

AGREEMENT

This Agreement (the "Agreement"), dated as of March 13, 2013, is made and entered into by and between the **BOARD OF COUNTY COMMISSIONERS OF DOUGLAS COUNTY, KANSAS** (the "County"), and the **CITY OF LAWRENCE, KANSAS** (the "City").

RECITALS

1. *Whereas*, the County and City have a history of working cooperatively to achieve job growth in excess of population growth, to increase the share of the tax base coming from non-residential growth, and to increase career opportunities by attracting high-skilled jobs in expanding industries in the City and County;

2. *Whereas*, the City, in furtherance of the City's economic development goals, acquired the former Farmland Industries nitrogen fertilizer production plant in 2010, for the purpose of adding land for industrial and business park expansion within the city limits. The County approved the annexation of the land into the City, and has been supportive of the City's efforts to acquire and prepare the site for industrial redevelopment;

3. *Whereas*, the City intends to make certain internal improvements to the former Farmland property, including the construction of streets from the intersection of K-10 north to the intersection of an east/west road including and east/west road approximately 700 feet west of the intersection and approximately 5000 feet east to Greenway Circle. Said street improvements shall include property acquisition, bicycle facilities, sidewalks on both sides, subgrade stabilization, stormwater improvements, and waterlines within the public right-of-way. Further, the City intends to construct sanitary sewer improvements in the former Farmland property, including property acquisition, excavation, installing sewer mains, manholes and other necessary and appropriate improvements (the Improvements);

4. *Whereas*, the Governing Body of the City is authorized to make, or cause to be made, improvements which confer a special benefit upon property within a definable area of the City and may levy and collect special assessments upon property in the area deemed by the City's Governing Body to be benefited by such improvement for payment of all or any part of the cost of the improvements pursuant to K.S.A. 12-6a01 *et seq.*;

5. *Whereas*, on March 5, 2013, the Governing Body of the City made the necessary findings by Resolution Nos. 7015 and 7016, as to the advisability of the Improvements, the nature of the Improvements, the estimated cost thereof, the boundaries of the improvement district, and the method of assessment and apportionment of costs, if any, between the improvement district and the city at large, all in accordance with K.S.A. 12-6a01 *et seq.*. A copy of Resolution Nos. 7015 and 7016 are attached hereto as Exhibit A and incorporated herein by reference as if fully set forth; and

6. *Whereas*, as soon as the total cost of the Improvements is determined, the City's Governing Body shall cause the assessments against each lot, piece or parcel of land deemed to be benefited, to be determined in the manner set forth in Resolution Nos. 7015 and 7016; and

7. *Whereas*, the County and the City wish to enter into this Agreement pursuant to K.S.A. 12-2908 to provide for the making of the Improvements by the City and the deferral and payment of the County's special assessments for the Improvements.

AGREEMENT

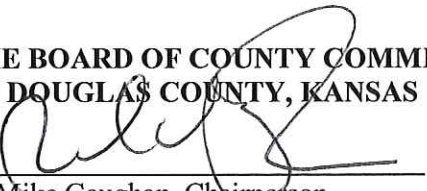
NOW, THEREFORE, in consideration of the mutual promises and covenants hereinafter contained, the parties agree as follows:

1. The recitals set forth above are incorporated herein by reference.
2. The City will contract for the design and construction of the Improvements, and shall pay for the design and construction of the Improvements from City funds. The Improvements shall be the property of the City, and the City will maintain the Improvements.
3. The County's assessments against each lot, piece or parcel of land owned entirely or in part by the County for the cost of the Improvements in the improvement district, levied in accordance with Resolution Nos. 7015 and 7016, shall be deferred until such time as the County's lots are sold or transferred. At the closing of any such sale of a lot(s), piece or parcel of land by the County, the County shall pay the full amount of the County's assessments for the lot, piece or parcel of land that is being sold, unless the City and County otherwise agree in writing.
4. If the City and County mutually agree that it is in the best interests of the City and County and it furthers economic development in the City and/or County, for the County to transfer a lot or lots, piece or parcel of land in the Improvement District by donation or below the fair market value of the land, the City may, if the City's Governing Body acts to do so, waive all or part of the special assessments for the lot, piece or parcel of land that is being transferred.
5. If at any time this Agreement is in effect and before the County's assessments have been fully paid, or otherwise waived or reduced as provided herein, the County uses a lot piece or parcel of land within the Improvement District for the County's purposes, or any other purpose that does not further the economic development interests of the City and/or County, the County shall be responsible and shall pay the special assessments upon commencement of the use.
6. The duration of this Agreement shall remain in full force and effect unless terminated, amended or modified in writing by both the County and the City, or until the special assessments levied in accordance with Resolution Nos. 7015 and 7016 on each lot, piece or parcel of the land in the improvement district are fully paid, waived or reduced pursuant to the terms of this Agreement, whichever occurs first.
7. This Agreement constitutes the complete and final understanding of both the County and the City with respect to the making of the Improvements and the sharing of the cost thereof.

IN WITNESS WHEREOF, the County and the City have each caused this Agreement to be executed by its duly authorized officials.

**THE BOARD OF COUNTY COMMISSIONERS
OF DOUGLAS COUNTY, KANSAS**

By


Mike Gaughan, Chairperson

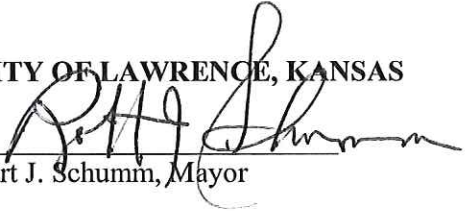
(SEAL)

ATTEST:


Jameson D. Shew, County Clerk

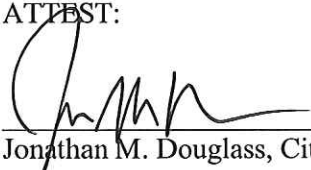
THE CITY OF LAWRENCE, KANSAS

By


Robert J. Schumm, Mayor

(SEAL)

ATTEST:


Jonathan M. Douglass, City Clerk

RESOLUTION NO. 7015

A RESOLUTION SETTING OUT THE FINDINGS AND DETERMINATIONS OF THE GOVERNING BODY OF THE CITY OF LAWRENCE, KANSAS, AND ORDERING THE CONSTRUCTION OF STREETS IN THE FORMER FARMLAND PROPERTY AS SHOWN IN THE MAP ATTACHED AS EXHIBIT A, INCLUDING PROPERTY ACQUISITION, BICYCLE FACILITIES, SIDEWALKS ON BOTH SIDES, SUBGRADE STABILIZATION, STORMWATER IMPROVEMENTS, GRADING, WATERLINES WITHIN THE PUBLIC RIGHT OF WAY, AND OTHER NECESSARY AND APPROPRIATE IMPROVEMENTS

WHEREAS, K.S.A. 12-6a01 *et seq.* (the "Act") authorizes the governing body of any city to make or cause to be made municipal works or improvements which confer a special benefit upon property within a definable area of the city and the levying and collecting of special assessments upon property in the area deemed by the said governing body to be benefited by such improvements for special benefits conferred upon such property by any such improvements and to provide for the payment of all or any part of the costs of the improvements out of the proceeds of such special assessments; and

WHEREAS, the Act provides that before any contract is let or any work is ordered or authorized for an improvement, the governing body shall by resolution direct and order a public hearing on the advisability of the improvement, and to give notice of the hearing by not less than two (2) publications in a newspaper, such publications to be a week apart and at least three (3) days shall elapse between the last publication and the hearing; and such notice shall be given as to (a) the time and place of the hearing; (b) the general nature of the proposed improvements; (c) the estimated or probable cost of the proposed improvements; (d) the extent of the proposed improvement district to be assessed for the cost of the proposed improvements; (e) the proposed method of assessment; and (f) the proposed apportionment of the cost between the improvement district and the City at large; and

