

SENATE BILL No. 185

AN ACT concerning economic development; relating to redevelopment districts encompassing federal enclaves, authorization of franchises for the provision of utilities; redevelopment authorities in certain counties, powers of authority; amending K.S.A. 19-4904 and repealing the existing section.

Be it enacted by the Legislature of the State of Kansas:

New Section 1. (a) The board of county commissioners of any county that has established a redevelopment district that includes property located within a federal enclave in the county pursuant to K.S.A. 19-4901 et seq., and amendments thereto, hereafter referred to as the redevelopment district, may, by resolution, authorize any person, firm or corporation to install, maintain and operate utilities serving the redevelopment district, including, but not limited to, the following:

- (1) The construction, operation and maintenance of water lines and water treatment facilities;
- (2) the construction, operation and maintenance of sewer and wastewater lines and treatment facilities;
- (3) the construction, operation and maintenance of electrical lines and distribution facilities;
- (4) the construction, operation and maintenance of gas lines and storage and transmission facilities;
- (5) the construction, operation and maintenance of telecommunications services;
- (6) the construction, operation and maintenance of rail lines, sidings and rail switching services; and
- (7) use of roads within the confines of the redevelopment district, so long as such use is not prohibited by law.

(b) If the board of county commissioners of the county has, by resolution, established a redevelopment authority as a body corporate and politic to oversee economic development in the redevelopment district, the board of county commissioners may, by resolution, delegate the powers granted in subsection (a) to the board of directors of such redevelopment authority.

(c) If the board of county commissioners of the county or the board of directors of the redevelopment authority authorizes any activity specified in subsection (a), the grant of authority to engage in any such activity shall be subject to the following:

- (1) All contracts granting or giving any such original franchise, right or privilege, or extending or renewing or amending any existing grant, franchise, right or privilege to engage in such an activity shall be made by a resolution duly adopted by the board of county commissioners of the county, or by a resolution duly adopted by the board of directors of the development authority and approved by a resolution duly adopted by the board of county commissioners;
- (2) no contract, grant, franchise, right or privilege to engage in such an activity shall be extended for any longer period of time than 20 years from the date of such grant or extension;
- (3) no person, firm or corporation shall be granted any exclusive franchise, right or privilege whatsoever;
- (4) no such grant, franchise, right or privilege shall be made to any person, firm, corporation or association, unless it provides for adequate compensation or consideration therefor to be paid to the county or to the redevelopment authority, as the case may be, and, regardless of whether or not other or additional compensation is provided for, such grantee shall pay such fixed charge as may be prescribed in the franchise agreement;
- (5) no such grant, franchise, right or privilege shall be effective until the resolution of the board of county commissioners approving the same has been adopted as provided by law with all expenses of publishing any resolution adopted pursuant to this section being paid by the proposed grantee; and
- (6) all contracts, grants, franchises, rights or privileges for the use of the roads of the redevelopment district, not herein mentioned, shall be governed by all the provisions of this act.

(d) No franchise fee shall exceed 6% of the utility customer's gross charges for the utility service.

(e) Any franchise fees collected from any utility with respect to the provision of utilities within the redevelopment district shall be paid to the county treasurer. The county treasurer shall deposit franchise fees and other revenues received pursuant to subsection (a) to the credit of the

redevelopment authority for use by the redevelopment authority as provided in this section. Any such franchise fees shall be specifically restricted for the payment of direct and indirect costs of installation, maintenance and operation of utilities serving the redevelopment district, including, but not limited to, the construction, operation and maintenance of water lines and treatment facilities, sewer and wastewater lines and treatment facilities, electrical lines and distribution facilities, gas lines and storage and transmission facilities, roads and bridges, railway improvements, the demolition of existing obsolete or otherwise unusable structures, the disposal of construction and demolition waste on-site and otherwise, the construction of capital improvements within the redevelopment district; the costs of developing, improving, managing and marketing properties within the redevelopment district; and the payment of bonds issued with respect to any of the foregoing.

(f) This section shall be a part of and supplemental to the provisions of article 1 of chapter 19 of the Kansas Statutes Annotated, and amendments thereto.

Sec. 2. K.S.A. 19-4904 is hereby amended to read as follows: 19-4904.

