



RUSSELL CITY COUNCIL MEETING
CITY HALL - 133 W. 8TH STREET - RUSSELL, KANSAS
Date: TUESDAY, NOVEMBER 1, 2022 – Time: 4:30 PM

If you cannot attend in person, you can watch the live-streamed event at <http://www.russellcity.org/274/GoTo-Meeting>.

1. CALL TO ORDER

2. INVOCATION/PLEDGE OF ALLEGIANCE

3. APPROVAL OF AGENDA

4. PUBLIC COMMENTS I

Members of the public are welcome to use this time to make comments about City matters. (A maximum of five minutes)

5. PRESENTATIONS AND PUBLIC HEARINGS

- a. Employee Recognition - Megan Koetkemeyer, Kansas Association of Mappers Award
- b. Public Hearing for the Establishing a Rural Housing Incentive District, Approval of the Redevelopment Plan, and Ratifying the Development Agreement

6. CONSENT AGENDA

- a. Consent Agenda Items
 - [October 18, 2022 Council Meeting Minutes](#)
 - [Contractor License](#)

7. UNFINISHED BUSINESS

- a. Ordinance Establishing a Rural Housing Incentive District and Adopting the Plan for the Development of Housing and Public Facilities in such District - Holland Hotel Apartments
 - [Ordinance Establishing a Rural Housing Incentive District - Holland Hotel Apartments](#)
 - [Holland Hotel Development Agreement](#)
 - [Holland Hotel Redevelopment Plan](#)
- b. Ordinance Governing the Registration and Renewal of Work-Site Utility Vehicles, Micro Utility Trucks and All-Terrain Vehicles
 - [Ordinance Governing the Registration and Renewal of Work-Site Utility Vehicles, Micro Utility Trucks and All-Terrain Vehicles](#)
- c. Golf Course Greens Fees and Memberships
 - [Golf Income and Revenue Comparison with Rate Changes](#)

8. NEW BUSINESS

- a. Special Event Application - Lighted Christmas Parade and Weihnachtsfest
Special Event Application - Lighted Christmas Parade/Weihnachtsfest
- b. General Nuisance Abatement at 1326 N. Lincoln St.
Resolution Authorizing the Removal of Nuisances at 1326 N. Lincoln
Certified Mail - Hays
Certified Mail - Gorham
Affidavit of Publication
1326 N Lincoln - Front
1326 N Lincoln - Shingles
1326 N Lincoln - Window Screen/Siding
1326 N Lincoln - Weeds/Overgrowth
- c. Resolution Setting a Hearing and Providing Notice for a Dangerous or Unsafe Structure(s) at 42 S. Maple Street
Resolution Setting Hearing for Dangerous of Unsafe Structure - 42 S Maple Street
Dangerous Structures Checklist and Report - 42 S Maple Street
Preliminary Letter Certified
42 S Maple Street - Front.
42 S Maple Street - Porch
42 S Maple South Street - Side
42 S Maple Street - North Side
42 S Maple Street - North Window
42 S Maple Street - Foundation 2
42 S Maple Street Foundation 3
42 S Maple Street - Back
- d. Economic Development Policy
Economic Development Policy with Application

9. DEPARTMENT REPORTS

- a. Water Source Status
US Drought Monitor - Kansas
NOAA Climate Prediction Center November 4-10, 2022 Temperature Outlook
NOAA Climate Prediction Center November 4-10, 2022 Precipitation Outlook

10. PUBLIC COMMENTS II

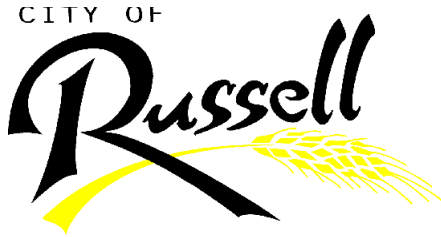
Members of the public are welcome to use this time to make comments about City matters. (A maximum of five minutes)

11. EXECUTIVE SESSION

12. GOVERNING BODY/CITY MANAGER COMMENTS

13. ADJOURNMENT

In compliance with the Americans with Disabilities Act, the City of Russell will provide reasonable accommodations for all public meetings. Persons requiring accommodations in attending any of our public meetings should contact the City Clerk, at 785.483.6311 a minimum of 48 hours prior to the meeting. If you cannot attend in person, you can watch the live-streamed event at <http://www.russellcity.org/274/GoTo-Meeting>.



CITY COUNCIL AGENDA FORM

Meeting Date: November 1, 2022

Agenda Item Title: Employee Recognition - Megan Koetkemeyer, Kansas Association of Mappers Award

Department: City Manager

Presenter: Jon Quinday

Background: Megan Koetkemeyer is the City's GIS/Planning Technician whose work includes working with the various departments mapping the City's infrastructure and assets. Megan's maps and associated data have been integral in the creation of the City's Asset Management Program, AMI deployment, resource deployment and quicker response to specific areas within the City proper and fifty-mile electric service territory.

The Kansas Association of Mappers (KAM) is a professional society for mapping and GIS (Geographic Information Systems) in Kansas founded in 1986. Each year KAM sponsors a Map Gallery during its annual conference to give members an opportunity to display their work. Winners are based on popular vote. In her first submission, Megan received 3rd place for the best digital masterpiece at the KAM conference for the interactive map that she created for the City of Russell Cemetery.

This interactive map, available on the City website, offers families and researchers an online tool to locate specific cemetery plot locations, availability, and the ability to initiate a plot purchase online. The interactive map is available at:

<https://experience.arcgis.com/experience/98982a3e6baa4233b>

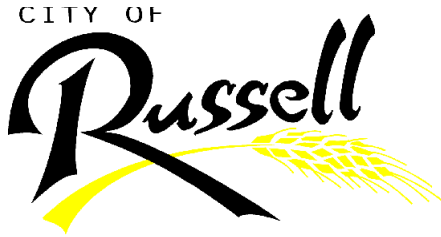
Funding Source: N/A

City Attorney Review/Comment: N/A

Options: Publicly recognize Megan Koetkemeyer for her Kansas Association of Mappers award for the interactive cemetery map she created for the City of Russell cemetery.

Staff Recommendations: Publicly recognize Megan Koetkemeyer for her Kansas Association of Mappers award for the interactive cemetery map she created for the City of Russell cemetery.

