

ABILENE CITY COMMISSION - STUDY SESSION AGENDA
DWIGHT D. EISENHOWER MEMORIAL BLDG.- 419 N. BROADWAY AVE.
May 17, 2016 - 4:00 pm

1. **PUBLIC COMMENTS.** Persons who wish to address the City Commission may do so when called upon by the Mayor. Comments on personnel matters and matters pending before court are not permitted. Speakers are limited to three minutes. Any presentation is for informational purposes only. No action will be taken.

2. **STRATEGIC DISCUSSION**
 - a. None

3. **ITEMS TO BE PLACED ON THE REGULAR AGENDA**
 - a. A Resolution making certain appointments to various boards and commissions of the City of Abilene, Kansas.

4. **ITEMS PROPOSED FOR THE CONSENT AGENDA**
 - a. Meeting Minutes: May 9, 2016 regular meeting

5. **ITEMS FOR PRESENTATION AND DISCUSSION**
 - a. Sister City Delegation Preparation

 - b. 2017 Budget Preparation Guidance

 - c. Tax Increment Financing 101

6. **REPORTS**
 - a. City Manager's Report

7. **ANNOUNCEMENTS** *(Meetings at Abilene Public Library unless otherwise provided)*
 - Heritage Commission, May 19 at 4:00 pm
 - City Commission Meeting, May 23 at 4 pm
 - Convention & Visitor's Bureau Board, May 24 at 2 pm (Civic Center)
 - Tree Board Committee, May 24 at 5 pm

Airport Advisory Committee
first day of May)

(Five members appointed to three year terms commencing on

| | <u>Term Ending</u> |
|--------------------------------|--------------------|
| Bruce Youtsey | 2016 |
| Kyle Campbell | 2017 |
| Jim Price | 2018 |
| Norman Schmidt | 2018 |
| Ralph Viola | 2018 |
| Jim Curtis | <i>ex officio</i> |
| Community Development Director | Secretary |

Board of Zoning Appeals
first day of May)

(Seven members appointed to three year terms commencing on

| | <u>Term Ending</u> |
|--------------------------------|--------------------|
| Marvin Ledy | 2016 |
| Steven Olson | 2016 |
| VACANT | 2016 |
| Johnny Kinder | 2017 |
| VACANT | 2018 |
| VACANT | 2018 |
| VACANT | 2018 |
| Community Development Director | Secretary |

Building Standards Board

Five members appointed to three year terms commencing on first day of May comprised on the following: a) Fire Chief; b) City Health Officer; c) Licensed Electrician; d) Licensed Plumber; e) Licensed Mechanical Contractor

| | <u>Sector</u> | <u>Term Ending</u> |
|--------------------------------|---------------|--------------------|
| Barry Griffis | Plumbing | 2018 |
| Greg Hottman | Mechanical | 2018 |
| John Hultgren | Health | 2018 |
| Max Linder | Electric | 2018 |
| Bob Sims | Fire | 2018 |
| Community Development Director | | Secretary |

Heritage Commission

(Seven members appointed to three year terms commencing on first day of May)

| | <u>Term Ending</u> |
|---------------|---------------------------|
| Velda Becker | 2016 |
| Vangie Henry | 2016 |
| Dennis Medina | 2017 |
| Jeff Sheets | 2017 |
| Duane Schrag | 2017 |
| Nanc Scholl | 2018 |
| VACANT | 2018 |

Planning Commission

(Seven members appointed to three year terms commencing on first day of May)

| | <u>Term Ending</u> |
|------------------|---------------------------|
| Gene Bielefeld | 2016 |
| Travis Sawyer | 2016 |
| Rod Boyd | 2017 |
| Kyle Campbell | 2017 |
| Michelle Stevens | 2017 |
| Bruce Dale | 2018 |
| Steven Olson | 2018 |

Community Development Director

Secretary

Tree Board

(Five members appointed to three year terms commencing on first day of May)

| | <u>Term Ending</u> |
|------------------|---------------------------|
| Johnny Kinder | 2016 |
| Christina Krause | 2016 |
| Jack Gilstrap | 2017 |
| Drew Snitker | 2017 |
| John Barbur | 2018 |

ARTICLE 8. BOARDS AND COMMITTEES

1-801 **AIRPORT ADVISORY COMMITTEE.** The Airport Advisory Committee shall consist of five (5) members, who shall be appointed by the Governing Body for three (3) year terms commencing on the first day of May, and the Manager of the Abilene Municipal Airport, who shall serve as an *ex officio* member. The Airport Advisory Committee shall make recommendations to the Governing Body in matters relating to the development, operation, and maintenance of the Abilene Municipal Airport. It shall not be a requirement to reside within the city limits of Abilene, Kansas to serve on said committee, however, the majority of said committee should reside within the city limits of Abilene, Kansas. (*Ord 2922 11/00*)

1-802 **BUILDING STANDARDS BOARD.** The Building Standards Board shall consist of five (5) members, who shall be appointed by the Governing Body for three (3) year terms commencing on the first day of May, and shall include the following: (*Ord 3192 4/12*)

- (a) Fire Chief
- (b) City Health Officer
- (c) One (1) electrician licensed by the City of Abilene
- (d) One (1) plumber licensed by the City of Abilene
- (e) One (1) mechanical contractor licensed by the City of Abilene

The Building Inspector shall serve as Secretary of the Building Standards Board. The Building Standards Board shall have the duties and powers provided by the ordinances of the city, particularly with respect to the building, electrical, plumbing, mechanical, housing, and fire codes, as adopted herein. It shall not be a requirement to reside within the city limits of Abilene, Kansas to serve on said board, however, the majority of said board should reside within the city limits of Abilene, Kansas. (*Ord #2922 11/00*)

1-803 **CONVENTION AND VISITORS BUREAU.** The Convention and Visitors Bureau shall consist of nine (9) members, who shall be appointed by the Governing Body for three (3) year terms commencing on the first day of May, and shall include the following: (*Charter Ord. 15 8/12*)

- a) Initially, two (2) members shall be appointed for terms ending April 30, 2013,
- b) three (3) members for terms ending April 30, 2014; three (3) members for terms ending April 30, 2015;
- c) one (1) member shall be the a representative of the Abilene Chamber of Commerce, who shall serve a one (1) year term.

Thereafter, at the expiration of the terms of the original members, their successors shall be appointed for terms of three years each, and each shall serve until a successor is appointed and qualified. The member of the Abilene Chamber of Commerce shall serve

a one (1) year term ending April 30 each year. Any vacancies in the membership of the bureau shall be filled by the appointment of a new member as in the case of the original appointment, to fill the unexpired term of the member whose office is vacant

1-804

ECONOMIC DEVELOPMENT COUNCIL. The Economic Development Council shall consist of eleven (11) voting members, who shall be appointed by the Governing Body for three (3) year terms commencing on the first day of May. The City Commission shall appoint candidates that have an in-depth knowledge in the fields of workforce, finance, real estate, industry or any individual with specific talents valuable to the mission of the Economic Development Council. There shall be two (2) non-voting members that include: (*Ord 3155 5/10*)

(a) The Mayor or their designee City Commissioner.

(b) The Chairman of the Abilene Chamber of Commerce Board or their designee

The Community Development Director shall serve as the Secretary of the Economic Development Council. It shall not be a requirement to reside within the city limits of Abilene, Kansas to serve on said council, however, members must reside in Dickinson County. The majority of said council shall reside within the city limits of Abilene, Kansas. The Economic Development Council shall make recommendations to the Governing Body and perform tasks in matters relating to the promotion and development of housing, workforce development, workforce recruitment, industry, entrepreneurship and the creation of wealth. As such the Council has the following goals and duties

(a) To evaluate and recommend economic development incentives.

