

**ORDINANCE NO. 1049**

**AN ORDINANCE OF THE GOVERNING BODY OF THE CITY OF EDWARDSVILLE, KANSAS ESTABLISHING A RURAL HOUSING INCENTIVE DISTRICT WITHIN THE CITY AND ADOPTING A PLAN FOR THE DEVELOPMENT OF HOUSING AND PUBLIC FACILITIES IN SUCH DISTRICT, AND MAKING CERTAIN FINDINGS IN CONJUNCTION THEREWITH THE HIGHLAND RURAL HOUSING INCENTIVE DISTRICT**

**WHEREAS**, K.S.A. 12-5241 *et seq.* (the “Act”) authorizes any city incorporated in accordance with the laws of the state of Kansas (the “State”) with a population of less than 60,000 to designate rural housing incentive districts within such city; and

**WHEREAS**, prior to such designation the governing body of such city shall conduct a housing needs analysis to determine what, if any, housing needs exist within its community; and

**WHEREAS**, after conducting such analysis, the governing body of such city may adopt a resolution making certain findings regarding the establishment of a rural housing incentive district and providing the legal description of property to be contained therein, and

**WHEREAS**, after publishing such resolution, the governing body of such city shall send a copy thereof to the Secretary of Commerce of the State (the “Secretary”) requesting that the Secretary agree with the findings contained in such resolution; and

**WHEREAS**, if the Secretary agrees with such findings, such city may adopt a plan for the development of housing and public facilities in the proposed district and proceed with the establishment of the rural housing incentive district; and

**WHEREAS**, the City of Edwardsville, Kansas (the “City”) has an estimated population of 4,511 and is located in Wyandotte County, Kansas and therefore constitutes a city as said term is defined in the Act; and

**WHEREAS**, the Governing Body of the City performed a Housing Needs Analysis on September 1, 2021 (the “Analysis”); and

**WHEREAS**, the Governing Body of the City adopted Resolution No. 2021-17 on September 27, 2021 which made certain findings relating to the need for financial incentives for the construction of quality housing within the City, declared it advisable to establish a Rural Housing Incentive District pursuant to the Act and authorized the submission of such Resolution and a Housing Needs Analysis to the Kansas Department of Commerce in accordance with the provisions of the Act; and

**WHEREAS**, the Secretary of the Kansas Department of Commerce, pursuant to a letter dated October 14, 2021, authorized the City to proceed with the establishment of a Rural Housing Incentive District pursuant to the Act, to be hereafter referred to as the Highland Rural Housing Incentive District (the “District”); and

**WHEREAS**, the City has caused to be prepared a plan for the development or redevelopment of housing and public facilities in the proposed District in accordance with the provisions of the Act which contains the the statutory requirements in K.S.A. 12-5245(a), a copy of which is attached hereto as **Exhibit A** (the “Plan”); and

**WHEREAS**, the Governing Body of the City has heretofore adopted Resolution No. 2021-18 on October 25, 2021 which made a finding that the City is considering the establishment of the proposed District and adopting the proposed Plan and called a public hearing concerning the establishment of the proposed District for December 13, 2021 on or after 6:00 p.m. and provided for notice of such hearing as provided in the Act; and

**WHEREAS**, a public hearing was held at this meeting as noticed; and

**WHEREAS**, upon considering the information and public comments received at the public hearing, the Governing Body of the City hereby deems it advisable to adopt the Plan and establish the District.

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

**Section 1. Findings.** The Governing Body hereby finds that due notice of the public hearing conducted on December 13, 2021 was made in accordance with the provisions of the Act.

**Section 2. Creation of Rural Housing Incentive District.** A Rural Housing Incentive District is hereby created within the City in accordance with the provisions of the Act.

