

REAP Executive Committee Meeting Agenda

Zoom Meeting

<https://us02web.zoom.us/j/88350875253?pwd=Qmhld1lwdkpjMHNkb1VXNFBQdjI2UT09>

Meeting ID: 883 5087 5253

Passcode: REAP0310

March 10, 2022 ~ 11:30 am

1. Welcome and Introductions: Mayor Tom Brown, Chair (11:30 a.m.)
2. Approval of Minutes from Executive Committee Meeting from February 17, 2022 (pp. 2-11): Mayor Tom Brown, Chair
Recommended Action: Approve the Minutes from the February 17, 2022 REAP Executive Committee meeting.
3. Mental Health and Substance Abuse Coalition Report (pg. 12): Dawn Shepler, Executive Director
Recommended Action: Receive and file.
4. 2022 Legislative Update (pp. 13-18): Kimberly Svaty and Josh Svaty
Recommend Action: Receive and file.
5. Wichita Airport Advisory Board Appointment (pg. 19): Laura Rainwater
Recommended Action: Approve REAP staff recommendation to re-appoint Randy Frazer (Arkansas City) to represent REAP members on the Wichita Airport Advisory Board.
6. Committee Reports
 - A. Airport Advisory Board (pp. 20-21): Randy Frazer (Arkansas City)
 - B. Transit Advisory Committee: Troy Tabor (Andover)**Recommended Action: Receive and file.**
7. Community Updates
8. Adjourn (1:00 p.m.)

NEXT MEETING: Our next meeting will be Thursday, April 14, 2022, at 11:30 a.m.

REAP Executive Committee Meeting Minutes

Zoom Meeting
February 17, 2022 ~11:30am

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1. **Welcome, Introductions and Approval of Agenda:** Mayor Tom Brown, Chair
REAP Chair, Mayor Brown called the meeting to order at 11:32 a.m.

2. **Approval of Minutes**
Approval of Minutes from Executive Committee Meeting from December 9, 2021.

ACTION TAKEN: Dr. Dennis Rittle (Cowley College) motioned to APPROVE the Minutes from December 9, 2021 Executive Committee meeting. Seconded by Mayor Pat Stivers (Maize). MOTION PASSED UNANIMOUSLY.

3. **Kansas Statewide Housing Needs Assessment- Trisha Purdon. Director, Office of Rural Prosperity, Kansas Department of Commerce**
- History of Housing Needs Assessment
 - Started process in January 2021, completed in December 2021
 - Facilitated Regional Assessments all throughout Kansas to determine needs for each region
 - Every community needs housing
 - 2,600 Participants
 - 341 builders and developers
 - 351 housing service providers
 - 515 city and county staff and elected
 - 338 Real Estate Professionals
 - Established Goals
 - Add or free up more middle-income housing
 - Diversity the state's housing stock to match local demographic and employee needs
 - Extend housing security
 - Increase reinvestment in older housing stock, including vacant Units
 - Address the building trades labor shortage
 - Extend existing human capital resources
 - Statewide Strategies
 - Middle Income Housing
 - State Level
 - Greater funding for Middle Income Housing (MIH) Program
 - Rent-To-Own Program
 - New Funding Opportunities
 - Local Level
 - Bond Programs
 - Rural Housing Incentive District (RHID) and Upper-story RHID
 - Industrial Revenue Bonds

- Low Income Housing
 - State Level
 - Low Income Housing Tax Credit Projects
 - Very Low-Income Funding Options
 - Emergency Housing
 - Local Level
 - Housing Choice Vouchers
- Conservation of Older Housing Stock
 - State Level
 - Neighborhood Homes Investment Act
 - Neighborhood Revitalization Program and Expansion
 - Energy Efficiency Assistance
 - Historic Tax Credits
 - Local Level
 - Local Rehab Programs
 - Acquisition Rehab Resale
 - Rental Inspection Programs
 - Land Banks
 - Vacancy Rate Assessment
- Diversity of Housing
 - State Level
 - Program Guidelines and Preferences
 - Retiree Housing Incentive
 - Housing Toolkit
 - Local Level
 - Development Agreements
 - Streamlining the approval process
 - Packaged site plans
- Building Human Capital
 - State Level
 - Housing Extension Officers
 - Supportive Services
 - Local Level
 - Training and Development
- Building Trades Labor Shortage
 - State Level
 - Expand workforce development programs
 - Assistance for Community and Tech Colleges and High Schools to expand Programs
 - Create incentives for existing businesses to expand

- Local Level
 - Sponsorship programs for students in building trade programs
 - Succession planning programs for existing businesses
 - Prison workforce
 - Rural Opportunity Zones
- Regional Data- Look at Website
 - Sedgwick Region
 - Heat Mapped by Census Tract
 - South Central Region
 - Heat Mapped by Census Tract
- Next Steps- State Level
 - Expanding MIH
 - Greater Funding: Currently \$2M – increasing to \$22 Million
 - Would allow to expand to urban areas with legislation current at the Senate
 - Would allow larger grants
 - Sources: ARPA/State General Fund
 - Extending affordability
 - State business incentives for housing
 - Housing toolkits
 - State housing extension offers
 - Workforce development programs for building trades

