

(Published in *The Salina Journal* on _____, 2017)

ORDINANCE NO. 16-10856

AN ORDINANCE ADOPTING A STAR BOND PROJECT PLAN FOR THE DOWNTOWN STAR BOND DISTRICT

WHEREAS, pursuant to K.S.A. 12-17,160 *et seq.* (the “Act”), the City of Salina, Kansas (the “City”) is authorized to create a STAR bond project district within an eligible area of the City for certain purposes set forth in the Act; and

WHEREAS, pursuant to Ordinance No. 15-10775 adopted by the City Commission on June 1, 2015 and published June 5, 2015 (the “District Creation Ordinance”), the City established a STAR bond project district known as the Salina STAR Bond Project District (the “District”) to promote, stimulate and develop the general and economic welfare of the state of Kansas and the City as a major commercial entertainment and tourism area; and

WHEREAS, pursuant to the Act, the City is authorized to undertake one or more STAR Bond projects within the District, which may be implemented in separate development stages, and prepare a STAR Bond project plan, in consultation with the City’s planning commission; and

WHEREAS, the City is considering adoption of the STAR Bond Project Plan dated June 21, 2016, which has been prepared by the City in consultation with the City’s Planning Commission (the “Project Plan”) pursuant to the Act and provides for the redevelopment of all real property within the District; and

WHEREAS, on June 21, 2016, the City’s Planning Commission made a finding that the Project Plan is consistent with the intent of the City’s comprehensive plan for the development of the City; and

WHEREAS, a copy of the Project Plan has been delivered by the City to the Board of County Commissioners of Saline County, Kansas and to the Board of Education of U.S.D. No. 305; and

WHEREAS, the Governing Body adopted Resolution No. 16-7371 on June 27, 2016 calling for a public hearing considering the approval of the Project Plan to be held by the Governing Body on August 22, 2016; and

WHEREAS, notice of the public hearing was given as required by the Act; and

WHEREAS, the public hearing on the Project Plan was held and closed on August 22, 2016;

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF SALINA, KANSAS:

Section 1. The Governing Body hereby adopts the Project Plan which governs redevelopment of the real property in the District, which is shown on Exhibit A and legally described on Exhibit B attached hereto.

Section 2. The governing body of the City finds and determines that required notice of the public hearing on the Project Plan was properly given in accordance with the Act.

Section 3. This Ordinance shall take effect and be in force from and after its passage by a 2/3 vote of the Governing Body, its publication once in the official City newspaper and the date of October 1, 2018.

ADOPTED by the Governing Body this January 23, 2017.

SIGNED by the Mayor this January 23, 2017.

Kaye J. Crawford, Mayor

(SEAL)

Shandi Wicks, CMC, City Clerk

APPROVED AS TO FORM:

Greg Bengtson, City Attorney

EXHIBIT A

MAP OF STAR BOND PROJECT DISTRICT

[See attached]

EXHIBIT B

Legal Description

[See attached]

(Published in *The Salina Journal* on _____, 2017)

ORDINANCE NO. 17-10873

AN ORDINANCE APPROVING A DEVELOPMENT AGREEMENT WITH SALINA 2020, INC.

WHEREAS, pursuant to K.S.A. 12-1770 *et seq* the City of Salina, Kansas (the “City”) is authorized to create a Redevelopment District within an eligible area of the City; and

WHEREAS, pursuant to Ordinance No. 15-10776 adopted by the City Commission on June 1, 2016 and published June 5, 2016 (the “District Creation Ordinance”), the City established a Redevelopment District known as the Salina Downtown Redevelopment District to promote, stimulate and develop the general and economic welfare of the state of Kansas and the City as a major commercial entertainment and tourism area; and

WHEREAS, pursuant to K.S.A. 12-17,160 *et seq.* the City is authorized to create a STAR bond project district within an eligible area of the City; and

WHEREAS, pursuant to Ordinance No. 15-10775 adopted by the City Commission on June 1, 2015 and published June 5, 2015 (the “District Creation Ordinance”), the City established a STAR bond project district known as the Salina STAR Bond Project District to promote, stimulate and develop the general and economic welfare of the state of Kansas and the City as a major commercial entertainment and tourism area; and

WHEREAS, the City expects to adopt project plans for both the Salina Redevelopment District and the STAR Bond District and desires to enter into a Development Agreement (the “Development Agreement”) with Salina 2020, Inc., a Kansas corporation (the “Master Developer”) in connection with the project plans; and

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF SALINA, KANSAS:

Section 1. The Governing Body hereby approves the execution and delivery of the Development Agreement in substantially the form presented to and reviewed by the City and the City is hereby authorized to execute and deliver the Development Agreement with such changes therein as shall be approved by the officials of the City executing the Development Agreement, such officials’ signatures thereon being conclusive evidence of their approval and the City’s approval thereof.

Section 2. The City shall, and the officials, agents and employees of the City are hereby authorized and directed to, take such further action as may be necessary or desirable to carry out and comply with the intent of this Ordinance, and to carry out, comply with and perform the duties of the City with respect to the Development Agreement.

Section 3. This Ordinance shall take effect and be in force from and after its passage by the Governing Body and its publication once in the official City newspaper.

ADOPTED by the Governing Body this January 23, 2017.

SIGNED by the Mayor this January 23, 2017.

Kaye J. Crawford, Mayor

(SEAL)

Shandi Wicks, CMC, City Clerk

APPROVED AS TO FORM:

Greg Bengtson, City Attorney

RESOLUTION NO. 17-7429

RESOLUTION DETERMINING THE INTENT OF THE CITY OF SALINA, KANSAS, TO ISSUE ITS INDUSTRIAL REVENUE BONDS IN THE AGGREGATE AMOUNT NOT TO EXCEED \$30,000,000 TO FINANCE THE COSTS OF ACQUIRING, CONSTRUCTING AND EQUIPPING COMMERCIAL PROJECTS FOR THE BENEFIT OF SALINA2020, INC., OR ITS SUCCESSORS AND ASSIGNS

WHEREAS, the City of Salina, Kansas (the “City”), desires to promote, stimulate and develop the general welfare and economic prosperity of the City and its inhabitants and thereby to further promote, stimulate and develop the general welfare and economic prosperity of the State of Kansas; and