**Section 3. Approval of Development Plan.** The Plan for the development or redevelopment of housing and public facilities in the District is hereby approved and the District is hereby established as a District (as defined in K.S.A. 12-5242(f))

**Section 4. Legal Description of District.** Within the meaning of the Act, the District shall consist of the following described real property:

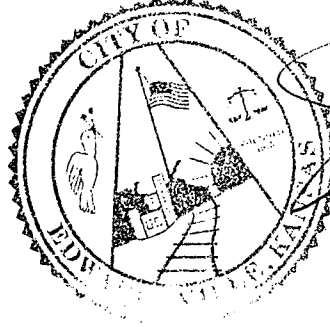
**A tract of land in the** Southeast Quarter of Section 26, Township 11, Range 23, Wyandotte County, Kansas being more particularly described as follows:

Beginning at the Northeast corner of the Southeast Quarter of said Section 26; thence South along the East line of said Section 26, 330.0 feet; thence West 1515.92 feet, (by survey – 1519.81 feet by deed) along the North line of “Edwardsville Heights” a subdivision of land in Wyandotte County, Kansas; thence North 330.0 feet; thence East 1515.92 feet, (by survey – 1519.81 feet by deed) to the point of beginning.

**Section 5. Further Action.** The Mayor, City Clerk and other officials and employees of the City are hereby further authorized and directed to take such other actions as may be appropriate to accomplish the purposes of this Ordinance.

**Section 6. Effective Date.** This Ordinance shall take effect and be in force from and after its passage and publication as required by law.

**PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF EDWARDSVILLE, KANSAS ON THIS 13<sup>th</sup> DAY OF DECEMBER, 2021.**



*[Signature]*  
John McTaggart, Mayor

ATTEST:

*[Signature]*  
Zachary Daniel, Assistant City Manager/City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Scott Anderson, Special Counsel

## **DEVELOPMENT PLAN INTRODUCTION**

On September 27, 2021, the Governing Body of the City of Edwardsville, Kansas (the “City”) adopted Resolution 2021-17 that found and determined that:

1. There is a shortage of quality housing of various price ranges in the City despite the best efforts of public and private housing developers.
2. The shortage of quality housing can be expected to persist and that additional financial incentives are necessary in order to encourage the private sector to construct or renovate housing in the City.
3. The shortage of quality housing is a substantial deterrent to the future economic growth and development of the City.
4. The future economic wellbeing of the City depends on the Governing Body providing additional incentives for the construction or renovation of quality housing in the City.

Based on these findings and determinations, the Governing Body proposed the establishment of a Rural Housing Incentive District within the City pursuant to the Kansas Rural Housing Incentive District Act (K.S.A. 12-5241 *et seq.*).

Following the adoption of Resolution 2021-17, a certified copy was submitted to the Secretary of Commerce (“Secretary”) for approval of the establishment of the Rural Housing Incentive District in the City, as required by K.S.A. 12-5244(c).

On October 14, 2021 the Secretary provided written confirmation, approving the establishment of the Rural Housing Incentive District (the “District”).

## **DEVELOPMENT PLAN ADOPTION**

K.S.A. 12-5245 states that once the City receives approval from the Secretary for the creation of a Kansas Rural Housing Incentive District, the Governing Body may adopt a plan for the development or redevelopment of housing and public facilities within the proposed district.

## **DEVELOPMENT PLAN**

As a result of the shortage of quality housing within the City, the City proposes this Development Plan to assist in the development of quality housing within the City.

1. The legal description of the district:

A tract of land in the Southeast Quarter of Section 26, Township 11, Range 23, Wyandotte County, Kansas being more particularly described as follows:

Beginning at the Northeast corner of the Southeast Quarter of said Section 26; thence South along the East line of said Section 26, 330.0 feet; thence West 1515.92 feet, (by survey – 1519.81 feet by deed) along the North line of “Edwardsville Heights” a subdivision of land

in Wyandotte County, Kansas; thence North 330.0 feet; thence East 1515.92 feet, (by survey – 1519.81 feet by deed) to the point of beginning.

A map of the District is attached as **Exhibit A** to this document.

