

(Published in *The Manhattan Mercury* on November 18, 2005 and subsequently on April 21, 2006 to correct a technical error on *Exhibit A* attached hereto)

ORDINANCE NO. 6512

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF MANHATTAN, KANSAS, ESTABLISHING A REDEVELOPMENT DISTRICT WITHIN THE CITY AND MAKING CERTAIN FINDINGS IN CONJUNCTION THEREWITH (DOWNTOWN REDEVELOPMENT PROJECT)

WHEREAS, the City of Manhattan, Kansas (the "City") desires to promote, stimulate and develop the general and economic welfare of the City and the state of Kansas (the "State") and to assist in the development and redevelopment of eligible areas within the City, thereby promoting the general welfare of the citizens of the State and the City, by acquiring property and providing for the development and redevelopment thereof and the financing relating thereto; and

WHEREAS, pursuant to the provisions of K.S.A. 12-1770 *et seq.*, as amended (the "Act"), the City is authorized to establish redevelopment districts within eligible areas of the City, as said terms are defined in the Act, to approve redevelopment district plans for the completion of redevelopment projects within such redevelopment project areas, and to finance all or a portion of redevelopment project costs from tax increment revenues and various fees collected within such redevelopment district, revenues derived from redevelopment projects, revenues derived from local sales taxes, other revenues described in the Act, or a combination thereof or from the proceeds of full faith and credit tax increment bonds of the City or special obligation tax increment bonds of the City payable from such described revenues; and

WHEREAS, an "eligible area," as defined in the Act, includes an "enterprise zone," which is defined in the Act as an area within a city that was designated as an enterprise zone prior to July 1, 1992, pursuant to K.S.A. 12-17,107 through 12-17,113, and amendments thereto, prior to its repeal and the conservation, development or redevelopment of the area is necessary to promote the general and economic welfare of the city; and

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

WHEREAS, notice of such public hearing shall be given by mailing a copy of the resolution calling the public hearing via certified mail return, receipt requested, to the board of county commissioners of the county, the board of education of any school district levying taxes on property within the proposed redevelopment project area, and to each owner and occupant of land within the

proposed redevelopment district not more than 10 days following the date of the adoption of such resolution and by publishing a copy of such resolution once in the official City newspaper not less than one week or more than two weeks preceding the date fixed for the public hearing, which publication shall include a sketch clearly delineating the area in sufficient detail to advise the reader of the particular land proposed to be included within the redevelopment project area and

WHEREAS, upon the conclusion of such public hearing, the governing body may pass an ordinance which shall: (1) make findings that the redevelopment district proposed to be redeveloped is in an eligible area, and the conservation, redevelopment or redevelopment of such area is necessary to promote the general and economic welfare of the City, (2) contain the redevelopment district plan as approved, (3) contain the legal description of the redevelopment district, and (4) may establish the redevelopment district, provided that the boundaries of the redevelopment district shall not include any area not designated in the notice of public hearing on the creation of the redevelopment district; and

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

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

WHEREAS, following the adoption of such an ordinance, but not later than January 1 of the year in which the increment is first allocated to the taxing subdivision pursuant to the act, the City Clerk shall transmit a copy of the description of the land within the redevelopment district, a copy of the ordinance adopting the redevelopment project plan and a map or plat indicating the boundaries of the redevelopment district to the clerk, assessor and treasurer of the county or counties that have property within the redevelopment district and to the governing bodies of the county or counties and unified school districts which levy taxes upon any property within the redevelopment district; and

WHEREAS, under certain circumstances, the Secretary of Commerce of the State (the "Secretary"), upon proper application, may designate a redevelopment project as a "special bond project"; and

WHEREAS, in addition to other revenues available under the Act, special obligation bonds issued by the City to finance a special bond project are payable from a pledge of the revenues received from any State sales taxes collected from taxpayers doing business within that portion of a redevelopment district occupied by such special bond project; and

WHEREAS, the City and Dial Realty Development Corp. ("Dial") entered into a Pre-Development Agreement dated September 16, 2003 for the purpose of designating Dial as the exclusive developer with which the City would be an active participant for the purpose of implementing redevelopment projects within a proposed redevelopment area, further provided for the parties' joint cooperation in the creation of a conceptual master plan (the "Master Plan") and envisioned that the parties' will eventually enter into final development agreements related to specific redevelopment projects to be undertaken within the proposed redevelopment area; and