(a) The board of county commissioners of Johnson county and the board of county commissioners of Labette county may create *by resolution* a redevelopment authority, ~~which shall be composed and have such powers as the board may authorize and determine by resolution~~ consistent with the provisions of this act.

(b) Any redevelopment authority ~~created pursuant to subsection (a) of this section~~ shall be composed of seven members appointed by the board of county commissioners, with at least three of the members being representatives of cities, townships or other local governmental entities located adjacent to the federal enclave property. Each member appointed to the redevelopment authority shall be a resident of the county and shall serve for a term ~~consistent with the term of office for the board member making the appointment and until such member's successor is appointed and qualifies~~ established by the board of county commissioners. In case of a vacancy in office, a member shall be appointed by the board in the same manner to fill the unexpired term.

Any member of the redevelopment authority may be removed by the board of county commissioners for the same cause justifying removal of any appointive officer.

Members of the redevelopment authority shall receive no compensation for their services but may be reimbursed for necessary expenses incurred in the performance of their duties.

(c) Upon creation, the redevelopment authority shall be a body corporate and politic, as quasi-municipal organization under the laws of this state, with the powers conferred by this act or by resolution of the board of county commissioners. In performing the duties authorized under this act, the redevelopment authority shall have the power:

- (1) To sue and be sued;
- (2) to receive ~~for its lawful activities~~ any contributions or moneys appropriated by the state, any city, county or other political subdivision or agency, or by the federal government or any agency or officer thereof from any other source;
- (3) to disburse funds ~~for its lawful activities~~;
- (4) to enter into contracts;
- (5) to acquire by donation, purchase or lease land that is located within a federal enclave or land located within a redevelopment district established under this act;
- (6) to sell and convey real estate acquired under this act; and
- (7) to do and perform all other things provided by this act, ~~or amendments thereto~~, or by resolution of the board of county commissioners and to have the powers conferred by this act or board resolution.

Powers conferred on the redevelopment authority may be exercised only with the approval of the board of county commissioners and all expenditures made by the redevelopment authority shall be within available resources.

(d) The redevelopment authority shall, at a minimum, perform the following duties:

- (1) Conduct meetings with representatives and officials of cities, counties, planning associations or commissions or similar entities or or-

ganizations to develop information and ensure that the full range of interests related to the redevelopment is considered;

(2) review any comprehensive plan adopted for the property and develop recommendations for changes, if needed;

(3) evaluate surrounding property uses, zoning regulations, and other land use factors and development recommendations to ensure compatibility;

(4) evaluate the development potential and market feasibility for proposals and options for redevelopment of the property;

(5) evaluate potential methods for the transfer, ownership and development of the property;

(6) make recommendations to the board on proposals for the acquisition and financing of the property by the county;

(7) conduct such other studies as the board may request or direct; and

(8) present ~~such~~ studies, reports, recommendations and other information to the board.

(e) Upon the establishment of a redevelopment district pursuant to K.S.A. 19-4902 or 19-4903, and amendments thereto, the redevelopment authority shall perform the following additional duties as prescribed by the board:

(1) Solicit and receive development proposals for all or parts of property;

(2) evaluate development proposals received for all parts of the property and present the evaluation and recommendation to the board or to a zoning board as directed by the board;

(3) coordinate with county officials or staff in negotiations with developers;

(4) prepare recommendations to the board concerning financing or redevelopment or infrastructure for the property;

(5) prepare recommendations for updates to the comprehensive master plan; and

(6) perform ~~such~~ other studies and coordination as the board may request or direct.

(f) In the event that the board of county commissioners determines that it is in the best interest of the county to acquire all or part of the enclave property for redevelopment purposes, then the redevelopment authority shall perform the following additional duties as prescribed by the board:

(1) Act as the primary contact for developers who are interested in acquiring and developing land at the property;

(2) prepare and present marketing strategy for the property; and

(3) provide ~~such~~ other duties as the board may request or direct.

