runways, taxi and parking areas, free and clear of any accumulation of dirt, debris, snow or other matter tending to interfere with their safe and proper use and shall pay all utility expenses required to operate the same.

2. The City shall, at all times, keep the airport premises mowed and maintained.

3. If feasible, the City, at its expense, will connect the two fuel tanks located on the premises together, to increase fuel tank use efficiency.

#### SECTION SEVEN FUEL PURCHASES AND SALES

The City agrees to purchase aviation fuel to fill the fuel tank located on the premises at or

near the effective date of this Contract at its expense. Operator shall be entitled to all profits of said fuel purchased by the City. All additional aviation fuel purchases and delivery shall be the responsibility of the Operator and Operator shall be entitled to all profits thereof. Upon termination of this Contract, Operator shall purchase aviation fuel to fill the fuel tank in a like quantity as the City purchased at the beginning of the Contract period.

#### SECTION EIGHT COMPLIANCE WITH LAWS AND ACTIVITIES STANDARDS

1. The Operator for himself, his heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this Contract for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the Operator shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

2. The Operator for himself, his heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that: (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subject to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination, (3) that the Operator shall use the premises in compliance with all other requirements imposed by or

pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

3. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958, as amended, and the Operator reserves the right to grant to others the privilege and right of conducting any one or all activities of an aeronautical nature.

4. Operator agrees to furnish service on a fair, equal and not unjustly discriminatory basis to all users thereof, and to charge fair, reasonable and not unjustly discriminatory prices for each unit or service; PROVIDED, that Operator may make reasonable and non-discriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

5. City reserves the right (but shall not be obligated to Operator) to maintain and keep in repair the landing area of the airport and all publicly-owned facilities of the airport, together with the right to direct and control all activities of the Operator in this regard.

6. City reserves the right further to develop or improve the landing area and all publicly-owned air navigation facilities of the airport as it sees fit, regardless of the desires or views of Operator, and without interferences or hindrance.

7. City reserves the right to take any action it considers necessary to protect the aerial approaches of the airport against obstruction, together with the right to prevent Operator from erecting, or permitting to be erected, any building or other structure on the airport which in the opinion of the City would limit the usefulness of the airport or constitute a hazard to aircraft.

8. During time of war or national emergency City shall have the right to enter into an agreement with the United States Government for military or naval use of part or all of the landing area, the publicly-owned air navigation facilities and/or other areas or facilities of the airport. If any

such agreement is executed, the provisions of this instrument, insofar as they are inconsistent with the provisions of the agreement with the Government, shall be suspended.

9. It is understood and agreed that the rights granted by this Contract will not be exercised in such a way as to interfere with or adversely affect the use, operation, maintenance or development of the airport.

10. There is hereby reserved to City, its successors and assigns, for the use and benefit of the public, a free and unrestricted right of flight for the passage of aircraft in the airspace above the surface of the premises, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft, now known or hereafter used for navigation of or flight in the air, using said airspace or landing at, taking off from, or operating on or about the airport.

11. The Contract shall become subordinate to provisions of any existing or future agreement between the City and the United States of America or any agency thereof relative to the operation, development, or maintenance of the airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the airport.

#### SECTION NINE INSURANCE

During the term of this Contract, including any extended term thereof, Operator shall procure and maintain in force insurance against liability for bodily injury and property damage for the business activities of the Operator and the Operator's activities thereon in minimum amounts as follows:

One Million Dollars (\$1,000,000.00)

The City shall be furnished with Certificate of Insurance on all insurance policies obtained

by the Operator in compliance with this requirement. Operator agrees to notify the City in writing as to any amendment to or cancellation of such policies.

#### SECTION TEN INDEMNIFICATION OF OPERATOR

Operator agrees to indemnify City against all liability for injuries to persons or damage to property caused by Operator's negligent use of occupancy of the premises; provided, however, that Operator shall not be liable for any injury, damage, or loss occasioned by the negligence of City or its agents or employees.

#### SECTION ELEVEN LEASE RESERVATIONS

During the term of this Contract, the City reserves all airplane ground leases and annual leases of hay and crop ground, including all revenues generated from said leases.

#### SECTION TWELVE ENTIRE AGREEMENT

This Contract constitutes the entire agreement between the parties, and any prior understanding or representation of any kind preceding the date of this Contract shall not be binding on either party except to the extent incorporated in this Contract.

#### SECTION THIRTEEN MODIFICATION OF CONTRACT

Any modification of this Contract of additional obligation assumed by either party in connection with this Contract shall be binding only if in writing signed by each party or an authorized representative of each party.

#### SECTION FOURTEEN ASSIGNMENT OF RIGHTS

The rights of each party under this Contract are personal to that party and may not be

assigned or transferred to any other person, firm, corporation, or other entity without the prior, express, and written consent of the other party.

IN WITNESS WHEREOF, each party to this Contract has caused it to be executed at Beloit, Mitchell County, Kansas, on the date indicated below.

The City of Beloit, Kansas

By Rebecca J. Koster  
Rebecca J. Koster, Mayor  
"CITY"

ATTEST:

Charlene Abell CMC  
Charlene Abell, City Clerk

Travis W. Lattin  
Travis W. Lattin  
"OPERATOR"

Dated this 7<sup>th</sup> day of November, 2001.

**MITCHELL COUNTY RWD NO. 3  
 CONNECTION TO CITY OF BELOIT  
 Preliminary Engineer's Estimate  
 August 2010**

<b>Construction Costs</b>	<u>Quantity</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Amount</u>
1 Connect to Existing	2	EA	\$1,500	\$3,000
2 8" CI 160 PVC	5,100	LF	\$13.00	\$66,300
3 County Road Crossing	1	EA	\$4,000	\$4,000
4 Master Water Meter	1	LS	\$6,000	\$6,000
5 8" Gate Valve	1	EA	\$1,000	\$1,000
6 Booster Pump Station	1	LS	\$70,000	<u>\$70,000</u>
			Subtotal Construction Costs	\$150,300
			+ 10% Contengencies	<u>15,030</u>
			<b>Total Estimated Construction Costs</b>	<b>\$165,330</b>

**Overhead Costs**

1 Engineering Design (10.3%)	\$17,000
3 Inspection/Contract Administration (5.6%)	<u>9,200</u>
	<b>Subtotal Overhead Costs</b>
	<b>\$26,200</b>
	<b>Total Estimated Project Cost</b>
	<b>\$191,530</b>