

INTERLOCAL AGREEMENT

THIS INTERLOCAL AGREEMENT (the "Agreement") entered into this 17th day of February, 2004, by and between the City of Salina, Kansas (the "City") and the Board of County Commissioners of the Saline County, Kansas (the "County").

WHEREAS, K.S.A. 12-2904 allows public agencies to enter into interlocal agreements to jointly perform certain functions, including economic development; and

WHEREAS, K.S.A. 12-17,114 *et seq.* provides a program for neighborhood revitalization and further allows for the use of interlocal agreements between municipalities to further neighborhood revitalization; and

WHEREAS, it is the desire and intent of the parties hereto to provide the maximum economic development incentive as provided for in K.S.A. 12-17,119 by acting jointly.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS CONTAINED HEREIN, THE PARTIES AGREE AS FOLLOWS:

1. The City and the County (the "Parties") have adopted the 2004-2008 Neighborhood Revitalization Plan (the "Plan") as contained in Exhibit A, attached hereto and incorporated by reference as if fully set forth herein. The Plan as adopted will not be amended without approval of the Parties in accordance with City of Salina Resolution Number 04-6030, except as may be necessary to comply with applicable State law or regulation.

2. The City shall administer the Plan on behalf of the County and any other signatory parties. The City has created a Neighborhood Revitalization Fund pursuant to K.S.A. 12-17,118 for the purpose of financing the redevelopment and to provide rebates. Any increment in property taxes received by the City and the County resulting from qualified improvements to property pursuant to the Plan shall be credited to the City's Neighborhood Revitalization Fund.

3. The parties agree that no later than 90 days prior to the ending date of the Plan, the process for re-adoption of the existing or revised Plan shall be initiated by the City in accordance with City of Salina Resolution Number 04-6030. This Agreement shall remain in effect for so long as a neighborhood revitalization plan, as adopted or re-adopted by the parties in either its current or revised form, remains in place; subject, however, to the right of either party to terminate this Agreement at any time by providing 30 day advance written notice of termination. In the event of such termination, however, any applications for tax rebate submitted prior to termination shall, if approved, be considered eligible for the duration of the rebate period.

IN WITNESS WHEREOF, the parties have hereto executed this agreement as of the day and year first above written.

CITY OF SALINA, KANSAS

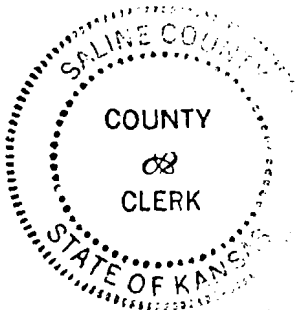
By: Alan E. Jilka
Alan E. Jilka, Mayor

ATTEST:

Lieu Ann Elsey
Lieu Ann Elsey, City Clerk

**BOARD OF COUNTY COMMISSIONERS OF
SALINE COUNTY**

By: Sharon A. Barragree
Sharon A. Barragree, Chair



ATTEST:

Donald R. Merriman
Donald R. Merriman, County Clerk

Approved this 3rd day of March 2004 by the Attorney General of the State of Kansas.

KANSAS ATTORNEY GENERAL

By: M. Feighy
Assistant Attorney General