WHEREAS, the governing body of the City of Lawrence, Kansas (the "City") has heretofore by Resolution No. 7011, directed and ordered a public hearing on the advisability of certain internal improvements in the City, pursuant to the Act; and providing for the giving of notice of said public hearing in the manner required by the Act; and

WHEREAS, a Notice of Public Hearing was duly published once each week for two (2) consecutive weeks in the *Lawrence Journal-World*, the official newspaper of the City in accordance with the Act; and

WHEREAS, said public hearing was duly held on March 5, 2013, pursuant to such notice; and

WHEREAS, the Act provides that the governing body may, by a majority vote of the entire members-elect thereof, at any time within six (6) months after the final adjournment of the hearing on the advisability of making improvements, adopt a resolution authorizing the improvements in accordance with the findings of the governing body upon the advisability of the improvements, which resolution shall be effective upon publication once in the official City newspaper; provided, the improvements shall not be commenced if, within twenty (20) days after publication of the resolution ordering the improvement, written protests signed by both fifty-one per cent (51%) or more of the resident owners of record of property within the improvement district and the owners of record of more than half of the total area of such improvement district are filed with the City Clerk; and

WHEREAS, the governing body hereby finds and determines it to be necessary to make its findings, by resolution, as to the advisability of the proposed improvement, the general nature of the proposed improvement; the estimated or probable cost of the proposed improvement; the extent of the proposed improvement district to be assessed for the cost of the proposed improvement; the proposed method of assessment; and the proposed apportionment of the cost between the improvement district and the City at large; and further finds and determines it to be necessary to authorize the making of the improvements, by Resolution, in accordance with its findings.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF LAWRENCE, KANSAS:

SECTION I. That the Governing Body hereby finds, and finally determines, that it is advisable to make the following improvements:

- a) General Nature of the Improvement:
The construction of streets in the former farmland property as shown in the map attached as **Exhibit A**, including property acquisition, bicycle facilities, sidewalks on both sides, subgrade stabilization, stormwater improvements, grading, waterlines within the public right of way, and other necessary and appropriate improvements (the "Improvements")
- b) Estimated or Probable Cost:
The estimated or probable cost of the Improvements is \$7,855,000 (to be increased at the pro-rata rate of 1 percent per month from and after the adoption date of the resolution authorizing the Improvements), plus costs of issuance and plus costs of interest on any temporary financing.
- c) The proposed improvement district shall consist of those tracts of land legally described as follows:

Lots 1, 4, 5 and 6, Block A; Tracts A and B, Block A; Lots 1-4, Block B; Tracts B and C, Block B; Lots 1-2, Block C; Tract A and E, Block C; Lots 1-2, Block D; and Tract D, Block D; all in the Final Plat for the Former Farmland Property, Douglas County, Kansas
- d) The method of assessment:

Property in the Improvement District located north of the East/ West Road shown on the attached map shall be assessed for 50% of the costs of the Improvements and property in the Improvement District located south of the East-West Road shall be assessed for 50% of the costs of the Improvements. Such assessments shall be further spread based a square footage basis thereafter.

The apportionment of costs shall be:

One hundred percent (100%) of the cost of the Improvements shall be paid by the Improvement District and zero percent (0%) of the cost shall be paid by the City-at-large.

SECTION II. Pursuant to K.S.A. 12-692, the governing body shall have the authority to exempt property, the owner or owners or predecessors in title to which have dedicated or conveyed property necessary for the extension of the street improvement, from that portion of

the benefit district special assessments for the costs of acquiring land necessary for the extension of the street improvement. It is the intent of the governing body to require properties that have not dedicated the necessary property for the street improvement to bear the cost of acquiring such property.

SECTION III. The Improvements are hereby authorized and ordered to be made in accordance with the findings of the governing body as set forth in Section I of this resolution; except, provided that the Improvements shall not be commenced if, within 20 days after publication of this resolution, written protest signed by both 51% or more of the resident owners of record of property within the improvement district and the owners of record of more than half of the total area of said improvement district are filed with the City Clerk.

