

(Published in the *Miami County Republic* on September 25, 2019)

RESOLUTION NO. 2019-010

A RESOLUTION STATING THE INTENTION OF THE CITY OF PAOLA, KANSAS TO CONSIDER CREATION OF A REDEVELOPMENT DISTRICT, APPROVE A REDEVELOPMENT PLAN FOR THE DISTRICT AND PROVIDING FOR NOTICE OF A PUBLIC HEARING ON SUCH MATTERS.

WHEREAS, K.S.A. 12-1770 *et seq.*, as amended (“Act”) authorizes the city of Paola, Kansas (“City”) to create redevelopment districts, approve redevelopment plans for such districts and provide for the financing of eligible costs of such redevelopment from tax increments within the district allocated to the project and other revenues as allowed by the Act; and

WHEREAS, the City is considering the findings necessary for the creation of a redevelopment district located on the land particularly described in Section 1 (b) of this Resolution (the “Redevelopment District”); and

WHEREAS, pursuant to the Act the City is required to set a date for a public hearing to consider the creation of the proposed Redevelopment District.

THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF PAOLA, KANSAS:

SECTION 1. The governing body of the City finds and determines that, pursuant to the Act:

(a) A public hearing shall be held as part of the regular meeting of the City Council on October 8, 2019 at 6:00 p.m., in the Municipal Courtroom of the Paola Justice Center at 805 N. Pearl Street, Paola, Kansas, to consider the creation of the Redevelopment District.

(b) The proposed Redevelopment District includes the following property:

All that part of the South half of the Northwest Quarter (NW $\frac{1}{4}$) of Section 15, Township 17 South, Range 23 East, lying North of the North right of way line of Kansas Highway No. 263 and all that part of the South half of the Northeast Quarter (NE $\frac{1}{4}$) of said Section 16, lying North of the North right of way line of Kansas Highway No. 263 lying East of the Easterly right of way line of Hedge Lane and West of the Westerly right of way to U.S. Highway 169 as both are now established in the City of Paola, Miami County, Kansas

The boundaries of the proposed Redevelopment District are shown on the map attached to this resolution as **Exhibit A**.

(c) The proposed redevelopment district plan is generally described as the acquisition of certain property and development of a variety of land uses, including but not limited to office, retail, restaurants, residential, and commercial uses, along with related public improvements and infrastructure. A summary of the preliminary redevelopment district plan is attached to this resolution as **Exhibit B**.

(d) A description of the proposed redevelopment district and the proposed redevelopment district plan submitted by Highlands Development, LLC are available for inspection at the City Clerk's office, 19 E. Peoria Street, from 8:00 a.m. to 5:00 p.m., Monday through Friday.

SECTION 2. This Resolution and **Exhibits A and B** shall be sent, by certified mail with return receipt requested, to the Board of Education of Unified School District No. 368, to the Board of County Commissioners of Miami County, and to each owner or occupant of land in the proposed redevelopment district, not less than 10 days after the date of this resolution. This resolution and **Exhibits A and B** shall also be published one time in the official city newspaper not less than one week nor more than two weeks before the public hearing date of October 8, 2019.

SECTION 3. The City intends to use tax increment revenues as defined by the Act to reimburse qualified redevelopment costs incurred before the City completes the procedures required by the Act to create a redevelopment district and adopts a project plan. Such revenues may be used to reimburse redevelopment costs only if a redevelopment district is created and a project plan is approved.

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ADOPTED AND APPROVED by the governing body of the City of Paola, Kansas on
August 27, 2019.

CITY OF PAOLA, KANSAS

[seal]

