

RESOLUTION NO. 06-006

A RESOLUTION ESTABLISHING INCENTIVES FOR NEW AND EXANDING BUSINESSES LOCATED IN THE CITY LIMITS OF FREDONIA, KANSAS.

WHEREAS, the City of Fredonia, Kansas, has made the following provisions as Incentives for qualified new and/or existing businesses located within the City.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF FREDONIA, KANSAS:

I. TAX EXEMPTION

a. Neighborhood Revitalization:

The City promotes revitalization of property in Fredonia (set areas) by exempting the additional property tax that stems from at least a \$5,000 valuation increase. The exemption is for five (5) years at 100%.

b. Exemptions Allowed by the State of Kansas:

- i. Property Tax: Exemptions per approval from the Kansas Board of Tax Appeals
 1. Buildings/Land:
 - a. New or expanding businesses that are adding staff can apply for a ten (10) year 100% (sliding scale) tax exemption with the City. There are some regulations regarding the type of business that can receive the exemption.
 - b. Industrial Revenue Bonds that are granted by the City equate into a ten (10) year property tax exemption on all property (including equipment/machinery) purchased with the bonds.
 2. Equipment/Machinery:
 - a. Equipment and machinery used in the manufacturing of products will be exempted for ten (10) years 100% (sliding scale).
 3. Inventory:
 - a. Inventory that is being stored for production or for sale by merchants and manufacturers will be exempted.
- ii. Sales Tax:
 1. Construction – Sales tax for the construction of a new or expanding facility.

II. UTILITY RATE INCENTIVE

a. Electric Rates: (Incentives for businesses located inside the City of Fredonia)

- i. If a business is expanding/locating to Fredonia and they are going to add at least 10 new employees, the City of Fredonia will reduce their electric rates as follows:
 - a. 10 – 20 employees = 2%
 - b. 21 – 30 employees = 4%
 - c. 31 – 40 employees = 6%
 - d. 41 – 50 employees = 8%
 - e. More than 50 = 10%

III. PROPERTY PREPARATION

- a. Manual Assistance: (Incentives for businesses located inside the City of Fredonia)
 - i. The City is willing to assist with ground preparation for proper construction of a new or existing building. City personnel will assist when necessary in any additional manual assistance of an expansion or relocation.

IV. UTILITY SERVICE EXTENSION

- a. Electric/Water & Sewer: (Incentives for businesses located inside the City of Fredonia)
 - i. Service lines and meters will be set at no cost for an expanding or relocating business, if the business is in our service area and is reachable under normal conditions.
 - ii. Electric transformers will be provided when necessary for large manufacturers.

This Resolution shall take effect after it is adopted and signed by the Mayor of Fredonia, Kansas.

PASSED AND APPROVED AND UNANIMOUSLY ADOPTED this 17th day of April 2006.

Max V. Wilson, Mayor

ATTEST:

April Engstrom, City Clerk