

(Published in *The Dodge City Daily Globe* on August 6, 2022)

**ORDINANCE NO. 3777**

**AN ORDINANCE OF THE CITY OF DODGE CITY, KANSAS, ESTABLISHING  
A BIOSCIENCE DEVELOPMENT DISTRICT AND MAKING CERTAIN  
FINDINGS IN CONJUNCTION THEREWITH (HILMAR BIOSCIENCE  
DEVELOPMENT DISTRICT).**

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**WHEREAS**, the City Commission (the “Governing Body”) of the City of Dodge City, Kansas (the “City”) desires to promote, stimulate and develop the general and economic welfare of the City and the state of Kansas (the “State”) and to assist in the development and redevelopment of eligible areas within and without the City, thereby promoting the general welfare of the citizens of the State and the City, by acquiring property and providing for the development and redevelopment thereof and the financing relating thereto; and

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

**WHEREAS**, the governing body of a city may establish a redevelopment district within that city, and, with the Kansas bioscience authority's approval, may establish a bioscience development district within that city; and such city may establish a district inclusive of land outside the boundaries of the city or wholly outside the boundaries of such city upon written consent of the board of county commissioners, provided that prior to providing written consent, the board of county commissioners shall be subject to the same procedure for public notice and hearing as is required of a city pursuant to K.S.A. 12-1771(a); and

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

**WHEREAS**, in order to provide for the establishment of any redevelopment or bioscience development district that includes land outside the boundaries of the City and within the unincorporated area of Ford County, Kansas (the “County”), the Board of County Commissioners (the “Board”) of the County must consent to such establishment in writing; provided that prior to providing such consent, the Board must adopt a resolution stating that the County is considering consenting to the establishment of a redevelopment or bioscience development district, which resolution shall: (1) give notice that a public hearing will be held to consider the consent of the establishment of a redevelopment district or bioscience development district and fix the date, hour and place of such public hearing, which public hearing shall be held not less than 30 nor more than 70 days following adoption of such resolution, (2) describe the proposed boundaries of the redevelopment district or bioscience development district, (3) describe a proposed redevelopment district or bioscience development district plan, (4) state that a description and map of the proposed redevelopment district or bioscience development district are available for inspection at a time and place designated, and (5) state that the Board will consider findings necessary for the establishment of a redevelopment district or bioscience development district; and

**WHEREAS**, notice of such public hearings shall be given by mailing a copy of the resolutions of the City and County calling the public hearings via certified mail, return receipt requested, to the board of county commissioners of the County, the board of education of any school district levying taxes on property within the proposed redevelopment district or bioscience development district, to each owner and occupant of land within the proposed redevelopment district or bioscience development district, and with regards to a bioscience development district the Kansas Development Finance Authority, not more than 10 days following the date of the adoption of such resolutions and by publishing a copy of each resolution once in the official City or County newspaper, as applicable, not less than one week or more than two weeks preceding the date fixed for the public hearing, which publications shall include a sketch clearly delineating the area in sufficient detail to advise the reader of the particular land proposed to be included within the redevelopment district or bioscience development district; and

**WHEREAS**, upon the conclusion of such public hearings, the Board may consent in writing to the establishment of the redevelopment district or bioscience development district, and the Governing Body may pass an ordinance which shall: (1) make findings that the property within the proposed redevelopment district or bioscience development district is an “eligible area” as defined in the Act and the conservation, development, or redevelopment of such area is necessary to promote the general and economic welfare of the City, (2) contain the district plan for the redevelopment district or bioscience development district as approved, (3) contain the legal description of the redevelopment district or bioscience development district, and (4) may establish the redevelopment district or bioscience development district, provided that the boundaries of the district shall not include any area not designated in the notice of public hearing on the creation of such district; all provided that for a bioscience development district: (a) the Kansas bioscience authority must approve the establishment of the bioscience development district and (b) the ordinance shall make findings that the area satisfies the definition of a bioscience development area and the creation of a bioscience district will contribute to the development of bioscience in the state and promote the general and economic welfare of the City; and

