EL DORADO CITY COMMISSION – REGULAR MEETING AGENDA
CITY HALL – 220 E. FIRST AVENUE
August 20, 2018 – 6:30 PM

1. **Call to Order**
2. **Roll Call**
3. **Invocation –** Reverend Mickie McCorkle, Trinity United Methodist Church
4. **Pledge of Allegiance**

Proclamations and Recognition

5. None

Personal Appearances. Personal appearances are opportunities for organizations or citizens to make special presentations before the City Commission. Such appearances are scheduled in advance of the meeting by calling City Clerk Tabitha Sharp at (316) 321-9100 by 5:00 pm the Tuesday preceding the meeting. Presentations are limited to ten minutes. Any presentation is for information purposes only; no action will be taken.

6. Tabitha Sharp, Holly Frontier Western Celebration Chair

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 the Mayor. Comments on personnel matters and matters pending in court are not permitted. Speakers are limited to three minutes. Any presentation is for information purposes only; no action will be taken.

Consent Agenda *(Consent agenda items will be acted on by one motion unless a majority of the City Commission votes to remove an item for discussion and separate action.)*

8. Advisory Board Appointment: Gregg Lewis, K254 Corridor Association

Old Business

9. None

New Business

10. Elks Lodge Sales Tax Allocation
11. Project #538 – Sidewalks 100 Block W Olive
12. El Dorado Inc. MOU and Work Plan
13. Tax Abatement/IRB Policy

Reports

14. City Commission and Advisory Board Updates
15. City Manager

Executive Session

16. None

Adjournment

17. Consideration of a motion to adjourn the August 20, 2018 regular meeting

PUBLIC COMMENT POLICY:

Citizens are encouraged to address the City Commission during regularly scheduled meetings. This policy is intended to provide some guidelines to ensure that all El Dorado citizens have a chance to address the Commission.

1. Each citizen will state their name and address before making comments.
2. There are no residency requirements.
3. Each citizen will have 3 minutes to present his or her comments.
4. An extension of time, if necessary, may be approved but must be by a majority of the City Commission.
5. Comments or questions will be directed only to the City Commission.
6. Citizens will follow the decorum policy.
7. Debate or argument between parties in the audience will not be allowed.
8. Certain legal issues may not be discussed. (Examples include but are not limited to personnel issues, lawsuits, etc.)
9. Violation of this public comment policy will result in the citizen being directed to cease or resume sitting.

Approved by the Commission this 2nd day of May 2005.

The Mayor opened the floor for Public Comments.

2018 Commission Priorities
Water Sales • Community Image • Industrial and Business Parks • Parks and Recreation • Public Safety

TO: City Commission
FROM: Tabitha Sharp, City Clerk
SUBJ: Sales Tax Allocation to the Elks Lodge
DATE: February 28, 2018

Background:
The Elks Lodge has received allocations from the 2015 and 2016 Excess Sales Tax Committees for the construction of a new building on Haverhill. The 2017 Excess Sales Tax Committee recommended to the Commission that the money allocated to the Elks be re-allocated in 2018 if they had not moved forward on the construction of the building on Haverhill. Members of the Elks Lodge approached the Commission at the previous work session and requested that the money be re-allocated to the purchase of a building downtown on Pine Avenue. They requested that the money be granted to them so that they make repairs to the upper floors of the building. The Commission requested that the topic be revisited in August. They discussed it at the last work session with members of the Elks Lodge. The Elks requested another extension as they are waiting on a decision from the State Fire Marshall's office.

Policy Issue:
The City Commission must approve all allocations of excess sales tax.

Alternatives:
The City Commission may choose to allocate the funds elsewhere.

Fiscal Impact:
The 2015 allocation was for $30,000 and the 2016 allocation was for $25,000, a total of $55,000. The funds are currently in the excess sales tax fund.

Trade-offs:
N/A

Staff Recommendation:
N/A

Commission Actions:

Commissioner _________________ moved grant a six month extension to the Elks Lodge contingent on the conditions listed in March of 2018.

Commissioner __________________ seconded the motion.

2018 Commission Priorities

Water Sales • Community Image • Industrial and Business Parks • Parks and Recreation • Public Safety

TO: City Commission
FROM: Scott Rickard
SUBJ: Project #538-Sidewalks 100 Block W Olive
DATE: August 14, 2018

Background:

Stands Rentals, LLC has presented a petition for sidewalk & curb/gutter replacement on the North side of the 100 block of West Olive from Main to the Alley.

Policy Issue:

The City Commission must determine the advisability and authorize the making of the improvements.

Fiscal Impact:

The total cost of the project is $18,566.58. The costs assessed to the improvement district will be $16,566.58 and city-at-large costs will be $2,000.00. The total cost of the project will be bonded, therefore allowing the improvement district to pay off the debt over a ten year period.

Trade-offs:

The decision of a governing body to provide public improvements often requires property owners to equally be assessed a portion of the improvements. In such instances, this requires balancing community benefits with potentially negative impacts on the assessed property owners.

Staff Recommendation:

Accept the petition and authorize the project.

Commission Actions:

Commissioner __________________ moved that Resolution No. ____________ a resolution determining the advisability of the making of certain internal improvements in the City of El Dorado, Kansas; making certain findings with respect thereto; and authorizing and providing for the making of the improvements in accordance with such findings (sidewalk improvements/project 538).

Commissioner ___________________ seconded the motion.

PETITION

TO: THE GOVERNING BODY OF THE CITY OF EL DORADO, KANSAS:

We, the undersigned being owners of record of real property liable for assessment for the following proposed improvements:

PROJECT NO. - To improve sidewalks, on the following street:

North Side- 100 Block West Olive – from Main to alley

And hereby propose that such improvements be made in the manner provided by Article 6a of Chapter 12 of Kansas Statutes annotated, as amended.

In support of said petition, the undersigned set forth the following information, to-wit:

1. The estimated or probable cost is **$18,566.58.**

2. The extent of the Improvement District to be assessed is as indicated in the attached plat and described as follows:

The South 44 feet of Lot 1, Block 10 of The Original Town of El Dorado, Section 2, Township 26, Range 5 East.

The proposed method of assessment is as follows:
a) The Improvement District shall pay one-half (1/2) of the actual cost of all sidewalk removal, and shall pay all the actual cost of sidewalk replacement.
b) The City at Large shall pay for one-half (1/2) of the actual cost of all sidewalk removal.

3. The proposed apportionment of the total cost of said improvements between the Improvement District and the City at Large shall be as follows:

(a) The Improvement District shall pay for that portion of the total estimated cost which represents one- half (1/2) of the actual costs of all sidewalk removal and all the sidewalk replacement adjacent to the properties in the Improvement District, exclusive of the intersection portion and the Improvement District shall pay for one- half (1/2) of the actual costs of all curb removal and replacement.;

Said share of the total cost to the Improvement District equals:
$16,566.58 or 89%, more or less.

(b) The City at Large shall bear and pay for that portion of the improvement represented by the cost of one- half (1/2) of the actual costs of sidewalk removal adjacent to the properties in the Improvement District, and the City at Large shall pay for one- half (1/2) of the actual costs of all curb removal and replacement.

Said share of the total cost to the City at Large equals:
$2,000.00 or 11%, more or less.

5. The estimated or probable cost payable by the City at Large does not exceed 95 percent of the total estimated cost of the improvements.