Attachments:



CITY COUNCIL AGENDA FORM

Meeting Date: November 1, 2022

Agenda Item Title: Public Hearing for the Establishing a Rural Housing Incentive District, Approval of the Redevelopment Plan, and Ratifying the Development Agreement

Department: City Manager

Presenter: Jon Quinday

Background: On September 20, 2022, Council adopted Resolution 24-22, finding and determining that:

1. There is a shortage of quality housing of various price ranges within the City despite the best efforts of public and private housing developers.
2. The shortage of quality housing can be expected to persist and the additional financial incentives are necessary in order to encourage the private sector to construct or renovate housing within 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 well being of the City depends on the Governing Body providing additional incentives for the construction of/or renovation of quality housing in the City.

Based on these findings and determinations, the Governing Body proposes the establishment of a Rural Housing Incentive District within the City pursuant to the Act. (K.S.A.12-5219et seq.). Following the adoption of the Resolution, a certified

copy was submitted to the Secretary of Commerce 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 12, 2022 the City received notice of the Secretary of Commerce's approval to create and RHID.

City staff and RDI completed a draft Development Agreement to implement the proposed Development Plan. The City's economic development policy provides that when the proposed Development Plan and draft Development Agreement are ready for presentation to Council, Council is to consider adopting a resolution calling for a public hearing on the creation of the RHID and adoption of the plan.

On October 18, 2020, Council adopted Resolution 26-22 setting a public hearing for 4:30 pm on November 1, 2022 for the creation of the RHID and approval of the development plan and ratifying and confirming the development agreement. The publication and notification requirements outlined in Resolution 26-22 were completed.

After receiving public input during the public hearing, Council is asked to consider an Ordinance establishing a Rural Housing Incentive District and adopting a plan for the development of housing and public facilities in such district.

Funding Source: Russell Development Inc. Incentives Deposit

City Attorney Review/Comment: 10/26/2022

Options:

1. Open the public hearing and take public comments on the creation of the Rural Housing Incentive District, approval of the Redevelopment Plan and Ratifying the Development Agreement. Close the public hearing at the conclusion of public comments.

2. Take no action - the RHID process does not proceed.

Staff Recommendations: Open the public hearing and take public comments on the creation of the Rural Housing Incentive District, approval of the Redevelopment Plan and Ratifying the Development Agreement. Close the public hearing at the conclusion of public comments.

Attachments:



CITY COUNCIL AGENDA FORM

Meeting Date: November 1, 2022
Agenda Item Title: Consent Agenda Items
Department: City Clerk
Presenter: Ashley Mai

Background: Items to approve:

1. October 18, 2022 Council Meeting Minutes
2. Russell Recreation Commission Board Appointment - Sadee Soldan, replacing Dave Beagley's unexpired term January 2023.
3. Contractor License

Funding Source: N/A

City Attorney Review/Comment: N/A

Options:

1. Approve the consent agenda as presented
2. By motion, separate items for individual consideration

Staff Recommendations: Approve the consent agenda as presented.

Attachments:
[October 18, 2022 Council Meeting Minutes](#)
[Contractor License](#)

Tuesday, October 18, 2022

Russell City Council Meeting - Minutes

City Hall

Russell, KS

Present: Councilmember Aaron Talbott, Councilmember Blaine Stoppel, Councilmember Dustin Madden, Mayor Jim Cross, Councilmember Lonnie Whitten, Councilmember Michelle Wagner Schneider, Councilmember Mitch Driscoll, Councilmember Monty Morrill, Councilmember Andrea Garland

1. CALL TO ORDER

Mayor Jim Cross called the meeting to order at 4:30 pm with the following members in attendance: City Manager Jon Quinday, City Attorney Ken Cole, Assistant City Manager Kayla Schneider, Public Works Director Rich Krause, Police Chief Jordan Harrison, Fire Chief Dylan Riedel, Building Official Roger Sells, Finance Director Katrina Woelk, City Clerk Ashley Mai, Water Utility Director Randy Baker, Electric Utility Director Duane Banks, and Dave Sturgeon Power Plant Superintendent.

2. INVOCATION/PLEDGE OF ALLEGIANCE

Pastor Teri Sutherlin led the Invocation. Mayor Jim Cross led the Pledge of Allegiance.

3. APPROVAL OF AGENDA

Councilmember Mitch Driscoll joined the meeting at 4:32 p.m.

Councilmember Dustin Madden made a motion to amend the agenda to add Item 5a under Presentations and Public Hearings - a public hearing for Unsafe or Dangerous Structure at 1337 N Elm Street AND Item 8b under Unfinished Business - Resolution Ordering the Repair or Removal of Unsafe Structure at 1337 N. Elm Street.

Councilmember Lonnie Whitten seconded. The motion carried unanimously.

4. PUBLIC COMMENTS I

None

5. PRESENTATIONS AND PUBLIC HEARINGS

5.a Public Hearing for Unsafe or Dangerous Structure(s) at 1337 N. Elm Street

Mayor Jim Cross opened the public hearing at 4:35 p.m. Building Official Roger Sells presented the findings from inside and outside making the property unsafe and dangerous and unfit for living conditions. Bev Driscoll spoke regarding grants she applied for to make improvements to the property, and she stated she should be given the opportunity to make repairs and clean up the property. After no further comments or questions, Mayor Jim Cross closed the public meeting at 4:46 p.m.

6. CONSENT AGENDA

6.a Consent Agenda Items

Councilmember Dustin Madden made a motion to approve the consent agenda. Councilmember Blaine Stoppel seconded. The motion carried unanimously.

7. EXECUTIVE SESSION

7.a Discussion of Non-Elected Personnel

Councilmember Dustin Madden made a motion to recess into executive session to discuss an individual employee's performance pursuant to the non-elected personnel matter exception, KSA 75-4319 (b)(1). The open meeting will resume in the city council chambers at 4:58 p.m. Councilmember Lonnie Whitten seconded. The motion carried unanimously.

The meeting resumed at 4:58 p.m. with no action taken.

Councilmember Dustin Madden made a motion to recess into executive session to discuss an individual employee's performance pursuant to the non-elected personnel matter exception, KSA 75-4319 (b)(1). The open meeting will resume in the city council chambers at 5:08 p.m. Councilmember Lonnie Whitten seconded. The motion carried unanimously.

The meeting resumed at 5:08 p.m. with no action taken.

Councilmember Dustin Madden made a motion to recess into executive session to discuss an individual employee's performance pursuant to the non-elected personnel matter exception, KSA 75-4319 (b)(1). The open meeting will resume in the city council chambers at 5:13 p.m. Councilmember Lonnie Whitten seconded. The motion carried unanimously.

The meeting resumed at 5:13 p.m. with no action taken.

Councilmember Dustin Madden made a motion to recess into executive session to discuss an individual employee's performance pursuant to the non-elected personnel matter exception, KSA 75-4319 (b)(1). The open meeting will resume in the city council chambers at 5:18 p.m. Councilmember Lonnie Whitten seconded. The motion carried unanimously.

