

CITY OF BEL AIRE
COMPREHENSIVE ECONOMIC DEVELOPMENT POLICY
Adopted by Bel Aire City Council May 18, 2010
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PURPOSE

The appropriate purpose and use of incentives is to broaden and diversify the tax base, create new job opportunities for the citizens of Bel Aire, and promote the economic growth and welfare of the City of Bel Aire. This policy is a statement establishing the procedures for granting of economic development incentives in accordance with the provisions of Section 13 of Article 12 of the Constitution of the State of Kansas and K.S.A. 79-251 and amendments thereto.

The evaluation of economic development proposals shall be conducted with consideration given to state statute(s) governing the general use of public funds applicable to Bel Aire. Consideration will also be given to any statutory requirements or authority afforded the City to use specific economic development tools as outlined herein to facilitate economic development.

Depending on the size and scope of a specific project, Sedgwick County may be requested (or required by state law or otherwise) to take certain actions on City initiated economic development proposals. In these instances, businesses seeking assistance from both entities should expect to provide additional information for review by Sedgwick County. Lastly, it is the responsibility of the developer and/or business seeking economic development assistance to ensure the project for which they are seeking assistance conforms to all applicable planning and zoning requirements prior to the finalization and submission of the economic development application.

All economic development proposals will first be reviewed by the City Manager based on the information provided. The goal of protecting public funds shall be considered primary. This goal will be balanced with the City’s objectives of retaining business, creating jobs, increasing the tax base, growing the population, and improving the general well-being of the citizens of Bel Aire. Provided these conditions are met, the City Manager will forward the request on to the City Council.

TYPES OF ECONOMIC DEVELOPMENT TOOLS AVAILABLE

Several economic development tools are available to Bel Aire. In addition, the state legislature may enact or authorize new tools which the City will evaluate and utilize. Current assistance includes (authority cited in parentheses):

- 1. Cash Incentives and Grant Programs (KSA 12-101);*
- 2. Infrastructure development (KSA 12-6a01 et. seq.);*
- 3. Tax exemptions and/or abatements (KSA 79-251, Kansas Constitution, Article 11 Section 13);*
- 4. Community Development Districts (KSA 74-115 et seq.);*
- 5. Transportation Development Districts (KSA 12-17,140 et seq.);*
- 6. Tax Increment Finance Districts (KSA 12-1770 et. seq.)*
- 7. Industrial Revenue Bonds (KSA 12-1740 et seq.);*

Additional details and guidance on the use of these tools follows. City staff will assist anyone interested in economic development in Bel Aire to understand the process and this policy. The City will develop an incentives package tailored to meet the needs of specific applicants.

BASIC ECONOMIC DEVELOPMENT REQUIREMENTS

To be eligible for any public incentives of any kind, a business must be engaged in one or more of the following activities:

- **Manufacturing:** Determined by the North American Industry Classification System (NAICS) and consistent with the stated policies concerning industrial restrictions within the commercial City limits of Bel Aire.
- **Service Sector:** Majority of revenues must be generated through transactions of service and must demonstrate revenue-generating potential for areas outside of Sedgwick County.
- **Research and Development:** The conducting of research, development, or testing for scientific, medical, food or industrial products.
- **Warehousing and Distribution:** Majority of goods stored/shipped must be destined for end users located outside of Sedgwick County.
- **Corporate Headquarters:** May include “back office” operations and customer service activities, but shall not include outbound call centers.
- **Transportation:** Freight or passenger transportation services. Majority of revenue must be derived from interstate commerce or travel.
- **Tourism:** Attractions and events to considered likely to attract at least 30% of attendees from outside of Sedgwick County.
- **Medical Services:** Regional medical centers and specialty hospitals considered likely to attract at least 30% of patients from outside of Sedgwick County.

The basic requirements any economic development assistance request are as follows:

1. A demonstrated positive return on investment from the use of economic development assistance. All requests for local incentives will have an Economic Impact Analysis (EIA) and a Return on Investment (ROI) calculation prior to consideration. A designated agent of the City will conduct the analyses and any fees associated with this application are the responsibility of the applicant. Analyzing the EIA and ROI will include projections on job creation and wages paid, increases to the tax base, population growth, and improved quality of life to the citizens of Bel Aire.
2. The assistance shall not be deemed a “speculative use” of public funds. “Speculative use” shall be defined as any analysis requiring adjustments to estimates used to calculate a return on investment to encourage a positive recommendation by the City Manager to the City Council.
3. Any requests for assistance (from the City only) on projects within the corporate City limits of Bel Aire shall require approval by the City Council. Requests for assistance from the City and county within the City limits of Bel Aire (or any requests for assistance in the Bel Aire Growth Area) shall require approval by both governing bodies. Additionally, when requests are made to both governing bodies, all application materials provided to Bel Aire and analyses performed by the City for consideration of an economic development request shall also be provided to Sedgwick County.

4. Any request for the use of a specific tool listed previously shall also conform to that tool's specific policy requirements listed below. Furthermore, the City may require the applicant to reimburse the City for any expenses incurred as a result of the application. The amount reimbursed shall be for actual expenses incurred by the City. These expense reimbursements are considered in addition to any fees that may be required by the following economic development programs and are subject to statutory limitations of the tools selected.

All economic incentives will be formalized, in a written agreement, between the City of Bel Aire and the recipient company. The recipient company will be required to meet all the performance criteria associated with the respective incentive.

The City of Bel Aire reserves the right to audit a company to assure compliance with the Economic Development Incentive Agreement. The City Council may discontinue any ongoing incentives and require the incentives already received to be repaid in full or in part, as set forth in the Economic Development Incentives Agreement, if agreed upon performance criteria are not met.

POLICY ON CASH INCENTIVES AND GRANT PROGRAMS

Bel Aire will not provide unrestricted cash incentives for any business to locate within the City. Furthermore, the City will not provide cash incentives to perform feasibility studies for proposed projects. These are deemed improper uses of tax dollars by the City Council and any request for such cash assistance will be rejected.

The City will consider submitting or endorsing an application to any federal or state grant program for which a request for assistance is eligible. The applicant will be required to submit all information under the relevant grant program and meet all of the requirements of the respective grant program in the event the application for grant assistance is successful. The business will be responsible for providing information that is accurate and truthful and shall be fully responsible and liable in all regards to the grant program that is providing the business with assistance.

Additionally, the City may consider the use of a “Conditional Economic Development Reimbursement Agreement.” A reimbursement agreement allows the City to pledge a prospective business’ City property tax payments to be returned to the taxpayer in return for certain conditions being met by the business. The business, upon providing evidence verified by the City Clerk that the conditions set forth in the contract have been met (i.e. number of jobs pledged are in fact created and at wages provided for in the contract) and upon providing a copy of its paid property tax receipt from the County Treasurer’s office, will receive a reimbursement from the City for the City’s portion of the property taxes. The amount of eligibility for a reimbursement agreement will vary based on the pledges made by the business and its ability to fulfill the City’s economic development goals.