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

**WHEREAS**, upon the creation of a redevelopment district or bioscience development district pursuant to the Act, the City may propose to undertake one or more redevelopment or bioscience

development projects and shall prepare a project plan for such redevelopment or bioscience development projects, which may be implemented in separate development stages, in consultation with the City's planning commission, and with regards to a bioscience development project, the Kansas bioscience authority; and

**WHEREAS**, pursuant to K.S.A. 74-99b15, the Kansas bioscience authority (the "Authority") has the power to merge the Authority with prior legislative authorization, and such authorization was provided by the State finance council (the "Finance Council") pursuant to Resolution No. 16-664, wherein the Finance Council authorized and approved the merger of the Authority with the Kansas Department of Commerce (the "Department of Commerce") vesting the Department of Commerce with the Authority's assets and liabilities and finding, among other things, the following: (a) all powers, duties, functions, properties, property rights, records, moneys, appropriations, rights and authorities vested in the Authority prior to the effective date of Resolution No. 16-664 shall be vested in the Kansas Department of Commerce; (b) whenever the Authority, or words of like effect, is referred to or designated by any statute, contract or other document, such reference or designation shall be deemed to apply to the Department of Commerce; and (c) the Department of Commerce shall be the successor in every way to the powers, duties and functions of the Authority; and

**WHEREAS**, the Governing Body has heretofore adopted Resolution No. 2022-25, which made a finding that the City is considering the establishment of a bioscience development district pursuant to the Act, set forth the boundaries of the proposed bioscience development district, provided a summary of the proposed bioscience development district plan, called a public hearing concerning the establishment of a bioscience development district for August 1, 2022, and provided for notice of such public hearing as provided in the Act; and

**WHEREAS**, the Board has heretofore adopted Resolution No. 2022-22, which acknowledged that the City is considering the establishment of a bioscience development district pursuant to the Act and confirmed the City's findings related thereto, set forth the boundaries of the proposed bioscience development district which includes property located within and without the boundaries of the City and within the boundaries of the County, provided a summary of the proposed bioscience development district plan, called a public hearing concerning the establishment of a bioscience development district for August 1, 2022, and provided for notice of such public hearing as provided in the Act; and

**WHEREAS**, pursuant to the Act, the Department of Commerce, as successor to the Authority, has approved the establishment of the proposed bioscience development district; and

**WHEREAS**, a joint public hearing was held on August 1, 2022, for both the City and the County after notice thereof was duly published, delivered and mailed in accordance with the provisions of the Act; and

**WHEREAS**, upon and considering the information and public comments received at the public hearing conducted this date, the Governing Body hereby deems it advisable to make certain findings and to create the bioscience development district.

**NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF DODGE CITY, KANSAS, AS FOLLOWS:**

**Section 1. Findings.** The Governing Body hereby finds that notice of the public hearing conducted August 1, 2022 was made in accordance with the provisions of the Act. The Governing Body finds that the area contained with the District (defined below) will be a bioscience development area which constitutes an "eligible area" under the Act, as the area will be used by a bioscience company engaged in

cellular and molecular research, and developing and manufacturing processes related to biochemistry, microbiology, agricultural, and industrial applications of bioscience. The Governing Body finds that the establishment of the bioscience development district will contribute to the development of bioscience in the State of Kansas and promote the general and economic welfare of the City.

**Section 2. Creation of the Bioscience Development District.** A bioscience development district is hereby created within and without the boundaries of the City in accordance with the provisions of the Act, with the consent of the County and the approval of the Department of Commerce, as successor to the Authority. The bioscience development district shall be designated as the Hilmar Bioscience Development District (the “District”). The District includes two areas connected by public right of ways to form a single, continuous district, with the north area inclusive of property generally bounded by US Highways 283 and 400, 112 Road and Outlaw Road, and the south area inclusive of property at and near the City’s south wastewater treatment plant located generally between US Highway 283 and 110 Road to the north and south of Warrior Road, and property adjacent thereto, all in Ford County, Kansas, and including all public rights of way within and adjacent to such described areas. The District includes property located within and without the boundaries of the City. A map generally outlining the boundaries of the District is attached hereto as *Exhibit A*, which is incorporated herein by reference. The legal description for the District is included in the District Plan described below and attached hereto as *Exhibit B*, and such description is incorporated herein by reference. The boundaries of the District do not contain any property not referenced in Resolution No. 2022-25 of the City or Resolution No. 2022-22 of the County, which provided notice of the public hearing on the creation of the District.