4. Legislative Update- Kimberly and Josh Svaty

- At A Glance
 - Mega Water Bill, HB 2686, is introduced
 - It's not the Superbowl Shuffle, but it is a committee reshuffle
 - APEX bill signed into law
 - Veto Override of Congressional maps
 - Renewable energy subject to the greatest number of bills of any issue thus far this session
- Looking Ahead
 - February 14-18: Briefing and Hearings on HB 2686
 - February 21-24: Turnaround week
- Deep Dive
 - Water
 - A new water and environment maintenance fee fund is established to fund the State Water Plan. Currently the water plan is funded by State General Fund (SGF) dollars and this year will be the first year since 2008 that the State will have made full \$8 million appropriation. The State is still about \$80 million behind in money owed. A water & environment maintenance board is also created to oversee the maintenance fund.
 - A new water rights fees on all existing owners of a water right or permit to appropriate beneficial use is instituted. The fee shall be a minimum of \$25 per acre foot up to \$250 based on water quantity.

- Water protection fees on public water systems, industrial use permit holders and stock watering permit holders are allowed under Section 206. The current fee for each entity is \$0.03 per 1,000 gallons of water which would increase to \$0.05 per 1,000 gallons of water. The fees will be used to support implementation of the State Water Plan.
- Redistricting/Committee Shuffle
 - Senator John Doll (R-Garden City) did not vote to override but had previously expressed his intent to leadership. No changes to committee assignments.
 - Senator Dennis Pyle (R-Hiawatha) initially did not vote to override and was removed from his position on Senate Utilities as well as Senate Transportation.
 - Senator Alicia Straub (R-Ellinwood) was removed from both the Senate Ethics & Transparency Committee and Senate Elections & Local Government Committee. She was Vice-Chair of Senate Agriculture & Natural Resources and will remain on the committee, but will no longer be the Vice-Chair.
 - Senator Mark Steffen (R-Hutchinson) did not vote to override initially. He was removed from the Senate Assessment & Taxation Committee and was removed as Vice-Chairman of the Senate Commerce Committee. He will remain on the committee though. Senator Steffen is a doctor, but has been a champion against vaccines and order health protocols. He introduced a bill this session that would exempt doctors from action by the Board of Healing Arts (BOHA) for prescribing non-traditional treatments such as ivermectin for COVID-19. The measure was allowed to pass committee on Wednesday morning following the successful override, but by Thursday evening the bill was returned to committee. The Board of Healing Arts has been investigating the Senator for nearly 18 months it was revealed recently.
- APEX
 - The Kansas Legislature passed and the Governor signed into law the king of all economic development incentive packages to attract a new manufacturing facility to the State. It has been said that Kansas is a finalist, alongside Tulsa, Oklahoma, for the 4 million square foot facility that would employ more than 4,000 people and bring \$4 billion in direct new investment to the State along with at least 5 other suppliers. The incentive package could be worth up to \$1.3 billion to Kansas taxpayers making it the largest incentive package passed in the State's history. A final decision is expected to be made in the coming weeks. Kansas's final offer was submitted by 5:00pm last Wednesday, just days after the Oklahoma legislature opened its session and began working on its incentive package.

- Sales Tax
 - Sales tax matters are exempt from the deadline, but one of the sales tax bills did advance from a committee last week. SB 339 which moves the state sales tax to 0% on food and prepared food (restaurants, convenience stores, bottled water, candy and dietary supplements) from 6.5%, passed the Senate Assessment & Taxation Committee. The bill also allows for local governments to retain or exempt food sales tax as well. The fiscal note on SB 339 was provided to cost the State \$319.8 million in 2022, increasing to \$786.6 million by 2024. However, SB 339's price tag increased when picked up a companion bill. SB 359 was amended into SB 339. SB 359, moves the state sales tax on utility services for commercial and industrial customers to 0%. It does allow local units to exempt the utility sales tax. Residential electric, natural gas, water and wastewater customers are already exempt from the state sales tax. The fiscal loss to the state would be about \$60 million annually or \$245 million over four years. Implementation of the state sales tax exemption on food and utility service would be delayed to 2024 so the State could see the economic effects of implementing the APEX economic incentive package.
- City/County Sales Tax
 - There has been some chatter in recent days about revisiting SB 87 which discontinues the current apportionment of county-wide retailers sales tax imposed for general purposes between the county and cities, which has been in effect since 1978. For reference, currently, 93 of the 105 counties levy a county-wide sales tax. In 2020, 492 Kansas cities received a total of \$271,112,274 and 82 Kansas counties received \$214,258,925 through the formula. In Kansas, 90% of the sales taxes generated in the state are generated within city limits. 84% of the residents of Kansas live in cities. In most cases, most of the sales tax is generated inside city limits and there has been a recognition that a portion of those sales tax dollars should stay where they are generated. According to the League of Municipalities, many cities across the state use the proceeds from this tax in lieu of property taxes and to pay debt service. If this law went into effect, it likely would cause cities to have to raise property taxes or cut vital city services relied upon and expected by their citizens. There is no requirement in SB 87 for an interlocal agreement on sales tax between cities and counties.
- Renewable Energy
 - SB 417 related to the Coal Combustion Residual rule had a hearing on Friday in the Senate Ag & Natural Resources committee. The bill would allow Evergy, Sunflower and Kansas City Board of Public Utilities to impose an additional fee to pay for costs of a state-run CCR plan rather than a federally administered program.
 - SB 349 is scheduled for a hearing Tuesday in Senate Utilities. The bill would impose a 1% rate cap on electric investor-owned utilities in Kansas.

