

KANSAS PARTNERSHIP FUND GUIDE

PROGRAM DESCRIPTION and APPLICATION FORMAT



Direct applications to:
Secretary of Commerce

Direct inquiries to:
Program Administrator
Kansas Partnership Fund

KANSAS DEPARTMENT OF COMMERCE
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PROGRAM SUMMARY

The Kansas Partnership Fund (KPF) is a program to provide low-interest State funds to cities and counties for infrastructure improvements that support Kansas basic enterprises. Partnership Fund loans are designed to assist city and county governments in their efforts to attract new businesses and expand existing businesses.

Eligible projects may include the construction, reconstruction, rehabilitation, alteration, expansion, or improvement of public facilities including, but not limited to roads, streets, highways, storm drains, water supply and treatment facilities, water distribution lines, waste water collection lines, and any related improvements. These improvements must directly lead to the creation of new jobs in Kansas basic enterprises.

Kansas basic enterprises include businesses that are, or propose to be, located or principally based in Kansas and are, or will be, primarily engaged in any one or more of the Kansas basic industries. Kansas basic industries include manufacturing, mining, agriculture, and interstate transportation. Wholesale trade, financial services, business services, and tourism activities, if primarily undertaken for out-of-state markets, are also considered to be Kansas basic industries as well as research and development of new products, processes, or technologies.

The Kansas Partnership Fund is a revolving loan fund initially funded by legislative appropriation. Other sources of potential funding are sale of revenue bonds through the Kansas Development Finance Authority (K DFA) and funds made available through contributions by any public or private entity for the purposes established by the program. Interest rates will be adjustable and will be indexed annually to either the federal discount rate or the average interest rate earned during the previous year by the Pooled Money Board on its Economic Development Initiatives Fund, whichever is greater. As loan principal and interest payments are received from current loan recipients, the funds may be re-loaned to other cities and counties. All city and county units of government in Kansas, regardless of size, are eligible to apply for loans on eligible projects.

History and Development of the Program

The 1986 Redwood-Krider Report, issued by the Institute for Public Policy and Business Research (IPPBR) at the University of Kansas, cited the need for a program to assist in the payment of public infrastructure improvements that would encourage new business development. The report indicated that an essential indicator of a community's economic development potential is its ability to support the physical requirements of growth with adequate infrastructure. Based on the report and with support from Kansas, Inc., the 1988 legislature created the Kansas Partnership Fund.

The problem of inadequate and deteriorating infrastructure in Kansas has been cited in numerous studies. Some of the need for public infrastructure development has been met by the federally funded, state administered Community Development Block Grant (CDBG) program. The CDBG program consistently receives more requests than it can fund. The Kansas Partnership Fund program has the ability to meet some of this need.

A primary difference between CDBG and KPF is that the Partnership Fund is not restricted by the low-to-moderate income (LMI) beneficiary requirements of the CDBG program. KPF is limited, however, to private sector job creation in Kansas basic enterprises. The Kansas Partnership Fund has assisted in making Kansas competitive with nearby states in economic development. Many other states have similar programs in place. The Fund has provided partial funding for infrastructure projects necessary for new business expansion. To date, the program has assisted six major projects with the loans of approximately \$3,500,000 which has been leveraged over 40 times with private investment in excess of \$150,000,000 creating over 2,000 jobs. The Kansas Partnership Fund will continue to help finance additional public infrastructure improvements which may be necessary for new and expanding businesses.

APPLICATION REQUIREMENTS

The legislation (K.S.A. 74-5055 *et seq.*, as amended) creating the Kansas Partnership Fund provided for a great deal of flexibility to the Department of Commerce in establishing program guidelines and loan application criteria. Consequently, the Department is able to respond quickly and effectively to economic development opportunities as they arise.

The administrative rules and regulations, provided on pages 3-7 of this booklet, ensure that projects have substantial economic merit and the Fund has the flexibility to adapt to special needs and circumstances. Developed after researching similar programs in other states, the rules and regulations attempt to balance the interests of the State, local governments, and businesses to provide appropriate guidelines for use of State funds to promote new economic growth throughout the State.

STATUTORY REQUIREMENTS and DEFINITIONS

Eligible Projects

to be eligible for a Kansas Partnership Fund loan, a **public infrastructure** improvement project meeting a **demonstrable public purpose** must be determined by the Secretary of Commerce to be one that will **directly result** in the **creation of private sector jobs** in a **specific Kansas basic enterprise** at a **specific site**. Eligible projects may include the construction, reconstruction, rehabilitation, alteration, expansion, or improvement of public facilities that support Kansas basic enterprises including, but not limited to:

- ◆ roads, streets, and highways;
- ◆ storm drains;
- ◆ water supply treatment facilities and distribution lines;
- ◆ wastewater collection lines; and
- ◆ related improvements.

