

(Published in the *Colby Free Press* on October 15, 2025)

ORDINANCE NO. 1697

AN ORDINANCE OF THE CITY OF CITY OF COLBY, KANSAS ESTABLISHING THE ARENA COMMUNITY IMPROVEMENT DISTRICT; AUTHORIZING CERTAIN PROJECTS RELATING THERETO; APPROVING THE ESTIMATED COSTS OF SUCH PROJECTS; LEVYING A CID SALES TAX; PROVIDING FOR THE METHOD OF FINANCING THE SAME; AND AUTHORIZING OTHER ACTIONS RELATED THERETO.

WHEREAS, pursuant to K.S.A. 12-6a26 *et seq.*, as amended (the “Act”), the City of Colby, Kansas (the “City”) is authorized to create community improvement districts as a method of financing economic development related improvements in a defined area within the city; and

WHEREAS, the Act further authorizes the City, in order to pay the costs of eligible projects within a community improvement district, to impose a community improvement district sales tax on the selling of tangible personal property at retail or rendering or furnishing of taxable services within a community improvement district in any increment of .10% or .25% not to exceed 2% and to reimburse the costs of the such project pursuant to pay-as-you-go financing and/or the issuance of full faith and credit or special obligation notes and bonds payable from such community improvement district sales tax; and

WHEREAS, a petition (the “Petition”) has been filed with the City Clerk proposing the creation of a community improvement district under the Act and the imposition of a community improvement district sales tax in the amount of 2% in order to pay a portion of the costs of the project described in the Petition; and

WHEREAS, the Petition was signed by a sufficient number of owners to meet the requirements of the Act regarding (a) ownership of land area within the proposed district, and (b) ownership of assessed value of the land area within the proposed district; and

WHEREAS, the Act provides that prior to creating any community improvement district, the City shall, by resolution, direct and order a public hearing on the advisability of creation of such community improvement district and the construction and expenditure of costs of community improvement district projects relating thereto, and give notice of the hearing by publication once each week for two consecutive weeks in the official City newspaper, the second publication to be at least seven days prior to the hearing, and by the mailing of notice to the owners of property within the proposed community improvement district; and

WHEREAS, the City adopted Resolution No. 1234 (the “Resolution”) on September 2, 2025, directing that a public hearing on the proposed community improvement district be held October 7, 2025, and requiring that the Clerk provide for notice of such public hearing as set forth in the Act; and

WHEREAS, the Resolution was published in the newspaper and mailed by United States certified mail, return receipt requested, to each owner or owners of record, whether resident or not, of real property within the proposed community improvement district; and

WHEREAS, on October 7, 2025, the City conducted a public hearing on the proposed community improvement district, the proposed community improvement district projects related thereto, the method of financing the same and the imposition of the community improvement district sales tax; and

WHEREAS, the City hereby finds and determines it to be advisable to create the community improvement district and set forth the boundaries thereof, authorize the community improvement district projects related thereto, approve the estimated costs of such community improvement district projects, approve the method of financing the same and impose the community improvement district sales tax, all in accordance with the provisions of the Act.

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

Section 1. Creation of the District. The governing body of the City (the “Governing Body”) hereby finds and determines that the Petition is sufficient and that notice of the public hearing was given. The Governing Body hereby creates the Arena Community Improvement District (the “District”) within the City and approves the boundaries thereof and approves the imposition of a community improvement district sales tax in the amount of 2% on the selling of tangible personal property at retail or rendering or furnishing of taxable services within the District (the “CID Sales Tax”). A legal description of the property within the District is set forth in *Exhibit A* attached hereto and incorporated by reference. A map generally outlining the boundaries of the District is attached hereto as *Exhibit B* and incorporated herein by reference.

Section 2. Authorization of the Project. The general nature of the project is the development of a major multi-sport athletic complex as well as a major commercial entertainment and tourism area with the District, consisting of an approximately 180,000 square foot multipurpose arena and equestrian center, featuring two indoor arenas, an outdoor arena, horse stall barn, livestock barn, and warmup area, as well as additional planned project components including some or all of the following uses, without limitation: retail uses, restaurant uses, hotel, lodging, and recreational vehicle resort uses, commercial amusement, recreation, and museum uses, and other general commercial development, and associated public and private infrastructure, and any other items permitted to be financed within the District pursuant to the Act (the “Project”). The Governing Body hereby approves the Project.