~~(e)(g)~~ If created, the redevelopment authority may, upon approval of the board of county commissioners, acquire by negotiated sale, all or any part of the property located within a federal enclave in county, and in so doing, may enter into contracts for the payment of costs for ~~such~~ the property, may incur debt and obligation secured by the property, and may sell the property to pay such obligations. ~~The redevelopment authority may not incur any other debt, nor pledge any other resources.~~

The board of county commissioners shall approve such acquisition if the following conditions are satisfied:

(1) The property ~~is~~ *was* part of the sunflower army ammunition plant in Johnson county *or the property was a part of the Kansas army ammunition plant located in Labette county*;

(2) the property is transferred by deed without restrictions due to environmental contamination and with a covenant of transfer in compliance with the provisions of 42 U.S.C. § 9620 et seq., and amendments thereto, or the governor has executed a finding of suitability for early transfer in compliance with federal laws and regulations;

(3) neither the state of Kansas through its subdivisions or agencies nor Johnson county *or Labette county* has declared an intent to acquire the property for redevelopment purposes;

(4) the acquisition will not require the redevelopment authority to finance the acquisition with resources other than that which is secured by the property itself;

(5) the acquisition is made upon terms that expressly exclude any

obligation of Johnson county or *Labette county* or the state for the payment of any funds for the acquisition; and

(6) the redevelopment authority has presented a feasibility study demonstrating that the costs of acquisition, including all required obligations for environmental remediation, can be paid and satisfied as and when due through the subdivision, selling and redevelopment of the property.

Upon acquisition of all or any part of the property, the redevelopment authority shall immediately request establishment of a redevelopment district under K.S.A. 19-4902 or 19-4903, and amendments thereto, and all redevelopment or the property shall be in conformance with the comprehensive master plan and zoning and subdivision regulations adopted by the board of county commissioners.

~~(f)~~(h) If, at any time after creating a redevelopment authority pursuant to this section, the board of county commissioners determines that the redevelopment authority is no longer needed or should otherwise be dissolved, then the board of county commissioners may, by resolution, dissolve and abolish the redevelopment authority. Thereafter, the board of county commissioners, for and on behalf of the county, shall assume and perform any on-going duties or powers of the authority, shall assume title to and possession of all property, real or personal, owned or held by the authority, and shall assume all debts, contracts and obligations lawfully incurred or entered into by the authority. The board of county commissioners may, by subsequent resolution, reestablish a redevelopment authority under this section at any later time.

(i) (1) *The redevelopment authority may, by resolution duly adopted by the majority of the members of the redevelopment authority:*

(A) *Incur debt and issue bonds in the name of the redevelopment authority to pay the costs of developing and improving properties within the redevelopment district, specifically including, but not limited to, the construction, operation and maintenance of water lines and treatment facilities, sewer and wastewater lines and treatment facilities, electrical lines and distribution facilities, gas lines and storage and transmission facilities, roads and bridges, railway improvements, the demolition of existing obsolete or otherwise unusable structures and the disposal of construction and demolition waste on-site and otherwise, and the construction of buildings and other capital improvements within the redevelopment district;*

(B) *secure the indebtedness by lien upon, security interest in or mortgage of any property owned by the redevelopment authority; and*

(C) *acquire and finance the property and improvements through lease-purchase agreements pursuant to K.S.A. 10-1116b et seq., and amendments thereto.*

(2) *The principal and interest on any bonds or other indebtedness issued under the provisions of this act shall be payable solely from any lawful source of revenue of the redevelopment authority.*

(3) *The maximum maturity of any bonds issued pursuant to this act shall not exceed 20 years.*

(4) *Any debt incurred under the provisions of this act shall not be deemed to constitute a debt of the state or of any political subdivision thereof or a pledge of the faith and credit of the state or of any such political subdivision thereof. All such debt shall contain on the face thereof a statement to the effect that neither the state nor any political subdivision thereof shall be obligated to pay the same or the interest thereon except from revenues of the project or projects for which they are issued or from funds provided therefor and that neither the faith and credit nor the taxing power of the state or any political subdivision thereof is pledged to the payment of the principal of or the interest on such debt.*

(5) *All expenses incurred in carrying out the provisions of this act shall be payable solely from funds provided under the authority of this act and no liability or obligation shall be incurred by the authority beyond the extent to which moneys shall have been provided under the provisions of this act.*

Sec. 3. K.S.A. 19-4904 is hereby repealed.

Sec. 4. This act shall take effect and be in force from and after its publication in the Kansas register.

I hereby certify that the above BILL originated in the SENATE, and passed that body

SENATE concurred in
HOUSE amendments _____

President of the Senate.

Secretary of the Senate.

Passed the HOUSE
as amended _____

Speaker of the House.

Chief Clerk of the House.

APPROVED _____

Governor.