RESOLUTION NO. 7102

A RESOLUTION INTRODUCED BY MAYOR JOAN WAGNON EXPRESSING THE INTENT OF THE CITY OF TOPEKA, KANSAS, TO ISSUE ITS INDUSTRIAL REVENUE BONDS IN THE MAXIMUM PRINCIPAL AMOUNT OF $110,000,000 TO BOTH FINANCE VARIOUS IMPROVEMENTS BENEFITING PAYLESS SHOESOURCE, INC., AND/OR PAYLESS SHOESOURCE DISTRIBUTION, INC., AND PROMOTE, STIMULATE AND DEVELOP THE ECONOMIC WELFARE OF BOTH THE CITY AND THE STATE OF KANSAS.

WHEREAS, the City of Topeka, Kansas, (the "City") is authorized and empowered pursuant to the provisions of K.S.A. 12-1740 to 12-1749(a), inclusive, as amended (the "Act"), to both issue its industrial revenue bonds to finance the cost of acquiring, constructing, furnishing and equipping certain facilities and enter into lease agreements with any person, firm or corporation for the use and acquisition of such facilities in order to promote, stimulate and develop the economic welfare and prosperity of both the City and the State of Kansas; and

WHEREAS, Payless ShoeSource, Inc., ("Payless") has requested that the City issue its industrial revenue bonds in one or more separate series in the maximum amount of One Hundred Ten Million Dollars ($110,000,000) (the "Bonds") to finance the cost of constructing, reconstructing, installing, furnishing and equipping certain facilities and improvements thereon the ("Project") to benefit Payless and/or Payless ShoeSource Distribution, Inc. ("Payless Distribution"); and

WHEREAS, the City does hereby find and determine it to be advisable and in the best interest of the City and its inhabitants that such Bonds of the City, as and in the maximum amount requested by Payless, be authorized and issued to finance the Project; and
00035    WHEREAS, such Bonds when, as and if issued by the City
00036 will be payable solely and only from the moneys and revenues
00037 received by the City from the fees charged and rentals received
00038 for the use of the Project and not from any other fund or source.
00039    NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY
00040 OF TOPEKA, SHAWNEE COUNTY, KANSAS, AS FOLLOWS:
00041    Section 1. That the governing body of the City (the
00042 "Council") hereby finds and determines that the Project will
00043 promote, stimulate and develop the general economic welfare of
00044 the City and be in furtherance of the public purposes as set
00045 forth in the Act.
00046    Section 2. That industrial revenue bonds of the City in
00047 the maximum principal amount of $110,000,000 be issued in one or
00048 more separate series to finance the Project to be leased to
00049 Payless and or Payless Distribution pursuant to and in accor-
00050 dance with the Act.
00051    Section 3. That the terms of all ordinances, trust inden-
00052 tures, lease agreements and other documents required in the
00053 issuance of the Bonds (the "Bond Documents") shall be as agreed
00054 to by and between the City and Payless. The selection of the
00055 purchaser of the Bonds shall be the sole responsibility of
00056 Payless.
00057    Section 4. That the City officials are hereby directed
00058 and authorized to proceed with the necessary negotiations relat-
00059 ing to the Bond Documents with Payless and with the preparation
00060 of all other necessary documents relating thereto for final
00061 action by the Council of the City. All terms and conditions of
the Bonds and the sale thereof must be acceptable to and ap-
proved by the Council of the City and Payless.

Section 5. That the City Clerk and Nichols and Wolfe Char-
tered, bond counsel, are hereby authorized and directed to pre-
pare and cause to be filed and published, where necessary, all
statements and notices required by the provisions of both K.S.A.
12-1740 et seq., as amended.

Section 6. That as the Project site(s) and facilities are
entitled to an exemption from ad valorem taxation for a period
of ten (10) years beginning after the calendar year in which the
Bonds are issued in accordance with the provisions of K.S.A.
79-201a, as amended, the City shall, subject to the requirements
of applicable law, agree to an abatement of ad valorem taxes for
the full ten (10) years such Project site(s) and facilities is
entitled to an exemption from ad valorem taxation and, in lieu
of such ad valorem taxes, Payless and/or Payless Distribution
shall make annual payments in lieu of such ad valorem taxes each
year for such 10 year period equal to 5% of the amount of such
ad valorem taxes attributable to such Project site(s) and facili-
ties that would otherwise be payable the first year following
the completion of the respective Project improvements.

Section 7. That the City will not be liable or otherwise
responsible for the payment of any costs or expenses incurred by
or in connection with the issuance of such Bonds.

Section 8. That the issuance of the Bonds by the City
shall, in addition to all other requirements of the City, be
subject to any limitations imposed upon the City by either federa-
al or Kansas law, including any regulations, rulings or executive orders which might appertain thereto.

Section 9. That this Resolution shall be of force and effect immediately upon its adoption and approval.

ADOPTED AND APPROVED THIS 14th day of November, 2000.

CITY OF TOPEKA, KANSAS

Joan Wagnon, Mayor

ATTEST:

Iris E. Walker, City Clerk

IRIS E. WALKER, City Clerk of the City of Topeka, Kansas do hereby certify that the above and foregoing is a true and correct copy of Resolution No. _______, adopted and approved by the City Council on ____________, 2000.

Iris E. Walker, City Clerk