Definitions

For purposes of the Kansas Partnership Fund program, the following definitions apply:

Kansas basic enterprise is defined in K.S.A. 74-5056(f)(1) and means an enterprise which:

- is, or proposes to be, located or principally based in Kansas; and
- can provide demonstrable evidence that :
 - it is or will be primarily engaged in any one or more of the Kansas basic industries; or
 - it is or will be primarily engaged in the development or production of goods or the provision of services for out-of-state sales; or
 - it is or will be primarily engaged in the production of goods or the provisions of services which will attract out-of-state buyers and consumers into the state; or
 - it is or will be primarily engaged in the production of raw materials, ingredients or components for other enterprises which export the majority of their products from the state; or
 - it is a national or regional enterprise which is primarily engaged in interstate commerce; or
 - it is or will be primarily in the production of goods or the provision of services which will supplant goods or services which would be imported into the state; or
 - it is the corporate or regional headquarters of a multi-state enterprise which is primarily engaged in out-of-state industrial activities.

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Kansas basic industry is defined in K.S.A. 74-5056(f)(2) and means:

- agriculture;
- mining;
- manufacturing;
- interstate transportation;
- wholesale trade which is primarily engaged in multi-state activity or which has a major import supplanting effect on the state;
- financial services which are primarily engaged in providing such services for interstate or international transactions;
- business services which are primarily engaged in providing such services in out-of-state markets;
- research and development of new products, processes or technologies; or
- tourism activities which are primarily engaged in for the purpose of attracting out-of-state tourists.

Primarily engaged is defined in K.S.A. 74-5056(f)(3) and means engagement in an activity by an enterprise to the extent that not less than 51% of the gross income of the enterprise is derived from such engagement.

RULES and REGULATIONS

K.A.R. 110-3-1. Application Criteria.

Each application for a loan through the Kansas Partnership Fund shall be reviewed and evaluated by the Secretary of Commerce. Unless waived by the Secretary, each application shall provide sufficient information to document:

- (a) the applicant's need for economic development;
- (b) the number of new, permanent, private sector job to be created by the project;
- (c) the projected impact of resulting business activity on the area, including new tax revenues to the borrower, and the availability of that revenue to help repay the program loan;
- (d) the estimated cost based on an engineering or other reliable estimate of the complete project to be funded by the loan;
- (e) the basis of the applicant's need for a loan from the State, including evidence that other financing options have been investigated and either are not readily available or will not cover total project costs;
- (f) the availability of other funds to adequately finance any related improvement or service incidental to the project, and to finance any part of the project costs not covered by the loan;
- (g) the applicant's total current and projected future debt obligations;
- (h) the project's consistency with the applicant's comprehensive plans and with the applicant's five-year capital improvement plans; and
- (g) any other information deemed pertinent by the Secretary.

K.A.R. 110-3-2. Eligible Applicants.

- (a) Any city or county government with legal jurisdiction over the site of a proposed infrastructure improvement, or with properly executed interlocal agreement in effect which covers the site of a proposed infrastructure improvement pursuant to subsection (b), may submit an application for a loan from the Kansas Partnership Fund.
- (b) Any other local unit of government may request the county government to make an application on behalf of the local unit, subject to the following provisions:
 - (1) The county government shall have a properly executed interlocal agreement in effect which covers the site of the proposed infrastructure improvements.
 - (2) The county government shall be considered the borrower and shall be held accountable for the project accordingly.

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K.A.R. 110-3-3. **Eligible Projects.**

- (a) Each project eligible for financing under the Kansas Partnership Fund program shall:
 - (1) serve a specific business on a specific site;
 - (2) serve a demonstratable public purpose; and
 - (3) be located on public property, public easements, public right-of-ways, or shall be a project to extend any public utility.
- (b) Eligible project costs may include reasonable construction, labor, materials, engineering, architectural, land acquisition, legal and administrative costs related directly to the project.

K.A.R. 110-3-4. **Ineligible Projects.**

The following types of projects shall be considered ineligible for the Kansas Partnership Fund program:

- (a) any project which the Secretary of Commerce determines would cause a significant adverse competitive disadvantage to an existing enterprise in Kansas;
- (b) any project which includes the relocation of an enterprise from one location in the state to another, unless approved in advance by official action of both the county commission and the city or other municipality which would be losing the enterprise; or
- (c) any project directly related to a facility where games of chance are played for money or other stakes, or where wagering occurs.

K.A.R. 110-3-5. **Terms of the Program.** Except as otherwise provided in a loan agreement, the Kansas Partnership revolving loan fund program shall make loans available under the following terms.