WHEREAS, the City is authorized and empowered under the provisions of K.S.A. 12-1740 to 12-1749d, inclusive (the “Act”), to issue industrial revenue bonds to pay the cost of certain facilities (as defined in the Act) for the purposes set forth in the Act, and to lease such facilities to private persons, firms or corporations; and

WHEREAS, Salina2020, Inc., a Kansas corporation or its successors or assigns (collectively, the “Company”) is requesting that the City finance the cost of acquiring, constructing and equipping (i) an approximately 114-room hotel, (ii) an approximately 47,000 square foot family entertainment complex, and (iii) an approximately 31,000 square foot car museum (collectively, the “Project”) through the issuance of its industrial revenue bonds in one or more series in the maximum principal amount of \$30,000,000, and to lease the Project to the Company in accordance with the Act; and

WHEREAS, it is hereby found and determined to be advisable and in the interest and for the welfare of the City and its inhabitants that the City finance the costs of the Project by the issuance of industrial revenue bonds under the Act in the approximate principal amount of \$30,000,000, said bonds to be payable solely out of rentals, revenues and receipts derived from the lease of the Project by the City to the Company.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF SALINA, KANSAS, AS FOLLOWS:

Section 1. Approval of Project. The Governing Body of the City hereby finds and determines that the acquiring, constructing and equipping of the Project will promote the general welfare and economic prosperity of the City of Salina, Kansas, and thereby further promote, stimulate and develop the general economic welfare and prosperity of the State of Kansas, and the issuance of the City’s industrial revenue bonds to pay the costs of the Project will be in furtherance of the public purposes set forth in the Act. The Project shall be located in Downtown, Salina, Kansas.

Section 2. Intent to Issue Bonds. The Governing Body of the City hereby determines and declares the intent of the City to acquire, construct and equip the Project out of the proceeds of industrial revenue bonds of the City in the approximate principal amount of \$30,000,000 to be issued pursuant to the Act solely for the purpose of the sales tax exemption for the Project. There shall be no property tax abatement for the Project.

Section 3. Provision for the Bonds. Subject to the conditions of this Resolution, the City expresses its intent to (i) issue its industrial revenue bonds to pay the costs of acquiring, constructing and equipping the Project, with such maturities, interest rates, redemption terms and other provisions as may

be determined by ordinance of the City; (ii) provide for the lease (with an option to purchase) of the Project to the Company; and (iii) to effect the foregoing, adopt such resolutions and ordinances and authorize the execution and delivery of such instruments and the taking of such action as may be necessary or advisable for the authorization and issuance of said bonds by the City and take or cause to be taken such other action as may be required to implement the aforesaid.

Section 4. Conditions to Issuance. The issuance of bonds and the execution and delivery of any documents related to the bonds are subject to: (i) passage and publication of an ordinance authorizing the bonds and obtaining any other necessary governmental approvals; (ii) agreement by the City, the Company and the purchaser of the bonds upon (a) mutually acceptable terms for the bonds and for the sale and delivery thereof, and (b) mutually acceptable terms and conditions of any documents related to the issuance of the bonds and the Project; (iii) the Company's compliance with the City's policies relating to the issuance of industrial revenue bonds; (iv) the receipt and approval by the City of appropriate applications for the issuance of industrial revenue bonds; and (v) execution of a development agreement for the Project and a transferee agreement for each portion of the Project with the City.

Section 5. Sale of the Bonds. The sale of the bonds shall be the responsibility of the Company; provided, however, arrangements for the sale of the bonds shall be acceptable to the City.

Section 6. Limited Obligations of the City. The bonds and the interest thereon shall be special, limited obligations of the City payable solely out of the amounts derived by the City under a Lease Agreement with respect to the Bonds and as provided herein and are secured by a transfer, pledge and assignment of and a grant of a security interest in the Trust Estate to the Trustee and in favor of the owners of such bonds, as provided in the Indenture. The bonds shall not constitute a general obligation of the City, the State or of any other political subdivision thereof within the meaning of any State constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the City, the State or of any other political subdivision thereof and shall not be payable in any manner by taxation, but shall be payable solely from the funds provided for as provided in the Indenture. The issuance of the bonds shall not, directly, indirectly or contingently, obligate the City, the State or any other political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment.

Section 7. Required Disclosure. Any disclosure document prepared in connection with the placement or offering of the bonds shall contain substantially the following disclaimer:

NONE OF THE INFORMATION IN THIS OFFICIAL STATEMENT, OTHER THAN WITH RESPECT TO INFORMATION CONCERNING THE CITY CONTAINED UNDER THE CAPTIONS "THE CITY" AND "LITIGATION - THE CITY" HEREIN, HAS BEEN SUPPLIED OR VERIFIED BY THE CITY, AND THE CITY MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

Section 8. Authorization to Proceed. The Company is hereby authorized to proceed with the acquiring, constructing and equipping of the Project, including the necessary planning and engineering for the Project and entering into of contracts and purchase orders in connection therewith, and to advance such funds as may be necessary to accomplish such purposes, and, to the extent permitted by law, the City will reimburse the Company for all expenditures paid or incurred therefor out of the proceeds of the bonds.

Section 9. Termination of Resolution. This Resolution shall terminate if the Company shall fail to incur at least \$10,000,000 of Project costs by December 31, 2018. The City, upon the request of the Company, may extend this time period.

Section 10. Benefit of Resolution. This Resolution will inure to the benefit of the City and the Company. The City may, at the request of the Company, assign all or a portion of the Company's interest in this Resolution to another entity, and such assignee will be entitled to the benefits of the portion of this Resolution assigned and the proceedings related hereto.

Section 11. Further Action. Counsel to the City and Gilmore & Bell, P.C., Bond Counsel for the City, together with the officers and employees of the City, are hereby authorized to work with the purchaser of the bonds, the Company, their respective counsel and others, to prepare for submission to and final action by the City all documents necessary to effect the authorization, issuance and sale of the bonds and other actions contemplated hereunder.

Section 12. Effective Date. This Resolution shall take effect and be in full force immediately after its adoption by the Governing Body of the City.

ADOPTED this 23rd day of January, 2017.

CITY OF SALINA, KANSAS

By: _____
Kaye J. Crawford, Mayor

[SEAL]

ATTEST:

Shandi Wicks, CMC, City Clerk

Resolution of Intent
Salina2020, Inc.