POLICY ON INFRASTRUCTURE DEVELOPMENT

Bel Aire may facilitate, when appropriate, the development of public infrastructures both within the corporate limits of the City. Whenever the total costs of the public infrastructure can be tied to a fixed and known group of benefiting properties, special assessments may be levied and placed on the tax rolls for those properties.

Infrastructure shall mean for the purposes of this policy: streets, sidewalks, sewers and sewer systems, water production and distribution systems, and storm drainage and control systems.

Expenses that may be assessed to benefiting properties under this policy include cost to prepare preliminary and final engineering plans/specifications, easement and right of way acquisition, supervision/inspection of the project, actual construction costs, and any administrative or finance costs the City shall incur as a result of the project, as permitted by law. Construction costs for improvements designed and constructed under this policy shall also include an administrative fee paid to the City in an amount equal to 5% of the special assessment bond principal issued.

An irrevocable letter of credit or assurance bond will be required from any developer requesting special assessment financing. The letter of credit (LOC) or bond will be in a form approved by the City, and name the City of Bel Aire as beneficiary. The LOC or bond will serve to protect the general taxpayers of Bel Aire from subsidizing the special assessment debt. The LOC or bond shall be filed prior to any debt being issued by the City for any of the expenses mentioned in the prior paragraph and be in an amount equal to 40% of these same costs. Provided there are no delinquent taxes owed by the developer, the LOC or bond will be released when the developer has completed construction and sold 60% of the benefiting properties.

The City Council may waive certain portions of this policy for special assessments issued to finance improvements to new infrastructures within the corporate City limits of Bel Aire at the request of the benefiting property owners.

POLICY ON TAX EXEMPTIONS AND/OR ABATEMENTS

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Section 1. Purpose. The purpose of this statement is to establish the official policy and procedures of the City of Bel Aire, for the granting of property tax exemptions and tax incentives for real and personal property used for economic development purposes.

Section 2. General Objective. The securing of private economic growth and development and the addition of new jobs within the community are important current and long-term objectives of this City. The granting of property tax exemptions and tax incentives is one of the tools available under Kansas law to help secure these public objectives. This statement is intended to establish the procedure and policy standards to govern the fair, effective, and judicious use of the power to grant such exemptions and tax incentives in this City.

Section 3. Legal Authority. The governing bodies of Kansas counties and cities may exempt certain property used for economic development purposes from taxes for a maximum of 10 years, in accordance with the provisions of Section 13 of Article 11 of the Kansas Constitution, subject to the requirements of KSA 79-251 et. seq. This authority is discretionary with the City, and the City may provide for tax exemptions-incentives in an amount and for purposes more restrictive than that authorized by the Constitution or state laws. Pursuant to its home rule powers, the City may (1) require the owners of any property for which an exemption is requested to provide certain information, (2) condition the granting of an exemption to an agreement providing for the payment of in lieu charges or taxes under the provisions of KSA 12-147 and 12-148, and (3) require the payment of initial application and annual renewal fees reasonably necessary to cover the costs of administration.

Section 4. General Procedure. The following basic procedure shall govern the issuance of tax exemptions-incentives within this City:

1. The applicant business shall apply for a tax exemption-incentive by filing a written application as provided in Section 15.
2. If the City determines the requested tax exemption-incentive (a) may be lawfully granted,

and (b) the initial request is worthy of further consideration, the City shall prepare a cost-benefit analysis report of the requested tax exemption-incentive as provided in Section 12.

3. The City shall then determine whether the proposed tax exemption-incentive should be granted, following public hearing after the required notice.
4. If it is determined that some tax exemption-incentive should be granted, a maximum of 100% exemption of that property of the business legally eligible for exemption may be provided, but may be subject to an agreement of the business to make an in lieu tax payment as may be required by the City. The City reserves the right to set the tax exemption at a rate less than 100% and for a timeframe of less than 10 years.
5. The amount of the tax incentive, which will be an amount less than the taxes otherwise payable if the property were not exempt, will then be determined in accordance with this Statement.
6. Upon the failure of the business to fully and timely pay the in lieu tax payments, as may be required as a condition of the granting of an exemption, or to provide reports or other information requested by the City and reasonably necessary for the implementation of this policy, the City may either deny, revoke, or not renew the authorization of such an exemption. All requests for a tax exemption-incentive for economic development purposes shall be considered and acted upon in accordance with this Statement.

Section 5. “Tax Incentive” Defined. Various words and terms used in this statement are defined in Section 28. The terms “tax incentive” or “tax exemption-incentive” shall both mean the difference between the amount of ad valorem property taxes the affected business would pay if there were no City-granted exemption and the amount required to be paid as in lieu taxes or charges. For example, if the taxes required with no exemption were \$5,000, and the required in lieu payments were \$3,000, the “tax incentive” or “tax exemption-incentive” would be \$2,000.

Section 6. Jurisdiction. The City shall grant tax exemptions-incentives only for property located within the City.

Section 7. Nominal Tax Determination. All tangible property of a business receiving a tax exemption-incentive under this Statement shall be annually assessed by the county appraiser in the same manner as if it were not exempt, but the amount thereof shall not be placed on the assessment rolls. The amount of the property taxes which would be payable shall also be determined annually by the County Clerk and Treasurer, in the same manner as if the property were not exempt, but such shall not be placed on the tax rolls. Separate assessment and tax calculations shall be made for the land, for the improvements thereon, and for any taxable tangible personal property associated therewith, of the exempt business. The appropriate county officers are requested to provide the City with this information as early as possible, but not later than November 15 of each year.

Section 8. Minimum Payment in Lieu of Taxes (PILOTs). Any applicant receiving a tax exemption-incentive pursuant to this statement shall be required to make a minimum payment in lieu of taxes which equals the amount of property tax which was paid or was payable for the most recent year on the appraised valuation of the real estate, including either buildings together with land or land only, prior to the construction of new buildings or added improvements to

buildings on such property or prior to the acquisition of the property by the new business.

The purpose of requiring this minimum in lieu tax payment is to ensure that the City, county, school district and any other taxing jurisdictions affected by the exemption will not receive less tax revenue from the exempted property than was received prior to the exemption. For extraordinary reasons, such as when vacant buildings are acquired for a new business or when the market value of the property decreases, this requirement may be waived in part or in whole by the governing body, as provided in Section 27.

Section 9. Special Assessments. Any tax exemption granted for real property under this statement shall not affect the liability of such property for any special assessments levied or to be levied against such property.