The meeting resumed at 5:18 p.m. with no action taken.

8. UNFINISHED BUSINESS

8.a Resolution establishing the date and time of a public hearing for creation of an RHID, adoption of the redevelopment plan, and development agreement

Councilmember Dustin Madden made a motion to approve the Resolution establishing November 3, 2022, at 4:30 p.m. for a public hearing for consideration of the creation of the RHID and adoption of the development plan and development agreement as to form. Councilmember Michelle Wagner Schneider seconded. The motion carried unanimously.

8.b Resolution Ordering the Repair or Removal of Unsafe Structure(s) at 1337 N Elm St.

Councilmember Blaine Stoppel made a motion to approve the resolution finding the structure at 1337 N. Elm unsafe and direct the structure to be repaired or removed and premises made safe. Councilmember Michelle Wagner Schneider seconded. The motion carried unanimously.

8.c Ninth Amendment to City Manager's Employment Agreement

Councilmember Dustin Madden made a motion to approve the ninth amendment to the city manager's employment agreement as presented. Councilmember Blaine Stoppel seconded. The motion carried 7-1 with Councilmember Mitch Driscoll voting in opposition.

9. NEW BUSINESS

9.a Golf Course Greens Fees and Memberships

Council directed city staff to contact surrounding golf courses for their current green fees and membership rates

10. DEPARTMENT REPORTS

10.a Water Source Status

Water Utility Director Randy Baker presented the Water Source Status.

The US Drought Monitor released October 13, 2022, kept Russell in the extreme drought category - this includes the area of our Pfiefer wellfield. The National Oceanic and Atmospheric Administration (NOAA) Climate Prediction Center's 8 - 14 day outlook, valid from October 21 - 27, 2022, shows a 50-60% probability of above normal temperatures and 33-40% probability of below normal precipitation - unchanged from two week ago.

10.b Department Monthly Activity Reports

11. PUBLIC COMMENTS

II None

12. EXECUTIVE SESSION

13. GOVERNING BODY/CITY MANAGER COMMENTS

13.a City Manager Jon Quinday recognized Assistant City Manager Kayla Schneider on her presentation to the Department of Labor Safety Conference. Feedback from attendees was excellent. Assistant City Manager Schneider provided Council with an overview of her presentation.

14. ADJOURNMENT

Councilmember Michelle Wagner Schneider made a motion to adjourn the meeting at 6:13 p.m. Councilmember Blaine Stoppel seconded. The motion carried unanimously.

Ashley Mai, City Clerk



November 1, 2022

Contractors

<u>Name</u>	<u>Address</u>	<u>City</u>	<u>State</u>	<u>Zip</u>
<u>Concrete</u>				
Old House Love Restorations	808 Milner St	Hays	KS	67601



CITY COUNCIL AGENDA FORM

Meeting Date: November 1, 2022

Agenda Item Title: Ordinance Establishing a Rural Housing Incentive District and Adopting the Plan for the Development of Housing and Public Facilities in such District - Holland Hotel Apartments

Department: City Manager

Presenter: Jon Quinday

Background: After receiving public input during the public hearing, Council is asked to adopt the Ordinance establishing a Rural Housing Incentive District and adopting the plan for the development of housing and public facilities in such district and ratifying the development agreement for the Holland Hotel Apartments.

Funding Source: Russell Development Inc. Incentives Deposit

City Attorney Review/Comment: 10/26/2022

Options:

1. Adopt the ordinance Ordinance establishing a Rural Housing Incentive District and adopting the plan for the development of housing and public facilities in such district, and ratifying and confirming the development agreement for the Holland Hotel Apartments.
2. Provide staff with alternate direction.
3. Take no action - the RHID process does not proceed.

Staff Recommendations: Adopt the ordinance Ordinance establishing a Rural Housing Incentive District and adopting the plan for the development of housing and public facilities in such district, and ratifying and confirming the development agreement for the Holland Hotel Apartments.

Attachments:

[Ordinance Establishing a Rural Housing Incentive District - Holland Hotel Apartments](#)

[Holland Hotel Development Agreement](#)

[Holland Hotel Redevelopment Plan](#)

**EXCERPT OF MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF RUSSELL, KANSAS
HELD ON NOVEMBER 1, 2022**

The governing body met in regular session at the usual meeting place in the City at 4:30 P.M., the following members being present and participating, to-wit:

Absent:

The Mayor declared that a quorum was present and called the meeting to order.

(Other Proceedings)

Among other business, in accordance with Resolution No. 26-22 published on October 20, 2022, in the *Russell County News*, a public hearing was held by the governing body relating to the proposed establishment of a Rural Housing Incentive District within the City and adopting a plan for the development of housing and public facilities in such District. At the hearing, each project proposed for the District was identified and explained, and the developer that has contracted with the City to undertake such project was identified and present in person. Following the presentation, all interested persons were afforded an opportunity to present their views on the establishment of the District and the proposed projects. Thereafter the public hearing was closed.

Following the close of the public hearing, there was presented to the governing body an Ordinance entitled:

AN ORDINANCE OF THE CITY OF RUSSELL, 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 (HOLLAND HOTEL APARTMENTS RURAL HOUSING INCENTIVE DISTRICT).

Councilmember _____ moved that the ordinance be passed. The motion was seconded by Councilmember _____. The ordinance was duly read and considered, and upon being put, the motion for the passage of the ordinance was carried by the vote of the governing body as follows:

Yea: _____.

Nay: _____.

The Mayor declared the ordinance duly passed and the ordinance was duly numbered Ordinance No. _____, was approved and signed by the Mayor and attested by the City Clerk, and was directed to be published one time in the official City newspaper.

(Other Proceedings)

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On motion duly made, seconded and carried, the meeting thereupon adjourned.

CERTIFICATE

I certify that the foregoing Excerpt of Minutes is a true and correct summary of the proceedings of the governing body of the City of Russell, Kansas held on the date stated therein, and that the official minutes of such proceedings are on file in my office.

