ORDINANCE NO. 18671

AN ORDINANCE INTRODUCED BY CITY MANAGER NORTON N. BONAPARTE, JR. AUTHORIZING THE ISSUANCE OF FULL FAITH AND CREDIT TAX INCREMENT BONDS, SERIES 2006-A (COLLEGE HILL REDEVELOPMENT) IN THE MAXIMUM PRINCIPAL AMOUNT OF $5,840,000 OF THE CITY OF TOPEKA, KANSAS, FOR THE PURPOSE OF PAYING CERTAIN REDEVELOPMENT PROJECT COSTS IN CONNECTION WITH THE REDEVELOPMENT PLAN; AND MAKING CERTAIN COVENANTS WITH RESPECT THERETO.

WHEREAS, the City of Topeka, Kansas (the "City"), is a first class city organized and existing under the constitution and laws of the State of Kansas; and

WHEREAS, the City has the authority to adopt tax increment financing pursuant to the Kansas Tax Increment Redevelopment Act, constituting sections K.S.A. 12-1770 et seq., as amended (the "Act"); and

WHEREAS, the Redevelopment Area (as defined herein) has been found by the governing body of the City to be a “blighted area” and eligible for redevelopment under the Act; and

WHEREAS, Resolution No. 7741 of the City adopted January 10, 2006, called for the governing body of the City to hold a public hearing concerning the establishment of a redevelopment district pursuant to the Act on February 14, 2006; and

WHEREAS, notice of the public hearing was given as required by law; and

WHEREAS, the public hearing by the City regarding the proposed redevelopment district was held and closed on February 14, 2006; and

WHEREAS, on February 14, 2006, the City adopted Ordinance No. 18566 establishing a redevelopment district pursuant to the Act (the "Redevelopment District") encompassing the property located between SW 13th and SW 17th and SW Washburn to SW Lane (the "Redevelopment Area") a copy of which ordinance was delivered to the Board of County Commissioners of Shawnee County, Kansas, (the “County”) and the Board of Education of Unified School District of 501 ("USD 501"); and

WHEREAS, neither the County or USD 501 adopted a resolution within 30 days of the conclusion of the City’s public hearing held and closed February 14, 2006, regarding the proposed redevelopment district finding that the establishment of such district would have an adverse effect on the County or USD 501; and
WHEREAS, a proposed plan for redevelopment within the Redevelopment District (the "Redevelopment Plan") has been presented to the City for consideration in accordance with the requirements of the Act; and

WHEREAS, the City Planning Commission on February 27, 2006, found that the proposed Redevelopment Plan conformed to the City's comprehensive plan as required by the Act; and

WHEREAS, Resolution No. 7759 adopted February 28, 2006, called for the governing body of the City to hold a public hearing concerning the adoption of the Redevelopment Plan pursuant to the Act on April 4, 2006; and

WHEREAS, Resolution No. 7759 also stated that the City proposed to issue its full faith and credit tax increment bonds to finance all or part of the costs of the City’s portion of the Redevelopment Plan; and

WHEREAS, a copy of Resolution No. 7759 was mailed in accordance with law to the County, USD 501 and the owners and occupants of land within the proposed redevelopment project area; and

WHEREAS, notice of the public hearing was given as required by law; and

WHEREAS, the public hearing by the City regarding the Redevelopment Plan was held and closed on April 4, 2006; and

WHEREAS, on April 4, 2006, the City adopted Ordinance No. 18604 adopting the Redevelopment Plan; and

WHEREAS, a sufficient protest in opposition to the City’s issuance of full faith and credit tax increment bonds was not received by the City Clerk within 60 days following the completion of the public hearing held April 4, 2006; and

WHEREAS, the City has determined that it is necessary and desirable, to adopt this Ordinance in order to issue its Full Faith and Credit Tax Increment Bonds, Series 2006-A (College Hill Redevelopment) (the "Bonds"), in the maximum aggregate principal amount of $5,840,000 to pay a portion of the Redevelopment Project Costs (as hereinafter defined), fund a debt service reserve fund, fund capitalized interest on the Bonds and pay the costs of issuing the Bonds;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF TOPEKA, SHAWNEE COUNTY, KANSAS, AS FOLLOWS:

Section 1. Definitions of Words and Terms. In addition to words and terms defined elsewhere in this Ordinance, the following capitalized words and terms as used in this Ordinance shall have the following meanings:
"Redevelopment Project Costs" means those costs as defined in K.S.A. § 12-1770a(q), that may be paid through tax increment financing and which the City has agreed to pay as Reimbursable Expenditures under the Redevelopment Agreement (as hereinafter defined) and such other redevelopment project costs allowed under the Redevelopment Plan.

"College Hill Tax Increment Fund" means the College Hill Tax Increment Fund of the City created for the Incremental Tax Revenues (as defined in the Indenture) of the Redevelopment District.

Section 2. Authorization of the Bonds. The City is hereby authorized to issue and sell the Bonds in the original aggregate principal amount of not to exceed $5,840,000, the proceeds of which will be used to pay the Redevelopment Project Costs, fund capitalized interest on the Bonds and pay certain issuance costs related to the Bonds. The Bonds shall be issued and secured pursuant to the herein authorized Indenture and shall bear such dates, shall be in such denominations, shall be in such forms, shall mature on the dates and in the principal amounts, shall bear interest at rates not to exceed 5.75% per annum and shall be subject to redemption on the dates and in the principal amounts as provided in the Indenture, and shall have such other terms and provisions, shall be issued, executed, authenticated and delivered in such manner and shall be subject to such provisions, covenants and agreements, as are set forth in the Indenture.

