DEVELOPMENT AGREEMENT

DATED JANUARY 23, 2017

BETWEEN

CITY OF SALINA, KANSAS

AND

SALINA 2020, INC.

RELATING TO THE SALINA DOWNTOWN STAR BOND PROJECT DISTRICT

(Published on the City of Salina's website for a minimum of one week from February 1-15 ,2017.)

Consolidated-Salina EPN11155

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

Consolidated-Salina EPN111155

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SALINA DOWNTOWN STAR BOND PROJECT DISTRICT

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DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (this "**Agreement**"), is dated as of January 23, 2017 (the "**Effective Date**") by and between the **CITY OF SALINA, KANSAS**, a municipal corporation duly organized under the laws of the State of Kansas (the "**City**"); and **SALINA2020, INC.**, a Kansas corporation (the "**Master Developer**"), with the "Master Developer," and the "City" collectively referred to as the "**Parties**" and each a "**Party**").

RECITALS

A. The Parties desire to enter into this Agreement for purposes of jointly facilitating the development of a mixed-use economic development project generally located in downtown Salina, Kansas comprised of construction of a major multi-sport athletic complex, automotive museum, family entertainment center, expansion and renovation of an historic theater, and construction of downtown streetscape and public infrastructure improvements, as well as development and redevelopment of additional commercial, hotel, restaurant, higher educational and residential uses as further described herein (collectively, the "**Project**").

B. The Parties intend to provide terms herein for governing the development of the Project and administration of the various financing sources to be utilized to complete the Project, including STAR Bond financing, tax increment financing, community improvement district financing, and financing from other public and private sources.

C. On May 8, 2015, the Secretary of the Kansas Department of Commerce (the "**Secretary**") issued a letter to the City, a copy of which is attached hereto as **Exhibit A**, designating the STAR Bond District as an "eligible area" as defined in the STAR Bond Act.

D. On June 1, 2015, the Governing Body of the City (the "**Governing Body**") approved Ordinance No. 15-10775, a copy of which is attached hereto as **Exhibit B**, which established a STAR bond district (the "**STAR Bond District**") pursuant to K.S.A. § 12-17,160 *et seq.*, as amended (the "**STAR Bond Act**"), comprising approximately 157 acres of property located within the City generally located downtown south of the north boundary of Elm Street, west of 8th Street, east of Front Street and north of the south boundary of South Street, as more specifically described therein.

E. On January 5, 2017, the Secretary issued a letter to the City, attached hereto as **Exhibit C**, granting approval of that certain STAR Bond Project Plan (the "**STAR Bond Project Plan**") for the STAR Bond District and authorizing the City to issue Sales Tax and Revenue Bonds ("**STAR Bonds**") in an amount which would produce $19,100,000 in net STAR Bond proceeds (the "**STAR Bond Proceeds**").

F. On January 23, 2017, the Governing Body by a vote of at least two-thirds of its members, approved Ordinance No. 16-10856, a copy of which is attached hereto as **Exhibit D**, which approved the STAR Bond Project Plan, a copy of which is attached hereto as **Exhibit E**.

G. On June 1, 2015, the Governing Body approved Ordinance No. 15-10776, a copy of which is attached hereto as **Exhibit F**, which established a tax increment financing district (the "**TIF District**") pursuant to K.S.A. § 12-1770 *et seq.*, as amended (the "**TIF Act**"),

comprising approximately 122 acres of property generally located downtown within the City, as more specifically described therein. On July 18, 2016, the Governing Body approved Ordinance No. 16-10843, a copy of which is attached hereto as **Exhibit G**, which removed certain property from the TIF District and correspondingly amended the boundaries of the TIF District.

H. On January 23, 2017, the Governing Body by a vote of at least two-thirds of its members, approved Ordinance No. 16-10857, a copy of which is attached hereto as **Exhibit H**, which approved a certain Redevelopment Project Plan (the "**TIF Project Plan**"), a copy of which is attached hereto as **Exhibit I**.

I. Further, the City has the authority to create community improvement districts pursuant to K.S.A. 12-6a26 *et seq.*, as amended from time to time (the "**CID Act**") for the purpose of financing certain economic development related projects. Under the CID Act, the owners of the land within the boundaries of a proposed CID District may petition the City to request the creation of a CID District and to impose special assessments and/or CID sales taxes ("**CID Sales Tax**") to pay for or reimburse the costs of a portion of a CID project.

J. On or about August 26, 2016, the owners of not less than fifty-five percent (55%) of the land area contained within the hereinafter described community improvement districts and not less than fifty-five percent (55%) by assessed value of the land area contained within the hereinafter described community improvement districts submitted three separate petitions (the "**CID Petitions**") to the City requesting the formation of three community improvement districts (the "**CID Districts**" and each a "**CID District**"). Copies of each CID Petition are attached hereto as **Exhibit J-1**, **Exhibit J-2** and **Exhibit J-3**. A legal description and depiction of the boundaries of each CID District are set forth within the CID Petitions attached hereto.

K. On January 23, 2017, the City approved the creation of the CID Districts through the passage of Ordinance Nos. 16-10863,16-10864, and 16-10865 (the "**CID Ordinances**") pursuant to the CID Act. As contemplated in the CID Petitions, the CID Ordinances call for the imposition of a CID Sales Tax of 1.0% within each CID District to be used to pay for and/or reimburse certain CID Eligible Costs (as defined herein). The CID Ordinances specify that 1) the CID Sales Tax for the Downtown CID District is to commence on October 1, 2018, 2) the CID Sales Tax for the Hotel CID District is to commence on October 1, 2018, and 3) the CID Sales Tax for the Alley Project CID District is to commence on October 1, 2018, or any other effective date that the Master Developer may request and the City may approve. The CID Ordinances are attached hereto as **Exhibits K-1**, **Exhibit K-2** and **Exhibit K-3**.

L. Additionally, in order to assist with the financing of the Project, the City approved a resolutions of intent on January 23, 2017, a copy of which is attached hereto as **Exhibit L**, to proceed with the issuance of Industrial Revenue Bonds ("**IRBs**") subject to the conditions set forth therein in order to pay certain project costs pursuant to the K.S.A. 12-1741 *et seq.*

M. The Parties now desire to enter into this Agreement to formalize the provisions for developing and administering the Project.

NOW, THEREFORE, in consideration of the foregoing and in consideration of the mutual covenants and agreements herein contained, and other good and valuable consideration,

the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.01 Definitions of Words and Terms. Capitalized words used in this Agreement shall have the meanings set forth in the Recitals to this Agreement or they shall have the following meanings:

"Affiliate" means any person or entity which controls a party, which a party controls or which is under common control with a party. As used herein, the term "control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of management and policies, whether through the ownership of voting securities, by contract or otherwise. Any Affiliate must have common majority principals of the party possessing rights, duties or obligations hereunder.

"Agreement" means this Agreement as may be amended in accordance with the terms hereof.

"Alley Project" means an approximately 47,000 square foot family entertainment center including a bowling center with 24 standard bowling lanes and an 8-lane "boutique" specialty bowling facility, designed with the goal of hosting state and regional bowling tournaments, game room and video arcade, laser tag, concessions and a full service bar and restaurant and meeting space, as described in the STAR Bond Project Plan attached as **Exhibit E** and exhibits thereto, with additional details describing the final project scope addressed in the project Transferee Agreement fulfilling the intent of the STAR Bond Project Plan.

"Alley Project CID District" means that CID District established by Ordinance No. 16-10864 by the Governing Body on January 23, 2017.

"Alley Project CID Costs" means those CID Eligible Costs generally described in the Alley Project CID Petition which are incurred in developing the Alley Project, including interest on such costs at a rate of 5% per annum, and which will be reimbursed through Alley Project CID Proceeds.

"Alley Project CID Proceeds" means the proceeds produced by the CID Sales Tax within the Alley Project CID District to be used to pay for or reimburse Alley Project CID Costs.

"Alley Project CID Sales Tax Fund" means a separate account created by the City into which all Alley Project CID Proceeds will be deposited and from which Alley Project CID Costs will be paid or reimbursed pursuant to the terms of this Agreement.

"Alley Project CID Uses" shall mean the portion of Project Costs that are eligible to be financed with the Alley Project CID Proceeds pursuant to the CID Act and which have been identified by the City and the Master Developer as those Project Costs that shall be funded with

the Alley Project CID Proceeds as reflected in the column entitled "CID Uses (Alley Project Only CID)" in **Exhibit M** attached.

"Alley Project Costs" means Project Costs incurred to fully and finally complete the Alley Project.

"Alternative Streetscape Commitment" means that in the event STAR Bonds are not issued in an amount sufficient to net $2,000,000 of STAR Bond Proceeds for use in construction of the Streetscape and Public Infrastructure Improvements pursuant to Section 4.06, the City and Master Developer shall confer regarding the design of the Streetscape and Public Infrastructure Improvements and the City Commission's adaptation of **Exhibit M-1**, as necessary, to reflect the geographic locations and aesthetic theme to be constructed for the Streetscape and Public Infrastructure Improvements based upon input from the Master Developer, the City's design consultants, City staff, and public comment; and that in such event, the City shall expend no less than $10,165,360 in designing and constructing such Streetscape and Public Infrastructure Improvements.

"Apartment TIF Cap" means the maximum amount of Apartment TIF Costs that may be reimbursed to the developer of the Market Rate Apartments through Incremental Real Property Taxes, which shall be $920,000 plus simple interest on such outstanding amount at the rate of 5% per annum.

"Apartment TIF Costs" means those TIF Eligible Costs incurred in developing the Market Rate Apartments, including land acquisition and site work costs, including interest on such costs at a rate of 5% per annum, and which will be reimbursed through Incremental Real Property Taxes on deposit in the Apartment TIF Fund.

"Apartment TIF Fund" means a separate account created by the City into which 21% of all Incremental Real Property Taxes shall be deposited upon each receipt of same by City.

"Applicable Laws and Requirements" shall mean any applicable constitution, treaty, statute, rule, regulation, ordinance, order, directive, code, interpretation, judgment, decree, injunction, writ, determination, award, permit, license, authorization, directive, requirement or decision of or agreement with or by government authorities, and all requirements of any insurers.

"Bond Documents" means those documents, to be executed following the Effective Date which are executed in connection with the issuance of the STAR Bonds.

"Bond Trustee" means that entity to be selected by the City in consultation with the Master Developer to serve as trustee in regard to the STAR Bonds.

"Car Museum" means an automotive-themed visitor experience consisting of approximately 31,000 square feet of exhibition space displaying a rotating collection of restored antique and vintage cars as well as exhibits and programs illustrating automotive history, technology, pop culture and design, as described in the STAR Bond Project Plan attached as **Exhibit E** and exhibits thereto, with additional details describing the final project scope addressed in the project Transferee Agreement fulfilling the intent of the STAR Bond Project Plan.

"Certification of Expenditures" means, individually and collectively, a Certification of STAR Bond Expenditures, a Certification of TIF Expenditures, a Certification of CID Expenditures, and a Certification of City Funds Expenditures.

"Certification of CID Expenditures" means a submission to the City by each party seeking disbursement of CID Proceeds in the form attached hereto as **Exhibit Q-3** setting forth the amount for which payment or reimbursement is sought and an itemized listing of the related CID Uses and accompanied by such bills, contracts, invoices, lien waivers and other evidence as the City shall reasonably require documenting that Project Costs sought for payment or reimbursement have been incurred.

"Certification of City Funds Expenditures" means a submission to the City by the third party developer seeking disbursement of City Funds for either the Stiefel Improvements or the Hotel Project Infrastructure Improvements in the form attached hereto as **Exhibit Q-4** setting forth the amount for which payment or reimbursement is sought and an itemized listing of the related Project Costs and accompanied by such bills, contracts, invoices, lien waivers and other evidence as the City shall reasonably require documenting that Project Costs sought for payment or reimbursement have been incurred.

"Certification of STAR Bond Expenditures" means a submission to the City by each party seeking disbursement of STAR Bond Proceeds in the form attached hereto as **Exhibit Q-1** setting forth the amount for which payment or reimbursement is sought and an itemized listing of the related STAR Bond Uses and accompanied by such bills, contracts, invoices, lien waivers and other evidence as the City shall reasonably require documenting that Project Costs sought for payment or reimbursement have been incurred.

"Certification of TIF Expenditures" means a submission to the City by each party seeking disbursement of TIF Proceeds in the form attached hereto as **Exhibit Q-2** setting forth the amount for which payment or reimbursement is sought and an itemized listing of the related TIF Uses and accompanied by such bills, contracts, invoices, lien waivers and other evidence as the City shall reasonably require documenting that Project Costs sought for payment or reimbursement have been incurred.

"Certificate of Full Completion" means a certificate evidencing full completion of any specific Project Component, in substantially the form attached hereto as **Exhibit P**.

"CID District" means, individually and collectively, the Downtown CID District, the Hotel CID District, and the Alley CID District, each as further described in the CID Petitions attached hereto as **Exhibit K-1**, **Exhibit K-2** and **Exhibit K-3**, respectively.

"CID Act" means the community improvement district act, K.S.A. 12-6a26 *et seq.*

"CID Eligible Costs" shall be those costs eligible for payment or reimbursement through CID Proceeds pursuant to the provisions of the CID Act.

"CID Ordinances" means Ordinance Nos. 16-10863, 16-10864, and 16-10865, approved by the Governing Body on January 23, 2017, which approved the creation of the CID Districts pursuant to the CID Act.

"CID Petitions" means those petitions for establishment of the CID Districts submitted by the owners of not less than fifty-five percent (55%) of the land area contained within the CID Districts and not less than fifty-five percent (55%) by assessed value of the land area contained within the CID Districts in accordance with the CID Act and attached hereto as **Exhibit J-1**, **Exhibit J-2** and **Exhibit J-3**.

"CID Proceeds" shall mean the Alley Project CID Proceeds, Downtown CID Proceeds, and Hotel CID Proceeds, collectively.

"CID Sales Tax" means the tax authorized by K.S.A. 12-6a31 and amendments thereto, which was levied by the City for each of the CID Districts pursuant to the CID Ordinances.

"CID Sales Tax Fund" (collectively, the **"CID Sales Tax Funds"**) means, individually and collectively, the Hotel CID Sales Tax Fund, the Alley Project CID Sales Tax Fund and the Downtown CID Sales Tax Fund.

"CID Uses" shall mean the Alley Project CID Uses, Downtown CID Uses, and Hotel CID Uses, collectively.

"City" means the City of Salina, Kansas.

"City Funds" shall mean funds provided by the City for purposes of developing the Project from City sources, including but not limited to City general funds, identified by the City at its sole discretion.

"City Representative" means the City Manager or his or her designee as evidenced by a written certificate furnished to the Master Developer containing the specimen signature of such person or persons and signed by the City Manager.

"Claimant" means a Party claiming an Event of Default under this Agreement.

"Commence Construction" means, for any Project Component, the issuance of all permits required for commencement of construction and the undertaking of a continuous and uninterrupted program of construction of such Project Component.

"Concept Plan" means **Exhibit N** attached hereto.

"Construction Plans" means plans, drawings, specifications and related documents, and construction schedules for the construction of the Project Components, together with all supplements, amendments or corrections, submitted by the developer of each Project Component and approved by the City in accordance with this Agreement.

"Districts" shall mean, collectively, the STAR Bond District, the TIF District, and the CID Districts.

"DOR" shall mean the Kansas Department of Revenue.

"Downtown CID District" means that CID District established by the Governing Body on January 23, 2017, by Ordinance No. 16-10863.

"Downtown CID Proceeds" means the proceeds produced by the CID Sales Tax within the Downtown CID District to be used to pay for or reimburse Downtown CID Costs.

"Downtown CID Uses" shall mean the portion of Project Costs that are eligible to be financed with the Downtown CID Proceeds pursuant to the CID Act and which have been identified by the City and the Master Developer as those Project Costs that shall be funded with the Downtown CID Proceeds as reflected in the column entitled "CID Uses (Downtown CID)" in **Exhibit M** attached hereto.

"Downtown CID Sales Tax Fund" means a separate account created by the City into which all Downtown CID Proceeds will be deposited prior to disbursement into subaccounts within the Downtown CID Sales Tax Fund (i.e., the Downtown Maintenance, Security and Programming CID Fund, the Old Chicago CID Fund, the New Retail Improvements CID Fund, and the Existing Retail Improvements CID Fund).

"Downtown Maintenance, Security and Programming CID Costs" means CID Eligible Costs incurred in maintaining property and infrastructure, providing promotional services or materials, providing security services, and providing training within the Downtown CID District, plus payment of all direct out-of-pocket costs, including additional staffing, associated with providing these services.

"Downtown Maintenance, Security and Programming CID Fund" means a separate account created by the City into which all 40.6% of the Downtown CID Proceeds will be deposited and from which Downtown Maintenance, Security and Programming CID Costs will be paid or reimbursed pursuant to the terms of this Agreement.

"Downtown Maintenance, Security and Programming Services" means services which in the public areas of the Downtown CID District (a) enhance the maintenance level of public improvements and infrastructure, (b) further secure the safety of persons and the protection of property, and (c) provide a variety of programs intended to entertain and attract customers and visitors.

"Downtown TIF Fund" means the fund under which the Hotel TIF Fund, the Apartment TIF Fund, the Old Chicago TIF Fund, and the New Business TIF Fund (collectively the "TIF Special Allocation Funds") shall be held.

"Effective Date" means the date this Agreement is executed by both Parties hereto.

"Eligible Costs" means the STAR Bond Uses, TIF Eligible Costs and CID Eligible Costs, collectively.

"Event of Default" means failure or delay by any party to perform any material term or provision of this Agreement, after receiving written notice thereof and failing to cure as set forth in Section 8.02.

"Existing Retail" means retail or other business establishments which are open and operating within the Downtown CID District as of the date the Downtown CID District is originally established by the Governing Body.

"Existing Retail CID Costs" means costs for building, site work and tenant improvements and may include other CID Eligible Costs for purposes of improving the property of Existing Retail within the Downtown CID District including interest on such costs at a rate of 5% per annum and which will be reimbursed through Downtown CID Proceeds.

"Existing Retail Improvements CID Fund" means a separate account created by the City into which all 18.9% of the Downtown CID Proceeds will be deposited and from which Existing retail CID Costs will be paid or reimbursed pursuant to the terms of this Agreement.

"Fieldhouse" means an approximately 67,000 square foot major multi-sport athletic complex as more particularly described in the STAR Bond Project Plan attached hereto as **Exhibit E** and exhibits thereto.

"Fieldhouse Off-site Parking Components" means the (a) acquisition of Saline County Parcel Number 085-081-12-0-30-14-005.00-0 commonly referred to as the former Bank of America ("BOA") parking lot, (b) improvement and integration of the BOA parking lot and adjoining city parking lots, and (c) acquisition of Saline County Parcel Number 085-081-12-0-30-09-002.00-0 commonly referred to as the "Bennett" parking lot.

"Fieldhouse Off-site Parking Account" means a separate account created by the City into which $1,625,000 of City Funds will be deposited and from which costs of the Fieldhouse Off-site Parking Components will be paid or reimbursed pursuant to the terms of this Agreement.

"Fieldhouse STAR Bond Allocation" means the amount of STAR Bond Proceeds allocated to the City pursuant to Section 4.06.A to construct the Fieldhouse and, subject to Section 4.09.C below, complete the Fieldhouse Off-site Parking Components, up to a maximum of $9,625,000.

"Governing Body" means the City Commission of the City of Salina, Kansas.

"Governmental Approvals" means all plat approvals, re-zoning or other zoning changes, site plan approvals, conditional use permits, variances, building permits, architectural review or other subdivision, zoning, and/or similar approvals required for the implementation of the Project and consistent with the Project Plans, the CID Petitions, the Concept Plan and this Agreement.

"Hotel CID District" means that CID District established by the Governing Body on January 23, 2017, by Ordinance No. 16-10856.

"Hotel CID Costs" means those CID Eligible Costs generally described in the CID Petition for the Hotel CID District which are incurred in developing the Hotel Project, including interest on such costs at a rate of 5% per annum, and which will be reimbursed through Hotel CID Proceeds.

"Hotel CID Proceeds" means the proceeds produced by the CID Sales Tax within the Hotel CID District to be used to pay for or reimburse Hotel CID Costs.

"Hotel CID Sales Tax Fund" means a separate account created by the City into which all Hotel CID Proceeds will be deposited and from which Hotel CID Costs will be paid or reimbursed pursuant to the terms of this Agreement.

"Hotel CID Uses" shall mean the portion of Project Costs that are eligible to be financed with the Hotel CID Proceeds pursuant to the CID Act and which have been identified by the City and the Master Developer as those Project Costs that are presently anticipated to be funded with the Hotel CID Proceeds as reflected in the column entitled "CID Uses (Hotel Only CID)" in **Exhibit M** attached hereto.

"Hotel Project" means an approximately 114-room hotel, full-service restaurant, and approximately 2,400 square feet of conference space to be constructed within the Project, as described in the STAR Bond Project Plan attached hereto as **Exhibit E** and exhibits thereto, with additional details describing the final project scope addressed in the project Transferee Agreement fulfilling the intent of the STAR Bond Project Plan.

"Hotel TIF Cap" means the maximum amount of Hotel TIF Costs that may be reimbursed to the developer of the Hotel Project through Incremental Real Property Taxes, which shall be $800,000 plus simple interest on such outstanding amount at the rate of 5% per annum.

"Hotel TIF Costs" means those TIF Eligible Costs incurred in developing the Hotel Project, including land acquisition and site preparation/infrastructure costs (including but not limited to for purposes of providing parking for the Hotel Project), including interest on such costs at a rate of 5% per annum, and which will be reimbursed through Incremental Real Property Taxes on deposit in the Hotel TIF Fund.

"Hotel TIF Fund" means a separate account created by the City into which 18.3% of all Incremental Real Property Taxes shall be deposited upon each receipt of same by City.

"Incremental Real Property Taxes" means the incremental increase in ad valorem Real Property Taxes generated within the TIF District above the ad valorem Real Property Taxes generated by levy on the June 1, 2015 taxable valuation of the Redevelopment Project Area and received by the City from Saline County, Kansas.

"Industrial Revenue Bonds" or **"IRBs"** means those certain industrial revenue bonds which may be used to obtain an exemption on sales taxes levied by Kansas governmental entities for construction materials, labor, equipment and furnishings for the Hotel Project, Car Museum, Alley Project, and any other Project Component agreed upon by the City and the Master Developer.

"Infrastructure Improvements" means all public and private infrastructure required to facilitate the Project, including but not limited to parking components.

"Land Planning Costs" means costs paid by the Master Developer to Ochsner, Hare & Hare for purposes of land planning for the Project, which costs shall be STAR Bond Eligible Uses.

"Market Rate Apartments" means a an approximately 32-unit market-rate apartment complex to be constructed within the Project, as described in the TIF Project Plan attached hereto as **Exhibit H** and exhibits thereto, with additional details describing the final project scope addressed in the project Transferee Agreement fulfilling the intent of the TIF Project Plan.

"Master Developer" shall mean Salina2020, Inc., a Kansas corporation, and its successors and assigns.

"Master Developer CID Allotment" means the first $200,000 of Downtown CID Proceeds disbursed from the Downtown CID Sales Tax Fund which shall be made available for use in funding costs for professional fees incurred by Master Developer in connection with the Project.

"New Markets Tax Credit Financing" means no less than $2,700,000 in loan proceeds produced by operation of a New Markets Tax Credits financing structure and obtained by the City to be utilized solely for the purpose of fully and finally developing and financing the Fieldhouse and Fieldhouse Off-site Parking Components.

"New Business" (collectively, **"New Businesses"**) shall mean retail or other commercial establishments which are not open and operating within the TIF District as of the date the TIF Project Plan is originally approved by the Governing Body and not open and operating within the Downtown CID District as of the date the Downtown CID District is originally established by the Governing Body.

"New Business TIF Fund" means a separate account created by the City into which 53.8% of all Incremental Real Property Taxes shall be deposited upon each receipt of same by City.

"New Retail CID Costs" means costs for building, site work, land acquisition and tenant improvements and may include other CID Eligible Costs for purposes facilitating the location of New Businesses within the Downtown CID District including interest on such costs at a rate of 5% per annum and which will be reimbursed through Downtown CID Proceeds.

"New Retail Improvements CID Fund" means a separate account created by the City into which 39.5% of the Downtown CID Proceeds will be deposited and from which New Retail CID Costs will be paid or reimbursed pursuant to the terms of this Agreement.

"NRA Act" means the Kansas neighborhood revitalization act, K.S.A. 12-17,114 *et seq.*

"NRA Plan" (collectively, the **"NRA Plans"**) means those neighborhood revitalization plans (as defined in the NRA Act) in existence within the TIF District as of the Effective Date.

"Old Chicago CID Cap" means the maximum amount of Old Chicago CID Costs that may be reimbursed to the developer of the Old Chicago Project through Downtown CID

Proceeds, which shall be $50,000 plus simple interest on such outstanding amount at the rate of 5% per annum.

"Old Chicago CID Costs" means costs for signage and/or façade improvements incurred in development of the Old Chicago Project including interest on such costs at a rate of 5% per annum and which will be reimbursed through Downtown CID Proceeds.

"Old Chicago CID Fund" means a separate account created by the City into which 1.0% of the Downtown CID Proceeds will be deposited and from which Old Chicago CID Costs will be paid or reimbursed pursuant to the terms of this Agreement.

"Old Chicago Project" means a pizza restaurant concept branded as an Old Chicago Pizza & Taproom.

"Old Chicago TIF Cap" means the maximum amount of Old Chicago TIF Costs that may be reimbursed to the developer of the Old Chicago Project through Incremental Real Property Taxes, which shall be $300,000 plus simple interest on such outstanding amount at the rate of 5% per annum.

"Old Chicago TIF Costs" means costs for land acquisition and site work for the Old Chicago Project, including interest on such costs at a rate of 5% per annum and which will be reimbursed through Incremental Real Property Taxes on deposit within the Old Chicago TIF Fund.

"Old Chicago TIF Fund" means a separate account created by the City into which 6.9% of all Incremental Real Property Taxes shall be deposited upon each receipt of same by City.

"Parties" means the City and the Master Developer (with each referred to individually as a **"Party"**).

"Permitted Subsequent Approvals" shall mean all land use entitlements, occupancy permits, building permits, and other Governmental Approvals customarily obtained prior, during or following construction which have not been obtained on the date that this Agreement is executed, which the City or other governmental entity has not yet determined to grant.

"Phase I Streetscape Improvements" means the portion of Streetscape and Public Infrastructure Improvements described in **Exhibit M-2**.

"Phase II Streetscape Improvements" means the portion of Streetscape and Public Infrastructure Improvements described in **Exhibit M-3**.

"Prohibited Land Use" means any use of a tract of land (i) by an organization exempt from payment of Real Property Taxes, with the exceptions of the Car Museum, the Stiefel Improvements, and the University of Kansas School of Medicine or (ii) listed on **Exhibit R** attached hereto; unless approved in writing by the City and the Master Developer.

"Project" means a mixed-use economic development project generally located in downtown Salina, Kansas comprised of construction of a major multi-sport athletic complex,

automotive museum, family entertainment center, expansion and renovation of an historic theater, and construction of downtown streetscape and public infrastructure improvements, as well as development and redevelopment of additional commercial, hotel, restaurant, higher educational and residential uses as further described herein.

"Project Budget" means **Exhibit O** attached hereto.

"Project Component" (collectively, the **"Project Components"**) means (i) a major multi-sport athletic complex (the "**Fieldhouse**"), (ii) an automotive museum (the "**Car Museum**"), (iii) a family entertainment complex (the "**Alley Project**"), (iv) a hotel, full-service restaurant, and approximately 2,400 square feet of conference space (the "**Hotel Project**"), (v) a market rate apartment complex (the "**Market Rate Apartments**"), (vi) a pizza restaurant concept branded as an Old Chicago Pizza & Taproom (the "**Old Chicago Project**") (vii) expansion and renovation of an historic theater (the "**Stiefel Improvements**"); (viii) downtown streetscape and public infrastructure improvements as defined by **Section 4.08** herein (the "**Streetscape and Public Infrastructure Improvements**"); (ix) development and redevelopment of downtown commercial space; (x) the construction of all public and private infrastructure required to facilitate the Project, including but not limited to parking components (the "**Infrastructure Improvements**"); and (xi) the Downtown Maintenance, Security, and Programming Services.

"Project Costs" means the costs to complete the Project.

"Project Plans" shall mean, collectively, the STAR Bond Project Plan and the TIF Project Plan.

"Public Finance Proceeds" shall mean the CID Proceeds, TIF Proceeds, and STAR Bond Proceeds, collectively.

"Qualified Third Parties" means, in the event the STAR Bonds are privately placed, parties to which the STAR Bonds may be sold, including (i) institutional investors including, without limitation, insurance companies, funds and state or federally charted financial institutions, or (ii) "accredited investors" as such term is defined by the Securities Exchange Commission.

"Real Property Taxes" shall mean those ad valorem property taxes levied and collected within the TIF District.

"Secretary" means the Secretary of the Kansas Department of Commerce.

"STAR Bonds" means the sales tax and revenue bonds issued by the City pursuant to the STAR Bond Act and the authorization by the Secretary.

"STAR Bond Act" means the Kansas STAR bonds financing act, K.S.A. § 12-17,160 *et seq.*, as amended.

"STAR Bond District" means that sales tax and revenue bond district established by the Governing Body on June 1, 2015 by approval of Ordinance No. 15-10775.

"STAR Bond Proceeds" means the net bond proceeds available for use in payment or reimbursement of STAR Bond Uses following an issuance of STAR Bonds.

"STAR Bond Project" shall mean that portion of the Project to be financed with STAR Bond Proceeds pursuant to the STAR Bond Project Plan.

"STAR Bond Project Fund" means a separate bond fund established and maintained by the City in conjunction with the Bond Trustee into which the net STAR Bonds Proceeds of any issuance of STAR Bonds shall be deposited.

"STAR Bond Project Plan" means the project plan prepared in accordance with the STAR Bond Act, attached hereto as **Exhibit E**, and approved by the Governing Body on January 23, 2017 pursuant to Ordinance No. 16-10856.

"STAR Bond Revenues" means (i) incremental State and local sales and use taxes imposed pursuant to K.S.A. 12-187 *et seq.*, 79-3601 *et seq.* and 79-3701 *et seq.* and collected within the STAR Bond District each and every year for a period of twenty (20) years from the effective date of the STAR Bond Project Plan and (ii) the transient guest tax revenues of the City imposed pursuant to K.S.A. 12-1692 *et seq.* and generated within the STAR Bond District within such period.

"STAR Bond Revenue Fund" means a separate account established and maintained by the City in collaboration with the State of Kansas and the Bond Trustee for deposit of all STAR Bond Revenues for the duration of the STAR Bond Project Plan.

"STAR Bond Streetscape Commitment" means that in the event STAR Bonds are issued in an amount sufficient to net $2,000,000 of STAR Bond Proceeds for use in construction of the Streetscape and Public Infrastructure Improvements pursuant to Section 4.06, the City shall design and construct the Streetscape and Public Infrastructure Improvements in the geographic locations and pursuant to the aesthetic themes described and depicted in **Exhibit M-1** and shall expend no less than $12,165,360 in designing and constructing such Streetscape and Public Infrastructure Improvements.

"STAR Bond Uses" shall mean the portion of Project Costs that are eligible to be financed with the STAR Bonds pursuant to the STAR Bond Act and which have been identified by the Secretary, the City, the Master Developer as those Project Costs that shall be funded with the STAR Bonds, as reflected in the column entitled "STAR Bond Requested Eligible Costs" in **Exhibit M** attached hereto.

"Stiefel Improvements" means improvements to the historic Stiefel Theatre for the Performing Arts as described in the STAR Bond Project Plan attached hereto as **Exhibit E** and exhibits thereto, with additional details describing the final project scope addressed in the project Transferee Agreement fulfilling the intent of the STAR Bond Project Plan.

"Streetscape and Public Infrastructure Improvements" means those improvements defined by either the STAR Bond Streetscape Commitment or the Alternative Streetscape Commitment, as applicable pursuant to the terms of this Agreement.

"Third Party Developer" (collectively, the **"Third Party Developers"**) means those third parties which will develop each Project Component except for the Streetscape and Public Infrastructure Improvements and the Fieldhouse.

"TIF Act" means the Kansas tax increment finance act, K.S.A. § 12-1770 *et seq.*, as amended.

"TIF Collection Period" means a period that commences on the date of establishment of the TIF District, and concluding upon the date that the City collects and disburses the final tax payment that relates to the period of time that is twenty (20) years from the date that the TIF Project Plan was activated for the TIF District, which date shall be mutually agreed upon by the City and the Master Developer.

"TIF District" means that tax increment financing district established by the Governing Body on June 1, 2015 by approval of Ordinance No. 15-10776.

"TIF Eligible Costs" shall be those costs eligible for payment or reimbursement through TIF Proceeds pursuant to the provisions of the TIF Act.

"TIF Project Plan" means the project plan prepared in accordance with the TIF Act, attached hereto as **Exhibit I**, and approved by the Governing Body on January 23, 2017 pursuant to Ordinance No. 16-10857.

"TIF Project Plan Year" (and collectively, the **"TIF Project Plan Years"**) means each 365 days following activation of TIF Project Plan within the TIF District.

"TIF Proceeds" means Incremental Real Property Taxes deposited into TIF Special Allocation Funds to be used to pay for or reimburse TIF Uses as further provided herein.

"TIF Uses" shall mean the portion of Project Costs that are eligible to be financed with the TIF Proceeds pursuant to the TIF Act and which have been identified by the City and the Master Developer as those Project Costs that shall be funded with the TIF Proceeds as reflected in the column entitled "TIF Uses" in **Exhibit O** attached hereto.

"TIF Special Allocation Funds" shall mean the Hotel TIF Fund, the Apartment TIF Fund, and the New Business TIF Fund, collectively.

"Transferee Agreement" (collectively, the "**Transferee Agreements**") means those agreements entered into between Third Party Developers, the City and the Master Developer through which portions of this Agreement will be assigned to such Third Party Developers for development of the various Project Components.

"State" means the State of Kansas.

"Underwriter" means Stifel Financial Corp. or such other entity selected by the City, in consultation with the Master Developer, that will facilitate a public offering of the STAR Bonds.

Section 1.02 Rules of Construction. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction apply in construing the provisions of this Agreement:

A. The terms defined in this Section include the plural as well as the singular.

B. All accounting terms not otherwise defined herein shall have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with generally accepted accounting principles.

C. All references herein to "generally accepted accounting principles" refer to such principles in effect on the date of the determination, certification, computation or other action to be taken hereunder using or involving such terms.

D. All references in this instrument to designated "Sections" and other subdivisions are to the designated Sections and other subdivisions of this instrument as originally executed.

E. The words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Section or other subdivision.

F. The Section headings herein are for convenience only and shall not affect the construction hereof.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.01 Representations of City. The City makes the following representations and warranties, which are true and correct on the date hereof, to the best of the City's knowledge:

A. Due Authority. The City has full constitutional and lawful right, power and authority, under current applicable law, to execute and deliver and perform the terms and obligations of this Agreement, and this Agreement has been duly and validly authorized and approved by all necessary City proceedings, findings and actions. Accordingly, this Agreement constitutes the legal valid and binding obligation of the City, enforceable in accordance with its terms.

B. No Defaults or Violation of Law. The execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, and the fulfillment of the terms and conditions hereof do not and will not conflict with or result in a breach of any of the terms or conditions of any agreement or instrument to which it is now a party, and do not and will not constitute a default under any of the foregoing.

C. No Litigation. There is no litigation, proceeding or investigation pending or, to the knowledge of the City, threatened against the City with respect to the Project Plans or this Agreement. In addition, no litigation, proceeding or investigation is pending or, to the knowledge of the City, threatened against the City seeking to restrain, enjoin or in any way limit

the approval or issuance and delivery of this Agreement or which would in any manner challenge or adversely affect the existence or powers of the City to enter into and carry out the transactions described in or contemplated by the execution, delivery, validity or performance by the City of the terms and provisions of this Agreement.

D. Governmental or Corporate Consents. No consent or approval is required to be obtained from, and no action need be taken by, or document filed with, any governmental body or corporate entity in connection with the execution and delivery by the City of this Agreement.

E. No Default. No default or Event of Default has occurred and is continuing, and no event has occurred and is continuing which with the lapse of time or the giving of notice, or both, would constitute a default or an event of default in any material respect on the part of the City under this Agreement.

Section 2.02 Representations of the Master Developer. The Master Developer makes the following representations and warranties, which are true and correct on the date hereof, to the best of the Master Developer's knowledge:

A. Due Authority. The Master Developer has all necessary power and authority to execute and deliver this Agreement and to execute and deliver the documents required of the Master Developer herein, and such execution and delivery has been duly and validly authorized and approved by all necessary proceedings.

B. No Defaults or Violation of Law. The execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, and the fulfillment of the terms and conditions hereof do not and will not conflict with or result in a breach of any of the terms or conditions of any corporate or organizational restriction or of any agreement or instrument to which it is now a party, and do not and will not constitute a default under any of the foregoing.

C. No Litigation. No litigation, proceeding or investigation is pending or, to the knowledge of the Master Developer, threatened against the Master Developer or any officer, director or shareholder of the Master Developer. In addition, no litigation, proceeding or investigation is pending or, to the knowledge of the Master Developer, threatened against the Master Developer seeking to restrain, enjoin or in any way limit the approval or issuance and delivery of this Agreement or which would in any manner challenge or adversely affect the existence or powers of the Master Developer to enter into and carry out the transactions described in or contemplated by the execution, delivery, validity or performance by the Master Developer, of the terms and provisions of this Agreement.

D. No Material Liabilities. The Master Developer has not incurred any material liabilities or entered into any material transactions other than in the ordinary course of business except for the transactions contemplated by this Agreement.

E. Governmental or Corporate Consents. No consent or approval is required to be obtained from, and no action need be taken by, or document filed with, any governmental body or corporate entity in connection with the execution, delivery and performance by the Master Developer of this Agreement, other than Permitted Subsequent Approvals.

F. No Default. No default or Event of Default has occurred and is continuing, and no event has occurred and is continuing which with the lapse of time or the giving of notice, or both, would constitute a default or an event of default in any material respect on the part of the Master Developer under this Agreement, or any other material agreement or material instrument to which the Master Developer is a party or by which the Master Developer is or may be bound.

G. Other Disclosures. Per the actual knowledge of the Master Developer, the information furnished to the City by the Master Developer in connection with the matters covered in this Agreement are true and correct and do not contain any untrue statement of any material fact and do not omit to state any material fact required to be stated therein or necessary to make any statement made therein, in the light of the circumstances under which it was made, not misleading.

ARTICLE III

DEVELOPMENT OF THE PROJECT

Section 3.01 Scope of the Project. This Agreement implements the provisions of the STAR Bond Project Plan, the TIF Project Plan and the CID Petitions. The work to be undertaken in connection with the Project Plans and CID Petitions shall include the construction of (i) a major multi-sport athletic complex (the "**Fieldhouse**"), (ii) an automotive museum (the "**Car Museum**"), (iii) a family entertainment complex (the "**Alley Project**"), (iv) a hotel, full-service restaurant, and approximately 2,400 feet of conference space (the "**Hotel Project**"), (v) a market rate apartment complex (the "**Market Rate Apartments**"), (vi) a pizza restaurant concept branded as an Old Chicago Pizza & Taproom (the "**Old Chicago Project**") (vii) expansion and renovation of an historic theater (the "**Stiefel Improvements**"); (viii) downtown streetscape and public infrastructure improvements as defined by **Section 4.08** herein (the "**Streetscape and Public Infrastructure Improvements**"); (ix) development and redevelopment of downtown commercial space; (x) the construction of all public and private infrastructure required to facilitate the Project, including but not limited to parking components (the "**Infrastructure Improvements**"); and (xi) the Downtown Maintenance, Security, and Programming Services (collectively, the "**Project Components**" and each a "**Project Component**"). The Project Components shall not include any Prohibited Land Use. A Concept Plan depicting the Project Components is attached hereto as **Exhibit N**. Additional commercial, residential, and higher educational components are anticipated to be developed contemporaneously with the Project Components but are not governed by this Agreement.

Section 3.02 Project Budget. The Project shall be constructed substantially in accordance with the Project Budget attached hereto as **Exhibit O**. However, the Parties acknowledge that the Project Budget overall and each specific line item represents a best estimate of the cost of the Project and each Project Component as of the Effective Date of this Agreement. No Project Cost set forth in the Project Budget shall require City, Master Developer or any Third Party Developer to expend a specific amount for a Project Component or individual Project Cost line item, and no liability shall attach to any party for expenditure of more or less on any specific Project Component or Project Cost line item than is contained in the Project Budget. The Parties may modify or amend the Project Budget at any future date by written agreement of the Master Developer and the City. Notwithstanding the foregoing, this

Section 3.02 shall not be construed to relieve the City or any Third Party Developer of liability for failure to construct or complete any specific Project Component or Project Cost line item in accordance with other requirements of this Agreement or any applicable Transferee Agreement.

Section 3.03 Construction of Project Components by City; Additional City Obligations.

A. Fieldhouse. The City hereby agrees to design, construct, complete, and open the Fieldhouse pursuant to the timeline described in Section 3.06 herein.

B. Streetscape and Public Infrastructure Improvements. The City hereby agrees to design, construct, complete, own, operate and maintain the Streetscape and Public Infrastructure Improvements pursuant to the timeline described in Section 3.06 herein.

C. Provision of Hotel Project Utilities.

(1) The City shall cause relocation of the public sanitary sewer main as necessary to allow construction of the Hotel Project following the execution of a Transferee Agreement for the Hotel Project. The City shall work with the Third Party Developer of the Hotel Project to schedule such relocation and the commencement of construction of the Hotel Project shall not be required to occur prior to utility relocation. Nothing contained herein shall mean that the Third Party Developer of the Hotel Project is required to commence the Hotel Project following completion of the utility relocation.

(2) The City shall cause construction and connection of public water service required to provide public water to the Hotel Project at 55 psi and 2000 gpm at the existing water main (at ground level) under normal operating conditions. The City shall work with the Third Party Developer of the Hotel Project to schedule and complete such construction and connection of public water service prior to the necessity of such service for the Hotel Project.

(3) The City shall commence and complete in accordance with K.S.A. 12-504 *et seq.* the process to vacate and cause to revert to the Third Party Developer of the Hotel Project as the adjoining property owner any right-of-way necessary to accommodate the provisions of this Section. If the Third Party Developer of the Hotel Project fails to Commence Construction of the Hotel Project in accordance with this Agreement, the Third Party Developer shall immediately rededicate all of the right-of-way vacated pursuant to this Section.

(4) The City shall pay for such sanitary sewer relocation and water service construction and connection costs through City Funds. If the Third Party Developer of the Hotel Project fails to Commence Construction of Hotel Project in accordance with this Agreement, the Third Party Developer shall repay the City the actual cost of such sanitary sewer relocation and water service construction and connection. The Transferee Agreement with the Third Party Developer of the Hotel Project shall provide for terms concerning the secured repayment of such costs to the City by such Third Party Developer in the event of sole default by such Third Party Developer.

D. Provision of Alley Project Utilities.

(1) The City shall cause relocation of the public sanitary sewer main as necessary to allow construction of the Alley Project following the execution of a Transferee Agreement for the Alley Project. The City shall work with the Third Party Developer of the Alley Project to schedule such relocation and the commencement of construction of the Alley Project shall not be required to occur prior to utility relocation. Nothing contained herein shall mean that the Third Party Developer of the Alley Project is required to commence the Alley Project following completion of the utility relocation.

(2) The City shall cause construction and connection of public water service required to provide public water to the Alley Project at 55 psi and 2000 gpm at the existing water main (at ground level) under normal operating conditions. The City shall work with the Third Party Developer of the Alley Project to schedule and complete such construction and connection of public water service prior to the necessity of such service for the Alley Project.

(3) The City shall commence and complete in accordance with K.S.A. 12-504 *et seq.* the process to vacate and cause to revert to the Third Party Developer of the Alley Project as the adjoining property owner any right-of-way necessary to accommodate the provisions of this Section. If the Third Party Developer of the Alley Project fails to Commence Construction of the Alley Project in accordance with this Agreement, the Third Party Developer shall immediately rededicate all of the right-of-way vacated pursuant to this Section.

(4) The City shall pay for such sanitary sewer relocation and water service construction and connection costs through City Funds. If the Third Party Developer of the Alley Project fails to Commence Construction of Alley Project in accordance with this Agreement, the Third Party Developer shall repay the City the actual cost of such sanitary sewer relocation and water service construction and connection. The Transferee Agreement with the Third Party Developer of the Alley Project shall provide for terms concerning the secured repayment of such costs to the City by such Third Party Developer in the event of sole default by such Third Party Developer.

E. Car Museum Land Transfer. The City shall transfer fee title of Saline County Parcel Number 0850861302013015000 to the Third Party Developer of the Car Museum for the consideration of ten dollars ($10.00) for purposes of constructing the Car Museum upon the timeframe specified in the Transferee Agreement for the Car Museum. If the Third Party Developer of the Car Museum Project fails to Commence Construction of the Car Museum within five (5) years following the transfer of title of such real estate to the Third Party Developer, fee title of Saline County Parcel Number 0850861302013015000 shall revert to the City. The deed from the City to the Third Party Developer of the Car Museum shall include an express reversionary provision consistent with this Section.

Section 3.04 Construction of Specific Project Components by Third Parties. The City and the Master Developer will jointly assign certain rights, duties, and obligations under this Agreement to third parties (collectively, "**Third Party Developers**" and each a "**Third**

Party Developer") to design, construct, complete, own, operate and maintain the Project Components. The Parties hereby acknowledge that the Master Developer is not obligated nor will it design, construct, complete, own, operate or maintain any of the Project Components.

Section 3.05 Downtown Maintenance, Security, and Programming Services.

A. The Parties agree that the Downtown Maintenance, Security, and Programming Services will be performed by Salina Downtown, Inc. The City, Master Developer, and Salina Downtown, Inc. shall negotiate and execute a Transferee Agreement pursuant to Article IX herein in order to define the rights, duties, and obligations of Salina Downtown, Inc. in connection with its performance of the Downtown Maintenance, Security, and Programming Services and access to Downtown CID Proceeds as described in this Agreement. The Transferee Agreement shall provide that as a condition of access to a specified annual amount of Downtown CID Proceeds as further defined in the applicable Transferee Agreement, Salina Downtown, Inc. shall annually submit to the City and the Master Developer audited financial statements, a performance report for the prior year, a plan (containing a scope of services) and corresponding budget for the Downtown Maintenance, Security, and Programming Services. Funding under the Transferee Agreement must be accounted for separately from any other City funding that might be received by Salina Downtown, Inc. City and Master Developer shall review and approve or disapprove such documents provided by Salina Downtown, Inc. in their reasonable discretion. Following such review, the City and the Master Developer, based upon their reasonable discretion, shall affirmatively elect or decline to elect to renew the Transferee Agreement with Salina Downtown, Inc. on an annual basis. In the event the Parties decline to elect renewal of the Transferee Agreement with Salina Downtown, Inc. in any given year, the City and the Master Developer shall consult in selection of an alternative party to provide the Downtown Maintenance, Security, and Programming Services and shall thereafter enter into a Transferee Agreement with such party which describes the terms of such engagement.

The Parties acknowledge and agree that it is vital to the success of the Project to have a financially viable entity perform, and at all times be capable of successfully performing, ongoing maintenance, security, and programing services within the Districts. Toward that objective, the City Commission expresses its desire that future city commissions continue its historical ongoing financial support of Salina Downtown, Inc. and its operations.

Section 3.06 Project Milestones. The Parties hereby agree that construction of the Project Components, subject to circumstances set forth in Section 8.09, shall be undertaken in accordance with the following schedule and based upon the following contingencies:

A. Fieldhouse. Construction of the Fieldhouse shall commence no later than October 1, 2016 and shall be completed no later than October 1, 2017.

B. Streetscape and Public Infrastructure Improvements.

(1) The City shall enter into a contract for preliminary design of the Streetscape and Public Infrastructure Improvements reasonably consistent with the scope and design theme described and depicted in **Exhibit M-1** as the basis of ultimate scoping and final design (i.e., construction documents) of the Streetscape and Public Infrastructure

Improvements prior to or contemporaneous with execution of Transferee Agreements with the Third Party Developers of the Hotel Project, the Alley Project and the Old Chicago Project (or an equivalent commercial use mutually acceptable to the City and the Master Developer). Following execution of such contract the City shall diligently and continuously pursue i) completion of such preliminary design, ii) entering into any additional contracts for final design, and iii) completion of final design (i.e., construction documents). The City shall consult with Master Developer in the design of the Streetscape and Public Infrastructure Improvements on an ongoing basis prior to entering into a construction contract for same.

(2) The City shall proceed to solicit bids and enter into a construction contract for the portion of the Streetscape and Public Infrastructure Improvements in the locations geographically depicted and described in **Exhibit M-2** (the "**Phase I Streetscape Improvements**") following satisfaction of the following conditions precedent:

(i) Completion of design for the Phase I Streetscape Improvements;

(ii) Execution of Transferee Agreements for the Hotel Project, the Alley Project, and the Old Chicago Project (or an equivalent commercial use mutually acceptable to the City and the Master Developer); and

(iii) The ability of the City to meet Kansas cash basis law requirements based upon the availability of proceeds from bond or note financing diligently pursued by the City for the indebtedness created by the construction contract.

The City's construction contract shall (i) be procured through the City's sealed bid process, (ii) contain a critical path schedule for the construction, and (iii) impose interim calendar completion dates tied to liquidated damages and/or other disincentives as determined by the City.

(3) The City shall thereafter diligently and continuously pursue completion of the Phase I Streetscape Improvements with adherence to the critical path schedule described in the construction contract for same. Provided, however, that the City shall not be required to commence the Phase I Streetscape Improvements until a Transferee Agreement has been executed with the Third Party Developers of the Hotel Project, the Alley Project (or an equivalent commercial use mutually acceptable to the City and the Master Developer), and the Old Chicago Project (or an equivalent commercial use mutually acceptable to the City and the Master Developer).

(4) The City shall make best efforts to commence the portion of the Streetscape and Public Infrastructure Improvements geographically depicted and described in **Exhibit M-3** (the "**Phase II Streetscape Improvements**") contemporaneously with the Phase I Streetscape Improvements, provided however, that in no event shall the City commence construction of the Phase II Streetscape Improvements later than thirty (30) days, weather permitting, following completion of the Phase I Streetscape Improvements. The City shall thereafter diligently and continuously pursue completion of the Phase II Streetscape

Improvements with adherence to the critical path schedule described in the construction contract for same.

(5) The completed Streetscape and Public Infrastructure Improvements constructed pursuant to this Agreement shall not alter the current access to First Bank Kansas, located at 235 S. Santa Fe Avenue, from Santa Fe Avenue (of the same scope and location that exists upon the effective date of this Agreement).

C. Hotel Project.

(1) The commencement and completion timeline for the Hotel Project shall be identified in the Transferee Agreement executed between the City, the Master Developer, and the Third Party Developer of the Hotel Project.

(2) The Parties hereby acknowledge and agree that construction of the Hotel Project will not commence until:

(i) the City has a) completed design and plans for the Phase I Streetscape Improvements, b) completed budgeting for completion of the Phase I Streetscape and Improvements, c) finalized a critical path schedule for completion of the Phase I Streetscape Improvements, d) executed a construction contract for the Phase I Streetscape Improvements, and e) commenced the Phase 1 Streetscape Improvements; and

(ii) the Third Party Developers of the Alley Project and the Old Chicago Project (or an equivalent commercial use mutually acceptable to the City and the Master Developer) have executed a Transferee Agreement with the City and Master Developer; and

(iii) the CID Districts have been approved and established by the Governing Body of the City.

D. Alley Project.

(1) The commencement and completion timeline for the Alley Project shall be identified in the Transferee Agreement executed between the City, the Master Developer, and the Third Party Developer of the Alley Project.

(2) The Parties hereby acknowledge and agree that construction of the Alley Project will not commence until:

(i) the City has a) completed design and plans for the Phase I Streetscape Improvements, b) completed budgeting for completion of the Phase I Streetscape and Improvements, c) finalized a critical path schedule for completion of the Phase I Streetscape Improvements, d) executed a construction contract for the Phase I Streetscape Improvements, and e) commenced the Phase I Streetscape Improvements; and

(ii) the Third Party Developer of the Hotel Project has executed a Transferee Agreement with the City and Master Developer.

(iii) the CID Districts have been approved and established by the Governing Body of the City.

E. Third Party Developer Project Components. Development schedules for the Project Components other than the Fieldhouse and Streetscape and Public Infrastructure Improvements shall be as agreed upon by City, Master Developer and Third Party Developers upon assignment of this Agreement to such Third Party Developers and execution of a corresponding Transferee Agreement pursuant to Article IX herein.

Section 3.07 Certificates of Full Completion. Promptly after completion of each Project Component in accordance with the provisions of this Agreement and the applicable Transferee Agreement, each Third Party Developer may submit a Certificate of Full Completion as to their respective portion of the Project to the City. Full Completion shall mean that the Third Party Developer, or its successor or assigns, shall have been granted a certificate of occupancy or temporary certificate of occupancy for public occupancy by the City building official and shall have completed all work as required by this Agreement with respect to the portion of the Project Components for which each Third Party Developer is obligated to complete pursuant to each Transferee Agreement executed in accordance with Article IX. The Certificate of Full Completion shall be in substantially the form attached as **Exhibit P**. The City shall, within ten (10) business days following delivery of the Certificate of Full Completion, carry out such inspections as the Parties deem necessary to verify to their reasonable satisfaction the accuracy of the certifications contained in the Certificate of Full Completion. The City's execution of the Certificate of Full Completion shall constitute evidence of the satisfaction of each Third Party Developer's agreements and covenants to construct the Project Components for which such Third Party Developer is responsible.

Section 3.08 City and Master Developer Cooperation. The City hereby agrees to: (i) reasonably consult with the Master Developer in regard to any proposals for development to be undertaken by Third Party Developers within the Project and reasonably consider assignments of this Agreement to such Third Party Developers pursuant to the terms of Article IX herein; (ii) make good faith best efforts to cause execution of Transferee Agreements with each Third Party Developer identified by City and Master Developer and (iii) consult with the Master Developer regarding any proposals to amend the Project Plans, CID Petitions, Bond Documents, or use of the Public Finance Proceeds. No "substantial changes," as defined in the STAR Bond Act and TIF Act, shall be made to the Project, except as may be mutually agreed upon, in writing, between the Master Developer and the City. Any "substantial changes" to the STAR Bond Project Plan or TIF Project Plan shall be made only in accordance with the STAR Bond Act or TIF Act as applicable. Any modifications of the CID Petitions shall be made only in accordance with the CID Act and the City's CID policy, as applicable. Notwithstanding the foregoing, the Parties acknowledge that the layout and size of particular buildings, parking facilities, private drives and other Infrastructure Improvements will likely nominally change through the design, planning, zoning, development and marketing process, but shall fulfill the intended project scope as detailed in this Agreement.

Section 3.09 Project Zoning, Planning, Platting and Construction. The City shall diligently review and consider in good faith all planning, zoning, and platting approvals necessary to facilitate the Project Components, and the Third Party Developer of each Project Component shall construct the Project Components in a manner consistent with any such approvals. The Parties acknowledge that the nature and size of the improvements constructed within the Project Components may deviate from those provided herein to the extent they remain reasonably consistent with the nature of the uses contemplated under the Project Plans and CID Petitions. Before commencement of construction or development of any buildings, structures or other work or improvements, Third Party Developers, as to their respective portions of the Project, shall, at their own expense, secure or cause to be secured any and all permits and approvals which may be required by the City and any other governmental agency having jurisdiction as to such construction, development or work. The City shall cooperate with the Third Party Developers, as to their respective portions of the Project, in securing these permits and approvals, and shall diligently process, review and consider all such permits and approvals as may be required by law. Nothing in this Agreement shall constitute a waiver of the City's right to consider and approve or deny Governmental Approvals pursuant to the City's regulatory authority as provided by City's building code and applicable state law. The Parties acknowledge that satisfaction of certain conditions contained in this Agreement require the reasonable exercise of the City's discretion in accordance with City's zoning ordinance and building code and applicable state law.

Section 3.10 Master Developer Recusal.

A. The Parties agree that the Transferee Agreement for the Hotel Project shall be executed only between the Third Party Developer of the Hotel Project and the City, and that the Master Developer shall not make or participate in making such Transferee Agreement. Further, the Master Developer agrees that it shall not make or participate in making any other Transferee Agreement in which the Master Developer or any of its directors, officers, or shareholders has a substantial interest (as defined in K.S.A. 75-4301a) in the Third Party Developer entering into such Transferee Agreement. In such event, the City and the Third Party Developer of such Project Component shall be the only parties which enter into such Transferee Agreement. The Parties acknowledge that an Affiliate of Master Developer intends to sell land to the Third Party Developer of the Alley Project but that the Master Developer shall not be required to recuse itself from the Transferee Agreement for the Alley Project so long as none of the Master Developer's directors, officers, or shareholders has a substantial interest in the Third Party Developer of the Alley Project.

B. Master Developer shall maintain on file with the City a current listing of its officers, directors and shareholders. Any Transferee Agreement the Master Developer makes or participates in making in violation of this Section may be deemed void in part or whole at the reasonable discretion of the City and all Transferee Agreements shall so provide. Questions relating to or allegations by third parties of a violation of the terms of this section shall he determined by the City's legal counsel in consultation with legal counsel of the Master Developer and the Third Party Developer to such Transferee Agreement.

ARTICLE IV

PROJECT FINANCING

Section 4.01 Sources of Project Funding; Prohibited Land Uses. The Parties contemplate that the costs of the Project (the "**Project Costs**") will be financed by the following sources of funds, subject to the terms of this Agreement: (i) costs incurred and financed by Third Party Developers with private debt and equity (ii) STAR Bonds issued by the City in accordance with the STAR Bond Project Plan and the STAR Bond Act, (iii) TIF Proceeds generated on a pay-as-you-go basis, (iv) CID Proceeds generated on a pay-as-you-go basis, and (v) City Funds as further described below. Industrial revenue bonds ("**IRBs**") may also be issued for purposes of obtaining a sales tax exemption for construction, furnishing and equipping of the Hotel Project, the Alley Project, the Car Museum, and any other Project Component for which IRB financing is agreed upon by City and Master Developer as further described in Section 4.12. Prohibited Land Uses shall neither qualify to receive Public Finance Proceeds nor be eligible for assistance from IRBs unless otherwise agreed by the City and the Master Developer.

Section 4.02 Sources of Funding the Project Components. The total estimated cost of each Project Component and the sources for funding each Project Component are as follows:

A. Fieldhouse. The Fieldhouse and the Fieldhouse Off-site Parking Components are projected to cost $12,450,090 to complete. Initial financing for the Fieldhouse and the Fieldhouse Off-site Parking Components shall be composed of a combination of City Funds and New Markets Tax Credit Financing. Permanent financing for the Fieldhouse and the Fieldhouse Off-site Parking Components is anticipated to be composed of a combination of STAR Bond Proceeds, New Markets Tax Credit Financing, and City Funds.

B. Streetscape and Public Infrastructure Improvements. The Streetscape and Public Infrastructure Improvements are projected to cost $12,165,360 to complete and are anticipated to be financed with a combination of City Funds and STAR Bond Proceeds pursuant to Section 4.08.

C. Car Museum. The Car Museum is projected to cost $4,695,000 to complete and shall be financed with STAR Bond Proceeds.

D. Hotel Project. The Hotel Project is projected to cost $19,005,820 to complete and shall be financed with a combination of STAR Bond Proceeds, TIF Proceeds, Hotel CID Proceeds, City Funds, and private debt and equity.

E. Alley Project. The Alley Project is projected to cost $6,100,333 to complete and shall be financed with a combination of STAR Bond Proceeds, Alley Project CID Proceeds, and private debt and equity.

F. Old Chicago Project. The Old Chicago Project is projected to cost $3,000,000 to complete and shall be financed with a combination of TIF Proceeds and private debt and equity.

G. Stiefel Improvements. The Stiefel Improvements are projected to cost $2,200,000 to complete and shall be financed with a combination of City Funds and private debt and equity.

H. Market Rate Apartments. The Market Rate Apartments are projected to cost $3,485,600 to complete and shall be financed with a combination of TIF Proceeds and private debt and equity.

I. Downtown Maintenance, Security, and Programming Services. The Downtown Maintenance, Security, and Programming Services are projected to cost $2,800,000 over the duration of the CID Collection Period of the Downtown CID and shall be financed on an ongoing basis through Downtown CID Proceeds.

Section 4.03 STAR Bonds.

A. STAR Bond Allocation. The Parties expect to obtain the authorization of the Secretary to issue STAR Bonds in an amount sufficient to produce $19,100,000 in net bond proceeds for the STAR Bond Project (the "STAR Bonds"). In the event the Parties receive such authorization from the Secretary, the City shall make best efforts to issue a STAR Bond or STAR Bonds in an amount which results in a net of $19,100,000 in STAR Bond proceeds. The objectives of the Parties are to (a) maximize the availability of STAR Bond proceeds to be utilized to fund STAR Bond Uses (the "STAR Bond Proceeds") subject to commercially reasonable underwriting standards and (b) minimize the need for backing the STAR Bonds with an annual appropriation payment obligation from City sales taxes. Toward those objectives, the Parties agree:

(1) To cooperate with the Underwriter in the process of underwriting the STAR Bonds to utilize commercially reasonable underwriting standards to issue the STAR Bonds in either a single bond issuance or multiple bond issuances as necessary in order to maximize the total net STAR Bond Proceeds with the intent of issuing an amount of STAR Bonds necessary to produce $19,100,000 in net STAR Bond Proceeds. In the event that it is deemed necessary under commercially reasonable underwriting standards to issue STAR Bonds in more than one series, the City agrees that it shall diligently pursue such issues until the full authorized amount of the STAR Bonds has been funded for the Project.

(2) That in the event any portion of the STAR Bonds cannot be sold upon terms which are commercially reasonable for a bond issuance secured solely by STAR Bond Revenues (the "Unenhanced STAR Bonds"), the City, in consultation with the Master Developer and the Underwriter, shall develop a financing plan for the portion of the STAR Bonds that could not be sold as Unenhanced STAR Bonds that contains a City annual appropriation backing from City sales taxes ("Annual Appropriation"). Such financing plan shall net a minimum of $17,100,000 in STAR Bond Proceeds from both the Unenhanced STAR Bonds and the STAR Bonds backed by the City by its Annual Appropriation. However, the terms of the STAR Bonds backed by the City Annual Appropriation will need to be commercially reasonable to the City, the Master Developer,

and the Underwriter, including adequate debt service coverage from STAR Bond Revenues.

B. Source of STAR Bond Payments. The STAR Bonds shall be paid and amortized with: (i) incremental State and local sales and use taxes imposed pursuant to K.S.A. 12-187 *et seq.*, 79-3601 *et seq.* and 79-3701 *et seq.* and collected within the STAR Bond District each and every year for a period of twenty (20) years from the effective date of the STAR Bond Project Plan and (ii) the transient guest tax revenues of the City imposed pursuant to K.S.A. 12-1692 *et seq.* and generated within the STAR Bond District within such period (collectively, the "**STAR Bond Revenues**"). The City shall collaborate with the State of Kansas and the Bond Trustee to establish and maintain a separate account for deposit of all STAR Bond Revenues for the duration of the STAR Bond Project Plan (the "**STAR Bond Revenue Fund**"), which will further described and defined in the STAR Bond documents (the "**Bond Documents**"). The STAR Bond Revenues shall be measured against the State and local sales and use taxes from a base year which is twelve (12) months immediately prior to the month in which the STAR Bond District was established in accordance with the STAR Bond Act. For a period of twenty (20) years from the date of activation of the STAR Bond Project Plan (which shall be mutually agreed to be the City and the Master Developer), the City shall cooperate with the State of Kansas and the bond trustee selected by the City in consultation with the Master Developer to serve in regard to the STAR Bonds (the "**Bond Trustee**") to properly allocate the STAR Bond Revenues collected hereunder to pay and amortize the STAR Bonds, unless such STAR Bonds shall be paid in full and retired prior to the end of such twenty (20) year period.

C. STAR Bond Project Fund. Upon each issuance of the STAR Bonds, the net STAR Bonds Proceeds of such issuance shall be deposited into a separate bond fund established and maintained by the City in conjunction with the Bond Trustee (the "**STAR Bond Project Fund**") governed by the Bond Documents (defined below). The STAR Bond Proceeds in the STAR Bond Project Fund may be utilized only for items deemed STAR Bond Uses pursuant to the STAR Bond Act and as agreed by the Secretary, City and Master Developer in the STAR Bond Project Plan.

Section 4.04 TIF Financing. As described herein, revenues generated from Incremental Real Property Taxes within the TIF District shall be collected on a pay-as-you-go basis, deposited by the City into the appropriate fund upon receipt, and then disbursed as TIF Proceeds for payment or reimbursement of TIF Eligible Costs.

A. Collection of Incremental Real Property Taxes.

(I) Ad Valorem Property Taxes. Pursuant to the provisions of Kansas law, the TIF Project Plan and the TIF Act, including, but not limited to, Section 12-1775(a) thereof, real property located within a TIF District is subject to assessment for annual Real Property Taxes. Real Property Taxes shall be due in arrears, with half due on December 20th and half due on May 10th of each year in which said amount is required to be paid, and will be considered delinquent if not paid by such dates of each such year or as otherwise determined by applicable law. The obligation to pay said Real Property Taxes shall be a covenant running with the land and shall create a lien in favor of the City on each such tax parcel as constituted from time to time and shall be enforceable against

the owners of such parcels and their successors and assigns in ownership of property in the TIF District.

(2) Incremental Real Property Taxes. The City shall collect Incremental Real Property Taxes in the manner used for collection of Real Property Taxes during the TIF Collection Period, unless the TIF District shall be earlier terminated pursuant to the express terms of this Agreement. For purposes hereof, the term "**Incremental Real Property Taxes**" means the incremental increase in ad valorem Real Property Taxes generated within the TIF District above the ad valorem Real Property Taxes generated by levy on the June 1, 2015 taxable valuation of the Redevelopment Project Area and received by the City from Saline County, Kansas in accordance with the TIF Act. Such Incremental Real Property Taxes shall be deposited into TIF Special Allocation Funds to be used as TIF Proceeds to pay for or reimburse TIF Uses as further provided herein, less the City's 2.0% administrative fee.

(3) TIF Collection Period. Incremental Real Property Taxes shall be collected within the TIF District and directed to the TIF Special Allocation Funds for a period that commences on the date of establishment of the TIF District, and concluding upon the date that the City collects and disburses the final tax payment that relates to the period of time that is twenty (20) years from the date that the TIF Project Plan was activated for the TIF District, which date shall be mutually agreed upon by the City and the Master Developer (the "**TIF Collection Period**"), unless additional TIF project plans are adopted by the City within the TIF District. At the end of the TIF Collection Period, the parties understand and agree that the TIF District shall thereafter terminate, unless additional TIF project plans are adopted by the City within the TIF District. The Parties hereby acknowledge and agree that all Incremental Real Property Taxes collected during the TIF Collection Period shall be disbursed as TIF Proceeds pursuant to the provisions of this Agreement even if such disbursement occurs following expiration of the TIF Collection Period.

B. TIF Special Allocation Funds.

(1) Establishment of TIF Special Allocation Funds. Incremental Real Property Taxes shall be collected for the duration of the TIF Collection Period and deposited as into the Downtown TIF Fund, which shall hold the four separate funds established and administered by the City in compliance with the laws of the State and this Agreement: 1) the "Hotel TIF Fund", 2) the "Apartment TIF Fund", 3) the "Old Chicago TIF Fund", and 4) the "New Business TIF Fund" (collectively, the "**TIF Special Allocation Funds**"). Such Incremental Real Property Taxes shall be deposited by the City upon receipt into the TIF Special Allocation Funds on the following basis:

(i) 18.3% of all Incremental Real Property Taxes shall be deposited upon each receipt of same by the City into the Hotel TIF Fund.

(ii) 21% of all Incremental Real Property Taxes shall be deposited upon each receipt of same by the City into the Apartment TIF Fund.

(iii) 6.9% of all Incremental Real Property Taxes shall be deposited upon each receipt of same by the City into the Old Chicago TIF Fund.

(iv) 53.8% of all Incremental Real Property Taxes shall be deposited upon each receipt of same by the City into the New Business TIF Fund.

C. Neighborhood Revitalization Area. The Parties hereby acknowledge that a portion of the TIF District overlaps with an existing Neighborhood Revitalization Area established by the City pursuant to K.S.A. 12-17,114 *et seq.* (the "**NRA Act**"). Various parcels of real property within the TIF District are currently subject to Neighborhood Revitalization Plans (collectively, the "**NRA Plans**" and each an "**NRA Plan**") as defined in the NRA Act. The Parties acknowledge and City hereby affirms that any existing NRA Plans will continue in effect pursuant to the respective terms of each such plan and will terminate upon the date specified in each such plan. During the term of each NRA Plan, Incremental Real Property Taxes will be rebated to the owners of such parcel pursuant to the terms of such NRA Plan. Following termination of each NRA Plan, the Incremental Real Property taxes produced by the real property within each NRA Plan will be collected and disbursed pursuant to the terms of this Section. The City shall not approve any future NRA Plans within the TIF District so long as the TIF District remains in existence.

Section 4.05 CID Financing. As described herein, revenues generated from the CID Sales Tax shall be collected on a pay-as-you-go basis, deposited by the City into the appropriate fund upon receipt, and then disbursed as CID Proceeds for payment or reimbursement of CID Eligible Costs.

A. The CID Districts. Pursuant to the CID Ordinances, the City has established three separate CID Districts: the Alley Project CID District, the Downtown CID District, and the Hotel CID District, the boundaries of which are more particularly described in the CID Petitions attached hereto as **Exhibit J-1**, **Exhibit J-2** and **Exhibit J-3**.

B. Collection of CID Sales Tax. Each CID District shall impose a CID Sales Tax in the amount of one percent (1%) 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 each CID District. The CID Sales Tax shall be collected within each CID District for a period that commences on the date that the CID Sales Tax is first imposed within each CID District up to and concluding upon that date which is twenty-two (22) years from the date that the CID Sales Tax is first imposed within such CID District (the "**CID Collection Period**"). At the end of the CID Collection Period for each CID, the parties understand and agree that such CID District shall thereafter terminate, and the CID Sales Tax shall terminate and no longer be levied or collected within such particular CID District. The Parties hereby acknowledge and agree that all revenue produced by the CID Sales Tax collected during the CID Collection Period shall be disbursed as CID Proceeds pursuant to the provisions of this Agreement even if such disbursement occurs following expiration of the CID Collection Period for any given CID District, less the City's 2.0% administrative fee.

C. Notice to Retailers of CID Sales Tax. The City agrees to make best efforts to provide to the Kansas Department of Revenue (the "**DOR**") a list of retailers and service

providers required to charge the CID Sales Tax within each CID District within the timeframes required by the DOR, so that the DOR can notify tenants within the District of their requirement to collect the CID Sales Tax beginning on that certain date which is set forth in Recital I of this Agreement. The Master Developer agrees to assist the City in preparing a list of retailers and service providers pursuant to this Section. At the time the list of retailers and service providers is provided to the DOR, the City shall also provide a copy to the Master Developer.

D. CID Sales Tax Funds.

(1) Establishment of CID Sales Tax Funds. During the CID Collection Period for each CID District, all revenue generated by the CID Sales Tax within the CID Districts and received by the City from DOR shall be deposited into three separate accounts relative to the three separate CID Districts: 1) the Hotel CID Sales Tax Fund, 2) the Alley Project CID Sales Tax Fund and 3) the Downtown CID Sales Tax Fund (collectively the "**CID Sales Tax Funds**" and each a "**CID Sales Tax Fund**"), which shall each be established and administered by the City in compliance with the laws of the State and this Agreement. The City shall not commingle the revenue generated by the CID Sales Tax to be deposited into the CID Sales Tax Funds as herein provided.

(2) Hotel CID Sales Tax Fund. All revenue collected by imposition of the CID Sales Tax within the Hotel CID District and deposited into the Hotel CID Sales Tax Fund shall be utilized as Hotel CID Proceeds for payment or reimbursement of CID Eligible Costs incurred in developing the Hotel Project including interest on such costs at a rate of 5% per annum, all as more particularly described in the Hotel CID Petition (the "**Hotel CID Costs**").

(3) Alley Project CID Sales Tax Fund. All revenue collected by imposition of the CID Sales Tax within the Alley Project CID District and deposited into the Alley Project CID Sales Tax Fund shall be utilized as Alley Project CID Proceeds for payment or reimbursement of CID Eligible Costs incurred in developing the Alley Project including interest on such costs at a rate of 5% per annum, all as more particularly described in the Alley Project CID Petition (the "**Alley Project CID Costs**").

(4) Downtown CID Sales Tax Fund Subaccounts. Following disbursement of the Master Developer CID Allotment, as described below, all revenue collected by imposition of the CID Sales Tax within the Downtown CID District and deposited into the Downtown CID Sales Tax Fund shall be disbursed into subaccounts established and maintained by the City as follows:

(i) 40.6% of all Downtown CID Proceeds shall be deposited upon each receipt of same by the City into a subaccount herein referred to as the "Downtown Maintenance, Security, and Programming CID Fund."

(ii) 1.0% of all Downtown CID Proceeds shall be deposited upon each receipt of same by the City into a subaccount herein referred to as the "Old Chicago CID Fund."

(iii) 39.5% of all Downtown CID Proceeds shall be deposited upon each receipt of same by the City into a subaccount herein referred to as the "New Retail Improvements CID Fund".

(iv) 18.9% of all Downtown CID Proceeds shall be deposited upon each receipt of same by the City into a subaccount herein referred to as the "Existing Retail Improvements CID Fund".

Section 4.06 Disbursement of STAR Bond Proceeds. As described in Section 4.03, the net STAR Bond Proceeds shall be disbursed from the STAR Bond Project Fund pursuant to the terms of this Agreement and the Bond Documents for the purpose of funding the STAR Bond Uses. The priority of uses of the STAR Bond Proceeds shall be as follows:

A. First, the City may utilize STAR Bond Proceeds to pay or reimburse costs to construct the Fieldhouse and complete the Fieldhouse Off-street Parking Components, up to a maximum of $9,625,000.

B. Second, STAR Bond Proceeds shall be utilized to pay or reimburse costs incurred by a Third Party Developer to develop the Alley Project up to a maximum of $1,642,726.

C. Third, the Master Developer may utilize STAR Bond Proceeds to reimburse direct costs for land planning for the Project (the "**Land Planning Costs**") up to a maximum of $200,000, provided that all work product related to such Land Planning Costs, and the right to own and use such work product, has been assigned to the City. The Land Planning Costs shall be reimbursed to the Master Developer in accordance with the provisions of Article VI.

D. Fourth, STAR Bond Proceeds shall be utilized to pay or reimburse costs incurred by a Third Party Developer to develop to the Hotel Project up to a maximum of $442,274.

E. Fifth, STAR Bond Proceeds shall be utilized to pay or reimburse costs incurred by a Third Party Developer to develop the Car Museum up to a maximum of $4,695,000.

F. Sixth, the City may utilize STAR Bond Proceeds to pay or reimburse costs to design and construct the Streetscape and Public Infrastructure Improvements tied to the STAR Bond Project Components as depicted and described within Exhibit F-4 to the STAR Bond Project Plan up to a maximum of $2,000,000.

G. The balance of the STAR Bond Proceeds, if any, may be utilized for any other Project Costs eligible to be funded with STAR Bond Proceeds pursuant to the STAR Bond Act and with the prior written approval of the City, the Secretary of Commerce and the Master Developer. In order for such balance of STAR Bond Proceeds to be utilized for other Project Costs, one of the following must apply to all Project Components within the STAR Bond Project Plan identified in A. through F. above:

(I) such Project Component must be completed (as evidenced by a Certificate for Full Completion for such Project Component jointly accepted by the City and the Master Developer); or

(2) the maximum amount of STAR Bond Proceeds allocated to such Project Component (as described above) has been disbursed for financing such Project Component; or

(3) the Parties agree that such excess STAR Bond Proceeds are necessary to allocate to any such STAR Bond Project Component in order to facilitate completion of such STAR Bond Project Component; or

(4) such Project Component or will not be developed within a reasonable period of time as agreed by the City and Master Developer.

Section 4.07 Fieldhouse Funding Structure.

A. Projected Fieldhouse Cost. The Fieldhouse and the Fieldhouse Off-site Parking Components are anticipated to cost approximately $12,450,090 to fully and finally develop as described in the Project Budget attached as **Exhibit O**.

B. New Markets Tax Credits. The City shall make best efforts to cause issuance of an amount of no less than $2,700,000 in loan proceeds produced by operation of a New Markets Tax Credits financing structure to be utilized solely for the purpose of fully and finally developing and financing the Fieldhouse (the "**New Markets Tax Credit Financing**").

C. Fieldhouse Funding—STAR Bond Issuance. In the event STAR Bonds are issued in a sufficient amount pursuant to Section 4.06, $9,625,000 in STAR Bond Proceeds shall be allocated to construct the Fieldhouse and, subject to Section 4.09.C below, complete the Fieldhouse Off-site Parking Components (the "**Fieldhouse STAR Bond Allocation**"). The City shall complete the Fieldhouse using an approximate combination of 1) STAR Bonds in the amount of $9,625,000, 2) New Markets Tax Credit Financing in the amount of $2,700,000, and 3) City Funds.

D. Fieldhouse Funding Absent STAR Bonds. In the event STAR Bonds are not issued in a sufficient amount pursuant to Section 4.06.A despite best efforts by the City to cause such issuance pursuant to Section 4.03 above, the City shall complete the Fieldhouse on the timeline described in Section 3.06 above using a combination of City Funds and New Markets Tax Credit Financing.

Section 4.08 Streetscape Funding Structure.

A. Streetscape Funding—STAR Bond Issuance. In the event STAR Bonds are issued in an amount sufficient to net $2,000,000 of STAR Bond Proceeds for use in construction of the Streetscape and Public Infrastructure Improvements pursuant to Section 4.06, the City shall design and construct the Streetscape and Public Infrastructure Improvements in the geographic locations and pursuant to the aesthetic themes described and depicted in **Exhibit M-1**. In such event, the City shall expend no less than $12,165,360 in designing and constructing the Streetscape and Public Infrastructure Improvements (the "**STAR Bond Streetscape Commitment**"). The City shall consult with Master Developer in the design of the Streetscape and Public Infrastructure Improvements on an ongoing basis prior to entering into a construction contract for same.

B. Streetscape Funding Absent STAR Bonds. In the event STAR Bonds are not issued in an amount sufficient to net $2,000,000 of STAR Bond Proceeds for use in construction of the Streetscape and Public Infrastructure Improvements pursuant to Section 4.06, the City and Master Developer shall confer regarding the design of the Streetscape and Public Infrastructure Improvements and the City Commission's adaptation of **Exhibit M-1**, as necessary, to reflect the geographic locations and aesthetic theme to be constructed for the Streetscape and Public Infrastructure Improvements based upon input from the Master Developer, the City's design consultants, City staff, and public comment. In such event, the City shall expend no less than $10,165,360 in designing and constructing the Streetscape and Public Infrastructure Improvements (the "**Alternative Streetscape Commitment**"). The City shall consult with Master Developer in the design of the Streetscape and Public Infrastructure Improvements on an ongoing basis prior to entering into a construction contract for same.

Section 4.09 Additional City Funds Expenditures.

A. City Funds for Stiefel Improvements and Hotel Project. Subject to satisfaction of the conditions precedent established in the Transferee Agreements for the Stiefel Improvements and Hotel Project, and in the event STAR Bonds are issued in an amount netting no less than $9,625,000 in STAR Bond Proceeds that are paid to the City as the Fieldhouse STAR Bond Allocation, the City shall, within ten (10) days of such issuance, deposit City Funds into two separate accounts for the following purposes:

(1) The City shall deposit $2,000,000 of City Funds into a segregated account for purpose of paying or reimbursing costs required for completion of the Stiefel Improvements. The terms governing the provision of such funds and the improvements to be completed utilizing same shall be as described in a Transferee Agreement between the City, the Master Developer, and the Historic Fox Theater of Salina Foundation; and

(2) The City shall deposit $1,000,000 of City Funds into a segregated account for purpose of reimbursing costs required for completion of the Infrastructure Improvements for the Hotel Project exclusive of the sanitary sewer relocation and construction and connection of water service to be performed by the City as provided in Section 3.03. The terms governing the provision of such funds and the improvements to be completed utilizing same shall be as described in a Transferee Agreement between the City, the Master Developer, and the Third Party Developer of the Hotel Project.

B. Certification of Expenditures for City Funds. Payment or reimbursement of Project Costs for the Stiefel Improvements and reimbursement of Project Costs for the Hotel Project through City Funds shall occur pursuant to the Certification of Expenditures process as provided in Article VI herein.

C. City Funds for Fieldhouse Off-site Parking Components. In the event STAR Bonds are issued in an amount netting no less than $9,625,000 in STAR Bond Proceeds, the City shall, within ten (10) days of such issuance, deposit $1,625,000 of City Funds into a separate account (the "**Fieldhouse Off-site Parking Account**"). The priority of uses of the Fieldhouse Off-site Parking Account shall be as follows:

(1) First, the Fieldhouse Off-site Parking Account shall be utilized to pay or reimburse costs incurred by the City to purchase fee title to the BOA parking lot. The City shall use best efforts to enter into a contract for the purchase of fee title to the BOA parking lot as soon as reasonably practicable, with such terms and conditions of the purchase contract, including the purchase price, to be described in a supplemental purchase agreement between the City and the applicable property owner. Unless waived by the City in writing, closing on the contract for purchase of the BOA parking lot shall be subject to satisfaction of the condition precedent that STAR Bonds have been issued in an amount netting no less than $9,625,000 in STAR Bond Proceeds.

(2) Second, the balance of the Fieldhouse Off-site Parking Account shall be utilized to pay or reimburse costs incurred by the City to improve and integrate the BOA parking lot and adjoining city parking lots.

(3) Third, the balance of the Fieldhouse Off-site Parking Account, if any, shall be utilized to pay or reimburse costs incurred by the City to purchase fee title to the Bennett parking lot. The City shall use best efforts to enter into a contract for the purchase of fee title to the Bennett parking lot, with such terms and conditions of the purchase contract, including the purchase price, to be described in a supplemental purchase agreement between the City and the applicable property owner. The City shall have no obligation to purchase the Bennett parking lot if the negotiated purchase price for the Bennett parking lot exceeds the balance of funds in the Fieldhouse Off-site Parking Account.

Section 4.10 Disbursement of TIF Proceeds.

A. Use of TIF Proceeds. The Parties hereby agree that the Incremental Real Property Taxes, and any interest earned on the deposits of same in the TIF Special Allocation Funds, shall be utilized as TIF Proceeds to reimburse Third Party Developers for TIF Eligible Costs as described in the column "TIF Uses" in **Exhibit O** attached hereto upon receipt of a Certificate of Full Completion and as detailed in each applicable Transferee Agreement if and to the extent that (i) there are TIF Proceeds in the applicable TIF Special Allocation Fund from which reimbursement is requested and (ii) the party seeking payment or reimbursement from TIF Proceeds is not in default under the terms and conditions of this Agreement. TIF Proceeds shall be disbursed by the City from the Hotel TIF Fund, Apartment TIF Fund and Old Chicago TIF Fund within thirty (30) days of the deposit of any Incremental Real Property Taxes into such funds. Reimbursement of TIF Eligible Costs shall occur in the manner described below in Section 6.01 and the applicable Transferee Agreement pursuant to submission of a Certification of Expenditures in the form attached hereto as **Exhibit Q-2**.

B. Disbursement from TIF Special Allocation Funds. TIF Proceeds on deposit in the TIF Special Allocation Funds shall be used for the payment or reimbursement of TIF Uses in the following manner:

(1) Hotel TIF Fund. Upon approval of a Certificate of Full Completion for the Hotel Project, the Incremental Real Property Taxes deposited into the Hotel TIF Fund shall be utilized for reimbursement of costs for land acquisition and site

preparation/infrastructure costs, including but not limited to for purposes of providing parking for the Hotel Project, up to a maximum of $800,000 plus simple interest on such outstanding amount at a rate of 5% per annum (the "**Hotel TIF Costs**" which shall be reimbursed up to the "**Hotel TIF Cap**"). The Hotel TIF Fund shall be terminated (i) once an amount equal to the Hotel TIF Cap is disbursed from the Hotel TIF Fund to fund Hotel TIF Costs or (ii) if the Third Party Developer's rights, duties, and obligations under the Transferee Agreement for the Hotel Project are terminated pursuant to the terms of such Transferee Agreement. Upon termination of the Hotel TIF Fund, any Incremental Real Property Taxes which have been deposited, or which in normal course would have been deposited into the Hotel TIF Fund as described in Section 4.04 herein, shall be redirected into the New Business TIF Fund and administered as described in this Section below.

(2) Apartment TIF Fund. Upon approval of a Certificate of Full Completion for the Market Rate Apartments, the Incremental Real Property Taxes deposited into the Apartment TIF Fund shall be utilized for payment or reimbursement of costs for land acquisition and site work for the Market Rate Apartments, up to a maximum of $920,000 plus simple interest on such outstanding amount at a rate of 5% per annum (the "**Apartment TIF Costs**" which shall be reimbursed up to the "**Apartment TIF Cap**"). The Apartment TIF Fund shall be terminated (i) once an amount equal to the Apartment TIF Cap is disbursed from the Apartment TIF Fund to fund Apartment TIF Costs, (ii) the Market Rate Apartments do not move forward as mutually agreed by the City and the Master Developer, or (iii) if the Third Party Developer's rights, duties, and obligations under the Transferee Agreement for the Market Rate Apartments are terminated pursuant to the terms of such Transferee Agreement. Upon termination of the Apartment TIF Fund, any Incremental Real Property Taxes which have been deposited, or which in normal course would have been deposited into the Apartment TIF Fund as described in Section 4.04 herein shall be redirected into the New Business TIF Fund and administered as described in this Section below.

(3) Old Chicago TIF Fund. Upon approval of a Certificate of Full Completion, the Incremental Real Property Taxes deposited into the Old Chicago TIF Fund shall be utilized for reimbursement of costs for land acquisition and site work for the Old Chicago Project, up to a maximum of $300,000 plus simple interest on such outstanding amount at a rate of 5% per annum (the "**Old Chicago TIF Costs**" which shall be reimbursed up to the "**Old Chicago TIF Cap**"). The Old Chicago TIF Fund shall be terminated: (i) once an amount equal to the Old Chicago TIF Cap is disbursed from the Old Chicago TIF Fund to fund Old Chicago TIF Costs, (ii) the Old Chicago Project does not move forward as mutually agreed by the City and the Master Developer, or (iii) if the Third Party Developer's rights, duties, and obligations under the Transferee Agreement for the Old Chicago Project are terminated pursuant to the terms of such Transferee Agreement. Upon termination of the Old Chicago TIF Fund, any Incremental Real Property Taxes which have been deposited, or which in normal course would have been deposited into the Old Chicago TIF Fund as described in Section 4.04 herein, shall be redirected into the New Business TIF Fund and administered as described in this Section below.

(4) New Business TIF Fund. The Incremental Real Property Taxes deposited into the New Business TIF Fund during the TIF Collection Period shall be utilized for reimbursement of New Business TIF Costs including interest on such costs at a rate of 5% per annum. The administration of the New Business TIF Fund shall be described in a supplemental agreement between the City and the Master Developer, to be executed prior to execution of a Transferee Agreement for the Hotel.

Section 4.11 Disbursement of CID Proceeds.

A. Use of CID Proceeds. The Parties hereby agree that the revenues from the CID Sales Tax, and any interest earned on the deposits of same in the CID Sales Tax Funds, shall be utilized as CID Proceeds to reimburse Third Party Developers for CID Eligible Costs designated as CID Uses in this Agreement and in **Exhibit O** attached hereto if and to the extent that (i) there are CID Proceeds in the applicable CID Sales Tax Fund from which payment or reimbursement is sought and (ii) the party seeking payment or reimbursement from CID Proceeds is not in default under the terms and conditions of this Agreement or the applicable Transferee Agreement. CID Proceeds shall be disbursed by the City from the Downtown Maintenance, Security, and Programming CID Fund, the Hotel CID Sales Tax Fund, and the Alley Project CID Sales Tax Fund within thirty (30) business days of deposit of CID Proceeds in such CID Sales Tax Funds in accordance with the provisions of Section 6.02. CID Proceeds shall be disbursed by the City from the New Retail Improvements CID Fund and the Existing Retail Improvements CID Fund as described in B.(3) and B.(4) of this Section. Reimbursement of CID Eligible Costs shall occur in the manner described below in Section 6.01 pursuant to submission of a Certification of Expenditures in the form attached hereto as **Exhibit Q-3**.

B. Disbursements from Downtown CID Sales Tax Fund. The first $200,000 of Downtown CID Proceeds disbursed from the Downtown CID Sales Tax Fund shall be made available for use in funding costs for professional fees incurred by Master Developer in connection with the Project (the "**Master Developer CID Allotment**") in accordance with the provisions of Article VI. Following reimbursement to the Master Developer for the full Master Developer CID Allotment, all Downtown CID Proceeds disbursed from the Downtown CID Sales Tax Fund subaccounts and any interest earned on such proceeds while held within such subaccounts shall be used for the payment or reimbursement of CID Uses in the following manner:

(1) Downtown Maintenance, Security, and Programming CID Fund. All Downtown CID Proceeds on deposit in the Downtown Maintenance, Security, and Programming CID Fund during the CID Collection Period shall be utilized for payment or reimbursement of Downtown Maintenance, Security, and Programming CID Costs. The Parties acknowledge and agree that such Downtown Maintenance, Security, and Programming CID Costs are separate from those Project Costs incurred in developing the Streetscape and Public Infrastructure Improvements. The City and the Master Developer anticipate entering into a Transferee Agreement with Salina Downtown, Inc. for utilization of the Downtown CID Proceeds within the Downtown Maintenance, Security, and Programming CID Fund as provided herein.

(2) Old Chicago CID Fund. Upon approval of a Certificate of Full Completion for the Old Chicago Project, all Downtown CID Proceeds deposited into the Old Chicago CID Fund during the CID Collection Period shall be utilized for reimbursement of costs for signage and/or façade improvements, up to a maximum of $50,000 plus simple interest on such outstanding amount at a rate of 5% per annum (the "**Old Chicago CID Costs**" which shall be reimbursed up to the "**Old Chicago CID Cap**"). The Old Chicago CID Fund shall be terminated: (i) once an amount equal to the Old Chicago CID Cap is disbursed from the Old Chicago CID Fund to fund Old Chicago CID Costs, (ii) the Old Chicago Project does not move forward as mutually agreed by the City and the Master Developer or (iii) if the Third Party Developer's rights, duties, obligations under the Transferee Agreement for the Old Chicago Project are terminated pursuant to the terms of such Transferee Agreement. Upon termination of the Old Chicago CID Fund, any Downtown CID Proceeds which have been deposited, or which in normal course would have been deposited into the Old Chicago CID Fund as described in Section 4.05 herein, shall be redirected into the New Retail Improvements CID Fund and administered as described in this Section below.

(3) New Retail Improvements CID Fund. Downtown CID Proceeds on deposit in the New Retail Improvements CID Fund shall be utilized for reimbursement of costs for building, site work, land acquisition and tenant improvements and may be utilized for other CID Eligible Costs for purposes facilitating the location of New Businesses within the Downtown CID District including interest on such costs at a rate of 5% per annum (the "**New Retail CID Costs**"). The administration of the New Retail Improvements CID Fund shall be described in a supplemental agreement between the City and the Master Developer, to be executed prior to execution of a Transferee Agreement for the Hotel.

(4) Existing Retail Improvements CID Fund. Downtown CID Proceeds on deposit in the Existing Retail Improvements CID Fund shall be utilized for payment or reimbursement of costs for building, site work and tenant improvements and may be utilized for other CID Eligible Costs for purposes of improving the property of Existing Retail within the Downtown CID District including interest on such costs at a rate of 5% per annum (the "**Existing Retail CID Costs**"). The administration of the Existing Retail Improvements CID Fund shall be described in a supplemental agreement between the City and the Master Developer, to be executed prior to execution of a Transferee Agreement for the Hotel.

D. Disbursements from Hotel CID Sales Tax Fund. All Hotel CID Proceeds on deposit in the Hotel CID Sales Tax Fund shall be disbursed by the City to reimburse CID Eligible Costs incurred in developing the Hotel Project following approval of a Certificate of Full Completion and in accordance with the Certification of Expenditures procedure described in Article VI herein and in accordance with the Transferee Agreement for the Hotel Project.

E. Disbursements from Alley Project CID Sales Tax Fund. All Alley Project CID Proceeds on deposit in the Alley Project CID Sales Tax Fund shall be disbursed by the City to reimburse CID Eligible Costs incurred in developing the Alley Project following approval of a Certificate of Full Completion and in accordance with the Certification of Expenditures

procedure described in Article VI herein and in accordance with the Transferee Agreement for the Alley Project.

Section 4.12 Industrial Revenue Bonds. Subject to all Applicable Laws and Requirements, and subject further to compliance with all City requirements for the issuance of industrial revenue bonds ("**IRBs**"), the Parties hereby agree that the Third Party Developer of each of the Hotel Project, Car Museum, Alley Project, and any other Project Component for which IRB financing is agreed upon by the City and the Master Developer may use IRB financing to obtain an exemption on sales taxes levied by Kansas governmental entities for labor, construction materials, equipment and furnishings for such Project Component. However, the parties hereby understand and agree that, for purposes of the IRB financing agreed to and provided for in this Section, the IRBs shall not be used for abatement of ad valorem taxes for the Project or the TIF District. Further, all costs related to the issuance of the IRBs shall be paid at closing of the IRBs by the beneficiary thereof.

Section 4.13 Legal Nature of Funds. As used in this Agreement, all references to the City's establishment or maintenance of a "fund" shall be interpreted to mean the establishment or maintenance of either (i) an independently budgeted fund when required by Applicable Laws and Requirements ("Budgeted Fund"), or (ii) a segregated accounting of proceeds and disbursements found within the City's financial accounting system when a budgeted fund is not required by Applicable Laws and Requirements (a "Segregated Accounting"). The parties understand and agree that, for purposes of this Agreement, the various funds shall be categorized as follows, unless otherwise required by Applicable Laws and Requirements:

Budgeted Fund	**Segregated Accounting**
CID Sales Tax Funds • Alley Project CID Sales Tax Fund • Downtown CID Sales Tax Fund • Hotel CID Sales Tax Fund	Downtown Maintenance and Security CID Fund Existing Retail Improvements CID Fund New Retail Improvements CID Fund Old Chicago CID Fund
Downtown TIF Fund	TIF Special Allocation Funds • Hotel TIF Fund • New Business TIF Fund • Apartment TIF Fund • Old Chicago TIF Fund
STAR Bond Project Fund STAR Bond Revenue Fund	

ARTICLE V

STAR BOND ISSUANCE

Section 5.01 Compliance with the STAR Bond Act. The Master Developer and the City hereby agree that they will comply with all reasonable requirements including any statutory requirements, associated with the issuance, sale, purchase and delivery of the STAR

Bonds and shall cooperate with one another to fully effectuate the terms, distributions and payments as detailed herein. The specifics of the issuance and repayment of the STAR Bonds shall be in accordance with the Bond Documents, to be approved by City ordinance, and in accordance with this Agreement.

Section 5.02 Issuance of STAR Bonds. It is anticipated that the STAR Bonds for the STAR Bond Project will be issued at a date following execution of this Agreement. If and to the extent market conditions shall in the future exist which allow for the issuance of additional STAR Bonds for any future phase of the Project, the terms and conditions of this Section shall govern and control the issuance of such STAR Bonds. The issuance of any series of STAR Bonds for the Project shall be governed by the following terms:

A. Terms and Interest Rate. Any such STAR Bonds shall be issued in an amount, on terms and at an interest rate or rates determined by market conditions at the time of issuance and under terms and conditions deemed jointly acceptable to the City and Master Developer.

B. Bond Underwriting. The City shall solicit input from Master Developer as it relates to all components of the issuance of STAR Bonds in an effort to maximize the size of the issuance.

C. Discretion of the City Commission. The Parties acknowledge that the City cannot bind governing bodies of the City regarding the authorization, issuance, sale or delivery of STAR Bonds and that nothing contained herein shall in any way bind the City Commission of the City to accept or reject any proposal to authorize, issue, sell or deliver STAR Bonds, which decision shall unconditionally remain within the sole discretion of such City Commission.

D. Privately Placed Obligations. The parties agree that, subject to the approval of the City, the STAR Bonds may be privately placed and sold only to (i) institutional investors including, without limitation, insurance companies, funds and state or federally charted financial institutions, or (ii) "accredited investors" as such term is defined by the Securities Exchange Commission ("**Qualified Third Parties**").

Section 5.03 STAR Bond Registration. Any STAR Bonds issued shall have a CUSIP and shall be registered at the Depository Trust Company (DTC).

Section 5.04 Conditions Precedent to STAR Bond Issuance. Transferee Agreements with the Third Party Developers for the Hotel Project, the Alley Project, the Old Chicago Project (or an equivalent commercial use mutually acceptable to the City and the Master Developer) and any other Project Components required by the Underwriter must be executed prior to issuance of any STAR Bonds; provided that the City must make best efforts to execute such Transferee Agreements and may not refuse execution of same for the purpose of withholding issuance of any amount of STAR Bonds.

ARTICLE VI

CERTIFICATION OF EXPENDITURES PROCEDURES

Section 6.01 Certification of Expenditures for STAR Bond Uses, TIF Uses and CID Uses. Prior to the disbursement of any Public Finance Proceeds, the party seeking such disbursement shall obtain an approved Certificate of Full Completion pursuant to Section 3.07 (except for the Third Party Developers of the Stiefel Improvements and Car Museum, which shall all be able to seek payment of incurred Project Costs through Public Finance Proceeds), and certify any Project Costs for which it intends to disbursement of Public Finance Proceeds in accordance with the following:

A. Each party seeking disbursement of STAR Bond Proceeds shall submit to the City a Certification of STAR Bond Expenditures in the form attached hereto as **Exhibit Q-1** setting forth the amount for which payment or reimbursement, as applicable, is sought and an itemized listing of the related STAR Bond Uses.

B. Each party seeking disbursement of TIF Proceeds shall submit to the City a Certification of TIF Expenditures in the form attached hereto as **Exhibit Q-2** setting forth the amount for which reimbursement is sought and an itemized listing of the related TIF Uses.

C. Each party seeking disbursement of CID Proceeds shall submit to the City a Certification of CID Expenditures in the form attached hereto as **Exhibit Q-3** setting forth the amount for which payment or reimbursement, as applicable, is sought and an itemized listing of the related CID Uses.

D. The Third Party Developer seeking disbursement of City Funds for utilization in completing Stiefel Improvements or Hotel Project Infrastructure Improvements as provided in Section 4.08 herein shall submit to the City a Certification of City Funds Expenditures in the form attached hereto as **Exhibit Q-4** setting forth the amount for which payment or reimbursement is sought, as applicable, and an itemized listing of the related Project Costs for which payment or reimbursement is sought.

E. These requirements shall apply to any such requests made by the Master Developer and Third Party Developers. The City shall certify in writing to the Master Developer that it has expended the amounts required by the STAR Bond Streetscape Commitment or Alternative Streetscape Commitment, as applicable.

F. Each Certification of Expenditures shall be accompanied by such bills, contracts, invoices, lien waivers and other evidence as the City shall reasonably require documenting that Project Costs sought for payment or reimbursement, as applicable, have been incurred.

G. No party shall submit more than one Certification of Expenditures within any thirty (30) day period.

Section 6.02 Reimbursement. The City shall have fifteen (15) calendar days after receipt of any Certification of Expenditures to review and respond by written notice to the party that submitted the Certification of Expenditures. If the submitted documentation demonstrates

that: (1) the Certification of Expenditures shows payment or pending payment, as applicable, by the party that submitted the Certification of Expenditures; (2) the expense was incurred or will immediately be incurred for land acquisition purposes for the Car Museum or Stiefel Improvements; (3) the party that submitted the Certification of Expenditures is not in material default under this Agreement or any Transferee Agreement; and (4) there is no fraud on the part of the party that submitted the Certification of Expenditures, then the City shall approve the Certification of Expenditures and the party that submitted the Certification of Expenditures shall be reimbursed from the STAR Bond Proceeds, TIF Proceeds or CID Proceeds, as applicable, pursuant to the terms of this Agreement and in accordance with the Bond Documents for the STAR Bond Uses. In addition, in order for the City to approve any Certification of STAR Bond Expenditures, the aggregate amount of STAR Bond Uses theretofore paid must be less than the STAR Bond Proceeds, and if added to the amount of the pending Certification of STAR Bond Expenditures would not exceed the STAR Bond Proceeds. If the City reasonably disapproves of any Certification of Expenditures, the City shall notify the party that submitted the Certification of Expenditures and Master Developer in writing of the reason for such disapproval within such fifteen (15) day period. In such circumstance, the City and such party shall work diligently in order to rectify the reason for City's disapproval of said Certification of Expenditures to enable the party to resubmit a revised Certification of Expenditures reasonably acceptable to the City for payment.

ARTICLE VII

USE OF THE DISTRICTS

Section 7.01 Operation of Project. The Project shall comply with all applicable building and zoning, health, environmental and safety codes and laws and all other applicable laws, rules and regulations. The Third Party Developers shall, at their own expense, secure or cause to be secured any and all permits which may be required by the City and any other governmental agency having jurisdiction for the construction and operation of the Project Components, including but not limited to obtaining all necessary rental licenses and paying any necessary fees to obtain required permits and licenses.

Section 7.02 Sales Tax Information to KDOR. Third Party Developers shall be responsible for providing sales tax information to the Kansas Department of Revenue in accordance with applicable law for any business owned and operated by such party within the STAR Bond District. The Master Developer and Third Party Developers shall not be responsible for providing sales tax information to the Kansas Department of Revenue or the City for any businesses not owned and operated by such parties within the STAR Bond District.

Section 7.03 Sales Tax Collection. If any Third Party Developer is engaged in the business of selling tangible personal property at retail or rendering or furnishing services taxable pursuant to the provisions of the Kansas retailers' sales tax act and amendments thereto (K.S.A. 79-3601 *et seq.*) within any of the Districts, the Third Party Developer shall collect, and make returns of, all taxes levied under the Kansas retailers' sales tax act and any CID Sales Tax imposed within the District in which it is engaged in such business, all in the manner and at the times prescribed by applicable law. The City and the Master Developer intend to include in each Transferee Agreement a requirement that the Third Party Developer shall be obligated to

provide the City, along with its submission to the Kansas Department of Revenue, copies of the monthly sales tax returns for its businesses within the Districts. To the extent it may legally do so, information obtained pursuant to this Section shall be kept confidential by the City in accordance with Applicable Law and Requirements, including but not limited to K.S.A. 79-3657.

Section 7.04 Real Estate Taxes and Assessments. So long as the Master Developer or Third Party Developers own real property within the Districts, each such party shall pay when due all real estate taxes and assessments related to property owned by the such party within the Districts. Nothing herein shall be deemed to prohibit such party from contesting the validity or amounts of any tax, assessment, encumbrance or lien, nor to limit the remedies available to such party in respect thereto. Such party shall promptly notify the City in writing of a protest of real estate taxes or valuation of such party's property within the Districts.

ARTICLE VIII

DEFAULTS AND REMEDIES

Section 8.01 Defaults - General. Subject to the extensions of time set forth in Section 8.07, failure or delay by any party to perform any material term or provision of this Agreement, after receiving written notice thereof and failing to cure, as set forth in Section 8.02 below, constitutes an "Event of Default" under this Agreement. The Party claiming a default ("**Claimant**") shall give written notice of default to the defaulting Party, specifying the nature of the default.

Section 8.02 Default Proceedings. The Claimant shall not institute proceedings against a defaulting party, nor be entitled to damages if the defaulting party within fourteen (14) days from receipt of the written notice of default set forth in Section 8.01 above, commences with due diligence to cure, correct or remedy such failure or delay and shall complete such cure, correction or remedy within thirty (30) days from the date of receipt of such notice; or if such cure, correction or remedy by its nature cannot be effected within such thirty (30) day period, such cure, correction or remedy is diligently and continuously prosecuted until completion thereof. During the applicable cure period of any Third Party Developer, the City shall have the right to refuse to approve any Certification of Expenditures submitted by such Third Party Developer or to refuse to make any disbursements to such Third Party Developer. Following cure by any Third Party Developer, Certifications of Expenditure by such Third Party shall be processed pursuant to Article VI herein.

Section 8.03 Remedies on Default. Whenever any Event of Default by the City shall have occurred and be continuing, subject to applicable cure periods, the Master Developer may pursue any remedy at law and in equity, except as provided below. Whenever any Event of Default by the Master Developer shall have occurred and be continuing, subject to applicable cure periods, the City may pursue any remedy at law and in equity, except as provided below. Whenever any Event of Default by a Third Party Developer shall have occurred and be continuing, subject to applicable cure periods, the City or the Master Developer may (1) pursue any remedy at law and in equity, except as provided below, and/or the City and the Master Developer may (2) terminate the applicable Transferee Agreement with such Third Party

Developer pursuant to the terms contained in such Transferee Agreement. Notwithstanding any other provision of this Agreement to the contrary, in no event shall the Master Developer, the City or any Third Party Developer ever be liable for any punitive, special, incidental, or consequential damages in connection with this Agreement, or otherwise. For the purposes of this Section, consequential damages shall include, but not be limited to, lost profits, lost tax revenue, or other similar losses which are not direct out-of-pocket costs incurred by the non-defaulting party. Further, specific performance shall not be available to the City to require Third Party Developers to construct any improvements within the STAR Bond District, TIF District or CID Districts.

Section 8.04 Non-liability of Officials, Employees and Agents of the City. No recourse shall be had for the payment or reimbursement of the Project Costs or for any claim based thereon or upon any representation, obligation, covenant or agreement contained in this Agreement against any past, present or future official, officer, employee or agent of the City, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officials, officers, employees or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this Agreement or a Transferee Agreement. Nothing in this Section shall be construed as waiving liability of the City for acts of its officials, officers, employees or agents, nor shall the waiver provided hereunder extend to any official, officer, employee or agent of the City whom the City contends was not acting on behalf of, or in the scope of his/her employment with, the City when the act or omission giving rise to liability occurred.

Section 8.05 Non-liability of Officials, Employees and Agents of the Master Developer. No recourse shall be had for the payment or reimbursement of the Project Costs or for any claim based thereon or upon any representation, obligation, covenant or agreement contained in this Agreement against any past, present or future official, officer, shareholder, employee or agent of the Master Developer, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officials, officers, shareholders, employees or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this Agreement or a Transferee Agreement. The Parties acknowledge and agree that all individuals acting as agents on behalf of the Master Developer shall be acting only on behalf of the Master Developer and not any other entity and not in their individual capacities. Nothing in this Section shall be construed as waiving liability of the Master Developer for acts of its officials, officers, employees or agents, nor shall the waiver provided hereunder extend to any official, officer, employee or agent of the Master Developer whom the Master Developer contends was not acting on behalf of, or in the scope of his/her employment with, the Master Developer when the act or omission giving rise to liability occurred.

Section 8.06 Legal Actions.

A. Institution of Legal Actions. Any legal actions related to or arising out of this Agreement must be instituted in the District Court of Saline County, Kansas or, if federal jurisdiction exists, in the Federal District Court in the District of Kansas.

B. Applicable Law. The laws of the State of Kansas shall govern the interpretation and enforcement of this Agreement.

C. Acceptance of Service of Process.

(1) In the event that any legal action is commenced by the Master Developer or any Third Party Developer against the City, service of process on the City shall be made by personal service upon the City Clerk or in such other manner as may be provided by law.

(2) In the event that any legal action is commenced by the City against the Master Developer or by City or Master Developer against any Third Party Developer, service of process on the Master Developer or any Third Party Developer shall be made by personal service upon the registered agent of the Master Developer or any such Third Party Developer and shall be valid whether made within or without the State of Kansas or in such other manner as may be provided by law. In the event the Master Developer or any such Third Party Developer no longer has a registered agent to serve, the Secretary of State is hereby irrevocably appointed to accept service for the Master Developer or any such Third Party Developer.

Section 8.07 Rights and Remedies Are Cumulative. Except as otherwise expressly stated in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by a party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

Section 8.08 Inaction Not a Waiver of Default. Any failures or delays by a party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies, or deprive such party of its right to institute and maintain any action or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

Section 8.09 Enforced Delay; Extension of Times of Performance.

A. In addition to specific provisions of this Agreement, performance by a party hereunder shall not be deemed to be in default, and all performance and other dates specified in this Agreement shall be extended, where the party seeking the extension has acted diligently and delays or defaults are due to delay or default of another party to this Agreement, war, insurrection, strikes, lockouts, riots, floods, earthquakes, fires, casualties, acts of God, acts of the public enemy, epidemics, market conditions, quarantine restrictions, freight embargoes, lack of transportation, or unusually severe weather, or any other causes beyond the control or without the fault of the party claiming an extension of time to perform.

B. Times of performance under this Agreement may also be extended in writing by the mutual agreement of the City and the Master Developer.

ARTICLE IX

ASSIGNMENT; TRANSFER

Section 9.01 Assignment and Transfer to Third Party Developers. The Parties hereby acknowledge that the City and the Master Developer will assign portions of this Agreement to multiple Third Party Developers for development of the various Project Components. Prior to transfer of any rights, duties or obligations under this Agreement to any Third Party Developer, such Third Party Developer shall be required to execute a Transferee Agreement, which shall contain terms mutually agreeable to the City and the Master Developer based upon the recommendation of the City's Underwriter, bond counsel, or financial advisors. The City reserves the right to have its independent financial advisor review the financial qualifications and capabilities of any proposed Third Party Developer, and such financial advisor shall be entitled to request, receive, and review information providing evidence of the proposed Third Party Developer's ability to finance the relevant Project Component for the purpose of determining and advising the City regarding the proposed Third Party Developer's financial qualifications and capabilities. To the extent allowed by Applicable Laws and Requirements, the City shall maintain the confidentiality of such information and shall not disclose the same to the public. The City and the Master Developer acknowledge that the form of Transferee Agreement shall be addressed in a supplemental agreement between the City and the Master Developer, to be executed prior to the execution of a Transferee Agreement for the Hotel Project, which will serve as a template document subject to modification as specific circumstances warrant.

Section 9.02 Assignment and Transfer by City and Master Developer. City may transfer all or any portion of its rights, duties or obligations under this Agreement to any other party only with written consent from the Master Developer, not to be unreasonably withheld. Master Developer may assign all or any portion of its rights, duties or obligations under this Agreement to any other party only with written consent from the City, not to be unreasonably withheld.

Section 9.03 Assignment and Transfer by any Third Party Developer.

A. Following assignment of all or a portion of this Agreement to any Third Party Developer under this Section, such Third Party Developer may not transfer all or any portion of its rights, duties or obligations under this Agreement to any other party prior to obtaining a Certificate of Completion for such Third Party Developer's portion of the Project without written consent from the City and Master Developer.

B. Following receipt of a Certificate of Completion by any Third Party Developer for its portion of the Project, such Third Party Developer may freely assign its rights, duties and obligations under this Agreement to any third party with the requisite financial qualifications and capabilities to perform such rights, duties and obligations. A Third Party Developer must provide sixty (60) days' prior notice to the City and Master Developer of any proposed assignment of its rights, duties and obligations under this Agreement during which the City may conduct the financial qualifications and capabilities review process as provided in Section 9.01. If following expiration of such sixty (60) day period the City or Master Developer has not

objected to the proposed third party assignee pursuant to the terms of this Section, such Third Party Developer may transfer its rights, duties and obligations under this Agreement to such third party assignee, so long as such third party assignee expressly acknowledges in a written agreement with such Third Party Developer that the third party assignee is assuming all rights, duties, obligations, conditions and restrictions of such Third Party Developer hereunder for the benefit of the City and Master Developer. Following execution of such an agreement, the Third Party Developer shall be released from such rights, duties, obligations, conditions and restrictions contained herein which it has transferred to such third party assignee.

C. Notwithstanding the provisions of Section 9.03.A., nothing herein shall prohibit (or require City approval to allow) any Third Party Developer from forming additional development or ownership entities to replace or joint venture with such Third Party Developer for the purpose of business and/or income tax planning; provided that each such entity is an Affiliate of the original Third Party Developer that executed the subject Transferee Agreement. Such replacement or joint venture shall not release the original Third Party Developer from any obligations unless (i) the original Third Party Developer notifies the City of such replacement or joint venture in writing, and (ii) the City determines that such replacement or joint venture possesses the capabilities and financial qualifications to perform such obligations, which determination shall not be unreasonably withheld by the City based on the financial qualifications and capabilities review process as provided in Section 9.01.

D. Notwithstanding the provisions of Section 9.03.A., for purposes of securing construction or permanent financing for a Project Component, any Third Party Developer may, without the City's consent, assign or pledge to a financial institution providing such financing its rights under this Agreement, including the right to receive reimbursement for Eligible Costs incurred, but such Third Party Developer shall provide City with notice of any such assignment or pledge and include with such notice an acknowledgement by the lender that it has received a copy of this Agreement and reviewed the provisions of this Section regarding the restrictions on assignment. Such assignment or pledge shall remain subject to the terms, provisions and conditions of this Agreement, and such assignment will not release the Third Party Developer from any obligations unless the Third Party Developer is released by the City in writing.

E. Notwithstanding the provisions of Section 9.03.A., any Third Party Developer may, without the City's consent, assign or pledge its rights under this Agreement to any Affiliate of the original Third Party Developer that executed a Transferee Agreement, upon written notice to the City of any such assignment or pledge. Such assignment or pledge shall remain subject to the terms, provisions and conditions of this Agreement, and such assignment will not release the original Third Party Developer from any obligations unless (i) the original Third Party Developer notifies the City of such assignment in writing, and (ii) the City determines that such assignee possesses the capabilities and financial qualifications to perform such obligations, which determination shall not be unreasonably withheld by the City based on the financial qualifications and capabilities review process as provided in Section 9.01.

F. Following receipt of a Certificate of Completion by any Third Party Developer for its portion of the Project, any review of an assignee's capabilities and financial qualifications by

the City pursuant to this Section 9.03 shall be limited to the assignee's capability to perform the requirements of Sections 7.01, 7.02, 7.03, and 7.04 of this Agreement.

ARTICLE X

GENERAL PROVISIONS

Section 10.01 Termination of the Project Plans and CID Districts. The City shall not terminate the Project Plans or CID Districts prior to the expiration of the respective term of each as stated herein, except as required by law, or with the consent of the Master Developer.

Section 10.02 Amendment. This Agreement, and any exhibits attached hereto, may be amended only by the mutual written consent of the City and the Master Developer and by the execution of said amendment by the Parties or their successors in interest. If any provision, covenant, agreement or portion of this Agreement, or its application to any person, entity or property, is held invalid, the Parties shall take such reasonable measures including, but not limited to, reasonable amendment of this Agreement to cure such invalidity where the invalidity contradicts the clear intent of the Parties in entering into this Agreement.

Section 10.03 Right of Access. For the purposes of assuring compliance with this Agreement, the City Representative shall have the right of access to the STAR Bond District, without charges or fees, during normal business hours for purposes related to this Agreement, including, but not limited to, the inspection of the work being performed in constructing any of the STAR Bond Uses.

Section 10.04 No Other Agreement. Except as otherwise expressly provided herein, this Agreement and all documents incorporated herein by reference supersede all prior agreements, negotiations and discussions, both written and oral, relative to the Project and is a full integration of the agreement of the Parties.

Section 10.05 Agreement Controls. The Parties agree that the STAR Bond Project Plan, TIF Project Plan and CID Petitions will be implemented as agreed in this Agreement. This Agreement specifies the rights, duties and obligations of the City, Master Developer and Third Party Developers with respect to constructing the Project, the payment of Project Costs and all other methods of implementing the STAR Bond Project Plan, TIF Project Plan and CID Petitions. The Parties further agree that this Agreement contains provisions that are in greater detail than as set forth in the STAR Bond Project Plan, TIF Project Plan and CID Petitions and that expand upon the detailed scope and timelines of the Project Components, estimated and anticipated sources and uses of funds to implement the STAR Bond Project Plan, TIF Project Plan and CID Petitions. Provided, however, nothing in this Agreement shall be deemed an amendment of the STAR Bond Project Plan, TIF Project Plan or CID Petitions.

Section 10.06 Severability. If any provision, covenant, agreement or portion of this Agreement, or its application to any person, entity or property, is held invalid or unenforceable in whole or in part, this Agreement shall be deemed amended to delete or modify, in whole or in part, if necessary, the invalid or unenforceable provision or provisions, or portions thereof, and

to alter the balance of this Agreement in order to render the same valid and enforceable. In no such event shall the validity or enforceability of the remaining valid portions hereof be affected.

Section 10.07 Notice. All notices and requests required pursuant to this Agreement shall be in writing and shall be sent as follows:

To the Master Developer:

Salina2020, Inc.
Attention: Trace Walker
500 Graves Boulevard
Salina, Kansas 67401
tracew@bluebeacon.com

With a copy to:

John Petersen
Robert Johnson
Polsinelli PC
6201 College Boulevard, Suite 500
Overland Park, Kansas 66211
jpetersen@polsinelli.com
rjohnson@polsinelli.com

To the City:

Jason Gage
City Manager
City of Salina, Kansas
City-County Building
300 W. Ash Street
Salina, KS 67401
jason.gage@salina.org

With a copy to:
Gary Anderson
Gilmore & Bell, P.C.
2405 Grand Boulevard, Suite 1100
Kansas City, Missouri 64108
ganderson@gilmorebell.com

With a copy to:
Greg Bengtson
Clark, Mize & Linville, Chartered
129 S. Eighth St.
Salina, Kansas 67401
gabengtson@cml-law.com

or at such other addresses as the Parties may indicate in writing to the other either by personal delivery, e-mail correspondence, courier, or by certified mail, return receipt requested, with proof of delivery thereof. Mailed notices shall be deemed effective on the third day after mailing; all other notices shall be effective when delivered.

Section 10.08 Time of Essence. Time is of the essence of this Agreement. The Parties will make every reasonable effort to expedite the subject matters hereof and acknowledge that the successful performance of this Agreement requires their continued cooperation.

Section 10.09 Required Disclosures. Each Party shall immediately notify the other Party of the occurrence of any material event which would cause any of the information furnished to other Party (by such furnishing Party) in connection with the matters covered in this Agreement to contain any untrue statement of any material fact or to omit to state any material fact required to be stated therein or necessary to make any statement made therein, in the light of the circumstances under which it was made, not misleading.

Section 10.10 Tax Implications. The Master Developer acknowledges and represents that (1) neither the City nor any of its officials, employees, consultants, attorneys or other agents has provided to the Master Developer any advice regarding the federal or state income tax implications or consequences of this Agreement and the transactions contemplated hereby, and (2) the Master Developer is relying solely upon its own tax advisors in this regard.

Section 10.11 Kansas Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Kansas.

Section 10.12 Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same Agreement.

Section 10.13 Recordation of Agreement. The Parties agree to execute and deliver a memorandum of this Agreement in proper form for recording in the real property records of Saline County, Kansas, upon the request of a Party.

Section 10.14 Consent or Approval. Except as otherwise provided in this Agreement, whenever consent or approval of either Party is required, such consent or approval shall not be unreasonably withheld.

Section 10.15 Survivorship. Notwithstanding the termination of this Agreement, the City's and Master Developer's obligations set out in Article II shall survive the termination of this Agreement to the extent that any incident giving rise to a claim, suit, judgment or demand occurred during the Term hereof.

Section 10.16 Incorporation of Exhibits. The Exhibits attached hereto and incorporated herein by reference are a part of this Agreement to the same extent as if fully set forth herein.

Section 10.17 Cash Basis and Budget Laws. The Parties acknowledge and agree that the ability of the City to enter into and perform certain financial obligations pursuant to this Agreement are subject to the K.S.A. 10-1101 *et seq*. and K.S.A. 79-2935 *et seq*.

Section 10.18 Non-Binding Mediation. If a dispute or controversy arises between the City or Master Developer under this Agreement, then either party may request non-binding mediation, and the City and Master Developer agree to participate, in good faith, in any such mediation requested by the other party. Any request for mediation pursuant to this section shall be made in writing and delivered to the other party within thirty (30) days of the action or decision giving rise to the dispute or controversy. The mediation shall occur in Salina, Kansas, and the cost of any such mediation shall be divided equally between the City and Master Developer.

Section 10.19 City's Regulatory Authority. Nothing in this Agreement shall be construed to limit the exercise by the City of its lawfully administered: (i) regulatory authority; or (ii) discretionary authority based on the sovereignty of the City.

Section 10.20 Equal Opportunity.

A. In conformity with the Kansas act against discrimination and Chapter 13 of the Salina Code, the Master Developer agrees that:

1. The Master Developer shall observe the provisions of the Kansas act against discrimination and Chapter 13 of the Salina Code and in doing so shall not discriminate against any person in the performance of work under this Agreement because of race, sex, religion, age, color, national origin, ancestry or disability;

2. The Master Developer shall include in all solicitations, or advertisements for employees, the phrase "equal opportunity employer," or a similar phrase to be approved by the City's human relations director;

3. If the Master Developer fails to comply with the manner in which the Master Developer reports to the Kansas human rights commission in accordance with the provisions of K.S.A. 44-1031 and amendments thereto, the Master Developer shall be deemed to have breached this Agreement and it may be canceled, terminated or suspended, in whole or in part, by the City;

4. If the Master Developer is found guilty of a violation of Chapter 13 of the Salina Code or the Kansas act against discrimination under a decision or order of the Salina human relations commission or the Kansas human rights commission which has become final, the Master Developer shall be deemed to have breached this Agreement and it may be canceled, terminated or suspended, in whole or in part, by the City;

5. The Master Developer shall not discriminate against any employee or applicant for employment in the performance of this Agreement because of race, sex, religion, age, color, national origin, ancestry or disability; and

6. The Master Developer shall include similar provisions in any subcontract under this Agreement.

[Signatures on Following Pages]

IN WITNESS WHEREOF, the City and the Master Developer have duly executed this Agreement pursuant to all requisite authorizations as of the date first above written.

CITY OF SALINA, KANSAS

Kaye J. Crawford, Mayor

[SEAL]

ATTEST:

Shandi Wicks, CMC, City Clerk

APPROVED AS TO FORM:

Greg A. Bengtson, City Attorney

STATE OF KANSAS)
) ss.
COUNTY OF SALINA)

Appeared before me today, this 28th day of March, 2017, Kaye J. Crawford, personally known to me and after first being sworn did state that he is the Mayor of the City of Salina, State of Kansas, and that the seal affixed to the foregoing instrument is the official Seal of the City of Salina, and that said instrument was signed and sealed on behalf of the City, and that the matters set forth herein are true and correct to the best of his and the City's knowledge, information and belief, and acknowledge that he executed the same on behalf of the City as its free act and deed.

Notary Public

My Commission Expires: 10/8/2018

CYNTHIA S. WOLFF
Notary Public - State of Kansas
My Appt. Expires 10-8-2018

51496748.14

MASTER DEVELOPER:

SALINA2020, INC.,
a Kansas corporation

By: _____
Trace Walker, Sec/Treas

STATE OF KANSAS)
) ss.
COUNTY OF Saline)

On this 22nd day of March, 2017, before me personally appeared Trace Walker, to me personally known, who being by me duly sworn did say that he is the Secr./Treas. of Salina2020, Inc., and that said instrument was signed and delivered on behalf of said corporation and acknowledged to me that he executed the same as the free act and deed of said corporation.

In Testimony Whereof, I have hereunto set my hand and affixed my official seal the day and year first above written.

Andra Kay Erdner
NOTARY PUBLIC

My Commission Expires:

2-4-2019

[SEAL]

ANDRA KAY ERDNER
Notary Public - State of Kansas
My Appt. Expires 2-4-2019

51496748.14

Exhibit A – May 8, 2015 Letter from Secretary of Commerce

[See Attached]

Legal Section
1000 S.W. Jackson St., Suite 100
Topeka, KS 66612-1354

Kansas
Department of Commerce

Phone: (785) 296-1913
Fax: (785) 296-6809 TTY: 711
legal@kansascommerce.com
KansasCommerce.com

Pat George, Secretary

Sam Brownback, Governor

May 8, 2015

Jason Gage
City Manager
300 West Ash
P.O. Box 736
Salina, KS 67402-0736

RE: Salina STAR Bond Project District

Dear Mr. Gage:

Thank you for your letter dated May 13, 2015, in which Salina requests the Secretary of Commerce, pursuant to K.S.A. 12-17,160 *et seq.* as amended (the "Act"), take action to find and determine that the Salina STAR Bond Project District is "a major commercial entertainment and tourism area" and thus an "eligible area" within the meaning of K.S.A. 12-17,165. In your request, the Project District is a single project area in the downtown area of Salina as more fully described in Exhibit B to Resolution No. 15-7193 included with your correspondence. The development currently being contemplated in the Project District consists of a mixed-use development consisting of: major multi-sport athletic complex, museum facilities; retail uses; restaurant uses; other general commercial development; hotel uses; residential uses; office uses; associated public and private infrastructure; and other items allowable under K.S.A. 12-17,160 *et seq*. The STAR bond Project District may ultimately consist of multiple STAR bond project areas as delineated in one or more STAR bond project plans to be approved for property within the STAR bond project district. These components will complement other recent development in the area.

Your request indicates the total cost of the Project will be approximately $122 million and the primary attractions will be the Fieldhouse, designed for indoor basketball, volleyball, wrestling, gymnastics and cheerleading, the Stiefel Theater and a vintage car museum. The Project also includes up to several hundred thousand square feet of retail and entertainment venues. The Developer has estimated the construction phase of the District will result in 839 direct and indirect jobs with payroll of $40 million and economic impact of $134 million. The Fieldhouse is estimated to draw over 90,000 visitors on an annual basis, many of whom will come from outside the State of Kansas.

Based on all the above, it is my determination that the proposed Salina STAR Bond Project District is a major commercial entertainment and tourism area and an "eligible area," for the purpose of establishing a STAR Bond Project District as contemplated by K.S.A. 12-17,165.

This approval and designation of the proposed Project District as an "eligible area" should not be construed as approval of any particular STAR Bond Project or Project Plan and is limited to a finding that the proposed Project District constitutes an "eligible area" under the Act as a condition precedent to the city passing an ordinance creating a STAR Bond Project District. Commerce will require additional information prior to being in a position to evaluate the Project for STAR bond financing and determining the appropriate level of STAR bond funding. It is my expectation the City will submit a proposed STAR Bond Project Plan within 90 days from the date of this approval.

The Department of Commerce and I look forward to working with Salina as this project continues through the STAR bond process.