ORDINANCE NO. 16-10857

AN ORDINANCE ADOPTING A REDEVELOPMENT PROJECT PLAN FOR THE SALINA DOWNTOWN REDEVELOPMENT DISTRICT.

WHEREAS, pursuant to K.S.A. 12-1770 *et seq.* (the “Act”), the City of Salina, Kansas (the “City”) is authorized to create a Redevelopment District within an eligible area of the City for certain purposes set forth in the Act; and

WHEREAS, pursuant to Ordinance No. 15-10775 adopted by the City Commission on June 1, 2016 and published June 5, 2016 (the “District Creation Ordinance”), the City established a Redevelopment District known as the Salina Downtown Redevelopment District (the “District”) to promote, stimulate and develop the general and economic welfare of the state of Kansas and the City as a major commercial entertainment and tourism area; and

WHEREAS, pursuant to the Act, the City is authorized to undertake one or more redevelopment projects within the District, which may be implemented in separate development stages, and prepare a redevelopment project plan, in consultation with the City’s planning commission; and

WHEREAS, the City is considering adoption of the Tax Increment Financing Redevelopment Project Plan dated June 21, 2016, which has been prepared by the City in consultation with the City’s Planning Commission (the “Project Plan”) pursuant to the Act and provides for the redevelopment of all real property within the District; and

WHEREAS, on June 21, 2016, the City’s Planning Commission made a finding that the Project Plan is consistent with the intent of the City’s comprehensive plan for the development of the City; and

WHEREAS, a copy of the Project Plan has been delivered by the City to the Board of County Commissioners of Saline County, Kansas and to the Board of Education of U.S.D. No. 305; and

WHEREAS, the Governing Body adopted Resolution No. 16-7372 on June 27, 2016 calling for a public hearing considering the approval of the Project Plan to be held by the Governing Body on August 22, 2016; and

WHEREAS, notice of the public hearing was given as required by the Act; and

WHEREAS, the public hearing on the Project Plan was held and closed on August 22, 2016;

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF SALINA, KANSAS:

Section 1. The Governing Body hereby adopts the Project Plan which governs redevelopment of the real property in the Redevelopment District, which is shown on **Exhibit A** and legally described on **Exhibit B** attached hereto.

Section 2. The governing body of the City finds and determines that required notice of the public hearing on the Project Plan was properly given in accordance with the Act.

Section 3. This Ordinance shall take effect and be in force from and after its passage by a 2/3 vote of the Governing Body, its publication once in the official City newspaper and the date of October 1, 2018.

ADOPTED by the Governing Body this January 23, 2017.

SIGNED by the Mayor this January 23, 2017.

Kaye J. Crawford, Mayor

(SEAL)

Shandi Wicks, CMC, City Clerk

APPROVED AS TO FORM:

Greg Bengtson, City Attorney

EXHIBIT A

MAP OF REDEVELOPMENT DISTRICT

EXHIBIT B

LEGAL DESCRIPTION OF REDEVELOPMENT DISTRICT

ORDINANCE NO. 16-10863

AN ORDINANCE AUTHORIZING THE CREATION OF THE DOWNTOWN COMMUNITY IMPROVEMENT DISTRICT IN THE CITY OF SALINA, KANSAS; AUTHORIZING THE MAKING OF CERTAIN PROJECT IMPROVEMENTS RELATING THERETO; APPROVING THE ESTIMATED COSTS OF SUCH PROJECT IMPROVEMENTS; LEVYING A COMMUNITY IMPROVEMENT DISTRICT SALES TAX WITHIN SUCH DISTRICT; AND PROVIDING FOR THE METHOD OF FINANCING THE SAME (DOWNTOWN CID).

WHEREAS, K.S.A. 12-6a26 *et seq.* (the “Act”) authorizes the governing body of any city or county to create community improvement districts to finance projects within such defined area of the city or county and to levy a community improvement district sales tax upon property within the district to finance projects; and

WHEREAS, a petition (the “Petition”) was filed with the City Clerk on August 25, 2016, proposing the creation of The Downtown Community Improvement District (the “District”) under the Act and the imposition of a community improvement district sales tax (the “CID Sales Tax”) in order to pay the costs of projects as described in the Petition (the “Projects”); and

WHEREAS, the Petition was signed by not less than fifty-five percent (55%) of the land area contained within the proposed District and not less than fifty-five percent (55%) by assessed value of the land area contained with the proposed District; and

WHEREAS, the Governing Body of the City of Salina, Kansas (the “City”) intends to create the District and to levy the CID Sales Tax as requested in the Petition; and

WHEREAS, the Act provides that prior to creating any community improvement district and imposing a community improvement district sales tax, the governing body shall, by resolution, direct and order a public hearing on the advisability of creating such community improvement district and the construction of such community improvement district projects therein, and to give notice of the hearing by publication at least once each week for two (2) consecutive weeks in the official City newspaper and by certified mail to all property owners within the proposed community improvement district, the second publication to be at least seven (7) days prior to the hearing and such certified mail sent at least ten (10) days prior to such hearing; and

WHEREAS, the Governing Body adopted Resolution No. 16-7395 on August 26, 2016 (the “Resolution”) directing that a public hearing on the proposed District within the City be held on September 19, 2016, declaring its intent to impose the CID Sales Tax, and requiring that the City clerk provide for notice of such public hearing as set forth in the Act; and

WHEREAS, the Resolution was mailed (by certified mail) to all property owners within the proposed District on September 8, 2016, and published once each week for two (2) consecutive weeks in *The Salina Journal*, the official City newspaper, on September 1, 2016 and September 8, 2016; and

WHEREAS, on September 19, 2016, the Governing Body conducted a public hearing on the proposed District; and

WHEREAS, the Governing Body hereby finds and determines it to be advisable to create the District and set forth the boundaries thereof, authorize the Projects, approve the estimated costs of the Projects and approve the method of financing the same, all in accordance with the provisions of the Act; and

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF SALINA, KANSAS:

SECTION 1. Creation of Community Improvement District; Boundaries. That the Governing Body hereby finds and determines that it is advisable to create, in accordance with the provisions of the Act, the District within the City to be referred to as The Downtown Community Improvement District. A legal description of the boundaries of the proposed District is set forth on Exhibit A, attached hereto and incorporated by reference herein. A map generally outlining the boundaries of the proposed District is attached as Exhibit B, attached hereto and incorporated by reference herein.

