



City Commission Agenda Item

Meeting Date: July 15, 2025

From: Randy Frazer, City Manager

Item: Ordinance Reinstating Summit Plaza CID Sales Tax & Repealing Ordinance No. 2025-07-4638

Motion: An Ordinance repealing Ordinance No. 2025-07-4638 and thereby reinstating Ordinance No. 2015-02-4380, relating to the Summit Plaza Community Improvement District Sales Tax in the City of Arkansas City, Kansas, pursuant to K.S.A. 12-6a26 ET SEQ. **(Roll Call Vote)**

Background: The Summit Plaza Community Improvement District (CID) was created in 2015 under Ordinance No. 2015-02-4380, establishing a 1.0% CID sales tax to reimburse up to \$750,000 in eligible project costs on a pay-as-you-go basis. The CID was designed to sunset upon full reimbursement of project costs or 22 years from the start of tax collection, whichever occurred first.

City staff had confirmed that the full amount of eligible project costs had been close to being reimbursed to the developer. As such, the statutory condition for termination of the CID sales tax had been met which prompted the approval of Ordinance No. 2025-07-4638 on July 1, 2025, to and to align with the provisions of K.S.A. 12-189.

However, since then, City staff subsequently identified a clause in the original agreement requiring the reimbursement of interest to the developer at a previously established rate of seven percent (7%), in addition to the \$750,000 principal. While the principal is nearly paid off, the interest portion is still outstanding. That means the condition for ending the CID hasn't technically been met.

City staff now recommends reinstating the collection of the CID Sales Tax by repealing Ordinance No. 2025-07-4638, thus reinstating Ordinance No. 2015-02-4380, in accordance with the Act, to allow for the continued remittance of interest owed to the developer under the terms of the original agreement.

This Ordinance presented for approval will formally repeal Ordinance 2025-07-4638 and fully reinstate the 2015 CID, Ordinance No. 2015-02-4380. That this Ordinance shall be in force and take effect from and after publication once in the official City newspaper. Once in effect, the City Clerk will notify the Kansas Department of Revenue State Director of Taxation of this repeal and reinstatement.

Commission Options:

1. Approve the Ordinance
2. Disapprove of the Ordinance
3. Table the Ordinance for further discussion

Fiscal Impact: The reinstatement of the CID sales tax will conclude a dedicated revenue stream, but only after fulfilling its authorized reimbursement purpose, including interest. No general fund impact is anticipated.

Fund: Department: Expense Code:

☐ Included in budget ☐ Grant ☐ Bonds ☐ Other Not Budgeted

Attachments: Ordinance

Approved for Agenda by:

Randy Frazer, City Manager