Sincerely,

Pat George

Pat George
Secretary of Commerce

Exhibit B – Ordinance No. 15-10775

[See Attached]

Consolidated-Salina EPN111155

(Published in *The Salina Journal* on June 5, 2015)

ORDINANCE NO. 15-10775

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF SALINA, KANSAS, ESTABLISHING A STAR BOND PROJECT DISTRICT WITHIN THE CITY AND MAKING CERTAIN FINDINGS IN CONJUNCTION THEREWITH

WHEREAS, the state of Kansas (the "State") desires to promote, stimulate and develop the general and economic welfare of the State and its communities and to assist in the development and redevelopment of eligible areas within a city or county, thereby promoting the general welfare of the citizens of the State, by authorizing cities and counties to acquire certain property and to issue sales tax and revenue (STAR) bonds for the financing of STAR bond projects pursuant to the provisions of K.S.A. 12-17,160 *et seq.*, as amended (the "Act"); and

WHEREAS, pursuant to the Act the City of Salina, Kansas (the "City") is authorized to establish STAR bond project districts within eligible areas of the City, as said terms are defined in the Act, to approve STAR bond project district plans for the completion of STAR bond projects within such STAR bond project district, and to finance STAR bond project costs from the incremental increase in state and local sales revenues derived from the STAR bond project district, other revenues described in the Act, or a combination thereof or from the proceeds of special obligation tax increment bonds of the City payable from such described revenues; and

WHEREAS, prior to the creation of any STAR bond project district the governing body of the City must adopt a resolution stating that the City is considering the establishing of a STAR bond project district, which resolution shall: (1) Give notice that a public hearing will be held to consider the establishment of a STAR bond project district and fix the date, hour and place of such public hearing, which public hearing shall be held not less than 30 nor more than 70 days following adoption of such resolution, (2) describe the proposed boundaries of the STAR bond project district, (3) describe the proposed STAR bond project district plan, (4) state that a description and map of the proposed STAR bond project district are available for inspection at a time and place designated, and (5) state that the governing body will consider findings necessary for the establishment of a STAR bond project district; and

WHEREAS, notice of such public hearing shall be given by mailing a copy of the resolution calling the public hearing via certified mail, return receipt requested, to the board of county commissioners of the county, the board of education of any school district levying taxes on property within the proposed STAR bond project district, and to each owner and occupant of land within the proposed STAR bond project district not more than 10 days following the date of the adoption of such resolution and by publishing a copy of such resolution once in the official City newspaper not less than one week or more than two weeks preceding the date fixed for the public hearing, which publication shall include a sketch clearly delineating the area in sufficient detail to advise the reader of the particular land proposed to be included within the STAR bond project area; and

WHEREAS, upon the conclusion of such public hearing and a finding by the Secretary of Commerce that the STAR bond project district is an "eligible area" under the Act, the governing body may pass an ordinance which shall: (1) make findings that the STAR bond project district proposed to be developed is a STAR bond project under the Act, (2) contain the STAR bond project district plan as

Consolidated-Salina, EPN111155

approved, (3) contain the legal description of the STAR bond project district, and (4) may establish the STAR bond project district; and

WHEREAS, no privately owned property subject to ad valorem taxes shall be acquired and redeveloped under the provisions of the Act, if the board of county commissioners or the board of education levying taxes on such property determines by resolution adopted within 30 days following the conclusion of the hearing for the establishment of the STAR bond project district that the proposed STAR bond project district will have an adverse effect on such county or school district; and

WHEREAS, upon the creation of a STAR bond project district pursuant to the Act, the City may propose to undertake one or more STAR bond projects and shall prepare a STAR bond project plan, which may be implemented in separate development stages, in consultation with the City's planning commission; and

WHEREAS, the City Commission has heretofore adopted Resolution No. 15-7193 on March 30, 2015, which made a finding that the City is considering the establishment of a STAR bond project district pursuant to the Act, set forth the boundaries of the proposed STAR bond project district, provided a summary of the proposed STAR bond project district plan, called a public hearing concerning the establishment of a STAR bond project district for May 18, 2015 and provided for notice of such public hearing as provided in the Act; and

WHEREAS, on May 18, 2015, the Secretary of Commerce made a finding that the proposed STAR bond project district is an "eligible area" under the Act as a "major commercial entertainment and tourism area" as defined in the Act; and

WHEREAS, a public hearing was held this date, after due published, delivered and mailed notice in accordance with the provisions of the Act; and

WHEREAS, upon and considering the information and public comments received at the public hearing conducted this date, the City Commission hereby deems it advisable to make certain findings and to create the STAR bond project district.

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

Section 1. Findings. The City Commission hereby finds that due notice of the public hearing conducted on May 18, 2015 was made in accordance with the provisions of the Act. The City Commission further finds that the proposed STAR bond project district is a "STAR bond project" as a "major commercial entertainment and tourism area" as those terms are defined in the Act.

Section 2. Creation of STAR Bond Project District. A STAR bond project district is hereby created within the City in accordance with the provisions of the Act (the "STAR Bond Project District"). The STAR Bond Project District is comprised of one project area.

A map depicting the boundaries of the STAR Bond Project District is attached hereto as ***Exhibit A***, which is incorporated herein by reference and legally described on ***Exhibit B***. The boundaries of the STAR Bond Project District do not contain any property not referenced in Resolution No. 15-7153, which provided notice of the public hearing on the creation of the STAR Bond Project District.

Section 3. STAR Bond Project District Plan. The proposed district plan for the STAR Bond Project District (the "District Plan") is hereby approved. The buildings and facilities to be constructed or improved in the STAR Bond Project District may be described in a general manner as follows:

Consolidated-Salina EPN111155

A mixed-use development consisting of some or all of the following uses: major multi-sport athletic complex, museum facilities; an historic theater; retail uses; restaurant uses; other general commercial development; hotel uses; residential uses; office uses; associated public and private infrastructure; and other items allowable under K.S.A. 12-17, 160 *et seq.* The STAR bond project district may consist of multiple STAR bond project areas as delineated in one or more STAR bond project plans to be approved for property within the STAR bond project district.

Section 4. Approval of Other Governmental Units. No privately owned property subject to ad valorem taxation within the STAR Bond Project District shall be acquired and redeveloped pursuant to the Act, if the Board of County Commissioners of Saline County, Kansas or the Board of Education of Unified School District No. 305 determines by resolution adopted within thirty days following the public hearing held this date, that the STAR Bond Project District will have an adverse effect on Saline County or Unified School District No. 305, respectively. As of this date, the City has not received a copy of any such resolution and is not aware of the adoption of any such resolution by the governing body of Saline County or Unified School District No. 305.

Section 5. Reimbursement. The Act authorizes the issuance by the City of bonds to finance all or a portion of the costs of implementing the District Plan. Said bonds may be issued to reimburse expenditures made on or after the date which is 60 days before the date of passage of this Ordinance, pursuant to Treasury Regulation §1.150-2 in the maximum principal amount of $1,000,000.

Section 6. Further Action. The Mayor, City Manager, City Clerk and other officials and employees of the City, including the City Attorney, City consultants, and Gilmore & Bell, P.C., Bond Counsel, are hereby further authorized and directed to take such other actions as may be appropriate or desirable to accomplish the purposes of this Ordinance.

Section 7. Effective Date. This Ordinance shall be effective upon its passage by two-thirds of the City Commission and publication one time in the official City newspaper.

PASSED by the City Commission of the City of Salina, Kansas on June 1, 2015 and **APPROVED AND SIGNED** by the Mayor.

Introduced: May 18, 2015
Passed: June 1, 2015

Joe R. Blanchard, Mayor

[SEAL]
ATTEST:

Shandi Wicks, CMC, City Clerk

STAR Bond District Boundary
City of Salina
Exhibit A
Santa Fe
Walnut
Mulberry
Iron
Ash
Elm
Oakdale
Front
Second
Third
Fourth
Fifth
Seventh
Eighth
Ninth
Tenth
South
Johnstown
Gypsum
Park
Oakdale
Dr
Pl
Av
St
N
S
E
W

LIMITS OF THE STAR BOND DISTRICT – CITY OF SALINA:

A TRACT OF LAND LOCATED IN ORIGINAL TOWN, SURVEYOR'S PLAT J, HOLLAND'S ADDITION, AND SRHC SUBDIVISION, ALL IN THE CITY OF SALINA, SALINE COUNTY, KANSAS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF LOT 10 ON ELM STREET, ORIGINAL TOWN, (NOW CITY) OF SALINA, SAID POINT BEING THE INTERSECTION OF THE EAST RIGHT-OF-WAY LINE OF 3RD STREET AND THE NORTH RIGHT-OF-WAY LINE OF ELM STREET;

THENCE SOUTH ON SAID EAST RIGHT-OF-WAY LINE OF 3RD STREET, A DISTANCE OF 830 FEET TO THE SOUTHWEST CORNER OF LOT 77 ON 3RD STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID EAST RIGHT-OF-WAY LINE AND THE NORTH RIGHT-OF-WAY LINE OF ASH STREET;

THENCE EAST ON SAID NORTH RIGHT-OF-WAY LINE OF ASH STREET, A DISTANCE OF 580 FEET TO THE SOUTHEAST CORNER OF LOT 39 ON FRONT STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID NORTH RIGHT-OF-WAY LINE AND THE WEST RIGHT-OF-WAY OF FRONT STREET, AS PLATTED IN SAID ORIGINAL TOWN;

THENCE SOUTH ON SAID WEST RIGHT-OF-WAY LINE OF FRONT STREET, A DISTANCE OF 1760 FEET TO THE NORTHEAST CORNER OF LOT 69 ON FRONT STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID WEST RIGHT-OF-WAY LINE AND THE SOUTH RIGHT-OF-WAY LINE OF WALNUT STREET;

THENCE WEST ON SAID SOUTH RIGHT-OF-WAY LINE OF WALNUT STREET, A DISTANCE OF 330 FEET TO THE NORTHEAST CORNER OF LOT 1, ON WALNUT STREET, SAIO ORIGINAL TOWN, 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 830 FEET TO THE NORTHEAST CORNER OF LOT 8, SAID SURVEYOR'S PLAT J, SAID POINT BEING THE INTERSECTION OF SAID WEST RIGHT-OF-WAY LINE AND THE SOUTH RIGHT-OF-WAY LINE OF MULBERRY STREET;

THENCE WEST ON SAID SOUTH RIGHT-OF-WAY LINE OF MULBERRY STREET, A DISTANCE OF 660 FEET TO THE NORTHEAST CORNER OF LOT 170 ON 4TH STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID SOUTH RIGHT-OF-WAY LINE AND THE WEST RIGHT-OF-WAY LINE OF 4TH STREET;

THENCE SOUTH ON SAID WEST RIGHT-OF-WAY LINE OF 4TH STREET, A DISTANCE OF 580 FEET TO THE NORTHEAST CORNER OF LOT 1, ON 4TH STREET, SAID HOLLAND'S ADDITION, SAID POINT BEING THE INTERSECTION OF SAID WEST RIGHT-OF-WAY LINE AND THE SOUTH RIGHT-OF-WAY LINE OF SOUTH STREET;

THENCE WEST ON SAID SOUTH RIGHT-OF-WAY LINE OF SOUTH STREET, A DISTANCE OF 935.44 FEET TO THE INTERSECTION OF SAID SOUTH RIGHT-OF-WAY LINE AND THE EAST RIGHT-OF-WAY LINE OF 7TH STREET;

THENCE NORTH ON SAID EAST RIGHT-OF-WAY LINE OF 7TH STREET, A DISTANCE OF 1410 FEET TO THE NORTHWEST CORNER OF LOT 139 ON 7TH STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID EAST RIGHT-OF-WAY LINE AND THE SOUTH RIGHT-OF-WAY LINE OF WALNUT STREET;

THENCE WEST ON SAID SOUTH RIGHT OF WAY LINE OF WALNUT STREET, A DISTANCE OF 210 FEET TO THE INTERSECTION OF SAID SOUTH RIGHT-OF-WAY LINE, AND THE WEST LINE OF A 10 FOOT ALLEY BETWEEN 7TH STREET AND 8TH STREET, SAID ORIGINAL TOWN;

THENCE NORTH ON SAID WEST LINE OF A 10 FOOT ALLEY, A DISTANCE OF 280 FEET TO THE SOUTHEAST CORNER OF LOT 129 ON 8TH STREET, SAID ORIGINAL TOWN;

REVISED PER CITY COMMENTS
5-13-15, LRR

REVISED PER CLIENT COMMENTS.
3-12-15, LRR

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

KAW VALLEY ENGINEERING

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THENCE WEST ON THE SOUTH LINE OF SAID LOT 129, A DISTANCE OF 120 FEET TO THE SOUTHWEST CORNER OF SAID LOT 129 ON 8TH STREET, SAID POINT BEING ON THE EAST RIGHT-OF-WAY LINE OF 8TH STREET;

THENCE NORTH ON SAID EAST RIGHT-OF-WAY LINE OF 8TH STREET, A DISTANCE OF 650 FEET TO THE SOUTHWEST CORNER OF LOT 107 ON 8TH STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID EAST RIGHT-OF-WAY LINE AND THE NORTH RIGHT-OF-WAY LINE OF IRON STREET;

THENCE EAST ON THE SOUTH LINE OF SAID LOT 107, A DISTANCE OF 120 FEET TO THE SOUTHEAST CORNER OF SAID LOT 107, SAID POINT BEING ON THE WEST LINE OF A 10 FOOT ALLEY BETWEEN 7TH STREET AND 8TH STREET, SAID ORIGINAL TOWN;

THENCE NORTH ON SAID WEST LINE OF A 10 ALLEY, A DISTANCE OF 432.5 FEET TO THE SOUTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN DEED BOOK 229, PAGE 381 IN THE OFFICE OF THE SALINE COUNTY REGISTER OF DEEDS;

THENCE WEST ON THE SOUTH LINE OF SAID DESCRIBED TRACT, A DISTANCE OF 120 FEET TO THE SOUTHWEST CORNER OF SAID DESCRIBED TRACT, SAID POINT BEING ON SAID EAST RIGHT-OF-WAY LINE OF 8TH STREET;

THENCE NORTH ON SAID EAST RIGHT-OF-WAY LINE OF 8TH STREET, A DISTANCE OF 397.5 FEET TO THE SOUTHWEST CORNER OF LOT 77 ON 8TH STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID EAST RIGHT-OF-WAY LINE AND THE NORTH RIGHT-OF-WAY LINE OF ASH STREET;

THENCE EAST ON SAID NORTH RIGHT-OF-WAY LINE OF ASH STREET, A DISTANCE OF 330 FEET TO THE SOUTHWEST CORNER OF LOT 77 ON 7TH STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID NORTH RIGHT-OF-WAY LINE AND SAID EAST RIGHT-OF-WAY LINE OF 7TH STREET;

THENCE NORTH ON SAID EAST RIGHT-OF-WAY LINE OF 7TH STREET, A DISTANCE OF 830 FEET TO THE SOUTHWEST CORNER OF LOT 47 ON 7TH STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID EAST RIGHT-OF-WAY LINE AND THE NORTH RIGHT-OF-WAY LINE OF ELM STREET;

THENCE EAST ON SAID NORTH RIGHT-OF-WAY LINE OF ELM STREET, A DISTANCE OF 1340 FEET TO THE POINT OF BEGINNING.

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3-12-15, LRR

E15S1183 FEB. 19, 2015
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Exhibit C – January 5, 2017 Letter from Secretary of Commerce

[See Attached]

1000 S.W. Jackson St., Suite 100
Topeka, KS 66612-1354

Antonio J. Soave, Secretary

Kansas
Department of Commerce

Phone: (785) 296-3481
Fax: (785) 296-5055 TTY: 711
KansasCommerce.com

Sam Brownback, Governor

January 5, 2017

Honorable Mayor Kaye Crawford
City of Salina
300 W. Ash Street
Salina, KS 67401

RE: Salina STAR Bond Application

Dear Mayor Crawford:

Thank you for Salina's (City) STAR Bond Project Plan formally submitted on or about June 21, 2016, the supplemental information and Development Agreement submitted December 27, 2016. After having reviewed the Project Plan, and pursuant to K.S.A. 12-17,160 *et seq.*, I take the following actions:

(1) find and determine that the Salina STAR Bond Project District is a major commercial entertainment and tourism area and a museum facility and is an "eligible area" within the meaning of K.S.A. 12-17,162(f);

(2) approve and designate the Salina STAR Bond Project District as a "STAR bond project" within the meaning of K.S.A. 12-17,162(w); and

(3) approve the issuance of up to $19,100,000 (exclusive of approved financing costs) in STAR Bond financing for the Salina STAR Bond Project.

In considering whether an area proposed for a project constitutes a "major commercial entertainment and tourism area" and therefore an "eligible area" within the meaning of the Act, I evaluated the project which includes a multi-sport athletic facility (Fieldhouse), automotive museum, renovation and expansion of the historic Stiefel Theater, family entertainment center, hotel, conference center and other mixed use development. I also considered the projected visitation, economic impact, city and developer investment commitment, uniqueness of the project, prospects for long-term profitability, significance as a travel destination, integration and collaboration with other resources or businesses, the quality of the service or experience to be provided and project feasibility.

The STAR Bond Project District for the proposed Salina Project is identified as an area within the Salina city limits, more fully described in Ordinance No. 15-10775, adopted by the Salina City Council. The development contemplated for the project area will be approximately 157 acres generally comprising downtown Salina. The project will include a 67,000 square foot Fieldhouse with venues for basketball, volleyball and other court sports; an approximately 31,000 square feet automotive themed visitor experience with an impressive rotation of restored antique and vintage

cars, and exhibits with interactive and participatory programming. The Project also includes a large family entertainment center, 114 room Hilton Hotel and other mixed use development.

The proposed financial structure includes $19,100,000 of net STAR Bond financing, which is approximately 12 percent of the $150,000,000 in total project costs for the development. Salina has satisfied the Commerce policy that STAR bond applicants pledge all available sales tax revenue generated within the STAR Bond Project District to repay STAR bonds used for the project as well as 100% of its share of county sales tax. The developer and City are investing approximately $130,000,000 in the Project, which represents a true public/private partnership benefiting the region and the state.

The Feasibility Study submitted by the City reflects that the Project is a unique travel destination that will attract visitors from throughout the region and country. The Project is projected to bring approximately 488,000 new visitors to Salina annually. The Feasibility Study further demonstrates that the Project will generate significantly more sales tax revenue over the life of the bonds than is necessary to support the $19,100,000 STAR bond issue. The total economic impact of businesses in the District and their employees on the area economy is substantial, including over 371 full-time equivalent jobs with over $12,500,000 million in annual payroll.

Based on all of the above, it is my determination that the Salina Project constitutes a major commercial entertainment and tourism area, and is therefore an "eligible area" within the meaning of the Act. The Salina Project District is hereby designated a "STAR bond project" within the meaning of the Act. I further approve the issuance of up to $19,100,000 of STAR bonds (exclusive of approved financing costs) to finance the Project as submitted in the STAR Bond Application and Project Plan, provided that: 1) the City takes all lawfully required actions to implement the STAR Bond Project Plan; 2) STAR bonds shall be used only to finance eligible project costs necessary to implement the STAR Bond Project Plan; 3) the city implements the approved "Sources and Uses" allocation and budget and Commerce approves a final line-item budget for the $19,100,000 of STAR bonds; 4) all financing costs and real estate acquisition expenses to be financed with STAR bond proceeds must be approved prior to payment; 5) disposition of any bond proceeds related to any Cost Contingency as set forth in the Project Plan and Budget shall be subject to my prior approval; 6) the City enter into binding development agreements, subject to my approval, to fund and build the private project components; 7) the City commits to pledging, a) all available City sales tax, b) the City's share of county sales tax generated within the STAR Bond District and c) all transient guest tax revenue generated within the District; 8) the expenditure of STAR Bond proceeds shall at all times be less than 50% of the total funds invested in the Project; and 9) the terms and conditions of the STAR bonds be submitted for approval prior to issuance.

We look forward to working with you on this exciting project.

Sincerely,

Antonio J. Soave
Secretary of Commerce

Exhibit D – Ordinance No. 16-10856 Adopting a STAR Bond Project Plan

[See Attached]

(Published on the City of Salina's website for a minimum of one week from February 1-15 ,2017.)

Consolidated-Salina EPN111155

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.

Consolidated-Salina EPN111155

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

Consolidated:Salina EPN111155

EXHIBIT A

MAP OF STAR BOND PROJECT DISTRICT

[See attached]

STAR Bond District Boundary
Exhibit A
City of Salina
Santa Fe
Seventh
Eighth
Ninth
Tenth
South
Mulberry
Walnut
Fifth
Fourth
Third
Second
Front
Iron
Ash
Elm
Oakdale
Johnstown
Gypsum
Park
Pl
Dr
Av
St
N
W
E
S

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EXHIBIT B

Legal Description

[See attached]

LIMITS OF THE STAR BOND DISTRICT – CITY OF SALINA:

A TRACT OF LAND LOCATED IN ORIGINAL TOWN, SURVEYOR'S PLAT J, HOLLAND'S ADDITION, AND SRHC SUBDIVISION, ALL IN THE CITY OF SALINA, SALINE COUNTY, KANSAS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF LOT 10 ON ELM STREET, ORIGINAL TOWN, (NOW CITY) OF SALINA, SAID POINT BEING THE INTERSECTION OF THE EAST RIGHT-OF-WAY LINE OF 3RD STREET AND THE NORTH RIGHT-OF-WAY LINE OF ELM STREET;

THENCE SOUTH ON SAID EAST RIGHT-OF-WAY LINE OF 3RD STREET, A DISTANCE OF 830 FEET TO THE SOUTHWEST CORNER OF LOT 77 ON 3RD STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID EAST RIGHT-OF-WAY LINE AND THE NORTH RIGHT-OF-WAY LINE OF ASH STREET;

THENCE EAST ON SAID NORTH RIGHT-OF-WAY LINE OF ASH STREET, A DISTANCE OF 580 FEET TO THE SOUTHEAST CORNER OF LOT 39 ON FRONT STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID NORTH RIGHT-OF-WAY LINE AND THE WEST RIGHT-OF-WAY OF FRONT STREET, AS PLATTED IN SAID ORIGINAL TOWN;

THENCE SOUTH ON SAID WEST RIGHT-OF-WAY LINE OF FRONT STREET, A DISTANCE OF 1760 FEET TO THE NORTHEAST CORNER OF LOT 69 ON FRONT STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID WEST RIGHT-OF-WAY LINE AND THE SOUTH RIGHT-OF-WAY LINE OF WALNUT STREET;

THENCE WEST ON SAID SOUTH RIGHT-OF-WAY LINE OF WALNUT STREET, A DISTANCE OF 330 FEET TO THE NORTHEAST CORNER OF LOT 1, ON WALNUT STREET, SAID ORIGINAL TOWN, 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 830 FEET TO THE NORTHEAST CORNER OF LOT 8, SAID SURVEYOR'S PLAT J, SAID POINT BEING THE INTERSECTION OF SAID WEST RIGHT-OF-WAY LINE AND THE SOUTH RIGHT-OF-WAY LINE OF MULBERRY STREET;

THENCE WEST ON SAID SOUTH RIGHT-OF-WAY LINE OF MULBERRY STREET, A DISTANCE OF 660 FEET TO THE NORTHEAST CORNER OF LOT 170 ON 4TH STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID SOUTH RIGHT-OF-WAY LINE AND THE WEST RIGHT-OF-WAY LINE OF 4TH STREET;

THENCE SOUTH ON SAID WEST RIGHT-OF-WAY LINE OF 4TH STREET, A DISTANCE OF 580 FEET TO THE NORTHEAST CORNER OF LOT 1, ON 4TH STREET, SAID HOLLAND'S ADDITION, SAID POINT BEING THE INTERSECTION OF SAID WEST RIGHT-OF-WAY LINE AND THE SOUTH RIGHT-OF-WAY LINE OF SOUTH STREET;

THENCE WEST ON SAID SOUTH RIGHT-OF-WAY LINE OF SOUTH STREET, A DISTANCE OF 935.44 FEET TO THE INTERSECTION OF SAID SOUTH RIGHT-OF-WAY LINE AND THE EAST RIGHT-OF-WAY LINE OF 7TH STREET;

THENCE NORTH ON SAID EAST RIGHT-OF-WAY LINE OF 7TH STREET, A DISTANCE OF 1410 FEET TO THE NORTHWEST CORNER OF LOT 139 ON 7TH STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID EAST RIGHT-OF-WAY LINE AND THE SOUTH RIGHT-OF-WAY LINE OF WALNUT STREET;

THENCE WEST ON SAID SOUTH RIGHT OF WAY LINE OF WALNUT STREET, A DISTANCE OF 210 FEET TO THE INTERSECTION OF SAID SOUTH RIGHT-OF-WAY LINE, AND THE WEST LINE OF A 10 FOOT ALLEY BETWEEN 7TH STREET AND 8TH STREET, SAID ORIGINAL TOWN;

THENCE NORTH ON SAID WEST LINE OF A 10 FOOT ALLEY, A DISTANCE OF 280 FEET TO THE SOUTHEAST CORNER OF LOT 129 ON 8TH STREET, SAID ORIGINAL TOWN;

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3-12-15, LRR

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THENCE NORTH ON SAID EAST RIGHT-OF-WAY LINE OF 8TH STREET, A DISTANCE OF 650 FEET TO THE SOUTHWEST CORNER OF LOT 107 ON 8TH STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID EAST RIGHT-OF-WAY LINE AND THE NORTH RIGHT-OF-WAY LINE OF IRON STREET;

THENCE EAST ON THE SOUTH LINE OF SAID LOT 107, A DISTANCE OF 120 FEET TO THE SOUTHEAST CORNER OF SAID LOT 107, SAID POINT BEING ON THE WEST LINE OF A 10 FOOT ALLEY BETWEEN 7TH STREET AND 8TH STREET, SAID ORIGINAL TOWN;

THENCE NORTH ON SAID WEST LINE OF A 10 ALLEY, A DISTANCE OF 432.5 FEET TO THE SOUTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN DEED BOOK 229, PAGE 381 IN THE OFFICE OF THE SALINE COUNTY REGISTER OF DEEDS;

THENCE WEST ON THE SOUTH LINE OF SAID DESCRIBED TRACT, A DISTANCE OF 120 FEET TO THE SOUTHWEST CORNER OF SAID DESCRIBED TRACT, SAID POINT BEING ON SAID EAST RIGHT-OF-WAY LINE OF 8TH STREET;

THENCE NORTH ON SAID EAST RIGHT-OF-WAY LINE OF 8TH STREET, A DISTANCE OF 397.5 FEET TO THE SOUTHWEST CORNER OF LOT 77 ON 8TH STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID EAST RIGHT-OF-WAY LINE AND THE NORTH RIGHT-OF-WAY LINE OF ASH STREET;

THENCE EAST ON SAID NORTH RIGHT-OF-WAY LINE OF ASH STREET, A DISTANCE OF 330 FEET TO THE SOUTHWEST CORNER OF LOT 77 ON 7TH STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID NORTH RIGHT-OF-WAY LINE AND SAID EAST RIGHT-OF-WAY LINE OF 7TH STREET;

THENCE NORTH ON SAID EAST RIGHT-OF-WAY LINE OF 7TH STREET, A DISTANCE OF 830 FEET TO THE SOUTHWEST CORNER OF LOT 47 ON 7TH STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID EAST RIGHT-OF-WAY LINE AND THE NORTH RIGHT-OF-WAY LINE OF ELM STREET;

THENCE EAST ON SAID NORTH RIGHT-OF-WAY LINE OF ELM STREET, A DISTANCE OF 1340 FEET TO THE POINT OF BEGINNING.

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Exhibit E – STAR Bond Project Plan

[See Attached]

SALINA DOWNTOWN REVITALIZATION

STAR BOND PROJECT PLAN

SUBMITTED PURSUANT TO
THE STAR BONDS FINANCING ACT

SUBMITTED BY CITY OF SALINA
AND MASTER DEVELOPER OF RECORD —
SALINA2020, INC.

JUNE 21, 2016

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EXHIBITS

Exhibit A	Site Plans
Exhibit B	Ordinance No. 15-10775
Exhibit C	May 8, 2015 Letter from Kansas Department of Commerce
Exhibit D	Legal Description of STAR Bond Project District and Project Area
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Exhibit H	STAR Bond Project Plan Feasibility, Market and Market Impact Study
Exhibit I	STAR Bond Financing Proforma
Exhibit J	Meetings and Minutes

PROJECT DEVELOPMENT TEAM

City of Salina, Kansas

Salina2020, Inc.

Polsinelli PC

GetOnTrack, LLC

George K. Baum

Gilmore & Bell PC

Clark, Mize & Linville

Canyon Research Southwest, Inc.

Ochsner Hare & Hare

I. INTRODUCTION

A. THE PROJECT

The Salina Downtown Revitalization Project (the "Project") envisions the redevelopment of an approximately 157 acre district encompassing downtown Salina, Kansas (the "City"). This revitalization project is composed of a critical mass of mixed-use components including a 67,000 square foot multi-sport athletic facility (the "Fieldhouse"), an automotive museum (the "Car Museum"), renovation and expansion of the historic Stiefel Theater (the "Stiefel"), construction of new streetscape and infrastructure on downtown's "main street", Santa Fe Avenue, construction of a new 114-room Homewood Suites by Hilton all-suites hotel and conference space (the "Hotel"), construction of a 47,000 square foot family entertainment complex (the "Alley"), construction of a new location for the University of Kansas Medical School and development of new and refurbished retail and residential space throughout the downtown core.

The Project has been planned as a true community effort—the City has worked hand-in-hand with local business and development leaders, spearheaded by the special-purpose entity Salina 2020, Inc. (the "Master Developer"), to formulate a vision for a project that will make a significant and long-lasting impact upon the downtown Salina economy. The Project is a mixture of athletic, artistic, educational, and family entertainment attractions, combined with a new hotel, retail, residential and higher educational uses, and a downtown facelift to support those tourism drawing components. The Project attractions are anticipated to be constructed over a 3 to 4 year period with construction beginning in summer/fall 2016. Completion of the Project is planned to jump-start a perpetual progression of development and economic expansion downtown, capitalizing upon the national and regional trend of urban renewal. A preliminary site plan illustrating the location and scope of the Project components is attached as **Exhibit A**.

As detailed below, the Project's confluence of attractions will draw significant tourism to downtown Salina. The unique location of the City at the nexus of I-70 and I-135 truly makes Salina a crossroads destination within the State of Kansas ("State"). As a result of the City's location and the draw of the Project's components, the Project is anticipated to pull travelers from, at minimum, a five-state region, as well as from throughout the State. As demonstrated in the Feasibility Study attached as **Exhibit H** and STAR Bond Financing Proforma attached as **Exhibit I**, this high volume of interstate and local visitors and corresponding revenue generated by the Project will more than support the issuance of STAR Bonds in a principal amount necessary to net $19.1 million in STAR Bond proceeds for utilization in funding a portion of the Project.

B. THE DISTRICT

Pursuant to the STAR Bonds Financing Act, municipalities are authorized to utilize STAR Bond financing for specific development projects through (i) the creation of a STAR Bond Project District, subject to a finding by the Secretary that the STAR Bond Project District Plan is eligible for STAR Bond financing, and (ii) the adoption of a STAR Bond Project Plan that is subsequently approved by the Secretary.

On June 1, 2015, the City approved a STAR Bond Project District (the "District" or the "STAR Bond Project District") by passage of Ordinance No. 15-10775 pursuant to the STAR

Bonds Financing Act, K.S.A. 12-17,160 *et seq.* (the "STAR Bonds Financing Act"). Prior to establishing the District, the City requested that the Kansas Secretary of Commerce (the "Secretary") designate the proposed STAR Bond Project District as eligible for STAR Bond Financing. By letter dated May 8, 2015, the Secretary so designated the District. (See Ordinance No. 15-10775 attached hereto as **Exhibit B** and the May 8, 2015 letter from the Secretary designating the District as an eligible area attached hereto as **Exhibit C**).

This Salina Downtown STAR Bond Project Plan (the "Project Plan" or the "Plan") encompasses the development of the entirety of the approximately 157 acres within the District; such 157 acres constitutes the Project Area for the Project Plan.

II. STAR BOND PROJECT PLAN

As previously described, the STAR Bond Project District for the Salina Downtown Project has been created by the City and found to be eligible for STAR Bond financing by the Secretary. The City and the Master Developer now seek approval of the Secretary for this Project Plan and the issuance of STAR Bonds in the net amount of $19.1 million.

The following information constituting the Salina Downtown STAR Bond Project Plan is submitted for consideration by the Secretary in connection with this request:

- a description and map of the project area to be redeveloped
- a reference to the district plan that identifies the project area that is set forth in the project plan that is being considered
- a detailed description of the buildings and facilities proposed to be constructed or improved in such area
- a summary of the estimated Project costs and revenue sources
- a summary of the feasibility study
- the relocation assistance plan
- a summary of the revenues available to pay debt service on STAR Bonds

A. DESCRIPTION AND MAP OF STAR BOND PROJECT AREA

The proposed STAR Bond Project Area composes the entirety of the District, consisting of approximately 157 acres generally blanketing downtown Salina, Kansas (the "STAR Bond Project Area"). Legal descriptions of the District and the STAR Bond Project Area are attached hereto as **Exhibit D**. Maps of the District and the STAR Bond Project Area are attached as **Exhibit E** to this Plan.

B. ESTABLISHED STAR BOND PROJECT DISTRICT

The STAR Bond Project Area is within the established STAR Bond Project District approved by the City on June 1, 2015, by passage of Ordinance No. 15-10775. The District Plan for the STAR Bond Project District (the "STAR Bond Project District Plan") is as follows:

> A mixed-use development consisting of some or all of the following uses: major multi-sport athletic complex, museum facilities; an historic theater; retail uses; restaurant uses; other general commercial development; hotel uses; residential uses; office uses; associated public and private infrastructure; and other items allowable under K.S.A. 12-17, 160 *et seq*. The STAR bond project district may consist of multiple STAR bond project areas as delineated in one or more STAR bond project plans to be approved for property within the STAR bond project district.

The Secretary designated the STAR Bond Project District as an Eligible Area for STAR Bond Financing by letter on May 8, 2015. This Project Plan is consistent with such approval and with the STAR Bond Project District Plan. (See **Exhibit B** and **Exhibit C** attached hereto).

C. STAR BOND PROJECT DESCRIPTION AND OVERVIEW

The vision for the Downtown Salina Revitalization Project was conceived by a partnership between the City and the leading business figures within the community. The goal of this group of leaders is to redefine and rejuvenate the economy, culture, aesthetic and vibrancy of Downtown Salina. The diverse collection of attractions composing the Project will breathe life into heart of the flagship City in north-central Kansas.

The components of the Downtown Salina Revitalization Project are described more specifically as follows:

1. The Fieldhouse

The Salina Fieldhouse is planned for construction at the intersection of 5th Street and Ash Street within the District. The 67,000 square foot facility will include indoor venues for basketball, volleyball, and batting cages. The program plan includes four permanent hardwood basketball courts that can be cross-lined to accommodate six volleyball courts, a turf field with drop down batting cages/pitching tunnels, and the necessary supporting amenities for local programming and regional events. The turf area will also be used to accommodate two temporary hardwood basketball/volleyball courts. These temporary courts will be utilized for event weekends and create the opportunity for the Salina Fieldhouse to feature a total of six hardwood basketball courts and eight hardwood volleyball courts. Preliminary conceptual plans for the Fieldhouse are attached as Exhibit F-1.

The basketball and volleyball courts will be complimented by such amenities as a lobby and welcoming area, ticket office, office area, concessions, café seating, flex/team rooms, mezzanine and restrooms. The Salina Fieldhouse will complement the large number of outdoor sporting events and tournaments already hosted in Salina and serve a primary trade area that extends north into Nebraska, east to Manhattan, Kansas and west to Ellis County. Weekend sports tournaments will draw from within a 100-mile radius with regional tournaments drawing teams from a 6- to 8-state area.

2. The Car Museum

The America's Crossroads Car Collection is an automotive-themed visitor experience that will consist of approximately 31,000 square feet of exhibition space. The museum will display an impressive rotating collection of restored antique and vintage cars as well as exhibits and programs illustrating automotive history, technology, pop culture and design. This state of the art destination attraction is designed as an interactive and participatory visitor venue that delivers an entertaining and educational experience. This world-class automotive history museum will serve a regional market drawing automobile enthusiasts from the Midwest and throughout the United States. Preliminary conceptual plans for the America's Crossroads Car Collection are attached as Exhibit F-2.

The Board of Directors of the Car Museum is made up of local car enthusiasts who along with other community members are willing to share their extensive private collections of cars for exhibition. This impressive collection boasts a vast collection of rare vehicles, 25 to 60 of which will be on display at any given time, including all eras of European sport and luxury cars, American antique, vintage, and restored muscle cars, as well as numerous Grand Prix and Indy racing cars. A catalog of those vehicles is attached is Exhibit F-2. The museum will display a collection of restored antique and vintage cars that will rotate every 3 to 4 months, as well as exhibits and programs illustrating automotive history, technology, pop culture and design. Since the collection ranges from American to European automobiles to racing automobiles and motorcycles, the museum has the ability to design rotating exhibits around decades, manufacturers, and regions. This also allows the museum to host special events around the rotating exhibits.

America's Crossroads Car Collection's Board of Directors hired renowned national automotive museum consultant, Earl Trout III, to work with the Board on creating the museum's business plan and operating budget. Mr. Trout was the Executive Director of the Kansas City Automotive Museum in Olathe, Kansas from 2011 to 2014 where he led the creation of a new 501(c)(3) for the automotive museum from concept to reality. Under the leadership of Mr. Trout, the museum earned four prestigious national awards and continues to be recognized as one of the finest automotive museums in the country. Mr. Trout now brings his leadership and vision to the America's Crossroads Car Collection, ensuring the museum is designed for long term success and maximizing visitation potential.

Further, the museum is partnering with McPherson College and their Auto Restoration program to develop an educational program that will include seminars and special events to be held at the museum. The museum's partnership with McPherson creates a unique synergy in that McPherson offers the only Restoration Technology Bachelor's degree program in the country just over 30 miles from downtown Salina. McPherson has earned acclaim with automotive restoration enthusiasts from all parts of the country, including boasting luminaries such as Jay Leno on its board. At the seminars McPherson College faculty and students will demonstrate special automotive restoration techniques and present special sessions on automotive history. In addition, the museum and McPherson College anticipate partnering on fundraising events where national speakers would be brought to McPherson College for a speaking engagement as well as a presentation and dinner at the museum. Other aspects of the synergistic relationship include housing a library of technical manuals that can be used for educational research by the public,

display of automobiles restored by McPherson students, and potential automobile "artists in residence" at the museum.

In addition, America's Crossroads Car Collection has partnered with Kustom Kemps of America (KKOA), America's oldest running custom car and truck association, to house the KKOA National Hall of Fame. As part of this partnership, KKOA will place on exhibit customized automobiles of their Hall of Fame members as well as award winning automobiles from the Annual Leadsled Spectacular that is held in Salina each summer. KKOA has a membership in excess of 15,000 with Hall of Fame members including some of the most well-known customizers in the world. Each summer at the Annual Leadsled Spectacular, KKOA inducts two new members into the Hall of Fame. During the Leadsled Spectacular, KKOA will hold a Hall of Fame dinner at the museum and officially place on display a vehicle from each new Hall of Fame inductee.

Lastly, this museum is designed as an interactive and participatory visitor venue that delivers an entertaining and educational experience that will serve a regional market drawing automobile enthusiasts from the Midwest and throughout the United States. The museum envisions hosting fifty special/theme events throughout the year including: Monthly Cars & Coffee, Annual Dancing with the Cars, Monthly Scavenger Cruise, Quarterly Race Nights, Monthly Cruise-Ins, Monthly Club Nights, Monthly Take A Spin Nights, Monthly STEM Days, Quarterly Day Drives, Annual Wheels & Heels Gala, Annual Summer Camps and Annual Cars & Cigars Fundraiser. In addition to these events the museum will also be available to rent for private events.

3. Historic Stiefel Theater Expansion and Renovation

The Stiefel Theatre for the Performing Arts has been the anchor of Salina's tourism industry for decades, but requires reinvestment if it is to remain competitive, accommodate a wider selection of performers, and increase attendance and revenues. An estimated $2.2 million in planned improvements to the theatre include addition of an additional stage, LED exterior marquee signage and a video event billboard, a permanent sound system, acoustical improvements, improved lighting above the stage and modernized rigging equipment, enhancement to performers' staging/dressing area, addition of a new bar, enhancement of exterior façade and other improvements to the interior and exterior spaces. The improvements are anticipated to be funded entirely from private donations. These improvements are anticipated to drive higher revenues from additional events, greater revenue per event from the increased number of food and beverage outlets, new revenue from the enhanced, expanded meeting area, and revenue from the implementation of an additional stage. Further, increased customer visitation is expected to drive overall revenue growth as a result of an improved patron experience and additional acts that will be drawn to play the Stiefel as a result of the modernized equipment and facility.

The 1,287-seat theater opened in February 1931 as the Fox-Watson Theater. Designed by the prominent architectural firm of Carl and Robert Boller of Kansas City, the theater features a lavish Art Deco style with chandeliers, mirrored ceilings, a glamorous staircase and gold leaf throughout. The programming goal of the theatre is to present broad base quality shows from a wide variety of genres including Classical, Blues, Rock, Comedy, Country, Dance, Jam, Alternative, etc. that appeal to a large demographic. The Stiefel Theatre supports a regional

draw with patrons traveling from Lawrence, Manhattan, Topeka, Wichita, Hays, Garden City and from out of state. Attendance during the 2015 season was reported at 43,688.

4. Redevelopment of Downtown Streetscape

Additional investment to the District will include hardscape and landscape improvements to Santa Fe Avenue and adjacent downtown streets. The improvements are designed to enhance the look and image of downtown, which in turn will generate increased investment, visitation, pedestrian traffic, retail sales and demand for commercial space.

In October 2015, Ochsner Hare & Hare created the Downtown Salina Streetscape Plan that provided a conceptual design plan for infrastructure improvements to Santa Fe Avenue and adjacent downtown streets (attached hereto as Exhibit F-3). Santa Fe Avenue is designed with one lane of traffic in each direction and median and angled parking on both sides of the street. Additional design elements include stamped concrete sidewalks, landscape beds, street trees, bench seating, stamped concrete crosswalks, lighting, concrete sidewalks, outdoor café seating, bike racks, public plazas, gateway monuments, and overhead structures at mid-block crossings.

Certain of the streetscape improvements are specifically tied to each attraction contained within the major entertainment and tourism area eligible for STAR Bond investment. Those particular improvements are shown in the conceptual plans and budget attached as Exhibit F-4. The streetscape improvements enhance each of the Fieldhouse, Stiefel Theater, car museum, family entertainment center and the hotel supporting these attractions. Further, improvements located on Mulberry Street extending three blocks east of the hotel connect the Salina Bicentennial Center and the Kenwood Cove Water Park to downtown. Those two existing attractions generated over 210,000 visitors combined in 2014, a number which is expected to increase as a result of this enhanced pedestrian walkability from the downtown tourism components to those already thriving attractions.

5. Family Entertainment Center

Also located at the intersection of 5th Street and Ash Street will be a 47,000 square foot family entertainment center that offers a diverse array of indoor entertainment including a bowling center with 24 standard bowling lanes and an 8-lane "boutique" specialty bowling facility, game room and video arcade, laser tag, concessions and a full service bar and restaurant and meeting space. The 24 lane bowling facility is qualified to host state and regional college and high school bowling tournaments and is anticipated to draw such tournaments to the District. Bowling tournaments, meetings, events, special occasions and local entertainment traffic will be principal drivers of business with a trade area that extends north into Nebraska and to the east and west up to a two hour drive. Preliminary conceptual plans for The Alley are attached hereto as Exhibit F-4.

6. Hilton Hotel, Restaurant and Meeting Space

To accommodate the anticipated increase in out-of-town visitation a $17.9 million, 114-room Homewood Suites by Hilton hotel is planned at the intersection of Santa Fe Avenue and Mulberry Street. The all-suites hotel will also include meeting space and a full-service restaurant. Preliminary conceptual plans for the Hotel are attached hereto as Exhibit F-5.

The hotel will be developed by Lighthouse Properties, LLC, which owns, operates and has developed numerous successful and award-winning hotel properties in Kansas and Missouri. For example, Lighthouse Properties owns and operates The Raphael Hotel on the Country Club Plaza in Kansas City, Missouri and The Homewood Suites by Hilton at the The Waterfront in Wichita, Kansas.

7. Retail, Housing and Higher Educational Development

The District's Project Plan also envisions the renovation of vacant commercial space and construction of new commercial space designed to house specialty retailers, restaurants, office and residential uses. Transformation of the District into a vibrant mixed-use environment will generate increased visitation and retail sales.

As part of this downtown build out, the Project Plan features a residential component that includes conversion of the Lee buildings at the north end of the District into low-income housing apartments as well as a new 32-unit market-rate apartment community located near the planned hotel. Further, the Salina Regional Health Foundation has purchased the former Planter's State Bank / Bank of America building at 138 North Santa Fe Avenue for the purpose of relocating and expanding the University of Kansas School of Medicine – Salina Campus. The new facility is anticipated to open in June 2018 and will provide 40,251 square feet of space to accommodate new curriculum changes for the school.

The Downtown Salina Revitalization Project will offer a critical mass of mixed-use attractions capable of attracting visitors throughout the Midwest. The variety and complementary nature of the attractions will create a synergy within the District that will engage a broad base of tourists and local consumers. Salina's unique location as the premier city of north-central Kansas, positioned at the nexus of I-135 and I-70, provides a distinctive opportunity to draw tourism both regionally and from within the State of Kansas.

[SECTION II.D. BEGINS NEXT PAGE]

D. SUMMARY OF PROJECT COSTS AND ANTICIPATED REVENUE SOURCES

1. Total Project Costs

The total estimated cost to complete the Downtown Salina Revitalization Project, including site development and building construction, is approximately $150,094,540, pursuant to estimates of the Master Developer and City as of the date of this Project Plan. Attached hereto as **Exhibit G** is a breakdown of the estimated costs by category. A summary of the estimated costs is set forth below at Table 1.

Table 1

Estimated Total Cost of the Star Bond Project

PROJECT COMPONENTS	TOTAL COST
Fieldhouse (w/ Parking)	$ 12,450,090
Car Museum	$ 4,695,000
Stiefel Theater Improvements	$ 2,200,000
City Public Improvements	$ 11,554,506
Hotel (w/ Parking)	$ 19,005,820
Entertainment Complex	$ 6,100,333
Medical Student Housing (Apartments)	$ 3,756,407
Lee Buildings (Low-Income Housing)	$ 17,830,841
University of Kansas Medical School	$ 7,135,404
Vacant Space / New Tenant Development	$ 31,801,674
Improvements to Existing Retail	$ 2,135,404
Total FFE for Buildings/Renovations	$ 9,755,667
Legal/Accounting	$ 500,000
Downtown Maintenance and Security	$ 2,300,000
Pre-Development Costs (in addition to Fieldhouse)	$ 6,088,134
Financing & Contingency Costs	$ 12,785,260
TOTAL PROJECT COSTS	**$ 150,094,540**

2. Costs Eligible for Reimbursement, Requested Eligible Project Costs and Proposed STAR Bond Financing Amount

The STAR Bonds Financing Act describes the costs that are eligible for STAR Bond financing and reimbursement. Such costs are referred to as "Eligible Project Costs." $53,103,138 of the total costs shown in Table 1 and in **Exhibit G** would reasonably qualify as Eligible Project Costs pursuant to the STAR Bond Act. The Eligible Project Costs are set forth

on **Exhibit G** and below in Table 3. Only $19,100,000 of the Eligible Project Costs have been requested for payment with STAR Bond financing and reimbursement, as set forth on **Exhibit G** ("STAR Bond Requested Eligible Project Costs").

A summary of the Eligible Project Costs and STAR Bond Requested Eligible Project Costs is set forth below in Table 3:

Table 3

STAR Bond Requested Eligible Project Costs

PROJECT COMPONENTS	TOTAL COST	STAR BOND ELIGIBLE COSTS	STAR BOND REQUESTED ELIGIBLE COSTS
Fieldhouse (w/ Parking)	$ 12,450,090	$ 12,450,090	$ 9,625,000
Car Museum	$ 4,695,000	$ 4,695,000	$ 4,695,000
Stiefel Theater Improvements	$ 2,200,000	$ -	$ -
City Public Improvements	$ 11,554,506	$ 11,554,506	$ 2,000,000
Hotel (w/ Parking)	$ 19,005,820	$ 4,656,180	$ 442,274
Entertainment Complex	$ 6,100,333	$ 1,542,726	$ 1,642,726
Medical Student Housing (Apartments)	$ 3,756,407	$ 920,000	$ -
Lee Buildings (Low-Income Housing)	$ 17,830,841	$ 340,000	$ -
University of Kansas Medical School	$ 7,135,404	$ 875,000	$ -
Vacant Space / New Tenant Development	$ 31,801,674	$ 10,334,610	$ -
Improvements to Existing Retail	$ 2,135,404	$ -	$ -
Total FFE for Buildings/Renovations	$ 9,755,667	$ -	$ -
Legal/Accounting	$ 500,000	$ -	$ -
Downtown Maintenance and Security	$ 2,300,000	$ -	$ -
Pre-Development Costs (in addition to Fieldhouse)	$ 6,088,134	$ 1,858,864	$ 200,000
Financing & Contingency Costs	$ 12,785,260	$ 3,876,162	$ 495,000
TOTAL PROJECT COSTS	**$ 150,094,540**	**$ 53,103,138**	**$ 19,100,000**
PERCENT OF TOTAL COST	**100.00%**		**12.73%**

3. Summary of Revenue Sources

The Project is anticipated to be funded by a combination of STAR Bond net proceeds, private debt and equity, proceeds from a tax increment financing district, and proceeds generated by three community improvement districts.

Pursuant to this Project Plan, one series of STAR Bonds is anticipated to be issued in connection with the Project in an amount sufficient to net $19.1 million in bond proceeds to pay for or reimburse STAR Bond Requested Eligible Project Costs as set forth in Table 3 above.

A tax increment financing ("TIF") district was established by the City on June 1, 2015 pursuant to the Tax Increment Financing Act, K.S.A. 12-1770 *et seq.* (the "TIF Act") by passage of Ordinance No. 15-10776. It is anticipated that the City will adopt a TIF Project Plan

contemporaneously with adoption of this Project Plan. In such case approximately $4,878,660 of net TIF revenue is anticipated to be available to pay or reimburse Project Costs eligible for funding pursuant to the TIF Act.

Further, the City anticipates considering petitions for establishment of three separate community improvement districts (each a "CID" and collectively the "CIDs") contemporaneously with consideration of this Project Plan. Each CID is proposed to levy a 1% CID sales tax, the revenues of which will finance costs which are eligible for CID financing under K.S.A. 12-6a26 *et seq.*, as amended (the "CID Act"). One CID is planned to generally encompass the commercial sector of downtown Salina, and the other two CIDs will be limited to the parcels upon which the Hotel and the Alley will be constructed. It is anticipated that $9,223,767 in net CID proceeds will be available to pay or reimburse Project Costs eligible for funding pursuant to the CID Act.

Table 4 sets forth the projected revenue sources for the payment of the $150,094,540 estimated Project Costs, including the STAR Bond net bond proceeds, estimated TIF proceeds, estimated CID proceeds, and estimated private debt and equity.

Table 4

Sources of Funds

SOURCE	TOTAL	% OF TOTAL
STAR Bond Net Proceeds	$ 19,100,000	13%
TIF Net Proceeds	$ 4,878,660	3%
CID Net Proceeds	$ 9,223,767	6%
Private Debt & Equity / Other Public Sources	$ 116,892,113	78%
TOTAL	$ 150,094,540	100%

***Estimated sources of funds set forth in Table 4 are estimates only, and are not proposed as limitations on the amount of such funds that may be used to pay for Project Costs; provided that total STAR Bonds net proceeds are not expected to exceed $19,100,000 and in no event will the STAR Bonds net proceeds exceed 50% of the total Project Costs.**

E. SUMMARY OF THE FEASIBILITY STUDY

As stated in K.S.A. 12-17,166, a feasibility study is required to be prepared setting forth the following information:

- Whether a STAR bond project's revenue and tax increment revenue and other available revenue are expected to exceed or be sufficient to pay for the project costs;

- The effect, if any, a STAR bond project will have on any outstanding special obligation bonds payable from the revenues described in the STAR Bonds Financing Act;

- A statement of how the jobs and taxes obtained from the STAR bond project will contribute significantly to the economic development of the state and region;

- Visitation expectations;

- The unique quality of the project;

- Economic impact study;

- Market study;

- Market impact study;

- Integration and collaboration with other resources or businesses;

- The quality of service, and experience provided, as measured against national consumer standards for the specific target market;

- Project accountability, measured according to best industry practices;

- The expected return on state and local investment that the project is anticipated to produce;

- A statement concerning whether a portion of the local sales and use taxes are pledged to other uses and are unavailable as revenue for the STAR bond project; and

- An anticipated principal and interest payment schedule on the bond issue.

Canyon Research Southwest, Inc. ("Canyon") prepared the "STAR Bond Feasibility Study – Proposed Downtown Salina District, Salina, Kansas" dated May 2016 (the "Canyon Study"). A copy of the Canyon Study is attached as **Exhibit H**. The Canyon Study includes a Market Study and a Market Impact Study as summarized below.

A summary of the Canyon Study is as follows:

1. Sufficiency of the Project's Revenues Compared to the Project's Costs.

a. *Project Costs*

The STAR Bond Financing Act requires an analysis of whether a project's revenues are expected to exceed or be sufficient to pay for the project costs. This requires determining the Project Costs and Requested Eligible Project Costs and comparing them to the STAR Bond revenues expected to be generated within the STAR Bond Project Area. As indicated in Table 1 above, the total estimated Project Costs as of the date of this Project Plan are $150,094,540. As

indicated in Section II.D.2. above, the STAR Bond Requested Eligible Project Costs are $19,100,000. As set forth in Table 4, the total anticipated amount of such STAR Bond Requested Eligible Project Costs to be financed with STAR Bonds net proceeds is $19,100,000 (the maximum amount approved by the Secretary of Commerce). As indicated below under Section E.1.c., the anticipated revenues from the STAR Bond Project shown in the Canyon Study supports repayment of STAR Bonds netting approximately $29 million in STAR Bond proceeds (assuming an interest rate of 5% over 20 years with a 1.25 debt service coverage ratio). Other revenue sources include estimated TIF revenue in the amount of $4,878,660, CID revenue in the amount of $9,223,767, and private debt/equity and other public sources in the amount of $116,892,113. The analysis of the sufficiency of STAR Bond revenues to pay the debt service on the STAR Bonds and the sufficiency of the revenue sources to pay all Estimated Project Costs utilizes the estimated revenues set forth in the Canyon Study. See Sections E.1.b. and E.1.c. below, as well as **Exhibit 1**.

b. ***Tax Revenues Subject to Capture***

The effective STAR Bond eligible sales tax rate totals 8.353%, which includes the following:

(i) City Sales Tax Revenues – the retail sales dollar amount generated within the STAR Bond Project Area multiplied by the City sales tax rate that is subject to capture, which based on the location of the Downtown Salina Revitalization Project, is currently 0.5%. (An additional 0.4% of City special purpose sales tax has been dedicated to other uses prior to this STAR Bond Project Plan.) However, on May 10, 2016, residents of Salina approved Resolution Number 16-7317 which authorizes the repeal of the city's current 0.40 percent special purpose sales tax, and replaces it with a 0.75 percent general purpose sales tax for a period of 20 years commencing October 1, 2016. Therefore, for the purpose of this analysis (and repayment of STAR Bonds in conjunction with this Project Plan) the city's 1.25 percent sales tax is STAR Bond eligible.

(ii) State Sales Tax Revenues – the retail sales dollar amount generated within the STAR Bond Project Area multiplied by State sales tax rate that is subject to capture, which is 6.5%.

(iii) County Sales Tax Revenues – the retail sales dollar amount generated within the STAR Bond Project Area multiplied by the County sales tax rate that is distributed back to the City and not otherwise dedicated, which is 0.602781%.

Hotel revenue is also subject to the additional STAR Bond eligible sales tax rate of 6.58%, which is to be pledged to repayment of STAR Bonds issued in connection with this Project.

c. ***Estimated Tax Revenues***

The Canyon Study includes a forecast of STAR Bond revenue from retail sales and lodging sales over the 20-year life of the STAR Bond District, which will commence upon the approval of this STAR Bond Project Plan by the Governing Body of the City of Salina, Kansas. The Canyon Study estimates that $64,381,922 of gross sales tax revenues eligible to be captured by STAR Bonds will be produced within the District during the term of the Project Plan, as set forth in the table on **Exhibit I** attached hereto.

Exhibit I also sets forth the sufficiency of the anticipated revenues from the STAR Bond project over the 20-year period commencing with the date the STAR Bond Project Plan is approved by the City, to repay debt service on STAR Bonds netting $28,954,216 in STAR Bond proceeds (assuming an interest rate of 5% with a 1.25 debt service coverage ratio and a 2% administrative cost).

2. Job Creation and Generation of New Tax Revenue

The Canyon Study indicates that total capital investment for the Downtown Salina Revitalization Project is estimated at approximately $150 million. During the construction phase direct on-site employment is estimated at 651 full-time equivalent jobs. Indirect job creation is forecast at 232 jobs, bringing the total construction-phase work force to 883 jobs. Total payroll originating from these construction-phase jobs is estimated at $41.3 million. State of Kansas personal income taxes resulting from construction-phase payroll are estimated at approximately $1.6 million.

The Canyon Study further indicates that at full build-out, direct and indirect employment generated from operation of the all components developed within the Downtown Salina Revitalization Project is forecast to total 371 full-time equivalent jobs. Total annual payroll for these direct jobs is estimated at approximately $12.5 million. The State of Kansas is estimated to collect approximately $271,500 in annual state income tax revenues resulting from operational-phase payroll.

The Canyon Study further indicates that the Downtown Salina Revitalization Project is conservatively forecast to attract over 258,150 annual out-of-state visitors from over 100 miles away. The total demand for overnight accommodations generated by these out-of-state visitors is estimated at approximately 172,000 annual room nights. At an average annual occupancy rate of 75 percent, the estimated room night demand is sufficient to support approximately 629 hotel rooms. Existing and planned hotels within the District total just 114 rooms. These lodging demand forecasts illustrate the significant impact the District will have on the Salina hotel market and the potential to support additional hotel development.

3. Projected Visitation

The Project will significantly increase visitation to the primary city in the State's north-central region. Increased visitation from the surrounding five-state region of Nebraska, Iowa, Oklahoma, Colorado and Missouri, as well as throughout Kansas, will be driven by the confluence of unique attractions that will make up the Project. In particular, the Fieldhouse, enhanced Stiefel, Car Museum and revitalized downtown live, work and play district will combine to produce a true destination on the plains.

The Canyon Study establishes that at build-out and stabilized occupancy annual visitation to the District is estimated at 488,000 visitors. Local residents living within a 100-mile radius are estimated to account for about 47 percent of total visitation. Regional visitors traveling more than 100 miles are estimated to account for the remaining 53 percent of total visitation, nearly 39 percent of which will be out-of-state visitors. In total, out-of-state residents are estimated to account for 20 percent of total visitation to the District, or approximately 100,000 visitors per year. These out-of-town visitation trend estimates meets the State of Kansas

Secretary of Commerce guidelines that 30 percent of visitors to a proposed STAR Bond Redevelopment District travel beyond 100 miles and 20 percent reside out-of-state.

Additionally, the Canyon Study references many cultural-based attractions within Salina that will create synergy with the Project and serve to enhance regional tourism to the District. Existing cultural venues within the District include the Salina Community Theatre and Salina Art Center. Other principal museums and attractions operating in Salina include the Smoky Hill Museum, Art Center Cinema, Salina Bicentennial Center, Rolling Hills Wildlife Adventure and Kenwood Cove Water Park. Further, events such as the Smoky Hill River Festival and Kustom Kemps of America Lead Sled Spectacular Car Show attract large volumes of annual visitors to the City. These attractions and events are anticipated to work in concert with the Downtown Salina Revitalization Project to attract thousands of new and unique visitors to the City each year.

4. Impact on Outstanding Special Obligation Bonds

As required by the STAR Bonds Financing Act, the Canyon Study includes an evaluation as to the effect, if any, the Project would have on any outstanding STAR Bonds payable from revenues authorized pursuant to the STAR Bonds Financing Act. The Act contemplates an analysis focused on the ongoing viability of any such outstanding special obligation bonds based on the terms and conditions of their issuance, not whether this Project or any other STAR Bond project would simply impact the overall sales tax generation used to support the issuance. In other words, the question posed is whether a proposed project would reasonably be anticipated to jeopardize the bargained-for investment made by current bondholders of other STAR Bond projects.

As the Canyon Study notes, the Secretary has approved STAR bond financing for five major tourism-based developments in central and western Kansas: the Wichita River District and K-96 and Greenwich Project in Wichita, the Olympic Park Project District in Goddard, the Dodge City Project District in Dodge City and Downtown Manhattan Redevelopment District in Manhattan.

The Canyon Study states that both the Wichita River District and K-96 and Greenwich Project in Wichita are located over 80 miles driving distance south of the proposed Downtown Salina District. The Wichita River District is designed as an entertainment and employment destination featuring approximately 610,000 square feet of retail, office, hotel and residential space. While both the Wichita River District and Downtown Salina District projects are designed using a mixed-use concept, each will offer a distinctive mix of attractions, anchor tenants, businesses and hotel products.

The K-96 & Greenwich STAR Bond District Project Plan focuses on creating an athletic training center and recreation attraction complemented by a mix of retail, employment and lodging uses. The Downtown Salina District's major tourism attractions include the Stiefel Theatre, Salina Fieldhouse, family entertainment center and America's Crossroads Car Collection. Given the distinctive market positioning of each project, as well as the geographic distance between the Wichita projects and the Salina project, the Downtown Salina District is not anticipated to have a negative impact on tourism visitation and retail sales at either the Wichita River District or K-96 and Greenwich Project.

The Olympic Park Project District occupies a 280-acre site located at North Goddard Road and West Kellogg Drive in Goddard, Kansas within the Wichita metropolitan statistical area. The Olympic Park Project Plan designates the site for mixed-use development anchored by an aquatic center designed to host swimming and diving tournaments and training. No comparable athletic facility exists in the Midwest, allowing the aquatic center to support a primary trade area encompassing a 500+ mile radius. Also included are four field tournament quality baseball/softball complex, and a 141 room all-suite hotel, conference and entertainment center to support these attractions. Additional retail development is anticipated for future build out. The Downtown Salina Project is anticipated to have minimal to no impact on the Olympic Park Project District as a result of the uniqueness of the Olympic Park Project's primary attraction and geographic distance from Salina, Kansas.

The Downtown Manhattan Redevelopment District is located in downtown Manhattan, Kansas, over 65 miles northeast of Salina. The Downtown Manhattan Redevelopment District and Downtown Salina District both include museums as tourism destinations, a historic downtown location and the inclusion of entertainment and lodging venues. However, each projects' tourism attractions cater to distinctive market segments. Therefore, the Downtown Salina Project should have little or no impact on operations and financial sustainability of the Downtown Manhattan Redevelopment District.

The Dodge City STAR Bond Project in Dodge City, Kansas designates two non-contiguous Project Areas for redevelopment, including the Heritage Area and Entertainment Area. The Heritage Area encompasses the historic downtown area while the Entertainment Area is located on the western edge of the city. An expanded Boot Hill Museum will serve as the Project's principal destination attraction. The Heritage Area is comprised of approximately 166 acres within historic downtown Dodge City anchored by the Boot Hill Museum, Front Street and the Santa Fe Depot. Meanwhile, the tourism draw of the Entertainment District centers on a mid-sized event center, conference center, big-box retail and the neighboring Boot Hill Casino. While both the Downtown Salina District and Dodge City's Heritage District involve downtown revitalization each downtown possesses a distinctly unique market positioning and draw. Downtown Salina District's principal tourism attractions will center on athletics, family entertainment and live theater and concerts while Dodge City's Heritage District will be geared heavily on enhancing the Boot Hill Museum and the western heritage. The Entertainment District is aimed at mid-sized entertainment acts, conferences and big-box retail. Therefore, the Canyon Report concludes that the Downtown Salina District should have little or no impact on operations and financial sustainability of the Dodge City District.

Because each active STAR bond project in central and western Kansas supports distinctly different major tourism attractions and retail components, it has been concluded that development of the Downtown District in Salina, Kansas will not have a measurable adverse impact on visitor volumes, retail sales volumes and STAR Bond revenues generated by the Wichita River District and K-96 and Greenwich Project in Wichita, the Olympic Park Project District in Goddard, the Dodge City Project District in Dodge City and Downtown Manhattan Redevelopment District in Manhattan, Kansas. Therefore, the operation of the Downtown Salina District is not anticipated to cause default in the payment of outstanding STAR bonds issued by the three active STAR Bond approved redevelopment projects in central and western Kansas.

5. Market Study

The Canyon Study includes a Market Study which evaluates the market potential of supporting future development within the Downtown Salina Revitalization Project District. In particular, the Canyon Study focuses on the long-term viability of the museum, multi-sport athletic facility, and hotel uses planned for the District

America's Crossroads Car Collection

The Canyon Study found that location assets favoring the planned museum include Salina's convenient vehicular and air access, large inventory of hotels, established tourism industry, close proximity to several major metropolitan areas, and presence of several existing tourism destinations. The museum's planned location within downtown Salina adds to its authentic visitor experience and that the planned cluster of attractions in downtown Salina will assist in drawing increased visitors to the area.

Sources of visitation for the planned museum include local residents and out-of-town visitors. Car club members are considered a principal source of visitation for the America's Crossroads Car Collection. The Midwest supports a large and vibrant car club community within driving distance of the planned museum. In total, 427 car clubs operate within the 7-state regional surrounding Salina, Kansas with a total membership of 139,260. Over half of these car club members are Kansas residents, which bodes well for the America's Crossroads Car Collection's ability to support high attendance levels. Further, the Canyon Study took into consideration that over 200,000 people reside within a 50-mile radius of Salina and that the Wichita metropolitan statistical area is home to 650,000 residents, creating a large local population base from which to draw visitors to the America's Crossroads Car Collection. Salina's principal attractions and events attract nearly 508,000 attendees annually which will also serve as a source of visitation for the museum. The annual 3-day Kustom Kemps of America Lead Sled Spectacular Car Show will create synergy with the museum and will be a particular important source of visitation for the America's Crossroads Car Collection. In short, the study findings suggest sufficient demand generators exist to support opening the America's Crossroads Car Collection in Salina.

Salina Fieldhouse

The Canyon Study determined that by offering a centralized location with facilities able to accommodate multiple types of athletic tournaments, the Salina Fieldhouse is anticipated to become a regional destination for youth athletics. Further, the downtown location of the Fieldhouse is unique in the region and will drive a regionally diverse and substantial volume of patrons to the facility as a result of the variety of additional shopping, eating, lodging, and entertainment options in the surrounding environs. This mix of participation will provide the most consistent visitation and tourism for the District.

The total inventory of comparable athletic facilities in the Salina area includes two running tracks, 11 basketball courts, 14 soccer fields, 5 volleyball courts and three gymnasiums. The City of Salina Parks and Recreation and the YMCA operate the majority of public athletic facilities in Salina, Kansas. The Canyon Study found that when compared to the Salina

Fieldhouse, none provide a similar level of service, especially in regard to the ability to host local and regional athletic tournaments.

During 2013 the City of Salina Parks & Recreation reported that a total of 484 teams (270 from out of town) participated in youth and adult tournaments held at City of Salina facilities. Further, a total of 58,386 youth and adults participated in 2,544 league games. Per the Canyon Study, bringing the Salina Fieldhouse to the market is expected to drastically increase these tourism and local participation numbers as a result of the new facility. Based upon industry standards the Canyon Study concludes that sufficient demand for additional sports facilities exists to support feasible market entry of the Salina Field House.

Hotel and Meeting Space

The Canyon Study determined that the Salina hotel market caters primarily to leisure and group travelers with the summer and early fall months serving as the peak season. The market supports 21 chain hotel properties totaling 1,393 guest rooms, the majority of which are located along Interstates 70 and 135. The Canyon Study further indicates that the Downtown Salina Revitalization Project is conservatively forecast to attract over 258,150 annual out of state visitors from over 100 miles away. The total demand for overnight accommodations generated by these out of state visitors is estimated at approximately 172,000 annual room nights. At an average annual occupancy rate of 75 percent, the estimated room night demand is sufficient to support approximately 629 hotel rooms. Existing and planned hotels within the District total just 114 rooms. These lodging demand forecasts illustrate the significant impact the District will have on the Salina hotel market and the potential to support additional hotel development.

Concurrent with national hospitality trends, in recent years the Salina hotel market has been adversely impacted by the recession and subsequent decline in business and leisure travel. Recent operating trends suggest that the Salina hotel market is on its way to recovery, posting strong gains in room demand, ADR and total lodging revenue during 2014 and into 2015.

The Canyon Study further focused on the fact that visitation to the planned Homewood Suites by Hilton hotel will be partially driven by the 3,250 square feet of meeting and conference space anticipated to be included within the hotel. In recent years Salina's convention and meeting business has dropped off considerably due primarily to the national recession, substandard conference facilities and a limited inventory of quality hotels with meeting space. The conference space in the Project's new hotel will create synergy with the newly renovated Heritage Hall located at the Salina Bicentennial Center and the recent opening of the Holiday Inn's meeting space. These providers of updated meeting space are anticipated to capitalize on meeting space demand generated by the nearby Heritage Hall, Salina Regional Health Center and Kansas Wesleyan University.

In conclusion, the Canyon Study found that the District's planned hotel development site possesses the necessary location and site characteristics to support the long-term success of additional lodging and meeting space. The site benefits from a location within an established tourism market, access to lodging demand generators, adequate exposure, necessary infrastructure, modest direct competition and presence within downtown Salina featuring a mix of retail, dining, entertainment, cultural facilities and the Salina Regional Health Center.

6. Market Impact Study

Local Tourism Industry

The Canyon Study examines the existing tourism visitation and spending in Salina and the opportunity for the destination attractions and supporting components within the Project to build upon the current tourism base within the market. In particular, the Canyon Study notes that the City boasts a number of major annual events and a wide selection of cultural, entertainment, sporting, and family attractions. Tourism's direct impact on Saline County economy was estimated at over $165 million in 2013. The District is designed to both enhance Salina's status and sustainability as a regional tourism destination and attract a new segment of the leisure and group traveler market by providing complimentary cultural, entertainment and athletic attractions not currently available in the region.

The Canyon Study concludes that the synergistic effect of the District's destination attractions on Salina's tourism industry and the heightened out-of-town visitation is expected to translate to increased attendance at the region's existing cultural, entertainment, athletic and family attractions. The presence of a large cluster of diverse but complimentary attractions will strengthen the regional draw, visitation counts, expenditures, and associated state and local tax revenues. By increasing the critical mass of attractions and out-of-town visitation, the District will improve Salina's status as a regional tourism destination as well as complement the existing attractions by creating "one-of-a-kind" cultural, entertainment and sporting destinations not currently available in the region. The expanded selection of destination attractions will improve the sustainability of the local tourism industry.

Impact on Comparable Market Area Businesses

In addition, the Canyon Study analyzed the impact of the Project on comparable market area businesses. The study concluded that increased out-of-town visitation by the planned destination attractions is expected to generate increased visitor spending that can be captured by area businesses. The study found that the Project will increase total sales in the surrounding area, not diminish sales from existing businesses in the surrounding area.

- Existing athletic facilities in Salina include 16 baseball and softball fields, 12 soccer fields, an outdoor aquatics center, three football facilities, two track and field sites, and numerous sand volleyball and tennis courts. College venues include Kansas Wesleyan University's 1,500-seat Mabee Arena and Student Activity Center and the K-State Polytechnic Campus's 32,000 square foot Student Life Center complete with gymnasium and indoor track. Principal athletic venues in Salina include Salina Bicentennial Center, Hangar Sports Complex, Salina Parks and Recreation Department, Salina Family YMCA, Unified School District #305. While the Salina Bicentennial Center hosted 41 sports events during 2014 with a total attendance of 67,662, the 7,500-seat capacity places it in a category that won't compete with the Salina Fieldhouse. Given the composition and outdoor nature of most of the other athletic facilities in Salina, the Salina Fieldhouse is not expected to be directly competitive. Moreover, by providing an indoor, year round athletic venue will improve and expand on the ability of Salina to host additional sporting events.

- The planned family entertainment center is expected to include bowling, video arcade and dining. All Star Lanes offers 24 bowling lanes and Jumpin' Joe's Family Fun Center offers go-karts, laser tag, miniature golf and arcades.

- The America's Crossroads Car Collection is planned to open in the District. No such museum exists in Salina and central Kansas. Moreover, increased visitation generated by this museum could help boost attendance at existing museums and attractions in Salina.

- The 114-room hotel planned for the District is designed to capture new lodging demand generated by increased visitation to Salina. The hotel will be a key component in appealing to leisure and group travelers and increase the capacity to attract overnight out-of-town visitors. At a at stabilized occupancy rate of 75 percent, 1.8 guests per room and an average stay of 2 nights the planned hotel can accommodate an estimated 30,000 guests annually. Lodging demand generated by out-of-town visitors to the District is expected to exceed the hotel's capacity. Therefore, existing lodging properties in Salina will benefit by capturing overflow lodging demand generated by visitors to the District.

Increased out-of-town visitation generated by the District's principal attractions is expected to result in increased spending and demand for goods and services in Salina. According to Esri, a leading demographic research firm, retail sales leakage within a 25-mile radius of downtown Salina is estimated at approximately $309 million annually. The Canyon Study concludes that the width and depth of current retail leakage within a 25-mile radius of downtown Salina provides an excellent opportunity for existing and future businesses to capture increased sales. The District's planned destination attractions are designed to increase visitation and spending in Salina, providing an even greater opportunity for businesses to capture increased future sales volumes.

7. Meetings and Minutes

Attached as **Exhibit J** are minutes of the City meetings where the Downtown Salina Revitalization Project was discussed. Meetings to date include the meetings where such Project and the creation of the District were discussed, as indicated in said **Exhibit J**. Upon approval of this Project Plan by the City and prior to transmittal to the Secretary, the City Clerk will supplement in **Exhibit J** with the minutes of any additional City meetings where the Project was discussed.

F. Relocation Plan

The City is not acquiring any property in connection with carrying out the provisions of the STAR Bond Act, and thus relocation assistance pursuant to K.S.A. § 12-17,173 is not required. Regardless, any property to be acquired by the Master Developer or other parties in order to complete the Project is expected to be obtained through negotiated arms-length transactions. As such, any funds required for relocation are anticipated to be included in the purchase price, negotiated as terms to the purchase contract, or provided directly to tenants of properties purchased in arms-length transactions.

G. Sources and Uses, Sufficiency of Revenues to Pay STAR Bonds Debt Service

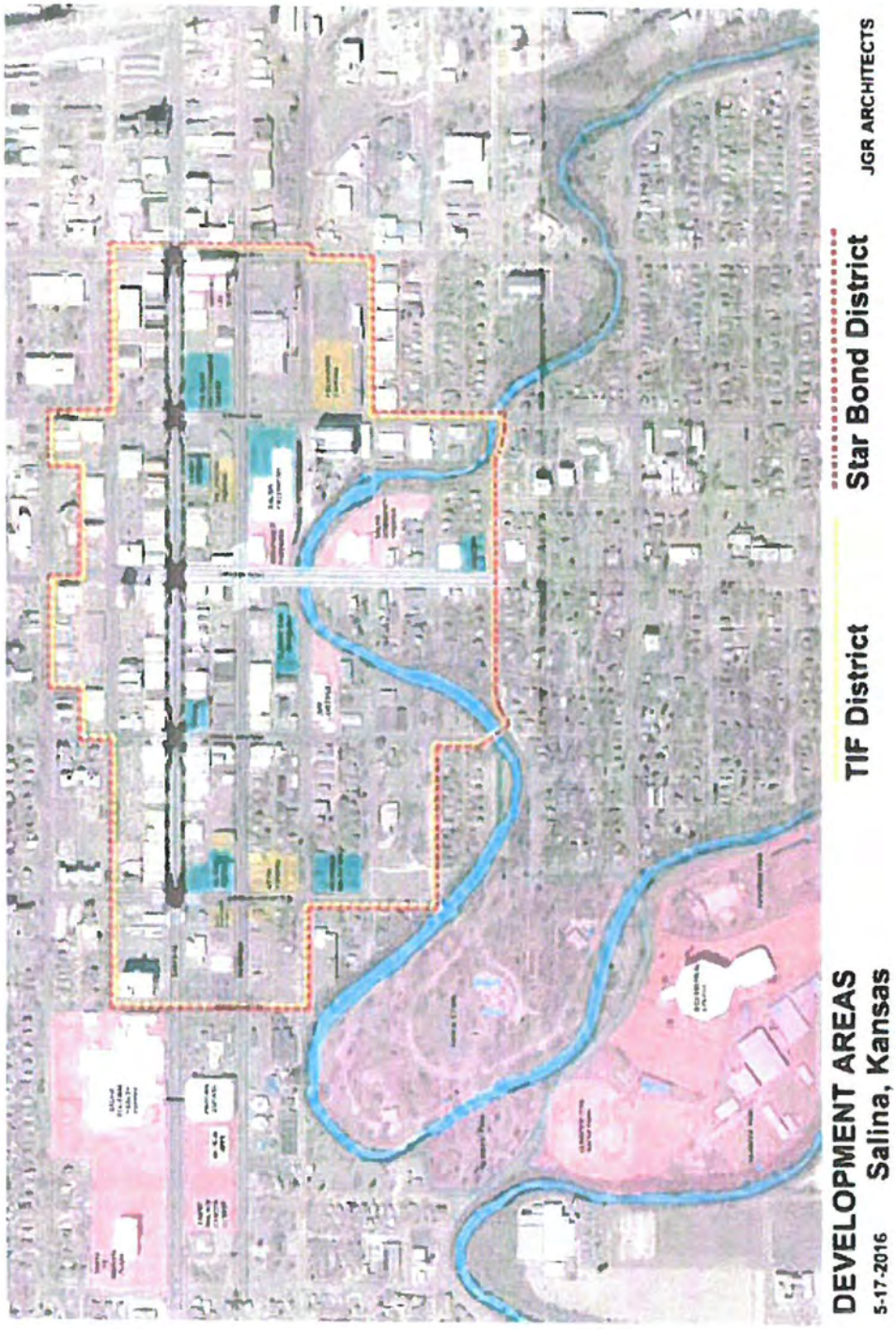
The sources and uses of funds are described above and in Tables 1, 3, and 4. The STAR Bond Project Plan contemplates that the STAR Bonds will finance $19.1 of the total estimated Project Costs and that TIF revenue, CID revenue, private equity and debt, and other public sources will finance the remaining $130,994,540 of such estimated Project Costs. The anticipated amount of STAR Bonds represents 13% of the total estimated Project Costs, as indicated in Table 3.

Reference is made to the proforma table attached hereto as **Exhibit 1**, setting forth the sufficiency of the anticipated revenues from the STAR Bond project, as described in the Canyon Study, to repay debt service on the anticipated principal amount of STAR Bonds.

[EXHIBITS ENCLOSED BEGINNING NEXT PAGE.]

EXHIBIT A

SITE PLANS



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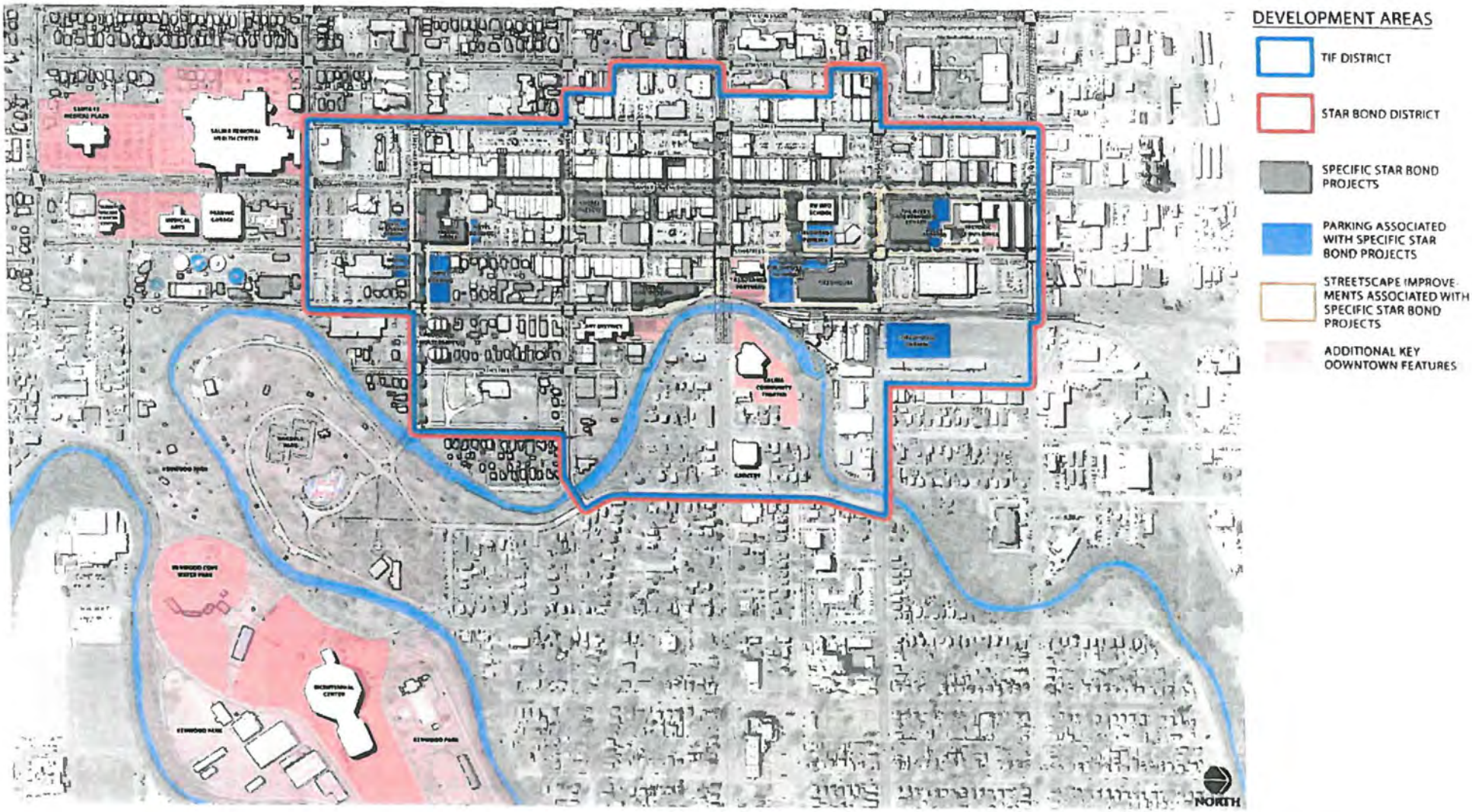
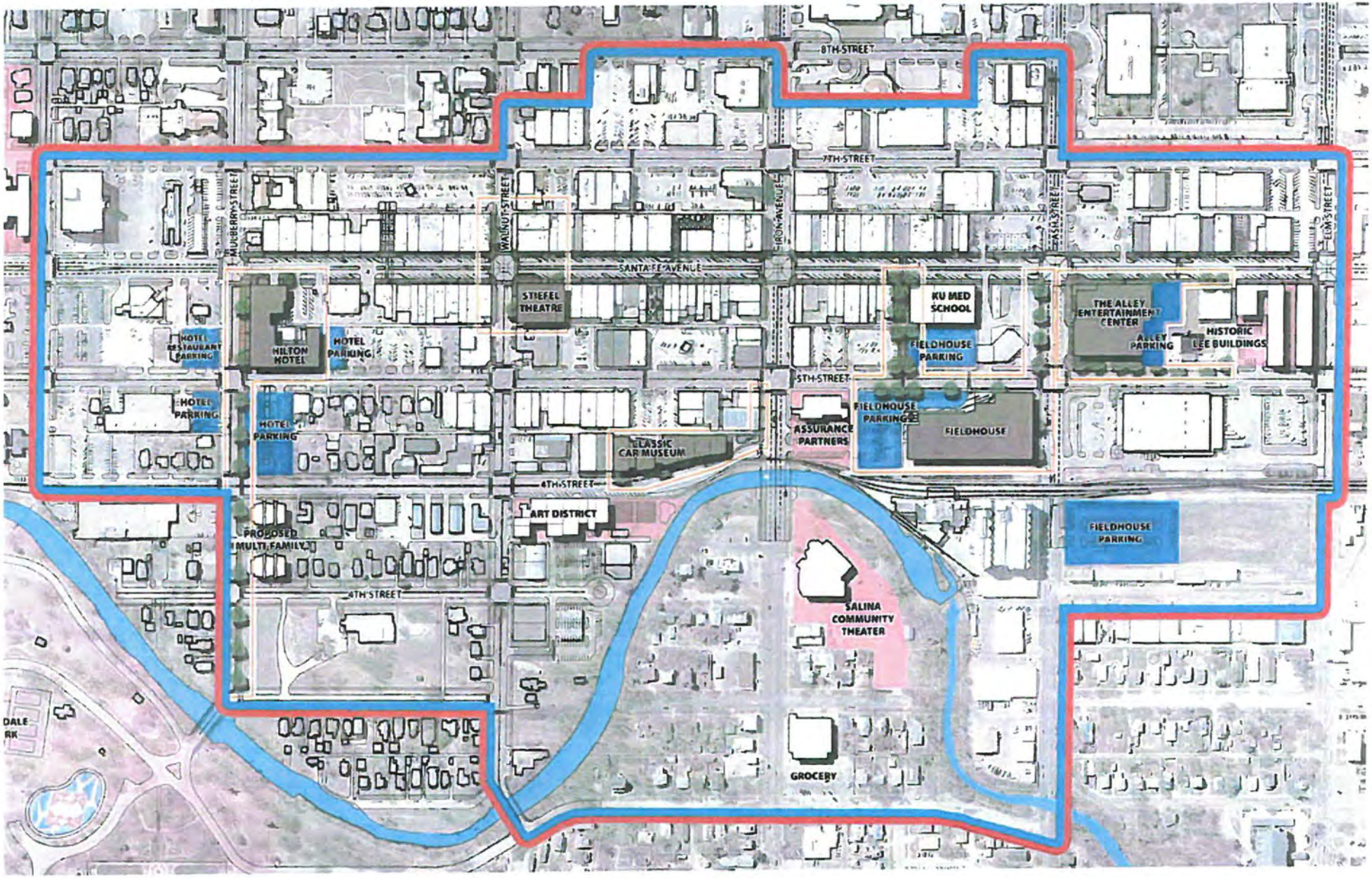


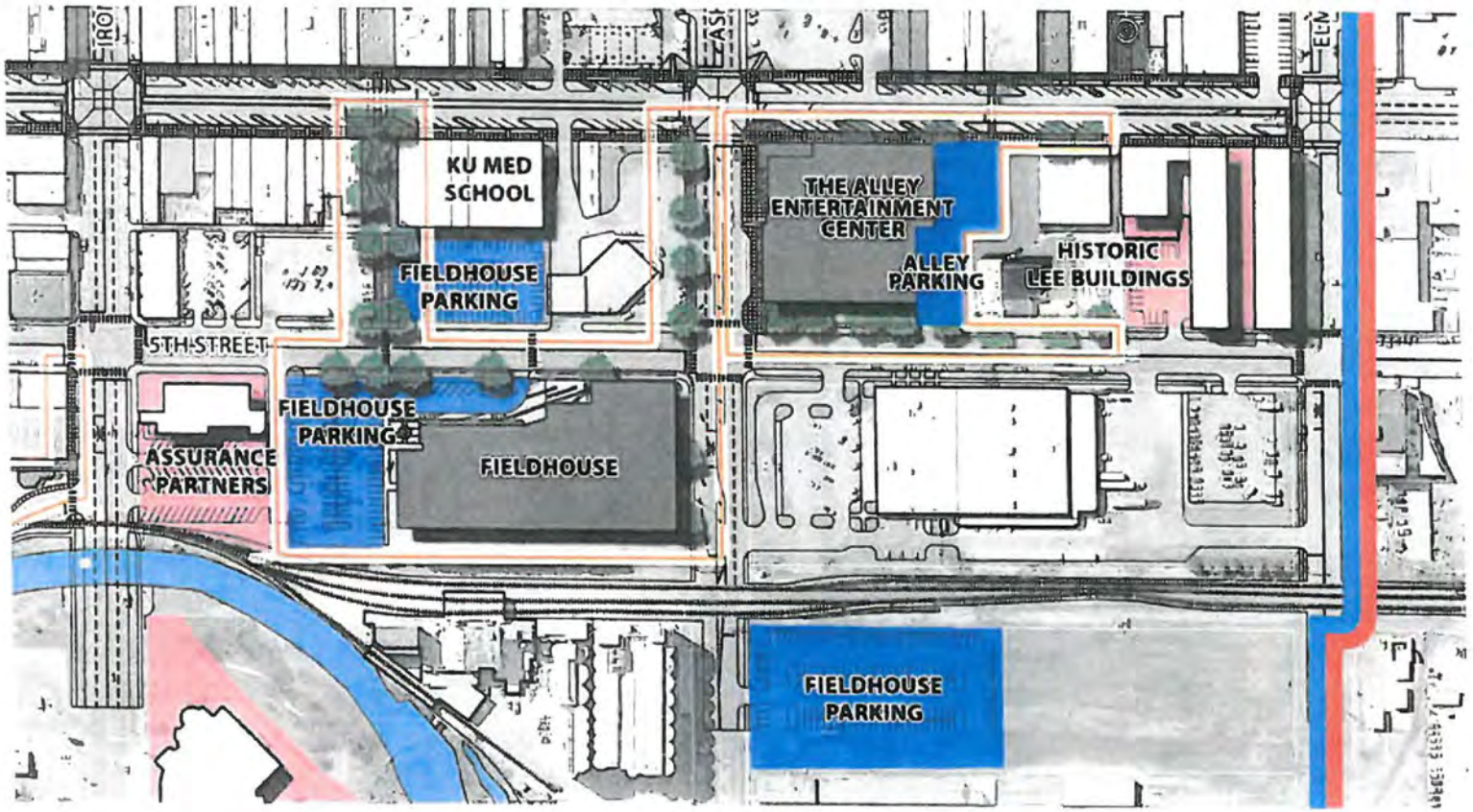
DOWNTOWN SALINA DEVELOPMENT AREAS

SALINA, KANSAS

OCHSNER HARE & HARE

OLSSON ASSOCIATES


8TH STREET
7TH STREET
MULBERRY STREET
WALNUT STREET
IRON AVENUE
SALIN STREET
ELM STREET
SANTA FE AVENUE
STIEFEL THEATRE
KU MED SCHOOL
THE ALLEY ENTERTAINMENT CENTER
ALLEY PARKING
HISTORIC LEE BUILDINGS
FIELDHOUSE PARKING
HOTEL RESTAURANT PARKING
HILTON HOTEL
HOTEL PARKING
5TH STREET
HOTEL PARKING
HOTEL PARKING
ASSURANCE PARTNERS
FIELDHOUSE PARKING
FIELDHOUSE
CLASSIC CAR MUSEUM
4TH STREET
ART DISTRICT
PROPOSED MULTI FAMILY
FIELDHOUSE PARKING
4TH STREET
SALINA COMMUNITY THEATER
GROCERY



DEVELOPMENT AREAS

- TIF DISTRICT
- STAR BOND DISTRICT
- SPECIFIC STAR BOND PROJECTS
- PARKING ASSOCIATED WITH SPECIFIC STAR BOND PROJECTS
- STREETSCAPE IMPROVEMENTS ASSOCIATED WITH SPECIFIC STAR BOND PROJECTS
- ADDITIONAL KEY DOWNTOWN FEATURES

DOWNTOWN SALINA DEVELOPMENT AREAS - ENLARGEMENT

SALINA, KANSAS

OCHSNER HARE & HARE

OLSSON ASSOCIATES

EXHIBIT B

ORDINANCE NO. 15-10775

(SEE ATTACHED)

Consolidated-Salina EPN111155

(Published in *The Salina Journal* on June 5, 2015)

ORDINANCE NO. 15-10775

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF SALINA, KANSAS, ESTABLISHING A STAR BOND PROJECT DISTRICT WITHIN THE CITY AND MAKING CERTAIN FINDINGS IN CONJUNCTION THEREWITH

WHEREAS, the state of Kansas (the "State") desires to promote, stimulate and develop the general and economic welfare of the State and its communities and to assist in the development and redevelopment of eligible areas within a city or county, thereby promoting the general welfare of the citizens of the State, by authorizing cities and counties to acquire certain property and to issue sales tax and revenue (STAR) bonds for the financing of STAR bond projects pursuant to the provisions of K.S.A. 12-17,160 *et seq.*, as amended (the "Act"); and

WHEREAS, pursuant to the Act the City of Salina, Kansas (the "City") is authorized to establish STAR bond project districts within eligible areas of the City, as said terms are defined in the Act, to approve STAR bond project district plans for the completion of STAR bond projects within such STAR bond project district, and to finance STAR bond project costs from the incremental increase in state and local sales revenues derived from the STAR bond project district, other revenues described in the Act, or a combination thereof or from the proceeds of special obligation tax increment bonds of the City payable from such described revenues; and

WHEREAS, prior to the creation of any STAR bond project district the governing body of the City must adopt a resolution stating that the City is considering the establishing of a STAR bond project district, which resolution shall: (1) Give notice that a public hearing will be held to consider the establishment of a STAR bond project district and fix the date, hour and place of such public hearing, which public hearing shall be held not less than 30 nor more than 70 days following adoption of such resolution, (2) describe the proposed boundaries of the STAR bond project district, (3) describe the proposed STAR bond project district plan, (4) state that a description and map of the proposed STAR bond project district are available for inspection at a time and place designated, and (5) state that the governing body will consider findings necessary for the establishment of a STAR bond project district; and

WHEREAS, notice of such public hearing shall be given by mailing a copy of the resolution calling the public hearing via certified mail, return receipt requested, to the board of county commissioners of the county, the board of education of any school district levying taxes on property within the proposed STAR bond project district, and to each owner and occupant of land within the proposed STAR bond project district not more than 10 days following the date of the adoption of such resolution and by publishing a copy of such resolution once in the official City newspaper not less than one week or more than two weeks preceding the date fixed for the public hearing, which publication shall include a sketch clearly delineating the area in sufficient detail to advise the reader of the particular land proposed to be included within the STAR bond project area; and

WHEREAS, upon the conclusion of such public hearing and a finding by the Secretary of Commerce that the STAR bond project district is an "eligible area" under the Act, the governing body may pass an ordinance which shall: (1) make findings that the STAR bond project district proposed to be developed is a STAR bond project under the Act, (2) contain the STAR bond project district plan as

Consolidated-Salina EPN111155

approved, (3) contain the legal description of the STAR bond project district, and (4) may establish the STAR bond project district; and

WHEREAS, no privately owned property subject to ad valorem taxes shall be acquired and redeveloped under the provisions of the Act, if the board of county commissioners or the board of education levying taxes on such property determines by resolution adopted within 30 days following the conclusion of the hearing for the establishment of the STAR bond project district that the proposed STAR bond project district will have an adverse effect on such county or school district; and

WHEREAS, upon the creation of a STAR bond project district pursuant to the Act, the City may propose to undertake one or more STAR bond projects and shall prepare a STAR bond project plan, which may be implemented in separate development stages, in consultation with the City's planning commission; and

WHEREAS, the City Commission has heretofore adopted Resolution No. 15-7193 on March 30, 2015, which made a finding that the City is considering the establishment of a STAR bond project district pursuant to the Act, set forth the boundaries of the proposed STAR bond project district, provided a summary of the proposed STAR bond project district plan, called a public hearing concerning the establishment of a STAR bond project district for May 18, 2015 and provided for notice of such public hearing as provided in the Act; and

WHEREAS, on May 18, 2015, the Secretary of Commerce made a finding that the proposed STAR bond project district is an "eligible area" under the Act as a "major commercial entertainment and tourism area" as defined in the Act; and

WHEREAS, a public hearing was held this date, after due published, delivered and mailed notice in accordance with the provisions of the Act; and

WHEREAS, upon and considering the information and public comments received at the public hearing conducted this date, the City Commission hereby deems it advisable to make certain findings and to create the STAR bond project district.

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

Section 1. Findings. The City Commission hereby finds that due notice of the public hearing conducted on May 18, 2015 was made in accordance with the provisions of the Act. The City Commission further finds that the proposed STAR bond project district is a "STAR bond project" as a "major commercial entertainment and tourism area" as those terms are defined in the Act.

Section 2. Creation of STAR Bond Project District. A STAR bond project district is hereby created within the City in accordance with the provisions of the Act (the "STAR Bond Project District"). The STAR Bond Project District is comprised of one project area.

A map depicting the boundaries of the STAR Bond Project District is attached hereto as ***Exhibit A***, which is incorporated herein by reference and legally described on ***Exhibit B***. The boundaries of the STAR Bond Project District do not contain any property not referenced in Resolution No. 15-7153, which provided notice of the public hearing on the creation of the STAR Bond Project District.

Section 3. STAR Bond Project District Plan. The proposed district plan for the STAR Bond Project District (the "District Plan") is hereby approved. The buildings and facilities to be constructed or improved in the STAR Bond Project District may be described in a general manner as follows:

Consolidated-Salina EPN111155

A mixed-use development consisting of some or all of the following uses: major multi-sport athletic complex, museum facilities; an historic theater; retail uses; restaurant uses; other general commercial development; hotel uses; residential uses; office uses; associated public and private infrastructure; and other items allowable under K.S.A. 12-17, 160 *et seq*. The STAR bond project district may consist of multiple STAR bond project areas as delineated in one or more STAR bond project plans to be approved for property within the STAR bond project district.

Section 4. Approval of Other Governmental Units. No privately owned property subject to ad valorem taxation within the STAR Bond Project District shall be acquired and redeveloped pursuant to the Act, if the Board of County Commissioners of Saline County, Kansas or the Board of Education of Unified School District No. 305 determines by resolution adopted within thirty days following the public hearing held this date, that the STAR Bond Project District will have an adverse effect on Saline County or Unified School District No. 305, respectively. As of this date, the City has not received a copy of any such resolution and is not aware of the adoption of any such resolution by the governing body of Saline County or Unified School District No. 305.

Section 5. Reimbursement. The Act authorizes the issuance by the City of bonds to finance all or a portion of the costs of implementing the District Plan. Said bonds may be issued to reimburse expenditures made on or after the date which is 60 days before the date of passage of this Ordinance, pursuant to Treasury Regulation §1.150-2 in the maximum principal amount of $1,000,000.

Section 6. Further Action. The Mayor, City Manager, City Clerk and other officials and employees of the City, including the City Attorney, City consultants, and Gilmore & Bell, P.C., Bond Counsel, are hereby further authorized and directed to take such other actions as may be appropriate or desirable to accomplish the purposes of this Ordinance.

Section 7. Effective Date. This Ordinance shall be effective upon its passage by two-thirds of the City Commission and publication one time in the official City newspaper.

PASSED by the City Commission of the City of Salina, Kansas on June 1, 2015 and **APPROVED AND SIGNED** by the Mayor.

Introduced: May 18, 2015
Passed: June 1, 2015

Joe R. Blanchard, Mayor

[SEAL]
ATTEST:

Shandi Wicks, CMC, City Clerk

STAR Bond District Boundary
City of Salina
Exhibit A
N
W
E
S
Santa Fe
Seventh
Eighth
Ninth
Tenth
Fifth
Fourth
Third
Second
Front
Oakdale
Walnut
Mulberry
Iron
Ash
Elm
Johnstown
Gypsum
Park
Oakdale
Dr
Pl
Av
St
South

LIMITS OF THE STAR BOND DISTRICT – CITY OF SALINA:

A TRACT OF LAND LOCATED IN ORIGINAL TOWN, SURVEYOR'S PLAT J, HOLLAND'S ADDITION, AND SRHC SUBDIVISION, ALL IN THE CITY OF SALINA, SALINE COUNTY, KANSAS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF LOT 10 ON ELM STREET, ORIGINAL TOWN, (NOW CITY) OF SALINA, SAID POINT BEING THE INTERSECTION OF THE EAST RIGHT-OF-WAY LINE OF 3RD STREET AND THE NORTH RIGHT-OF-WAY LINE OF ELM STREET;

THENCE SOUTH ON SAID EAST RIGHT-OF-WAY LINE OF 3RD STREET, A DISTANCE OF 830 FEET TO THE SOUTHWEST CORNER OF LOT 77 ON 3RD STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID EAST RIGHT-OF-WAY LINE AND THE NORTH RIGHT-OF-WAY LINE OF ASH STREET;

THENCE EAST ON SAID NORTH RIGHT-OF-WAY LINE OF ASH STREET, A DISTANCE OF 580 FEET TO THE SOUTHEAST CORNER OF LOT 39 ON FRONT STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID NORTH RIGHT-OF-WAY LINE AND THE WEST RIGHT-OF-WAY OF FRONT STREET, AS PLATTED IN SAID ORIGINAL TOWN;

THENCE SOUTH ON SAID WEST RIGHT-OF-WAY LINE OF FRONT STREET, A DISTANCE OF 1760 FEET TO THE NORTHEAST CORNER OF LOT 69 ON FRONT STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID WEST RIGHT-OF-WAY LINE AND THE SOUTH RIGHT-OF-WAY LINE OF WALNUT STREET;

THENCE WEST ON SAID SOUTH RIGHT-OF-WAY LINE OF WALNUT STREET, A DISTANCE OF 330 FEET TO THE NORTHEAST CORNER OF LOT 1, ON WALNUT STREET, SAID ORIGINAL TOWN, 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 830 FEET TO THE NORTHEAST CORNER OF LOT 8, SAID SURVEYOR'S PLAT J, SAID POINT BEING THE INTERSECTION OF SAID WEST RIGHT-OF-WAY LINE AND THE SOUTH RIGHT-OF-WAY LINE OF MULBERRY STREET;

THENCE WEST ON SAID SOUTH RIGHT-OF-WAY LINE OF MULBERRY STREET, A DISTANCE OF 660 FEET TO THE NORTHEAST CORNER OF LOT 170 ON 4TH STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID SOUTH RIGHT-OF-WAY LINE AND THE WEST RIGHT-OF-WAY LINE OF 4TH STREET;

THENCE SOUTH ON SAID WEST RIGHT-OF-WAY LINE OF 4TH STREET, A DISTANCE OF 580 FEET TO THE NORTHEAST CORNER OF LOT 1, ON 4TH STREET, SAID HOLLAND'S ADDITION, SAID POINT BEING THE INTERSECTION OF SAID WEST RIGHT-OF-WAY LINE AND THE SOUTH RIGHT-OF-WAY LINE OF SOUTH STREET;

THENCE WEST ON SAID SOUTH RIGHT-OF-WAY LINE OF SOUTH STREET, A DISTANCE OF 935.44 FEET TO THE INTERSECTION OF SAID SOUTH RIGHT-OF-WAY LINE AND THE EAST RIGHT-OF-WAY LINE OF 7TH STREET;

THENCE NORTH ON SAID EAST RIGHT-OF-WAY LINE OF 7TH STREET, A DISTANCE OF 1410 FEET TO THE NORTHWEST CORNER OF LOT 139 ON 7TH STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID EAST RIGHT-OF-WAY LINE AND THE SOUTH RIGHT-OF-WAY LINE OF WALNUT STREET;

THENCE WEST ON SAID SOUTH RIGHT OF WAY LINE OF WALNUT STREET, A DISTANCE OF 210 FEET TO THE INTERSECTION OF SAID SOUTH RIGHT-OF-WAY LINE, AND THE WEST LINE OF A 10 FOOT ALLEY BETWEEN 7TH STREET AND 8TH STREET, SAID ORIGINAL TOWN;

THENCE NORTH ON SAID WEST LINE OF A 10 FOOT ALLEY, A DISTANCE OF 280 FEET TO THE SOUTHEAST CORNER OF LOT 129 ON 8TH STREET, SAID ORIGINAL TOWN;

REVISED PER CITY COMMENTS
5-13-15, LRR

REVISED PER CLIENT COMMENTS.
3-12-15, LRR

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SALINA, KANSAS 67401
PH. (785) 823-3400 | FAX (785) 823-3411
sa@kveng.com | www.kveng.com

KAW VALLEY ENGINEERING

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1183EXBA LRR

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THENCE WEST ON THE SOUTH LINE OF SAID LOT 129, A DISTANCE OF 120 FEET TO THE SOUTHWEST CORNER OF SAID LOT 129 ON 8TH STREET, SAID POINT BEING ON THE EAST RIGHT-OF-WAY LINE OF 8TH STREET;

THENCE NORTH ON SAID EAST RIGHT-OF-WAY LINE OF 8TH STREET, A DISTANCE OF 650 FEET TO THE SOUTHWEST CORNER OF LOT 107 ON 8TH STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID EAST RIGHT-OF-WAY LINE AND THE NORTH RIGHT-OF-WAY LINE OF IRON STREET;

THENCE EAST ON THE SOUTH LINE OF SAID LOT 107, A DISTANCE OF 120 FEET TO THE SOUTHEAST CORNER OF SAID LOT 107, SAID POINT BEING ON THE WEST LINE OF A 10 FOOT ALLEY BETWEEN 7TH STREET AND 8TH STREET, SAID ORIGINAL TOWN;

THENCE NORTH ON SAID WEST LINE OF A 10 ALLEY, A DISTANCE OF 432.5 FEET TO THE SOUTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN DEED BOOK 229, PAGE 381 IN THE OFFICE OF THE SALINE COUNTY REGISTER OF DEEDS;

THENCE WEST ON THE SOUTH LINE OF SAID DESCRIBED TRACT, A DISTANCE OF 120 FEET TO THE SOUTHWEST CORNER OF SAID DESCRIBED TRACT, SAID POINT BEING ON SAID EAST RIGHT-OF-WAY LINE OF 8TH STREET;

THENCE NORTH ON SAID EAST RIGHT-OF-WAY LINE OF 8TH STREET, A DISTANCE OF 397.5 FEET TO THE SOUTHWEST CORNER OF LOT 77 ON 8TH STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID EAST RIGHT-OF-WAY LINE AND THE NORTH RIGHT-OF-WAY LINE OF ASH STREET;

THENCE EAST ON SAID NORTH RIGHT-OF-WAY LINE OF ASH STREET, A DISTANCE OF 330 FEET TO THE SOUTHWEST CORNER OF LOT 77 ON 7TH STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID NORTH RIGHT-OF-WAY LINE AND SAID EAST RIGHT-OF-WAY LINE OF 7TH STREET;

THENCE NORTH ON SAID EAST RIGHT-OF-WAY LINE OF 7TH STREET, A DISTANCE OF 830 FEET TO THE SOUTHWEST CORNER OF LOT 47 ON 7TH STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID EAST RIGHT-OF-WAY LINE AND THE NORTH RIGHT-OF-WAY LINE OF ELM STREET;

THENCE EAST ON SAID NORTH RIGHT-OF-WAY LINE OF ELM STREET, A DISTANCE OF 1340 FEET TO THE POINT OF BEGINNING.

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SALINA, KANSAS 67401
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sa@kveng.com | www.kveng.com
KAW VALLEY ENGINEERING

REVISED PER CITY COMMENTS
5-13-15, LRR

REVISED PER CLIENT COMMENTS.
3-12-15, LRR

E15S1183 FEB. 19, 2015
1183EXBA LRR

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G. Sources and Uses, Sufficiency of Revenues to Pay STAR Bonds Debt Service

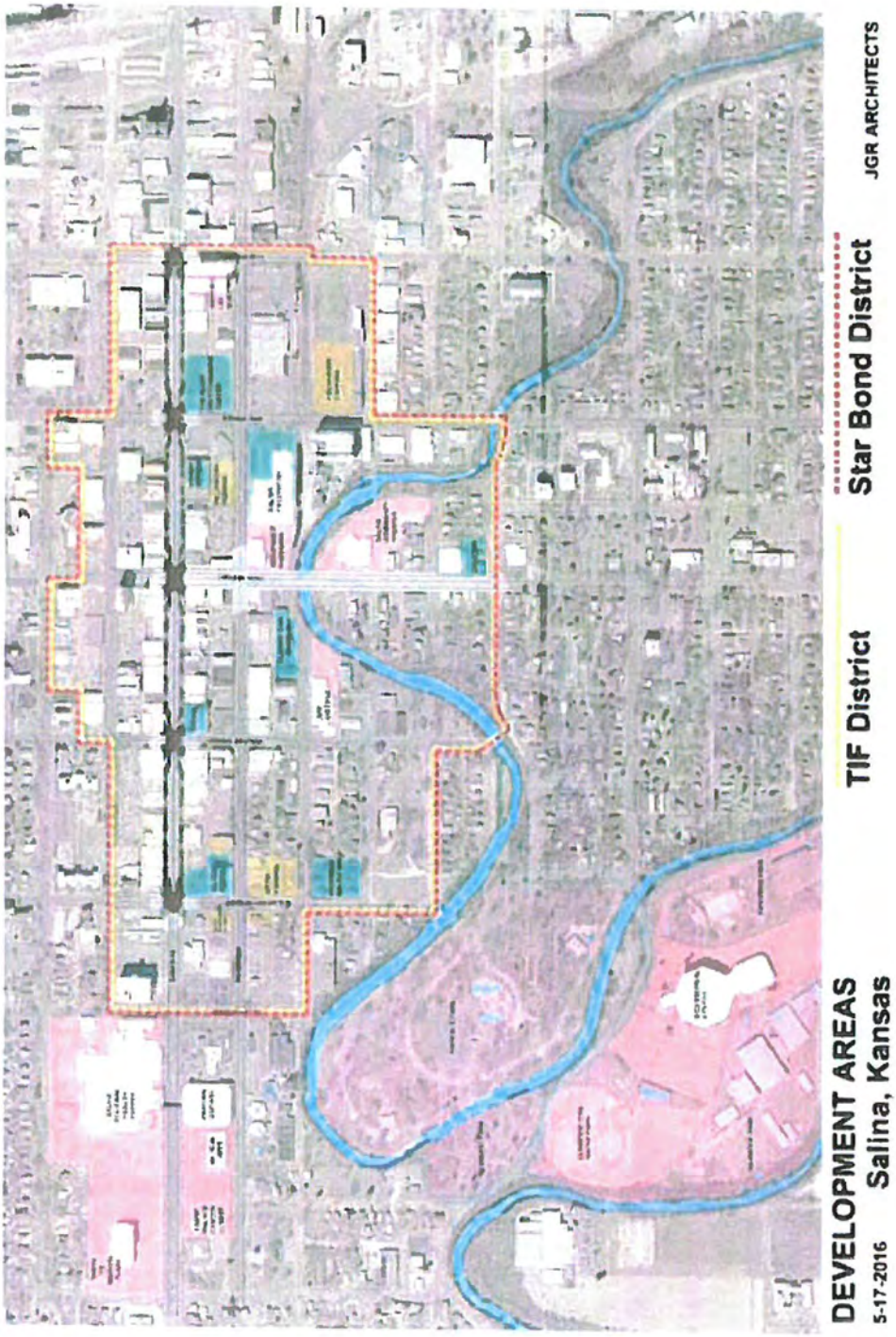
The sources and uses of funds are described above and in Tables 1, 3, and 4. The STAR Bond Project Plan contemplates that the STAR Bonds will finance $19.1 of the total estimated Project Costs and that TIF revenue, CID revenue, private equity and debt, and other public sources will finance the remaining $130,994,540 of such estimated Project Costs. The anticipated amount of STAR Bonds represents 13% of the total estimated Project Costs, as indicated in Table 3.

Reference is made to the proforma table attached hereto as **Exhibit 1**, setting forth the sufficiency of the anticipated revenues from the STAR Bond project, as described in the Canyon Study, to repay debt service on the anticipated principal amount of STAR Bonds.

[EXHIBITS ENCLOSED BEGINNING NEXT PAGE.]

EXHIBIT A

SITE PLANS



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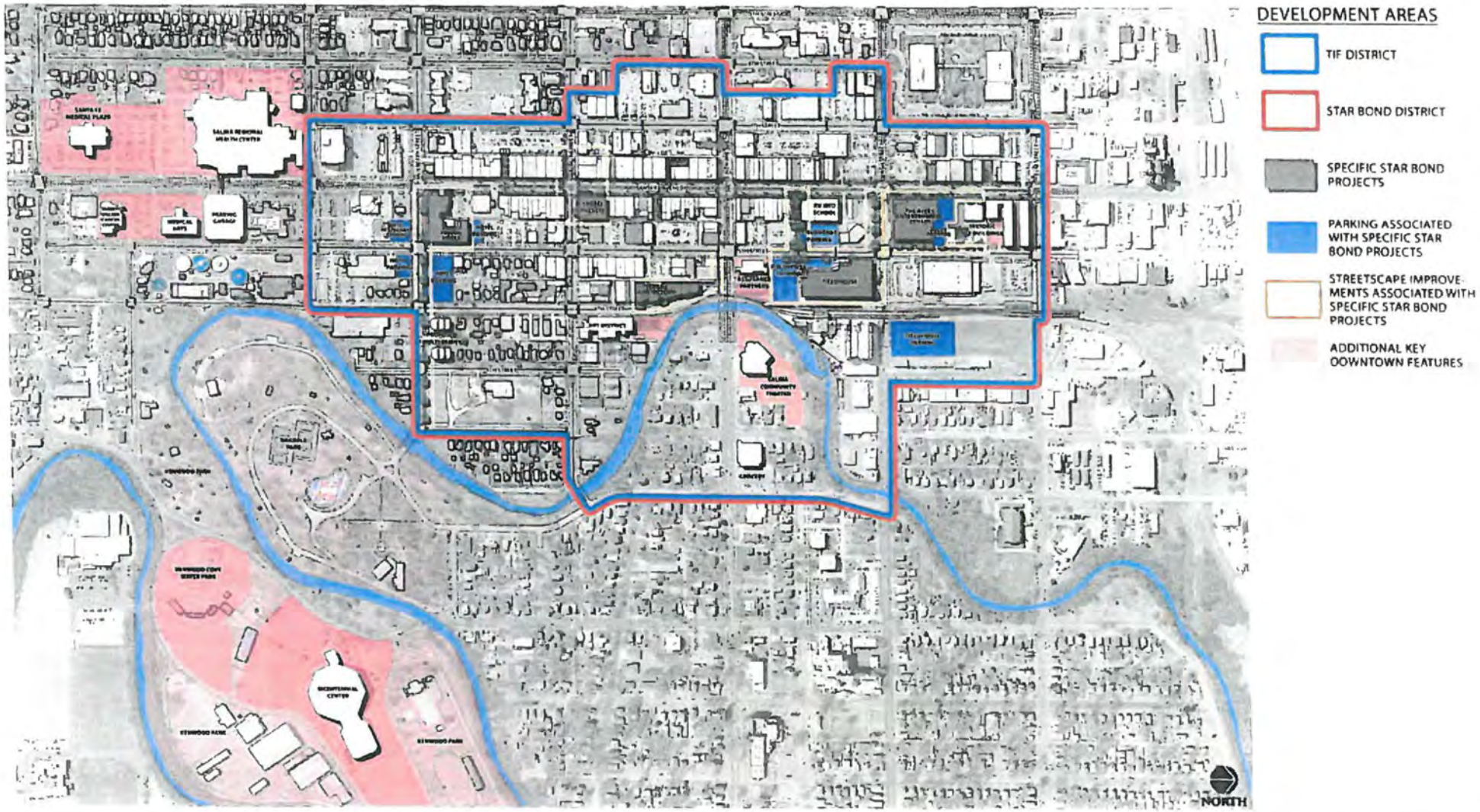
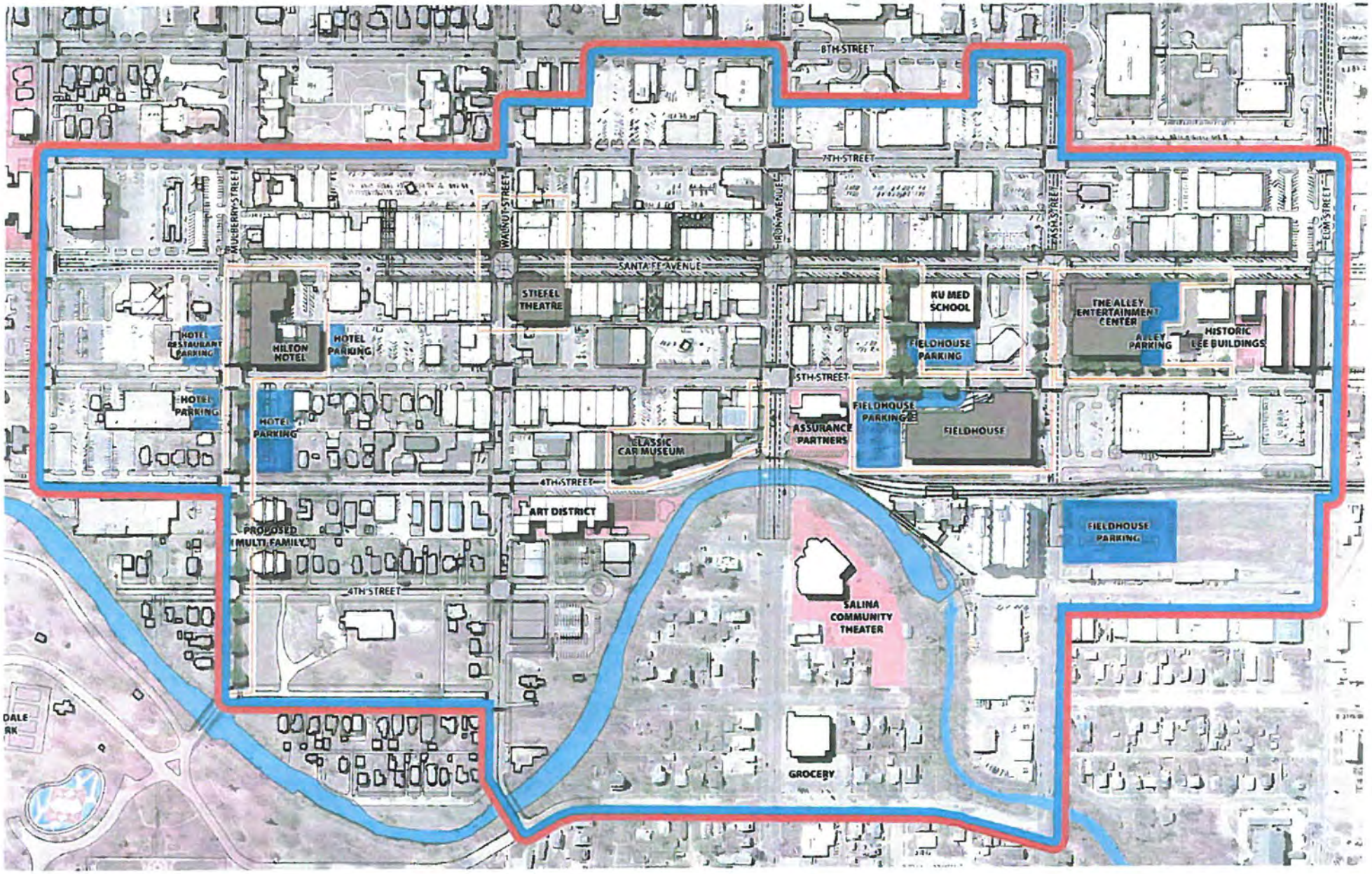


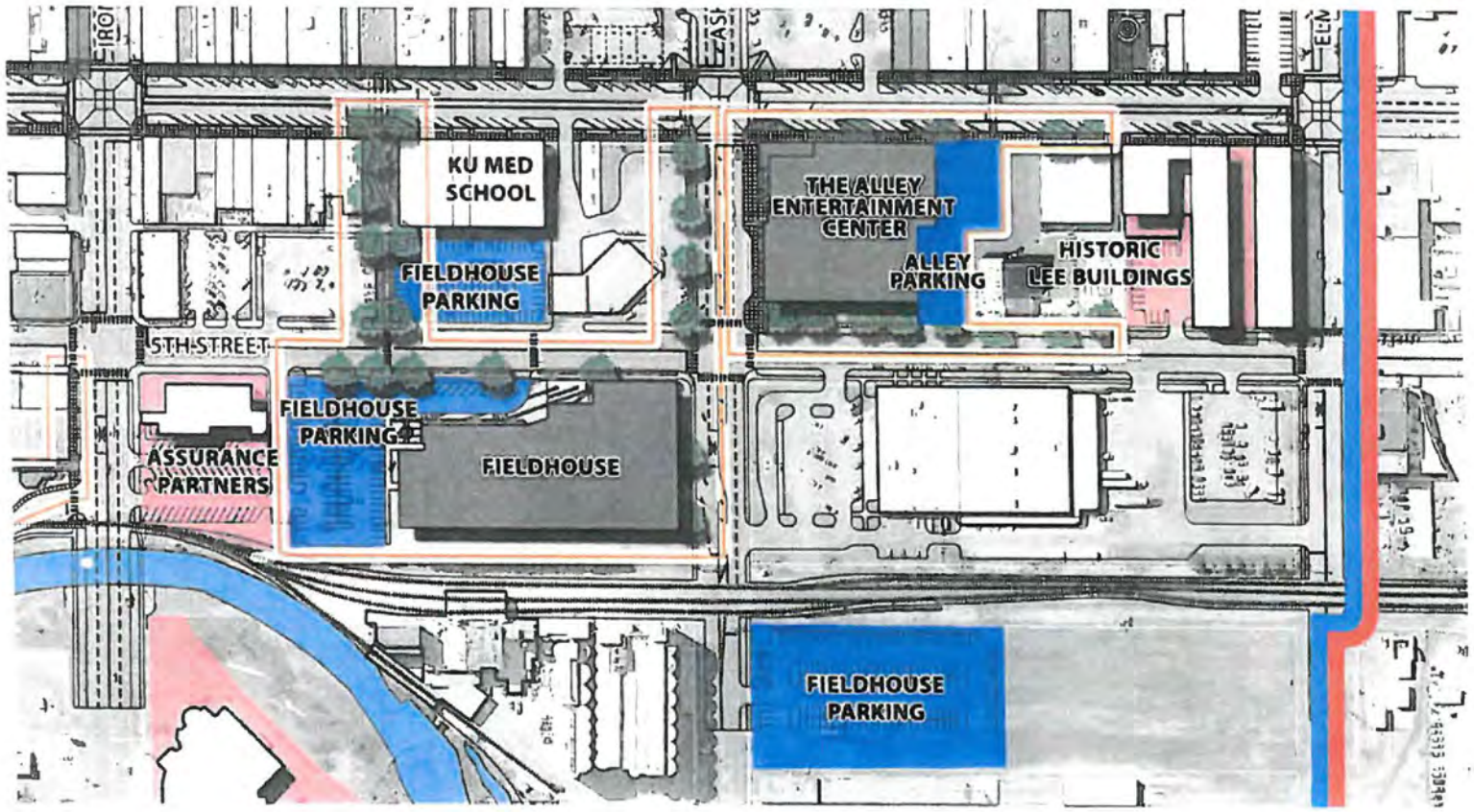
DOWNTOWN SALINA DEVELOPMENT AREAS

SALINA, KANSAS

OCHSNER HARE & HARE

OLSSON ASSOCIATES


8TH STREET
7TH STREET
MULBERRY STREET
WALNUT STREET
IRON AVENUE
ASH STREET
ELM STREET
SANTA FE AVENUE
STIEFEL THEATRE
KU MED SCHOOL
THE ALLEY ENTERTAINMENT CENTER
HISTORIC LEE BUILDINGS
ALLEY PARKING
FIELDHOUSE PARKING
HOTEL RESTAURANT PARKING
HILTON HOTEL
HOTEL PARKING
HOTEL PARKING
HOTEL PARKING
5TH STREET
ASSURANCE PARTNERS
FIELDHOUSE PARKING
FIELDHOUSE
CLASSIC CAR MUSEUM
4TH STREET
ART DISTRICT
PROPOSED MULTI FAMILY
FIELDHOUSE PARKING
4TH STREET
SALINA COMMUNITY THEATER
GROCERY



DEVELOPMENT AREAS

- TIF DISTRICT
- STAR BOND DISTRICT
- SPECIFIC STAR BOND PROJECTS
- PARKING ASSOCIATED WITH SPECIFIC STAR BOND PROJECTS
- STREETSCAPE IMPROVEMENTS ASSOCIATED WITH SPECIFIC STAR BOND PROJECTS
- ADDITIONAL KEY DOWNTOWN FEATURES

DOWNTOWN SALINA DEVELOPMENT AREAS - ENLARGEMENT

SALINA, KANSAS

OCHSNER HARE & HARE

OLSSON ASSOCIATES

EXHIBIT B

ORDINANCE NO. 15-10775

(SEE ATTACHED)

Consolidated-Salina EPN111155

(Published in *The Salina Journal* on June 5, 2015)

ORDINANCE NO. 15-10775

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF SALINA, KANSAS, ESTABLISHING A STAR BOND PROJECT DISTRICT WITHIN THE CITY AND MAKING CERTAIN FINDINGS IN CONJUNCTION THEREWITH

WHEREAS, the state of Kansas (the "State") desires to promote, stimulate and develop the general and economic welfare of the State and its communities and to assist in the development and redevelopment of eligible areas within a city or county, thereby promoting the general welfare of the citizens of the State, by authorizing cities and counties to acquire certain property and to issue sales tax and revenue (STAR) bonds for the financing of STAR bond projects pursuant to the provisions of K.S.A. 12-17,160 *et seq.*, as amended (the "Act"); and

WHEREAS, pursuant to the Act the City of Salina, Kansas (the "City") is authorized to establish STAR bond project districts within eligible areas of the City, as said terms are defined in the Act, to approve STAR bond project district plans for the completion of STAR bond projects within such STAR bond project district, and to finance STAR bond project costs from the incremental increase in state and local sales revenues derived from the STAR bond project district, other revenues described in the Act, or a combination thereof or from the proceeds of special obligation tax increment bonds of the City payable from such described revenues; and

WHEREAS, prior to the creation of any STAR bond project district the governing body of the City must adopt a resolution stating that the City is considering the establishing of a STAR bond project district, which resolution shall: (1) Give notice that a public hearing will be held to consider the establishment of a STAR bond project district and fix the date, hour and place of such public hearing, which public hearing shall be held not less than 30 nor more than 70 days following adoption of such resolution, (2) describe the proposed boundaries of the STAR bond project district, (3) describe the proposed STAR bond project district plan, (4) state that a description and map of the proposed STAR bond project district are available for inspection at a time and place designated, and (5) state that the governing body will consider findings necessary for the establishment of a STAR bond project district; and

WHEREAS, notice of such public hearing shall be given by mailing a copy of the resolution calling the public hearing via certified mail, return receipt requested, to the board of county commissioners of the county, the board of education of any school district levying taxes on property within the proposed STAR bond project district, and to each owner and occupant of land within the proposed STAR bond project district not more than 10 days following the date of the adoption of such resolution and by publishing a copy of such resolution once in the official City newspaper not less than one week or more than two weeks preceding the date fixed for the public hearing, which publication shall include a sketch clearly delineating the area in sufficient detail to advise the reader of the particular land proposed to be included within the STAR bond project area; and

WHEREAS, upon the conclusion of such public hearing and a finding by the Secretary of Commerce that the STAR bond project district is an "eligible area" under the Act, the governing body may pass an ordinance which shall: (1) make findings that the STAR bond project district proposed to be developed is a STAR bond project under the Act, (2) contain the STAR bond project district plan as

Consolidated-Saline EPN111155

approved, (3) contain the legal description of the STAR bond project district, and (4) may establish the STAR bond project district; and

WHEREAS, no privately owned property subject to ad valorem taxes shall be acquired and redeveloped under the provisions of the Act, if the board of county commissioners or the board of education levying taxes on such property determines by resolution adopted within 30 days following the conclusion of the hearing for the establishment of the STAR bond project district that the proposed STAR bond project district will have an adverse effect on such county or school district; and

WHEREAS, upon the creation of a STAR bond project district pursuant to the Act, the City may propose to undertake one or more STAR bond projects and shall prepare a STAR bond project plan, which may be implemented in separate development stages, in consultation with the City's planning commission; and

WHEREAS, the City Commission has heretofore adopted Resolution No. 15-7193 on March 30, 2015, which made a finding that the City is considering the establishment of a STAR bond project district pursuant to the Act, set forth the boundaries of the proposed STAR bond project district, provided a summary of the proposed STAR bond project district plan, called a public hearing concerning the establishment of a STAR bond project district for May 18, 2015 and provided for notice of such public hearing as provided in the Act; and

WHEREAS, on May 18, 2015, the Secretary of Commerce made a finding that the proposed STAR bond project district is an "eligible area" under the Act as a "major commercial entertainment and tourism area" as defined in the Act; and

WHEREAS, a public hearing was held this date, after due published, delivered and mailed notice in accordance with the provisions of the Act; and

WHEREAS, upon and considering the information and public comments received at the public hearing conducted this date, the City Commission hereby deems it advisable to make certain findings and to create the STAR bond project district.