(SEAL)

Clerk

(Published in *The Russell County News* on November __, 2022)

ORDINANCE NO. ____

AN ORDINANCE OF THE CITY OF RUSSELL, 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 (HOLLAND HOTEL APARTMENTS 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 the Kansas Department of Commerce (the “Secretary”) requesting that the Secretary agree with the finding contained in such resolution; and

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

WHEREAS, the City of Russell, Kansas (the “City”) has an estimated population of approximately 4,400 and therefore constitutes a city as the term is defined in the Act; and

WHEREAS, the governing body of the City (the “Governing Body”) has performed a Housing Assessment Tool (HAT) Analysis, dated September 20, 2019 (the “Needs Analysis”), a copy of which is on file in the office of the City Clerk; and

WHEREAS, the Governing Body adopted Resolution No. 24-22 on September 20, 2022, which made certain findings relating to the need for financial incentives relating to the construction of quality housing within the City, declared it advisable to establish a rural housing incentive district pursuant to the Act, made certain findings related to the age and location of buildings within the proposed rural housing incentive district, and authorized the submission of such resolution and the Needs Analysis to the Kansas Department of Commerce in accordance with the Act; and

WHEREAS, the Secretary of the Kansas Department of Commerce, pursuant to a letter dated September 28, 2022, authorized the City to proceed with the establishment of a rural housing incentive district pursuant to the Act; and

WHEREAS, the City has caused to be prepared a plan (the “Plan”) for the development or redevelopment of housing and public facilities in the proposed Holland Hotel Apartments Rural Housing Incentive District (the “District”) in accordance with the provisions of the Act; and

WHEREAS, the Plan includes:

1. The legal description and map required by K.S.A. 12-5244(a).
2. The existing assessed valuation of the real estate in the proposed District listing the land and improvement value separately.
3. A list of the names and addresses of the owners of record of all real estate parcels within the proposed District.
4. A description of the housing and public facilities project or projects that are proposed to be constructed or improved in the proposed District, and the location thereof.
5. A listing of the names, addresses, and specific interests in real estate in the proposed District of the developers responsible for development of the housing and public facilities in the proposed District.
6. The contractual assurances, if any, the Governing Body has received from such developer or developers, guaranteeing the financial feasibility of specific housing tax incentive projects in the proposed District.
7. A comprehensive analysis of the feasibility of providing housing tax incentives in the proposed District as provided in the Act, which shows the public benefit derived from the District will exceed the costs and that the income therefrom, together with all public and private sources of funding, will be sufficient to pay for the public improvements that may be undertaken in the District.

WHEREAS, the Governing Body of the City has heretofore adopted Resolution No. 26-22, which made a finding that the City is considering establishing the proposed District and adopting the proposed Plan pursuant to the Act, set forth the boundaries of the proposed District, provided a summary of the proposed Plan, called a public hearing concerning the establishment of the proposed District for November 1, 2022, and provided for notice of such public hearing as provided in the Act; and

WHEREAS, a public hearing was held on November 1, 2022, after notice was duly published and delivered in accordance with the provisions of the Act; and

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

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

Section 1. Findings. The Governing Body hereby finds that notice of the public hearing conducted November 1, 2022, was duly 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, which shall consist of the following described real property:

Russell Original Town, S27, T13, R14W, Block 87, Lot 6, Section 27 Township 13 Range 14W, in the City of Russell, Russell County, Kansas

The District's boundaries do not contain any property not referenced in Resolution No. 26-22, which provided notice of the public hearing on the creation of the District and adoption of the Plan.

Section 3. Approval of Development Plan. The Plan for the development or redevelopment of housing and public facilities in the District, as presented to the Governing Body this date, is hereby approved. In addition, the approval of the Development Agreement relating to the Holland Hotel Apartments Rural Housing Incentive District between the City and the developer thereof is hereby ratified and confirmed.

Section 4. Adverse Effect on Other Governmental Units. If, within 30 days following the conclusion of the public hearing on November 1, 2022, any of the following occurs, the Governing Body shall take action to repeal this Ordinance:

(a) The Board of Education of Unified School District No. 407, Russell County, Kansas (Russell) determines by resolution that the District will have an adverse effect on such school district; or

(b) The Board of County Commissioners of Russell County, Kansas, determines by resolution that the District will have an adverse effect on such county.

As of this date, the City has not received a copy of any such resolution and is not aware of the adoption of any such resolution by the governing body of either Unified School District No. 407, Russell County, Kansas (Russell) or of Russell County, Kansas.

Section 5. Further Action. The Mayor, City Manager, City Clerk, City officials and employees, including the City Attorney, and Gilmore & Bell, P.C., are hereby further authorized and directed to take such other actions as may be appropriate or desirable to accomplish the purposes of this Ordinance.

Section 6. Effective Date. This Ordinance shall be effective upon its passage by the Governing Body, approval by the Mayor, and publication one time in the official City newspaper.

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PASSED by the Governing Body of the City of Russell, Kansas, and **APPROVED** and **SIGNED** by the Mayor, on November 1, 2022.

(SEAL)

Jim A. Cross, Mayor

ATTEST:

Ashley Mai, City Clerk

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CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of the original ordinance; that the Ordinance was passed on November 1, 2022; that the record of the final vote on its passage is found on page ____ of journal ____; and that it was published in the *Russell County News* on November __, 2022.

DATED: November __, 2022.

Ashley Mai, City Clerk

**DEVELOPMENT AGREEMENT
HOLLAND HOTEL APARTMENTS
RURAL HOUSING INCENTIVE DISTRICT**

THIS DEVELOPMENT AGREEMENT (“Agreement”) is entered into effective as of October 18, 2022 (the “**Effective Date**”), by and between the **CITY OF RUSSELL**, Kansas, a municipal corporation of the State of Kansas (“**City**”), and **RUSSELL DEVELOPMENT, INC.**, a Kansas not-for-profit corporation (“**Developer**”). The City and the Developer are each a “**Party**” and collectively the “**Parties.**”

RECITALS

- A.** Developer has acquired real property and improvements located within the boundaries of City and described on *Exhibit A* attached hereto and incorporated herein by reference (the “**Property**”).
- B.** Developer desires to redevelop the Property into a 11 unit multifamily residential complex (“**Holland Hotel Apartments Project**”), all as more fully described herein.
- C.** City has determined that the construction of the Holland Hotel Apartments Project will foster the economic development of City and surrounding area of Russell County, Kansas.
- D.** The Parties are authorized to enter into this Agreement and to complete the responsibilities set forth herein with respect to the Holland Hotel Apartments Project.

AGREEMENT

NOW THEREFORE, in consideration of the premises and promises contained herein and other good and valuable consideration, the adequacy and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

**ARTICLE I
DEFINITIONS AND RULES OF CONSTRUCTION**

1.1 Definitions. As used in this Agreement, the following words and terms have the meaning set forth below:

“**Agreement**” means this Development Agreement, as the same may be from time to time modified, amended or supplemented in writing by the Parties hereto.

“**City**” means the City of Russell, Kansas.

