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**RESOLUTION NO. 21-17**

**A RESOLUTION CALLING A PUBLIC HEARING ON THE ADVISABILITY OF CREATING A COMMUNITY IMPROVEMENT DISTRICT WITHIN THE CITY OF MCPHERSON, KANSAS, ESTABLISHING A COMMUNITY IMPROVEMENT DISTRICT SALES TAX TO FINANCE IMPROVEMENTS WITHIN SUCH DISTRICT, PROVIDING FOR THE GIVING OF NOTICE OF SUCH PUBLIC HEARING, AND AUTHORIZING ACTIONS RELATED THERETO.**

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**WHEREAS**, pursuant to K.S.A. 12-6a26 *et seq.*, as amended (the “Act”), cities are authorized to create community improvement districts as a method of financing economic development related improvements in a defined area within the city; and

**WHEREAS**, the City of McPherson, Kansas (the “City”) is a city within the meaning of the Act; and

**WHEREAS**, a petition (the “Petition”) was filed with the City requesting that: (a) the community improvement district described therein (the “District”) be created; (b) the City levy a community improvement district sales tax within the District in the amount of 2.0% (the “CID Sales Tax”); and (c) the costs of the proposed community improvement district project described in the Petition be financed by “Pay-as-you-go financing,” as defined in the Act, and reimbursed from the fund of the City identified in K.S.A. 12-6a34 through the imposition of the CID Sales Tax; and

**WHEREAS**, the Petition was signed by the owners of record, whether resident or not, of (a) more than fifty-five (55%) of the land area within the District, and (b) more than fifty-five (55%) by assessed value of the land area within the District; and

**WHEREAS**, pursuant to the Act, prior to considering the formation of the District and the imposition of the CID Sales Tax, the City Commission of the City (the “Governing Body”) must conduct a public hearing, notice of which shall be given in accordance with the provisions of the Act; and

**WHEREAS**, the governing body hereby finds and determines it to be necessary to direct and order a public hearing on the advisability of creating the District and the undertaking and financing of the community improvement district project therein as set forth in the Petition pursuant to the authority of the Act; and further to provide for the giving of notice of said hearing in the manner required by the Act.

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

**Section 1. Petition.** The Governing Body hereby finds that the Petition is in compliance with the provisions of the Act.

**Section 2. Public Hearing.** A public hearing before the Governing Body regarding the creation of the District and the imposition of the CID Sales Tax, shall be held on January 4, 2022, at 8:30 a.m., or as soon thereafter as the Governing Body may hear such matter, at the City Commission meeting room in the Municipal Center, 400 E. Kansas Avenue, McPherson, Kansas 67460.

**Section 3. Description of the District and the CID Sales Tax.** The Petition requests the creation of the District and the imposition of the CID Sales Tax based on the following:

(a) ***Boundaries of Proposed Community Improvement District.*** The District proposed to be established by the City contains within its boundaries the real property legally described in *Exhibit A* attached hereto and the boundaries of which are contained in a map of the District attached as *Exhibit B* attached hereto.

(b) ***General Nature of the Proposed District Project.*** The proposed project to be undertaken within the District (the "Project") consists of the construction of an approximately 92-room Candlewood Suites (extended stay) hotel, as well as development of two retail pad sites as restaurants/food service providers. The existing service road/street will be improved and extended. Within the district there may be construction of any of the following: (1) sidewalks on public right-of-way, streets, roads, interchanges, highway access roads, intersections, traffic signs and signals, utilities, pedestrian amenities, drainage systems, water systems, storm systems, sewer systems, public lift stations, underground gas, heating and electrical services and connections located within or without the public right-of-way, water mains and extensions and other site improvements; (2) streetscape, parking lots and/or garages, lighting, street light fixtures, street light connections, street light facilities in the public right-of-way; (3) greenspace, parks, lawns, trees and other landscaping; (4) underground fire-related water lines and appurtenances thereto; and (5) benches or other outdoor seating furniture, trash receptacles, marquees, awnings, canopies, walls and barriers.

(c) ***Estimated Costs of the Proposed Project.*** The estimated design, construction and inspection costs of the proposed Project are \$14,700,000. Proceeds from the CID Sales Tax will be used to reimburse a maximum of \$2,559,994 (the "Maximum Reimbursement Amount") of the Project costs eligible under the Act, which may include capital costs for the Project incurred not earlier than one year prior to Governing Body action initiating the establishment of the District.

