

(Published in the Topeka Metro News May 12, 2025)

ORDINANCE NO. 20559

AN ORDINANCE introduced by City Manager Dr. Robert M. Perez for the purpose of establishing funding for increased costs for the development project at 32<sup>nd</sup> Terrace and Topeka Boulevard.

WHEREAS, the Developer entered into a Development Agreement dated as of June 13, 2023, with the City (the "Development Agreement") regarding the implementation of a Project consisting of two new stand-alone restaurant buildings and a multi-tenant strip or other retail building collectively comprising approximately 20,000 square feet of newly constructed commercial space along with associated infrastructure including but not limited to surface parking, landscaping, signage, lighting, utilities, storm water improvements, sidewalks/walkways, streets/drives, and other associated infrastructure improvements; and

WHEREAS, the Developer's estimated budget for the Project was approximately \$15.1 million in total development cost (\$15,093,891), including costs paid by eventual users of the Project when originally executed; and

WHEREAS, the Project's costs increased to a total amount of approximately \$16.6 million (\$16,630,201), with the increased costs related to site work improvements, existing Topeka Boulevard improvements, and new Topeka Boulevard improvements (collectively, the "Increased Costs"), all of which are borne exclusively by the Developer; and

WHEREAS, the Increased Costs were unexpected and have burdened the Developer in the implementation of the Project; and

27 WHEREAS, to promote the continued success of the Project and support further  
28 development of the Project, the City and Developer have negotiated the redirection of a  
29 portion of City sales tax revenues generated by the Project to offset a portion of the  
30 Increased Costs and promote redevelopment of Topeka Boulevard; and

31 WHEREAS, entering into this Amended and Restated Agreement serves the  
32 public purpose of enabling the Developer to proceed with the Project, thereby  
33 increasing economic development in the City and adding to the existing tax base within  
34 the City.

35 BE IT ORDAINED BY THE COUNCIL OF THE CITY OF TOPEKA, KANSAS,  
36 that the City Council redirects a portion of the City's general and existing streets sales  
37 tax as follows:

38 Section 1. Sales Tax Redirection Revenue. 25% of the sales taxes revenues  
39 received by the City and generated within the Project Area, as defined in Amended and  
40 Restated Development Agreement Dated as of May 13, 2025, from the City's 1.0%  
41 general sales tax rate and 100% of the sales tax revenues received by the City and  
42 generated within the Project Area from the City's 0.5% existing streets sales tax rate.

43 Section 2. Sales Tax Redirection Term. The amount shall only be redirected  
44 for a term commencing on July 1, 2025 and ending on the same date as the 32nd  
45 Terrace and Topeka Boulevard CID Term. Provided, however, in no event shall the  
46 sales tax redistribution term for the portion of the City's 0.5% existing streets sales tax  
47 extend beyond the expiration of said tax on October 1, 2029 unless the voters approve  
48 the extension of said citywide street sales tax. Sales Tax Redirection Term shall  
49 automatically terminate at an earlier date if reimbursement of all Sales Tax Redirection

50 Eligible Project Costs as defined in the Amended and Restated Development  
51 Agreement has occurred.

52 Section 3. Estimated Sales Tax Redirection Project Costs. \$1,532,188.

53 Section 4. This ordinance is adopted by authority of and under Article 12 §5 of  
54 the Kansas Constitution.

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

57 PASSED AND APPROVED by the City Council May 6, 2025.

58 CITY OF TOPEKA, KANSAS  
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65 Michael A. Padilla, Mayor

66 ATTEST:  
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Brenda Younger, City Clerk