“**City Expenses**” means all legal and professional costs, fees and expenses incurred by City with regard to the preparation of this Agreement, and any and all other Ordinances, Resolutions or other documents necessary for implementation of the District as well as for representation and appearances of legal counsel at any hearings or proceedings required to implement the District. In addition, City Expenses shall include the costs of utility infrastructure

“**Concept Site Plan**” means the site development plan prepared by a licensed professional engineer or architect, or firm thereof, acceptable to City, depicting the conceptual program for construction of the Holland Hotel Apartments Project.

“Construction Plans” means plans, drawings, specifications and related documents, and construction schedules for the construction of the Work, together with all supplements, amendments or corrections.

“Developer” means Russell Development, Inc., a Kansas not-for-profit corporation, or its permitted successors or assigns.

“Development Costs” means the total amount spent or expected to be spent by Developer to construct the Work.

“Development Plan” means the Development Plan prepared by the City in accordance with the provisions of the Rural Housing Incentive District Act and approved by the Developer, a copy of which is attached hereto at *Exhibit F*.

“District” means the Holland Hotel Apartments Rural Housing Incentive District to be established pursuant the Rural Housing Incentive District Act and the RHID Ordinance.

“Eligible Costs” means the City Expenses, the cost of the Property, and the costs of residential improvements made to the second or higher floors of buildings or structures located in the District that are more than 25 years of age and used primarily for residential purposes which are reimbursable to the Developer pursuant to the provisions of K.S.A. 12-5249, including associated legal, engineering, architectural, and project finance costs, all as more specifically described on *Exhibit C* attached hereto and incorporated herein by this reference.

“Holland Hotel Apartments Project” means the redevelopment of the Property into a 11 unit multifamily residential complex in accordance with the Concept Site Plan.

“Governing Body” means the City Council of the City of Russell, Kansas.

“Material Change” means any change in the Concept Site Plan that modifies the number of residential units, or increases/decreases the cost of the Holland Hotel Apartments Project by \$100,000 or more for each change or \$200,000 in the aggregate.

“Mayor” means the Mayor of the City of Russell, Kansas or their duly authorized agent.

“Property” means the real property (including but not limited to fee interests, leasehold interests, tenant-in-common interests, and such other like or similar interests) on which the Holland Hotel Apartments Project will be located, more specifically described in *Exhibit A* attached hereto and depicted on *Exhibit B* attached hereto.

“Related Party” means any party related to the Developer by one of the relationships described in Section 267(b) of the United States Internal Revenue Code of 1986, as amended and any successor entity in which the principals of the Developer (either individually or collectively) or Developer own or control no less than fifty percent (50%) of the voting interest in such successor entity.

“RHID Funds” means 85% of the amounts described in K.S.A. 12-5250(b)(2), which amounts are to be paid from the Russell County Treasurer to the Treasurer of the City pursuant to K.S.A. 12-5250(b)(2)(A) as a result of the Holland Hotel Apartments Project.

“RHID Ordinance” means the ordinance passed by the Governing Body approving the Development Plan and establishing the District.

“Rural Housing Incentive District Act” means K.S.A. 12-5241 *et seq.*, as amended.

“Substantial Completion” means the stage in the progress of the Work when the Work or designated portions thereof is sufficiently complete in accordance with the Construction Plans, excepting all punch list items so that Developer can occupy or utilize the Work for its intended purpose.

“Work” means all work necessary to prepare the Property and to construct the Holland Hotel Apartments Project, including; (1) renovation of existing improvements located on the Property; (2) construction, reconstruction and/or relocation of utilities; (3) construction of the residential units and related structures; (4) construction and installation of site landscaping on the Property, as described in the Concept Site Plan; and (5) all other Work described in the Concept Site Plan, or reasonably necessary to effectuate the intent of this Agreement.

1.2 Rules of Construction. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction apply in construing the provisions of this Agreement:

- (a) The terms defined in this Article include the plural as well as the singular.
- (b) All accounting terms not otherwise defined herein have the meanings assigned to them, and all computations herein provided for will be made, in accordance with generally accepted accounting principles.
- (c) All references herein to “generally accepted accounting principles” refer to such principles in effect on the date of the determination, certification, computation or other action to be taken hereunder using or involving such terms.
- (d) All references in this instrument to designated “Articles,” “Sections” and other subdivisions are to the designated Articles, Sections and other subdivisions of this instrument as originally executed.
- (e) The words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision.
- (f) The Article and Section headings herein are for convenience only and will not affect the construction hereof.

ARTICLE II REPRESENTATIONS AND WARRANTIES

2.1 Representations of the City. The City makes the following representations and warranties, which are true and correct on the date hereof, to the best of the City’s knowledge:

- (a) ***Due Authority.*** The City has full constitutional and lawful right, power and authority, under current applicable law, to execute and deliver and perform the terms and obligations of this Agreement, and this Agreement has been duly and validly authorized and approved by all necessary City proceedings, findings and actions. Accordingly, this Agreement constitutes the legal valid and binding obligation of the City, enforceable in accordance with its terms.

(b) **No Defaults or Violation of Law.** The execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, and the fulfillment of the terms and conditions hereof do not and will not conflict with or result in a breach of any of the terms or conditions of any agreement or instrument to which it is now a party, and do not and will not constitute a default under any of the foregoing.

(c) **No Litigation.** There is no litigation, proceeding or investigation pending or, to the knowledge of the City, threatened against the City with respect to this Agreement or affecting the Property. In addition, no litigation, proceeding or investigation is pending or, to the knowledge of the City, threatened against the City seeking to restrain, enjoin or in any way limit the approval or issuance and delivery of this Agreement or which would in any manner challenge or adversely affect the existence or powers of the City to enter into and carry out the transactions described in or contemplated by the execution, delivery, validity or performance by the City of the terms and provisions of this Agreement.

(d) **Governmental or Corporate Consents.** No consent or approval is required to be obtained from, and no action need be taken by, or document filed with, any governmental body or corporate entity in connection with the execution and delivery by the City of this Agreement.

(e) **No Default.** No default or Event of Default has occurred and is continuing, and no event has occurred and is continuing which with the lapse of time or the giving of notice, or both, would constitute a default or an event of default in any material respect on the part of the City under this Agreement.

2.2 Representations of the Developer. The Developer makes the following representations and warranties, which are true and correct on the date hereof, to the best of the Developer's knowledge:

(a) **Due Authority.** The Developer has all necessary power and authority to execute and deliver and perform the terms and obligations of this Agreement and to execute and deliver the documents required of the Developer herein, and such execution and delivery has been duly and validly authorized and approved by all necessary proceedings. Accordingly, this Agreement constitutes the legal valid and binding obligation of the Developer, enforceable in accordance with its terms.