(b) To identify opportunities to reduce unemployment, achieve economic stability, and increase the standard of living for all citizens.

(c) To foster an environment that will attract and retain a skilled, flexible and diverse work force to accommodate local needs.

(d) To assist in retaining and expanding existing industrial businesses.

(e) To actively recruit new industrial companies to locate and invest in Abilene and it's people.

(f) To promote entrepreneurship within Abilene.

(g) To support the needs of employers and the work force

(h) To expand and preserve Abilene's housing stock by promoting the development of a diverse mix of new housing and rehabilitation of existing housing.

(i) To conduct all other duties as assigned by the City Commission.

- 1-805 **HEALTH BOARD.** The Board of Health shall consist of the City Manager, the Mayor and the City Health Officer, who shall be appointed by the City Manager and serve as the Secretary of the Board of Health. The Board of Health shall make inspections of all places and conditions deemed to be hazardous to the health of the inhabitants of the city, to serve such notices or orders as may be required or authorized by ordinances of the city and laws of the State of Kansas to correct or remedy such conditions, and to remove or abate any health nuisance in accordance with the orders of the Board.
- 1-806 **HERITAGE COMMISSION.** The Heritage Commission shall consist of seven (7) members appointed by the Governing Body for three (3) year terms. The Heritage Commission shall be organized in the manner and have the powers and duties provided by Section 29 of the Zoning Code. It shall not be a requirement to reside within the city limits of Abilene, Kansas to serve on said commission, however, the majority of said commission should reside within the city limits of Abilene, Kansas. (*Ord 2922 11/00*)
- 1-807 **LIBRARY BOARD.** The Library Board shall consist of eight (8) members, seven (7) of whom shall be appointed by the Governing Body for four (4) year terms commencing on the first day of May, and the Mayor, who shall serve as an *ex officio* member, as provided by K. S. A. 12-1222. The Library Board shall be organized in the manner and have the powers and duties provided by K. S. A. 12-1215 *et seq.*
- 1-808 **PLANNING COMMISSION.** The Planning Commission shall consist of seven (7) members, who shall be appointed by the Governing Body for three (3) year terms commencing on the first day of May, pursuant to K. S. A. 12-744. The Zoning Administrator shall serve as the Secretary of the Planning Commission. The Planning Commission shall be organized in the manner and have the powers and duties provided by K. S. A. 12-741 *et seq.*, and the Abilene Zoning Code, as adopted herein.
- 1-809 **TREE BOARD.** The Tree Board shall consist of five (5) members, who shall be appointed by the Governing Body for three (3) year terms commencing on the first day of May. The Tree Board shall make recommendations to the Governing Body in matters relating to the management and development of trees and landscape in the city, and shall have the powers and duties provided by Chapter 6, Article 7 herein. It shall not be a requirement to reside within the city limits of Abilene, Kansas to serve on said board, however, the majority of said board should reside within the city limits of Abilene, Kansas. (*Ord 3103 11/07*)
- 1-810 **ZONING APPEALS BOARD.** The Board of Zoning Appeals shall consist of seven (7) members, who shall be appointed by the Governing Body for three (3) year terms commencing on the first day of May, pursuant to K. S. A. 12-759. The Zoning Administrator shall serve as the Secretary of the Board of Zoning Appeals. The Board of Zoning appeals shall be organized in the manner and have the powers and duties provided by K. S. A. 12-741 *et seq.*, and the Abilene Zoning Code, as adopted herein.

1-811 **KIDS COUNCIL.** The Kids Council shall consist of two (2) adult advisors, who shall be appointed by the Governing Body for two (2) years, and sixteen (16) student members who shall be selected from applications submitted to a selection committee comprised of the adult advisors, teachers, counselors and principals, with students serving two (2) year terms commencing the first day of May, and shall include the following: *(Ord 3013 10/2004)*

(a) One (1) student representative from each grade level, from grade level four (4) through grade level eight (8), with remaining representatives selected “at large” from grade level four (4) through grade level eight (8).

(b) Students living within the Unified School District 435;

(c) Students from public schools, private schools, and home schools are eligible for membership, and

(d). Adult advisors shall not having voting powers in Kids Council decisions.

The Kids Council shall make recommendations to the Governing Body in matters relating to the youth of the City of Abilene, Kansas.

1-812 **SISTER CITY COMMITTEE.** The Sister City Committee shall consist of nine (9) members who shall be appointed by the Governing Body for three (3) year terms commencing on the first day of May, provided that initial appointments shall be for such terms as to allow for annual appointments of three positions. The Sister City Committee shall make recommendations to the Governing Body in matters relating to municipally-sponsored programs, exchanges and activities involving the Sister City, Minori, Japan. The Sister City Committee shall be organized and operate according to bylaws and policies developed by the Sister City Committee and duly approved by the Governing Body. It shall not be a requirement to reside within the city limits of Abilene, Kansas, to serve on said committee, however, the majority of said committee should reside within the city limits of Abilene, Kansas. *(Ord. 3003 6/04)*

1-813 **GUIDELINES FOR OPERATIONS.** It shall be the policy of the City commission to follow the guidelines outline hereafter regarding the operation of appointive boards, committees and commissions:

(a) Participation. Members of appointive boards and commissions are expected to attend meetings on a regular basis. Board attendance records will be monitored by the staff liaison. Whenever a board member misses three (3) consecutive meetings or his or her attendance falls below 75% in a twelve-month period, the board’s staff liaison will so notify the City Manager. The City Manager will inform the governing Body and will formally request, by letter, clarification from the identified board member of the reason for lack of attendance. If no attendance improvement plan can be agreed upon by the City Manager and member, the member may be asked to consider resignation.

(b) Orientation. City staff shall provide an orientation session and orientation materials for all new board and commission members. This will include the enabling legislation for that board of commission, a historical perspective on the work of that board and any other material appropriate to the conduct of that board's duties. The City manager's office will provide all committee members with orientation material applicable to service on all City boards and commission.

(c) Compensation. Appointive board, committee and commission members will receive no compensation for service.

(d) Annual Report. With the assistance of their staff liaison, each appointive board and committee shall submit a brief annual report to the City Commission no later than January 31 of each year, indicating concerns. Such a report is intended to establish a formal line of communication between the boards and the City Commission. (*Ord 2995 11/03*)

1-814. **RELATIONSHIP OF APPOINTIVE BOARDS, CITY COMMISSION AND CITY STAFF.**

(a) Role Definition. During orientation training, definition of the relationships of appointive boards, the City Commission and City staff shall be discussed as they are established by the enabling ordinance or by other statements of policy.

(b) Ad Hoc Committees. The City Commission may establish ad hoc committees as needed to review City programs to provide input and recommendations on City projects and to assist in program review. It is important to distinguish between the role of an ad hoc committee and the primary role of the City Commission in determining City policy on the nature of services and programs to be provided by the city and the means by which they shall be provided.