We, further request that such improvements be made without notice and hearing as provided in Article 6a, of Chapter 12 of Kansas Statutes annotated, as amended and the undersigned are informed that their name or signature to this petition may not be withdrawn after the Governing Body commences consideration of said petition or later than seven (7) days after filing of said petition, whichever occurs first.

Respectfully Submitted,

Estimate Assessment for Petition 7/12/2018

100 Block of W Olive Sidewalk & Curb/Gutter Replacement

Stands Rentals, LLC 1199 SE Grant Rd El Dorado, KS 67042	1	The South 44 feet of Lot 1 Block 10 of the Original Town of El Dorado Section 2 Township 26 Range 5 East 323 S Main 211-02-0-40-10-005-00-0	$16,566.58
		TOTAL	$16,566.58

CITY OF EL DORADO, KANSAS
IMPROVEMENT DISTRICT - COST ESTIMATE

Project No. 000 7/12/2018

100 Block of W Olive Sidewalk & Curb/Gutter Replacement

CONSTRUCTION QUANTITIES

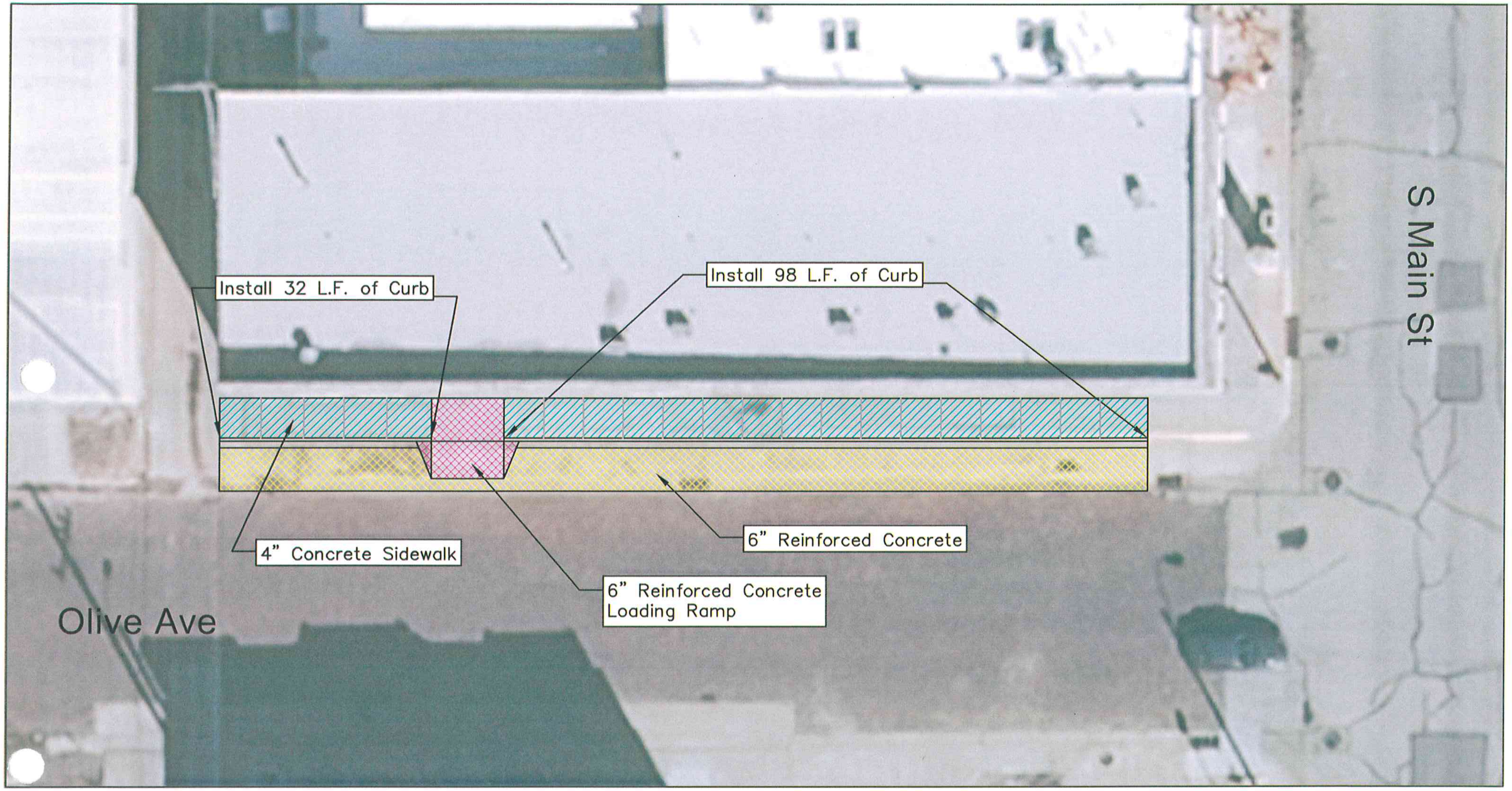
Item No.	Description	Unit	No. of Units	Unit Cost	Total Cost
1	4" Concrete Sidewalk	S.F.	774.0	$4.50	$3,483.00
2	6" Reinforced Concrete	S.F.	997	$6.50	$6,480.50
4	Concrete Removal*	L.S.	0.5	$4,000.00	$2,000.00
5	Concrete Curb	L.F	130	$15.00	$1,950.00
6	Traffic Control	L.S.	1	$500.00	$500.00

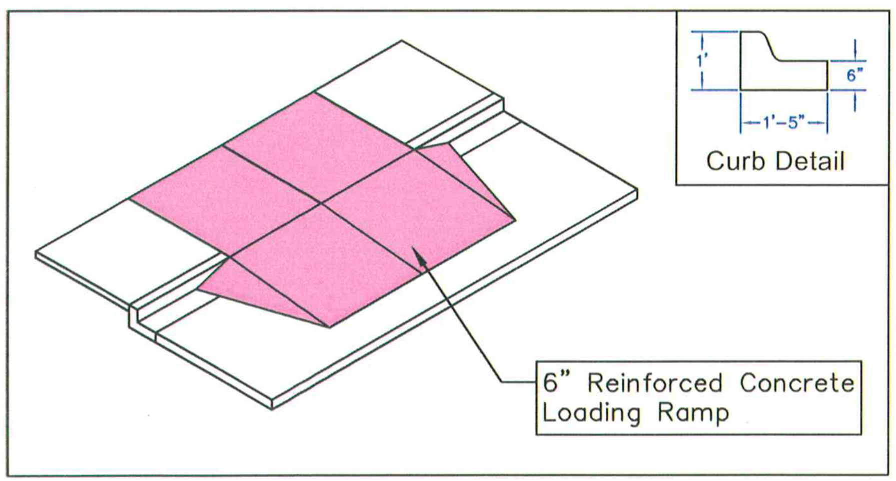
* City pays half

Construction Subtotal	$14,413.50
Engineering	$1,153.08
Misc.	$1,000.00
Total Project Costs	**$16,566.58**

I hereby certify that the above estimate is correct to the best of my knowledge.