(b) **No Defaults or Violation of Law.** The execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, and the fulfillment of the terms and conditions hereof do not and will not conflict with or result in a breach of any of the terms or conditions of any corporate or organizational restriction or of any agreement or instrument to which they are now a party, and do not and will not constitute a default under any of the foregoing.

(c) **No Litigation.** No litigation, proceeding or investigation is pending or, to the knowledge of the Developer, threatened against the Holland Hotel Apartments Project, the Developer or any officer, director, member or shareholder of the Developer. In addition, no litigation, proceeding or investigation is pending or, to the knowledge of the Developer, threatened against the Developer seeking to restrain, enjoin or in any way limit the approval or issuance and delivery of this Agreement or which would in any manner challenge or adversely affect the existence or powers of the Developer to enter into and carry out the transactions described in or contemplated by the execution, delivery, validity or performance by the Developer, of the terms and provisions of this Agreement.

(d) **No Material Change.** (1) The Developer has not incurred any material liabilities or entered into any material transactions other than in the ordinary course of business except for the transactions contemplated by this Agreement and (2) there has been no material adverse change in the business, financial position, prospects or results of operations of the Developer, which could affect the Developer's ability to

perform its obligations pursuant to this Agreement from that shown in the financial information provided by the Developer to the City prior to the execution of this Agreement.

(e) **Governmental or Corporate Consents.** No consent or approval is required to be obtained from, and no action need be taken by, or document filed with, any governmental body or corporate entity in connection with the execution, delivery and performance by the Developer of this Agreement other than as set forth herein.

(f) **No Default.** No default or Event of Default has occurred and is continuing, and no event has occurred and is continuing which with the lapse of time or the giving of notice, or both, would constitute a default or an event of default in any material respect on the part of the Developer under this Agreement, or any other material agreement or material instrument to which the Developer is a party or by which Developer is or may be bound.

(g) **Compliance with Laws.** The Developer is in material compliance with all valid laws, ordinances, orders, decrees, decisions, rules, regulations and requirements of every duly constituted governmental authority, commission and court applicable to any of its affairs, business, operations as contemplated by this Agreement.

(h) **Other Disclosures.** The information furnished to the City by the Developer in connection with the matters covered in this Agreement is true and correct and does not contain any untrue statement of any material fact and does not omit to state any material fact required to be stated therein or necessary to make any statement made therein, in the light of the circumstances under which it was made, not misleading.

2.3 Maintenance of Existence. During the term of this Agreement the Developer will maintain its legal existence, will continue to be in good standing under the laws of the State of Kansas and will not dissolve consolidate with or merge into another entity or permit one or more other entities to consolidate with or merge into it.

2.4 Conditions to the Effectiveness of this Agreement. Contemporaneously with the execution of this Agreement, and as a precondition to the effectiveness of this Agreement, the Developer will submit the following documents to the City:

- (a) a copy of the Developer's Articles of Incorporation and a good standing certificate dated within one month of the date of this Agreement, each certified by the Secretary of State of the State of Kansas;
- (b) a certified copy of the Bylaws of the Developer; and
- (c) a list of the officers and board members of the Developer.

2.5 Final Approval Required. This Agreement will be void: (a) if the City does not finalize all required steps to create the District pursuant to the Rural Housing Incentive District Act by adoption of the RHID Ordinance within [60] days after the Effective Date; or (b) if the District is nullified in the manner set forth in K.S.A. 12-5246. Until the passage of the RHID Ordinance, the Governing Body retains sole discretion on the Holland Hotel Apartments Project. In addition, the zoning commission and the City retain full discretion within existing ordinances and policy regarding its zoning, planning, permitting and inspection requirements.

**ARTICLE III
RURAL HOUSING INCENTIVE DISTRICT**

3.1 Preliminary Resolution. The Governing Body has heretofore adopted Resolution No. ____ (the “Preliminary Resolution”), which made certain findings pursuant to the Rural Housing Incentive District Act, relative to the need for housing in the City and declaring an intent to establish rural housing incentive districts within the City.

3.2 Department of Commerce Finding. Pursuant to the Preliminary Resolution, the City caused to be prepared a Housing Needs Analysis and forwarded the same with the Preliminary Resolution, to the Kansas Secretary of Commerce. On September 28, 2022, the Kansas Secretary of Commerce issued a letter to the City making certain findings required by the Rural Housing Incentive District Act, and approved the City’s ability to establish rural housing incentive districts.

3.3 Further Proceedings. The City has caused to be prepared the Development Plan in accordance with the provisions of the Rural Housing Incentive District Act, and plans to consider a resolution calling a public hearing relative to the Development Plan, conduct a public hearing, and consider the RHID Ordinance approving the Development Plan and establishing the District. The District will be deemed to be established at the time the RHID Ordinance is passed by the Governing Body and published as required by law. The Parties acknowledge that the creation of the District is subject to nullification in the manner set forth in K.S.A. 12-5246.

**ARTICLE IV
CONSTRUCTION**

4.1 Concept Site Plan.

(a) Developer, at its cost, has had prepared the Concept Site Plan, which is hereby approved by the Parties. Notwithstanding anything to the contrary herein, the City’s acceptance of the Concept Site Plan is not acceptance of the final site plan as required by the City ordinances and the City retains full and complete discretion to review, modify and approve or not approve such final site plan through its normal planning, zoning and permitting process.

(b) Developer will promptly notify City in writing of any proposed Material Changes to the Concept Site Plan at least 30 days prior to the implementation of any such Material Change, including a description of the Material Change and reasons therefore, including any supporting documentation requested by the City. Developer may implement a proposed Material Change to the Concept Site Plan only with the advance written consent of the City.

(c) Developer may make changes which are not Material Changes to the Concept Site Plan or any aspect thereof as site conditions or other issues of feasibility may dictate or as may be necessary or desirable in the sole determination of Developer to enhance the economic viability of the Holland Hotel Apartments Project, with approval from the City.

4.2 Schedule. Developer will commence renovation and construction of the Holland Hotel Apartments Project no later than January 1, 2023. Developer will diligently pursue and must obtain Substantial Completion of the Holland Hotel Apartments Project within 15 months after commencement of construction or the Developer will be in material breach of this Agreement.

4.3 Holland Hotel Apartments Project Construction.

(a) Developer will construct, at its cost, the Holland Hotel Apartments Project in a good and workmanlike manner in accordance with the terms of the Development Plan and this Agreement and as set forth in the Construction Plans. Notwithstanding anything to the contrary herein, all work on the Holland Hotel Apartments Project will comply with existing City codes, rules and regulations. If Developer serves as general contractor for the Holland Hotel Apartments Project, Developer will not charge more for such services than a third-party contractor would customarily charge for such services. All work on the Holland Hotel Apartments Project will be inspected by City staff during construction as if this Agreement did not exist.