(c) Staff Responsibilities. It is not appropriate for appointive boards to give work direction to City staff. City staff is provided to a board or commission as a resource for necessary information, not to carry out assignments from the board, nor to perform tasks which may infringe on or conflict with regular departmental responsibilities. However, staff will always endeavor to work closely with boards to enable them to carry out, as efficiently as possible, their responsibilities in the City government. It is recognized that some City-appointed boards, e.g., Library Board, have their own appointed professional staff. Nothing herein is intended to change the employer-employee relationship established by law in these cases. (*Ord 2995 11/03*)

CHARTER ORDINANCE NO. 24

A CHARTER ORDINANCE AMENDING SECTION 9 OF CHARTER ORDINANCE NO. 15 RELATING TO THE NUMBER OF MEMBERS CONSTITUTING THE CONVENTION AND VISITORS BUREAU OF THE CITY OF ABILENE, KANSAS

WHEREAS, the City of Abilene, Kansas, is a city of the Second Class;

WHEREAS, K.S.A. 12-1696 to 12-16,101, inclusive, authorizes a levy by cities of a transient guest tax, which provisions are not uniformly applicable to all cities; and

WHEREAS, the City of Abilene, Kansas, has previously adopted Charter Ordinance No. 15, and subsequent amendments thereto, exempting itself from the provisions of K.S.A. 12-1696 to 12-16,101, inclusive, and to provide substitute and additional provisions as set forth in that ordinance and subsequent amendments thereto; and

WHEREAS, pursuant to Article 12, Section 5(c)(4), cities may amend previously adopted Charter Ordinances.

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

SECTION 1. That Section 9 of Charter Ordinance No. 15, and subsequent amendments thereto, relating to the number of members constituting the Convention and Visitor Bureau, is hereby amended to state as follows:

Section 9. A "Convention and Visitors Bureau" is hereby established to advise the Governing Body and make recommendations concerning programs and expenditures for conventions and tourism. The Bureau will consist of seven members appointed by the Mayor and confirmed by the City Commission. Initially, four members shall be appointed for terms ending April 30, 2014; two members for terms ending April 30, 2015; and one member shall be a representative designated by the Abilene Area Chamber of Commerce, who shall serve for a one year term. Thereafter, at the expiration of terms of the original members, their successors shall be appointed for terms of three years each, and each shall serve until a successor is appointed and qualified. The member from the Abilene Area Chamber of Commerce shall serve a one year term ending April 30th each year. Any vacancies in the membership of the Bureau shall be filled by appointment of a new member as in the case of the original appointment, to fill the unexpired term of the member whose office is vacant.

SECTION 2. This Charter Ordinance shall published once each week for two successive weeks in the official City newspaper, but this Charter Ordinance shall not become effective until sixty days after its final publication, and provided that it shall not take effect if within sixty days of its final publication a petition signed by a number of electors of the City equal to not less than Ten Percent of the number of electors who voted at the last preceding regular City election shall be filed with the City Clerk of such City demanding that such Charter Ordinance be submitted to a vote of the electors. It shall not take effect until submitted to a referendum and approved by a majority of the electors voting thereon.

PASSED AND ADOPTED by the Governing Body of the City of Abilene, Kansas, this 8th day of July, 2013.



CITY OF ABILENE, KANSAS

By: John F. Ray
John F. Ray, Mayor

ATTEST:

Penny Soukup, CMC
Penny Soukup, CMC
City Clerk



Abilene City Commission Minutes
Abilene Public Library
May 9, 2016 @ 4:00 p.m.
Abilene, Kansas

1. Call to Order

2. Roll Call – City Commission Present: Mayor Marshall, Commissioners Payne, Weishaar and Shafer.
Absent: Commissioner Ray.

Staff Present: City Manager Dillner, Human Resources Director/City Clerk Soukup, City Attorney Martin, Public Works Director Schrader, Parks & Recreation Director Foltz, Community Development Director Shea and Convention & Visitors Bureau Director Player.

Others Present: Mike Heronemus, James Holland, Nathanael Berg, Diane Miller and Becky Schwab.

3. Pledge of Allegiance - Mayor Marshall led the Pledge of Allegiance.

Consent Agenda

4. Agenda Approval for the May 9, 2016 City Commission Meeting
5. Meeting Minutes: April 25, 2016, Regular Meeting
6. Acceptance of the First Quarter, 2016 Financial Statements of the City of Abilene, Kansas

City Manager Dillner said the agenda needs to be amended to include the proposed weeds ordinance and an executive session to discuss non-elected personnel issues for ten minutes to include the City Manager.

Motion by Commissioner Shafer, seconded by Commissioner Weishaar to approve the Consent Agenda as amended. Motion carried unanimously 4-0.

Public Comments and Communications

7. Public Comments. Persons who wish to address the City Commission regarding items not on the agenda and that are under the jurisdiction of the City Commission may do so when called upon by the Mayor. Comments on personnel matters and matters pending before court are not permitted. Speakers are limited to three (3) minutes.

Any presentation is for informational purposes only. No action will be taken.

Mayor Marshall asked for any comments or communications from the public that are not on the agenda. There were none.

8. Declaration. At this time City Commissioners may declare any conflict or communication they have had that might influence their ability to impartially consider today's issues.

There were no declarations.

Proclamations and Recognition

9. There were no proclamations or recognitions.

Public Hearings

10. There were no public hearings.

Old Business

11. There was no old business.

New Business

12. Consideration of an Ordinance approving a Conditional Use Permit for 518 N. Buckeye Avenue for the construction of an electronic message center.

City Manager Dillner presented information regarding Ordinance No. 3297 which will approve a Conditional Use Permit at 518 N. Buckeye Avenue at the request of the Abilene Chamber of Commerce concerning an electronic message center. The Abilene Chamber of Commerce does not own the property, it is owned by C. L. Holdings, LLC. They have provided the City with documentation that demonstrates that they approve of the request and they were also present at the Planning Commission meeting to discuss this.

The Planning Commission recommended unanimously to approve the Conditional Use Permit at their April 12th meeting with the following conditions being met:

1. The proposed sign be less than the maximum gross square footage surface area, which is sixty-four feet per side, for off-site advertising signage in the "C-4, Central Business District" as provided in Table 27-2.
2. The proposed electronic message center must comply with required local setbacks for signs within Commercial and Industrial Districts, as provided in Section 27-604(c), which states that required setbacks are "thirty feet from the center of the right-of-way, except that no sign shall be located in the right-of-way, and except that advertising signs shall maintain the same setback that is required for principal structures."
3. The proposed electronic message center must comply with required state setbacks for signs located adjacent to state highway right-of-way. The City would require documentation from the Kansas Department of Transportation that this requirement is met to the satisfaction of KDOT prior to issuance of the permit.
4. The proposed electronic message center must comply with Section 27-401(h) with respect to metal and illuminated signs that have internal wiring or attached electrically-wired accessory fixtures. The sign must maintain a free clearance to a grade of nine feet. No metal sign shall be located within eight feet vertically and four feet horizontally of electric wires or conductors in free air carrying more than forty-

eight volts, whether or not such wires or conductors are insulated or otherwise protected, and all signs shall conform with the City's adopted Electric Code (2002 National Electric Code).

5. Only one electronic message center will be allowed on the subject property.
6. The electronic message center shall only display static, non-animated messages and images. Videos or other dynamic images or messages are not permitted.
7. The message change shall occur no less than fifteen seconds.
8. A dimming device or means of glare reduction must be installed and implemented after sundown.

Motion by Commissioner Weishaar, seconded by Commissioner Payne to adopt Ordinance No. 3297 **AN ORDINANCE APPROVING A CONDITIONAL USE PERMIT FOR 518 N. BUCKEYE AVENUE FOR THE CONSTRUCTION OF AN ELECTRONIC MESSAGE CENTER.** Motion carried unanimously 4-0.

13. Consideration of a Franchise Ordinance authorizing Zayo Group, LLC to construct, maintain and operate facilities as a telecommunications services provider and a competitive infrastructure provider in the public right-of-way within the City of Abilene, Kansas.