Scott Rickard
Engineering Department





Quantities

Item No.	Description	Unit	No. of Units
1	4" Concrete Sidewalk	S.F.	774.0
2	6" Reinforced Concrete	S.F.	997
4	Concrete Removal*	L.S.	0.5
5	Concrete Curb	L.F	130
6	Traffic Control	L.S.	1

Gilmore & Bell, P.C.
08/10/2018

**EXCERPT OF MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF EL DORADO, KANSAS
HELD ON AUGUST 20, 2018**

The governing body met in regular session at the usual meeting place in the City, at 6:30 P.M., the following members being present and participating, to-wit:

Absent:

The Mayor declared that a quorum was present and called the meeting to order.

* * * * * * * * * * * * * *
(Other Proceedings)

Thereupon, and among other business, there was presented to the governing body a Petition which has been filed in the Office of the City Clerk requesting the making of certain internal improvements in the City pursuant to the authority of K.S.A. 12-6a01 *et seq*.

Thereupon, there was presented a Resolution entitled:

A RESOLUTION DETERMINING THE ADVISABILITY OF THE MAKING OF CERTAIN INTERNAL IMPROVEMENTS IN THE CITY OF EL DORADO, KANSAS; MAKING CERTAIN FINDINGS WITH RESPECT THERETO; AND AUTHORIZING AND PROVIDING FOR THE MAKING OF THE IMPROVEMENTS IN ACCORDANCE WITH SUCH FINDINGS (SIDEWALK IMPROVEMENTS/PROJECT 538).

Thereupon, Commissioner __________ moved that said Resolution be adopted. The motion was seconded by Commissioner __________. Said Resolution was duly read and considered, and upon being put, the motion for the adoption of said Resolution was carried by the vote of the governing body, the vote being as follows:

Yea: ____.

Nay: ____.

Thereupon, the Mayor declared said Resolution duly adopted and the Resolution was then duly numbered Resolution No. ______ and was signed by the Mayor and attested by the Clerk; and the Clerk was further directed to cause the publication of the Resolution one time in the official City newspaper and to record the Resolution in the Office of the Register of Deeds of Butler County, Kansas, all as required by law.

* * * * * * * * * * * * * *
(Other Proceedings)

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On motion duly made, seconded and carried, the meeting thereupon adjourned.

CERTIFICATE

I hereby certify that the foregoing Excerpt of Minutes is a true and correct excerpt of the proceedings of the governing body of the City of El Dorado, Kansas, held on the date stated therein, and that the official minutes of such proceedings are on file in my office.

(SEAL)

____

Clerk

Gilmore & Bell, P.C.
08/10/2018

NOTE: To be recorded with the Register of Deeds of Butler County, Kansas

(Published in the ***Butler County Times-Gazette*** on August 25, 2018)

RESOLUTION NO. ______

A RESOLUTION DETERMINING THE ADVISABILITY OF THE MAKING OF CERTAIN INTERNAL IMPROVEMENTS IN THE CITY OF EL DORADO, KANSAS; MAKING CERTAIN FINDINGS WITH RESPECT THERETO; AND AUTHORIZING AND PROVIDING FOR THE MAKING OF THE IMPROVEMENTS IN ACCORDANCE WITH SUCH FINDINGS (SIDEWALK IMPROVEMENTS/PROJECT 538).

WHEREAS, a petition (the "Petition") was filed with the City Clerk of the City of El Dorado, Kansas (the "City") proposing certain internal improvements; and said Petition sets forth: (a) the general nature of the proposed improvements; (b) the estimated or probable cost of the proposed improvements; (c) the extent of the proposed improvement district to be assessed for the cost of the proposed improvements; (d) the proposed method of assessment; (e) the proposed apportionment of the cost between the improvement district and the City-at-large; and (f) a request that such improvements be made without notice and hearing as required by K.S.A. 12-6a01 *et seq.*; and

WHEREAS, the governing body of the City hereby finds and determines that said Petition was signed by the owners of record of more than one-half of the area liable for assessment for the proposed improvements, and is therefore sufficient in accordance with the provisions of K.S.A. 12-6a01 *et seq.* (the "Act").

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

Section 1. **Findings of Advisability**. The governing body hereby finds and determines that:

(a) It is advisable to make the following improvements (the "Improvements"):

Sidewalk improvement on the North Side of the 100 Block of West Olive, from Main to alley, all in accordance with City standards and plans and specifications prepared or approved by the City Engineer.

(b) The estimated or probable cost of the proposed Improvements is: $18,566.58.

(c) The extent of the improvement district (the "Improvement District") to be assessed for the cost of the Improvements is:

The South 44 feet of Lot 1, Block 10 of The Original Town of El Dorado, Section 2, Township 26, Range 5 East; to the City of El Dorado, Butler County, Kansas.

(d) The method of assessment is: all costs attributable to the Improvement District shall be assessed on a front foot basis to the single parcel comprising the Improvement District. In the event the parcel in the proposed Improvement District is replatted before assessments have been levied, the assessments against the replatted area shall be recalculated on the basis of the method of assessment set forth herein. Where the ownership of the Improvement District is or may be divided into two or more parcels, the assessment to the lot so divided shall be assessed to each ownership or parcel on a front foot basis.

(e) The apportionment of the cost of the Improvements between the Improvement District and the City-at-large is:

1. The Improvement District shall pay for that portion of the total estimated cost which represents one- half (1/2) of the actual costs of all sidewalk removal and all the sidewalk replacement adjacent to the properties in the Improvement District, exclusive of the intersection portion and the Improvement District shall pay for one- half (1/2) of the actual costs of all curb removal and replacement;

Said share of the total cost to the Improvement District equals:
$16,566.58 or 89%, more or less.

2. The City at Large shall bear and pay for that portion of the improvement represented by the cost of one- half (l /2) of the actual costs of sidewalk removal adjacent to the properties in the Improvement District, and the City at Large shall pay for one- half (1/2) of the actual costs of all curb removal and replacement.

Said share of the total cost to the City at Large equals:
$2,000.00 or 11%, more or less.

3. The estimated or probable cost payable by the City at Large does not exceed 95 percent of the total estimated cost of the improvements.

Section 2. **Authorization of Improvements**. The abovesaid Improvements are hereby authorized and ordered to be made in accordance with the findings of the governing body of the City as set forth in ***Section 1*** of this Resolution.

Section 3. **Bond Authority; Reimbursement**. The Act provides for the costs of the Improvements, interest on interim financing and associated financing costs to be paid by the issuance of general obligation bonds or special obligation bonds of the City (the "Bonds"). The Bonds may be issued to reimburse expenditures made on or after the date which is 60 days before the date of this Resolution, pursuant to Treasury Regulation 1.150-2.

Section 4. **Effective Date**. This Resolution shall be effective upon adoption. This Resolution shall be published one time in the official City newspaper, and shall also be filed of record in the office of the Register of Deeds of Butler County, Kansas.

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ADOPTED by the governing body of the City on August 20, 2018.

(SEAL)

By: ______________________________
Name: Vince Haines
Title: Mayor

ATTEST:

By: ______________________________
Name: Tabitha Sharp
Title: Clerk

CERTIFICATE

I hereby certify that the above and foregoing is a true and correct copy of the Resolution of the City adopted by the governing body on August 20, 2018, as the same appears of record in my office.

DATED: August 20, 2018.