**Section 3. Bioscience Development District Plan.** The preliminary plan for the District (the “District Plan”), as presented to the Governing Body this date and attached hereto as *Exhibit B*, is hereby approved.

**Section 4. Approval of Other Governmental Units.** No privately owned property subject to ad valorem taxation within the District shall be acquired and redeveloped pursuant to the Act, if the Board of the County or the Board of Education of Unified School District No. 443 determines by resolution adopted within thirty days following the public hearing held on August 1, 2022, that the District will have an adverse effect on the County or Unified School District No. 443, respectively. If such a resolution is delivered to the City, the Governing Body shall, within 30 days of the receipt of such a resolution, pass an ordinance dissolving the District hereby created. The City acknowledges the County’s participation in the public hearing held August 1, 2022, pursuant to K.S.A. 12-1771(c), and the County’s written consent to the establishment of the District.

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

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

**Section 7. Effective Date.** This Ordinance shall be effective upon its passage by the Governing Body of the City and publication one time in the official City newspaper.

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**PASSED** by the City Commission on August 1, 2022 and **SIGNED** by the Mayor.

(SEAL)

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Mayor

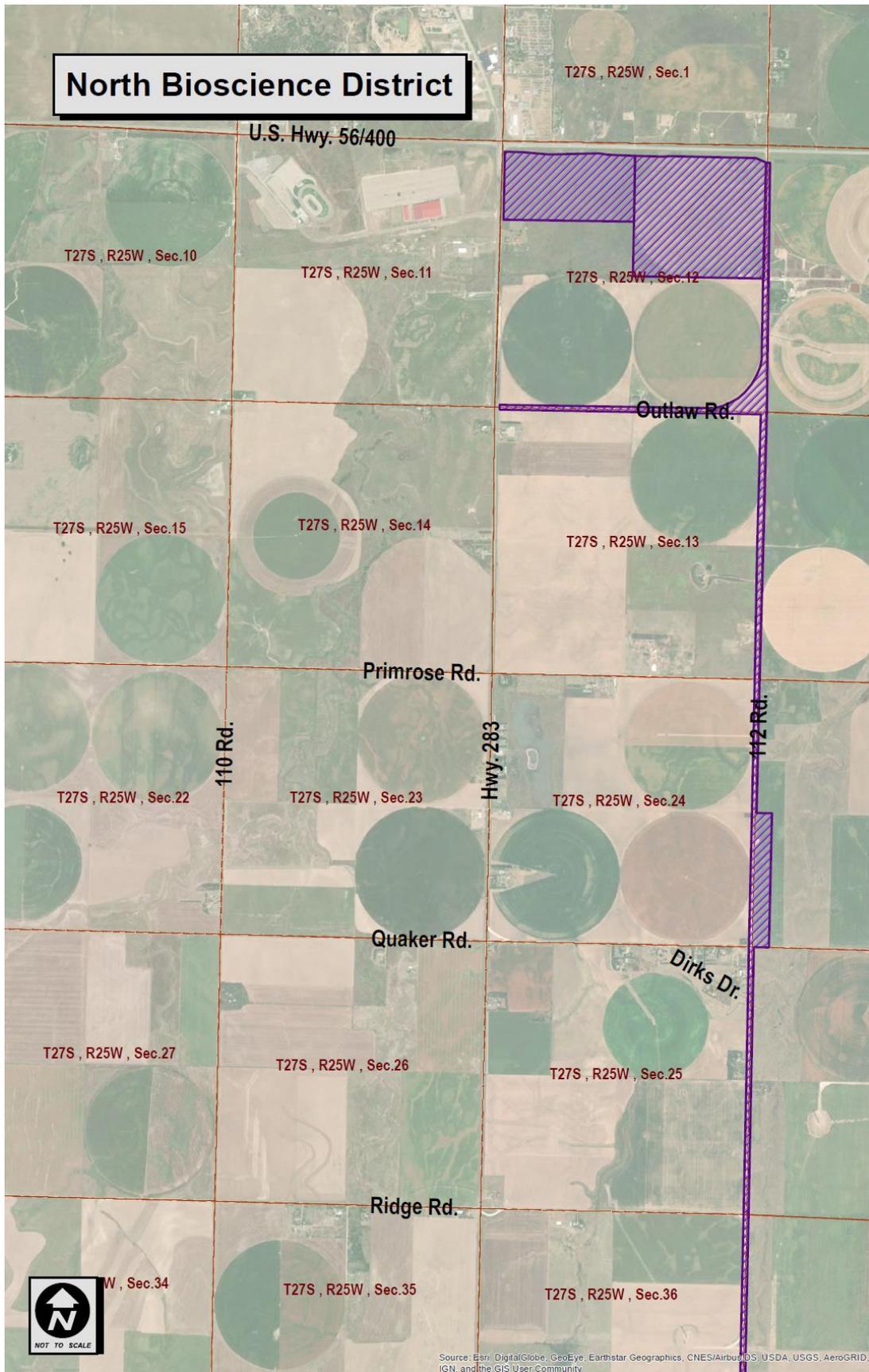
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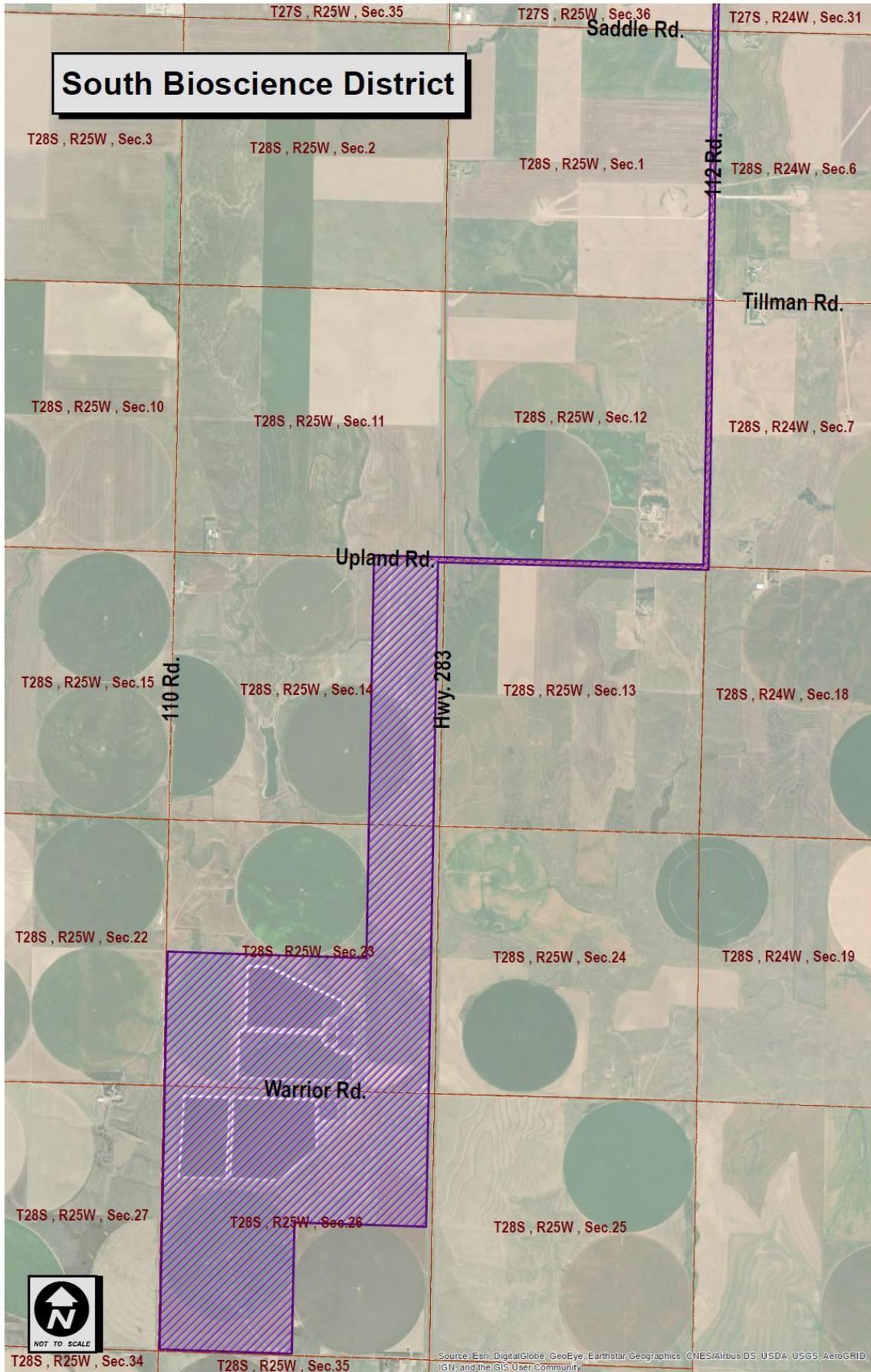
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Clerk