5. Eisenhower Airport Director's Report: Jesse Romo, Director of Airports, City of Wichita

- 2 ½ months on the job
- Replaced Victor White who retired
- 2021 had a 63% increase in traffic over 2020 – led by leisure travel
- Airlines responding by offering more flights targeting leisure travel
- Going after grants to support expanded air service and flights; specifically to the northeast (Boston, New York, Washington DC)

6. REAP Technical Advisory Committee - Laura Rainwater

- The REAP Technical Advisory Committee (TAC) consists of the professional administrative and management staff of the local jurisdictions, such as City/County Managers, Administrators, and Clerks. The function of the Technical Advisory Committee is to identify issues of regional concern and opportunities for regional collaboration among member jurisdictions, advise REAP on annual work plan topics and operations, and respond to specific information requests by the Executive Committee.
- Ty Lasher, City Manager, Bel Aire, has served as Chair of REAP TAC since January 2018.

ACTION TAKEN: A motion was made by Dennis Rittle (Cowley College) to appoint Sean Fox, City Administrator, City of Park City, as the new REAP Technical Advisory Committee Chair. Councilmember Troy Tabor (Andover) seconded the motion. MOTION PASSED UNANIMOUSLY.

7. Budget Report

- As of February 17, 2022, we are waiting on two payments from Rose Hill and Augusta
 - Rose Hill has a new mayor, and would like further conversations with Laura Rainwater to further discuss the efforts of REAP
- Anticipated carry over of \$25,000, actual carry over of \$53,000
 - Our budget and finances look really healthy.

8. Committee Reports

A. Airport Advisory Board – Randy Frazer, City Manager, Arkansas City

- Directors Report
 - We are trying to seek Strengthening People and Revitalizing Kansas (SPARK) funding. We will continue to pursue new funding sources as quickly as they become available.
 - Airport Hotel project approved the City Council on December 14, 2021.
 - Sounds of the Season returned to the terminal through December 22, 2021.
 - The terminal was decorated for the holidays, and boxes were set up to collect Christmas cards for the troops.
- Project Updates
 - Jabara Airport Layout Plan is wrapping up. The rezoning and platting around the area of 43rd & Lindberg should take place in 2022 so that area will be ready for development.
 - Scott Wadel, Metropolitan Area Planning Department, will be notify the Airport Authority if there is a development plan that could affect the Airport and if there is, the Advisory Board can request a formal presentation in order to provide a recommendation to the Planning Department. The Planning Department and Airport Department will continue to develop new procedures and processes for this effort.
- Passenger Traffic

- In 2021, a total of 1,285,070 passengers flew out of Wichita Eisenhower National Airport, an increase of 63% over 2020. However, traffic was 27% below the 2019 record high of 1,749,906 total passengers. In December, passengers flying out of ICT increased 91% over the previous year, with 63,772 enplanements. This compares to 33,413 last December and 76,312 in December 2019.
- Concession revenue shows large increases in December, with food and gift sales up 113%, rental cars up 90%, and parking up 143% over November 2020. Outgoing air cargo increased 9.7% while incoming decreased 3.04%. For the year, total cargo is up 8.98%.
- Last year was a recovery year as people took to the skies to make up for months of staying home. Travel demand began in March and lasted throughout most of the year, with peaks around the holidays. Over the Labor Day holiday, there was a peak day of 2,832 passengers which was way above the Sept. 2019 daily average of 2,283 passengers. Thanksgiving was strong with six days over 2,500. The highest day occurred on December 10 with 2,861 passengers which compares to a Dec. 2019 daily average of 2,462.
- Other Business
 - Garver expansion: Engineering firm Garver LLC expanded at Wichita Eisenhower National Airport. Garver joined the airport campus in 2016, leasing space at 2120 Airport Road. Since that time, Garver's local staff have grown from 1 employee to 35 employees. Because of their growth, Garver has leased 17,634 sq. ft. of space in the facility located at 1995 Midfield Road, formerly the AOPA (Aircraft Owners and Pilots Association) building. Garver made an investment of over \$900,000 for capital improvements, replacements, alterations, and upgrades to the property. The facility includes offices and conference rooms with state-of-the-art technology and an impressive employee break area. Garver moved into the newly renovated Airport office building in November 2021, relocating from its previous location on the east side of Wichita.
 - Amazon Air: On January 20, 2022, Amazon Air launched daily cargo service. This is Amazon Air's first regional gateway in Kansas to support fast, efficient package deliveries to Amazon customers throughout the region and country.
 - Allegiant launched first service flight to St. Petersburg on November 19, 2021.
 - Holiday travel was up 84% over the 11 days around Thanksgiving.
 - Covid concerns – travelers returning from foreign countries must provide a Covid-19 test within one day of global departure.
 - Face covering mandate has been extended through at least March 18, 2022.