By: ______________________________
Name: Tabitha Sharp
Title: Clerk

2018 Commission Priorities
Water Sales • Community Image • Industrial and Business Parks • Parks and Recreation • Public Safety

TO: City Commission
FROM: Tabitha Sharp, City Clerk
SUBJ: El Dorado Inc. MOU and Work Plan
DATE: August 17, 2018

Background:
The last El Dorado Inc. MOU was signed in 2007. Since that time, an amendment was made to change the duties of El Dorado Inc. when the City absorbed the CVB, other changes were not made at that time. El Dorado Inc. and City Staff have worked together to develop a new MOU, and have provided it for the Commission to review at a work session. El Dorado Inc. has also provided a work plan that will guide their annual efforts.

Policy Issue:
The City Commission must approve the signing of the agreement.

Alternatives:
Another agreement could be developed.

Fiscal Impact:
El Dorado Inc. receives $68,500 from the City annually. The City also levies up to one mill for economic development initiatives. A portion of these funds are allocated to El Dorado Inc. as matching funds for each dollar collected by El Dorado Inc. from investors.

Trade-offs:
Not applicable

Staff Recommendation:
Approve the MOU and Work Plan.

Commission Actions:

Commissioner _________________ moved to direct the Mayor to sign the Memorandum of Understanding with El Dorado Inc.

Commissioner __________________ seconded the motion.

Commissioner _________________ moved to direct the City Manager to sign the Work Plan provided by El Dorado Inc.

Commissioner __________________ seconded the motion.

MEMORANDUM OF UNDERSTANDING

This **MEMORANDUM OF UNDERSTANDING** ("Agreement") is made and entered into as of this __day of August, 2018, by and between the City of El Dorado, Kansas ("City") and El Dorado, Inc. ("Corporation"), a Kansas not-for-profit corporation.

WHEREAS, the Corporation has been organized by representatives of the business community and certain government agencies in and around El Dorado, Kansas, for the purpose of promoting economic growth in the area;

WHEREAS, on November 3, 1987, the City adopted Resolution No. 1695, designating the Corporation as the Industrial Development Committee of the City;

WHEREAS, the Corporation and the City wish to continue to partner on economic development initiatives with funding allocated for such purposes as provided in Resolution No. 1695; and

WHEREAS, the City's economic development program shall be administered under the terms and conditions set forth in this Agreement, as this cooperative relationship continues to contribute importantly to the accomplishment of each entities respective exempt purposes by promoting economic development programs for the benefit of the citizens of El Dorado.

NOW, THEREFORE, in consideration of the premises and the performance of the covenants herein contained, the parties agree as follows:

1. **<u>Scopes of Services.</u>** The Corporation agrees to provide, through its professional staff, the following services to the City:

    a. **BUSINESS RECRUITMENT.** The Corporation shall initiate an aggressive program to identify and recruit businesses to the City. The Corporation shall undertake specific efforts to identify target businesses by industry and by name, to inform those businesses of the opportunities for locating to the City, and to follow-up with qualified prospects in order to prepare development proposals. Corporation staff shall participate in joint efforts at the local, regional, and state levels to recruit new businesses to the City.

    b. **DEVELOPMENT PROPOSALS.** The Corporation shall assist existing and prospective businesses with the preparation of development proposals for the consideration of the City. Corporation staff shall become familiar with every aspect of economic development as it applies to the City, and shall develop an understanding of the City's objectives in developing the commercial and industrial sectors of the City. The Corporation shall act as a facilitator for prospective business development and shall assist in the presentation of development proposals to the various jurisdictions having oversight on the development of the City. The Corporation shall strive to develop a "one-stop shop" approach for development proposals so that a proponent of a project can get virtually all questions answered by or through the Corporation.

    c. **MARKETING.** The Corporation shall provide support to the City and its staff in marketing the business advantages to potential corporate residents, which support shall include, but is not limited to, market research, accumulation of data concerning prospective tenants, development and distribution of marketing materials, attendance at trade shows, conventions and other events where appropriate market intelligence can be gained, and other activities deemed appropriate by the parties. The Corporation shall initiate such activities as it deems appropriate to ensure that the City is well represented in the commercial and industrial real estate market both regionally and nationally.

d. **EXISTING BUSINESS RELATIONS.** The Corporation, through its professional staff, shall assist the City and its staff in establishing and maintaining relationships with existing businesses, to assist those businesses in developing and expanding their facilities within the corporate limits of the City, and to identify and pursue potential linkages with other businesses who may be candidates for locating to the City. The Corporation's staff shall specifically and purposefully offer its services to each and every business in the City. The Corporation shall develop a means of annually contacting the managers of these businesses to inform them of the services available through the Corporation. The Corporation shall annually survey businesses to determine the potential for expansion and/or growth opportunities.

2. **Performance Standards.** The Corporation shall establish a plan of work in which the specific activities to be performed by the Corporation are delineated. Such plan of work shall specifically address the nature and scope of services to be provided to the City, and shall establish performance criteria by which the Corporation's performance will be measured and evaluated. Such plan of work shall be prepared annually and shall be subject to the approval of the City Manager prior to adoption by the Corporation's Board of Directors.

3. **Policies and Procedures.** The City and Corporation agree to periodically coordinate and review policies and procedures related to economic development administered in partnership between the City and Corporation. In addition, the City and Corporation will prepare general guidelines for the administration of economic development projects.

4. **Compensation.** In consideration of the services to be provided by the Corporation, the City shall pay to the Corporation the sum of $68,500, payable at the rate of $34,250 on or before the fifteenth day of the months of January and July of each year during the effective period of this Agreement. The Corporation shall prepare an invoice for each semi-annual payment and submit such invoice to the City at least thirty days prior to the scheduled payment.

5. **Industrial Mill Levy Fund.** The City annually levies up to one mill for economic development initiatives that may include, but not be limited to, activities related to the development and marketing of properties owned by the City, or jointly with the Corporation, or other entities, for the specific purpose of industrial or commercial development.

   A portion of the funds generated by the Industrial Mill Levy are allocated by the City as a matching contribution to the Corporation as provided by Resolution No. 1695. As such, the City agrees to annually match funds dollar for dollar based on the amount collected by the Corporation from member investors. Such matching contribution by the City shall be limited to one mill on taxable tangible property located within the corporate limits of the City.

   The City shall have sole discretion on the allocation and appropriation of funds in the Industrial Mill Levy Fund, although the City reserves the right to solicit input from the Corporation on the use of such funds. It shall be the intent of both parties to use any excess funds in the Industrial Mill Levy Fund for capital expenditures or planning and preparation expenses needed for the implementation of the economic development goals of the City and to refrain from using such funds for operational expenses of either the City or the Corporation.

6. **Administrative Fees.** Understanding that both the City and the Corporation allocate time and resources to various economic projects, the City agrees to share with the Corporation half of any administrative or application fee(s) collected as a result of an economic development incentive granted by the City's governing body where the Corporation provided assistance to the project. Any such fees to be disbursed under this provision shall be remitted to the Corporation within sixty days of receipt by the City. The City and Corporation shall annually review the administrative or application fees collected for economic development projects to ensure that sufficient funds are collected to properly reimburse the City and Corporation for the majority of its out-of-pocket expenses related to such projects. Final approval of any and all administrative fees shall be at the sole discretion of the governing body of the City.

7. **Term.** This Agreement shall be in full force and effect from and after its effective date until and unless terminated by either party as provided herein.

8. **No Agency Relationship.** Notwithstanding anything to the contrary contained in this Agreement, the Corporation and its employees shall not hold itself or themselves out as, and shall not be, an agent of the City. Neither the Corporation nor its employees shall have the authority to enter into agreements, leases, or other commitments on behalf of the City.