EXHIBIT A

MAP OF HILMAR BIOSCIENCE DEVELOPMENT DISTRICT





## ***EXHIBIT B***

### **DISTRICT PLAN FOR THE DEVELOPMENT OF THE HILMAR BIOSCIENCE DEVELOPMENT DISTRICT THROUGH TAX INCREMENT FINANCING**

June 20, 2022

#### **SECTION 1: PURPOSE**

A district plan is required for inclusion in the establishment of a bioscience development district under K.S.A. 12-1770 *et seq.* (the “Act”). The district plan is a preliminary plan that identifies proposed bioscience project areas within the district, and describes in a general manner the buildings, facilities and improvements to be constructed or improved.

#### **SECTION 2: DESCRIPTION OF TAX INCREMENT INCOME**

Projects financed through tax increment financing typically involve the creation of an “increment” in real estate property tax income. The increment is generated by segregating the assessed values of real property located within a defined geographic area such that a portion of the resulting property taxes flow to the City to fund projects in the redevelopment district, and the remaining portion flows to all remaining taxing jurisdictions. The portion of property taxes flowing to the City is determined by the increase in the assessed value of the properties within the bioscience development district as a result of the new development occurring within the same area. When the current aggregate property tax rates of all taxing jurisdictions are applied to this increase in assessed property value from new development, increment income is generated. Public improvements within the district and other qualified expenditures are funded by the City and repaid over a specified period of time with this increment income. The property taxes attributable to the assessed value existing prior to redevelopment, the “original valuation,” continue to flow to all taxing jurisdictions just as they did prior to redevelopment. This condition continues for the duration of the established district, as defined by statute, or until all eligible project costs are funded, whichever is of shorter duration.

#### **SECTION 3: DESCRIPTION OF THE DISTRICT BOUNDARIES**

The property within the proposed bioscience development district includes two areas connected by public right of ways to form a single, continuous district, with the north area (the “North Area”) inclusive of property generally bounded by US Highways 283 and 400, 112 Road and Outlaw Road, and the south area (the “South Area”) inclusive of property at and near the City’s south wastewater treatment plant located generally between US Highway 283 and 110 Road to the north and south of Warrior Road, and property adjacent thereto, all in Ford County, Kansas, and including all public rights of way within and adjacent to such described areas. The district includes property located within and without the boundaries of the City. The legal description of the proposed district is attached hereto and incorporated herein as *Attachment 1*.

#### **SECTION 4: BUILDINGS, FACILITIES AND IMPROVEMENTS**

The area within the district will be a bioscience development area which constitutes an “eligible area” under the Act, as the area will be used by a bioscience company engaged in cellular and molecular research, and developing and manufacturing processes related to biochemistry, microbiology, agricultural, and industrial applications of bioscience. The City has found that the establishment of the district will contribute to the development of bioscience in the State of Kansas and promote the general and economic welfare of the City.

The North Area will include the design, development, construction and operation of a new cheese and ingredient production and distribution facility, including an approximately 400,000 square foot facility for use by a bioscience company. The North Area will also include public and private infrastructure and amenities. The South Area will include the design, development, construction and operation of an expansion to the City's existing wastewater treatment plant and all improvements related thereto.