B. Transit Advisory Board – Council Member Troy Tabor, City of Andover

- Discussion Items
 - Staff provided an update regarding the revised building concept. Original plan was for a four-level parking garage and has now been reduced to a three-level garage with a loss 150 stalls. Office spaces have been eliminated. Two elevator towers instead of three. Car Park office space has been eliminated. Lobby space has been resized. Review aesthetic. None of the 12 bus bays, ticket vending, Greyhound office space, restrooms and security area has been affected at this time. Member Bohm requested updates on the schedule. Three to four months of the project has been lost due to COVID.
 - B. Staff provided an update on the Section 5310 Program. Subrecipients have begun submitting reimbursement request with their quarterly reports since October 2021. There were price increases on vehicle purchases due to increase in cost of materials and chassis shortages. Amendment due to these increases have been sent to agencies. Staff will continue to monitor agencies for compliance. Recap of program: Section 5310 Program provides funding for public transportation programs that support services for seniors and individuals with disabilities. Park City is new to the program.
 - Staff provided an update on hiring status for Transit. During the 4th quarter, there were 18 hires, however there were 11 exits (some due to retirements). CDL market is very high demand. Outreach efforts include postings on four job sites, attended in person and virtual job fairs, TV advertising, Kansas Workforce Center and communications with local colleges, specifically Butler County, as they have a diesel program for mechanics.
- Directors Report
 - There are currently five drivers out with COVID and some on 5-day quarantine.
 - Transit staff is continuing to manage with masking up in the offices and on buses.
 - Transit will be offering a vaccine clinic in the month February.
 - Transit will also serve as a drive thru for vaccine and testing site in partnership with Sedgwick County. Employees are frontline we want to make sure they are vaccinated and boosted.
 - Transit will offer free bus rides to for those traveling to testing sites.
 - Wichita Transit is expanding their partnership with International Rescue Committee (IRC). This was established by Mayor's initiative to provide incoming refugee individuals with access to transit. They will each be provided an ID with a six-month expiration date in order to utilize transit services. These passes are to get to medical appointments, grocery shopping and employment.
 - In partnership with Mental Health Coalition, a pilot program will be launched soon for the selection of 20 individuals to be provided month passes for 90 days. These passes will be available by using the RIDE Wichita app only. By using the app, the sponsoring agencies are able to have these funds added to the individual's accounts, ridership is tracked and no paper passes are made available for potential trades or potentially sold.

9. Community Updates:

- Dr. Dennis Rittle (Cowley Community College)
 - Associated General Contractors of Kansas – Construction trades program refurbishing housing stock
 - Vernon Dolezal (Friends University)
 - Campus slowly coming out of Covid
 - Housing shortage around campus
 - Council Member Mike Hoheisel (Wichita)
 - En Banc meeting with Sedgwick County Commission – Report from the Mental Health & Substance Abuse Coalition
 - Affordable Housing program – refurbishing low-income housing stock
 - Mayor Pat Stivers (Maize)
 - Fastest growing city on Kansas, according to 2020 Census
 - 1,325 new roof tops in the works
 - Diane Tinker-Hurst (WSU Tech)
 - WSU is seeking Innovation & Economic Prosperity designation from APLU (Association of Public & Land Grant Universities)
 - Survey link to be sent to REAP members
 - Commissioner Chip Westfall (Harvey County)
 - City of Newton birthday celebration at meridian Center on February 22
 - Airport hangar sold to a company that refurbishes private jets
 - Keep an eye on the state and federal redistricting maps
 - New voting equipment purchased
 - Murray McGee (Moundridge)
 - New library – renovation of old church almost complete
 - Old library will become the new police headquarters
 - New housing developments from two developers
 - Bradbury and Tortilla King will be expanding again in 2022
 - BASE grant to boost infrastructure to support business and residential growth
 - Marc Howell (SCKEDD)
 - Relaunch of housing insurgence program – acquire homes that re structurally sound and refurbish
 - Mayor Tom Brown (McPherson)
 - \$500,000 grant received from Kansas Dept. of Commerce – will be used on infrastructure and economic development
 - Industrial park expansion
 - Eric Litwiller, Mental Health Association of South Central Kansas
 - Annual Beautiful Minds Gala – 65th Anniversary of MHA
 - REAP Corporate table sponsorship - \$1,500, includes 10 tickets to the event
- ACTION TAKEN: Motion made by Tom Jones (Park City) to approve the \$1,500 sponsorship of the MHA 2022 Beautiful Minds Gala. Seconded by Mayor Pat Stivers (Maize). MOTION PASSED UNANIMOUSLY.***
- Laura Rainwater: Two upcoming events open to all REAP members
 - February 23, 2022: REAP sponsorship of lunch and presentation on state water policy at the South Central Kansas Legislative Delegation's weekly meeting in Topeka. 11:30 am in 152-S of the State Capitol Building

- March 7, 2022: Wichita Chamber Chair's Lunch at 11:30 am at Century 2. Space is limited. First come, first served. Contact Laura Rainwater to reserve a seat.

Meeting adjourned at 12: 36 p.m.

