

Arena Tax Oversight Committee  
July 25, 2006 - 3:00pm  
Minutes

Committee members present: George Arnold, John Clevenger, Frank DeSocio,  
Richard Schodorf, Greg Sevier, Jose Gutierrez  
Committee members absent: Bruce Armstrong, Christina Ricke, Mark Dennett,  
Tim Short  
Others in attendance: Chris Chronis, Misha Jacob-Warren, Jeff Porter,  
Ginger Radley, Anne Smarsh

Call to Order           The meeting was called to order by Committee Chairman Greg Sevier

Acceptance of Minutes       Greg Sevier asked for a motion to approve the minutes from the April 26, 2006 meeting

- Motion made by Richard Schodorf
- Motion seconded by John Clevenger
- Motion passed

New Business           Review of recent reports - Chris Chronis distributed the current reports concerning expenditures and revenues as obtained July 25, 2006

- First Report - Current Finances
  - o Budget - Actual Report
    - To date, expenditures (includes Arena A & E Services, Land Acquisition, and Pavilions) for the arena project total \$4,799,240.29
    - Encumbrances (those items that have been committed, but not yet expended) total \$6,711,956.09
  - o Detailed Expenditure Report
    - Since the April 25, 2006 meeting, \$2,298,544.41 has been spent on the arena project:
      - A & E Services = \$492,060.30
      - Land Acquisition = \$1,804,610.31
    - Regarding the entry of Lund/Gallager travel, it was noted, these were the name of the primary consultants from the Superlative Group.
    - In regards to Land Acquisition, Sedgwick County has acquired three parcels of land in the arena site. Chris Chronis stated the Board of County Commissioners will be asked to begin the condemnation process for the Chris Chronis stated Legal expects the process to take a minimum of six months. By beginning the process in July it is hoped the properties may be acquired by

New Business  
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January of 2007. The County's agent for land acquisition hopes to reach agreement with some property owners prior to court proceedings.

- Changes to the Project Budget
  - Chris Chronis reminded committee members revisions made to the project budget had not been made in the financial system at the time of their previous meeting. The reallocation of priorities resulted in moving parking construction to the operation and maintenance reserve. Any additional parking projects will draw from the reserve funds.
  - *Richard Schodorf asked for information about the land acquisition process and nature of negotiations.*
    - Chris Chronis responded the County has retained the Marten Company to handle land acquisitions. All negotiations are handled by the firm and the County has no direct involvement. Initial offers to property owners, based on market value, which are in the range of three to four times higher than County tax appraisal.
  - *Richard Schodorf asked for information about the relocation of displaced business in the arena site.*
    - Chris Chronis stated the County has retained a relocation specialist and additional money is available to assist with relocation.
- *John Clevenger questioned whether the spike in land acquisition fees was due to legal fees.*
  - Chris Chronis stated outside counsel has been retained for the condemnation process, and the County Counselor has approval of costs submitted for outside legal advice.
- *Greg Sevier requested to review the bills for travel by Superlative Group.*
  - Chris Chronis responded Superlative has been retained to help determine premium seating needs and identify corporate partnership opportunities. The costs for travel Lund and Gall submitted were for site visits to arenas in communities similar to Wichita.
  - Chris Chronis highlighted the process for approval of Superlatives invoices on the screen.
- *Richard Schodorf asked how title insurance was handled in reference to the invoices for the acquisition of the Fran-Mar property.*

New Business  
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- Chris Chronis stated title insurance was part of the package of services provided by the company selected to perform land acquisition for the County.
- Revenue Budget-Actual Report
  - To date, the County has collected \$64,713,675.66 in tax revenue
    - Local Sales Tax = \$58,918,163.86
    - Local Use Tax = \$5,795,511.80
  - *Richard Schodorf questioned if the revised estimates of tax collections would enable the County to turn the tax off early.*
    - Chris Chronis responded the current projections indicate turning off the tax early may not be possible. Because the tax must be turned off on a financial quarter basis if the tax were to end at 27 months it would only have collected \$179 million. Collections over the \$184 would go into the Operating, Parking, and Maintenance fund. Preliminary indications of the Downtown Mobility study suggest the arena project may not have to assume costs for construction of additional parking.
    - Chris Chronis also reported revenues from naming rights, sponsorships and seating rights will go into the operations of the facility. Payments for naming rights would be made in yearly installments for a term of seven to ten years.
- Forecast compared to Actual Receipts
  - The State Treasurer posted May's receipts
    - County Sales = \$5,934,295.91
    - County Compensating Use = \$589,325.39
- *Greg Sevier questioned how the arena project was going overall*
  - Chris Chronis responded that the project as a whole is looking good. Schematic design, which will give the arena an identifiable look and feel, is in process. Once the schematic design process is completed Turner will submit revised cost estimates for the construction. Following receipt of the estimated construction costs the Board of County Commissioners may adjust the project budget.
- Semi-Annual Report to County Commission
  - Greg Sevier asked is the draft of the Committee's report to the County Commission was acceptable for

New Business  
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presentation.

- Motion made by John Clevenger
- Motion seconded by Richard Schodorf
- Motion passed
  
- The next meeting for the Arena Tax Oversight Committee is set for **Tuesday, October 31, 2006 from 3:00-5:00pm in the Finance Conference Room, 8<sup>th</sup> floor Sedgwick County Courthouse.**

Adjourn

Greg Sevier adjourned the meeting at 3:50pm