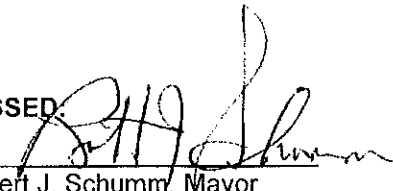
SECTION IV. The City shall adopt an ordinance establishing the maximum amount of special assessments prior to the construction of the improvement, all as provided by K.S.A. 12-6a09, as amended.

SECTION V. The City expects to make capital expenditures on and after the date of adoption of this Resolution in connection with the Improvements, and intends to reimburse itself for such expenditures with the proceeds of one or more series of general obligation bonds and temporary notes of the City in the estimated maximum principal amount of \$7,855,000 plus costs of issuance and plus costs of interest on any temporary financing, plus 1 percent per month from and after the adoption of this resolution.

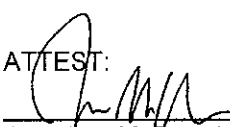
This resolution shall become effective upon its publication in the official city newspaper and following expiration of the twenty (20) day protest period following the publication, as required by the Act.

ADOPTED and passed this 5th day of March, 2013.

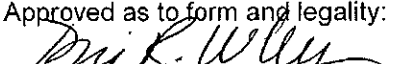
PASSED


Robert J. Schumm, Mayor


ATTEST:


Jonathan M. Douglass, City Clerk

Approved as to form and legality:


Toni R. Wheeler Date
City Attorney

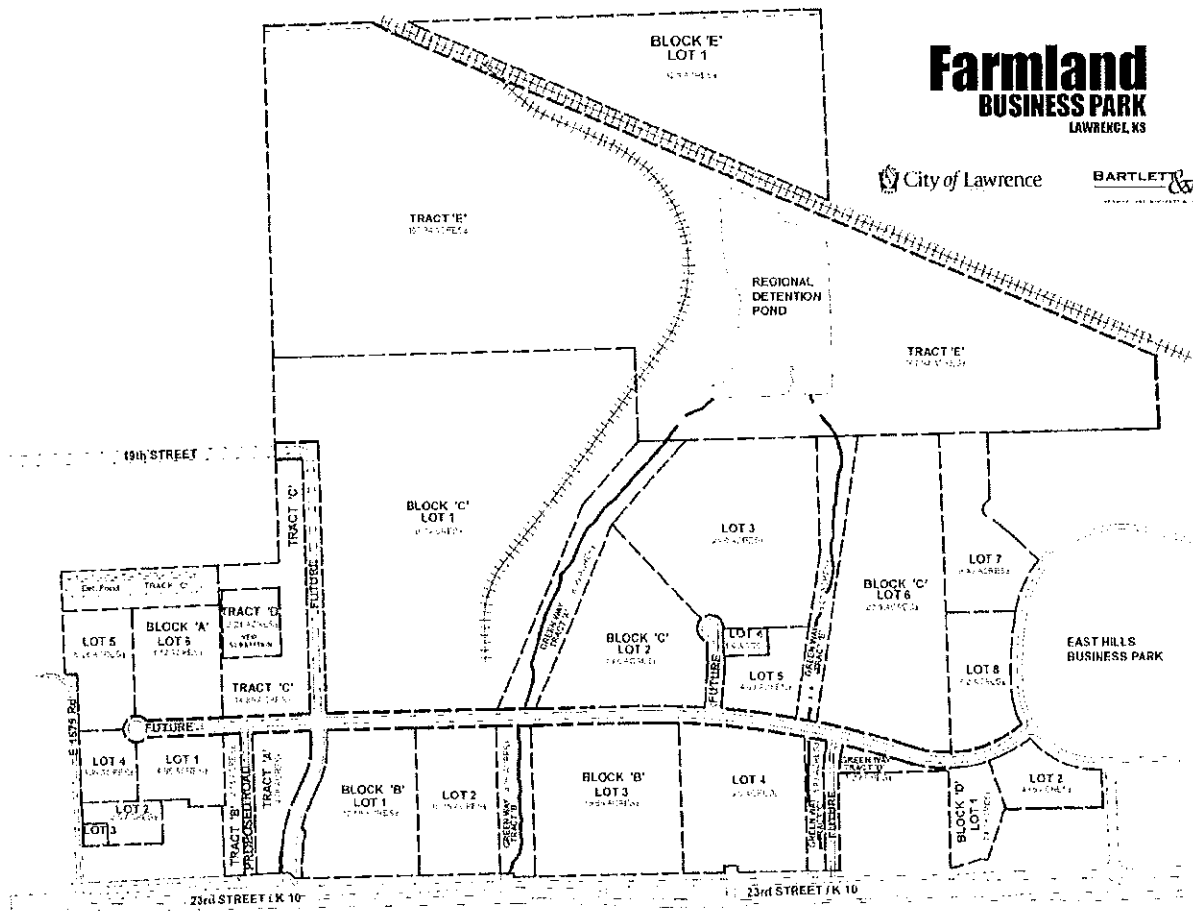
Legal description approved by:


Charles F. Soules, P.E. Date
Director of Public Works

Farmland BUSINESS PARK LAWRENCE, KS

City of Lawrence

BARTLETT & WEST
PLANNING AND DESIGN



RESOLUTION NO. 7016

A RESOLUTION SETTING OUT THE FINDINGS AND DETERMINATIONS OF THE GOVERNING BODY OF THE CITY OF LAWRENCE, KANSAS, AND ORDERING THE CONSTRUCTION OF SANITARY SEWER IN THE FORMER FARMLAND PROPERTY INCLUDING PROPERTY ACQUISITION, EXCAVATION, INSTALLING SEWER MAIN, MANHOLES AND OTHER NECESSARY AND APPROPRIATE IMPROVEMENTS

WHEREAS, K.S.A. 12-6a01 *et seq.* (the "Act") authorizes the governing body of any city to make or cause to be made municipal works or improvements which confer a special benefit upon property within a definable area of the city and the levying and collecting of special assessments upon property in the area deemed by the said governing body to be benefited by such improvements for special benefits conferred upon such property by any such improvements and to provide for the payment of all or any part of the costs of the improvements out of the proceeds of such special assessments; and

WHEREAS, the Act provides that before any contract is let or any work is ordered or authorized for an improvement, the governing body shall by resolution direct and order a public hearing on the advisability of the improvement, and to give notice of the hearing by not less than two (2) publications in a newspaper, such publications to be a week apart and at least three (3) days shall elapse between the last publication and the hearing; and such notice shall be given as to (a) the time and place of the hearing; (b) the general nature of the proposed improvements; (c) the estimated or probable cost of the proposed improvements; (d) the extent of the proposed improvement district to be assessed for the cost of the proposed improvements; (e) the proposed method of assessment; and (f) the proposed apportionment of the cost between the improvement district and the City at large; and

WHEREAS, the governing body of the City of Lawrence, Kansas (the "City") has heretofore by Resolution No. 7012, directed and ordered a public hearing on the advisability of certain internal improvements in the City, pursuant to the Act; and providing for the giving of notice of said public hearing in the manner required by the Act; and

WHEREAS, a Notice of Public Hearing was duly published once each week for two (2) consecutive weeks in the *Lawrence Journal-World*, the official newspaper of the City in accordance with the Act; and

WHEREAS, said public hearing was duly held on March 5, 2013, pursuant to such notice; and

WHEREAS, the Act provides that the governing body may, by a majority vote of the entire members-elect thereof, at any time within six (6) months after the final adjournment of the hearing on the advisability of making improvements, adopt a resolution authorizing the improvements in accordance with the findings of the governing body upon the advisability of the improvements, which resolution shall be effective upon publication once in the official City newspaper; provided, the improvements shall not be commenced if, within twenty (20) days after publication of the resolution ordering the improvement, written protests signed by both fifty-one per cent (51%) or more of the resident owners of record of property within the improvement district and the owners of record of more than half of the total area of such improvement district are filed with the City Clerk; and