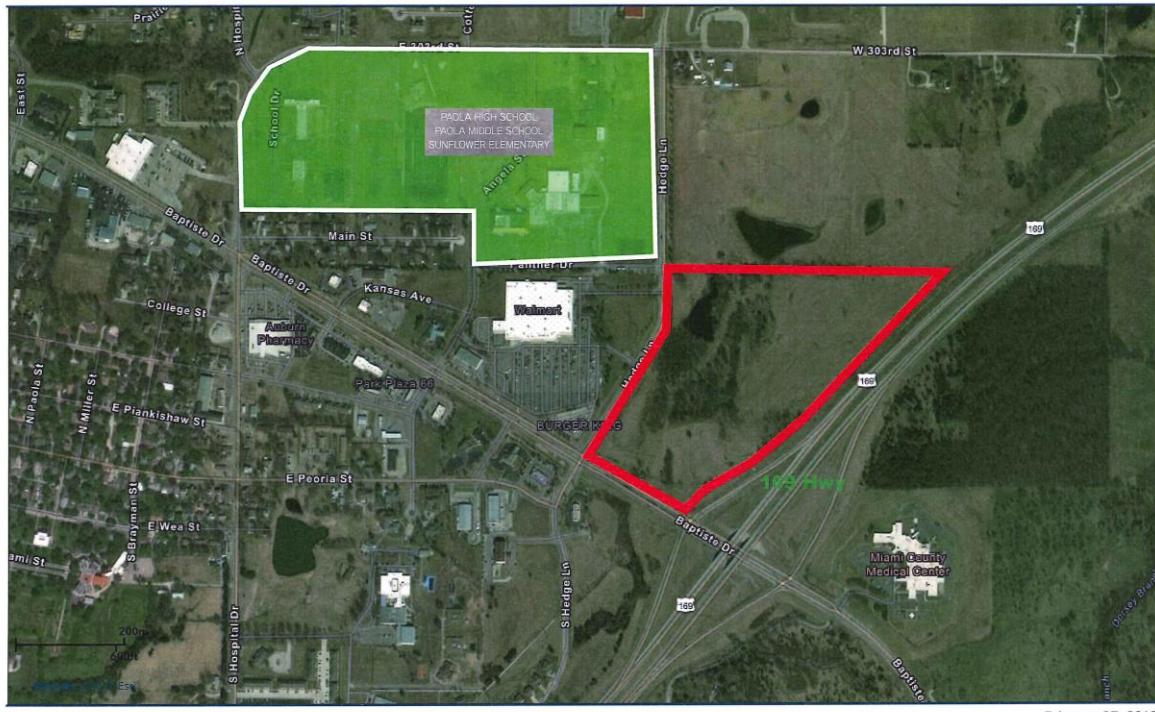
By _____
Artie Stuteville, Mayor

ATTEST:

By _____
Stephanie Marler, City Clerk

EXHIBIT A – RESOLUTION NO. 2019-010

(MAP OF PROPOSED DISTRICT)



February 27, 2018

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EXHIBIT B – RESOLUTION NO. 2019-010

(REDEVELOPMENT DISTRICT PLAN)

**REDEVELOPMENT DISTRICT PLAN FOR REDEVELOPMENT
THROUGH TAX INCREMENT FINANCING
PAOLA CROSSINGS PROJECT
HIGHLANDS DEVELOPMENT, LLC**

PAOLA, KANSAS

June 2019

SECTION 1. PURPOSE

The City of Paola, Kansas (the “City”) intends to create a redevelopment district within the City. Kansas statutes governing the creation of redevelopment districts and tax increment financing (K.S.A. 12-1770 *et seq.*, and particularly, K.S.A. 12-1771(a)) require preparation of a “redevelopment district plan” (referred to herein as the “district plan”) before creation of a redevelopment district. The district plan is the preliminary plan identifying the proposed redevelopment project areas and generally describing the buildings, facilities and improvements proposed to be constructed in such areas.

SECTION 2. DESCRIPTION OF TAX INCREMENT FINANCING

Projects financed through tax increment financing involve the creation of an “increment” in real estate property taxes. The increment is the amount of property taxes paid on the increase in assessed valuation of property in the redevelopment district over the property taxes paid in the redevelopment district before redevelopment occurs. When the aggregate tax rates of all tax jurisdictions are applied to the increased property valuation in the redevelopment district, tax increment is generated and paid to the City (as permitted by the Act) to fund and pay over time certain costs of the development project. The property taxes attributable to the assessed value of the district before redevelopment (the “base valuation”), are distributed to all taxing jurisdictions just as before development of the redevelopment district. Eligible costs of the proposed redevelopment projects are expected to be reimbursed in part from a portion of the City’s retailers’ sales taxes collected in the District, as permitted by the Act.

