

ORDINANCE NO. 26-06

AN ORDINANCE ELECTING TO PARTICIPATE IN A STAR BOND PROJECT BY SPECIFYING A PLEDGE OF LOCAL SALES AND USE TAXES AS A SOURCE OF REPAYMENT OF STAR BONDS TO BE ISSUED BY THE KANSAS DEVELOPMENT FINANCE AUTHORITY AND SETTING THE BASE YEAR REVENUE FOR LOCAL SALES AND USE TAXES, ALL PURSUANT TO K.S.A. 12-17,160 ET SEQ., AS AMENDED.

WHEREAS, pursuant to K.S.A. 12-17,160 *et seq.*, as amended (the “STAR Bonds Financing Act”) the City of Olathe, Kansas (the “City”), is authorized to assist in the development and redevelopment of eligible areas within and without the City in order to promote, stimulate, and develop the general and economic welfare of the State of Kansas and its communities; and

WHEREAS, pursuant to K.S.A. 12-17,181, the Legislative Coordinating Council (the “LCC”) may approve the Kansas Secretary of Commerce (the “Secretary”) entering into an agreement with a major professional sports franchise for the purpose of developing and financing a major professional sports complex in accordance with the provisions of the STAR Bonds Financing Act; and

WHEREAS, the City received a letter from the Secretary (the “Letter”) providing notice that on December 22, 2025, the LCC approved and the Secretary entered into a STAR Bond Agreement (Project Monitor 2.0) (the “Agreement”) with the Kansas City Chiefs Football Club, Inc. (the “Team”) to develop and finance a major professional sports complex (the “STAR Bond Project”), including a new, state-of-the-art, indoor/outdoor practice facility and corporate headquarters for the Team with total estimated costs of approximately \$300 million to be located within the Base Revenue Area, as defined below (the “HQ”); and

WHEREAS, the Letter further states that a portion of the costs of the STAR Bond Project will be financed with bonds issued pursuant to the STAR Bonds Financing Act (the “Bonds”) by the Kansas Development Finance Authority (“K DFA”); and

WHEREAS, pursuant to K.S.A. 12-17,164(a)(1)(B), the governing body of the City (the “Governing Body”), after holding a public hearing, may elect to participate in the STAR Bond Project through passage of an ordinance pledging local tax revenues that meet any requirements of the Secretary and K DFA to support repayment of the Bonds not later than sixty (60) days after the LCC’s approval of the Agreement; and

WHEREAS, the Letter generally describes the boundaries of the portion of the proposed STAR bond project district within the City for which the State has requested, and the City desires to pledge, the Pledged Revenue (as defined below) (the “Base Revenue Area”), which Base Revenue Area is depicted in **Exhibit A** and legally described in **Exhibit B** attached hereto; and

WHEREAS, pursuant to K.S.A. 12-17,162(hh)(2) and K.S.A. 12-17,169, the City (with approval of the Secretary) may set the amount of base year revenue (“Base Revenue”), with certain local tax revenues (as specified by the City) collected within the Base Revenue Area in excess of Base Revenue to constitute “tax increment” (as defined in the STAR Bonds Financing Act) and be pledged as a source of repayment for the Bonds; and

WHEREAS, the Governing Body conducted a public hearing on its proposed election to participate in the STAR Bond Project by pledging the Pledged Revenue (as defined herein) to support the repayment of the Bonds; and

WHEREAS, the Governing Body now desires to participate in the STAR Bond Project by pledging the Pledged Revenue to support the repayment of the Bonds as further described in this Ordinance.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF OLATHE, KANSAS, AS FOLLOWS:

Section 1. The Secretary has approved and the Governing Body hereby establishes a Base Revenue figure of \$-0-.

Section 2. Subject to **Section 4** and any requirements of the Secretary and KDFA, the City hereby pledges the following to support the repayment of the Bonds and any bonds issued to refinance the Bonds (collectively, the “Pledged Revenue”):

- A. For a period of up to thirty (30) years, all of the City’s general sales and use tax that is not committed to other uses by election of voters or pledged to bond repayment (currently one percent (1.00%)) from within the Base Revenue Area above the Base Revenue, subject to the exclusions set forth in **Section 3**.
- B. For a period of up to thirty (30) years, all of the City’s share (currently 17.63%) of the Johnson County sales tax that is not committed to other uses by election of voters or pledged to bond repayment (currently one-half percent (0.500%)) from within the Base Revenue Area above the Base Revenue, subject to the exclusions set forth in **Section 3**.
- C. For a period of up to thirty (30) years, seven percent (7.00%) of the City’s current nine percent (9.00%) of gross receipts of transient guest taxes imposed pursuant to K.S.A. 12-1696 *et seq.*, as amended and supplemented by Charter Ordinance No. 84 of the City, less any State administrative fees, with respect to sleeping accommodations in any hotel, motel, or tourist court located within the Base Revenue Area.