9. **Indemnity.** Each party to this Agreement agrees to and shall defend and hold harmless the other for the negligent acts and omissions of such party and its agents, employees and contractors, provided, however, nothing herein shall be construed as a waiver by either party of any limitation of liability provided under the Kansas Tort Claims Act.

10. **Insurance.** The Corporation shall be solely responsible for obtaining all insurance coverages that it deems necessary or desirable in connection with its business and its obligations under this Agreement, including, but not limited to, general liability, workers compensation, and automobile liability coverage.

11. **Termination.** Either party may terminate the Agreement, without cause, by providing the other party written notice of its intent to so terminate the Agreement. Such voluntary termination shall become effective following the conclusion of the then-current budget year.

    Either party may terminate the Agreement in the event the other party breaches the terms and conditions as provided herein by declaring, in writing, the other party is in default of the Agreement. The non-breaching party may elect to terminate the Agreement upon ninety days' notice to the breaching party, and this Agreement shall thereafter terminate unless the default is cured within ninety days of such notice.

12. **Duties upon Termination.** It is acknowledged and agreed that in the course of performing its obligations under this Agreement, the Corporation will compile and prepare certain market information, client lists, databases, and other information relating to the City's operations, businesses, prospective businesses, and other information, all of which shall become the property of the City upon termination of this Agreement. The Corporation agrees to deliver to the City all such information not later than the fifth business day following termination of the Agreement. All such information shall be kept confidential by the Corporation following termination of the Agreement, and the Corporation agrees not to disclose such information to any third party except as otherwise required by law.

13. **Funding.** The parties acknowledge that a portion of the Corporation's ability to fulfill its obligations of the Agreement is contingent upon continued funding by its member investors, and that such funding is currently primarily comprised of voluntary private contributions and the City. The Corporation shall make reasonable efforts to gain financial support through expanded membership and through other funding sources, such as grants-in-aid and service contracts or by collecting fees for services rendered to other agencies and organizations.

14. **No Implied Appropriation of Funds.** Notwithstanding any other provision of this Agreement, the City shall not be obligated for the Corporation's performance hereunder or by any provision of this Agreement during any of the City's future fiscal years unless and until the governing body of the City appropriates funds for this Agreement in the City's Budget for each such future fiscal year. In the event that funds are not appropriated for this Agreement, then this Agreement shall terminate as of the last day of the last fiscal year for which funds were appropriated. The City shall notify the Corporation in writing of any such non-appropriation of funds for the upcoming calendar year on or before October 1st.

15. **Entire Agreement.** This Agreement supersedes all prior and contemporaneous oral and written agreements and understandings pertaining to hereto. Any changes to this Agreement must be approved in writing by both parties.

IN WITNESS WHEREOF, the parties hereto have set their hand this ___ day of August, 2018, at El Dorado, Butler County, Kansas.

EL DORADO, INC.	CITY OF EL DORADO, KANSAS
___________________________________	___________________________________
Gene Kimble, President	Vince Haines, Mayor
Attest:	Attest:
___________________________________	___________________________________
Secretary	Tabitha Sharp, City Clerk

2018 El Dorado, Inc. Proposed Work Plan Initiatives

"Growth is never by mere chance; it's the result of forces working together." James Cash Penney

1. **Create a "One-stop shop" for existing and prospective businesses**
    - Track and coordinate timely responses to requests for information from existing and new prospects.
    - Educate local economic development partners to ensure all prospects are given the same access to resources.
    - Develop proposals for consideration by the City, Kansas Department of Commerce, Workforce Alliance and various jurisdictions having oversight on the development of the City.
    - Provide support to businesses accessing economic development incentives and workforce training programs.

2. **Support, initiate and maintain relationships with the existing business community and assist those businesses in developing and expanding their facilities within the corporate limits of the City.**
    - Create list of companies to meet 1 on 1 at least every 24 months
        i. Consider companies with at least 25 employees and/or $1M+ in capital investment.
    - Host networking events such as Connect and Caffeinate-work on plan to sustain ongoing contact.
    - Maintain quarterly contact via electronic newsletter with El Dorado, Inc. members.
    - Coordinate meetings, events, emails, direct mail or social media to educate businesses regarding local and regional resources available with Butler Community College, Workforce Alliance, BREG, Kansas Department of Commerce, Network Kansas e-community, local facade grants etc.
    - Promote information on educational seminars hosted by the El Dorado Chamber, El Dorado Main Street and others.

3. **Complete work with Ad Hoc Recruitment Committee to create target industries recommendation.**
    - Solicit feedback and incorporate input from the following:
        i. City Manager
        ii. El Dorado, Inc. Board of Directors
        iii. El Dorado City Commission
        iv. Butler County Economic Development, Greater Wichita Partnership, Kansas Department of Commerce
        v. El Dorado, Inc. full membership
        vi. BCC Trustees, USD 490 and USD 375
        vii. El Dorado Main Street and El Dorado Chamber Board of Directors
        viii. Rotary, Kiwanis, Soroptimist

Measurement: Completed targeted industries recommendation to be presented to the El Dorado City Commission and El Dorado, Inc. Board of Directors for approval by 9/4/2018.

4. **Work with the City, PEC and others to make existing City and City/Inc. owned property shovel ready.**
    - Populate information on eldoks.com and Location One.
    - Use data in development proposals to recruit “targeted industries” to El Dorado.

Measurement: Process of working with PEC is complete and information is being utilized to recruit and expand targeted industries.

5. **Initiate a multi-platform marketing plan to recruit targeted industries and ensure the City is well represented in the commercial and industrial real estate market both regionally and nationally.**
    - Maintain market research and data concerning prospects solicited and requesting information.
    - Identify companies/prospects in our targeted industries model.
    - Develop marketing material and proposals for distribution and follow up with qualified prospects.
    - Maintain economic development information on eldoks.com, BREG website, Location One.
    - Participate in regional recruitment efforts with the Greater Wichita Partnership and its members.
    - Respond to Requests for Information from the Kansas Department of Commerce and others for targeted industries.
    - Participate with Team Kansas, Greater Wichita Partnership and others in trade shows, conventions and other events where appropriate market intelligence can be gained.
    - Support new and ongoing community image efforts with the City and other economic development partners.
    - Continue to maintain 2 billboards between Exit 76 and Exit 73 on the Kansas Turnpike.
    - Work with local Realtors that represent commercial and industrial real estate.
    - Maintain relationships with Commercial/Industrial Brokers in Wichita and around the country.
    - Work with Greater Wichita Partnership and BREG to include El Dorado in their regional web, print, and social media.

6. **Continue to work with third-parties to identify and gather information for additional shovel ready property and spec commercial buildings in El Dorado.**

7. **Work with City to update guidelines, fees and processes for local financial incentives.**
    - CID, Tax Abatements, NRP, TIF, Star Bonds etc.

Measurement: Successful update of local financial incentives in 2018.

8. **Support City efforts to create more workforce housing.**
    - Continue to work with 2016, 2017 MIH projects
    - Assist City with submission of 2018 MIH application and other programs as requested.

Measurement: Successful closing of 2016 MIH project and closing or near closing of 2017 MIH project in 2018.