Attendees:

Mayor Tom Brown, McPherson	Kelly McElroy, Newton
Mayor Pat Stivers, Maize	Murray McGee, Moundridge
Mayor Ashley Velazquez, Kechi	Kyle Fiedler, North Newton
Mayor Gary Schmidt, Pratt	Trisha Purdon, KS Dept. of Commerce
Commissioner Chip Westfall, Harvey County	Jesse Romo, Eisenhower Airport
Council Member Troy Tabor, Andover	Valerie White, Eisenhower Airport
Council Member Jeff Hohnbaum, Maize	Lauren Clary, Kansas Gas Service
Council Member Bryan Frye, Wichita	Chad Parasa, WAMPO
Council Member Mike Hoheisel, Wichita	Marc Howell, SCKEED
Council Member Toyia Bulla, Bentley	Kimberly Svaty, REAP Lobbyist
Council Member Tom Jones, Park City	Josh Svaty, REAP Lobbyist
Dr. Dennis Rittle, Cowley Community College	Eric Litwiller, Mental Health Association
Vernon Dolezal, Friends university	Laura Rainwater, REAP
Diane Tinker-Hurst, WSU Tech	Zoe Sisco, REAP

Background:

In 2019, community leaders came together and worked to develop a strategic plan that would guide the work of the Mental Health and Substance Abuse (MHSA) Coalition from 2020 to 2025. An ambitious plan with those in need at its heart, this plan seeks to create greater collaboration, helping all in the community to work smarter while still tirelessly pursuing their own organizational missions.

The result of the planning process for the MHSA Coalition is to create a virtual “one stop shop” that serves people who are in crisis from mental health, substance abuse or homelessness. At the center of the plan is strengthening the capacity of the Community Crisis Center, creating individual plans of care and ensuring that supports such as transportation, shared medical records and a viable workforce that can meet the needs today and into the future.

In order to move this plan from something that is theoretical to something that is moving the community forward, it will take the hard work among many different organizations and entities to work together in new ways. Silos need to be non-existent. Territorial concerns need to go away. Reward systems need to be realigned so reducing barriers and working together are adopted as the new reality.

Recommended Action: Receive and file.



**2022 Kansas Legislative Session
Weekly Legislative & Regulatory Update
Week 10**

At a Glance

- Budget, Redistricting, Rural Housing, Partisan elections?
- SPARK & Base Grant Funding
- Water bill gutted, two new bills introduced & CCR hearing Thursday

Looking Ahead

- 7 March – SPARK Executive Committee meeting 4:00p
- 10 March – SB 417, Coal-Combustion Rule Hearing in House Energy
- 18 March – Final day for non-exempt committees to meet
- 1 April – Projected First Adjournment

Week 10

There are 29 legislative committees in the House with four committees exempt from legislative deadlines including: Appropriations, Federal & State Affairs, Judiciary, and Tax. There are 19 Senate committees with four exempt from legislative deadlines including: Assessment & Taxation, Federal & State Affairs, Judiciary and Ways & Means. There are 14 Joint Committees comprised of both House and Senate members which meet during the legislative session but are typically reviewing rules and regulations, policies of key topics such as child welfare and KanCare Oversight. Joint committees don't introduce legislation during the session. The work of those 14 joint committees when the Legislature is not in session oftentimes produces bills for consideration the following session.

Of the 48 Standing Committees, not including the 14 Joint Committees, 8 House and Senate committees are exempt from legislative deadlines. This is the time of year when the bill tracker gets fuzzy as bills are moved around or introduced in committees outside of the area of jurisdiction in order to keep them alive and able to move for the session.

For the remaining 40 committees that are not exempt committees, there are two weeks left of committee meetings. If an urgent issue arises, a special consideration can be made, but otherwise, March 18 is the last day for the bulk of most committees to meet.

Lawmakers will move to floor debate for days followed by conference committees as policy differences between House and Senate measures are worked out before returning to the floor again for debate on revised or newly agreed to bills.

There is still a tremendous amount of work yet to be accomplished. We were hearing rumors that legislative leadership wanted to conclude the full session by early April, but we are now hearing those major pieces of legislation such as the tax bill will be pushed off until the Wrap-Up session which starts in late April. At a minimum, new Congressional, House and Senate legislative districts must be passed as well as a new budget. A tax bill will be advanced however the size and scope of the bill is hotly debated. The desire to act on food sales tax still exists, but it is coupled with the desire to drive down the overall state sales tax rate while also providing property tax relief. However, with the war in Ukraine generating economic uncertainty coupled with inflation in the American economy, there is an increasing interest in not spending down the bulk of the State's federally-infused budget surplus, but rather saving the money for a "rainy day".

Both budget writing committees are moving aggressively to put together their budgets which are expected from their respective Chambers the last week in March. The budget and any subsequent tax bills are still contingent the possibility that APEX could come to Kansas.

Sneak-peaks of the new House and Senate legislative districts maps are being given to impacted legislators with both maps being rolled out in the coming days. Meanwhile, Ad Astra 2, the redesigned Congressional maps, are being challenged in Court. The Attorney General requested that Ad Astra 2 be taken up by the State Supreme Court bypassing local courts in the two counties where challenges were filed. The State Supreme Court on Friday declined to take up the Ad Astra 2 challenge until the pending legal challenges were heard and ruled upon. In its ruling Friday, the Kansas Supreme Court, encourage the district court and the interested parties to advance the cases swiftly. The candidate filing deadline is June 1st unless the legislative maps are not complete by May 10th. If that is the case, the filing deadline moves back to June 10th. The Kansas Primary Election Day does not change – it remains Tuesday, August 1st.