Section 3. The City specifically excludes from the Pledged Revenue its street maintenance sales tax which is currently three hundred seventy-five thousandths percent (0.375%), its park sales tax which is currently one hundred twenty-five thousandths percent (0.125%), any other retail sales and compensating use taxes that are committed to other uses by election of voters, any sales taxes generated by existing or future special taxing districts aside from the Base Revenue Area (e.g., community improvement districts, tax increment financing districts, or transportation development districts), incremental transient guest tax revenue produced from a levy exceeding seven percent (7.00%) not already pledged within any existing tax increment financing districts, and all revenue produced outside of the Base Revenue Area.

Section 4. The City’s pledge of the Pledged Revenue pursuant to **Section 2** is contingent on (a) the HQ locating within the Base Revenue Area, and (b) issuance of a series of Bonds by KDFA or another governmental issuer to finance the STAR Bond Project no later than December 31, 2030 (collectively, the “Contingencies”).

Upon satisfaction of the Contingencies, the Mayor is hereby authorized and directed to execute the certificate evidencing the satisfaction of such Contingencies in substantially the form as attached hereto as **Exhibit C**. If a Contingency is not timely satisfied, the City’s pledge of the Pledged Revenue will

automatically terminate unless renewed by the Governing Body. Further, the City's pledge of the Pledged Revenue will terminate upon repayment of the Bonds and any bonds issued to refinance the Bonds.

Section 5. Subject to the STAR Bonds Financing Act, the Governing Body may in its sole discretion, upon request of the Secretary, amend this Ordinance to modify, adjust, or reconfigure the Base Revenue Area.

Section 6. Except as may otherwise be approved by the Governing Body, there will be no issuance of full faith and credit bonds by the City to pay the costs of the STAR Bond Project. Further, the Bonds, together with interest and premium thereon, will not be an obligation of the City but will be limited obligations payable solely from the trust estate to be pledged to the payment thereof. In no event will the Bonds be deemed to constitute a debt or liability of the City, and the issuance of the Bonds will not obligate the City to levy any form of taxation therefor or to budget or make any appropriation for repayment thereof. Nothing relating to the issuance of the Bonds will be construed to be a debt or loan of credit of the City within the meaning of any constitutional or statutory debt limitation or restriction.

Section 7. The Mayor, City Manager, Clerk, and other officials, employees, and consultants of the City, are hereby authorized and directed to take such other actions as may be appropriate or desirable to accomplish the purposes of this Ordinance.

Section 8. This Ordinance shall be effective upon its passage by the Governing Body, approval by the Mayor, and publication once in the official newspaper of the City.

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PASSED by the Governing Body this ____ day of February, 2026.

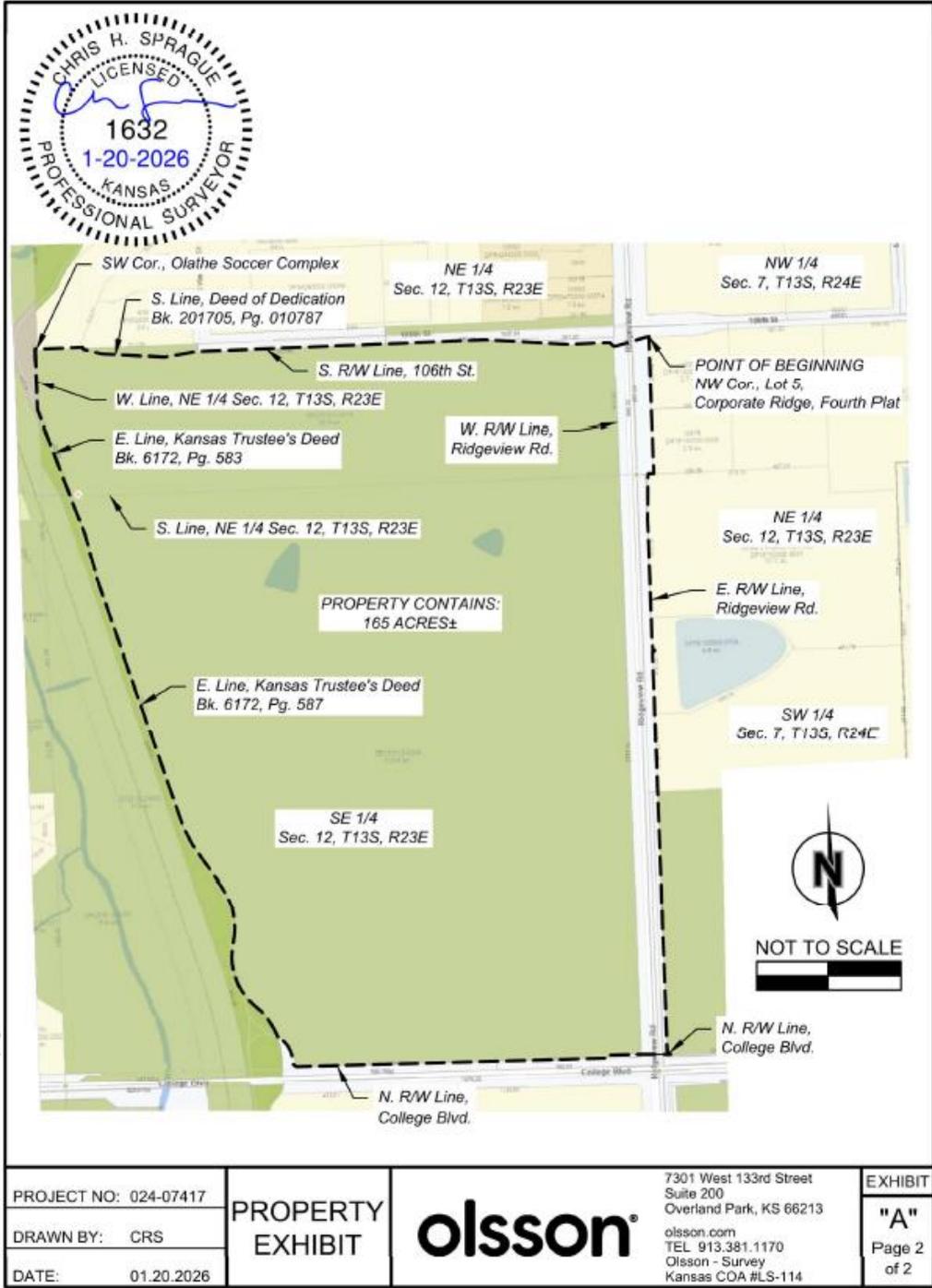
SIGNED by the Mayor this ____ day of February, 2026.