(b) Developer may enter into one or more construction contracts to complete the Holland Hotel Apartments Project. Prior to the commencement of construction of the Holland Hotel Apartments Project, Developer will obtain, or will require that any such contractor obtain, the insurance required in *Section 7.8* hereof and will deliver evidence of such insurance to City.

(c) Promptly after Substantial Completion of the Work, in accordance with the provisions of this Agreement, Developer will furnish to City a Certificate of Substantial Completion in the form attached hereto as *Exhibit D*. The City will, within thirty (30) days following delivery of the Certificate of Substantial Completion, carry out such inspections as it deems necessary to (i) verify reasonable satisfaction with, and the accuracy of, the certifications contained in the Certificate of Substantial Completion, and (ii) verify, in the City's sole discretion, that the Work complies with all applicable City code and permitting requirements. The Certificate of Substantial Completion will be deemed accepted by City unless, prior to the end of such 30-day period after delivery to City of each Certificate of Substantial Completion, City furnishes Developer with specific written objections to the status of the Work, describing such objections and the written objections to the status of the Work, describing such objections and the measures required to correct such objections in reasonable detail.

ARTICLE V FINANCING OBLIGATIONS

5.1 Financing of Holland Hotel Apartments Project. All costs of the Holland Hotel Apartments Project will be paid in cash or financed by Developer, except that the City waive a sum of money up to a value equal to \$20,001 for the costs of building permit fees, utility tap fees, and utility infrastructure. The City will use RHID Funds to reimburse Developer for a portion of the Eligible Costs, subject to the terms of this Agreement. Reimbursements will be made solely to the Developer. So long as the total amount of Eligible Costs requested for reimbursement does not exceed the actual amount expended for such use:

(a) the Developer may seek reimbursement of any particular line item on *Exhibit C* not exceeding 120% of the amount stated therein; and

(b) the Developer will be permitted to adjust the amounts estimated as Eligible Costs within and between each line item with the written consent of the City Manager.

5.2 Request for Reimbursement. The Developer will certify all costs and expenditures to be made in connection with the Eligible Costs in accordance with the following:

(a) The Developer will submit to the City a Request for Reimbursement in the form attached hereto as **Exhibit E** setting forth the amount for which reimbursement is sought and an itemized listing of the related Eligible Costs.

(b) Each Request for Reimbursement will be accompanied by such bills, contracts, invoices, or other evidence reasonably satisfactory to the City to document that payment has been made by the Developer for such Eligible Costs.

5.3 Reimbursement. The City will have 30 calendar days after receipt of any Request for Reimbursement to review and respond by written notice to the Developer. If the submitted documentation demonstrates that: (1) the Request for Reimbursement shows payment of the Eligible Costs; (2) the expense was incurred; (3) the Developer is not in default under this Agreement; and (4) the City has not discovered any fraud on the part of the Developer, then the City will approve the Request for Reimbursement and promptly reimburse the Developer for the Eligible Costs pursuant to the terms of this Agreement if sufficient RHID Funds are available, and quarterly as funds become available in the event that RHID Funds in the City's possession are at that time insufficient. In the event the City does not respond within such 30-day period, the Request for Reimbursement will be deemed approved. If the City disapproves of the Request for Reimbursement, the Parties will meet to resolve any such differences. If a resolution is not found regarding specific cost(s), the denied cost will not be an Eligible Cost unless and until a final order from a court of competent jurisdiction is received by the City requiring the cost to be accepted as an Eligible Cost or other written agreement of the Parties. Reimbursements will cease upon the earlier of (a) such time as the Eligible Costs have been fully reimbursed to Developer, or (b) 25 years after the date of the establishment of the District. The City will have no liability and/or responsibility to Developer for any payment greater than the amounts received from the Russell County Treasurer pursuant to the provisions of K.S.A. 12-5250(b)(2)(A) as a result of the creation of the District.

5.4 Payment of City Expenses. Any City Expenses paid by the Developer will be Eligible Costs. The City agrees The City will waive a sum of money up to a value equal to \$20,001 for the costs of building permit fees, utility tap fees, and utility infrastructure.

ARTICLE VI GRANT PROVISIONS

6.1 Grants. The City has heretofore been awarded a grant through the Kansas Department of Commerce ("KDOC") in the amount of \$1,000,000 through the state economic development fund, as authorized by Kansas House Bill 2510 (the "Kansas Economic Development Incentive Fund Grant"), to assist with financing of the Holland Hotel Apartments Project. The City has also applied for a 2022 Moderate Income Housing grant (the "MIH Grant") from the Kansas Housing Resources Corporation (KHRC), to assist with financing of the Holland Hotel Apartments Project. Each of the Kansas Economic Development Incentive Fund Grant and MIH Grant, and both, if applicable, are referred to below as the "Grant."

6.2 Developer Assumption of Grant Obligations. The City has, and will, if KHRC awards the MIH Grant, enter into a Grant Agreement with respect to the Grant. Upon effectiveness of a Grant Agreement, the City assigns all rights under the Grant Agreement to Developer and Developer assumes and agrees to undertake responsibility for carrying out all activities required or contemplated under the Grant Agreement in a manner satisfactory to the City and consistent with all standards required as a condition of the Grant. On or after the date of execution and effectiveness of a Grant Agreement, the City and Developer will execute an Acknowledgment of Assignment and Assumption ("**Acknowledgment**") substantially in the form attached hereto as **Exhibit G** pursuant to which the City and Developer will acknowledge and

affirm the assignment and assumption of the Grant Agreement rights and obligations pursuant to the terms of this **Section 6.2**. As part of its responsibilities under this Agreement, Developer:

- (a) Will carry out all activities set forth in the applications for a Grant;
- (b) Covenants, promises, and agrees that it will be bound by all terms, provisions, and covenants of the Grant Agreement as if it had been the original grantee under the Grant Agreement;
- (c) Unconditionally assumes and agrees to timely perform all obligations of the City as grantee under the Grant Agreement and all other documents executed by the City in connection with the Grant Agreement;
- (d) Will promptly provide the City with a copy of all correspondence related to Grant applications, Grant Agreements, or the Holland Hotel Apartments Project;
- (e) Will provide the City with a copy of all reports, including without limitation all monthly status reports, submitted under the terms of a Grant Agreement;
- (f) Will at all times act in accordance with the policies, procedures, and other requirements of KDOC or KHRC, or both, including any written amendments or additional guidance or regulations provided by KDOC or KHRC, or both, or otherwise required by law; and
- (g) Will execute and deliver any further instruments, notices, releases, acquittances, or other documents as may be necessary to carry out or otherwise effect the transactions contemplated by this Agreement or any Grant materials.