2. The assessed valuation of all real estate within the District for 2021 is approximately \$116,350 and \$416,250 on all improvements.
3. The name and address of the owner of record for the real estate within the District is:

S D Shelton Excavating, Inc.  
411 S. 118<sup>th</sup> St.  
Kansas City, KS 66111

4. The housing and public facilities project that are proposed to be constructed include the following:

The public facilities to be constructed consist of public streets, sidewalks, utility infrastructure and monuments. The housing facilities proposed to be constructed include approximately 25 townhomes or approximately 15 single-family residences.

5. The names, addresses, and specific interests in the real estate in the District of the developers responsible for development of the housing and public facilities are:

The City intends to enter into a development agreement with the following developer for the development of the housing and public facilities:

Highland Drive Development, LLC  
PO Box 3789  
Lawrence, KS 66046

It is possible the City may enter into a development agreement with a different developer for the for the development of the housing and/or public facilities.

6. Contractual assurances, if any, the governing body has received from the developer.

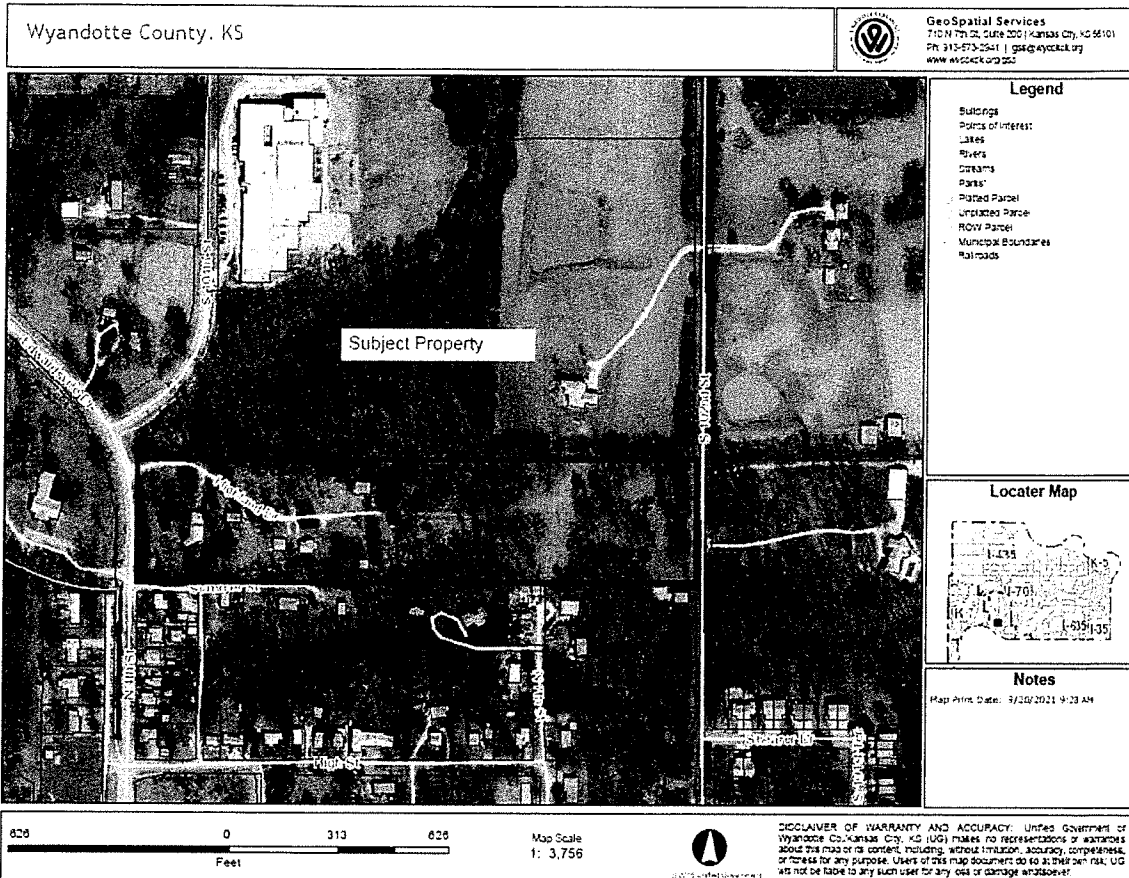
The City is currently negotiating a development agreement with the above-mentioned developer. The governing body has not received any contractual assurances from the developer for the development of the housing or public facilities.