(SEAL)

John Bacon, Mayor

Brenda Swearingian, City Clerk

**EXHIBIT A
MAP OF BASE REVENUE AREA**



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EXHIBIT B
LEGAL DESCRIPTION OF BASE REVENUE AREA

Project No.: 024-07417
Project RF
January 20, 2026

Property Description:

All that part of the West Half of Section 7, Township 13 South, Range 24 East, together with all that part of the East Half of Section 12, Township 13 South, Range 23 East, in the City of Olathe, Johnson County, Kansas, described by Chris R. Sprague, Kansas PS-1632, of Olsson, LS-114, on January 20, 2026, as follows:

BEGINNING at the Northwest corner of Lot 5, Corporate Ridge, Fourth Plat, a platted subdivision lying in the Northwest Quarter of said Section 7, in said City of Olathe, said point being on the Easterly right-of-way line of Ridgeview Road, as now established; thence Southerly, on said Easterly line to a point on the Northerly right-of-way line of College Boulevard, as now established; thence Westerly, departing said Northerly line, to a point on the Northerly right-of-way line of said Ridgeview Road; thence Westerly, on said Northerly line, to a point on the Easterly line of a tract of land described by Kansas Trustee's Deed, recorded in Book 6172, Page 587; thence Northerly, departing said Northerly line and on said Easterly line to a point on the South line of the Northeast Quarter of said Section 12, said point also being on the Easterly line of a tract of land described by Kansas Trustee's Deed, recorded in Book 6172, Page 583; thence Northerly, departing said South line and on said Easterly line to a point on the West line of said Northeast Quarter; thence Northerly, departing said Easterly line and on said West line, to the Southwest corner of Olathe Soccer Complex, a platted subdivision in said City of Olathe; thence Easterly, departing said Westerly line and on the South line of said Olathe Soccer Complex, to a point on the West line of a tract of land described by Deed of Dedication, recorded in Book 201705, Page 010787; thence Southerly, departing said South line and on said West line to the Southwest corner thereof; thence Easterly, on the South line of said Deed of Dedication to a point on the Southerly right-of-way line of 106th Street, as now established; thence Easterly, on said Southerly line to a point on the Westerly right-of-way line of Ridgeview Road, as now established; thence Easterly, departing said Southerly line to the POINT OF BEGINNING, containing 165 Acres, more or less.

(As depicted on EXHIBIT "A" Page 2 of 2, attached and incorporated herein.)



Olsson, Inc.
7301 West 133rd Street
Suite 200
Overland Park, KS 66213
(913) 381-1170

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**EXHIBIT C
FORM OF CERTIFICATE**

CERTIFICATE ACKNOWLEDGING SATISFACTION OF CONTINGENCIES

The undersigned Mayor of the City of Olathe, Kansas (the “City”), hereby acknowledges that the Contingencies, as defined in Ordinance No. 26-___ passed by the governing body of the City on February __, 2026 (the “Ordinance”), have been timely satisfied, and the City’s pledge of the Pledged Revenue (as defined in the Ordinance) is hereby final.

_____, 20__

Mayor