SECTION 2. Authorization of Community Improvement District Projects and Estimated Costs.

(a) The general nature of the Projects is approved as follows:

The general nature of the proposed Projects is to promote the redevelopment and revitalization of the downtown Salina business district, as is more particularly described herein, by providing community improvement district financing in accordance with this petition and the Act to finance the demolition, construction, maintenance, and procurement of certain improvements, costs, and services within the District, including, but not limited to: land acquisition, infrastructure related items, streets, sidewalks, parking lots and/or structures, buildings, facilities, tenant improvements, water management and drainage related items, utilities, landscaping, lighting, art, water features and other cultural amenities, ongoing maintenance of the District, marketing, advertisement and economic development, promotion of activities and special events, training, cleaning and maintenance, and administrative costs in establishing and maintaining the District and the CID Project, and any other items permitted to be financed within the District under the Act.

(b) The total estimated cost of the Projects is \$7,589,062, plus interest on such amount.

SECTION 3. Method of Financing.

(a) The costs of the Projects will be financed with the CID Sales Tax levied pursuant to the provisions of the Act and reimbursed on a pay-as-you-go basis, as defined in the Act. The CID Sales Tax is hereby imposed at the rate of **1.0%** on the sale of tangible personal property at retail or rendering or furnishing services which are taxable pursuant to the Kansas Retailers' Sales Tax Act (K.S.A. 79-3601 *et seq.*) within the District with such CID Sales Tax to commence on October 1, 2018 or such other date as the governing body of the City sets by ordinance and continue for a period of twenty-two (22) years.

(b) The estimated cost of the proposed Projects is expected to be paid through pay-as-you-go financing as defined in the Act or through issuance of special obligation, general obligation or full faith and credit bonds/notes, at the sole election of the City.

(c) There will be no District special assessments.

SECTION 4. Segregation of CID Sales Tax Revenues. All revenues derived from the collection of the CID Sales Tax shall be deposited into a special fund of the City to be designated as The Downtown Community Improvement District Revenue Fund. Such revenues shall be used to pay the costs of the Project, including the City's administrative fee of 2.0%.

SECTION 5. Effective Date. This Ordinance shall take effect and be in full force from and after its passage by the Governing Body of the City and publication once in the official City newspaper.

PASSED by the Governing Body on this 23rd day of January, 2017 and **APPROVED AND SIGNED** by the Mayor.

CITY OF SALINA, KANSAS

By: _____
Kaye J. Crawford, Mayor

[SEAL]

ATTEST:

Shandi Wicks, CMC, City Clerk

APPROVED AS TO FORM:

Greg Bengtson, City Attorney

EXHIBIT A

LEGAL DESCRIPTION OF THE DOWNTOWN
COMMUNITY IMPROVEMENT DISTRICT

LIMITS OF THE COMMUNITY IMPROVEMENT DISTRICT - DOWNTOWN:

A TRACT OF LAND LOCATED IN ORIGINAL TOWN (NOW CITY) OF SALINA, SALINE COUNTY, KANSAS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF LOT 50 ON 5TH STREET, IN SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF THE WEST RIGHT-OF-WAY LINE OF 5TH STREET AND THE SOUTH RIGHT-OF-WAY LINE OF ELM STREET;

THENCE SOUTH ON SAID WEST RIGHT-OF-WAY LINE OF 5TH STREET, A DISTANCE OF 300 FEET TO THE SOUTHEAST CORNER OF LOT 60 ON 5TH STREET;

THENCE WEST ON THE SOUTH LINE OF SAID LOT 60, A DISTANCE OF 120 FEET TO THE NORTHWEST CORNER OF SAID LOT 60;

THENCE SOUTH ON THE WEST LINE OF LOTS 62, 64, AND 66 ON 5TH STREET, A DISTANCE OF 150 FEET TO THE NORTHWEST CORNER OF LOT 68 ON 5TH STREET;

THENCE EAST ON THE NORTH LINE OF SAID LOT 68, A DISTANCE OF 120 FEET TO THE NORTHEAST CORNER OF SAID LOT 68, SAID POINT BEING ON SAID WEST RIGHT-OF-WAY LINE OF 5TH STREET;

THENCE SOUTH ON SAID WEST RIGHT-OF-WAY LINE OF 5TH STREET, A DISTANCE OF 830 FEET TO THE SOUTHEAST CORNER OF LOT 100 ON 5TH STREET;

THENCE EAST ON THE NORTH LINE OF LOT 101 ON 5TH STREET AND EXTENSIONS THEREOF, AND THE NORTH LINE OF LOT 102 ON 4TH STREET, A DISTANCE OF 327.82 FEET TO THE INTERSECTION OF SAID NORTH LINE OF LOT 102 AND THE WESTERLY RIGHT-OF-WAY LINE OF THE UNION PACIFIC RAILROAD;

THENCE SOUTHWESTERLY ON SAID WESTERLY RIGHT-OF-WAY LINE OF THE UNION PACIFIC RAILROAD, A DISTANCE OF 208.78 FEET TO THE INTERSECTION OF SAID WESTERLY RIGHT-OF-WAY LINE AND THE SOUTH LINE OF LOT 108 ON 4TH STREET, SAID POINT ALSO BEING ON THE NORTH RIGHT-OF-WAY LINE OF IRON STREET;

THENCE EAST ON SAID NORTH RIGHT-OF-WAY LINE OF IRON STREET, A DISTANCE OF 253.8 FEET TO THE SOUTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN DEED BOOK 1185, PAGES 242-245 IN THE OFFICE OF THE SALINE COUNTY REGISTER OF DEEDS;

THENCE NORTH ON THE BOUNDARY OF SAID DESCRIBED TRACT, A DISTANCE OF 29.02 FEET;

THENCE NORTHWEST ON THE BOUNDARY OF SAID DESCRIBED TRACT, A DISTANCE OF 37.08 FEET;

THENCE NORTH ON THE BOUNDARY OF SAID DESCRIBED TRACT, A DISTANCE OF 72.85 FEET;

THENCE NORTHEAST ON THE BOUNDARY OF SAID DESCRIBED TRACT, A DISTANCE OF 106.87 FEET;