9. **Continue to participate in joint economic development efforts at the local, regional and state levels.**
    - Attend local partner meetings.
    - Quarterly Regional Economic Development Meetings.
    - Wichita Area Outlook Team through WSUCEDBR.
    - Actively engage with Greater Wichita Partnership, BREG, Workforce Alliance, BETA at Butler, WSUCEDBR, Butler County Economic Development, and other Butler County Communities.
    - Continue membership and participation in KEDA and TEAM Kansas.

10. REPORTING/MEASUREMENT:

Unless noted otherwise:

- *Activity report monthly at El Dorado, Inc. Advisory meeting.*
- *An approved written tracking report of this work plan progress will be created, maintained and provided to the El Dorado City Manager in a written format by March 31st each year. Staff will provide a quarterly progress report of active business and housing projects quarterly to the City Manager in a verbal or written format that has been approved...*

El Dorado, Inc.	City of El Dorado
________________________________	________________________________
Gene Kimble, President (____________, 2018)	David Dillner, City Manager (____________, 2018)

S: El Dorado Inc/Agenda and Minutes/Work Plans/2018/2018 El Dorado Inc. Work Plan

2018 Commission Priorities
Water Sales • Community Image • Industrial and Business Parks • Parks and Recreation • Public Safety

TO: City Commission
FROM: David Dillner, City Manager
SUBJ: Industrial Revenue Bond and Constitutional Tax Abatement Policy
DATE: August 17, 2018

Background:
The City has had a policy to guide the approval of tax abatement and industrial revenue bond (IRBs) requests since the early 1990s. The most recent time the policy was amended was in 2004, when Resolution No. 2475 amended the fees for IRB renewal applications and established the Administrative Review Committee.

The City has approved many millions of dollars in tax abatements and IRBs since the adoption of a formal policy, although a complete record of the incentives does not readily exist. Most recently, the City has approved ten-year tax abatements for BG Products, Inc. and Pioneer Balloon.

Staff has reviewed the current policy and recommends several changes to better align with the City's economic development goals to target specific industries and businesses as well as target development in certain geographic areas of the community.

Key Highlights: Important changes in the proposed policy include:

- **Establishment of base tax abatement of 50%.** All tax abatements approved under the proposed policy would receive at least a 50% tax abatement. Additional increments of abatement may be granted based on meeting criteria established in the policy.

- **Establishment of tax abatement criteria.**

    - Targeted industries will receive an additional 25% abatement. Proposed target industries include: Water-Intensive Businesses; Agribusiness and Agricultural Manufacturing; Industrial Products Manufacturing; Transportation Distribution and Wholesale; Health Services; Food and Beverage Processing; Aerospace; Advanced Manufacturing; Alternative Energy; Bioscience; Food Processing; Logistics and Distribution; and Office Development.
    - Development occurring in targeted areas will receive an additional 5%. Proposed targeted areas include: Downtown Business District, El Dorado Business Park, and El Dorado Industrial Park.
    - The City can define businesses to exclude from IRBs or tax abatements. Presently, the proposed policy does not define any excluded businesses, although such businesses may need to be added to the policy to define businesses that we do not want to incentivize to locate in El Dorado. An example of such a business might be a business type that would not align with the community's values.
    - The City will preserve the existing tax base and will not provide a tax incentive that takes a property off of the tax rolls, except in circumstances where a property is included in an Opportunity Zone or other federal or state designated special investment area.
    - Speculative construction will be eligible for tax abatements and IRBs pursuant to the City's "Speculative Construction Policy" that must be developed. This provision allows the City to grant the incentive for these types of requests, but will require a policy to be developed for this specific use prior to it being used.
- **Amendment of process.** Applicants will submit an application and an application fee of $2,500, along with all the required documents prior to being considered. The Administrative Review Committee, comprised of the city manager, city clerk, Inc. president, Inc. executive director, and member of the City Commission will review application and make a recommendation to the City Commission. The mayor served on this committee prior to

the proposed policy. An independent cost-benefit analysis is conducted, and the information is provided to the applicant, committee, and other taxing jurisdictions for review. A public hearing is scheduled for the matter to be heard in a meeting of the City Commission. The City Commission approves a Resolution of Intent expressing its intent to grant the abatement.

- **Establishment of fees.** The proposed policy amends the application fee to $2,500, and charges an origination fee of 0.05% of the issuance for economic development purposes. The applicant will also reimburse the City for the actual out-of-pocket expenses of the City related to the issuance.

Fiscal Impact: The proposed policy has no immediate fiscal impact as it addresses requests for future industrial revenue bonds and tax abatements. Projects receiving the incentives contained in the policy may not contribute all or a portion of property and sales taxes normally required of projects.

Legal Review: A legal review has not been conducted on the proposed policy at this time. A legal review will be conducted on the proposed policy if the City Commission desires to have the City Attorney review it.

Alternatives:

- **Approve the IRB/Tax Abatement Policy as provided.**
- **Request modifications to the proposed IRB/Tax Abatement Policy.**
- **Request additional information from the City Manager.** The City Manager will collect such other information as may be necessary to assist the City Commission in making an informed decision on this matter. The City Commission will need to specify the information desired if this option is selected.

Staff Recommendation: Staff recommends approval of the proposed Industrial Revenue Bond/Tax Abatement Policy.

Commission Actions:

Commissioner ___________ moved to approve Resolution No. ____, a Resolution establishing an IRB/Tax Abatement policy and to repeal Resolution No. 2475 and any other Resolution in conflict herewith.

Commissioner ___________ seconded the motion.

RESOLUTION NO. _____

A RESOLUTION PROVIDING REVISED INDUSTRIAL REVENUE BOND AND CONSTITUTIONAL TAX ABATEMENT POLICY FOR THE CITY OF EL DORADO, KANSAS

WHEREAS, An Industrial Revenue Bond and Constitutional Tax Abatement Policy is helpful for establishing procedures for the issuance of industrial revenue bonds and the granting of constitutional property tax abatements; and

WHEREAS, the City Commission has reviewed the proposed policy and wish to adopt said policy.

NOW, THEREFORE, BE IT RESOLVED by the City of El Dorado governing body that the attached financial policies be adopted.

ADOPTED by the City Commission of the City of El Dorado, in Butler County, Kansas, the 20^{th} day of August, 2018.

SIGNED by the Mayor, this 20^{th} day of August, 2018.

____
Vince Haines
Mayor

Attest:

____
Tabitha D. Sharp
City Clerk

EL DORADO

THE FINE ART OF LIVING WELL

INDUSTRIAL REVENUE BOND
AND CONSTITUTIONAL TAX ABATEMENT POLICY
AS ADOPTED BY RESOLUTION NO. _____

1. PURPOSE

The purpose of this Policy is to establish the official policy and procedures of the City for the issuance of industrial revenue bonds and the granting of constitutional property tax abatements by the City of El Dorado, Kansas. The governing body has recognized the need for the responsible application of economic development incentives because of the potential impact on the City and the other taxing authorities. While each request for economic development incentives must be considered on its own merits, the governing body recognizes the need and desirability of a policy statement outlining general requirements for such requests.

2. POLICY

To meet the economic goals of the City, it shall be the policy of the governing body to consider either a fifty percent (50%) real property tax abatement or a negotiated fixed payment-in-lieu-of-taxes (“PILOT”) payment for portions of a project that qualify for tax abatement under Kansas law, provided the project meets the criteria listed in Section 3. Depending on how the tax abatement is structured over the term, the percentage tax abatement or PILOT payment for a project may be different from year to year, and may exceed or be less than an overall average of fifty percent.