Section 10. Pirating. It shall be the policy of the City to discourage applications for tax exemptions-incentives, or to grant such tax incentives, which deliberately encourage and cause the pirating of business from another Kansas community to this community, or from this community to another Kansas community. It is the intent of the City to avoid participation in “bidding wars” between cities or areas competing for the location of new businesses or expansion of existing businesses through attempts to offer the largest tax incentive or other public inducement, which is detrimental to the state’s economy and the public interest. As provided in KSA 1991 Supp. 79-252, the City shall not exempt any tangible personal property of a business if such property is currently subject to ad valorem taxation within the State of Kansas or has been exempted from taxation pursuant to section 13 of article 11 of the Kansas Constitution, except if the governing body makes a factual determination that such an exemption is required to retain jobs in the state of Kansas, an exemption may be granted for such tangible personal property.

Section 11. Application of “But-For” Principle. Any tax exemption-incentive granted by the City shall be subject to the “but-for” principle, i.e., the tax incentive must make such a difference in determining the establishment or expansion of the business that the business would not otherwise be established or expanded in the City but for the availability of the tax incentive. It is the policy of the City Council that private businesses should not be subsidized with public funds, the indirect consequence of tax exemptions-incentives, unless some public good results and the public subsidization can reasonably be expected to make a significant difference in achieving economic growth and development and the creation of new jobs within the City.

Section 12. Analysis of Costs and Benefits. The City will consider granting tax exemptions-incentives only upon a clear and factual showing of direct economic benefit to the City through advancement of its economic development goals, including the creation of additional jobs and the stimulation of additional private investment. Before a tax exemption-incentive is granted to an application, a cost-benefit analysis report which shall examine the costs and benefits to the public of the proposed tax exemption-incentive will be required. Analysis will be completed by a designated agent of the City and all associated costs will be the responsibility of the applicant. The cost-benefit analysis report shall consider but not be limited to the following factors, as applicable:

- (a) The appraised valuation of the property in relation to the economic benefit to the City of

increased employment.

- (b) The gain in tax revenue which may result from the new or expanded business, including the increase in the property tax base upon the expiration of the exemption.
- (c) The contribution that the new or expanded business will make towards increased employment and earnings within the community.
- (d) The number of new jobs created directly by the business in relations to the amount of tax incentives granted.
- (e) The kinds of jobs created in relation to the type of skills available from the local labor market.
- (f) The utilization by the business of labor skills and abilities of unemployed persons in the community.
- (g) The degree to which the business improves the diversification of the economy of the City and its environs.
- (h) The degree to which the ultimate market for the manufactured products is outside the community, recognizing that outside markets bring in “new money” to the local economy.
- (i) The potential of the business for future expansion and additional job creation.
- (j) The beneficial impacts the business may have by creating other new jobs and businesses, including the utilization of local products or other materials and substances in manufacturing.
- (k) The beneficial economic impact the business will have on a particular area of the City, including designated enterprise zones and areas of needed revitalization or redevelopment.
- (l) The compatibility of the location of the business with land use and development plans of the City and the availability of the existing infrastructure facilities and essential public services.
- (m) The extent to which additional direct or indirect public costs to the City and to other local units would be necessary, such as the cost of the extension of public facilities.
- (n) The extent to which the economic and employment benefits of the tax incentive accrue to the residents and taxpayers of those taxing subdivisions which indirectly “subsidize” the business as a result of the forgone tax revenue.

Section 13. No Exemptions. (1) No tax exemption shall be granted if the exemption would create, in the judgment of the City Council, an unfair advantage for one business over another competing business within the City. (2) No tax exemption shall be granted to any business which commenced operations prior to August 5, 1986, nor for the expansion of a business unless such expansion created new employment.

Section 14. Amount of Tax Incentives. The two primary objectives of the City in granting tax exemptions for economic development are to (1) provided needed jobs, and (2) expand the economic and tax base of the City. Property taxes may be abated for new improvements to real property and for newly acquired items of personal property used by an eligible business in connection with an expansion or relocation of the business’ operations in Bel Aire. Land and existing building are not generally eligible for property tax abatement. Existing buildings within the City of Bel Aire will only be considered for tax abatement if the building has been vacant for at least three years and is acquired by a party not related to the previous owner. Motor vehicles

are not eligible for property tax abatement under this definition.

An initial maximum term of ten (10) years can be granted subject to review and approval of the City Council. Recommended percentages of property tax abatements shall be based on new job creation and capital investment by the eligible business. A sliding scale percentage system shall be used to determine abatement. Detailed scales are found in Section 29.

Section 15. Application Required. The City will not consider the granting of any tax exemption-incentive unless the business submits a full and complete application and provides such additional information as may be requested by the City Council. The City Manager is hereby authorized and empowered to prepare a standard application form which, upon completion, will provide the City Council with adequate and sufficient information to determine whether a tax incentive should be granted and the amount thereof. The accuracy of the information provided in the application shall be verified by the applicant. Any misstatement of or error in fact may render the application null and void and may be cause for the repeal of any ordinance adopted in reliance on said information.

Section 16. Application and Renewal Fees. Any business requesting a tax exemption pursuant to this statement shall pay to the City an application fee of \$1,000, which shall include a non-refundable fee of \$500 to cover administrative costs of the City and \$500 which will be applied to professional fees incurred on behalf of the City in processing this application, including a cost-benefit analysis. The fee shall be submitted at the same time the application form required by Section 15 is submitted. In addition, any business which has been granted a tax exemption shall pay an annual, non-refundable renewal fee in the amount of \$300.

Section 17. Initial Review Procedure. On receipt of the completed application form and the required fee, the City Manager shall determine (a) whether the application is complete and sufficient for review, and (b) whether the applicant business is eligible for an exemption under the Kansas Constitution, this statement, and any other applicable laws. If the application is incomplete, the City Manager shall immediately notify the applicant, noting the need for such changes or additions as deemed necessary. If questions arise as to whether the business is legally eligible for an exemption, the matter shall be referred to the City Attorney, who shall consult with the applicant business. If the application is found complete, and is for a purpose which appears to be authorized by law, the City Manager shall so notify the Administrative Review Committee.

Section 18. Administrative Review Committee. There is hereby created an Administrative Review Committee (ARC), which shall be composed of the mayor or other member of the City Council designated by the mayor, who shall serve as chairman; the Assistant City Manager/Finance Director; and the City Manager. The ARC shall meet on call of the chairman. The purpose of the ARC shall be to receive and review requests and applications for tax exemptions-incentives, to gather and review such additional information as may be deemed necessary, to prepare or cause to be prepared a cost-benefit analysis report, to conduct preliminary negotiations with the applicant business, and to make such recommendations as deemed advisable to the City Council. The ARC records, including applications for tax exemptions, may be withheld from public disclosure under the Kansas Open Records Act as

provided for under subsections (20) and (31) and other subsections of KSA Supp. 45-221, but shall be available for public inspection when otherwise required by law. The committee is authorized to issue administrative letters of intent when requested by the applicant upon a finding that the public interest requires confidentiality in order to successfully negotiate the location of the prospective business within the City or the expansion of an existing business. Such administrative letters of intent shall not be binding on the City Council, and shall be superseded by any final action by the City Council or by any letter of intent issued by the City Council under Section 21.