SECTION 3. REDEVELOPMENT DISTRICT

A map showing the boundaries of the proposed redevelopment district is attached as **Exhibit A** to the City’s resolution setting a public hearing for considering the creation of the district and the district plan. The proposed redevelopment district is within the city limits of Paola, Kansas and consists of 36 acres (more or less) of currently undeveloped land located in the City of Paola and legally described as follows:

All that part of the South half of the Northwest Quarter (NW $\frac{1}{4}$) of Section 15, Township 17 South, Range 23 East, lying North of the North right of way line of Kansas Highway No. 263 and all that part of the South half of the Northeast Quarter (NE $\frac{1}{4}$) of said Section 16, lying North of the North right of way line of Kansas Highway No. 263 lying East of the Easterly

right of way line of Hedge Lane and West of the Westerly right of way to U.S. Highway 169 as both are now established in the City of Paola, Miami County, Kansas

The proposed redevelopment district qualifies as an “eligible area” for tax increment financing because it is an area in the City designated as an enterprise zone before July 1, 1992, pursuant to K.S.A. 12-17,107 to 12-17,113 before such statutes were repealed, and the development of the area is necessary to promote the general and economic welfare of the City.

SECTION 4. REDEVELOPMENT PROJECT

The proposed district is in an area identified by the City as desirable for additional commercial, retail and residential development. The establishment of the proposed redevelopment district will permit the City to aid in financing of eligible costs including land acquisition, infrastructure, site development and to partner with private developers to bring additional retail and other commercial development to the City.

The proposed redevelopment project consists of the acquisition of the site and construction of infrastructure, public improvements and other site improvements to permit phased development of a variety of land uses, including but not limited to, office, retail, restaurants, residential, and general commercial uses. The proposed costs eligible to be financed in this case include costs of land acquisition and the aforementioned infrastructure, public improvements, and other site improvements, as well as soft costs and costs of financing related to those items. These eligible costs may include costs incurred prior to the time the redevelopment district is created.

SECTION 5. TAX INCREMENT FINANCING

Kansas statutes governing tax increment financing allow such financing to be used for property acquisition, site preparation, utilities, drainage, street improvements, landscape amenities, public outdoor spaces, streetscape amenities and parking facilities in a redevelopment district. The City anticipates using tax increment financing to pay a portion of these costs related to the proposed project. The project plan (described in Section 6) and development agreements between the City and private developers will specify details. The anticipated plan contemplates that 100% of the ad valorem tax increment permitted to be captured under the Act and attributable to the redevelopment projects and a portion of the City’s retailers’ sale tax collected from the redevelopment district will be pledged to finance such costs for a period not exceeding 20 years from approval of a project plan, as provided by law. Tax increment financing may be accomplished by issuing the City’s special obligation bonds and/or the City’s general obligation bonds with such bonds payable over time from the tax increment. Financing may also be structured as “pay as you go” reimbursement over time. The City plans to utilize a “pay as you go” financing structure for the proposed redevelopment project and does not intend to issue bonds.

SECTION 6. PROJECT PLAN

The statutes governing tax increment financing and redevelopment districts require that all proposed redevelopment projects in a redevelopment district be presented to and authorized by the City Council through its approval of detailed “project plans”. Each project plan will identify specific

project areas within the redevelopment district and will include detailed descriptions of the proposed improvements and methods of financing. Before approving a project plan the City must obtain a financial feasibility study as required by statute. Project plans must be reviewed by the Planning Commission and are submitted to a public hearing after published notice and notification of affected property owners. Before going forward a project plan must be adopted by a two-thirds majority of the City Council. No tax increment may be applied to a redevelopment project until a project plan is approved.

EXCERPT OF MINUTES

The governing body of the City of Paola, Kansas, met in special session at the usual meeting place in the City on August 27, 2019, at 6:00 p.m., with Mayor Artie Stuterville presiding, and the following members of the governing body present:

The following members were absent:

A Resolution was presented to the governing body entitled:

A RESOLUTION STATING THE INTENTION OF THE CITY OF PAOLA, KANSAS TO CONSIDER CREATION OF A REDEVELOPMENT DISTRICT, APPROVE A REDEVELOPMENT PLAN FOR THE DISTRICT AND PROVIDING FOR NOTICE OF A PUBLIC HEARING ON SUCH MATTERS.

The Resolution was considered and discussed; and on motion of Council Member House, seconded by Council Member Upshaw, the Resolution was adopted by a majority vote of the members present and assigned No. 2019-010.

**CITY CLERK'S
CERTIFICATION OF EXCERPT OF MINUTES**

I certify that the foregoing is a true and correct Excerpt of Minutes of the August 27, 2019 meeting of the governing body of the City of Paola, Kansas.

[seal]

Stephanie Marler, City Clerk