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

Section 1. **Findings**. The City Commission hereby finds that due notice of the public hearing conducted on May 18, 2015 was made in accordance with the provisions of the Act. The City Commission further finds that the proposed STAR bond project district is a "STAR bond project" as a "major commercial entertainment and tourism area" as those terms are defined in the Act.

Section 2. **Creation of STAR Bond Project District**. A STAR bond project district is hereby created within the City in accordance with the provisions of the Act (the "STAR Bond Project District"). The STAR Bond Project District is comprised of one project area.

A map depicting the boundaries of the STAR Bond Project District is attached hereto as ***Exhibit A***, which is incorporated herein by reference and legally described on ***Exhibit B***. The boundaries of the STAR Bond Project District do not contain any property not referenced in Resolution No. 15-7153, which provided notice of the public hearing on the creation of the STAR Bond Project District.

Section 3. **STAR Bond Project District Plan**. The proposed district plan for the STAR Bond Project District (the "District Plan") is hereby approved. The buildings and facilities to be constructed or improved in the STAR Bond Project District may be described in a general manner as follows:

Consolidated-Saline EPN111155

A mixed-use development consisting of some or all of the following uses: major multi-sport athletic complex, museum facilities; an historic theater; retail uses; restaurant uses; other general commercial development; hotel uses; residential uses; office uses; associated public and private infrastructure; and other items allowable under K.S.A. 12-17, 160 *et seq.* The STAR bond project district may consist of multiple STAR bond project areas as delineated in one or more STAR bond project plans to be approved for property within the STAR bond project district.

Section 4. Approval of Other Governmental Units. No privately owned property subject to ad valorem taxation within the STAR Bond Project District shall be acquired and redeveloped pursuant to the Act, if the Board of County Commissioners of Saline County, Kansas or the Board of Education of Unified School District No. 305 determines by resolution adopted within thirty days following the public hearing held this date, that the STAR Bond Project District will have an adverse effect on Saline County or Unified School District No. 305, respectively. As of this date, the City has not received a copy of any such resolution and is not aware of the adoption of any such resolution by the governing body of Saline County or Unified School District No. 305.

Section 5. Reimbursement. The Act authorizes the issuance by the City of bonds to finance all or a portion of the costs of implementing the District Plan. Said bonds may be issued to reimburse expenditures made on or after the date which is 60 days before the date of passage of this Ordinance, pursuant to Treasury Regulation §1.150-2 in the maximum principal amount of $1,000,000.

Section 6. Further Action. The Mayor, City Manager, City Clerk and other officials and employees of the City, including the City Attorney, City consultants, and Gilmore & Bell, P.C., Bond Counsel, are hereby further authorized and directed to take such other actions as may be appropriate or desirable to accomplish the purposes of this Ordinance.

Section 7. Effective Date. This Ordinance shall be effective upon its passage by two-thirds of the City Commission and publication one time in the official City newspaper.

PASSED by the City Commission of the City of Salina, Kansas on June 1, 2015 and **APPROVED AND SIGNED** by the Mayor.

Introduced: May 18, 2015
Passed: June 1, 2015

Joe R. Blanchard, Mayor

[SEAL]
ATTEST:

Shandi Wicks, CMC, City Clerk

STAR Bond District Boundary
City of Salina
Exhibit A
Santa Fe
Seventh
Eighth
Ninth
Tenth
South
Mulberry
Walnut
Iron
Ash
Elm
Fifth
Fourth
Third
Second
Front
Oakdale
Johnstown
Gypsum
Park
Oakdale
Dr
Pl
Av
St
N
W
E
S

LIMITS OF THE STAR BOND DISTRICT – CITY OF SALINA:

A TRACT OF LAND LOCATED IN ORIGINAL TOWN, SURVEYOR'S PLAT J, HOLLAND'S ADDITION, AND SRHC SUBDIVISION, ALL IN THE CITY OF SALINA, SALINE COUNTY, KANSAS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF LOT 10 ON ELM STREET, ORIGINAL TOWN, (NOW CITY) OF SALINA, SAID POINT BEING THE INTERSECTION OF THE EAST RIGHT-OF-WAY LINE OF 3RD STREET AND THE NORTH RIGHT-OF-WAY LINE OF ELM STREET;

THENCE SOUTH ON SAID EAST RIGHT-OF-WAY LINE OF 3RD STREET, A DISTANCE OF 830 FEET TO THE SOUTHWEST CORNER OF LOT 77 ON 3RD STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID EAST RIGHT-OF-WAY LINE AND THE NORTH RIGHT-OF-WAY LINE OF ASH STREET;

THENCE EAST ON SAID NORTH RIGHT-OF-WAY LINE OF ASH STREET, A DISTANCE OF 580 FEET TO THE SOUTHEAST CORNER OF LOT 39 ON FRONT STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID NORTH RIGHT-OF-WAY LINE AND THE WEST RIGHT-OF-WAY OF FRONT STREET, AS PLATTED IN SAID ORIGINAL TOWN;

THENCE SOUTH ON SAID WEST RIGHT-OF-WAY LINE OF FRONT STREET, A DISTANCE OF 1760 FEET TO THE NORTHEAST CORNER OF LOT 69 ON FRONT STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID WEST RIGHT-OF-WAY LINE AND THE SOUTH RIGHT-OF-WAY LINE OF WALNUT STREET;

THENCE WEST ON SAID SOUTH RIGHT-OF-WAY LINE OF WALNUT STREET, A DISTANCE OF 330 FEET TO THE NORTHEAST CORNER OF LOT 1, ON WALNUT STREET, SAID ORIGINAL TOWN, 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 830 FEET TO THE NORTHEAST CORNER OF LOT 8, SAID SURVEYOR'S PLAT J, SAID POINT BEING THE INTERSECTION OF SAID WEST RIGHT-OF-WAY LINE AND THE SOUTH RIGHT-OF-WAY LINE OF MULBERRY STREET;

THENCE WEST ON SAID SOUTH RIGHT-OF-WAY LINE OF MULBERRY STREET, A DISTANCE OF 660 FEET TO THE NORTHEAST CORNER OF LOT 170 ON 4TH STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID SOUTH RIGHT-OF-WAY LINE AND THE WEST RIGHT-OF-WAY LINE OF 4TH STREET;

THENCE SOUTH ON SAID WEST RIGHT-OF-WAY LINE OF 4TH STREET, A DISTANCE OF 580 FEET TO THE NORTHEAST CORNER OF LOT 1, ON 4TH STREET, SAID HOLLAND'S ADDITION, SAID POINT BEING THE INTERSECTION OF SAID WEST RIGHT-OF-WAY LINE AND THE SOUTH RIGHT-OF-WAY LINE OF SOUTH STREET;

THENCE WEST ON SAID SOUTH RIGHT-OF-WAY LINE OF SOUTH STREET, A DISTANCE OF 935.44 FEET TO THE INTERSECTION OF SAID SOUTH RIGHT-OF-WAY LINE AND THE EAST RIGHT-OF-WAY LINE OF 7TH STREET;

THENCE NORTH ON SAID EAST RIGHT-OF-WAY LINE OF 7TH STREET, A DISTANCE OF 1410 FEET TO THE NORTHWEST CORNER OF LOT 139 ON 7TH STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID EAST RIGHT-OF-WAY LINE AND THE SOUTH RIGHT-OF-WAY LINE OF WALNUT STREET;

THENCE WEST ON SAID SOUTH RIGHT OF WAY LINE OF WALNUT STREET, A DISTANCE OF 210 FEET TO THE INTERSECTION OF SAID SOUTH RIGHT-OF-WAY LINE, AND THE WEST LINE OF A 10 FOOT ALLEY BETWEEN 7TH STREET AND 8TH STREET, SAID ORIGINAL TOWN;

THENCE NORTH ON SAID WEST LINE OF A 10 FOOT ALLEY, A DISTANCE OF 280 FEET TO THE SOUTHEAST CORNER OF LOT 129 ON 8TH STREET, SAID ORIGINAL TOWN;

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5-13-15, LRR

REVISED PER CLIENT COMMENTS.
3-12-15, LRR

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

KAW VALLEY ENGINEERING

E15S1183 FEB. 19, 2015
1183EXBA LRR

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THENCE WEST ON THE SOUTH LINE OF SAID LOT 129, A DISTANCE OF 120 FEET TO THE SOUTHWEST CORNER OF SAID LOT 129 ON 8TH STREET, SAID POINT BEING ON THE EAST RIGHT-OF-WAY LINE OF 8TH STREET;

THENCE NORTH ON SAID EAST RIGHT-OF-WAY LINE OF 8TH STREET, A DISTANCE OF 650 FEET TO THE SOUTHWEST CORNER OF LOT 107 ON 8TH STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID EAST RIGHT-OF-WAY LINE AND THE NORTH RIGHT-OF-WAY LINE OF IRON STREET;

THENCE EAST ON THE SOUTH LINE OF SAID LOT 107, A DISTANCE OF 120 FEET TO THE SOUTHEAST CORNER OF SAID LOT 107, SAID POINT BEING ON THE WEST LINE OF A 10 FOOT ALLEY BETWEEN 7TH STREET AND 8TH STREET, SAID ORIGINAL TOWN;

THENCE NORTH ON SAID WEST LINE OF A 10 ALLEY, A DISTANCE OF 432.5 FEET TO THE SOUTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN DEED BOOK 229, PAGE 381 IN THE OFFICE OF THE SALINE COUNTY REGISTER OF DEEDS;

THENCE WEST ON THE SOUTH LINE OF SAID DESCRIBED TRACT, A DISTANCE OF 120 FEET TO THE SOUTHWEST CORNER OF SAID DESCRIBED TRACT, SAID POINT BEING ON SAID EAST RIGHT-OF-WAY LINE OF 8TH STREET;

THENCE NORTH ON SAID EAST RIGHT-OF-WAY LINE OF 8TH STREET, A DISTANCE OF 397.5 FEET TO THE SOUTHWEST CORNER OF LOT 77 ON 8TH STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID EAST RIGHT-OF-WAY LINE AND THE NORTH RIGHT-OF-WAY LINE OF ASH STREET;

THENCE EAST ON SAID NORTH RIGHT-OF-WAY LINE OF ASH STREET, A DISTANCE OF 330 FEET TO THE SOUTHWEST CORNER OF LOT 77 ON 7TH STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID NORTH RIGHT-OF-WAY LINE AND SAID EAST RIGHT-OF-WAY LINE OF 7TH STREET;

THENCE NORTH ON SAID EAST RIGHT-OF-WAY LINE OF 7TH STREET, A DISTANCE OF 830 FEET TO THE SOUTHWEST CORNER OF LOT 47 ON 7TH STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID EAST RIGHT-OF-WAY LINE AND THE NORTH RIGHT-OF-WAY LINE OF ELM STREET;

THENCE EAST ON SAID NORTH RIGHT-OF-WAY LINE OF ELM STREET, A DISTANCE OF 1340 FEET TO THE POINT OF BEGINNING.

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sa@kveng.com | www.kveng.com
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5-13-15, LRR

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3-12-15, LRR

E15S1183 FEB. 19, 2015
1183EXBA LRR

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EXHIBIT C

MAY 8, 2015 LETTER FROM KANSAS DEPARTMENT OF COMMERCE

(SEE ATTACHED)

Legal Section
1000 S.W. Jackson St., Suite 100
Topeka, KS 66612-1354

Pat George, Secretary

Kansas
Department of Commerce

Phone (785) 296-1913
Fax (785) 296-6809 TTY 711
legal@kansascommerce.com
KansasCommerce.com

Sam Brownback, Governor

May 8, 2015

Jason Gage
City Manager
300 West Ash
P.O. Box 736
Salina, KS 67402-0736

RE: Salina STAR Bond Project District

Dear Mr. Gage:

Thank you for your letter dated May 13, 2015, in which Salina requests the Secretary of Commerce, pursuant to K.S.A. 12-17,160 *et seq.* as amended (the "Act"), take action to find and determine that the Salina STAR Bond Project District is "a major commercial entertainment and tourism area" and thus an "eligible area" within the meaning of K.S.A. 12-17,165. In your request, the Project District is a single project area in the downtown area of Salina as more fully described in Exhibit B to Resolution No. 15-7193 included with your correspondence. The development currently being contemplated in the Project District consists of a mixed-use development consisting of: major multi-sport athletic complex, museum facilities; retail uses; restaurant uses; other general commercial development; hotel uses; residential uses; office uses; associated public and private infrastructure; and other items allowable under K.S.A. 12-17,160 *et seq.* The STAR bond Project District may ultimately consist of multiple STAR bond project areas as delineated in one or more STAR bond project plans to be approved for property within the STAR bond project district. These components will complement other recent development in the area.

Your request indicates the total cost of the Project will be approximately $122 million and the primary attractions will be the Fieldhouse, designed for indoor basketball, volleyball, wrestling, gymnastics and cheerleading, the Stiefel Theater and a vintage car museum. The Project also includes up to several hundred thousand square feet of retail and entertainment venues. The Developer has estimated the construction phase of the District will result in 839 direct and indirect jobs with payroll of $40 million and economic impact of $134 million. The Fieldhouse is estimated to draw over 90,000 visitors on an annual basis, many of whom will come from outside the State of Kansas.

Based on all the above, it is my determination that the proposed Salina STAR Bond Project District is a major commercial entertainment and tourism area and an "eligible area," for the purpose of establishing a STAR Bond Project District as contemplated by K.S.A. 12-17,165.

This approval and designation of the proposed Project District as an "eligible area" should not be construed as approval of any particular STAR Bond Project or Project Plan and is limited to a finding that the proposed Project District constitutes an "eligible area" under the Act as a condition precedent to the city passing an ordinance creating a STAR Bond Project District. Commerce will require additional information prior to being in a position to evaluate the Project for STAR bond financing and determining the appropriate level of STAR bond funding. It is my expectation the City will submit a proposed STAR Bond Project Plan within 90 days from the date of this approval.

The Department of Commerce and I look forward to working with Salina as this project continues through the STAR bond process.

Sincerely,

Pat George
Secretary of Commerce

EXHIBIT D

LEGAL DESCRIPTIONS OF STAR BOND PROJECT DISTRICT & PROJECT AREA

LIMITS OF THE STAR BOND DISTRICT - CITY OF SALINA

A TRACT OF LAND LOCATED IN ORIGINAL TOWN, SURVEYOR'S PLAT OF SALINA'S ADDITION AND SUBDIVISION AND IN THE CITY OF SALINA, SALINE COUNTY, KANSAS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF LOT 70 ON ELM STREET, ORIGINAL TOWN, (NOW CITY) OF SALINA, SAID POINT BEING THE INTERSECTION OF THE EAST RIGHT-OF-WAY LINE OF 3RD STREET AND THE NORTH RIGHT-OF-WAY LINE OF ELM STREET

THENCE SOUTH ON SAID EAST RIGHT-OF-WAY LINE OF 3RD STREET, A DISTANCE OF 830 FEET TO THE SOUTHWEST CORNER OF LOT 77 ON 3RD STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID EAST RIGHT-OF-WAY LINE AND THE NORTH RIGHT-OF-WAY LINE OF 4TH STREET

THENCE EAST ON SAID NORTH RIGHT-OF-WAY LINE OF 4TH STREET, A DISTANCE OF 550 FEET TO THE SOUTHEAST CORNER OF LOT 39 ON FRONT STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID NORTH RIGHT-OF-WAY LINE AND THE WEST RIGHT-OF-WAY OF FRONT STREET AS PLATTED IN SAID ORIGINAL TOWN

THENCE SOUTH ON SAID WEST RIGHT-OF-WAY LINE OF FRONT STREET, A DISTANCE OF 1760 FEET TO THE NORTHEAST CORNER OF LOT 64 ON FRONT STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID WEST RIGHT-OF-WAY LINE AND THE SOUTH RIGHT-OF-WAY LINE OF WALNUT STREET

THENCE WEST ON SAID SOUTH RIGHT-OF-WAY LINE OF WALNUT STREET, A DISTANCE OF 330 FEET TO THE NORTHEAST CORNER OF LOT 1, ON WALNUT STREET, SAID ORIGINAL TOWN, 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 830 FEET TO THE NORTHEAST CORNER OF LOT 6, SAID SURVEYOR'S PLAT, SAID POINT BEING THE INTERSECTION OF SAID WEST RIGHT-OF-WAY LINE AND THE SOUTH RIGHT-OF-WAY LINE OF MULBERRY STREET

THENCE WEST ON SAID SOUTH RIGHT-OF-WAY LINE OF MULBERRY STREET, A DISTANCE OF 650 FEET TO THE NORTHEAST CORNER OF LOT 120 ON 4TH STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID SOUTH RIGHT-OF-WAY LINE AND THE WEST RIGHT-OF-WAY LINE OF 4TH STREET.

THENCE SOUTH ON SAID WEST RIGHT-OF-WAY LINE OF 4TH STREET, A DISTANCE OF 586 FEET TO THE NORTHEAST CORNER OF LOT 1, ON 4TH STREET, SALINA HOLLAND'S ADDITION, SAID POINT BEING THE INTERSECTION OF SAID WEST RIGHT-OF-WAY LINE AND THE SOUTH RIGHT-OF-WAY LINE OF SOUTH STREET

THENCE WEST ON SAID SOUTH RIGHT-OF-WAY LINE OF SOUTH STREET, A DISTANCE OF 935.44 FEET TO THE INTERSECTION OF SAID SOUTH RIGHT-OF-WAY LINE AND THE EAST RIGHT-OF-WAY LINE OF 7TH STREET

THENCE NORTH ON SAID EAST RIGHT-OF-WAY LINE OF 7TH STREET, A DISTANCE OF 1410 FEET TO THE NORTHWEST CORNER OF LOT 139 ON 7TH STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID EAST RIGHT-OF-WAY LINE AND THE SOUTH RIGHT-OF-WAY LINE OF WALNUT STREET

THENCE WEST ON SAID SOUTH RIGHT-OF-WAY LINE OF WALNUT STREET, A DISTANCE OF 210 FEET TO THE INTERSECTION OF SAID SOUTH RIGHT-OF-WAY LINE AND THE WEST LINE OF A 16 FOOT ALLEY BETWEEN 7TH STREET AND 8TH STREET, SAID ORIGINAL TOWN

THENCE NORTH ON SAID WEST LINE OF A 16 FOOT ALLEY, A DISTANCE OF 280 FEET TO THE SOUTHEAST CORNER OF LOT 126 ON 8TH STREET, SAID ORIGINAL TOWN

REVISED PER CITY COMMENTS
5-13-15 LKR

REVISED PER CLIENT COMMENTS
5-12-15 LKR

KAW VALLEY ENGINEERING

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THENCE WEST ON THE SOUTH LINE OF SAID LOT 109, A DISTANCE OF 120 FEET TO THE SOUTHWEST CORNER OF SAID LOT 109 ON 8TH STREET, SAID POINT BEING ON THE EAST RIGHT-OF-WAY LINE OF 8TH STREET.

THENCE NORTH ON SAID EAST RIGHT-OF-WAY LINE OF 8TH STREET, A DISTANCE OF 450 FEET TO THE SOUTHWEST CORNER OF LOT 102 ON 8TH STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID EAST RIGHT-OF-WAY LINE AND THE NORTH RIGHT-OF-WAY LINE OF IRON STREET.

THENCE EAST ON THE SOUTH LINE OF SAID LOT 102, A DISTANCE OF 120 FEET TO THE SOUTHEAST CORNER OF SAID LOT 102, SAID POINT BEING ON THE WEST LINE OF A 10 FOOT ALLEY BETWEEN 7TH STREET AND 8TH STREET, SAID ORIGINAL TOWN.

THENCE NORTH ON SAID WEST LINE OF A 10 ALLEY, A DISTANCE OF 403.5 FEET TO THE SOUTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN DEED BOOK 229, PAGE 381 IN THE OFFICE OF THE SALINE COUNTY REGISTER OF DEEDS.

THENCE WEST ON THE SOUTH LINE OF SAID DESCRIBED TRACT, A DISTANCE OF 120 FEET TO THE SOUTHWEST CORNER OF SAID DESCRIBED TRACT, SAID POINT BEING ON SAID EAST RIGHT-OF-WAY LINE OF 8TH STREET.

THENCE NORTH ON SAID EAST RIGHT-OF-WAY LINE OF 8TH STREET, A DISTANCE OF 397.5 FEET TO THE SOUTHWEST CORNER OF LOT 77 ON 8TH STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID EAST RIGHT-OF-WAY LINE AND THE NORTH RIGHT-OF-WAY LINE OF ASH STREET.

THENCE EAST ON SAID NORTH RIGHT-OF-WAY LINE OF ASH STREET, A DISTANCE OF 330 FEET TO THE SOUTHWEST CORNER OF LOT 77 ON 7TH STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID NORTH RIGHT-OF-WAY LINE AND SAID EAST RIGHT-OF-WAY LINE OF 7TH STREET.

THENCE NORTH ON SAID EAST RIGHT-OF-WAY LINE OF 7TH STREET, A DISTANCE OF 835 FEET TO THE SOUTHWEST CORNER OF LOT 47 ON 7TH STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID EAST RIGHT-OF-WAY LINE AND THE NORTH RIGHT-OF-WAY LINE OF ELM STREET.

THENCE EAST ON SAID NORTH RIGHT-OF-WAY LINE OF ELM STREET, A DISTANCE OF 1360 FEET TO THE POINT OF BEGINNING.

REVISED PER CITY COMMENTS
[illegible] 15 LRR

REVISED PER CLIENT COMMENTS
[illegible] 15 LRR

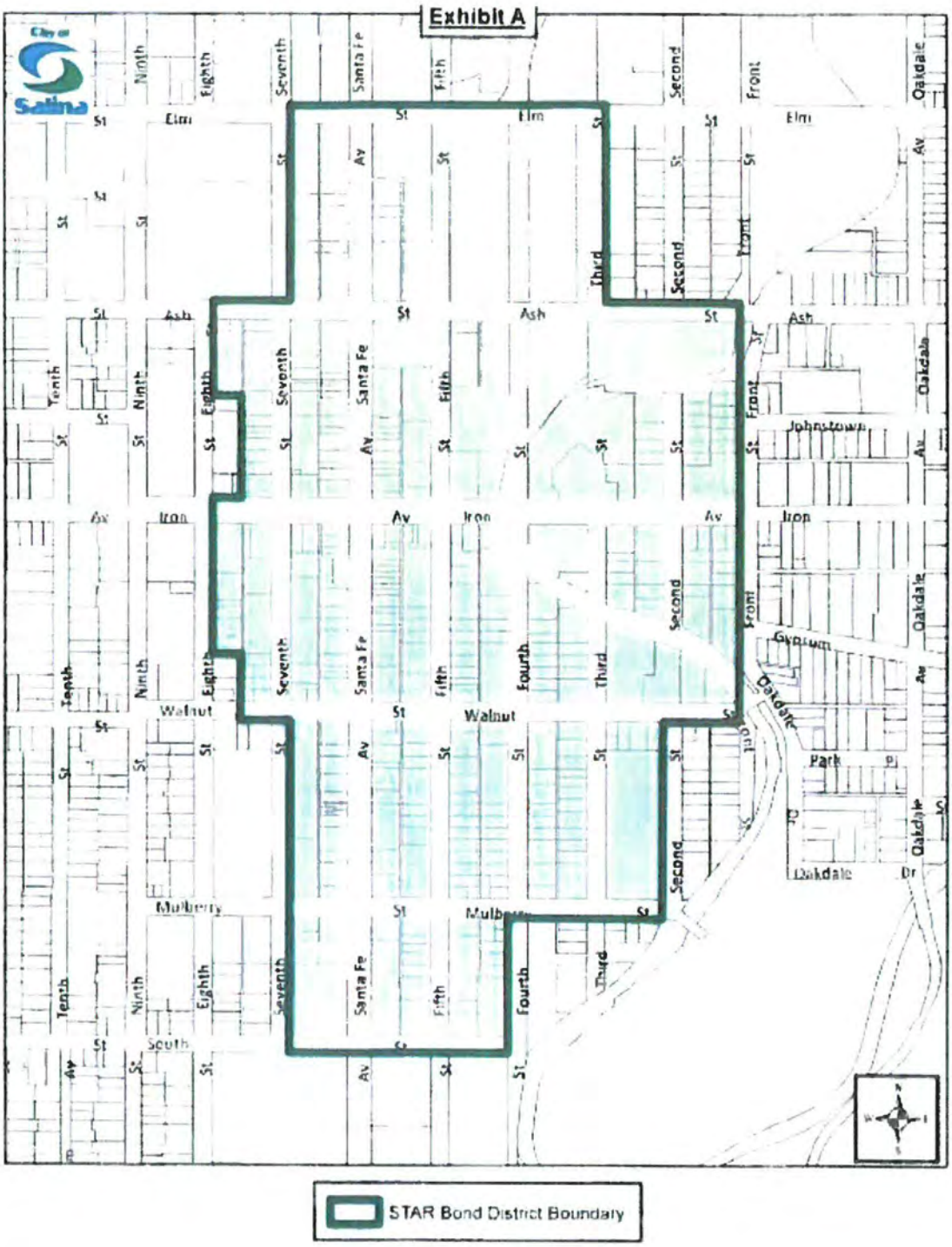
KAW VALLEY ENGINEERING
242 SCHALL AVENUE
SALINA, KANSAS 67401
PH (785) 823-3401 FAX (785) 823-3411
[illegible] | [illegible]

E-55118.3 FEB. 19, 2015
1183EXBA LRR

51368169.5

EXHIBIT E

MAP OF STAR BOND PROJECT DISTRICT & PROJECT AREA



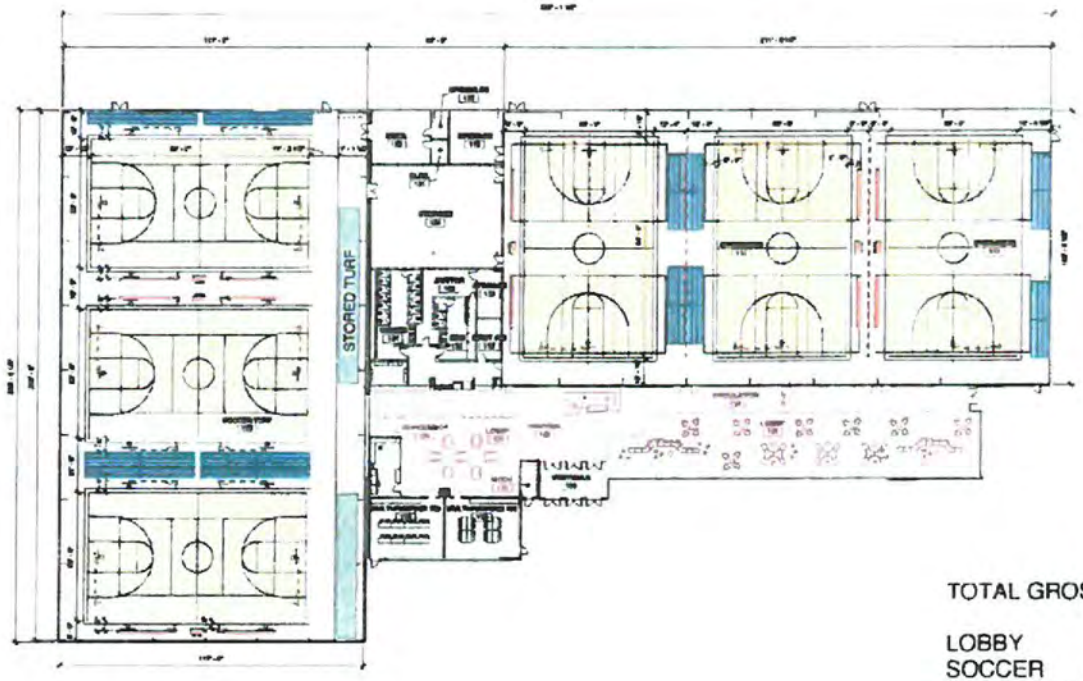
51368169.8

EXHIBIT F-1

FIELDHOUSE CONCEPTUAL PLANS

(SEE ATTACHED)

The 3x3 – B

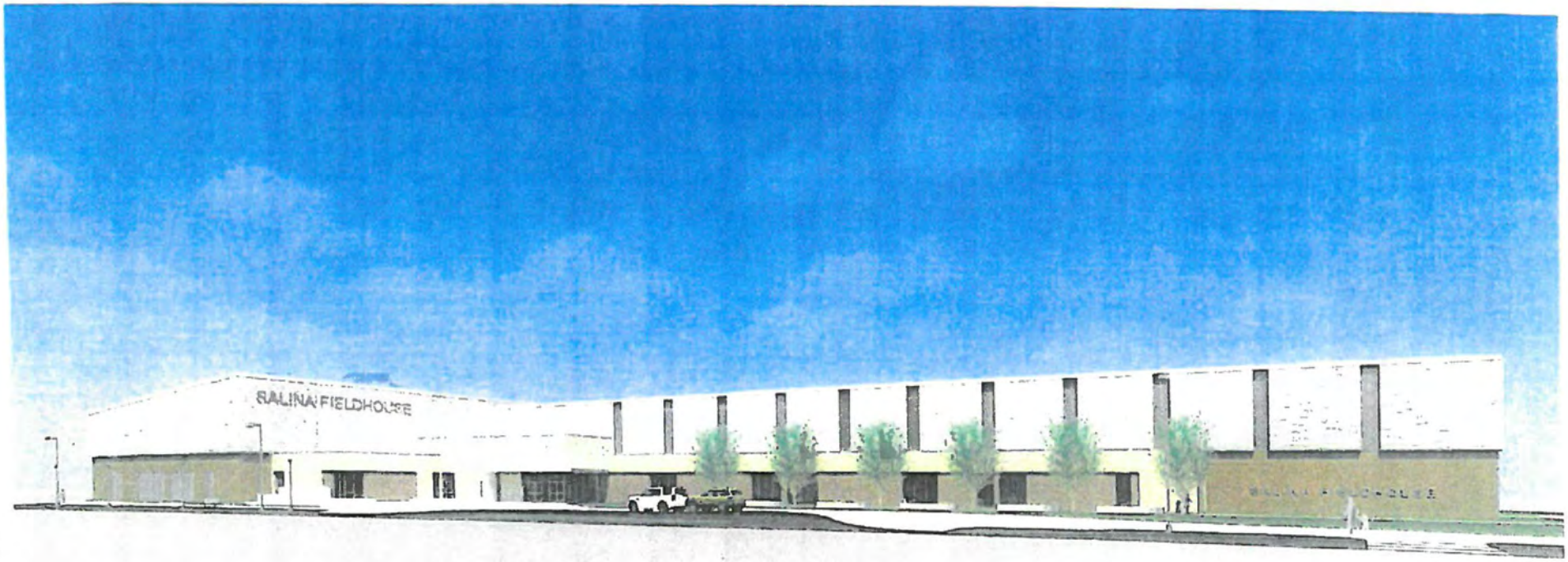


TOTAL GROSS S.F.	63,420
LOBBY	8,000
SOCCER	24,040
GYMNASIUM	23,322

PLAN 3x3 (DEVELOPED-REVISED) - (6) BASKETBALL

Salina Field House

Basic Exterior

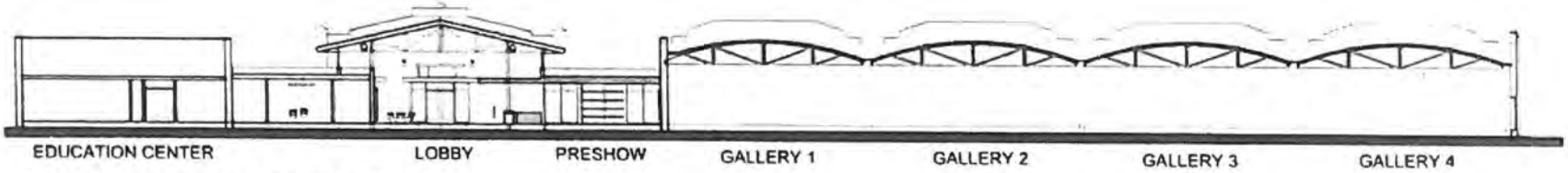


DRAFT

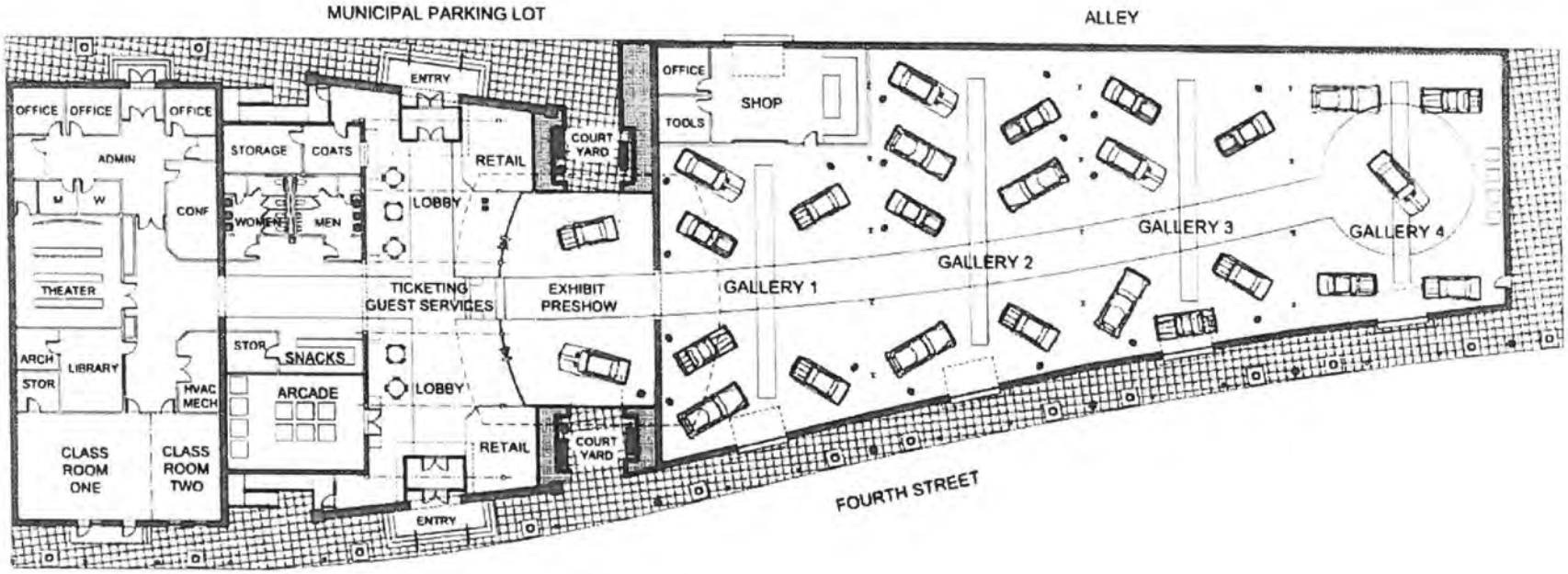
EXHIBIT F-2

CAR MUSEUM CONCEPTUAL PLANS AND AUTOMOBILE INVENTORY

(SEE ATTACHED)



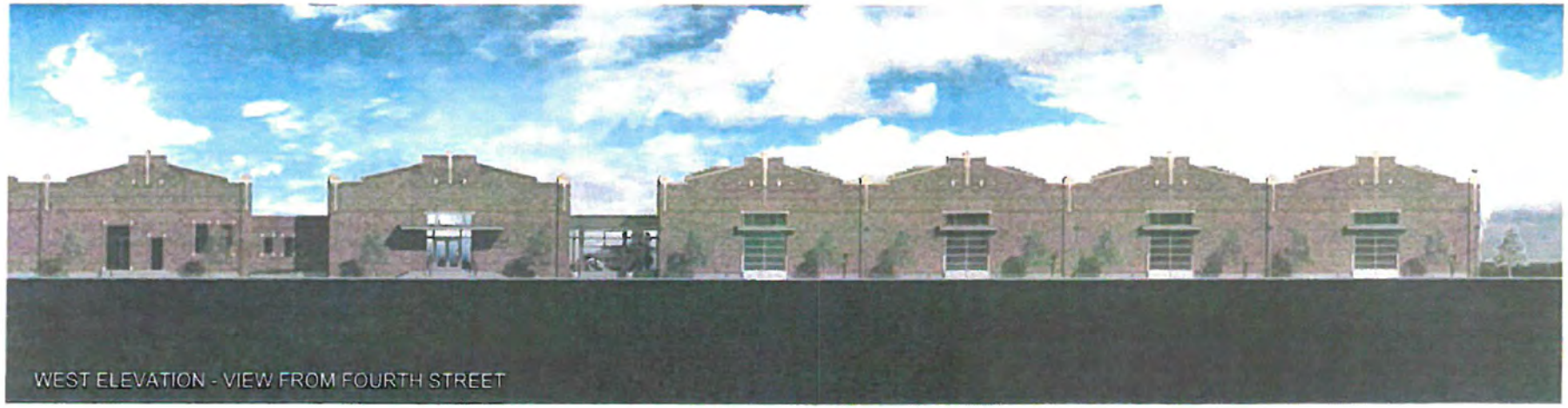
PROJECT SECTION LOOKING WEST



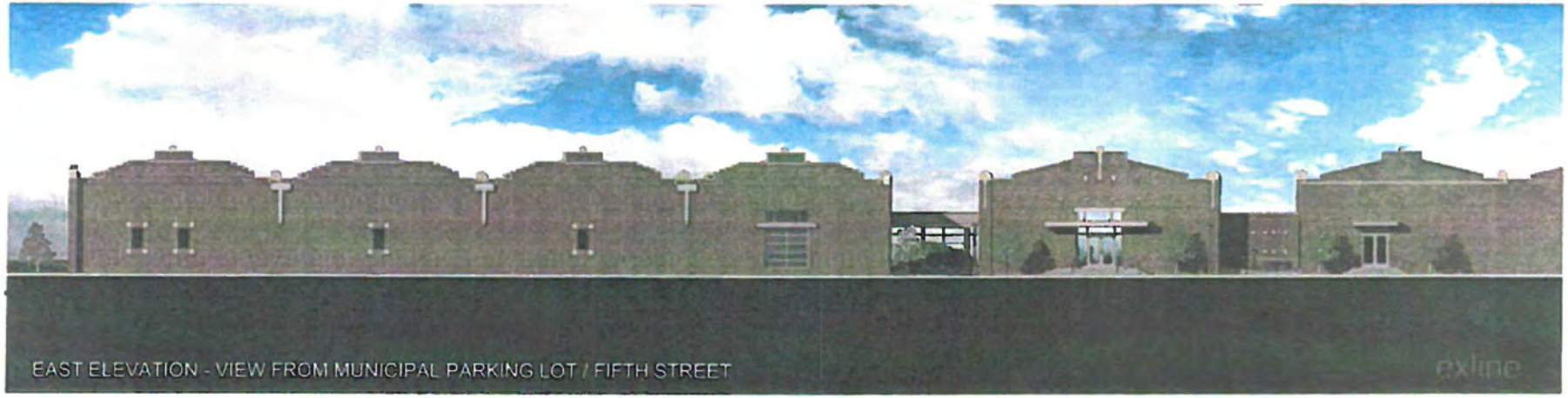
PROJECT FLOOR PLAN

AMERICA'S CROSSROADS CAR COLLECTION

SALINA, KANSAS



WEST ELEVATION - VIEW FROM FOURTH STREET



EAST ELEVATION - VIEW FROM MUNICIPAL PARKING LOT / FIFTH STREET

AMERICA'S CROSSROADS CAR COLLECTION

SALINA, KANSAS

AMERICA'S CROSSROADS CAR COLLECTION

SALINA, KANSAS

INTERIOR VIEW OF THE CROSSROADS CAR COLLECTION LOBBY

AMERICA'S CROSSROADS CAR COLLECTION

SALINA, KANSAS

INTERIOR VIEW OF THE CROSSROADS CAR COLLECTION LOBBY

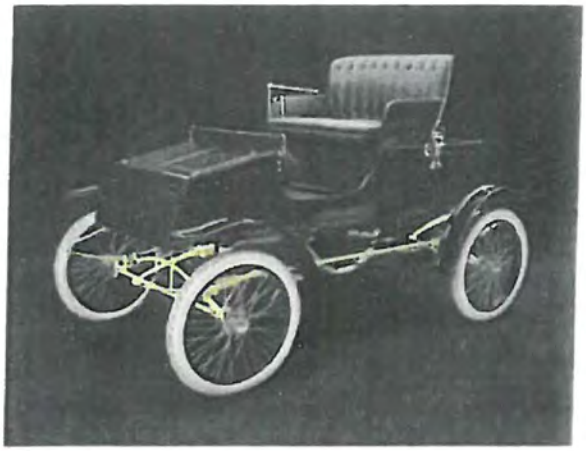
AMERICA'S CROSSROADS CAR COLLECTION

SALINA, KANSAS

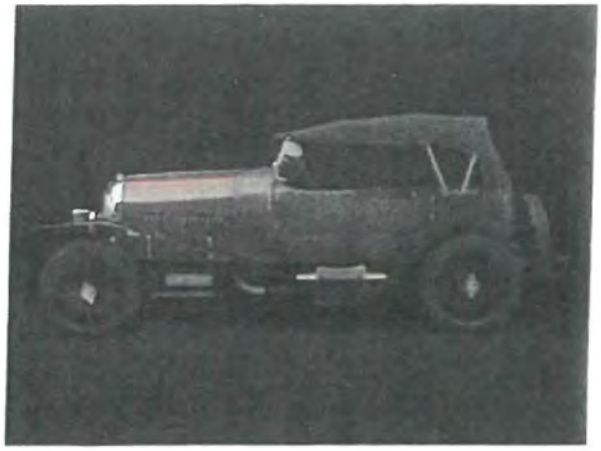
INTERIOR VIEW OF THE CROSSROADS CAR COLLECTION GALLERY TWO

AMERICA'S CROSSROADS CAR COLLECTION

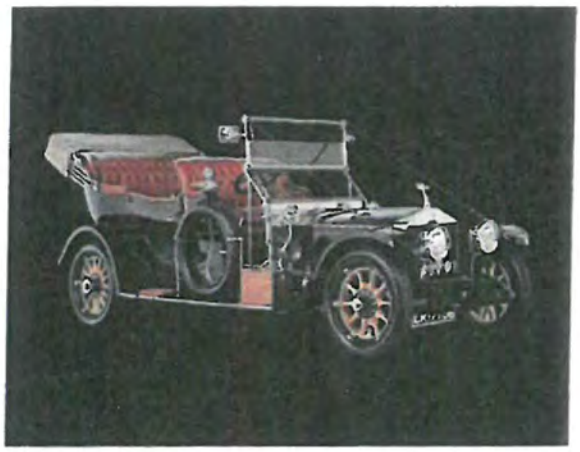
SALINA, KANSAS



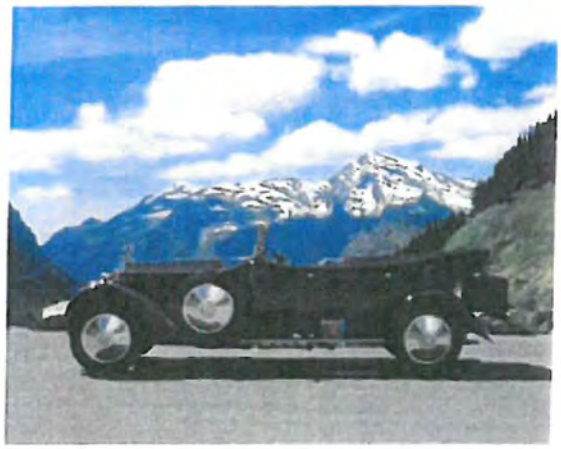
1902 Locomobile Steam Runabout



1923 Bentley Vanden Plas Tourer

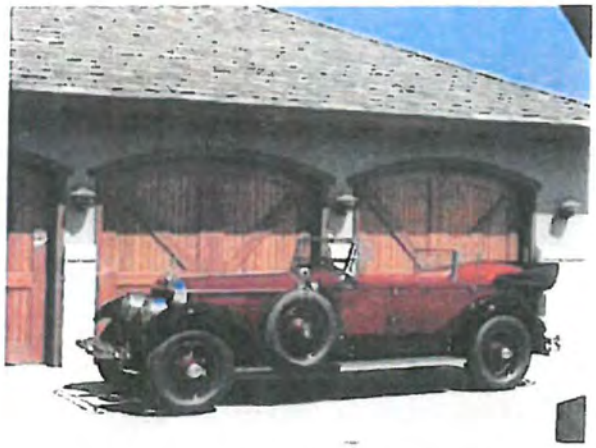


1912 Rolls-Royce Silver Ghost



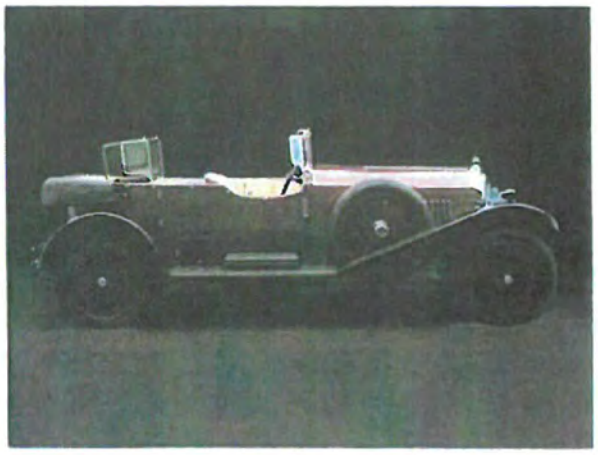
1924 Rolls-Royce Silver Ghost

1918 Ford Model T Speedster



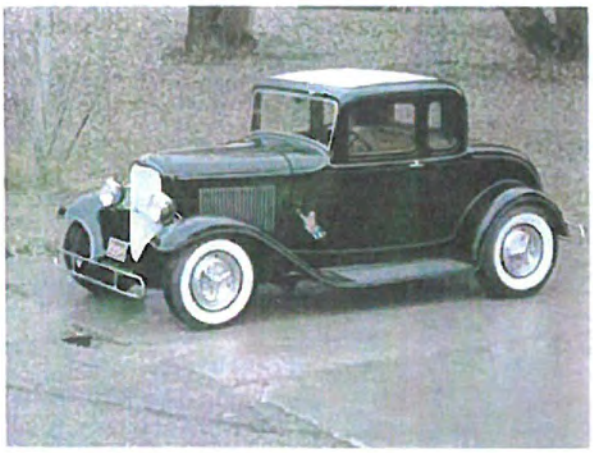
1924 Rolls-Royce Silver Ghost

1925 Ford Model T Coupe

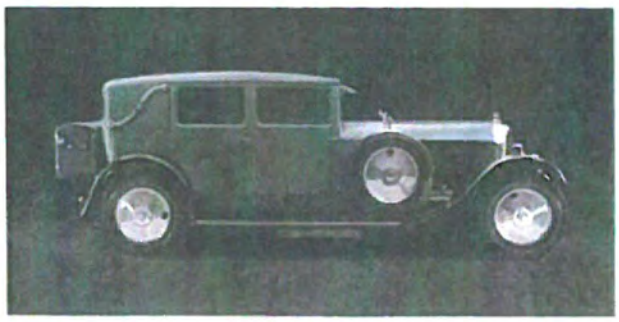


1929 Bentley

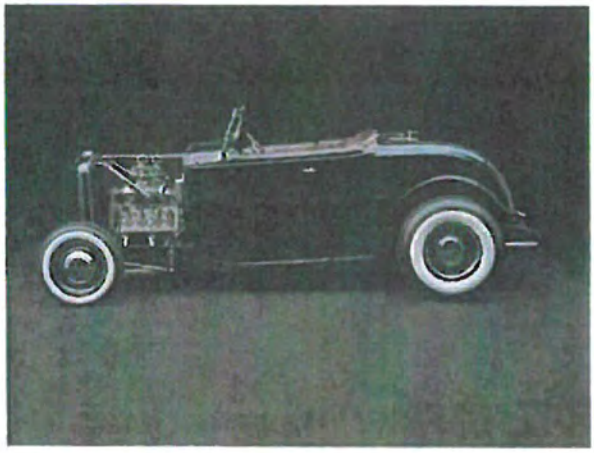
1925 Rolls-Royce Silver Ghost



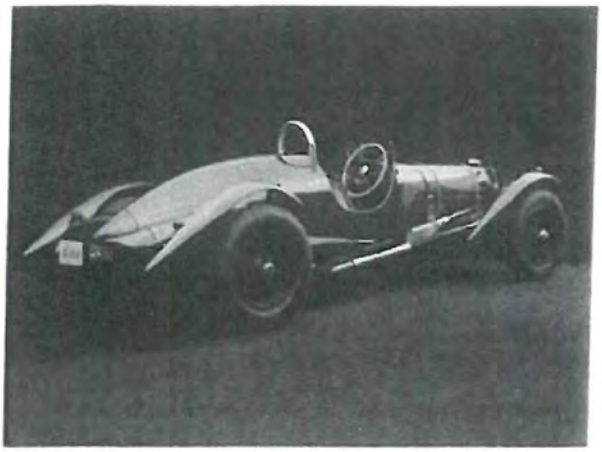
1932 Ford 5-window Coupe



1928 Bentley Gurney Nutting Limousine



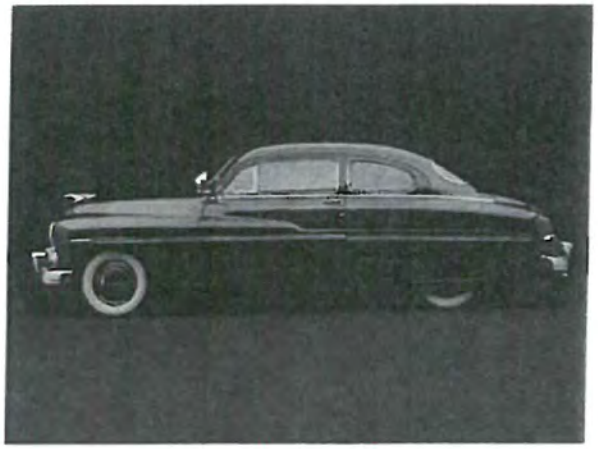
1932 Ford Roadster



1939 Lagonda V12 Le Mans

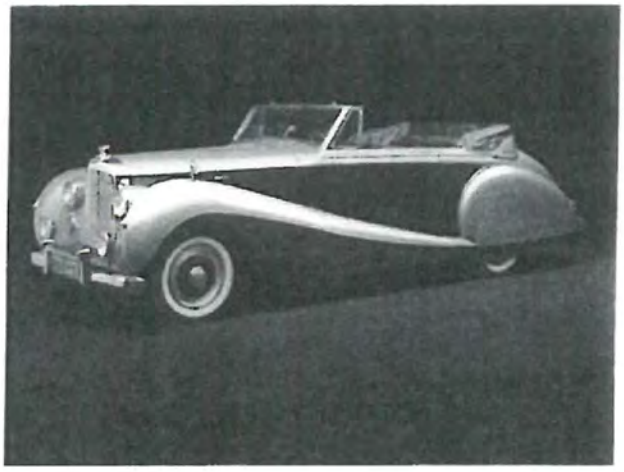
1949 Ford Convertible

1941 Ford Opera Coupe



1950 Mercury Coupe

1947 Ford Woody Wagon



1951 Bentley Mark VI

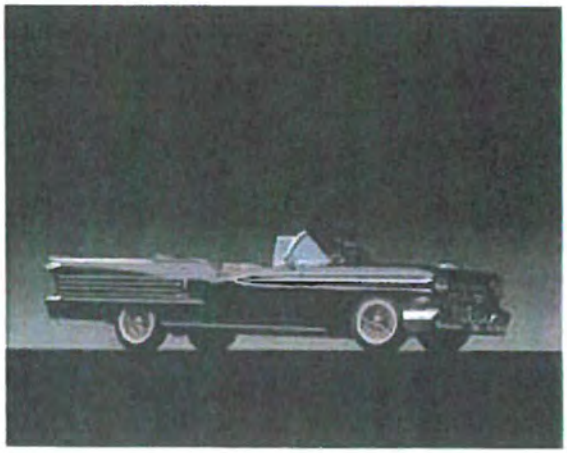
1953 Buick Woody Wagon

1957 Porsche Speedster

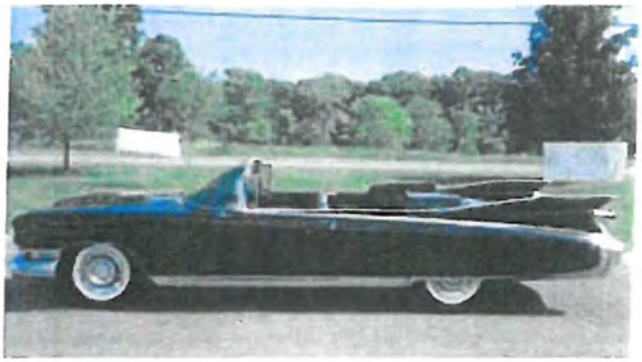
1954 Kurtis 500 S

1958 Mercedes Benz 200 S Coupe

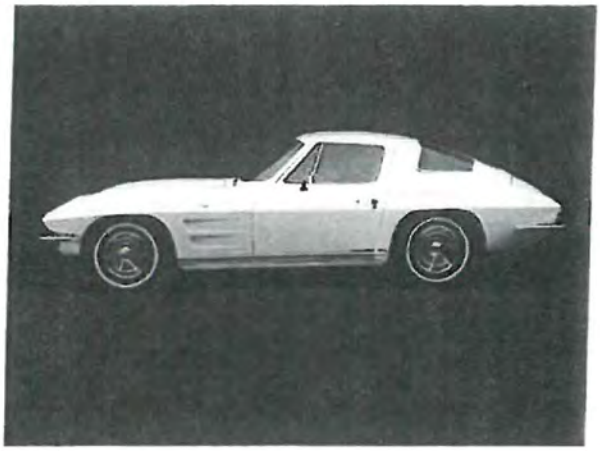
1956 Ford Ute



1958 Oldsmobile Convertible



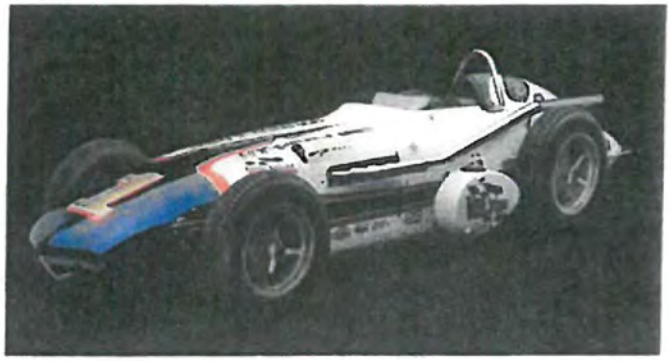
1959 Cadillac Eldorado Convertible



1963 Chevrolet Corvette Split-Window

1959 Ford Galaxie Skyliner

1963 Ford Falcon



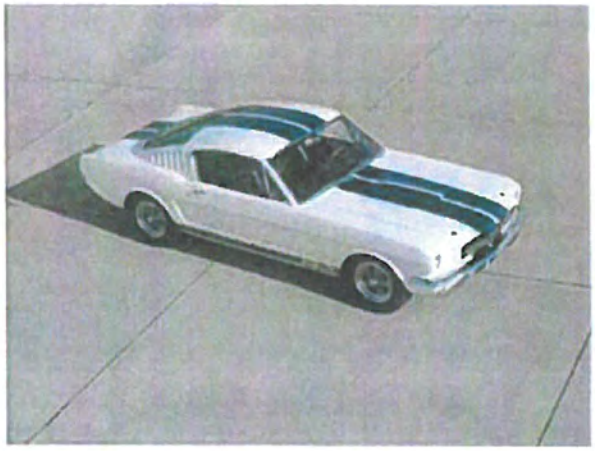
1960 Watson Roadster Indy Car

1964 Buick Skylark

1964 Ferrari 250 GT/L Lusso

1965 Ford Thunderbird

1964 Shelby Cobra



1965 Ford Mustang Shelby GT 350

1965 Ford Galaxie 500 XL

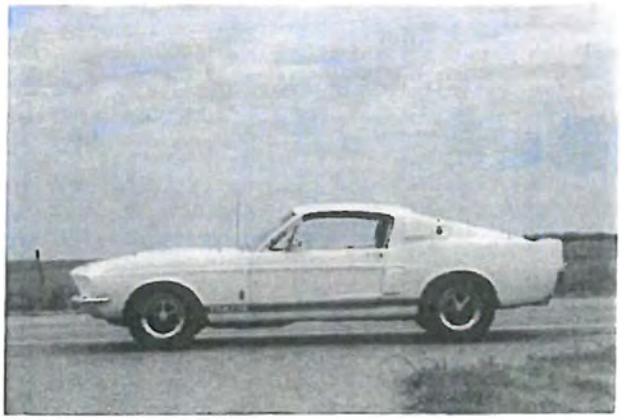
1966 Ford Mustang Shelby GT 350

1967 MG 1100 Sports Sedan

1968 Mini Cooper S

1967 Ford Mustang Shelby GT 350

1968 Morgan Plus 4 Roadster



1967 Ford Mustang Shelby GT 350

1969 Chevrolet Camaro RS Yenko

1969 Chevrolet Camaro Z28

1970 Buick GS Stage 1 Fireglow

1969 Chevrolet Corvette Hardtop

1970 Buick GSX Stage 1

1969 Porsche 911

1970 Chevrolet Chevelle LS5

1970 Chevrolet Chevelle L56

1979 Ducati 750 F1 B

Photo: Tom Shaw / Muscle Car Review Magazine

1971 Chevrolet Nova SS Yenko

1979 Lincoln Mark V

1974 Pantera

1984 Zimmer Convertible

1986 Dodge Shelby GLHS

1989 Reynard Toyota – Jeff Andretti
Formula Atlantic

1997 Porsche 911 Twin Turbo

2005 Lotus Elise

2006 Ford GT

2015 Chevrolet Camaro Yenko

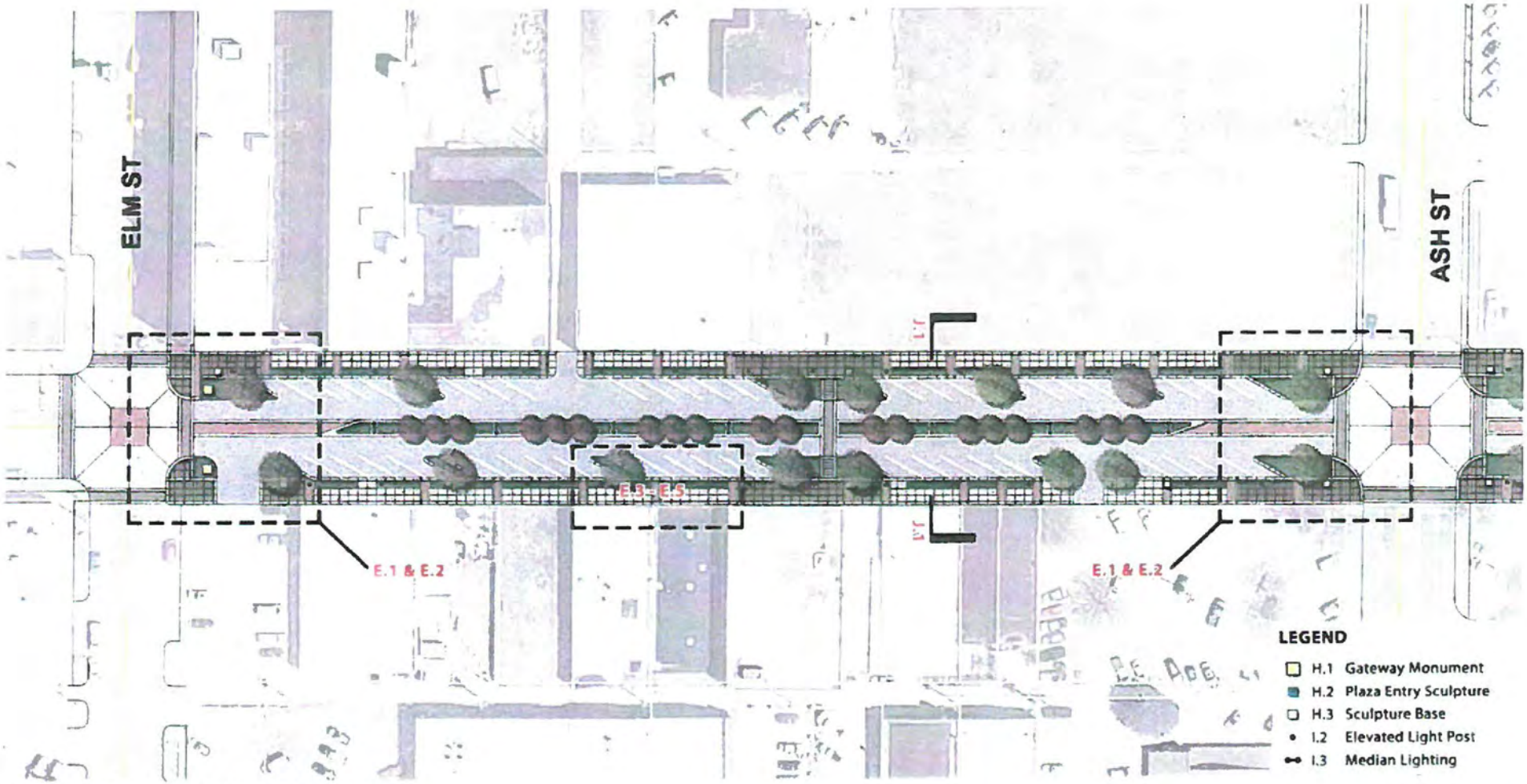
Cushman Eagle Scooter

DRAFT

EXHIBIT F-3

DOWNTOWN STREETSCAPE IMPROVEMENTS CONCEPTUAL PLANS

(SEE ATTACHED)



A.1 STREETSCAPE BLOCK 1

ELM STREET TO ASH STREET

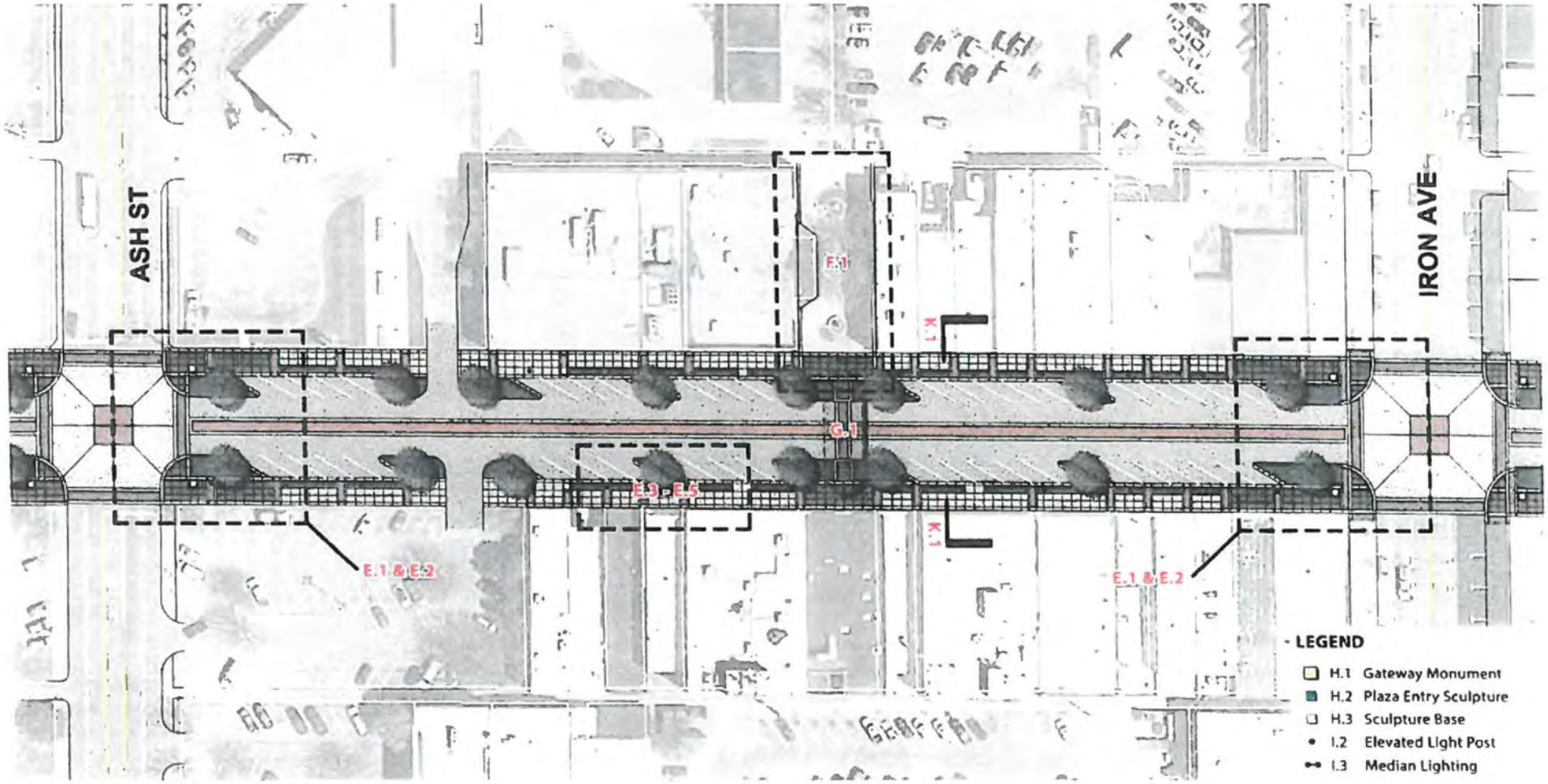
DOWNTOWN SALINA STREETSCAPE PLAN

Salina, Kansas

October 2015

OCHSNER HARE & HARE

OLSSON ASSOCIATES



B.1 STREETSCAPE BLOCK 2

ASH STREET TO IRON AVENUE

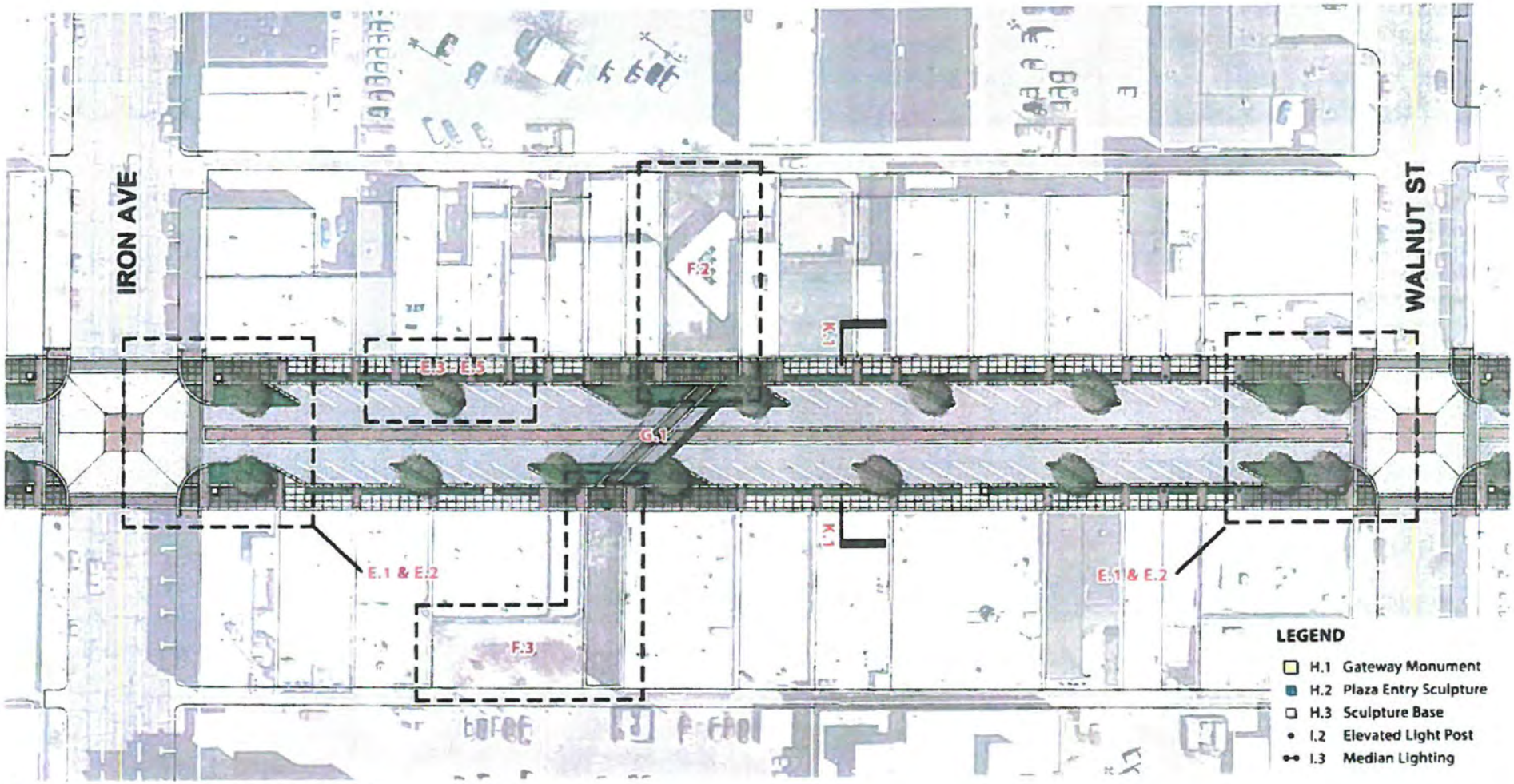
DOWNTOWN SALINA STREETSCAPE PLAN

Salina, Kansas

October 2015

OCHSNER HARE & HARE

OLSSON ASSOCIATES



C.1 STREETSCAPE BLOCK 3

IRON AVENUE TO WALNUT STREET

DOWNTOWN SALINA STREETSCAPE PLAN

Salina, Kansas

October 2015

OCHSNER HARE & HARE

OLSSON ASSOCIATES

D.1 STREETSCAPE BLOCK 4

WALNUT STREET TO MULBERRY STREET

DOWNTOWN SALINA STREETSCAPE PLAN

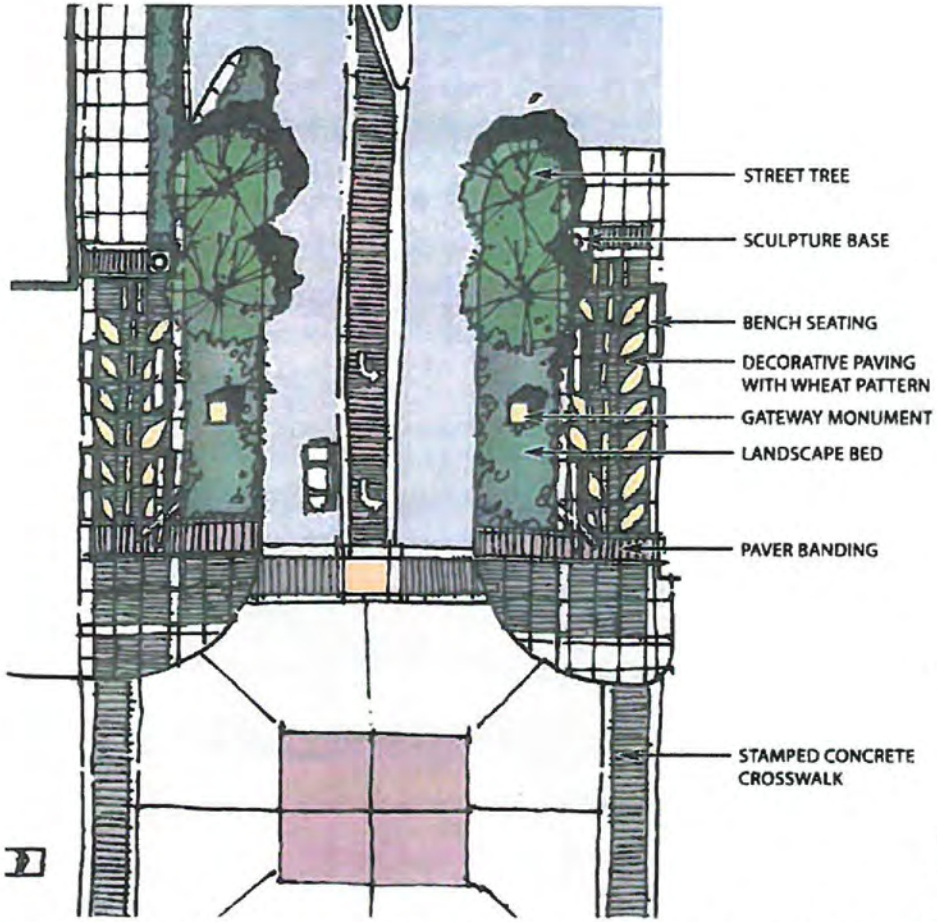
Salina, Kansas

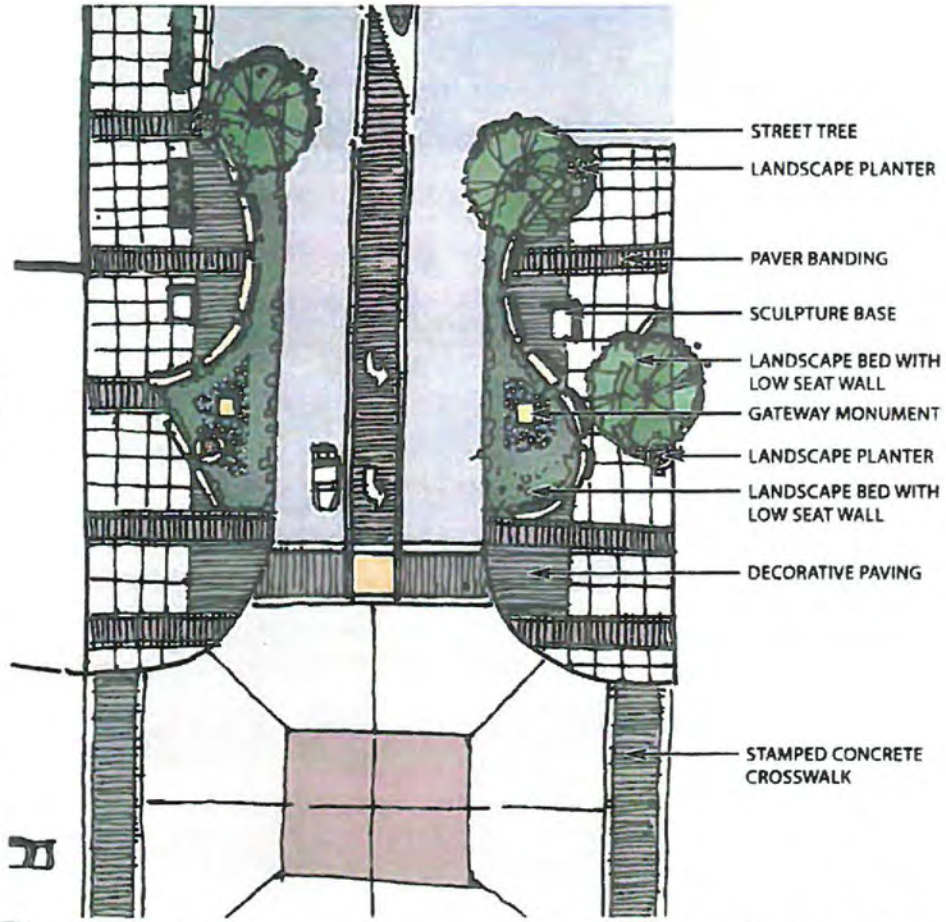
October 2015

OCHSNER HARE & HARE

OLSSON ASSOCIATES

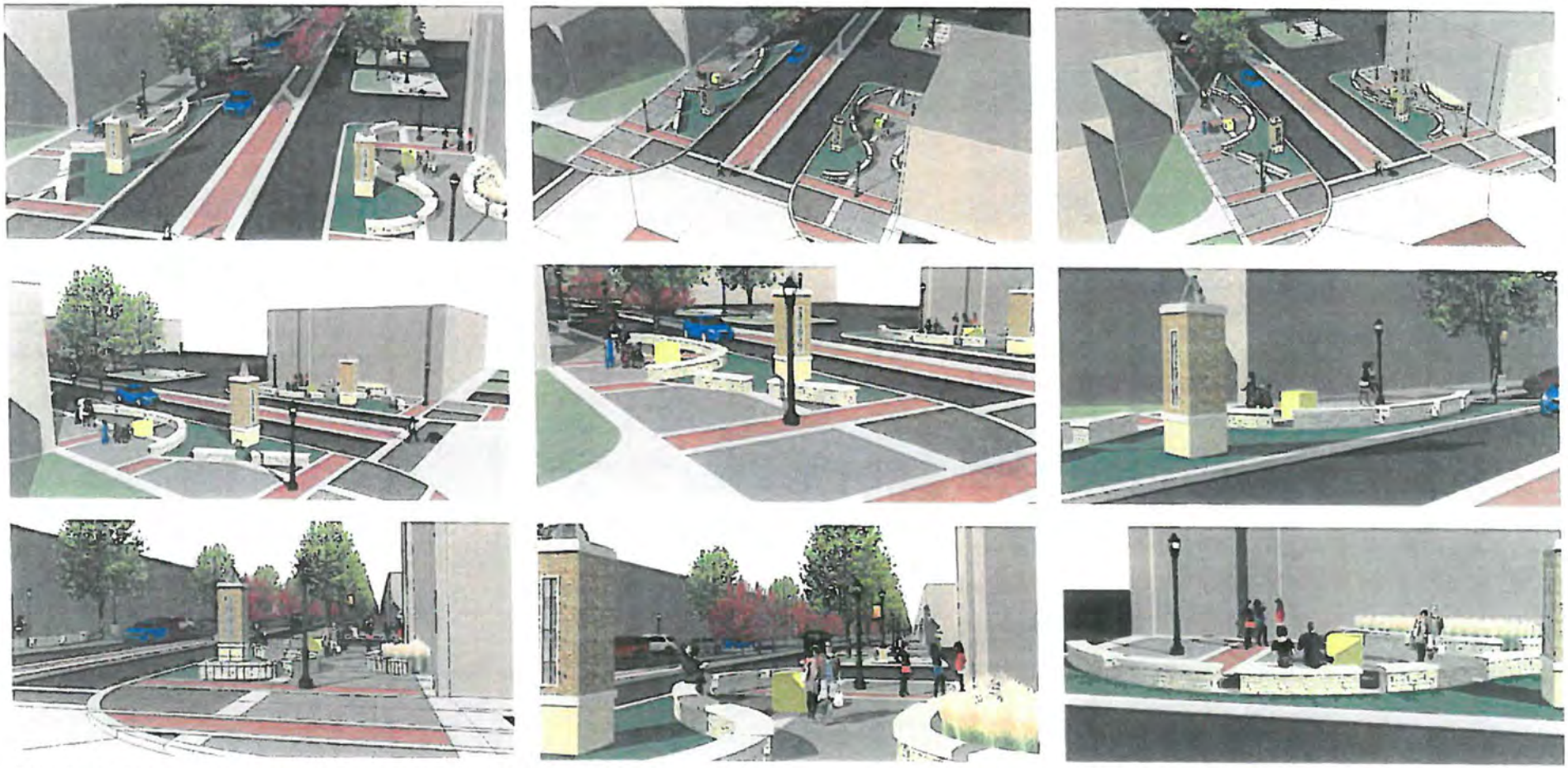
0' 30' 60' 120'





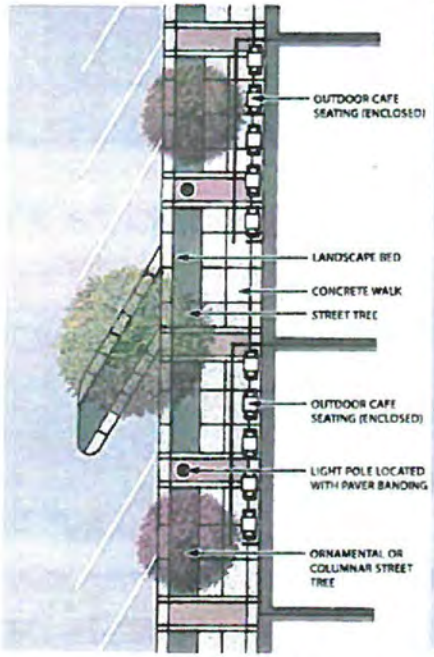
E.1 & E.2 BLOCK ENDPOINT STREETSCAPE ALTERNATIVES

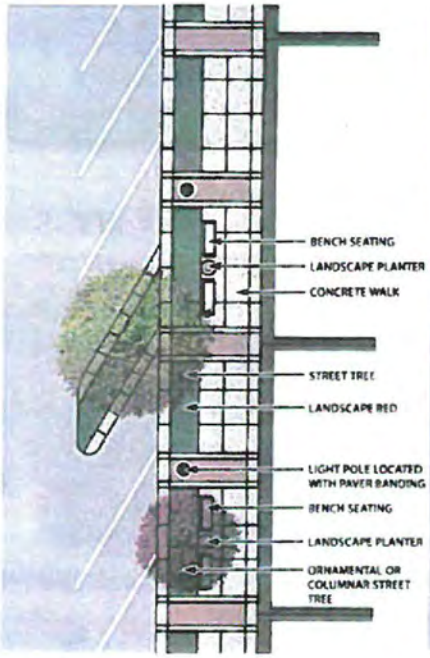
NOTE: The above alternatives are not location specific. Instead, they represent typical streetscape treatments to be applied to all block endpoints from Elm Street to Mulberry Street.

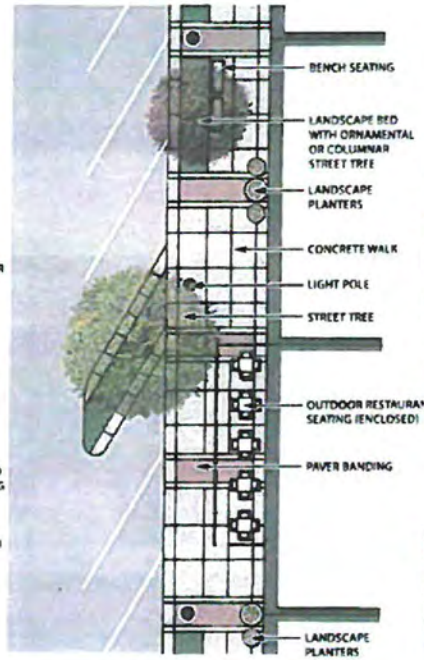


E.2 BLOCK ENDPOINT STREETSCAPE ILLUSTRATIONS

NOTE: The above illustrations are not location specific. Instead, they represent typical streetscape treatments to be applied to all block endpoints from Elm Street to Mulberry Street.

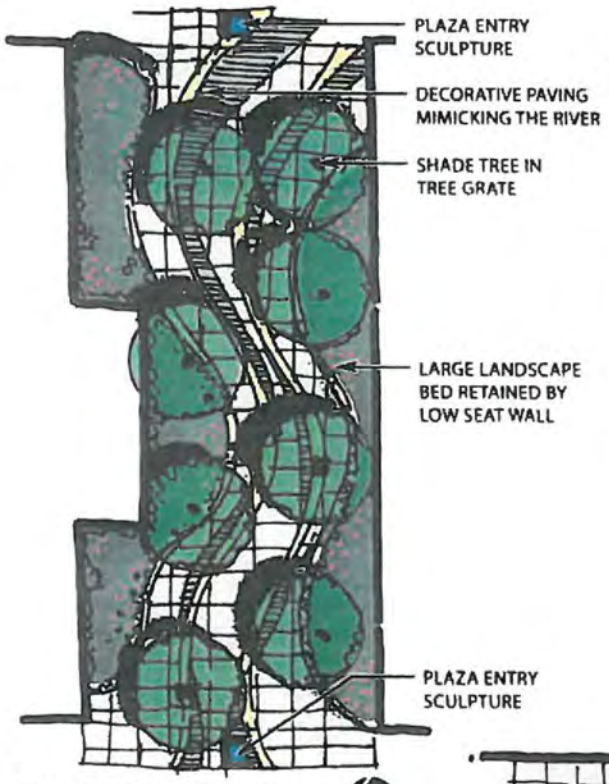




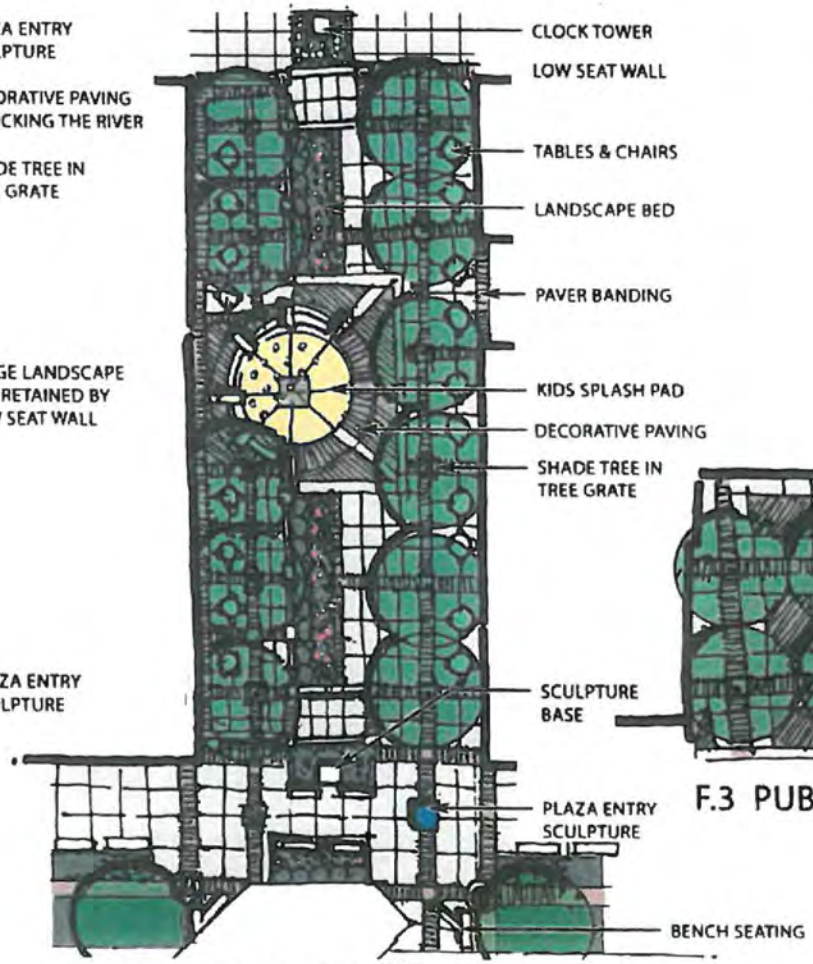


E.3, E.4 & E.5 INTERIOR BLOCK STREETSCAPE ALTERNATIVES

NOTE: The above alternatives are not location specific. Instead, they represent typical streetscape treatments to be applied to the interior or middle portions of each block from Elm Street to Mulberry Street. Multiple treatments are required to accommodate the needs of the unique mix of uses in Downtown Salina.



F.1 PUBLIC PLAZA A



F.2 PUBLIC PLAZA B

F.3 PUBLIC PLAZA C

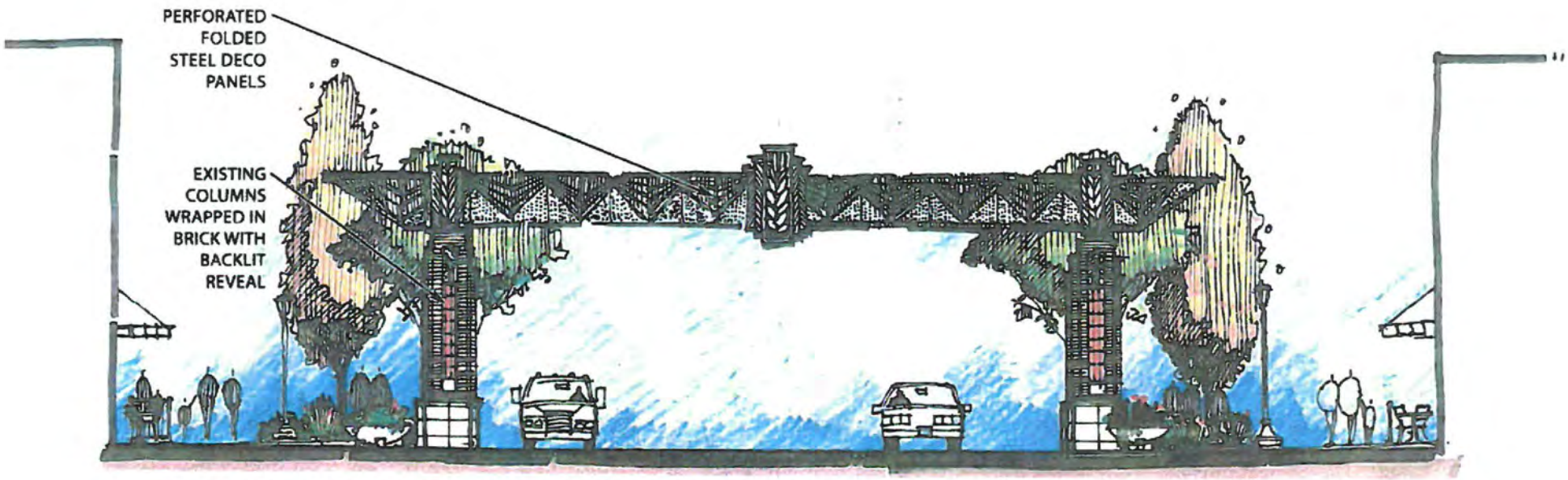
DOWNTOWN SALINA STREETSCAPE PLAN

Salina, Kansas

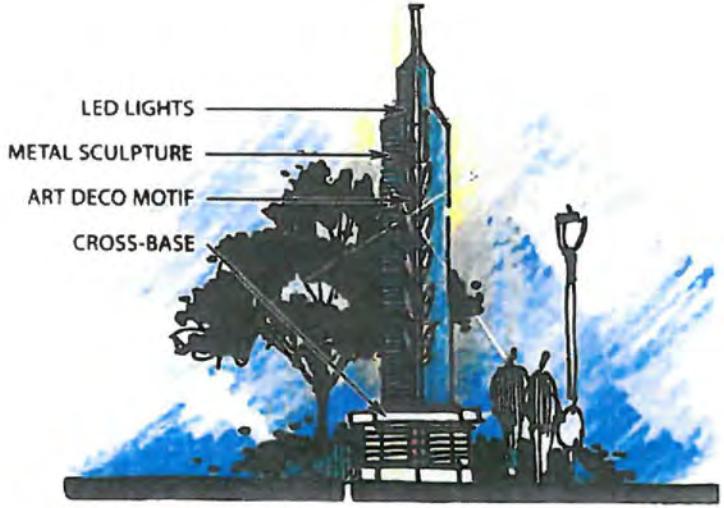
October 2015

OCHSNER HARE & HARE

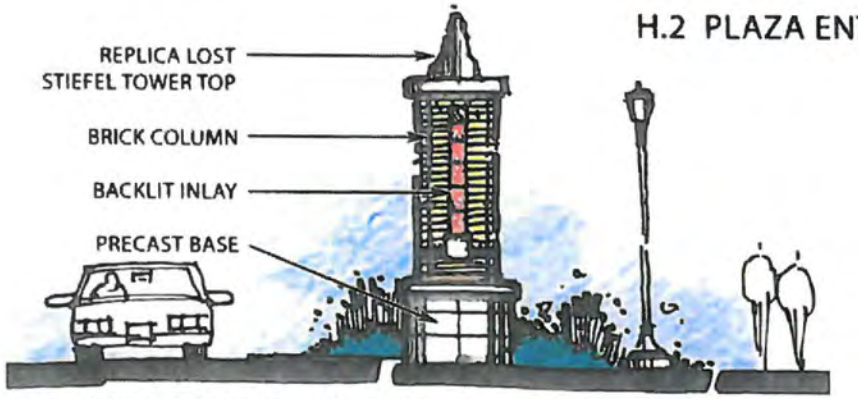
OLSSON ASSOCIATES



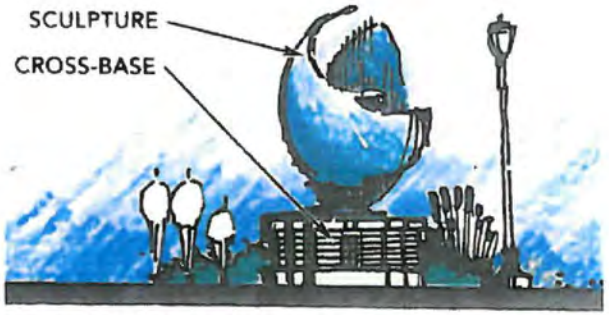
G.1 OVERHEAD STRUCTURE ENHANCEMENT AT MID-BLOCK CROSSINGS



H.2 PLAZA ENTRY SCULPTURE



H.1 GATEWAY MONUMENT



H.3 SCULPTURE BASE

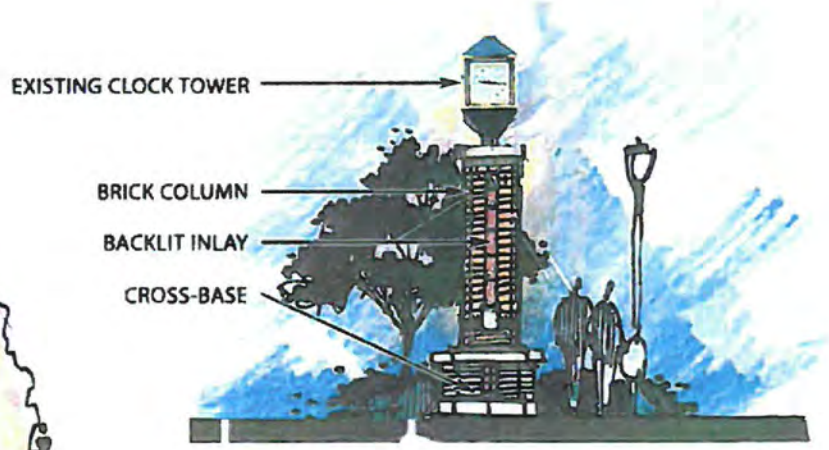
DOWNTOWN SALINA STREETSCAPE PLAN

Salina, Kansas

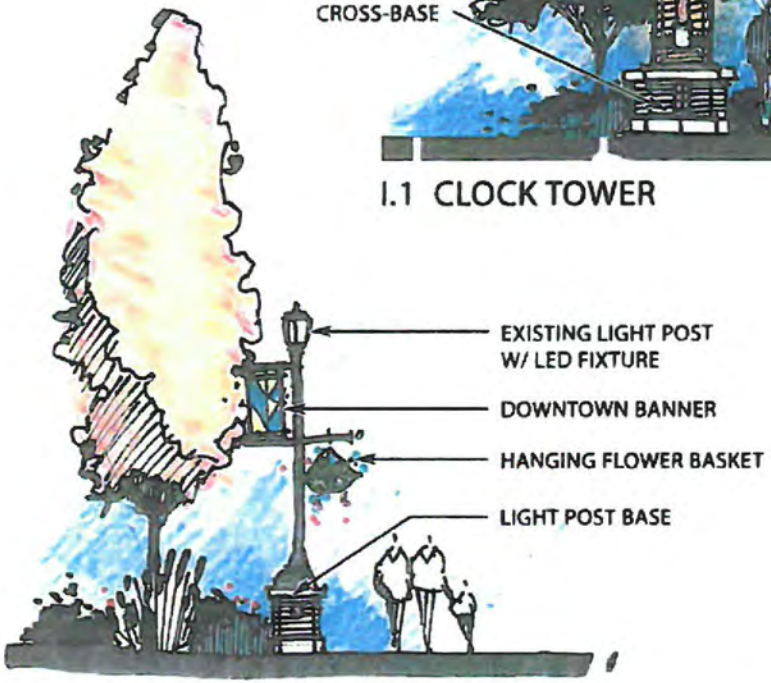
October 2015

OCHSNER HARE & HARE

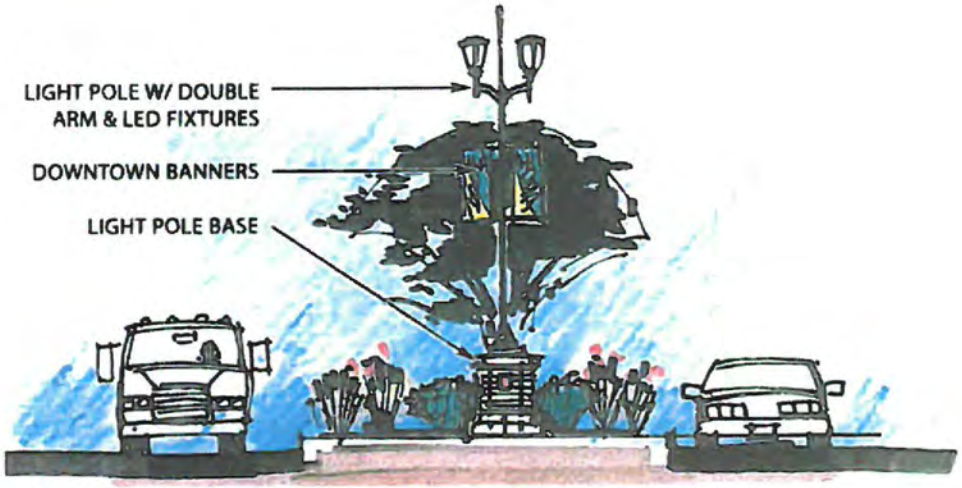
OLSSON ASSOCIATES



I.1 CLOCK TOWER



I.2 ELEVATED LIGHT POST



I.3 MEDIAN LIGHTING

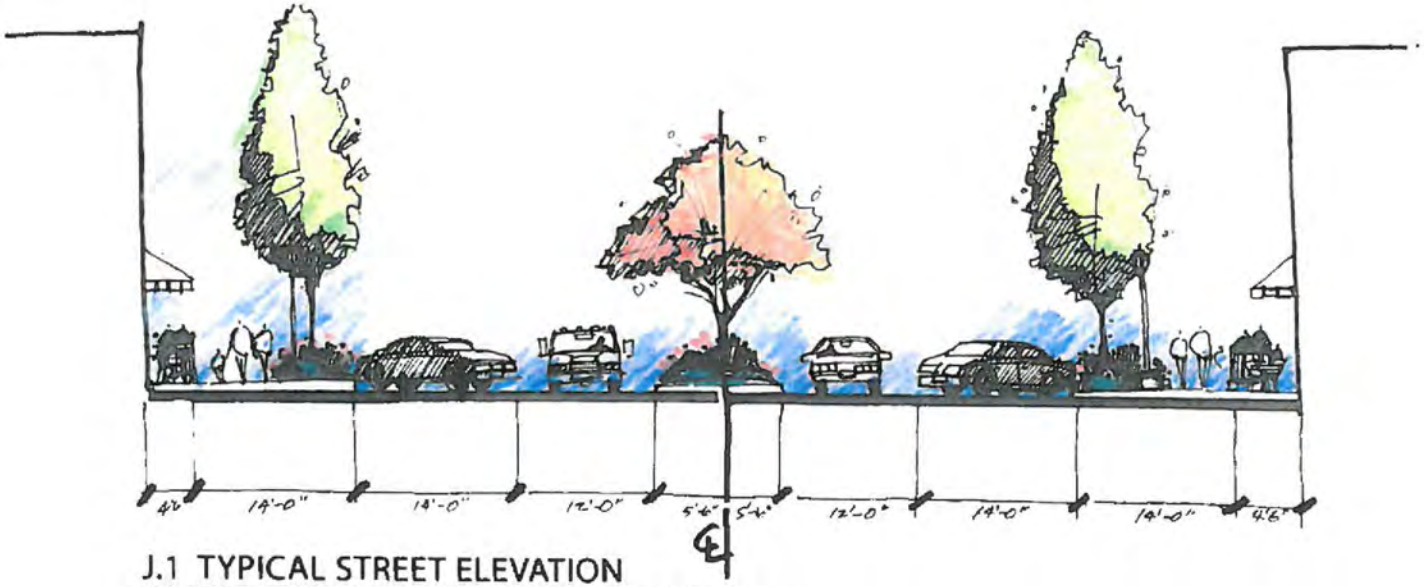
DOWNTOWN SALINA STREETSCAPE PLAN

Salina, Kansas

October 2015

OCHSNER HARE & HARE

OLSSON ASSOCIATES



J.1 TYPICAL STREET ELEVATION

ELM STREET TO ASH STREET & WALNUT STREET TO MULBERRY STREET

DOWNTOWN SALINA STREETSCAPE PLAN

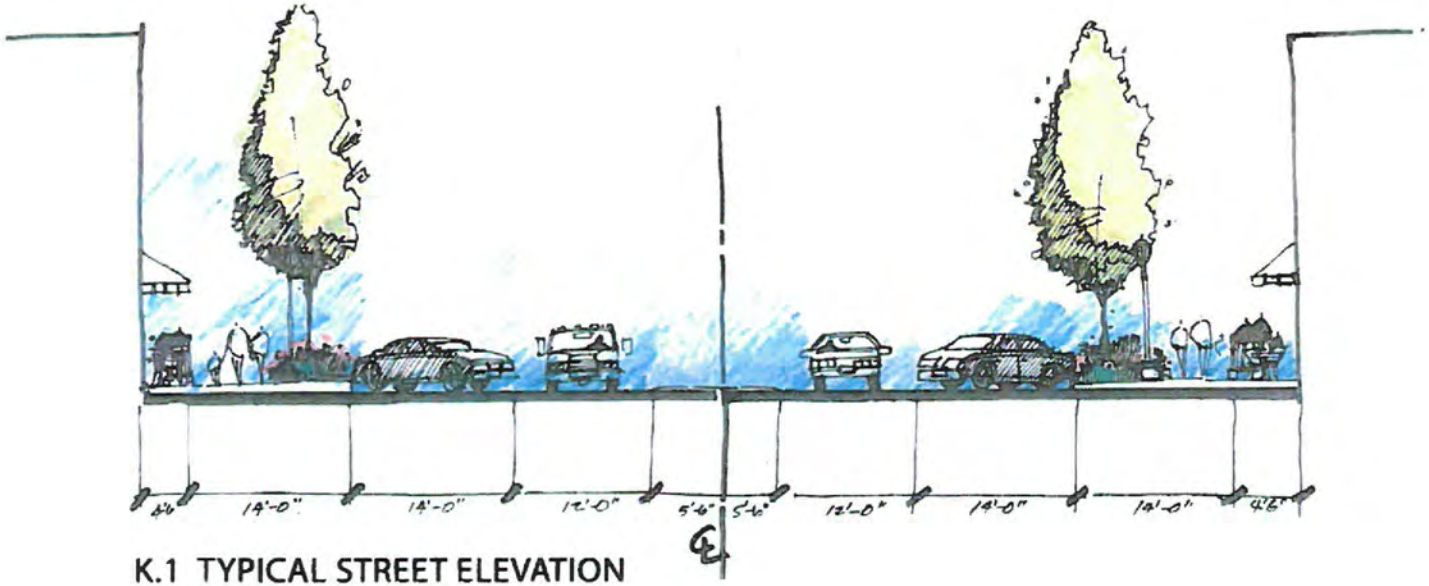
Salina, Kansas

October 2015

OCHSNER HARE & HARE

OLSSON ASSOCIATES

0 5' 10' 20'



K.1 TYPICAL STREET ELEVATION

ASH STREET TO WALNUT STREET

DOWNTOWN SALINA STREETSCAPE PLAN

Salina, Kansas

October 2015

OCHSNER HARE & HARE

a design studio of OLSSON ASSOCIATES

OLSSON ASSOCIATES

0 5 10 20

SITE FURNISHINGS & AMENITIES

L. HARDSCAPE & SITE FURNISHING MATERIALS

Cafe or Restaurant Seating

Cafe or Restaurant Seating

Pocket Park Seating

Iron Tree Grate

Permanent Art/Sculpture Installation

Bench Seating

Bench Seating

Light Post w/ Banners

String Lighting

Splash Pad

Performance Stage

Bike Rack

Bike Rack

Large Storefront Planter

Large Storefront Planter

Gateway Structure w/ Masonry Columns

Fountain Feature

DOWNTOWN SALINA STREETSCAPE PLAN

Salina, Kansas

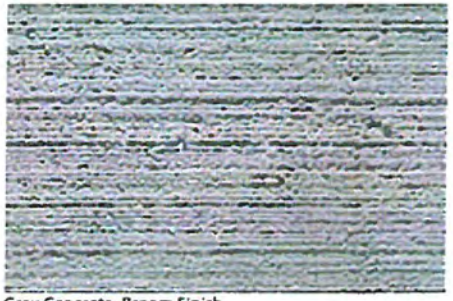
October 2015

OCHSNER HARE & HARE
A Design Studio of OLSSON ASSOCIATES

OLSSON ASSOCIATES

M. HARDSCAPE & SITE FURNISHING MATERIALS

PAVING MATERIALS


Grey Concrete, Broom Finish

Grey Concrete, Swirl Finish

Decorative Paver Fields

Decorative Paver Fields

Decorative Paver Fields w/ Landscape Beds & Seating

Exposed Aggregate Concrete

Integral Colored Concrete

Stamped Concrete Intersections

Stamped or Tiled Concrete

Decorative Paver Fields

Eco Dublin Permeable Pavers

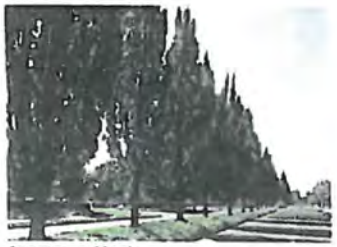
Eco Dublin Permeable Pavers

Urban Stone Pavers

Urban Stone Pavers

N. LANDSCAPE MATERIALS

OVERSTORY TREES


Armstrong Maple

Columnar English Oak

Columnar Hornbeam

Frontier Elm

Princeton Sentry Ginkgo

Skyline & Shademaster Honeylocust

ORNAMENTAL TREES

Eastern Redbud

Cornelian Cherry Dogwood

Prairiefire Crabapple

UNDERSTORY SHRUBS

Coralberry

Witch Hazel

Grey & Redosier Dogwood

Arrowwood Viburnum

Button Bush

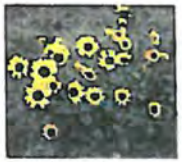
Gro-Low Sumac

PERENNIALS & ORNAMENTAL GRASSES

White & Purple Coneflowers

Blanket Flower

Lead Plant


Common & Plains Sunflower

'May Night' Salvia

Black Eyed Susan

Prairie Dropseed

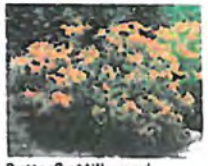
Side Oats Grama

Indian Grass

Lanceleaf Coreopsis

Grey-Headed Coneflower

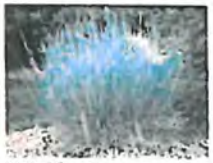
Bee Balm


Butterfly Milkweed

Smooth Penstemon

'Mexican Hat' Coneflower

Big Bluestem


Little Bluestem

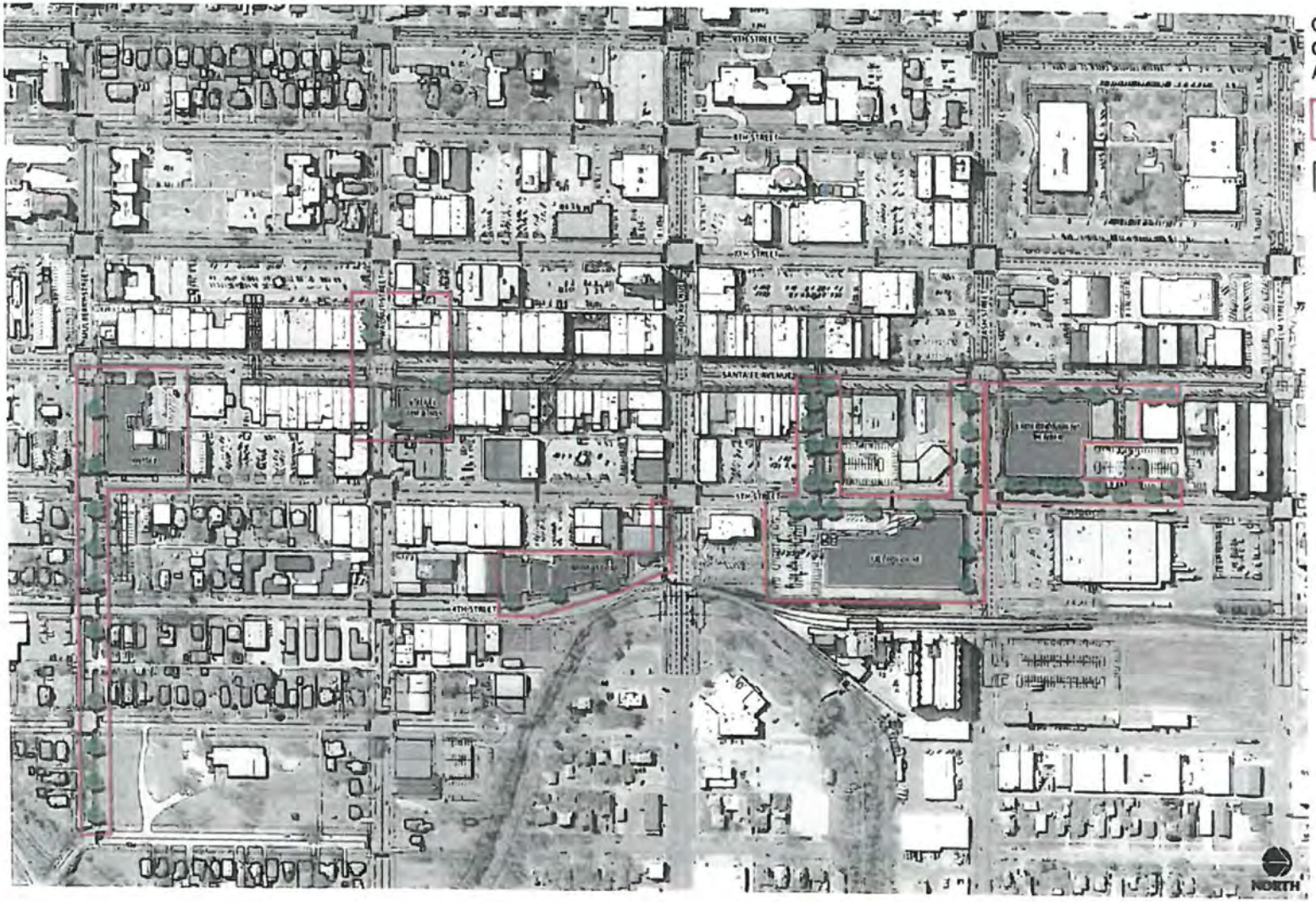
Switchgrass

DRAFT

EXHIBIT F-4

ATTRACTION-SPECIFIC STREETSCAPE IMPROVEMENTS CONCEPTUAL PLANS AND BUDGET

(SEE ATTACHED)



OVERALL PLAN - PEDESTRIAN CONNECTIVITY IMPROVEMENT AREAS

STAR BOND AREAS

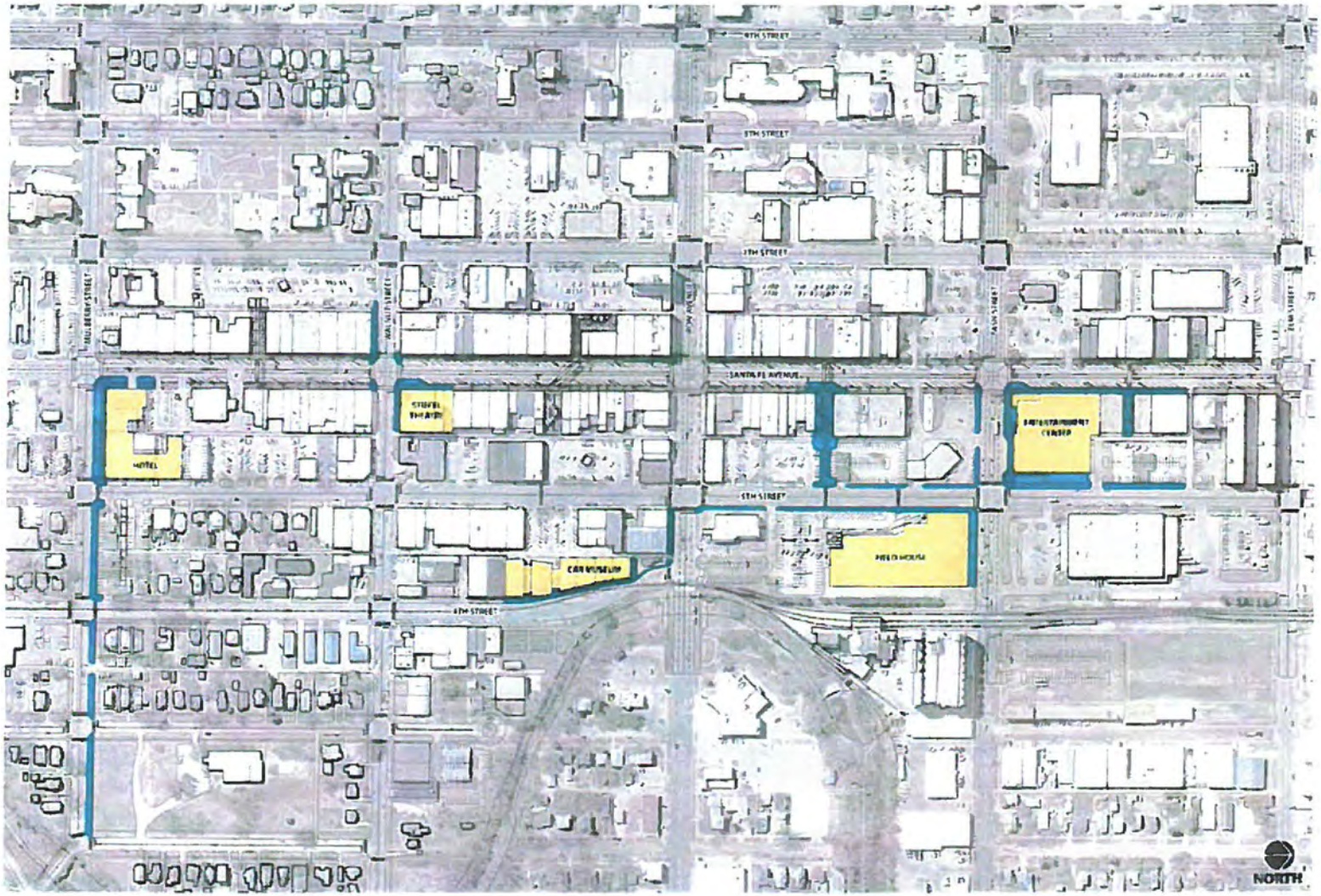
SPECIFIC STAR BOND PROJECTS

DOWNTOWN SALINA STREETSCAPE IMPROVEMENTS

SALINA, KANSAS

OCHSNER HARE & HARE

OLSSON ASSOCIATES



OVERALL PLAN - PEDESTRIAN CONNECTIVITY IMPROVEMENT AREAS

STAR BOND PROJECTS

STAR BOND ELIGIBLE PEDESTRIAN CONNECTIVITY IMPROVEMENTS

OPINION OF PROBABLE COSTS -STREETSCAPE

ENTERTAINMENT CENTER	$702,288.40
FIELD HOUSE	$722,083.60
CAR MUSEUM	$202,044.00
STIEFEL THEATRE	$213,692.80
HOTEL	$508,747.60
TOTAL =	**$2,348,856.40**

DOWNTOWN SALINA STREETSCAPE IMPROVEMENTS

SALINA, KANSAS

OCHSNER HARE & HARE

OLSSON ASSOCIATES

STAR Bond Eligible Pedestrian Connectivity Improvements

Opinion of Probable Costs
May 4, 2016

Description	Unit	Quantity	Unit Price	Cost
ENTERTAINMENT CENTER				
Enhanced Hardscape & Landscape Treatment	SF	20,024	$ 23.60	$ 472,566.40
Standard Hardscape & Landscape Treatment	SF	9,477	$ 18.00	$ 170,586.00
Basic Hardscape & Landscape Treatment	SF	4,928	$ 12.00	$ 59,136.00
			TOTAL =	**$ 702,288.40**
FIELD HOUSE				
Enhanced Hardscape & Landscape Treatment	SF	28,976	$ 23.60	$ 683,833.60
Standard Hardscape & Landscape Treatment	SF	2,125	$ 18.00	$ 38,250.00
Basic Hardscape & Landscape Treatment	SF	0	$ 12.00	$ -
			TOTAL =	**$ 722,083.60**
CAR MUSEUM				
Enhanced Hardscape & Landscape Treatment	SF	0	$ 23.60	$ -
Standard Hardscape & Landscape Treatment	SF	9,752	$ 18.00	$ 175,536.00
Basic Hardscape & Landscape Treatment	SF	2,209	$ 12.00	$ 26,508.00
			TOTAL =	**$ 202,044.00**
STIEFEL THEATRE				
Enhanced Hardscape & Landscape Treatment	SF	5,843	$ 23.60	$ 137,894.80
Standard Hardscape & Landscape Treatment	SF	4,211	$ 18.00	$ 75,798.00
Basic Hardscape & Landscape Treatment	SF	0	$ 12.00	$ -
			TOTAL =	**$ 213,692.80**
HOTEL				
Enhanced Hardscape & Landscape Treatment	SF	13,781	$ 23.60	$ 325,231.60
Standard Hardscape & Landscape Treatment	SF	0	$ 18.00	$ -
Basic Hardscape & Landscape Treatment	SF	15,293	$ 12.00	$ 183,516.00
			TOTAL =	**$ 508,747.60**
			Project Total =	**$2,348,856.40**

STAR Bond Eligible Pedestrian Connectivity Improvements

Opinion of Probable Costs
May 4, 2016

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Enhanced Hardscape & Landscape Treatment	SF	20,024	$ 23.60	$ 472,566.40
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Opinion of Probable Costs
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STAR Bond Eligible Pedestrian Connectivity Improvements

Opinion of Probable Costs
May 4, 2016

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STAR Bond Eligible Pedestrian Connectivity Improvements

Opinion of Probable Costs
May 4, 2016

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			TOTAL =	**$ 213,692.80**

STAR Bond Eligible Pedestrian Connectivity Improvements

Opinion of Probable Costs
May 4, 2016

Description	Unit	Quantity	Unit Price	Cost
HOTEL				
Enhanced Hardscape & Landscape Treatment	SF	13,781	$ 23.60	$ 325,231.60
Standard Hardscape & Landscape Treatment	SF	0	$ 18.00	$ -
Basic Hardscape & Landscape Treatment	SF	15,293	$ 12.00	$ 183,516.00
			TOTAL =	**$ 508,747.60**

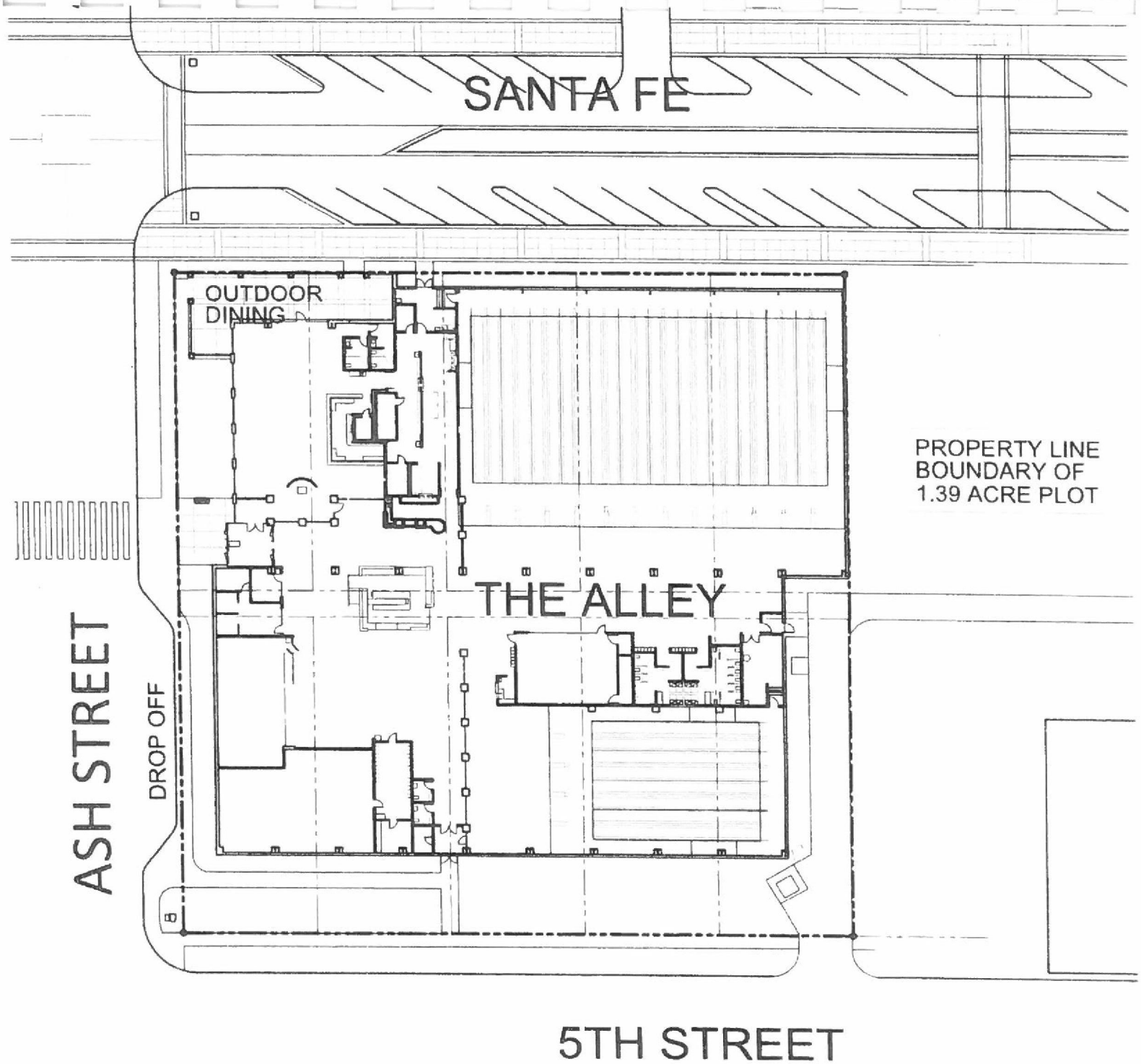
DRAFT

EXHIBIT F-5

FAMILY ENTERTAINMENT CENTER CONCEPTUAL PLANS

(SEE ATTACHED)

THE ALLEY
SPORTS GRILL
SPORTS GRILL


SANTA FE
OUTDOOR DINING
PROPERTY LINE BOUNDARY OF 1.39 ACRE PLOT
THE ALLEY
ASH STREET
DROP OFF
5TH STREET

DRAFT

EXHIBIT F-6

HOTEL CONCEPTUAL PLANS

(SEE ATTACHED)

HOMEWOOD
SUITES
MUNSON

HUNSON

MUNSON

DRAFT

EXHIBIT G

ALLOCATION OF COSTS

DOWNTOWN SALINA, KANSAS REDEVELOPMENT PROJECT DRAFT SOURCES AND USES - $19.1M NET STAR BONDS - FINAL JUNE 2016

CATEGORY	TOTAL COST	STAR BOND ELIGIBLE COSTS	STAR BOND REQUESTED ELIGIBLE COSTS	TIF USES	CID USES (DOWNTOWN CID)	CID USES (HOTEL ONLY CID)	CID USES (ALLEY ONLY CID)	COSTS FUNDED BY PRIVATE DEBT/EQUITY/ OTHER PUBLIC SOURCES
ACQUISITION								
Hotel Land	$ 945,000	$ 945,000	$ -	$ -	$ -	$ -	$ -	$ 945,000
Hotel Parking Land	$ 1,437,930	$ 1,437,930	$ -	$ 800,000	$ -	$ -	$ -	$ 637,930
Fieldhouse	$ 683,609	$ 683,609	$ 683,609	$ -	$ -	$ -	$ -	$ -
Entertainment Complex	$ 715,000	$ 715,000	$ 715,000	$ -	$ -	$ -	$ -	$ -
Car Museum	$ 392,000	$ 392,000	$ 392,000	$ -	$ -	$ -	$ -	$ -
Medical Student Housing (Apartments)	$ 550,000	$ 550,000	$ -	$ 550,000	$ -	$ -	$ -	$ -
Lee Buildings (Low-Income Housing)	$ 200,000	$ 200,000	$ -	$ -	$ -	$ -	$ -	$ 200,000
University of Kansas Medical School	$ 875,000	$ 875,000	$ -	$ -	$ -	$ -	$ -	$ 875,000
Vacant Space / New Construction Acquisition	$ 10,334,610	$ 10,334,610	$ -	$ 2,658,660	$ -	$ -	$ -	$ 7,675,950
Fieldhouse Parking (BOA Lot & Barnhill Lot)	$ 950,000	$ 950,000	$ 950,000	$ -	$ -	$ -	$ -	$ -
Land Acquisition Subtotal	$ 17,083,149	$ 17,083,149	$ 2,740,609	$ 4,008,660	$ -	$ -	$ -	$ 10,333,880
SITEWORK / INFRASTRUCTURE:								
City Public Improvements	$ 8,560,916	$ 8,560,916	$ 2,000,000	$ -	$ -	$ -	$ -	$ 6,560,916
Hotel Infrastructure	$ 1,623,250	$ 1,623,250	$ 442,274	$ -	$ -	$ 673,250	$ -	$ 507,726
Hotel Parking Hard Costs	$ 650,000	$ 650,000	$ -	$ -	$ 500,000	$ -	$ -	$ 150,000
Fieldhouse Utility Relocation	$ 750,000	$ 750,000	$ -	$ -	$ -	$ -	$ -	$ 750,000
Car Museum Infrastructure	$ 245,000	$ 245,000	$ 245,000	$ -	$ -	$ -	$ -	$ -
Entertainment Complex Infrastructure	$ 827,726	$ 827,726	$ 827,726	$ -	$ -	$ -	$ -	$ -
Medical Student Housing (Apartments) Infrastructure	$ 370,000	$ 370,000	$ -	$ 370,000	$ -	$ -	$ -	$ -
Lee Buildings (Low-Income Housing) Infrastructure	$ 140,000	$ 140,000	$ -	$ -	$ -	$ -	$ -	$ 140,000
Fieldhouse Parking Hard Costs	$ 675,000	$ 675,000	$ 675,000	$ -	$ -	$ -	$ -	$ -
Sitework/Infrastructure Subtotal	$ 13,841,892	$ 13,841,892	$ 4,190,000	$ 370,000	$ 500,000	$ 673,250	$ -	$ 8,108,642
BUILDINGS / TENANT IMPROVEMENTS:								
Hotel	$ 13,953,140	$ -	$ -	$ -	$ -	$ 332,779	$ -	$ 13,620,361
Fieldhouse Building & Sitework	$ 6,894,000	$ 6,894,000	$ 6,894,000	$ -	$ -	$ -	$ -	$ -
Entertainment Complex	$ 4,287,607	$ -	$ -	$ -	$ -	$ -	$ 628,676	$ 3,658,931
Car Museum	$ 3,605,000	$ 3,605,000	$ 3,605,000	$ -	$ -	$ -	$ -	$ -
Stefel Theater	$ 2,000,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,000,000
New Tenant / Vacant Space Construction Costs	$ 20,925,450	$ -	$ -	$ -	$ 2,769,062	$ -	$ -	$ 18,156,388
Medical Student Housing (Apartments)	$ 2,565,600	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,565,600
Lee Buildings (Low-Income Housing)	$ 17,220,034	$ -	$ -	$ -	$ -	$ -	$ -	$ 17,220,034
University of Kansas Medical School	$ 6,125,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,125,000
Improvements to Existing Retail	$ 2,000,000	$ -	$ -	$ -	$ 1,300,000	$ -	$ -	$ 700,000
Fieldhouse FFE	$ 965,000	$ 965,000	$ -	$ -	$ -	$ -	$ -	$ 965,000
Total FFE for Other Buildings/Renovations	$ 9,755,667	$ -	$ -	$ -	$ -	$ -	$ -	$ 9,755,667
Buildings/Tenant Improvements Subtotal	$ 90,296,498	$ 11,464,000	$ 10,499,000	$ -	$ 4,069,062	$ 332,779	$ 628,676	$ 74,746,981
DESIGN COSTS:								
Architectural/Engineering/Surveying								
Fieldhouse	$ 1,208,154	$ 1,208,154	$ 422,391	$ -	$ -	$ -	$ -	$ 785,763
Car Museum	$ 453,000	$ 453,000	$ 453,000	$ -	$ -	$ -	$ -	$ -
Hotel	$ 398,500	$ -	$ -	$ -	$ -	$ -	$ -	$ 398,500
Entertainment Complex	$ 270,000	$ -	$ 100,000	$ -	$ -	$ -	$ -	$ 170,000
City Public Improvements	$ 1,281,406	$ 1,281,406	$ -	$ -	$ -	$ -	$ -	$ 1,281,406
Stefel Renovation/Expansion	$ 200,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 200,000
Other Project Components	$ 1,354,036	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,354,036
Geotechnical/Environmental/Special Inspections	$ 146,500	$ 146,500	$ -	$ -	$ -	$ -	$ -	$ 146,500
Land Planning	$ 200,000	$ 200,000	$ 200,000	$ -	$ -	$ -	$ -	$ -
Design Costs Subtotal	$ 5,509,596	$ 3,289,060	$ 1,175,391	$ -	$ -	$ -	$ -	$ 4,334,205
SOFT COSTS:								
Fieldhouse Fees/Insurance	$ 45,000	$ 45,000	$ -	$ -	$ -	$ -	$ -	$ 45,000
Master Developer Legal/Accounting	$ 350,000	$ -	$ -	$ -	$ 200,000	$ -	$ -	$ 150,000
City Legal/Accounting	$ 150,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 150,000
Leasing/Sales Commissions	$ 800,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 800,000
Opening Costs (Signs, Inventories, Pre-Opening)*	$ 1,030,000	$ 309,000	$ -	$ -	$ -	$ -	$ -	$ 1,030,000
Project Management*	$ 569,558	$ 170,867	$ -	$ -	$ -	$ -	$ -	$ 569,558
Bond/Permits/Fees*	$ 924,990	$ 277,497	$ -	$ -	$ -	$ -	$ -	$ 924,990
Financing Fees*	$ 500,000	$ 150,000	$ -	$ -	$ -	$ -	$ -	$ 500,000
Construction Interest*	$ 5,000,000	$ 1,500,000	$ -	$ -	$ -	$ -	$ -	$ 5,000,000
Insurance*	$ 850,000	$ 255,000	$ -	$ -	$ -	$ -	$ -	$ 850,000
Downtown Maintenance and Security	$ 2,300,000	$ -	$ -	$ -	$ 2,300,000	$ -	$ -	$ -
Soft Costs Subtotal	$ 12,519,548	$ 2,707,364	$ -	$ -	$ 2,500,000	$ -	$ -	$ 10,019,548
OTHER								
Developer Fees	$ 1,067,086	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,067,086
Relocation Assistance	$ 500,000	$ 500,000	$ -	$ -	$ -	$ -	$ -	$ 500,000
Contingency (All Components Except Acquisition								
Fieldhouse and City Public Improvements) @ 7%	$ 7,285,260	$ 2,226,162	$ 495,000	$ 500,000	$ 500,000	$ -	$ -	$ 5,790,260
Fieldhouse Contingency	$ 279,327	$ 279,327	$ -	$ -	$ -	$ -	$ -	$ 279,327
City Public Improvements Contingency @ 20%	$ 1,712,183	$ 1,712,183	$ -	$ -	$ -	$ -	$ -	$ 1,712,183
Other Costs Subtotal	$ 10,843,856	$ 4,717,672	$ 495,000	$ 500,000	$ 500,000	$ -	$ -	$ 9,348,856
TOTAL PROJECT COSTS	$ 150,094,540	$ 53,103,138	$ 19,100,000	$ 4,878,660	$ 7,569,062	$ 1,006,029	$ 628,676	$ 116,892,113
PERCENT OF TOTAL COST	100.00%		12.73%	3.25%	5.00%	0.67%	0.42%	77.88%

*30% of Opening Costs, Project Management, Bonds/Permits/Fees, Financing Fees, Construction Interest and Insurance are included as eligible STAR Bond costs because of allocation of 30% of those categories to eligible STAR Bond projects

EXHIBIT H

STAR BOND PROJECT PLAN FEASIBILITY AND MARKET IMPACT STUDY

STAR BOND FEASIBILITY STUDY
PROPOSED DOWNTOWN SALINA DISTRICT
SALINA, KANSAS

May 2016

CANYON RESEARCH SOUTHWEST, INC.