City Manager Dillner presented information regarding Ordinance No. 3298 concerning a franchise agreement with Zayo Group, LLC. This agreement would allow them to use the City's public right-of-way for the construction of infrastructure necessary to operate distributed antenna systems to improve and enhance the coverage of cellular networks in the City of Abilene. They will have to apply and comply with all local ordinances prior to the installation of infrastructure. The city will have to approve the locations of the DIS Systems and we will have the ability to deny a request or ask them to relocate them.

Motion by Commissioner Weishaar, seconded by Commissioner Payne to adopt Ordinance No. 3298 **A CONTRACT FRANCHISE ORDINANCE AUTHORIZING ZAYO GROUP, LLC TO CONSTRUCT, MAINTAIN AND OPERATE FACILITIES AS A TELECOMMUNICATIONS SERVICES PROVIDER AND A COMPETITIVE INFRASTRUCTURE PROVIDER IN THE PUBLIC RIGHT-OF-WAY WITHIN THE CITY OF ABILENE, KANSAS.** Motion carried unanimously 4-0.

14. Consideration of an Ordinance amending Section 5-202 of the City Code of the City of Abilene, Kansas, concerning alcohol consumption on City property.

City Manager Dillner presented information regarding Ordinance No. 3299 which would amend Section 5-202 of the City Code to state that the City Manager shall have the authority to establish procedures and necessary regulations to ensure the safe consumption of alcohol on City-owned property. The City Manager, or designee, shall have the authority to approve requests for alcohol consumption on City property as defined herein. The locations where we would allow alcohol on City property are not changing so those are Abilene Civic Center, located in the Union Pacific Depot, the Senior Center and designated areas of the Fairgrounds as authorized and permitted by the City. The intent of this ordinance is to streamline requests received by the City with understanding that staff would sit down with them and develop appropriate rules and regulations for the safe consumption of alcohol.

Motion by Commissioner Weishaar, seconded by Commissioner Payne to adopt Ordinance No. 3299 **AN ORDINANCE AMENDING SECTION 5-202 OF THE CITY CODE OF THE CITY OF ABILENE,**

KANSAS PERTAINING TO THE CONSUMPTION OF ALCOHOL ON CITY-OWNED PROPERTY.
Motion carried unanimously 4-0.

15. Consideration of a Resolution amending the Levy of the Transient Guest Tax of the City of Abilene, Kansas pursuant to Charter Ordinance No. 18.

City Manager Dillner presented information regarding Resolution No. 050916-1 that would raise the Transient Guest Tax from 6.5% to 8%. Charter Ordinance No. 18 authorizes the City to levy a transient guest tax up to an amount not to exceed 9%. That charter ordinance was established to provide some ability for the Commission to increase the transient guest tax without considering a charter ordinance. The Convention & Visitors Bureau Board, at its April 26, 2016 meeting, discussed this matter and recommended the City Commission increase the transient guest tax. If this is approved it would become effective June 1, 2016.

Commissioner Shafer asked if any businesses were exempt from this.

City Manager Dillner said any lodging business that has three or fewer rooms available for use is exempt. That is a uniform State Statute.

Commissioner Shafer said the reason behind all of this is that CVB funding is an issue, is there a way we can make it sunset after two years and re-visit it in two years to see if it has any detrimental effect on the occupancy rates of the businesses affected to see if we want to continue?

Commissioner Weishaar stated the governing body has the opportunity to revisit this issue whenever. That puts a road block in front of future commissions. If we study this for a year and we determine we want to bring it up again we can certainly do that.

Commissioner Shafer said the only problem he has with that is the inertia. It would take something to happen for that to occur whereas if we have it stop automatically we would have to revisit it then.

Motion by Commissioner Shafer to approve Resolution No. 051016-1 amending the levy of the Transient Guest Tax for the City of Abilene pursuant to Charter Ordinance No. 18 for a two year period.

Motion failed due to no second.

Linda Collins, Super 8 manager said they were not told that this was even a proposal. They found out because someone read the newspaper and called them. Super 8 is against this increase. They believe it is detrimental to their business, it is punitive. It is not just a tax that goes to the guest; they ask for discounts because they don't just look at room rates, they look at the grand total. 20% of our business comes from the internet, Expedia, Hotels.com, and Travelocity list the tax rates. A guest will not stay at a hotel if the amenities are the exact same but it is going to be higher because of taxes. We do a huge business with businesses such as construction crews and they will not stay if the taxes continue to increase.

Adrian Potter, Victorian Inn Bed and Breakfast, said they have six rooms and they are against the increase. We are all about our guests and what their needs are and an increase in taxes is not what they need. Our occupancy annually is 42% and until that increases we don't feel that guest will want to pay an increase in taxes. A majority of our guests are here for the Eisenhower Museum and for vacation and before we increase the tax on our lodging guest we need to increase the things to do and get more people to come to town.

Budget Lodge Inn said he also is against the increase because it hurts their bottom line. The customers ask for discounts. Increasing the rate will be terrible for the lodging business in Abilene; they will go to Salina or Junction City.

City Manager Weishaar said he recently went on vacation and stayed in hotels in Texas, Louisiana and Mississippi and not once did he pay a transient guest tax of less than 9%. When he travels he looks at the room rate before he looks at the transient guest tax, he doesn't think that deters anyone from staying at where they want to go. This is a volatile issue, people say the CVB needs more money to operate on so they can do more things and bring more people to town. This is a way to do that without taxing our own citizens because they pay that bed tax wherever they go.

Motion by Commissioner Weishaar, seconded by Commissioner Payne to approve Resolution No. 051016-1 A **RESOLUTION AMENDING THE LEVY OF THE TRANSIENT GUEST TAX WITHIN THE CITY LIMITS PURSUANT TO CHARTER ORDINANCE NO. 18 OF THE CITY OF ABILENE, KANSAS.** Motion carried 3-1, Commissioner Shafer voting no.

16. Consideration of a nuisance ordinance for weeds.

City Manager Dillner presented information regarding Ordinance No. 3300 amends Chapter 4, Article 6 of the City Code. It amends several sections, Section 4-603 through 4-606 and renumbers Sections 4-607 through 4-610. Amending and renumbering Section 4-611 and adopting new Sections 4-612 and 4-613 all concerning weed nuisances and appealing existing Sections 4-603 through 4-611. This is similar to the last meeting's actions where we amended nuisance codes and inoperable vehicle codes of the City. This ordinance reflects those changes to make the procedure uniform. Weeds are slightly different in that property owners that have weeds over 12" tall are in violation of this ordinance and they receive a one-time yearly notice as opposed to the others that each new offense is a separate notification. They will have ten days to cut the weeds just like they do now but if they request a hearing it will go before the Building Standards Board as opposed to this body to streamline the process.

Motion by Commissioner Payne, seconded by Commissioner Shafer to adopt Ordinance No. 3300 AN **ORDINANCE AMENDING CHAPTER 4, ARTICLE 6 OF THE CITY CODE OF THE CITY OF ABILENE, KANSAS, BY AMENDING SECTIONS 4-603 THROUGH 4-606; RENUMBERING SECTIONS 4-607 THROUGH 4-610; AMENDING AND RENUMBERING SECTION 4-611; AND ADOPTING NEW SECTIONS 4-612 AND 4-613, ALL CONCERNING WEED NUISANCES, AND REPEALING THE EXISTING SECTIONS 4-603 THROUGH 4-611.** Motion carried unanimously 4-0.

17. Consideration of a motion to recess into executive session for ten minutes to discuss non-elected personnel to include the City Manager and no action to be taken.

Motion by Commissioner Weishaar, seconded by Commissioner Payne to recess to executive session to discuss non-elected personnel at 4:31 p.m. for ten minutes to include the City Manager. Motion carried unanimously 4-0.