WHEREAS, the Master Plan has been completed and the City and Dial desire to proceed with the

preparation of one or more final development agreements that will describe proposed redevelopment projects within an area of the City which meets the standards of an eligible area required by the Act; and

WHEREAS, the City Commission has heretofore adopted Resolution No. 090605-A, which made a finding that the City is considering the establishment of a redevelopment district pursuant to the Act and the Master Plan, set forth the boundaries of the proposed redevelopment district, provided a summary of the proposed redevelopment district plan, called a public hearing concerning the establishment of a redevelopment district for October 11, 2005 and provided for notice of such public hearing as provided in the Act; and

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

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

WHEREAS, it is still anticipated that the City will submit an application to the Secretary requesting that all or a portion of the redevelopment project within such redevelopment district be designated as a special bond project.

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

Section 1. Findings. The City Commission hereby finds that due notice of the public hearing conducted this date was made in accordance with the provisions of the Act. The City Commission hereby further finds and determines that the boundaries of the proposed redevelopment district described in Resolution No. 090605-A is located within an "enterprise zone" and therefore within an "eligible area" (as said terms are defined in the Act) and the conservation, development or redevelopment of such area is necessary to promote the general and economic welfare of the City.

Section 2. Creation of Redevelopment District. A redevelopment district is hereby created within the City in accordance with the provisions of the Act, which shall consist of the real estate legally described on *Exhibit A* attached hereto, which is incorporated herein by reference (the "Redevelopment District"). The boundaries of the Redevelopment District are generally described as follows:

- (a) a parcel generally bounded by Bluemont Street on the North, Tuttle Creek Boulevard on the East, Leavenworth Street on the South and 4th Street on the West (excluding a tract at the Southeast corner of the intersection of Bluemont Street and 4th Street);
- (b) 3rd Street from Leavenworth Street to Pierre Street;
- (c) a parcel generally bounded by Pierre Street on the North, Fort Riley Boulevard on the East and South (excluding a tract West of the intersection of Pierre Street and Fort Riley Boulevard) and 4th Street on the West;
- and (d) 4th Street from Leavenworth Street to Pierre Street.

A map depicting the boundaries of the Redevelopment District is attached hereto as *Exhibit B*, which is incorporated herein by reference. The boundaries of the Redevelopment District does not contain any property not referenced in Resolution No. 090605-A, which provided notice of the public hearing on the creation of the Redevelopment District.

Section 3. Redevelopment District Plan. The preliminary plan for the proposed Redevelopment District (the "District Plan"), as presented to the City Commission this date, is hereby

approved. The District Plan provides for multiple redevelopment projects within three redevelopment project areas. The buildings and facilities to be constructed or improved in the redevelopment project areas are described in a general manner as follows:

North Project Area. The North Project Area, located south of Bluemont, east of 4th Street, west of Tuttle Creek Boulevard, and north of Leavenworth Street, consists of a mixed-use development with residential, retail, office and restaurant space with parking. As highlighted on the Conceptual Master Plan, the north area includes a residential mix of 255,000 square feet in an assortment of town homes, condominiums, and apartments. The commercial space of approximately 240,000 square feet will consist of retail stores and restaurants. The commercial space may also include up to 15,000 square feet of office space.

Central Project Area. The Central Project Area, generally consists the rights-of-way of 3rd and 4th Street between Leavenworth Street on the north, and Pierre Street on the south. This area will consist of improving the existing streets, streetscape and landscaping.

South Project Area. The South Project Area, located south of Pierre Street, east of 4th Street, west and north of Fort Riley Boulevard, also highlighted in the Conceptual Master Plan, consists of a mixed-use development with residential, retail, office, restaurant, hotel, conference center, parking garage and civic space. The south area is comprised of approximately 50,000 square feet of retail space including several restaurants, limited office space, a hotel with 110 rooms, a 30,000 square foot conference center, parking garage consisting of 300 parking spaces, and a 30,000 square foot Prairie Discovery and Visitor's Center.

In addition, the District Plan provides for construction of public infrastructure improvements appurtenant to the foregoing building and facility improvements.