THENCE SOUTHEAST ON THE BOUNDARY OF SAID DESCRIBED TRACT, A DISTANCE OF 87.07 FEET;

THENCE EAST ON THE BOUNDARY OF SAID DESCRIBED TRACT, A DISTANCE OF 88.87 FEET;

THENCE SOUTH ON THE BOUNDARY OF SAID DESCRIBED TRACT, A DISTANCE OF 45.21 FEET TO THE EXTENSION OF THE NORTH LINE OF LOT 103 ON 3RD STREET;

THENCE EAST ON SAID NORTH LINE, AND EXTENSIONS THEREOF, A DISTANCE OF 130.24 FEET TO THE NORTHEAST CORNER OF SAID LOT 103 ON 3RD STREET, SAID POINT BEING ON THE WEST LINE OF A 10 FOOT ALLEY BETWEEN 2ND STREET AND 3RD STREET, SAID ORIGINAL TOWN;

THENCE SOUTH ON SAID WEST LINE OF A 10 FOOT ALLEY, AND EXTENSIONS THEREOF, A DISTANCE OF 280 FEET TO THE NORTHEAST CORNER OF LOT 108 ON 3RD STREET, SAID POINT BEING ON THE SOUTH RIGHT-OF-WAY LINE OF IRON STREET;

THENCE EAST ON SAID SOUTH RIGHT-OF-WAY LINE OF IRON STREET, A DISTANCE OF 130 FEET TO THE NORTHEAST CORNER OF LOT 110 ON 2ND STREET, SAID POINT BEING THE INTERSECTION OF SAID SOUTH RIGHT-OF-WAY LINE, AND THE WEST RIGHT-OF-WAY LINE OF 2ND STREET;

THENCE SOUTH ON SAID WEST RIGHT-OF-WAY LINE OF 2ND STREET, A DISTANCE OF 180 FEET TO THE SOUTHEAST CORNER OF LOT 114 ON 2ND STREET;

THENCE WEST ON THE SOUTH LINE OF SAID LOT 114, AND EXTENSIONS THEREOF, A DISTANCE OF 130 FEET TO THE SOUTHEAST CORNER OF LOT 113 ON 3RD STREET;

THENCE NORTH ON THE WEST LINE OF SAID LOT 113, A DISTANCE OF 50 FEET TO THE NORTHEAST CORNER OF SAID LOT 113;

THENCE WEST ON THE NORTH LINE OF SAID LOT 113, AND EXTENSIONS THEREOF, A DISTANCE OF 200 FEET TO THE NORTHEAST CORNER OF LOT 114 ON 3RD STREET, SAID POINT BEING ON THE WEST RIGHT-OF-WAY LINE OF 3RD STREET;

THENCE SOUTH ON SAID WEST RIGHT-OF-WAY LINE OF 3RD STREET, A DISTANCE OF 100 FEET TO THE SOUTHEAST CORNER OF LOT 116 ON 3RD STREET;

THENCE WEST ON THE SOUTH LINE OF SAID LOT 116, A DISTANCE OF 120 FEET TO THE SOUTHWEST CORNER OF SAID LOT 116, SAID POINT BEING ON THE EAST LINE OF A 10 FOOT ALLEY BETWEEN 3RD STREET AND 4TH STREET, SAID ORIGINAL TOWN;

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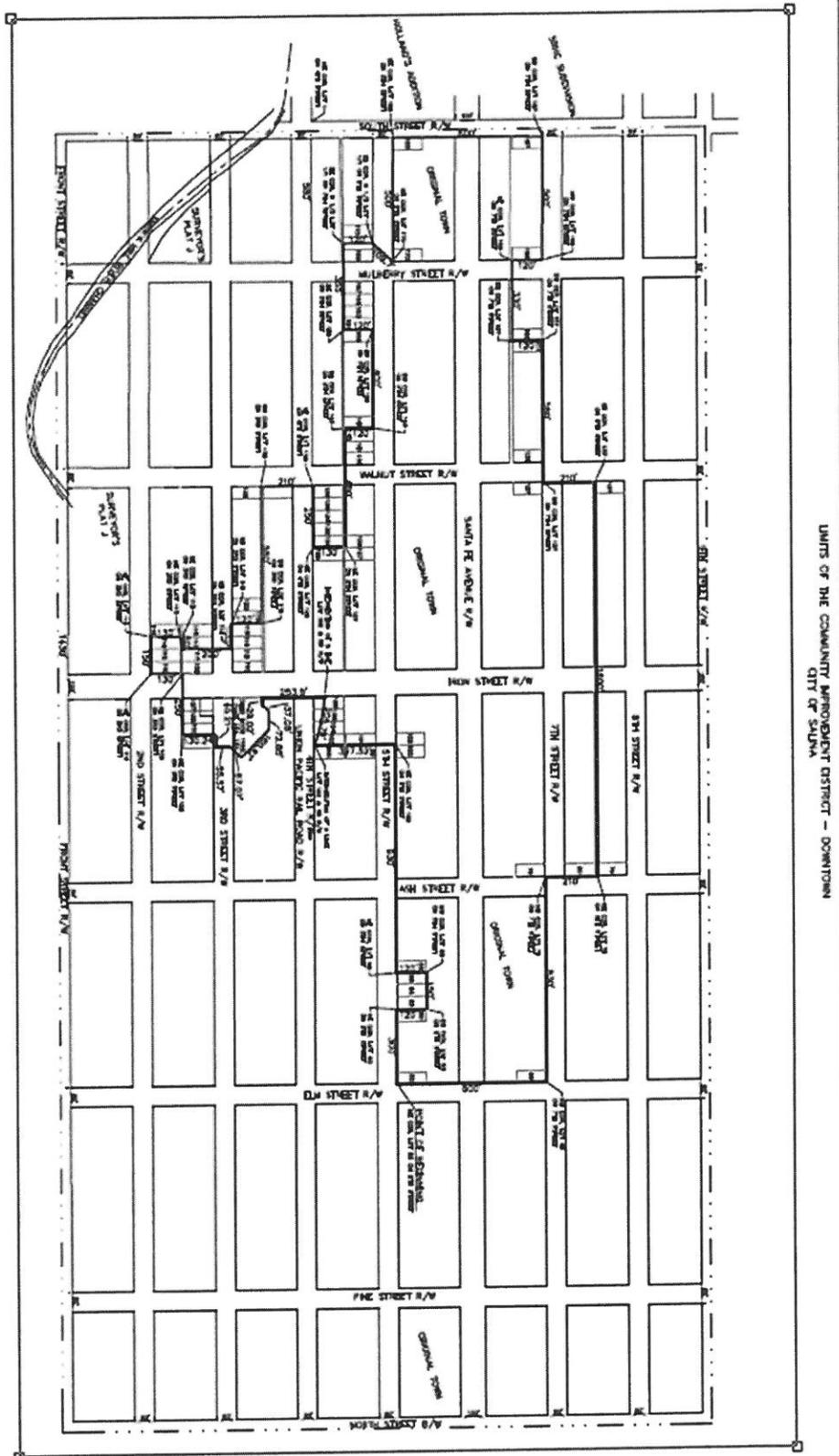
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KAW VALLEY ENGINEERING

