

Introduced: August 6, 2019
Passed: August 6, 2019
Published: August 9, 2019

ORDINANCE NO. 2019 - 5

**AN ORDINANCE EXEMPTING CERTAIN PROPERTY IN THE
CITY OF HUTCHINSON, KANSAS FROM AD VALOREM TAXATION
FOR ECONOMIC DEVELOPMENT PURPOSES**

WHEREAS, Article 11, Section 13 of the Kansas Constitution permits the governing body of any city by ordinance to exempt from all ad valorem taxation all or any portion of the appraised valuation of all buildings, together with the land upon which such buildings are located, used exclusively by a business for the purpose of manufacturing articles of commerce for not more than ten (10) calendar years after the calendar year in which the business commences its operations or in which expansion of an existing business is completed; and

WHEREAS, the Governing Body of the City of Hutchinson, Kansas, has elected to offer tax incentives to businesses locating or expanding within the City and in 2007, adopted appropriate policies, as amended, governing application for and grant of ad valorem tax exemptions as required by K.S.A. 79-251, which policies include procedures for monitoring compliance with the requirements of the City; and

WHEREAS, GeoChemicals, LLC, has acquired certain real property within the City of Hutchinson, upon which it will construct a new facility used exclusively for the purpose of manufacturing articles of commerce; and

WHEREAS, GeoChemicals, LLC, will commence operations at such manufacturing facility during the year 2019; and

WHEREAS, GeoChemicals, LLC, will use the property for which the exemption is to be granted exclusively for the purposes specified in Section 13 of Article 11 of the Constitution of the State of Kansas; and

WHEREAS, GeoChemicals, LLC, is not relocating its business from one city or county to another within the State of Kansas; and

WHEREAS, the Governing Body of the City of Hutchinson, Kansas, conducted a public hearing on August 6, 2019, upon the application of GeoChemicals, LLC for such an economic development tax exemption and considered the impact of the project by completing a cost-benefit analysis dated July 10, 2019, prior to the public hearing; and

WHEREAS, The Hutchinson News, the official City newspaper, published notice of the hearing seven (7) days prior to the date of the hearing on July 26, 2019, and the City Clerk notified in writing Unified School District No. 308, the Board of County Commissioners of Reno County, the Hutchinson Public Library, the Hutchinson Recreation Commission, and the Board of Trustees of Hutchinson Community College of the proposed exemption and public hearing.

**NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY
OF HUTCHINSON, KANSAS:**

Section 1. The real property described below and all buildings therewith are hereby found and determined to be eligible for the ad valorem tax exemption authorized by Article 11, Section 13 of the Kansas Constitution and City Council Policy #10 (Tax Exemptions for Economic Development) in that GeoChemicals, LLC will commence operations therewith in 2019 and will use the same exclusively for the purpose of manufacturing articles of commerce and that such use will create new employment of at least ten (10) jobs within the community and the State of Kansas;

Section 2. The real estate to be exempted is described as follows:

A portion of Lot 1, Block A, HIDI Industrial Park, a subdivision located in the North Half of the Northwest Quarter of Section 9, Township 23 South, Range 5 West of the 6th Principal Meridian, City of Hutchinson, Reno County, Kansas, described as follows: Commencing at the Southeast corner of said Lot 1, thence North 89°44'21" West (basis of bearing is NAD83 grid Kansas South Zone) along the South line of said Lot 1, a distance of 495.35 feet for the point of beginning; thence continuing North 89°44'21" West along the South line of said Lot 1 a distance of 214.37 feet; thence North 89°42'42" West along the South line of said Lot 1 a distance of 161.22 feet; thence North 00°36'03" West 879.68 feet to the North line of said Lot 1; thence South 89°42'35" East along the North line of said Lot 1 a distance of 375.59 feet, said point 495.35 feet West of the Northeast corner of said Lot 1; thence South 00°36'03" East parallel with the East line of said Lot 1 a distance of 879.57 feet to the point of beginning, containing 7.584 acres;

Section 3. The real estate shall be exempted from ad valorem taxation for a period of ten (10) years, beginning in the year 2020, with a requirement for payments in lieu of tax by the applicant as provided by the Memorandum of Understanding between GeoChemicals, LLC and the City of Hutchinson; and

Section 4. GeoChemicals, LLC, shall comply with Article 11, Section 13 of the Kansas Constitution, all Kansas statutes and City Council Policy No. 10 and all stipulations as reflected in the payment-in-lieu-of-tax agreement between GeoChemicals, LLC and the City of Hutchinson; and

Section 5. This ordinance shall take effect and be in force from and after its passage and publication in the official City newspaper.

PASSED BY THE GOVERNING BODY, this 6th day of August, 2019, for the City of Hutchinson, Kansas.

David A. Inskeep, Mayor

ATTEST:

Karen Weltmer, City Clerk