18. Consideration of a motion to return from executive session with no action being taken.

Motion by Commissioner Weishaar, seconded by Commissioner Shafer to return from executive session at 4:41 p.m. Motion carried unanimously 4-0.

Reports

19. City Manager Reports
a. Expenditures Report

City Manager Dillner said he is close to announcing the new Police Chief.

Prosecutor Andrea Swisher is out on maternity leave and Jarrad Hiatt with Clarke, Mize and Linville is filling in for her.

Saturday, May 14th is the Eisenhower School dedication at 10:00 a.m.

Adjournment

20. Consideration of a motion to adjourn the May 9, 2016 City Commission meeting.

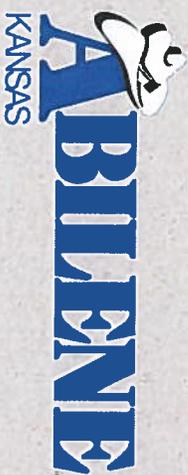
Motion by Commissioner Weishaar, seconded by Commissioner Shafer to adjourn at 4:45 p.m. Motion carried unanimously 4-0.

(Seal)

Dee Marshall, Mayor

ATTEST:

Penny L. Soukup, CMC
City Clerk



Understanding Tax Increment Financing (TIF)

TIF: What is it?

- A local government financing tool that can be used to assist development in specific geographic areas by capturing new tax dollars to fund public improvements needed to support such development that would not otherwise have occurred.

TIF's Purpose

- Promote, stimulate and develop the general and economic welfare of Kansas and its communities.
- Assist in development and redevelopment of areas designated as blighted, environmentally contaminated, conservation, and enterprise zones.

-taken from Kansas Statutes

TIF Pays for Public Improvements



- Allows part or all of future growth in property tax revenue resulting from redevelopment to be used to pay for the public improvements involved in a project.

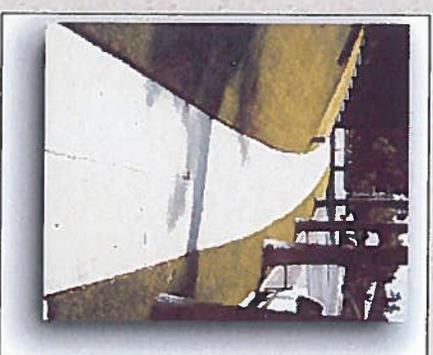
Eligible TIF Expenses



- Sanitary and storm sewers and lift stations;
- Drainage conduits, channels and levees;
- Street grading, paving, curbing and guttering;
- Street lighting fixtures, connection and facilities;
- Underground gas, water, heating and electrical service and connections;
- Drives and driveway approaches in right-of-way;

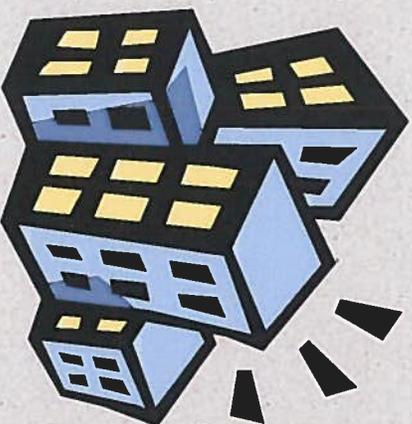
Eligible TIF Expenses (cont.)

- Sidewalks and pedestrian under and overpasses;
- Water mains and extensions;
- Parking facilities;
- Landscaping and plants, fountains, shelters, benches, sculptures, lighting and similar amenities and;



Eligible TIF Expenses (cont.)

- Other related expenses to redevelop and finance the redevelopment project (such as bond and legal counsel, or other required studies).



TIF Revenue

- Incremental increases in property tax revenues from:
 - City;
 - County;
 - Unified School District; and
 - Any other taxing subdivision levying real property taxes in the jurisdiction.
- **Does not include:** State authorized School District levy (20 mills) and the State mill levy (1.5 mills).

Calculating the Increment

Items Needed for Calculation (Example: Project XYZ)

- Original market value (\$600,000)
- New market value (\$2.0 million)
- Assessment rate (25% because property is commercial)
- Mill rate (Abilene's is 164.348; 162.848 will be used for calculations.)

TIF Calculations

1. Multiply appraised value prior to creation of TIF district by the assessment rate.
 - Appraised Valuation: \$600,000
 - Assessment Rate: 25% (business)
$$\$600,000 (.25) = \$150,000 \text{ in assessed valuation}$$

TIF Calculations

2. Divide assessed valuation by \$1,000 and multiply by mill rate.

$$\text{\$150,000} / 1,000 = 150 * 162.848 = \text{\$24,427}$$

Base taxes equal \$24,427 prior to the establishment of the TIF District.

TIF Calculations

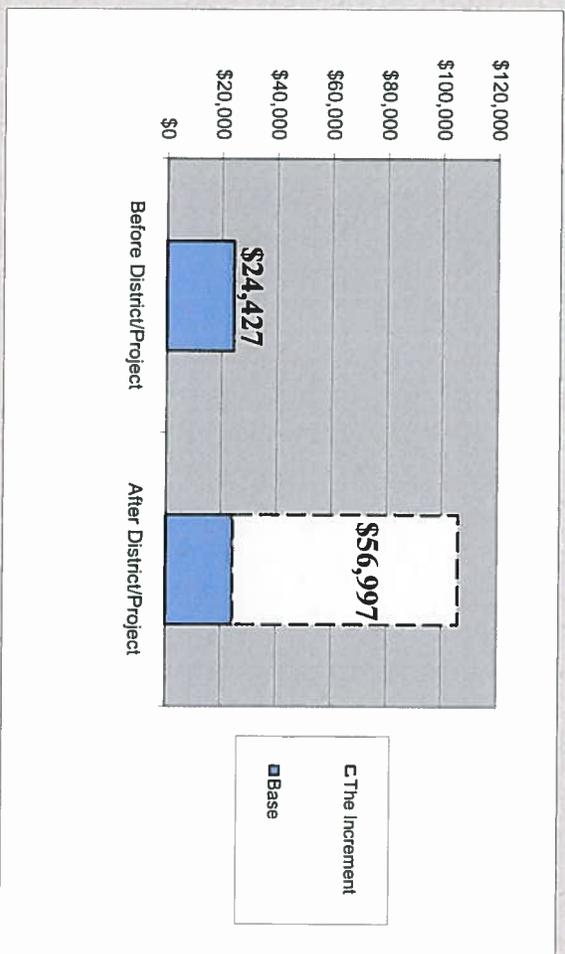
3. To calculate incremental taxes, repeat previous steps with new valuation and subtract from base revenue.