- (a) Program loans shall not exceed the total cost of the project.
- (b) Except when waived by the Secretary, a local unit of government shall not have more than \$2,000,000 in total loans outstanding at any one time.
- (c) The term of program loans shall not exceed the expected life of the financed public improvement, or improvements, as determined by a certified professional engineer, or 15 years, whichever is less. An extended loan term beyond 15 years may be authorized by the Secretary in unusual cases where a special need is demonstrated. However, any loans funded in whole or in part with bond proceeds shall be subject to the terms and conditions provided for in the bond indentures.
- (d) The interest rate for new loans shall be reviewed and established annually by the Secretary of Commerce on January 1 of each year. The interest rate for new loans may be changed by the Secretary whenever bonds are issued by the Kansas Development Finance Authority for the purposes of the Kansas Partnership Fund.
- (e) All loan proceeds shall be made available to the borrower incrementally on a receipts-only basis. Whenever a loan is approved, an encumbrance shall be issued for the full amount of the loan. This amount shall be set aside and then may be drawn down as eligible project cost receipts are submitted and approved. Interest shall only be due on loan amounts actually received. Any interest earnings on encumbered funds which have been set aside shall be credited to the Partnership Fund or designated for repayment of bonds issued for this program as needed.
- (f) Any costs incurred for improvements beyond the necessary scope of a single purpose project, or associated with activities in addition to the single purpose project, shall not be considered allowable expenses under this program. In multi-purpose projects, only costs that are documented by a certified professional engineer as necessary and appropriate for an eligible single purpose project shall be considered allowable expenses under this program.
- (g) The first payment of loan principal and interest shall become due at a time coordinated with the loan recipient's budget cycle, but not later than 18 months after receipt of the first loan disbursement.

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- (h) Payments shall be due thereafter on at least a semi-annual basis, and the payments may be adjusted so that the total of principal and interest shall be in approximately equal amounts throughout the life of the loan.
- (i) A delinquency charge of 1.5% per month shall be applied to any payments more than 30 days overdue.
- (j) Each borrower shall have the right to prepay loan obligations in accordance with the terms of the contract.

K.A.R. 110-3-6. Conditions of Final Loan Approval.

- (a) Each prospective recipient of a Kansas Partnership Fund loan shall provide the following additional information before final loan approval is granted:
 - (1) documentation of a firm financial commitment to locate or expand business operations by the business which would directly benefit from the proposed public improvements;
 - (2) evidence of local awareness of the project application, including public hearings;
 - (3) a description of the applicant's control of project site, including any leases, easements, covenants, or encumbrances which may affect the project;
 - (4) evidence of the adequacy and reliability of a dedicated source of repayment for loan principal and interest;
 - (5) evidence of the applicant's ability to administer the project and to comply with state loan requirements;
 - (6) evidence of the applicant's ability to adequately fund necessary maintenance of the improvements; and
 - (7) evidence of the project's compliance with applicable state laws, rules and regulations.
- (b) Any information provided by the applicant, or available from other sources, may be considered by the Secretary in granting final loan approval.
- (c) Each loan shall be subject to the availability of funds.

K.A.R. 110-3-7. Distribution of Funds by Congressional District.

Distribution of loans by congressional district shall be considered by the Secretary in awarding loans through the Kansas Partnership Fund.

- (a) During the first three quarters of each fiscal year, loans shall be awarded in a manner that equalizes their distribution among congressional districts to the extent deemed practical by the Secretary.
- (b) Any loan funds still available in the fourth quarter of each fiscal year may be awarded to an applicant in any part of the state, regardless of congressional district.

K.A.R. 110-3-8. Program Fees and Administration.

- (a) Fees deemed necessary to help offset the costs of administering the Kansas Partnership Fund program may be established by the Secretary, including fees or service charges for:
 - (1) application reviews;
 - (2) loan issuance;
 - (3) loan audits;
 - (4) on-site inspections; and
 - (5) other similar activities.
- (b) Any fees collected under subsection (a) may be used to help offset the costs of administering this program.

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- (c) Up to 5% of monies deposited in the Kansas Partnership Fund may be used to offset the costs of administering the program.

K.A.R. 110-3-9. Terms of Suspension.

- (a) If a Kansas Partnership Fund loan recipient, or pending loan recipient, has failed to comply with the loan award stipulations, standards, or conditions, the following actions may be taken by the Secretary, after providing written notice:
 - (1) the loan may be suspended in whole or in part and any further payments withheld; and
 - (2) the loan recipient, or pending loan recipient, may be prohibited from incurring additional obligations for loan funds. Only necessary and proper costs, as determined by the Secretary, which could not reasonably have been avoided during the suspension period shall be allowable.
- (b) Within 30 days from the date of the notice, the loan recipient, or pending loan recipient, shall take corrective action and provide a detailed written explanation to the Secretary of Commerce and Housing which describes the corrective actions taken.
- (c) Within 21 calendar days of receiving the written explanation, the explanation shall be reviewed by the Secretary, and a written response shall be provided the loan recipient, or pending loan recipient, indicating that:
 - (1) sufficient corrective action has been taken; or
 - (2) formal loan termination procedures will be taken under the terms of K.A.R. 110-3-10.
- (d) Suspension shall be considered a temporary action pending either corrective action or termination, and therefore shall not be considered a "final" action with any right of appeal.

K.A.R. 110-3-10. Termination Procedures.