(d) ***Proposed Method of Financing the Proposed Project; CID Sales Tax.*** Pursuant to and in accordance with all requirements of the Act, the eligible costs of the proposed Project, including the actual costs incurred in creation of the District, are proposed to be financed by the Petitioners and will be reimbursed by a "Pay-as-you-go financing," as defined in the Act, from the imposition of the CID Sales Tax. A community improvement district sales tax as provided in K.S.A. 12-6a31 (the "CID Sales Tax") in the amount of 2% is proposed in the District for the purpose of financing a portion of the eligible costs of the Project pursuant to the Act. It is proposed that the Sales Tax will expire 22 years from the date its collection begins, or such lesser number of years as may be required to produce revenues sufficient for the payment of the lesser of (a) the maximum CID eligible costs of the Project or (b) the Maximum Reimbursement Amount. The estimated amount of revenue to be collected from the imposition of the Sales Tax during the proposed term of the District is \$2,047,995 total if the Sales Tax is imposed for the maximum 22-year term. The City will retain an on-going administrative service fee that will be paid from the proceeds of the Sales Tax, in an amount not to exceed 5% of the total eligible costs of the Project, as the administrator of the District. No assessments for the Project will be levied on property within the proposed District.

**Section 4. Notice of Public Hearing.** Notice of such public hearing shall be given by publication of this Resolution once a week for two consecutive weeks in the official City newspaper, the last publication being not less than seven (7) days prior to the public hearing. In addition, the Clerk shall cause a copy of this Resolution to be sent by certified mail to all owners of property within the proposed District, such mailing to occur not less than ten (10) days prior to the public hearing.

**Section 5. Effective Date.** This Resolution shall take effect and be in full force from and after its adoption by the Governing Body.

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**ADOPTED** by the City Commission of the City of McPherson, Kansas, on December 13, 2021.

(SEAL)

ATTEST:



Britta Erkelenz  
City Clerk

Thomas A. Brown  
Mayor

**CERTIFICATE**

I hereby certify that the above and foregoing is a true and correct copy of the Resolution of the City of McPherson, Kansas, adopted by the governing body on December 13, 2021, as the same appears of record in my office.

DATED: December 13, 2021.

Britta Erkelenz  
City Clerk

*Exhibit A*

**LEGAL DESCRIPTION OF PROPOSED COMMUNITY IMPROVEMENT DISTRICT**

The following described real estate in the County of McPherson, State of Kansas:

ALL OF LOT THREE (3), BLOCK TWO (2), CHAMPLIN ADDITION TO THE CITY OF MCPHERSON, EXCEPT A PORTION OF LOT 3, BLOCK 2, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID LOT 3, THENCE NORTH 200 FEET ALONG THE WEST BORDER OF SAID LOT 3 TO A POINT; THENCE EAST 170 FEET; THENCE SOUTH APPROXIMATELY 200 FEET PARALLEL TO THE WEST BORDER OF SAID LOT 3 TO THE SOUTH LINE OF SAID LOT 3; THENCE WESTERLY APPROXIMATELY 170 FEET ALONG THE NORTH RIGHT OF WAY LINE OF NORTH FRONT STREET, THE SAME BEING SOUTH LINE OF SAID LOT 3 TO THE POINT OF BEGINNING, MCPHERSON COUNTY, KANSAS.

EXCEPT PART OF LOT THREE (3), BLOCK TWO (2), CHAMPLIN ADDITION TO THE CITY OF MCPHERSON, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID LOT 3, THENCE NORTH 200 FEET ALONG THE WEST BORDER OF SAID LOT 3 TO THE POINT OF BEGINNING; THENCE CONTINUING NORTH ALONG THE WEST BORDER OF SAID LOT 3, 127 FEET; THENCE EAST 170 FEET; THENCE SOUTH PARALLEL TO THE WEST BORDER OF SAID LOT 3 127 FEET; THENCE WEST 170 FEET TO THE POINT OF BEGINNING, MCPHERSON COUNTY, KANSAS.

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*Exhibit B*

**MAP OF BOUNDARIES OF PROPOSED COMMUNITY IMPROVEMENT DISTRICT**



(Proposed District Boundaries Outlined in Red)