$$\$2,000,000 * 0.25 = \$500,000 / 1,000 = \$500$$

$$\$500 * 162.848 = \$81,424 - \$24,427 = \$56,997$$

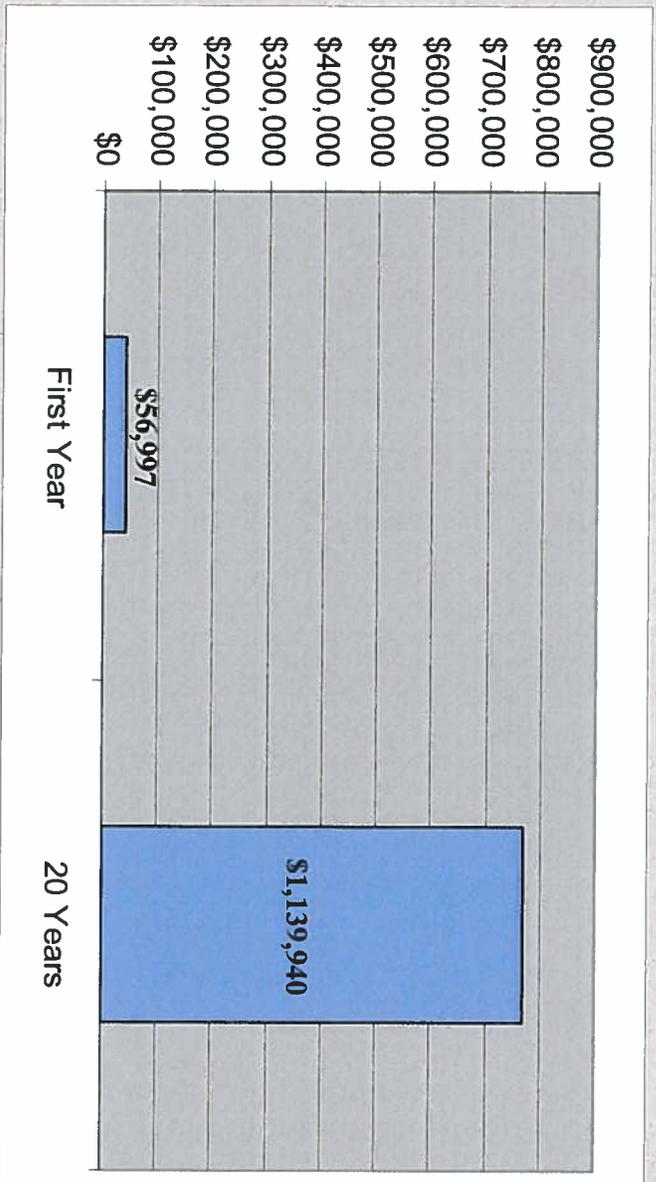
Incremental taxes equal \$56,997 for the TIF Project.

The Development's Increment



- An underutilized building is assessed at \$600,000 and generates \$24,427 of property taxes per year.
- Development occurs on the grounds, increasing the market value to \$2.0 million. The property taxes increase to \$81,424.
- The increment of property taxes to be used for investment into the TIF District is \$56,997.

Value of the Increment

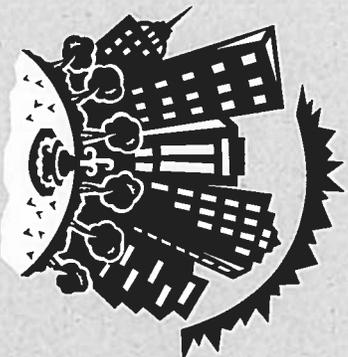


All things being equal, the increment over the life of the TIF District will generate over **\$1.1 million** in property taxes to be used for eligible improvements within the TIF District.

Financing THE

Types of TIF Bonds

- Special obligation bonds
- Full faith and credit, or G.O., bonds
- Private activity bonds

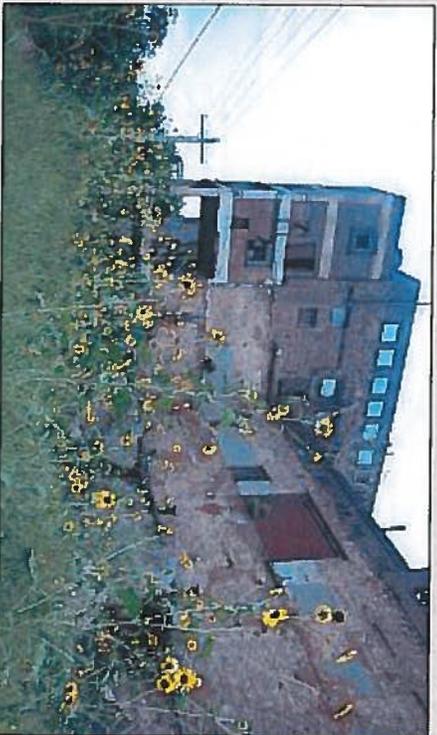


TIF Repayment Options

- Property tax increments generated within redevelopment district; (*preferred*)
- Other revenues of the City derived from or held in reserve associated with the redevelopment project(s);
- Any private sources, contributions or other financial assistance from the state or federal government;
- Increased franchise fees collected from utilities and other businesses using public right-of-way within the redevelopment district;
- Local sales and use taxes collected or;
- Any combination of these methods.

THE Eligibility

Areas Eligible for TIF



- Blighted areas
- Conservation areas
- Enterprise zones
- Must be within city limits

The TIF Process

The TIF Process

- The City Commission establishes a TIF District by adopting a resolution, holding a public hearing and then passing an ordinance creating the TIF District.
- A redevelopment plan is then created for the District that is consistent with the comprehensive plan after a resolution, public hearing and ordinance have been adopted by the City Commission.



Questions?

RESOLUTION NO. 101104

**A RESOLUTION ESTABLISHING A CITY OF ABILENE, KANSAS
POLICY AND PROCEDURES FOR REDEVELOPMENT DISTRICT
PROJECTS.**

WHEREAS, the City of Abilene, Kansas (the "City") recognizes that it is essential to stimulate economic growth and development of new commercial enterprise in order to provide services, employment and tax revenues for the benefit of the community; and

WHEREAS, it is further recognized that the stimulation of balanced economic development is a joint responsibility of the private and public sectors, working closely together creating a positive business environment and to induce commercial development and expansion in the City; and

WHEREAS, the economic development program goals of the City include economic diversification, broadening of the property tax base, stimulation of private investment, enhancement and support of new development, creation and quality of employment opportunities, and increased per capita income; and

WHEREAS, to meet these economic development goals, the City recognizes the need to encourage the redevelopment of property located in the City by creating redevelopment districts and financing for qualified redevelopment projects, as provided by the Kansas tax increment financing statutes (K.S.A. 12-1770 et seq.); and

WHEREAS, the City finds it in the best interest of the public to establish certain policies and guidelines for the consideration of proposals that may be presented to the City by private developers requesting tax increment financing ("TIF") assistance; and

WHEREAS, by adopting this policy the City has determined that the use of TIF should be reserved for projects which further an important and clearly definable public interest of the City; and

WHEREAS, by adopting this policy the City intends to set forth a flexible framework for evaluating Applications requests for TIF assistance; and

WHEREAS, the use of TIF by the City is an important economic development tool to stimulate the local economy and improve the quality of life for its citizens; and

WHEREAS, the use of TIF represents an important tool for encouraging the development of projects the City finds and determines are desirable and in the public interest; and,

WHEREAS, all prospective TIF projects must be carefully evaluated by the City because the character of tax revenues generated by different types of development can vary widely, along with the impact on other taxing jurisdictions in the Abilene community; and

WHEREAS, the City desires to use TIF for Historic/Tourism projects and other projects which demonstrate the highest public benefit by eliminating blight, financing desirable public improvements, strengthening the employment and economic base, increasing property values, reducing poverty, creating economic stability, upgrading older neighborhoods, facilitating economic self sufficiency, and implementing the economic development goals of the City; and

WHEREAS, the staff of the City is to pursue discussions about this policy with other taxing jurisdictions impacted by TIF financing in the City; and

WHEREAS, each TIF Application submitted to the City will be evaluated on its own merits, and an evaluation of the proposal will be performed by a TIF Committee (comprised of the City Manager, city staff or consultants appointed by the City Manager, the City's Financial Advisor and the City's Bond Counsel) and then referred to the Economic Development Council for review; and,

WHEREAS, approved TIF financed projects should be those that would not be viable without TIF assistance because of conditions of blight, unusual circumstances existing on the redevelopment site that hinder development, or other factors that make development more difficult.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF ABILENE, KANSAS AS FOLLOWS:

SECTION ONE: ADOPTION OF POLICIES AND PROCEDURES. The Tax Increment Financing Application Procedures and Application Form (submitted with this Resolution) are approved and the City Manager is authorized and directed to implement the procedures and policies set forth in this Resolution and in the Application Procedures and Application Form, and to make such additional changes and clarifications as the City Manager deems advisable and in the best interest of the City:

SECTION TWO: POLICY STATEMENT.