Regarding elections, the Senate Federal and State Affairs Committee is hearing SB 532 on Wednesday, March 9th. Under the bill, any candidate for a national, state, county or township office, the candidate's political party or political designation. Any ordinance, resolution or regulation adopted by any city, county, township, school district or other political subdivision of the state on or before July 1, 2022 that directly conflicts with party identification in elections will be considered null and void. Creating partisan elections for all offices has been an issue debated since the Legislature moved municipal elections to the fall.

A consortium of interests led by the Kansas Farm Bureau, the Kansas Corn Growers, Sunflower Electric Power Corporation and supported by many other groups including KMU, is seeking a one-time \$50 million appropriation from the State General Fund to support increased rural housing. The state funding would support advancement of new construction and weatherization and rebuilding existing structures for rural housing. Kansas is seeing new job growth, but the housing supply is exceptionally tight thus serving as a deterrent to further economic expansion. There is not a specific bill, but rather the funding will be sought as a line-item both the House and Senate prepared budgets that eventually will be merged into a singular budget presented to the Governor for consideration.

SPARK & Base Grant Funding

The American Rescue Plan Act allocated \$4.6 billion in funding to Kansas with \$1.6 billion of the monies unencumbered to be used at the State's discretion. The SPARK committee, initially created two years ago to handle the first phase of federal COVID funding allocation, was revamped during the 2021 legislative session to include more legislative direction in addition to executive branch guidance. At the end of February, there was about \$731 million in funding remaining available for SPARK distribution. All funds must be allocated by 2024 with all the funds spent by 2026.

There is an Executive Committee of SPARK chaired by the Lt. Governor David Toland. Also included in the Executive Committee membership is the Secretary of Administration, Senate President and his appointee, Speaker of the House and his appointee and a private sector appointee. In addition to the Executive Committee, the effort is managed by a Project Director and includes four Advisory Panels comprised of public and private sector appointees. The four panels are tasked with vetting proposals and submitting recommendations to the Executive Committee for final submission to the State Finance Council for a last review and approval. Thereafter, the awards will be distributed by the Office of Recovery with a full detailing of requirements to ensure the funding is spent on the approved project. *That said, due to the sheer volume of requests, it is likely that changes will be made to the outlined process.*

- Economic Revitalization
- Health and Education
- Connectivity
- Efficiency and Modernization

The portal for application closed on February 16th and 835 applications were made. The applications were directed to their respective area of relevance. Below is a breakdown of the requests made. It is likely that additional screening will be employed to pare down the recommendation listing over the next month.

Economic Revitalization – 408 Submissions

- Business- 38
- Workforce- 68
- Housing- 70
- Water & Sewer Infrastructure- 106
- Other Enablers- 126

Health and Education – 251 Submissions

- Baseline- Basic health needs, social determinants of health & community resources
 - Basic Needs- 48
 - Access & Awareness- 31
- Capacity- Provider Operations and Workforce Development
 - Workforce Development- 59

- Availability & Affordability- 92
- Enablers- Future Tech and modernization
 - Data & System Integration- 21