COMMERCIAL REAL ESTATE RESEARCH AND ANALYSIS

STAR BOND FEASIBILITY STUDY
PROPOSED DOWNTOWN SALINA DISTRICT
SALINA, KANSAS

May 2016

Prepared for:
Salina 2020, Inc.
500 Graves Boulevard
Salina, KS 67402-0856

Prepared by:
Canyon Research Southwest, Inc.
475 Ellicott Street, Suite 301
Buffalo, NY 14202

PR# 15-12-04

CANYON RESEARCH SOUTHWEST, INC.

COMMERCIAL REAL ESTATE RESEARCH AND ANALYSIS

May 17, 2016

Don Boos
Salina 2020, Inc.
500 Graves Boulevard
Salina, KS 67402-0856

Re: STAR Bond Feasibility Study
Proposed STAR Bond District in Downtown Salina, Kansas

Mr. Boos;

The STAR Bond District proposed for downtown Salina, Kansas is designed to improve the local tourism market and stimulate further economic development and revitalization. The proposed STAR Bond District envisions the redevelopment of downtown area through the enhancement of existing destination attractions and the introduction of a diverse mix of several new destination attractions aimed at enhancing the visitor experience and generating increased out-of-town visitation and retail trade.

Salina 2020, Inc. is seeking to finance a portion of the Downtown Salina District ("District") through Sales Tax Revenue ("STAR") bonds as authorized by the STAR Bond Financing Act (House Bill No. 2005 KS 2007). The District's principal "destination attractions" will include the renovation of the historic Stiefel Theater and the construction of the Salina Field House, family entertainment center, and America's Crossroads Car Collection.

Pursuant to the STAR Bond Financing Act, Canyon Research Southwest, Inc. has prepared the attached *STAR Bond Feasibility Study* for the Downtown Salina District. According to Section 7 of the STAR Bond Financing Act the *Feasibility Study* examines 14 criteria that address the viability of the planned development as well as evaluates its impact on the Kansas economy and similar businesses in the project market area, quantifies out-of-state visitation and evaluates the project's ability to remain profitable past the term of the STAR bonds.

Upon review of the report, should any questions arise or additional information requested, contact me directly at (716) 551-0655.

Respectfully submitted,

CANYON RESEARCH SOUTHWEST, INC.

Eric S. Lander, Principal

475 ELLICOTT STREET, SUITE 301 / BUFFALO, NY 14203 / (716) 551-0655

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SUMMARY OF MAJOR FINDINGS

The proposed Downtown Salina STAR Bond District ("District") in Salina, Kansas incorporates approximately a 28-block area designated for redevelopment and revitalization that encompasses the historic central business district. Salina 2020, Inc. is seeking to finance a portion of the project through Sales Tax Revenue (STAR) bonds as authorized by the STAR Bond Financing Act (House Bill No. 2005 KS 2007). The District's Project Plan is designed to create a tourist destination featuring a mix of athletic, entertainment, museum and lodging uses.

As part of the STAR bond application process Canyon Research Southwest, Inc. has prepared the attached *STAR Bond Feasibility Study*. The study evaluates the impact of the proposed District upon similar businesses in the project market area, quantifies out-of-state visitation, forecasts the project's economic impact and evaluates the project's ability to remain profitable past the term of the STAR bonds. The report's major findings are summarized in the text below.

Market Study Conclusions

The *Market Study* section of the report evaluated the ability of the District to gain market share locally, regionally and nationally and the ability of the District to gain sufficient market share to: 1) remain profitable past the term of repayment and 2) maintain its status as a significant factor for travel decisions.

The District's principal "destination attractions" will include the renovation of the historic Stiefel Theater and construction of America's Crossroads Car Collection, Salina Field House and family entertainment center. A 114-room hotel is designed to accommodate the expected increase in out-of-town visitation generated by these destination attractions.

America's Crossroads Car Collection

The Downtown Salina District will invest in the America's Crossroads Car Collection with the goal of expanding and diversifying Salina's tourism industry and stimulating economic growth through increased visitation and expenditures. The museum's business plan was prepared by Earl Trout III, the Executive Director of the Kansas City Auto Museum when it opened in May 2014. The automotive-themed visitor experience will consist of approximately 31,000 square feet of exhibition space comprised of a new building and adaptive re-use of five existing warehouse buildings. The museum will display a rotating collection of restored antique and vintage cars as well as exhibits and programs illustrating automotive history, technology, pop culture and design. The museum is designed to exhibit 25 to 60 vehicles at a time. The museum may enter into a partnership with McPherson College to operate an on-site educational program. This museum is designed as an interactive and participatory visitor venue that delivers an entertaining and educational experience that will serve a regional market drawing automobile enthusiasts from the Midwest and throughout the United States.

The study findings suggest sufficient demand generators exist to support the America's Crossroads Car Collection in Salina, Kansas. The Downtown Salina District offers suitable location characteristics to accommodate development of the planned museum.

Salina Field House

The Salina Field House is a multi-sport facility designed for indoor basketball and volleyball, and complimented with such amenities as a lobby and welcoming area, ticket office, office area, concessions, café seating, flex/team rooms, mezzanine and restrooms. The facility is designed with the intention of providing a venue sufficient to cater to the local residents as well as host regional basketball and volleyball tournaments. By offering a centralized location with facilities able to accommodate multiple types of athletic tournaments, the Salina Field House is anticipated to become a regional destination for youth athletics. This mix of participation will provide the most consistent visitation and tourism for the District.

The total inventory of comparable athletic facilities in the Salina area includes two running tracks, 11 basketball courts, 14 soccer fields, 5 volleyball courts and three gymnasiums. The City of Salina Parks and Recreation and the YMCA operate the majority of public athletic facilities in Salina, Kansas. When compared to the District's planned athletic field house, none provide a similar level of service, especially in regard to the ability to host local and regional athletic tournaments.

Based on industry standards this analysis concludes that sufficient demand for additional sports facilities exists to support feasible market entry of the Salina Field House. In November 2015, Sports Facilities Advisory, on behalf of the City of Salina, prepared a Feasibility Study for the proposed Salina Field House. The study analyzed the market, local and regional competition, sports participation, and existing and past tournaments and events in the region to ensure that the facility is right-sized to become a regional draw for court tournaments and events.

Family Entertainment Center

The family entertainment center planned for the District will offer 24 lanes of bowling, an 8-lane boutique bowling facility, laser tag, arcade with 50 to 70 games, sports grill, and meeting space. Birthdays, meetings and events will be principal drivers of business with a trade area that extends north into Nebraska and to the east and west up to a two hour drive. The 24 lanes of bowling qualify to host State and regional high school and college bowling tournaments.

Hotel and Meeting Space

The District is planned for a 114-room, all-suites hotel at the corner of Santa Fe Avenue and Mulberry Street. The Salina hotel market caters primarily to leisure and group travelers with the summer and early fall months serving as the peak season. The market supports 21 chain hotel properties totaling 1,393 guest rooms, the majority of which are located along Interstates 70 and 135. Budget hotels account for 46 percent of Salina's current inventory of hotel rooms, followed by extended-stay/all-suite hotels with 43 percent of the room inventory. The newest hotel in Salina is the 115-room Holiday Inn that opened in April 2015.

Concurrent with national hospitality trends, in recent years the Salina hotel market has been adversely impacted by the recession and subsequent decline in business and leisure travel. Recent operating trends suggest that the Salina hotel market is on its way to recovery, posting strong gains in room demand, ADR and total lodging revenue during 2014 and into 2015.

The District's planned hotel is designed to include 3,250 square feet of meeting and conference space. In recent years Salina's convention and meeting business has dropped off considerably due primarily to the national recession, substandard conference facilities and a limited inventory of quality hotels with meeting space. The $2.0 million renovation in 2010 of the 18,000 square foot Heritage Hall at the Salina Bicentennial Center was designed to accommodate gatherings of up to 2,000 and improve Salina's competitive position as a meeting and conference destination. The recent opening of the Holiday Inn with a 3,000 square foot meeting hall also enhanced Salina's ability to attract group meetings. The District should benefit from meeting space demand generated by the nearby Heritage Hall, Salina Regional Health Center and Kansas Wesleyan University.

The District's planned hotel development site possesses the necessary location and site characteristics as well as benefits from favorable competitive lodging market conditions and the presence of lodging demand generators to support additional lodging and meeting space.

Additional investment to the District will include approximately $11.6 million in streetscape improvements to Santa Fe Avenue between Mulberry Street and Elm Street. These improvements are designed to enhance the look and image of downtown, provide sufficient and convenient parking to the expected increase in visitors, and generate increased investment and economic activity in the District.

Market Impact Study Findings

The *Market Impact Study* examined the impact the District will have on the local economy and tourism industry. Specific issues examined include:

1. Project positioning and unique quality;
2. Project's synergy with area attractions;
3. Impact on comparable market area businesses;
4. Expected draw of tourists from out-of-state and from more than 100 miles away;
5. Estimate the project's retail sales at build-out; and
6. Impact on active STAR bond projects.

Project Positioning and Unique Quality

The District is comprised of an approximately 28-block area in downtown Salina which serves as the community's art and entertainment center featuring such attractions as the Stiefel Theatre, Salina Symphony, Salina Community Theatre, Sculpture Tour Salina, Smoky Hill Museum, Salina Art Center and several working arts studios. Salina also plays host to a variety of state sporting events with softball and baseball tournaments of particular note.

The goal of the District's Master Plan is to expand Salina's tourism trade area and drive increased out-of-town visitation and spending. Leveraging off of downtown's historic context as well as creating a critical mass of several diverse cultural and entertainment attractions will be the keys in accomplishing this goal.

Graced by a large number of historic structures with varying architectural styles. Santa Fe Avenue in downtown Salina offers a unique physical environment suitable for fostering heritage tourism. The planned street and sidewalk improvements will transform Santa Fe Avenue into a historic commercial district similar in character to Poyntz Avenue in downtown Manhattan and Massachusetts Street in downtown Lawrence, Kansas. Both of these communities support vibrant historic downtowns and strong tourism industries.

Renovation of the Stiefel Theatre will be a key component of the District. The performing arts center has anchored downtown Salina's tourism industry for decades, but requires reinvestment if it is to remain a major cultural attraction. The redevelopment plan is designed to improve the theatre's competitive positioning, enhance repeat visitation and increase attendance and revenue.

Accompanying renovation of the Stiefel Theatre are several destination attractions aimed at diversifying and expanding Salina's tourism market by strengthening current market segments and targeting new visitor demographics. The planned attractions include the Salina Field House, family entertainment center, and America's Crossroads Car Collection. This cluster of diverse destination attractions not presently available in central Kansas will heighten Salina's status as a regional center for culture, entertainment and recreation; support a regional trade area; and drive increased visitation and expenditures.

Visitation to the destination attractions planned for the District will assist in generating demand for retail stores and restaurants not currently available in Salina. On-site lodging demand will originate from the out-of-town leisure and group travelers to the District's various attractions. The planned attractions will also attract and accommodate a new segment of the leisure and group traveler market not previously catered to by Salina and central Kansas.

The uniqueness of the District's redevelopment plan is that it both leverages off Salina's current status as a cultural and entertainment destination by improving the visitors' experience as well as aims to diversify and expand the leisure and group traveler market by creating athletic, cultural and entertainment attractions not currently available in Salina and central Kansas. Together, the District's uses, concepts and design will generate increased visitor volumes and expenditures, draw out-of-state travelers and enhance Salina's status as a tourism destination.

Synergy with other Area Attractions

Much like business clusters, the clustering of cultural, athletic and entertainment attractions creates the diversity and critical mass necessary to generate and sustain increased visitation and expenditures. Most tourism clusters also have strong linkages to other closely related and supporting industries such as transportation, lodging, retail, food and beverage. Therefore, the larger cluster of attractions a tourist destination supports the greater the direct and indirect economic benefits.

Salina has long been a cultural, entertainment and recreation destination for central Kansas. The city boasts a number of major annual events and a wide selection of cultural, entertainment, sporting, and family attractions. Tourism's direct impact on the Saline County economy was estimated at over $165 million in 2013. The District is designed to both enhance Salina's status and sustainability as a regional tourism destination and attract a new segment of the leisure and

group traveler market by providing complimentary cultural, entertainment and athletic attractions not currently available in the region.

The synergistic effect of the District's destination attractions on Salina's tourism industry and the heightened out-of-town visitation is expected to translate to increased attendance at the region's existing cultural, entertainment, athletic and family attractions. The presence of a large cluster of diverse but complimentary attractions will create a synergistic effect that strengthens the regional draw, visitation counts, expenditures, and associated state and local tax revenues.

By increasing the critical mass of attractions and out-of-town visitation, the District will improve Salina's status as a regional tourism destination as well as complement the existing attractions by creating "one-of-a-kind" cultural, entertainment and sporting destinations not currently available in the region. The expanded selection of destination attractions will improve the sustainability of the local tourism industry.

Impact on Market Area Businesses

The District's Master Plan incorporates new construction of the Salina Field House, family entertainment center, America's Crossroads Car Collection, and a hotel. Increased out-of-town visitation generated by these destination attractions is expected to produce increased visitor spending that can be captured by area businesses.

The Salina Field House is designed to accommodate indoor basketball and volleyball. Principal athletic venues in Salina include Salina Bicentennial Center, Hangar Sports Complex, Salina Parks and Recreation Department, Salina Family YMCA, Unified School District #305. While the Salina Bicentennial Center hosted 41 sports events during 2014 with a total attendance of 67,662, the 7,500-seat capacity of the multi-purpose arena places it in a category that won't compete with the planned Salina Field House. Given the composition and outdoor nature of most of the other athletic facilities in Salina the planned Salina Field House is not expected to be directly competitive. Moreover, by providing an indoor, year round athletic venue will improve and expand on the ability of Salina to host additional sporting events.

The planned family entertainment center is expected to include bowling, video arcade, billiards and dining. All Star Lanes offers 24 bowling lanes and Jumpin' Joe's Family Fun Center offers go-karts, laser tag, miniature golf and arcades.

The America's Crossroads Car Collection is planned to open in the District. No such museum exists in Salina and central Kansas. Moreover, increased visitation generated by the America's Crossroads Car Collection could help boost attendance at existing museums in Salina.

The 114-room all-suite hotel planned for the District is designed to capture new lodging demand generated by increased visitation to Salina. The hotel will be a key component in appealing to leisure and group travelers and increase the capacity to attract overnight out-of-town visitors. At a stabilized occupancy rate of 75 percent, 1.8 guests per room and an average stay of 2 nights the planned hotel can accommodate an estimated 30,000 guests annually. Lodging demand generated by out-of-town visitors to the District is expected to exceed the hotel's capacity.

Therefore, existing lodging properties in Salina will benefit by capturing overflow lodging demand generated by out-of-town visitors to the District.

Increased out-of-town visitation generated by the District's principal attractions is expected to result in increased spending and demand for goods and services in Salina. Retail sales leakage within a 25-mile radius of downtown Salina is estimated at approximately $309 million annually with a large number of retail categories under served. The width and depth of the current retail leakage provides an excellent opportunity for Salina businesses to capture increased sales. The District's planned destination attractions are designed to increase visitation and spending in Salina, providing an even greater opportunity for businesses to capture increased future sales volumes.

The District is positioned to capture retail and lodging sales now eluding Salina and will further enhance the city's competitive positioning as a regional tourist center by providing new destination attractions not currently available in central Kansas. New retail sales and lodging demand generated through redevelopment of the District and the potential of the Salina market to capture current retail sales leakage suggests minimal cannibalization of current retail and lodging sales. Therefore, this report concludes that redevelopment of the District will not have an adverse impact on existing cultural, entertainment, recreation, retail, dining and lodging businesses in Salina.

Estimated Visitor Counts

At build-out and stabilization annual visitation at stabilization to the District is estimated at 488,000. Based on its unique attractions the District is expected to attract new visitors to Salina.

Local residents living within a 100-mile radius are estimated to account for about 47 percent of total visitation. Visitors traveling more than 100 miles are estimated to account for the remaining 53 percent of total visitation, nearly 39 percent of which will be out-of-state visitors. Out-of-state residents are estimated to account for 20 percent of total visitation to the District, or approximately 100,000 visitors per year. These out-of-town visitation trend estimates meets the State of Kansas Secretary of Commerce guidelines that 30 percent of visitors to a proposed STAR Bond Redevelopment District travel beyond 100 miles and 20 percent reside out-of-state.

Downtown Salina District
Visitation Pattern Estimates

Visitor Origination	Total Visitors	Out-of-State Visitors	Market Share
Within a 100-Mile Radius	229,850	0	0.0%
Outside of a 100-Mile Radius	258,150	99,550	38.6%
Totals	488,000	99,550	20.4%

Source: Canyon Research Southwest, Inc.

Estimated Retail Sales Potential

The District is positioned to capture retail sales now leaking out of the 25-mile radius trade area and will serve as a major tourism destination and enhance Salina's competitive positioning as a cultural, entertainment and recreation destination. At build-out and stabilization the District is estimated to generate incremental annual retail sales of approximately $33.8 million.

Impact on Active STAR Bond Projects

The Department of Commerce has approved five STAR bond projects in central and west Kansas that incorporate major destination attractions, including the Wichita River District and K-96 and Greenwich Project in Wichita, Olympic Park Project District in Goddard, Downtown Manhattan Redevelopment District in Manhattan, and Dodge City Project District.

The Downtown Salina District's major tourism attractions will include the renovated Stiefel Theatre, Salina Field House, family entertainment center, and America's Crossroads Car Collection.

Both the Wichita River District and K-96 and Greenwich Project in Wichita are located over 80 miles driving distance south of the proposed Downtown Salina District with the Olympic Park District in Goddard located over 100 miles to the south. The Wichita River District possesses a riverfront, downtown location and is designed as an entertainment and employment destination featuring approximately 610,000 square feet of retail, office, hotel and residential space. Both the K-96 & Greenwich Project and Olympic Park District focus on creating an athletic training center and recreation attraction complemented by a mix of retail, employment and lodging uses.

The Downtown Manhattan Redevelopment District is located in downtown Manhattan, Kansas over 65 miles northeast of Salina. The Downtown Manhattan Redevelopment District and Downtown Salina District possess many similarities, including a museum as the principal tourism destination, a historic downtown location and the inclusion of entertainment and lodging venues. However, each projects' tourism attraction caters to distinctive market segments.

STAR Bond funding for the Dodge City's Heritage District is aimed at revitalizing the City's western heritage leveraging off the Boot Hill Museum. Meanwhile, the tourism draw of the Entertainment District centers on a mid-sized event center, conference center, big-box retail and the neighboring Boot Hill Casino. While both the Downtown Salina District and Dodge City's Heritage District involve downtown revitalization each downtown possesses a distinctly unique market positioning and draw. Downtown Salina District's principal tourism attractions will center on athletics, family entertainment and live theater and concerts while Dodge City's Heritage District will be geared heavily on enhancing the Boot Hill Museum and the western heritage. The Entertainment District is aimed at mid-sized entertainment acts, conferences and big-box retail. Therefore, the Downtown Salina District should have little or no impact on operations and financial sustainability of the Dodge City District.

Because each active STAR bond project in central and west Kansas supports distinctly different major tourism attractions and retail components, it has been concluded that development of the Downtown Salina District will not have a measurable adverse impact on tourism visitation, retail

sales and STAR bond revenues generated by any of the STAR Bond Districts in central and west Kansas. Therefore, the operation of the Downtown Salina District is not anticipated to cause default in the payment of outstanding STAR bonds issued by the five active STAR Bond approved redevelopment projects in central Kansas.

Economic Impact Projections

Build-out of the District would result in an estimated construction phase total economic output of $146 million, direct and indirect job creation of 883 jobs and payroll of $41.3 million. The State of Kansas is projected to collect approximately $1.6 million in income tax revenues during the construction phase resulting from direct and indirect employment.

At full operating levels the District as planned forecast to generate an annual economic impact of $66 million on the State of Kansas. The District could directly and indirectly support about 371 jobs locally and $12.5 million in annual payroll. State of Kansas is estimated to collect approximately $271,500 in annual state income tax revenues generated by the District. Out-of-town visitors residing outside of a 100 mile radius are forecast to generate sufficient lodging demand to support an estimated 629 hotel rooms.

STAR Bond Revenue Projections

Bond debt used to fund reimbursable project costs associated with the District will be repaid by Sales Tax Special Obligation Bond revenues realized through incremental retail sales and lodging taxes. The STAR Bond funding capacity of the District was quantified through calculating the net present value of the annual Sales Tax Special Obligation Bond revenues through the 20-year maturity of the District using a debt coverage ratio of 1.25 and a discount ("interest") rate of 5.0 percent.

The District's total project costs are estimated at approximately $150 million with STAR Bond reimbursable project costs for Phase I estimated at approximately $21 million. As illustrated in the table on the following page, throughout the statutory 20-year STAR bond maturity period the net Sales Tax Special Obligation Bond revenues generated by the District of $64 million are sufficient to fully satisfy approximately $29 million in bond debt. Therefore, the District is forecast to generate sufficient Sales Tax Special Obligation Bond revenues to pay for the project costs.

Supportable STAR Bond Debt Estimates
Downtown Salina District

Year	Estimated STAR Bond Revenue	Less: Adm. Costs 2%	Net STAR Bond Proceeds	Debt Coverage 1.25	Present Value 5.0%	Net Present Value
1	$434,340	$8,687	$425,653	$340,523	0.95238	**$324,307**
2	$626,851	$12,537	$614,314	$491,451	0.90703	**$445,761**
3	$2,118,856	$42,377	$2,076,479	$1,661,183	0.86384	**$1,434,996**
4	$2,708,686	$54,174	$2,654,512	$2,123,610	0.82270	**$1,747,094**
5	$2,991,480	$59,830	$2,931,650	$2,345,320	0.78353	**$1,837,629**
6	$3,163,658	$63,273	$3,100,385	$2,480,308	0.74622	**$1,850,855**
7	$3,276,465	$65,529	$3,210,936	$2,568,749	0.71068	**$1,825,558**
8	$3,341,994	$66,840	$3,275,154	$2,620,123	0.67684	**$1,773,404**
9	$3,408,834	$68,177	$3,340,657	$2,672,526	0.64461	**$1,722,737**
10	$3,477,011	$69,540	$3,407,471	$2,725,977	0.61391	**$1,673,504**
11	$3,546,551	$70,931	$3,475,620	$2,780,496	0.58468	**$1,625,700**
12	$3,617,482	$72,350	$3,545,132	$2,836,106	0.55684	**$1,579,257**
13	$3,689,832	$73,797	$3,616,035	$2,892,828	0.53032	**$1,534,125**
14	$3,763,629	$75,273	$3,688,356	$2,950,685	0.50507	**$1,490,303**
15	$3,838,901	$76,778	$3,762,123	$3,009,698	0.48102	**$1,447,725**
16	$3,915,679	$78,314	$3,837,365	$3,069,892	0.45811	**$1,406,348**
17	$3,993,993	$79,880	$3,914,113	$3,131,291	0.43630	**$1,366,182**
18	$4,073,873	$81,477	$3,992,396	$3,193,916	0.41552	**$1,327,136**
19	$4,155,350	$83,107	$4,072,243	$3,257,794	0.39573	**$1,289,207**
20	$4,238,457	$84,769	$4,153,688	$3,322,950	0.37689	**$1,252,387**
Totals	$64,381,922	$1,287,638	$63,094,284	$50,475,427		$28,954,216

Source: Canyon Research Southwest, Inc.; May 2016.

STAR BOND FEASIBILITY STUDY
PROPOSED DOWNTOWN SALINA DISTRICT
SALINA, KANSAS

May 2016

INTRODUCTION

Study Objective and Organization

The proposed Downtown Salina STAR Bond District ("District") in Salina, Kansas incorporates approximately a 28-block area designated for redevelopment and revitalization that encompasses the historic downtown area. Salina 2020, Inc. is seeking to finance a portion of the District through Sales Tax Revenue (STAR) bonds as authorized by the STAR Bond Financing Act (K.S.A. 12-17,160 et seq.). The District's Master Plan is designed to enhance Salina as a tourist destination by offering a mix of cultural, athletic, entertainment and lodging uses.

STAR bonds provide Kansas municipalities the opportunity to issue bonds to finance the development of major commercial entertainment and tourism areas and use revenues received by the city and county from any transient guest taxes, local sales taxes and use taxes generated by the development to pay off the bonds. STAR bonds possess a 20-year term. In order to be considered a major commercial entertainment and tourism area, a proposed project must be capable of being characterized as a statewide and regional destination, and include a high quality innovative entertainment and tourism attraction, containing unique features which will increase tourism, generate significant positive and diverse economic and fiscal impacts and be capable of sustainable development over time. The STAR bond program in Kansas was scheduled to expire on July 1, 2012. In June 2012, Gov. Sam Brownback signed a bill extending the STAR bond program for another five years.

The Kansas Secretary of Commerce ultimately approves the use of STAR bond proceeds within a STAR Bond Project District once the District is established by a governing body. The types of development projects eligible for STAR bond financing include:

- A project with at least a $50 million capital investment and $50 million in projected gross annual sales revenues.
- A project located outside of a metropolitan statistical area that has been found by the Secretary of Commerce to be in an eligible area under Tax Increment Financing ("TIF") law and of regional or statewide importance.
- A major commercial entertainment and tourism area as determined by the Secretary of Commerce.
- Auto racetrack facilities, multi-sport athletic complexes, river walk canal facilities, historic theaters, Manhattan Discovery Center, Wyandotte County Schlitterbahn Project, museum facility, or a major motorsports complex in Shawnee County.

STAR bond legislation allows the governing body of a city to establish one or more special bond projects in any area in the city or outside of a city's boundaries with the written approval of the county commission. However, each special bond project must be approved by the Secretary of Commerce, based on the required feasibility study, prior to utilizing STAR bonds.

Pursuant to the STAR Bond Financing Act, a STAR bond application must be accompanied by a *Feasibility Study* that examines the impact of the proposed development or special bond project upon similar businesses in the project market area, quantifies out-of-state visitation, forecasts the project's economic impact and evaluates the project's ability to remain profitable past the term of the STAR bonds. According to Section 7 of the STAR Bond Financing Act the *Feasibility Study* should contain the following:

1. Whether a STAR bond project's revenue and tax increment revenue and other available revenue are expected to exceed or be sufficient to pay for the project costs;

2. The effect, if any, a STAR bond project will have on any outstanding special obligation bonds payable from the revenues described in K.S.A. 2009 Supp. 12-17,169, and amendments thereto;

3. A statement of how the jobs and taxes obtained from the STAR bond project will contribute significantly to the economic development of the state and region;

4. Visitation expectations;

5. The unique quality of the project;

6. Economic impact study;

7. Market study;

8. Market impact study;

9. Integration and collaboration with other resources or businesses;

10. The quality of service, and experience provided, as measured against national consumer standards for the specific target market;

11. Project accountability, measured according to best industry practices;

12. The expected return on state and local investment that the project is anticipated to produce;

13. A statement concerning whether a portion of the local sales and use taxes are pledged to other uses and are unavailable as revenue for the STAR bond project; and

14. An anticipated principal and interest payment schedule on the bond issue.

Within the body of this study Canyon Research Southwest, Inc. has addressed each of the criteria outlined above as they relate to the eligibility of the Downtown Salina District to qualify for STAR Bond funding.

Downtown Salina District Project Plan

Salina is located in central Kansas within one of the world's largest wheat-producing regions. Interstate I-135 runs north-south through Salina and provides direct access to Wichita while Interstate 70 runs east-west providing direct access to both Kansas City and Denver. Given its location and transportation network Salina serves as the center for trade, transportation and industry in central Kansas. Manufacturing and agricultural transportation are the principal industries in Salina. The 2010 Census reported the Salina population at 47,707 residents.

The proposed Downtown Salina STAR Bond District ("District") in Salina, Kansas incorporates approximately a 28-block area designated for redevelopment and revitalization that encompasses the historic downtown area. Santa Fe Avenue serves as downtown Salina's principal commercial corridor with the District encompassing a 5-block section between South Street and Elm Street. Existing cultural venues within the District include the Stiefel Theatre, Salina Community Theatre and Salina Art Center. The District boundaries are illustrated on page 4.

Salina 2020, Inc. is seeking to finance a portion of the project through Sales Tax Revenue (STAR) bonds as authorized by the STAR Bond Financing Act (K.S.A. 12-17, 160 et seq.). The District's Project Plan is designed to enhance Salina as a tourist destination through the construction of several "destination attractions" including the America's Crossroads Car Collection, Salina Field House, and family entertainment center. The Project Plan also includes improvements to the existing Stiefel Theatre. A 114-room hotel is included in the Project Plan designed to accommodate the expected increase in out-of-town visitation generated by these destination attractions. The District's principal destination attraction development sites are depicted on page 5. A description of the District's planned destination attractions is provided in the text to follow.

Stiefel Theatre

The Stiefel Theatre for the Performing Arts has been the anchor of Salina's tourism industry for decades, but requires reinvestment if it is to remain competitive, accommodate a wider selection of performers, and increase attendance and revenues. The 1,287-seat theater opened in February 1931 as the Fox-Watson Theater. Designed by the prominent architectural firm of Carl and Robert Boller of Kansas City, the theater features a lavish Art Deco style with chandeliers, mirrored ceilings, a glamorous staircase and gold leaf throughout. The Mission of the Stiefel Theatre for the Performing Arts is to provide quality experiences that enrich, educate and entertain. The programming goal of the theatre is to present broad base quality shows from a wide variety of genres including Classical, Blues, Rock, Comedy, Country, Dance, Jam, Alternative, etc. that appeal to a large demographic. The Stiefel Theatre supports a regional draw with patrons traveling from Lawrence, Manhattan, Topeka, Wichita, Hays, Garden City and from out of state. Attendance during 2015 was reported at 43,688. The Project Plan calls for an estimated $2.0 million in design and capital improvement costs to the theatre that may include LED exterior signage, sound system, lighting above the stage, stage house improvements, additional restrooms, and service areas for food and beverage.

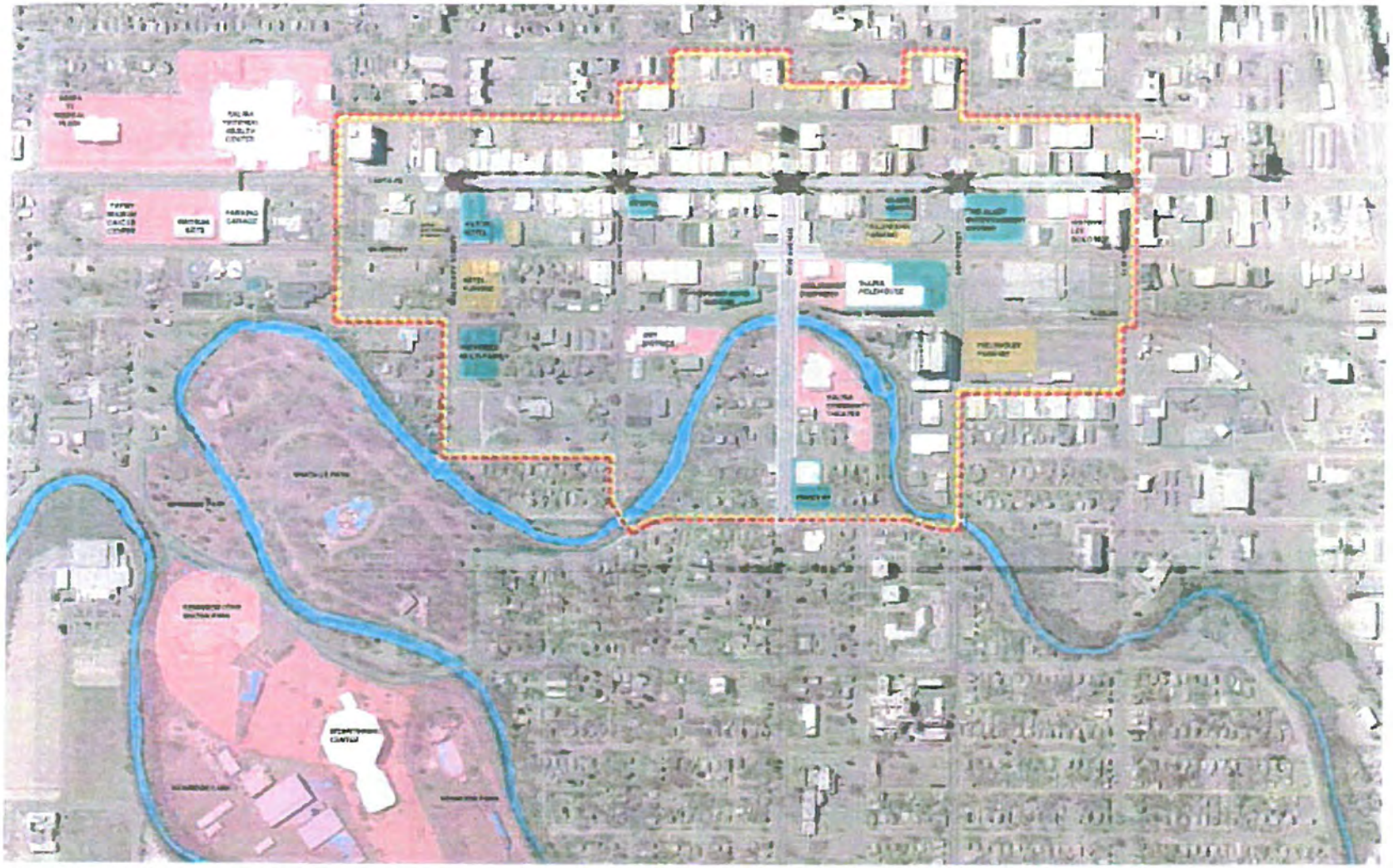
PROPOSED STAR BOND DISTRICT

2-2-2015

Salina, Kansas

Star Bond District

JGR ARCHITECTS



DEVELOPMENT AREAS
5-17-2016 **Salina, Kansas**

TIF District **Star Bond District**

JGR ARCHITECTS

America's Crossroads Car Collection

The Downtown Salina District will invest in the America's Crossroads Car Collection with the goal of expanding and diversifying Salina's tourism industry and stimulating economic growth through increased visitation and expenditures. The Salina Educational Automotive Museum of America, Inc. dba America's Crossroads Car Collection's Board of Directors hired renowned national automotive museum consultant, Earl Trout III, to work with the Board on creating the museum's business plan and operating budget.

Earl Trout III was the Executive Director of the Kansas City Automotive Museum, 15095 W. 116th Street, Olathe, Kansas, from December 2011 to July 2014. He led the creation of a new 501(c)(3) for the automotive museum from concept to reality. He personally hosted scores of presentations, established relationships in business, museum, and automotive communities. He drafted the business plan, budgets, policies, and procedures; launched the capital campaign; drew building concept; redrew blueprints; and oversaw construction. He created a concept for the gift shop, launched an email newsletter, established school tours, designed museum graphics and historical displays. With the leadership of Mr. Trout, the museum earned four prestigious national awards prior to opening its doors and continues to be recognized as one of the finest automotive museums in the country.

The automotive-themed visitor experience will consist of approximately 31,000 square feet of exhibition space comprised of a new building and adaptive re-use of five existing warehouse buildings. The museum will display a collection of restored antique and vintage cars that will rotate every 3 to 4 months, as well as exhibits and programs illustrating automotive history, technology, pop culture and design. The museum is designed to exhibit 25 to 60 vehicles at a time.

A list of the museum's vehicles available to rotate in the exhibit is provided in the table on page 7. These vehicles are all locally owned or owned by the museum. Since the collection ranges from American to European automobiles to racing automobiles and motorcycles, the museum has the ability to design rotating exhibits around decades, manufacturers, and regions. This also allows the museum to host special events around the rotating exhibits.

In addition to this list of exhibit vehicles, America's Crossroads Car Collection has partnered with Kustom Kemps of America (KKOA), America's oldest running custom car and truck association, to house the KKOA National Hall of Fame. As part of this partnership, KKOA will place on exhibit customized automobiles of their Hall of Fame members as well as award winning automobiles from the Annual Leadsled Spectacular that is held in Salina each summer. KKOA has a membership in excess of 15,000 with Hall of Fame members including some of the most well-known customizers in the world like:

George Barris – Designer of the Batmobile and Munster Koach
Dick Dean – Builder for Barris Kustom City
John D. Agostino – Most decorated customizer in the world
Gene Winfield – Builder of the Piranha and Reactor
Darryl Starbird – "Bubble Top King"

Year	Make	Model
1902	Locomobile	Steam Runabout
1912	Rolls-Royce	Silver Ghost
1918	Ford	Model T Speedster
1923	Bentley	3 litre Vanden Plas Tourer
1924	Rolls-Royce	Silver Ghost - Black
1924	Rolls-Royce	Silver Ghost - Maroon
1925	Ford	Model T coupe
1925	Rolls-Royce	Silver Ghost
1928	Bentley	6.5 litre Gurney Nutting limosine
1929	Bentley	
1932	Ford	Historic 5-window Coupe
1932	Ford	Historic Hot Rod Roadster
1937	Lagonda	LG45 Rapider
1939	Lagonda	V12 Le Mans
1941	Ford	Opera Coupe
1947	Ford	Woody Wagon
1949	Ford	Convertible
1950	Mercury	Coupe
1951	Bentley	Mark VI Freestore and Webb drop head Coupe
1953	Buick	Woody Wagon
1954	Kurtis	500 S
1956	Ford	Ute
1957	Porsche	Speedster
1958	Mercedes Benz	220 S Coupe Rally Car
1958	Oldsmobile	Convertible
1959	Cadillac	Eldorado Convertible
1959	Ford	Galaxie Skyliner retracable hardtop convertible
1960	Watson	Roadster Indy Car
1963	Chevrolet	Corvette
1963	Ford	Falcon
1964	Buick	Skylark
1964	Ferrari	250 GT/L Lusso
1964	Shelby	Cobra
1965	Ford	Galaxie 500 XL
1965	Ford	Mustang Shelby GT 350
1965	Ford	Thunderbird
1966	Ford	Mustang Shelby GT 350
1967	Ford	Mustang Shelby GT 350
1967	Ford	Shelby GT 350 Mustang
1967	MG	1100 Sports Sedan
1968	Mini	Cooper S
1968	Morgan	Plus 4 Roadster
1969	Chevrolet	Camaro RS Yenko
1969	Chevrolet	Camaro Z28
1969	Chevrolet	Corvette Hardtop
1969	Porsche	911
1970	Buick	GS Stage 1 Fireglow GS
1970	Buick	GSX Stage 1
1970	Chevrolet	Chevelle LS5
1970	Chevrolet	Chevelle LS6
1971	Chevrolet	Nova SS Yenko
1974	Pantera	
1979	Ducati	750 F1 B motorcycle
1979	Lincoln	Mark V
1984	Zimmer	Convertible
1997	Porsche	911 Twin Turbo
2005	Lotus	Elise
2006	Ford	GT
2015	Chevrolet	Camaro Yenko
	Cushman	Eagle scooter

Each summer at the Annual Leadsled Spectacular, KKOA inducts two new members into the Hall of Fame. During the Leadsled Spectacular, KKOA will hold a Hall of Fame dinner at the museum and officially place on display a vehicle from each new Hall of Fame inductee.

The museum is partnering with McPherson College and their Auto Restoration program, the only Restoration Technology Bachelor's degree program in the country, to develop an educational program that will include seminars and special events to be held at the museum where McPherson College faculty would present historic automotive facts and faculty and students would demonstrate aspects involved in restoring a vehicle. The museum and McPherson College have discussed partnering on fundraising events at the museum where national speakers would be brought to McPherson College for a speaking engagement as well as a presentation and dinner at the museum; possibly Jay Leno, a McPherson College Auto Restoration Board Member. The museum and McPherson College are also working on extending the partnership with Kustom Kemps of America and their Hall of Fame members to possibly teach specific topics at the College and possibly be artists in residence at the museum. Additionally, McPherson College and the museum have agreed to dedicate space in the museum to display a restored vehicle that had all of the work done by McPherson College students as well as space to promote McPherson College's Auto Restoration program, The museum also plans on housing a library of technical manuals that can be used for educational research by the public. It is also envisioned that the museum's theater will host educational presentations about the history of the automobile.

This museum is designed as an interactive and participatory visitor venue that delivers an entertaining and educational experience that will serve a regional market drawing automobile enthusiasts from the Midwest and throughout the United States. The museum envisions hosting fifty special/theme events throughout the year including: Monthly Cars & Coffee, Annual Dancing with the Cars, Monthly Scavenger Cruise, Quarterly Race Nights, Monthly Cruise-Ins, Monthly Club Nights, Monthly Take A Spin Nights, Monthly STEM Days, Quarterly Day Drives, Annual Wheels & Heels Gala, Annual Summer Camps and Annual Cars & Cigars Fundraiser. In addition to these museum events the museum will also be available to rent for private events.

The study findings suggest sufficient demand generators exist to support the America's Crossroads Car Collection in Salina, Kansas. The Downtown Salina District offers suitable location characteristics to accommodate development of the planned museum.

Salina Fieldhouse

The Salina Field House is planned for construction at the intersection of 5th Street and Ash Street. The 63,420 square foot facility will include indoor venues for basketball, volleyball, and batting cages. The program plan includes four permanent hardwood basketball courts that can be cross lined to accommodate six volleyball courts, an un-boarded turf field with drop down batting cages/pitching tunnels, and the necessary supporting amenities for local programming and regional events. The turf area will also be used to accommodate two temporary hardwood basketball/volleyball courts. These temporary courts will be utilized for event weekends and create the opportunity for the Salina Field House to feature a total of six hardwood basketball courts and eight hardwood volleyball courts. Additional features of the Salina Field House include a lobby and welcoming area, ticket office, office area, concessions, café seating, flex/team rooms, mezzanine and restrooms.

The Salina Field House will complement the large number of outdoor sporting events and tournaments already hosted in Salina and serve a primary trade area that extends north into Nebraska, east to Manhattan, Kansas and west to Ellis County. Weekend sports tournaments will draw from within a 100-mile radius with regional tournaments drawing teams from a 6- to 8-state area.

Family Entertainment Center

Also located at the intersection of 5th Street and Ash Street will be a 47,000 square foot family entertainment center that will be comparable to The Alley in Wichita, Kansas. The Alley offers indoor entertainment including a 32-lane bowling center, go-kart raceway, video arcade, billiard games, concessions and Back Alley Sports Grill. The family entertainment center planned for the District will offer 24 lanes of bowling, an 8-lane boutique bowling facility, laser tag, an arcade with 50 to 70 games, sports grill, and meeting space. Birthdays, meetings and events will be principal drivers of business with a trade area that extends north into Nebraska and to the east and west up to a two hour drive. The 24 lanes of bowling qualify to host State and regional high school and college bowling tournaments. The family entertainment center planned for the District is also designed to be the best bowling facility between Kansas City and Denver which should attract pro and semi-pro bowlers.

Hotel and Meeting Space

To accommodate the anticipated increase in out-of-town visitation a 114-room hotel is planned at the intersection of Santa Fe Avenue and Mulberry Street. The all-suite hotel will be operated as a Hilton Homewood Suites and include meeting space and a restaurant.

Downtown Salina Streetscape Plan

Additional investment to the District will include street and sidewalk improvements to Santa Fe Avenue between Mulberry Street and Elm Street. The improvements are designed to enhance the look and image of downtown; that, in turn will generate increased investment, visitation, pedestrian traffic, retail sales and demand for commercial space.

In October 2015 Ochsner Hare & Hare, a division of Olsson Associates, prepared the Downtown Salina Streetscape Plan that provided a conceptual design plan for infrastructure improvements to Santa Fe Avenue. Santa Fe Avenue is designed with one lane of traffic in each direction, median and angled parking on both side of the street. Additional design elements include stamped concrete sidewalks, landscape beds, street trees, bench seating, stamped concrete crosswalks, lighting, concrete sidewalks, outdoor café seating, bike racks, public plazas, gateway monuments, and overhead structures at mid-block crossings.

The District's Project Plan also envisions the renovation of vacant commercial space designed to house specialty retailers, restaurants, office and residential uses. Transformation of the District into a vibrant mixed-use environment will generate increased visitation and retail sales.

The Project Plan also features a residential component that includes conversion of the Lee buildings at the north end of the District into 113, Low-Income Housing Tax Credit apartments and a new 32-unit apartment community located near the planned hotel.

The Project Plan calls for phased development of the planned attractions. As outlined in the table below, the initial phase of development includes the Save-a-Lot grocery store that opened in 2015; followed by the Salina Field House in 2016; the family entertainment center, America's Crossroads Car Collection, hotel and Stiefel renovations in 2017 and Stiefel expansion in 2018.

Project Plan Phasing Schedule

Project Component	Scheduled Opening
Save-a-Lot Grocery Store	2015
Salina Field House	2016
Hotel / Restaurant / Meeting Space	2017
Family Entertainment Center	2017
America's Crossroads Car Collection	2017
Stiefel Theatre Renovation	2017
Stiefel Theatre Expansion	2018

Located just outside the District is the Salina Regional Medical Center that employs over 1,300 and includes the KU Medical School Salina. The hospital admits over 75,000 patients annually and services a primary market area within the surrounding 6-county region and a secondary market area that encompasses another eight counties. In recent years the hospital has undertaken an aggressive capital improvement plan adding a $100 million patient tower, intensive care unit, emergency room expansion, new parking garage and helped fund the Children's Center. Having a vibrant downtown is important for the Salina Regional Medical Center in recruiting medical staff, attracting patients and supporting continued expansion of the campus. The District will benefit from the proximity of the Salina Regional Medical Center by the opportunity to draw out-of-town visitors to dine, entertain and shop within the District.

Related to the Salina Regional Medical Center, the Salina Regional Health Foundation has entered into a contract to purchase the former Planter's State Bank / Bank of America building at 138 North Santa Fe Avenue for the purpose of relocating and expanding the University of Kansas School of Medicine – Salina Campus. The medical school is currently occupies the 16,000 square foot Braddick Building on the Salina Regional Health Centre campus. The new facility is scheduled to open in June 2018 and will provide 40,251 square feet of space to accommodate new curriculum changes for the school. The new medical school is expected to be a big boost in the redevelopment of downtown Salina.

The goal of providing a critical mass of tourism services, attractions and amenities to the District is to improve Salina's status as a tourism destination with benefits aimed at generating increased visitation and visitor expenditures, extending visitor stays in Salina and enhancing the visitor experience. The total estimated cost to complete the planned improvements, including site acquisition, soft costs and building construction, is estimated at approximately $150 million, STAR Bond reimbursable project costs are estimated at approximately $21 million.

MARKET STUDY

The *Market Study* component of the *Feasibility Study* evaluates the potential of the STAR Bond project to gain market share locally, regionally and nationally and the ability of the project to gain sufficient market share to:

- Remain profitable past the term of repayment; and
- Maintain status as a significant factor for travel decisions.

The Downtown Salina STAR Bond District ("District") is designed to support several tourism-related components, including a vintage car museum, family entertainment center, athletic fieldhouse and lodging. It is these project components that will generate retail sales tax revenues eligible for capture under STAR Bond legislation.

The *Market Study* portion of the report evaluates the viability of the District to facilitate development of the museum, retail and lodging uses. In doing so, the *Market Study* examines the region's tourism market and the ability of the local market to support additional cultural, athletic and lodging facilities.

The *Cultural Market Analysis* examines the market potential to support renovations to the Stiefel Theater and construction and operation of the planned America's Crossroads Car Collection. Local tourism market trends are discussed, comparable cultural and entertainment attractions in the Salina area are identified, potential customer markets assessed, and a facility evaluation prepared that discusses trade area demographics, visitation levels, site location, access, exposure, and synergy with existing area attractions.

The *Athletic Facilities Market Analysis* evaluates the potential of supporting development of the planned athletic fieldhouse. Sports participation rates are discussed, existing athletic facilities in Salina identified, and a facility needs assessment prepared.

The *Lodging Market Analysis* evaluates the Salina lodging market. Trends in the local hotel market are discussed, existing lodging facilities are identified and a site evaluation determined the ability of the District to facilitate development of the planned hotel.

Based on the findings of the *Market Study* the report determined the suitability of the District as a prospective location for future development and continued operation of the planned cultural, athletic and lodging uses.

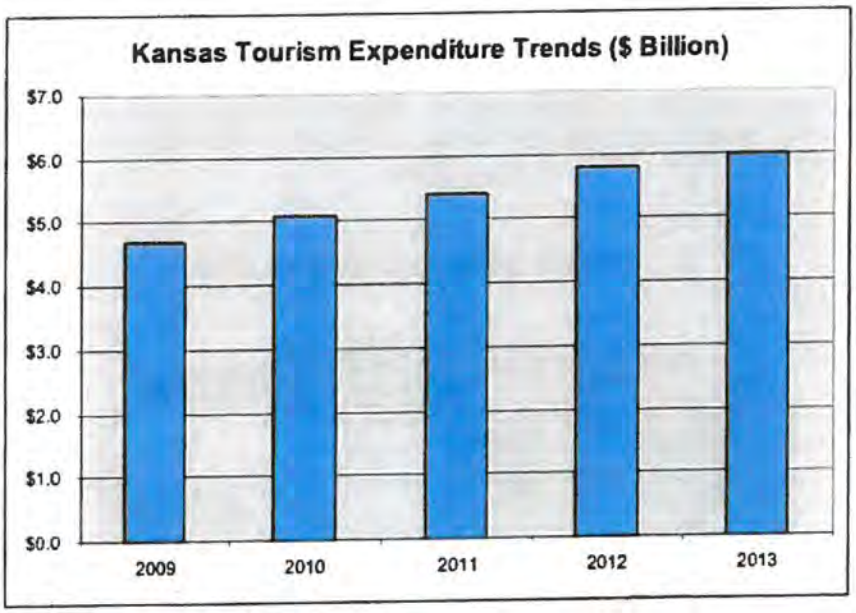
Cultural Facilities Market Analysis

Existing cultural facilities in the Downtown Salina STAR Bond District include the Stiefel Theatre and Salina Community Theatre. The Downtown Salina District's Project Plan calls for the opening of the America's Crossroads Car Collection, a state-of-the-art, automotive-themed visitor experience. The automotive museum is designed as a destination attraction drawing automobile enthusiasts from a regional trade area.

This section of the report evaluates the market viability of the America's Crossroads Car Collection by addressing: 1) area tourism market; 2) existing Salina museums and cultural attractions; 3) assessment of potential markets; 4) facility evaluation and 5) attendance projections.

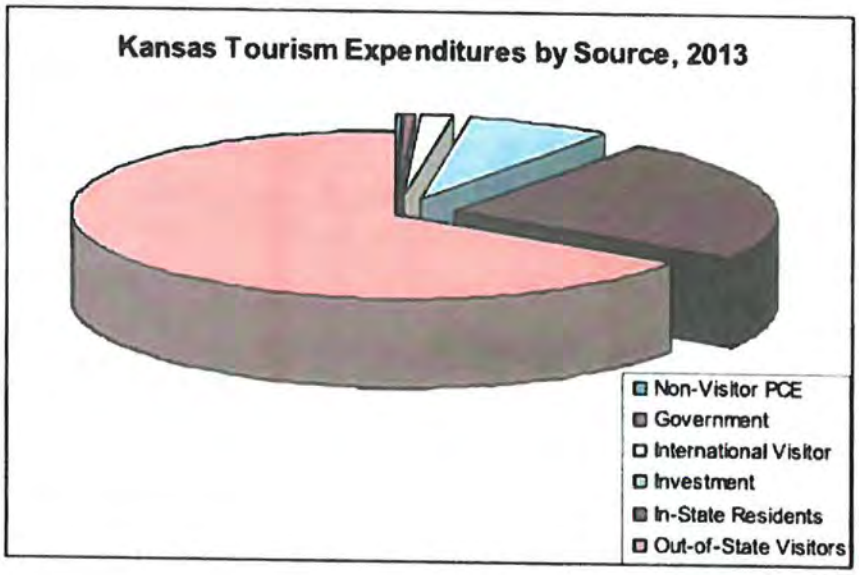
Tourism Market Overview

According to the *Economic Impact of Travel in Kansas 2013* prepared by Tourism Economics, during 2013 an estimated 33.7 million visitors to Kansas spent $6.0 billion. The Kansas tourism market has rebounded from the national recession marked by recent increases in annual visitation and expenditures. Visitation and expenditures declined from 2007 through 2009. By 2010, visitation and expenditures were back on the rise. Traveler spending has grown at an average annual rate of 6.0 percent over the past four years.

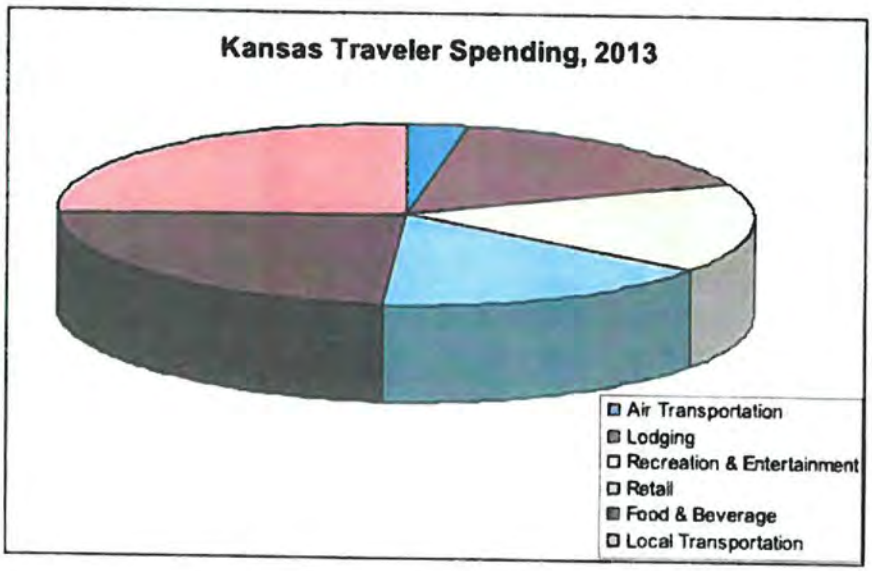


May through October is the state's peak travel season. The Kansas City and Wichita metropolitan areas serve as the State's principal tourism destinations. During 2013, spending per visitor to Kansas averaged $177 with day travelers spending $74 and overnight visitors spending $332. While accounting for only 40 percent of all visitors to Kansas, overnight travelers account for nearly 75 percent of all tourism spending in 2013.

During 2013, out-of-state and international visitors accounted for 67.8 percent of total tourist expenditures with in-state residents, internal business travel and private investment accounting for the remaining 32.2 percent. In-state tourism expenditures were broken down by 24.1 percent from residents, 7.2 percent from investment, 0.6 percent government and 0.3 percent non-visitor PCE.



During 2013, tourism expenditures in Kansas reached $6.0 billion with local transportation accounting for the largest share (25.3%). Collectively, food and beverage, retail, and recreation and entertainment represent 56 percent of total visitor spending. Over the past five years the pattern of visitor spending has remained relatively constant. The Eastern Region (includes Kansas City MSA) and Wichita MSA captured the State's highest levels of tourism expenditures, accounting for market shares of 47.9 percent and 22.9 percent, respectively.



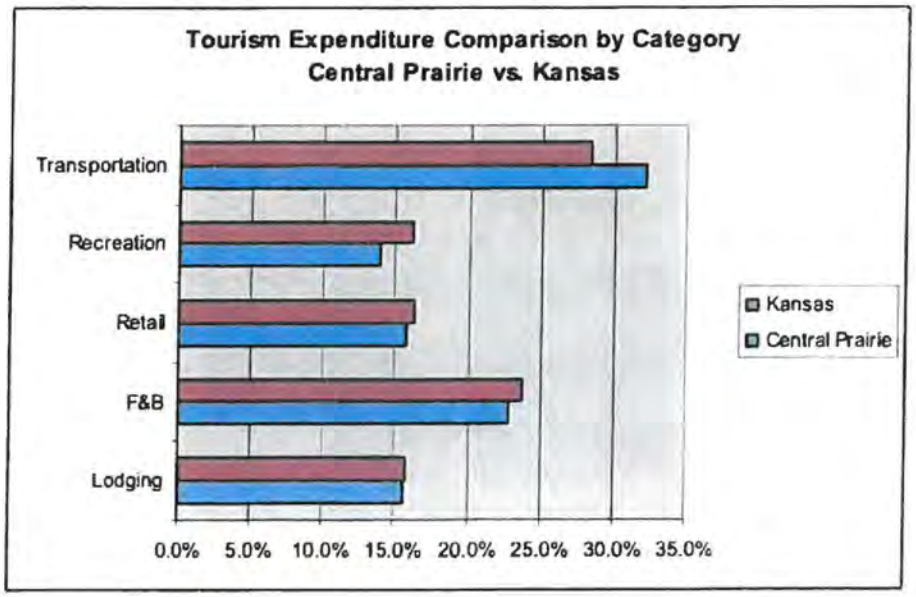
From 2009 to 2013, tourism expenditures in Kansas rose by over 27 percent. Recreation and entertainment expenditures reported the largest gain in market share, increasing from 12.8 percent in 2009 to 16.1 percent by 2013. Since 2009, both retail and food & beverage expenditures have experienced a significant loss in market share.

Kansas Trends in Tourism Expenditures by Category

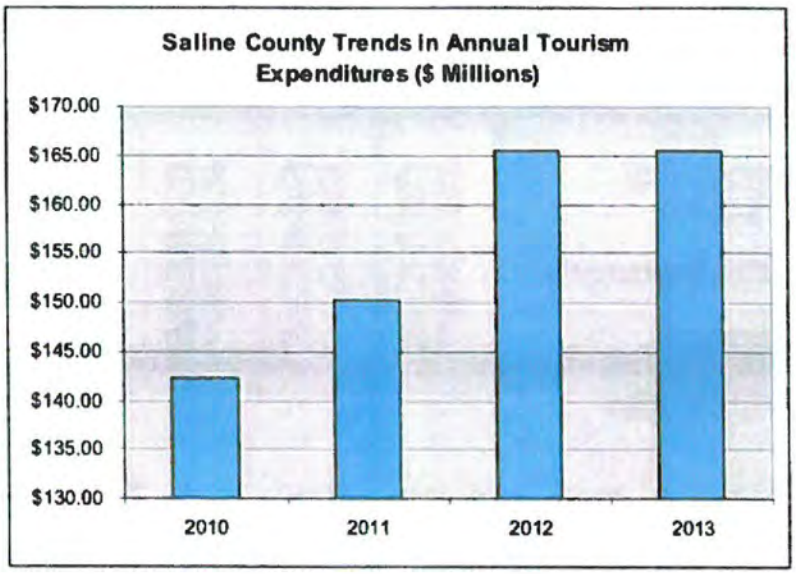
	Market Share				
Expenditure Category	2009	2010	2011	2012	2013
Local Transportation	26.7%	26.1%	26.0%	25.7%	25.3%
Food & Beverage	24.8%	24.3%	24.0%	23.4%	23.7%
Retail	17.1%	17.0%	16.8%	16.4%	16.2%
Recreation & Entertainment	12.8%	14.7%	14.5%	16.2%	16.1%
Lodging	15.5%	14.8%	15.8%	15.6%	15.8%
Air Transportation	3.2%	3.1%	2.9%	2.8%	2.9%
Totals	100.1%	100.0%	100.0%	100.1%	100.0%

Source: Tourism Economics.

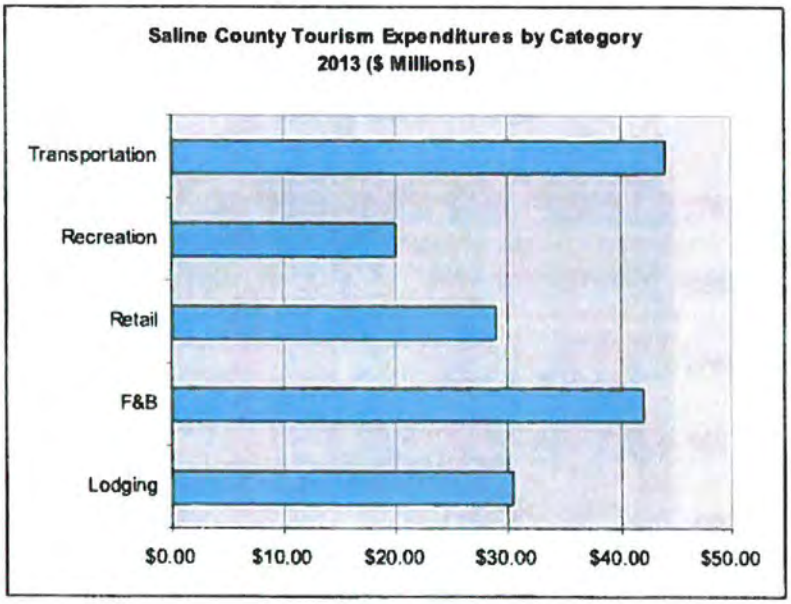
Salina is located within the Central Prairie region of Kansas. During 2013, tourism expenditures within this region amounted to $2.1 billion, or 35.5 percent of the statewide total. Sedgwick County, which comprises the Wichita MSA, accounted for two-thirds of the Central Prairie region's total tourism expenditures, or $1.37 billion. Tourism expenditures for the year were led by transportation at $678 million; food and beverage at $481 million and retail at $333 million. When compared to statewide averages, tourism expenditures on recreation, retail and food & beverage in the Central Prairie region are below the norm.



Salina is located within Saline County which in 2013 captured a reported $165.44 million in visitor expenditures, or 7.82 percent of all tourism expenditures in the Central Prairie region. Saline County was second only to Sedgwick County in tourism expenditures. In recent years tourism expenditures in Saline County have grown considerably, from $142.29 million in 2010 to $165.44 million by 2013.



During 2013 tourism expenditures in Saline County were led by transportation at $43.96 million, food & beverage at $42.03 million, lodging at $30.44 million and shopping at $28.92 million. Saline County's tourism industry now employs a report 2,341 workers.



To conclude, Saline County and Salina serve as one of central Kansas' principal tourism destinations. Tourism is a major economic engine for Saline County, capturing over $165 million in annual visitor expenditures and generating an estimated 2,341 jobs. As a tourism destination Salina benefits from its central location, proximity to two Interstate highways, and host of major attractions, events and sports tournaments. The Downtown Salina District is designed to provide several major attractions not presently available in Salina, thus generating increased visitation, length of stay and tourism expenditures. Salina's existing tourism market will benefit from the increased cluster of diverse attractions provided by the Downtown Salina District.

Salina Museums and Attractions

Salina supports a host of attractions and events that cater to both local residents and out-of-town visitors. Principal museums and attractions operating in Salina include the Smoky Hill Museum, Stiefel Theater, Salina Community Theatre, Art Center Cinema, Salina Bicentennial Center, Rolling Hills Wildlife Adventure and Kenwood Cove Water Park. The Smoky Hill River Festival is an annual 4-day event of the visual arts, music and dance. The festival has grown since its inception in 1977 with attendance in 2014 estimated at over 62,000 and direct revenues exceeding $1.0 million. During 2014 attendance to these attractions and events totaled approximately 508,000. With the addition of the America's Crossroads Car Collection the District is designed to support increased out-of-town visitors and spending to Salina.

Salina Attractions and Events
2014 Attendance

Attraction and Event	Attendance
Smoky Hill Museum	35,000
Stiefel Theatre	39,017
Salina Community Theatre	43,880
Art Center Cinema	20,000
Salina Bicentennial Center	147,545
Rolling Hills Wildlife Adventure	84,270
Smoky Hill River Festival	62,860
Kenwood Cove Water Park	75,276
Total Attendance	507,848

Museums

The principal museum in Salina is the Smoky Hill Museum. The Smoky Hill Museum chronicles the region's rich history with exhibits featuring local people and artifacts exploring topics such as immigration, agriculture, education and more. The Museum reflects the struggles and vision of the people of the Smoky Hills region and Salina since the city's founding in 1858. The Museum's collections began in 1879 as part of the Saline County Historical Society, initiated by town founders William A. Phillips and Alexander M. Campbell. Just over a century later, the Museum opened to the public in its current location in 1986 at the historic post office at 8th Street and Iron Avenue downtown, receiving national accreditation in 1997.

Today, the Smoky Hill Museum continues to operate as a division of Salina Arts & Humanities, with professionally trained staff who serve more than 35,000 visitors each year. The Smoky Hill Museum offers a wide variety of educational programs and a Kansas-focused Museum Store. Located within the Down Salina District, the museum will both serve as a principal attraction and benefit from the addition of planned complimentary attractions.

Cultural Attractions

Salina is home to several cultural venues that draw out-of-town visitors. Notable venues include the Stiefel Theatre, Salina Community Theatre, Salina Art Center, Salina Bicentennial Center and Rolling Hills Wildlife Adventure. A brief description of each attraction is provided in the text that follows.

The Stiefel Theatre for the Performing Arts has been the anchor of Salina's tourism industry for decades, hosting the Salina Symphony and a wide range of musical and dance performers. The 1,287-seat theater opened in February 1931 as the Fox-Watson Theater. The theatre closed as a film house in 1987, and in 1989 its current owners, Dickinson Theatres, gave the theatre to the City of Salina. The city repaired the roof of the theatre and mothballed it until 1997 when it was turned over to a non-profit group for restoration, which was completed in 2003. The grand re-opening took place in March 8, 2003, with a sell-out concert by Jim Belushi and The Sacred Hearts. The Stiefel Theatre has become a major concert venue in the Midwest, taking advantage of a perfect routing location and size for tours that travel all over the country. In the past few years Jackson Browne, Steve Martin and the Steep Canyon Rangers, Merle Haggard, George Carlin, Darius Rucker, Lindsey Buckingham, Peter Frampton, Bonnie Raitt, Emmylou Harris, The East Village Opera Company have performed at the Stiefel Theatre.

The Stiefel Theatre currently hosts 40 to 50 events per year, including 12 concerts by the Salina Symphony. Attendance during the Stiefel Theatre's 2013-2014 season totaled 39,017, including events, the symphony and rentals. By stipulating a 150-mile exclusive trade area on acts the Stiefel Theatre serves a regional trade area. Capital improvements to the Stiefel Theatre that would enable the venue to host a wider range of acts include a sound system, overhead lighting in front of the stage and increased weight capacity of the stage house riggings. A 150+ seat intimate venue in the basement is being considered and would be open approximately 200 nights per year and cater to up and coming and specialty acts. The Stiefel Theatre will benefit from the hotel planned for the Downtown Salina District.

Salina Community Theatre is a non-profit educational organization whose mission is to enrich the lives of people in Salina and the surrounding region by creating a broad range of quality theatrical programs for their entertainment and education, and to provide people of all ages and backgrounds the opportunity to participate in play production and other theatre activities. The 45,000 square foot facility operates a 319-seat main stage and 150-seat venue. Additional theatre facilities include two dance rooms, a large main lobby and concessions. The theatre is available for rent to outside parties. The Salina Community Theatre hosts 95 to 97 performances per year with total attendance of approximately 26,000. Including dance classes and rentals, the theatre hosts approximately 45,000 people annually. The theatre's primary trade area is within a 100-mile radius, though according to ticket sales data patrons travel from as far as Omaha, Kansas City, Oklahoma City and Denver. To facilitate the growing demand for educational based

activities future expansion plans include constructing a $3.0 million. 2-story building dedicated to dance instruction.

The Salina Art Center was founded in 1978 by artists, educators, and community members who envisioned a gallery and education center that would actively engage North-central Kansas residents in art experiences of high quality and intellectual integrity. Housed originally on the Kansas Wesleyan University campus, the Art Center increased its capacity for exhibitions and education programs in 1988-1989 through the purchase and renovation of a larger, more accessible new home in downtown Salina. In 1997, the Art Center Cinema was created one block away from the main facility, and in 2004, a downtown warehouse building was donated for renovation as a live/work space for extended artist residencies and education. The Art Center has grown from a volunteer-based organization with one part-time employee to a nationally recognized institution offering a comprehensive menu of exhibitions, art education, film, and artist-community interaction.

The Salina Bicentennial Center is a city-owned venue currently managed by Spectra Venue Management. The facility is composed of a 7,583 seat multipurpose arena and Heritage Hall, a newly renovated 18,000 square foot convention space designed for groups of 50 to 2,000 people. The Salina Bicentennial Center is home to the Salina Bombers of the Champions Indoor Football League and Salina Sirens roller derby team. The facility also hosts such events as the 4A basketball, volleyball and wrestling tournaments, concerts, family shows, sporting events, trade shows and conventions. Total attendance for 2014 was reported at 147,545. The Salina Bicentennial Center recently underwent a $13.1 million renovation that includes new signage, concessions, auxiliary box office, VIP room, refurnished concourses, brickwork in the main lobby and upgrades to the HVAC system. The investments in the Salina Bicentennial Center are designed to improve the facility's competitiveness which in turn will drive more events and attendance. Given the Salina Bicentennial Center's close proximity it is expected to have an impact on patronage of the Downtown Salina District.

The Rolling Hills Zoo features over 300 animals and a 64,000 square foot interactive wildlife museum with seven world regions, this attraction has it all. The zoo takes visitors around the world to experience the interaction between humans, animals and nature. The museum also boasts a domed 3-D theater experience, a children's exploration room and a 2,000 square foot traveling exhibit area. The zoo is home to rare animals, including the white camel, an Indian rhino, an anteater and more. Rolling Hills Zoo is a public, non-profit organization dedicated to the preservation of wildlife through participation in conservation programs and by providing fun and interactive educational experiences.

Annual Events

Salina hosts two major annual events, including the Smoky Hill River Festival and Kustom Kemps of America Lead Sled Spectacular Car Show.

The Smoky Hill River Festival is an annual 4-day event of the visual arts, music and dance. The festival is held at Oakdale Park and has grown since its inception in 1977 with attendance in 2014 estimated at over 62,000 and direct revenues exceeding $1.0 million. The festival includes exhibiting artists and craftspeople in four craft markets, performing groups, food vendors, two & five mile runs, a 25 mile bike race, sand sculpture and many kid's activities.

The annual 3-day Kustom Kemps of America Lead Sled Spectacular Car Show held at Oakdale Park plays to sell-out crowds and last year over 1,800 customs, hotrods and drag machines were registered for the event. The event also includes two stages of live music.

To conclude, Salina supports a wide selection of major attractions and annual events that have established the city as a regional tourism destination. The Downtown Salina District is designed to complement the current attractions while also creating the infrastructure necessary to improve Salina's status as a tourist destination, draw additional visitation, increase the visitors' length of stay and capture increased commerce and lodging demand.

Assessment of Potential Markets

The America's Crossroads Car Collection is planned attraction for the Downtown Salina District. Sources of attendance demand for this museum include: 1) local residents, 2) tourists, and 3) car club members.

Resident Market

Given the status of the museum as a tourist destination, the resident population serves as a secondary source of visitation. Esri estimated the 2014 population within a 50-mile radius of Salina, Kansas at 205,579, indicating a large potential local resident market. In addition, Wichita is located less than 100 miles away, possessing a population of approximately 650,000.

Education will play a vital part of the mission for the America's Crossroads Car Collection creating the opportunity to host educational tours for teachers and students. Esri estimated that the current population within a 50-mile radius of Salina, Kansas supports a school age population of 41,319 residents. This represents a substantial potential school market for the museum.

Tourist Market

According to a visitor survey prepared by the Kansas Department of Commerce – Travel and Tourism Development Division, visiting a museum (66.27%) and visiting a historic site (52.46%) were among the top four activities of visitors to Kansas. Salina's proximity to Interstates 70 and 135 create an expanded trade area and high transient traveler counts from which the America's Crossroads Car Collection can draw from. The Kansas Department of Transportation published 2014 average daily traffic counts in Salina at 17,100 vehicles on Interstate 70 and 24,600 vehicles on Interstate 135.

The America's Crossroads Car Collection's primary target audience for attendance is Baby Boomer travelers who are also fans of vintage and classic cars. They have disposable income, value authentic experience and will be a sizeable tourist and travel market for the next 20 years.

Generation Y Millennials, ages 10 to 35, are the secondary target market for the museum. This age group is highly educated compared to other generations and lives with technology. Their expectations are significantly changing museum displays and experiences.

The American Auto Association (AAA) reports the average distance traveled on a car trip is 500 miles. Dallas, Colorado Springs, Denver, Kansas City, Oklahoma City, Omaha, Tulsa and

Wichita are all within a 500 mile radius of Salina. Vintage car enthusiasts will travel from further destinations to experience both attractions. They value new experiences and family-oriented settings.

Salina's principal attractions and events attract nearly 508,000 attendees annually which will also serve as a source of visitation for the America's Crossroads Car Collection. The annual 3-day Kustom Kemps of America Lead Sled Spectacular Car Show would be a particular important source of visitation for the vintage car museum.

Car Club Members

Car club members are considered a principal source of visitation for the America's Crossroads Car Collection. The Midwest supports a large and vibrant car club community, which logically be considered an indicator of interest in automobile museums. As illustrated by the table below, 427 car clubs operate within the 7-state regional surrounding Salina, Kansas, with a total membership of 139,260. Over half of these car club members are Kansas residents, which bodes well for the America's Crossroads Car Collection's ability to support high attendance levels.

Midwest Car Clubs

State	# of Clubs	# of Members
Kansas	59	74,713
Nebraska	33	5,251
Colorado	78	25,238
Oklahoma	50	15,243
Iowa	48	6,120
Arkansas	49	6,253
Missouri	110	6,442
Totals	427	139,260

Facility Evaluation

Museums include, but are not limited to, aquariums, arboretums, art museums, botanical gardens, children's/youth museums, general museums (those having two or more significant disciplines), historic houses/sites, history museums, natural history/anthropology museums, nature centers, planetariums, science/technology centers, specialized museums (limited to a single distinct subject), and zoological parks.

The America's Crossroads Car Collection ("ACCC") will incorporate a specific discipline, history and education. These characteristics will assist in generating visitation from outside of the region as car enthusiasts will travel a distance to experience the unique offerings of the America's Crossroads Car Collection.

Location assets favoring the ACCC include Salina's convenient vehicular and air access, large inventory of hotels, established tourism industry, close proximity to several major metropolitan areas, and presence of several existing tourism destinations. The museum's planned location within downtown Salina adds to its authentic visitor experience. The planned cluster of attractions in downtown Salina will assist in drawing increased visitors to the area.

The ACCC will benefit from the annual 3-day Kustom Kemps of America Lead Sled Spectacular Car Show and the exposure and visitor counts the event will generate. The fact that the vehicle exhibits will rotate periodically will benefit repeat attendance.

The closest car museum to Salina is the Kansas City Automotive Museum in Olathe, Kansas that opened in May 2014. The 12,000 square foot museum chronicles Kansas City's automotive history. With 28 historical reader boards and interactive displays, the museum features 30 cars that rotate every 4-6 months. Additionally, the museum has a drive-in area that is dedicated to the car club of the month. Education plays a key role for the museum, offering tours, lectures, programs, school events and a car show. Given the programming of the Kansas City Automotive Museum it is not expected to compete directly with the ACCC.

Comparable vintage car museums in the United States include LeMay-America's Car Museum in Tacoma, Washington; The Gilmore Car Museum in Hickory Corners, Michigan; Antique Automobile Club of America Museum in Hershey, Pennsylvania; Lane Motor Museum in Nashville, Tennessee and Lars Andersen Auto Museum in Brookline, Massachusetts. The distance of these comparable car museums from Salina greatly reduces their competitive impact on the ACCC.

Conclusions

The Downtown Salina District will invest in the America's Crossroads Car Collection with the goal of expanding and diversifying Salina's tourism industry and stimulating economic growth through increased visitation and expenditures.

One of the strategic recommendations of the *Kansas Cultural and Heritage Research Study* published by the Kansas Department of Commerce – Travel and Tourism Development Division. was to enhance the interpretation and visitor experiences at local heritage sites, attractions and communities. The opening of the ACCC will introduce a new and diverse visitor attraction to Salina that targets specific market segment, thus broadening the tourism base.

The study findings suggest sufficient demand generators exist to open the ACCC in Salina, Kansas. The Downtown Salina District offers suitable location characteristics to accommodate development of the ACCC.

Athletic Facilities Market Analysis

The Salina Field House will be a multi-sport athletic facility designed for indoor basketball and volleyball, accompanied by such support amenities as a lobby and welcoming area, ticket office, office area, concessions, café seating, flex/team rooms, mezzanine and restrooms. The facility is designed with the intention of hosting local and regional tournaments by featuring a total of six hardwood basketball courts and eight hardwood volleyball courts.

This section of the report provides a survey of existing athletic facilities in the City of Salina along with a facilities need assessment based on the *Park, Recreation, Open Space & Greenway Guidelines* published by the National Recreation and Park Association.

Sports Participation

The Salina Field House is designed to serve a regional trade area and compliment the large number of outdoor sporting events and tournaments already hosted in Salina. The Field House's primary focus will include indoor basketball and volleyball.

The vast majority of Americans participate in some fitness or recreational physical activity. The Physical Activity Council released the *2013 Sports, Fitness and Recreation Participation Overview Report* based on a survey that measured participation in 126 sports, fitness and recreation activities. The report concluded that 72 percent of Americans age six and over (206.7 million people) are "active". The report also determined that many Americans engaged in socially based exercise activities at health clubs.

The table on the following page identifies 10-year trends in sports participation among Americans seven years of age and older as reported by the National Sporting Goods Association Sports Participation in 2010. During 2010 those sports activities enjoying the highest level of participation included exercising walking (114.1 million); aerobic exercising (58.6 million); running/jogging (49.4 million); bicycle riding (39.3 million); exercising with equipment (38.6 million); and hiking (32.5 million). Sports and recreational activities that showed the greatest gains in participation from 2000 to 2010 included running/jogging (57.4%); tennis (45.7%); exercise walking (25.4%); and exercising with equipment (20.1%).

Those sports and recreational activities that will be offered by the Salina Field House are highlighted in gray. During 2010 participation was reported at 26.3 million for basketball and 7.3 million for volleyball. These participation rates bode well for the need/demand for the Salina Field House.

Ten-Year History of Sports Participation Among Americans Seven Years of Age and Older

Sport and Recreation Activity	Participation (in 000's) 2010	2000	% Change
Exercise Walking	114,068	90,982	25.4%
Aerobic Exercising	58,648	55,960	4.8%
Bowling	55,877	51,938	7.6%
Running and Jogging	49,408	31,398	57.4%
Billiards/Pool	39,385	46,336	-15.0%
Bicycle Riding	39,320		
Fishing	38,860	43,696	-11.1%
Exercising with Equipment	38,618	32,144	20.1%
Hiking (Day)	32,496	30,051	8.1%
Camping	30,996		
Weight Lifting	27,339	24,800	10.2%
Basketball	**26,304**	**26,215**	**0.3%**
Golf	26,122	28,844	-9.4%
Yoga	21,886		
Table Tennis	19,446	12,712	53.0%
Tennis	18,903	12,974	45.7%
Hunting with Firearms	18,212		
Swimming	17,145	16,141	6.2%
Baseball	14,558	15,848	-8.1%
Soccer	14,075		
Alpine Skiing	11,504		
Softball (Slow Pitch)	8,429	13,577	-37.9%
Backpack	8,349	6,637	25.8%
Snowboarding	8,196		
Target Shooting	8,009		
In-Line Roller Skating	7,980	21,912	-63.6%
Volleyball (Court)	**7,346**		
Mountain Biking	7,161		
Football (Tackle)	6,905	8,229	-16.1%
Skateboarding	6,808	9,859	-30.9%
Kayaking	6,465		
Archery	6,319	6,285	0.5%
Water Skiing	4,836	4,876	-0.8%
Gymnastics	4,815	2,432	98.0%
Cross Country Skiing	4,530		
Hunting with Bow & Arrow	3,908	4,633	-15.6%
Sailing	3,869	4,405	-12.2%
Ice Hockey	2,145	3,743	-42.7%
Wrestling	2,089		

Source: National Sporting Goods Association Sports Participation in 2010.

Existing Athletic Facilities

The Salina Area Chamber of Commerce and City of Salina Parks & Recreation provided an inventory of existing public and private athletic facilities in the Salina area. Public and private schools were omitted from the inventory due to their limited availability to the general public. The table on the following page provides a list of facilities for running tracks, basketball, soccer, volleyball, gymnasiums, gymnastics and wrestling.

The total inventory of athletic facilities in the Salina area includes two running tracks, 11 basketball courts, 14 soccer fields, 5 volleyball courts and three gymnasiums. The Salina Family YMCA is the most comparable athletic facility to the Salina Field House, but lacks a gymnasium large enough to support multiple basketball and volleyball courts needed to accommodate local and regional tournaments. The 7,583-seat Salina Bicentennial Center is the area's principal multipurpose arena, home to roller derby and indoor football teams and hosting 41 sporting events in 2014 with a total attendance of 67,662. The size and capacity of this venue is best suited for large statewide sports tournaments; and, thus is not expected to have a negative impact on the viability of the Salina Field House. In fact, both venues could simultaneously host regional athletic tournaments.

Salina's existing athletic facility inventories will be compared to facility needs standards to determine whether the Salina area can currently support additional basketball courts, swimming pools and tennis courts.

During 2013 the City of Salina Parks & Recreation reported that a total of 484 teams (270 from out of town) participated in youth and adult tournaments held at City of Salina facilities. A total of 58,386 youth and adults participated in 2,544 league games.

Facilities Needs Assessment

National standards are useful to ensure a minimum standard is achieved in the provision of parks and recreation areas. The *Park, Recreation, Open Space and Greenway Guidelines* published by the National Recreation and Park Association ("NRPA") are the most commonly used spatial and need standards for determining the needs and design of recreational facilities. The standards are based on a national survey of American municipalities of all sizes and geographic regions. These standards provide a measure for determining the amount of park and recreation space required to meet the needs and desires of residents and visitors.

Facility needs assessment is quantified based on the number of facilities per 1,000 residents. According to the *Park, Recreation, Open Space and Greenway Guidelines,* one, ¼-mile running track is needed per 20,000 residents, 1.0 basketball court is needed per 5,000 residents, 1.0 volleyball court is needed per 5,000 residents and 1.0 soccer field per 10,000 residents.

Esri estimates the current population within a 15-mile radius of Salina at 59,196 people. Based on the *Park, Recreation, Open Space and Greenway Guidelines* the City of Salina can currently support three running tracks, 12 basketball courts, 12 volleyball courts and six soccer fields. This current supply and demand imbalance in basketball and volleyball courts suggests sufficient local demand exists for the Salina Field House.

Inventory of Salina Area Athletic Facilities

Sports Facility	Running Track	Basketball	Soccer	Court Volleyball	Gymnastics	Wrestling	Gymnasium
Lakeside Recreational Park		1		1			
Salina Bicentennial Center		1		1	1	1	
Salina Family YMCA	1	2		2	1	1	1
Kansas State University - Salina		1				1	1
Kansas Wesleyan University	1	1		1			1
Salina Parks & Recreation Department							
Bill Burke Park			6				
Centennial Park		1					
Gleniffer Hill Park		1					
Jerry Ivey Park		1	1				
Pacific Park		1					
Sunset Park		1					
Kennedy Park			1				
Oxbow Park			1				
Salina Soccer Complex			5				
Totals	2	11	14	5	2	3	3

Source: Salina Area Chamber of Commerce and City of Salina Parks & Recreations.

Conclusions

A survey of public and private athletic facilities in the Salina area identified a total supply of eleven basketball courts and five volleyball courts. The City of Salina Parks and Recreation and the YMCA operate the majority of public athletic facilities in Salina, Kansas. When compared to the Salina Field House, none provide a similar level of service, especially in regard to the ability to host local and regional athletic tournaments.

The Salina Field House has been specifically designed with the intention of providing a venue sufficient to cater to the local residents as well as regional athletic tourism. By providing a centralized location with facilities able to host basketball and volleyball tournaments, the Salina Field House is anticipated to become a regional destination for youth athletics. In addition to this tournament component, the Salina Field House will be open for daily sports and recreation use by both local residents and out-of-town visitors. This mix of uses will provide the most consistent visitation and tourism for the District.

Statistics also tend to support that the Salina Field House will attain steady local use in addition to the destination athletic tourism. On the facility demand side, based on the *Park, Recreation, Open Space and Greenway Guidelines* the local population can support 12 basketball courts and 12 volleyball courts.

The existing supply of athletic facilities in Salina was compared to facility needs standards to determine whether the local area can currently support additional basketball and volleyball courts. As the table below illustrates, Salina is under-supplied by one basketball court and seven volleyball courts.

Salina Sports Facilities Supply/Demand Analysis

Facility	Facility Supply	Facility Ratio	15-Mile Radius Population	Facility Demand	Surplus/ (Deficit)
Basketball	11	1 per 5,000	59,196	12	1
Volleyball	5	1 per 5,000	59,196	12	7

Based on industry standards this analysis concludes that sufficient demand for additional sports facilities exists to support feasible market entry of the Salina Field House.

Hotel Market Analysis

Existing lodging facilities in Salina assist is attracting and accommodating group and leisure travelers. The District is planned for a 114-room all-suite hotel at the intersection of Santa Fe Avenue and Mulberry Street. The hotel will include 3,250 square feet of meeting space and restaurant or commercial space and is expected to be affiliated with a hotel chain. This section of the report evaluates the market viability of supporting the planned hotel within the District. Continued hotel room development is a critical component in facilitating increased overnight visitation to Salina.

Salina Hotel Market

This section of the report inventories existing hotel properties in Salina and evaluates historic hotel market operating trends. Competitive hotel market operating trends were provided by Smith Travel Research, an independent research firm that compiles data on the lodging industry.

Existing Hotel Properties

The competitive market analysis includes a survey of existing chain hotels operating in Salina, Kansas. As identified in the table on the following page, 21 chain affiliated hotel properties operate in Salina totaling 1,393 guest rooms. The majority of the hotel properties are located along Interstates 70 and 135 with no properties operating in downtown Salina. The newest hotels in Salina are the 115-room Holiday Inn that opened in April 2015 and the 88-room Holiday Inn Express that opened in November 2011. The Holiday Inn is a full-service property featuring a restaurant, lounge, fitness center, indoor pool, business center and meeting space. The Candlewood Suites renovated its guest rooms in 2011 and common areas in 2013.

The existing Salina hotels were classified by market segment. Budget hotels represent the largest market segment with ten properties totaling 645 rooms, or 46.3 percent of the city's total inventory of hotel rooms. Budget hotels offer inexpensive lodging with little or no common amenities such as a swimming pool, meeting space or fitness center.

Eight extended-stay or suite properties totaling 600 guest rooms operate in Salina. This property type is popular given that families and groups comprise a large share of lodging demand in Salina.

The 68-room Hampton Inn is the only limited-service hotel operating in Salina. Limited-service hotels lack on-site food & beverage services, but provide such common area amenities as a swimming pool, fitness center, business center, small meeting rooms and complimentary breakfast.

The 80-room Courtyard by Marriott and newly opened 115-room Holiday Inn are the only full-service properties in Salina providing a restaurant and lounge, indoor pool, fitness center, business center and meeting space. Both hotels are located on the south end of Salina near the Schilling Road exit off Interstate 135.

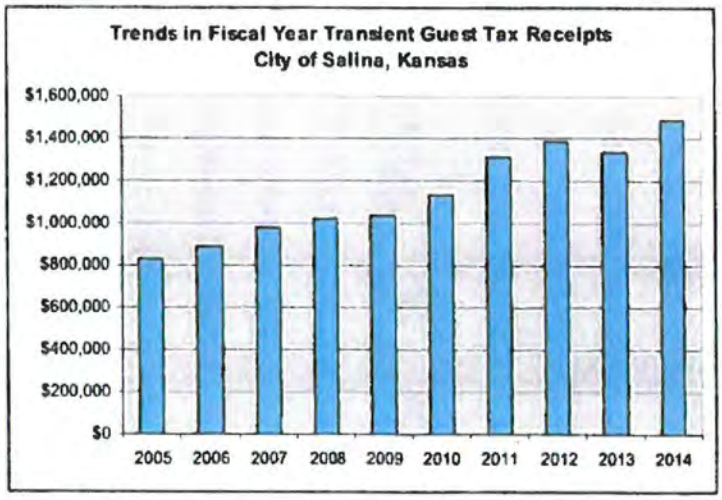
Salina, Kansas Hotel Properties

Market Segment / Property	# of Rooms	Dining Lounge	Business Center	Fitness Center	Pool	Meeting Space
Budget Hotels						
Best Western Plus Midwest Inn	51				Indoor	
Days Inn (Near I-70)	45				Indoor	
Days Inn	100		X			
Econo Lodge	48		X		Indoor	X
Econo Lodge Inn & Suites	108		X	X	Indoor	
Howard Johnson Inn	55				Outdoor	
Motel 6	81				Outdoor	
Rodeway Inn	60		X		Outdoor	
Super 8	48		X	X	Indoor	
Super 8 (I-70)	49		X		Indoor	
Limited-Service Hotels						
Hampton Inn	68		X	X	Indoor	X
Extended Stay / Suites Hotels						
Baymont Inn & Suites	63			X	Indoor	
Candlewood Suites	69		X	X		X
Comfort Suites	61		X	X	Indoor	X
Country Inn & Suites	72		X	X	Indoor	826 SF
Holiday Inn Express & Suites	88		X	X	Indoor	X
La Quinta Inn & Suites	89		X	X	Indoor	X
Quality Inn & Suites	100	X	X		Indoor	
Sleep Inn & Suites	58		X	X	Indoor	
Full-Service Hotels						
Courtyard by Marriott	80	X	X	X	Indoor	X
Holiday Inn (opened April 2015)	115	X	X	X	Indoor	12,325 SF
Total Guest Rooms	1,393					

Source: Canyon Research Southwest, Inc.

Lodging Market Operating Trends

Fiscal year trends in transient guest tax receipts levied by the City of Salina were provided by the Kansas Department of Revenue. Fiscal year transient guest tax revenues have increased steadily over the past decade. The rate of growth has accelerated in recent years as the national economy has improved. From FY 2009 to FY 2014, transient guest tax revenues in Salina increased by nearly 43 percent. Through the first eight months of FY 2015 transient guest tax revenues in Salina are up 13.6 percent over the same 8-month period in FY 2014.



By year-end 2014 Smith Travel Research was surveying 32 hotel properties in Salina with a total inventory of 2,003 guest rooms. Since 2005, five new hotels have opened adding 304 new guest rooms. The increased supply of rooms coupled with declining convention business resulted in a drop in the overall occupancy rate for the Salina market from 60.0 percent in 2006 to a low of 47.8 percent by 2013. During 2014 market conditions improved considerably with the year-to-date occupancy rate improving to 58.1 percent.

Despite declining occupancy levels from 2006 through 2013, the average daily rate ("ADR") for the Salina hotel market increased steadily reaching $66.10 by 2013. During 2014 as occupancies improved the ADR was reported at $71.05, a 6.3 percent jump over 2013 levels. The strong growth in both ADR and room demand during 2014 produced a 17.4 percent increase in lodging revenue to $29.1 million.

Salina, Kansas Hotel Market
Operating Results; 2006- 2014

Year	ADR	% Change	Room Supply	% Change	Room Demand	% Change	Lodging Revenue	% Change
2006	$57.88	2.5%	693,493	3.9%	416,162	8.9%	$24,089,168	11.7%
2007	$60.85	5.1%	689,485	-0.6%	401,943	-3.0%	$24,456,649	1.5%
2008	$62.34	2.5%	709,145	2.9%	399,640	-0.6%	$24,914,944	1.9%
2009	$64.22	3.9%	734,269	3.5%	370,860	-7.2%	$23,817,476	-4.4%
2010	$62.95	-2.2%	737,626	0.5%	400,920	8.0%	$25,237,108	5.9%
2011	$63.45	0.5%	735,354	-2.0%	385,917	-7.1%	$24,487,562	-6.0%
2012	$65.15	3.1%	741,436	2.6%	394,183	3.3%	$25,224,095	6.4%
2013	$66.10	1.5%	712,625	-3.9%	370,376	-3.6%	$24,790,061	-1.7%
2014	$71.05	6.3%	704,936	-1.1%	409,568	10.6%	$29,099,793	17.4%

Source: Smith Travel Research.

To conclude, the Salina hotel market caters primarily to leisure and group travelers with the summer and early fall months serving as the peak season for both lodging demand and room rates. A number of national hotel chains operate properties in Salina, including Hilton, Marriott, Holiday Inn, La Quinta, and Choice Hotels. Twenty-one chain-affiliated hotels operate in Salina totaling 1,393 guest rooms. Most chain hotels are located along Interstates 70 and 135. The 115-room Holiday Inn and 88-room Holiday Inn Express are the newest hotels in the Salina market, opening in the past four years. Since 2005, five new hotel properties have been constructed in Salina increasing the inventory by 304 guest rooms.

Concurrent with national hospitality trends, in recent years the Salina hotel market has been adversely impacted by the recession and subsequent decline in business and leisure travel. Recent operating trends suggest that the Salina hotel market is on its way to recovery, posting strong gains in room demand, ADR and total lodging revenue during 2014 and into 2015. Another indication of a healthy hotel market is the April 2015 opening of the 115-room Holiday Inn. Salina's improving hotel market bodes well for the near-term construction of the planned 114-room hotel within the District.

Event and Meeting Facilities

The 114-room, all-suite hotel planned for the District is designed to accommodate approximately 3,250 square feet of meeting space. The meeting space will be aimed at corporate and group demand generated by both room demand at the hotel and the local community.

In recent years Salina's convention and meeting business has dropped off considerably due primarily to the national recession, substandard conference facilities, and a limited inventory of quality hotels with meeting space. The Salina Bicentennial Center serves as the city's principal convention and meeting facility. During 2010 the Salina Bicentennial Center hosted 21 banquets, eleven conventions and 124 meetings with a combined total attendance of 36,369. By 2011 banquet, convention and meeting space attendance declined to 15,943.

The competitive environment for meeting space was determined by surveying existing convention facilities in Salina. Several area hotels also operate conference and meeting space.

Salina Bicentennial Center

The Salina Bicentennial Center is a city-owned venue managed by Spectra Venue Management. The facility is comprised of a 7,583 seat multi-purpose arena and Heritage Hall, an 18,000 square foot convention space designed for groups of 50 to 2,000 people. During 2010, Heritage Hall underwent a $2.0 million renovation designed to better compete for conventions, consumer shows and meetings. A $13.1 million renovation to the multi-purpose arena was just completed.

Eight rooms located above the lobby of the Salina Bicentennial Center can accommodate meetings, luncheons, training sessions or seminars. The rooms can be utilized individually hosting up to 50 people in each, or combined to form two rooms large enough for 150. Each room contains screens and projectors built into the ceiling. Audio and video aids can be synched to play in each room, on all screens or a single screen.

During 2013 the Salina Bicentennial Center hosted ten banquets, eleven conventions and 132 meetings with a combined total attendance of 16,598. During 2014 attendance increased to 19,747 with eight banquets, six conventions and 109 meetings.

Hotel Meeting Space

Nine hotels in Salina operate meeting space, consisting largely of small classroom and banquet space. Salina's two full-service hotels offer meeting space, including the Courtyard by Marriott and the new Holiday Inn. Both hotels provide on-site food & beverage service.

The 80-room Courtyard by Marriott features a restaurant and lounge, coffee shop, indoor pool and spa, fitness center, business center, conference space and meeting rooms. Wedding/event planner services and audio/visual resources are available.

The new 115-room Holiday Inn is a full-service property equipped with a restaurant, lounge, fitness center, indoor pool and hot tub, business center and 3,000 square feet of meeting space. This large and modern event center should assist in drawing meetings and conferences to Salina.

Facility Evaluation

The District is planned for a 114-room all-suite hotel and 3,250 square feet of meeting space. This section of the report evaluates the District's suitability for hotel development.

A. Is the property accessible from major highways and arterial roadways?

Freeway and/or major arterial street access is particularly important for budget, economy and limited-service hotels, providing for convenient access and visibility by guests and the ability to capture drive-by traffic. Access is less critical for full-service and luxury hotels as they tend to be destination locations. Salina benefits from its central location within Kansas and convenient vehicular access via Interstates 70 and 135. The Salina Airport also offers both commercial and private air service. The District provides suitable access for hotel development.

B. Is the property near and accessible to hotel room demand generators?

A feasible hotel site is located in close proximity to lodging demand generators. Potential lodging demand generators include freeways, employment centers, sporting venues, tourist destinations and recreational facilities. Lodging demand for the District's planned hotel will originate from the out-of-town leisure travelers to area attractions and events as well as group travelers generated by the Salina Regional Health Center, Kansas Wesleyan University, Salina Bicentennial Center and the many athletic tournaments hosted in Salina. Interstates 70 and 135 are also generators of transient lodging demand. The District's downtown location will benefit from events at the nearby Bicentennial Center, Stiefel Theatre and Salina Community Theatre.

C. Is the potential hotel site in close proximity to existing hotel properties?

Thirty-two hotels totaling 2,003 guest rooms operate in Salina, including such notable lodging chains as Hilton, Marriott, La Quinta, Holiday Inn and Choice Hotels. No hotels currently operate within downtown Salina.

D. Are the site's physical characteristics suitable for hotel and arena development?

The District's Project Plan is designed to create a vibrant mixed-use downtown suitable for hotel and meeting space uses. The mix of retail, entertainment, cultural and dining improves the marketability of the District's planned hotel. The planned location at the corner of Santa Fe Avenue and Mulberry Street provides sufficient exposure, infrastructure and parcel size to facilitate development of a 114-room hotel.

The District's planned development site at Santa Fe Avenue and Mulberry Street possesses the necessary location and site characteristics to support additional lodging and meeting space. The site benefits from a location within an established tourism market, access to lodging demand generators, adequate exposure, necessary infrastructure, modest direct competition and presence within downtown Salina featuring a mix of retail, dining, entertainment, cultural facilities and the Salina Regional Health Center. These site and competitive market advantages bode well for the construction and long-term success of the District's planned hotel with meeting space.

Conclusions

The District is planned for a 114-room Hilton Homewood Suites hotel at the corner of Santa Fe Avenue and Mulberry Street. The Salina hotel market caters primarily to leisure and group travelers with the summer and early fall months serving as the peak season. The market supports 21 chain hotel properties totaling 1,393 guest rooms, the majority of which are located along Interstates 70 and 135. Budget hotels account for 46 percent of Salina's current inventory of hotel rooms, followed by extended-stay/all-suite hotels with 43 percent of the room inventory. The newest hotel in Salina is the 115-room Holiday Inn that opened in April 2015. Since 2005, five new hotel properties have been constructed in Salina increasing the inventory by 304 guest rooms.

Concurrent with national hospitality trends, in recent years the Salina hotel market has been adversely impacted by the recession and subsequent decline in business and leisure travel. Recent operating trends suggest that the Salina hotel market is on its way to recovery, posting strong gains in room demand, ADR and total lodging revenue during 2014 and into 2015.

The District's planned hotel is designed to include 3,250 square feet of meeting and conference space. In recent years Salina's convention and meeting business has dropped off considerably due primarily to the national recession, substandard conference facilities and a limited inventory of quality hotels with meeting space. The recent $2.0 million renovation of the 18,320 square foot Heritage Hall at the Salina Bicentennial Center is designed to improve Salina's competitive position as a meeting and conference destination. The recent opening of the new Holiday Inn with a 3,000 square foot meeting hall will also enhance Salina's ability to attract group meetings. The District should benefit from meeting space demand generated by the nearby Salina Bicentennial Center, Salina Regional Health Center and Kansas Wesleyan University.

The District's planned hotel development site possesses the necessary location and site characteristics to support additional lodging and meeting space. The site benefits from a location within an established tourism market, access to lodging demand generators, adequate exposure, necessary infrastructure, modest direct competition and presence within downtown Salina featuring a mix of retail, dining, entertainment, cultural facilities and the Salina Regional Health Center. These site and competitive market advantages bode well for the construction and long-term success of the District's planned hotel with meeting space.

Market Study Conclusions

The District's principal "destination attractions" will include the renovation of the historic Stiefel Theater and the construction of the America's Crossroads Car Collection, Salina Field House, and family entertainment center. A planned 114-room hotel is designed to accommodate the expected increase in out-of-town visitation generated by the destination attractions.

America's Crossroads Car Collection

The Downtown Salina District will invest in the America's Crossroads Car Collection with the goal of expanding and diversifying Salina's tourism industry and stimulating economic growth through increased visitation and expenditures. Location assets favoring the planned museum include Salina's convenient vehicular and air access, large inventory of hotels, established tourism industry, close proximity to several major metropolitan areas, and presence of several existing tourism destinations. The museum's planned location within downtown Salina adds to its authentic visitor experience. The planned cluster of attractions in downtown Salina will assist in drawing increased visitors to the area.

Sources of visitation for the planned museum include local residents, out-of-town visitors, and car club members. Over 200,000 people reside within a 50-mile radius of Salina and the Wichita MSA less than 100 miles to the house is home to 650,000 residents, creating a large local population base from which to draw visitors to the America's Crossroads Car Collection.

Salina's principal attractions and events attract nearly 508,000 attendees annually which will also serve as a source of visitation for the museum. The annual 3-day Kustom Kemps of America Lead Sled Spectacular Car Show would be a particular important source of visitation for the America's Crossroads Car Collection. In addition, 427 car clubs with 139,260 members operate within the 7-state region surrounding Salina, Kansas.

The study findings suggest sufficient demand generators exist to open the America's Crossroads Car Collection in Salina, Kansas. The Downtown Salina District offers suitable location characteristics to accommodate development of the planned museum.

Salina Field House

The Salina Field House will offer a multi-sport facility designed for indoor basketball and volleyball. The facility is designed with the intention of providing a venue sufficient to cater to the local residents as well as host regional athletic tournaments. By offering a centralized location with facilities able to accommodate multiple types of athletic tournaments, the Salina Field House is anticipated to become a regional destination for youth athletics. This mix of participation will provide the most consistent visitation and tourism for the District.

The total inventory of comparable athletic facilities in the Salina area includes two running tracks, 11 basketball courts, 14 soccer fields, 5 volleyball courts and three gymnasiums. The City of Salina Parks and Recreation and the YMCA operate the majority of public athletic facilities in Salina, Kansas. When compared to the Salina Field House, none provide a similar level of service, especially in regard to the ability to host local and regional athletic tournaments.

During 2013 the City of Salina Parks & Recreation reported that a total of 484 teams (270 from out of town) participated in youth and adult tournaments held at City of Salina facilities. A total of 58,386 youth and adults participated in 2,544 league games.

Based on industry standards this analysis concludes that sufficient demand for additional sports facilities exists to support feasible market entry of the Salina Field House.

Hotel and Meeting Space

The District is planned for a 114-room, all-suites hotel at the corner of Santa Fe Avenue and Mulberry Street. The Salina hotel market caters primarily to leisure and group travelers with the summer and early fall months serving as the peak season. The market supports 21 chain hotel properties totaling 1,393 guest rooms, the majority of which are located along Interstates 70 and 135. Budget hotels account for 46 percent of Salina's current inventory of hotel rooms, followed by extended-stay/all-suite hotels with 43 percent of the room inventory. The newest hotel in Salina is the 115-room Holiday Inn that opened in April 2015.

Concurrent with national hospitality trends, in recent years the Salina hotel market has been adversely impacted by the recession and subsequent decline in business and leisure travel. Recent operating trends suggest that the Salina hotel market is on its way to recovery, posting strong gains in room demand, ADR and total lodging revenue during 2014 and into 2015.

The District's planned hotel is designed to include 3,250 square feet of meeting and conference space. In recent years Salina's convention and meeting business has dropped off considerably due primarily to the national recession, substandard conference facilities and a limited inventory of quality hotels with meeting space. The recent $2.0 million renovation of the 18,000 square foot Heritage Hall at the Salina Bicentennial Center is designed to improve Salina's competitive position as a meeting and conference destination. The recent opening of the new Holiday Inn with a 3,000 square foot meeting hall will also enhance Salina's ability to attract group meetings. The District should benefit from meeting space demand generated by the nearby Salina Bicentennial Center, Salina Regional Health Center and Kansas Wesleyan University.

The District's planned hotel development site possesses the necessary location and site characteristics to support additional lodging and meeting space. The site benefits from a location within an established tourism market, access to lodging demand generators, adequate exposure, necessary infrastructure, modest direct competition and presence within downtown Salina featuring a mix of retail, dining, entertainment, cultural facilities and the Salina Regional Health Center. These site and competitive market advantages bode well for the construction and long-term success of the District's planned hotel with meeting space.

MARKET IMPACT STUDY

The *Market Impact Study* examined the impact the proposed Downtown Salina STAR Bond District ("District") will have on the local economy and tourism industry. Specific issues examined include:

1. Project positioning and unique quality;
2. Project's synergy with area attractions;
3. Impact on comparable market area businesses;
4. Expected draw of tourists from out-of-state and from more than 100 miles away;
5. Estimate the project's retail sales at build-out; and
6. Impact on active STAR bond projects in the central Kansas.

Project Positioning and Unique Quality

The District is comprised of an approximately 28-block area in downtown Salina which serves as the community's art and entertainment center featuring the Stiefel Theatre, Salina Symphony, Salina Community Theatre, Sculpture Tour Salina, Smoky Hill Museum, Salina Art Center and several working arts studios. The downtown has restaurants and specialty shops that feature everything from antiques and collectibles, to unusual gifts, quilting, pottery, jewelry, furniture, baby items, Kansas specialty products, sports items and much more. Salina also plays host to a variety of state sporting events with softball and baseball tournaments of particular note.

The goal of the District's Master Plan is to expand Salina's tourism trade area and drive increased out-of-town visitation and spending. Leveraging off of downtown's historic context as well as creating a critical mass of diverse cultural and entertainment attractions will be the keys in accomplishing this goal.

Graced by a large number of historic structures with varying architectural styles, Santa Fe Avenue in downtown Salina offers a unique physical environment suitable for fostering heritage tourism. The planned street and sidewalk improvements will transform Santa Fe Avenue into a historic commercial district similar in character to Poyntz Avenue in downtown Manhattan and Massachusetts Street in downtown Lawrence, Kansas. Both of these communities support vibrant historic downtowns and strong tourism industries.

The District provides several redevelopment opportunities along Santa Fe Avenue, Iron Avenue and 5th Street. Renovation of the Stiefel Theatre will be the cornerstone of the District. The performing arts center has anchored downtown Salina's tourism industry for decades, but requires reinvestment if it is to remain a major cultural attraction. The redevelopment plan is designed to improve the theatre's competitive positioning, enhance repeat visitation and increase attendance and revenue.

Accompanying renovation of the Stiefel Theatre are several destination attractions aimed at diversifying and expanding Salina's tourism market by strengthening current market segments and targeting new visitor demographics. This cluster of diverse destination attractions will heighten Salina's status as a regional center for art, entertainment and recreation.

The planned Salina Field House will compliment Salina's large sports tournament business while expanding both capacity and the type of sports venues. Designed as an indoor facility unmatched in central Kansas it will be capable of supporting a regional trade area and host events and tournaments throughout the year.

The planned family entertainment center will offer both a family attraction and a venue to host local and regional bowling tournaments. A similar facility in Wichita, Kansas offers bowling, go-kart raceway, video arcade, billiards and dining. By creating a multi-use indoor family entertainment center catering to a wide segment of the population, The Alley has been successful in attracting both local residents and out-of-town visitors.

Museums located in and near Salina include the Smoky Hill Museum, Yesteryear Museum and Eisenhower Presidential Library & Museum (Abilene, Kansas). The District is planned to add an additional museum that focuses on automobiles. This new museum will offer attractions not presently available in central Kansas; and, thus are anticipated to support a regional trade area and drive new visitation to Salina.

Visitation to the destination attractions planned for the District will assist in generating demand for retail stores and restaurants not currently available in Salina. On-site lodging demand will originate from the out-of-town leisure and group travelers to the District's various attractions. Finally, the planned attractions will attract and accommodate a new segment of the leisure and group traveler market not previously catered to by Salina and central Kansas.

To conclude, the uniqueness of the District's redevelopment plan is that it both leverages off Salina's current status as a cultural and entertainment destination by improving the visitors' experience as well as aims to diversify and expand the leisure and group traveler market by creating athletic, cultural and entertainment attractions not currently available in Salina and central Kansas. Together, the District's uses, concepts and design will generate increased visitor volumes and expenditures, draw out-of-state travelers and enhance Salina's status as a cultural, sports and entertainment destination.

Synergy with Area Attractions

Tourism and travel is according to the World Tourism Organization (WTO) the world's largest industry and it is predicted to continue to generate job growth in the future. Hence it is an important vehicle for regional and national economic development. Attractions are the most critical component of the tourism industry and serve as a primary driver of tourism activity. Without attractions there would be no need for other tourism services. Many tourist attractions possess strong entertainment connections, including sports venues, theatres and museums.

Much like business clusters, the clustering of cultural, athletic and entertainment attractions creates the diversity and critical mass necessary to generate and sustain increased visitation and expenditures. Most tourism clusters also have strong linkages to other closely related and supporting industries such as transportation, lodging, retail, food and beverage. Therefore, the larger cluster of attractions a tourist destination supports the greater the direct and indirect economic benefits.

Downtown Salina supports several cultural and entertainment attractions including the Stiefel Theatre, Salina Symphony, Salina Community Theater and Salina Art Center. The District's planned cultural, athletic and entertainment attractions are designed to complement downtown's existing mix of attractions and drive increased visitation and spending by providing attractions not presently available.

Elsewhere in Salina principal destination attractions include the Rolling Hills Zoo, Salina Bicentennial Center and Bill Burke Sports Complex. During 2014 reported attendance at the Rolling Hills Zoo totaled 84,270 visitors, of which 35 percent were residents of Saline County, 55 percent were Kansas residents living outside Saline County and 10 percent were from out-of-state. The Salina Bicentennial Center is the community's principal entertainment and convention facility boasting a 7,500-seat multi-purpose arena and 18,360 square feet of convention space capable of accommodating groups of 50 to 2,000 people. During 2014 the Salina Bicentennial Center hosted 205 events and total attendance of 147,545. The Bill Burke Sports Complex houses eight baseball and softball fields, three soccer fields, concessions, picnic area, playground and restrooms. The facility plays host to a large number of softball and baseball tournaments. The District's planned attractions will benefit the Rolling Hills Zoo, Salina Bicentennial Center and Bill Burke Sports Complex by providing complimentary cultural, athletic and entertainment attractions designed to generate increased visitation and spending to Salina.

Salina also hosts several annual events that draw visitors from out of town, the most notable being the Smoky Hill River Festival that drew attendance of 62,860 in 2014 and the Car Show that had over 1,800 vehicles registered for the event in 2014. The District's planned destination attractions will compliment both events by providing visitors with additional venues to attend during their stay. The planned vintage automobile museum will have particular synergy with the annual Car Show by giving car enthusiasts a related attraction to visit.

Salina has long been a cultural, entertainment and recreation destination for central Kansas. The city boasts a number of major annual events and a wide selection of cultural, entertainment, sporting, and family attractions. Tourism's direct impact on Saline County economy was estimated at over $165 million in 2013. The District is designed to both enhance Salina's status and sustainability as a regional tourism destination and attract a new segment of the leisure and group traveler market by providing complimentary cultural, entertainment and athletic attractions not currently available in the region.

The synergistic effect of the District's destination attractions on Salina's tourism industry and the heightened out-of-town visitation is expected to translate to increased attendance at the region's existing cultural, entertainment, athletic and family attractions. The presence of a large cluster of diverse but complimentary attractions will strengthen the regional draw, visitation counts, expenditures, and associated state and local tax revenues.

By increasing the critical mass of attractions and out-of-town visitation, the District will improve Salina's status as a regional tourism destination as well as complement the existing attractions by creating "one-of-a-kind" cultural, entertainment and sporting destinations not currently available in the region. The expanded selection of destination attractions will improve the sustainability of the local tourism industry.

Impact on Comparable Market Area Businesses

The District's Master Plan incorporates new construction of the Salina Field House, family entertainment center, America's Crossroads Car Collection, and a hotel. Increased out-of-town visitation generated by the planned destination attractions is expected to produce increased visitor spending that can be captured by area businesses. This section of the report examined the impact of these project components upon similar athletic, entertainment, lodging and retail businesses in Salina (i.e., that the project will increase total sales in the surrounding area, not diminish sales from existing businesses in the surrounding area).

The Salina Field House is designed to accommodate indoor basketball and volleyball. According to VisitSalina, existing athletic facilities in Salina include 16 baseball and softball fields, 12 soccer fields, an outdoor aquatics center, three football facilities, two track and field sites, and numerous sand volleyball and tennis courts. College venues include Kansas Wesleyan University's 1,500-seat Mabee Arena and Student Activity Center and K-State at Salina's 32,000 square foot Student Life Center complete with gymnasium and indoor track.

Principal athletic venues in Salina include Salina Bicentennial Center, Hangar Sports Complex, Salina Parks and Recreation Department, Salina Family YMCA, Unified School District #305. While the Salina Bicentennial Center hosted 41 sports events during 2014 with a total attendance of 67,662, the 7,500-seat capacity places it in a category that won't compete with the Salina Field House. Given the composition and outdoor nature of most of the other athletic facilities in Salina the Salina Field House is not expected to be directly competitive. Moreover, by providing an indoor, year round athletic venue will improve and expand on the ability of Salina to host additional sporting events.

The planned family entertainment center is expected to include bowling, video arcade, billiards and dining. All Star Lanes offers 24 bowling lanes and Jumpin' Joe's Family Fun Center offers go-karts, laser tag, miniature golf and arcades.

The America's Crossroads Car Collection, a vintage car museum, is planned to open in the District. No such museum exists in Salina and central Kansas. Moreover, increased visitation generated by this museum could help boost attendance at existing museums and attractions in Salina.

Hotel development commonly follows a cluster pattern whereby a group of hotels concentrate near such lodging demand generators as employment centers, tourist attractions and entertainment venues. According to VisitSalina, there are more than 25 hotels, motels and inns in Salina with more than 2,000 guest rooms. The 114-room hotel planned for the District is designed to capture new lodging demand generated by increased visitation to Salina. The hotel will be a key component in appealing to leisure and group travelers and increase the capacity to attract overnight out-of-town visitors. At a at stabilized occupancy rate of 75 percent, 1.8 guests per room and an average stay of 2 nights the planned hotel can accommodate an estimated 30,000 guests annually. Lodging demand generated by out-of-town visitors to the District is expected to exceed the hotel's capacity. Therefore, existing lodging properties in Salina will benefit by capturing overflow lodging demand generated by visitors to the District.

Increased out-of-town visitation generated by the District's principal attractions is expected to result in increased spending and demand for goods and services in Salina. According to Esri, a leading demographic research firm, retail sales leakage within a 25-mile radius of downtown Salina is estimated at approximately $309 million annually. Retail categories suffering from the highest levels of retail sales leakage include general merchandise ($119.9 million), gasoline stations ($53.2 million), eating and drinking places ($46.0 million), grocery stores ($28.9 million), Building materials and supplies ($9.2 million), sporting goods/hobby/musical instruments ($5.2 million), and shoe stores ($4.4 million). The width and depth of current retail leakage within a 25-mile radius of downtown Salina provides an excellent opportunity for existing and future businesses to capture increased sales. The District's planned destination attractions are designed to increase visitation and spending in Salina, providing an even greater opportunity for businesses to capture increased future sales volumes.

Retail Sales Gap by Category – 25-Mile Radius Trade Area

Retail Categories	Demand Consumer Expenditures	Supply Retail Sales	Opportunity Gap/(Surplus)
Total MSA Retail Sales	**$805,800,097**	**$1,114,976,731**	**$309,176,634**
General Merchandise Stores	$144,052,133	$263,931,574	$119,879,441
Gasoline Stations	$78,760,631	$131,930,994	$53,170,363
Eating & Drinking Places	$81,641,658	$127,669,214	$46,027,556
Grocery Stores	$103,338,372	$132,211,510	$28,873,138
Building Materials & Supplies	$19,681,961	$28,834,362	$9,152,401
Sporting Goods/Hobby/Music	$11,187,980	$16,370,516	$5,182,536
Shoe Stores	$5,873,599	$10,278,209	$4,404,610
Jewelry, Luggage & Leather Goods	$3,798,196	$4,593,719	$795,523

Source: Esri

The District is positioned to capture retail and lodging sales now eluding Salina and will further enhance the city's competitive positioning as a regional tourist center by providing new destination attractions not currently available in central Kansas. New retail sales and lodging demand generated through redevelopment of the District and the potential of the Salina market to capture current retail sales leakage suggests minimal cannibalization of current retail and lodging sales. Therefore, this report concludes that redevelopment of the District will not have an adverse impact on existing cultural, entertainment, recreation, retail, dining and lodging businesses in Salina.

Estimated Customer/Visitor Counts

STAR bond financing is being sought to assist in the redevelopment of the Downtown Salina District ("District"). To assist in evaluating STAR bond applications the Kansas Secretary of Commerce has published guidelines regarding a proposed project's economic impact. The following criteria were evaluated when considering the tourism potential of a project applying for STAR bond financing:

- Out-of-state visitation from multiple states should have a target of 20 percent of total annual visitation to be considered a major, unique, destination attraction;
- A target of 30 percent of total annual visitation should be drawn from greater than 100 miles distance from the attraction community; and
- Total annual visitation should compare very favorably to existing attractions in Kansas.

The District is designed to serve as a primary visitor destination in central Kansas and draw from a wide regional trade area. The regional draw originates from such destination attractions as the Stiefel Theatre, Salina Bicentennial Center and Rolling Hills Zoo. Renovation of the Stiefel Theatre and the addition of the Salina Field House, family entertainment center and America's Crossroads Car Collection are designed to further enhance Salina's regional trade area and draw.

During 2013 visitor spending to Saline County was reported by the State of Kansas at $165.44 million. According to *Economic Impact on Travel in Kansas 2013* published by Tourism Economics, overnight travelers spent an average of $332 per trip with day trippers spending $74 for an average of $177 per visitor per trip. By applying the average expenditure of $177 per visitor, during 2013 Saline County hosted an estimated 935,000 out-of-town visitors.

The Stiefel Theatre maintains a regional draw with patrons traveling from Lawrence, Manhattan, Topeka, Wichita, Hays, Garden City and from out of state. From July 1, 2013 through June 30, 2014 attendance at the Stiefel Theatre was reported at 23,897, of which just 46.8 percent resided in the Salina area. In addition, ticket sales for the Salina Symphony amounted to 7,622 and rental attendance amounted to 7,498, bringing the total attendance at the Stiefel Theatre to 39,017 patrons for approximately 40 events. Upon completion of the scheduled renovations the Stiefel Theatre is forecast to host up to 75 events per year at an average capacity of 80 percent yielding an annual attendance 75,000. The scheduled renovations are designed to accommodate performers not presently including the Stiefel Theatre as a tour stop, effectively competing with larger markets like Kansas City and expanding the theatre's regional market area and draw. Upon completion of the scheduled renovations an estimated 45 percent of total attendance to the Stiefel Theatre will be from outside of 100 miles with 10 percent from out-of-state.

The Salina Field House will include indoor facilities for basketball and volleyball. The facility will be designed to serve both local residents and a regional trade area and compliment the large number of sporting events and tournaments already hosted in Salina. Sports Facilities Advisory prepared a feasibility study for the Salina Field House that included visitation estimates relating to tournament play, including the number of tournaments, players per team and affiliated spectators. Both a low and high range of visitor estimates were provided. The number of tournaments per year hosted by the Salina Field House was estimated at 18 tournaments in Year

1, increasing to 26 tournaments by Year 5. The average number of teams per tournament was estimated at 37 teams in Years 1, increasing to 46 teams by Year 5. The number of players per team ranges from 10 to 12 players. The number of spectators per player was estimate at 2 to 3 spectators. Based on these assumptions visitation to tournaments hosted by the Salina Field House were estimated at 16,600 to 31,872 visitors in Years 1, increasing to 29,600 to 56,832 visitors by Year 5. An estimated 68 percent of the visitors to the Salina Field House will travel from outside of a 100-mile radius. For the purpose of this report a stabilized year visitation count of 50,000 visitors was utilized, of which 65 percent, or 32,500 visitors, will travel from outside a 100 mile radius.