## **SECTION 5: BIOSCIENCE DEVELOPMENT AND PROJECT AREAS**

It is anticipated that only a portion of property within the proposed district will be designated as the "project area" under the bioscience development project plan, which must be adopted by the City Commission by a 2/3 majority vote before the expenditure of any tax increment financing funds. The plans for development of the North Area (which will generally not be included in the project area) consist of the design, development, construction and operation of a new cheese and ingredient production and distribution facility, including an approximately 400,000 square foot facility for use by a bioscience company. The public infrastructure associated with the North Area, consisting of road and utilities to serve the site, will be included in or contiguous with the project area which are necessary for the implementation of the project and are anticipated to be financed by tax increment revenues. The plans for development of the South Area (which will be included in the project area) consist of the design, development, construction and operation of an expansion to the City's existing wastewater treatment plant and all improvements related thereto, which will be included in the project area and are anticipated to be financed by tax increment revenues.

Tax increment financing may be used to pay for eligible costs, including site preparation, public infrastructure improvements, such as sanitary sewer improvements (including wastewater treatment plants) and street improvements. Except as specifically provided by the Act, tax increment financing may not be used for construction of any buildings owned or leased to a private, nongovernmental entity.

## **SECTION 6: CONCLUSION**

After the establishment of the bioscience development district, including the consent to the creation thereof by the board of county commissioners of Ford County, Kansas, and the approval of the Kansas Department of Commerce, any bioscience development projects to be funded with tax increment financing will be presented to the Governing Body for approval through the adoption of a Bioscience Development Project Plan. The Project Plan will identify the specific project area located within the established tax increment financing district and will include detailed descriptions of the projects as well as a financial feasibility study showing that the economic benefits out-weigh the costs. The Project Plan must be reviewed by the City Planning Commission to determine if the Project Plan is consistent with the intent of the comprehensive plan for development of the City. Thereafter, the Governing Body shall adopt a resolution calling a public hearing to consider the Project Plan notice of such hearing to be provided by mail and publication in accordance with the Act. After conclusion of the public hearing, the Project Plan may be approved by ordinance passed by not less than a two-thirds majority vote of the Governing Body. The Project Plan must also be approved by the Kansas Department of Commerce, as successor to the Kansas bioscience authority.

Tax increment financing does not impose any additional taxes on property located within the bioscience development district. All property within the district is appraised and taxed the same as any other property. However, if property within the district increases in value as a result of development, the resulting increment of additional tax revenue is diverted to pay for a portion of the development costs.

*Attachment 1*

**HILMAR BIOSCIENCE DEVELOPMENT DISTRICT  
LEGAL DESCRIPTION**

**TRACT 1:**

The North 1572 feet of the Northwest Quarter of Section 12, Township 27 South, Range 25 West of the 6<sup>th</sup> Principal Meridian, Ford County, Kansas. Except Highway Right of Way.

**TRACT 2:**

Lots 1,2 & 3 and 112 Rd. Right-of-way (R/W) of the Hilmar Cheese company Plat, part of the Northeast Quarter of Section 12, Township 27 South, Range 25 West of the 6<sup>th</sup> Principal Meridian, Ford County Kansas.

**TRACT 3:**

The West 50 feet, including County Road R/W, of Section 7, Township 27 South, Range 24 West of the 6<sup>th</sup> Principal Meridian, Ford County Kansas. Except Highway Right of Way.

**TRACT 4:**

A tract in the Southeast Quarter of Section 12, Township 27 South, Range 25 West of the 6<sup>th</sup> Principal Meridian, Ford County, Kansas. Beginning at the intersection of the North line of Outlaw Road and the West line of 112 Road: thence west along the North of Outlaw Road on a bearing of N89°47'07"W for 1105.09 feet: thence 1674.5 feet on a 1200 foot radius curve to the left with a cord of bearing of N45°57'41"E and length of 1541.91 feet to the West line of 112 Road: thence south along the West line of 112 Road on a bearing of S00°10'44"W for 1076.01 feet to the Point of Beginning.

