

CONTRACT

THIS CONTRACT made and entered into on this ____ day of _____, ~~2017~~2019, by and between the City of Lawrence, Kansas, a municipal corporation (the "City"), and the County of Douglas, State of Kansas, a municipality (the "County").

RECITALS

WHEREAS, this contract is made and entered into pursuant to the authority of K.S.A. 12-2908, and is not to be regarded as an interlocal agreement;

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WHEREAS, the City is the owner of that certain real estate, together with the improvements thereto and appurtenances thereon, commonly known and referred to as Fire Station No. 1 located at 7469 Kentucky Street, Lawrence, Kansas (the "Station");

WHEREAS, the Station will, upon completion of its renovations, house City Fire Station No. 1 and its vehicles, firefighting equipment, personnel, offices, quarters and facilities for the use by and benefit of the Station personnel while on duty and administrative offices;

WHEREAS, under date of November 7, 2012, City entered into a written facility agreement with Douglas County Senior Services, Inc., a Kansas not-for-profit corporation ("DCSS") granting DCSS the use and occupancy of 7,106 Square feet of the 25,196 square feet of the Station space not occupied by City of Lawrence Douglas County Fire Medical units, a copy of which is attached hereto as Attachment "A";

WHEREAS, effective October 1, 2016, the name of Douglas County Senior Services, Inc., a Kansas not-for-profit corporation, was changed to Senior Resource Center for Douglas County, Inc., a Kansas not-for-profit corporation, as evidenced by the not-for-profit corporation certificate of amendment, a copy of which is attached hereto as Attachment "C", (the "SRC");

WHEREAS, under date of _____, ~~November 7,~~ November 7, 2017, the City, the County, and SRC entered into a written cooperation agreement, a copy of which is attached hereto as Attachment "B", which outlines the purpose(s) for which SRC was organized, its organizational chart and the contributions and support SRC is to be provided and given by the City and the County, including use of that part of the Station set forth and described in Attachment "A" hereto;

WHEREAS, it has been determined and agreed to by the City and the County, that the Station requires significant reconstruction and modernization (the "Reconstruction Project"), as set forth in the October 4, 2016 letter by Tom Markus, City Manager for the City, addressed to Craig Weinaug, County Administrator for the County, a copy of which is attached hereto as Attachment "D";

WHEREAS, on November 10, 2017, the City and Douglas County entered into a funding agreement regarding the Reconstruction Project and that agreement will now be replaced with this agreement;

WHEREAS, in keeping with the proposed cost sharing between the City and the County the costs for the reconstruction of the Station, as set forth in Attachment "D" the City and the County do hereby agree to be bound by the terms, conditions and requirements of this Contract; and

WHEREAS, the Recitals are adopted and made a part of this contract.

NOW THEREFORE, the City and the County, in and for the consideration(s) and benefits set forth herein, the nature and extent of which are agreed to by them, do agree as follows;

1. The total estimated cost of the Reconstruction Project is ~~\$6,625,246.00~~ \$7,142,414. The City presently intends to issue general obligation bonds to fund a portion of the costs of the Reconstruction Project. Douglas County agrees to reimburse the City a portion of the actual cost of the Reconstruction Project, plus the interest and costs of the issuance related to the general obligation bonds issued by the City to finance the project as set forth herein.
 - a. Lawrence-Douglas County Fire Medical Department Improvements. The County will pay 25.64% of the actual total cost for that part of the Reconstruction Project that will be occupied and used by the Lawrence-Douglas County Fire Medical Department ("LDCFM Portion"). Current estimates show that the total cost of the LDCFM Portion is anticipated to be approximately ~~\$3,949,980~~ \$4,258,316.00. Accordingly, the County's share of the total cost of the LDCFM Portion is estimated to be ~~\$1,012,775~~ \$1,091,832.00, plus interest and costs of issuance. The City's share of the total cost for the LDCFM Portion is estimated to be ~~\$2,937,205~~ \$3,166,484.00, plus interest and costs of issuance. The actual amount to be shared by the respective parties will be determined after completion and acceptance of the Reconstruction Project.
 - b. Senior Resource Center for Douglas County, Inc. The County will pay 32% of the actual cost for that part of the Reconstruction Project that will be occupied and used by the Senior Resource Center for Douglas County, Inc. ("SRC Portion") pursuant to an agreement between the City and SRC dated _____, November 10, 2017. Current estimates show that the total cost of the SRC Portion is ~~\$2,675,266~~ \$2,884,098. Accordingly, the County's share of the total cost for the SRC Portion is estimated to be ~~\$856,085~~ \$922,911, plus interest and the costs of issuance. The City's share of the cost for the SRC Portion is estimated to be ~~\$1,819,181~~ \$1,961,186, plus interest and costs of issuance. The actual amount to be shared by the respective parties will be determined after completion and acceptance of the Reconstruction Project. The City and County also agree to split the actual costs of the temporary lease space and incidental moving expenses for SRC as outlined in Section 5 in accordance with the same County portion at 32% and the City portion at 68%. These costs will be included with the actual cost calculation after completion and acceptance of the Reconstruction Project and are included in the cost estimates provided in this paragraph.
 - c. Actual Costs and Interest Calculation. Once the City has completed the Reconstruction Project and received and verified all invoices for the same, the City shall provide a