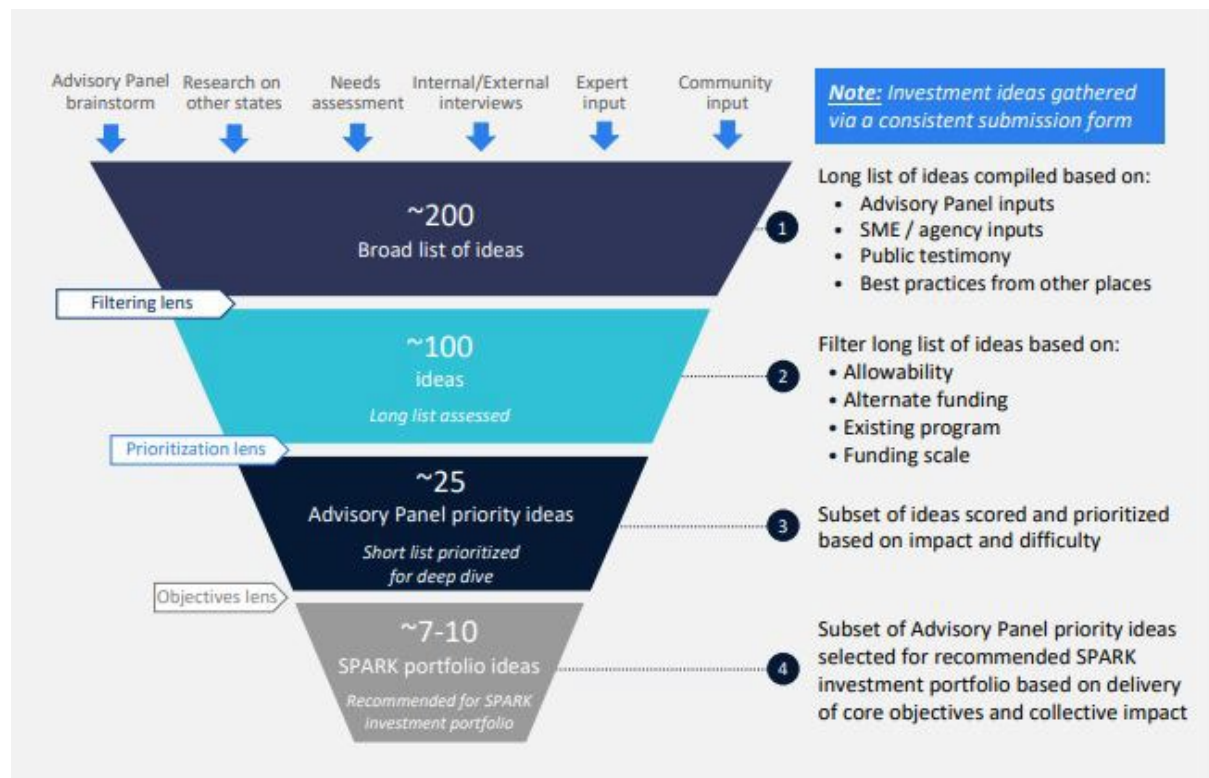
Connectivity – 36 Submissions

- Broadband Infrastructure- 27
- Adoption Enablement- 9

Efficiency and Modernization – 140 Submissions

- Facilities Modernization- 38
- IT Infrastructure - 51
- Safety & Security – 32
- Continuity of Operations – 19

The below graphic was provided by the Office of Recovery depicting the funneling of requests.



The SPARK Executive Committee set aside \$100 million during its December meeting to create the Building A Stronger Economy (BASE) Grant program to offer matching funds (minimum 20% local match required) to further economic development opportunities to grow the State's economy following the impact of the COVID pandemic. BASE Grant applications were due February 28th and awards are expected to be offered by March 28th. There is a \$25 million cap on a single award.

Constitutional Amendments

There is no shortage of constitutional amendments being floated this legislative session. One amendment would allow the Legislature to override any rule or regulation issued by a state agency. Historically, there has been very little discussion about state agency rules or regulations – at times some grumbings over a particular policy, but overall most things are worked out. The COVID pandemic changed the long-standing belief as debated raged over the powers and authority of various branches of government and state agencies.

Two additional constitutional amendments were introduced in the Senate last week related to judicial selection for the Kansas Supreme Court. One amendment would codify a federal Supreme Court selection process – Gubernatorial selection with Senate review and approval. In the alternative, the Supreme Court positions could be elected. There are other constitutional amendments pending related to state spending or tax increases as well.

Tax Issues

Work continues on the food sales tax bills as well as legislation that buys down the food sales tax and the overall state sales tax rate.

The Senate Assessment and Taxation Committee is holding a bevy of hearings this week. The subject of one hearing is SCR 1619 which would recommend passage of the recent Interim Tax Committee's recommendations.

In addition, the Committee is holding a hearing on SB 542 which alters the Revenue Neutral Rate process passed last year imposed upon local government budgets. One of the key changes included in SB 542 would allow anyone to file a challenge of a city's budget to the Board of Tax Appeals.

Water

The House Water Committee last week largely gutted the mega water bill, HB 2686 and then passed the bill out of committee. One of the amendments added would allow for a portion of the state sales tax to fund the water plan. While the gesture to include a funding stream for the water plan is appreciated, the tactic just killed the bill as no legislation will be debated this session that would increase funding for anything when the state has a sizable budget surplus. There are critical components of the water bill, specifically related to GMD management that need continued legislative vetting. As such on behalf of REAP with support from KMU and others, two new water bills were introduced in Senate Federal & State Affairs.

Coal-Combustion Residual Rule & Uri Resolution, Energy Matters

Evergy, Kansas City Board of Public Utilities and Sunflower requested introduction of legislation of legislation that would allow the three generating utilities with operating coal units to modestly increase KDH&E imposed fees on themselves in order to maintain the CCR rule compliance program at the state level rather than with the federal government. SB 417 passed the Senate and is scheduled for hearing Thursday, March 10th in House Energy & Utilities.

The House Resolution related to Winter Storm Uri investigations will be heard on Tuesday in Senate Utilities. The resolution encourages state and federal investigations into Winter Storm Uri and any potential price gauging. The bill sailed through the House with little discussion and no trouble.

Senator Mike Thompson (R-Shawnee) introduced eight pieces of legislation to halt renewable energy development in Kansas and ratchet back the existing operating fleet. Six of his bills did not make the Turnaround deadline. One bill was introduced in an exempt committee. That bill would alter the property tax exemption for renewable energy generation thereby creating an asymmetric property tax exemption paradigm in Kansas for generation, transmission and pipelines. Currently, there is parity in the tax code. Hearing is likely next week on the measure. The second bill, SB 478, was blessed. The bill deals with the FAA required lighting on the top of wind turbines. SB 478 is scheduled for two days of hearing on Wednesday, March 9 (proponents) and Thursday, March 10th (opponents and neutrals) following Monday's informational briefing on light mitigation technologies.