Local residents and out-of-town visitors residing within a 100-mile radius account for the balance of patronage to the Salina Field House. Esri Business Analyst estimated the 2015 population within a 25-mile radius of the District at 79,026 residents, with 10,636 between the ages of 10 and 19 years and 14,673 between the ages of 20 to 34 years. The population within a 100-mile radius of the District is estimated at slightly over 1.2 million. Based on national participation rates for basketball (12.7%) and volleyball (3.6%), a facility capture rate of 25 percent and annual usage or 25 times per year fields a local attendance of approximately 31,000 per year, annual local facility usage is estimated at approximately 31,000 visitors. Annual visitation by out-of-towners residing within a 100-mile radius is estimated at approximately 4,000, bringing total annual visitation to the Salina Field House within a 100-mile radius to approximately 35,000.

The family entertainment center will be comparable to The Alley in Wichita, Kansas. The family entertainment center planned for the District will offer 24 lanes of bowling, an 8-lane boutique bowling facility, laser tag, an arcade with 50 to 70 games, sports grill, and meeting space. Birthdays, meetings and events will be principal drivers of business with a trade area that extends north into Nebraska and to the east and west up to a two hour drive. The 24 lanes of bowling qualify to host State and regional high school and college bowling tournaments. The family entertainment center planned for the District is also designed to be the best bowling facility between Kansas City and Denver which should attract pro and semi-pro bowlers. Based on attendance levels reported at The Alley, annual attendance for the family entertainment center is estimated at 260,000, with approximately 20 percent drawing from outside 100 miles and 10 percent from out-of-state.

America's Crossroads Car Collection will focus on the display of vintage cars and hotrods and is anticipated to support a regional trade area. Attendance to the America's Crossroads Car Collection will be derived from memberships and paid admissions. The business plan for the America's Crossroads Car Collection estimates paid annual attendance of 20,000 visitors. Memberships are estimated to produce annual attendance of approximately 15,000 visitors, bringing total annual stabilized visitation to the America's Crossroads Car Collections of 35,000 visitors. This estimated level of visitation is supportable given a population exceeding 205,000 within a 50-mile radius, over 500,000 annual visitors to Salina and 74,713 car club members residing in Kansas. In addition, 21 active automobile museums operating in the Midwest reported total attendance in 2015 of 545,401. These visitors to active automobile museums in the Midwest represent a potential market for the America's Crossroads Car Collection. An estimated 40 percent of all visitors to the America's Crossroads Car Collection will travel from outside of 100 miles and 35 percent from out of state.

Assuming a stabilized occupancy rate of 75 percent, average party size of 1.8 persons and an average length of stay of 2.0 nights, at stabilized occupancy the planned 114-room hotel will host approximately 28,000 guests annually. An estimated 50 percent of the hotel guests are estimated to reside outside of 100 miles with 30 percent from out of state. The hotel will operate 3,250 square feet of meeting space designed to cater to the high demand for meeting space for groups of up to 200 people. The meeting space can be subdivided to facilitate simultaneous events and a wide range of group sizes. At stabilization the meeting space is forecast to accommodate approximately 5,000 people per year, excluding hotel guests that are expected to account for one-third of the total attendance.

At build-out and stabilized occupancy annual visitation to the District is estimated at nearly 488,000. Based on its unique attractions the District is expected to attract new visitors to Salina.

Annual Visitation Estimates at Build-out
Downtown Salina District

Project Component	Annual Visitation
Stiefel Theatre & Salina Symphony	75,000
Salina Field House	85,000
Family Entertainment Center	260,000
America's Crossroads Car Collection	35,000
Hotel	28,000
Meeting Space	5,000
Total Annual Visitation	488,000

Visitation estimates for the District are segmented into three sources, including: 1) local residents residing within a 100-mile radius; 2) regional visitors residing outside of a 100-mile radius and 3) out-of-state visitors.

Local Residents Residing within a 100-Mile Radius

Completion of the scheduled renovations to the Stiefel Theatre will provide the opportunity to accommodate a wider range of performers and increase the number of event nights hosted by the theater. Based on the increased number of events annual attendance at the Stiefel Theatre is forecast to increase to approximately 75,000 once the renovations are completed. An estimated 45 percent of total attendance will reside within 100 miles radius, equating to 33,750 visitors.

Based on the findings of an independent feasibility study annual attendance for the Salina Field House is estimated at 85,000 players and guests, with approximately 62 percent drawing from within 100 miles, or 52,500 visitors.

The operator of the family entertainment center estimate annual attendance at 260,000, with approximately 70 percent drawing from within 100 miles, or 182,000 visitors.

Annual stabilized attendance to the America's Crossroads Car Collection is estimated at 35,000 with 20 percent residing within 100 miles, or 7,000 visitors.

At stabilized occupancy the planned 114-room hotel is forecast to host 28,000 guests per year. The 3,250 square feet of meeting space associated with the hotel is estimate to facilitate annual attendance of 5,000 people, exclusive of hotel guests. Visitors residing within a 100-mile radius are estimated to account for just 20 percent of total hotel and meeting space guests, or approximately 7,000 guests.
To conclude, local residents within a 100-mile radius are estimated to account for approximately 47.1 percent of visitors to the District, or approximately 229,850 annual visitors.

Annual Visitation Estimates within a 100-Mile Radius

Project Component	Annual Visitation	% within 100 Miles	Visitors in 100 Miles
Stiefel Theatre	75,000	50.0%	33,750
Salina Field House	85,000	62.0%	52,500
Family Entertainment Center	260,000	50.0%	130,000
America's Crossroads Car Collection	35,000	20.0%	7,000
Hotel and Meeting Space	33,000	20.0%	6,600
Total Annual Visitation	488,000	47.1%	229,850

Regional Visitors Residing Outside of a 100-Mile Radius

Salina supports a regional tourism draw. For example, out-of-town visitors account for approximately 53 percent of attendees to the Stiefel Theatre. Regional visitors traveling more than 100 miles are estimated to account for approximately one-third of the annual attendance to the District, or approximately 160,000 visitors.

Out-of-State Visitors

The District will serve as a regional tourism destination for culture, entertainment and amateur athletics. The primary market area includes Missouri, Colorado, Oklahoma, Nebraska, Iowa and Kansas with a total population exceeding 50 million. Kansas accounts for just 5.7 percent of the primary market area population, suggesting the opportunity exists for the District to attract a large percentage of out-of-state visitors.

Tourism is a major industry in Kansas. According to *Kansas Tourism in 2011* prepared by HIS Global Insight for the Kansas Department of Commerce, over 32 million tourists to Kansas spent $8.03 billion. Out-of-state and international visitors accounted for 55.8 percent of total tourist expenditures.

Out-of-state visitors are estimated to account for over 20 percent of the District's total visitation or approximately 100,000 visitors annually.

Summary

This report estimates annual visitation to the District at stabilization of approximately 490,000 people. Local residents living within a 100-mile radius are estimated to account for about 47 percent of total visitation. Regional visitors traveling more than 100 miles are estimated to account for the remaining 53 percent of total visitation, 38.6 percent of which will be out-of-state visitors. In total, out-of-state residents are estimated to account for 20 percent of total visitation to the District, or approximately 100,000 visitors per year. These out-of-town visitation trend estimates meets the State of Kansas Secretary of Commerce guidelines that 30 percent of visitors to a proposed STAR Bond Redevelopment District travel beyond 100 miles and 20 percent reside out-of-state.

Downtown Salina District
Visitation Pattern Estimates

Visitor Origination	Total Visitors	Out-of-State Visitors	Market Share
Within a 100-Mile Radius	229,850	0	0.0%
Outside of a 100-Mile Radius	258,150	99,550	38.6%
Totals	488,000	99,550	20.4%

Source: Canyon Research Southwest, Inc.

Estimated Retail Sales Potential

The *Kansas Cultural and Heritage Research Study* published by the Kansas Department of Commerce – Travel and Tourism Development Division states that "A key deliverable of tourism is spending by visitors for local and state benefit. Kansas has an excellent opportunity to increase the revenues generated through visitor spending while not overburdening its infrastructure." The study identified several key product development areas designed to impact the growth of cultural heritage tourism in Kansas and the state's ability to increase retail sales of locally-made items, including:

- Develop and encourage retail opportunities for Kansas artisans at museum stores, galleries, shops and special events.

- Enhance the interpretation and visitor experiences at local heritage sites, attractions and communities.

The Downtown Salina District Project Plan includes a cluster of new attractions including a car museum, athletic fieldhouse and family entertainment center. The Stiefel Theatre, the city's principal cultural attraction, would benefit from reinvestment aimed at increasing the type of acts the theatre could accommodate, which in turn would increase the number of event nights and attendance. This development strategy coincides with the recommendations of the *Kansas Cultural and Heritage Research Study*. The Master Plan incorporates a variety of sports, entertainment, museum venues to complement the theatre and add to the visitor experience. Increased visitation within the District is expected to fuel escalated retail sales and businesses activity.

For the purpose of calculating STAR Bond revenues, incremental taxable retail and lodging sales were estimated for the Downtown Salina District based on these sources:

1. Sales data published by the International Council of Shopping Centers ("ICSC");

2. *Dollars & Cents of Shopping Centers* published by the Urban Land Institute;

3. *NRF Stores Top 100 Retailers 2013*;

4. Tourism spending characteristics published by the Travel Industry Association of America;

5. Competitive hotel operating results provided by Smith Travel Research;

6. *Supermarket News, Food Marketing Institute and Progressive Grocer;*

7. 2011 Tourism Satellite Account by HIS Global Insight;

8. Trade area demographics retail sales gap analysis provided by Ersi Business Analyst;

9. Salina Field House Feasibility Study by Sports Facilities Advisory; and

America's Crossroads Car Collection Business Plan; and

Estimated Amusement, Retail and Lodging Sales

The America's Crossroads Car Collection is estimated to realize stabilized annual admissions revenue of approximately $100,000.

The Salina Field House is designed to accommodate indoor basketball and volleyball. The Salina Field House Feasibility Study forecast revenues of $336,471 in Year 1, increasing to $629,139 at stabilization in Year 5. The Salina Field House is envisioned to be operated by the City of Salina, so as a result taxable sales are estimated at $0.

The family entertainment center will offer both a family attraction and a venue to host local and regional bowling tournaments. At stabilization annual attendance at the family entertainment center is estimated at 260,000. Annual revenues are projected at approximately $4.0 million.

The 114-room hotel will include a restaurant. At a stabilized occupancy of 75 percent and an average daily rate of approximately $130 the hotel will generate lodging revenues of approximately $4.1 million. The meeting space is estimated to generate annual revenues of approximately $45,000 in food, beverage revenues. Food and beverage sales for the hotel's restaurant are estimated at $2.2 million.

In Kansas, admission or fee charged to any place providing amusement, entertainment, or recreation services is taxable. The Stiefel Theatre's 2014 attendance of 39,000 visitors is estimated to reach 75,000 annually stemming from the planned building improvements. At an average ticket price of $43, incremental revenues are estimated approximately $500,000.
In June 2015 a 15,056 square foot Save-a-Lot grocery store opened within the former Dillons store at 511 East Iron. Save-a-Lot is a discount supermarket chain headquartered in Earth City, Missouri. The subsidiary of SuperValu operates 1,544 stores across 36 states in the United States with over $10.9 billion in annual sales and average store sales of $7.1 million.

For 2011, the Food Marketing Institute ("FMI") reported a total of 36,569 grocery stores operated in the U.S. reporting total sales of $584 billion. Weekly sales averaged $11.78 per square foot of selling area, translating to an annual average of $612.56 per square foot. According to Progressive Grocer, approximately 35,600 grocery stores operate in the United States with the top ten retailers accounting for 35 percent of the total number of stores and 68 percent of sales. Chain grocery stores (29,300 stores) generated $528 million in sales during 2010. For the year the grocery store industry reported average annual sales of $15.6 million per store, equating to $299,373 per week or $8.94 per square foot. Annual sales for chain grocery stores were the greatest between $4 to $8 million (6,677 stores); $20 to $30 million (5,332 stores) and $12 to $20 million (5,001 stores). Stabilized sales for the District's Save-a-Lot store are estimated at $100,000 per week, equating to $5.2 million per year.

According to building survey prepared by Get on Track LLC, the District currently supports 323,634 square feet of occupied ground floor commercial space, of which 295,514 square feet of space is generating taxable retail sales. This study determined that the increased visitation to the District and associated retail sales will both generate increased sales for existing retail businesses as well as result in the absorption of a large portion of the vacant commercial space.

Retail businesses currently operating within the District are generating taxable sales on average of approximately $100 per square foot. This study conservatively estimates an increase in retail sales for existing ground floor commercial space of $35 per square foot for a total of $135 per square foot. The increase in retail sales will be phased in over a 6-year period, increasing from $5.00 per square foot in 2017 to $35.00 per square foot in 2022. As stabilization the 295,514 square feet of occupied ground floor retail space is forecast to realize increased retail sales totaling approximately $10.3 million per year.

As of the date of this report, the District possessed 175,313 square feet of ground floor commercial space. This study assumes that increased business activity within the District will result in the absorption of 75 percent of the vacant ground floor commercial space over a seven year period, or approximately 131,485 square feet of occupied space. The rate of space absorption is estimated from zero in 2016 to a peak of 25 percent of the total inventory by 2020. Retail uses currently occupy 55 percent of the District's 806,300 square feet of ground floor commercial space. Assuming that ratio continues, through stabilization an estimated 72,317 square feet of ground floor commercial space will be absorbed by retail businesses. At an average of $100 per square foot the newly occupied retail space is estimate to generate stabilized year sales of $7.2 million.

As indicated by the table below, incremental taxable retail sales at build-out and stabilization of the Downtown Salina District are estimated at $33.8 million annually.

Incremental Sales Estimates at Stabilization
Downtown Salina District

Project Component	Building Sq. Ft.	Hotel Rooms	Stabilized Sales
Athletic Fieldhouse	69,000		$0
Family Entertainment Center	47,000		$4,000,000
America's Crossroads Car Collection	31,118		$100,000
Hotel and Restaurant		114	
Lodging			$4,106,250
Food & Beverage			$2,275,605
Stiefel Theatre			$500,000
Grocery	15,000		$5,200,000
Occupied Retail Space	295,514		$10,342,990
Absorbed Retail Space	72,317		$7,231,661
Total Sales			$33,756,506

Source: Canyon Research Southwest, Inc.

Impact on Active STAR Bond Projects

Since adoption of STAR bond legislation the Department of Commerce has approved five STAR bond projects in central and west Kansas that incorporate major destination attractions, including the Wichita River District and K-96 and Greenwich Project in Wichita, Olympic Park Project District in Goddard, Downtown Manhattan Redevelopment District in Manhattan, and Dodge City Project District. To determine the potential impact of the District on each of these approved STAR Bond projects a comparison was made of each project's major attraction(s); tenant mix; market positioning and target market.

Wichita River District

On July 20, 2007 the City of Wichita approved the undertaking of a STAR Bond Project within the Wichita River District pursuant to House Bill No. 2005 of the 2007 Kansas Legislative Session. In October 2007 the Kansas Department of Commerce approved the STAR Bond Plan for the Wichita River District. The approval was for $13 million in STAR bonds (exclusive of financing costs) for three projects, including: 1) the Keeper of the Plains sculpture, plaza and pedestrian bridge project; 2) the East River Redevelopment Project adjacent to the Broadview Hotel and 3) the WaterWalk fountain and public plaza area. The total project budget is $155.8 million.

In May 2007, the *Keeper of the Plains* was re-dedicated and the East River Redevelopment Project completed. The $20.6 million riverbank improvement project included the creation of two cable-stayed, suspended pedestrian bridges, riverbank landscaping, and the creation of bike/pedestrian paths along both sides of the Arkansas River for easier walking access and landscaping. The Waltzing Waters Fountain and Plaza area was completed in October 2012.

Complementing the public improvements, to date an estimated $72 million in private investment has been reported. Major private-sector investment projects include:

- WaterWalk Main Place and Gander Mountain - $29 million
- Marriott Fairfield Hotel - $12.35 million
- Drury Broadview Hotel remodel and renovation - $29 million
- Wichita Area Association of Realtors office building - $1.6 million
- Wichita Boathouse renovation - $650,000

Because of the unique characteristics of the Wichita River District, particularly since the district did not begin as a "Greenfield," but already contained several active businesses, it was possible to more efficiently use the STAR bond resources in a "pay-as-you-go" manner. From November 2007 through year-end 2013, the Wichita River STAR Bond District generated nearly $11.5 million for financing eligible STAR bond projects. The City of Wichita expects the $13 million in STAR bond costs to be fully reimbursed by 2015.

The Wichita River District is designed to offer a waterfront recreational and educational attraction complemented by a mix of retail, office and lodging uses. Much of the demand and tenant orientation of the commercial development component will stem from its downtown location and close proximity to employment as well as art, cultural and entertainment venues.

Meanwhile, the Downtown Salina District is designed as a cultural, entertainment and sports destination with the principal attractions being the Stiefel Theatre, Salina Field House, family entertainment center and America's Crossroads Car Collection. While both projects are designed using a mixed-use concept, each will offer a distinctive mix of attractions, anchor tenants, businesses and hotel products.

The remainder of WaterWalk's retail component consists of just 150,077 square feet in buildings ranging from 3,891 to 15,477 square feet. Little retail has followed the August 2005 opening of Gander Mountain; thus, the project's retail market positioning and tenant mix have yet to be well defined. Given its downtown location it would appear that a cluster of national and local restaurants would be appropriate. Similar to Old Town located immediately east of downtown Wichita, traditional retail shopping will likely play only a minor role at Waterwalk.

Conversely, while retail development will play a role within the Down Salina District, the Master Plan does not specifically address redevelopment opportunities. Given the cluster of planned destination attractions Salina's retail industry is expected to benefit from the increased out-of-town visitation and associated expenditures and additional retail businesses and redevelopment opportunities will emerge. Given the distance between Salina and Wichita the retail trade areas for each are not expected to bisect. Therefore, the retail components of WaterWalk and the Downtown Salina District would not directly compete.

Hotels are planned for both WaterWalk and the Downtown Salina District. The Drury Broadview Hotel, Hyatt Regency and Fairfield Inn & Suites operate within the Wichita River District catering primarily to business and convention travelers. A 114-room hotel is planned for the Downtown Salina District that will cater primary to leisure and group travelers to Salina. Therefore, the hotels at the Wichita River District and the Downtown Salina District serve distinctive price-points and market segments. More importantly, their distance over 90 miles apart eliminates any direct competition.

Given the Wichita River District's emphasis on riverfront access and urban-scale mixed-use development, pay-as-you-go project financing and its location in Wichita, the Downtown Salina District should have little or no impact on operations and financial sustainability.

K-96 & Greenwich STAR Bond District

In late 2013, the Kansas Secretary of Commerce approved the K-96 & Greenwich STAR Bond District located on a 423-acre site at the intersection of K-96 Highway and Greenwich Road in Wichita, Kansas. The Project Plan designates the site for 1.5 million square feet of commercial development anchored by a 65,000 square foot major state-of-the-art indoor multi-sport athletic complex. The commercial component of the project is designed for a mix of big-box retailers, destination restaurants and attractions, lodging and medical office space. At build-out total project costs are estimated to exceed $400 million. Approximately $33 million in STAR bonds were approved and issued.

Phase 1 of the Project Plan is designed for 309,000 square feet of commercial space and two hotels. In spring 2012, Cabela's, a premier retailer of hunting, fishing and outdoor gear, opened an 80,000 square foot store in the Project, its 35th store in the United States and Canada. The Wichita store is the second Cabela's opened in Kansas, the first being in the Village West STAR

Bond District in Kansas City. The Cabela's store serves as a major "destination" attraction for the Project.

Additional Phase 1 existing development includes a Hampton Inn & Suites and a shopping center anchored by Super Target, World Market Hobby Lobby with Chili's, McDonalds, Subway and Kanza Bank occupying out parcels. An Academy Sports store is under construction as is a new K-96 and Greenwich Road interchange.

According to the Project Plan another major attraction designed for Phase 1 is a 75,000 square foot state-of-the art indoor multi-sport athletic complex. The Salina Field House will be dedicated to the education and training of players and coaches, destination athletic competition, and entertainment for regional and national tourists. The athletic complex is designed to host regional and national basketball and volleyball tournaments. The athletic complex will be accompanied by the 150-room hotel designed to accommodate out-of-town visitors to the athletic complex. The Salina Field House planned for the Downtown Salina District is not designed as an athlete training center and will serve a smaller trade area.

The total capital investment associated with Phase 1 is estimated at approximately $150 million, including site acquisition, infrastructure construction and development of the commercial and hotel components.

Future phases of the Project are planned for the construction of an estimated 700,000 square feet of commercial space, a medical campus designed for 200,000 square feet of medical office space, and 61,500 square feet of professional office space. The Project Plan also includes approximately 35 freestanding pad sites supporting up to 262,500 square feet of commercial uses. This plan may be amended from time to time as future tenants and users are secured.

The K-96 & Greenwich STAR Bond District Project Plan focuses on creating an athletic and recreation attraction complemented by a mix of retail, employment and lodging uses. Based on this project positioning and location in Wichita, the Downtown Salina District should have little or no impact on operations and financial sustainability.

Olympic Park District

In May 2014, the Kansas Commerce Secretary approved the Olympic Park STAR Bond Project Plan and the issuance of up to $25.4 million in STAR Bond financing. The City of Goddard will contribute $4.75 million for infrastructure improvements and private investments will reach $44 million. Total project costs are estimated at $155 million.

The Olympic Park Project District occupies a 280-acre site located at North Goddard Road and West Kellogg Drive in Goddard, Kansas. The Project Plan designates the site for mixed-use development including a 150-room all-suites hotel and conference center attached to a 66,000 square foot aquatic center with two Olympic competition pools and a diving well for springboard, platform diving, water polo events. The aquatic center includes media rooms and spectator seating for 1,600. Also included are four tournament quality baseball and softball fields. No comparable athletic facility exists in the Midwest, allowing the GAC to support a primary trade area encompassing a 500+ mile radius.

The feasibility study submitted by the City of Goddard reflects that the Project is a unique travel destination that will attract an estimated 2.1 million new visitors annually to the region. At build-out the Project is forecast to generate annual retail sales of over $154 million.

In January 2016, SLN Manager, Inc. broke ground on a $35 million Crowne Plaza hotel, an aquatic and wellness center, and a family entertainment center. Completion is scheduled for April 2017. The four-story, 141-room hotel will feature a restaurant and sports bar, a business center, an indoor pool and a fitness room. The Crowne Plaza brand recently introduced a new room concept called Biz Pro Rooms. Appointed with upscale amenities, including multiple USB ports, the hotel will feature 25 of these new room styles. The hotel will also include a 17,000 square foot family entertainment center offering themed, full-sized regulation Brunswick bowling lanes, laser tag, laser maze, arcade, fitness center, and sports bar.

Expanded to more than 100,000 square feet, the aquatic and wellness center will feature four pools, including a long course pool, a short course pool, a 25-meter training pool, a 25-meter dive pool and a therapy pool. The aquatic and wellness center will also have 4,500 square feet of training rooms ideal for athlete training, meetings, corporate events, school and sports team functions, birthday parties, family reunions, and more.

The 343,500 square feet of planned retail space will house destination retailers and out lots designed to accommodate sit-down restaurants, fast food restaurants and a convenience store.

The Project Plan designates approximately 60 acres for future development.

The Olympic Park Project District aims at creating a mixed-use athletic, lodging and retail destination. The project's principal attraction will be an aquatic and wellness center that targets a different segment of the athletic industry than proposed for the Salina Field House. Therefore, based on this project positioning the Downtown Salina District should have little or no impact on operations and financial sustainability of the Olympic Park Project District.

Downtown Manhattan Redevelopment District

In November 2006, the Kansas Secretary of Commerce approved and designated the Downtown Manhattan Redevelopment District as a "special bond project" pursuant to the provisions of K.S.A. 12-1770 et seq., as amended, and on December 28, 2006 approved the issuance of up to $50 million in STAR bonds. On December 1, 2009, $50 million in STAR bonds were issued to finance the construction of the Flint Hills Discovery Center as well as expenses related to land acquisition, public infrastructure, streetscape, landscaping and a public park within the South End of the Downtown Redevelopment Project Area.

The Downtown Manhattan Redevelopment District occupies the eastern portion of downtown Manhattan, Kansas and is generally bounded by Bluemont Avenue to the north; Ft. Riley Boulevard on the south; Tuttle Creek Boulevard on the east; and Fourth Street on the west. The Downtown Manhattan Redevelopment District is designed to serve as a premier tourism attraction, anchored by the Flint Hills Discovery Center and complemented by a mix of entertainment, dining and specialty shopping venues. The Flint Hills Discovery Center serves as a major tourism destination with local and regional attractions highlighted in the facility.

The *Downtown Redevelopment Conceptual Plan* is divided into two districts. The South Project Area is designed for the Flint Hills Discovery Center, a 122-room hotel, 30,000 square foot conference center, a 40,000 square foot movie theatre, 18,000 square feet of restaurants, 19,000 square feet of retail shops, 24 residential units and a 400-space parking structure. The Flint Hills Discovery Center opened in April 2012. The Hilton Garden Inn, conference center and parking garage opened in November 2011. The Blue Earth Plaza, across the street from the hotel and conference center, was completed in April 2012.

Dial Realty Corporation is developing the North Project Area with the Manhattan Marketplace, a 160,923 square foot shopping center and 158 residential units. A 30,000 square foot Best Buy store was the first tenant to commence construction within the Manhattan Marketplace, opening in October 2006. Since that time addition tenant opening have included HyVee, Petco, Bed Bath & Beyond, Dick's Sporting Goods, McAlister's Deli and Olive Garden. The North Project Area is fully occupied. All 158 residential units have been constructed.

In 2009, the City of Manhattan issued a $12.1 million sales tax special obligation revenue (STAR) bonds Series 2009-1 and $31.4 million sales tax special obligation revenue (STAR) bonds Series 2009-2 to finance eligible project costs for the Downtown Manhattan Redevelopment District. Approximately $6.35 million in sales tax was collected within the STAR Bond District prior to the bond issue in November 2009. Through August 31, 2013 a reported $22.8 million in sales tax was collected within the district. The first scheduled principal payment on the bonds of $1.71 million and interest payments totaling $2,377,737 were due in 2012. Excess 2012 sales tax revenue was used to call $2,635,000 in bonds. Only interest payments in the amount of $2,626,850 were due in 2010 and 2011. However, excess sales tax generated in 2010 and 2011 was used to call $3.57 million in bonds on June 1, 2011 and $1.175 million on December 1, 2011. Total debt service for 2013 was $3,554,292. Debt service payments on the bond funds are current.

The Downtown Manhattan Redevelopment District and Downtown Salina District possess many similarities, including a museum as the principal tourism destination, a historic downtown location and the inclusion of entertainment and lodging venues. However, each projects' tourism attractions cater to distinctive market segments. Manhattan's tourism industry is heavily reliant on Kansas State University and the area's many outdoor recreational amenities. The Flint Hills Discovery Center complements the area's natural environment by providing an educational facility. Meanwhile, Salina has long served as a cultural and entertainment destination anchored by the Stiefel Theatre, Salina Arts Center, Salina Bicentennial Center and Rolling Hills Zoo. The Downtown Salina District is designed to strengthen the local tourism market as well as expand the out-of-town visitor draw by offering unique sports, cultural and entertainment venues. Therefore, the Downtown Salina District should have little or no impact on operations and financial sustainability of the Downtown Manhattan Redevelopment District.

Dodge City District

The Dodge City STAR Bond Project in Dodge City, Kansas designates two non-contiguous Project Areas for redevelopment, including the Heritage Area and Entertainment Area. The Heritage Area encompasses the historic downtown area while the Entertainment Area is located between U.S. Highway 50 and 108th Road, south of Frontview Road on the western edge of the city. An expanded Boot Hill Museum will serve as the Project's principal destination attraction.

Dodge City and the Boot Hill Museum are nationally and internationally recognized as authentic and historic Western attractions.

The Heritage Area is comprised of approximately 166 acres within historic downtown Dodge City anchored by the Boot Hill Museum, Front Street and the Santa Fe Depot. The Heritage Area is so-named because it offers unique redevelopment opportunities focusing on protecting, enhancing and promoting Kansas' western history and heritage.

The centerpiece of the Heritage Area will be the expansion and reinvestment of the Boot Hill Museum. The museum has been the anchor of Dodge City's tourism industry for decades, but requires reinvestment if it is to remain a national tourism attraction. Dodge City is one of a very few United State heritage towns still standing, and the Boot Hill Museum is a unique historical attraction in western Kansas that draws between 68,000 to 80,000 visitors annually. The Dodge City Project provides reinvestment funding to renovate and expand the museum. The Boot Hill Museum will be expanded by approximately 12,500 square feet of exhibition space and additional improvements designed to host events and traveling exhibits and the introduction of interactive and multi-lingual exhibits. The proposed upgrades to the museum are designed to improve its competitive positioning, enhance repeat visitation and increase attendance and revenues.

Additional investment to the Heritage Area will include infrastructure and themed aesthetic improvements to Front Street and other portions of Dodge City's historic downtown. Though downtown Dodge City is unique in its charm and deep-rooted western heritage, it suffers from disinvestment and ill-fated urban development trends common among rural communities. However, the presence of the Boot Hill Museum and its designation as a historic district by the National Trust for Historic Preservation provides downtown Dodge City with the opportunity to facilitate new attractions and associated retail. STAR Bond-financed projects in downtown Dodge City north of Wyatt Earp Boulevard will focus on attracting regional, specialty-themed retail and restaurants designed to enhance Dodge City's status as a tourist destination. Planned projects south of Wyatt Earp Boulevard include a water park, hotel, retail space, and campground and RV park.

The Entertainment Area is located approximately 2.75 miles west of the Heritage Area, encompassing 360 acres along the west side of U.S. Highway 50 at West Comanche. The Heritage Area is master planned as a retail and entertainment destination designed to expand Dodge City's tourism industry and attract national retailers currently not in the local market. The Entertainment Area is currently home to the United Wireless Arena and Magouirk Conference Center which offer a state-of-the-art entertainment and convention venue previously unavailable in Southwest Kansas.

The Entertainment Area encompasses 60 acres planned for a mix of retail uses totaling 387,000 square feet of building area. The conceptual plan features three major components, including: 1) a 130,000 square foot major anchor; 2) eight junior anchors totaling 214,500 square feet; and 3) six out parcels totaling 42,500 square feet of retail space.

STAR Bond funding for the Dodge City's Heritage District is aimed at revitalizing the City's western heritage leveraging off the Boot Hill Museum. Meanwhile, the tourism draw of the Entertainment District centers on a mid-sized event center, conference center, big-box retail and the neighboring Boot Hill Casino. While both the Downtown Salina District and Dodge City's

Heritage District involve downtown revitalization each downtown possesses a distinctly unique market positioning and draw. Downtown Salina District's principal tourism attractions will center on athletics, family entertainment and live theater and concerts while Dodge City's Heritage District will be geared heavily on enhancing the Boot Hill Museum and the western heritage. The Entertainment District is aimed at mid-sized entertainment acts, conferences and big-box retail. Therefore, this report concludes that the Downtown Salina District should have little or no impact on operations and financial sustainability of the Dodge City District.

Conclusions

The Downtown Salina District's major tourism attractions will include the renovated Stiefel Theatre, Salina Field House, family entertainment center and America's Crossroads Car Collection.

Both the Wichita River District and K-96 and Greenwich Project in Wichita are located over 80 miles driving distance south of the proposed Downtown Salina District with the Olympic Park District in Goddard located over 100 miles to the south. The Wichita River District possesses a riverfront, downtown location and is designed as an entertainment and employment destination featuring approximately 610,000 square feet of retail, office, hotel and residential space. Both the K-96 & Greenwich Project and Olympic Park District focus on creating an athletic training center and recreation attraction complemented by a mix of retail, employment and lodging uses.

The Downtown Manhattan Redevelopment District is located in downtown Manhattan, Kansas over 65 miles northeast of Salina. The Downtown Manhattan Redevelopment District and Downtown Salina District possess many similarities, including a museum as the principal tourism destination, a historic downtown location and the inclusion of entertainment and lodging venues. However, each projects' tourism attraction caters to distinctive market segments.

Because each active STAR bond project in central and west Kansas supports distinctly different major tourism attractions and retail components, it has been concluded that development of the Downtown Salina District will not have a measurable adverse impact on tourism visitation, retail sales and STAR bond revenues generated by any of the STAR Bond Districts in central and west Kansas. Therefore, the operation of the Downtown Salina District is not anticipated to cause default in the payment of outstanding STAR bonds issued by the five active STAR Bond approved redevelopment projects in central Kansas.

ECONOMIC IMPACT STUDY

The following economic impacts are forecast when considering the tourism potential of a project applying for STAR bond financing:

- Direct expenditures: Visitor spending that directly supports the jobs and incomes of people and firms that deal directly with visitors;
- Indirect expenditures: Changes in sales, income or jobs in regional sectors that supply goods and services in support of direct expenditure entities;
- Direct job creation: The total number of jobs (distinguished as full-time or part-time) supported by the target attraction; and
- Creation of overnight hotel stays.

The *Economic Impact Assessment* examines the economic implications of the major attractions, lodging and commercial space build-out to be constructed within the District in terms of the direct and indirect growth in employment, income and consumption. The project's economic impact has been measured in terms of both construction-phase and operational.

Direct impacts measure the spending and job creation that occurs as a direct result of the operations and activities that occur within the District. Indirect impacts consist of re-spending of the initial or direct expenditures, or the supply of goods or services resulting from the initial direct spending within the District.

Economic impacts measure the effects of economic stimuli or new demand for goods and services in the local economy. New demand in this case is created by the new retailers to the market and hotel/casino, and the additional spending they will support. The secondary impacts of supplier expenditures by these businesses, employee spending and visitor spending are called multiplier effects. Multiplier effects are a way of representing the larger effects on the local economy of an initial increase in demand.

Total development costs for the District are estimated at approximately $150 million, including land acquisition, infrastructure, buildings, tenant improvements, soft costs, FF&E and contingency allowance.

Wages were determined by consulting the *Occupational Employment and Wage Estimates May 2014* for the State of Kansas published by the U.S. Department of Labor.

Construction-Phase

Development of the District would generate non-recurring construction impacts. Total construction costs for the District are estimated at approximately $104.5 million, exclusive of land acquisition and soft costs such as architectural and engineering, permit fees, project management, legal fees, insurance, financing costs, developer fee and contingency allowance.

Construction-phase employment estimates for the District were generated by the *Development Impact Assessment Handbook & Software* with total payroll estimated by consulting *Occupational Employment and Wage Estimates May 2014*, published by the U.S. Department of Labor.

In total, build-out of the District would result in an estimated total economic output of $146 million, direct and indirect job creation of 883 jobs and payroll of $41.3 million. Construction phase economic impacts are summarized in the table below.

Construction Phase Economic Impact Estimates
Downtown Salina District

	Totals
Direct Construction Expenditures	$104,476,012
Total Economic Impact	$146,266,417
Job Creation	
Direct	651
Indirect	232
Total	883
Payroll	
Direct	$31,342,804
Indirect	$9,925,222
Total	$41,268,026

Effective tax year 2013, the State of Kansas collapsed the current three-bracket structure for individual state income taxes (3.5%, 6.25% and 6.45%, respectively) into a two-bracket system using rates of 3.0 percent and 4.9 percent. For tax year 2015 the bottom bracket of 2.7 percent will apply to income of less than $15,000 for singles and $30,000 for couples with the top bracket at 4.6 percent.

Kansas allows itemized deductions and tax payers can claim the same itemized deductions reported on the Federal return. Standard deductions under the Tax Reform Law are increased to $5,500 for singles or married filing separately and $7,500 for married couples filing jointly. This analysis applied a blended standard deduction for single and married couples of $6,500. Kansas has no personal exemption.

Construction of the entire District is estimated to generate total full-time equivalent employment of 883 direct and indirect jobs supporting a total payroll of approximately $41.3 million. The State of Kansas is estimated to collect approximately $1.6 million in state income tax revenues resulting from construction-phase payroll.

Operational-Phase

Full-time equivalent employment resulting from development and operation of the District was estimated using employment rations stated in the number of jobs per 1,000 square feet of building area or per hotel room. Total payroll was estimated based on annual mean incomes pertinent occupations in Kansas published by the U.S. Department of Labor's *Occupational Employment and Wage Estimates May 2014*. A sample of annual mean incomes include $19,660 for food preparation and serving related workers, $46,550 for food service managers, $24,500 for retail sales, $18,520 for hotel clerks, $23,180 for maids, $34,400 for housekeeping supervisors, $48,130 for hotel managers.

All total, at full operating levels the District as planned could create an annual economic impact of $66 million on the State of Kansas. The District could directly and indirectly support about 371 jobs locally and $12.5 million in annual payroll.

Operations Phase Economic Impact Estimates
Downtown Salina District

	Totals
Operations Impacts	
Total Economic Impact of Operations	
Stabilized Annual Sales	$47,214,810
Output	$66,100,734
Job Creation	
Direct	286
Indirect	85
Total	371
Payroll	
Direct	$9,609,600
Indirect	$2,856,000
Total	$12,465,600

Accounting for the standard deduction of $6,500 and a 2.7 percent tax rate for taxable income, the State of Kansas is estimated to collect approximately $271,500 in annual state income tax revenues resulting from build-out of the District.

The District is estimated to attract 488,000 annual visitors, including approximately 258,150 visitors from over 100 miles away. Assuming 60 percent of the out-of-town visitors stay overnight, an average stay of two nights and 1.8 guests per room, total demand for overnight accommodations is estimated at 172,000 annual room nights. At an average annual occupancy rate of 75 percent, the estimated room night demand is sufficient to support approximately 629 hotel rooms. Existing and planned hotels within the District total just 114 rooms. These lodging demand forecasts illustrate the significant impact the District will have on the Salina hotel market and the potential to support additional hotel development.

To conclude, the District will contribute significantly to the state and local economy by generating construction and permanent jobs; attracting out-of-state visitors, spending and lodging demand; strengthening Salina's status as a regional tourist destination; and yielding state income tax revenues.

STAR BOND FEASIBILITY STUDY

The STAR bond program provides Kansas municipalities the opportunity to issue bonds to finance the development of major commercial entertainment and tourism areas, and use sales tax revenue generated by the development to pay off the bonds. STAR bonds possess a 20-year term. An eligible area for the STAR bond program includes a historic theater, major tourism area, major motorsports complex, auto race track facility, river walk canal facility, major multi-sport athletic complex or a major commercial entertainment and tourism area.

This section of the report quantifies the ability of the District to support the necessary bond debt to cover eligible project costs by calculating the net present value of the forecast STAR bond tax revenue streams generated through maturity of the 20-year term.

STAR Bond Eligible Tax Rates

The STAR Bond Act allows for the pledge of 100 percent of the tax increment revenue received by the State of Kansas, county and city from any local sales and use taxes, including the city's share of any county sales tax, which are collected within the STAR bond project district. The STAR bond financing being sought for the District will be repaid by incremental retail sales taxes.

Taxable retail sales generated by businesses operating in Salina are subject to a sales tax rate of 8.4 percent consisting of 6.5 percent for the State of Kansas, 1.0 percent for Saline County and 0.9 percent for the City of Salina.

The City of Salina levies a 0.9 percent sales tax, of which 0.5 percent is allocated to the General Fund and eligible for STAR Bond Capture. The remaining 0.40 percent is designated to special tax districts and not eligible. On May 10, 2016 by a vote of 6,216 to 5,350, residents of Salina approved Resolution Number 16-7317 that authorizes the repeal of the city's current 0.40 percent special purpose sales tax scheduled to expire March 31, 2019, and replaces it with a 0.75 percent general purpose sales tax for a period of 20 years commencing October 1, 2016. Therefore, for the purpose of this analysis the city's 1.25 percent sales tax is STAR Bond eligible.

During calendar year 2014 the Kansas Department of Revenue reported that 60.27 percent of the Saline County sales tax rate of 1.0 percent was allocated to the City of Salina, or 0.6027 percent.

As outlined in the table below, the total STAR Bond eligible sales tax rate is 8.3527 percent.

STAR Bond Effective Sales Tax Rate
Downtown Salina District

Taxing Jurisdiction	Tax Rate	% Allocation	STAR Bond Dedicated
State of Kansas	6.500%	100.00%	6.5000%
Saline County	1.000%	60.27%	0.6027%
City of Salina	1.250%	100.00%	1.2500%
Total Tax Rate	8.750%		8.3527%

Under provisions of the Kansas Department of Revenue Regulation KS-1250, the sale of admissions to places providing amusement, entertainment or recreation is subject to Kansas sales tax.

In addition to the retail sales tax the City of Salina levies a 6.7 percent transient lodging tax on hotel room revenues with the State deducting a 0.12 percentage point administrative fee. The effective tax rates for calculating Sales Tax Special Obligation Bond ("STAR") revenue is 6.58 percent on lodging sales.

From 1994 through 2013 the Consumer Price Index (CPI) rose at an average annual rate of 2.425 percent. Through maturity of the STAR bonds retail and lodging sales volumes within the Downtown Salina District are escalated at a more conservative annual rate of 2.0 percent.

STAR Bond Revenue Estimates

The District Project Plan includes the construction of the Salina Field House, family entertainment center, America's Crossroads Car Collection, hotel and meeting space, and grocery store as well as renovation of the Stiefel Theatre. Incremental sales at build-out and stabilization are estimated at approximately $33 million. This estimate includes: 1) the planned destination attractions; 2) additional sales realized by existing District businesses resulting from new visitors to the Salina area and 3) forecast absorption of currently vacant ground floor commercial space by retail sales tax generating businesses. Future retail sales are estimated to escalate at an average annual rate of 2.0 percent.

The STAR Bond revenue projections were based on the Project Plan's phasing schedule whereby the Save-a-Lot grocery store is completed in June 2015; the Salina Field House in 2016; the family entertainment center, America's Crossroads Car Collection, hotel and Stiefel Theatre renovations in 2017 and Stiefel Theatre expansion in 2018. The incremental increase in sales for existing retail businesses will be phased in as the attractions open.

The STAR Bond revenue projections also assume the 72,317 square feet of vacant ground floor commercial space will be absorbed over a 7-year period at a rate of 0% in Year 1, 10% in Year 2, 15% in Year 3, 20% in Year 4, 25% in Year 5, 20% in Year 6 and 10% in Year 7.

The table on the following page provides retail sales estimates throughout the 20-year life of the proposed STAR Bond District. As indicated, Year 1 sales of $5.2 million are estimated to stabilize in Year 5 at approximately $32.5 million. Upon stabilization retail sales were escalated at an average annual rate of 2.0 percent.

As depicted in the table on page 63, throughout the 20-year life of the STAR bond district the gross eligible sales tax revenues associated with the District is estimated to generate approximately $64 million in STAR Bond revenue.

Forecast Retail Sales for Downtown Salina District

Year	Grocery	Hotel	Hotel Restaurant	Family Center	Car Museum	Stiefel	Existing Retail	New Retail	Total Sales
1	$5,200,000								$5,200,000
2	$5,304,000						$1,477,570	$723,200	$7,504,770
3	$5,410,080	$4,106,250	$2,275,605	$4,000,000	$100,000		$4,432,710	$1,807,900	$22,132,545
4	$5,518,282	$4,188,375	$2,321,117	$4,080,000	$102,000	$500,000	$8,865,420	$3,554,200	$29,129,394
5	$5,628,647	$4,272,143	$2,367,539	$4,161,600	$104,040	$510,000	$10,342,990	$5,062,100	$32,449,059
6	$5,741,220	$4,357,585	$2,414,890	$4,244,832	$106,121	$520,200	$10,549,850	$6,508,400	$34,443,098
7	$5,856,045	$4,444,737	$2,463,188	$4,329,729	$108,243	$530,604	$10,760,847	$7,231,600	$35,724,992
8	$5,973,165	$4,533,632	$2,512,452	$4,416,323	$110,408	$541,216	$10,976,064	$7,376,232	$36,439,492
9	$6,092,629	$4,624,304	$2,562,701	$4,504,650	$112,616	$552,040	$11,195,585	$7,523,757	$37,168,282
10	$6,214,481	$4,716,791	$2,613,955	$4,594,743	$114,869	$563,081	$11,419,497	$7,674,232	$37,911,648
11	$6,338,771	$4,811,126	$2,666,234	$4,686,638	$117,166	$574,343	$11,647,887	$7,827,716	$38,669,881
12	$6,465,546	$4,907,349	$2,719,559	$4,780,370	$119,509	$585,830	$11,880,844	$7,984,271	$39,443,278
13	$6,594,857	$5,005,496	$2,773,950	$4,875,978	$121,899	$597,546	$12,118,461	$8,143,956	$40,232,144
14	$6,726,754	$5,105,606	$2,829,429	$4,973,497	$124,337	$609,497	$12,360,830	$8,306,835	$41,036,787
15	$6,861,290	$5,207,718	$2,886,017	$5,072,967	$126,824	$621,687	$12,608,047	$8,472,972	$41,857,522
16	$6,998,515	$5,311,872	$2,943,738	$5,174,427	$129,361	$634,121	$12,860,208	$8,642,431	$42,694,673
17	$7,138,486	$5,418,110	$3,002,612	$5,277,915	$131,948	$646,803	$13,117,412	$8,815,280	$43,548,566
18	$7,281,255	$5,526,472	$3,062,665	$5,383,473	$134,587	$659,739	$13,379,760	$8,991,586	$44,419,538
19	$7,426,880	$5,637,001	$3,123,918	$5,491,143	$137,279	$672,934	$13,647,356	$9,171,417	$45,307,928
20	$7,575,418	$5,749,741	$3,186,396	$5,600,966	$140,024	$686,393	$13,920,303	$9,354,846	$46,214,087
Total									$701,527,684

Source: Canyon Research Southwest, Inc.

Estimated STAR Bond Revenues
Downtown Salina District

			STAR Bond				Total
Year	Retail Sales	Lodging Sales	State 6.50%	County 0.6027%	City 1.25%	Lodging 6.58%	STAR Bond Revenue
1	$5,200,000	$0	$338,000	$31,340	$65,000	$0	$434,340
2	$7,504,770	$0	$487,810	$45,231	$93,810	$0	$626,851
3	$22,132,545	$4,106,250	$1,438,615	$133,393	$276,657	$270,191	$2,118,856
4	$29,129,394	$4,188,375	$1,893,411	$175,563	$364,117	$275,595	$2,708,686
5	$32,449,059	$4,272,143	$2,109,189	$195,570	$405,613	$281,107	$2,991,480
6	$34,443,098	$4,357,585	$2,238,801	$207,589	$430,539	$286,729	$3,163,658
7	$35,724,992	$4,444,737	$2,322,124	$215,315	$446,562	$292,464	$3,276,465
8	$36,439,492	$4,533,632	$2,368,567	$219,621	$455,494	$298,313	$3,341,994
9	$37,168,282	$4,624,304	$2,415,938	$224,013	$464,604	$304,279	$3,408,834
10	$37,911,648	$4,716,791	$2,464,257	$228,494	$473,896	$310,365	$3,477,011
11	$38,669,881	$4,811,126	$2,513,542	$233,063	$483,374	$316,572	$3,546,551
12	$39,443,278	$4,907,349	$2,563,813	$237,725	$493,041	$322,904	$3,617,482
13	$40,232,144	$5,005,496	$2,615,089	$242,479	$502,902	$329,362	$3,689,832
14	$41,036,787	$5,105,606	$2,667,391	$247,329	$512,960	$335,949	$3,763,629
15	$41,857,522	$5,207,718	$2,720,739	$252,275	$523,219	$342,668	$3,838,901
16	$42,694,673	$5,311,872	$2,775,154	$257,321	$533,683	$349,521	$3,915,679
17	$43,548,566	$5,418,110	$2,830,657	$262,467	$544,357	$356,512	$3,993,993
18	$44,419,538	$5,526,472	$2,887,270	$267,717	$555,244	$363,642	$4,073,873
19	$45,307,928	$5,637,001	$2,945,015	$273,071	$566,349	$370,915	$4,155,350
20	$46,214,087	$5,749,741	$3,003,916	$278,532	$577,676	$378,333	$4,238,457
Totals	$701,527,684	$87,924,308	$45,599,299	$4,228,107	$8,769,096	$5,785,419	$64,381,922

Source: Canyon Research Southwest, Inc.; May 2016.

Supportable Bond Debt Estimates

The STAR Bond funding capacity of the Downtown Salina District was quantified through calculating the net present value of the annual Sales Tax Special Obligation Bond ("STAR") revenues throughout the 20-year maturity of the district. This report assumed that all STAR bond revenue would be used to pay bond debt. The net present value was calculated using a debt coverage ratio of 1.25 and a discount ("yield") rate of 5.0 percent. The discount rate was based on current 20-year municipal bond yields averaging 2.65 percent to 3.30 percent nationally for A to AAA rated bonds and recent municipal bond sales in Kansas with 20-year maturities at yields of 3.375 percent to 5.0 percent.

The District's total project costs are estimated at approximately $150 million with STAR Bond reimbursable project costs for Phase 1 estimated at approximately $21 million. Throughout the statutory 20-year STAR bond maturity period the net Sales Tax Special Obligation Bond revenues generated by the District of $64 million are sufficient to fully satisfy approximately $29 million in bond debt. Therefore, the District is forecast to generate sufficient Sales Tax Special Obligation Bond revenues to pay for the project costs.

Supportable STAR Bond Debt Estimates
Downtown Salina District

Year	Estimated STAR Bond Revenue	Less: Adm. Costs 2%	Net STAR Bond Proceeds	Debt Coverage 1.25	Present Value 5.0%	Net Present Value
1	$434,340	$8,687	$425,653	$340,523	0.95238	**$324,307**
2	$626,851	$12,537	$614,314	$491,451	0.90703	**$445,761**
3	$2,118,856	$42,377	$2,076,479	$1,661,183	0.86384	**$1,434,996**
4	$2,708,686	$54,174	$2,654,512	$2,123,610	0.82270	**$1,747,094**
5	$2,991,480	$59,830	$2,931,650	$2,345,320	0.78353	**$1,837,629**
6	$3,163,658	$63,273	$3,100,385	$2,480,308	0.74622	**$1,850,855**
7	$3,276,465	$65,529	$3,210,936	$2,568,749	0.71068	**$1,825,558**
8	$3,341,994	$66,840	$3,275,154	$2,620,123	0.67684	**$1,773,404**
9	$3,408,834	$68,177	$3,340,657	$2,672,526	0.64461	**$1,722,737**
10	$3,477,011	$69,540	$3,407,471	$2,725,977	0.61391	**$1,673,504**
11	$3,546,551	$70,931	$3,475,620	$2,780,496	0.58468	**$1,625,700**
12	$3,617,482	$72,350	$3,545,132	$2,836,106	0.55684	**$1,579,257**
13	$3,689,832	$73,797	$3,616,035	$2,892,828	0.53032	**$1,534,125**
14	$3,763,629	$75,273	$3,688,356	$2,950,685	0.50507	**$1,490,303**
15	$3,838,901	$76,778	$3,762,123	$3,009,698	0.48102	**$1,447,725**
16	$3,915,679	$78,314	$3,837,365	$3,069,892	0.45811	**$1,406,348**
17	$3,993,993	$79,880	$3,914,113	$3,131,291	0.43630	**$1,366,182**
18	$4,073,873	$81,477	$3,992,396	$3,193,916	0.41552	**$1,327,136**
19	$4,155,350	$83,107	$4,072,243	$3,257,794	0.39573	**$1,289,207**
20	$4,238,457	$84,769	$4,153,688	$3,322,950	0.37689	**$1,252,387**
Totals	$64,381,922	$1,287,638	$63,094,284	$50,475,427		$28,954,216

Source: Canyon Research Southwest, Inc.; May 2016.

ADDENDA

EXHIBIT A

Canyon Research Southwest, Inc., Client Roster

CLIENT ROSTER

During its period of operation, Canyon Research Southwest, Inc. has provided real estate consulting services for a number of leading organizations including:

Abigail Properties
American Furniture Warehouse
Arizona State Land Department
Aspen Enterprises
Bain & Company, Inc. (Boston, Massachusetts)
Bashas' Markets
Belz-Burrow (Jonesboro, Arkansas)
Biskind, Hunt & Taylor, PLC
Bridgeview Bank Group
Browning-Ferris Industries
Cameron Group (Syracuse, New York)
Cass County, Missouri
Cavan Real Estate Investments
D.J. Christie, Inc. (Overland Park, Kansas)
Church of Jesus Christ of Latter Day Saints
Circle G Development
City of Belton, Missouri
City of St. Charles, Missouri
City of Duncan, Oklahoma
City of Fenton, Missouri
City of Glendale Economic Development Department
City of Independence, Missouri
City of Lee's Summit, Missouri
City of Liberty, Missouri
City of Newton, Kansas
City of Osage Beach, Missouri
City of Mesa Economic Development Department
City of Mesa Real Estate Services
City of Moore, Oklahoma
City of Norman, Oklahoma
City of Phoenix Economic Development Department
City of Phoenix Real Estate Department
City of St. Charles, Missouri
City of Tucson Community Services Department
City of Warsaw, Missouri
Dial Realty (Omaha, Nebraska and Overland Park, Kansas)
Danny's Family Car Wash
DMB Associates
DMJM Arizona Inc.
EDAW, Inc. (Denver, Colorado)
Gilded Age (St. Louis, Missouri)
W.M. Grace Development
Greystone Group (Newport Beach, California)
Hanford/Healy Advisory Company

Heritage Bank (Louisville, Colorado)
Holiday Hospitality Corporation (Atlanta, Georgia)
Jorden & Bischoff, PLC
JPI Development
Kaiser Permanente (Oakland, California)
Landmark Organization (Austin, Texas)
Lee's Summit Economic Development Council (Lee's Summit, Missouri)
Lewis and Roca
Lowe's Companies, Inc. (West Bloomfield, MI)
Lund Cadillac
Marriott International, Inc. (Washington, D.C.)
AJ Martinez & Associates (Prescott, Arizona)
MCO Properties
Meritage Homes
Metropolitan Housing Corporation (Tucson, Arizona)
Monterey Homes
Mountain Funding (Charlotte, North Carolina)
Navajo Nation Division of Economic Development
Opus Northwest Corporation
Opus West Corporation
Pederson Group, Inc.
Phelps Dodge Corporation
Piper Jaffray (Kansas City, Missouri)
Pivotal Group
Pulte Home Corporation
Pulte Homes of Greater Kansas City
Pyramid Development (St. Louis, Missouri)
Ralph J. Brekan & Company
RED Development (Kansas City, Missouri)
R.H. Johnson & Company (Kansas City, Missouri)
River Run Development (Boise, Idaho)
Royal Properties (Champaign, Illinois)
Salt River Project
Steiner + Associates, Inc. (Columbus, Ohio)
Summit Development Group (St. Louis, Missouri)
SWD Holdings (San Francisco, California)
The Innova Group Tucson (Tucson, Arizona)
The University of Arizona Department of Economic Development (Tucson, Arizona)
The University of Arizona Medical Center (Tucson, Arizona)
Trammell Crow Residential
Union Homes (Salt Lake City, Utah)
Unified Government of Wyandotte County and City of Kansas City, Kansas
Wal-Mart, Inc. (Bentonville, Arkansas)
Waste Management
Wells Fargo Bank NA
Weststone Properties
Widewaters (Syracuse, NY)
Yavapai-Apache Nation (Camp Verde, Arizona)
Zaremba Group (Atlanta, Georgia)

EXHIBIT B

Canyon Research Southwest, Inc.
List of Public Financing Projects

Canyon Research Southwest, Inc. has performed feasibility studies for TIF, TDD and STAR Bond redevelopment areas throughout the United States, a sample of which is listed below:

Tax Increment Financing

- Island Crossings Shopping Center in St. Croix, USVI;
- 718,406 square foot SummitWoods Crossing in Lee's Summit, Missouri;
- 457,250 square foot Antioch Center in Kansas City, Missouri;
- 579,980 square foot Blue Ridge Mall Redevelopment in Kansas City, Missouri;
- Old Orchard TIF District in Webster Groves, Missouri;
- 724,333 square foot Gravois Bluffs East & West in Fenton, Missouri;
- 519,295 square foot Prewitt Point in Osage Beach, Missouri;
- 1,073,743 square foot Branson Hills Shopping Center in Branson, Missouri;
- 398,100 square foot Belton Town Centre in Belton, Missouri;
- Highway 7 Corridor TIF District in Blue Springs, Missouri;
- Liberty Triangle in Liberty, Missouri;
- 106-acre Tuscany Village mixed-use development in St. Joseph, Missouri;
- 675,960 square foot Shoppes at North Village in St. Joseph, Missouri;
- 29th Street & Highway 69 Bypass TIF District in Pittsburg, Kansas;
- North Southgate Center in Olathe, Kansas;
- 230,860 square foot Venture Shopping Center in Roeland Park, Kansas;
- 175,072 square foot North Broadway in Pittsburg, Kansas;
- 89,850 square foot Maryville Town Center in Maryville, Missouri;
- 119,390 square foot Harrisonville Center in Harrisonville, Missouri;
- Highway 61 Redevelopment Area in Moscow Mills, Missouri;
- 435-acre West 370 TIF District in St. Charles, Missouri;
- 115,904 South U.S. 65 TIF in Chillicothe, Missouri; and
- Briarcliff West RPA 9, 22 and 36 in Kansas City, Missouri.

STAR Bonds

- 571,400 square foot The Legends at Village West in Kansas City, Kansas;
- 400-acre Kansas City Tourism District in Kansas City, Kansas;
- Downtown Manhattan, Kansas Redevelopment Area;
- East Bank Redevelopment District in downtown Wichita;
- Prairiefire at Lionsgate in Overland Park, Kansas;
- The Gateway, a 26.5 acre redevelopment of the Mission Center in Mission, Kansas;
- K-96 and Greenwich Project District in Wichita, Kansas;
- Caban Marketplace in Bel Aire, Kansas;
- Olympic Park in Goddard, Kansas;
- Dodge City STAR Bond District in Dodge City, Kansas;
- Chisholm Crossing, a 33-acre development in Wichita, Kansas;
- Kansas University Medical Center in Kansas City, Kansas;
- Overland Park Sports Arena and Entertainment District in Overland Park, Kansas; and
- Brookridge STAR Bond District in Overland Park, Kansas

EXHIBIT C

Resume of Eric S. Lander, Principal
Canyon Research Southwest, Inc.

ERIC S. LANDER

EDUCATION

In 1981, Mr. Lander received a B.S. in Marketing from the Arizona State University College of Business Administration, receiving honors status for his superior cumulative grade point average. In 1992, Mr. Lander received a Masters in Real Estate Development and Investment from New York University, graduating with honors.

BUSINESS EXPERIENCE

Canyon Research Southwest, Inc.
President (October 1984 to Present)

Established Canyon Research Southwest, Inc. as a multi-disciplined real estate consulting firm designed to provide comprehensive research and analysis to the development, financial, investment, and municipal communities. Responsibilities include direct marketing, project management, staffing, and client relations. The firm has performed in excess of 400 major consulting assignments with over 75 local and national clients. Fields of expertise include market and feasibility analysis of large-scale master planned communities, freeway oriented mixed-use projects, retail centers, office complexes, business parks, and hotels. Additional services include fiscal impact studies, property valuation, and development plan analysis.

Mountain West Research
Associate (December 1988 to January 1990)
Senior Consultant (October 1983 to October 1984)

Mr. Lander assisted in managing the Commercial Real Estate Services Division of Mountain West, Arizona's largest real estate and economic development consulting firm. Responsibilities included direct marketing, personnel management, client relations, and consulting on large-scale commercial, office, industrial, and hotel projects. Also contributed to several real estate publications and assisted in the management and marketing of the firm's commercial, office, and industrial (COI) data base.

Iliff, Thorn & Company
Marketing Assistant (January 1982 to December 1983)

Joined Iliff, Thorn & Company during its infancy and became solely responsible for providing in-house marketing support services to its commercial real estate brokers. These services included demographic research, office/industrial/retail market studies, raw land sales packages, site selection analysis, client relations, and property research. Major accomplishments included establishing and implementing office and industrial absorption studies, devised central office market and available raw land files, and organized the development of an industrial/retail map. Also, during this time, Mr. Lander obtained a real estate sales license and became involved in commercial brokerage activities.

RANGE OF EXPERIENCE

In 1987, Mr. Lander, in cooperation with the Drachman Institute of Regional Land Planning, published a working paper titled "Land Development as Value Added in the Development Process and Appropriate Criteria to Rank Sites for Selection of Master Planned Satellite Communities." Since the publication of this working paper, Mr. Lander has conducted numerous market feasibility studies on existing and proposed, large-scale, master planned communities in the Southwestern United States, totaling over 80,000 acres. The working paper was also evaluated and utilized by such prestigious universities as Harvard, M.I.T. and the University of North Carolina as part of their Masters program in Real Estate, City and Regional Planning, and Business.

Mr. Lander is an instructor with the Commercial Real Estate Institute, teaching classes in Market Analysis, Commercial Property Valuation and Land Valuation.

Developed a model designed to evaluate and rank the development potential of freeway interchanges. The methodology for ranking freeway properties is based on a list of 25 criteria which provide a framework to efficiently compare the strengths and weaknesses of various freeway sites. Seven (7) criteria have been established which apply to metropolitan area economic base and real estate market, five (5) criteria evaluate the region influenced by the presence of the freeway in question, and thirteen (13) interchange and site-specific criteria are aimed at determining future real estate development opportunities. This model has been utilized in evaluating freeway-oriented, mixed-use projects anchored by regional malls, business parks, office complexes, and hotels.

Mr. Lander has provided consulting services on downtown redevelopment and historic preservation efforts. Recent examples include a heritage tourism study for the Erie Canal terminus in Buffalo, New York; evaluation of potential office, retail, hotel and arena development in the downtown areas of Glendale and Mesa, Arizona; retail market evaluation and redevelopment plan for downtown Warsaw, Missouri; a downtown master plan for downtown Lee's Summit, Missouri; and a redevelopment plan for the 24 Highway Corridor in Independence, Missouri.

Mr. Lander has conducted *TIF and TDD Revenue Projections* for a variety of large-scale retail projects in Missouri and Kansas. Tax Increment Financing and Transportation Development Districts are government-backed funding mechanisms designed to finance project-specific public infrastructure improvement. Funded is provided via the issue and sale of bonds. In the case of Tax Increment Financing the bonds are repaid with incremental increases in property tax and sales tax revenue generated by the designated redevelopment area. Transportation Development Districts involve the levy of an additional sales tax on businesses operating within the redevelopment area.

Mr. Lander has conducted *STAR Bond Feasibility and Market Studies* on several proposed developments in Kansas, including the Kansas City Tourism District, Legends at Village West, Kansas City Research & Medical Campus, and Rosedale Station Shopping Center. The *Market Study* evaluates the market positioning, market demand, short-term development potential, and economic impact for the proposed Redevelopment District. Meanwhile, the *Feasibility Study* provides a STAR Bond revenue vs. costs comparison to determine the ability of the Redevelopment District to cover debt service for the projected STAR Bond obligations throughout the bond maturity period.

EXHIBIT I

STAR BOND FINANCING PROFORMA

Year	Estimated STAR Bond Revenue	Less: Adm. Costs 2%	Net STAR Bond Proceeds	Debt Coverage 1.25	Present Value 5.0%	Net Present Value
1	$434,340	$8,687	$425,653	$340,523	0.95238	**$324,307**
2	$626,851	$12,537	$614,314	$491,451	0.90703	**$445,761**
3	$2,118,856	$42,377	$2,076,479	$1,661,183	0.86384	**$1,434,996**
4	$2,708,686	$54,174	$2,654,512	$2,123,610	0.82270	**$1,747,094**
5	$2,991,480	$59,830	$2,931,650	$2,345,320	0.78353	**$1,837,629**
6	$3,163,658	$63,273	$3,100,385	$2,480,308	0.74622	**$1,850,855**
7	$3,276,465	$65,529	$3,210,936	$2,568,749	0.71068	**$1,825,558**
8	$3,341,994	$66,840	$3,275,154	$2,620,123	0.67684	**$1,773,404**
9	$3,408,834	$68,177	$3,340,657	$2,672,526	0.64461	**$1,722,737**
10	$3,477,011	$69,540	$3,407,471	$2,725,977	0.61391	**$1,673,504**
11	$3,546,551	$70,931	$3,475,620	$2,780,496	0.58468	**$1,625,700**
12	$3,617,482	$72,350	$3,545,132	$2,836,106	0.55684	**$1,579,257**
13	$3,689,832	$73,797	$3,616,035	$2,892,828	0.53032	**$1,534,125**
14	$3,763,629	$75,273	$3,688,356	$2,950,685	0.50507	**$1,490,303**
15	$3,838,901	$76,778	$3,762,123	$3,009,698	0.48102	**$1,447,725**
16	$3,915,679	$78,314	$3,837,365	$3,069,892	0.45811	**$1,406,348**
17	$3,993,993	$79,880	$3,914,113	$3,131,291	0.43630	**$1,366,182**
18	$4,073,873	$81,477	$3,992,396	$3,193,916	0.41552	**$1,327,136**
19	$4,155,350	$83,107	$4,072,243	$3,257,794	0.39573	**$1,289,207**
20	$4,238,457	$84,769	$4,153,688	$3,322,950	0.37689	**$1,252,387**
Totals	$64,381,922	$1,287,638	$63,094,284	$50,475,427		$28,954,216

Source: Canyon Research Southwest, Inc.; May 2016.

EXHIBIT J

MEETINGS AND MINUTES

(SEE ATTACHED)

Consolidated-Salina EPN111155

CITY OF SALINA, KANSAS
REGULAR MEETING OF THE BOARD OF COMMISSIONERS
May 18, 2015
4:00 p.m.

The City Commission convened at 2:30 p.m. for Community Engagement and at 3:45 p.m. for Citizens Forum.

The Regular Meeting of the Board of Commissioners was called to order at 4:00 p.m. in Room 107, City-County Building. Roll call was taken followed by the Pledge of Allegiance and a moment of silence.

Those present and comprising a quorum: Mayor Jon R. Blanchard (presiding), Commissioners Kaye Crawford, Trent Davis, Randall Hardy, and Karl Ryan.

Also present: Jason. Gage, City Manager; Michael Schrage, Deputy City Manager; Greg Bengtson, City Attorney; and Shandi Wicks, City Clerk.

AWARDS AND PROCLAMATIONS

(3.1) The day of May 21, 2015 as "Red Nose Day" in the city of Salina. Amanda Michaelis, Salina Area United Way Executive Director, read the proclamation and announced events associated with Red Nose Day.

(3.2) The day of May 23, 2015 as "Poppy Day" in the city of Salina. Sue Herrman, Vice-President, American Legion Auxiliary, read the proclamation and announced upcoming events.

(3.3) The week of May 17-23, 2015 as "National Public Works Week" in the city of Salina. John Smutz with the Public Works Department, read the proclamation and announced upcoming events.

(3.4) The month of May, 2015 as "Allie's Month of Remembrance" in the city of Salina. Megan Kappelman read the proclamation. Mayor Blanchard thanked the youth of Salina for coming together following this tragedy.

CITIZEN FORUM

None.

PUBLIC HEARINGS AND ITEMS SCHEDULED FOR A CERTAIN TIME

(5.1) Public hearing on the 2014 special assessment projects.

(5.1a) Second reading Ordinance No. 15-10772 levying special assessments for infrastructure improvements.

Commissioner Ryan recused himself due to a conflict of interest

Mayor Blanchard opened the public hearing.

Dan Stack, City Engineer, explained the projects, total costs and funding.

Mayor Blanchard asked if the warranty on the street improvements had expired and if so, was the developer intending to fix the cracks. Mr. Stack responded by stating that the warranty had expired and staff contacted the developer to repair the cracks within the

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streets prior to expiration of the warranty.

Mayor Blanchard asked when the warranty permit started. Mr. Stack responded by stating that the warranty starts upon the substantial completion date of the project and the official acceptance of the improvement.

Mayor Blanchard asked if the repairs occurred prior to the acceptance of the improvements, would the repair cost be added to the allocation of specials. Jason Gage, City Manager, responded by stating that the cost of the repair would be paid by the developer.

Ray Hruska, 235 N. Santa Fe, stated he was confused about the context of the matter and would like additional information. Mayor Blanchard read a portion of the blue sheet to Mr. Hruska explaining what the agenda item was about.

There being no further comments the public hearing was closed.

15-0191 Moved by Commissioner Crawford, seconded by Commissioner Davis, to adopt Ordinance No. 15-10772 levying special assessments for infrastructure improvements on second reading. A roll call vote was taken. Aye: (4) Crawford, Davis, Hardy, Blanchard. Nay: (0). Motion carried.

Commissioner Ryan returned.

(5.2) Public hearing on the Sales Tax Revenue (STAR) Bond District.

(5.2a) First reading Ordinance No. 15-10775.

Mayor Blanchard opened the public hearing.

Michael Schrage, Deputy City Manager, explained the district, project and the letter received from the Kansas Department of Commerce.

Gary Anderson, Gilmore & Bell, reviewed the process of the district formation, and approval of the project plan.

Commissioner Crawford asked when step two was planned to come back to the City Commission. Mr. Anderson stated that it was currently up in the air.

Commissioner Davis asked where the money for the costs incurred so far was coming from in the budget. Mr. Schrage responded by stating that the money was coming from the general fund.

Commissioner Davis asked if the sales tax base would still be going into the general fund. Mr. Schrage responded by stating that the sales tax base would continue to go into the general fund and the increment increase would go into a special fund. Jason Gage, City Manager, stated that there would not be an increase to the mill levy which would affect the entire city.

John Peterson, Polsinelli Law Group, Overland Park, on behalf of Salina, 2020, Inc., introduced a few members of the Salina 2020, Inc. and provided information on the formation of the project.

Commissioner Hardy asked if the Polsinelli Law Group had been involved in STAR/TIF Bond projects prior to this project. Mr. Peterson provided a list of projects his law firm had worked on in the past.

Ray Hruska, 235 N. Santa Fe, congratulated the elected and re-elected members of the City Commission and provided his thoughts on the creation of the district.

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Andrew Braum, 207 S. Third, asked how it was going to affect the low income individuals that live within the district. Mr. Gage responded by stating that just because the property was within the district did not mean that the property was going to be developed.

Mr. Braum also asked if he would receive additional mailings in the future regarding this project. Mr. Gage stated that the property owners and tenants within the district would continue to receive additional mailings regarding the project.

William Hall, USD No. 305, stated that the presentation provided by Mr. Gage and Salina 2020, Inc. to the School Board was appreciated and thanked them for answering all the questions of the board.

There being no further comments the public hearing was closed.

Mayor Blanchard stated that it was his understanding that STAR Bond Districts were active for a twenty year period. Mr. Anderson responded by stating that once the district was formed, the maximum district timeframe was twenty years but could be shorted depending on the project.

Mayor Blanchard asked if the district size was typical. Mr. Anderson responded by stating that there were two types of districts and continued to explain the district types.

Mayor Blanchard asked if STAR Bond funds were eligible for needed maintenance and up keeping. Mr. Anderson, responded by stating that the initial construction was the only thing that was eligible for use of the STAR Bond funds.

Mayor Blanchard asked if there were typical downsides to the formation of the district. Mr. Anderson responded by stating that properties could be added or removed from the district but notice mailings would need to be mailed for properties added to the district.

Mayor Blanchard asked how the sales tax base was formed. Mr. Anderson responded by stating that the base was formed upon the formation of the district.

Mayor Blanchard asked if public input process would be anticipated at the time of the project plan. Mr. Peterson responded by stating that there would be individual public hearing times set for the project plans.

Mayor Blanchard asked if design and engineering fees would be covered under the STAR Bond District. Mr. Anderson responded by stating that design and engineering fees would be covered by the district funds.

Mr. Schrage noted that the $50,000-$100,000 amounts listed in the blue sheet were estimated review costs.

15-0192 Moved by Commissioner Hardy, seconded by Commissioner Crawford, to pass Ordinance No. 15-10775 on first reading. Aye: (5). Nay: (0). Motion carried.

(5.3) Public hearing on the Tax Increment Financing (TIF) District.

(5.3a) First reading Ordinance No. 15-10776.

Mayor Blanchard opened the public hearing.

Michael Schrage, Deputy City Manager, explained the district and project.

Jason Gage, City Manager, explained that the City Commission had choices and flexibility for the TIF District.

Mayor Blanchard asked if the property values for the residential properties within the district would change. Mr. Gage responded by stating that it would be hard to tell if the property values would change.

A conversation ensued between Mayor Blanchard and Mr. Gage regarding the marketing aspect of the district and the changes of the property values within the district.

There being no further comments the public hearing was closed.

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15-0193 Moved by Commissioner Hardy, seconded by Commissioner Davis, to pass Ordinance No. 15-10776 on first reading. Aye: (5). Nay: (0). Motion carried.

CONSENT AGENDA

(6.1) Approve the minutes of April 11, 2015.

(6.2) Approve Change Order No. 3 for the following Specialty Contractor Agreements: Drilling Support-Site Wide Remedial Investigation to Environmental Priority Services, Inc., in the amount of $5,820.00 (Revised Agreement Amount $165,297.00); and Drilling Support-Site Wide Remedial Investigation to GeoCore, Inc., in the amount of $4,056.20 (Revised Agreement Amount $115,357.60)

15-0194 Moved by Commissioner Crawford, seconded by Commissioner Ryan, to approve the consent agenda as presented. Aye: (5). Nay: (0). Motion carried.

ADMINISTRATION

(7.1) Award of contract for the Ohio Street Improvements, Elm Street to North Street, Project No. 14-3039.

Greg Bengtson, City Attorney, requested that the Commission recess into an executive session to discuss the project.

15-0195 Moved by Commissioner Ryan, seconded by Commissioner Hardy, to recess into executive session for 15 minutes to discuss matters pertaining to the acquisition of real estate for the reason that public discussion of the matter would adversely affect the City's position in relation to acquisition of the real estate and reconvene at 5:45 p.m.

The City Commission recessed into executive session at 5:30 p.m. and reconvened at 5:45 p.m. No action was taken.

Dan Stack, City Engineer, explained the bids received, the project scope and project budget.

Commissioner Hardy asked if there was an allowance for inclement weather with the completion project being on December 18, 2015. Mr. Stack responded by stating that there were portions of the job that could be done during the colder weather season. The contractor projected that a majority of the project would be completed by Thanksgiving.

Commissioner Hardy asked if the completion date was established by staff or the contractor. Mr. Stack responded by stating that staff established the completion date.

Commissioner Davis asked if school district staff had notified the parents of the project. Mr. Stack responded by stating that once the project was awarded and the phases of the project were determined, staff would notify the school district.

Mayor Blanchard asked if the box culvert would accommodate for a trail underneath. Mr.

Stack responded by stating that the culvert would be too narrow and would contain water.

Jason Gage, City Manager, asked Mr. Stack for clarification of the funding of the project. Mr. Stack responded by stating that the remaining $250,000 would come out of Gas Tax funds.

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15-0196 Moved by Commissioner Ryan, seconded by Commissioner Davis, to award the contract for Ohio Street Improvements, Elm Street to North Street, Project No. 14-3039 to Pavers, Inc. in the amount of $1,935,107.04 with a 4.3% contingency ($83,000). Aye: (5). Nay: (0). Motion carried.

(7.2) Resolution No. 15-7239 setting the date for public hearing to consider whether a certain structure shall be condemned and ordered demolished or repaired.

Jim Brown, Building Official, explained the building official report and the background for the need to start the process over on this property.

Commissioner Hardy asked if the court documents filed in Butler County would automatically be forwarded to Saline County. Greg Bengtson, City Attorney, stated that the court documents from Butler County typically would need to be filed in Saline County.

Commissioner Crawford asked if the son would be notified of the new public hearing date as well. Mr. Brown stated that all three children would be notified.

Mayor Blanchard asked if staff had addresses for the daughters. Mr. Brown responded by stating that staff did have the mailing addresses for all three children.

Mayor Blanchard asked what would happen to the original resolution adopted. Mr. Bengtson stated that it would be more appropriate to bring the original resolution back after the public hearing on July 6, 2015 for action.

Mr. Gage stated that from a staff perspective, staff would not follow through with the demolition due to the new action that took place today.

Mr. Bengtson stated that the Commission could suspend the original Resolution No. 15-7200 today with a separate motion.

15-0197 Moved by Commissioner Davis, seconded by Commissioner Hardy, to adopt Resolution No. 15-7239 setting July 6, 2015 as the public hearing date for the dangerous structure located at 120 N. 2nd. Aye: (5). Nay: (0). Motion carried.

15-0198 Moved by Commissioner Davis, seconded by Commissioner Ryan, to suspend Resolution No. 15-7200 regarding property located at 120 N. 2nd. Aye: (5). Nay: (0). Motion carried.

(7.3) Resolution No. 15-7238 amending Resolution No. 15-7186 and repealing Resolution No. 15-7232 allowing for an additional 17 days for completion of the permitted demolition work at 500 E. Pacific.

Gary Hobbie, Director of Development Services, explained the request.

15-0199 Moved by Commissioner Davis, seconded by Commissioner Hardy, to adopt Resolution No. 15-7238 amending Resolution No. 15-7186 and repealing Resolution No. 15-7232 allowing for an additional 17 days for the completion of permitted work at 500 East Pacific until June 1, 2015. Aye: (5). Nay: (0). Motion carried.

(7.4) First reading Ordinance No. 15-10771 adopting the new Chapter 13 of the Salina Code pertaining to equal opportunity and repealing the existing Chapter 13.

Gina McDonald, Director of Community Relations, explained the changes to Chapter 13.

Commissioner Davis asked if one of the three Human Relations commissioners reviewing cases requested legal counsel and the director did not feel it was needed, would it still be provided. Ms. McDonald responded by stating that a commissioner could request the need for legal counsel.

Commissioner Crawford stated that she went through the changes extensively and felt that addition of the third commissioner reviewing cases would be a big benefit.

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15-0200 Moved by Commissioner Davis, seconded by Commissioner Crawford, to pass Ordinance No. 15-10771 on first reading adopting the new Chapter 13 of the Salina Code pertaining to equal opportunity and repealing the existing Chapter 13.

Commissioner Crawford asked if the ordinance had been sent to HUD for approval. Ms. McDonald responded by stating that the ordinance would be sent to HUD for approval. Greg Bengtson, City Attorney, provided information regarding the need for HUD's approval.

Aye: (5). Nay: (0). Motion carried.

DEVELOPMENT BUSINESS

(8.1) Application #P15-1/1A to consider acceptance of offered easement and access control dedications on a final plat of an unplatted 31,920 sq. ft tract of land on the west side of South Broadway Boulevard (to be platted and known as the Broadway Addition) with the subject property located on the west side of Broadway Boulevard between Walnut Street and South Street and is addressed as 230 South Broadway Boulevard.

Dean Andrew, Director of Planning, explained the request, easement and dedications and Planning Commission recommendation.

Commissioner Hardy asked if the Commission would need to look at the land use plan today or at a later date. Mr. Andrew stated that it could be looked at today if the Commission wished.

Mayor Blanchard stated that there were a lot of issues going on, but the action today was to look at the easement. Mr. Andrew responded by stating that the action today was to accept the offered easement and access control dedications on the final plat.

Michael Schrage, Deputy City Manager, stated that the ten properties would need to be down zoned to another classification which would make the properties non-conforming to the zoning district.

A conversation ensued between the Commission, Mr. Andrew and Jason Gage, City Manager, regarding the designation of urban residential and the individual categories of urban residential.

Mayor Blanchard asked if Broadway Boulevard was considered an impact street. Mr. Andrew responded by stating that the intersection of Broadway and Crawford was an impact intersection but State Street was not designated as a designated road to enter into

Salina.

A conversation ensued between the Commission and Mr. Andrew regarding the zoning of Broadway Boulevard and uses within the district.

Mr. Schrage stated that Broadway was an impact street but State Street was not designated as a gateway area.

Mayor Blanchard asked if there was a possibility to have a gateway overlay district created requiring properties to have paved driveways and front yard landscaping. Mr. Andrew responded by stating that the creation was possible.

Warren Ediger, 631 E. Crawford, Suite 211, stated that the item before the Commission was for acceptance of the easement, explained the plan for the development of the lot and challenged the Commission to drive the area to look at the properties in the area.

Mayor Blanchard asked what the situation was that happened at the north end of the lot. Mr. Ediger stated that the entrance would be off of Broadway and there was not a plan to connect it to Cedar Street.

Mayor Blanchard asked if the applicant had applied for a building permit. Mr. Ediger stated that the building permit was waiting on today's action.

Mayor Blanchard asked if the applicant would consider front yard landscaping. Mr. Ediger stated that he would talk to the property owner, but noted that it was an option in I-2 zoning.

A conversation ensued between the City Commission and Mr. Andrew regarding the vision of the corridor and the zoning of the area.

Mr. Gage stated that the Salina Code Section 36-55 "Review by the board of commissioners" would need to be updated in accordance with the Kansas Statutes.

Commissioner Hardy asked if down zoning after approving the easement would cause problems in the future. Mr. Gage responded by stating that the issue would need to be looked at closely before down zoning took place.

15-0201 Moved by Commissioner Ryan, seconded by Commissioner Crawford, to authorize the Mayor to sign the Broadway Addition plat and to accept the easement and restricted access dedications on behalf of the City including the following four conditions: 1.) Access to Lot One (1) shall be limited to one curb cut on Broadway Boulevard depicted on the final plat. Restricted access shall be dedicated and shown along the remaining Broadway Boulevard frontage; 2.) The street along the north boundary of Lot One (1) shall be labeled as Cedar Street; 3.) A final site plan and Zoning Certificate shall be approved for Lot One (1) prior to commencing construction of any site improvements; 4.) All technical corrections in staff's corrections punch-list, including the addition of a drainage easement for the proposed detention basin, shall be made to the final plat drawing prior to City Commission consideration of the final plat. Aye: (5). Nay: (0). Motion carried.

(8.2) Application #A15-1 (filed by Bill Cooke on behalf of Webster Conference Center) requesting annexation of the Webster Conference Center site in order to allow the conference center to connect to the City of Salina's sanitary sewer collection system with the subject property located on the west side of North Ohio Street north of I-70 and contains 70 acres.

(8.2a) First reading Ordinance No. 15-10774.

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Dean Andrew, Director of Planning, explained the request.

Commissioner Davis asked if only part of the property was requested for annexation and how would the fire services be handled. Mr. Andrew stated that only a portion of the property was requested for annexation and stated that a portion of the property would be serviced by the Salina Fire Department and the other portion serviced by the Rural Fire District.

Commissioner Davis asked if there was a negative impact to annexing the property. Mr. Andrew stated that the negative would be the inability to service the property unlike properties within the city proper. Martha Tasker, Director of Utilities, stated that there would be a connection fee to connect and a monthly service fee.

Mayor Blanchard asked if there were other private lines connected into the City's sewer line. Ms. Tasker responded by stating that there were additional properties connected.

Mayor Blanchard asked if the line would be metered and if the meter would notify if a breach would happen. Ms. Tasker stated that a meter would be installed and the line would dump into the pump station located by the truck stop. Staff would be able to determine where the breach was by the use of the timed meters installed.

Mayor Blanchard asked if KDHE offered other alternatives. Ms. Tasker responded by stating that they do have additional options but they are a more expensive option.

Mayor Blanchard asked if there would be an RV dump area. Ms. Tasker stated that staff and the applicant had not discussed that yet.

Bill Cooke, Executive Director for Webster Conference Center, explained that he had looked at the options available and thanked staff for all their work.

15-0202 Moved by Commissioner Hardy, seconded by Commissioner Davis, to decide this 17.03 acre portion of Webster Conference Center should not be annexed but that a public health and safety policy exception be granted which would allow Webster Conference Center property to connect to the City's sanitary sewer system through an "Outside the City Sewer Connection Agreement." Aye: (5). Nay: (0). Motion carried.

Greg Bengtson, City Attorney, asked that a motion be made for the ordinance.

15-0203 Moved by Commissioner Hardy, seconded by Commissioner Davis, to pass Ordinance No. 15-10774 on first reading. Aye: (0). Nay: (5). Motion failed.

OTHER BUSINESS

(9.1) Request for executive session (real estate).

15-0204 Moved by Commissioner Ryan, seconded by Commissioner Hardy, to recess into executive session for 30 minutes to discuss matters pertaining to the acquisition of real estate for the reason that public discussion of the matter would adversely affect the City's position in relation to acquisition of the real estate and reconvene at 8:15 p.m.

The City Commission recessed into executive session at 7:45 p.m. and reconvened at 8:15 p.m. No action was taken.

15-0205 Moved by Commissioner Davis, seconded by Commissioner Hardy, to extend the current executive session for an additional 15 minutes. Aye: (5). Nay: (0). Motion carried.

The City Commission recessed into executive session at 8:15 p.m. and reconvened at 8:30 p.m. No action was taken.

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ADJOURNMENT

15-0206 Moved by Commissioner Hardy, seconded by Commissioner Ryan, that the regular meeting of the Board of City Commissioners be adjourned. Aye: (5). Nay: (0). Motion carried. The meeting adjourned at 8:35 p.m.

Jon R. Blanchard, Mayor

[SEAL]

ATTEST:

Shandi Wicks, CMC, City Clerk

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CITY OF SALINA, KANSAS
REGULAR MEETING OF THE BOARD OF COMMISSIONERS
June 1, 2015
4:00 p.m.

The City Commission convened at 3:45 p.m. for Citizens Forum.

The Regular Meeting of the Board of Commissioners was called to order at 4:00 p.m. in Room 107, City-County Building. Roll call was taken followed by the Pledge of Allegiance and a moment of silence.

Those present and comprising a quorum: Mayor Jon R. Blanchard (presiding), Commissioners Kaye Crawford, Trent Davis, Randall Hardy, and Karl Ryan.

Also present: Jason. Gage, City Manager; Michael Schrage, Deputy City Manager; Greg Bengtson, City Attorney; and Shandi Wicks, City Clerk.

AWARDS AND PROCLAMATIONS

(3.1) The month of June 2015 as "LGBT Pride Month" in the city of Salina. Gary Martens, North Central Chapter of Equality Kansas Chair, read the proclamation and announced events.

CITIZEN FORUM

Janie Marcotte, 102 S. College, provided information regarding the overgrown trees used for a screening at a bed and breakfast located at 100 S. College.

PUBLIC HEARINGS AND ITEMS SCHEDULED FOR A CERTAIN TIME

None.

CONSENT AGENDA

(6.1) Approve the minutes of April 18, 2015.

(6.2) Resolution No. 15-7242 appointing members to the Business Improvement District No. 1 Advisory Board and the Business Improvement District No. 1 Design Review Board.

15-0207 Moved by Commissioner Davis, seconded by Commissioner Hardy, to approve the consent agenda as presented. Aye: (5). Nay: (0). Motion carried.

ADMINISTRATION

(7.1) Second reading Ordinance No. 15-10771 adopting the new Chapter 13 of the Salina Code pertaining to equal opportunity and repealing the existing Chapter 13.

Mayor Blanchard noted that Ordinance No. 15-10771 was passed on first reading on May 18, 2015 and since that time no comments have been received.

Commissioner Crawford provided her thoughts on the adoption of the new Chapter 13.

15-0208 Moved by Commissioner Crawford, seconded by Commissioner Ryan, to adopt Ordinance No. 15-10771 on second reading. A roll call vote was taken. Aye: (5) Crawford, Davis, Hardy, Ryan, Blanchard. Nay: (0). Motion carried.

(7.2) Second reading Ordinance No. 15-10775 establishing a STAR bond project district within the city and making certain findings in conjunction therewith.

Mayor Blanchard noted that Ordinance No. 15-10775 was passed on first reading on May 18, 2015 and since that time no comments have been received.

15-0209 Moved by Commissioner Hardy, seconded by Commissioner Davis, to adopt Ordinance No. 15-10775 on second reading. A roll call vote was taken. Aye: (5) Crawford, Davis, Hardy, Ryan, Blanchard. Nay: (0). Motion carried.

(7.3) Second reading Ordinance No. 15-10776 making findings and establishing a redevelopment district pursuant to K.S.A. 12-1770 et seq., and amendments thereto.

Mayor Blanchard noted that Ordinance No. 15-10776 was passed on first reading on May 18, 2015 and since that time no comments have been received.

15-0210 Moved by Commissioner Ryan, seconded by Commissioner Davis, to adopt Ordinance No. 15-10776 on second reading. A roll call vote was taken. Aye: (5) Crawford, Davis, Hardy, Ryan, Blanchard. Nay: (0). Motion carried.

(7.4) Award of contract for the Water Main Replacement Project - Phase VII, Project No. 10-2842F.

Martha Tasker, Director of Utilities, explained the project, funding and bids received.

Commissioner Hardy asked how many miles the $4 million would cover per year. Ms. Tasker responded by stating that the yearly amount would cover eight miles.

Commissioner Hardy asked if the Utilities Department worked with the Streets Division to combine projects if able. Ms. Tasker responded that Utilities and Public Works work together to determine if the work could be combined.

Commissioner Crawford asked if the construction contingency percentage was always 5%. Ms. Tasker responded by stating that the contingency percentage typically was 5% but noted that the contingency had not been spent on past projects.

Mayor Blanchard asked what the process was to determine when a water main would need to be replaced. Ms. Tasker responded by stating that staff tracks the water quality calls and water main breaks to determine when an area needed replaced.

Mayor Blanchard asked if the water quality and water flow was improved upon replacement. Ms. Tasker responded by stating that the water quality and water flow was improved once replaced.

Ray Hruska, 235 N. Santa Fe, asked if the City of Salina used ultra violet in any part of the water system. Ms. Tasker responded by stating that the City of Salina does not use ultra violet but uses chlorine disinfection. Jason Gage, City Manager, provided information regarding the use of ultra violet light versus chlorine. Ms. Tasker continued to explain the use of ultra violet light and the value of the use of chlorine disinfection.

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15-0211 Moved by Commissioner Crawford, seconded by Commissioner Hardy, to award the contract for the Water Main Replacement Project - Phase VII, Project No. 10-2842F to BRB Contractors, Inc. of Topeka, Kansas in the amount of $1,998,524.80 (Authorized Amount with 5% Construction Contingency, $2,098,450). Aye: (5). Nay: (0). Motion carried.

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(7.5) Resolution No. 15-7240 initiating proceedings for street and intersection improvements in the City of Salina, Kansas.

Rod Franz, Director of Finance and Administration, explained the project and financing.

Commissioner Crawford provided her thoughts on the cost of the project.

15-0212 Moved by Commissioner Hardy, seconded by Commissioner Ryan, to adopt Resolution No. 15-7240 initiating proceedings for street and intersection improvements in the City of Salina, Kansas. Aye: (5). Nay: (0). Motion carried.

(7.6) First reading Ordinance No. 15-10778 amending Chapter 30 of the Salina Code by establishing Article III pertaining to alarm systems designed to summon a police response within the City of Salina, Kansas.

Chief Brad Nelson explained the code amendments and effective date.

Commissioner Davis asked what a double call was. Chief Nelson responded by stating that if a business was owned by two individuals, both business owners would be called. Chief Nelson also stated that the Police would still respond to the call but the owners would be notified.

Commissioner Davis asked about the systems with the one plus alarm. Chief Nelson responded by stating that the one plus alarm was the system that have the most false alarm calls.

Commissioner Ryan asked if fees would be established. Jason Gage, City Manager, stated that a recommended fee schedule would be brought back to the City Commission for approval.

Commissioner Ryan asked if there was an appeal process. Chief Nelson responded by stating that he was the final appeal process. Aaron Martin, Clark, Mize & Linville, stated that the third party alarm administrator would send correspondence regarding an appeal to the property owner.

Commissioner Hardy asked what the process was to communicate the new ordinance to the citizens affected. Chief Nelson responded by stating that staff would forward a letter to the ten alarm companies and those companies would forward the letter to each of the affected citizens.

Commissioner Davis asked if the alarm installation companies were required to obtain a license with the City of Salina. Mr. Martin responded by stating that there was not a business license for the alarm installation company but the alarm system would have to be registered with the city.

Mayor Blanchard asked if there were habitual properties that officers were reporting to. Chief Nelson responded by stating that there were habitual properties.

Mayor Blanchard asked if staff had heard from the alarm companies regarding the new ordinance. Chief Nelson responded by stating that staff had not heard from the alarm

companies regarding the new changes.

Gary Hobbie, Director of Development Services, stated that there was a contractor license to install security alarm systems in the City of Salina.

Ray Hruska, 235 N. Santa Fe, asked how much the City paid Clark, Mize & Linville to put together the ordinance. Mr. Gage responded by stating that the City did receive itemize bills from Clark, Mize & Linville and Mr. Hruska could request that information through an open records request.

Mr. Hruska asked how much the City paid the attorney for work on the ordinance. Greg Bengtson, City Attorney, provided the fees charged by Clark, Mize & Linville.

Mr. Gage provided information on the use of the City's attorneys on the creation of ordinances, resolutions and agreements.

15-0213 Moved by Commissioner Davis, seconded by Commissioner Crawford, to pass Ordinance No. 15-10778 amending Chapter 30 of the Salina Code by establishing Article III pertaining to alarm systems designed to summon a police response within the City of Salina, Kansas on first reading. Aye: (5). Nay: (0). Motion carried.

(7.7) First reading Ordinance No. 15-10779 amending Chapter 14 of the Salina Code by establishing Article IV pertaining to alarm systems designed to summon a fire department response within the City of Salina, Kansas.

Chief Larry Mullikin & Roger Williams, Fire Marshal, explained the code amendments and the effective date of the new ordinance.

Commissioner Hardy asked if the ordinance pertained to commercial customers. Chief Mullikin responded by stating that the ordinance pertained to commercial customers only.

Commissioner Hardy asked if there would be an additional ordinance for residential customers. Chief Mullikin responded by stating that the ordinance for the Police false alarm ordinances would cover the residential customers for fire alarms as well.

15-0214 Moved by Commissioner Hardy, seconded by Commissioner Davis, to pass Ordinance No. 15-10779 amending Chapter 14 of the Salina Code by establishing Article IV pertaining to alarm systems designed to summon a fire department response within the City of Salina, Kansas on first reading. Aye: (5). Nay: (0). Motion carried.

Mayor Blanchard asked if the false alarm ordinance items were part of the continuous process improvement program. Jason Gage, City Manager, responded by stating that it was not part of that program.

(7.8) Review hearing for abatement costs incurred at 500 E. Pacific Ave.

Mayor Blanchard asked for time for the Commission to review the information just provided.

Gary Hobbie, Director of Development Services, explained the abatement, costs and cleanup process.

Commissioner Hardy asked if it was the normal procedure for the contractor to include the receipts for items purchased for the project. Mr. Hobbie responded by stating that if the equipment was purchased for the use on the project, staff asked for receipts to be submitted.

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Michael Schrage, Deputy City Manager, stated that due to the search warrant and the need to expedite the completion of the work, the contractor may need to obtain additional equipment in order to perform the work.

Mayor Blanchard asked if the list of the work required was provided to the property owner. Mr. Hobbie responded by stating that the required work was provided to the property owner.

Commissioner Davis asked if the hourly fee was determined by staff. Mr. Hobbie responded by stating that the hourly fee was determined by the contract with the contractor.

Mayor Blanchard asked for clarification on the contractor fees for this bill. Martin Luther, Loux Home Repair, responded by stating that the charge was $70 per truck at ten hours each and two trailers at $70 per trailer for ten hours.

Commissioner Crawford asked what a VMT report was. Mr. Hobbie responded by stating that the report was provided by the engineering firm hired to determine if the center building was stable.

Mayor Blanchard asked what the issue of dispute was on the cost of the bill. Jason Gage, City Manager, responded by stating that the amount of time, use of equipment and the scope of the project were the items he discussed with staff regarding the dispute of the cost.

Greg Bengtson, City Attorney, stated that the hourly rates were established by the bid process and approval of the contract.

Joseph R. Borich III, 4408 W. 110th Street, Leawood, Kansas, Attorney for Ben & LaVelle Frick, asked for a continuance of the Commission and explained the approved extensions, the scope of work and then provided information regarding points within the contract that the property owner questioned. Mr. Borich continued to explain the damages caused by the contractor on the property, questioned the insurance coverage of the contractor and would like a continuance to July 6, 2015.

Commissioner Davis asked if requesting information on the legal ramifications for this item be best addressed in an executive session or in an open session. Mr. Bengtson responded by stating that addressing the legal ramifications in executive session would be the best option.

Mr. Gage stated that the Commission might be interested in knowing why the item was placed on the agenda today when the legal counsel of the Frick's have requested the item be continued to July 6, 2015. Mr. Bengtson responded by stating that his office had handled communication with Mr. Borich and had hoped that the item could be discussed and resolved today.

Mayor Blanchard asked for information pertaining to the payroll records for the contractor's employees. Mr. Gage responded by stating that the payroll hours would not specifically provide the job the employee worked on.

Mr. Borich stated that the two things that needed to be examined were if the cost was reasonable and necessary.

Mr. Schrage stated that the Frick's were served with the Building Officials Findings & Orders which stated what the next steps were.

Commissioner Davis asked Mr. Borich if it was the first time he had received the bill within

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the packet. Mr. Borich responded by stating that he received the two page bill last week but did not have it at the time the appeal was requested.

Commissioner Hardy asked if it was correct that Mr. Borich's representation had cut the Frick's off in obtaining future requests regarding this item. Mr. Borich responded by stating that he was not aware that the Frick's were not able to obtain additional information regarding this item due to his representation. Mr. Bengtson responded by stating that there were multiple communications going on between the parties and it was customary once the attorney for the client was established, the communication was to be handled through the attorneys.

Aaron Martin, Clark, Mize & Linville, stated that he had conversations with Mr. Borich on May 13, 2015. The detailed bill was sent to Mr. Borich and the date of the appeal hearing was determined during that conversation.

LaVelle Frick, 120 Overhill Road, provided information on the packet received today regarding the pictures taken. Mrs. Frick continued to talk about specifics of the contract particularly the contractor's insurance coverage, damage to the property by the contractor, the time the contractor could start the job and the receipts for the disposal of the materials.

Mr. Gage responded by stating that the staff had verified that the contractor had insurance and provided a copy to Mrs. Frick and the City Commission.

Commissioner Davis asked if there was a claim filed for the damage. Mrs. Frick responded by stating that she submitted a letter to the insurance company requesting to meet with an adjustor regarding the damages performed but had not received a call back from the insurance company.

Mrs. Frick stated that the fill sand that was delivered by the contractor she hired was removed along with the other material by the city's contractor.

Mr. Bengtson stated that a search warrant simply means that the property owner would not allow someone onto the property.

Mr. Hobbie provided information to the Commission regarding the fire at the location and the potential cause of the damage to the water or sewer lines by the fire and noted that the City was in the process of bidding for the new nuisance abatement contract at the time the work was performed.

Mr. Bengtson stated that if the Governing Body had the information needed to make a determination today, the Governing Body could act on the item. Mr. Bengtson continued to state that once a decision had been made, if the property owner did not pay the amount owed, a judgment could be filed or the amount could be added to the property taxes for the property.

Commissioner Davis stated that the contention of Mrs. Frick was that the contractor did not have the number of employees or equipment on site for the job, did Mr. Luther have a response on that contention. Mr. Luther responded by stating that if the truck was not on the site at the time, it was on the clock and traveled back and forth from the job site.

Mayor Blanchard and Commissioner Ryan provided their thoughts on the item.

15-0215 Moved by Commissioner Ryan, seconded by Commissioner Hardy, to deny the appeal of charges for abatement of nuisances from 500 E. Pacific, as requested by Mr. Joseph Borich, attorney for Ben

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and Lavelle Frick, and order the Fricks to pay full restitution of the outstanding charges. Aye: (5). Nay: (0). Motion carried.

Mayor Blanchard requested a five minute recess at 6:47 p.m. and reconvened at 6:52 p.m.

Consolidated Salina EPN111155

DEVELOPMENT BUSINESS

(8.1) Resolution No. 15-7241 considering a request for an exception to Section 42-63(a) of the Zoning Ordinance to allow placement of a permanent above ground swimming pool in a public utility easement at 1225 Sierra Drive.

Dean Andrew, Director of Planning, explained the request, location of the swimming pool and affected easements.

Commissioner Davis asked if the pool would need to have an enclosure around it. Mr. Andrew responded by stating that the yard was enclosed by a six foot fence which met the code requirements.

Commissioner Hardy asked if all of the lots on Sierra Drive had the same easement issue as the property discussed today. Mr. Andrew responded by stating that all of the lots on Sierra Drive had double frontages but the other lots within the subdivision only had one frontage.

Commissioner Hardy asked if this item was approved would it lead to future similar requests. Mr. Andrew responded by stating that each item would be weighed on its own merit and this item was weighed on the four findings established for this case.

Commissioner Hardy asked if the resolution would allow for the possibility to perform an emergency removal if needed. Mr. Andrew responded by stating that the resolution does not affect the rights of utility providers to access their lines.

Jason Gage, City Manager, stated that the utility companies could go onto the property to perform any work needed without the consent of the property owner. Mr. Andrew concurred.

Mayor Blanchard asked if the setbacks were the same as they would be on any accessory shed. Mr. Andrew responded by stating that pools were subject to setbacks but could not be located in the front yard.

Mayor Blanchard asked if there would be a permanent deck around the pool. Mr. Andrew responded that there would not be a permanent deck around the pool.

Mayor Blanchard asked if the swimming pool was replaced would the resolution still be valid. Mr. Andrew responded by stating that if the replacement pool was of the same size, the pool could be replaced under the resolution.

Mitch Johnson, 1225 Sierra Drive, provided information on the placement of the pool.

15-0216 Moved by Commissioner Ryan, seconded by Commissioner Crawford, to adopt Resolution No. 15-7241 authorizing the placement of an 18 ft. diameter above ground pool in a 10 ft. utility easement at 1223-1225 Sierra Drive and the following findings: 1. The property at 1223-1225 Sierra Drive is unique due to 40 ft. of the 50 ft. rear yard being covered by utility easements which severely limits the useable area of the backyard; 2. Due to the 30 ft. sanitary sewer easement and existing structures on the property it is not physically possible to reroute the electric line away from proposed pool location.; 3. There are no alternate locations on the property where an above ground pool could be located outside of the 40 ft. utility easement; 4. Although the proposed above ground

pool would be located over a live electric line, Westar Energy does not object to the pool location because their line is encased in a rigid metal conduit at a depth of 42 inches and Westar can access their line from either side of the pool. Aye: (5). Nay: (0). Motion carried.

Commissioner Hardy asked if the approval of this item would be an exception to the rule and others would want the same approval. Mayor Blanchard stated that he felt the four findings included would limit the potential for future cases.

Mayor Blanchard thanked Mr. Johnson for working with staff on the item.

Aye: (5). Nay: (0). Motion carried.

(8.2) Application #Z15-4 (filed by the Salina City Planning Commission) requesting the amendment of Article XI Off-Street Parking and Loading, Division 2, by amending Section 42-552 (e)(6) and amending Section 42-553(3).

Dean Andrew, Director of Planning, explained the amendment, Planning Commission action and recommended action.

Commissioner Davis asked Mr. Andrew to explain the inadequate parking at South Middle School. Mr. Andrew responded by stating that South Middle School was constructed in 1957 before there were parking requirements for schools.

Mayor Blanchard asked if there was consideration to on-street parking. Mr. Andrew responded by stating that staff recognizes that it exists but it does not count for the number of spaces required.

Mayor Blanchard provided his thoughts on the parking and asked for the calculation of on-street parking to be included in the count. Mr. Andrew responded by stating that not allowing the on-street parking pushes the parking onto other streets.

A conversation ensued between the Commission and Mr. Andrew regarding the adequate parking and the amendment.

Kris Upson, USD #305, stated that he would like to get the project completed and school staff followed the ordinances but it was hard to do so when there were different interpretations of the ordinance. Mr. Upson continued to state that with the ordinance as it was, the School District would be okay today.

Commissioner Davis asked how many seats the current gym could hold. Mr. Upson responded by stating that the current gym could hold 200 to 300 and stated that with the addition to the gym, they would not have enough spaces.

Mayor Blanchard asked how the current parking situation was. Mr. Upson responded by stating that regardless of the amount of off-street parking provided, citizens would park where they want to park.

Mayor Blanchard asked if the item returning to the Planning Commission would put a burden on the School District. Mr. Upson responded by stating that he thought any new applications filed by the School District would be approved and the School District would be willing to help with the review of the text amendment.

Jason Gage, City Manager, stated that if the South Middle School project was completed today prior to the text amendment coming back to the City Commission, the site would become a legally non-conforming use.

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Mayor Blanchard asked how far apart the City of Salina was from the School District. Mr. Gage responded by stating that if the text amendment were adopted as proposed, the School District would have to provide one (1) space for every three (3) seats in the gym, over 300 parking spaces.

Mr. Gage asked how many parking spaces would be added under the current plan. Mr. Schrage responded by stating that there would be 61 new parking spaces added.

Mr. Andrew provided the Commission with their action options.

Mr. Bengtson stated that the School District would need to exhaust their options to provide additional parking spaces for the project. Mr. Andrew noted that based on the current code interpretation, if the School District added any parking spaces, they would be doing this voluntarily, it would not be required.

Commissioner Ryan provided his thoughts on the project and the parking spaces needed.

15-0217 Moved by Commissioner Ryan, seconded by Commissioner Davis, to send Application #Z15-4 back to the Planning Commission and direct staff and the Planning Commission to perform additional research and develop alternative approaches to the proposed text amendment. Aye: (5). Nay: (0). Motion carried.

OTHER BUSINESS

Commissioner Hardy passed out to the City Commission a portion of the current fireworks ordinance that he felt was hard to enforce and hoped to add something to the ordinance to help make it more enforceable.

A conversation ensued between the Commission and Jason Gage, City Manager regarding the hours, the types of fireworks approved and the possible changes needed to the ordinance.

Mr. Gage asked how important it was to the Commission to put a message out to the citizens and fireworks stands. The Commissioners provided their thoughts on the message they would like to get out. Mayor Blanchard stated that a member of the Commission would write up the message and provide it back at the next City Commission meeting for discussion.

Mayor Blanchard noted that the North Salina Community Development Hog Roast would be held on June 6, 2015 at Thomas Park.

(9.1) Request for executive session (real estate).

15-0218 Moved by Commissioner Ryan, seconded by Commissioner Hardy, to recess into executive session for 15 minutes to discuss matters pertaining to the acquisition of real estate for the reason that public discussion of the matter would adversely affect the City's position in relation to acquisition of the real estate and reconvene at 8:45 p.m.

The City Commission recessed into executive session at 8:30 p.m. and reconvened at 8:45 p.m. No action was taken.

15-0219 Moved by Commissioner Ryan, seconded by Commissioner Davis, to extend the current executive session for an additional 15 minutes. Aye: (5). Nay: (0). Motion carried.

The City Commission recessed into executive session at 8:45 p.m. and reconvened at 9:00 p.m. No action was taken.

15-0220 Moved by Commissioner Ryan, seconded by Commissioner Crawford, to extend the current executive session for an additional 15 minutes. Aye: (5). Nay: (0). Motion carried.

The City Commission recessed into executive session at 9:00 p.m. and reconvened at 9:15 p.m. No action was taken.

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ADJOURNMENT

15-0221 Moved by Commissioner Davis, seconded by Commissioner Ryan, that the regular meeting of the Board of City Commissioners be adjourned. Aye: (5). Nay: (0). Motion carried. The meeting adjourned at 9:15 p.m.

Jon R. Blanchard, Mayor

[SEAL]

ATTEST:

Shandi Wicks

Shandi Wicks, CMC, City Clerk

Exhibit F – Ordinance No. 15-10776 Establishing a Redevelopment District

[See Attached]

Consolidated-Salina EPN111155

(Published in The Salina Journal on June 5, 2015)

ORDINANCE NO. 15-10776

AN ORDINANCE OF THE GOVERNING BODY OF THE CITY OF SALINA, KANSAS MAKING FINDINGS AND ESTABLISHING A REDEVELOPMENT DISTRICT PURSUANT TO K.S.A. 12-1770 ET SEQ., AND AMENDMENTS THERETO.

WHEREAS, pursuant to the provisions of K.S.A. 12-1770 et seq., as amended (the "Act"), the City of Salina, Kansas (the "City") is authorized to establish redevelopment districts within a defined area of the City which is an area within the City that was designated as an enterprise zone prior to July 1, 1992, and is therefore an "eligible area" as said term is defined in the Act; and

WHEREAS, the Governing Body adopted Resolution No. 15-7192 on March 30, 2015 calling for a public hearing considering the establishment of a redevelopment district to be held by the Governing Body on May 18, 2015; and

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

WHEREAS, the public hearing was held on May 18, 2015 and closed on the same day; and

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

Section 1. **Findings.** The Governing Body hereby finds that:

(a) the real property described in **Exhibits A** and **B** (the "Redevelopment District") attached hereto is an eligible area for being designated as a redevelopment district pursuant to the Act because the real property is property is an area within the City that was designated as an enterprise zone prior to July 1, 1992;

(b) the real property described in **Exhibits A and B** does not contain any real property that was not designated in the notice of public hearing given as required by the Act and Resolution No. 15-7192;

(c) the conservation, development or redevelopment of the Redevelopment District is necessary to promote the general and economic welfare of the City: and

(d) due notice of the public hearing conducted on May 18,2015 was made in accordance with the Act.

Section 2. **Creation of TIF District.** The Governing Body hereby establishes the Redevelopment District, which shall consist of the area depicted on the map attached hereto as **Exhibit A** as legally described on **Exhibit B**. The district plan is hereby approved, and consists of buildings and facilities to be constructed within the Redevelopment District generally described as follows:

A mixed-use development consisting of some or all of the following uses: major multi-sport athletic complex, museum facilities; an historic theater; retail uses; restaurant uses; other general commercial development; hotel uses; residential uses; office uses; associated public

and private infrastructure; and other items allowable under K.S.A. 12-1770 *et seq.* The redevelopment district may consist of multiple redevelopment project areas as delineated in one or more redevelopment project plans to be approved for property within the redevelopment district.

Section 4. Approval of Other Governmental Units. No privately owned property subject to ad valorem taxation within the Redevelopment District shall be acquired and redeveloped pursuant to the Act, if the Board of County Commissioners of Saline County, Kansas or the Board of Education of Unified School District No. 305 determines by resolution adopted within thirty days following the public hearing held this date, that the Redevelopment District will have an adverse effect on Saline County or Unified School District No. 305, respectively. As of this date, the City has not received a copy of any such resolution and is not aware of the adoption of any such resolution by the governing body of Saline County or Unified School District No. 305.

Section 5. Reimbursement. The Act authorizes the issuance by the City of bonds to finance all or a portion of the costs of implementing the district plan. Said bonds may be issued to reimburse expenditures made on or after the date which is 60 days before the date of passage of this Ordinance, pursuant to Treasury Regulation §1.150-2 in the maximum principal amount of $1,000,000.

Section 6. Further Action. The Mayor, City Manager, City Clerk and other officials and employees of the City, including the City Attorney, City consultants, and Gilmore & Bell, P.C., Bond Counsel, are hereby further authorized and directed to take such other actions as may be appropriate or desirable to accomplish the purposes of this Ordinance.

Section 7. Effective Date. This Ordinance shall be effective upon its passage by two-thirds of the City Commission and publication one time in the official City newspaper.

PASSED by the City Commission of the City of Salina, Kansas on June 1, 2015 and **APPROVED AND SIGNED** by the Mayor.

Introduced: May 18, 2015
Passed: June 1, 2015

Jon R. Blanchard, Mayor

[SEAL]
ATTEST:

Shandi Wicks, CMC, City Clerk

Consolidated-Salina EPN111155

Tax Increment Financing District Boundary
City of Salina
Santa Fe
Seventh
Eighth
Ninth
Tenth
Fifth
Fourth
Third
Second
Front
Walnut
Mulberry
South
Iron
Ash
Elm
Oakdale
Johnstown
Gypsum
Park
Av
St
Dr
Pl
N
W
E
S

Exhibit A

LIMITS OF THE TIF DISTRICT – CITY OF SALINA:

A TRACT OF LAND LOCATED IN ORIGINAL TOWN, SURVEYOR'S PLAT J, HOLLAND'S ADDITION, AND SRHC SUBDIVISION, ALL IN THE CITY OF SALINA, SALINE COUNTY, KANSAS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF LOT 10 ON ELM STREET, ORIGINAL TOWN, (NOW CITY) OF SALINA, SAID POINT BEING THE INTERSECTION OF THE EAST RIGHT-OF-WAY LINE OF 3RD STREET AND THE NORTH RIGHT-OF-WAY LINE OF ELM STREET;

THENCE SOUTH ON SAID EAST RIGHT-OF-WAY LINE OF 3RD STREET, A DISTANCE OF 830 FEET TO THE SOUTHWEST CORNER OF LOT 77 ON 3RD STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID EAST RIGHT-OF-WAY LINE AND THE NORTH RIGHT-OF-WAY LINE OF ASH STREET;

THENCE EAST ON SAID NORTH RIGHT-OF-WAY LINE OF ASH STREET, A DISTANCE OF 580 FEET TO THE SOUTHEAST CORNER OF LOT 39 ON FRONT STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID NORTH RIGHT-OF-WAY LINE AND THE WEST RIGHT-OF-WAY OF FRONT STREET, AS PLATTED IN SAID ORIGINAL TOWN;

THENCE SOUTH ON SAID WEST RIGHT-OF-WAY LINE OF FRONT STREET, A DISTANCE OF 1760 FEET TO THE NORTHEAST CORNER OF LOT 69 ON FRONT STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID WEST RIGHT-OF-WAY LINE AND THE SOUTH RIGHT-OF-WAY LINE OF WALNUT STREET;

THENCE WEST ON SAID SOUTH RIGHT-OF-WAY LINE OF WALNUT STREET, A DISTANCE OF 330 FEET TO THE NORTHEAST CORNER OF LOT 1, ON WALNUT STREET, SAID ORIGINAL TOWN, 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 830 FEET TO THE NORTHEAST CORNER OF LOT 8, SAID SURVEYOR'S PLAT J, SAID POINT BEING THE INTERSECTION OF SAID WEST RIGHT-OF-WAY LINE AND THE SOUTH RIGHT-OF-WAY LINE OF MULBERRY STREET;

THENCE WEST ON SAID SOUTH RIGHT-OF-WAY LINE OF MULBERRY STREET, A DISTANCE OF 660 FEET TO THE NORTHEAST CORNER OF LOT 170 ON 4TH STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID SOUTH RIGHT-OF-WAY LINE AND THE WEST RIGHT-OF-WAY LINE OF 4TH STREET;

THENCE SOUTH ON SAID WEST RIGHT-OF-WAY LINE OF 4TH STREET, A DISTANCE OF 580 FEET TO THE NORTHEAST CORNER OF LOT 1, ON 4TH STREET, SAID HOLLAND'S ADDITION, SAID POINT BEING THE INTERSECTION OF SAID WEST RIGHT-OF-WAY LINE AND THE SOUTH RIGHT-OF-WAY LINE OF SOUTH STREET;

THENCE WEST ON SAID SOUTH RIGHT-OF-WAY LINE OF SOUTH STREET, A DISTANCE OF 935.44 FEET TO THE INTERSECTION OF SAID SOUTH RIGHT-OF-WAY LINE AND THE EAST RIGHT-OF-WAY LINE OF 7TH STREET;

THENCE NORTH ON SAID EAST RIGHT-OF-WAY LINE OF 7TH STREET, A DISTANCE OF 1410 FEET TO THE NORTHWEST CORNER OF LOT 139 ON 7TH STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID EAST RIGHT-OF-WAY LINE AND THE SOUTH RIGHT-OF-WAY LINE OF WALNUT STREET;

THENCE WEST ON SAID SOUTH RIGHT OF WAY LINE OF WALNUT STREET, A DISTANCE OF 210 FEET TO THE INTERSECTION OF SAID SOUTH RIGHT-OF-WAY LINE, AND THE WEST LINE OF A 10 FOOT ALLEY BETWEEN 7TH STREET AND 8TH STREET, SAID ORIGINAL TOWN;

THENCE NORTH ON SAID WEST LINE OF A 10 FOOT ALLEY, A DISTANCE OF 280 FEET TO THE SOUTHEAST CORNER OF LOT 129 ON 8TH STREET, SAID ORIGINAL TOWN;

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5-13-15, LRR

REVISED PER CLIENT COMMENTS.
3-12-15, LRR

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THENCE WEST ON THE SOUTH LINE OF SAID LOT 129, A DISTANCE OF 120 FEET TO THE SOUTHWEST CORNER OF SAID LOT 129 ON 8TH STREET, SAID POINT BEING ON THE EAST RIGHT-OF-WAY LINE OF 8TH STREET;

THENCE NORTH ON SAID EAST RIGHT-OF-WAY LINE OF 8TH STREET, A DISTANCE OF 650 FEET TO THE SOUTHWEST CORNER OF LOT 107 ON 8TH STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID EAST RIGHT-OF-WAY LINE AND THE NORTH RIGHT-OF-WAY LINE OF IRON STREET;

THENCE EAST ON THE SOUTH LINE OF SAID LOT 107, A DISTANCE OF 120 FEET TO THE SOUTHEAST CORNER OF SAID LOT 107, SAID POINT BEING ON THE WEST LINE OF A 10 FOOT ALLEY BETWEEN 7TH STREET AND 8TH STREET, SAID ORIGINAL TOWN;

THENCE NORTH ON SAID WEST LINE OF A 10 ALLEY, A DISTANCE OF 432.5 FEET TO THE SOUTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN DEED BOOK 229, PAGE 381 IN THE OFFICE OF THE SALINE COUNTY REGISTER OF DEEDS;

THENCE WEST ON THE SOUTH LINE OF SAID DESCRIBED TRACT, A DISTANCE OF 120 FEET TO THE SOUTHWEST CORNER OF SAID DESCRIBED TRACT, SAID POINT BEING ON SAID EAST RIGHT-OF-WAY LINE OF 8TH STREET;

THENCE NORTH ON SAID EAST RIGHT-OF-WAY LINE OF 8TH STREET, A DISTANCE OF 397.5 FEET TO THE SOUTHWEST CORNER OF LOT 77 ON 8TH STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID EAST RIGHT-OF-WAY LINE AND THE NORTH RIGHT-OF-WAY LINE OF ASH STREET;

THENCE EAST ON SAID NORTH RIGHT-OF-WAY LINE OF ASH STREET, A DISTANCE OF 330 FEET TO THE SOUTHWEST CORNER OF LOT 77 ON 7TH STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID NORTH RIGHT-OF-WAY LINE AND SAID EAST RIGHT-OF-WAY LINE OF 7TH STREET;

THENCE NORTH ON SAID EAST RIGHT-OF-WAY LINE OF 7TH STREET, A DISTANCE OF 830 FEET TO THE SOUTHWEST CORNER OF LOT 47 ON 7TH STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID EAST RIGHT-OF-WAY LINE AND THE NORTH RIGHT-OF-WAY LINE OF ELM STREET;

THENCE EAST ON SAID NORTH RIGHT-OF-WAY LINE OF ELM STREET, A DISTANCE OF 1340 FEET TO THE POINT OF BEGINNING

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5-13-15, LRR

REVISED PER CLIENT COMMENTS.
3-12-15, LRR

E15S1183 FEB. 19, 2015
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Exhibit G – Ordinance No. 16-10843 Removing Property from Redevelopment District

[See Attached]

(Published in *The Salina Journal* on July 23, 2016.)
~~(Published on the City of Salina's website for a minimum of one week from July 20-27, 2016.)~~

Consolidated-Salina EPN111155

ORDINANCE NO. 16-10843

AN ORDINANCE OF THE GOVERNING BODY OF THE CITY OF SALINA, KANSAS REMOVING CERTAIN REAL PROPERTY FROM THE DOWNTOWN REDEVELOPMENT DISTRICT AND MAKING CERTAIN FINDINGS PURSUANT TO K.S.A. 12-1770 ET SEQ., AND AMENDMENTS THERETO.

WHEREAS, pursuant to the provisions of K.S.A. 12-1770 et seq., as amended (the "Act"), the City of Salina, Kansas (the "City") is authorized to establish redevelopment districts within a defined area of the City which is an area within the City that was designated as an enterprise zone prior to July 1, 1992, and is therefore an "eligible area" as said term is defined in the Act; and

WHEREAS, the Governing Body adopted Resolution No. 15-7192 on March 30, 2015 calling for a public hearing considering the establishment of a redevelopment district to be held by the Governing Body on May 18, 2015; and

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

WHEREAS, the public hearing was held on May 18, 2015 and closed on the same day; and

WHEREAS, on June 1, 2015 the Governing Body passed Ordinance No. 15-10775 creating the Downtown Redevelopment District within the City; and

WHEREAS, the Governing Body has determined it is in the best interests of the City to remove certain property from the Downtown Redevelopment District;

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

Section 1. Removal. The Governing Body hereby removes the real property described on **Exhibit A** (the "Removed Property") hereto from the Downtown Redevelopment District.

Section 2. Finding. The Governing Body hereby makes a legislative finding that the Removed Property constitutes more than 15% of the land area of the Downtown Redevelopment District and consequently the "base assessed value" of the Downtown Redevelopment District shall be reduced by the assessed value of the Removed Property.

Section 3. Further Action. The Mayor, City Manager, City Clerk and other officials and employees of the City, including the City Attorney, City consultants, and Gilmore & Bell, P.C., Bond Counsel, are hereby further authorized and directed to take such other actions as may be appropriate or desirable to accomplish the purposes of this Ordinance.

Section 4. Effective Date. This Ordinance shall be effective upon its passage by the City Commission and publication one time in the official City newspaper.

PASSED by of the City Commission of the City of Salina, Kansas on July 18, 2016 and **APPROVED AND SIGNED** by the Mayor.

[SEAL]

Mayor

Attest:

City Clerk

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Consolidated-Salina EPN111155

SUMMARY OF ORDINANCE NO. 16-10843

On July 18, 2016, the governing body of the City of Salina, Kansas passed an ordinance entitled:

AN ORDINANCE OF THE GOVERNING BODY OF THE CITY OF SALINA, KANSAS REMOVING CERTAIN REAL PROPERTY FROM THE DOWNTOWN REDEVELOPMENT DISTRICT AND MAKING CERTAIN FINDINGS PURSUANT TO K.S.A. 12-1770 ET SEQ., AND AMENDMENTS THERERTO.

The Ordinance removes certain described real property from the Downtown Redevelopment District and determines that the base assessed value of the Downtown Redevelopment District shall be reduced by the assessed value of the removed property. A complete text of the Ordinance may be obtained or viewed free of charge at the office of the City Clerk, 300 W. Ash Street, Salina, Kansas 67402. A reproduction of the Ordinance is available for not less than 7 days following the publication date of this Summary at www.salina-ks.gov.

This Summary is hereby certified to be legally accurate and sufficient pursuant to the laws of the State of Kansas.

DATED: July 18, 2016.

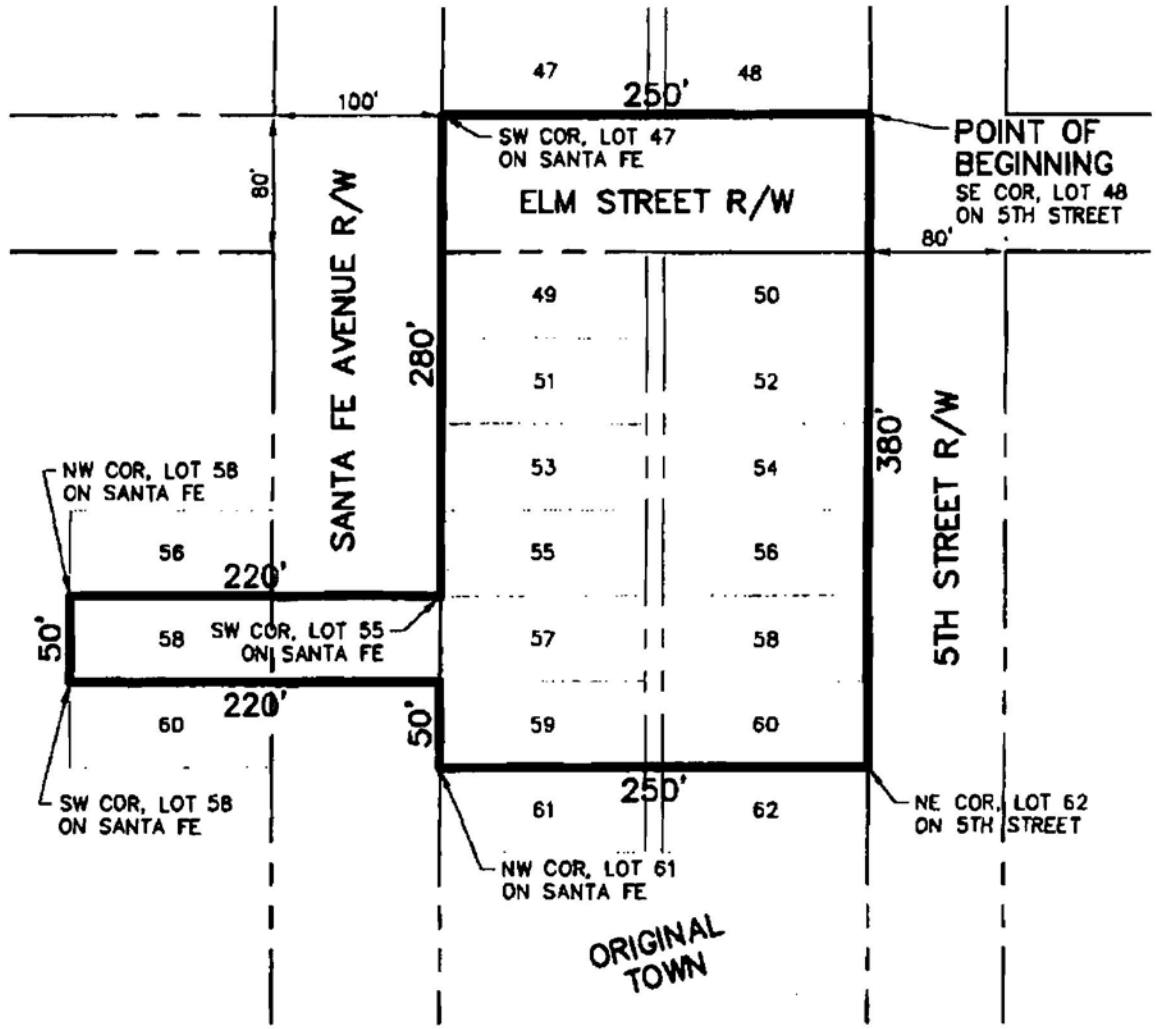
Gry G. Beyer
City Attorney

Consolidated-Salina EPN111155

EXHIBIT A

MAP OF REMOVED PROPERTY FROM REDEVELOPMENT DISTRICT

EXCEPTION 1 FROM TIF DISTRICT
CITY OF SALINA



EXCEPTION AREA: 2.44 ACRES

100 0 50 100

1 inch = 100 ft.