written summary of the actual costs of the Reconstruction Project to the County Administrator. The County shall be responsible for payment of its share of the actual costs of the Reconstruction Project as agreed upon by the parties. The City shall make available to the County upon reasonable notice its books and records, including all invoices, related to the Reconstruction Project and the City's bonds issued to finance the Reconstruction Project. The County agrees to pay its share of the interest, with the rate of interest equal to the interest rate assessed to the City on the general obligation bonds issued for the Reconstruction Project. As soon as practicable after issuance of the City bonds, the City shall provide the County with a debt service schedule.

2. The County has paid timely to the City, the sum of \$5620,000.00, \$520,000 in 2016 and \$100,000 in 2018, to be applied by the City to the County's portion of the actual total costs of the Reconstruction Project.
3. The County agrees to pay the remaining balance of the County's portion of the actual total cost of the Reconstruction Project in consecutive, annual installments of a least \$100,000.00. The payment is to be made with or without invoice, notice, or written demand by the City, until such time as the principle balance together with all accrued and unpaid interest is paid in full. The County agrees to make the first such annual payment on a date in 2019 that is mutually agreed upon by the parties. The Cost Sharing Agreement shall set forth the date payments are due in the subsequent years. Payments received from the County will first be applied to accrued interest with the balance applied to the principal. The Cost Sharing Agreement for the Reconstruction Project shall acknowledge the City's and County's obligations to comply with the Kansas Cash Basis Law, K.S.A. 10-1101 et seq.
4. The County shall have the option to pay down its principal balance, including paying it in full, at any time, without penalty. Such payment(s) shall be first applied to accrued interest, with the balance applied to the principal.
5.
 - a. The SRC did, on November 21, 2016, enter into a Commercial and Industrial Lease Agreement (the "Lease") with the Dwayne Peaslee Technical Training Center, Inc., a Kansas not-for-profit corporation (the "Landlord"), for the occupancy of a portion of the real estate located at 2920 Haskell Avenue, Lawrence, Kansas 66049, a copy of the lease being attached hereto as Attachment "E". It is the sole responsibility of the SRC to pay all of the lease payments directly to the Landlord and on the date of each payment SRC shall invoice the City for reimbursement of the amount of each such payment, with reimbursements of lease payments not to exceed \$76,192.00 for the thirty-two-month term of the lease. In addition to the Lease payments the City will reimburse SRC, upon receipt of an invoice from SRC, an amount not to exceed \$5,000.00 for incidental expenses incurred by SRC for its relocation to the leased premises and its ultimate return to its station quarters.
 - b. Although the City agrees to reimburse SRC for the lease payments it makes to Landlord under the Lease, together with up to \$5,000.00 for incidental expenses incurred in SRC's move to the leased premises and return to its Station quarters, it is explicitly

Commented [DB1]: The County paid \$520,000 in 2016 and an additional \$100,000 in 2018.

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In as much as SRC is not a named party to this contract, although it is the beneficiary of services to be provided by the City and the County during the renovation of the Station; the SRC hereby agrees to be, upon the execution of this acceptance, bound by and comply with the terms, conditions and obligations required of it by this Acceptance.

Senior Resource Center for Douglas County, Inc.
a Kansas not-for-profit

~~Marvel Williamson~~ Megan Poindexter, Executive
Director Date

Commented [DB4]: May need to update with Megan Poindexter