WHEREAS, the governing body hereby finds and determines it to be necessary to make its findings, by resolution, as to the advisability of the proposed improvement, the general nature of the proposed improvement; the estimated or probable cost of the proposed improvement; the extent of the proposed improvement district to be assessed for the cost of the proposed improvement; the proposed method of assessment; and the proposed apportionment of the cost between the improvement district and the City at large; and further finds and determines it to be necessary to authorize the making of the improvements, by Resolution, in accordance with its findings.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF LAWRENCE, KANSAS:

SECTION I. That the Governing Body hereby finds, and finally determines, that it is advisable to make the following improvements:

- a) General Nature of the Improvement:
The construction of sanitary sewer in the former farmland property including property acquisition, excavation, installing sewer main, manholes and other necessary and appropriate improvements
(the "Improvements")
- b) Estimated or Probable Cost:
The estimated or probable cost of the Improvements is \$1,725,000 (to be increased at the pro-rata rate of 1 percent per month from and after the adoption date of the resolution authorizing the Improvements), plus costs of issuance and plus costs of interest on any temporary financing.
- c) The proposed improvement district shall consist of those tracts of land legally described as follows:

Lots 1-6, Block A; Tract D, Block A; Lots 1-4, Block B; Lots 1-6, Block C; all in the Final Plat for the Former Farmland Property, Douglas County, Kansas
- d) The method of assessment:

Property in the district shall be assessed for the costs of the Improvements based upon the ratio of the square footage of each lot, parcel, or tract to the square footage of the entire Improvement District
- e) The apportionment of costs shall be:
One hundred percent (100%) of the cost of the Improvement shall be paid by the Improvement District and zero percent (0%) of the cost shall be paid by the City-at-large.

SECTION II. Pursuant to K.S.A. 12-692, the governing body shall have the authority to exempt property, the owner or owners or predecessors in title to which have dedicated or conveyed property necessary for the extension of the street improvement, from that portion of the benefit district special assessments for the costs of acquiring land necessary for the extension of the street improvement. It is the intent of the governing body to require properties that have not dedicated the necessary property for the street improvement to bear the cost of acquiring such property.

SECTION III. The Improvements are hereby authorized and ordered to be made in accordance with the findings of the governing body as set forth in Section I of this resolution; except, provided that the Improvements shall not be commenced if, within 20 days after publication of this resolution, written protest signed by both 51% or more of the resident owners of record of property within the improvement district and the owners of record of more than half of the total area of said improvement district are filed with the City Clerk.


SECTION IV. The City shall adopt an ordinance establishing the maximum amount of special assessments prior to the construction of the improvement, all as provided by K.S.A. 12-6a09, as amended.

SECTION V. The City expects to make capital expenditures on and after the date of adoption of this Resolution in connection with the Improvements, and intends to reimburse itself for such expenditures with the proceeds of one or more series of general obligation bonds and temporary notes of the City in the estimated maximum principal amount of \$1,725,000 plus costs of issuance and plus costs of interest on any temporary financing, plus 1 percent per month from and after the adoption of this resolution.

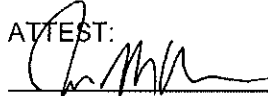
This resolution shall become effective upon its publication in the official city newspaper and following expiration of the twenty (20) day protest period following the publication, as required by the Act.

ADOPTED and passed this 5th day of March, 2013.

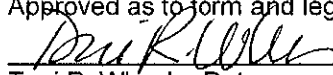
PASSED:


Robert J. Schumy, Mayor

ATTEST:


Jonathan M. Douglass, City Clerk

Approved as to form and legality:


Toni R. Wheeler Date
City Attorney

Legal description approved by:


Charles F. Soules, P.E. Date
Director of Public Works