1. It is the policy of the City to consider creation of a redevelopment district for redevelopment projects that are qualified under state law and the policies of the City. An applicant for TIF financing must comply with all state law and city requirements relating to the redevelopment plan and project, both before and after the redevelopment district is created.

2. It is the policy of the City to consider the judicious use of TIF financing for Historic/Tourism projects and other projects that demonstrate a substantial and significant public benefit through constructing public improvements supporting developments that will: create new jobs or assist in retaining existing employment; eliminate blight, strengthen the employment and economic base of the City, increase property values and tax revenues, reduce poverty, create

economic stability, upgrade older neighborhoods, facilitate economic self sufficiency, promote projects that are of community wide importance, and help implement economic development goals of the City.

3. It is the policy of the City to exercise care and to thoroughly evaluate each proposed TIF financing project to ensure that the benefits expected to accrue from approval of TIF financing for a project are adequate to justify the costs of such assistance to the City and that the costs and benefits of a TIF project are equitable to the City as a whole.

4. The City will charge an application and an administrative service fee for TIF financing projects as later described in this Resolution.

SECTION THREE: POLICY GUIDELINES. The following criteria are to be used by the City's TIF Committee, the City Council and consultants to evaluate TIF Applications:

1. An application for TIF financing must demonstrate that "but for" the proposed TIF financing assistance, the project is not feasible and cannot be completed.

2. All applications for TIF financing that request the issuance of bonds or notes must demonstrate that the incremental taxes and/or the economic activity taxes expected to be generated by the redevelopment project will be sufficient to provide a debt coverage factor of at least 1.25 times the projected debt service on the tax increment bonds or notes. Debt service coverage greater than 1.25 times may be necessary to market any tax increment notes or bonds that are sold to the public. Tax increment bond or notes to be purchased by the developer of the project or by a bank may not require 1.25 times debt service coverage.

3. The total amount of TIF financing assistance for a proposed project and its term will be determined based on the economic payoff expectations of the project and its significance to the community. The City's policy favors a 10-year payoff in the absence of unusual factors. Longer terms for TIF financing may be considered if the proposed project is concerned with the redevelopment of blighted areas or conservation areas or is a project of community-wide significance.

4. Each TIF Application must include evidence acceptable to the City that the applicant:

(a) Has the financial ability to complete and operate the project.

(b) Will be liable for, or contribute equity or private financing of at least fifteen percent (15%) of the total cost of the project or provide a performance bond for the completion of the

project. Projects with equity or private financing contributions from the developer in excess of fifteen percent (15%) will be viewed more favorably.

5. The City will require satisfactory assurance that the project will be completed in a timely manner in accordance with the redevelopment district plan, the redevelopment project plan and the agreement between the City and the developer of the redevelopment project.

6. TIF applications for the redevelopment of blighted areas or conservation areas in the City and applications for development of new or expanded industrial, manufacturing, office, and retail projects will be viewed more favorably than projects for service commercial use (commercial uses that mainly provide a service rather than the sale of products). TIF projects that create jobs with wages that exceed the community average will be encouraged. Industrial, manufacturing, retail and office developments will be given more favorable consideration than warehouse uses based upon the projected employment per square foot. The City will give additional consideration to projects with a capital investment in excess of five million dollars (\$5,000,000) and those projects the City determines will stimulate the local economy and improve the quality of life of its citizens.

7. TIF applications for retail and for service commercial projects will be more favorably considered if the project is one where a substantial part of its total products and/or services are either exported from the Abilene area or the project will add jobs in the City and sell or provide products and services now acquired by Abilene citizens outside the City. Additional considerations should include whether the project has the ability to support or stimulate new retail development in the City.

8. TIF applications for residential redevelopment projects may be considered for removal of blight and revitalization of older developed neighborhoods, and/or to provide for public improvements to benefit economic development and employment.

9. TIF applications for the redevelopment of existing residential neighborhoods, commercial and industrial areas will be viewed favorably. Projects to stabilize existing residential neighborhoods, commercial, and industrial areas that have or will likely experience deterioration will be favored.

10. All TIF applications must comply with the requirements of the Kansas statutes governing TIF financing.

11. Redevelopment project costs to be financed with TIF revenues shall be identified in the application and the preliminary redevelopment plan submitted with the Application.

12. TIF applications that include the establishment of business areas or the redevelopment of existing business areas shall describe the business type of the major tenants of the redevelopment district. In addition, a thorough market analysis should be completed and submitted that identifies: (1) the population areas that the businesses in the redevelopment district will draw from; (2) the existing businesses in the City of similar types that will compete with new business in the TIF redevelopment district; and (3) the anticipated impact of the new businesses in the TIF redevelopment district on existing business of a similar type.

13. The applicant shall agree to pay the costs of a feasibility study for the TIF financing proposal performed by a consultant selected by or approved by the City.

SECTION FOUR: PROCEDURE. The City may consider issuing tax increment financing bonds or reimbursing the eligible redevelopment costs from tax increments pursuant to state law and this Resolution after the following occurs:

1. A complete application is received by the City from the applicant in a form prescribed by the City. The application shall be submitted in sufficient time for staff to follow established procedures, review the project documents, and to meet with Dickinson County officials and officials of the unified school district(s) where the property proposed for redevelopment is located.

2. After reviewing an application, the City may require and the applicant shall furnish additional requested information to further describe or clarify the proposal.

3. After the City creates a redevelopment district pursuant to state law, the City may designate the applicant as the proposed developer by adopting a Memorandum of Understanding between the City and the applicant.

4. The applicant shall, in consultation with the City and the planning commission, proceed with the preparation of the redevelopment project plan pursuant to state law and City requirements, including a complete and comprehensive financial feasibility study demonstrating that the economic benefits of the project exceed the cost, the tax increment to be derived from the project will fully fund such costs or proposed bond payments, and that the term of the redevelopment district does not exceed a mutually agreed upon period of time. The financial feasibility study shall be performed by a consultant selected by or approved by the City. The costs of the feasibility study shall be paid by the applicant/developer.

5. The applicant and City will enter into a Redevelopment Agreement upon satisfactory completion of the redevelopment project plan.

SECTION FIVE: APPLICATION AND SERVICE FEES. Any applicant shall pay a non-refundable TIF application and service fee of one percent (1%) of the total TIF financial assistance authorized, not to exceed \$50,000, as described below. The fee shall be paid as follows:

TIF Application Fee

| | |
|---|-------------------------------------|
| Initial application fee* | 5%** or \$2,500 whichever is less |
| Redevelopment District Approval fee | 15%** or \$7,500 whichever is less |
| Ordinance approving Redevelopment Project Plan and issuance of bonds | 80%** or \$40,000 whichever is less |
| Maximum fee – due at a prescribed time (includes initial application fee) | \$50,000 |

* To be paid with submission of application.

** Portion of 1% of total TIF assistance requested.

Reapplication fees for substantial changes will be charged at the same rate as the schedules shown above.