Section 19. Initial Governing Body Action. Upon receiving the recommendations of the ARC, the City Council shall first determine whether to reject the requested exemption or to further consider the request. Upon a favorable vote for further consideration, the City Council shall either (1) issue a letter of intent as provided by Section 21, or (2) schedule a public hearing to consider granting a tax exemption-incentive.

Section 20. Notice and Hearing. No tax exemption shall be granted by the City prior to notice and a public hearing as required by KSA 1991 Supp. 79-251. Notice of the public hearing shall be published at least seven days prior to the hearing in the official City newspaper, giving the purpose, time and place, and the hearing may be held at a regular or special meeting of the City Council. The City Clerk shall thereupon notify in writing the Board of County Commissioners, the appropriate school district, and the clerk of any other taxing jurisdiction, excluding the state, which derives or could derive property taxes from the affected business, advising them of the scheduled public hearing and inviting their review and comment. Upon request, the City Clerk shall provide such public agency with a copy of the application. The applicant business shall be invited, but not required, to attend the public hearing.

Section 21. Letters of Intent. Upon receiving the recommendations of the ARC, the City Council may issue a letter of intent, setting for in general terms its proposed plans for granting a tax exemption-incentive and any conditions thereto. Such letters of intent shall be issued only with the approval of the City Council, and as an expression of good faith intent, but shall not in any way bind the City to the granting of an exemption-incentive. Such letters of intent shall expire six months after issuance, but may be renewed. A public hearing shall not be required prior to the issuance of letters of intent. No elected or appointed officer, employee or committee of the City, and no chamber of commerce, board, development council or other public or private body or individual, shall be authorized to speak for and commit the City Council to the granting of a tax exemption-incentive. Letters of intent issued by the City Council shall supersede any letters issued by the ARC.

Section 22. Annual Renewal Subject to Review. The extent and term of any tax exemption-incentive granted shall be subject to annual review by the City Council to ensure that the ownership and use of the property and any other qualifying criteria of the business for the tax exemption-incentive continue to exist. The review shall be completed by not later than February 1 of each year. The City shall require an annual renewal application to be filed by the business. The annual renewal application shall include information from the business indicating compliance with any terms or conditions established by the City Council for the granting of the exemption, such as number, quality of jobs created, etc. Upon a finding that the property

continues to meet all the terms and conditions established as a condition of granting the exemption, the City Clerk shall so certify to the owner for submission to the assessing officer, as provided by KSA 79-210a.

Section 23. Transfer of Ownership or Use. No exemption or tax incentives granted by the City shall be transferred as a result of a change in the majority ownership of the business. Any new owner shall file a new application for tax exemption-incentive. Further, the City shall be notified by the business of any substantive change in the sue of tax exempt property (see Section 26).

Section 24. Distribution of Revenue. The grating of tax exemptions-incentives by the City is hereby declared to be a contract under the provisions of KSA 12-147. The in lieu of taxes payment which may be required of a business granted a tax exemption under this statement shall be paid to the County Treasurer, with notice of the amount and date paid provided to the City. The County Treasurer is directed to apportion the payment, under the provisions of subsection (3) of KSA 12-148, to the general fund of all taxing subdivisions, excluding the state, which levy taxes on property where the business is situated. The apportionment shall be based on the relative amount of taxes levied, for any and all purposes, by each of the applicable taxing subdivisions.

Section 25. Exemption Ordinance. The City Clerk shall provide a copy of the ordinance, as published in the official City newspaper, granting an exemption from taxation to the applicant for use in filing an initial request for tax exemption as required by KSA 79-213, and by KSA 79-210 for subsequent years.

Section 26. Exemption Forms. A copy of the exemption applications required by KSA 79-213 and by 79-210, and the statement required by KSA 79-214 for the cessation of an exempt use of property, shall be filed with the City Clerk by the property owner.

Section 27. Waiver of Statement Requirements. The City Council reserves the right to grant or not to grant a tax exemption-incentive under the circumstances beyond the scope of this statement, or to waive any procedural requirement. However, no such action or waiver shall be taken or made except upon a finding by the City Council that a compelling or imperative reason or emergency exists, and that such action or waiver is found and declared to be in the public interest. The City Council shall not waive any procedural requirements required by state law.

Section 28. Definitions. For the purposes of this statement, in application to this City, the words or phrases as used in either the Constitution, applicable state law, or this statement shall have meaning or be construed as follows:

- (a) "Applicant" shall mean and include the business, property owner or owners, and their officers, employees, and agents.
- (b) "Associated therewith" as used with respect to tangible personal property shall mean being located within, upon or adjacent to buildings or added improvements to buildings.
- (c) "Commenced operations" shall mean the start of the business activity housed in the building for which a tax exemption-incentive is requested.
- (d) "Economic development purposes" shall mean the establishment of a new business or the expansion of an existing business, engage in manufacturing articles of commerce,

conducting research and development, or storing goods or commodities which are sold or traded in interstate commerce, which results in additional employment.

- (e) “Expansion” shall mean the enlargement of a building or buildings, construction of a new building, the addition of tangible personal property, or an combination thereof, which increases the employment capaCity of a business eligible for a tax exemption-incentive and which results in the creation of new employment.
- (f) “Manufacturing articles of commerce” shall mean a business engaged in the mechanical or chemical transformation of materials or substances into new products, as defined in the North American Industry Classification System (NAICS) Manual.
- (g) “Research and development” shall mean the application of science or technology to the improvement of either the process of manufacturing or manufactured products or both.
- (h) “Storing goods or commodities which are sold or traded in interstate commerce” shall refer to the business or storing property which may be exempt from ad valorem taxation under the provisions of KSA 79-201f.
- (i) “Tangible personal property” shall mean machinery and equipment used during the term of the tax exemption which may be granted.
- (j) “Tax incentive” or “tax exemption-incentive”, see Section 5.

Section 29. Sliding Scale for Tax Abatements. New job creation will be based on Full-time Equivalent (FTE) jobs based on 2080 hours per year. New job numbers will be adjusted by a factor based on the relationship between wages paid for the new jobs and the average wage for all jobs in the Wichita MSA. For example, if the area average wage is \$40,000 and the average wage for the created jobs is \$50,000, the factor for adjustment of FTEs would be 125%. If 60 FTEs are created at \$50,000, a total adjusted total of 75 FTEs would be used to compute tax abatement levels.