It shall also be the policy of the City that economic development projects pay their fair share of applicable property taxes, special improvement districts assessments, and cost of utility services. Economic development projects shall have a positive financial benefit to the City, and the City reserves the right to approve the cost-benefit analysis model used to determine the financial impact.

3. ABATEMENT CRITERIA

It shall be the policy of the City to consider a request for the issuance of its industrial revenue bonds (“IRBs”) or for a constitutional property tax abatement for economic development purposes if, in the opinion of the governing body, the request satisfies all statutory requirements and if the economic development project being considered meets the following local criteria:

a. **Existence of Economic Benefit:** The project must add to the El Dorado economy and demonstrate how it helps the City achieve its economic goals. Evaluation criteria to be used in determining benefit to the community shall include, but not be limited to the following: the amount of capital investment; whether the project produces value-added products and services; and whether the project provides a positive fiscal and economic benefit, as determined by a cost-benefit analysis prepared by an independent party selected by the City.

b. Type of Business: The project shall be of a nature that has been identified by the governing body as desirable to stimulate the local economy and improve the quality of life for its citizens. The project should be one in which a substantial part of its total products and/or services are either exported from the El Dorado area, or they would add jobs and replace purchases now being made by El Dorado citizens in areas outside of the City if the items are for local consumption.

Additional considerations may include whether the project would be considered a business "headquarters," whether a project has the effect of supporting or spurring retail development, and whether a project would help the City achieve successful completion of an existing commercial or industrial park or the development of a new commercial or industrial enterprise. The City will also consider providing incentives to encourage the expansion of existing El Dorado businesses who would not otherwise qualify to receive incentives as set forth herein.

c. Targeted Industries: An abatement adjustment for an additional twenty-five percent (25%) may be considered for projects that are in designated targeted industries including: Water-Intensive Businesses; Agribusiness and Agricultural Manufacturing; Industrial Products Manufacturing; Transportation Distribution and Wholesale; Health Services; Food and Beverage Processing; Oil and Gas; Aerospace; Advanced Manufacturing; Alternative Energy; Bioscience; Food Processing; Logistics and Distribution; and Office Development.

At any time, the El Dorado Inc. Advisory Board may provide the City with a revised targeted industry list for consideration by the City Commission. The City Commission may exceed the five percent adjustment for any project it determines to be of extraordinary benefit to the City.

d. Targeted Area: An abatement adjustment for an additional five percent (5%) may be considered for projects that locate in a targeted area and which meet the minimum investment thresholds set forth in Section 3. The targeted areas include the El Dorado Downtown Business District as identified in **Exhibit A**, the El Dorado Business Park as identified in **Exhibit B**, and the El Dorado Industrial Park as identified in **Exhibit C**.

At any time, the El Dorado, Inc. Advisory Board may provide the City with a revised targeted area list for review and consideration by the City Commission. Projects which locate in a targeted area may receive property tax abatement for new construction or an abatement of the increase in value resulting from improvements made to an existing structure that increase the valuation of the property. The City Commission may exceed the twenty-five percent adjustment for any project it determines to be of extraordinary benefit to the City which does not meet the minimum investment thresholds set forth in Section 3.

e. Excluded Businesses: The City shall not grant a property tax abatement on any property used for an exempt purpose as defined by K.S.A. 79-201, or other businesses and industries that may be excluded by this policy, as amended. They are currently no industries excluded by local policy.

As a general rule, the City will also refrain from providing a tax abatement or issue industrial revenue bonds for a project involving a property that has previously received a tax abatement or where industrial revenue bonds have been previously issued, except in the case where the project involves an expansion of the previously existing property or building. In this case, the City may grant a tax abatement and/or issue industrial revenue bonds, under the terms of this Policy, for the portion of the property directly involved in the expansion. The previously existing portion of the property or building will not be eligible for the incentive.

The City may, at its sole discretion, waive any of these prohibitions if the applicant demonstrates compelling and unique circumstances regarding its project.

f. **Maintain Existing Tax Base:** To facilitate new development, the City and El Dorado, Inc. shall assist new industries that invest in new buildings, building expansion or install or locate new machinery and equipment in the City. However, the amount of property taxes or special assessments on the existing land and facilities shall under no circumstances be reduced for new development projects.

The City may grant a full or partial tax abatement to properties currently included in the existing tax base where such properties have been determined by the City to have been vacant and underutilized for at least five years.

The City will also consider granting tax abatements to properties included in the existing tax base as a taxable use if such property is included in an area designated as an Opportunity Zone by the State of Kansas, or other federal or state designated special investment area or program, and where such project has the potential to serve as a significant catalyst for revitalization and investment within the designated area.

g. **Definitions of Existing Business and Existing Small Business:** A business shall be an "Existing Business" if it has had facilities and operations in the corporate limits of the City for a period exceeding one year prior to submitting an application for issuance of industrial revenue bonds in accordance with this Policy. All other businesses shall be defined as "New Businesses" for the purposes of this policy.

A business shall be defined as an "Existing Small Business" if it meets the criteria to be considered an Existing Business and 1) proposes to make an investment in its facilities between $1 million and $4.5 million financed by the proceeds of industrial revenue bonds, and 2) such investment would represent at least a 50% increase in its real property investment made in El Dorado prior to submitting an application for issuance of industrial revenue bonds in accordance with this policy.

h. **Sales Tax Exemption on Building Materials and/or Personal Property:** The City will consider on a case-by-case basis, issuance of industrial revenue bonds for the sole purpose of enabling a project to obtain a sales tax exemption certificate on its building materials and/or personal property without granting a real property tax abatement. This consideration may include, but not be limited to, whether a project will result in the adaptive re-use of an underutilized property; whether a project is included in a tax increment financing district (TIF), transportation development district (TDD), or community improvement district (CID); and whether, but-for issuance of bonds to obtain a sales tax exemption certificate on building materials/personal property, the project would not occur. The City will not consider issuance of bonds to obtain a sales tax exemption certificate on building materials/personal property for investments of less than

$2 million, or for development of a greenfield site not otherwise associated with a TIF, TDD, or CID.

i. **Speculative Construction.** The City will consider granting tax abatements under the auspices of this policy for speculative construction pursuant to its Speculative Construction Policy, as approved by the City Commission.

j. **Investment not Limited to Bond-Financed Project Costs:** For purposes of determining compliance with the required investment thresholds herein, the term "investment" includes all costs of a project requesting issuance of industrial revenue bonds regardless of whether those costs are financed with bond proceeds. Such project costs may include, but not be limited to, bond issuance costs, professional fees, and machinery and equipment and/or other personal property costs related to the project.

Per Article 11, Section 13 of the Kansas Constitution, constitutional tax abatements for ad valorem taxation must be used exclusively by a business for the purpose of: 1) manufacturing articles of commerce; 2) conducting research or development; or 3) storing goods or commodities which are sold or traded for interstate commerce.

4. INDUSTRIAL REVENUE BOND PROCESS

Pursuant to applicable state law, the City shall consider granting IRBs and associated tax abatements after completion of a completed application, cost-benefit analysis, and remittance of the required fees as described herein.

a. **Application:** The City shall consider issuing its industrial revenue bonds and granting property tax incentives after receipt of a completed application on the form prescribed by the City and payment of the application fee. The application shall not be forwarded to the City Commission for review and consideration until the Administrative Review Committee and Bond Counsel have had sufficient time to review the application and any other required information.