- (a) Any Kansas Partnership Fund loan agreement may be terminated by the Secretary in whole or in part at any time if a loan recipient, or pending loan recipient, fails in a material way to comply with the terms and conditions of a loan or to take corrective actions while under suspension.
 - (1) Written notice of the proposed termination shall be provided by the Secretary which shall include:
 - (A) notification that the loan will be terminated;
 - (B) an explanation of the reason or reasons for termination proceedings;
 - (C) the date by which the loan recipient, or pending loan recipient, must respond to the notification; and
 - (D) an explanation of the appeal procedure.
 - (2) The loan recipient, or pending loan recipient, shall have 30 calendar days from the date of the notice of proposed termination to respond in writing to the Secretary before a loan is actually terminated. The response shall set forth the proposed actions to be taken by the loan recipient, or pending loan recipient, to prevent the proposed termination action.
 - (3) Within 21 calendar days following receipt of a written response or the expiration of the 30-day response time, whichever occurs first, the recipient, or pending loan recipient, shall be notified in writing, as to whether the Secretary will proceed with termination and of the basis for this decision.
 - (4) Within 30 calendar days of the date of the decision, the loan recipient, or pending loan recipient, may file an appeal, which shall be in the form of a written resolution adopted by the appropriate governing body, with the Secretary of Commerce.
 - (5) Upon expiration of the 30-day period provided in paragraph (4):

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- (A) the loan may be terminated by the Secretary if no additional appeal has been made; or
 - (B) the appeal may be reviewed and a final decision may be issued by the Secretary on termination.
- (b) A loan may be terminated for convenience when the Secretary of Commerce and the loan recipient, or pending loan recipient, mutually agree, in writing, that any further expenditure of loan funds is not warranted or will not be beneficial for the designated project. In such cases, the loan may be terminated in whole, or in part, and the following conditions shall apply.
- (1) The loan recipient, or pending loan recipient, shall not incur any new obligations for the loan funds after the effective date of termination and shall cancel as many outstanding obligations as possible.
 - (2) Full credit shall be allowed for any non-cancelable obligations properly incurred prior to termination.
 - (3) An agreement between the Secretary of Commerce and the loan recipient, or pending loan recipient, shall be reached regarding:
 - (A) the effective date of termination;
 - (B) in the event of partial termination, the portion to be terminated; and
 - (C) all other termination conditions.
- (c) Upon formal termination of any loan, an encumbrance cancellation shall be issued by the Secretary in the amount of any unused loan funds.
- (d) The loan recipient, or pending loan recipient, shall be responsible for all necessary and appropriate actions to allow the Secretary of Commerce to properly document formal loan termination.
- (e) Upon termination, the loan may be foreclosed and any loan principal and accrued interest may be declared to be payable on demand.

K.A.R. 110-3-11. **Repayment Assurances.**

- (a) Any applicant may be required by the Secretary to levy an annual property tax sufficient to pay the loan principal and interest, which annually may be reduced by non-property tax revenue sources that may be lawfully available for loan repayment.
- (b) Delinquent loan repayments shall be collected by deducting the delinquent amount from payments made by state agencies to the local governmental entity that is delinquent in its loan repayment.
- (c) If a loan recipient is more than six months delinquent with any scheduled loan repayment, foreclosure proceedings shall be initiated by the Secretary in accordance with the terms of any loan contract made under this program. Foreclosure actions may include the seizure of any public improvements or property paid for with Kansas Partnership Fund loan proceeds. All loan amounts and accrued interest outstanding may be declared to be payable on demand.

APPLICATION and LOAN APPROVAL PROCEDURES

The application and review process for the program is very simple and straight forward. Applications are reviewed and processed on a "first in, first out" basis within the guidelines of K.A.R. 110-3-7 which requires distribution by congressional district. As a first step, the applicant should review the program information and application requirements as presented in this guide to determine if the proposed project is eligible.

If the applicant determines that the project is eligible, an "Expression of Interest" should be filed. This provides initial overview information. The "Expression of Interest" will be reviewed by the Program Administrator and will enhance the filing of a complete application with all required and supplementary documentation.

Next, a complete application and documentation should be filed with the Department. Upon review and approval, a conditional approval will be sent to the applicant, detailing the conditions of final approval. The applicant must then file information documenting compliance with the "Conditions of Final Loan Approval".

The Secretary will either approve or disapprove the loan. If approved, the applicant will be sent two copies of a loan agreement for execution. The loan agreement will specify the interest rate for the loan, which will be adjustable and indexed annually to either the federal discount rate, or the average interest rate earned during the previous year by the Pooled Money Investment Board on its Economic Development Initiatives Fund, whichever is greater. Both copies should be executed and returned to the Department for execution by the Secretary. Once the loan agreements are executed by the Secretary, the recipient can begin to submit approved costs for draw-down on the encumbered funds.

APPENDICES

The following information is provided to assist the applicant in preparing the required program application and follow-up documentation. The guidelines should be used as a suggested format. The applicant should format their own documentation, maintaining the sequence, item numbering, and data requirements indicated.

Kansas Partnership Fund - Expression of Interest Guidelines

**KANSAS PARTNERSHIP FUND
Expression of Interest Guidelines**

Name of Applicant: _____

Applicant Contact: _____

Contact Title: _____

Address: _____

City: _____ **State:** _____ **Zip Code:** _____

Phone: _____ **Fax:** _____

e-mail: _____

Briefly describe each prospective new project, outline the need for such a project, and provide estimates on how many jobs will be created, how much Partnership Fund money will be required, and the total project cost. Attach additional information or additional project outlines as necessary to present a complete description of the proposed project(s).