3% PER NEW JOB: 1-5					
New Jobs (#)	1	2	3	4	5
Exemption (%)	3%	6%	9%	12%	15%

2% PER NEW JOB: 6-10					
New Jobs (#)	6	7	8	9	10
Exemption (%)	17%	19%	21%	23%	25%

1.5% PER NEW JOB: 11-20										
New Jobs (#)	11	12	13	14	15	16	17	18	19	20
Exemption (%)	26.5%	28%	29.5%	31%	32.5%	34%	35.5%	37%	38%	40%

1% PER NEW JOB: 21-50							
New Jobs (#)	21	25	30	35	40	45	50
Exemption (%)	41%	45%	50%	55%	60%	65%	50%

.6% PER NEW JOB ABOVE 50					
New Jobs (#)	60	70	80	90	100
Exemption (%)	75%	82%	88%	94%	100%

Property tax abatements may also be granted for capital investment. Property tax abatement may be recommended for private investment in plant and equipment in \$50,000 increments. A sliding

scale system will be utilized, reducing the percentage of abatement per \$50,000 at set benchmarks.

1% PER EACH \$50,000 INVESTED BETWEEN \$50,000 - \$500,000										
Expenditure (\$1,000s)	50	100	150	200	250	300	350	400	450	500
Exemption (%)	1	2	3	4	5	6	7	8	9	10

.75% PER EACH \$50,000 INVESTED BETWEEN \$550,000 - \$1,000,000										
Expenditure (\$1,000s)	550	600	650	700	750	800	850	900	950	1000
Exemption (%)	10.75	11.5	12.25	13	13.75	14.5	15.25	16	16.75	17.5

.5% PER EACH \$50,000 INVESTED BETWEEN \$1,000,000 - \$2,000,000										
Expenditure (\$1,000s)	1050	1200	1300	1400	1500	1600	1700	1800	1900	2000
Exemption (%)	18	19.5	20.5	21.5	22.5	23.5	24.5	25.5	26.5	27.5

.25% PER EACH \$50,000 INVESTED BETWEEN \$2,000,000 - \$5,000,000										
Expenditure (\$1,000s)	2100	2200	2400	2600	2800	3000	3500	4000	4500	5000
Exemption (%)	28	28.5	29.5	30.5	31.5	32.5	35	37.5	40	42.5

.1% PER EACH \$50,000 INVESTED ABOVE \$5,000,000										
Expenditure (\$1,000s)	10000	15000	20000	25000	30000	33500	40000	50000		
Exemption (%)	52.5	62.5	72.5	82.5	92.5	100	100	100		

Location premiums shall also be available to businesses who locate and/or expand within special development areas of the City. To foster such action, businesses may receive additional recommended tax abatement equal to **20%** (up to 100% abatement) for locating in premium zones. Discretion on premium zone selection remains with the City Council and must be determined by separate action of the governing body.

As part of the tax abatement agreement, the City Council may wish to use a sliding scale percentage of abatement. The City reserves the right to use whatever scale it deems appropriate to the development situation, but will generally follow the below schedule:

SLIDING SCALE OF ABATEMENT BY PERCENTAGE										
Year	1	2	3	4	5	6	7	8	9	10
Exemption (%)	100	90	80	70	60	50	40	30	20	10

POLICY ON TRANSPORTATION DEVELOPMENT DISTRICTS

A transportation development district (TDD, cited KSA 12-17,140 through 12-17,149) may be formed by the City Council for the purpose of constructing public infrastructure. The monies used to pay for this infrastructure are generated from a transportation development district sales tax which is in addition to any sales taxes authorized under KSA 12-187 through 12-197. Bonds issued in accordance with the TDD statutes are not general obligations of the City.

The City Council may establish a transportation development district (TDD) upon the receipt of a petition containing information on:

1. The general nature of the proposed project;
2. The maximum cost of the project;
3. The proposed method of financing the project;
4. The proposed amount and method of assessment;
5. The proposed amount of TDD sales tax;
6. A map or boundary description of the proposed district.

This petition shall be signed by the owners of all of the land within the proposed district. Upon the receipt of this petition, the City Manager will review the proposal in its entirety to ensure that the proposal is fiscally sound and meets all public infrastructure standards. Staff will then provide its recommendation to the City Council which shall approve or deny the proposal.

POLICY ON COMMUNITY IMPROVEMENT DISTRICTS

In 2009, the Kansas Legislature enacted the Community Improvement District Act (the “CID Act”), pursuant to which municipalities may create districts in which certain special taxes imposed and the revenue used to fund certain public and private improvements and the payment of certain ongoing operating costs within the geographic bounds of the specified district. The creation of a Community Improvement District (“CID”) is a particularly useful tool of economic development in that it can help facilitate beneficial private development and redevelopment without negatively impacting the tax base of the approving municipality. It is the policy of the City of Bel Aire to utilize the provisions of the CID Act to assist private developers by providing financing for commercial, industrial and mixed-use projects that meet the local eligibility criteria outlined below, subject to certain special local policy limitations outlined below. A CID can exist for a maximum of 22 years.

Purpose and Background

Local Eligibility Criteria

It shall be the policy of the City to create a CID if, in the opinion of the City Council, the petition satisfies all statutory requirements of the CID Act and if creation of such CID would meet with the following criteria:

1. The CID will attract development which would enhance the economic climate of the City or otherwise benefit the City or its residents.
2. The CID will result in the construction or rehabilitation of public or private property improvements and infrastructure, or the provision of ongoing services, that would otherwise not be financially feasible.
3. The CID will promote development, redevelopment or rejuvenation of properties within the City which would otherwise be unlikely to happen.
4. The CID will be used to assist the development, redevelopment or rejuvenation of commercial, industrial and mixed-use projects.
5. The CID will not be used for projects that are incompatible or inconsistent with established local nuisance regulation, applicable land use regulations and the overall character of development in the surrounding area.

CID Petition Process

A CID is formed by petition of the landowners within the proposed CID. A CID petition must contain:

1. The general nature of the proposed project;
2. The estimated cost of the proposed project;
3. The proposed method of financing the project including, if applicable, the issuance of full faith and credit bonds;
4. The proposed amount and method of assessment, if any;
5. The proposed amount of CID sales tax, if any;
6. A map of the proposed district;
7. The legal description of the boundaries of the proposed district; and
8. A statement acknowledging that (1) The names of the signers may not be withdrawn from the petitions by the signers thereof after the City Council commences consideration of the

petitions or later than seven days after the filing of such petition with the clerk of the City, whichever occurs first; and (2) the signers consent to any assessments to the extent described therein without regard to benefits conferred by the project.