In addition to the fees described above, the applicant shall pay to the City an administration service fee as shown below. This fee will be applied to reimburse administration and other City costs for each approved TIF Project. This service fee shall be in addition to the application fee. The service fee may be paid from tax increment generated from the project over time, from bond or note proceeds or from a direct billing to the applicant. The payment method of the administration service fee shall be determined on a case by case basis and only to the extent tax increment is available. The administration service fee shall be reduced to the amount shown below if only property tax increments are related to the project.

TIF Administration Service Fee

| TIF revenues pledged | Amount of fee |
|--|---|
| Property tax increment only | An amount equal to .5% of the annual increment |
| Property tax, sales, and other tax increment | An amount equal to 2.5% of the annual increment |

In addition, the applicant will be required to pay the costs of the required feasibility study as described in Section Three, item 4 and may be required to pay additional costs including the fees of the City's financial, legal or other consultants for services related to the TIF project and issuing the bonds or notes, if any. The fees described by this resolution (except for the non-refundable application fee), additional consultant and attorney fees may be included as redevelopment project costs and reimbursed to applicant or paid to City from TIF revenues or the proceeds of tax increment bonds or notes issued for the project.

The City may waive or reduce the fees established by this resolution if it is determined to be in the City's best interests.

SECTION SIX: REQUEST FOR PROPOSAL. The City may request proposals for redevelopment projects. When the City receives an application that is not in response to a City request, the City may, at its option, publish notice in a newspaper of general circulation in the City or on the City's website requesting proposals for development in the proposed project area.

SECTION SEVEN: DESIGN CRITERIA. Development proposals under a TIF application are expected to meet the "highest development standards" as outlined by the City's adopted development policies for commercial and industrial buildings, as well as any design criteria adopted by the Planning Commission and City Council. Development proposals are expected to demonstrate innovative design with human scale that exceeds the design standards of conventional development throughout the City. A TIF project requires the use of high quality building materials, noteworthy architectural design and site design to achieve visual interest, provide human scale, place a premium on developing land in harmony with existing natural features, and enhance the value and function of adjacent properties.

All TIF projects will be required to utilize a Planned Zoning District and will include strict architectural, site (including storm water drainage and retention), and landscape design requirements. As well, the redevelopment plan and agreement, development review process, and zoning ordinances will establish land use controls, allowed uses and materials, traffic improvements, environmental preservation areas and other design criteria to ensure the development will achieve the highest development standards possible.

The compatibility of the TIF project with land use and development plans of the City and the availability of existing infrastructure facilities and essential public services will be a consideration. The project must be environmentally acceptable to the location intended as well as the surrounding area. Preference will be given to businesses that do their own pre-treatment or do not require extensive environmental controls. The proposed use must be clean, nonpolluting, and consistent with all policies, ordinances, and codes. Based upon future growth, the applicant must be willing to provide a traffic study on any projected traffic impact increase on the City.

SECTION EIGHT: EMPLOYMENT AND BUSINESS RELOCATIONS.

TIF applications are expected to include the following:

1. If the TIF application is being recommended based upon job creation criteria, language will be included in the redevelopment project plan and the agreement with the developer providing that the City's obligation to the developer may be reduced if the indicated number and quality of jobs have not been generated.

2. If businesses are to be relocated from other areas of the City, the applicant must supply justification of the relocation in terms of benefit to the City as a whole before such a relocation will be considered as part of a redevelopment project. If existing businesses are to be relocated to the TIF area, the base year activity for purposes of determining any sales tax increment will be the last twelve month period at the businesses current location, immediately preceding the relocation.

SECTION NINE: METHOD OF FINANCING. TIF applications may request that TIF assistance in one of the following forms:

1. Special obligation bond or note financing;
2. Direct reimbursement to the applicant/developer of costs paid by applicant/developer;
3. A pledge of tax increment financing revenues to pay private financing; or,
4. Any combination of the foregoing methods.

The most significant factors in the City's decision to approve a method of financing will be total amount of TIF financing requested and the security for the TIF revenue stream, particularly if special obligation revenue bonds or notes are requested. The City will not provide credit enhancements for any special obligation bonds issued; however, credit enhancement provided by the applicant/developer on the TIF revenue or any special obligation bonds will be viewed favorably. In general, the City will not issue its general obligation pledge to pay redevelopment project costs or to further secure special obligation bonds issued for such costs. The proposed method of financing must be clearly stated in the application and the redevelopment district plan. The City will have sole rights to determine the method of financing.

The City may request that an applicant/developer agree to do any or all of the following: (i) to pay any shortfall in the tax increment pledged to the redevelopment project, (ii) agree not to protest any valuation of the redevelopment project by the Dickinson County appraiser, (iii) agree not to relinquish the applicant/developer's interest in the redevelopment project for a specified period. In making such requests the City will take into account the impact such requirements may have on the tax-exempt status of interest paid on any bonds or notes to be issued for the project.

SECTION TEN: TAXES AVAILABLE AS TIF REVENUE. The following taxes will be considered available for payment of approved redevelopment project costs:

1. *New Development.* Projects for new development in previously undeveloped areas that are not blighted or conservation areas may receive up to 50% of the real property tax increment in the district and 50% of the revenue generated by the City's 0.5% general fund retailers' sales tax in the redevelopment district.

2. *Redevelopment Projects.* Projects for the redevelopment of previously developed areas and that are blighted or located in a conservation area may receive up to 100% of the real property tax increment in the district and 100% of the revenue generated by the City's 0.5% general fund retailers' sales tax in the redevelopment district.

3. *Other Economic Activity Taxes.* The City will not pledge as part of tax increment financing revenues: (i) the City's existing 0.25% retailers' sales tax pledged to the community center, (ii) any future special purpose retailers' sales tax, or (iii) utility franchise taxes or similar payments attributed to the redevelopment district. At the discretion of the city transient guest taxes generated by the redevelopment district may be used as part of the tax increment, but generally the City will only make 50% of the transient guest tax available.

The City may elect to pledge additional tax revenues (as permitted by law) to a project, particularly to a "special bond project" as defined by the Kansas tax increment finance statutes.

SECTION ELEVEN: TERM. In general, the term of a tax increment financing shall be 10 years or less. Shorter projected terms will be viewed more favorably than longer terms. Terms longer than 10 years may be approved for redevelopment projects in blighted areas or in conservation areas or for projects the City determines will have significant positive impact on the community at large.

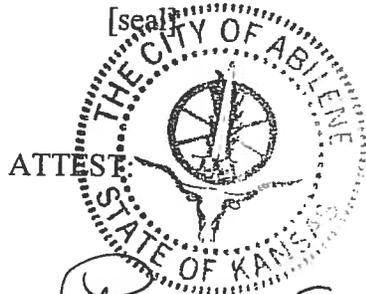
SECTION TWELVE: OTHER CONDITIONS. The City reserves the right to modify or waive any or all of these policies in accordance with the approved redevelopment plan and/or redevelopment agreement.

SECTION THIRTEEN: AUTHORITY OF GOVERNING BODY. The Governing Body reserves the right to deviate from any policy, but not any procedure set forth in this Resolution or any other procedural requirements of state law, when it considers such action to be of exceptional benefit to the City or extraordinary circumstances prevail that are in the best interests of the city.

SECTION FOURTEEN: EFFECTIVE DATE. This Resolution shall take effect immediately after it is adopted.

ADOPTED by the Governing Body this 11th day of October, 2004.

CITY OF ABILENE, KANSAS



By *Lynn Peterson*
LYNN PETERSON, Mayor

By *Penny Soukup*
PENNY SOUKUP, City Clerk