PROJECT #1:

PROJECT #2:

Potential applicants should complete this form and return to:

Program Administrator
Kansas Partnership Fund
Kansas Department of Commerce
Business Development Division
1000 S.W. Jackson, Suite 100
Topeka, KS 66612-1354
Phone: (785) 296-5298
Fax: (785) 296-3490
TTY (Hearing Impaired) (785) 296-3487

**KANSAS PARTNERSHIP FUND
Application Guidelines**

1. **Name of Applicant:** _____
Applicant Contact: _____
Contact Title: _____
2. **Chief Elected Official:** _____
Official Title: _____
Address: _____
City: _____ **State:** _____ **Zip Code:** _____
Phone: _____ **Fax:** _____
e-mail: _____
3. **Loan Requested:** \$ _____
4. **Proposed Start Date:** _____
5. **Estimated Completion:** _____
6. **Applicant's Need for a Partnership Fund Loan:** Explain why a Partnership Fund loan is necessary and appropriate for this project. Include documentation showing that other private and public financing options have been investigated and either are not readily available or will not cover total project costs. Document why the project would not be possible or economically feasible without a Partnership Fund loan.

Attach any additional documentation.

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7. **Project Narrative:** Provide a brief, but specific, narrative description of the project. Enclose a map, 2' x 3' or smaller, of the project area.

8. **Need for Economic Development:** Include such items as unemployment, poverty rate, etc.

9. **Job Statistics:** Total Jobs to be Created _____ Fund \$ _____/Jobs Created _____

Attach any additional documentation.

**KANSAS PARTNERSHIP FUND
PROPOSED BUDGET**

Applicant: _____ **Project Title:** _____

Activity Category	Partner- ship	Other Public Funds	Leveraged Private Funds	Total Cost
1. Land acquisition, disposition, clearance	\$ _____	\$ _____	\$ _____	\$ _____
2. *Public Facilities	\$ _____	\$ _____	\$ _____	\$ _____
a. Water Lines	\$ _____	\$ _____	\$ _____	\$ _____
b. Water Treatment Facilities	\$ _____	\$ _____	\$ _____	\$ _____
c. Sewer Lines	\$ _____	\$ _____	\$ _____	\$ _____
d. Sewage Treatment Facility	\$ _____	\$ _____	\$ _____	\$ _____
e. Storm Sewers & Drainage Facilities	\$ _____	\$ _____	\$ _____	\$ _____
f. Electrical Facilities	\$ _____	\$ _____	\$ _____	\$ _____
g. Natural Gas Utilities	\$ _____	\$ _____	\$ _____	\$ _____
h. Solid Waste Collection	\$ _____	\$ _____	\$ _____	\$ _____
i. Solid Waste Disposal	\$ _____	\$ _____	\$ _____	\$ _____
j. Roads & Streets	\$ _____	\$ _____	\$ _____	\$ _____
k. Highways	\$ _____	\$ _____	\$ _____	\$ _____
l. Other Public Facilities	\$ _____	\$ _____	\$ _____	\$ _____
1) _____	\$ _____	\$ _____	\$ _____	\$ _____
2) _____	\$ _____	\$ _____	\$ _____	\$ _____
3. Architectural Fees	\$ _____	\$ _____	\$ _____	\$ _____
4. Engineering Costs	\$ _____	\$ _____	\$ _____	\$ _____
5. Administration	\$ _____	\$ _____	\$ _____	\$ _____
6. Legal Fees	\$ _____	\$ _____	\$ _____	\$ _____
7. Planning	\$ _____	\$ _____	\$ _____	\$ _____
8. Private Infrastructure	\$ _____	\$ _____	\$ _____	\$ _____
9. Buildings	\$ _____	\$ _____	\$ _____	\$ _____

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Activity Category	Partnership	Other Public Funds	Leveraged Private Funds	Total Cost
10. Machinery and Equipment	\$ _____	\$ _____	\$ _____	\$ _____
11. Furnishings	\$ _____	\$ _____	\$ _____	\$ _____
12. Landscaping and Parking	\$ _____	\$ _____	\$ _____	\$ _____
13. Contingencies	\$ _____	\$ _____	\$ _____	\$ _____
14. Working Capital	\$ _____	\$ _____	\$ _____	\$ _____
15. Other (List)	\$ _____	\$ _____	\$ _____	\$ _____
a. _____	\$ _____	\$ _____	\$ _____	\$ _____
b. _____	\$ _____	\$ _____	\$ _____	\$ _____
16. Operations and Maintenance	\$ _____	\$ _____	\$ _____	\$ _____
a. _____	\$ _____	\$ _____	\$ _____	\$ _____
b. _____	\$ _____	\$ _____	\$ _____	\$ _____
17. Total Project Cost	\$ _____	\$ _____	\$ _____	\$ _____

* Includes reasonable construction, labor, and materials cost

NOTE: All costs shown under “Partnership Fund Loan” must be directly related to a public infrastructure improvement *only*.