All costs associated with the development and submission of a CID application and petition shall be borne by the petitioners.

Sources of Funding for CID Improvements

Petitioners seeking to form a CID may request to draw upon one of the following two revenue sources, or a combination of both, to fund eligible improvements:

1. Special property tax assessments on the property within the district AND/OR
2. A special sales tax of up to 2% on all taxable sales within the district.

Upon the creation of a CID by the City Council, revenue generated by these sources is available to pay for eligible improvements and costs. This can occur in one of two ways: a bond issuance or a pay-as-you-go dedicated account.

- **Bond Issuance** – In cases in which a bond issuance is requested, City staff will work with the landowners within the CID to calculate how much revenue will be raised from the CID revenues (the special assessments and/or special sales taxes levied within the CID) and the principal amount of bonds that can be issued based on the CID revenue stream and a minimum 1.2 debt service coverage ratio. To assist in this process, petitioners will be required to submit all documents requested by City staff relating to the proposed project, which shall include an acceptable cost-benefit analysis of the project. Prior to approval, petitioners may be required by the City to enter into a Development Agreement with the City. While the CID Act permits the issuance of either full-faith and credit general obligation bonds or special obligation bonds, payable solely from the CID revenue, it is the policy of the City of Bel Aire to issue only special obligation CID bonds.
- **Pay-As-You-Go Account** – As an alternative to a bond issuance, the landowners within the CID may request the establishment of a pay-as-you-go account. This account will be a dedicated account into which the CID revenues will be deposited and will be available to be used as funds accrue to pay eligible costs. Funds used to pay eligible CID costs, whether from bond proceeds or a pay-as-you-go account, will be held by the City or a third-party trustee, and disbursed to pay actual costs pursuant to a Development Agreement. Preference will be given to projects that use pay-as-you-go financing.

Eligible CID Costs

The CID Act provides an exclusive list of eligible improvements and costs that may be paid for with CID funding. CID funds may be used to acquire, plan, design, engineer, improve, construct, demolish, remove, renovate, reconstruct, rehabilitate, maintain, restore, replace, renew, repair, install, relocate, furnish, equip, extend or finance:

1. Buildings, structures, and facilities;

2. Site improvements, including without limit sidewalks, streets, roads, interchanges, highway access roads, intersections, alleys, parking lots, bridges, ramps, tunnels, overpasses and underpasses, traffic signs and signals, utilities, pedestrian amenities, abandoned cemeteries, drainage systems, water systems, storm systems, sewer systems, lift stations, underground gas, heating and electrical services and connections located within or without the public right-of-way, and water mains and extensions;
3. Parking garages;
4. Streetscape, lighting, street light fixtures, street light connections, street light facilities, benches or other seating furniture, trash receptacles, marquees, awnings, canopies, walls and barriers;
5. Parks, lawns, trees and other landscaping;
6. Communication and information booths, bus stops and other shelters, stations, terminals, hangars, rest rooms and kiosks;
7. Paintings, murals, display cases sculptures, fountains and other cultural amenities;
8. Airports, railroads, light rail and other mass transit facilities; and
9. Lakes, dams, docks, wharfs, lakes or river ports, channels and levies, waterways and drainage conduits.

The CID Act also permits the use of CID funds to pay ongoing operating expenses, including security, entertainment, public events, business promotion, employee training, and market studies; however, it is the policy of the City of Bel Aire that CID funds may only be used to pay eligible operating costs up to the maximum amount identified in the petition. CID funds may be used to reimburse capital costs incurred not earlier than one year prior to City Council action initiating the establishment of a CID, and City administrative costs and costs of issuance.

Process for Creating a CID

All CID projects will be subject to the statutorily-proscribed notice and hearing procedures found in K.S.A. 12-6a26 et seq. A summary of these procedures is set forth below.

1. Upon receipt of a valid petition, signed by the owners of all of the land area within the proposed district that is both (1) seeking financing only by special property tax assessments and (2) not seeking the issuance of full faith and credit bonds pursuant to the CID Act, the City Council may consider whether to approve the creation of the requested CID. The City Council may proceed, with or without notice or a hearing, to make findings by ordinance as to the nature, advisability and estimated cost of the project, the boundaries of the district and the amount and method of assessment. Upon making such findings, the City Council by majority vote may authorize the project and the creation of the CID in accordance with such findings as to the advisability of the project. The ordinance shall be effective upon publication once in the official city newspaper and shall also be submitted for recording in the office of the Sedgwick County Register of Deeds.

2. Upon receipt of a petition, signed by the owners of at least 55% of the total land area and total assessed property value within the proposed district, to create a CID seeking financing in whole or in part by a proposed CID sales tax (see K.S.A. 12-6a31) or seeking the issuance of full faith and credit bonds (see K.S.A. 12-6a36), the City Council shall adopt a resolution giving notice of a public hearing to consider the advisability of creating the CID.

- (a) Such resolution shall be published once each week for two consecutive weeks in the City's official newspaper and shall be sent by certified mail to all owners of property within the proposed district. All costs associated with these publications shall be borne by the Petitioner(s) requesting the creation of the district.
- (b) The second publication of such resolution shall occur at least seven (7) days prior to the date of the hearing and the certified mailed notice shall be sent at least ten (10) days prior to the hearing.
- (c) Such resolution shall contain the following information:
 - i. Time and place of the hearing;
 - ii. General nature of the proposed project;
 - iii. Estimated cost of the project;
 - iv. Proposed method of financing the project;
 - v. The proposed amount of the CID sales tax, if any;
 - vi. The proposed amount and method of assessment, if any;
 - vii. A map of the proposed district; and
 - viii. A legal description of the proposed district.
- (d) Following the hearing described above, the City Council may, by majority vote, adopt an ordinance approving the requested CID. Such ordinance shall:
 - i. Authorize the project;
 - ii. Approve the estimated costs of the project;
 - iii. Contain a legal description and map of the proposed district;
 - iv. Levy the CID sales tax, if any;
 - v. Approve the maximum amount and method of assessment, if any; and
 - vi. Approve the method of financing.
- (e) Upon adoption by the City Council, such ordinance shall become effective upon publication once in the official city newspaper and shall also be submitted for recording in the office of the Sedgwick County Register of Deeds.

Preliminary Review Meeting

Prior to consideration by the City Council, parties intending to request the creation of a CID must submit a draft version of the intended petition to the City Manager and any other City Staff designated by the City Manager. Such draft petition need not be signed by any landowners within the proposed district until such time as it is formally submitted for consideration by the City Council. Within ten (10) days after the submission of any such draft petition, the City Manager and other City Staff designated by the City Manager shall hold a pre-petition meeting with the party submitting such petition to evaluate the sufficiency thereof and gather information needed to determine the eligibility of the project.

