TO: Mayor and City Council

SUBJECT: Agreement with Spirit AeroSystems, Inc. (District III)

INITIATED BY: Department of Public Works & Utilities

AGENDA: Consent

**Recommendation:** Approve the agreement.

**Background:** On December 15, 2015, the City of Wichita (City) and Spirit AerosyStems, Inc. (Spirit) reached an agreement to furnish non-potable water for use in Spirit’s manufacturing operations. The City committed to spend up to $3.5 million for non-potable water line improvements for Spirit. The line would reduce water costs while still providing good quality water for its manufacturing processes. In 2018, the City, Sedgwick County (County) and Spirit entered into an economic development project agreement amending the original water agreement, crediting monies spent on the installation of the non-potable water line and identifying that $1.6 million in remaining non-potable water system funds could be applied for future non-potable water improvement projects in order to meet higher non-potable water quality requirements.

**Analysis:** City staff and Spirit engineers identified a deteriorating water line that, if replaced, would improve water quality by providing redundancy and increasing system reliability. Spirit has designed, per City design standards and approvals, the water line replacement project and has also agreed to operate and maintain the public line improvements. During the design phase, it was determined that the water line could not feasibly be located in County street right of way. A corridor on Spirit’s property was identified for the new water line and Spirit has granted the City an easement.

**Financial Considerations:** There are no financial considerations at this time.

**Legal Considerations:** The Law Department has reviewed and approved the agreement as to form.

**Recommendation/Actions:** It is recommended that the City Council approve the agreement and authorize the necessary signatures.

**Attachment:** Agreement.