13. **Applicant's Credit Standing:** Attach a copy of the latest available city or county audit. If the application is for a public utility infrastructure improvement, also attach the latest utility audit. Show the current S & P or Moody's long-term debt rating.

Attach any additional documentation.

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Indicate the past seven year historical long-term (greater than one year) indebtedness including general obligation and revenue bond debt and any other long-term debt.

Year	Total Debt (\$ million)	Debt as a % of Assessed Value	Debt as a % of Market Value	Debt per Capita
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

14. **Defaults:** Discuss any default by the proposed borrower and the circumstances. Attach a detailed list.

15. **Current Indebtedness:** List all outstanding long-term (greater than one year) debt.

Title of Debt Issue	Amount of Issue	Date of Issue	Date of Maturity	Principal Balance
_____	_____	/ /	/ /	_____
_____	_____	/ /	/ /	_____
_____	_____	/ /	/ /	_____
_____	_____	/ /	/ /	_____
_____	_____	/ /	/ /	_____
_____	_____	/ /	/ /	_____
_____	_____	/ /	/ /	_____
_____	_____	/ /	/ /	_____
_____	_____	/ /	/ /	_____
			Total \$	_____

Attach any additional documentation.

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16. Debt Service Requirements for Outstanding Long Term Indebtedness:

FY End	Principal	Interest	Total
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

17. Projected Future Long-Term Debt Obligations: List all anticipated long-term borrowing needs.

FY End	Description of Need	Dollar Amount
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____

18. Consistency with Applicant’s Comprehensive and Five Year Capital Improvement Plans.
Attach copies of applicant’s comprehensive and five year capital improvement plans. Explain any inconsistencies of proposed project with these plans.

Attach any additional documentation.

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19. **Statement of Assurances and Certifications:** The applicant hereby assures and certifies the following to the Secretary of Commerce, with respect to this loan application:
- a) The applicant is an eligible city or county unit of government with legal jurisdiction over the site of the proposed infrastructure improvement, or with a properly executed interlocal agreement in effect which covers such site.
 - b) The proposed public infrastructure improvement is necessary to serve a specific Kansas basic enterprise on a specific site.
 - c) The proposed project will serve a demonstratable public purpose.
 - d) The proposed infrastructure improvement will be located on public property, public easements, public right-of-ways, or shall extend a public utility service to an eligible Kansas basic enterprise.
 - e) The proposed project will not cause a significant adverse competitive disadvantage to an existing enterprise in Kansas, to the best knowledge of the applicant.
 - f) The proposed project does not involve the relocation of an enterprise from another location in the state without advance approval by official action of both the county commission and the city or other municipality losing the enterprise.
 - g) The proposed project is not directly related to a facility where games of chance are played for money or other stakes.
 - h) No member, officer, or employee of the applicant, its designees or agents, and no other public official who exercises any authority or has any responsibility to the proposed project during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the project to be assisted under the Partnership Fund program. All contracts or subcontracts related to this project shall include a provision prohibiting such interest pursuant to this certification.
 - i) The project shall be conducted in compliance with all applicable local, state, and federal laws, rules, and regulations, including all applicable environmental standards.

I hereby certify that the information contained herein is correct and accurate to the best of my knowledge, and I am authorized to submit this application on behalf of the governing body of the applicant. (*Resolution must be attached.*)

CHIEF ELECTED OFFICIAL:

_____	_____
Printed Name	Date
_____	_____
Signature	Date

Date subscribed and sworn before me: _____

Printed Name of Notary Public: _____

Signature of Notary Public: _____

Notary Public in and for the State of Kansas, County of _____

Date Commission Expires: _____

**KANSAS PARTNERSHIP FUND
Conditions of Final Loan Approval**

1. **Name of Applicant:** _____
Applicant Contact: _____
Contact Title: _____
2. **Chief Elected Official:** _____
Official Title: _____
Address: _____
City: _____ **State:** _____ **Zip Code:** _____
Phone: _____ **Fax:** _____
e-mail: _____
3. **Loan Requested:** \$ _____
4. **Proposed Start Date:** _____
5. **Estimated Completion:** _____
6. **Project Summary:** Briefly summarize the information provided in the *Project Narrative*, item 7, of the original application.

Attach any additional documentation.

Kansas Partnership Fund Conditions of Final Loan Approval – page 3 of 5

9. **Expected useful life of the proposed public infrastructure improvement:** Attach documentation from a certified professional engineer.

10. **Ability to adequately fund necessary maintenance of the public improvements:** Attach a resolution by the governing body which assures the ability to fund any ongoing maintenance of the proposed improvements. Detail the cost estimates and sources of funding.

Attach any additional documentation.

Kansas Partnership Fund Conditions of Final Loan Approval – page 4 of 5

11. **Source of repayment of loan:** Document, including resolutions, a dedicated source of loan repayment. Discuss the adequacy and reliability of this source to meet the ongoing debt service payments included in item 17 of the original application.

12. **Ability to administer the project in compliance with State loan requirements:** Describe how the project will be administered, internally or by contract, including the name and qualifications of the administrator.