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1 OF 2

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1183EXB-X1 TDA

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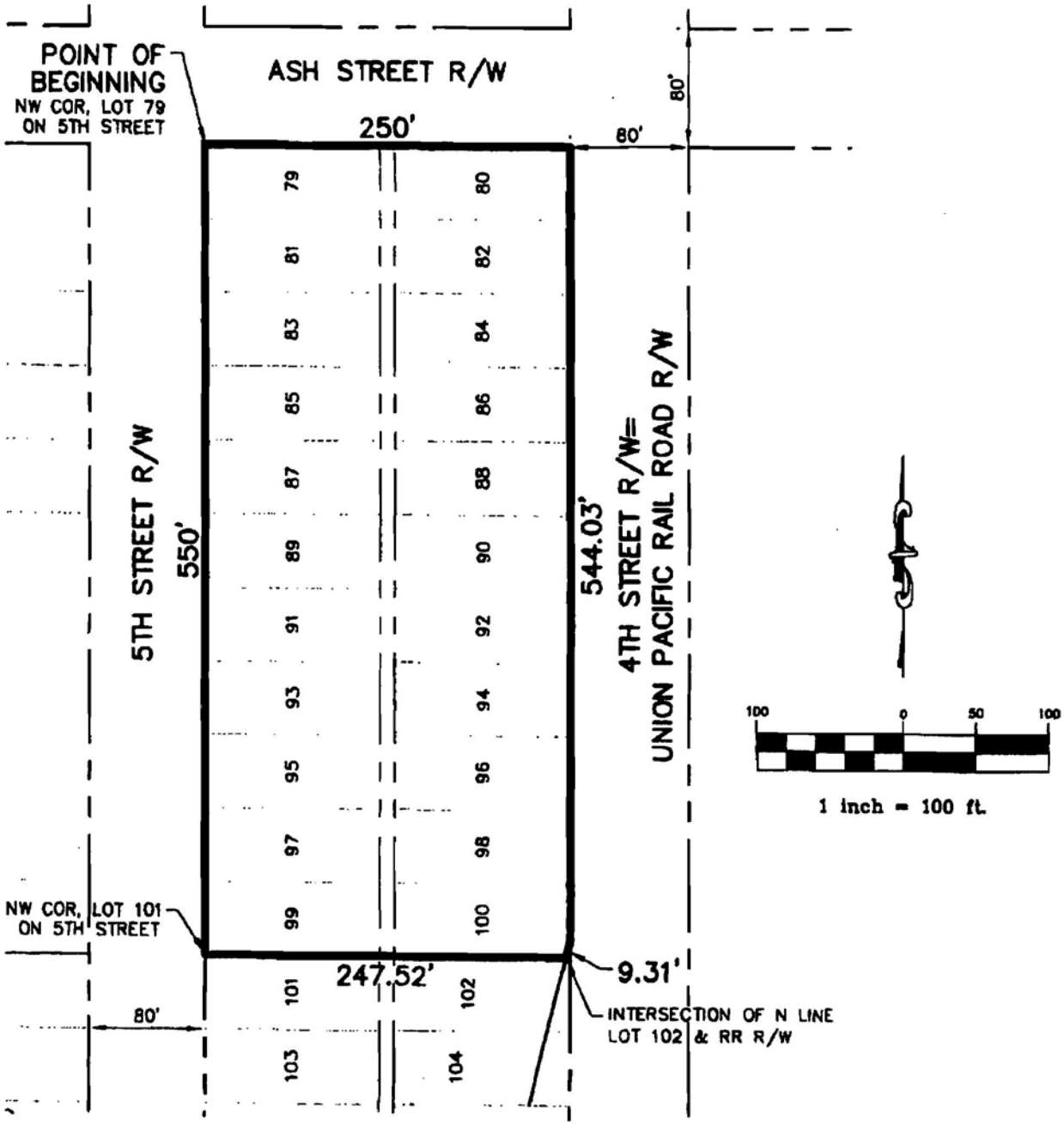
EXCEPTION 2 FROM TIF DISTRICT
CITY OF SALINA



EXCEPTION AREA: 3.16 ACRES

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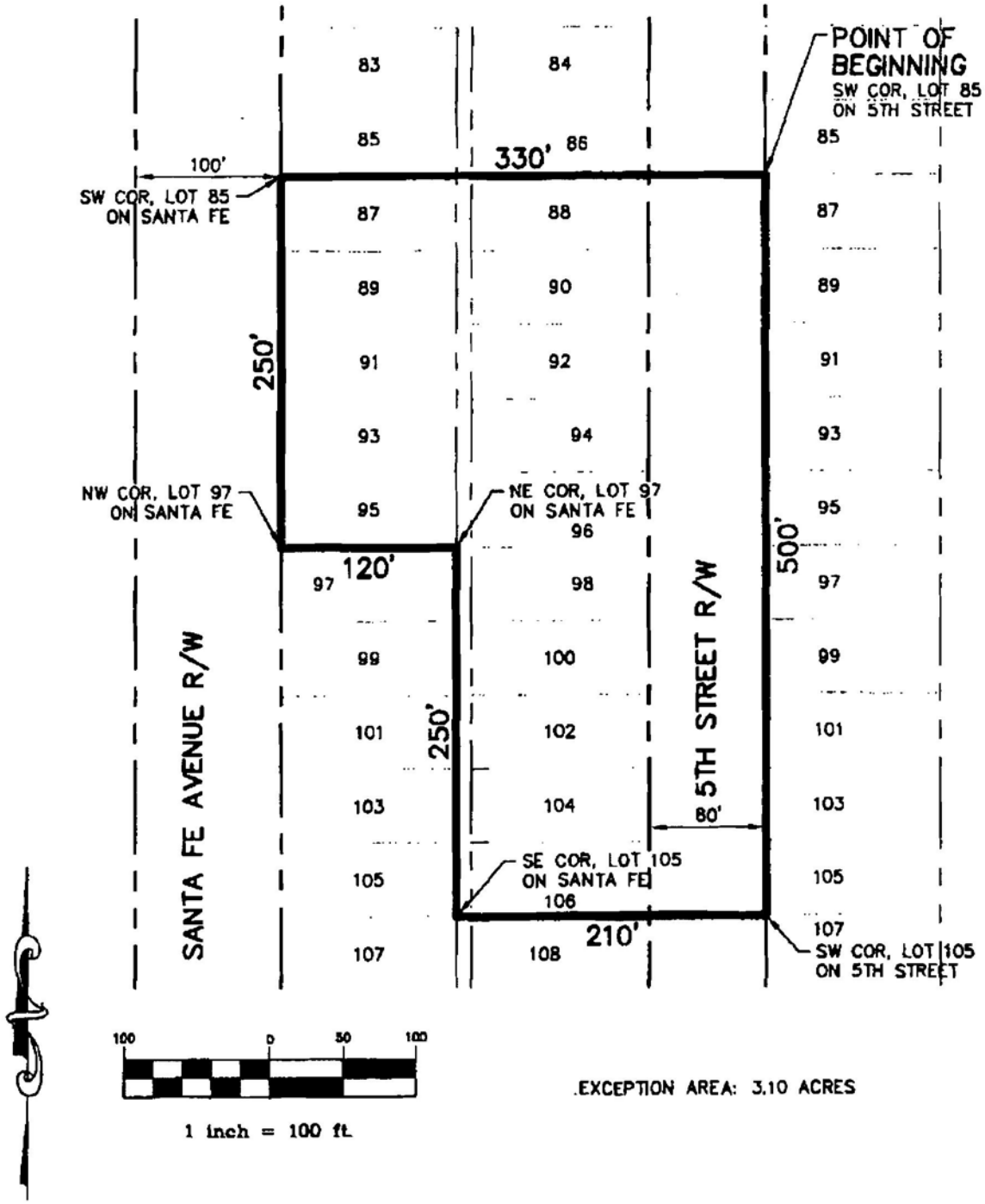
EXCEPTION 3 FROM TIF DISTRICT
CITY OF SALINA



EXCEPTION AREA: 3.10 ACRES

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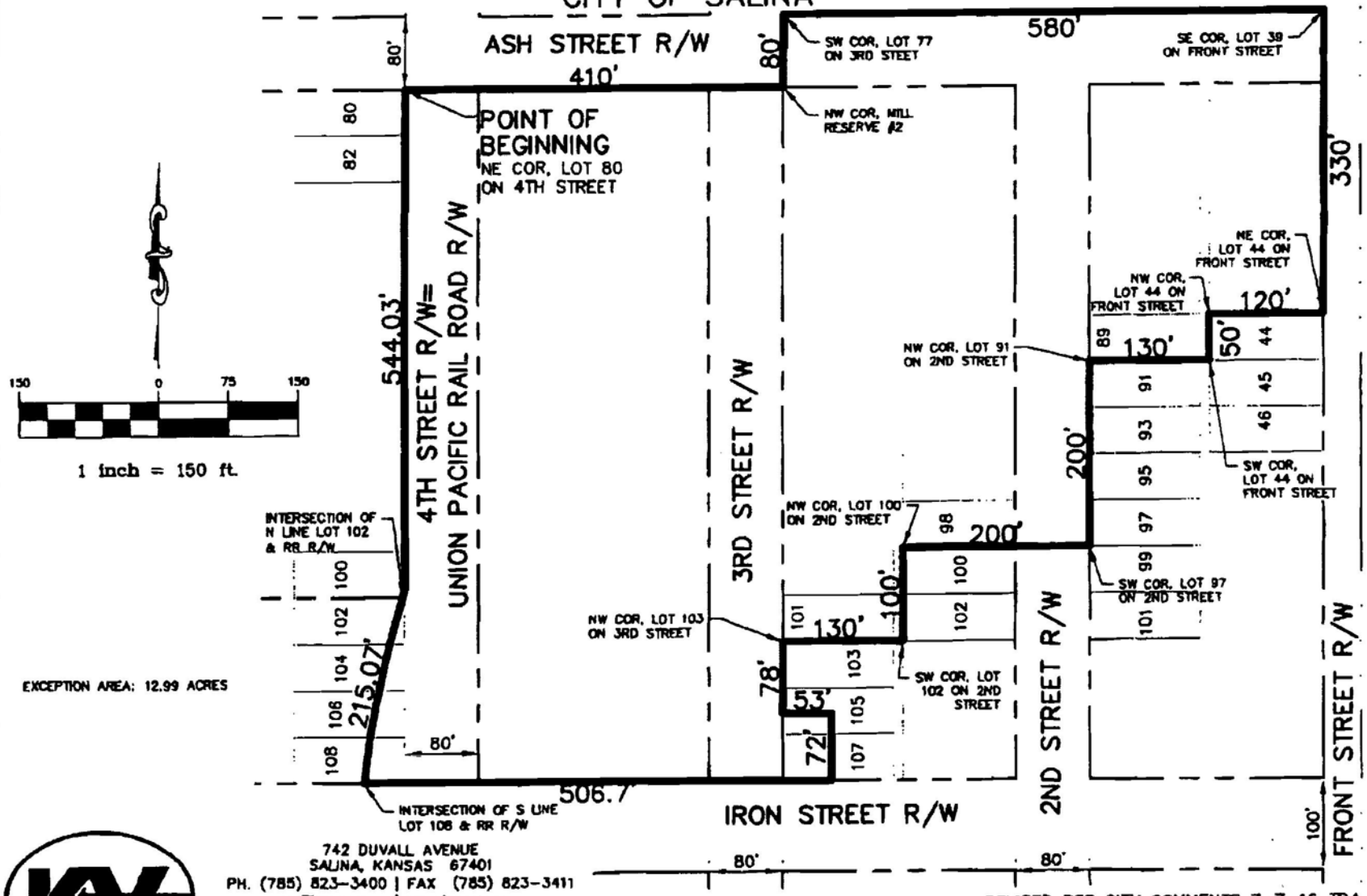
EXCEPTION 4 FROM TIF DISTRICT
CITY OF SALINA



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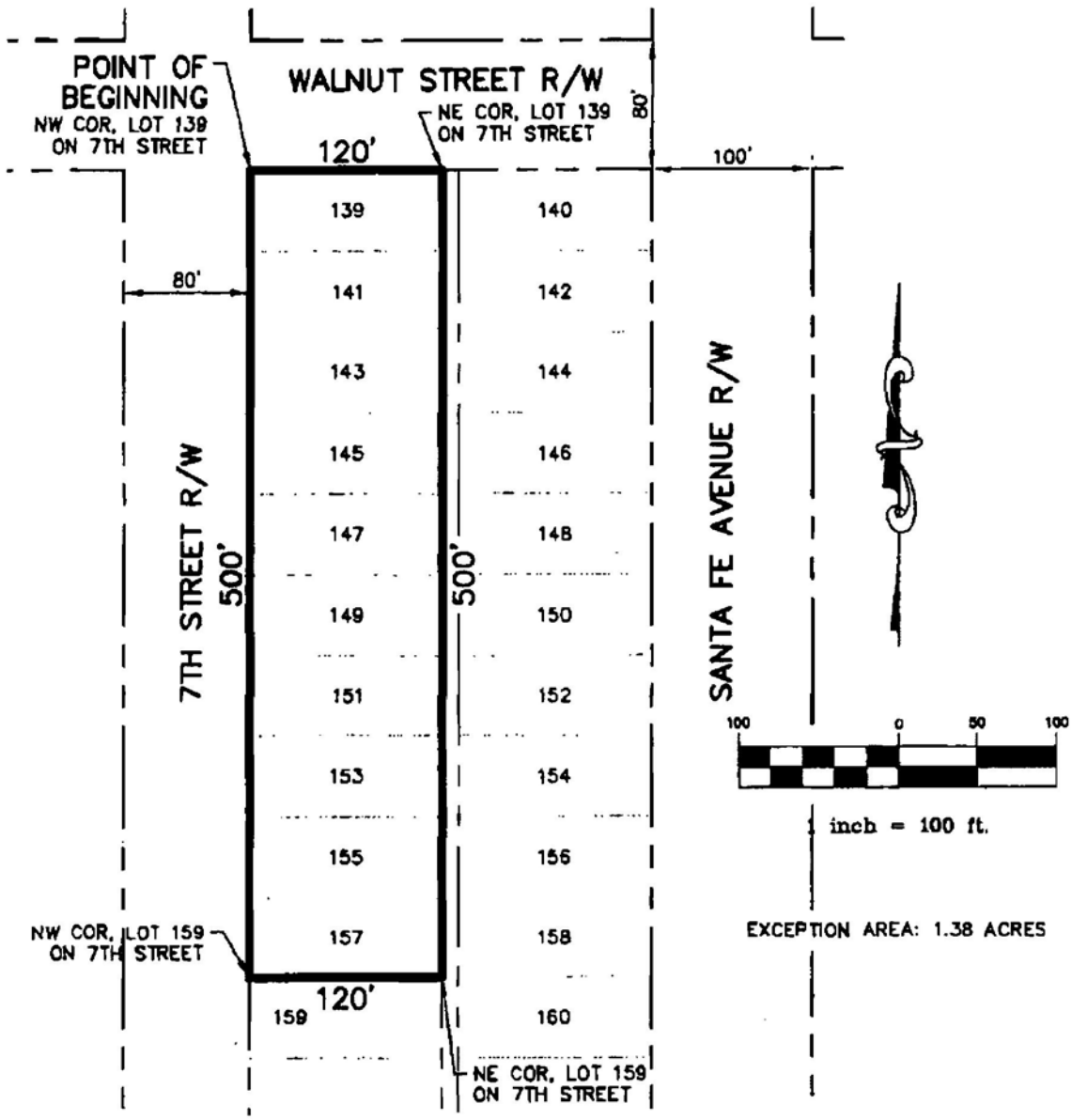
1183EXB-X4 TDA

EXCEPTION 5 FROM TIF DISTRICT
CITY OF SALINA



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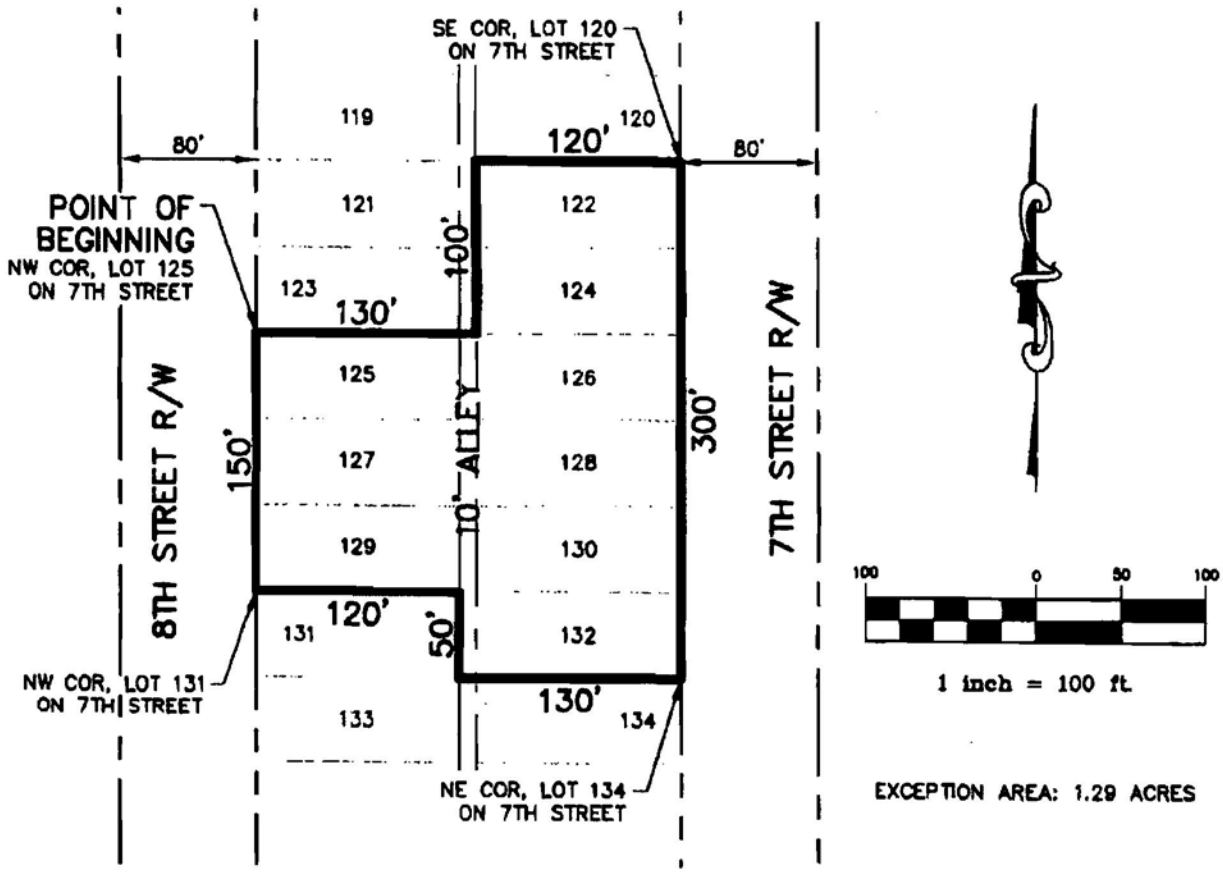
EXCEPTION 6 FROM TIF DISTRICT
CITY OF SALINA



EXCEPTION AREA: 1.29 ACRES

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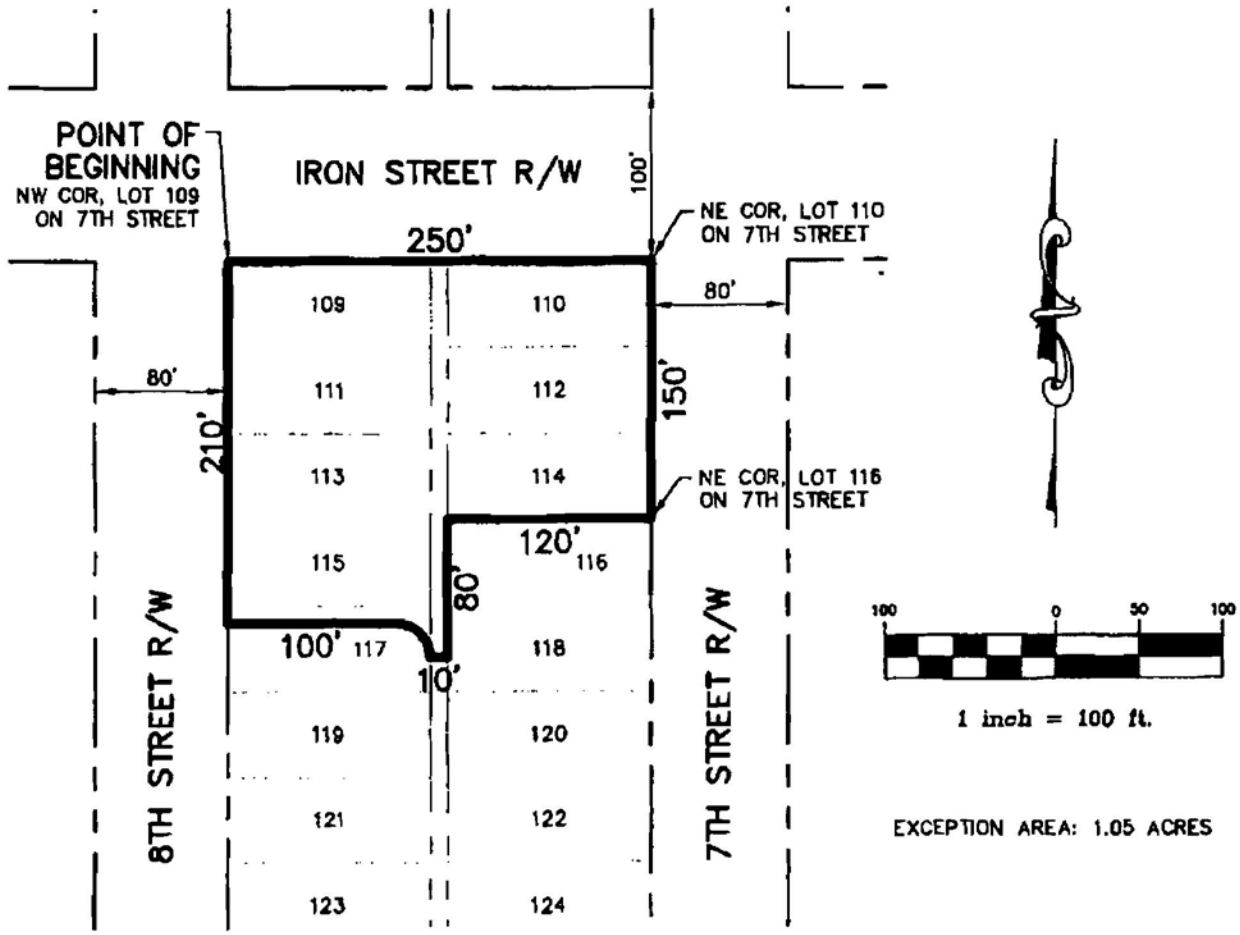
EXCEPTION 7 FROM TIF DISTRICT
CITY OF SALINA



EXCEPTION AREA: 1.05 ACRES

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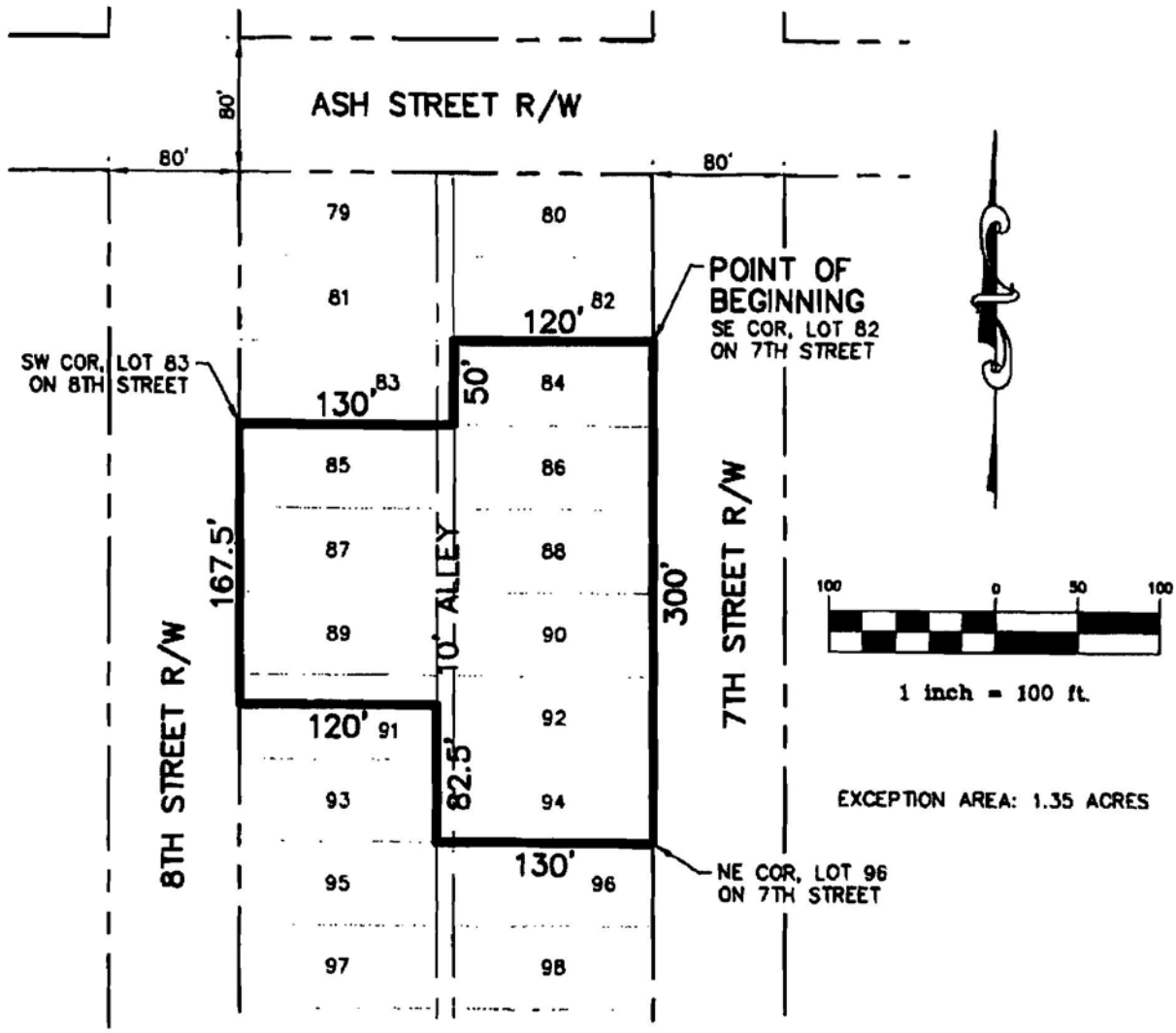
EXCEPTION 8 FROM TIF DISTRICT
CITY OF SALINA



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E15S1183 JULY 1, 2016
1183EXB-X8 TDA

Consolidated-Salina EPN111155

EXHIBIT B

LEGAL DESCRIPTION OF REMOVED PROPERTY FROM REDEVELOPMENT DISTRICT

The following property located in Saline County, Salina, Kansas:

EXCEPTION 1 FROM TIF DISTRICT
CITY OF SALINA

EXCEPTION 1 FROM TIF DISTRICT:

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

BEGINNING AT THE SOUTHEAST CORNER OF LOT 48 ON 5TH STREET, SAID POINT ALSO BEING THE INTERSECTION OF THE WEST RIGHT-OF-WAY LINE OF 5TH STREET AND THE NORTH RIGHT-OF-WAY LINE OF ELM STREET;

THENCE SOUTH ON SAID WEST RIGHT-OF-WAY LINE OF 5TH STREET, A DISTANCE OF 380 FEET TO THE NORTHEAST CORNER OF LOT 62 ON 5TH STREET;

THENCE WEST ON THE NORTH LINE OF SAID LOT 62 AND THE NORTH LINE OF LOT 61 ON SANTA FE AVENUE, A DISTANCE OF 250 FEET TO THE NORTHWEST CORNER OF SAID LOT 61;

THENCE NORTH ON THE WEST LINE OF LOT 59 ON SANTA FE AVENUE, A DISTANCE OF 50 FEET TO THE NORTHWEST CORNER OF SAID LOT 59;

THENCE WEST ON THE SOUTH LINE OF LOT 58 ON SANTA FE AVENUE, AND EXTENSIONS THEREOF, A DISTANCE OF 220 FEET TO THE SOUTHWEST CORNER OF SAID LOT 58;

THENCE NORTH ON THE WEST LINE OF SAID LOT 58, A DISTANCE OF 50 FEET TO THE NORTHWEST CORNER OF SAID LOT 58;

THENCE EAST ON THE NORTH LINE OF SAID LOT 58, AND EXTENSIONS THEREOF, A DISTANCE OF 220 FEET TO THE SOUTHWEST CORNER OF LOT 55 ON SANTA FE AVENUE;

THENCE NORTH ON THE EAST RIGHT-OF-WAY LINE OF SANTA FE AVENUE, A DISTANCE OF 280 FEET TO THE SOUTHWEST CORNER OF LOT 47 ON SANTA FE AVENUE, SAID POINT ALSO BEING THE INTERSECTION OF SAID EAST RIGHT-OF-WAY LINE AND THE NORTH RIGHT-OF-WAY LINE OF ELM STREET;

THENCE EAST ON SAID NORTH RIGHT-OF-WAY LINE OF ELM STREET, A DISTANCE OF 250 FEET TO THE POINT OF BEGINNING.

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EXCEPTION 2 FROM TIF DISTRICT
CITY OF SALINA

EXCEPTION 2 FROM TIF DISTRICT:

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

BEGINNING AT THE NORTHWEST CORNER OF LOT 79 ON 5TH STREET, SAID POINT BEING THE INTERSECTION OF THE EAST RIGHT-OF-WAY LINE OF 5TH STREET AND THE SOUTH RIGHT-OF-WAY LINE OF ASH STREET;

THENCE EAST ON SAID SOUTH RIGHT-OF-WAY LINE OF ASH STREET, A DISTANCE OF 250 FEET TO THE NORTHEAST CORNER OF LOT 80 ON 4TH STREET, SAID POINT BEING THE INTERSECTION OF SAID SOUTH RIGHT-OF-WAY LINE AND THE WESTERLY RIGHT-OF-WAY LINE OF THE UNION PACIFIC RAILROAD;

THENCE SOUTH ON SAID WESTERLY RIGHT-OF-WAY LINE OF THE UNION PACIFIC RAILROAD, A DISTANCE OF 544.03 FEET;

THENCE SOUTHWESTERLY CONTINUING ON SAID WESTERLY RIGHT-OF-WAY LINE OF THE UNION PACIFIC RAILROAD, A DISTANCE OF 9.31 FEET TO THE INTERSECTION OF SAID WESTERLY RIGHT-OF-WAY LINE AND THE NORTH LINE OF LOT 102 ON 4TH STREET;

THENCE WEST ON THE NORTH LINE OF SAID LOT 102, AND THE NORTH LINE OF LOT 101 ON 5TH STREET, A DISTANCE OF 247.52 FEET TO THE NORTHWEST CORNER OF SAID LOT 101, SAID POINT BEING ON THE EAST RIGHT-OF-WAY LINE OF 5TH STREET;

THENCE NORTH ON SAID EAST RIGHT-OF-WAY LINE OF 5TH STREET, A DISTANCE OF 550 FEET TO THE POINT OF BEGINNING.

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EXCEPTION 3 FROM TIF DISTRICT
CITY OF SALINA

EXCEPTION 3 FROM TIF DISTRICT:

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

BEGINNING AT THE SOUTHWEST CORNER OF LOT 85 ON 5TH STREET;

THENCE SOUTH ON THE EAST RIGHT-OF-WAY LINE OF 5TH STREET, A DISTANCE OF 500 FEET TO THE SOUTHWEST CORNER OF LOT 105 ON 5TH STREET;

THENCE WEST ON THE NORTH LINE OF LOT 108 ON 5TH STREET, AND EXTENSIONS THEREOF, A DISTANCE OF 210 FEET TO THE SOUTHEAST CORNER OF LOT 105 ON SANTA FE AVENUE, SAID POINT BEING ON THE WEST LINE OF A 10' ALLEY BETWEEN SANTA FE AVENUE AND 5TH STREET;

THENCE NORTH ON SAID WEST ALLEY LINE, A DISTANCE OF 250 FEET TO THE NORTHEAST CORNER OF LOT 97 ON SANTA FE AVENUE;

THENCE WEST ON THE NORTH LINE OF SAID LOT 97, A DISTANCE OF 120 FEET TO THE NORTHWEST CORNER OF SAID LOT 97, SAID POINT BEING ON THE EAST RIGHT-OF-WAY LINE OF SANTA FE AVENUE;

THENCE NORTH ON SAID EAST RIGHT-OF-WAY LINE OF SANTA FE AVENUE, A DISTANCE OF 250 FEET TO THE SOUTHWEST CORNER OF LOT 85 ON SANTA FE AVENUE;

THENCE EAST ON THE SOUTH LINE OF SAID LOT 85 ON SANTA FE AVENUE, AND THE SOUTH LINE OF LOT 86 ON 5TH STREET, AND EXTENSIONS THEREOF, A DISTANCE OF 330 FEET TO THE POINT OF BEGINNING.

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EXCEPTION 4 FROM TIF DISTRICT
CITY OF SALINA

EXCEPTION 4 FROM TIF DISTRICT:

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 80 ON 4TH STREET, SAID POINT BEING THE INTERSECTION OF THE WEST RIGHT-OF-WAY LINE OF 4TH STREET AND THE SOUTH RIGHT-OF-WAY LINE OF ASH STREET;

THENCE EAST ON SAID SOUTH RIGHT-OF-WAY LINE, A DISTANCE OF 410 FEET TO THE INTERSECTION OF SAID SOUTH RIGHT-OF-WAY LINE AND THE NORTHWEST CORNER OF MILL RESERVE #2;

THENCE NORTH 80 FEET TO THE SOUTHWEST CORNER OF LOT 77 ON 3RD STREET, SAID POINT BEING ON THE NORTH RIGHT-OF-WAY LINE OF ASH STREET;

THENCE EAST ON SAID NORTH RIGHT-OF-WAY LINE OF ASH STREET, A DISTANCE OF 560 FEET TO THE SOUTHEAST CORNER OF LOT 39 ON FRONT STREET, SAID POINT BEING ON THE WEST RIGHT-OF-WAY LINE OF FRONT STREET;

THENCE SOUTH ON SAID WEST RIGHT-OF-WAY LINE OF FRONT STREET, A DISTANCE OF 330 FEET TO THE NORTHEAST CORNER OF LOT 44 ON FRONT STREET;

THENCE WEST ON THE NORTH LINE OF SAID LOT 44, A DISTANCE OF 120 FEET TO THE NORTHWEST CORNER OF SAID LOT 44;

THENCE SOUTH ON THE WEST LINE OF SAID LOT 44, A DISTANCE OF 50 FEET TO THE SOUTHWEST CORNER OF SAID LOT 44;

THENCE WEST ON THE NORTH LINE OF LOT 91 ON 2ND STREET, AND EXTENSIONS THEREOF, A DISTANCE OF 130 FEET TO THE NORTHWEST CORNER OF SAID LOT 91, SAID POINT BEING ON THE EAST RIGHT-OF-WAY LINE OF 2ND STREET;

THENCE SOUTH ON SAID EAST RIGHT-OF-WAY LINE OF 2ND STREET, A DISTANCE OF 200 FEET TO THE SOUTHWEST CORNER OF LOT 97 ON 2ND STREET;

THENCE WEST ON THE NORTH LINE OF LOT 100 ON 2ND STREET, AND EXTENSIONS THEREOF, A DISTANCE OF 200 FEET TO THE NORTHWEST CORNER OF SAID LOT 100;

THENCE SOUTH ON THE WEST LINE OF SAID LOT 100, AND LOT 102 ON 2ND STREET, A DISTANCE OF 100 FEET TO THE SOUTHWEST CORNER OF SAID LOT 102;

THENCE WEST ON THE NORTH LINE OF LOT 103 ON 3RD STREET, AND EXTENSIONS THEREOF, A DISTANCE OF 130 FEET TO THE NORTHWEST CORNER OF SAID LOT 103, SAID POINT ALSO BEING ON THE EAST RIGHT-OF-WAY LINE OF 3RD STREET;

THENCE SOUTH ON SAID EAST RIGHT-OF-WAY LINE OF 3RD STREET, A DISTANCE OF 78 FEET;

THENCE EAST 53 FEET;

THENCE SOUTH 72 FEET TO A POINT ON THE NORTH RIGHT-OF-WAY LINE OF IRON STREET;

THENCE WEST ON SAID NORTH RIGHT-OF-WAY LINE OF IRON STREET, A DISTANCE OF 506.7 FEET TO THE INTERSECTION OF SAID RIGHT-OF-WAY LINE AND THE WESTERLY RIGHT-OF-WAY LINE OF THE UNION PACIFIC RAILROAD;

THENCE NORTHEASTERLY ON SAID WESTERLY RIGHT-OF-WAY LINE OF THE UNION PACIFIC RAILROAD, A DISTANCE OF 215.07 FEET;

THENCE NORTH CONTINUING ON SAID WESTERLY RIGHT-OF-WAY LINE OF THE UNION PACIFIC RAILROAD, A DISTANCE OF 544.03 FEET TO THE POINT OF BEGINNING;

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EXCEPTION 5 FROM TIF DISTRICT
CITY OF SALINA

EXCEPTION 5 FROM TIF DISTRICT:

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

BEGINNING AT THE NORTHWEST CORNER OF LOT 139 ON 7TH STREET, SAID POINT BEING THE INTERSECTION OF THE EAST RIGHT-OF-WAY LINE OF 7TH STREET AND THE SOUTH RIGHT-OF-WAY LINE OF WALNUT STREET;

THENCE EAST ON SAID SOUTH RIGHT-OF-WAY LINE OF WALNUT STREET, A DISTANCE OF 120 FEET TO THE INTERSECTION OF SAID SOUTH RIGHT-OF-WAY LINE, AND THE WEST LINE OF A 10 FOOT ALLEY BETWEEN 7TH STREET AND SANTA FE AVENUE;

THENCE SOUTH ON SAID WEST ALLEY LINE, A DISTANCE OF 500 FEET TO THE NORTHEAST CORNER OF LOT 159 ON 7TH STREET;

THENCE WEST ON THE NORTH LINE OF SAID LOT 159, A DISTANCE OF 120 FEET TO THE NORTHWEST CORNER OF SAID LOT 159, SAID POINT ALSO BEING ON THE EAST RIGHT-OF-WAY LINE OF 7TH STREET;

THENCE NORTH ON SAID EAST RIGHT-OF-WAY LINE OF 7TH STREET, A DISTANCE OF 500 FEET TO THE POINT OF BEGINNING.

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EXCEPTION 6 FROM TIF DISTRICT
CITY OF SALINA

EXCEPTION 6 FROM TIF DISTRICT:

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

BEGINNING AT THE NORTHWEST CORNER OF LOT 125 ON 8TH STREET;

THENCE EAST ON THE SOUTH LINE OF LOT 123 ON 8TH STREET, AND EXTENSIONS THEREOF, A DISTANCE OF 130 FEET TO THE SOUTHWEST CORNER OF LOT 124 ON 7TH STREET;

THENCE NORTH ON THE WEST LINE OF SAID LOT 124 AND LOT 122 ON 7TH STREET, A DISTANCE OF 100 FEET TO THE SOUTHWEST CORNER OF LOT 120 ON 7TH STREET.

THENCE EAST ON THE SOUTH LINE OF SAID LOT 120, A DISTANCE OF 120 FEET TO THE SOUTHEAST CORNER OF SAID LOT 120;

THENCE SOUTH ON THE WEST RIGHT-OF-WAY LINE OF 7TH STREET, A DISTANCE OF 300 FEET TO THE NORTHEAST CORNER OF LOT 134 ON 7TH STREET;

THENCE WEST ON THE NORTH LINE OF LOT 134 ON 7TH STREET, AND EXTENSIONS THEREOF, A DISTANCE OF 130 FEET TO THE NORTHEAST CORNER OF LOT 133 ON 8TH STREET, SAID POINT ALSO BEING ON THE WEST LINE OF A 10 FOOT ALLEY BETWEEN 7TH AND 8TH STREET;

THENCE NORTH ON SAID WEST LINE OF A 10 FOOT ALLEY, A DISTANCE OF 50 FEET TO THE NORTHEAST CORNER OF LOT 131 ON 8TH STREET;

THENCE WEST ON THE NORTH LINE OF SAID LOT 131, A DISTANCE OF 120 FEET TO THE NORTHWEST CORNER OF SAID LOT 131, SAID POINT ALSO BEING ON THE EAST RIGHT-OF-WAY LINE OF 8TH STREET;

THENCE NORTH ON SAID EAST RIGHT-OF-WAY LINE, A DISTANCE OF 150 FEET TO THE POINT OF BEGINNING.

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EXCEPTION 7 FROM TIF DISTRICT
CITY OF SALINA

EXCEPTION 7 FROM TIF DISTRICT:

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

BEGINNING AT THE NORTHWEST CORNER OF LOT 109 ON 8TH STREET, SAID POINT BEING THE INTERSECTION OF THE EAST RIGHT-OF-WAY LINE OF 8TH STREET AND THE SOUTH RIGHT-OF-WAY LINE OF IRON STREET;

THENCE EAST ON SAID SOUTH RIGHT-OF-WAY LINE OF IRON STREET, A DISTANCE OF 250 FEET TO THE NORTHEAST CORNER OF LOT 110 ON 7TH STREET, SAID POINT ALSO BEING THE INTERSECTION OF THE WEST RIGHT-OF-WAY LINE OF 7TH STREET AND SAID SOUTH RIGHT-OF-WAY LINE OF IRON STREET;

THENCE SOUTH ON SAID WEST RIGHT-OF-WAY LINE OF 7TH STREET, A DISTANCE OF 150 FEET TO THE NORTHEAST CORNER OF LOT 116 ON 7TH STREET;

THENCE WEST ON THE NORTH LINE OF SAID LOT 116, A DISTANCE OF 120 FEET TO THE NORTHWEST CORNER OF SAID LOT 116;

THENCE SOUTH ON THE WEST LINE OF SAID LOT 116, AND LOT 118 ON 7TH STREET, A DISTANCE OF 80 FEET;

THENCE WEST A DISTANCE OF 10 FEET TO A POINT ON THE EAST LINE OF SAID LOT 117;

THENCE ON A CURVE TO THE LEFT HAVING A RADIUS OF 20 FEET, A DISTANCE OF 31 FEET TO A POINT ON A LINE 10 FEET SOUTH OF THE NORTH LINE OF SAID LOT 117;

THENCE WEST ON SAID LINE 10 FEET SOUTH AND PARALLEL TO THE NORTH LINE OF SAID LOT 117, A DISTANCE OF 100 FEET TO A POINT ON SAID EAST RIGHT-OF-WAY LINE OF 8TH STREET;

THENCE NORTH ON SAID EAST RIGHT-OF-WAY LINE, A DISTANCE OF 210 FEET TO THE POINT OF BEGINNING.

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EXCEPTION 8 FROM TIF DISTRICT
CITY OF SALINA

EXCEPTION 8 FROM TIF DISTRICT:

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

BEGINNING AT THE SOUTHEAST CORNER OF LOT 82 ON 7TH STREET, SAID POINT BEING ON THE WEST RIGHT-OF-WAY LINE OF SAID 7TH STREET;

THENCE SOUTH ON SAID WEST RIGHT-OF-WAY LINE OF 7TH STREET, A DISTANCE OF 300 FEET TO THE NORTHEAST CORNER OF LOT 96, SAID POINT ALSO BEING ON SAID WEST RIGHT-OF-WAY LINE;

THENCE WEST ON THE NORTH LINE OF SAID LOT 96, AND EXTENSIONS THEREOF, A DISTANCE OF 130 FEET TO THE NORTHEAST CORNER OF LOT 95 ON 8TH STREET, SAID POINT ALSO BEING ON THE WEST LINE OF A 10 FOOT ALLEY BETWEEN 7TH AND 8TH STREET;

THENCE NORTH ON SAID WEST LINE, A DISTANCE OF 82.5 FEET TO A POINT ON A LINE 17.5 FEET SOUTH OF THE NORTHEAST CORNER OF LOT 91 ON 8TH STREET;

THENCE WEST ON SAID LINE 17.5 FEET SOUTH AND PARALLEL TO THE NORTH LINE OF SAID LOT 91, A DISTANCE OF 120 FEET TO A POINT ON THE EAST RIGHT-OF-WAY LINE OF 8TH STREET;

THENCE NORTH ON SAID EAST RIGHT-OF-WAY LINE OF 8TH STREET, A DISTANCE OF 167.5 FEET TO THE SOUTHWEST CORNER OF LOT 83 ON 8TH STREET;

THENCE EAST ON THE SOUTH LINE OF SAID LOT 83, AND EXTENSIONS THEREOF, A DISTANCE OF 130 FEET TO THE SOUTHWEST CORNER OF LOT 84 ON 7TH STREET;

THENCE NORTH ON THE WEST LINE OF SAID LOT 84, A DISTANCE OF 50 FEET TO THE SOUTHWEST CORNER OF SAID LOT 82;

THENCE EAST ON THE SOUTH LINE OF SAID LOT 82, A DISTANCE OF 120 FEET TO THE POINT OF BEGINNING;

WILLIAM C. DELKER
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7/1/2016
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KANSAS
LAND SURVEYOR

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KAW VALLEY ENGINEERING

E15S1183 JULY 1, 2016
1183EXB-X8 TDA

Exhibit H – Ordinance No. 16-10857 Adopting a Redevelopment Project Plan

[See Attached]

(Published on the City of Salina's website for a minimum of one week from February 1-15 ,2017.)

Consolidated-Salina EPN111155

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.

Consolidated-Salina EPN111155

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:

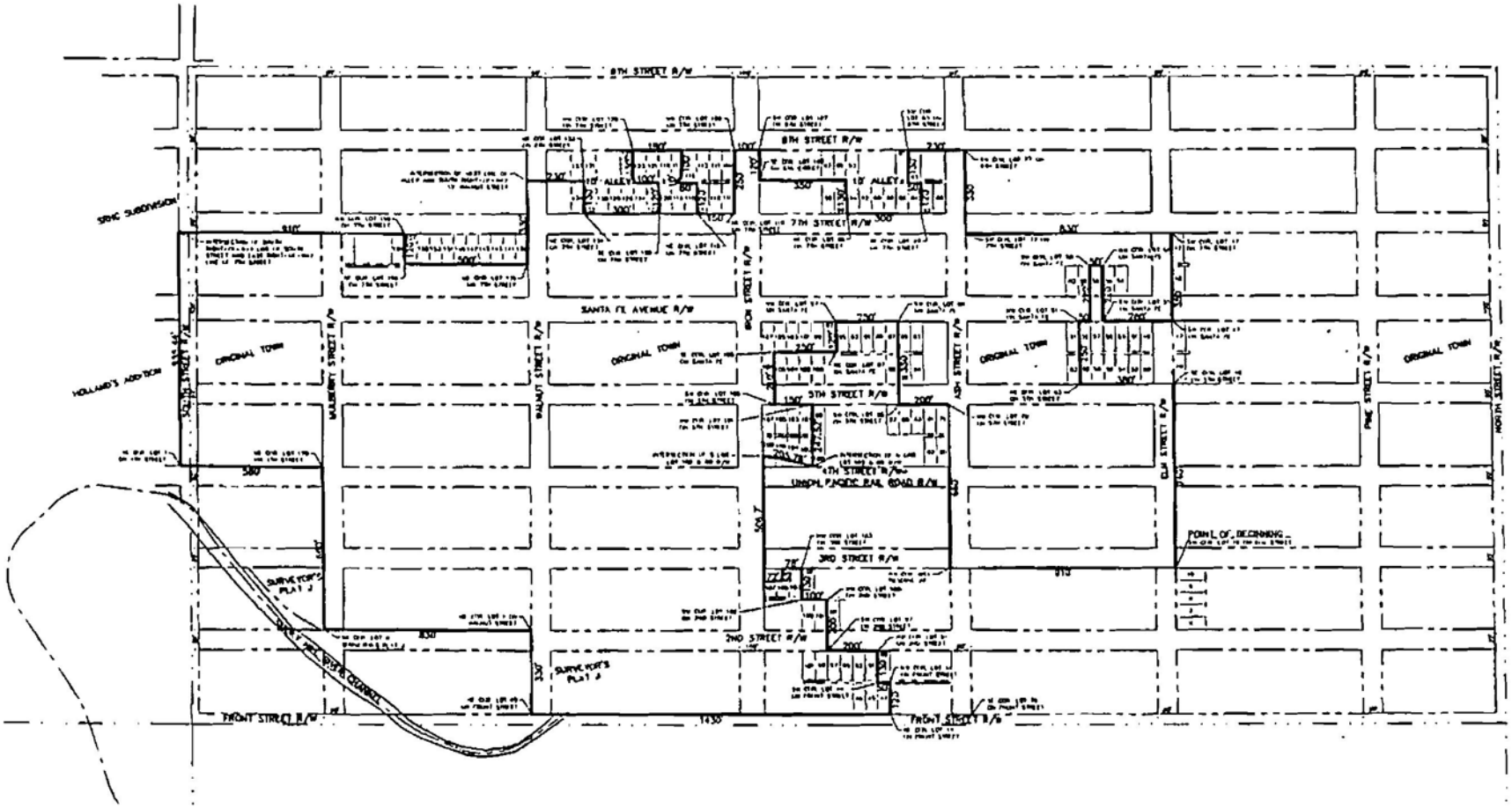
Greg Bengtson, City Attorney

Consolidated-Salina EPN111155

EXHIBIT A

MAP OF REDEVELOPMENT DISTRICT

LIMITS OF THE TIF DISTRICT
CITY OF SALINA



GRAPHIC SCALE

KAW VALLEY ENGINEERING

Consolidated-Salina EPN111155

EXHIBIT B

LEGAL DESCRIPTION OF REDEVELOPMENT DISTRICT

LIMITS OF THE TIF DISTRICT – CITY OF SALINA:

A TRACT OF LAND LOCATED IN ORIGINAL TOWN (NOW CITY), SURVEYOR'S PLAT J, HOLLAND'S ADDITION, AND SRHC SUBDIVISION, ALL IN THE CITY OF SALINA, SALINE COUNTY, KANSAS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF LOT 10 ON ELM STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF THE EAST RIGHT-OF-WAY LINE OF 3RD STREET AND THE NORTH RIGHT-OF-WAY LINE OF ELM STREET;
THENCE SOUTH ON SAID EAST RIGHT-OF-WAY LINE OF 3RD STREET, A DISTANCE OF 910 FEET TO THE NORTHWEST CORNER OF MILL RESERVE #2, SAID POINT BEING THE INTERSECTION OF SAID EAST RIGHT-OF-WAY LINE AND THE SOUTH RIGHT-OF-WAY LINE OF ASH STREET;
THENCE WEST ON SAID SOUTH RIGHT-OF-WAY LINE OF ASH STREET, A DISTANCE OF 660 FEET TO THE NORTHWEST CORNER OF LOT 79 ON 5TH STREET, SAID POINT BEING THE INTERSECTION OF SAID SOUTH RIGHT-OF-WAY LINE AND THE EAST RIGHT-OF-WAY LINE OF 5TH STREET;
THENCE SOUTH ON SAID EAST RIGHT-OF-WAY LINE OF 5TH STREET, A DISTANCE OF 200 FEET TO THE SOUTHWEST CORNER OF LOT 85 ON 5TH STREET;
THENCE WEST ON THE SOUTH LINE OF LOT 86 ON SAID 5TH STREET, AND LOT 85 OF SANTA FE AVENUE AND EXTENSIONS THEREOF, A DISTANCE OF 330 FEET TO THE SOUTHWEST CORNER OF SAID LOT 85, SAID POINT BEING ON THE EAST RIGHT-OF-WAY LINE OF SANTA FE AVENUE;
THENCE SOUTH ON SAID EAST RIGHT-OF-WAY LINE OF SANTA FE AVENUE, A DISTANCE OF 250 FEET TO THE NORTHWEST CORNER OF LOT 97 ON SANTA FE AVENUE;
THENCE EAST ON THE NORTH LINE OF SAID LOT 97, A DISTANCE OF 120 FEET TO THE NORTHEAST CORNER OF SAID LOT 97, SAID POINT BEING ON THE WEST LINE OF A 10' ALLEY BETWEEN SANTA FE AVENUE AND 5TH STREET;
THENCE SOUTH ON SAID WEST ALLEY LINE, A DISTANCE OF 250 FEET TO THE SOUTHEAST CORNER OF LOT 105 ON SANTA FE AVENUE;
THENCE EAST ON THE NORTH LINE OF 108 ON 5TH STREET AND EXTENSIONS THEREOF, A DISTANCE OF 210 FEET TO THE SOUTHWEST CORNER OF LOT 105 ON 5TH STREET, SAID POINT BEING ON THE EAST RIGHT-OF-WAY LINE OF 5TH STREET;
THENCE NORTH ON SAID EAST RIGHT-OF-WAY LINE OF 5TH STREET, A DISTANCE OF 150 FEET TO THE NORTHWEST CORNER OF LOT 101 ON 5TH STREET; THENCE EAST ON THE NORTH LINE OF SAID LOT 101 ON 5TH STREET, AND THE NORTH LINE OF LOT 102 ON 4TH STREET, A DISTANCE OF 247.52 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 205.76 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 506.7 FEET;
THENCE NORTH 72 FEET;
THENCE WEST 53 FEET TO A POINT ON THE WEST LINE OF LOT 105 ON 3RD STREET, SAID POINT ALSO BEING ON THE EAST RIGHT-OF-WAY OF 3RD STREET;
THENCE NORTH ON SAID EAST RIGHT-OF-WAY LINE OF 3RD STREET, A DISTANCE OF 78 FEET TO THE NORTHWEST CORNER OF LOT 103 ON 3RD STREET;
THENCE EAST ON THE NORTH LINE OF SAID LOT 103, AND EXTENSIONS THEREOF, A DISTANCE OF 130 FEET TO THE SOUTHWEST CORNER OF LOT 102 ON 2ND STREET;
THENCE NORTH ON THE WEST LINE OF SAID LOT 102, AND LOT 100 ON 2ND STREET, A DISTANCE OF 100 FEET TO THE NORTHWEST CORNER OF SAID LOT 100;
THENCE EAST ON THE NORTH LINE OF SAID LOT 100, AND EXTENSIONS THEREOF, A DISTANCE OF 200 FEET TO THE SOUTHWEST CORNER OF LOT 97 ON 2ND STREET, SAID POINT ALSO BEING THE EAST RIGHT-OF-WAY LINE OF 2ND STREET;
THENCE NORTH ON SAID EAST RIGHT-OF-WAY LINE OF 2ND STREET, A DISTANCE OF 200 FEET TO THE NORTHWEST CORNER OF LOT 91 ON 2ND STREET;
THENCE EAST ON THE NORTH LINE OF SAID LOT 91, AND EXTENSIONS THEREOF, A DISTANCE OF 130 FEET TO THE SOUTHWEST CORNER OF LOT 44 ON FRONT STREET;
THENCE NORTH ON THE WEST LINE OF SAID LOT 44, A DISTANCE OF 50 FEET TO THE NORTHWEST CORNER OF SAID LOT 44;
THENCE EAST ON THE NORTH LINE OF SAID LOT 44, A DISTANCE OF 120 FEET TO THE NORTHEAST CORNER OF SAID LOT 44, SAID POINT ALSO BEING ON THE WEST RIGHT-OF-WAY OF FRONT STREET, AS PLATTED IN SAID ORIGINAL TOWN;
THENCE SOUTH ON SAID WEST RIGHT-OF-WAY LINE OF FRONT STREET, A DISTANCE OF 1430 FEET TO THE NORTHEAST CORNER OF LOT 69 ON FRONT STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID WEST RIGHT-OF-WAY LINE AND THE SOUTH RIGHT-OF-WAY LINE OF WALNUT STREET;
THENCE WEST ON SAID SOUTH RIGHT-OF-WAY LINE OF WALNUT STREET, A DISTANCE OF 330 FEET TO THE NORTHEAST CORNER OF LOT 1, ON WALNUT STREET, SAID ORIGINAL TOWN, 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 830 FEET TO THE NORTHEAST CORNER OF LOT 8, SAID SURVEYOR'S PLAT J, SAID POINT BEING THE INTERSECTION OF SAID WEST RIGHT-OF-WAY LINE AND THE SOUTH RIGHT-OF-WAY LINE OF MULBERRY STREET;
THENCE WEST ON SAID SOUTH RIGHT-OF-WAY LINE OF MULBERRY STREET, A DISTANCE OF 660 FEET TO THE NORTHEAST CORNER OF LOT 170 ON 4TH STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID SOUTH RIGHT-OF-WAY LINE AND THE WEST RIGHT-OF-WAY LINE OF 4TH STREET;
THENCE SOUTH ON SAID WEST RIGHT-OF-WAY LINE OF 4TH STREET, A DISTANCE OF 580 FEET TO THE NORTHEAST CORNER OF LOT 1, ON 4TH STREET, SAID HOLLAND'S ADDITION, SAID POINT BEING THE INTERSECTION OF SAID WEST RIGHT-OF-WAY LINE AND THE SOUTH RIGHT-OF-WAY LINE OF SOUTH STREET;
THENCE WEST ON SAID SOUTH RIGHT-OF-WAY LINE OF SOUTH STREET, A DISTANCE OF 935.44 FEET TO THE INTERSECTION OF SAID SOUTH RIGHT-OF-WAY LINE AND THE EAST RIGHT-OF-WAY LINE OF 7TH STREET;
THENCE NORTH ON SAID EAST RIGHT-OF-WAY LINE OF 7TH STREET, A DISTANCE OF 910 FEET TO THE NORTHWEST CORNER OF LOT 159 ON 7TH STREET, SAID ORIGINAL TOWN;
THENCE EAST ON THE NORTH LINE OF SAID LOT 159, A DISTANCE OF 120 FEET TO THE NORTHEAST CORNER OF SAID LOT 159, SAID POINT ALSO BEING ON THE WEST LINE OF A 10 FOOT ALLEY BETWEEN 7TH STREET AND SANTA FE AVENUE;
THENCE NORTH ON SAID WEST ALLEY LINE, A DISTANCE OF 500 FEET TO THE NORTHEAST CORNER OF LOT 139 ON 7TH STREET, SAID POINT ALSO BEING ON THE SOUTH RIGHT-OF-WAY OF WALNUT STREET;
THENCE WEST ON SAID SOUTH RIGHT-OF-WAY LINE OF WALNUT STREET, A DISTANCE OF 330 FEET TO THE INTERSECTION OF SAID SOUTH RIGHT-OF-WAY LINE, AND THE WEST LINE OF A 10 FOOT ALLEY BETWEEN 7TH STREET AND 8TH STREET;

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sa@kveng.com | www.kveng.com
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REVISED PER CITY COMMENTS
RESIZED DESCRIPTION
6-28-16, TDA

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THENCE NORTH ON SAID WEST LINE OF A 10 FOOT ALLEY, A DISTANCE OF 230 FEET TO THE NORTHEAST CORNER OF LOT 133 ON 8TH STREET;
THENCE EAST ON THE NORTH LINE OF LOT 134 ON 7TH STREET, AND EXTENSIONS THEREOF, A DISTANCE OF 130 FEET TO THE NORTHEAST CORNER OF SAID LOT 134, SAID POINT ALSO BEING ON THE WEST RIGHT-OF-WAY LINE OF 7TH STREET;
THENCE NORTH ON SAID WEST RIGHT-OF-WAY LINE OF 7TH STREET, A DISTANCE OF 300 FEET TO THE SOUTHEAST CORNER OF LOT 120 ON 7TH STREET;
THENCE WEST ON THE SOUTH LINE OF SAID LOT 120, A DISTANCE OF 120 FEET TO THE SOUTHWEST CORNER OF SAID LOT 120;
THENCE SOUTH ON THE WEST LINE OF LOTS 122 AND 124 ON 7TH STREET, A DISTANCE OF 100 FEET TO THE SOUTHWEST CORNER OF SAID LOT 124;
THENCE WEST ON THE SOUTH LINE OF LOT 123 ON 8TH STREET, AND EXTENSIONS THEREOF, A DISTANCE OF 130 FEET TO THE SOUTHWEST CORNER OF SAID LOT 123, SAID POINT ALSO BEING ON THE EAST RIGHT-OF-WAY LINE OF 8TH STREET;
THENCE NORTH ON SAID EAST RIGHT-OF-WAY LINE OF 8TH STREET, A DISTANCE OF 190 FEET TO A POINT 10 FEET SOUTH OF THE NORTHWEST CORNER OF LOT 117 ON 8TH STREET;
THENCE EAST ON A LINE 10 FEET SOUTH AND PARALLEL TO THE NORTH LINE OF SAID LOT 117, A DISTANCE OF 100 FEET;
THENCE ON A CURVE TO THE RIGHT HAVING A RADIUS OF 20 FEET, A DISTANCE OF 31 FEET TO A POINT ON THE EAST LINE OF SAID LOT 117;
THENCE EAST A DISTANCE OF 10 FEET TO A POINT ON THE WEST LINE OF LOT 118 ON 7TH STREET;
THENCE NORTH ON THE WEST LINE OF SAID LOT 118, AND LOT 116 ON 7TH STREET, A DISTANCE OF 80 FEET TO THE NORTHWEST CORNER OF SAID LOT 116;
THENCE EAST ON THE NORTH LINE OF SAID LOT 116, A DISTANCE OF 120 FEET TO THE NORTHEAST CORNER OF SAID LOT 116, SAID POINT BEING ON THE WEST RIGHT-OF-WAY LINE OF 7TH STREET;
THENCE NORTH ON SAID WEST RIGHT-OF-WAY LINE OF 7TH STREET, A DISTANCE OF 150 FEET TO THE NORTHEAST CORNER OF LOT 110 ON 7TH STREET, SAID POINT ALSO BEING THE INTERSECTION OF SAID WEST RIGHT-OF-WAY LINE AND THE SOUTH RIGHT-OF-WAY LINE OF IRON STREET;
THENCE WEST ON SAID SOUTH RIGHT-OF-WAY LINE OF IRON STREET, A DISTANCE OF 250 FEET TO THE NORTHWEST CORNER OF LOT 109 ON 8TH STREET;
THENCE NORTH A DISTANCE OF 100 FEET TO THE SOUTHWEST CORNER OF LOT 107 ON 8TH STREET;
THENCE EAST ON THE SOUTH LINE OF SAID LOT 107, A DISTANCE OF 120 FEET TO THE SOUTHEAST CORNER OF SAID LOT 107, SAID POINT BEING ON THE WEST LINE OF A 10 FOOT ALLEY BETWEEN 7TH STREET AND 8TH STREET, SAID ORIGINAL TOWN;
THENCE NORTH ON SAID WEST LINE OF A 10 ALLEY, A DISTANCE OF 350 FEET TO THE NORTHEAST CORNER OF LOT 95 ON 8TH STREET;
THENCE EAST ON THE NORTH LINE OF LOT 96 ON 7TH STREET, AND EXTENSIONS THEREOF, A DISTANCE OF 130 FEET TO THE NORTHEAST CORNER OF SAID LOT 96, SAID POINT ALSO BEING ON THE WEST RIGHT-OF-WAY LINE OF 7TH STREET;
THENCE NORTH ON SAID WEST RIGHT-OF-WAY LINE OF 7TH STREET, A DISTANCE OF 300 FEET TO THE SOUTHEAST CORNER OF LOT 82 ON 7TH STREET;
THENCE WEST ON THE SOUTH LINE OF SAID LOT 82 A DISTANCE OF 120 FEET TO THE SOUTHWEST CORNER OF SAID LOT 82;
THENCE SOUTH ON THE WEST LINE OF LOT 84 ON 7TH STREET, A DISTANCE OF 50 FEET TO THE SOUTHWEST CORNER OF SAID LOT 84;
THENCE WEST ON THE SOUTH LINE OF LOT 83 ON 8TH STREET, AND EXTENSIONS THEREOF, A DISTANCE OF 130 FEET TO THE SOUTHWEST CORNER OF SAID LOT 83, SAID POINT ALSO BEING ON THE EAST RIGHT-OF-WAY LINE OF 8TH STREET;
THENCE NORTH ON SAID EAST RIGHT-OF-WAY LINE OF 8TH STREET, A DISTANCE OF 230 FEET TO THE SOUTHWEST CORNER OF LOT 77 ON 8TH STREET, SAID POINT ALSO BEING THE INTERSECTION OF SAID EAST RIGHT-OF-WAY LINE, AND THE NORTH RIGHT-OF-WAY OF ASH STREET;
THENCE EAST ON SAID NORTH RIGHT-OF-WAY LINE OF ASH STREET, A DISTANCE OF 330 FEET TO THE SOUTHWEST CORNER OF LOT 77 ON 7TH STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID NORTH RIGHT-OF-WAY LINE AND SAID EAST RIGHT-OF-WAY LINE OF 7TH STREET;
THENCE NORTH ON SAID EAST RIGHT-OF-WAY LINE OF 7TH STREET, A DISTANCE OF 830 FEET TO THE SOUTHWEST CORNER OF LOT 47 ON 7TH STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID EAST RIGHT-OF-WAY LINE AND THE NORTH RIGHT-OF-WAY LINE OF ELM STREET;
THENCE EAST ON SAID NORTH RIGHT-OF-WAY LINE OF ELM STREET, A DISTANCE OF 350 FEET TO THE SOUTHWEST CORNER OF LOT 47 ON SANTA FE, SAID POINT ALSO BEING THE INTERSECTION OF SAID NORTH RIGHT-OF-WAY LINE AND THE EAST RIGHT-OF-WAY LINE OF SANTA FE AVENUE;
THENCE SOUTH ON SAID EAST RIGHT-OF-WAY LINE OF SANTA FE, A DISTANCE OF 280 FEET TO THE SOUTHWEST CORNER OF LOT 55 ON SANTA FE AVENUE;
THENCE WEST ON THE NORTH LINE OF LOT 58 ON SANTA FE AVENUE, AND EXTENSIONS THEREOF, A DISTANCE OF 220 FEET TO THE NORTHWEST CORNER OF SAID LOT 58;
THENCE SOUTH ON THE WEST LINE OF SAID LOT 58, A DISTANCE OF 50 FEET TO THE SOUTHWEST CORNER OF SAID LOT 58;
THENCE EAST ON THE SOUTH LINE OF SAID LOT 58, AND EXTENSIONS THEREOF, A DISTANCE OF 220 FEET TO THE NORTHWEST CORNER OF LOT 59 ON SANTA FE AVENUE;
THENCE SOUTH ON THE WEST LINE OF SAID LOT 59, A DISTANCE OF 50 FEET TO THE NORTHWEST CORNER OF LOT 61 ON SANTA FE AVENUE;
THENCE EAST ON THE NORTH LINE OF SAID LOT 61 AND LOT 62 ON 5TH STREET, A DISTANCE OF 250 FEET TO THE NORTHEAST CORNER OF SAID LOT 62, SAID POINT ALSO BEING ON THE WEST RIGHT-OF-WAY LINE OF 5TH STREET;
THENCE NORTH ON SAID WEST RIGHT-OF-WAY LINE OF 5TH STREET, A DISTANCE OF 380 FEET TO THE SOUTHEAST CORNER OF LOT 48 ON 5TH STREET, SAID POINT ALSO BEING THE INTERSECTION OF SAID WEST RIGHT-OF-WAY LINE AND THE NORTH RIGHT-OF-WAY LINE OF ELM STREET;
THENCE EAST ON SAID NORTH RIGHT-OF-WAY LINE OF ELM STREET, A DISTANCE OF 740 FEET TO THE POINT OF BEGINNING.

WILLIAM C. DELKER
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6/28/2016
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Exhibit I – TIF Project Plan

[See Attached]

TAX INCREMENT FINANCING
REDEVELOPMENT PROJECT PLAN
(SALINA DOWNTOWN REVITALIZATION PROJECT)

The Tax Increment Financing Act, K.S.A. 12-1770, et seq., as amended (the "**TIF Act**"), requires that any Redevelopment Project Plan within the City of Salina, Kansas (the "**City**") be created in consultation with the City. As part of that consultation, the Planning Commission is required by the TIF Act to determine whether the development components of the Redevelopment Project Plan ("**Redevelopment Project Plan**") are consistent with the intent of the City's Comprehensive Plan.

SUBMITTED PURSUANT TO

KS.A. 12-1770 *et seq.*, as amended

SUBMITTED BY

SALINA 2020, INC.

Submitted: JUNE 21, 2016

TABLE OF CONTENTS

I. INTRODUCTION 1

II. THE REDEVELOPMENT PROJECT PLAN 1

A) Description of the TIF District and Project Area 1

B) Established TIF District 1

C) Redevelopment Project 2

D) Feasibility Study 2

E) Relocation Plan 5

Exhibit A – TIF District and Project Area Legal Description

Exhibit A-1 – TIF District and Project Area Boundary Map

I. INTRODUCTION

Pursuant to the Kansas Tax Increment Financing Act, K.S.A. 12-1770 et seq., as amended (the "**TIF Act**"), Kansas municipalities are authorized to establish redevelopment districts and redevelopment project plans for property within their jurisdiction. Redevelopment districts may be created based upon certain findings by the municipality, including that property within a proposed district is an "eligible area" pursuant to the TIF Act.

On June 5, 2015, the City of Salina, Kansas (the "**City**"), after conducting a duly noticed public hearing, found that the property within the boundaries described in **Exhibit A-1** and depicted in **Exhibit A-2** hereto is located within an area of the City designated as an enterprise zone prior to July 1, 1992 and is therefore an "eligible area" pursuant to the TIF Act. Based in part upon said finding, the City adopted Ordinance No. 15-10776 creating a redevelopment district encompassing the subject property (the "**TIF District**") and approving a plan for redevelopment of the TIF District established under K.S.A. 12-1771 and amendments thereto (the **"District Plan"** as further described herein).

This redevelopment project plan (the "**Redevelopment Project Plan**") for the single redevelopment project area ("**Redevelopment Project Area**") within the TIF District, the general boundaries of which are depicted on **Exhibit A-2** attached hereto, is presented to the City for its consideration and approval, with the maximum twenty (20) year term of the Redevelopment Project Plan to commence upon the effective date as specified in the resolution or ordinance adopting this Redevelopment Project Plan.

II. THE PROJECT PLAN

A. Description of the TIF District and Project Area

The property comprising the TIF District consists of approximately 122 acres generally located in the downtown core of the City. A legal description and boundary map of the TIF District are attached hereto as **Exhibits A-1** and **A-2**, respectively. The general boundaries of the Redevelopment Project Area are depicted on **Exhibit A-2**.

B. Established TIF District

The Property is within an established TIF District approved by the City on June 5, 2015 pursuant to Ordinance No. 15-10776. The approved District Plan contained within the Ordinance provides for certain redevelopment projects within the TIF District. This Project Plan proposes the use of tax increment financing revenues generated by the Project Area to pay for or reimburse the costs of the following redevelopment projects generally described in the District Plan (the "**Redevelopment Project**" or "**Project**"):

> A mixed-use development consisting of some or all of the following uses: major multi-sport athletic complex, museum facilities; an historic theater; retail uses; restaurant uses; other general commercial development; hotel uses; residential uses; office uses; associated public and private infrastructure; and other items allowable under K.S.A. 12-1770 *et seq*. The redevelopment district may consist of multiple redevelopment project areas as delineated in one or more redevelopment project

plans to be approved for property within the redevelopment district.

C. Redevelopment Project

Consistent with the District Plan, the following Redevelopment Project Plan for the Redevelopment Project is anticipated to include a critical mass of mixed-use components including an automotive museum (the "Car Museum"), renovation and expansion of the historic Stiefel Theater (the "Stiefel"), construction of new streetscape and infrastructure in the downtown corridor, construction of a new approximately 114-room all-suites hotel and conference space (the "Hotel"), construction of a 47,000 square foot family entertainment complex (the "Alley") and development of new and refurbished retail, educational and residential space throughout the downtown core. These proposed uses are consistent with the District Plan approved by the City.

Implementation of the Redevelopment Project Plan is proposed through a combination of public and private financing as described herein. In addition to private equity and debt financing, the Project is anticipated to be funded by a combination of proceeds from a tax increment financing district ("**TIF Revenue**"), STAR Bond net proceeds, proceeds generated by three community improvement districts, and other public sources. Salina2020, Inc. (the "**Master Developer**") is requesting reimbursement for certain eligible costs associated with the Redevelopment Project generally described above from TIF Revenue on a pay-as-you-go basis, with the option to request at a later date the City's issuance of TIF bonds in the sole discretion of the City.

D. Feasibility Study

As required by the Act, a study has been prepared to determine whether the Project's benefits and tax increment revenues and other available revenues under K.S.A. 12-1774(a)(1) are expected to exceed or be sufficient to pay for the Project's costs. Pursuant to the Act, the study also addresses the effect, if any, the Project costs have on any outstanding special obligation bonds payable from revenues described in K.S.A. 12-1774(a)(1)(D).

In developing this feasibility study, Master Developer and its consultants relied upon their extensive experience and expertise in the design, development, financing, management, and leasing of projects of similar scope and nature. Further, outside resources and third parties were consulted with significant experience in the development and financing of similar projects in order to develop and verify cost and revenue projections including actual taxing jurisdiction data where available. The results of this study are as follows:

1. Project Costs

The total estimated cost to complete the Redevelopment Project is $119,813,609. TIF Revenue is projected to reimburse approximately $4,878,660 in eligible costs plus interest on such costs. A breakdown of the estimated costs by category and the amount projected to be reimbursed through TIF Revenue is set forth below.

ESTIMATED TOTAL COSTS

PROJECT COMPONENTS	TOTAL COST	TIF USES
Car Museum	$ 4,695,000	$ -
Stiefel Theater Improvements	$ 2,200,000	$ -
City Public Improvements	$ 11,554,506	$ -
Hotel (w/ Parking)	$ 19,005,820	$ 800,000
Entertainment Complex	$ 6,100,333	$ -
Medical Student Housing (Apartments)	$ 3,756,407	$ 920,000
University of Kansas Medical School	$ 7,135,404	$ -
Vacant Space / New Tenant Development	$ 31,801,674	$ 2,658,660
Improvements to Existing Retail	$ 2,135,404	$ -
Total FFE for Buildings/Renovations	$ 9,755,667	$ -
Legal/Accounting	$ 500,000	$ -
Downtown Maintenance and Security	$ 2,300,000	$ -
Pre-Development Costs	$ 6,088,134	$ -
Financing & Contingency Costs	$ 12,785,260	$ 500,000
TOTAL PROJECT COSTS	**$ 119,813,609**	**$ 4,878,660**
PERCENT OF TOTAL COST	**100.00%**	**4.07%**

TIF Reimbursable Costs:

1) Reimbursable Project Costs in the "Entertainment Complex" category are for infrastructure costs, including design costs (i.e., engineering/architecture/surveying).

2) Reimbursable Project Costs in the "Medical Student Housing" category are for land acquisition and infrastructure costs.

3) Reimbursable Project Costs in the "Vacant Space / New Tenant Development" category are for land acquisition costs.

This Redevelopment Project Plan contemplates that any and all costs legally reimbursable under the TIF Act shall be "**Reimbursable Project Costs**" hereunder. As such, the chart above indicates that approximately $4,878,660 in Reimbursable Project Costs, plus interest on such costs, are projected to be reimbursed through TIF Revenue.[1] Interest and financing expenses shall also qualify as Reimbursable Project Costs in addition to those costs detailed above. TIF Revenues when combined with private capital and other public sources will be sufficient to fund all Reimbursable Project Costs.

It is anticipated that Developer will be reimbursed under this Redevelopment Project Plan on either a "pay-as-you-go" method or through the issuance of special obligation or general

[1] Note: The projected Reimbursable Project Costs estimated in this Redevelopment Project Plan do not operate as a cap, by category or in total, on the reimbursement of Reimbursable Project Costs from TIF Revenue.

obligation bonds. The District Plan and this Redevelopment Project Plan allows generally that special obligation or general obligation bonds may be issued by the City, at the City's sole and absolute discretion.

2. Project Revenues

The net present value of TIF Revenues generated over the term of the TIF from the Redevelopment Project Area is estimated to be $4,878,660 as shown below:

YEAR		TOTAL BASE ASSESSED VALUE	TOTAL PROJECTED ASSESSED VALUE	PROJECTED REAL ESTATE TAX INCREMENT CAPTURED BY TIF
1	2017	$10,049,286	$12,301,245	$255,595
2	2018	$10,049,286	$12,417,031	$268,737
3	2019	$10,049,286	$12,743,341	$305,772
4	2020	$10,049,286	$12,936,316	$327,675
5	2021	$10,049,286	$13,090,696	$345,197
6	2022	$10,049,286	$13,167,886	$353,958
7	2023	$10,049,286	$13,167,886	$353,958
8	2024	$10,049,286	$13,431,244	$383,849
9	2025	$10,049,286	$13,431,244	$383,849
10	2026	$10,049,286	$13,699,869	$414,338
11	2027	$10,049,286	$13,699,869	$414,338
12	2028	$10,049,286	$13,973,866	$445,436
13	2029	$10,049,286	$13,973,866	$445,436
14	2030	$10,049,286	$14,253,344	$477,156
15	2031	$10,049,286	$14,253,344	$477,156
16	2032	$10,049,286	$14,538,411	$509,511
17	2033	$10,049,286	$14,538,411	$509,511
18	2034	$10,049,286	$14,829,179	$542,513
19	2035	$10,049,286	$14,829,179	$542,513
20	2036	$10,049,286	$15,125,762	$576,175
GROSS REVENUE				**$8,332,673**
NET PRESENT VALUE @	**5%**			**$4,878,660**

Pursuant to the TIF Act, TIF Revenues will be generated from the differential between the *ad valorem* taxes generated by real property within the Redevelopment Project Area as of the date the TIF District was established and future *ad valorem* taxes which will be generated within the Redevelopment Project Area after development of the Project (less *ad valorem* taxes not allowed to be captured pursuant to the Act).

This Redevelopment Project Plan proposes to finance Reimbursable Project Costs by capturing 100% of the allowable ad valorem tax increment for the entire term in which the Redevelopment Project Plan is in effect. In the event TIF Revenues exceed the projections incorporated into this Redevelopment Project Plan, all such TIF Revenues shall be available to

Master Developer or third parties for payment or reimbursement of Reimbursable Project Costs within the Redevelopment Project Area[2].

In addition, the Project contemplated in the Redevelopment Project Plan will produce significant economic development for the City by revitalizing its downtown core, attracting new businesses to downtown, enhancing existing businesses within that area, and increasing commerce, employment, visitation and general improvement within the Redevelopment Project Area.

3. Sufficiency of Tax Increment Revenues and Other Financing Sources Compared to Project Costs

The TIF Revenues when combined with private debt and equity, STAR Bond proceeds, community improvement district proceeds and other public sources, as provided under 12-1774(a)(1)(C), will be sufficient to pay for all of the Project Costs as shown below:

PROJECT COMPONENTS	TOTAL COST	TIF USES	CID USES (DOWNTOWN CID)	CID USES (HOTEL ONLY CID)	CID USES (ALLEY ONLY CID)	FUNDED BY PRIVATE DEBT/EQUITY/ OTHER PUBLIC
Car Museum	$ 4,695,000	$ -	$ -	$ -	$ -	$ -
Stiefel Theater Improvements	$ 2,200,000	$ -	$ -	$ -	$ -	$ 2,200,000
City Public Improvements	$ 11,554,506	$ -	$ -	$ -	$ -	$ 9,554,506
Hotel (w/ Parking)	$ 19,005,820	$ 800,000	$ 500,000	$ 1,006,029	$ -	$ 16,257,517
Entertainment Complex	$ 6,100,333	$ -	$ -	$ -	$ 628,676	$ 3,828,931
Medical Student Housing (Apartments)	$ 3,756,407	$ 920,000	$ -	$ -	$ -	$ 2,836,407
University of Kansas Medical School	$ 7,135,404	$ -	$ -	$ -	$ -	$ 7,135,404
Vacant Space / New Tenant Development	$ 31,801,674	$ 2,658,660	$ 2,789,062	$ -	$ -	$ 26,353,952
Improvements to Existing Retail	$ 2,135,404	$ -	$ 1,300,000	$ -	$ -	$ 835,404
Total FFE for Buildings/Renovations	$ 9,755,667	$ -	$ -	$ -	$ -	$ 9,755,667
Legal/Accounting	$ 500,000	$ -	$ 200,000	$ -	$ -	$ 300,000
Downtown Maintenance and Security	$ 2,300,000	$ -	$ 2,300,000	$ -	$ -	$ -
Pre-Development Costs	$ 6,088,134	$ -	$ -	$ -	$ -	$ 5,550,679
Financing & Contingency Costs	$ 12,785,260	$ 500,000	$ 500,000	$ -	$ -	$ 10,740,260
TOTAL PROJECT COSTS	**$ 119,813,609**	**$ 4,878,660**	**$ 7,589,062**	**$ 1,006,029**	**$ 628,676**	**$ 95,348,727**
PERCENT OF TOTAL COST	**100.00%**	**4.07%**	**6.33%**	**0.84%**	**0.52%**	**79.58%**

All TIF Revenues generated will be used to reimburse eligible Reimbursable Project Costs within the Redevelopment Project Area. Lastly, there is no anticipated impact on special obligation bonds payable from revenues described in (a)(1)(D) of K.S.A. 12-1774 and amendments thereto as no such bonds are outstanding.

E. Relocation Plan

The City is not acquiring any property in connection with carrying out the provisions of the TIF Act, and thus relocation assistance pursuant to K.S.A. § 12-1777 is not required. Regardless, any property to be acquired by the Master Developer or other parties in order to complete the Project is expected to be obtained through negotiated arm's length transactions. As

[2] A Development Agreement negotiated between the City and Master Developer will allocate TIF Revenue for use in payment or reimbursement of particular Reimbursable Project Costs consistent with this Redevelopment Project Plan and the District Plan.

such, any funds required for relocation are anticipated to be included in the purchase price, negotiated as terms to the purchase contract, or provided directly to tenants of properties purchased in arm's length transactions.

In the event the City acquires any real property within the Redevelopment Project Area in carrying out the provisions of the TIF Act, and that, as a result, any persons, families and businesses move from real property located in the Redevelopment Project Area or move personal property from real property located in the Redevelopment Project Area, a $500 payment will be made to such persons, families and businesses as provided in the TIF Act. No persons or families residing in the District shall be displaced unless and until there is a suitable housing unit available and ready for occupancy by such displaced person or family at rents within their ability to pay. Such housing units shall be suitable to the needs of such displaced persons or families and must be decent, safe, sanitary and otherwise standard dwelling. Payment of any damages sustained by a retailer, as defined in K.S.A. 79-3702, by reason of liquidation of inventories necessitated by relocation from the redevelopment district shall be provided pursuant to the TIF Act.

EXHIBIT A-1

TIF DISTRICT AND PROJECT AREA
LEGAL DESCRIPTION

LIMITS OF THE TIF DISTRICT – CITY OF SALINA:

A TRACT OF LAND LOCATED IN ORIGINAL TOWN (NOW CITY), SURVEYOR'S PLAT J, HOLLAND'S ADDITION, AND SRHC SUBDIVISION, ALL IN THE CITY OF SALINA, SALINE COUNTY, KANSAS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF LOT 10 ON ELM STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF THE EAST RIGHT-OF-WAY LINE OF 3RD STREET AND THE NORTH RIGHT-OF-WAY LINE OF ELM STREET;
THENCE SOUTH ON SAID EAST RIGHT-OF-WAY LINE OF 3RD STREET, A DISTANCE OF 910 FEET TO THE NORTHWEST CORNER OF MILL RESERVE #2, SAID POINT BEING THE INTERSECTION OF SAID EAST RIGHT-OF-WAY LINE AND THE SOUTH RIGHT-OF-WAY LINE OF ASH STREET;
THENCE WEST ON SAID SOUTH RIGHT-OF-WAY LINE OF ASH STREET, A DISTANCE OF 660 FEET TO THE NORTHWEST CORNER OF LOT 79 ON 5TH STREET, SAID POINT BEING THE INTERSECTION OF SAID SOUTH RIGHT-OF-WAY LINE AND THE EAST RIGHT-OF-WAY LINE OF 5TH STREET;
THENCE SOUTH ON SAID EAST RIGHT-OF-WAY LINE OF 5TH STREET, A DISTANCE OF 200 FEET TO THE SOUTHWEST CORNER OF LOT 85 ON 5TH STREET;
THENCE WEST ON THE SOUTH LINE OF LOT 86 ON SAID 5TH STREET, AND LOT 85 OF SANTA FE AVENUE AND EXTENSIONS THEREOF, A DISTANCE OF 330 FEET TO THE SOUTHWEST CORNER OF SAID LOT 85, SAID POINT BEING ON THE EAST RIGHT-OF-WAY LINE OF SANTA FE AVENUE;
THENCE SOUTH ON SAID EAST RIGHT-OF-WAY LINE OF SANTA FE AVENUE, A DISTANCE OF 250 FEET TO THE NORTHWEST CORNER OF LOT 97 ON SANTA FE AVENUE;
THENCE EAST ON THE NORTH LINE OF SAID LOT 97, A DISTANCE OF 120 FEET TO THE NORTHEAST CORNER OF SAID LOT 97, SAID POINT BEING ON THE WEST LINE OF A 10' ALLEY BETWEEN SANTA FE AVENUE AND 5TH STREET;
THENCE SOUTH ON SAID WEST ALLEY LINE, A DISTANCE OF 250 FEET TO THE SOUTHEAST CORNER OF LOT 105 ON SANTA FE AVENUE;
THENCE EAST ON THE NORTH LINE OF 108 ON 5TH STREET AND EXTENSIONS THEREOF, A DISTANCE OF 210 FEET TO THE SOUTHWEST CORNER OF LOT 105 ON 5TH STREET, SAID POINT BEING ON THE EAST RIGHT-OF-WAY LINE OF 5TH STREET;
THENCE NORTH ON SAID EAST RIGHT-OF-WAY LINE OF 5TH STREET, A DISTANCE OF 150 FEET TO THE NORTHWEST CORNER OF LOT 101 ON 5TH STREET; THENCE EAST ON THE NORTH LINE OF SAID LOT 101 ON 5TH STREET, AND THE NORTH LINE OF LOT 102 ON 4TH STREET, A DISTANCE OF 247.52 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 205.76 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 506.7 FEET;
THENCE NORTH 72 FEET;
THENCE WEST 53 FEET TO A POINT ON THE WEST LINE OF LOT 105 ON 3RD STREET, SAID POINT ALSO BEING ON THE EAST RIGHT-OF-WAY OF 3RD STREET;
THENCE NORTH ON SAID EAST RIGHT-OF-WAY LINE OF 3RD STREET, A DISTANCE OF 78 FEET TO THE NORTHWEST CORNER OF LOT 103 ON 3RD STREET;
THENCE EAST ON THE NORTH LINE OF SAID LOT 103, AND EXTENSIONS THEREOF, A DISTANCE OF 130 FEET TO THE SOUTHWEST CORNER OF LOT 102 ON 2ND STREET;
THENCE NORTH ON THE WEST LINE OF SAID LOT 102, AND LOT 100 ON 2ND STREET, A DISTANCE OF 100 FEET TO THE NORTHWEST CORNER OF SAID LOT 100;
THENCE EAST ON THE NORTH LINE OF SAID LOT 100, AND EXTENSIONS THEREOF, A DISTANCE OF 200 FEET TO THE SOUTHWEST CORNER OF LOT 97 ON 2ND STREET, SAID POINT ALSO BEING THE EAST RIGHT-OF-WAY LINE OF 2ND STREET;
THENCE NORTH ON SAID EAST RIGHT-OF-WAY LINE OF 2ND STREET, A DISTANCE OF 200 FEET TO THE NORTHWEST CORNER OF LOT 91 ON 2ND STREET;
THENCE EAST ON THE NORTH LINE OF SAID LOT 91, AND EXTENSIONS THEREOF, A DISTANCE OF 130 FEET TO THE SOUTHWEST CORNER OF LOT 44 ON FRONT STREET;
THENCE NORTH ON THE WEST LINE OF SAID LOT 44, A DISTANCE OF 50 FEET TO THE NORTHWEST CORNER OF SAID LOT 44;
THENCE EAST ON THE NORTH LINE OF SAID LOT 44, A DISTANCE OF 120 FEET TO THE NORTHEAST CORNER OF SAID LOT 44, SAID POINT ALSO BEING ON THE WEST RIGHT-OF-WAY OF FRONT STREET, AS PLATTED IN SAID ORIGINAL TOWN;
THENCE SOUTH ON SAID WEST RIGHT-OF-WAY LINE OF FRONT STREET, A DISTANCE OF 1430 FEET TO THE NORTHEAST CORNER OF LOT 69 ON FRONT STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID WEST RIGHT-OF-WAY LINE AND THE SOUTH RIGHT-OF-WAY LINE OF WALNUT STREET;
THENCE WEST ON SAID SOUTH RIGHT-OF-WAY LINE OF WALNUT STREET, A DISTANCE OF 330 FEET TO THE NORTHEAST CORNER OF LOT 1, ON WALNUT STREET, SAID ORIGINAL TOWN, 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 830 FEET TO THE NORTHEAST CORNER OF LOT 8, SAID SURVEYOR'S PLAT J, SAID POINT BEING THE INTERSECTION OF SAID WEST RIGHT-OF-WAY LINE AND THE SOUTH RIGHT-OF-WAY LINE OF MULBERRY STREET;
THENCE WEST ON SAID SOUTH RIGHT-OF-WAY LINE OF MULBERRY STREET, A DISTANCE OF 660 FEET TO THE NORTHEAST CORNER OF LOT 170 ON 4TH STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID SOUTH RIGHT-OF-WAY LINE AND THE WEST RIGHT-OF-WAY LINE OF 4TH STREET;
THENCE SOUTH ON SAID WEST RIGHT-OF-WAY LINE OF 4TH STREET, A DISTANCE OF 580 FEET TO THE NORTHEAST CORNER OF LOT 1, ON 4TH STREET, SAID HOLLAND'S ADDITION, SAID POINT BEING THE INTERSECTION OF SAID WEST RIGHT-OF-WAY LINE AND THE SOUTH RIGHT-OF-WAY LINE OF SOUTH STREET;
THENCE WEST ON SAID SOUTH RIGHT-OF-WAY LINE OF SOUTH STREET, A DISTANCE OF 935.44 FEET TO THE INTERSECTION OF SAID SOUTH RIGHT-OF-WAY LINE AND THE EAST RIGHT-OF-WAY LINE OF 7TH STREET;
THENCE NORTH ON SAID EAST RIGHT-OF-WAY LINE OF 7TH STREET, A DISTANCE OF 910 FEET TO THE NORTHWEST CORNER OF LOT 159 ON 7TH STREET, SAID ORIGINAL TOWN;
THENCE EAST ON THE NORTH LINE OF SAID LOT 159, A DISTANCE OF 120 FEET TO THE NORTHEAST CORNER OF SAID LOT 159, SAID POINT ALSO BEING ON THE WEST LINE OF A 10 FOOT ALLEY BETWEEN 7TH STREET AND SANTA FE AVENUE;
THENCE NORTH ON SAID WEST ALLEY LINE, A DISTANCE OF 500 FEET TO THE NORTHEAST CORNER OF LOT 139 ON 7TH STREET, SAID POINT ALSO BEING ON THE SOUTH RIGHT-OF-WAY OF WALNUT STREET;
THENCE WEST ON SAID SOUTH RIGHT-OF-WAY LINE OF WALNUT STREET, A DISTANCE OF 330 FEET TO THE INTERSECTION OF SAID SOUTH RIGHT-OF-WAY LINE, AND THE WEST LINE OF A 10 FOOT ALLEY BETWEEN 7TH STREET AND 8TH STREET;

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KAW VALLEY ENGINEERING

REVISED PER CITY COMMENTS
RESIZED DESCRIPTION
6-28-16, TDA

E15S1183 FEB. 19, 2015
1183EXBA LRR

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THENCE NORTH ON SAID WEST LINE OF A 10 FOOT ALLEY, A DISTANCE OF 230 FEET TO THE NORTHEAST CORNER OF LOT 133 ON 8TH STREET;
THENCE EAST ON THE NORTH LINE OF LOT 134 ON 7TH STREET, AND EXTENSIONS THEREOF, A DISTANCE OF 130 FEET TO THE NORTHEAST CORNER OF SAID LOT 134, SAID POINT ALSO BEING ON THE WEST RIGHT-OF-WAY LINE OF 7TH STREET;
THENCE NORTH ON SAID WEST RIGHT-OF-WAY LINE OF 7TH STREET, A DISTANCE OF 300 FEET TO THE SOUTHEAST CORNER OF LOT 120 ON 7TH STREET;
THENCE WEST ON THE SOUTH LINE OF SAID LOT 120, A DISTANCE OF 120 FEET TO THE SOUTHWEST CORNER OF SAID LOT 120;
THENCE SOUTH ON THE WEST LINE OF LOTS 122 AND 124 ON 7TH STREET, A DISTANCE OF 100 FEET TO THE SOUTHWEST CORNER OF SAID LOT 124;
THENCE WEST ON THE SOUTH LINE OF LOT 123 ON 8TH STREET, AND EXTENSIONS THEREOF, A DISTANCE OF 130 FEET TO THE SOUTHWEST CORNER OF SAID LOT 123, SAID POINT ALSO BEING ON THE EAST RIGHT-OF-WAY LINE OF 8TH STREET;
THENCE NORTH ON SAID EAST RIGHT-OF-WAY LINE OF 8TH STREET, A DISTANCE OF 190 FEET TO A POINT 10 FEET SOUTH OF THE NORTHWEST CORNER OF LOT 117 ON 8TH STREET;
THENCE EAST ON A LINE 10 FEET SOUTH AND PARALLEL TO THE NORTH LINE OF SAID LOT 117, A DISTANCE OF 100 FEET;
THENCE ON A CURVE TO THE RIGHT HAVING A RADIUS OF 20 FEET, A DISTANCE OF 31 FEET TO A POINT ON THE EAST LINE OF SAID LOT 117;
THENCE EAST A DISTANCE OF 10 FEET TO A POINT ON THE WEST LINE OF LOT 118 ON 7TH STREET;
THENCE NORTH ON THE WEST LINE OF SAID LOT 118, AND LOT 116 ON 7TH STREET, A DISTANCE OF 80 FEET TO THE NORTHWEST CORNER OF SAID LOT 116;
THENCE EAST ON THE NORTH LINE OF SAID LOT 116, A DISTANCE OF 120 FEET TO THE NORTHEAST CORNER OF SAID LOT 116, SAID POINT BEING ON THE WEST RIGHT-OF-WAY LINE OF 7TH STREET;
THENCE NORTH ON SAID WEST RIGHT-OF-WAY LINE OF 7TH STREET, A DISTANCE OF 150 FEET TO THE NORTHEAST CORNER OF LOT 110 ON 7TH STREET, SAID POINT ALSO BEING THE INTERSECTION OF SAID WEST RIGHT-OF-WAY LINE AND THE SOUTH RIGHT-OF-WAY LINE OF IRON STREET;
THENCE WEST ON SAID SOUTH RIGHT-OF-WAY LINE OF IRON STREET, A DISTANCE OF 250 FEET TO THE NORTHWEST CORNER OF LOT 109 ON 8TH STREET;
THENCE NORTH A DISTANCE OF 100 FEET TO THE SOUTHWEST CORNER OF LOT 107 ON 8TH STREET;
THENCE EAST ON THE SOUTH LINE OF SAID LOT 107, A DISTANCE OF 120 FEET TO THE SOUTHEAST CORNER OF SAID LOT 107, SAID POINT BEING ON THE WEST LINE OF A 10 FOOT ALLEY BETWEEN 7TH STREET AND 8TH STREET, SAID ORIGINAL TOWN;
THENCE NORTH ON SAID WEST LINE OF A 10 ALLEY, A DISTANCE OF 350 FEET TO THE NORTHEAST CORNER OF LOT 95 ON 8TH STREET;
THENCE EAST ON THE NORTH LINE OF LOT 96 ON 7TH STREET, AND EXTENSIONS THEREOF, A DISTANCE OF 130 FEET TO THE NORTHEAST CORNER OF SAID LOT 96, SAID POINT ALSO BEING ON THE WEST RIGHT-OF-WAY LINE OF 7TH STREET;
THENCE NORTH ON SAID WEST RIGHT-OF-WAY LINE OF 7TH STREET, A DISTANCE OF 300 FEET TO THE SOUTHEAST CORNER OF LOT 82 ON 7TH STREET;
THENCE WEST ON THE SOUTH LINE OF SAID LOT 82 A DISTANCE OF 120 FEET TO THE SOUTHWEST CORNER OF SAID LOT 82;
THENCE SOUTH ON THE WEST LINE OF LOT 84 ON 7TH STREET, A DISTANCE OF 50 FEET TO THE SOUTHWEST CORNER OF SAID LOT 84;
THENCE WEST ON THE SOUTH LINE OF LOT 83 ON 8TH STREET, AND EXTENSIONS THEREOF, A DISTANCE OF 130 FEET TO THE SOUTHWEST CORNER OF SAID LOT 83, SAID POINT ALSO BEING ON THE EAST RIGHT-OF-WAY LINE OF 8TH STREET;
THENCE NORTH ON SAID EAST RIGHT-OF-WAY LINE OF 8TH STREET, A DISTANCE OF 230 FEET TO THE SOUTHWEST CORNER OF LOT 77 ON 8TH STREET, SAID POINT ALSO BEING THE INTERSECTION OF SAID EAST RIGHT-OF-WAY LINE, AND THE NORTH RIGHT-OF-WAY OF ASH STREET;
THENCE EAST ON SAID NORTH RIGHT-OF-WAY LINE OF ASH STREET, A DISTANCE OF 330 FEET TO THE SOUTHWEST CORNER OF LOT 77 ON 7TH STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID NORTH RIGHT-OF-WAY LINE AND SAID EAST RIGHT-OF-WAY LINE OF 7TH STREET;
THENCE NORTH ON SAID EAST RIGHT-OF-WAY LINE OF 7TH STREET, A DISTANCE OF 830 FEET TO THE SOUTHWEST CORNER OF LOT 47 ON 7TH STREET, SAID ORIGINAL TOWN, SAID POINT BEING THE INTERSECTION OF SAID EAST RIGHT-OF-WAY LINE AND THE NORTH RIGHT-OF-WAY LINE OF ELM STREET;
THENCE EAST ON SAID NORTH RIGHT-OF-WAY LINE OF ELM STREET, A DISTANCE OF 350 FEET TO THE SOUTHWEST CORNER OF LOT 47 ON SANTA FE, SAID POINT ALSO BEING THE INTERSECTION OF SAID NORTH RIGHT-OF-WAY LINE AND THE EAST RIGHT-OF-WAY LINE OF SANTA FE AVENUE;
THENCE SOUTH ON SAID EAST RIGHT-OF-WAY LINE OF SANTA FE, A DISTANCE OF 280 FEET TO THE SOUTHWEST CORNER OF LOT 55 ON SANTA FE AVENUE;
THENCE WEST ON THE NORTH LINE OF LOT 58 ON SANTA FE AVENUE, AND EXTENSIONS THEREOF, A DISTANCE OF 220 FEET TO THE NORTHWEST CORNER OF SAID LOT 58;
THENCE SOUTH ON THE WEST LINE OF SAID LOT 58, A DISTANCE OF 50 FEET TO THE SOUTHWEST CORNER OF SAID LOT 58;
THENCE EAST ON THE SOUTH LINE OF SAID LOT 58, AND EXTENSIONS THEREOF, A DISTANCE OF 220 FEET TO THE NORTHWEST CORNER OF LOT 59 ON SANTA FE AVENUE;
THENCE SOUTH ON THE WEST LINE OF SAID LOT 59, A DISTANCE OF 50 FEET TO THE NORTHWEST CORNER OF LOT 61 ON SANTA FE AVENUE;
THENCE EAST ON THE NORTH LINE OF SAID LOT 61 AND LOT 62 ON 5TH STREET, A DISTANCE OF 250 FEET TO THE NORTHEAST CORNER OF SAID LOT 62, SAID POINT ALSO BEING ON THE WEST RIGHT-OF-WAY LINE OF 5TH STREET;
THENCE NORTH ON SAID WEST RIGHT-OF-WAY LINE OF 5TH STREET, A DISTANCE OF 380 FEET TO THE SOUTHEAST CORNER OF LOT 46 ON 5TH STREET, SAID POINT ALSO BEING THE INTERSECTION OF SAID WEST RIGHT-OF-WAY LINE AND THE NORTH RIGHT-OF-WAY LINE OF ELM STREET;
THENCE EAST ON SAID NORTH RIGHT-OF-WAY LINE OF ELM STREET, A DISTANCE OF 740 FEET TO THE POINT OF BEGINNING.

WILLIAM C. DELKER
LICENSED
6/28/2016
LS-1201
KANSAS
LAND SURVEYOR

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REVISED PER CITY COMMENTS
RESIZED DESCRIPTION
6-28-16, TDA

E15S1183 FEB. 19, 2015
1183EXBA LRR

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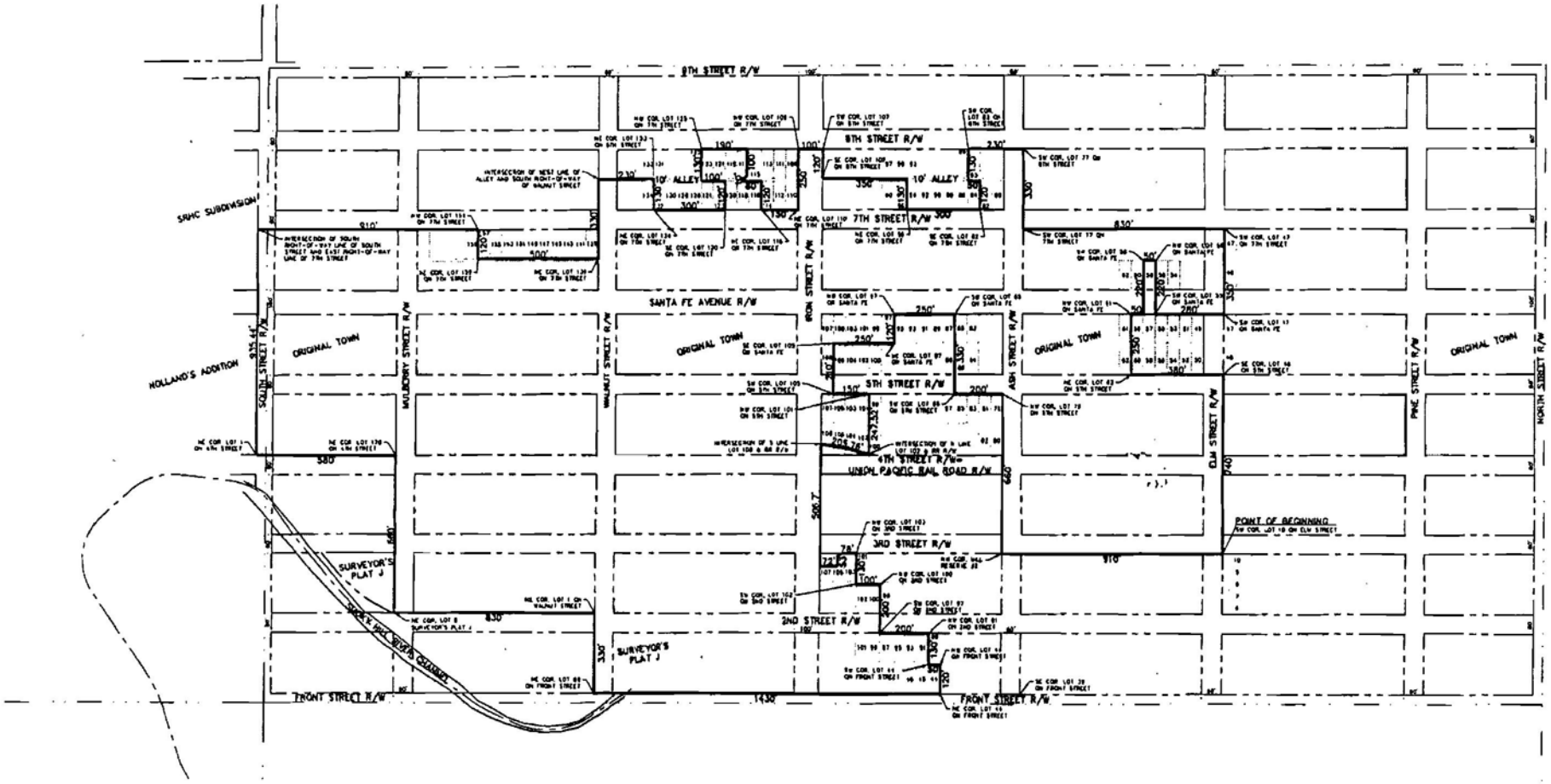
EXHIBIT A-2

TIF DISTRICT AND PROJECT AREA BOUNDARY MAP

LIMITS OF THE TIF DISTRICT
CITY OF SALINA



GRAPHIC SCALE

KAW VALLEY ENGINEERING

REVISED PER CITY/CLIENT COMMENTS
CHANGED/UPDATED BOUNDARY
4-17-15, LRR

E1551183 FEB. 19, 2015
1 OF 3 118.3E.3BA LRR

Exhibit J-1 – Downtown CID Petition

[See Attached]

City Clerk's Office
Filed

PETITION FOR THE CREATION OF A COMMUNITY IMPROVEMENT DISTRICT (DOWNTOWN SALINA)

TO: City Commission,
City of Salina, Kansas

The undersigned (the "**Petitioners**"), being the owners of record, whether resident or not, of the following:

1. Not less than fifty-five percent (55%) of the land area contained within the hereinafter described community improvement district; and
2. Not less than fifty-five percent (55%) by assessed value of the land area contained within the hereinafter described community improvement district.

hereby petition the City of Salina, Kansas (the "**City**") to create The Downtown Salina Community Improvement District ("**CID**") and authorize the proposed CID project (the "**CID Project**") hereinafter set forth, all in the manner provided by K.S.A § 12-6a26, *et seq.* (the "**Act**"). In furtherance of such request, the Petitioners state as follows:

1. GENERAL NATURE

The general nature of the proposed project (the "**CID Project**") 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.

2. ESTIMATED COST

The estimated cost of the CID Project is $7,589,062 plus interest.

3. PROPOSED METHOD OF FINANCING

The proposed method of financing the CID Project is from the CID Sales Tax described in paragraph 5 of the Petition through Pay-as-you-go financing or through issuance of special obligation, general obligation or full faith and credit CID bonds/notes, at the sole election of the City, as defined in the Act.

4. PROPOSED METHOD AND AMOUNT OF ASSESSMENT

Petitioners do not propose that the CID Project be financed through the levying of assessments.

5. PROPOSED AMOUNT OF SALES TAX

Petitioners propose that the CID Project be financed through the levying of a CID sales tax in the amount of 1.0% as authorized by the Act.

6. MAP AND LEGAL DESCRIPTION OF THE PROPOSED CID

A map of the CID is attached hereto at **EXHIBIT A**.

The legal description of the CID is attached hereto at **EXHIBIT B**.

7. NOTICE TO PETITION SIGNER

Petitioners hereby acknowledge that signatures may not be withdrawn from this Petition by the signers hereof after the Governing Body of the City commences consideration of this Petition, or later than seven (7) days after the filing hereof with the City Clerk, whichever occurs first.

8. PETITION BINDING ON FUTURE OWNERS

Petitioners hereby acknowledge that if this Petition is not properly withdrawn as permitted by the Act, any future owners of the property within the CID shall be bound by this Petition.

9. COUNTERPARTS

This Petition may be executed in one or more counterparts and by each signer hereof on a separate counterpart, each of which when so executed and delivered shall be an original, and all of which shall constitute one instrument.

No further text on this page

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

104 N SANTA FE, LLC,
a Kansas Corporation

By: Roger Mattison
Signature of Authorized Agent for Entity

Name: Roger Mattison
(Type or print)

Title: Owner
(Type or print)

Date: 8-17-16

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 17 day of August, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Roger Mattison, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal) TINA BENDA Notary Public - State of Kansas My Appt Expires 5-28-18

Tina Benda
Notary Public in and for said County and State

My Commission Expires:

5/28/18

52494204 1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

CONSTANCE M ACHTERBERG REVOCABLE TRUST AND PATRIK W NEUSTROM TRUST

By: Constance M. Achterberg
Signature of Authorized Agent for Entity

Name: Constance M. Achterberg

Title: Trustee of CONSTANCE M ACHTERBERG REVOCABLE TRUST

(Type or print)

Date: 4/12/16

By: Patrik W Neustrom
Signature of Authorized Agent for Entity

Name: Patrik W. Neustrom

Title: Trustee of PATRIK W NEUSTROM TRUST
(Type or print)

Date: 4-12-16

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 12 day of April, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Constance M. Achterberg & Patrik W. Neustrom, who ~~is~~ are known to me to be the same persons who executed the within instrument, and such persons duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal)

Catherine K. Ambrover

Notary Public in and for said
County and State

My Commission Expires:

8-11-18

CATHERINE K. AMBROVER
Notary Public - State of Kansas
8-11-18

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

AFK PROPERTIES, LLC
a Kansas Corporation

By: _____
Signature of Authorized Agent for Entity

Name: Patrick Wallerius
(Type or print)

Title: SECY-TREAS
(Type or print)

Date: 5/4/16

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Johnson)

BE IT REMEMBERED, that on this 4th day of May, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Patrick Wallerius, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal)

_____
Notary Public in and for said County and State

My Commission Expires:

NOTARY PUBLIC - State of Kansas
SIDNEY A REITZ
My Appt. Exp. Jan. 11, 2017

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

AP PROPERTY HOLDINGS, LLC
a Kansas Corporation

By: _____
Signature of Authorized Agent for Entity

Name: James D. Wilson
(Type or print)

Title: President / CEO
(Type or print)

Date: 7-12-2016

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 12th day of July, 2016 before me, the undersigned, a Notary Public in and for said County and State, came James D. Wilson, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal)

Brenda R. Smith
Notary Public in and for said
County and State

My Commission Expires:

11-28-2016

BRENDA R. SMITH
Notary Public - State of Kansas
My Appt. Expires 11-28-2016

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

ASHBY HOUSE LTD
a Kansas Corporation

By: Bryan Anderson
Signature of Authorized Agent for Entity

Name: Bryan Anderson
(Type or print)

Title: Administrator
(Type or print)

Date: 08-10-2016

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 10th day of August, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Bryan Anderson, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

TAMMY A. THAYER
Notary Public - State of Kansas
My Appt. Expires 8-23-16

(Seal)

Tammy A. Thayer
Notary Public in and for said
County and State

My Commission Expires:
8-23-16

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

BLACKIM, LLC
a Kansas Corporation

By: _____
Signature of Authorized Agent for Entity

Name: Blake Blackim
(Type or print)

Title: PRESIDENT / OWNER
(Type or print)

Date: 6-22-16

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 22nd day of June, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Blake Blackim, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal)

Andra Kay Erdner
Notary Public in and for said
County and State Saline County, Kansas

My Commission Expires:

2-4-2019

ANDRA KAY ERDNER
Notary Public - State of Kansas
My Appt. Expires 2-4-2019

52494204 1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

BLUE BEACON INTERNATIONAL, INC.,
a Kansas Corporation

By: _____
Signature of Authorized Agent for Entity

Name: Guy D. Walker

Title: Vice President of Real Estate Development
(Type or print)

Date: 4/14/16

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 14th day of April, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Guy D. Walker, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal) ANDRA KAY ERDNER
Notary Public - State of Kansas
My Appt. Expires 2-4-19

Andra Kay Erdner
Notary Public in and for said
County and State Saline, Kansas

My Commission Expires:

2-4-2019

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

CHARLES H CARROLL JR TRUST #1

By: Charles H Carroll Jr.
Signature of Authorized Agent for Entity

Name: CHARLES H. CARROLL JR.

Title: Trustee
(Type or print)

Date: 6/10/16

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 10 day of June, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Charles H. Carroll Jr, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal)

TINA BENDA
Notary Public - State of Kansas
My Appt Expires 5-28-18

Tina Benda
Notary Public in and for said County and State

My Commission Expires:

5-28-18

52494204 1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

DENNIS D. COLLIER

By: _____
Signature of Authorized Agent for Entity

Name: Dennis D. Collier

Date: 4/20/16

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 20 day of April, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Dennis D Collier, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal) TINA BENDA
Notary Public - State of Kansas
My Appt. Expires 5-28-18

_____
Notary Public in and for said
County and State

My Commission Expires:

5-28-18

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

CONSOLIDATED PRINTING & STATIONERY CO INC

By: Don Vandegrift
Signature of Authorized Agent for Entity

Name: Don Vandegrift

Title: President
(Type or print)

Date: 8-11-16

ACKNOWLEDGMENT

STATE OF Kansas)

) ss.

COUNTY OF Dakota)

BE IT REMEMBERED, that on this 11 day of August, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Don Vandegrift, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal)

TINA BENDA
Notary Public - State of Kansas
My Appt Expires 5-28-18

Tina Benda
Notary Public in and for said County and State

My Commission Expires:

5-28-18

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

COZY INN, INCORPORATED
a Kansas Corporation

By: _____
Signature of Authorized Agent for Entity

Name: Stephen Howard
(Type or print)

Title: Owner
(Type or print)

Date: 5-3-16

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 3rd day of May, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Stephen Howard, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal) ANDRA KAY ERDNER Notary Public - State of Kansas My Appt. Expires 2-4-2019

Andra Kay Erdner
Notary Public in and for said
County and State Saline, Kansas

My Commission Expires:

2-4-2019

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

WAYNE & PEGGY DEBEY

By: _____
Signature of Authorized Agent for Entity

Name: Wayne Debey

Date: 08/17/16

By: _____
Signature of Authorized Agent for Entity

Name: Peggy Debey

Date: 8 - 17 - 16

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 17 day of August, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Wayne & Peggy Debey, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal)

TINA BENDA
Notary Public - State of Kansas
My Appt. Expires 5-28-18

_____
Notary Public in and for said
County and State

My Commission Expires:

5/28/18

52494204 1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

DANIEL K DIEDERICH

By: Daniel K Diederich
Signature of Authorized Agent for Entity

Name: Daniel K Diederich

Date: 4-22-2016

ACKNOWLEDGMENT

STATE OF KANSAS)
) ss.
COUNTY OF SALINE)

BE IT REMEMBERED, that on this 22nd day of APRIL, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Daniel K. Diederich, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal) REBECCA S. LEON
Notary Public - State of Kansas
My Appt. Expires 08-25-2018

Rebecca S. Leon
Notary Public in and for said
County and State

My Commission Expires:

08-25-2018

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

MARY LOUISE DODGE REVOCABLE TRUST

By: Ann D. Burgess, TTEE
Signature of Authorized Agent for Entity

Name: Ann D. Burgess, TTEE

Title: Trustee
(Type or print)

Date: 8-18-16

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Johnson)

BE IT REMEMBERED, that on this 18th day of August, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Ann D. Burgess, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal) ANDRA KAY ERDNER Notary Public - State of Kansas My Appt. Expires 2-4-2019

Andra Kay Erdner
Notary Public in and for said
County and State

My Commission Expires:
2-4-2019

52494204 1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

DRUMS & DICE, LLC
a Kansas Corporation

By: Gustaf S. Applequist
Signature of Authorized Agent for Entity

Name: Gustaf S. Applequist
(Type or print)

Title: Manager
(Type or print)

Date: 8-16-2016

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 16 day of AUGUST, 2016 before me, the undersigned, a Notary Public in and for said County and State, came GUSTAF S. APPLEQUIST, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal) SHELDON A. MUNINGER Notary Public - State of Kansas My Appt. Expires 1-24-19

Sheldon A. Muninger
Notary Public in and for said
County and State

My Commission Expires:

1-24-19

52494204 1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

FIRST BANK KANSAS
a Kansas Corporation

By: Kent D. Buer
Signature of Authorized Agent for Entity

Name: Kent D. Buer
(Type or print)

Title: President / CEO
(Type or print)

Date: April 20, 2016

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 20th day of April, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Kent D. Buer, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal) 9-17-18

Carrie Clouse
Notary Public in and for said
County and State

My Commission Expires:
9-17-18

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

FRIED ENTERPRISES LP
a Kansas Corporation

By: Paula A. Fried
Signature of Authorized Agent for Entity

Name: PAULA A. FRIED
(Type or print)

Title: GENERAL PARTNER
(Type or print)

Date: 7-7-16

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 7 day of July, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Paula A Fried, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal) TINA BENDA Notary Public - State of Kansas My Appt. Expires 5-28-18

Tina Benda
Notary Public in and for said County and State

My Commission Expires:

5-28-18

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

PAULA A FRIED TRUST #1

By: Paula A Fried
Signature of Authorized Agent for Entity

Name: PAULA A. FRIED

Title: Trustee
(Type or print)

Date: 7-7-16

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 7 day of July, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Paula A Fried, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal) TINA BENDA Notary Public State of Kansas My Appt Expires 5-28-18

Tina Benda
Notary Public in and for said County and State

My Commission Expires:

5-28-18

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

GASOLINE ALLEY, LLC
a Kansas Corporation

By: Richard Morrison
Signature of Authorized Agent for Entity

Name: Richard Morrison
(Type or print)

Title: Member
(Type or print)

Date: 8/2/2016

ACKNOWLEDGMENT

STATE OF KANSAS)
) ss.
COUNTY OF SALINE)

BE IT REMEMBERED, that on this 2nd day of August, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Richard Morrison, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal)

Notary Public in and for said
County and State

My Commission Expires:

4-1-17

AARON MORRISON
Notary Public - State of Kansas
My Appt. Expires 4-1-17

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

RANDAL J & LISA G GRAHAM TRUST
LAWRENCE & CYNTHIA L CURRAN

By: Randal J. Graham, Trustee Lisa G Graham, Trustee
Signature of Authorized Agent for Entity

Name: Randal J. Graham Trust
Lisa G. Graham Trust

Title: Trustee

(Type or print)

Date: 4-20-2016

By: [signature]
Signature of Authorized Agent for Entity

Name: Lawrence S Curran

Date: 4-20-16

By: [signature]
Signature of Authorized Agent for Entity

Name: Cynthia L Curran

Date: 4-20-16

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 20th day of April, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Randal J. Graham, Lisa G Graham, Lawrence S. Curran, Cynthia L. Curran, who ~~is~~ are known to me to be the same persons who executed the within instrument, and such persons duly acknowledged the execution of the same.

52404204.1

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal) TIMERRA SANKEY
Notary Public - State of Kansas
My Appt. Expires 4·11·2019

Timerra Sankey
Notary Public in and for said
County and State

My Commission Expires:

4·11·2019

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

GRASSROOTS EFFORTS LLC
a Kansas Corporation

By: Katherine M Platten
Signature of Authorized Agent for Entity

Name: Katherine M. Platten
(Type or print)

Title: Managing Member, Grassroots Efforts, LLC
(Type or print)

Date: 4/14/16

ACKNOWLEDGMENT

STATE OF KANSAS)
) ss.
COUNTY OF SALINE)

BE IT REMEMBERED, that on this 14th day of April, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Katherine M Platten, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal) ANDRA KAY ERDNER Notary Public - State of Kansas My Appt. Expires

Andra Kay Erdner
Notary Public in and for said
County and State Saline, Kansas

My Commission Expires:

2-4-2019

ANDRA KAY ERDNER
Notary Public - State of Kansas
My Appt. Expires 2-4-19

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

GREATER SALINA COMMUNITY FOUNDATION INC
a Kansas Corporation

By: _____
Signature of Authorized Agent for Entity

Name: Bill Grevas
(Type or print)

Title: President / Executive Director
(Type or print)

Date: 4-26-16

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 26 day of April, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Bill Grevas, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal) TINA BENDA Notary Public - State of Kansas My Appt Expires 5-28-18

_____
Notary Public in and for said
County and State

My Commission Expires:

5/28/18

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

CHARLES N GRIFFIN FAMILY TRUST

By: _____ Trustee
Signature of Authorized Agent for Entity

Name: CHARLES N. Griffin

Title: Trustee
(Type or print)

Date: 04-22-2016

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 25 day of April, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Charles N. Griffin, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal)

_____
Notary Public in and for said
County and State Saline County, Kansas

My Commission Expires:
July 11, 2017

MICHAEL L. HOPPOCK
NOTARY PUBLIC
My Appt Exp. 7/11/17
STATE OF KANSAS

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

HAMPTON & ROYCE, LC
a Kansas Corporation

By: Sidney A Reitz
Signature of Authorized Agent for Entity

Name: Sidney A. Reitz
(Type or print)

Title: Sidney A Reitz, MEMBER
(Type or print)

Date: May 3, 2016

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 3rd day of May, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Sidney A Reitz, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal)

Julie A Mohn
Notary Public in and for said
County and State

My Commission Expires:
JULIE A. MOHN
Notary Public - State of Kansas
My Appt. Expires 3-2-19

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

GREGORY A & MICHELLE R HINDMAN

By: Gregory A Hindman
Signature of Authorized Agent for Entity

Name: Gregory A Hindman

Date: 4/27/16

By: Michelle R Hindman
Signature of Authorized Agent for Entity

Name: Michelle R Hindman

Date: 4 27 16

ACKNOWLEDGMENT

STATE OF Kansas)

) ss.

COUNTY OF Saline)

BE IT REMEMBERED, that on this 27 day of April, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Gregory A & Michelle R. Hindman, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal)

Shawndel Ward
Notary Public in and for said
County and State

My Commission Expires:

11-6-2016

SHAWNDEL WARD
Notary Public - State of Kansas
My Appt. Expires 11-6-2016

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

GREGORY ALAN HINDMAN TRUST

By: Gregory Alan Hindman
Signature of Authorized Agent for Entity

Name: Gregory Alan Hindman

Title: Trustee
(Type or print)

Date: 4/27/16

ACKNOWLEDGMENT

STATE OF Kansas)

COUNTY OF Saline)) ss.