Development Agreement Required

Concurrently with, or prior to, the creation of a CID by the City Council, the City and the petitioner shall enter into a Development Agreement governing the conduct of the respective parties in relation to the proposed CID. The Development Agreement will include a site plan and elevation drawings or renderings of the CID project, and a Sources and Uses of Funds table that identifies the various sources of public and private project funds and how they will be used. Among all other provisions, the Development Agreement shall set forth the method and manner for disbursement of CID funds by the City, including the proceeds of bonds funded by CID

funds, to pay for eligible project costs pursuant to acceptable documentation that such costs have been incurred. In addition, the agreement shall provide for rapid repayment of any bonds issued with CID sales taxes and/or assessments and for the termination of any and all CID taxes and assessments. City administrative fees and costs of issuance shall be paid from CID funds. For “pay-as-you-go” CID projects, the Development Agreement shall set forth the method and manner of disbursement of CID funds and shall include provisions for the termination of any and all CID taxes and assessments when all eligible costs incurred by the CID that are contemplated in the Development Agreement have been satisfied.

“Gap” Financing Requirement

CID projects financed with special obligation bonds will not be approved without a financial analysis that demonstrates that the project would not otherwise be possible without the use of CID funding (“gap” analysis). CID projects financed on a “pay-as-you-go” basis do not require a “gap” analysis. Any applicant requesting use of special obligation bonds will be required to provide, in addition to all other documents requested by City Staff, pro forma cash flow analyses and sources and uses of funds in sufficient detail to demonstrate that reasonably available conventional debt and equity financing sources will not fund the entire cost of the project and still provide the applicant a reasonable market rate of return on investment. “Gap” financing, including CID and any other public financing, should not exceed 30% of the total project cost.

Background Check

All CID petitioners and their project partners are required to consent to background checks as part of their submittal of a petition. Petitioners and project partners are required to pay all costs associated with and to furnish City Staff the personal and business information needed to carry out such background checks. Such information will be treated as confidential information to the maximum extent permitted under state and federal law.

Project Management and Development Fees

CID funds may not be used to pay development fees. Project management fees may be financed through CID revenues only if the need for such financing is established through analysis of financial information showing that private funding is not available to pay such costs based on a market rate of return on investment. If allowed, project management fees paid through CID revenues must be documented as actual costs incurred.

City Administrative Fees

In addition to any other CID application and petition costs, the City shall be paid a non-refundable application fee of \$5,000 with the formal submittal of any CID petition. For any approved CID, the City shall be paid an on-going administrative service fee in an amount equal to 5% of the total CID revenues received by the City.

Standard Design Guidelines Govern

All property improvements commenced under an approved CID shall be subject to City regulations, standards, and policies, including, but not limited to: zoning and subdivision regulations, building codes, the City code, and any applicable design guidelines currently in place or hereafter approved. In addition, project plans and renderings shall be reviewed by the

City Inspector and any suggestions provided thereby shall be incorporated into the design of the project unless expressly overruled by the City Manager.

Financial Reporting

Developer will provide a certified annual accounting to the City on the amount and use of CID funds used to pay CID costs. City reserves the right to audit the use of CID financing at its discretion and expense.

Termination of CIDs

Subject to provisions contained in development agreements, the City shall take appropriate action to terminate CIDs when all eligible project costs have been fully paid, including the principal and interest on any special obligation CID bonds, or, in the case of pay-as-you-go projects, the maximum CID funding amount provided in the petition.

Waiver of Policy

Should the City Council determine the terms of this policy inappropriate to evaluate a particular CID application, it may, by majority vote, waive the binding effect of this policy in regard to that application.

POLICY ON TAX INCREMENT FINANCING DISTRICTS

The City of Bel Aire, under the authority conferred by KSA 12-1770 et. seq., will consider the use of tax increment financing (TIF) to encourage and facilitate the development and/or redevelopment of areas within its corporate City limits or within its growth area.

The first step required in the TIF process shall be the adoption of a resolution by the City Council. This resolution shall provide for the following:

1. Notify the public that a hearing will be held to consider the establishment of a district. The notification shall fix the time and place of the hearing;
2. Describe the proposed boundaries of the district;
3. Describe the district plan and that such plan includes a map, both of which are available for inspection at a designated time and place (i.e. City Hall, M-F, 8-5);
4. State that the City Council will consider findings necessary for the establishment of a development district.

Upon the completion of the public hearing, the City Council may pass an ordinance which shall:

1. Make findings that the district proposed to be developed is an eligible area and the development or redevelopment of the area is necessary to promote the general and economic welfare of the City;
2. Contain the district plan as approved, which will identify all of the proposed development project areas and identify in general only, all of the buildings and facilities that are proposed to be constructed or improved;
3. Contain the legal description of the district, legally establish the district, and identify the boundaries of the district. No area shall be included within the boundaries of the final development district that were not included in the original, published notice.

Under KSA 12-1771(d), the City may not acquire any privately owned property subject to ad valorem taxes in the event either the school board or the county commission finds that the impact of the proposed TIF district will have an “adverse effect” on their respective governmental entities. In the event either the school board or the county commission adopts a resolution finding their entities will experience an adverse effect, the City Council shall adopt an ordinance within 30 days of receiving said resolution from either governing body terminating the TIF district.

Provided that neither the school board nor the county commission finds an adverse effect of the proposed TIF district on their operations, the City will proceed to the development of the project plan. The project plan shall be delivered to the county commissioners and the school board. The project plan shall include:

1. A summary of the feasibility study done as defined in KSA 12-1770(a), and amendments thereto, which will be an open record;
2. A reference to the district plan established under KSA 12-1771 that identifies the development project area that is set forth in the project plan being considered;
3. A description and map of the development area;
4. The relocation assistance plan required by KSA 12-1777;

5. A detailed description of the buildings and facilities proposed to be constructed or improved in such area;
6. Any other information the City Council deems necessary to advise the public of the intent of the project plan.

The Bel Aire Planning Commission shall review the project plan to ensure it is consistent with the City's comprehensive plan. Provided the project plan is consistent with the City's comprehensive plan, the City Council shall adopt a resolution stating that the City is considering the adoption of the project plan. This resolution shall:

1. Notify the public that a public hearing will be held to consider the adoption of the project plan and fix the time and place of the hearing;
2. Describe the boundaries of the development district, the date of the district's establishment, and the project's boundaries;
3. State the project plan, including a summary of the feasibility study, relocation assistance plan, and financial guarantees of the developer and a description and map of the area to be developed are available for inspection during regular office hours at City Hall;
4. Notify, if necessary, that the City intends to issue debt backed by the full faith and credit of the City.