Attach any additional documentation.

Kansas Partnership Fund Conditions of Final Loan Approval – page 5 of 5

13. **Evidence of local awareness of the project application:** Attach affidavit of publication of notice of public hearing. Attach a copy of the minutes from the public meeting. Include copies of any letters received in support or in opposition to the project.

Date of Public Hearing: _____

Date of Publication of Public Hearing: _____

Publication in: _____

Kansas Partnership Fund Conditions of Final Loan Approval – page 5 of 5

14. **Statement of Assurances and Certifications:** The applicant hereby assures and certifies the following to the Secretary of Commerce, with respect to this loan application:
- a) The applicant is an eligible city or county unit of government with legal jurisdiction over the site of the proposed infrastructure improvement, or with a properly executed interlocal agreement in effect which covers such site.
 - b) The proposed public infrastructure improvement is necessary to serve a specific Kansas basic enterprise on a specific site.
 - c) The proposed project will serve a demonstratable public purpose.
 - d) The proposed infrastructure improvement will be located on public property, public easements, public right-of-ways, or shall extend a public utility service to an eligible Kansas basic enterprise.
 - e) The proposed project will not cause a significant adverse competitive disadvantage to an existing enterprise in Kansas, to the best knowledge of the applicant.
 - f) The proposed project does not involve the relocation of an enterprise from another location in the state without advance approval by official action of both the county commission and the city or other municipality losing the enterprise.
 - g) The proposed project is not directly related to a facility where games of chance are played for money or other stakes.
 - h) No member, officer, or employee of the applicant, its designees or agents, and no other public official who exercises any authority or has any responsibility to the proposed project during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the project to be assisted under the Partnership Fund program. All contracts or subcontracts related to this project shall include a provision prohibiting such interest pursuant to this certification.
 - i) The project shall be conducted in compliance with all applicable local, state, and federal laws, rules, and regulations, including all applicable environmental standards.

I hereby certify that the information contained herein is correct and accurate to the best of my knowledge, and I am authorized to submit this application on behalf of the governing body of the applicant.
(Resolution must be attached.)

CHIEF ELECTED OFFICIAL:

_____	_____
Printed Name	Date

Title	
_____	_____
Signature	Date

Date subscribed and sworn before me: _____
Printed Name of Notary Public: _____
Signature of Notary Public: _____
Notary Public in and for the State of Kansas, County of _____
Date Commission Expires: _____

74-5055. Kansas partnership fund; administration; disposition of moneys in fund; deposits, loan payments and revenue bond proceeds; Kansas development finance authority, revenue bonds authorized.

- (a) There is hereby established the Kansas partnership fund in the state treasury. All moneys in the Kansas partnership fund shall be used for loans in accordance with K.S.A. 74-5056 and the provisions of appropriations acts. Such fund shall consist of:
 - (1) Amounts appropriated by the legislature for the purposes of such fund;
 - (2) the proceeds, if any, derived from the sale of bonds issued by the Kansas development finance authority for the purposes of such fund;
 - (3) amounts of repayments made by cities and counties of loans received under K.S.A. 74-5055 through 74-5057, together with payments of interest thereon, in accordance with agreements entered into by such cities and counties and the secretary of commerce; and
 - (4) amounts contributed or otherwise made available by any public or private entity for use in effectuating the purposes of such fund.
- (b) All moneys received as principal and interest payments under loan agreements entered into pursuant to K.S.A. 74-5056 shall be remitted to the state treasurer at least monthly. Upon the receipt of each such remittance, the state treasurer shall deposit the entire amount thereof in the state treasury to the credit of the Kansas partnership fund.
- (c) All expenditures from the Kansas partnership fund shall be made in accordance with K.S.A. 74-5055 through 74-5057 and the provisions of appropriations acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the secretary of commerce or by a person designated by the secretary.
- (d) The activities of the secretary of commerce in administering and performing the powers, duties and functions prescribed by the provisions of K.S.A. 74-5055 through 74-5057 and providing moneys for the purposes of the Kansas partnership fund from the proceeds of revenue bonds issued for such purpose by the Kansas development finance authority are hereby approved for the purposes of subsection (b) of K.S.A. 74-8905 and amendments thereto and the authorization of the issuance of such bonds by the Kansas development finance authority in accordance with that statute. The provisions of subsection (a) of K.S.A. 74-8905 and amendments thereto shall not prohibit the issuance of bonds for such purposes when so authorized and any such issuance of bonds is exempt from the provisions of subsection (a) of K.S.A. 74-8905 and amendments thereto.
History: L. 1988, ch. 394, & 1; July 1

74-5056. Loans to local governments for infrastructure improvement projects; powers and duties of secretary of commerce; project eligibility criteria; loan agreements, terms; rules and regulations; definitions.

- (a) In accordance with the provisions of this section, the secretary of commerce is hereby authorized to enter into loan agreements with cities and counties located in Kansas to provide assistance in financing public infrastructure improvement projects to aid the expansion, relocation and attraction of Kansas basic enterprises and to loan moneys in the Kansas partnership fund in accordance with such agreements.