E1551183 AUG. 18, 2016
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AND ALSO INCLUDING ANY AND ALL ADJACENT RIGHT-OF-WAY.

EXHIBIT B
MAP OF THE DOWNTOWN COMMUNITY IMPROVEMENT DISTRICT



ORDINANCE NO. 16-10864

AN ORDINANCE AUTHORIZING THE CREATION OF THE ALLEY COMMUNITY IMPROVEMENT DISTRICT IN THE CITY OF SALINA, KANSAS; AUTHORIZING THE MAKING OF CERTAIN PROJECT IMPROVEMENTS RELATING THERETO; APPROVING THE ESTIMATED COSTS OF SUCH PROJECT IMPROVEMENTS; LEVYING A COMMUNITY IMPROVEMENT DISTRICT SALES TAX WITHIN SUCH DISTRICT; AND PROVIDING FOR THE METHOD OF FINANCING THE SAME (ALLEY CID).

WHEREAS, K.S.A. 12-6a26 *et seq.* (the “Act”) authorizes the governing body of any city or county to create community improvement districts to finance projects within such defined area of the city or county and to levy a community improvement district sales tax upon property within the district to finance projects; and

WHEREAS, a petition (the “Petition”) was filed with the City Clerk on August 25, 2016, proposing the creation of The Alley Community Improvement District (the “District”) under the Act and the imposition of a community improvement district sales tax (the “CID Sales Tax”) in order to pay the costs of projects as described in the Petition (the “Projects”); and

WHEREAS, the Petition was signed by not less than fifty-five percent (55%) of the land area contained within the proposed District and not less than fifty-five percent (55%) by assessed value of the land area contained with the proposed District; and

WHEREAS, the Governing Body of the City of Salina, Kansas (the “City”) intends to create the District and to levy the CID Sales Tax as requested in the Petition; and

WHEREAS, the Act provides that prior to creating any community improvement district and imposing a community improvement district sales tax, the governing body shall, by resolution, direct and order a public hearing on the advisability of creating such community improvement district and the construction of such community improvement district projects therein, and to give notice of the hearing by publication at least once each week for two (2) consecutive weeks in the official City newspaper and by certified mail to all property owners within the proposed community improvement district, the second publication to be at least seven (7) days prior to the hearing and such certified mail sent at least ten (10) days prior to such hearing; and

WHEREAS, the Governing Body adopted Resolution No. 16-7396 on August 26, 2016 (the “Resolution”) directing that a public hearing on the proposed District within the City be held on September 19, 2016, declaring its intent to impose the CID Sales Tax, and requiring that the City clerk provide for notice of such public hearing as set forth in the Act; and

WHEREAS, the Resolution was mailed (by certified mail) to all property owners within the proposed District on September 8, 2016, and published once each week for two (2) consecutive weeks in *The Salina Journal*, the official City newspaper, on September 1, 2016 and September 8, 2016; and

WHEREAS, on September 19, 2016, the Governing Body conducted a public hearing on the proposed District; and

WHEREAS, the Governing Body hereby finds and determines it to be advisable to create the District and set forth the boundaries thereof, authorize the Projects, approve the estimated costs of the Projects and approve the method of financing the same, all in accordance with the provisions of the Act; and

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF SALINA, KANSAS:

SECTION 1. Creation of Community Improvement District; Boundaries. That the Governing Body hereby finds and determines that it is advisable to create, in accordance with the provisions of the Act, the District within the City to be referred to as The Alley Community Improvement District. A legal description of the boundaries of the proposed District is set forth on **Exhibit A**, attached hereto and incorporated by reference herein. A map generally outlining the boundaries of the proposed District is attached as **Exhibit B**, attached hereto and incorporated by reference herein.

SECTION 2. Authorization of Community Improvement District Projects and Estimated Costs.

(a) The general nature of the Projects is approved as follows:

The general nature of the proposed Projects is to promote the redevelopment and revitalization of the downtown Salina business district, as is more particularly described herein, by providing community improvement district financing in accordance with this petition and the Act to finance the demolition, construction, maintenance, and procurement of certain improvements, costs, and services within the District related to a family entertainment center development, including, but not limited to: land acquisition, infrastructure related items, streets, sidewalks, parking lots and/or structures, buildings, facilities, tenant improvements, water management and drainage related items, utilities, landscaping, lighting, art, water features and other cultural amenities, ongoing maintenance of the District, marketing, advertisement and economic development, promotion of activities and special events, training, cleaning and maintenance, and administrative costs in establishing and maintaining the District and the Projects, and any other items permitted to be financed within the District under the Act.

(b) The total estimated cost of the Projects is \$628,676, plus interest on such amount.

SECTION 3. Method of Financing.

(a) The costs of the Projects will be financed with the CID Sales Tax levied pursuant to the provisions of the Act and reimbursed on a pay-as-you-go basis, as defined in the Act. The CID Sales Tax is hereby imposed at the rate of **1.0%** on the sale of tangible personal property at retail or rendering or furnishing services which are taxable pursuant to the Kansas Retailers' Sales Tax Act (K.S.A. 79-3601 *et seq.*) within the District with such CID Sales Tax to commence on October 1, 2018 or such other date as the governing body of the City sets by ordinance and continue for a period of twenty-two (22) years.

(b) The estimated cost of the proposed Projects is expected to paid through pay-as-you-go financing as defined in the Act or through issuance of special obligation, general obligation or full faith and credit bonds/notes, at the sole election of the City.