BE IT REMEMBERED, that on this 27 day of April, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Gregory Alan Hindman, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal) A. SHAWNDEL WARD Notary Public - State of Kansas My Appt. Expires 11-6-2016

Notary Public in and for said County and State

My Commission Expires:

11-6-2016

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

STIEFEL THEATRE FOR THE PERFORMING ARTS FOUNDATION
a Kansas Corporation
(formerly Historic Fox Theater of Salina Foundation)

By: Jane Gates
Signature of Authorized Agent for Entity

Name: Jane Gates
(Type or print)

Title: Executive Director
(Type or print)

Date: 7-19-16

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 19th day of July, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Jane Gates, Executive Director, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal)

Sidney A. Reitz
Notary Public in and for said County and State

My Commission Expires:

NOTARY PUBLIC - State of Kansas
SIDNEY A REITZ
My Appt. Exp. Jan. 11, 2017

52494204 1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

WILLIAM E HOLGERSON REVOCABLE TRUST

By: William E Holgerson
Signature of Authorized Agent for Entity

Name: William Holgerson

Title: Trustee
(Type or print)

Date: 7/15/16

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 15 day of July, 2016 before me, the undersigned, a Notary Public in and for said County and State, came William Holgerson, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal) TINA BENDA
Notary Public - State of Kansas
My Appt Expires 5-28-18

Tina Benda
Notary Public in and for said
County and State

My Commission Expires:

5/28/18

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

IRON STREET LIMITED PARTNERSHIP
a Nebraska Limited Partnership

By: Sherrie D Tepe
Signature of Authorized Agent for Entity

Name: Sherrie D Tepe
(Type or print)

Title: Sec./Treasurer
(Type or print)

Date: 8/19/16

ACKNOWLEDGMENT

STATE OF Nebraska)
) ss.
COUNTY OF Lancaster)

BE IT REMEMBERED, that on this 19th day of August, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Sherrie D Tepe, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal) GENERAL NOTARY - State of Nebraska KRISTIE R. POST My Comm. Exp. February 23, 2017

Kristie R Post
Notary Public in and for said County and State

My Commission Expires:
Feb 23, 2017

52494204 1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

J & R LAND COMPANY LLP
a Kansas Corporation

By: _____
Signature of Authorized Agent for Entity

Name: James A Trower
(Type or print)

Title: PARTNER
(Type or print)

Date: 4/22/16

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 22nd day of April, 2016 before me, the undersigned, a Notary Public in and for said County and State, came James A. Trower, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal) NOTARY PUBLIC - State of Kansas SHERRY McKEE My Appt. Exp. 9/16/16

_____
Notary Public in and for said
County and State

My Commission Expires:

9/16/16

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

JK WEBB PROPERTIES LLC
a Kansas Corporation

By: _____
Signature of Authorized Agent for Entity

Name: John D Webb
(Type or print)

Title: Owner
(Type or print)

Date: 6-24-2016

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 24 day of June, 2016 before me, the undersigned, a Notary Public in and for said County and State, came John D Webb, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal)

TINA BENDA
Notary Public - State of Kansas
My Appt. Expires 5-28-18

Tina Benda
Notary Public in and for said
County and State

My Commission Expires:

5/28/18

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

KENNEDY BERKLEY YARNEVICH & WILLIAMSON, CHTD
a Kansas Corporation

By: James R. Gell for
Signature of Authorized Agent for Entity

Name: George W. Yarnevich
(Type or print)

Title: President
(Type or print)

Date: 6-21-16

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 21 day of June, 2016 before me, the undersigned, a Notary Public in and for said County and State, came James R. Gell for George W. Yarnevich, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal)

Lynn Herbic
Notary Public in and for said
County and State

My Commission Expires:
8-14-18

NOTARY PUBLIC - State of Kansas
LYNN HERBIC
My Appt Expires 8-14-18

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

KRESS BUILDINGS, LLC
a Kansas Corporation

By: James B Richardson
Signature of Authorized Agent for Entity

Name: James B Richardson
(Type or print)

Title: Property Owner
(Type or print)

Date: 4-20-16

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 20th day of April, 2016 before me, the undersigned, a Notary Public in and for said County and State, came James B Richardson, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal)

Notary Public in and for said
County and State

My Commission Expires:

4-24-19

BRADY W. DONLEY
Notary Public, State of Kansas
My Appointment Expires
4-24-19

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

LEE DEVELOPMENT LLC
a Kansas Corporation

By: Michael Dean Forristal
Signature of Authorized Agent for Entity

Name: Michael Dean Forristal
(Type or print)

Title: PRES.
(Type or print)

Date: 4/20/16

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 20th day of April, 2016 before me, the undersigned, a Notary Public in and for said County and State, came MICHAEL DEAN FORRISTAL, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal)

Perry R Purdham Jr
Notary Public in and for said
County and State

My Commission Expires:
10/24/2017

PERRY R. PURDHAM, JR.
Notary Public - State of Kansas
My Appt. Expires 10/24/2017

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

RUSTY LEISTER

By: _____
Signature of Authorized Agent for Entity

Name: Rusty Leister

Title: OWNER
(Type or print)

Date: 6/23/16

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 23rd day of June, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Rusty Liester, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal) SHAN COPELAND Notary Public - State of Kansas My Appt. Expires 7-31-2018

Shan Copeland
Notary Public in and for said County and State

My Commission Expires:

7-31-2018

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

TIMOTHY J & JANET LINENBERGER

By: _____
Signature of Authorized Agent for Entity

Name: Timothy J Linenberger

Date: 4-23 16

By: _____
Signature of Authorized Agent for Entity

Name: Janet Linenberger

Date: 4/23/16

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 23 day of April, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Timothy J. and Janet Linenberger, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal) TINA BENDA Notary Public - State of Kansas My Appt Expires 5-28-18

_____
Notary Public in and for said County and State

My Commission Expires:

5-28-18

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

JAMES M LOADER

By: James M. Loader
Signature of Authorized Agent for Entity

Name: James M Loader

Date: 6-13-16

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 13 day of June, 2016 before me, the undersigned, a Notary Public in and for said County and State, came James M Loader, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal) TINA BENDA Notary Public - State of Kansas My Appt. Expires 5-28-18

Tina Benda
Notary Public in and for said County and State

My Commission Expires:

5-28-18

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

LEON C MARRS TRUST

By: Leon C Marrs
Signature of Authorized Agent for Entity

Name: LEON C MARRS

Title: Trustee
(Type or print)

Date: 5/11/16

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 11th day of May, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Leon C. Marrs, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal)

Andra Kay Erdner
Notary Public in and for said
County and State Saline County, Kansas

My Commission Expires:

2-4-2019

ANDRA KAY ERDNER
Notary Public - State of Kansas
My Appt. Expires 2-4-2019

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

Salina Masonic Temple Foundation

By: _____
Signature of Authorized Agent for Entity

Name: Mark Slubowski
(Type or print)

Title: President Of The Board
(Type or print)

Date: 8/9/2016

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 9th day of August, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Mark Slubowski, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal) Cathy Raymer
Notary Public
State of Kansas
My Appt. Exp. 9-3-17

Cathy Raymer
Notary Public in and for said
County and State

My Commission Expires:

9-3-17

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

MDF PROPERTIES OF SALINA INC
a Kansas Corporation

By: Michael D. Forristal
Signature of Authorized Agent for Entity

Name: Michael D Forristal
(Type or print)

Title: PRES
(Type or print)

Date: 4/20/2016

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 20th day of April, 2016 before me, the undersigned, a Notary Public in and for said County and State, came MICHAEL D FORRISTAL, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal)

Perry R Purdham Jr
Notary Public in and for said
County and State

My Commission Expires:

10/24/2017

PERRY R. PURDHAM, JR.
Notary Public - State of Kansas
My Appt. Expires 10/24/2017

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

MDF VENTURES LLC
a Kansas Corporation

By: Mike Forristal
Signature of Authorized Agent for Entity

Name: Mike Forristal
(Type or print)

Title: Pres
(Type or print)

Date: 4/20/2016

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 20th day of April, 2016 before me, the undersigned, a Notary Public in and for said County and State, came MIKE FORRISTAL, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal)

Perry R. Purdham Jr.
Notary Public in and for said
County and State

My Commission Expires:

10/24/2017

PERRY R. PURDHAM, JR.
Notary Public - State of Kansas
My Appt. Expires 10/24/2017

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

MELVIN MARKLEY INVESTMENTS, LLC
a Kansas Corporation

By: _____
Signature of Authorized Agent for Entity

Name: Len Melvin
(Type or print)

Title: Owner
(Type or print)

Date: 8-17-16

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 17 day of August, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Len Melvin, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal) NOTARY PUBLIC STATE OF KANSAS
KRISTA WALDMAN
NOTARY PUBLIC
STATE OF KANSAS
My App. Exp 10/1/16

_____
Notary Public in and for said
County and State

My Commission Expires:

10/1/16

52494204 1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

STEVEN K & SUN C MILES

By: _____
Signature of Authorized Agent for Entity

Name: Steven K Miles

Date: 6-2-16

By: _____
Signature of Authorized Agent for Entity

Name: Sun C Miles

Date: 6-2-16

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 2 day of June, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Steven K Miles/Sun C Miles, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal)

TINA BENDA
Notary Public - State of Kansas
My Appt. Expires 5-28-18

_____
Notary Public in and for said County and State

My Commission Expires:

5/28/18

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

NATIONAL BANK OF AMERICA / UNITED MISSOURI BANK

By: _____ SVP
Signature of Authorized Agent for Entity

Name: Mark Garten

Title: Senior Vice President
(Type or print)

Date: 7/26/2016

ACKNOWLEDGMENT

STATE OF Missouri)
) ss.
COUNTY OF Jackson)

BE IT REMEMBERED, that on this 26th day of July, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Mark GARTEN, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal)

Vickie L Beason
Notary Public in and for said
County and State

My Commission Expires:
April 1, 2017

VICKIE LYNN BEASON
Notary Public - Notary Seal
STATE OF MISSOURI
Jackson County
My Commission Expires: Apr 1, 2017
Commission # 13767287

52494204 1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

FRANK C NORTON TRUST

By: _____
Signature of Authorized Agent for Entity

Name: FRANK C. NORTON

Title: Trustee
(Type or print)

Date: 5/4/16

ACKNOWLEDGMENT

STATE OF KANSAS)
) ss.
COUNTY OF SALINE)

BE IT REMEMBERED, that on this 4th day of May, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Frank C. Norton, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal) JO ANNE RICE
My Appointment Expires
July 27, 2019

_____
Notary Public in and for said
County and State

My Commission Expires:

July 27, 2019

524842041.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

PARKWOOD 1 LLC
a Kansas Corporation

By: _____
Signature of Authorized Agent for Entity

Name: CHAD KOEHN
(Type or print)

Title: OWNER / MEMBER, LLC
(Type or print)

Date: 4/26/18

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 26 day of April, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Chad Koehn, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal) TINA BENDA
Notary Public - State of Kansas
My Appt Expires 5-28-18

Tina Benda
Notary Public in and for said
County and State

My Commission Expires:

5-28-18

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

PRIME PROPERTY OF KANSAS LLC
a Kansas Corporation

By: _____
Signature of Authorized Agent for Entity

Name: Monty V Gilliam
(Type or print)

Title: CEO
(Type or print)

Date: 5-19-16

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 19 day of May, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Monty V Gilliam, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal)

Tina Benda
Notary Public in and for said
County and State

My Commission Expires:

TINA BENDA
Notary Public - State of Kansas
My Appt. Expires 5-28-18

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

PROPERTY PARTNERS LLC
a Kansas Corporation

By: James B Richardson
Signature of Authorized Agent for Entity

Name: James B Richardson
(Type or print)

Title: Property Owner
(Type or print)

Date: 4-2016

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 20th day of April, 2016 before me, the undersigned, a Notary Public in and for said County and State, came James B Richardson, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal)

Notary Public in and for said
County and State

My Commission Expires:

4-24-19

BRADY W. DONLEY
Notary Public, State of Kansas
My Appointment Expires
4-24-19

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

RAVEY INVESTMENTS LLC
a Kansas Corporation

By: James M. Ravenkamp
Signature of Authorized Agent for Entity

Name: James M Ravenkamp
(Type or print)

Title: PRESIDENT - RAVEY INVESTMENT
(Type or print)

Date: 5.17.2016

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 17 day of May, 2016 before me, the undersigned, a Notary Public in and for said County and State, came James M Ravenkamp, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal)

Tina Bender
Notary Public in and for said
County and State

My Commission Expires:
TINA BENDER
Notary Public - State of Kansas
My Appt Expires 5-28-18

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

RD, LLC
a Kansas Corporation

By: _____
Signature of Authorized Agent for Entity

Name: Brian Richardson
(Type or print)

Title: Member
(Type or print)

Date: 4-20-16

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 20 day of April, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Brian Richardson, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal) TINA BENDA
Notary Public - State of Kansas
My Appt. Expires 5-28-18

_____
Notary Public in and for said
County and State

My Commission Expires:

5-28-18

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

LISA S ROELOFSEN REVOCABLE INTER VIVOS TRUST

By: Lisa Susan Roelofsen
Signature of Authorized Agent for Entity

Name: LISA SUSAN ROELOFSEN

Title: Trustee
(Type or print)

Date: 6-23-16

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 23rd day of June, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Lisa Susan Roelofsen, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal) SHAN COPELAND Notary Public - State of Kansas My Appt. Expires

Shan Copeland
Notary Public in and for said County and State

My Commission Expires:

7-31-2016

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

JAMES & LYNN & KEVIN J ROME

By: James R Rome
Signature of Authorized Agent for Entity

Name: James Rome

Date: 6/20/16

By: Lynn Rome
Signature of Authorized Agent for Entity

Name: Lynn Rome

Date: 6/20/16

By: [illegible]
Signature of Authorized Agent for Entity

Name: Kevin J Rome

Date: 6/20/16

ACKNOWLEDGMENT

STATE OF Kansas)

) ss.

COUNTY OF Saline)

BE IT REMEMBERED, that on this 20th day of June, 2016 before me, the undersigned, a Notary Public in and for said County and State, came James Rome, Lynn Rome, Kevin J Rome who is known to me to be the same persons who executed the within instrument, and such persons duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

52494204.1

ANDRA KAY ERDNER
Notary Public - State of Kansas
My Appt. Expires 2-04-2019

(Seal)

Andra Kay Erdner

Notary Public in and for said
County and State Johnson County, Kansas

My Commission Expires:

2-04-2019

52494204 1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

ROSE HILL BANK
a Kansas Corporation

By: _____
Signature of Authorized Agent for Entity

Name: Chas Like
(Type or print)

Title: Sr. Vice President
(Type or print)

Date: 4/20/16

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 20th day of April, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Chas Like, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal) CHRIS TADDIKEN Notary Public - State of Kansas My Appt Expires 8/9/2019

Notary Public in and for said
County and State

My Commission Expires:
8/9/2019

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

SAINT FRANCIS COMMUNITY SERVICES, INC.
a Kansas Corporation

By: Robert N. Smith
Signature of Authorized Agent for Entity

Name: Robert N Smith
(Type or print)

Title: Dean, President & CEO
(Type or print)

Date: May 23, 2016

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Sedgwick)

BE IT REMEMBERED, that on this 23rd day of May, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Robert N. Smith, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

SHIRLEY ANDRLA
Notary Public - State of Kansas
Appt. Expires 6/11/2016

(Seal)

Notary Public in and for said
County and State

My Commission Expires:

6/11/2016

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

SALINA AREA CHAMBER OF COMMERCE
a Kansas Corporation

By: _____
Signature of Authorized Agent for Entity

Name: Don L. Weiser
(Type or print)

Title: President/CEO
(Type or print)

Date: 4-20-16

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 20th day of April, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Don Weiser, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal) NOTARY PUBLIC - State of Kansas
SANDRA COLE
My Appt. Exp. June 17, 2019

Sandra Cole
Notary Public in and for said
County and State

My Commission Expires:

6/17/2019

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

SALINA ART CENTER INC
a Kansas Corporation

By: Bill North
Signature of Authorized Agent for Entity

Name: Bill North
(Type or print)

Title: Executive Director
(Type or print)

Date: April 25, 2016

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 25th day of April, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Bill North, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal) ANDRA KAY ERDNER
Notary Public - State of Kansas
My Appt. Expires 2-4-2019

Andra Kay Erdner
Notary Public in and for said
County and State

My Commission Expires:

2-4-2019

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

SALINA COMMUNITY THEATRE ASSOCIATION
a Kansas Corporation

By: _____
Signature of Authorized Agent for Entity

Name: Michael J. Spicer
(Type or print)

Title: EXECUTIVE DIRECTOR
(Type or print)

Date: 5/24/2016

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 24th day of May, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Michael J. Spicer, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal) ANGELA C. ALLTON
My Appointment Expires
July 8, 2019

Angela C. Allton
Notary Public in and for said
County and State

My Commission Expires:

7-8-19

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

SALINA REGIONAL HEALTH CENTER INC
a Kansas Corporation

By: _____
Signature of Authorized Agent for Entity

Name: Michael I. Terry
(Type or print)

Title: CEO
(Type or print)

Date: 07/18/16

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 18th day of July, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Michael I. Terry, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal)

Sheri D. Arnold
Notary Public in and for said
County and State

My Commission Expires:

11-13-16

NOTARY PUBLIC - State of Kansas
SHERI D. ARNOLD
My Appt. Exp. 11-13-16

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

Salina Regional Medical Education, LLC
a Kansas Limited Liability Company

By: Thomas P Martin

Name: Tom Martin

Title: President, Salina Regional Health Foundation
Date: June 27, 2016

ACKNOWLEDGMENT

STATE OF KANSAS)
) ss.
COUNTY OF SALINE)

BE IT REMEMBERED, that on this 27th day of June, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Tom Martin, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

Sidney A Reitz

Notary Public in and for said
County and State

My Commission Expires:

NOTARY PUBLIC - State of Kansas
SIDNEY A REITZ
My Appt. Exp. Jan. 11, 2017

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

SANTA FE 1 LLC
a Kansas Corporation

By: _____
Signature of Authorized Agent for Entity

Name: Chad Koehn
(Type or print)

Title: PROPERTY OWNER
(Type or print)

Date: 4-20-2016

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 20th day of April, 2016 before me, the undersigned, a Notary Public in and for said County and State, came CHAD KOEHN, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal)

_____
Notary Public in and for said
County and State

My Commission Expires:

4-24-19

BRADY W. DONLEY
Notary Public, State of Kansas
My Appointment Expires
4-24-19

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

SANTA FE OFFICE PLAZA LLC
a Kansas Corporation

By: Morrie J Soderberg
Signature of Authorized Agent for Entity

Name: Morrie J Soderberg
(Type or print)

Title: Manager
(Type or print)

Date: 8-19-2016

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 19th day of August, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Morrie J Soderberg, Manager who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal) ANDRA KAY ERDNER Notary Public - State of Kansas My Appt. Expires 2-4-2019

Andra Kay Erdner
Notary Public in and for said
County and State Saline County, Ks.

My Commission Expires:

2.4.2019

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

BOYD E SMITH TRUST

By: Heather M Smith
Signature of Authorized Agent for Entity

Name: Heather M Smith

Title: Trustee
(Type or print)

Date: 4/20/16

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 20 day of April, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Heather M. Smith, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal) ANDRA KAY ERDNER
Notary Public - State of Kansas
My Appt. Expires 2-4-2019

Andra Kay Erdner
Notary Public in and for said
County and State

My Commission Expires:

2-4-2019

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

LARRY & JANET ST CLAIR TRUST

By: Larry St. Clair
Signature of Authorized Agent for Entity

Name: Larry St. Clair

Title: Trustee
(Type or print)

Date: July 1, 2016

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 1ST day of July, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Larry St Clair, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal)

Sidney A. Reitz
Notary Public in and for said County and State

My Commission Expires:

NOTARY PUBLIC - State of Kansas
SIDNEY A REITZ
My Appt. Exp. Jan. 11, 2017

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

GARY & KAREN STANSBERRY

By: _____
Signature of Authorized Agent for Entity

Name: Gary Stansberry

Date: JULY 5, 2016

By: _____
Signature of Authorized Agent for Entity

Name: Karen Stansberry

Date: 7-5-16

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 5 day of July, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Gary Stansberry - Karen Stansberry who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal)

TINA BENDA
Notary Public - State of Kansas
My Appt Expires 5-28-18

Tina Benda
Notary Public in and for said
County and State

My Commission Expires:

5-28-18

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

GARY D & KAREN L STANSBERRY REVOCABLE INTER VIVOS TRUST

By: _____
Signature of Authorized Agent for Entity

Name: GARY STANSBERRY

Title: Trustee
(Type or print)

Date: JULY 5, 2016

ACKNOWLEDGMENT

STATE OF Kansas)

) ss.

COUNTY OF Saline)

BE IT REMEMBERED, that on this 5 day of July, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Gary Stansberry, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal)

_____
Notary Public in and for said
County and State

My Commission Expires:

TINA BENDA
Notary Public - State of Kansas
My Appt. Expires 5-28-18

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

KENNETH C. STEPHENSON TRUST

By: Kenneth C. Stephenson
Signature of Authorized Agent for Entity

Name: Kenneth C. Stephenson
(Type or print)

Title: Trustee
(Type or print)

Date: 8-25-16

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 25th day of August, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Kenneth C. Stephenson, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal)

Marilyn J. Ostmeyer
Notary Public in and for said County and State

My Commission Expires:

10-15-19

MARILYN J. OSTMEYER
Notary Public - State of Kansas
My Appt. Expires 10-15-19

52494204 1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

STOUT PROPERTY MANAGEMENT INC
a Kansas Corporation

By: _____
Signature of Authorized Agent for Entity

Name: M Renee Stout-Montoya
(Type or print)

Title: President
(Type or print)

Date: April 12, 2016

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 12th day of April, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Renee Stout-Montoya, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal)

_____
Notary Public in and for said
County and State

My Commission Expires:

8/12/17

JENNIFER L. HEWITT
Notary Public - State of Kansas
My Appt. Expires 8/12/17

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

KENNETH D & DAGNEY L STROMBERG

By: _____
Signature of Authorized Agent for Entity

Name: Kenneth D Stromberg

Date: 7-21-16

By: _____
Signature of Authorized Agent for Entity

Name: Dagney L Stromberg

Date: 21 July 16

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 21 day of July, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Kenneth D Stromberg & Dagney L Stromberg, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal) TINA BENDA Notary Public - State of Kansas My Appt. Expires 5-28-18

_____
Notary Public in and for said County and State

My Commission Expires:

5/28/18

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

SUNFLOWER BANK NA

By: David B Newcomer, SR VP. CASHIER
Signature of Authorized Agent for Entity

Name: David B. Newcomer, Sr VP & Cashier
(Type or print)

Title: Senior Vice President & Cashier
(Type or print)

Date: 8/25/2016

ACKNOWLEDGMENT

STATE OF KANSAS)
) ss.
COUNTY OF SALINE)

BE IT REMEMBERED, that on this 25th day of August, 2016 before me, the undersigned, a Notary Public in and for said County and State, came David B. Newcomer, Sr VP & Cashier, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal)

Kayleen K Chaput
Notary Public in and for said
County and State

My Commission Expires:

05.05.2017

KAYLEEN K. CHAPUT
NOTARY PUBLIC
STATE OF KANSAS
My Appt. Exp. 05-05-2017

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

TEEN TOWN INC
a Kansas Corporation

By: Michael B Walker
Signature of Authorized Agent for Entity

Name: Michael B Walker
(Type or print)

Title: PRESIDENT
(Type or print)

Date: 4/16/16

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 14th day of April, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Michael B. Walker, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal) ANDRA KAY ERDNER Notary Public - State of Kansas My Appt. Expires 2-4-19

Andra Kay Erdner
Notary Public in and for said
County and State Saline, Kansas

My Commission Expires:

2-4-2019

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

TWO CHICKS AND A MOM PROPERTIES LLC
a Kansas Corporation

By: _____
Signature of Authorized Agent for Entity

Name: Robin Cates
(Type or print)

Title: Co owner
(Type or print)

Date: 4 18 16

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 18th day of April, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Robin Cates, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal) ANDRA KAY ERDNER Notary Public - State of Kansas My Appt. Expires 2-4-2019

Andra Kay Erdner
Notary Public in and for said
County and State Saline, Ks.

My Commission Expires:

2-4-2019

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

TWO DAYS PROPERTIES LLC
a Kansas Corporation

By: _____
Signature of Authorized Agent for Entity

Name: Douglas J Day

Title: MANAGING MEMBER
(Type or print)

Date: 6/22/16

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Reno)

BE IT REMEMBERED, that on this 22nd day of June, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Douglas J Day, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal) LISA A. WHITMER
Notary Public - State of Kansas
My Appt. Exp. 6-2-2019

_____
Notary Public in and for said
County and State

My Commission Expires:

6-2-19

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

LAURA E UNDERWOOD & CALVIN H JOHNSON

By: _____
Signature of Authorized Agent for Entity

Name: Laura E Underwood

Date: 3-14-16

By: _____ POA
Signature of Authorized Agent for Entity

Name: Calvin H Johnson

Date: 3-14-16

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 14 day of March, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Laura E Underwood, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal)

Tina Benda
Notary Public in and for said
County and State

My Commission Expires:
TINA BENDA
Notary Public - State of Kansas
My Appt Expires 5-28-18

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

UNITED BUILDING OF SALINA, INC.

By: _____
Signature of Authorized Agent for Entity

Name: Lance Cochran
(Type or print)

Title: President
(Type or print)

Date: 8/25/16

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 25th day of August, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Lance H Cochran, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal)

Sidney A. Reitz
Notary Public in and for said County and State

My Commission Expires:

NOTARY PUBLIC - State of Kansas
SIDNEY A REITZ
My Appt. Exp. Jan. 11, 2017

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

MICHAEL B WALKER TRUST #1

By: Michael B Walker
Signature of Authorized Agent for Entity

Name: MICHAEL B. WALKER

Title: Trustee
(Type or print)

Date: 4/14/16

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 14th day of April, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Michael B Walker, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal) ANDRA KAY ERDNER
Notary Public - State of Kansas
My Appt. Expires 2-4-19

Andra Kay Erdner
Notary Public in and for said
County and State Saline, Kansas

My Commission Expires:

2-4-2019

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

WEEKENDER LC
a Kansas Corporation

By: _____
Signature of Authorized Agent for Entity

Name: James C Maes
(Type or print)

Title: MEMBER
(Type or print)

Date: 4/22/16

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 22 day of April, 2016 before me, the undersigned, a Notary Public in and for said County and State, came James C Maes, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal) TINA BENDA
Notary Public - State of Kansas
My Appt. Expires 5-28-18

Tina Benda
Notary Public in and for said
County and State

My Commission Expires:

5/28/18

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

WJKM, LLC
a Kansas Corporation

By: Kenneth W Wasserman
Signature of Authorized Agent for Entity

Name: Kenneth W Wasserman
(Type or print)

Title: Member
(Type or print)

Date: 5/4/16

ACKNOWLEDGMENT

STATE OF Kansas)
) ss.
COUNTY OF Saline)

BE IT REMEMBERED, that on this 4th day of May, 2016 before me, the undersigned, a Notary Public in and for said County and State, came Kenneth W. Wasserman, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal) STATE OF KANSAS NOTARY PUBLIC SANDRA K. TIDYMAN My Appointment Expires May 25, 2017

Sandra K. Tidyman
Notary Public in and for said
County and State

My Commission Expires:

May 25, 2017

52494204.1

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

A. NORMAN YENKEY TRUST
KRISTYNE V. YENKEY TRUST

By: _____
Signature of Authorized Agent for Entity

Name: A. Norman Yenkey, Trustee

Title: Trustee
(Type or print)

Date: 7-22-16

ACKNOWLEDGMENT

STATE OF KANSAS)
) ss.
COUNTY OF SALINE)

BE IT REMEMBERED, that on this 22nd day of July, 2016 before me, the undersigned, a Notary Public in and for said County and State, came A. Norman Yenkey, who is known to me to be the same person who executed the within instrument, and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

(Seal)

_____
Notary Public in and for said
County and State

My Commission Expires:

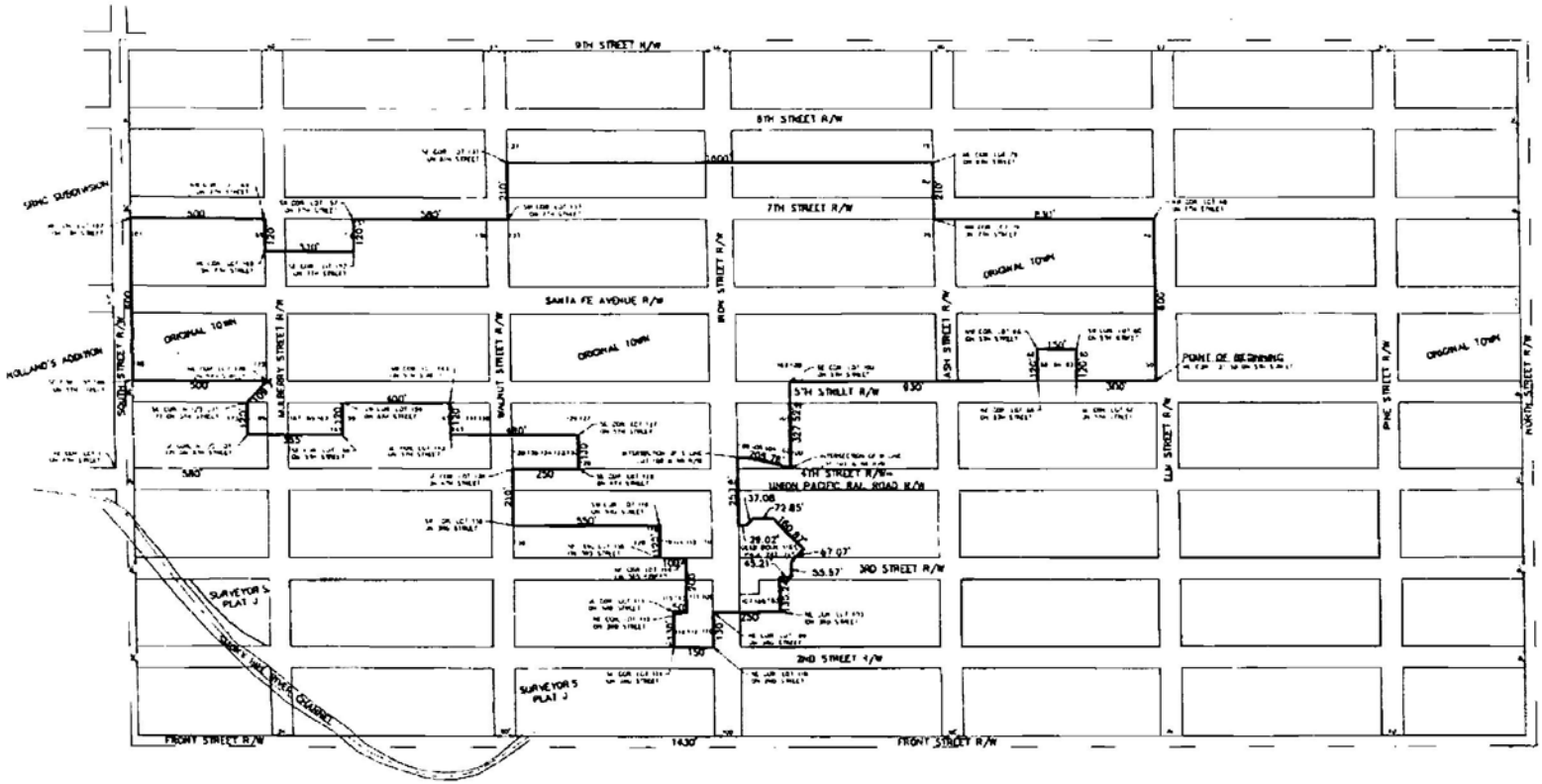
NOTARY PUBLIC - State of Kansas
SIDNEY A REITZ
My Appt. Exp. Jan. 11, 2017

52494204.1

EXHIBIT A

MAP OF CID

LIMITS OF THE COMMUNITY IMPROVEMENT DISTRICT – DOWNTOWN
CITY OF SALINA



GRAPHIC SCALE

KAW VALLEY ENGINEERING

EXHIBIT B

LEGAL DESCRIPTION OF CID

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 SOUTHWEST 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 930 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 327.52 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 UNIDN PACIFIC RAILROAD, A DISTANCE OF 205.76 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 1165, 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 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 67.07 FEET;

THENCE EAST ON THE BOUNDARY OF SAID DESCRIBED TRACT, A DISTANCE OF 55.57 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 250 FEET TO THE NORTHEAST CORNER OF LOT 109 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 150 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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SALINA, KANSAS 67401
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sa@kveng.com | www.kveng.com

KAW VALLEY ENGINEERING

E15S1183 AUG. 18, 2016
1183EXB-CID LRR

Z:\CIVIL 3D PROJECTS 2014\E15_1183\SURVEY\1183EXB-CID.dwg, 8/30/2016 11:01:27 AM, reiter

THENCE SOUTH ON SAID EAST LINE OF A 10 FOOT ALLEY, A DISTANCE OF 550 FEET TO THE SOUTHWEST CORNER OF LOT 138 ON 3RD STREET, SAID POINT BEING ON THE NORTH RIGHT-OF-WAY LINE OF WALNUT STREET;

THENCE WEST ON SAID NORTH RIGHT-OF-WAY LINE OF WALNUT STREET, A DISTANCE OF 210 FEET TO THE SOUTHEAST CORNER OF LOT 138 ON 4TH STREET, SAID POINT BEING ON THE WEST RIGHT-OF-WAY LINE OF 4TH STREET;

THENCE NORTH ON SAID WEST RIGHT-OF-WAY LINE OF 4TH STREET, A DISTANCE OF 250 FEET TO THE SOUTHEAST CORNER OF LOT 128 ON 4TH STREET;

THENCE WEST ON THE SOUTH LINE OF SAID LOT 128 AND EXTENSIONS THEREOF, A DISTANCE OF 130 FEET TO THE SOUTHEAST CORNER OF LOT 127 ON 5TH STREET, SAID POINT BEING ON THE WEST LINE OF A 10 FOOT ALLEY BETWEEN 4TH STREET AND 5TH STREET, SAID ORIGINAL TOWN;

THENCE SOUTH ON SAID WEST LINE OF A 10 FOOT ALLEY, AND EXTENSIONS THEREOF, A DISTANCE OF 480 FEET TO THE SOUTHEAST CORNER OF LOT 143 ON 5TH STREET;

THENCE WEST ON THE SOUTH LINE OF SAID LOT 143, A DISTANCE OF 120 FEET TO THE SOUTHWEST CORNER OF SAID LOT 143, SAID POINT BEING ON THE EAST RIGHT-OF-WAY LINE OF 5TH STREET;

THENCE SOUTH ON SAID EAST RIGHT-OF-WAY LINE OF 5TH STREET, A DISTANCE OF 400 FEET TO THE SOUTHWEST CORNER OF LOT 159 ON 5TH STREET;

THENCE EAST ON THE SOUTH LINE OF SAID LOT 159, A DISTANCE OF 120 FEET TO THE SOUTHEAST CORNER OF SAID LOT 159, SAID POINT BEING ON SAID WEST LINE OF A 10 FOOT ALLEY BETWEEN 4TH STREET AND 5TH STREET, SAID ORIGINAL TOWN;

THENCE SOUTH ON SAID WEST LINE OF A 10 ALLEY, AND EXTENSIONS THEREOF, A DISTANCE OF 355 FEET TO THE SOUTHEAST CORNER OF THE NORTH HALF OF LOT 171 ON 5TH STREET;

THENCE WEST ON THE SOUTH LINE OF SAID NORTH HALF OF LOT 171, A DISTANCE OF 120 FEET TO THE SOUTHWEST CORNER OF SAID NORTH HALF OF LOT 171;

THENCE NORTHWEST A DISTANCE OF 109.7 FEET TO THE NORTHEAST CORNER OF LOT 170 ON 5TH STREET, 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 500 FEET TO THE SOUTHEAST CORNER OF LOT 188 ON 5TH STREET, SAID POINT BEING ON THE NORTH RIGHT-OF-WAY LINE OF SOUTH STREET;

THENCE WEST ON SAID NORTH RIGHT-OF-WAY LINE OF SOUTH STREET, A DISTANCE OF 600 FEET TO THE SOUTHWEST CORNER OF LOT 187 ON 7TH STREET, SAID POINT BEING ON THE EAST RIGHT-OF-WAY LINE OF 7TH STREET;

THENCE NORTH ON SAID EAST RIGHT-OF-WAY LINE OF 7TH STREET, A DISTANCE OF 500 FEET TO THE NORTHWEST CORNER OF LOT 169 ON 7TH STREET;

THENCE EAST ON THE NORTH LINE OF SAID LOT 169, A DISTANCE OF 120 FEET TO THE NORTHEAST CORNER OF SAID LOT 169, SAID POINT BEING ON THE WEST LINE OF A 10 FOOT ALLEY BETWEEN SANTA FE AVENUE AND 7TH STREET, SAID ORIGINAL TOWN;

THENCE NORTH ON SAID WEST LINE OF A 10 FOOT ALLEY, AND EXTENSIONS THEREOF, A DISTANCE OF 330 FEET TO THE SOUTHEAST CORNER OF LOT 157 ON 7TH STREET;

THENCE WEST ON THE SOUTH LINE OF SAID LOT 157, A DISTANCE OF 120 FEET TO THE SOUTHWEST CORNER OF SAID LOT 157, SAID POINT BEING ON SAID EAST RIGHT-OF-WAY LINE OF 7TH STREET;

THENCE NORTH ON SAID EAST RIGHT-OF-WAY LINE OF 7TH STREET, A DISTANCE OF 580 FEET TO THE SOUTHWEST CORNER OF LOT 137 ON 7TH STREET, SAID POINT BEING ON SAID NORTH RIGHT-OF-WAY LINE OF WALNUT STREET;

THENCE WEST ON SAID NORTH RIGHT-OF-WAY LINE OF WALNUT STREET, A DISTANCE OF 210 FEET TO THE SOUTHEAST CORNER OF LOT 137 ON 8TH STREET, SAID POINT BEING ON THE WEST LINE OF A 10 FOOT ALLEY BETWEEN 7TH STREET AND 8TH STREET, SAID ORIGINAL TOWN;

THENCE NORTH ON SAID WEST LINE OF A 10 FOOT ALLEY, A DISTANCE OF 1600 FEET TO THE NORTHEAST CORNER OF LOT 79 ON 8TH STREET, SAID POINT BEING ON THE SOUTH RIGHT-OF-WAY LINE OF ASH STREET;

THENCE EAST ON SAID SOUTH RIGHT-OF-WAY LINE OF ASH STREET, A DISTANCE OF 210 FEET TO THE NORTHWEST CORNER OF LOT 79 ON 7TH STREET, SAID POINT BEING ON SAID EAST RIGHT-OF-WAY LINE OF 7TH STREET;

THENCE NORTH ON SAID EAST RIGHT-OF-WAY LINE OF 7TH STREET, A DISTANCE OF 830 FEET TO THE NORTHWEST CORNER OF LOT 49 ON 7TH STREET, SAID POINT BEING ON SAID SOUTH RIGHT-OF-WAY LINE OF ELM STREET;

THENCE EAST ON SAID SOUTH RIGHT-OF-WAY LINE OF ELM STREET, A DISTANCE OF 600 FEET TO THE POINT OF BEGINNING.

CONTAINS 77.6 ACRES, MORE OR LESS

END OF DESCRIPTION

WILLIAM C. DELKER
LICENSED
9/19/2016
LS-1201
William C. Delker
KANSAS
LAND SURVEYOR

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KAW VALLEY ENGINEERING

E15S1183 AUG. 18, 2016
1183EXB-CID LRR

Exhibit J-2 – Hotel CID Petition

[See Attached]

City Clerk's Office
Filed

PETITION FOR THE CREATION OF A COMMUNITY IMPROVEMENT DISTRICT (HOTEL)

TO: City Commission,
City of Salina, Kansas

The undersigned (the "**Petitioners**"), being the owners of record, whether resident or not, of the following:

1. Not less than fifty-five percent (55%) of the land area contained within the hereinafter described community improvement district; and
2. Not less than fifty-five percent (55%) by assessed value of the land area contained within the hereinafter described community improvement district.

hereby petition the City of Salina, Kansas (the "**City**") to create The Downtown Salina Community Improvement District ("**CID**") and authorize the proposed CID project (the "**CID Project**") hereinafter set forth, all in the manner provided by K.S.A § 12-6a26, *et seq.* (the "**Act**"). In furtherance of such request, the Petitioners state as follows:

1. GENERAL NATURE

The general nature of the proposed project (the "**CID Project**") 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 hotel and conference 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 CID Project, and any other items permitted to be financed within the District under the Act.

2. ESTIMATED COST

The estimated cost of the CID Project is $1,006,029 plus interest.

3. PROPOSED METHOD OF FINANCING

The proposed method of financing the CID Project is from the CID Sales Tax described in paragraph 5 of the Petition through Pay-as-you-go financing or through issuance of special obligation, general obligation or full faith and credit CID bonds/notes, at the sole election of the City, as defined in the Act.

4. PROPOSED METHOD AND AMOUNT OF ASSESSMENT

Petitioners do not propose that the CID Project be financed through the levying of assessments.

5. PROPOSED AMOUNT OF SALES TAX

Petitioners propose that the CID Project be financed through the levying of a CID sales tax in the amount of 1.0% as authorized by the Act.

6. MAP AND LEGAL DESCRIPTION OF THE PROPOSED CID

A map of the CID is attached hereto at **EXHIBIT A**.

The legal description of the CID is attached hereto at **EXHIBIT B**.

7. NOTICE TO PETITION SIGNER

Petitioners hereby acknowledge that signatures may not be withdrawn from this Petition by the signers hereof after the Governing Body of the City commences consideration of this Petition, or later than seven (7) days after the filing hereof with the City Clerk, whichever occurs first.

8. PETITION BINDING ON FUTURE OWNERS

Petitioners hereby acknowledge that if this Petition is not properly withdrawn as permitted by the Act, any future owners of the property within the CID shall be bound by this Petition.

9. COUNTERPARTS

This Petition may be executed in one or more counterparts and by each signer hereof on a separate counterpart, each of which when so executed and delivered shall be an original, and all of which shall constitute one instrument.

No further text on this page

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

BLUE BEACON INTERNATIONAL, INC.
a Kansas Corporation

By: _____
Signature of Authorized Agent for Entity

Name: Guy D. Walker

Title: Vice President of Real Estate Development
(Type or print)

Date: August 19, 2016

ACKNOWLEDGMENT

STATE OF KANSAS)
) ss.
COUNTY OF SALINE)

This instrument was acknowledged before me on August 19th, 2016, by Guy D. Walker, as the Vice President of Real Estate Development of Blue Beacon International, Inc., a Kansas Corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in Saline County the day and year last above written.

(Seal) ANDRA KAY ERDNER
Notary Public - State of Kansas
My Appt. Expires 2-4-2019

_____
Notary Public in and for said
County and State: Saline County, Kansas

My Commission Expires:

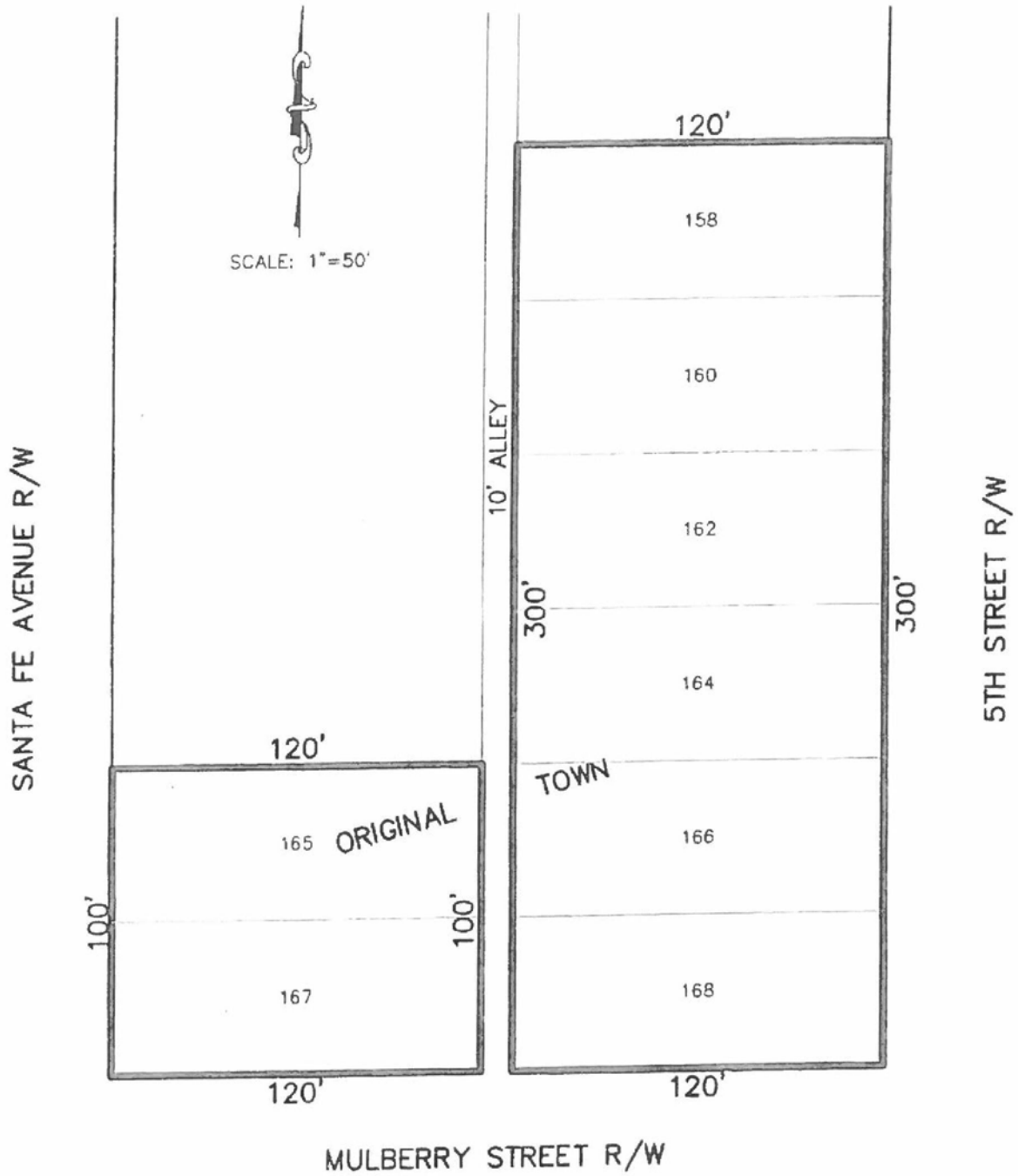
2-4-2019

52851013.1

EXHIBIT A

MAP OF CID

LIMITS OF THE COMMUNITY IMPROVEMENT DISTRICT – HOTEL: CITY OF SALINA



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KAW VALLEY ENGINEERING

E15S1183 AUG. 19, 2016
1183EXB–CID HOTEL LRR

EXHIBIT B

LEGAL DESCRIPTION OF CID

LIMITS OF THE COMMUNITY IMPROVEMENT DISTRICT – HOTEL:

COMMUNITY IMPROVEMENT DISTRICT – HOTEL:
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

WILLIAM C. DELKER
LICENSED
8/19/2016
LS-1201
William C. Delker
KANSAS
LAND SURVEYOR

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August 26, 2016

Jason Gage, City Manager
Mike Schrage, Deputy City Manager
City of Salina
300 W Ash Street
Salina, KS 67401

Gentlemen:

Please accept this letter and accompanying documents as Blue Beacon's application to establish a Community Improvement District in the City of Salina in conformance with The Community Improvement District Policy adopted by Resolution #10-6700. This application is specific to establishment of the proposed Hotel CID as part of the larger downtown redevelopment project.

Pursuant to Section VI Subsection D of the policy, included with this application is a check in the amount of $7,500. This represents payment of the $2,500 Initial Application Fee and $5,000 for the Out-of-Pocket Professional Services Fees.

Attached are the following exhibits:

Exhibit A	Legal Description
Exhibit B	Map of the District Area with Tax Parcel I.D. Information
Exhibit C	Description of the Project
Exhibit D	Plans and Renderings
Exhibit E	Estimated Project Costs
Exhibit F	Estimated Market and Assessed Value
Exhibit G	CID Petition
Exhibit H	Proposed Financing

The general nature of the CID Project and costs eligible for CID reimbursement are described with specificity in the CID Petition submitted in conjunction with this application. Any service costs reimbursed through CID proceeds produced by the CID Project are anticipated to be directly related to the construction and/or ongoing maintenance, operation, promotion and administration of the CID Project in order to ensure its ongoing viability. Additionally, without CID funding the hotel project would not be feasible and would not be undertaken.

Thank you for your consideration.

Sincerely,

Guy D. Walker
Vice President

BLUE BEACON
P.O. BOX 850
SALINA, KANSAS 67402-0850
(785) 825-2221 FAX (785) 825-0851
www.BlueBeacon.com
DELIVERIES TO: 600 GRAVEL BOULEVARD, SALINA, KANSAS 67401

TRUCK WASHES

Exhibit A

HOMEWOOD SUITES BY HILTON HOTEL

LEGAL DESCRIPTION

LIMITS OF THE COMMUNITY IMPROVEMENT DISTRICT – HOTEL:

COMMUNITY IMPROVEMENT DISTRICT – HOTEL:

ALL OF LOTS 165 AND 167 ON SANTA FE, AND
ALL OF LOTS 158, 160, 162, 164, 166, AND 168 ON 4TH STREET,
ALL IN ORIGINAL TOWN (NOW CITY) OF SALINA, SALINE COUNTY, KANSAS

WILLIAM C. DELKER
LICENSED
8/19/2016
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Exhibit B

COMMUNITY IMPROVEMENT DISTRICT – HOTEL

TAX PARCEL IDENTIFICATION NUMBERS

Lots 165 & 167 on Santa Fe -

TAX ID – 05562

Parcel Number 086-13-0-20-22-013.00-0

South ½ of Lot 160, and Lots 162, 164, 166, & 168 on 5th Street -

TAX ID – 05563

Parcel Number 086-13-0-20-22-014.00-0

Lot 158 and the North ½ of Lot 160 on 5th Street –

TAX ID – 05564

Parcel Number 086-13-0-20-22-015.00.0

LIMITS OF THE COMMUNITY IMPROVEMENT DISTRICT – HOTEL: CITY OF SALINA

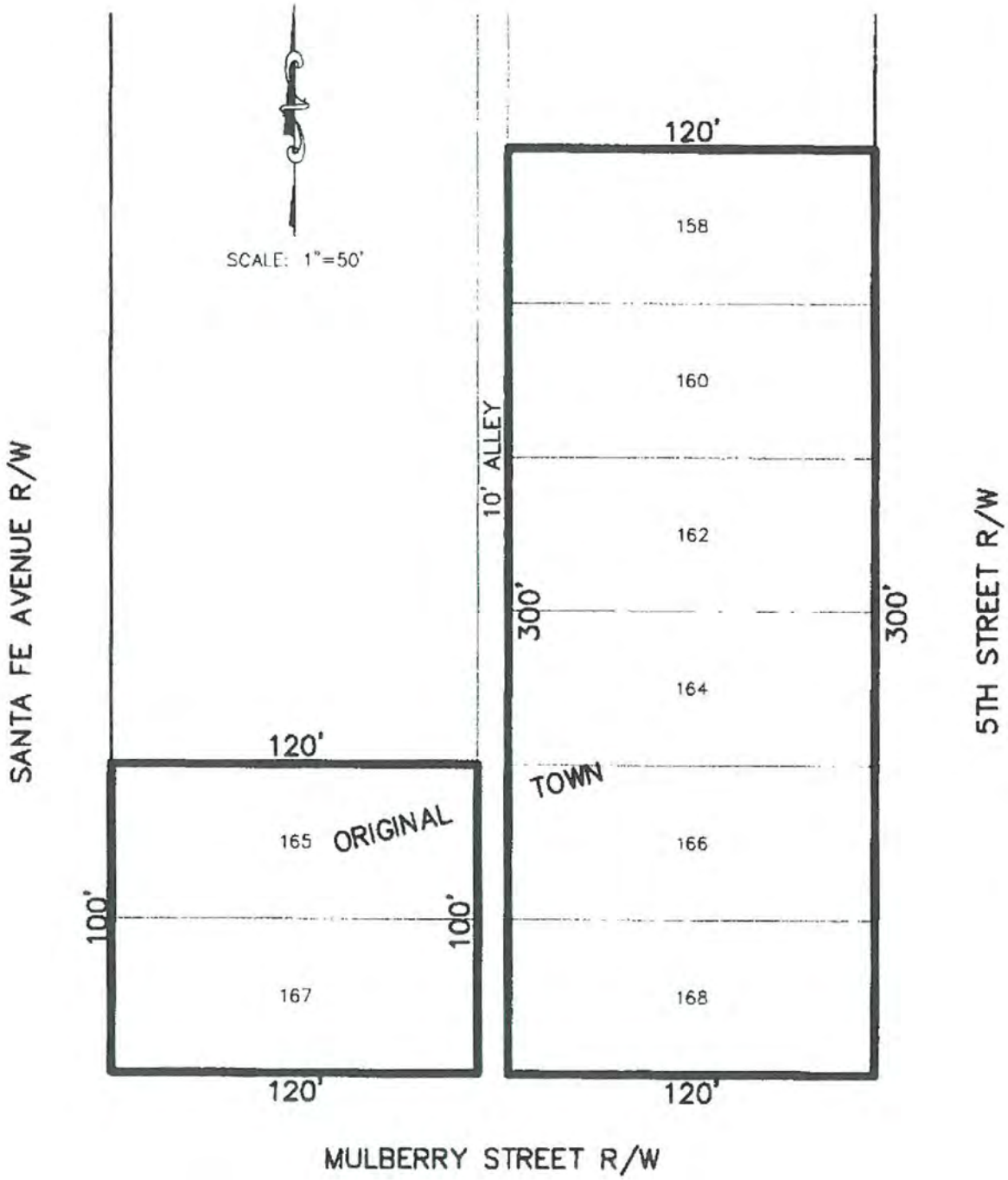

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Exhibit C

Description of the Project - Hotel

As part of the downtown redevelopment project currently being undertaken by Salina 2020, Inc. in partnership with the City of Salina and other interested parties, Blue Beacon International is proposing to design, develop, and construct a 114 room Homewood Suites by Hilton hotel at the intersection of Santa Fe Avenue and Mulberry Street. The all-suites hotel will also include approximately 2500 square feet of meeting space, a full service restaurant, and a 4500 square feet outdoor courtyard and event space.

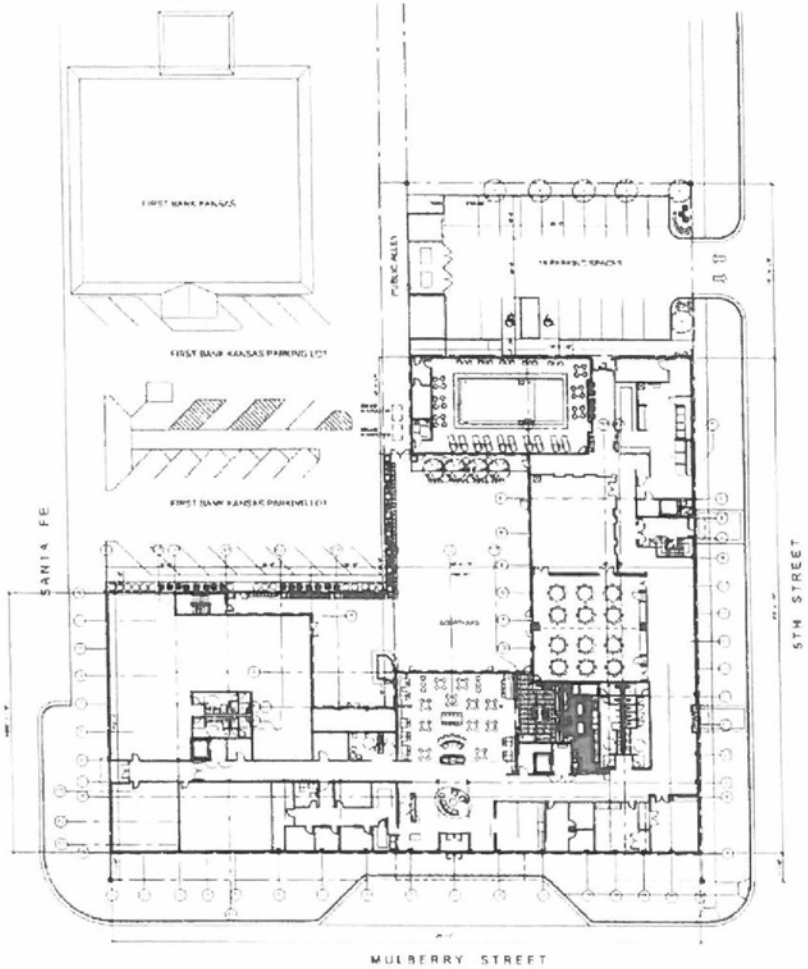
The hotel is planned to be constructed of masonry on the first floor and wood frame on floors two through five. The entirety of the project will be built to, or in excess of, City of Salina code. In addition, the hotel will be built in excess of the rigorous Hilton construction standards. Numerous lots as depicted on the plans have been acquired for surface parking to accommodate the hotel and restaurant. In conjunction with construction of the hotel, landscaping, lighting, sidewalks, and other supporting infrastructure will be included.

The hotel will be developed by Blue Beacon's hospitality division, Lighthouse Properties. Lighthouse owns and operates two successful and award-winning hotel properties in Kansas and Missouri, The Raphael Hotel on the Country Club Plaza in Kansas City, MO and The Homewood Suites by Hilton at The Waterfront in Wichita, KS. Both hotels lead their respective markets in terms of occupancy, average daily rate, and customer satisfaction.

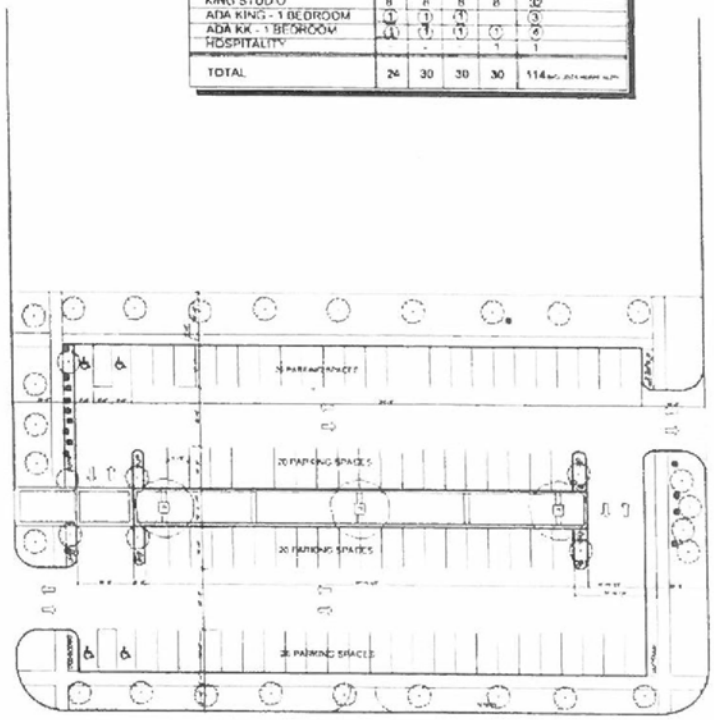
Exhibit D

HOMEWOOD SUITES BY HILTON HOTEL

PLANS AND RENDERINGS



ROOM TYPE	FLOOR 2	3	4	5	TOTAL
KING - 1 BEDROOM	9	9	9	9	36
KK - 1 BEDROOM	5	11	11	11	38
KING STUDIO	8	8	8	8	32
ADA KING - 1 BEDROOM	(1)	(1)	(1)		(3)
ADA KK - 1 BEDROOM	(1)	(1)	(1)	(1)	(4)
HOSPITALITY	-	-	-	1	1
TOTAL	24	30	30	30	114



Site Plan

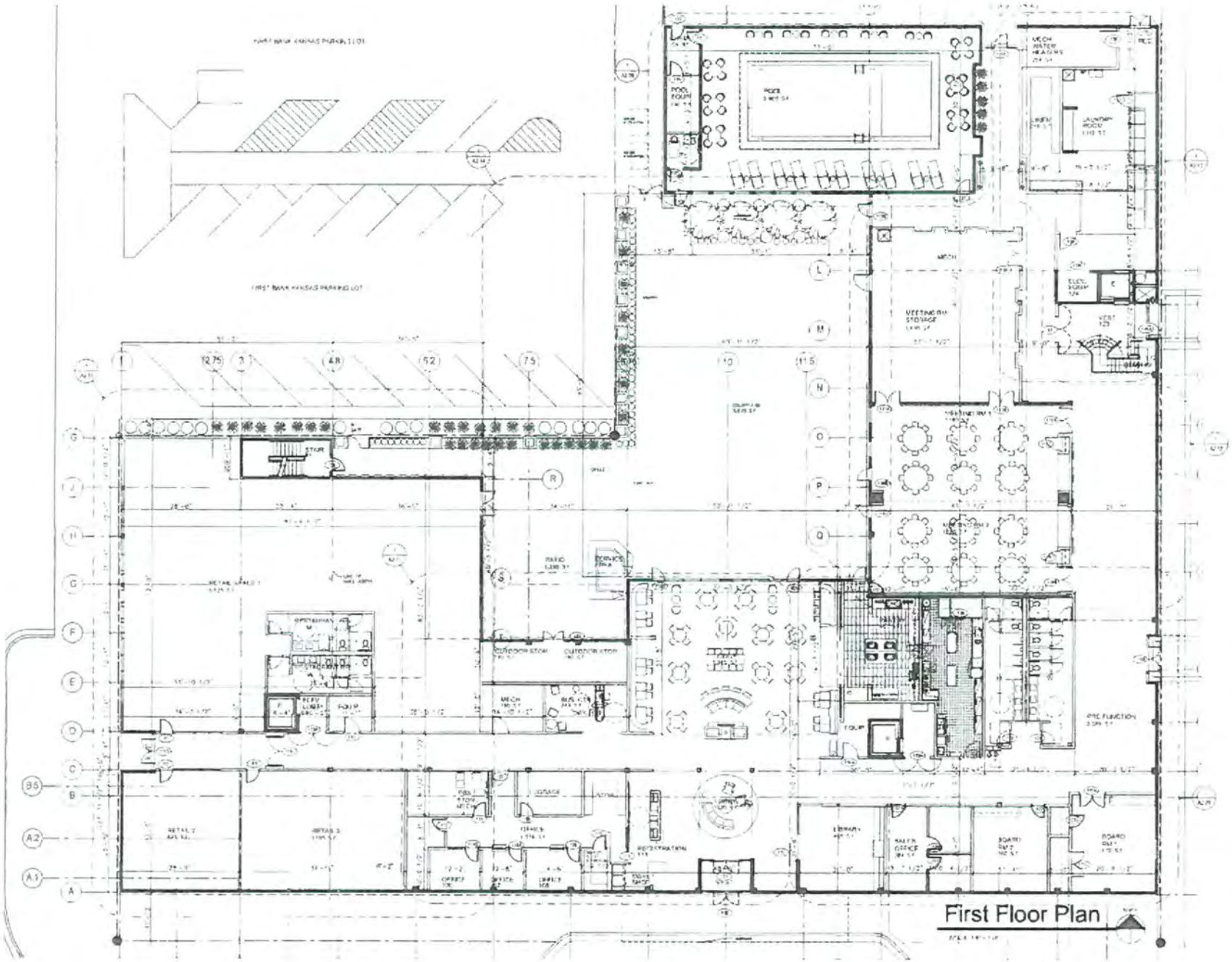
SITE PLAN

HOMEWOOD SUITES

114 ROOM HOMEWOOD SUITES FOR
BLUE BEACON INTERNATIONAL
SAUNA, KANSAS

BIEBERLY ARCHITECTS

A1.01



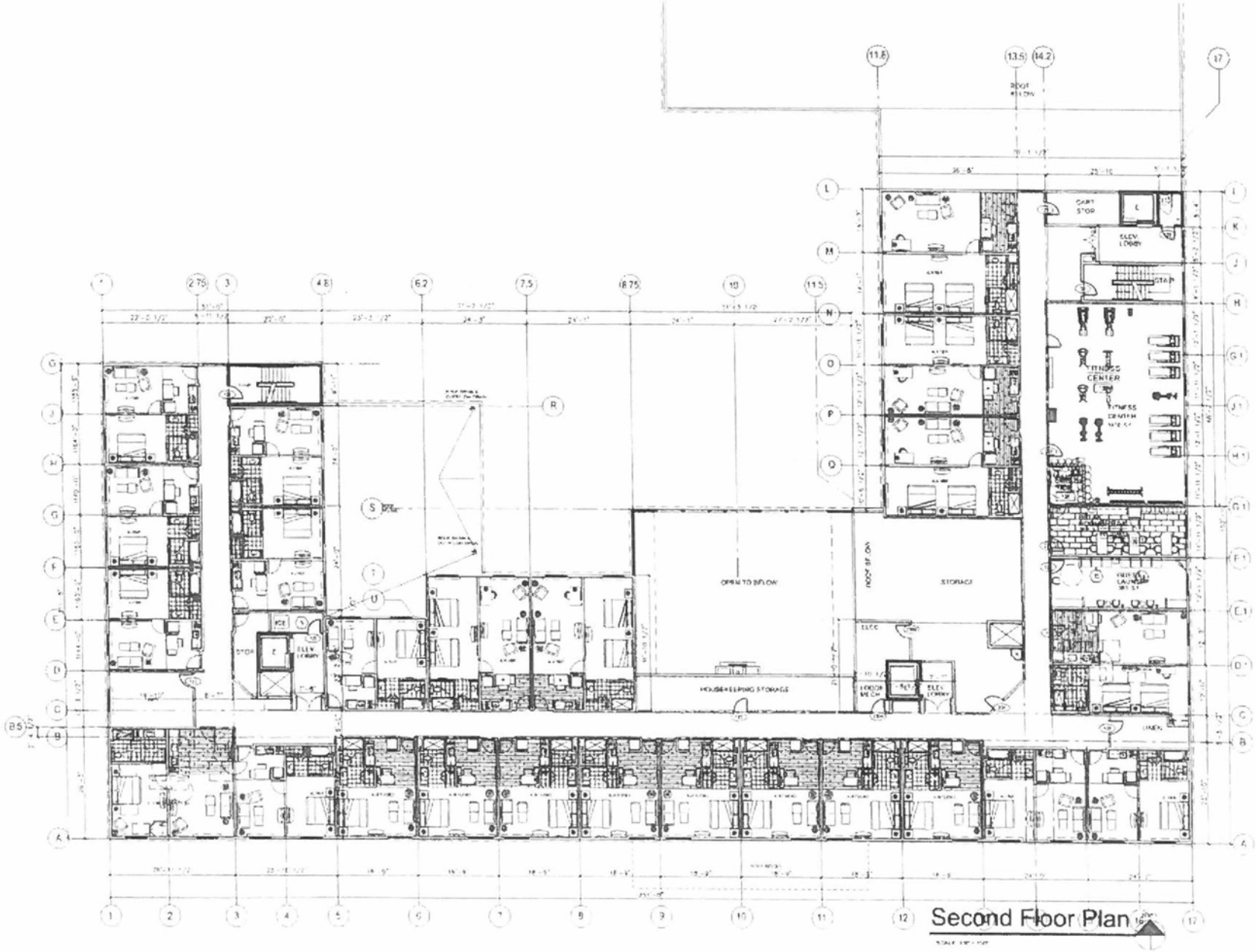
FIRST FLOOR

BLUE BEACON INTERNATIONAL

SALINA, KANSAS

BIEBERLY ARCHITECTS

A2.01



Second Floor Plan

SECOND FLOOR

HOMEWOOD SUITES

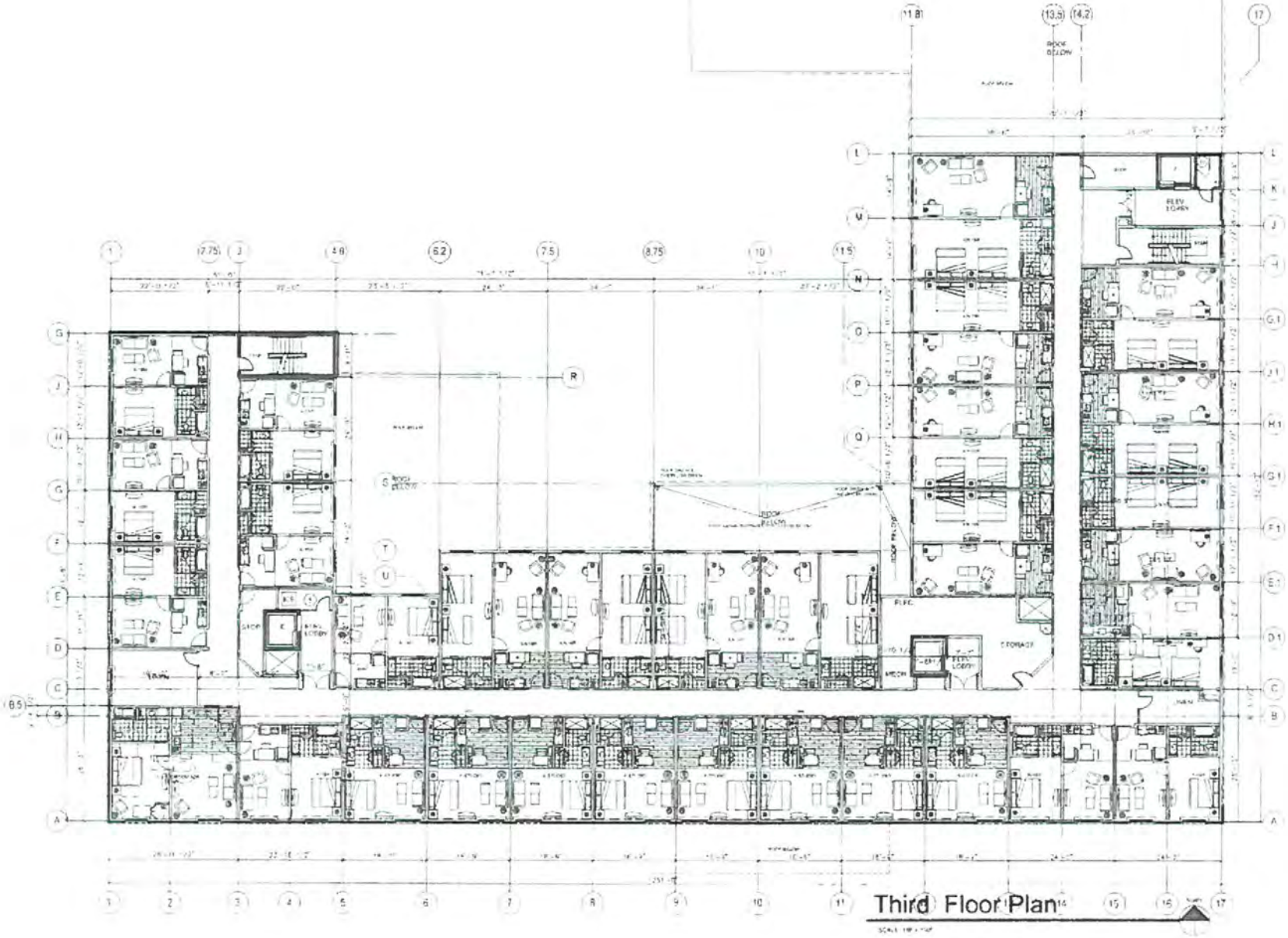
118 ROOM HOMEWOOD SUITES FOR

BLUE BEACON INTERNATIONAL

SALINA, KANSAS

BIEBERLY ARCHITECTS

A2.02



THE KUURA HOMEWOOD SUITES FOR:

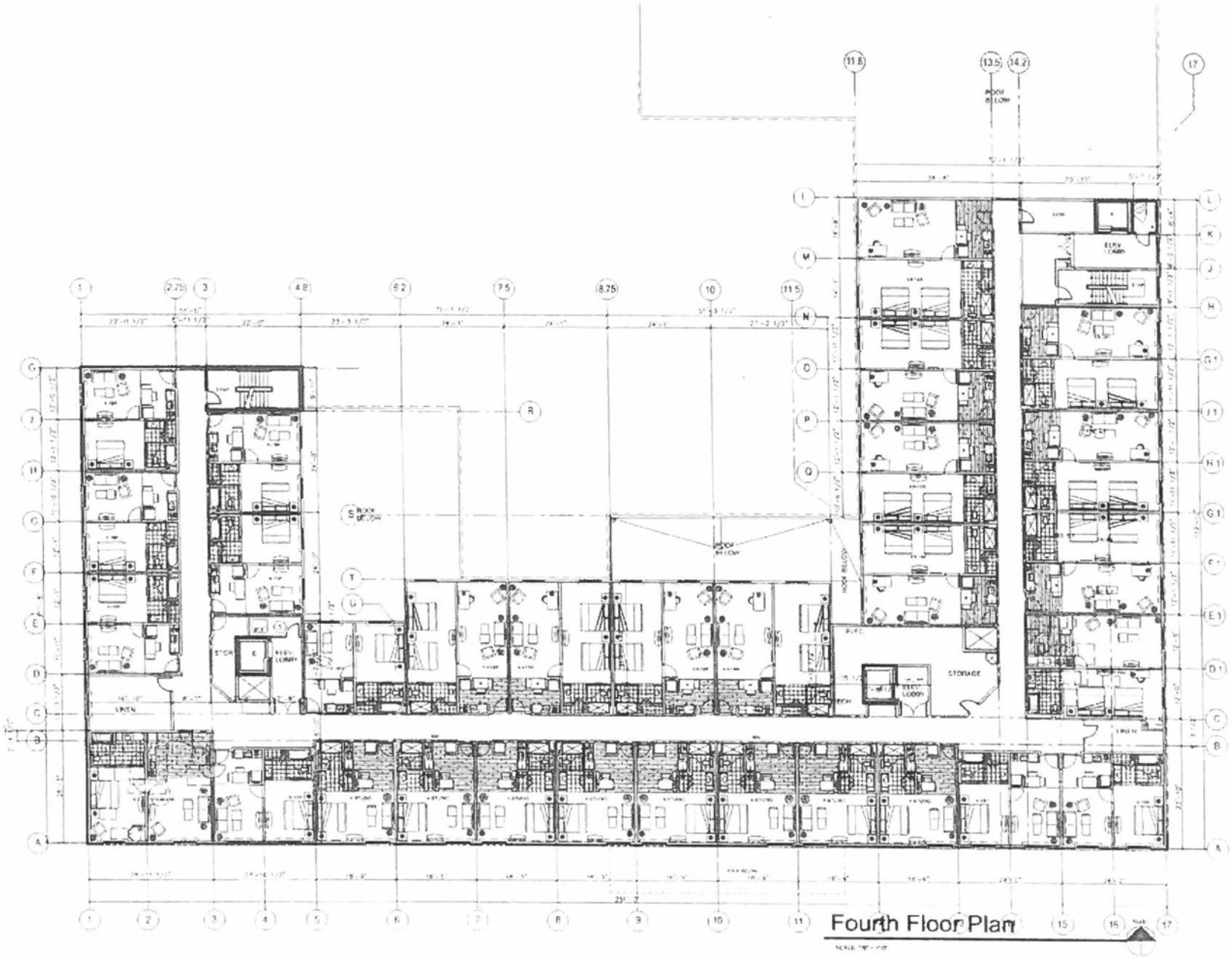
BLUE BEACON INTERNATIONAL

SALINA, KANSAS

THIRD FLOOR PLAN

BIEBERLY ARCHITECTS

A2.03



FOURTH FLOOR PLAN

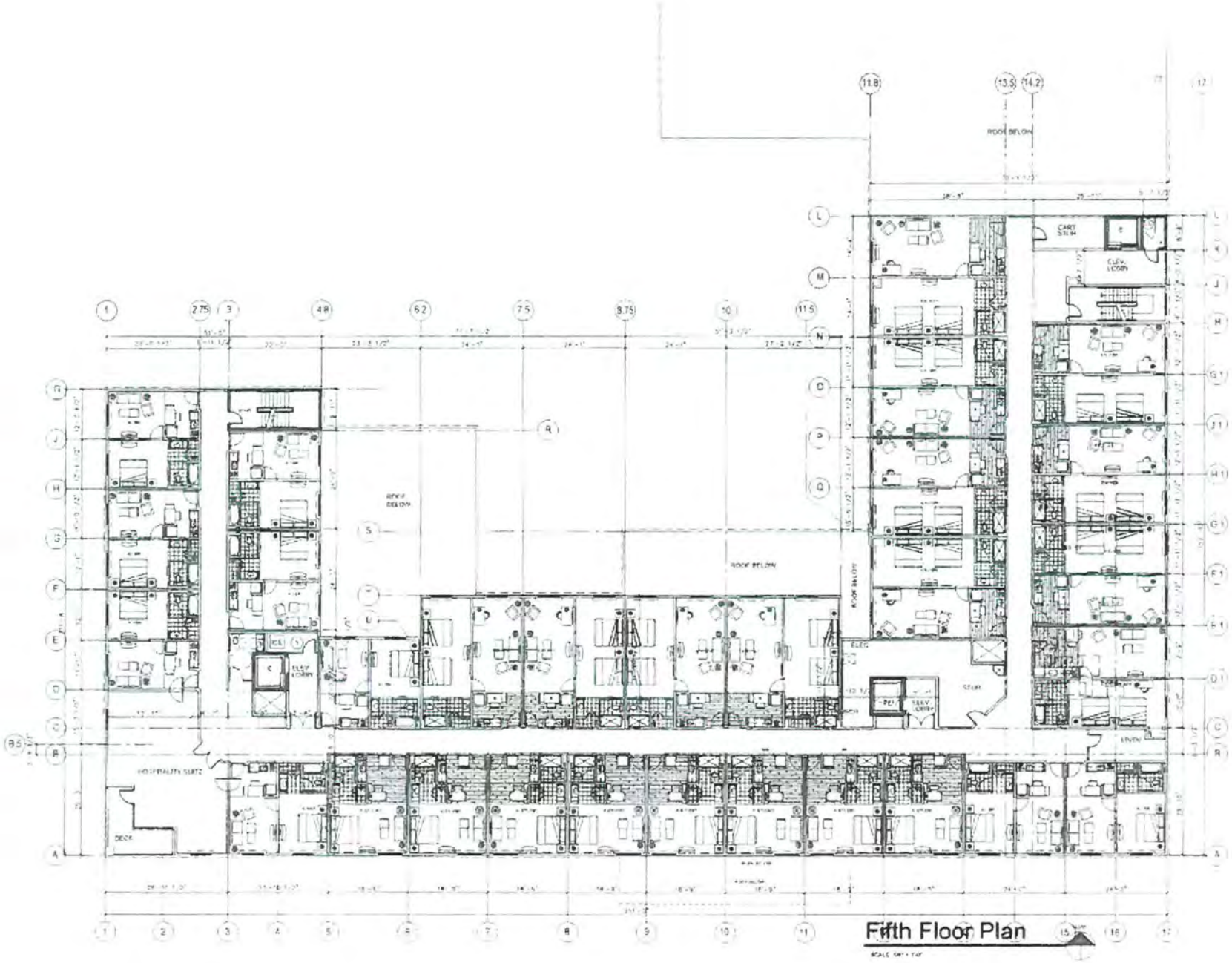
74 ROOM HOMEWOOD SUITES TOE

BLUE BEACON INTERNATIONAL

SALINA, KANSAS

BIEBERLY ARCHITECTS

A2.04



Fifth Floor Plan

SCALE: 1/8" = 1'-0"

74 ROOM HOMEWOOD SUITES FOR

BLUE BEACON INTERNATIONAL

SALINA, KANSAS

FIFTH FLOOR

HOMEWOOD SUITES

BIEBERLY ARCHITECTS

A2.05

HOMEWOOD
SUITES

Exhibit E

HOMEWOOD SUITES BY HILTON HOTEL

ESTIMATED PROJECT COSTS

Land	$ 2,382,930
Design	$ 396,500
Sitework - Hotel	$ 1,623,250
Sitework – Parking	$ 650,000
General Conditions	$ 250,000
Concrete	$ 540,000
Masonry	$ 690,000
Metals	$ 414,800
Wood & Plastics	$ 1,669,000
Thermal & Moisture	$ 675,050
Doors & Windows	$ 1,073,600
Finishes	$ 1,674,000
Specialties	$ 158,600
Equipment – Kitchen	$ 319,640
Furnishings	$ 2,681,450
Special Construction	$ 115,900
Conveying Systems	$ 433,100
Mechanical	$ 2,013,000
Electrical	$ 1,244,400
TOTAL	**$19,005,820**

Exhibit F

HOMEWOOD SUITES BY HILTON HOTEL

Estimated Market and Assessed Value of the Improvements

Estimated Market Value - $19,005,820

Basis of Value - Cost

Estimated Assessed Value - $1,875,000

Basis of Value – Downtown Salina TIF Plan Estimate

Exhibit G

HOMEWOOD SUITES BY HILTON HOTEL

CID PETITION

PETITION FOR THE CREATION OF A
COMMUNITY IMPROVEMENT DISTRICT
(HOTEL)

TO: City Commission,
City of Salina, Kansas

The undersigned (the "**Petitioners**"), being the owners of record, whether resident or not, of the following:

1. Not less than fifty-five percent (55%) of the land area contained within the hereinafter described community improvement district; and
2. Not less than fifty-five percent (55%) by assessed value of the land area contained within the hereinafter described community improvement district.

hereby petition the City of Salina, Kansas (the "**City**") to create The Downtown Salina Community Improvement District ("**CID**") and authorize the proposed CID project (the "**CID Project**") hereinafter set forth, all in the manner provided by K.S.A § 12-6a26, *et seq.* (the "**Act**"). In furtherance of such request, the Petitioners state as follows:

1. GENERAL NATURE

The general nature of the proposed project (the "**CID Project**") 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 hotel and conference 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 CID Project, and any other items permitted to be financed within the District under the Act.

2. ESTIMATED COST

The estimated cost of the CID Project is $1,006,029 plus interest.

3. PROPOSED METHOD OF FINANCING

The proposed method of financing the CID Project is from the CID Sales Tax described in paragraph 5 of the Petition through Pay-as-you-go financing or through issuance of special obligation, general obligation or full faith and credit CID bonds/notes, at the sole election of the City, as defined in the Act.

4. PROPOSED METHOD AND AMOUNT OF ASSESSMENT

Petitioners do not propose that the CID Project be financed through the levying of assessments.

5. PROPOSED AMOUNT OF SALES TAX

Petitioners propose that the CID Project be financed through the levying of a CID sales tax in the amount of 1.0% as authorized by the Act.

6. MAP AND LEGAL DESCRIPTION OF THE PROPOSED CID

A map of the CID is attached hereto at **EXHIBIT A**.

The legal description of the CID is attached hereto at **EXHIBIT B**.

7. NOTICE TO PETITION SIGNER

Petitioners hereby acknowledge that signatures may not be withdrawn from this Petition by the signers hereof after the Governing Body of the City commences consideration of this Petition, or later than seven (7) days after the filing hereof with the City Clerk, whichever occurs first.

8. PETITION BINDING ON FUTURE OWNERS

Petitioners hereby acknowledge that if this Petition is not properly withdrawn as permitted by the Act, any future owners of the property within the CID shall be bound by this Petition.

9. COUNTERPARTS

This Petition may be executed in one or more counterparts and by each signer hereof on a separate counterpart, each of which when so executed and delivered shall be an original, and all of which shall constitute one instrument.

No further text on this page

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

BLUE BEACON INTERNATIONAL, INC.
a Kansas Corporation

By: _____
Signature of Authorized Agent for Entity

Name: Guy D. Walker

Title: Vice President of Real Estate Development
(Type or print)

Date: August 19, 2016

ACKNOWLEDGMENT

STATE OF KANSAS)
) ss.
COUNTY OF SALINE)

This instrument was acknowledged before me on August 19th, 2016, by Guy D. Walker, as the Vice President of Real Estate Development of Blue Beacon International, Inc., a Kansas Corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in Saline County the day and year last above written.

(Seal) ANDRA KAY ERDNER
Notary Public - State of Kansas
My Appt. Expires 2-4-2019

Andra Kay Erdner
Notary Public in and for said
County and State: Saline County, Kansas

My Commission Expires:

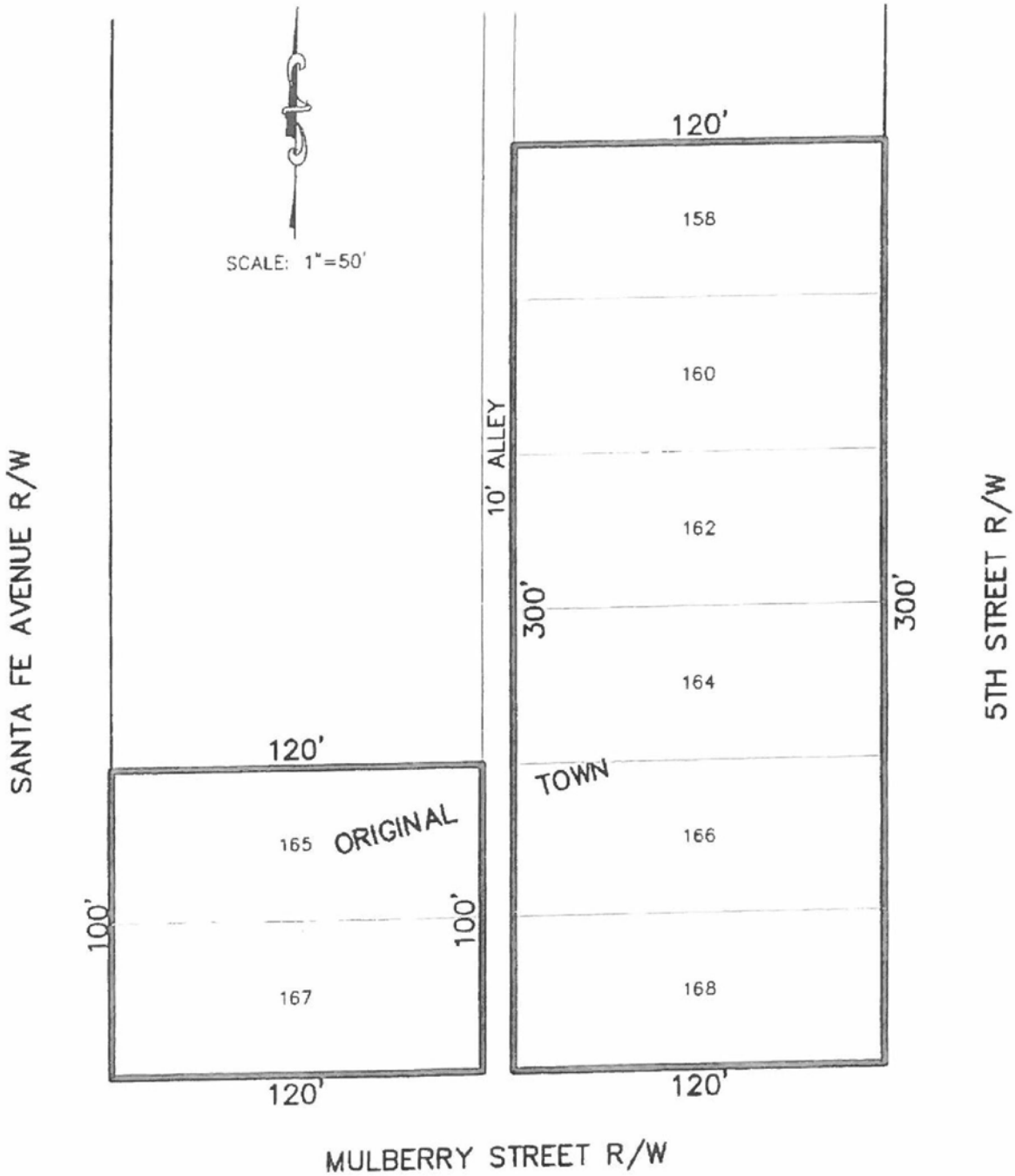
2-4-2019

52851013.1

EXHIBIT A

MAP OF CID

LIMITS OF THE COMMUNITY IMPROVEMENT DISTRICT – HOTEL: CITY OF SALINA



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sa@kveng.com | www.kveng.com
KAW VALLEY ENGINEERING

E15S1183 AUG. 19, 2016
1183EXB–CID HOTEL LRR

EXHIBIT B

LEGAL DESCRIPTION OF CID

LIMITS OF THE COMMUNITY IMPROVEMENT DISTRICT – HOTEL:

COMMUNITY IMPROVEMENT DISTRICT – HOTEL:

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

WILLIAM C. DELKER
LICENSED
8/19/2016
LS-1201
William C. Delker
KANSAS
LAND SURVEYOR

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KAW VALLEY ENGINEERING

E15S1183 AUG. 19, 2016
1183EXB-CID HOTEL LRR

Exhibit H

HOMEWOOD SUITES BY HILTON HOTEL

Proposed Financing

STAR Bonds	$442,274
TIF	$800,000
Hotel CID	$1,006,029
Non-Incentive Sources	$16,757,517

CUSTOMER COPY

City of Salina

City of Salina
PO Box 736
Salina, KS 67402-0736
(785) 309-5735 Fax: (785) 309-5738

Miscellaneous Receipt

Receipt Number 6639

Receipt Date
08/26/16

Received from:
BLUE BEACON INTERNAT

TIME: 11:27
CLERK: WolffC

Charge Code	Org - Object - Proj	Comment	Description		Amount
		CID HOTEL APP			$7,500.00
	80001 4610	Development Fees		$2,500.00	
	80001 4610	Development Fees		$5,000.00	
	000 1000	Cash		$7,500.00	

PAID BY: BLUE BEACON INTERNAT
PAYMENT METH: CHECK
38318

AMT TENDERED:	$7,500.00
AMT APPLIED:	$7,500.00
CHANGE:	$0.00

Exhibit J-3 – Alley Project CID Petition

[See Attached]

City Clerk's Office
Filed

PETITION FOR THE CREATION OF A COMMUNITY IMPROVEMENT DISTRICT (THE ALLEY)

TO: City Commission,
City of Salina, Kansas

The undersigned (the "**Petitioners**"), being the owners of record, whether resident or not, of the following:

1. Not less than fifty-five percent (55%) of the land area contained within the hereinafter described community improvement district; and
2. Not less than fifty-five percent (55%) by assessed value of the land area contained within the hereinafter described community improvement district.

hereby petition the City of Salina, Kansas (the "**City**") to create The Downtown Salina Community Improvement District ("**CID**") and authorize the proposed CID project (the "**CID Project**") hereinafter set forth, all in the manner provided by K.S.A § 12-6a26, *et seq.* (the "**Act**"). In furtherance of such request, the Petitioners state as follows:

1. GENERAL NATURE

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2. ESTIMATED COST

The estimated cost of the CID Project is $628,676 plus interest.

3. PROPOSED METHOD OF FINANCING

The proposed method of financing the CID Project is from the CID Sales Tax described in paragraph 5 of the Petition through Pay-as-you-go financing or through issuance of special obligation, general obligation or full faith and credit CID bonds/notes, at the sole election of the City, as defined in the Act.

4. PROPOSED METHOD AND AMOUNT OF ASSESSMENT

Petitioners do not propose that the CID Project be financed through the levying of assessments.

5. PROPOSED AMOUNT OF SALES TAX

Petitioners propose that the CID Project be financed through the levying of a CID sales tax in the amount of 1.0% as authorized by the Act.

6. MAP AND LEGAL DESCRIPTION OF THE PROPOSED CID

A map of the CID is attached hereto at **EXHIBIT A**.

The legal description of the CID is attached hereto at **EXHIBIT B**.

7. NOTICE TO PETITION SIGNER

Petitioners hereby acknowledge that signatures may not be withdrawn from this Petition by the signers hereof after the Governing Body of the City commences consideration of this Petition, or later than seven (7) days after the filing hereof with the City Clerk, whichever occurs first.

8. PETITION BINDING ON FUTURE OWNERS

Petitioners hereby acknowledge that if this Petition is not properly withdrawn as permitted by the Act, any future owners of the property within the CID shall be bound by this Petition.

9. COUNTERPARTS

This Petition may be executed in one or more counterparts and by each signer hereof on a separate counterpart, each of which when so executed and delivered shall be an original, and all of which shall constitute one instrument.

No further text on this page

IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

BLUE BEACON INTERNATIONAL, INC.
a Kansas Corporation

By: _____
Signature of Authorized Agent for Entity

Name: Guy D. Walker

Title: Vice President of Real Estate Development
(Type or print)

Date: August 17, 2016

ACKNOWLEDGMENT

STATE OF KANSAS)
) ss.
COUNTY OF SALINE)

This instrument was acknowledged before me on August 17th, 2016, by Guy D. Walker, as the Vice President of Real Estate Development of Blue Beacon International, Inc., a Kansas Corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in Saline County the day and year last above written.

(Seal)

ANDRA KAY ERDNER
Notary Public - State of Kansas
My Appt. Expires 2-24-2019

_____
Notary Public in and for said
County and State: Saline County, Kansas

My Commission Expires:

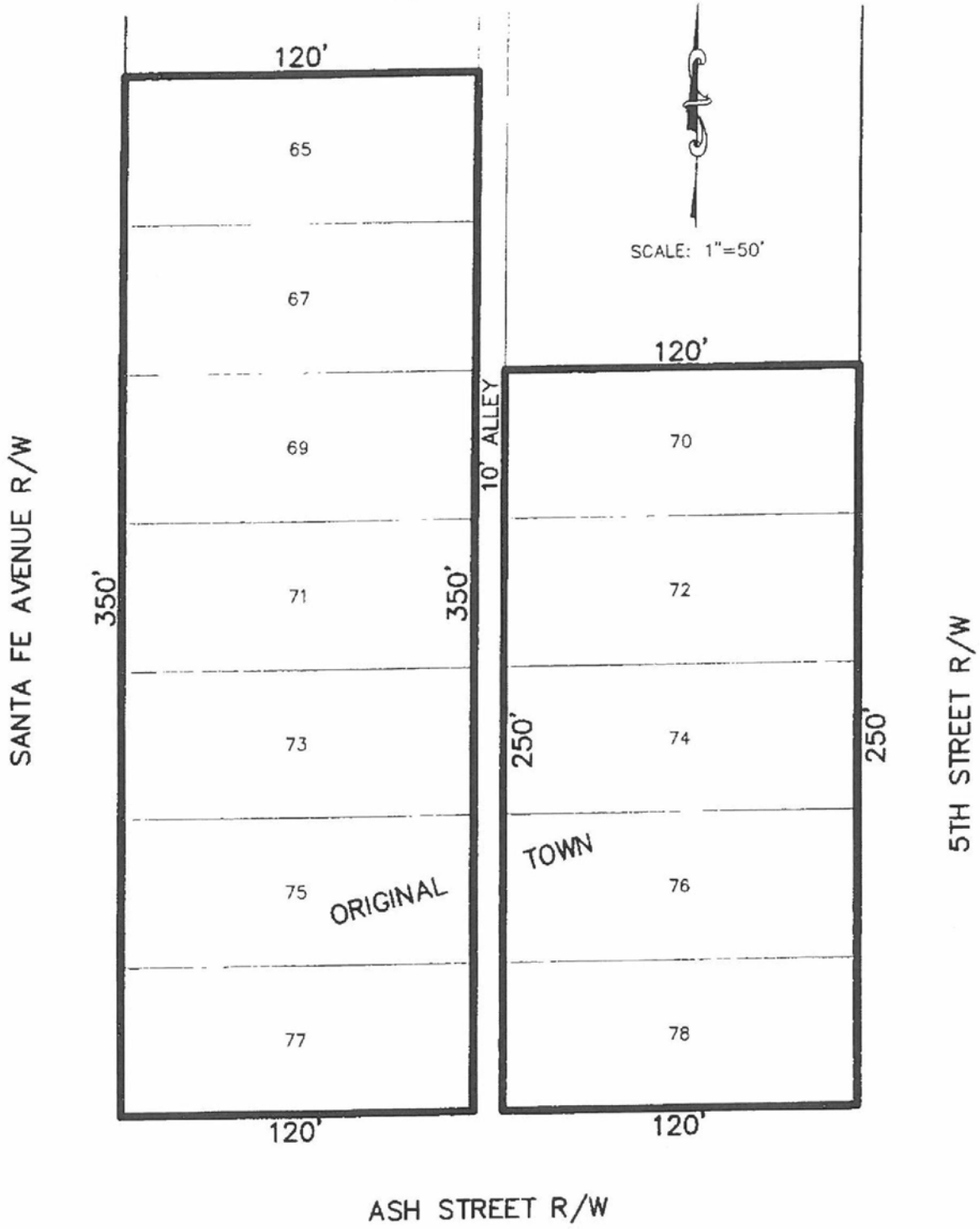
2-24-2019

52851024.1

EXHIBIT A

MAP OF CID

COMMUNITY IMPROVEMENT DISTRICT – ALLEY ENTERTAINMENT CENTER: CITY OF SALINA



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sa@kveng.com | www.kveng.com

KAW VALLEY ENGINEERING

E15S1183 AUG. 19, 2016
1183EXB–CID ALLEY LRR

EXHIBIT B

LEGAL DESCRIPTION OF CID

COMMUNITY IMPROVEMENT DISTRICT – ALLEY ENTERTAINMENT CENTER:

COMMUNITY IMPROVEMENT DISTRICT – ALLEY ENTERTAINMENT CENTER:

ALL OF LOTS 65, 67, 69, 71, 73, 75 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

WILLIAM C. DELKER
LICENSED
8/19/2016
LS-1201
William C. Delker
KANSAS
LAND SURVEYOR

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

E15S1183 AUG. 19, 2016
1183EXB-CID ALLEY LRR

August 26, 2016

Jason Gage, City Manager
Mike Schrage, Deputy City Manager
City of Salina
300 W Ash Street
Salina, KS 67401

Gentlemen:

Please accept this letter and accompanying documents as Blue Beacon's application to establish a Community Improvement District in the City of Salina in conformance with The Community Improvement District Policy adopted by Resolution #10-6700. This application is specific to establishment of the proposed Alley CID as part of the larger downtown redevelopment project. Blue Beacon is submitting this as the current property owner. The Alley Entertainment Center will be developed and operated by a third-party and The Salina STAR Bond Project Plan is the source of all information contained herein.

Pursuant to Section VI Subsection D of the policy, included with this application is a check in the amount of $7,500. This represents payment of the $2,500 Initial Application Fee and $5,000 for the Out-of-Pocket Professional Services Fees.

Attached are the following exhibits:

Exhibit A	Legal Description
Exhibit B	Map of the District Area with Tax Parcel I.D. Information
Exhibit C	Description of the Project
Exhibit D	Plans and Renderings
Exhibit E	Estimated Project Costs
Exhibit F	Estimated Market and Assessed Value
Exhibit G	CID Petition
Exhibit H	Proposed Financing

The general nature of the CID Project and costs eligible for CID reimbursement are described with specificity in the CID Petition submitted in conjunction with this application. Any service costs reimbursed through CID proceeds produced by the CID Project are anticipated to be directly related to the construction and/or ongoing maintenance, operation, promotion and administration of the CID Project in order to ensure its ongoing viability. Additionally, we have been advised by the third party developer that without CID funding The Alley Entertainment Center would not be feasible and would not be undertaken.

Thank you for your consideration.

Sincerely,

Guy D. Walker
Vice President

BLUE BEACON
P.O. BOX 850
SALINA, KANSAS 67402-0850
(785) 821-2221 FAX (785) 825-0801
www.BlueBeacon.com
DELIVERIES TO: 2100 CRAVENS ... SALINA, KANSAS 67401

TRUCK WASHES

Exhibit A

ALLEY ENTERTAINMENT CENTER

LEGAL DESCRIPTION

COMMUNITY IMPROVEMENT DISTRICT – ALLEY ENTERTAINMENT CENTER:

COMMUNITY IMPROVEMENT DISTRICT – ALLEY ENTERTAINMENT CENTER:

ALL OF LOTS 65, 67, 69, 71, 73, 75 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

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E15S1183 AUG. 19, 2016
1183EXB-CID ALLEY LRR

Exhibit B

COMMUNITY IMPROVEMENT DISTRICT – ALLEY ENTERTAINMENT CENTER

TAX PARCEL IDENTIFICATION NUMBERS

Lots 65 & 67 on Santa Fe -

TAX ID – 03994

Parcel Number 081-12-0-30-08-007.00-0

Lots 69, 71, 73, 75, 77 on Santa Fe -

TAX ID – 31556

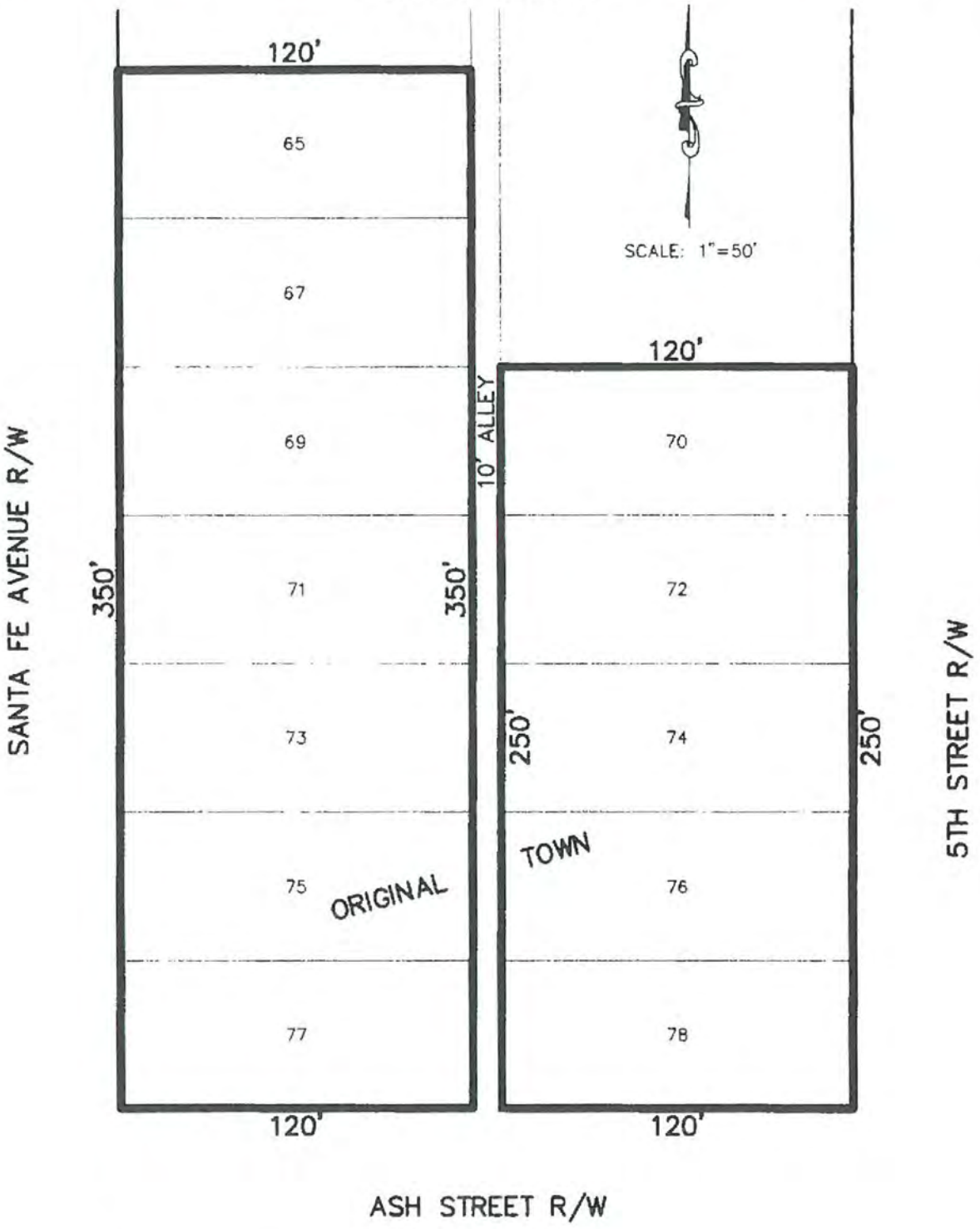
Parcel Number 081-12-0-30-08-007.01-0

Lots 72, 74, 76, 78 on 5th Street –

TAX ID – 03976

Parcel Number 081-12-0-30-07-010.00-0

COMMUNITY IMPROVEMENT DISTRICT – ALLEY ENTERTAINMENT CENTER: CITY OF SALINA



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KAW VALLEY ENGINEERING

E15S1183 AUG. 19, 2016
1183EXB-CID ALLEY LRR

Exhibit C

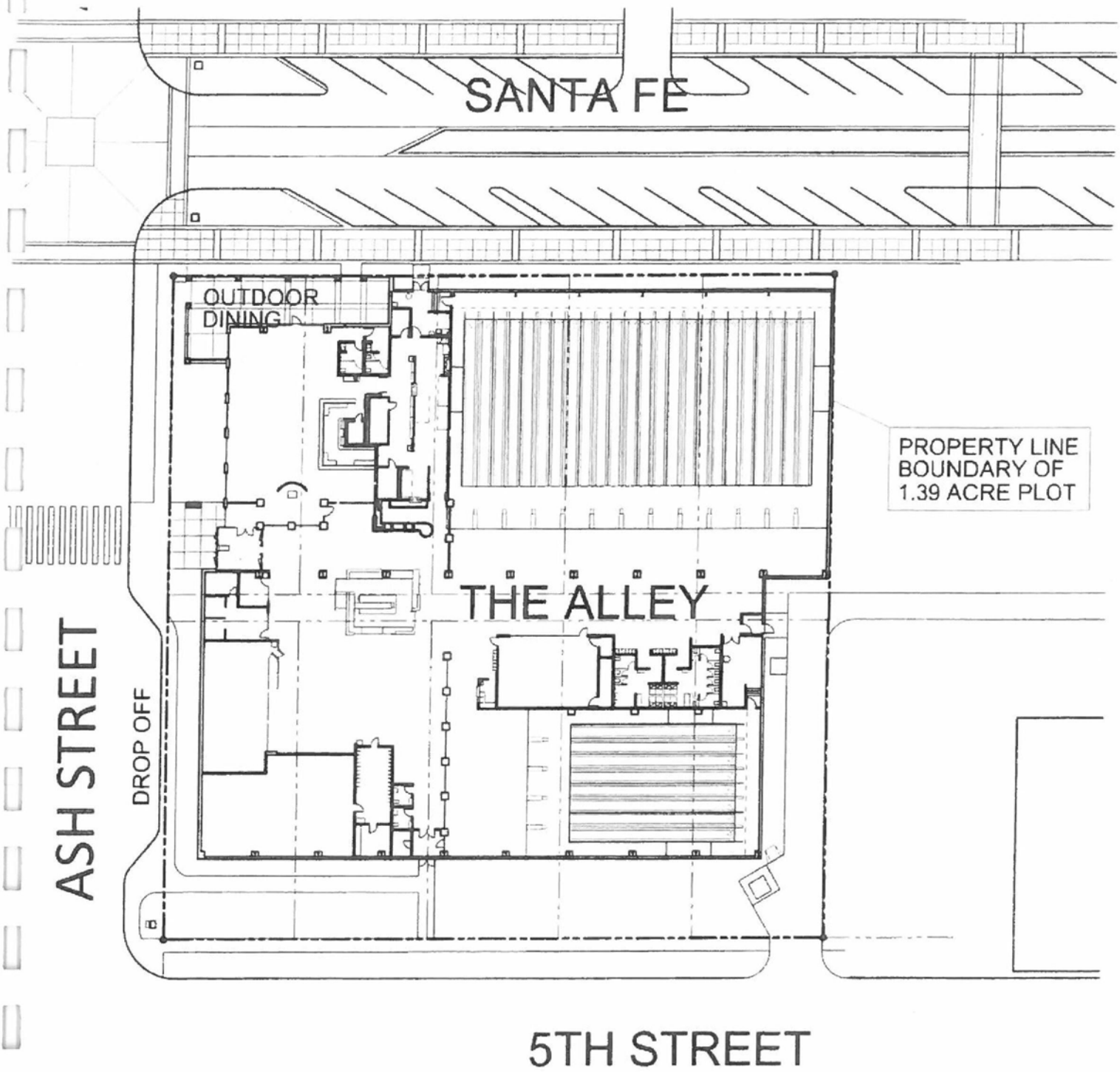
Description of the Project – Alley Entertainment Center

Located at the intersection of Santa Fe and Ash Street will be a 47,000 square foot family entertainment center that offers a diverse array of indoor entertainment including a state of the art bowling center with 24 standard bowling lanes and an 8-lane "boutique" specialty bowling facility, game room and video arcade, laser tag, concessions and a full service bar and restaurant and meeting space. The 24 lane bowling facility is qualified to host state and regional college and high school bowling tournaments and is anticipated to draw such tournaments to the District. Bowling tournaments, meetings, events, special occasions and local entertainment traffic will be principal drivers of business with a trade area that extends north into Nebraska and to the east and west up to a two hour drive. This family entertainment center will be designed to be the finest bowling facility between Kansas City and Denver and will attract professional and semi-professional bowlers. Preliminary conceptual plans for The Alley are attached hereto as Exhibit D.

Exhibit D

ALLEY ENTERTAINMENT CENTER

PLANS AND RENDERINGS


SANTA FE
OUTDOOR DINING
PROPERTY LINE BOUNDARY OF 1.39 ACRE PLOT
THE ALLEY
ASH STREET
DROP OFF
5TH STREET

SPORTS GRILL
SPORTS GRILL

Exhibit E

ALLEY ENTERTAINMENT CENTER

ESTIMATED PROJECT COSTS

Land	$ 715,000
Design	$ 150,000
General Conditions	$ 255,496
Temp Construction	$ 71,805
Infrastructure	$ 502,726
Concrete	$ 382,770
Masonry	$ 248,906
Metals	$ 950,646
Wood & Plastics	$ 145,433
Thermal & Moisture	$ 82,938
Doors & Windows	$ 161,055
Finishes	$ 720,397
Specialties	$ 40,463
Equipment	$ 2,500
Furnishings	$ 445,000
Special Construction	$ 0
Plumbing	$ 266,495
Mechanical	$ 381,492
Fire Protection	$ 92,871
Electrical	$ 484,340
TOTAL	**$ 6,100,333**

Exhibit F

ALLEY ENTERTAINMENT CENTER

Estimated Market and Assessed Value of the Improvements

Estimated Market Value - $6,100,333

Basis of Value - Cost

Estimated Assessed Value - $140,919

Basis of Value – Downtown Salina TIF Plan Estimate

Exhibit G

ALLEY ENTERTAINMENT CENTER

CID PETITION

PETITION FOR THE CREATION OF A
COMMUNITY IMPROVEMENT DISTRICT
(THE ALLEY)

TO: City Commission,
City of Salina, Kansas

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2. Not less than fifty-five percent (55%) by assessed value of the land area contained within the hereinafter described community improvement district.

hereby petition the City of Salina, Kansas (the "**City**") to create The Downtown Salina Community Improvement District ("**CID**") and authorize the proposed CID project (the "**CID Project**") hereinafter set forth, all in the manner provided by K.S.A § 12-6a26, *et seq.* (the "**Act**"). In furtherance of such request, the Petitioners state as follows:

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2. ESTIMATED COST

The estimated cost of the CID Project is $628,676 plus interest.

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6. MAP AND LEGAL DESCRIPTION OF THE PROPOSED CID

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7. NOTICE TO PETITION SIGNER

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IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

BLUE BEACON INTERNATIONAL, INC.
a Kansas Corporation

By: _____
Signature of Authorized Agent for Entity

Name: Guy D. Walker

Title: Vice President of Real Estate Development
(Type or print)

Date: August 19, 2016

ACKNOWLEDGMENT

STATE OF KANSAS)
) ss.
COUNTY OF SALINE)

This instrument was acknowledged before me on August 19th, 2016, by Guy D. Walker, as the Vice President of Real Estate Development of Blue Beacon International, Inc., a Kansas Corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in Saline County the day and year last above written.

(Seal)

ANDRA KAY ERDNER
Notary Public - State of Kansas
My Appt. Expires 2-04-2019

Andra Kay Erdner
Notary Public in and for said
County and State: Saline County, Kansas

My Commission Expires:

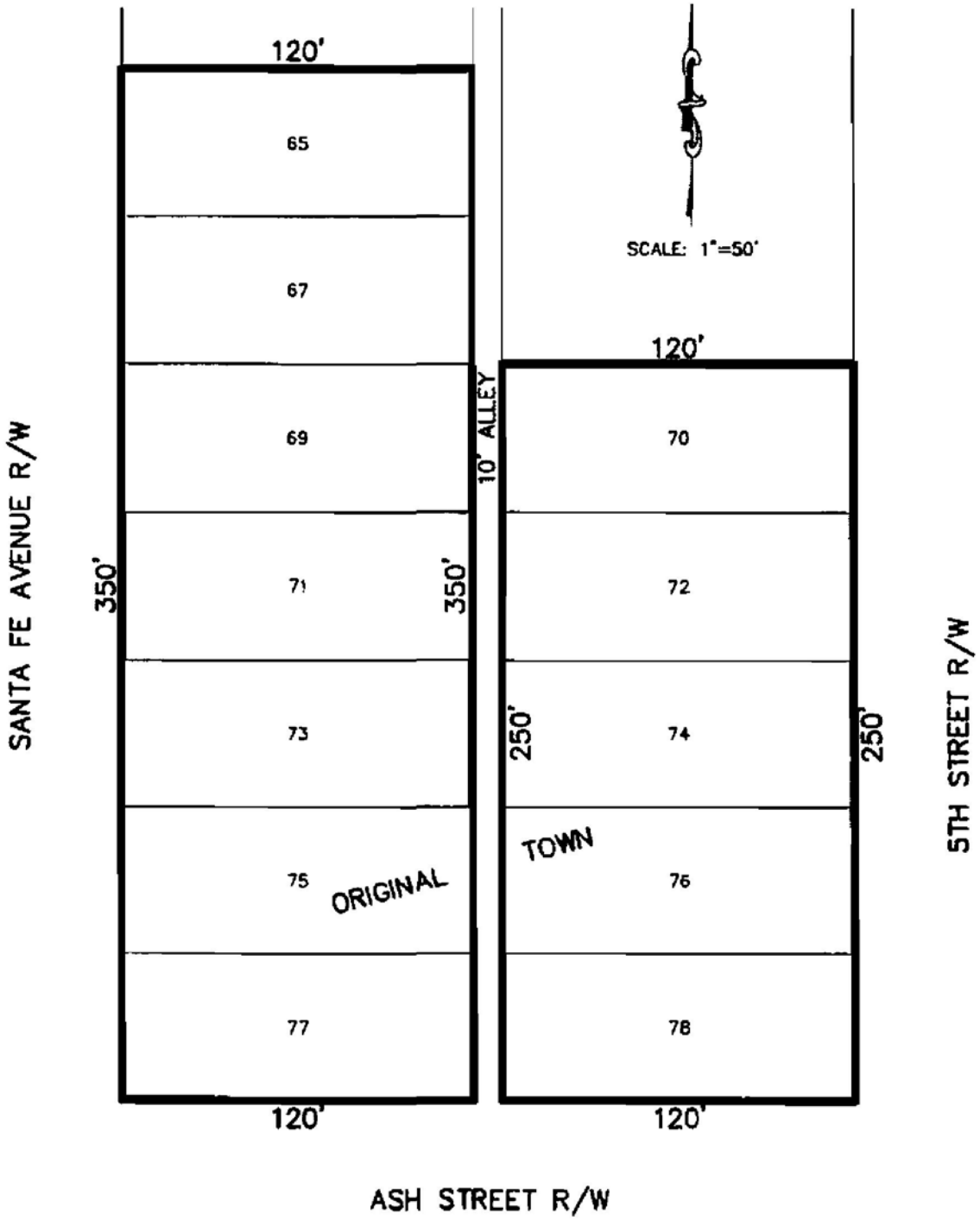
2-04-2019

52851024.1

EXHIBIT A

MAP OF CID

COMMUNITY IMPROVEMENT DISTRICT – ALLEY ENTERTAINMENT CENTER: CITY OF SALINA



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KAW VALLEY ENGINEERING

E15S1183 AUG. 19, 2016
1183EXB–CID ALLEY LRR

EXHIBIT B

LEGAL DESCRIPTION OF CID

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ALL OF LOTS 70, 72, 74, 76, AND 78 ON 5TH STREET,
ALL IN ORIGINAL TOWN (NOW CITY) OF SALINA, SALINE COUNTY, KANSAS

WILLIAM C. DELKER
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1183EXB–CID ALLEY LRR

Exhibit H

ALLEY ENTERTAINMENT CENTER

Proposed Financing

STAR Bonds	$1,642,726
Alley CID	$ 628,676
Non-Incentive Sources	$3,828,931

CUSTOMER COPY

City of Salina
PO Box 736
Salina, KS 67402-0736
(785) 309-5735 Fax: (785) 309-5738

Miscellaneous Receipt

Receipt Number 6638

Receipt Date
08/26/16

Received from:
BLUE BEACON INTERNAT

TIME: 11:24
CLERK: WolffC

Charge Code	Org - Object - Proj	Comment	Description		Amount
		CID ALLEY APP			$7,500.00
	80001 4610	Development Fees		$2,500.00	
	80001 4610	Development Fees		$5,000.00	
	000 1000	Cash		$7,500.00	

PAID BY: BLUE BEACON INTERNAT
PAYMENT METH: CHECK
38317

AMT TENDERED:	$7,500.00
AMT APPLIED:	$7,500.00
CHANGE:	$0.00

Exhibit K-1 – Downtown CID District Ordinance

[See Attached]

(Published on the City of Salina's website for a minimum of one week from February 1-15, 2017.)

Consolidated-Salina EPN111155

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

Consolidated-Salina EPN111155

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 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

Consolidated-Salina EPN111155

EXHIBIT A

LEGAL DESCRIPTION OF THE DOWNTOWN COMMUNITY IMPROVEMENT DISTRICT

Consolidated-Saline EPN111155

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 600 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 101 ON 4TH STREET, A DISTANCE OF 327.52 FEET TO THE INTERSECTION OF SAID NORTH LINE OF LOT 100 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 308.70 FEET TO THE INTERSECTION OF SAID WESTERLY RIGHT-OF-WAY LINE AND THE SOUTH LINE OF LOT 100 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 253.0 FEET TO THE SOUTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN DEED BOOK 1165, 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 28.02 FEET;

THENCE NORTHWEST ON THE BOUNDARY OF SAID DESCRIBED TRACT, A DISTANCE 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 108.87 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 60.67 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 3RD STREET AND 3RD STREET, SAID ORIGINAL TOWN;

THENCE SOUTH ON SAID WEST LINE OF A 10 FOOT ALLEY, AND EXTENSIONS THEREOF, A DISTANCE OF 350 FEET TO THE NORTHEAST CORNER OF LOT 109 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 130 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;

Z:\CIVIL 3D PROJECTS\2015\15_1183\SURVEY\LIMITS CID.dwg, 8/18/2016 4:00:15 PM, nilker

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

KAW VALLEY ENGINEERING

2 OF 3

E15S1183 AUG. 18, 2016
11B3EXB-CID LRR

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

Consolidated-Salinas EPN111155

EXHIBIT B
MAP OF THE DOWNTOWN COMMUNITY IMPROVEMENT DISTRICT

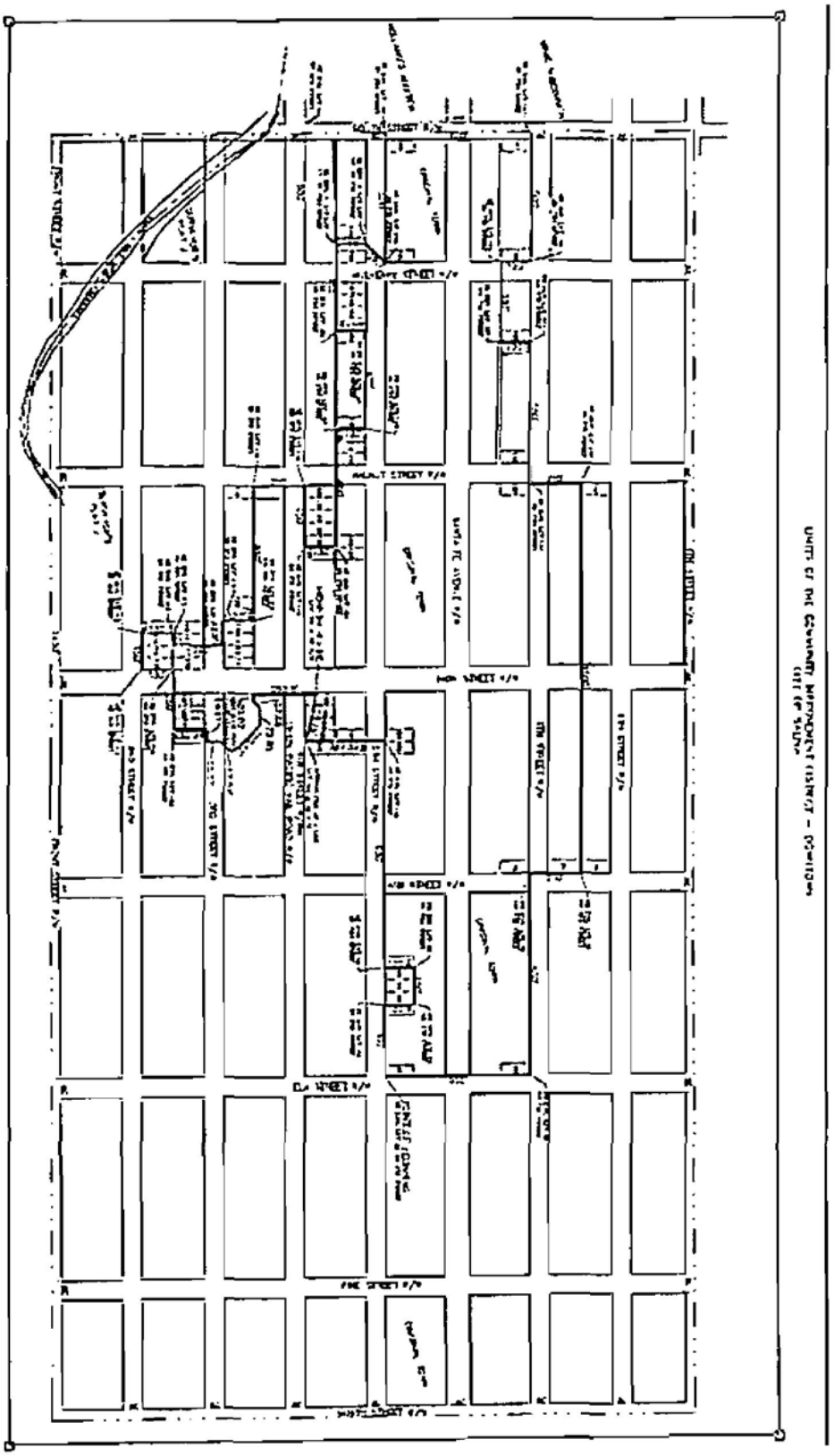


Exhibit K-2 – Hotel CID District Ordinance

[See Attached]

(Published on the City of Salina's website for a minimum of one week from February 1-15 ,2017.)

Consolidated-Salina EPN111155

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

Consolidated-Salina EPW111155

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 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.

Consolidated-Salina EPN111155

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

Consolidated-Salina EPN111155

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 ORGINAL TOWN (NOW CITY) OF SALINA, SALINE COUNTY, KANSAS

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

Consolidated-Salina EPN111155

EXHIBIT B
MAP OF THE DOWNTOWN HOTEL COMMUNITY IMPROVEMENT DISTRICT

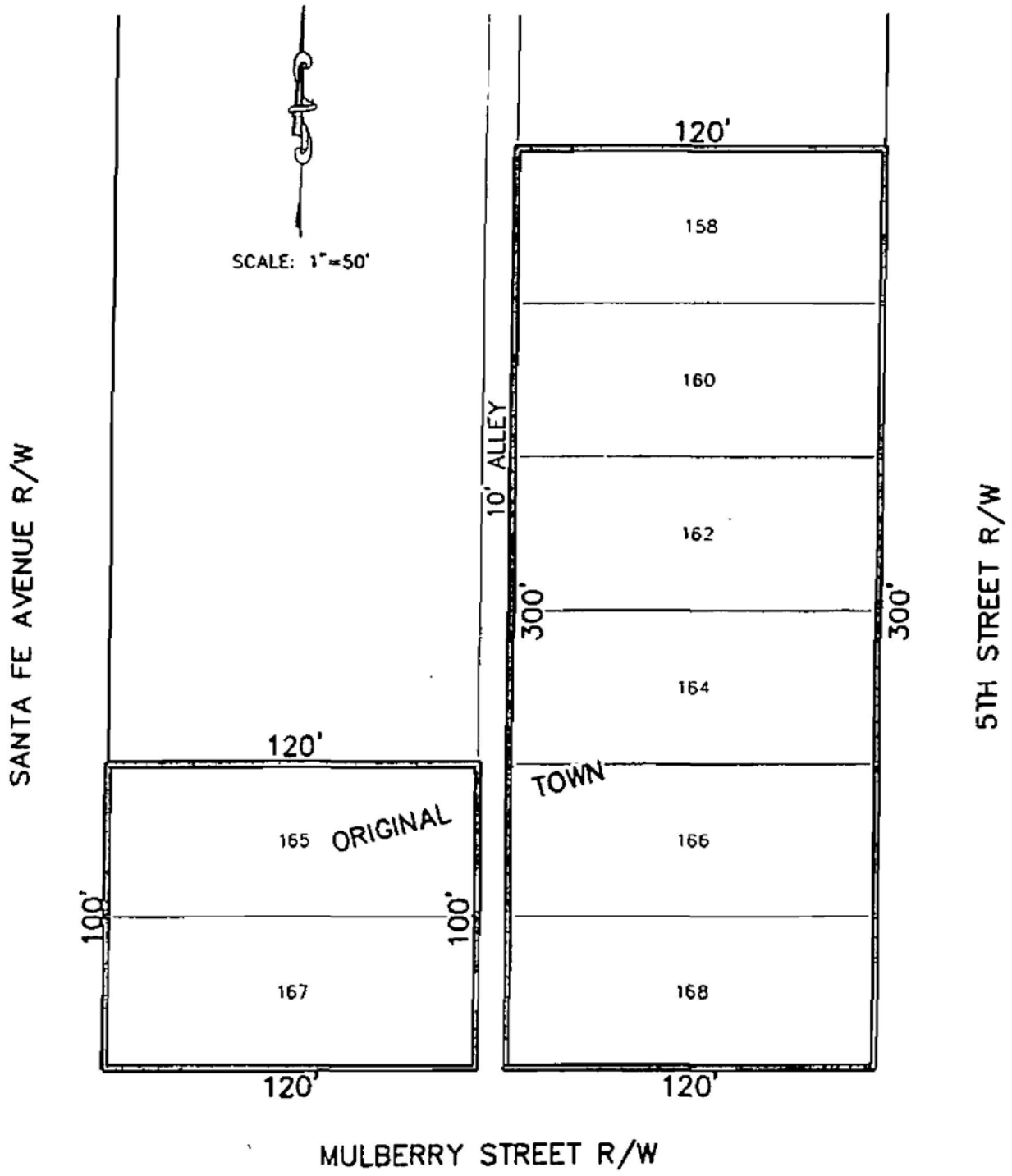


Exhibit K-3 – Alley Project CID District Ordinance

[See Attached]

Consolidated-Salina EPN111155

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

Consolidated-Salina EPN111155

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

Consolidated-Salina EPN111155

Consolidated Salina EPN111155

EXHIBIT A

LEGAL DESCRIPTION OF THE ALLEY COMMUNITY IMPROVEMENT DISTRICT

ALL OF LOTS 65, 67, 69, 71, 73, 75 AND 77 ON SANTA FE, AND
ALL OF LOTS 70, 72, 74, 76, AND 78 ON 5TH STREET,
ALL IN ORGINAL TOWN (NOW CITY) OF SALINA, SALINE COUNTY, KANSAS

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

Consolidated-Salina EPN111155

EXHIBIT B
MAP OF THE ALLEY COMMUNITY IMPROVEMENT DISTRICT

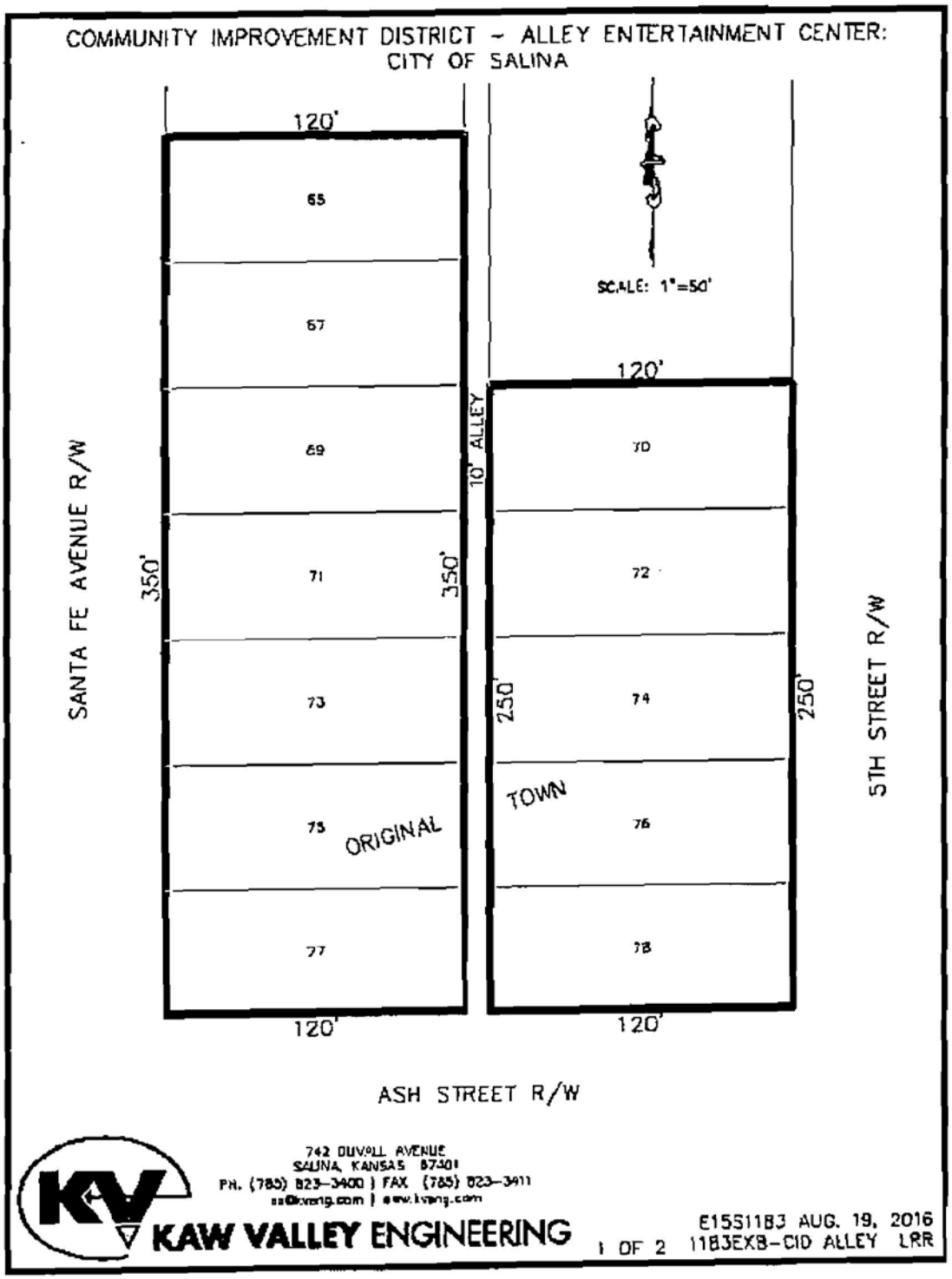


Exhibit L – Resolution No. 17-7429 Intent to Issue Industrial Revenue Bonds

[See Attached]

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 $32,000,000 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 $32,000,000, 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 $32,000,000, 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 $32,000,000 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

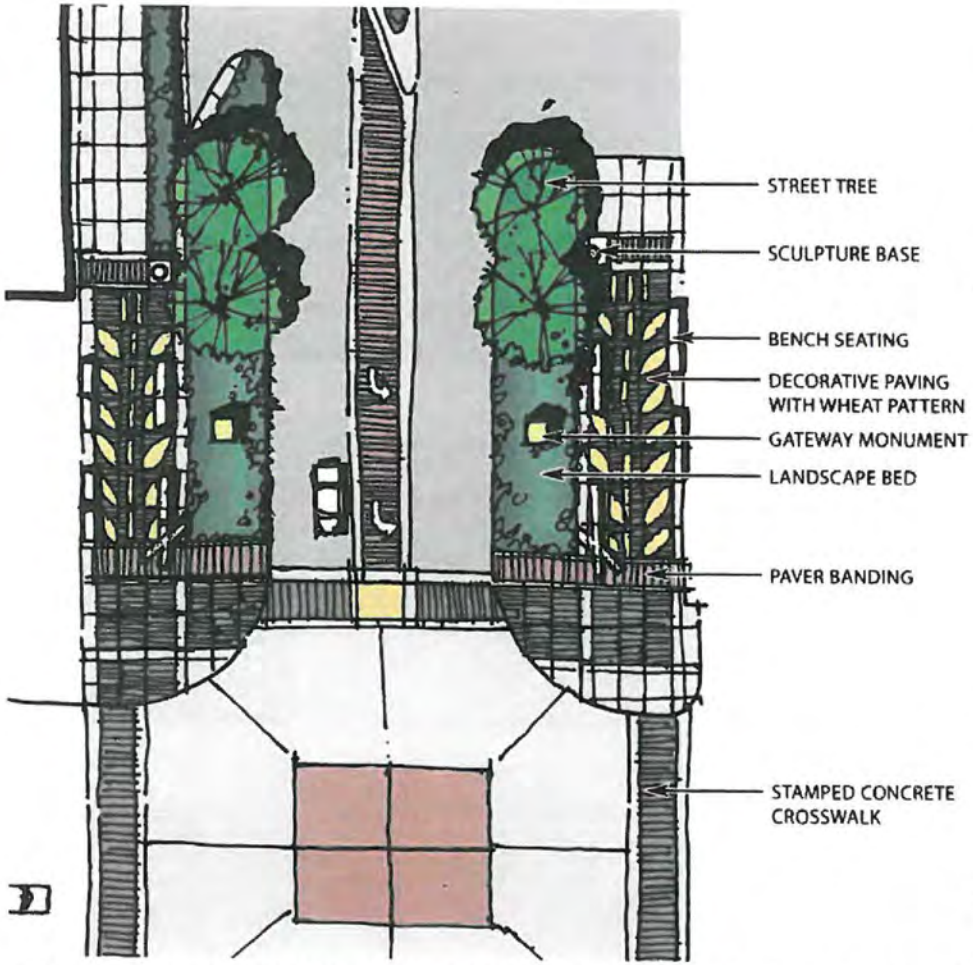
By: _____
Kaye J. Crawford, Mayor

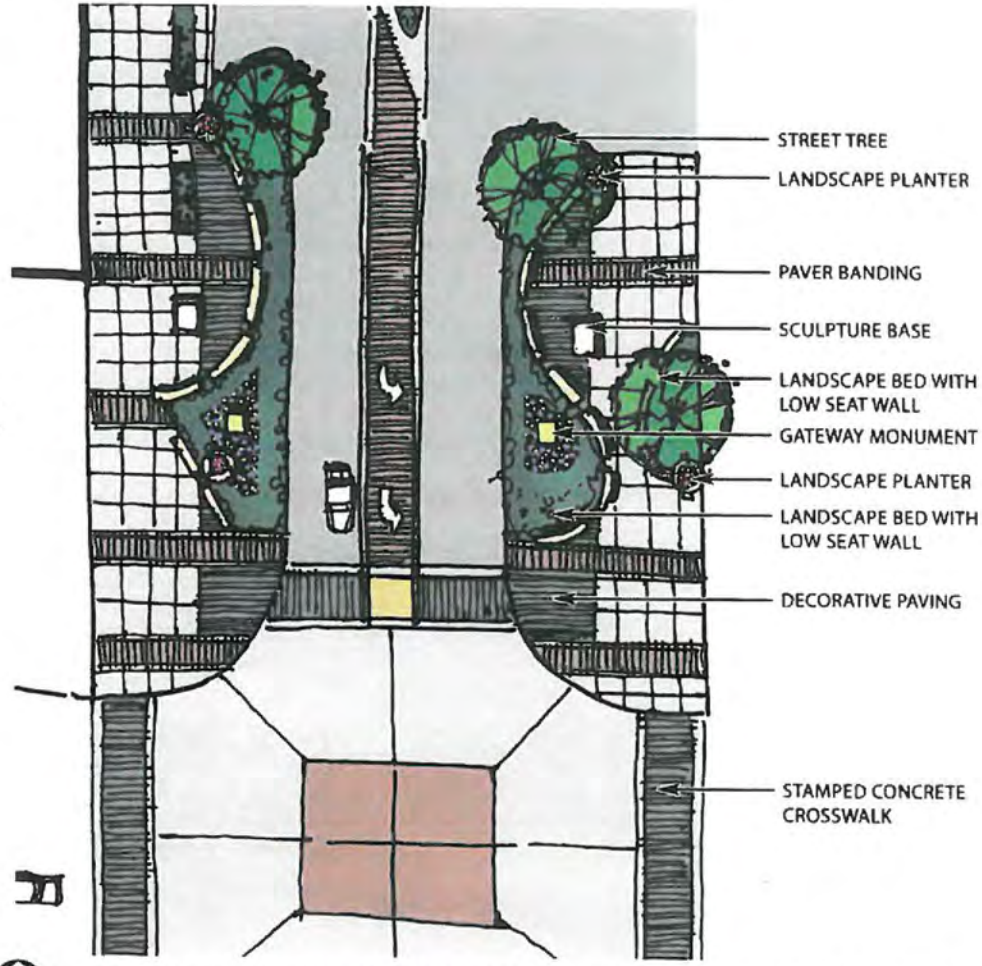
[SEAL]

ATTEST:

_____
Shandi Wicks, CMC, City Clerk

Exhibit M-1
"Depiction of Streetscape and
Public Infrastructure Improvements"





E.1 & E.2 BLOCK ENDPOINT STREETSCAPE ALTERNATIVES

NOTE: The above alternatives are not location specific. Instead, they represent typical streetscape treatments to be applied to all block endpoints from Elm Street to Mulberry Street.