Kansas Partnership Fund Statutes – page 2 of 3

- (b) To be eligible for a loan under K.S.A. 74-5055 through 74-5057, a public infrastructure improvement project must be determined by the secretary of commerce to be a project that will directly result in the creation of private sector jobs in Kansas basic enterprises. Eligible projects may include the construction, reconstruction, rehabilitation, alteration, expansion or improvement of public facilities that support Kansas basic enterprises including, but not limited to roads, streets, highways, storm drains, water supply treatment facilities and distribution lines, wastewater collection lines and any related improvements. The secretary of commerce shall review and analyze all applications for loans under this section and shall develop criteria for the review and analysis of loan applications under this section.
- (c) Each loan agreement entered into under this section shall fix the terms of repayment and may provide for interest payable on the loan. Such interest, if any, may be at fixed or variable rates. Such terms of repayment shall be fixed to require equal annual repayments of principal and interest, if any, to the extent practicable over the term of the loan, which term shall be fixed for a period of not to exceed the anticipated life of the improvement project. All such agreements shall require the city or county to establish a dedicated source of revenue for repayment of the loans, and any interest thereon, as provided in K.S.A. 74-5057.
- (d) The secretary of commerce may utilize the collection procedures provided in K.S.A. 75-6201 et seq., and amendments thereto, to collect delinquent loan payments by deducting the delinquent amount from payments from state agencies to the local governmental entity that is delinquent in its loan repayment.
- (e) The secretary of commerce is authorized to adopt any rules and regulations the secretary deems necessary for the proper administration of K.S.A. 74-5055 through 74-5057.
- (f) As used in K.S.A. 74-5055 through 74-5057:
 - (1) "Kansas basic enterprise" means an enterprise which:
 - (A) Is or proposes to be located or principally based in Kansas; and
 - (B) can provide demonstrable evidence that:
 - (i) It is or will be primarily engaged in any one or more of the Kansas basic industries; or
 - (ii) it is or will be primarily engaged in the development or production of goods or the provision of services for out-of-state sales; or
 - (iii) it is or will be primarily engaged in the production of goods or the provision of services which will attract out-of-state buyers or consumers into the state; or
 - (iv) it is or will be primarily engaged in the production of raw materials, ingredients or components for other enterprises which export the majority of their products from the state; or
 - (v) it is a national or regional enterprise which is primarily engaged in interstate commerce; or
 - (vi) it is or will be primarily engaged in the production of goods or the provision of services which will supplant goods or services which would be imported into the state; or
 - (vii) it is the corporate or regional headquarters of a multi-state enterprise which is primarily engaged in out-of-state industrial activities.

Kansas Partnership Fund Statues – page 3 of 3

- (2) "Kansas basic industry" means:
 - (A) Agriculture;
 - (B) mining;
 - (C) manufacturing;
 - (D) interstate transportation;
 - (E) wholesale trade which is primarily engaged in multistate activity or which has a major import supplanting effect within the state;
 - (F) financial services which are primarily engaged in providing such services for interstate or international transactions;
 - (G) business services which are primarily engaged in providing such services in out-of-state markets;
 - (H) research and development of new products, processes or technologies; or
 - (I) tourism activities which are primarily engaged in for the purpose of attracting out-of-state tourists.
- (3) "Primarily engaged" means engagement in an activity by an enterprise to the extent that not less than 51% of the gross income of the enterprise is derived from such engagement.
History: L. 1988, ch. 394, & 2; July 1.

74-5057. Loans to local governments for infrastructure improvement projects; sources of loan repayment revenue, disposition; bonded indebtedness limitation exemptions.

- (a) The dedicated source of revenue for repayment of infrastructure loans under K.S.A. 74-5056, and amendments thereto, and any interest thereon, may include service charges, benefit fees, special assessments, property taxes, grants and donations or any other source of revenue lawfully available to the city or county for such purpose. Any city or county which has entered into an infrastructure loan agreement under K.S.A. 74-5056, and amendments thereto, may finance all or part of the repayment obligations under such loan agreement by levying a tax annually on taxable tangible property for such purpose, which tax shall be in addition to all other levies authorized or limited by law.
- (b) Any city or county which has entered into an infrastructure loan agreement pursuant to K.S.A. 74-5056, and amendments thereto, may pay the principal and interest on such loan from the fund or funds to which its dedicated sources of revenue are deposited, or may transfer such moneys to its bond and interest fund for payment of the loan, but any property taxes levied exclusively for such purposes shall be deposited in its bond and interest fund. Any property taxes levied exclusively for repayment of any infrastructure loan under K.S.A. 74-5056, and amendments thereto, and any interest thereon, shall be levied in the same manner as taxes are levied for the payment of general obligations of the city or county.
- (c) The amount of any loans received by a city or county under the provisions of K.S.A. 74-5055 through 74-5057, and amendments thereto, shall not be included within any limitation on the bonded indebtedness of the city or county.
History: L. 1988, ch. 394, S. 3; L. 1990, ch. 66, S. 50; May 31.