(c) There will be no District special assessments.

SECTION 4. Segregation of CID Sales Tax Revenues. All revenues derived from the collection of the CID Sales Tax shall be deposited into a special fund of the City to be designated as The Alley Community Improvement District Revenue Fund. Such revenues shall be used to pay the costs of the Project, including the City's administrative fee of 2.0%.

SECTION 5. Effective Date. This Ordinance shall take effect and be in full force from and after its passage by the Governing Body of the City and publication once in the official City newspaper.

PASSED by the Governing Body on this 23rd day of January, 2017 and **APPROVED AND SIGNED** by the Mayor.

CITY OF SALINA, KANSAS

By: _____
Kaye J. Crawford, Mayor

[SEAL]

ATTEST:

Shandi Wicks, CMC, City Clerk

APPROVED AS TO FORM:

Greg Bengtson, City Attorney

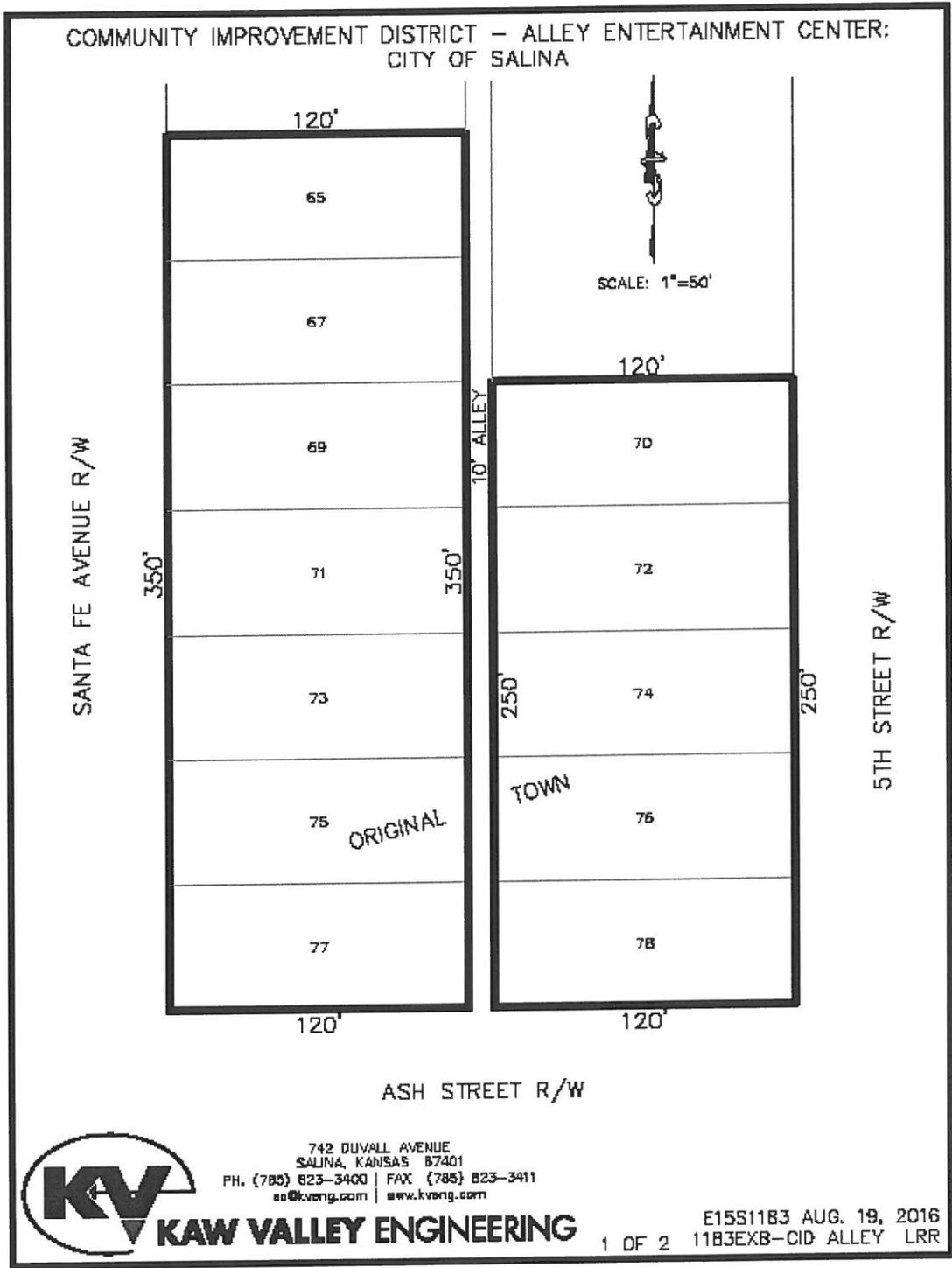
EXHIBIT A

**LEGAL DESCRIPTION OF THE ALLEY
COMMUNITY IMPROVEMENT DISTRICT**

**ALL OF LOTS 65, 67, 69, 71, 73 AND 77 ON SANTA FE, AND
ALL OF LOTS 70, 72, 74, 76, AND 78 ON 5TH STREET,
ALL IN ORIGINAL TOWN (NOW CITY) OF SALINA, SALINE COUNTY, KANSAS**

AND ALSO INCLUDING ANY AND ALL ADJACENT RIGHT-OF-WAY.

EXHIBIT B
MAP OF THE ALLEY COMMUNITY IMPROVEMENT DISTRICT



742 DUVALL AVENUE
 SALINA, KANSAS 67401
 PH. (785) 823-3400 | FAX (785) 823-3411
 eo@kveng.com | www.kveng.com

KAW VALLEY ENGINEERING

E15S11B3 AUG. 19, 2016
 1 OF 2 11B3EXB-CID ALLEY LRR

ORDINANCE NO. 16-10865

AN ORDINANCE AUTHORIZING THE CREATION OF THE DOWNTOWN HOTEL COMMUNITY IMPROVEMENT DISTRICT IN THE CITY OF SALINA, KANSAS; AUTHORIZING THE MAKING OF CERTAIN PROJECT IMPROVEMENTS RELATING THERETO; APPROVING THE ESTIMATED COSTS OF SUCH PROJECT IMPROVEMENTS; LEVYING A COMMUNITY IMPROVEMENT DISTRICT SALES TAX WITHIN SUCH DISTRICT; AND PROVIDING FOR THE METHOD OF FINANCING THE SAME (DOWNTOWN HOTEL CID).