Section 3. Estimated Cost and Method of Financing. The aggregate estimated costs of the Project are approximately \$113,330,000. The proposed method of financing the CID portion of the Project is through the imposition of a 2.0% CID sales tax imposed in accordance with the Act and use of the CID sales tax revenues expended on the Project on a pay-as-you-go basis. No special assessments are proposed as part of the District.

Section 4. Imposition of the CID Sales Tax. In order to provide for the payment of costs of the Project, the Governing Body hereby imposes the CID Sales Tax within the District in an amount of two percent (2%) on the selling of tangible personal property at retail or rendering or furnishing of taxable services within the District. The Clerk shall cause all notices required by the Act to be given following passage of this Ordinance, specifically including the submittal by the City of required documentation to the Kansas Department of Revenue (“KDOR”). The CID Sales Tax shall commence on the first day of the calendar quarter next following the 90th day after receipt by the KDOR of the required documentation sent by the City, and remain in effect for 22 years, or such lesser period as may be required for payment from CID Sales Tax revenues of the costs approved for the Project, whichever is the lesser period.

Section 5. Collection of the CID Sales Tax. The collection of the CID Sales Tax shall be made in the manner presented in the Act. All revenues derived from the collection of the CID Sales Tax shall be deposited into a special fund of the City to be designated as Arena Community Improvement

District Sales Tax Revenue Fund. Such revenues shall be used to pay the costs of the Project and related expenses described in *Section 2*.

Section 6. Development Agreement. The City has negotiated a development agreement (the “Development Agreement”) between the City and Colby Investment Group, LLC (the “Developer”), relating to the Project and the construction and payment of improvements related thereto. The Development Agreement is hereby approved in substantially the form presented to the Governing Body, with such changes or modifications as may be approved by the City Manager and as may be approved as to form by the City Attorney. The Mayor is hereby authorized to execute the Development Agreement and such other documents as may be necessary to implement the intent of this Ordinance and the Development Agreement, as may be approved by the City Manager and as may be approved as to form by the City Attorney, by and on behalf of the City and the Clerk is hereby authorized to attest such signature.

Section 7. Further Authority. The City shall, and the officers, employees and agents of the City, including Gilmore & Bell, P.C., the City's bond counsel, are hereby authorized and directed to take such action, expend such funds and execute such other documents, certificates and instruments, as may be necessary or desirable to carry out and comply with the intent of this Ordinance and to carry out, comply with and perform the duties of the City with respect thereto.

Section 8. Effective Date. This Ordinance shall take effect from and after its passage by the Governing Body and its publication once in the official newspaper of the City. This Ordinance shall be recorded with the Thomas County Register of Deeds.

PASSED by the City Council on October 7, 2025, and **APPROVED AND SIGNED** by the Mayor.

Lee Leiker, Mayor

Joni L. Ketchum, City Clerk

CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of the original ordinance; that said Ordinance was passed on October 7, 2025; that the record of the final vote on its passage is found on page ____ of journal ____; and that the Ordinance or a summary thereof was published in the *Colby Free Press* on October 15, 2025.

DATED: October 15, 2025.

Joni L Ketchum, City Clerk

EXHIBIT A

LEGAL DESCRIPTION OF THE DISTRICT

AREA "A"

COMMENCING at the Southwest corner of Section 7, Township 08 South, Range 33 West of the Sixth Principal Meridian in Colby, Thomas County, Kansas; Thence North 02°07'45" East along the West line of said Section 7, a distance of 322.29 feet; Thence leaving said West line South 87°52'15" East, a distance of 269.15 feet to the POINT OF BEGINNING; Thence North 02°07'40" East, a distance of 309.67 feet; Thence North 58°55'55" West, a distance of 44.87 feet; Thence South 87°52'20" East, a distance of 245.85 feet; Thence North 02°11'39" East, a distance of 298.07 feet; Thence South 87°54'09" East, a distance of 280.42 feet; Thence South 02°12'37" West, a distance of 398.26 feet; Thence South 02°03'01" West, distance of 383.54 feet; Thence North 70°31'34" West, a distance of 510.51 feet to the POINT OF BEGINNING. Containing 6.48 acres more or less.

