

CITY OF ULYSSES, KANSAS  
ECONOMIC INCENTIVE POLICY

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1. PURPOSE. The purpose of this statement is to establish the official policy and procedures of the City of Ulysses for the granting of property tax abatement for property meeting the requirements set forth in Article 11, Section 13 of the Kansas Constitution.

2. DEFINITIONS. Article 11, Section 13 of the Kansas Constitution states that a new or existing business whose use of property meets one of the following criteria is eligible:

- A. Manufacturing
- B. Research and development or
- C. Storing of goods traded in interstate commerce.

3. TAX ABATEMENTS. Tax abatements granted shall be within the parameters set forth below:

- A. For a new or existing qualifying business that makes an initial investment or an additional investment of at least \$100,000.00 in real property and/or equipment or that creates the equivalent of five (5) full time jobs the property tax abatement shall be as follows:

<u>Year</u>	<u>Abatement</u>
1	100%
2	80%
3	60%
4	40%
5	20%

- B. For a new or existing business that makes an initial investment or an additional investment of at least \$1,500,000.00 in real property and/or equipment or that creates the equivalent of ten (10) or more full time jobs, shall be as follows:

<u>Year</u>	<u>Abatement</u>
1	100%
2	100%
3	87.5%
4	75%
5	62.5%
6	50%
7	37.5%
8	25%
9	12.5%

In order for a qualifying business (refer to Article 11, Section 13) to be eligible over the length of the abatement provided for above, the jobs created must be filed by the requisite number of full-time employees, by the end of the first year in which the abatement is effective and must maintain these positions throughout the entirety of the abatement period.

4. MINIMUM PAYMENT IN LIEU OF TAXES. Any qualifying business receiving a tax abatement pursuant to this policy statement shall be required, during any year in which taxes are abated 100%, to make a minimum payment in lieu of taxes which equals the amount of property tax which was paid or was payable for the most recent year on the appraised valuation of the real estate, including either land only, or building together with land, prior to the construction of new buildings or added improvements to buildings on such property, or prior to the acquisition of the property, by the qualifying business. This payment shall be made to the County Clerk.

5. SALE OR TRANSFER. Any tax abatement granted pursuant to the Policy Statement shall automatically expire and terminate upon the sale or transfer of controlling interest in the qualifying business to which tax abatement was granted.

6. APPLICATION REQUIRED. A qualifying business shall apply for tax abatement by filing written application with the City Council. Tax abatement application must be made prior to construction. The City Council is hereby authorized and empowered to prepare a standard application which, upon completion, will provide the Council with adequate and sufficient information to determine whether tax abatement should be granted. The accuracy of the information provided in the application shall be verified by the applicant. Any misstatement of or error in fact may render the application null and void and may be cause for the repeal of any resolution adopted in reliance on said information.

7. INITIAL REVIEW PROCEDURE. Upon receipt of the completed application form, the City Clerk shall determine (a) whether the application is complete and sufficient for review, and (b) whether, under to the Kansas Constitution, this Statement and any other applicable laws, the applicant business is eligible for tax abatement. If the application is incomplete, the City Clerk shall immediately notify the applicant, noting the need for such changes or additions as deemed necessary. If questions arise as to the whether the business is legally eligible for tax abatement, the matter shall be referred to the City's legal advisor, who shall consult with the applicant business. If the application is found to be complete, and is for a purpose which appears to be authorized by law, the City Clerk shall so notify the City Council.

8. COST/BENEFIT ANALYSIS. According to K.S.A. 79-251, a cost/benefit analysis will be required for the tax abatement to be granted. This cost/benefit analysis shall include the effect of the exemption on state revenues.

9. INITIAL BOARD ACTION. Upon receiving the application from the City Clerk, the Council shall determine whether to reject the requested or to further consider the request. Upon a favorable vote for further consideration, the Council shall schedule a public hearing thereon.

10. NOTICE and HEARING. No tax abatement shall be granted prior to a public hearing thereon. Notice of the public hearing shall be published at least seven (7) days prior to the hearing in the official county newspaper stating the time and place. The hearing may be held at a regular or special meeting of the Council. Upon request, the City Clerk shall provide a copy of the application being reviewed. The applicant business shall be invited, but not required, to attend the public hearing.

11. SPECIAL ASSESSMENTS. Any tax abatement granted for real property under this statement shall not affect the liability of such property for any special assessment levied or to be levied against such property.

12. ANNUAL REVIEW. The extent, qualifying conditions and term of any tax abatement granted hereunder shall be subject to annual review and determination by the City Council to insure that the qualifying criteria of the business for the tax abatement continue to exist. An annual review of the abatement agreement shall be submitted by the business entity to the City Council no later than January 5 during the length of the tax abatement period. The Council's review shall be completed not later than February 15 of each year.

13. AMMENDMENT. The Tax Abatement portion (article 3) of this policy may be restructured for a specific case should the City Council vote to do so.

THIS POLICY WAS ENACTED AND RESOLVED BY THE City Council of Ulysses, Kansas, attested by the City Clerk this \_\_\_\_\_ day of \_\_\_\_\_, 2001.

CITY OF ULYSSES, STATE OF KANSAS

By:

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Member – City Council

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Member - City Council

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Member – City Council

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Member - City Council

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Member – City Council

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Member – City Council

ATTEST:

\_\_\_\_\_  
City Clerk