



DOUGLAS COUNTY ADMINISTRATOR

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G. Craig Weinaug
County Administrator

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**CITY MANAGERS OFFICE
LAWRENCE, KS**

December 11, 2007

David Corliss, City Manager
6 E. 6th Street
Lawrence KS 66044

Re: East Hills Business Park – Deferred Special Assessments

Dear Dave:

This letter follows previous conversations we have had concerning East Hills Business Park and the unpaid special assessments. As you know, the City of Lawrence constructed significant infrastructure improvements in the East Hills Business Park and, in connection with financing the improvements, formed a special benefit district and assessed part of the costs against the land within the Park. In connection with those improvements and the special benefit district, the City, County, and DCDI entered into an Interlocal Agreement which, among other things, permits the County and DCDI to defer payment of some of the special assessments until individual tracts of land are sold to third parties, but the Interlocal Agreement limited the deferral period to 20 years. As you know, the 20 year deferral period will expire in the next year or two and, because some of the real estate in the Park remains unsold, some of the special assessments remain outstanding and will become due and payable at that time.

You have indicated that the City has retired the bonds issued in connection with financing the infrastructure improvements and, as a result, has no remaining bond principal and interest payments. As a result, we have discussed the possibility of the City releasing the real estate, Douglas County and DCDI from any remaining special assessment payments. Based upon those conversations, Evan Ice prepared and sent Toni Wheeler a proposed draft of an agreement to do so, but we have not heard back from either you or Toni as to any particular comments. Enclosed for your reference is another copy of this agreement.

Please accept this letter as the County's formal request that the City terminate the Interlocal Agreement and release the unsold real estate in the East Hills Business Park from the deferred assessments in accordance with the attached agreement. In the event you have any questions about this matter, please do not hesitate to contact me or, if the questions have to do with the specifics of the attached agreement, feel free to contact Evan Ice directly. I look forward to hearing from you in the very near future.

Sincerely,

G. Craig Weinaug
Douglas County Administrator

Cc DCDI, Inc., Attn: Lavern Squire
County Commissioners