AREA "B"

COMMENCING at the Northwest corner of Section 18, Township 08 South, Range 33 West of the Sixth Principal Meridian in Colby, Thomas County, Kansas; Thence South 02°21'16" West along the West line of said Section 18, a distance of 505.48 feet; Thence leaving said West line South 87°38'44" East, a distance of 124.99 feet to the East right-of-way line of K-25 Highway and the POINT OF BEGINNING; Thence North 75°34'07" East along the South right-of-way line of Interstate 70, a distance of 798.81 feet; Thence South 88°01'19" East along said South right-of-way line, a distance of 192.26 feet; Thence leaving said South right-of-way line South 02°39'15" West, a distance of 706.73 feet to the North right-of-way line of West Horton Avenue; Thence North 87°58'42" West along said North right-of-way line, a distance of 682.65 feet; Thence North 77°34'12" West along said North right-of-way line, a distance of 274.54 feet to a point on the East right-of-way line of K-25 Highway; Thence North 02°18'11" East along said East right-of-way line, a distance of 430.70 feet to the POINT OF BEGINNING. Containing 13.35 acres more or less.

AREA "C"

COMMENCING at the Northwest corner of Section 18, Township 08 South, Range 33 West of the Sixth Principal Meridian in Colby, Thomas County, Kansas; Thence South 02°21'16" West along the West line of said Section 18, a distance of 1418.80 feet; Thence leaving said West line South 87°38'44" East, a distance of 46.21 feet to the East right-of-way line of K-25 Highway and the POINT OF BEGINNING; Thence North 28°50'31" East along said East right-of-way line of K-25 Highway, a distance of 8.51 feet; Thence North 05°36'46" East along said East right-of-way line, a distance of 351.81 feet to a point on the South right-of-way line of West Horton Avenue; Thence North 72°22'16" East along said South right-of-way line, a distance of 102.95 feet; Thence South 77°34'02" East along said South right-of-way line, a distance of 226.55 feet; Thence South 87°58'50" East along said South right-of-way line, a distance of 935.13 feet; Thence leaving said South right-of-way line South 02°39'21" West, a distance of 502.40 feet; Thence 938.00 feet along a 1556.88 foot radius curve to the left whose chord bears South 56°11'45" West, a distance of

923.88 feet; Thence North 02°19'14" East, a distance of 690.73 feet; Thence North 87°58'52" West, a distance of 529.74 to the East right-of-way line of K-25 Highway and the POINT OF BEGINNING. Containing 16.59 acres more or less.

AREA "D"

COMMENCING at the Northeast corner of Section 13, Township 08 South, Range 34 West of the Sixth Principal Meridian in Colby, Thomas County, Kansas; Thence South 02°21'16" West along the East line of said Section 13, a distance of 1737.73 feet; Thence leaving said East line North 86°32'47" West, a distance of 60.00 feet to the West right-of-way line of K-25 Highway and the POINT OF BEGINNING: Thence continuing North 86°32'47" West, a distance of 2615.00 feet to the West line of the Northeast Quarter of said Section 13; Thence North 01°54'47" East along said West line, a distance of 1388.90 feet to the South right-of-way line of Interstate 70; Thence South 87°59'42" East along said South right-of-way line, a distance of 453.30 feet; Thence South 88°02'10" East along said South right-of-way line, a distance of 670.20 feet; Thence South 88°00'08" East along said South right-of-way line, a distance of 150.40 feet; Thence South 84°33'41" East along said South right-of-way line, a distance of 333.91 feet to the Northwest corner of White Outlet Addition; Thence leaving said South right-of-way line South 02°26'09" West along the West line of White Outlet Addition, a distance of 697.57 feet to the Southwest corner of White Outlet Addition; Thence South 87°34'33" East along the South line of White Outlet Addition, a distance of 971.28 feet to the West right-of-way line of K-25 Highway; Thence South 02°21'19" West along said West right-of-way line, a distance of 299.11 feet; Thence South 03°56'44" East along said West right-of-way line, a distance of 434.09 feet to the POINT OF BEGINNING. Containing 68.04 acres more or less.

TOGETHER WITH ALL CITY OR OTHER PUBLIC RIGHT-OF-WAY ADJACENT TO THE ABOVE-DESCRIBED PROPERTY.

EXHIBIT B
MAP OF DISTRICT