The Administrative Review Committee will make a recommendation on the request, to include an appropriate rate of abatement, for the City Commission's consideration. Following such review, the City Manager shall forward the completed application and recommendation to the City Commission with a request for either approval or denial of the tax incentive request.

The City reserves the right to request any additional information needed supplement the application prior to consideration by the City Commission.

b. **Administrative Review Committee:** The Administrative Review Committee shall be comprised of the City Manager, City Clerk, El Dorado Inc. President, El Dorado Inc. Executive Director, and a member of City Commission.

c. **Cost-Benefit Analysis; Public Hearing:** The City shall cause to be prepared, a cost-benefit report analyzing the costs and benefits of any requested property tax abatement. The cost-benefit analysis shall include the effect of any requested property tax abatement on state and other local taxing jurisdictions' revenues, to include the applicable school district, Butler County, and Butler Community College. The report shall be prepared by an independent party selected by the City.

Following receipt and review of the cost-benefit analysis, the City shall schedule a public hearing on the requested issuance of IRBs and property tax abatement. The public hearing shall be conducted at a regular meeting of the City Commission. Notification of the public hearing shall be published in the official newspaper, and provided to the Butler County Board of Commissioners, Butler Community College Board of Trustees, and the applicable school district in the manner required by law. The City will provide these local taxing entities with a copy of the cost-benefit analysis and the Administrative Review Committee recommendation prior to the public hearing.

The City will consider issuance of IRBs or granting of a constitutional tax abatement if the cost-benefit analysis demonstrates a positive economic benefit of the project to the City. The City will also carefully consider the economic benefit to other taxing jurisdictions that may be affected by the issuance of IRBs or a constitutional tax abatement.

d. Resolution of Intent: After holding the public hearing and considering the cost-benefit report, the City Commission may consider a Resolution of Intent evidencing its intent to proceed with granting tax incentives for the project. The Resolution of Intent shall evidence the intent of the City Commission to issue industrial revenue bonds or grant a constitutional property tax abatement for the project. After the adoption of the Resolution of Intent, the owner and the owner's contractor shall be entitled to use the City's tax exemption certificate for eligible project-related expenses if the project is to be financed with industrial revenue bonds.

e. Assignment Resolution: The owner of the property may only transfer or assign all or a portion of its interest in the Resolution of Intent with the consent of the City Commission. The owner shall request an assignment on a form provided by the City. The City Manager shall present the request to the City Commission for consideration. If the assignment resolution is for a portion of the Resolution of Intent, the City shall: a) prepare, or cause to be prepared, a cost-benefit analysis for that portion of the project proposed for assignment, and b) schedule a public hearing on the property tax abatement being requested.

f. Ordinance: The City Commission, upon request of the owner, may consider an ordinance authorizing the issuance of industrial revenue bonds or granting a constitutional tax abatement at any time prior to the completion of the project. Completion of projects shall be defined as provided in Section 6.

g. Board of Tax Appeals: At least seven days prior to the issuance of any IRBs, the City shall file a statement with the State Board of Tax Appeals containing information required by the Board for the review and consideration of the request by the Board.

5. SCHEDULE OF ABATEMENT

The schedule of property tax abatement shall be determined by the City Commission using the criteria in Section 3 and the facts and circumstances unique to each project. Generally, projects shall receive the following base percentage of property tax abatement which is based on the investment in land and buildings:

Capital Investment	Base Abatement
Less than or equal to $15 million	50% for ten years

Greater than $15 million	65% for ten years

If the application for abatement is for a business park or other facility that will be constructed in multiple phases, the capital investment of the project will be based on the investment in the entire project and not a portion of the project, unless the City Commission deems otherwise.

6. COMMENCEMENT OF ABATEMENT

The abatement term for projects under the authority of Section 13 of Article 11 of the Kansas Constitution shall begin in the calendar year after the calendar year in which the business commences operations or the calendar year in which expansion of an existing business is completed, as the case requires. The abatement term for a project or phase of a project under the authority of K.S.A. 12-1740 through 12-1749 and 79-201a shall commence on the January 1st of the calendar year in which the bonds are issued for each phase of the project.

7. PERFORMANCE AGREEMENT

The applicant for each project shall execute and deliver a performance agreement or payment-in-lieu-of-taxes ("PILOT") agreement, and such other documents as staff and bond counsel shall require for each project that receives property tax abatement.

8. FEES

The City Commission hereby establishes the following fees for the issuance of its industrial revenue bonds and property tax abatement:

a. Application Fee:

i. Initial Application Fee. A non-refundable fee in the amount of $2,500 shall accompany the application for the issuance of industrial revenue bonds and/or for constitutional tax abatement.

ii. Origination Fee. The City will charge an origination fee based on the maximum amount of bonds being issued or the amount of constitutional tax abatement being requested. The origination fee shall be calculated as follows:

1. **Amount of Origination Fee.** The City shall charge an origination fee equal to 0.05% of the amount requested by the applicant for industrial revenue bonds and/or constitutional tax abatement and authorized by the City Commission.

2. **Payment of the Origination Fee.** The entire origination fee is due and payable at the time the bonds are issued for a project or the ordinance is adopted for constitutional abatement projects. If the origination fee exceeds $25,000, the City will, upon the request of the applicant, allow the applicant to pay the origination fee over a ten-year period of time. If the applicant elects to pay the origination fee over time, $25,000 shall be due at the time the bonds are issued or the ordinance is adopted, as applicable. The remainder of the application fee shall be treated as a loan, amortized at the rate of 4%, and paid in twenty equal installments due on the first day of January and July of each year. If the origination fee is to be paid over time, the terms of repayment shall be included in either the performance or payment-in-lieu-of-tax agreement or a promissory note to be delivered to the City by the applicant.

3. **Use and Deposit of Origination Fees.** All origination fees shall be used exclusively for local economic development initiatives. The origination fees shall not be used to pay any administrative costs of the City. The City shall deposit all origination fees in a separate fund or account to ensure that all origination fees are not commingled with other funds of the City. To ensure compliance with this policy, the City Commission shall adopt a resolution approving all expenditures of origination fees and appropriating such funds for said purposes. The City Manager shall, at least once a year, deliver a report to the City Commission detailing the amount of origination fees collected by the City, the uses authorized by the City Commission and describing the actual use of the origination fees.

b. **Actual Costs.** The applicant shall reimburse the City for all costs associated with administering and supervising the property tax abatement. These costs include preparation of the cost-benefit analysis, all legal publication notices, application fees to the Court of Tax Appeals, reimbursement for the City's bond counsel fees and all other miscellaneous costs. The City will invoice the applicant for all administrative expenses. The applicant shall remit payment for such expenses promptly after receiving the invoice from the City.

9. WAIVER OF REQUIREMENTS

The City Commission reserves the right to deviate from any policy or procedure if the Governing Body determines that such deviation is of exceptional benefit to the City or extraordinary circumstances prevail. Notwithstanding the foregoing, the City shall at all times comply with all procedures required by state law.

EXHIBIT A

Downtown Business District

[Insert Map]

EXHIBIT B

El Dorado Business Park

[Insert Map]

EXHIBIT C

El Dorado Industrial Park

[Insert Map]