**TRACT 5:**

The South 50 feet, including County Road R/W of Section 12, and the East 50 feet, including County Road R/W of the South Half of Section 12, Township 27 South, Range 25 West of the 6<sup>th</sup> Principal Meridian, Ford County, Kansas. Except Highway Right of Way.

**TRACT 6:**

The North 50 feet, including County Road R/W of Section 13 and the East 50 feet, including County Road R/W of Section 13, Township 27 South, Range 25 West of the 6<sup>th</sup> Principal Meridian, Ford County, Kansas. Except Highway Right of Way.

**TRACT 7:**

The West 50 feet, including County Road R/W, of Section 18, Township 27 South, Range 24 West of the 6<sup>th</sup> Principal Meridian, Ford County Kansas.

**TRACT 8:**

The East 50 feet, including County Road R/W, of Section 24, Township 27 South, Range 25 West of the 6<sup>th</sup> Principal Meridian, Ford County, Kansas.

**TRACT 9:**

The West 50 feet, including County Road R/W, of the Northwest Quarter of Section 19, Township 27 South, Range 24 West of the 6<sup>th</sup> Principal Meridian, Ford County Kansas.

**TRACT 10:**

The West 350 feet, including County Road R/W, of the Southwest Quarter of Section 19, Township 27 South, Range 24 West of the 6<sup>th</sup> Principal Meridian, Ford County Kansas.

TRACT 11:

The East 50 feet, including County Road R/W, of Section 25, Township 27 South, Range 25 West of the 6<sup>th</sup> Principal Meridian, Ford County, Kansas.

TRACT 12:

The West 50 feet, including County Road R/W, of Section 30, Township 27 South, Range 24 West of the 6<sup>th</sup> Principal Meridian, Ford County Kansas.

TRACT 13:

The East 50 feet, including County Road R/W, of Section 36, Township 27 South, Range 25 West of the 6<sup>th</sup> Principal Meridian, Ford County, Kansas.

TRACT 14:

The West 50 feet, including County Road R/W, of Section 31, Township 27 South, Range 24 West of the 6<sup>th</sup> Principal Meridian, Ford County Kansas.

TRACT 15:

The East 50 feet, including County Road R/W, of Section 1, Township 28 South, Range 25 West of the 6<sup>th</sup> Principal Meridian, Ford County, Kansas.

TRACT 16:

The West 50 feet, including County Road R/W, of Section 6, Township 28 South, Range 24 West of the 6<sup>th</sup> Principal Meridian, Ford County Kansas.

TRACT 17:

The East 50 feet, including County Road R/W of Section 12 and the South 50 feet, including County Road R/W of Section 12, Township 28 South, Range 25 West of the 6<sup>th</sup> Principal Meridian, Ford County, Kansas.

TRACT 18:

The West 50 feet, including County Road R/W, of Section 7, Township 28 South, Range 24 West of the 6<sup>th</sup> Principal Meridian, Ford County Kansas.

TRACT 19:

The West 50 feet of the North 50 feet, including County Road R/W, of the Northwest Quarter of Section 18, Township 28 South, Range 24 West of the 6<sup>th</sup> Principal Meridian, Ford County Kansas.

TRACT 20:

The North 50 feet, including County Road R/W, of Section 13, Township 28 South, Range 25 West of the 6<sup>th</sup> Principal Meridian, Ford County Kansas.

TRACT 21:

The South 50 feet, including County Road R/W, of the Southeast Quarter of Section 11, Township 28 South, Range 25 West of the 6<sup>th</sup> Principal Meridian, Ford County Kansas.

TRACT 22:

The East Half of the East Half, of Section 14, Township 28 South, Range 25 West of the 6<sup>th</sup> Principal Meridian, Ford County Kansas. Except Highway Right of Way.

TRACT 23:

The East Half of the Northeast Quarter of Section 23, and the South Half, of Section 23, Township 28 South, Range 25 West of the 6<sup>th</sup> Principal Meridian, Ford County Kansas. Except Highway Right of Way.

TRACT 24:

The Northeast Quarter of Section 26, and Northwest Quarter of Section 26, and Southeast Quarter of Section 26, Township 28 South, Range 25 West of the 6<sup>th</sup> Principal Meridian, Ford County Kansas. Except Highway Right of Way.

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