Looking Ahead

Last week during a presentation in the House Energy & Utilities Committee, the Kansas Industrial Consumers Group called for the state's electric system to be deregulated and for the Kansas Corporation Commissioners to be elected. The havoc Winter Storm Uri wreaked in Texas certainly proved the negative economic impacts of electric utility deregulation not to mention the potential health and human safety peril. Surprises during the legislative session can come at any time and this is certainly the time of year. We will just plan for the unexpected.

As always, please call/email or text anytime with questions! We are here to help!

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REAP Executive Committee
Item: REAP Wichita Airport Advisory Board Appointment
March 10, 2022
Submitted by Laura Rainwater

Item #5

Background:

The purpose of the Wichita Airport Advisory Board (WAAB) is to provide advice and recommendations to the City Council and City Manager on matters of policy and strategic long-term development issues affecting municipally-owned and operated airports. The Board will serve in an advisory capacity.

The Wichita Airport Advisory Board meets every month on the first Monday of the month, beginning at 3:00 PM at the Airport Administration Office, located at 2173 Air Cargo Road, Wichita, KS 67209.

Randy Frazer, City Manager, Arkansas City, represents REAP members on the WAAB. His term expires on March 31, 2022. He is willing to continue his service on the board.

Recommended Action: Re-appoint Randy Frazer (Arkansas City) to represent REAP members on the Wichita Airport Advisory Board.

AIRPORT OPERATIONS:

- On January 13, 2022, the airport received its Certificate of Operations for its 2 UAS.
- Eisenhower Airport had 30.25% fuel increase.
- Jabara Airport had 50.79% fuel increase

PROJECT UPDATES:

- Completed \$29M of airport funded projects at both airports.
- Runway Rehabilitation completed providing major pavement rehabilitation to both parallel runways.
- Replaced and upgraded airfield electrical equipment on both runways.
- Finished Fuel Farm Apron Phase 2A which is a \$2M project.
- Finished a medium voltage project which we have nicknamed Phase 6 which we have spent about \$4M upgrading the electrical system, transformers and electrical gear on the east side of the campus.
- Project AAO taxi lane A-3 Extension this project cost of \$900,000.00 which is west of the T-hangars and North of the old administration building.

PROPERTIES:

- 9 new property agreements brought in \$543,545.00 in new rental income.
- New Cargo Operator, Trego/Dugan, which is \$97,000.00 in new rental income.
- Approval for construction of new hotel north of Hampton Inn that will have a revenue income of almost \$74,000.00 when completed in 2023.
- Honeywell signed over their lease to Millennium and Mann Aviation sign over their lease to AirMS.
- Completed Tenant Improvements valued at \$15,850,776

AIR SERVICE:

- 2021 passengers have recovered 63% of last year's traffic. We are still 27% below 2019 and that was a record year. Business travel has not fully returned, and we are still dealing with international travel restrictions.
- In 2021 we had 23% fewer seats than we had in 2019. In 2021 we had 10% more than we had in 2020.
- Wichita has outpaced the U.S. in recovery.
- Wichita load factors exceed domestic for most airlines except Frontier and Southwest.
- Air Cargo tonnage has increased 23% since 2017, incoming cargo up 18% from 2017 and outgoing cargo is up about 32%.

AIRPORT ADMINISTRATION:

- Operating revenues 3% higher than budgeted and 21% higher than 2020 actuals.
- Operating expenses 10% lower than budgeted and within 3% of 2020 actuals.
- Exceeded goal of maintaining level airline rates with mid-year adjustment that lowered the landing fee and terminal rental rates by 10%.
- Entered into grant agreements for \$13.7M in Covid recovery operating grants of which \$1M is relief for concessionaire's tenants and \$1.2M for capital projects.
- Experienced a 31% increase in user fees (PFC/CFC).
- Landed weights recovered 14% year-over-year.
- Negotiated agreement that will allow airport campus tenants to obtain fiber-based service from AT&T using airport infrastructure.
- Initiated gate use management system for the terminal common use gates and expanded to cargo apron.
- Implemented new payroll system with employee self-service features.
- Completed first full year of completely digital archiving of accounts payable and accounts receivable records.
- Secured authorization for additional IT resource position pursuant to the IT Master Plan.

INFORMATION TECHNOLOGY:

- Conducted a Cybersecurity Threat Assessment with the Department of Homeland Security.
- Replaced the security system for US Customs & Border Patrol. Includes: Video Surveillance, Access Controls, and Duress Alarms. Further expansion is scheduled for 2022.
- Increased the capacity of IT spaces in the Terminal's West End (Ticket Counters & ATO).
- Continuation of a 2019 initiative with AT&T to provide last-mile fiber optic internet service to Airport Tenants.
- Acquired a Body-Worn Camera solution for Police & Fire Patrol Officers.
- Acquired a Call-Recording solution for Police & Fire's Guardstation 24/7 phones.
- Acquired software for producing digital voice announcements through the PA system.
- Upgraded the Airfield Lighting Control System and its cybersecurity measures.
- Upgraded the Parking Revenue & Control System's cybersecurity measures and internet feed.

Recommended Action: Receive and file.