WHEREAS, K.S.A. 12-6a26 *et seq.* (the “Act”) authorizes the governing body of any city or county to create community improvement districts to finance projects within such defined area of the city or county and to levy a community improvement district sales tax upon property within the district to finance projects; and

WHEREAS, a petition (the “Petition”) was filed with the City Clerk on August 25, 2016, proposing the creation of The Downtown Hotel Community Improvement District (the “District”) under the Act and the imposition of a community improvement district sales tax (the “CID Sales Tax”) in order to pay the costs of projects as described in the Petition (the “Projects”); and

WHEREAS, the Petition was signed by not less than fifty-five percent (55%) of the land area contained within the proposed District and not less than fifty-five percent (55%) by assessed value of the land area contained with the proposed District; and

WHEREAS, the Governing Body of the City of Salina, Kansas (the “City”) intends to create the District and to levy the CID Sales Tax as requested in the Petition; and

WHEREAS, the Act provides that prior to creating any community improvement district and imposing a community improvement district sales tax, the governing body shall, by resolution, direct and order a public hearing on the advisability of creating such community improvement district and the construction of such community improvement district projects therein, and to give notice of the hearing by publication at least once each week for two (2) consecutive weeks in the official City newspaper and by certified mail to all property owners within the proposed community improvement district, the second publication to be at least seven (7) days prior to the hearing and such certified mail sent at least ten (10) days prior to such hearing; and

WHEREAS, the Governing Body adopted Resolution No. 16-7397 on August 26, 2016 (the “Resolution”) directing that a public hearing on the proposed District within the City be held on September 19, 2016, declaring its intent to impose the CID Sales Tax, and requiring that the City clerk provide for notice of such public hearing as set forth in the Act; and

WHEREAS, the Resolution was mailed (by certified mail) to all property owners within the proposed District on September 8, 2016, and published once each week for two (2) consecutive weeks in *The Salina Journal*, the official City newspaper, on September 1, 2016 and September 8, 2016; and

WHEREAS, on September 19, 2016, the Governing Body conducted a public hearing on the proposed District; and

WHEREAS, the Governing Body hereby finds and determines it to be advisable to create the District and set forth the boundaries thereof, authorize the Projects, approve the estimated costs of the Projects and approve the method of financing the same, all in accordance with the provisions of the Act; and

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF SALINA, KANSAS:

SECTION 1. Creation of Community Improvement District; Boundaries. That the Governing Body hereby finds and determines that it is advisable to create, in accordance with the provisions of the Act, the District within the City to be referred to as The Downtown Hotel Community Improvement District. A legal description of the boundaries of the proposed District is set forth on Exhibit A, attached hereto and incorporated by reference herein. A map generally outlining the boundaries of the proposed District is attached as Exhibit B, attached hereto and incorporated by reference herein.

SECTION 2. Authorization of Community Improvement District Projects and Estimated Costs.

(a) The general nature of the Projects is approved as follows:

The general nature of the proposed CID Projects is to promote the redevelopment and revitalization of the downtown Salina business district, as is more particularly described herein, by providing community improvement district financing in accordance with this petition and the Act to finance the demolition, construction, maintenance, and procurement of certain improvements, costs, and services within the CID related to development of a hotel and associated facilities, including, but not limited to: land acquisition, infrastructure related items, streets, sidewalks, parking lots and/or structures, buildings, facilities, tenant improvements, water management and drainage related items, utilities, landscaping, lighting, art, water features and other cultural amenities, ongoing maintenance of the CID, marketing, advertisement and economic development, promotion of activities and special events, training, cleaning and maintenance, and administrative costs in establishing and maintaining the CID and the CID Projects, and any other items permitted to be financed within the CID under the Act.

(b) The total estimated cost of the Projects is \$1,006,029, plus interest on such amount.

SECTION 3. Method of Financing.

(a) The costs of the Projects will be financed with the CID Sales Tax levied pursuant to the provisions of the Act and reimbursed on a pay-as-you-go basis, as defined in the Act. The CID Sales Tax is hereby imposed at the rate of **1.0%** on the sale of tangible personal property at retail or rendering or furnishing services which are taxable pursuant to the Kansas Retailers' Sales Tax Act (K.S.A. 79-3601 *et seq.*) within the District with such CID Sales Tax to commence on October 1, 2018 or such other date as the governing body of the City sets by ordinance and continue for a period of twenty-two (22) years.

(b) The estimated cost of the proposed Projects is expected to be paid through pay-as-you-go financing as defined in the Act or through issuance of special obligation, general obligation or full faith and credit bonds/notes, at the sole election of the City.

(c) There will be no District special assessments.

SECTION 4. Segregation of CID Sales Tax Revenues. All revenues derived from the collection of the CID Sales Tax shall be deposited into a special fund of the City to be designated as The Downtown Hotel Community Improvement District Revenue Fund. Such revenues shall be used to pay the costs of the Project, including the City's administrative fee of 2.0%.

SECTION 5. Effective Date. This Ordinance shall take effect and be in full force from and after its passage by the Governing Body of the City and publication once in the official City newspaper.

PASSED by the Governing Body on this 23rd day of January, 2017 and **APPROVED AND SIGNED** by the Mayor.

CITY OF SALINA, KANSAS

By: _____
Kaye J. Crawford, Mayor

[SEAL]

ATTEST:

Shandi Wicks, CMC, City Clerk

APPROVED AS TO FORM:

Greg Bengtson, City Attorney

EXHIBIT A

**LEGAL DESCRIPTION OF THE DOWNTOWN HOTEL
COMMUNITY IMPROVEMENT DISTRICT**

**ALL OF LOTS 165 AND 167 ON SANTA FE, AND
ALL OF LOTS 158, 160, 162, 164, 166 and 168 ON 5TH STREET,
ALL IN ORIGINAL TOWN (NOW CITY) OF SALINA, SALINE COUNTY, KANSAS**

AND ALSO INCLUDING ANY AND ALL ADJACENT RIGHT-OF-WAY.

EXHIBIT B
MAP OF THE DOWNTOWN HOTEL COMMUNITY IMPROVEMENT DISTRICT