Section 3. Security for the Bonds. The Bonds and the interest thereon shall be payable (except to the extent paid out of Bond proceeds or the income from the temporary investment thereof and under certain circumstances from insurance proceeds and condemnation awards) first from the Incremental Tax Revenues and other payments derived by the City under the Redevelopment Agreement (except for fees and expenses payable to the City, the City’s right to indemnification as set forth in the Redevelopment Agreement and as otherwise expressly set forth therein) and a pledge of the City’s full faith and credit to use its ad valorem taxing authority for the payment thereof in the event the Incremental Tax Revenues are not sufficient. In accordance with the City’s pledge of its full faith and credit to the payment of the Bonds, the City hereby covenants and agrees to levy ad valorem taxes, which may be levied without limitation upon all the taxable property, real and personal, within the territorial limits of the City, as necessary to pay the principal of and interest on the Bonds as the same become due at maturity or upon earlier redemption. The Bonds and interest thereon shall not be deemed to constitute a debt or liability of the State of Kansas within the meaning of any state constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the State of Kansas but shall be payable solely from the funds provided for in the Indenture. The issuance of the Bonds shall not, directly, indirectly or contingently, obligate the State of Kansas to levy any form of taxation therefor or to make any appropriation for their payment.

Section 4. Authorization and Approval of Documents. The following documents are hereby approved in substantially the forms presented to and reviewed by the City at this meeting (copies of which documents shall be filed in the records of the City), and the City is hereby authorized to execute and deliver each of such documents to which the City is a party (the "City Documents") with such changes therein as shall be approved by the officer or officers of the City executing such documents, such officers' signatures thereon being conclusive evidence of their approval and the City's approval thereof:
Section 5. Approval of Use of Official Statement. The City hereby approves the use of
the Preliminary Official Statement, from which a final Official Statement shall be drafted
(collectively, the "Official Statement"), in connection with the sale of the Bonds, in substantially
the form presented to the City (a copy of which Official Statement shall be filed in the official
records of the City) with such changes therein as shall be necessary to provide for the execution
of such document by the Developer.

The Official Statement and the distribution thereof by the Original Purchaser are hereby
approved for use in connection with the sales of the Bonds. The City has not participated in the
preparation of the Official Statement and has not verified the accuracy of the information therein,
other than information respecting the City. Accordingly, the approval of the Official Statement
does not constitute approval by the City of all information contained therein or a representation
by the City as to the completeness or accuracy of the information contained therein. For the
purpose of enabling the Official Statement to comply with the requirements of Rule 15c2-
12(b)(1) of the Securities and Exchange Commission (the "Rule"), the City hereby deems the
information regarding the City contained in the Official Statement to be "final" as of its date,
except for the omission of such information as is permitted by the Rule, and the appropriate
officials of the City are hereby authorized, if requested, to provide the Original Purchaser a letter
or certification to such effect and to take such other actions or execute such other documents as
such officials in their reasonable judgment deem necessary to enable the Original Purchaser to
comply with the requirements of such Rule.

Section 6. Execution of Bonds and Documents. The Mayor of the City is hereby
authorized and directed to execute the Bonds and to deliver the Bonds to the Trustee for
authentication for and on behalf of and as the act and deed of the City in the manner provided in
the Indenture. The Mayor of the City is hereby authorized and directed to execute the City
Documents and such other documents, certificates and instruments as may be necessary or
desirable to carry out and comply with the intent of this Ordinance, for and on behalf of and as
the act and deed of the City. The Clerk of the City is hereby authorized and directed to attest to
and affix the seal of the City to the Bonds, the City Documents and such other documents,
certificates and instruments as may be necessary.

Section 7. Tax Covenants. The City covenants and agrees that (a) it will comply with
all applicable provisions of the Code, including Sections 103 and 141 through 150, necessary to
maintain the exclusion from federal gross income of the interest on the Bonds; and (b) it will not
use or permit the use of any proceeds of Bonds or any other funds of the City, nor take or permit
any other action, or fail to take any action, which would adversely affect the exclusion from
federal gross income of the interest on the Bonds. The City will also adopt such other ordinances
or resolutions and take such other actions as may be necessary to comply with the Code and with
other applicable future law, in order to ensure that the interest on the Bonds will remain excluded
from federal gross income, to the extent any such actions can be taken by the City.

Section 8. Further Authority. The City shall, and the officers, employees and agents of
the City are hereby authorized and directed to, take such action, expend such funds and execute
such other documents, certificates and instruments as may be necessary or desirable to carry out
and comply with the intent of this Ordinance, and to carry out, comply with and perform the
duties of the City with respect to the Bonds and the City Documents, including, but not limited
to, agreements with respect to the investment of funds held under the Indenture.

Section 9. Governing Law. This Ordinance and the Bonds shall be governed by and
construed in accordance with the applicable laws of the State.

Section 10. Effective Date. This Ordinance shall take effect and be in full force from
and after its passage by the governing body of the City and publication in the official City
newspaper.

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PASSED and approved by the City Council on July 11, 2006.

CITY OF TOPEKA, KANSAS

(SEAL) /s/ William W. Bunten
William W. Bunten, Mayor

ATTEST:

/s/ Iris E. Walker
Iris E. Walker, City Clerk

I, IRIS E. WALKER, City Clerk of the City of Topeka, Shawnee County, Kansas, do hereby certify that the above and foregoing is a true and correct copy of Ordinance No. 18671 adopted and approved by the City Council on July 11, 2006.

/s/ Iris E. Walker
Iris E. Walker, City Clerk