7. Comprehensive feasibility analysis of providing housing tax incentives in the district.

The City's City Manager conducted a feasibility study that demonstrated the public benefits to be derived from the district exceed the costs, and that the income therefrom will

be sufficient to pay for the public improvements to be made within the district. A copy of the analysis is attached hereto as **Exhibit B**.

# DEVELOPMENT PLAN – EXHIBIT A MAP OF PROPOSED RHID BOUNDARIES FOR THE HIGHLAND RURAL HOUSING INCENTIVE DISTRICT



**DEVELOPMENT PLAN – EXHIBIT B  
COMPREHENSIVE FINANCIAL FEASIBILITY ANALYSIS**

**Project Highland  
Eligible Costs**

	<b>RHID Eligible Cost</b>
Land Acquisition	\$ 450,000
Infrastructure	
Erosion Control	\$ 40,500
Street Improvement	\$ 596,900
Storm Sewer	\$ 96,600
Sanitary	\$ 115,500
Water	\$ 88,500
Gas	\$ 45,000
Power & Communication	\$ 90,000
	<u>\$ 1,073,000</u>
Contingency (Construction Costs)	\$ 160,950
Engineering	\$ 115,000
Legal & Accounting	\$ 27,400
Insurance	\$ 60,000
Project Development/Management	\$ 300,000
	<u>\$ 3,259,350</u>



# Project Highland

Revenue Projection

Year	Units	RHID Value per Unit	Annual RHID Revenue	Cumulative RHID Revenue
1	2022	0	\$ -	\$ -
2	2023	0	\$ -	\$ -
3	2024	8	\$ 73,558.05	\$ 73,558.05
4	2025	16	\$ 147,116.10	\$ 220,674.16
5	2026	25	\$ 229,868.91	\$ 450,543.07
6	2027	25	\$ 232,167.60	\$ 682,710.67
7	2028	25	\$ 234,489.28	\$ 917,199.94
8	2029	25	\$ 236,834.17	\$ 1,154,034.11
9	2030	25	\$ 239,202.51	\$ 1,393,236.63
10	2031	25	\$ 241,594.54	\$ 1,634,831.16
11	2032	25	\$ 244,010.48	\$ 1,878,841.64
12	2033	25	\$ 246,450.59	\$ 2,125,292.23
13	2034	25	\$ 248,915.09	\$ 2,374,207.32
14	2035	25	\$ 251,404.24	\$ 2,625,611.57
15	2036	25	\$ 253,918.29	\$ 2,879,529.85
16	2037	25	\$ 256,457.47	\$ 3,135,987.32
17	2038	25	\$ 259,022.04	\$ 3,395,009.36
18	2039	25	\$ 261,612.26	\$ 3,656,621.63
19	2040	25	\$ 264,228.39	\$ 3,920,850.01
20	2041	25	\$ 266,870.67	\$ 4,187,720.68
21	2042	25	\$ 269,539.38	\$ 4,457,260.06
22	2043	25	\$ 272,234.77	\$ 4,729,494.83
23	2044	25	\$ 274,957.12	\$ 5,004,451.95
24	2045	25	\$ 277,706.69	\$ 5,282,158.64
25	2046	25	\$ 280,483.76	\$ 5,562,642.40
<b>Total</b>			<b>\$</b>	<b>\$ 5,562,642.40</b>

Mill Levy (2021)	173.794103
RHID Rate (Mill less 21.5)	152.294103
Parcel	944200
Base Year Tax	\$ 10,598.72
Est. Lot Value	\$ 50,000
Est. Bldg Value	\$ 475,000
Total Appraised Value	\$ 525,000
Total Assessed Value (11.5%)	\$ 60,375
Tax Amount	\$ 10,492.82
RHID Value	\$ 9,194.76
Growth Rate (Starting 2027)	1%