DOWNTOWN SALINA STREETSCAPE PLAN

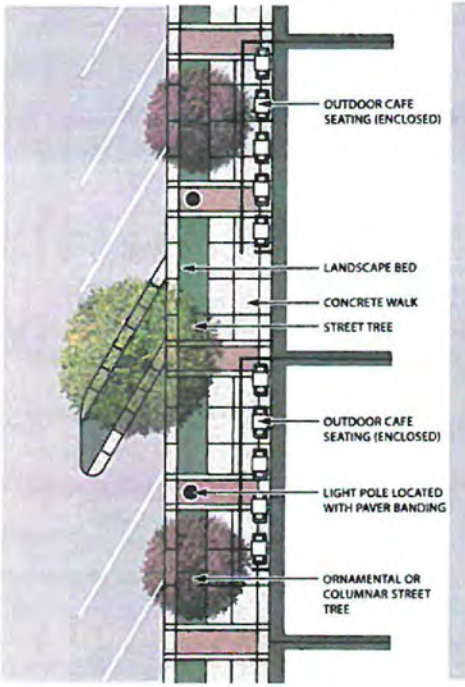
Salina, Kansas

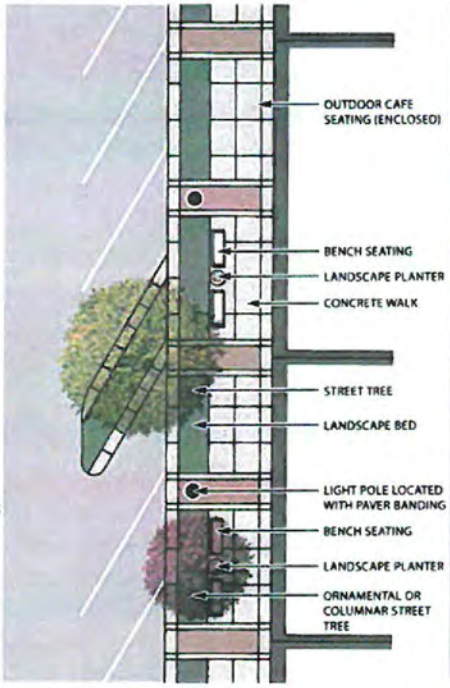
October 2015

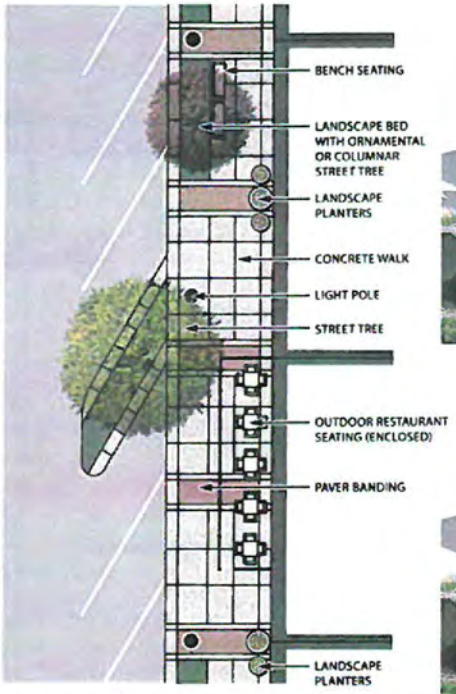
OCHSNER HARE & HARE
a design studio of OLSSON ASSOCIATES

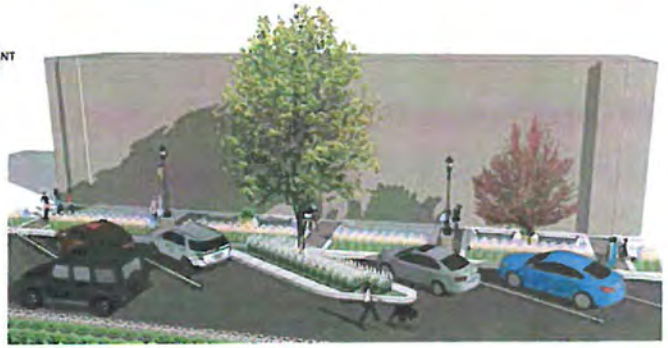
OLSSON ASSOCIATES

0' 10' 20' 40'



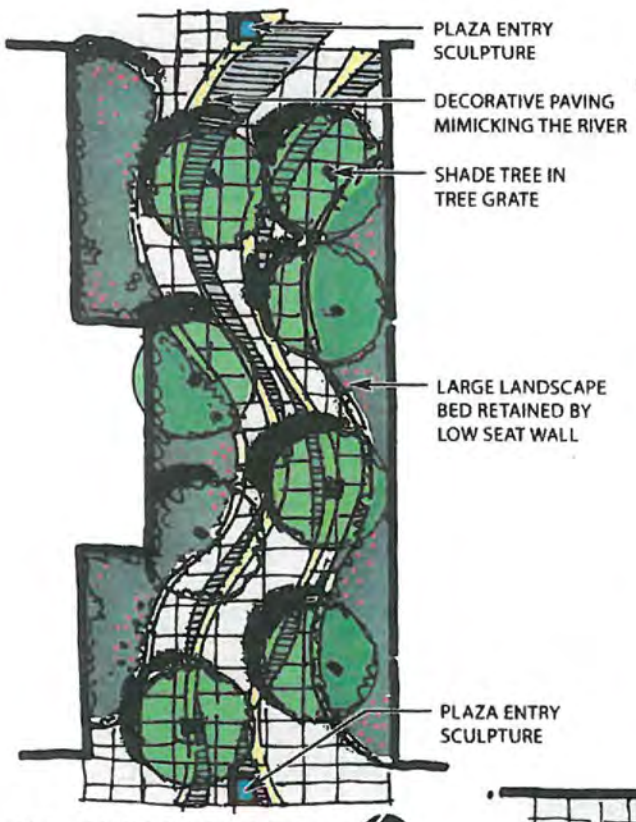




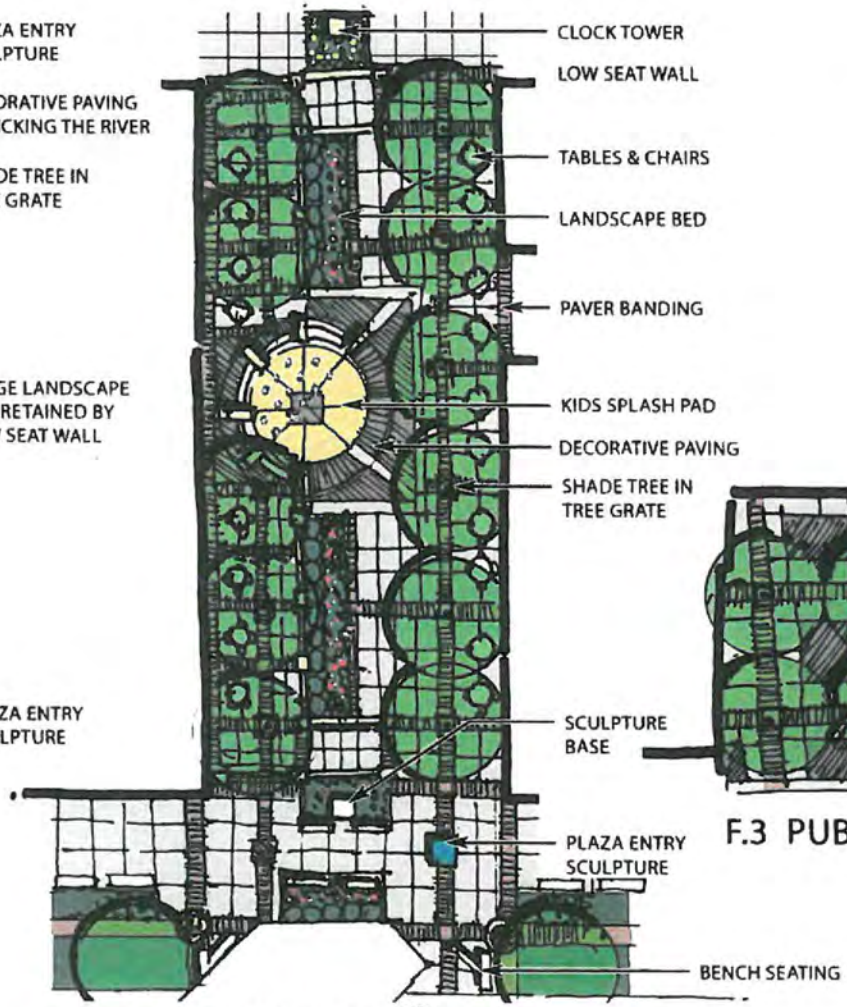


E.3, E.4 & E.5 INTERIOR BLOCK STREETSCAPE ALTERNATIVES

NOTE: The above alternatives are not location specific. Instead, they represent typical streetscape treatments to be applied to the interior or middle portions of each block from Elm Street to Mulberry Street. Multiple treatments are required to accommodate the needs of the unique mix of uses in Downtown Salina.



F.1 PUBLIC PLAZA A



F.2 PUBLIC PLAZA B

F.3 PUBLIC PLAZA C

DOWNTOWN SALINA STREETSCAPE PLAN

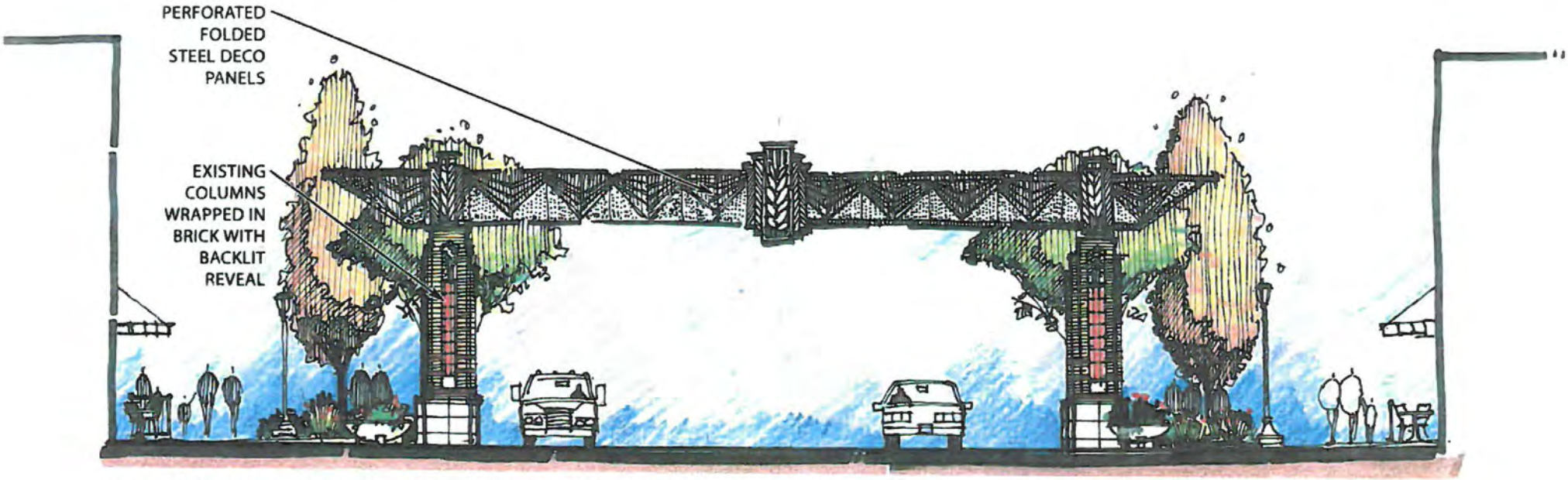
Salina, Kansas

October 2015

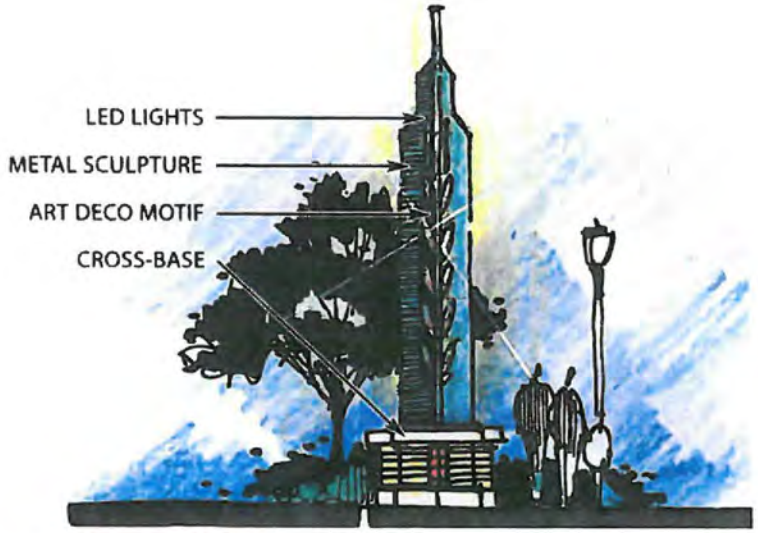
OCHSNER HARE & HARE
a design studio of OLSSON ASSOCIATES

OLSSON ASSOCIATES

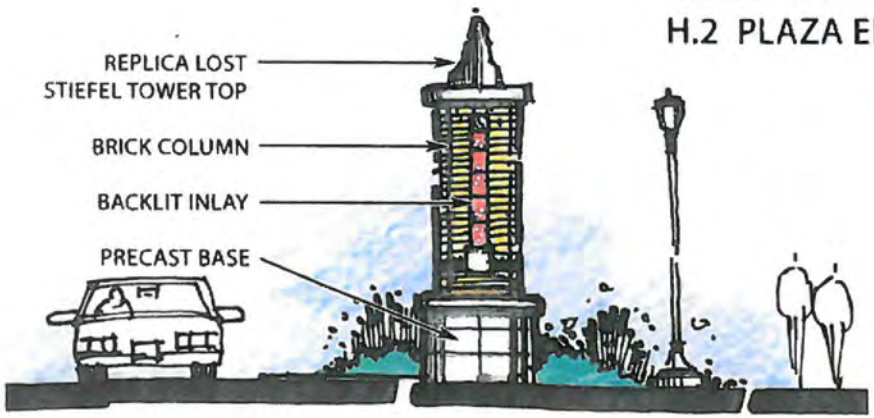
0' 10' 20' 40'



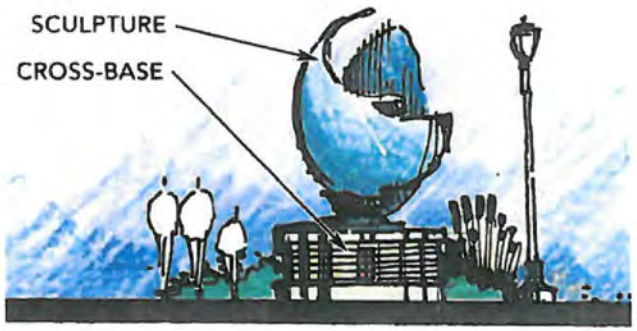
G.1 OVERHEAD STRUCTURE ENHANCEMENT AT MID-BLOCK CROSSINGS



H.2 PLAZA ENTRY SCULPTURE



H.1 GATEWAY MONUMENT



H.3 SCULPTURE BASE

DOWNTOWN SALINA STREETSCAPE PLAN

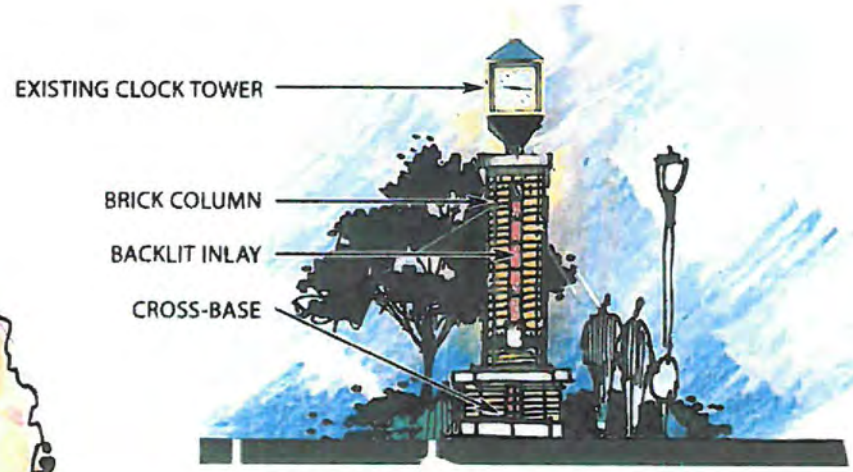
Salina, Kansas

October 2015

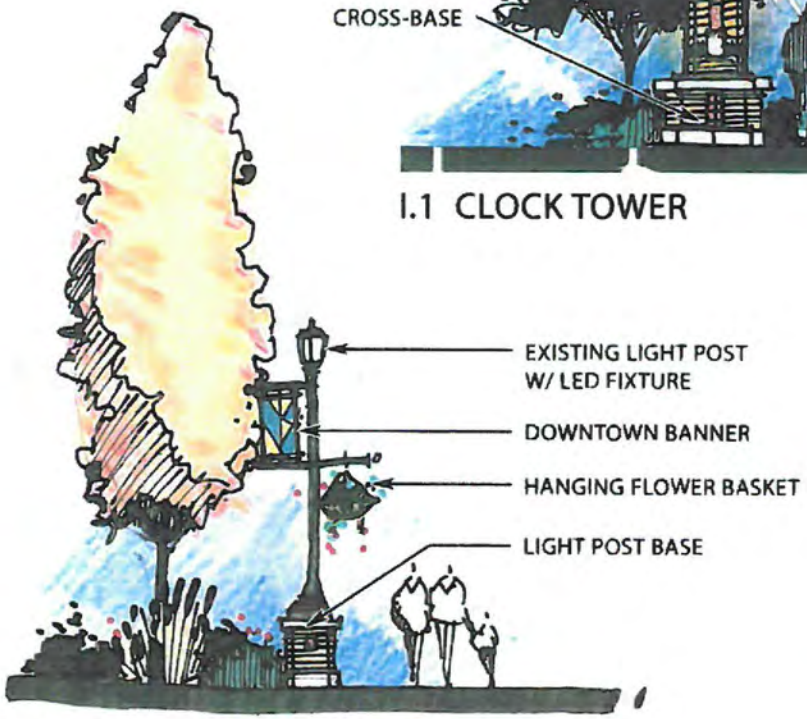
OCHSNER HARE & HARE
a design studio of OLSSON ASSOCIATES

OLSSON ASSOCIATES

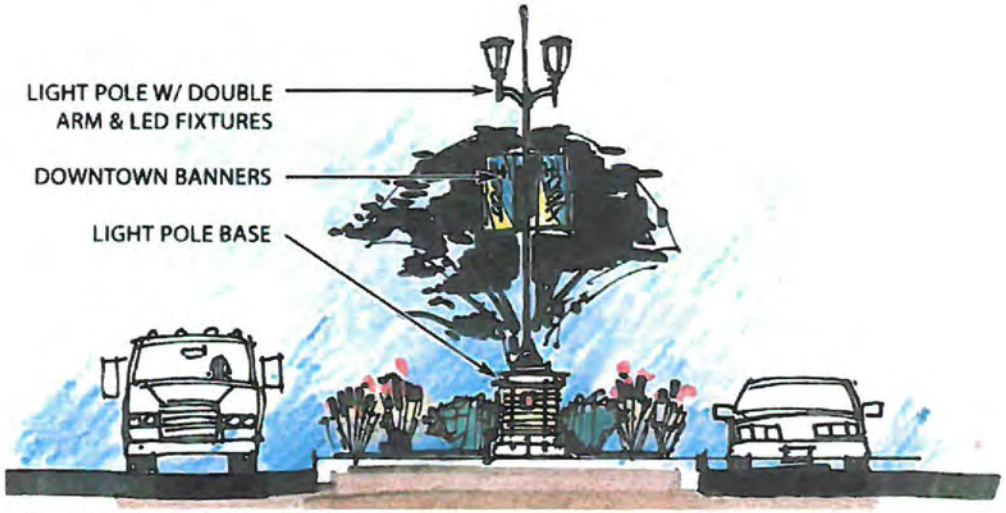
0' 2.5' 5' 10'



I.1 CLOCK TOWER



I.2 ELEVATED LIGHT POST



I.3 MEDIAN LIGHTING

DOWNTOWN SALINA STREETSCAPE PLAN

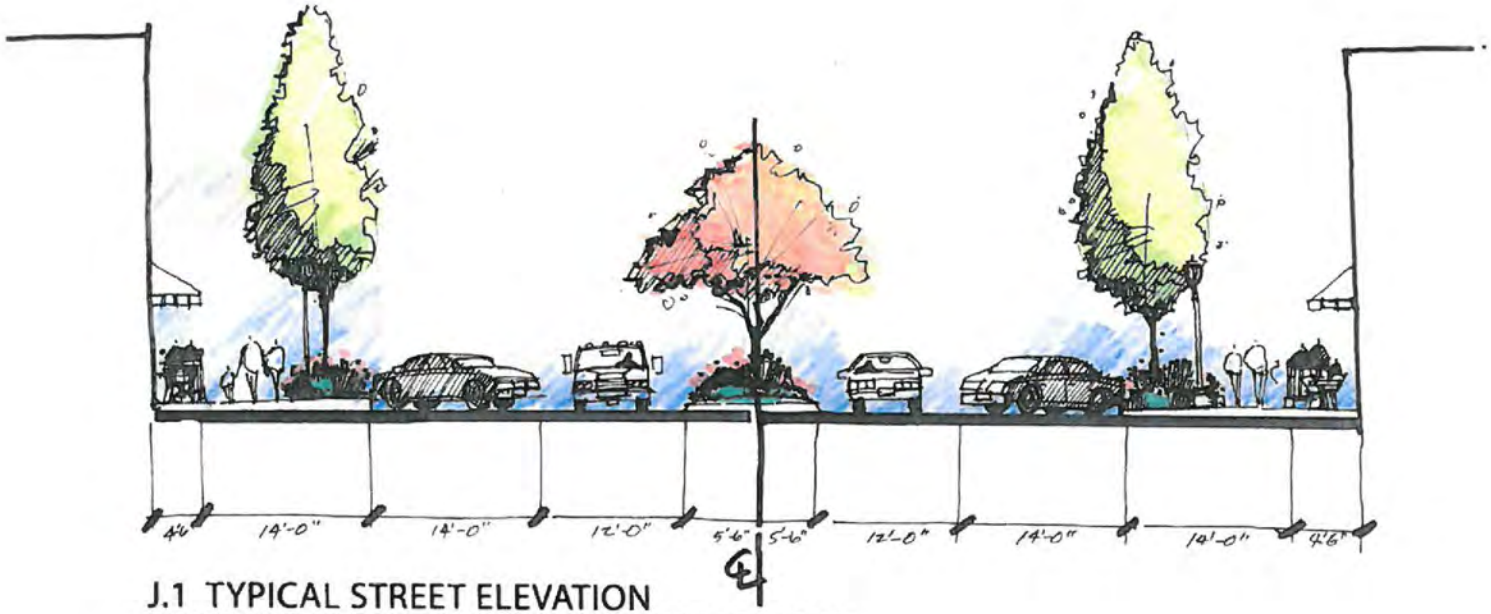
Salina, Kansas

October 2015

OCHSNER HARE & HARE
a design studio of OLSSON ASSOCIATES

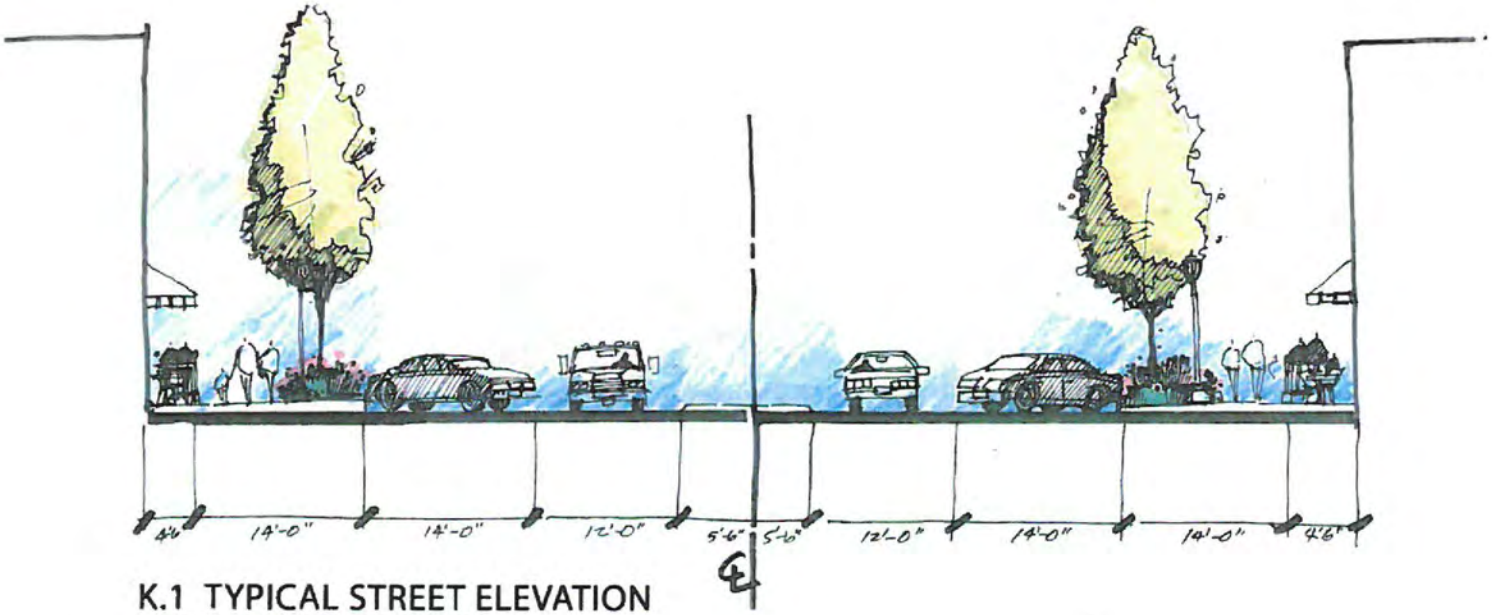
OLSSON ASSOCIATES

0' 2.5' 5' 10'



J.1 TYPICAL STREET ELEVATION

ELM STREET TO ASH STREET & WALNUT STREET TO MULBERRY STREET



K.1 TYPICAL STREET ELEVATION

ASH STREET TO WALNUT STREET

DOWNTOWN SALINA STREETSCAPE PLAN

Salina, Kansas

October 2015

OCHSNER HARE & HARE

a design studio of OLSSON ASSOCIATES

OLSSON ASSOCIATES

0' 5' 10' 20'

SITE FURNISHINGS & AMENITIES

L. HARDSCAPE & SITE FURNISHING MATERIALS

Cafe or Restaurant Seating

Cafe or Restaurant Seating

Pocket Park Seating

Iron Tree Grate

Permanent Art/Sculpture Installation

Bench Seating

Bench Seating

Light Post w/ Banners

String Lighting

Splash Pad

Performance Stage

Bike Rack

Bike Rack

Large Storefront Planter

Large Storefront Planter

Gateway Structure w/ Masonry Columns

Fountain Feature

DOWNTOWN SALINA STREETSCAPE PLAN

Salina, Kansas

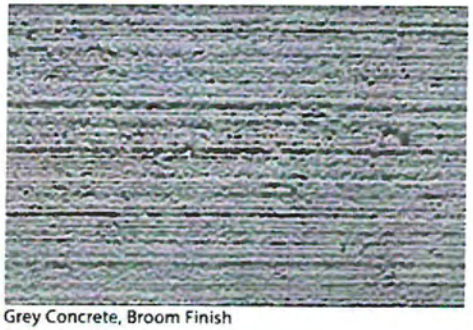
October 2015

OCHSNER HARE & HARE
a design studio of OLSSON ASSOCIATES

OLSSON ASSOCIATES

PAVING MATERIALS

M. HARDSCAPE & SITE FURNISHING MATERIALS


Grey Concrete, Broom Finish

Grey Concrete, Swirl Finish

Decorative Paver Fields

Decorative Paver Fields

Decorative Paver Fields w/ Landscape Beds & Seating

Exposed Aggregate Concrete

Integral Colored Concrete

Stamped Concrete Intersections

Stamped or Tiled Concrete

Decorative Paver Fields

Eco Dublin Permeable Pavers

Eco Dublin Permeable Pavers

Urban Stone Pavers

Urban Stone Pavers

N. LANDSCAPE MATERIALS

OVERSTORY TREES

Armstrong Maple

Columnar English Oak

Columnar Hornbeam

Frontier Elm

Princeton Sentry Ginkgo

Skyline & Shademaster Honeylocust

ORNAMENTAL TREES

Eastern Redbud

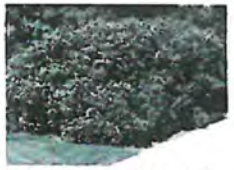
Cornelian Cherry Dogwood

Prairiefire Crabapple

UNDERSTORY SHRUBS

Coralberry

Witch Hazel


Grey & Redosier Dogwood

Arrowwood Viburnum

Button Bush

Gro-Low Sumac

PERENNIALS & ORNAMENTAL GRASSES

White & Purple Coneflowers

Blanket Flower

Lead Plant

Common & Plains Sunflower

'May Night' Salvia

Black Eyed Susan

Prairie Dropseed

Side Oats Grama

Indian Grass

Lanceleaf Coreopsis

Grey-Headed Coneflower

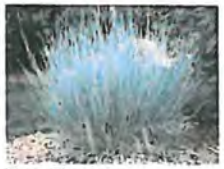
Bee Balm

Butterfly Milkweed

Smooth Penstemon

'Mexican Hat' Coneflower

Big Bluestem


Little Bluestem

Switchgrass

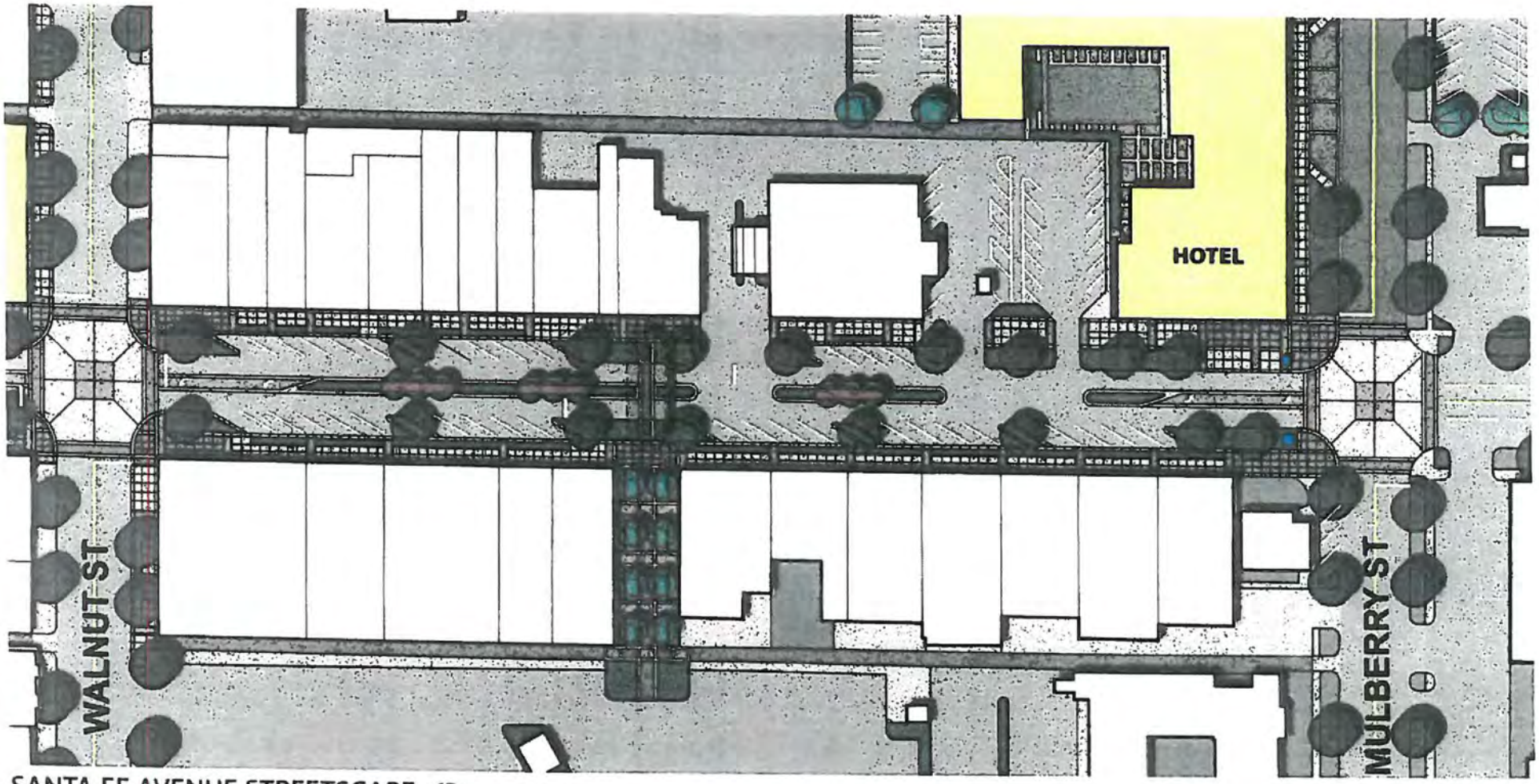
DOWNTOWN SALINA STREETSCAPE PLAN

Salina, Kansas

October 2015

OCHSNER HARE & HARE
a design studio of OLSSON ASSOCIATES

OLSSON ASSOCIATES



SANTA FE AVENUE STREETSCAPE
WALNUT STREET TO MULBERRY STREET

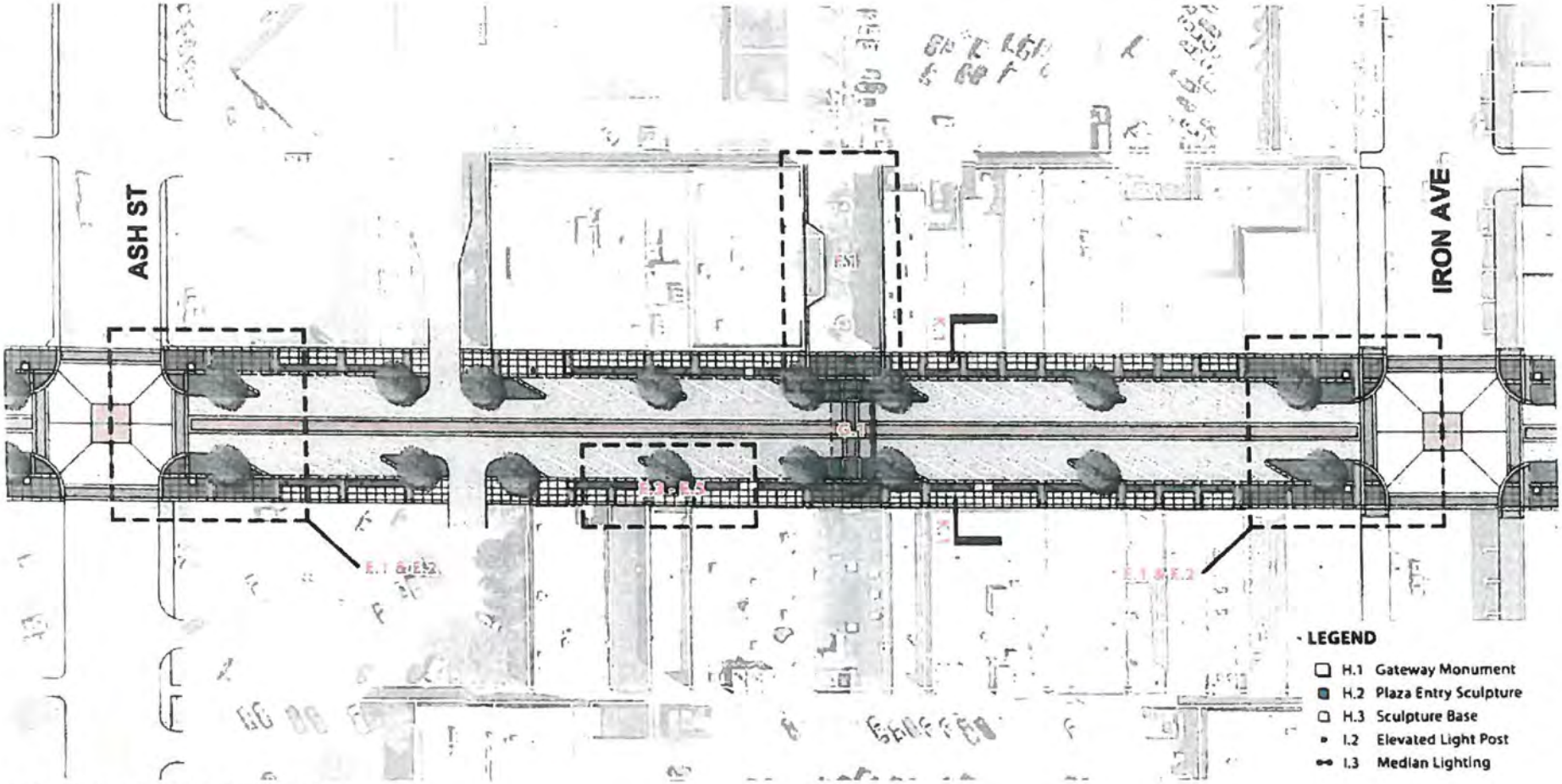
DOWNTOWN SALINA STREETSCAPE PLAN

Salina, Kansas

October 2016

OCHSNER HARE & HARE

OLSSON ASSOCIATES



B.1 STREETSCAPE BLOCK 2

ASH STREET TO IRON AVENUE

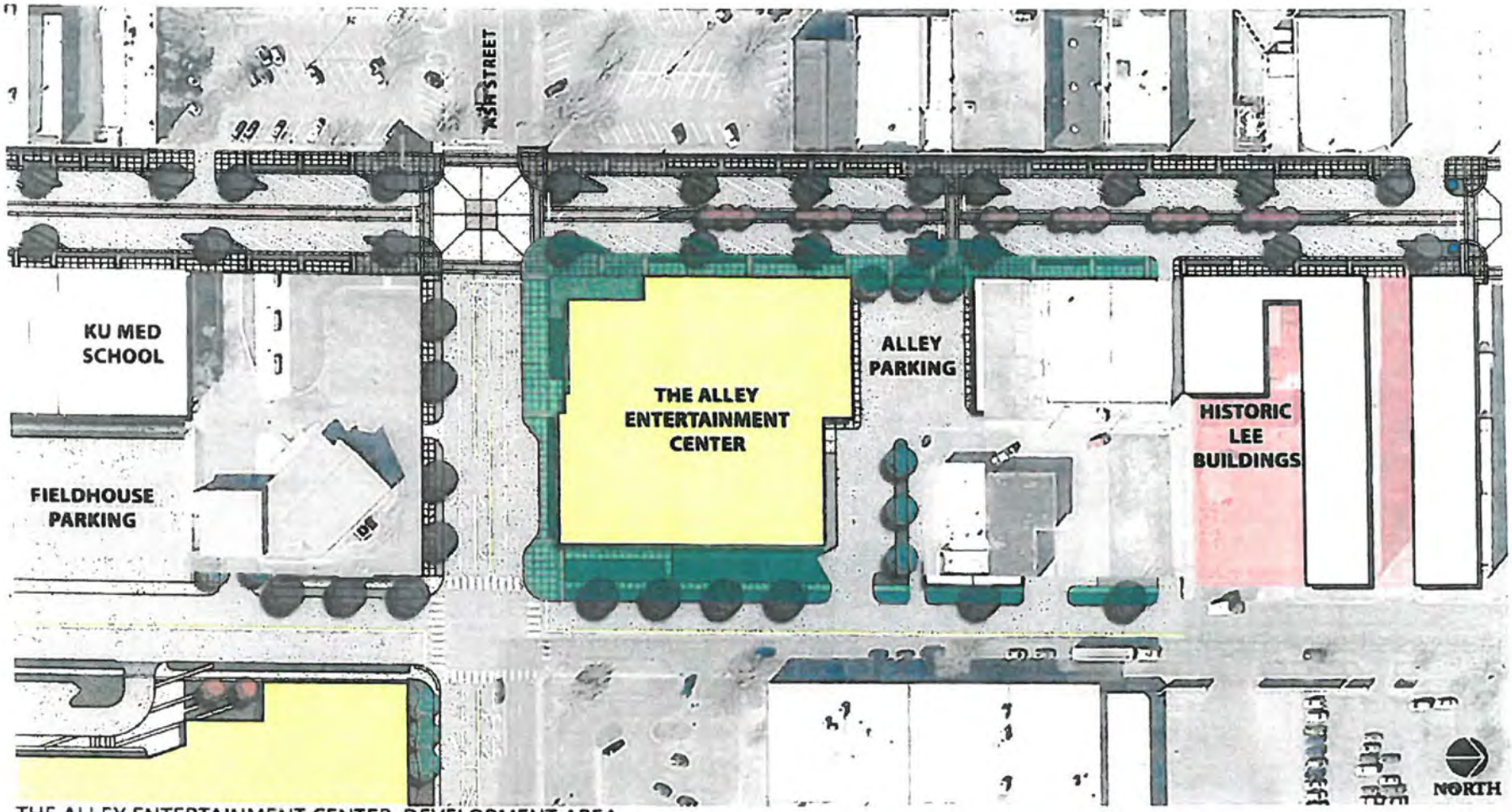
DOWNTOWN SALINA STREETSCAPE PLAN

Salina, Kansas

October 2015

OCHSNER HARE & HARE

OLSSON ASSOCIATES



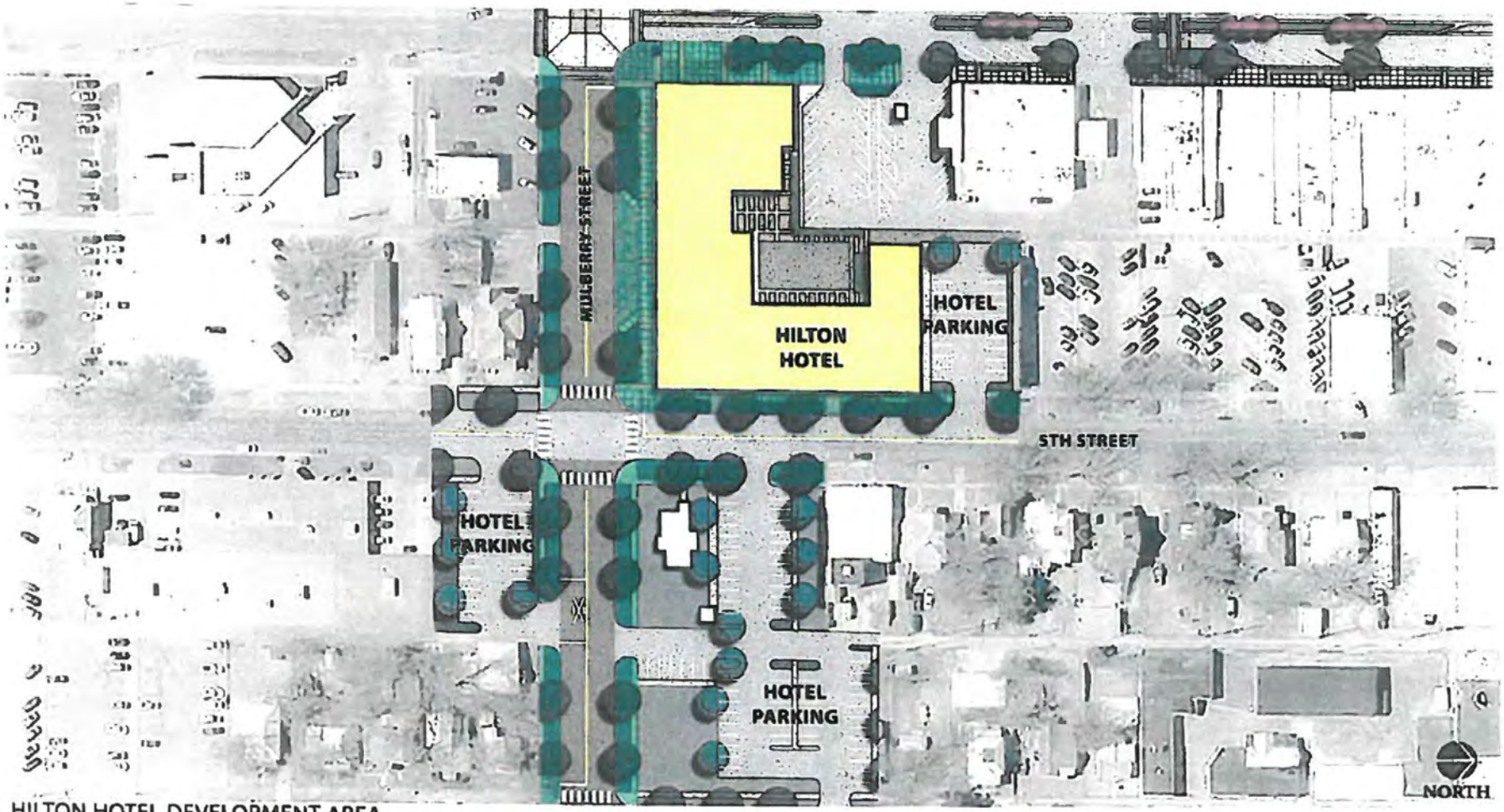
THE ALLEY ENTERTAINMENT CENTER DEVELOPMENT AREA

DOWNTOWN SALINA DEVELOPMENT AREAS

SALINA, KANSAS

OCHSNER HARE & HARE

OLSSON ASSOCIATES



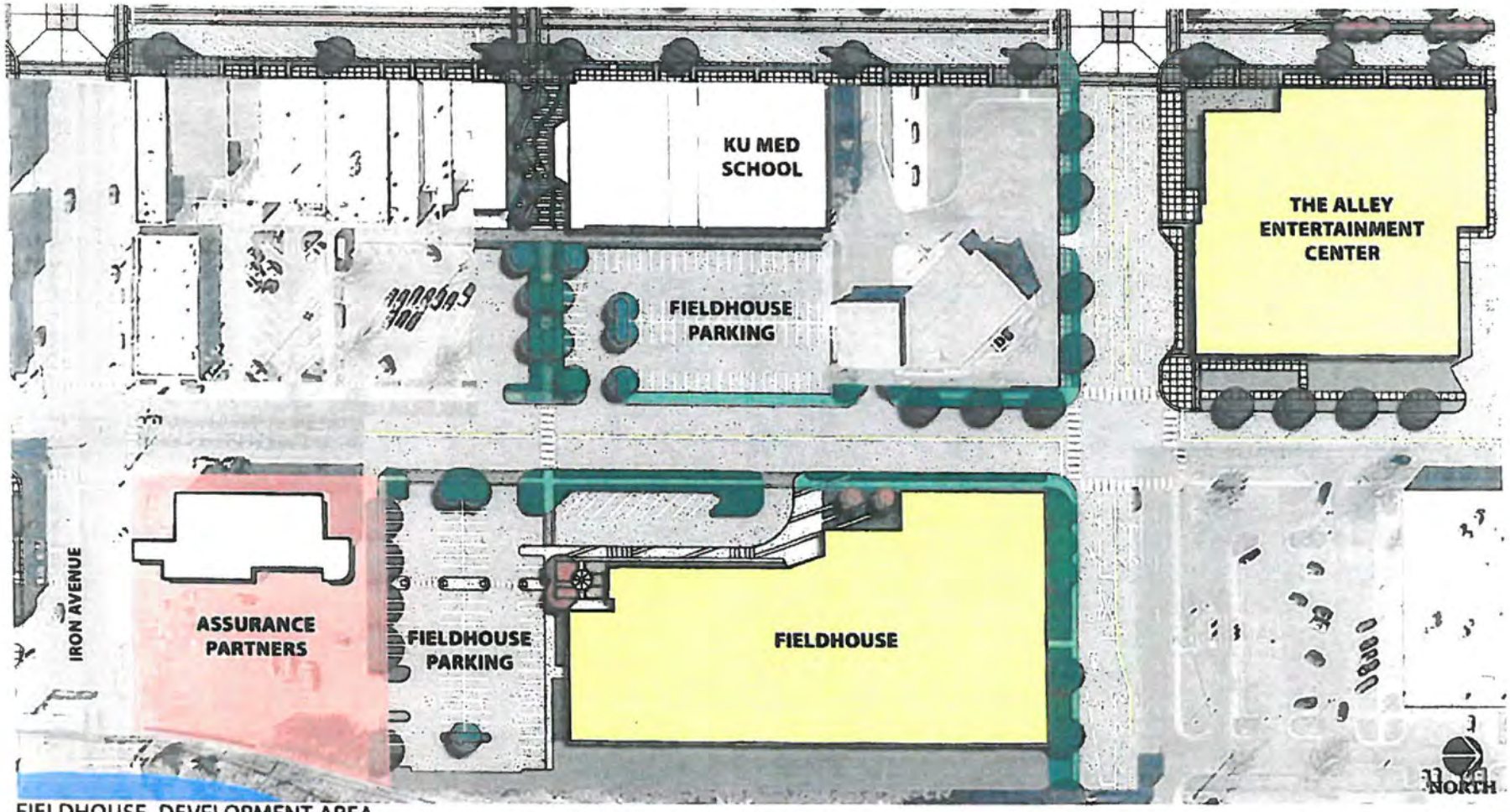
HILTON HOTEL DEVELOPMENT AREA

DOWNTOWN SALINA DEVELOPMENT AREAS

SALINA, KANSAS

OCHSNER HARE & HARE

OLSSON ASSOCIATES



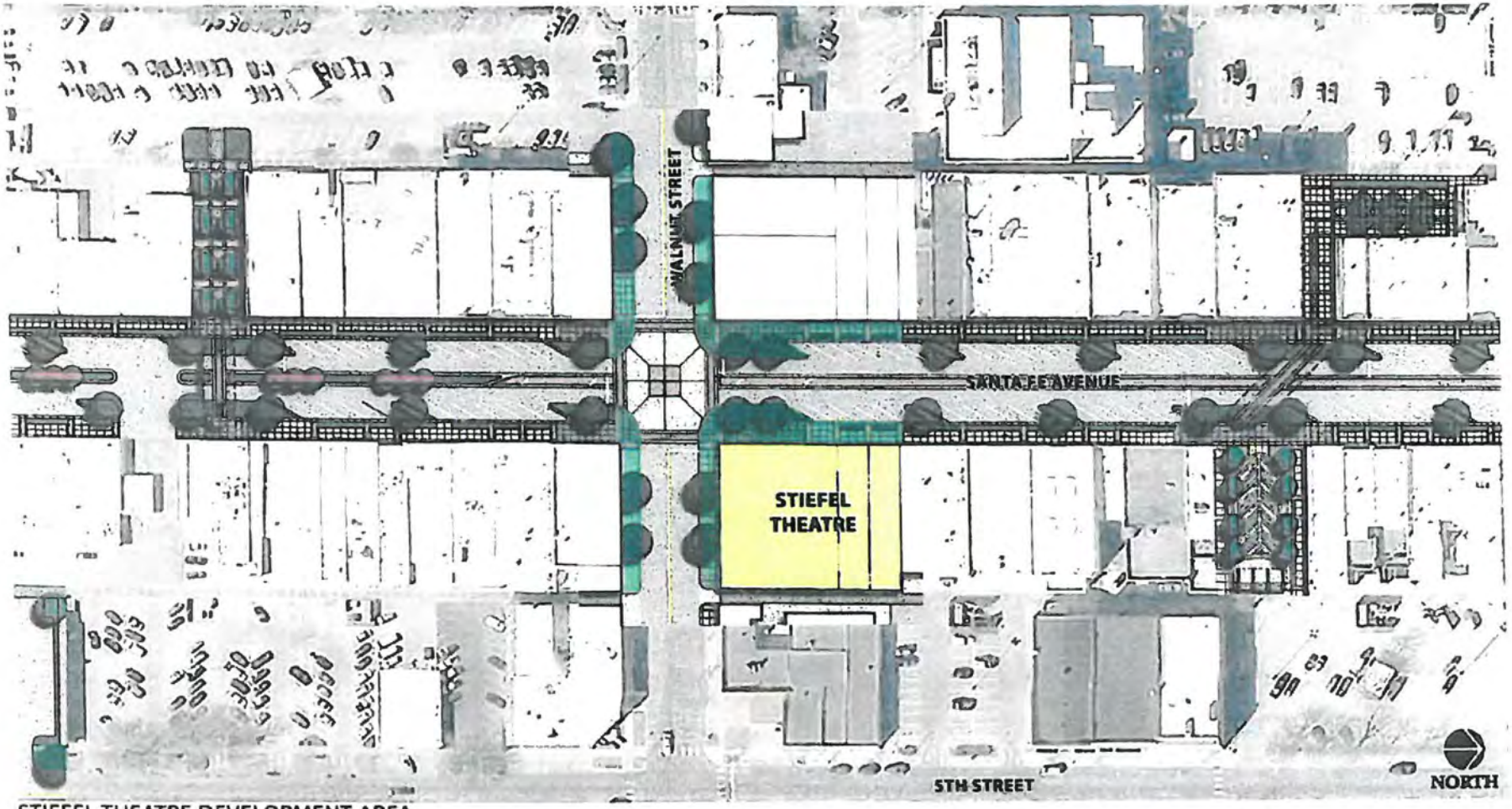
FIELDHOUSE DEVELOPMENT AREA

DOWNTOWN SALINA DEVELOPMENT AREAS

SALINA, KANSAS

OCHSNER HARE & HARE

OLSSON ASSOCIATES



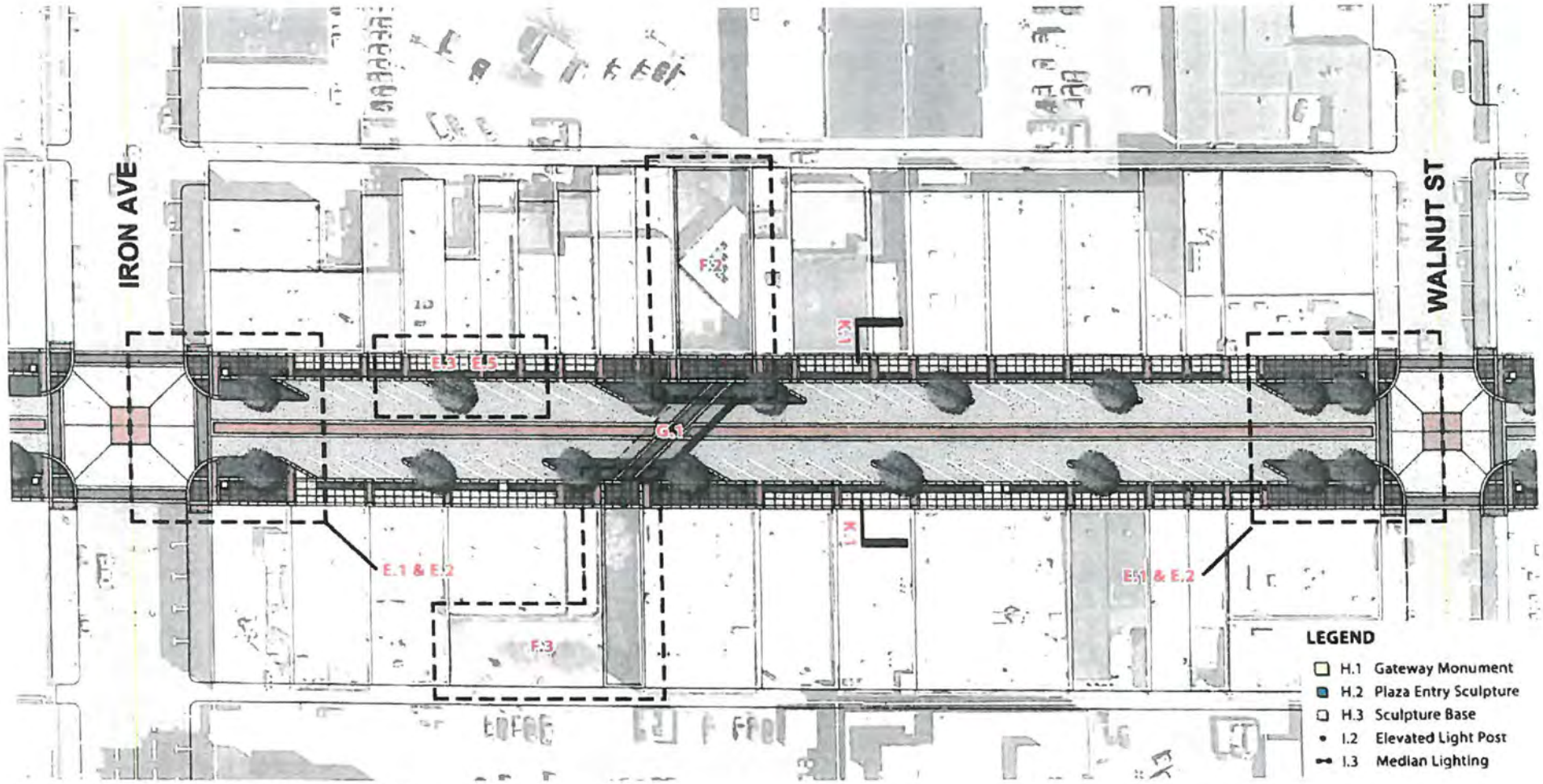
STIEFEL THEATRE DEVELOPMENT AREA

DOWNTOWN SALINA DEVELOPMENT AREAS

SALINA, KANSAS

OCHSNER HARE & HARE

OLSSON ASSOCIATES



C.1 STREETSCAPE BLOCK 3

IRON AVENUE TO WALNUT STREET

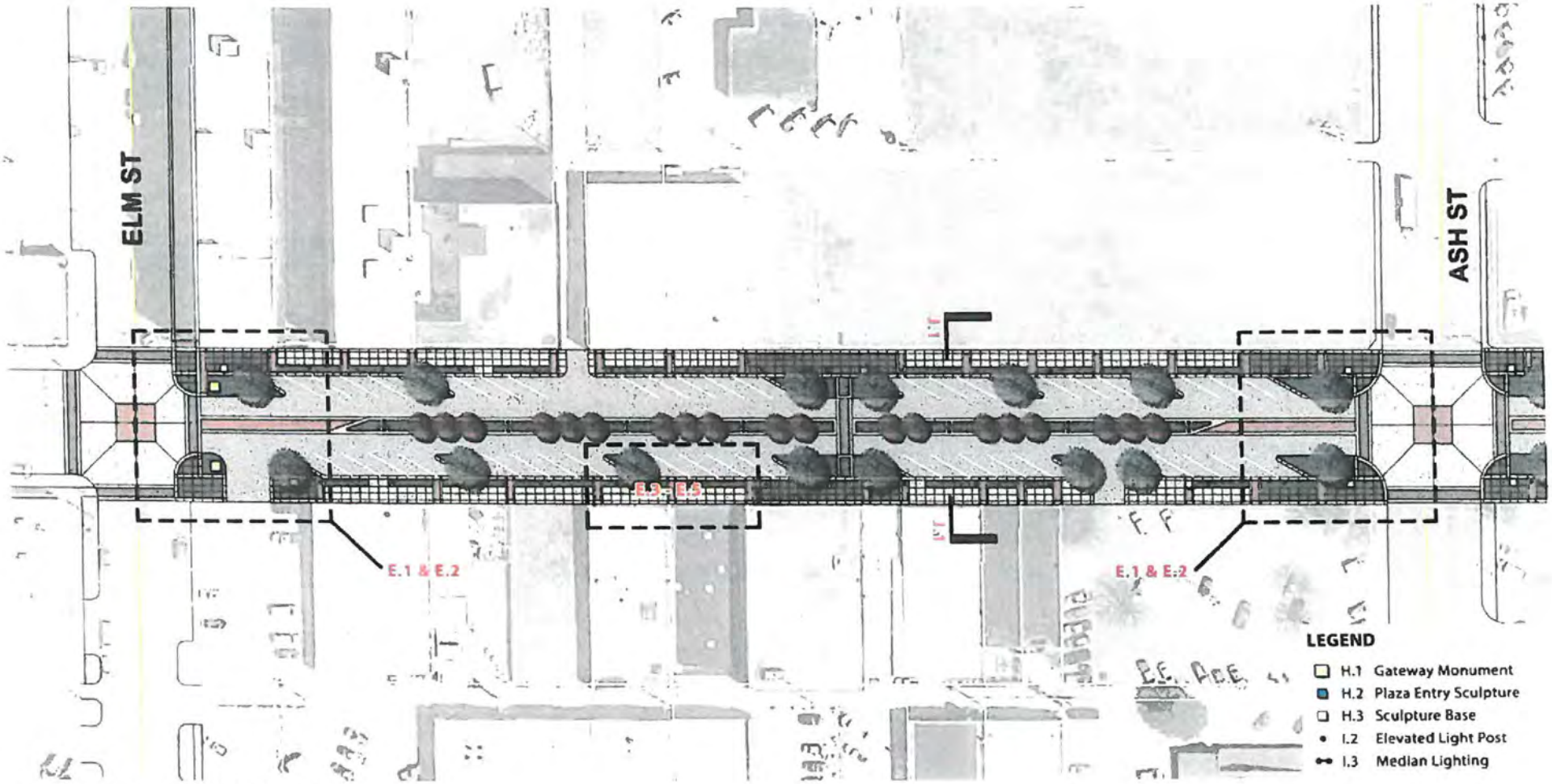
DOWNTOWN SALINA STREETSCAPE PLAN

Salina, Kansas

October 2015

OCHSNER HARE & HARE

OLSSON ASSOCIATES



A.1 STREETSCAPE BLOCK 1

ELM STREET TO ASH STREET

DOWNTOWN SALINA STREETSCAPE PLAN

Salina, Kansas

October 2015

OCHSNER HARE & HARE

OLSSON ASSOCIATES

CLASSIC CAR MUSEUM DEVELOPMENT AREA

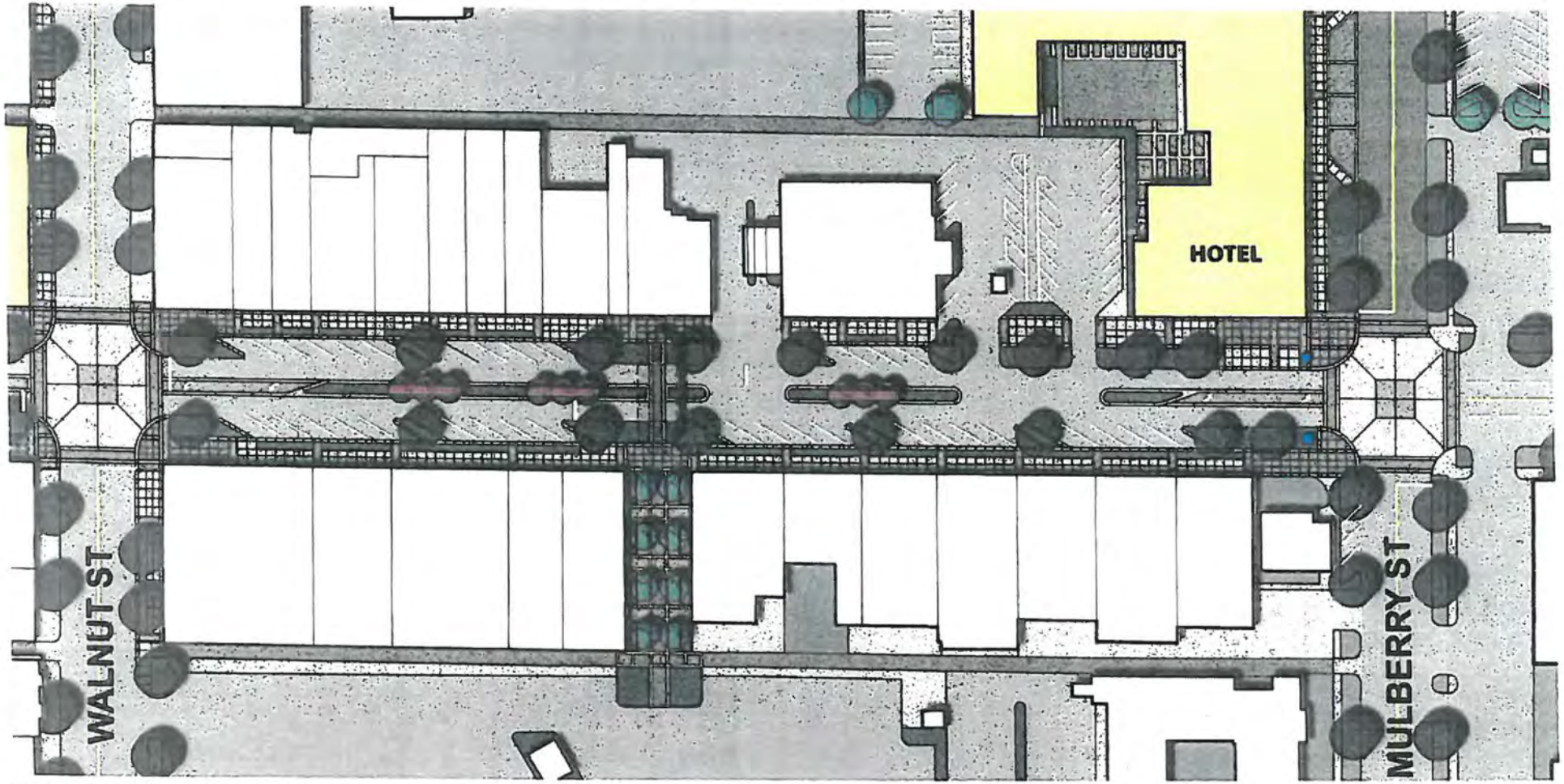
DOWNTOWN SALINA DEVELOPMENT AREAS

SALINA, KANSAS

OCHSNER HARE & HARE

OLSSON ASSOCIATES

Exhibit M-2-1 – Phase I
"Santa Fe from Mulberry to Walnut
(including in front of Hotel Project)"



SANTA FE AVENUE STREETSCAPE
WALNUT STREET TO MULBERRY STREET

DOWNTOWN SALINA STREETSCAPE PLAN

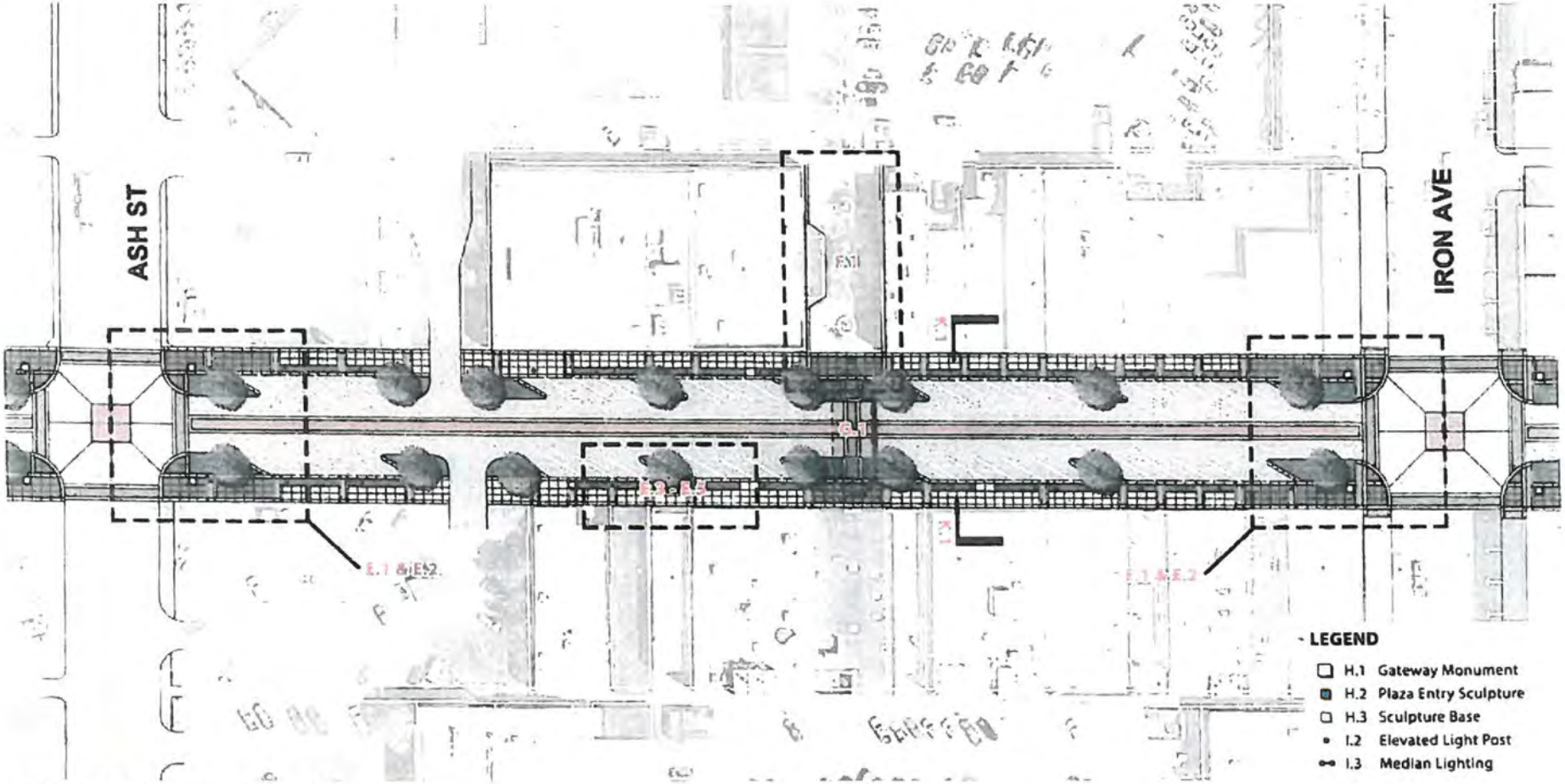
Salina, Kansas

October 2016

OCHSNER HARE & HARE

OLSSON ASSOCIATES

Exhibit M-2-2 – Phase I
"Santa Fe from Iron to Ash"



B.1 STREETSCAPE BLOCK 2

ASH STREET TO IRON AVENUE

DOWNTOWN SALINA STREETSCAPE PLAN

Salina, Kansas

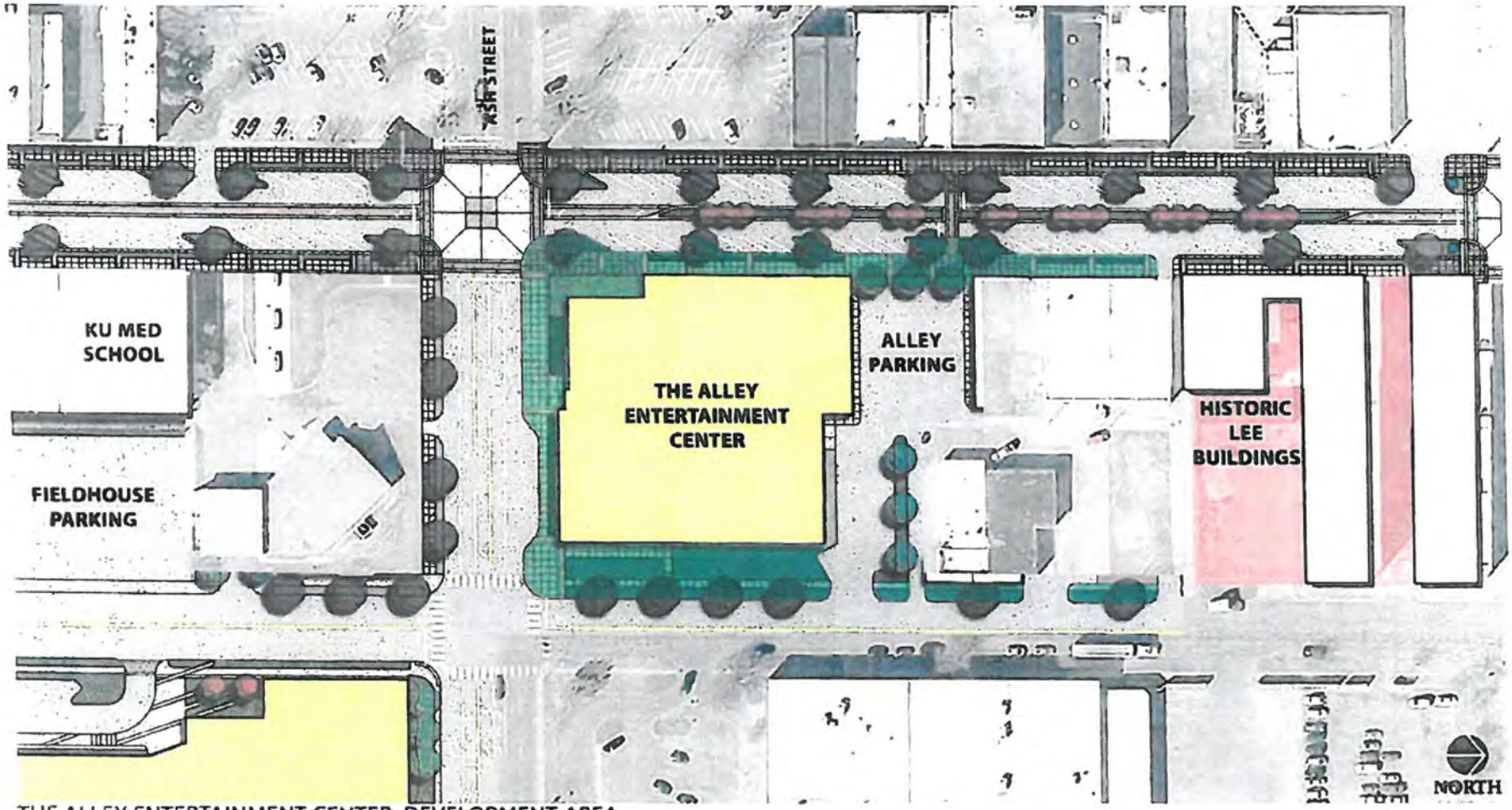
October 2015

OCHSNER HARE & HARE

OLSSON ASSOCIATES

0 30' 60' 120'

Exhibit M-2-3 – Phase I
"Streetscape tied to Alley Project"



THE ALLEY ENTERTAINMENT CENTER DEVELOPMENT AREA

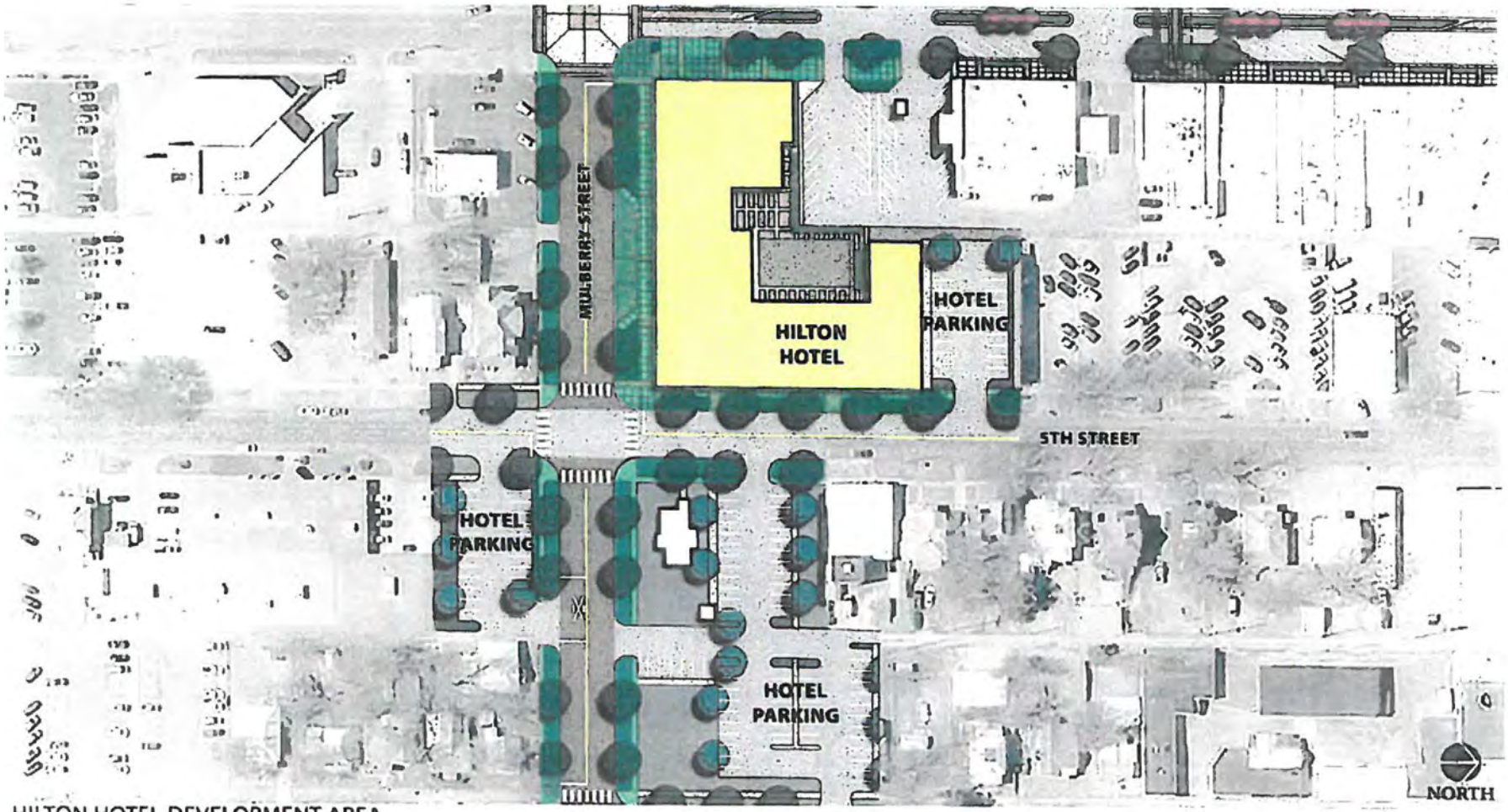
DOWNTOWN SALINA DEVELOPMENT AREAS

SALINA, KANSAS

OCHSNER HARE & HARE

OLSSON ASSOCIATES

Exhibit M-2-4 – Phase I
"Streetscape tied to Hotel Project"



HILTON HOTEL DEVELOPMENT AREA

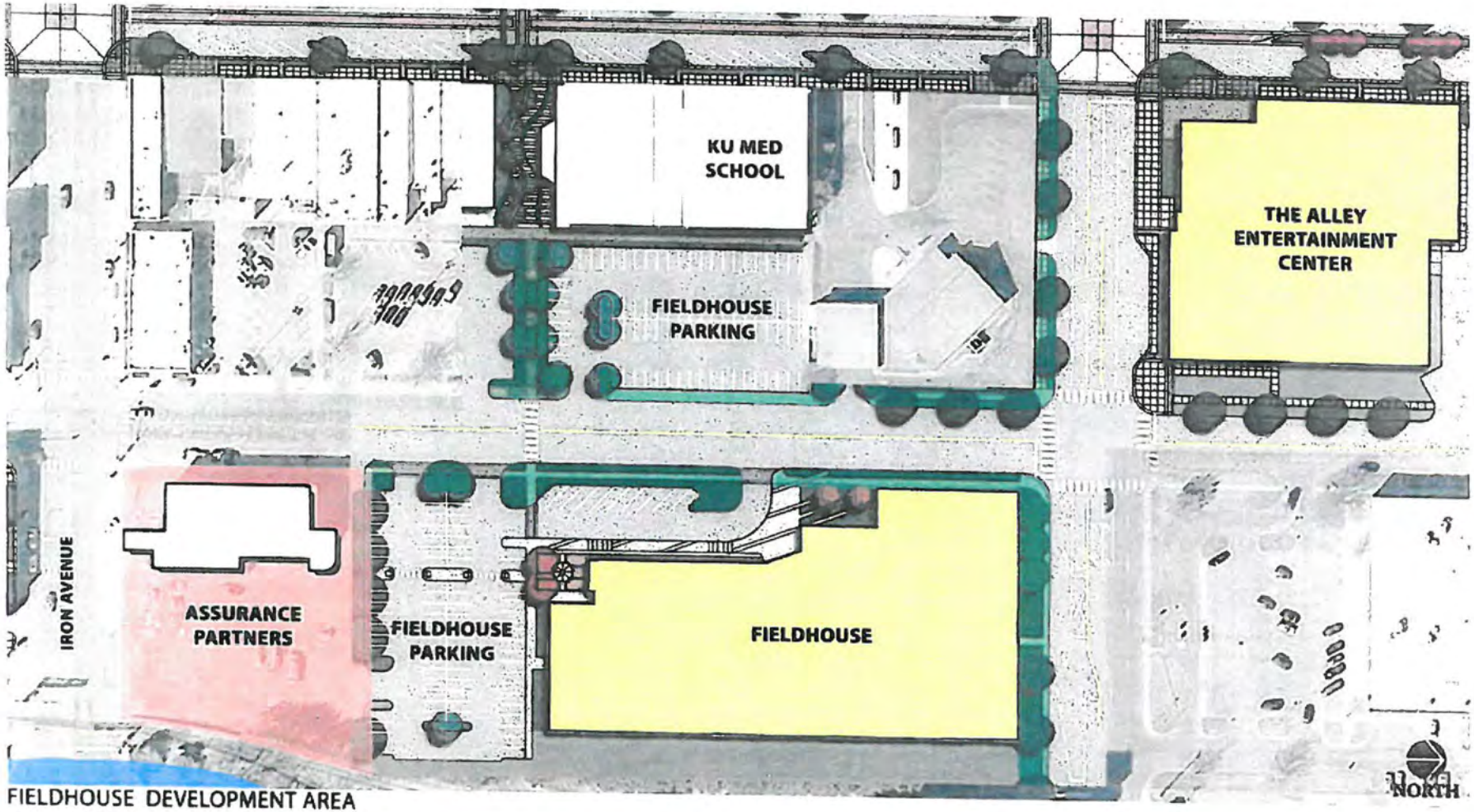
DOWNTOWN SALINA DEVELOPMENT AREAS

SALINA, KANSAS

OCHSNER HARE & HARE

OLSSON ASSOCIATES

Exhibit M-2-5 – Phase I
"Streetscape tied to Fieldhouse"



FIELDHOUSE DEVELOPMENT AREA

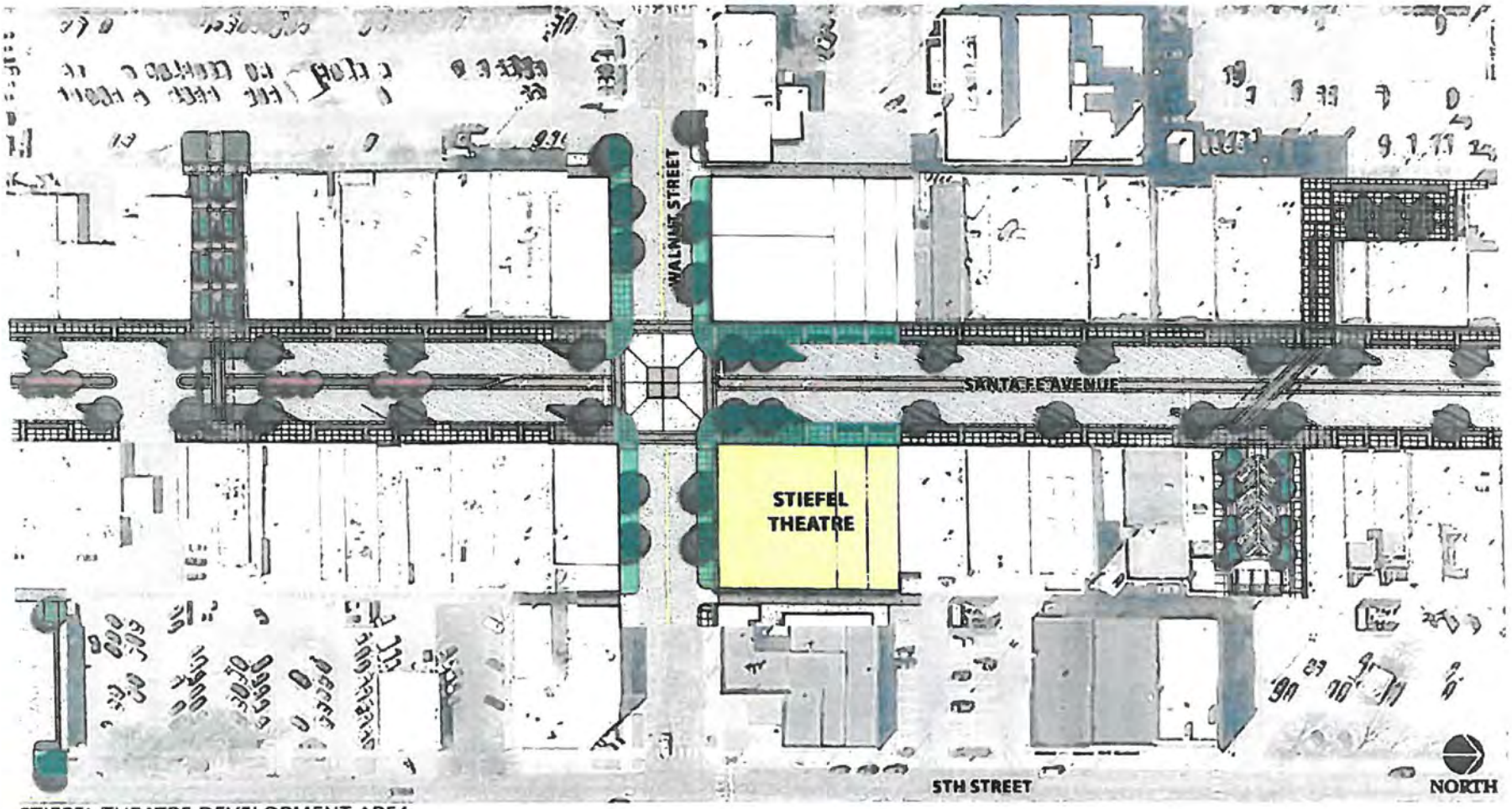
DOWNTOWN SALINA DEVELOPMENT AREAS

SALINA, KANSAS

OCHSNER HARE & HARE

OLSSON ASSOCIATES

Exhibit M-2-6 – Phase I
"Streetscape tied to Stiefel"



STIEFEL THEATRE DEVELOPMENT AREA

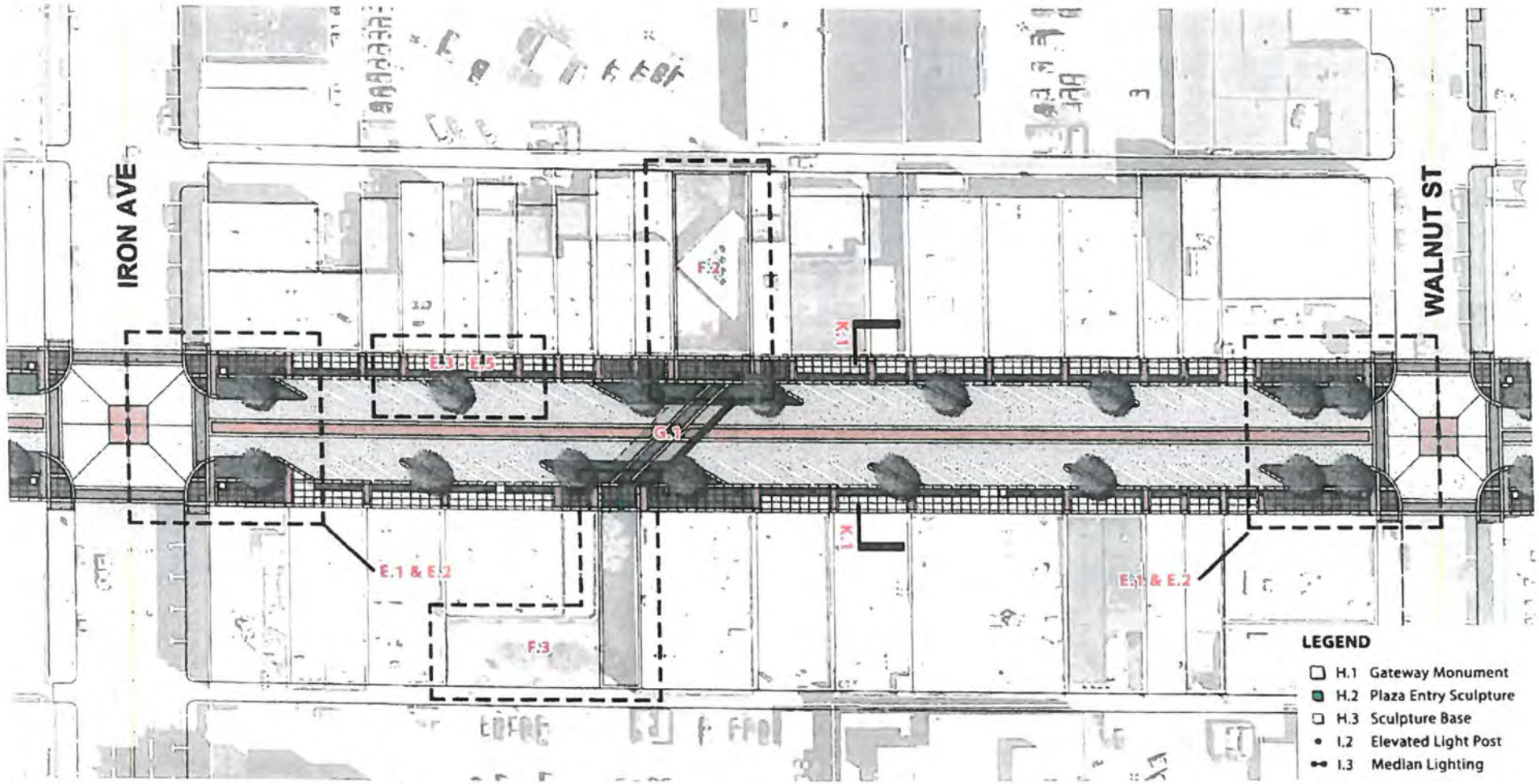
DOWNTOWN SALINA DEVELOPMENT AREAS

SALINA, KANSAS

OCHSNER HARE & HARE

OLSSON ASSOCIATES

Exhibit M-3-1 – Phase II
"Santa Fe from Iron to Walnut"



C.1 STREETSCAPE BLOCK 3

IRON AVENUE TO WALNUT STREET

DOWNTOWN SALINA STREETSCAPE PLAN

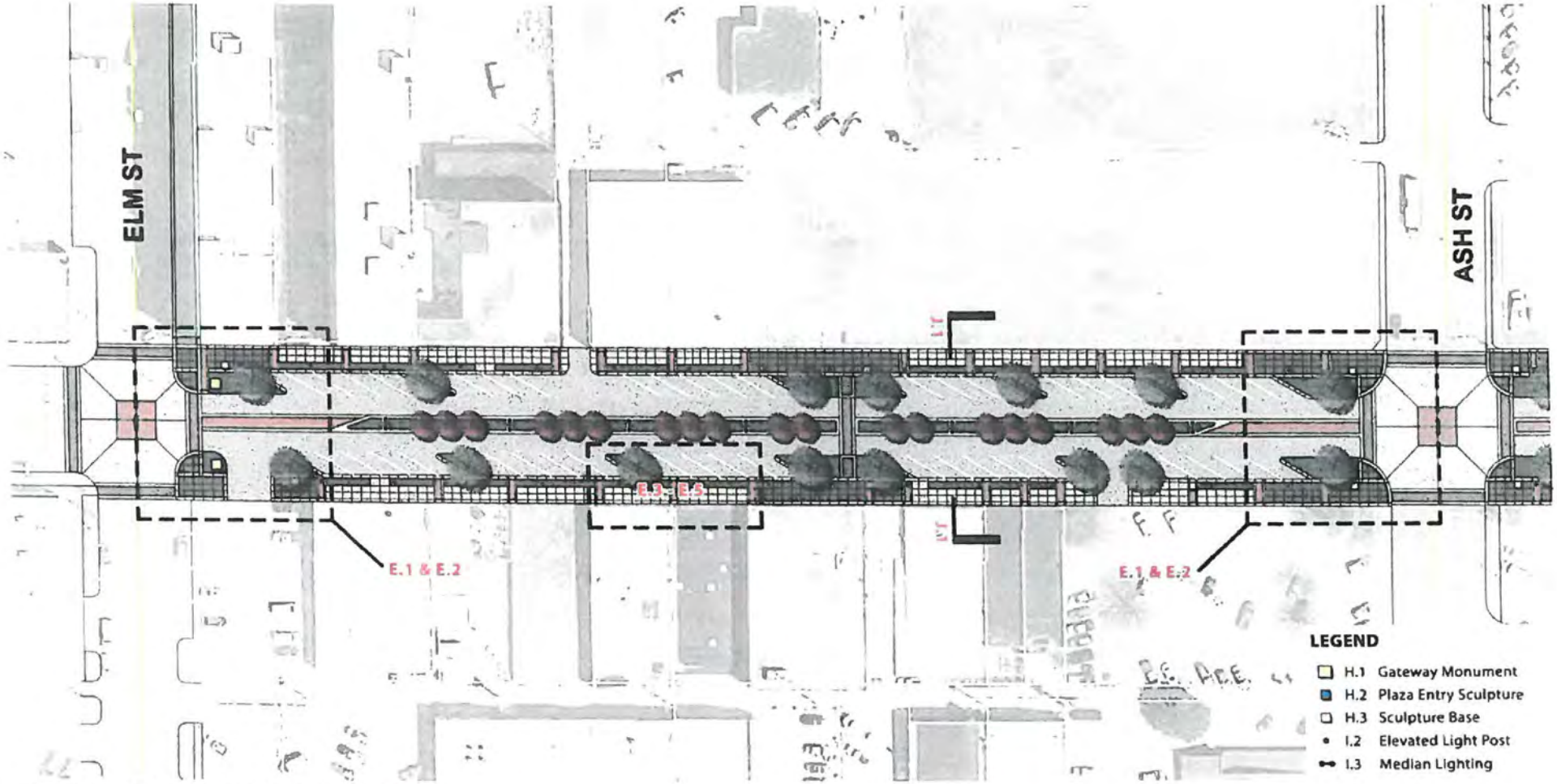
Salina, Kansas

October 2015

OCHSNER HARE & HARE

OLSSON ASSOCIATES

Exhibit M-3-2 – Phase II
"Santa Fe from Ash to Elm
(including in front of Alley Project)"



A.1 STREETSCAPE BLOCK 1

ELM STREET TO ASH STREET

DOWNTOWN SALINA STREETSCAPE PLAN

Salina, Kansas

October 2015

OCHSNER HARE & HARE

OLSSON ASSOCIATES

Exhibit M-3-3 – Phase II
"Streetscape tied to Car Museum"

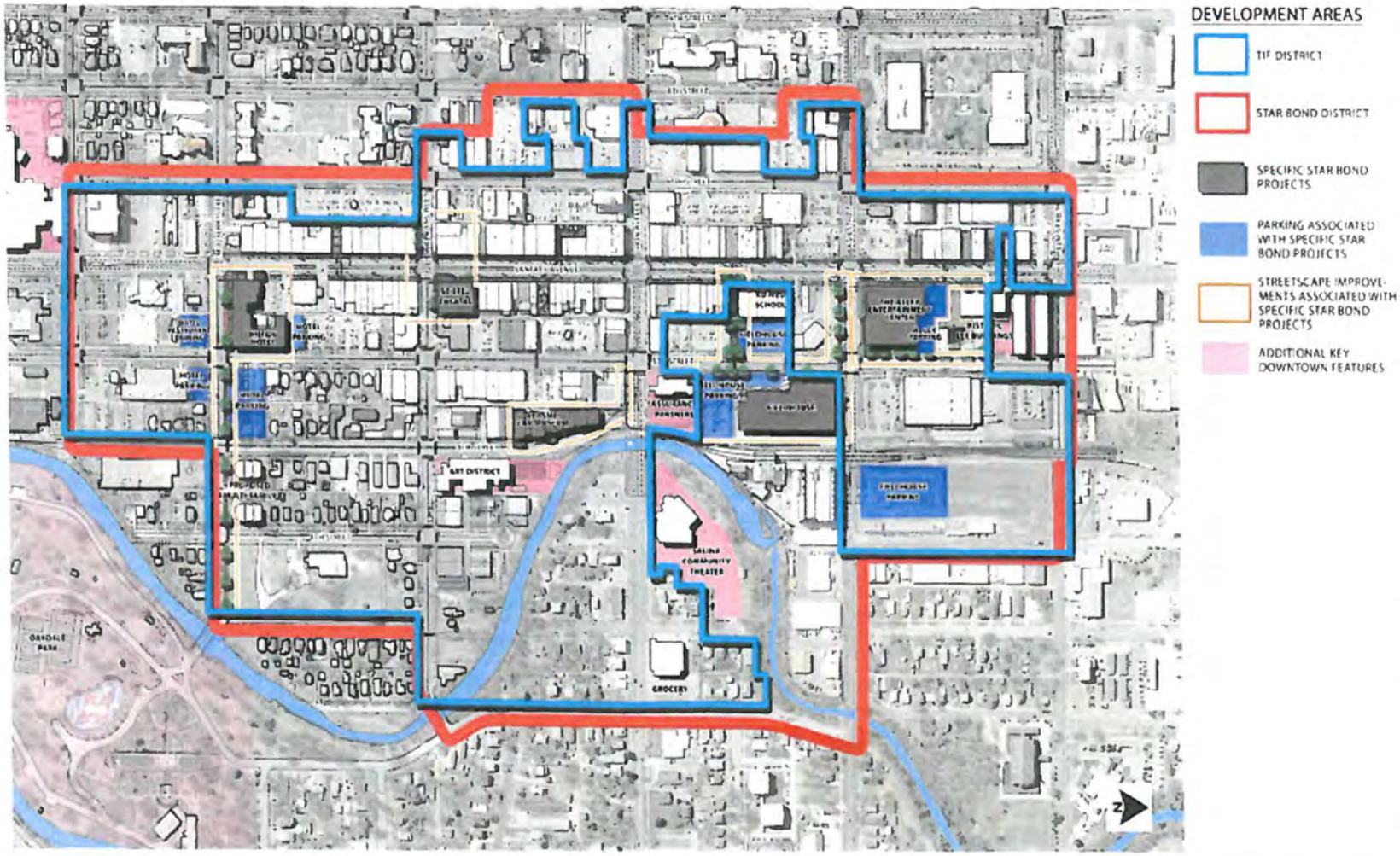
CLASSIC CAR MUSEUM DEVELOPMENT AREA

DOWNTOWN SALINA DEVELOPMENT AREAS

SALINA, KANSAS

OCHSNER HARE & HARE

OLSSON ASSOCIATES



DOWNTOWN SALINA DEVELOPMENT AREAS

SALINA, KANSAS

OCHSNER HARE & HARE

OLSSON ASSOCIATES

Exhibit N – Concept Plan

Exhibit O – Project Budget

DOWNTOWN SALINA, KANSAS REDEVELOPMENT PROJECT DRAFT SOURCES AND USES - $19.1M NET STAR BONDS - DECEMBER 2016

CATEGORY	TOTAL COST	STAR BOND ELIGIBLE COSTS	STAR BOND REQUESTED ELIGIBLE COSTS	TIF USES	[illegible]	CID USES (HOTEL ONLY CID)	CID USES (ALLEY ONLY CID)	COSTS FUNDED BY PRIVATE DEBT/EQUITY/ OTHER PUBLIC SOURCES	TOTAL INCENTIVES
			Bonded Debt	Pay-As-You-Go Reimbursement					
Alley									
Acquisition	$ 715,000	$ 715,000	$ 715,000	$ -	$ -	$ -	$ -	$ -	
Design	$ 270,000	$ 100,000	$ 100,000	$ -	$ -	$ -	$ -	$ 170,000	
Sitework	$ 827,726	$ 827,726	$ 827,726	$ -	$ -	$ -	$ -	$ -	
Building Improvements	$ 4,287,607	$ -	$ -	$ -	$ -	$ -	$ 828,676	$ 3,458,931	
	$ 6,100,333	$ 1,642,726	$ 1,642,726	$ -	$ -	$ -	$ 828,676	$ 3,628,931	$ 2,271,402
KU Medical School									
Acquisition	$ 875,000	$ 875,000	$ -	$ -	$ -	$ -	$ -	$ 875,000	
Building Improvements	$ 6,125,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,125,000	
	$ 7,000,000	$ 875,000	$ -	$ -	$ -	$ -	$ -	$ 7,000,000	$ -
Car Museum									
Acquisition	$ 392,000	$ 392,000	$ 392,000	$ -	$ -	$ -	$ -	$ -	
Design	$ 453,000	$ 453,000	$ 453,000	$ -	$ -	$ -	$ -	$ -	
Sitework	$ 245,000	$ 245,000	$ 245,000	$ -	$ -	$ -	$ -	$ -	
Building Improvements	$ 3,605,000	$ 3,605,000	$ 3,605,000	$ -	$ -	$ -	$ -	$ -	
	$ 4,695,000	$ 4,695,000	$ 4,695,000	$ -	$ -	$ -	$ -	$ -	$ 4,695,000
Fieldhouse									
Fieldhouse Acquisition	$ 683,609	$ 683,609	$ 683,609	$ -	$ -	$ -	$ -	$ -	
Parking Acquisition (BOA Lot & Bennett Lot)	$ 950,000	$ 950,000	$ 950,000	$ -	$ -	$ -	$ -	$ -	
Design	$ 1,208,154	$ 1,208,154	$ 422,391	$ -	$ -	$ -	$ -	$ 785,763	
Fieldhouse Utility Relocation	$ 750,000	$ 750,000	$ -	$ -	$ -	$ -	$ -	$ 750,000	
Fieldhouse Parking Sitework	$ 675,000	$ 675,000	$ 675,000	$ -	$ -	$ -	$ -	$ -	
Fieldhouse Building Improvements & Sitework	$ 6,894,000	$ 6,894,000	$ 6,894,000	$ -	$ -	$ -	$ -	$ -	
Fieldhouse Fees/Insurance	$ 45,000	$ 45,000	$ -	$ -	$ -	$ -	$ -	$ 45,000	
Fieldhouse FFE	$ 965,000	$ 965,000	$ -	$ -	$ -	$ -	$ -	$ 965,000	
Fieldhouse Contingency	$ 279,327	$ 279,327	$ -	$ -	$ -	$ -	$ -	$ 279,327	
	$ 12,450,090	$ 12,450,090	$ 9,625,000	$ -	$ -	$ -	$ -	$ 2,825,090	$ 9,625,000
Hotel									
Hotel Acquisition	$ 945,000	$ 945,000	$ -	$ -	$ -	$ -	$ -	$ 945,000	
Hotel Parking Acquisition	$ 1,437,930	$ 1,437,930	$ -	$ 800,000	$ -	$ -	$ -	$ 637,930	
Design	$ 398,500	$ -	$ -	$ -	$ -	$ -	$ -	$ 398,500	
Hotel Sitework	$ 1,623,250	$ 1,623,250	$ 442,274	$ -	$ -	$ 673,250	$ -	$ 507,726	
Hotel Parking Sitework	$ 650,000	$ 650,000	$ -	$ -	$ -	$ -	$ -	$ 650,000	
Hotel Building Improvements	$ 13,953,140	$ -	$ -	$ -	$ -	$ 332,779	$ -	$ 13,620,361	
	$ 19,006,820	$ 4,656,180	$ 442,274	$ 800,000	$ -	$ 1,006,029	$ -	$ 16,757,517	$ 2,248,303
Lee Buildings									
Acquisition	$ 200,000	$ 200,000	$ -	$ -	$ -	$ -	$ -	$ 200,000	
Sitework	$ 140,000	$ 140,000	$ -	$ -	$ -	$ -	$ -	$ 140,000	
Building Improvements	$ 17,220,034	$ -	$ -	$ -	$ -	$ -	$ -	$ 17,220,034	
	$ 17,560,034	$ 340,000	$ -	$ -	$ -	$ -	$ -	$ 17,560,034	$ -
Medical Student Housing									
Acquisition	$ 550,000	$ 550,000	$ -	$ 550,000	$ -	$ -	$ -	$ -	
Sitework	$ 370,000	$ 370,000	$ -	$ 370,000	$ -	$ -	$ -	$ -	
Building Improvements	$ 2,565,600	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,565,600	
	$ 3,485,600	$ 920,000	$ -	$ 920,000	$ -	$ -	$ -	$ 2,565,600	$ 920,000
Retail (Existing)									
Building Improvements	$ 2,000,000	$ -	$ -	$ -	$ 1,300,000	$ -	$ -	$ 700,000	$ -
Stiefel Theater									
Design	$ 200,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 200,000	
Building Improvements	$ 2,000,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,000,000	
	$ 2,200,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,200,000	$ -
Streetscape									
Streetscape Improvements/Design Costs	$ 12,165,360	$ 12,165,360	$ 2,000,000	$ -	$ -	$ -	$ -	$ 10,165,360	
	$ 12,165,360	$ 12,165,360	$ 2,000,000	$ -	$ -	$ -	$ -	$ 10,165,360	$ 2,000,000
Vacant Space / New Construction									
Vacant Space / New Construction Acquisition	$ 10,334,810	$ 10,334,810	$ -	$ 2,658,860	$ -	$ -	$ -	$ 7,675,950	
Building Improvements	$ 20,925,450	$ -	$ -	$ -	$ 2,789,062	$ -	$ -	$ 18,136,388	
	$ 31,260,260	$ 10,334,810	$ -	$ 2,658,860	$ 2,789,062	$ -	$ -	$ 25,812,338	$ 5,447,722
Miscellaneous Design									
Other Project Components - Design	$ 1,354,036	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,354,036	
Geotechnical/Environmental/Special Inspections	$ 146,500	$ 146,500	$ -	$ -	$ -	$ -	$ -	$ 146,500	
Land Planning	$ 200,000	$ 200,000	$ 200,000	$ -	$ -	$ -	$ -	$ -	
	$ 1,700,536	$ 346,500	$ 200,000	$ -	$ -	$ -	$ -	$ 1,500,536	$ 200,000
Soft Costs									
Master Developer Legal/Accounting	$ 350,000	$ -	$ -	$ -	$ 200,000	$ -	$ -	$ 150,000	
City Legal/Accounting	$ 150,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 150,000	
Leasing/Sales Commissions	$ 800,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 800,000	
Opening Costs (Signs, Inventories, Pre-Opening)*	$ 1,030,000	$ 309,000	$ -	$ -	$ -	$ -	$ -	$ 1,030,000	
Project Management*	$ 569,558	$ 170,867	$ -	$ -	$ -	$ -	$ -	$ 569,558	
Bond/Permits/Fees*	$ 924,990	$ 277,497	$ -	$ -	$ -	$ -	$ -	$ 924,990	
Financing Fees*	$ 500,000	$ 150,000	$ -	$ -	$ -	$ -	$ -	$ 500,000	
Construction Interest*	$ 5,000,000	$ 1,500,000	$ -	$ -	$ -	$ -	$ -	$ 5,000,000	
Insurance*	$ 850,000	$ 255,000	$ -	$ -	$ -	$ -	$ -	$ 850,000	
Downtown Maintenance and Security	$ 2,800,000	$ -	$ -	$ -	$ 2,800,000	$ -	$ -	$ -	
	$ 12,974,548	$ 2,662,364	$ -	$ -	$ 3,000,000	$ -	$ -	$ 9,974,548	$ 3,000,000
Other									
Total FFE for Buildings/Renovations	$ 9,755,867	$ -	$ -	$ -	$ -	$ -	$ -	$ 9,755,867	
Developer Fees	$ 1,067,066	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,067,066	
Relocation Assistance	$ 500,000	$ 500,000	$ -	$ -	$ -	$ -	$ -	$ 500,000	
Contingency (All Except Fieldhouse/Streetscape) @ 7%	$ 7,320,280	$ 2,388,775	$ 495,000	$ 500,000	$ 500,000	$ -	$ -	$ 5,825,280	
	$ 18,643,013	$ 2,888,775	$ 495,000	$ 500,000	$ 500,000	$ -	$ -	$ 17,148,013	$ 1,495,000
	$ 151,240,395	$ 53,976,606	$ 19,100,000	$ 4,878,860	[illegible]	$ 1,006,029	$ 828,676	$ 115,037,967	$ 33,202,427

Exhibit P – Certificate of Full Completion

FORM OF CERTIFICATE OF FULL COMPLETION

*Pursuant to **Section 3.07** of the Agreement, the City shall, within ten (10) days following delivery of this Certificate, carry out such inspections as the Parties deem necessary to verify to its reasonable satisfaction the accuracy of the certifications contained in this Certificate.*

CERTIFICATE OF FULL COMPLETION

The undersigned, _____ (the "**Third Party Developer**"), pursuant to that certain Development Agreement dated as of _____ __, 2017, between the **City of Salina, Kansas** (the "**City**") and **Salina2020, Inc.** (the "**Master Developer**") and that certain Transferee Agreement dated as of _____ __, 2017, between the City and Third Party Developer and the Master Developer (collectively the "**Agreement**"), hereby certifies to the City as follows:

1. That as of _____, 20__, the construction, renovation, repairing, equipping and constructing of the Project Component which Third Party Developer is obligated to complete pursuant to the terms of the Agreement (the "**Transferee Project**") has been substantially completed in accordance with the Agreement.

2. The Transferee Project has been completed in a workmanlike manner and in accordance with the Construction Plans (as those terms are defined in the Agreement).

3. Lien waivers for applicable portions of the Transferee Project have been obtained, or, to the extent that a good faith dispute exists with respect to the payment of any construction cost with respect to the Transferee Project, lien waivers for such portions of the Transferee Project will be obtained upon resolution of such dispute.

4. This Certificate of Full Completion is accompanied by (a) the project architect's certificate of substantial completion on AIA Form G-704 (or the substantial equivalent thereof), a copy of which is attached hereto as **Appendix A** and by this reference incorporated herein, certifying that the Transferee Project has been substantially completed in accordance with the Agreement; and (b) a copy of the certificate(s) of occupancy or temporary certificate of occupancy issued by the City building official with respect to each building to be constructed within the Transferee Project, a copy of which is attached hereto as **Appendix B** and by this reference incorporated herein.

5. This Certificate of Full Completion is being issued by the Third Party Developer to the City in accordance with the Agreement to evidence the Third Party Developer's satisfaction of all obligations and covenants with respect to the Transferee Project.

6. The Third Party Developer is not in default or breach of any term or condition of the Agreement, and no event of default has occurred and no condition exists which constitutes a default under the Agreement.

7. All of the Third Party Developer's representations set forth in the Agreement remain true and correct as of the date hereof.

This Certificate is given without prejudice to any rights against third parties which exist as of the date hereof or which may subsequently come into being.

Terms not otherwise defined herein shall have the meaning ascribed to such terms in the Agreement.

IN WITNESS WHEREOF, the undersigned has hereunto set his/her hand this _____ day of _____, 20_____.

THIRD PARTY DEVELOPER:

_____

a _____

By:_____

Name:_____

Title:_____

ACCEPTED:

CITY OF SALINA, KANSAS

By:_____

Name:_____

Title:_____

Appendix A to Certificate of Full Completion - AIA Form G-704

[To Be Supplemented Upon Completion of Applicable Project Component]

Appendix B to Certificate of Full Completion – Certificate(s) of Occupancy

[To Be Supplemented Upon Completion of Applicable Project Component]

Exhibit Q-1 – Certification of STAR Bond Expenditures Form

Request No. _____ Date:_____

Pursuant to that certain Development Agreement dated as of _____ __, 2017, between the **City of Salina, Kansas** (the "**City**") and **Salina2020, Inc.** (the "**Master Developer**") and that certain Transferee Agreement dated as of _____ __, 2017, between the City and _____, (the "**Third Party Developer**") and acknowledged by the Master Developer (collectively the "**Agreement**"), the Third Party Developer requests reimbursement of STAR Bond Uses from STAR Bond Proceeds and hereby states and certifies as follows:

1. The date and number of this request are as set forth above.

2. All terms in this request shall have and are used with the meanings specified in the Agreement.

3. The names of the persons, firms or corporations to whom the payments have been made and reimbursement is hereby requested, the amounts to be reimbursed and the general classification and description of the costs for which each obligation requested to be reimbursed hereby was incurred are as set forth on Attachment I hereto.

4. These costs have been incurred and are reasonable costs that are reimbursable under the Agreement and the STAR Bond Project Plan.

5. Each item listed above has not been previously reimbursed from the Public Finance Proceeds and no part thereof has been included in any other Certification of Expenditures or other disbursement request previously filed with the City.

6. The Third Party Developer is not in default or breach of any term or condition of the Agreement, and no event of default has occurred and no condition exists which constitutes a default under the Agreement.

7. All of the Third Party Developer's representations set forth in the Agreement remain true and correct as of the date hereof.

_____

By:_____
Title:_____

Approved this ____ day of _____, 20__

CITY OF SALINA

By:_____
City Representative

ATTACHMENT I
TO CERTIFICATION OF STAR BOND EXPENDITURES

REQUEST NO. _____ DATED_____

SCHEDULE OF PAYMENTS REQUESTED

Person, firm or corporation to whom payment was made	Amount to be reimbursed	General classification and description of the costs for which the obligation to be reimbursed was incurred

Exhibit Q-2 – Certification of TIF Expenditures Form

Request No. _____ Date:_____

Pursuant to that certain Development Agreement dated as of _____ __, 2017, between the **City of Salina, Kansas** (the "**City**") and **Salina2020, Inc.** (the "**Master Developer**") and that certain Transferee Agreement dated as of _____ __, 2017, between the City and _____, (the "**Third Party Developer**") and acknowledged by the Master Developer (collectively the "**Agreement**"), the Third Party Developer requests a reimbursement of TIF Uses through TIF Proceeds and hereby states and certifies as follows:

1. The date and number of this request are as set forth above.

2. All terms in this request shall have and are used with the meanings specified in the Agreement.

3. The names of the persons, firms or corporations to whom the payments have been made and reimbursement is hereby requested, the amounts to be reimbursed and the general classification and description of the costs for which each obligation requested to be reimbursed hereby was incurred are as set forth on **Attachment I** hereto.

4. These costs have been incurred and are reasonable costs that are reimbursable under the Agreement and the TIF Project Plan.

5. Each item listed above has not been previously reimbursed from the Public Finance Proceeds and no part thereof has been included in any other Certification of Expenditures or other disbursement request previously filed with the City.

6. Reimbursement for TIF Uses is sought from the following fund:_____.

7. The Third Party Developer is not in default or breach of any term or condition of the Agreement, and no event of default has occurred and no condition exists which constitutes a default under the Agreement.

8. All of the Third Party Developer's representations set forth in the Agreement remain true and correct as of the date hereof.

_____

By:_____
Title:_____

Approved this ____ day of _____, 20__

CITY OF SALINA

By:_____
City Representative

ATTACHMENT I
TO CERTIFICATION OF TIF EXPENDITURES

REQUEST NO. _____ DATED_____

SCHEDULE OF PAYMENTS REQUESTED

Person, firm or corporation to whom payment was made	Amount to be reimbursed	General classification and description of the costs for which the obligation to be reimbursed was incurred

Exhibit Q-3 – Certification of CID Expenditures Form

Request No. _____ Date:_____

Pursuant to that certain Development Agreement dated as of _____ __, 2017, between the **City of Salina, Kansas** (the "**City**") and **Salina2020, Inc.** (the "**Master Developer**") and that certain Transferee Agreement dated as of _____ __, 2017, between the City and _____, (the "**Third Party Developer**") and acknowledged by the Master Developer (collectively the "**Agreement**"), the Third Party Developer requests reimbursement of CID Uses through CID Proceeds and hereby states and certifies as follows:

1. The date and number of this request are as set forth above.

2. All terms in this request shall have and are used with the meanings specified in the Agreement.

3. The names of the persons, firms or corporations to whom the payments have been made and reimbursement is hereby requested, the amounts to be reimbursed and the general classification and description of the costs for which each obligation requested to be reimbursed hereby was incurred are as set forth on **Attachment I** hereto.

4. These costs have been incurred and are reasonable costs that are reimbursable under the Agreement and is a CID Eligible Cost under the CID Petition.

5. Each item listed above has not been previously reimbursed from the Public Finance Proceeds and no part thereof has been included in any other Certification of Expenditures or other disbursement request previously filed with the City.

6. Reimbursement for CID Uses is sought from the following fund:_____.

7. The Third Party Developer is not in default or breach of any term or condition of the Agreement, and no event of default has occurred and no condition exists which constitutes a default under the Agreement.

8. All of the Third Party Developer's representations set forth in the Agreement remain true and correct as of the date hereof.

_____

By:_____
Title:_____

Approved this ____ day of _____, 20__

CITY OF SALINA

By:_____
City Representative

ATTACHMENT I
TO CERTIFICATION OF CID EXPENDITURES

REQUEST NO. _____ DATED_____

SCHEDULE OF PAYMENTS REQUESTED

Person, firm or corporation to whom payment was made	Amount to be reimbursed	General classification and description of the costs for which the obligation to be reimbursed was incurred

Exhibit Q-4 – Certification of City Funds Expenditures Form

Request No. _____ Date:_____

Pursuant to that certain Development Agreement dated as of _____ __, 2017, between the **City of Salina, Kansas** (the "**City**") and **Salina2020, Inc.** (the "**Master Developer**") and that certain Transferee Agreement dated as of _____ __, 2017, between the City and _____, (the "**Third Party Developer**") and acknowledged by the Master Developer (collectively the "**Agreement**"), the Third Party Developer requests reimbursement of Project Costs through City Funds and hereby states and certifies as follows:

1. The date and number of this request are as set forth above.

2. All terms in this request shall have and are used with the meanings specified in the Agreement.

3. The names of the persons, firms or corporations to whom the payments have been made and reimbursement is hereby requested, the amounts to be reimbursed and the general classification and description of the costs for which each obligation requested to be reimbursed hereby was incurred are as set forth on **Attachment I** hereto.

4. These costs have been incurred and are reasonable costs that are reimbursable under the Agreement.

5. Each item listed above has not been previously reimbursed from the Public Finance Proceeds and no part thereof has been included in any other Certification of Expenditures or other disbursement request previously filed with the City.

6. The Third Party Developer is not in default or breach of any term or condition of the Agreement, and no event of default has occurred and no condition exists which constitutes a default under the Agreement.

7. All of the Third Party Developer's representations set forth in the Agreement remain true and correct as of the date hereof.

_____

By:_____
Title:_____

Approved this ____ day of _____, 20__

CITY OF SALINA

By:_____
City Representative

ATTACHMENT I
TO CERTIFICATION OF CITY FUNDS EXPENDITURES

REQUEST NO. _____ DATED_____

SCHEDULE OF PAYMENTS REQUESTED

Person, firm or corporation to whom payment was made	Amount to be reimbursed	General classification and description of the costs for which the obligation to be reimbursed was incurred

Exhibit R – Prohibited Uses in Districts

1. Any use which emits an obnoxious odor, noise, or sound which can be heard or smelled outside of any building in the Project (except that this provision shall not prohibit normal cooking odors which are associated with a first-class restaurant operation);
2. Any operation primarily used as a storage warehouse operation and any assembling, manufacturing, distilling, refining, smelting, agricultural or mining operation;
3. Any "second hand" store" or "surplus" store, thrift shop, flea market, or other business principally engaged in the sale of used merchandise;
4. Any mobile home park, trailer court, labor campy, junkyard or stockyards (except that this provision shall not prohibit the temporary use of construction trailers during periods of construction, reconstruction or maintenance);
5. Any dumping, disposing, incineration, or reduction of garbage (exclusive of garbage compactors located near the rear of any building);
6. Any fire sale, going out of business sale, bankruptcy sale (unless pursuant to a court order) or auction house operation;
7. Any central laundry, central dry cleaning plant or laundromat (except that this provision shall not prohibit nominal supportive facilities for on-site services oriented to pickup and delivery by the ultimate consumer as the same may be found in first-class shopping centers);
8. Any service station or automobile, truck, trailer or recreational vehicles sales, leasing, display, body shop or repair operation;
9. Any living quarters, sleeping apartments or lodging rooms;
10. Any veterinary hospital or animal raising facility (except that this prohibition shall not prohibit pet shops or pet supply superstores and veterinary services which are incidental thereto);
11. Any mortuary, funeral home or crematory;
12. Any adult book store, adult video store, adult movie theater or other establishment selling, renting or exhibiting pornographic materials or drug-related paraphernalia (except that this provision shall not prohibit the operation of a bookstore or video store which carries a broad inventory of books or videos and other materials directed towards the interest of the general public [as opposed to specific segment thereof]);
13. Any health spa, fitness center or athletic facility which occupies more than ten thousand (10,000) square feet of Floor Area;
14. Except for any of the following included within the Alley Project, any amusement or video arcade, pool or billiard hall, car wash, tattoo parlor, electronic cigarette establishment, or dance hall (except that this provision shall not prohibit a restaurant from including three (3) or fewer video games as an incidental use to its operations);
15. Any massage parlor (except that this provision shall not prohibit massages in connection with a beauty salon, health club or athletic facility); and
16. Any casino or other gambling facility or operation, including but not limited to, off-track or sports betting parlors, table games such as black-jack or poker, slot machines, video gambling machines and similar devices, and bingo halls (except that this provision shall not prohibit government sponsored gambling activities or charitable gambling activities if such activities are incidental to the business operation being conducted by the occupant).