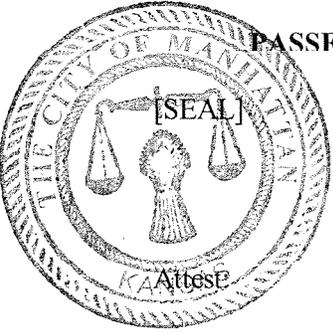
Section 4. Approval of Other Governmental Units. No privately owned property subject to ad valorem taxation within the Redevelopment District shall be acquired and redeveloped pursuant to the Act, if the Board of County Commissioners of Riley County or the Board of Education of Unified School District No. 383 determines by resolution adopted within thirty days following the public hearing held by the City on October 11, 2005, that the Redevelopment District will have an adverse effect on Riley County or Unified School District No. 383, respectively. As of this date, the City has not received a copy of any such resolution and is not aware of the adoption of any such resolution by the governing body of Riley County or Unified School District No. 383.

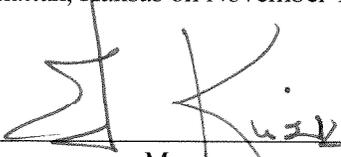
Section 5. Reimbursement. The Act authorizes the issuance by the City to issue special obligation bonds (the "Bonds") to finance all or a portion of the costs of implementing the District Plan. The Bonds may be issued to reimburse expenditures made on or after the date which is 60 days before the date of passage of this Ordinance, pursuant to Treasury Regulation §1.150-2.

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

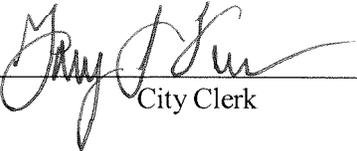
Section 7. Effective Date. This Ordinance shall be effective upon its passage by the City Commission of the City of Manhattan, Kansas and publication one time in the official City newspaper.

PASSED by the City Commission of the City of Manhattan, Kansas on November 15, 2005.





Mayor

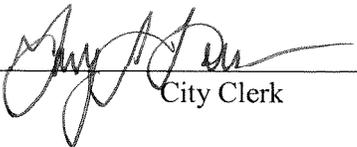


City Clerk

CERTIFICATE

I, the undersigned, hereby certify that the above and foregoing is a true and correct copy of the original Ordinance No. 6512 (the "Ordinance") of the City of Manhattan, Kansas (the "City"); that said Ordinance was passed by the City Commission on November 15, 2005; that the record of the final vote on its passage is found on page ____ of journal ____; that it was published in the official newspaper of the City on November 18, 2005; and that the Ordinance has not been modified, amended or repealed and is in full force and effect as of this date.

DATED: November 18, 2005.



City Clerk

EXHIBIT A

LEGAL DESCRIPTION OF REDEVELOPMENT DISTRICT

Property description for TIF district:

Lots 48, 48A, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 60A, 61, 62, 63, 64, 64A, 65, 66, 67, 68, 69, 69A, 70, 71, 72, 72A, 73, 74, 75, 76, 76A, 77, 78, 78A, 78B, 79, 80, 80A, 81, 82, 82A, 83, 84, 85, 86, 87, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, all in Ward 2, in the City of Manhattan, Riley County, Kansas;

That part of Lot 1, Gateway Subdivision No. 1 which was formerly known as Lots 93, 94 and 95, Ward 2, in the City of Manhattan, Riley County, Kansas;

Lot 164, Ward 1, in the City of Manhattan, Riley County, Kansas, less that tract of land conveyed to The Secretary of Transportation of the State of Kansas, as described in Book 658, Page 265, in the office of the Register of Deeds of Riley County, Kansas; and

Lots 55, 56, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, all in Ward 1, in the City of Manhattan, Riley County, Kansas;

Together with the rights of way on both 3rd and 4th Streets extending from Fort Riley Boulevard to Bluemont Avenue, in the City of Manhattan, Riley County, Kansas;

Together with all the publicly dedicated right of way, including streets and alley ways, within the area bounded by Bluemont Avenue on the north, Tuttle Creek Boulevard on the east, Leavenworth Street on the south, and 4th Street on the west, in the City of Manhattan, Riley County, Kansas.

Together with all the publicly dedicated right of way, including streets and alley ways, within the area bounded by Pierre Street on the north, 4th Street on the west, Fort Riley Boulevard on the south and east in the City of Manhattan, Riley County, Kansas.

Together with any vacated streets, vacated alleys, vacated market squares and abandoned railroad right of way accruing to the subject lots.

EXHIBIT B

MAP OF REDEVELOPMENT DISTRICT

Tax Increment Finance District



 TIF District Parcels
 3rd and 4th Street