The City may choose to issue special obligation bonds to pay for the improvements in the district, pledging a variety of revenue sources authorized by KSA 12-1774(a)(1). If the City Council elects not to issue full faith and credit bonds to finance the improvements in the district and instead elects to issue special obligation bonds, then such special obligation bonds shall not be general obligations of the City and shall not, in any event, give rise to a charge against its general credit or taxing powers, or be payable out of any funds or properties, other than those so pledged.

The City may also issue industrial revenue bonds in accordance with 12-1740 et. seq. and amendments thereto, as well as the City of Bel Aire's Industrial Revenue Bond policy. IRB's may be used for the purchase, construction, reconstruction, equipping, maintenance and repair of buildings and facilities within a development district established under 12-1770 et. seq.

Following this second public hearing, the City Council may adopt the project plan by ordinance. A two-thirds supermajority vote is required under KSA 12-1772(e). The project must be completed within 20 years from the adoption of this project plan.

Once the project plan is adopted, the City may begin acquiring property and transfer, sell or lease this property to a developer in accordance with the development project plan and under such other conditions as may be agreed upon.

POLICY ON INDUSTRIAL REVENUE BONDS

The City Council's primary goal when considering the issuance of industrial revenue bonds (IRBs) shall be to encourage economic growth in the corporate City limits and the growth area of the City and fulfill the goals stated in the introduction to this Comprehensive Economic Development Policy. Industrial revenue bonds are not considered a debt of the City; rather, they are debts of the business/organization that utilizes the bond proceeds. The City is merely a conduit for the business/organization to obtain tax-exempt financing for its project.

Industrial revenue bonds will not be utilized when it is determined that doing so would give the recipient an unfair advantage over a business or organization currently engaged in a similar venture within the City or its growth area.

When considering a request for IRBs, the City will evaluate the types of jobs proposed to be created, the amount of capital investment that will be made, and the ability of the business to meet a recognized need in Bel Aire's economic base. Upon review and consideration of these factors, the City Manager will make a recommendation to the City Council, which shall approve or deny the request. In the event the City Council approves the request to issue IRBs, the City Manager shall contact the City's bond counsel and begin the process of issuing the bonds. The applicant for the IRBs shall be responsible for any bond counsel, financial advisor, and any other fees incurred for the applicant that are associated with the issuance of the bonds.

APPLICATION REVIEW AND ASSESSMENT PROCESS

When a request is made to the City Council to utilize one of these economic development tools, various City staff members will be involved in reviewing the applicant's materials as provided in the "General Economic Development Assistance Application." This application may be obtained from the City Clerk. All requests for assistance must include this application as well as any specific requirements unique to the form of assistance being sought.

City staff will review (upon receipt of all required materials) the information and formulate a recommendation to the City Council as to the viability of the proposal based on the economic development goals of the City and any special considerations that are required to be given either in this policy or in state statute.

If the request requires county approval, all information submitted to the City will also be provided to the county.

In the event a favorable recommendation is made to the City Council and should the City Council agree "in principle" with the City Manager's recommendation, an Economic Development Assistance Agreement will be drafted. This agreement will describe the obligations of both parties. It will also detail any performance measures that the applicant must meet. Every agreement will contain "clawback" provisions in the event these performance measures are not met. These clawback provisions are intended to indemnify the City in the event the recipient does not meet its obligations under the Economic Development Assistance Agreement. Clawback provisions can include (but not be limited to) a requirement to provide the City with a letter of credit, performance bond, or title to any asset that the City economic development assistance was used to purchase and/or construct.

APPLICATION FOR EXEMPTION

CITY OF BEL AIRE, KANSAS APPLICATION FOR PROPERTY TAX EXEMPTION FOR ECONOMIC DEVELOPMENT PURPOSES

Abatement from Ad Valorem property taxation pursuant to Article II, §13 of the Kansas Constitution is requested for all or any portion of the appraised valuation of property used for the purpose of manufacturing articles of commerce, conducting research and development, or storing goods or commodities which are sold or traded in interstate commerce, as described herein. This application is submitted in conformance with the applicable Statement of Policy and Procedures of the City and it is understood that the City may require in lieu of payments for property, which becomes tax-exempt. The attached sheets, if any, are submitted as a part of this application.

Part I. Applicant Identification

Name of Applicant firm: _____

Contact Person (Name and Title): _____

Address: _____

Street or P.O. Box

_____ City State Zip

Telephone Number: _____

Names and percent of ownership of all principal owners and officers of the Applicant

Firm: _____

If applicant is a tenant, identify property owner(s):

Name(s): _____

Mailing Address: _____

Street or P.O. Box

_____ City State Zip

Telephone Number: _____

Part II. Property Identification

List only taxable property for which abatement is requested.

_____ Land. Attach legal description of property and plat showing location of buildings, added improvements to buildings, or both.

_____ Building(s). Attach description.

_____ Added improvements to buildings. Attach description and estimated cost.

_____ Tangible personal property. Attach list of each item with identifying nomenclature and cost. Proof of purchase after August 5, 1986 must be provided for each item on list.

Part III. Business Information

Type of business organization: _____
(i.e. corporation, subsidiary, partnership, sole proprietorship, etc.)

Date and place business organized or incorporated: _____

Name and parent company, if applicable: _____

Type of business: _____

Line or lines or products manufactured or research and development conducted, or goods or commodities stored in buildings, for which tax exemption is requested.

Percentage of building occupied by applicant business qualifying for tax abatement: ____%

List principal competition of the business within the City.

Name and location of firms: _____

Describe nature of competition: _____

Business is... (Please check one) New Existing

If NEW Business:

Date Operations will Commence: _____

If business is relocated to this City, give previous location(s): _____

If construction of a new building for a new business is involved, give anticipated date of completed construction: _____

If EXISTING Business:

Date expansion will be completed: _____

Purpose of expansion: _____

Does expansion involve?

- _____ Acquisition of existing building
- _____ Enlargement of existing building
- _____ Construction of new building

Describe how property identified above facilitates the expansion of such existing business:

Part IV. Employment Data

Existing Business: Describe how expansion has or will create new employment:

Part V. Description of Public Benefits

Please attach a narrative description, of not to exceed two pages, of the public benefits which you believe will occur if the requested exemption is granted.

Part VI - Financial Responsibility

Attach a description of the businesses' financial situation. This may include a financial statement, audit and other relevant information to assess the stability of the business. Indicate whether there is any pending or threatening litigation affecting the viability of the business.

Part VII. Certification of Applicant

I, _____, hereby certify that the foregoing attached information is true and correct to the best of my knowledge.

Further, it is understood that additional information may be requested by the City to assist the Governing Body in its consideration of this matter.

Date _____ Signed _____
Name

Title

Part VIII. Acknowledgment of Receipt

Receipt is hereby acknowledged:

Date: _____ Assistant City Manager: _____