6.3 Indemnity from Developer. Notwithstanding anything in this Agreement to the contrary, the Developer agrees to defend, indemnify, and hold the City, its officers, officials, representatives, and employees harmless from any and all claims, injuries, damages, losses or suits (including the payment of the City's reasonable attorney fees) arising out of or in connection with Developer's performance under the Grant Agreement or any documents or agreements related to the Holland Hotel Apartments Project, including without limitation any penalties imposed by KDOC or KHRC, or both, as a result of any noncompliance by the Developer.

ARTICLE VII GENERAL PROVISIONS

7.1 City's Right to Terminate. In addition to all other rights of termination as provided herein, City may terminate this Agreement at any time if Developer defaults in or breaches any material provision of this Agreement and fails to cure such default or breach within thirty (30) days after receipt of written notice from City of such default or breach.

7.2 Developer's Right to Terminate. In addition to all other rights of termination as provided herein, Developer may terminate this Agreement at any time if City defaults in or breaches any material provision of this Agreement (including any City default under *Article V* hereof) and fails to cure such default or breach within 30 days after receipt of written notice from Developer of such default or breach.

7.3 Successors and Assigns.

(a) This agreement will be binding on and inure to the benefit of the Parties and their respective heirs, administrators, executors, personal representatives, agents, successors and assigns.

(b) Until Substantial Completion of the Holland Hotel Apartments Project has occurred, the obligations of Developer under this Agreement may not be assigned in whole or in part without the prior written approval of City, which approval will not be unreasonably withheld, conditioned, or delayed upon a reasonable demonstration by Developer of the proposed assignee's experience and financial capability to undertake and complete all portions of the Work with respect to the Holland Hotel Apartments Project, all in accordance with this Agreement. Notwithstanding the foregoing, Developer is permitted to subcontract the construction of any portion of the Holland Hotel Apartments Project without the consent of City but Developer will remain liable under this Agreement.

(c) The City hereby approves, and no prior consent will be required in connection with:

(1) the right of Developer to encumber or collaterally assign its interest in the Property or any portion thereof or any interest in the Agreement to secure loans, advances or extensions of credit to finance or from time to time refinance all or any part of the Eligible Costs, or the right of the holder of any such encumbrance or transferee of any such collateral assignment;

(2) the right of Developer to assign Developer's rights, duties and obligations under the Agreement to a Related Party; or

(3) the right of Developer to lease portions of the Property in the ordinary course of the development of the Holland Hotel Apartments Project;

provided that in each such event Developer named herein will remain liable hereunder for the Substantial Completion of the Holland Hotel Apartments Project, and will be released from such liability hereunder only upon Substantial Completion of the Holland Hotel Apartments Project.

7.4 Remedies.

(a) Except as otherwise provided in this Agreement and subject to Developer's and City's respective rights of termination, in the event of any breach of any term or condition of this Agreement by either Party, or any successor, the breaching Party (or successor) will, upon written notice from the other Party specifying such claimed breach, proceed immediately to cure or remedy such breach, and will, in any event, within 30 days after receipt of notice, cure or remedy such default. If the breach is not cured or remedied, the aggrieved Party may hold the breaching Party in default of this Agreement and there upon may institute such proceedings as may be necessary or desirable in its opinion to cure and remedy such default or breach, including, but not limited to proceedings to compel specific performance by the defaulting or breaching Party, withholding funds received pursuant to K.S.A. 12-5250(b)(2)(A) and/or repeal of the ordinance establishing the District. For purposes of this **Section 7.4**, no Party may be deemed in default of this Agreement unless and until it has received notice of any claimed breach and has been given an opportunity to cure the same.

(b) Notwithstanding any other provision of this Agreement, in no event will the Developer or the City ever be liable for any punitive, special, incidental, or consequential damages in connection with this Agreement, or otherwise. For purposes of this **Section 7.4**, consequential damages include, but are not limited to, lost profits, lost tax revenue, or other similar losses which are not direct out-of-pocket costs

incurred by the non-defaulting Party. Any monetary damages owed by the City will be limited to and will only be payable from RHID Funds actually received by the City as a result of the creation of the District.

7.5 Force Majeure. Neither City nor Developer nor any successor in interests will be considered in breach or default of their respective obligations under this Agreement, and times for performance of obligations hereunder will be extended in the event of any delay caused by force majeure, including, without limitation, damage or destruction by fire or casualty; strike; lockout; civil disorder; act of terror; war; restrictive government regulations; lack of issuance of any permits and/or legal authorization by any governmental entity necessary for the Developer to proceed with construction of the Work or any portion thereof, shortage of delay in shipment of material or fuel; acts of God; unusually adverse weather or soil conditions; unforeseen site conditions that render the site economically or physically undevelopable (as a result of additional cost or delay), or any other cause or contingency similarly; or other causes beyond the Parties' reasonable control, including but not limited to, any litigation, court order or judgment resulting from any litigation affecting the validity of this Agreement; provided that such event of force majeure will not be deemed to exist as to any matter initiated or unreasonably sustained by Developer, and further provided that Developer notifies city in writing within thirty (30) days of the commencement of such claimed event of force majeure.

7.6 Notices. Any notice, demand or other communication required by this Agreement to be given by either Party hereto to the other will be in writing and will be sufficiently given or delivered if dispatched by certified United States first class mail, postage prepaid, or delivered personally,

(a) In the case of Developer, to:

Russell Development, Inc.
Attn: Vice President
639 N. Main Street
Russell, Kansas 67665
Email: andrea.krauss@johnofarmer.com
Phone: (785) 445-2528

(b) In the case of City, to:

City of Russell, Kansas
Attention: City Manager
133 West 8th Street
Russell, Kansas 67665
Email: quinday@russellcity.org
Phone: (785) 483-6311

Or to such other address with respect to either Party as that Party may, from time to time, designate in writing and forward to the other as provided in this **Section 7.6**.

7.7 Conflict of Interest. No member of the Governing Body or any branch of City's government who has any power of review or approval of any of Developer's undertakings, or of City's contracting for goods or services for the Holland Hotel Apartments Project, will participate in any decisions relating thereto which affect that member's personal interests or the interests of any corporation or partnership in which that member is directly or indirectly interested. Any person having such interests will immediately, upon knowledge of such possible conflict, disclose, in writing, to the Governing Body the nature of such interest and seek a determination by the Governing Body with respect to such interest and,

in the meantime, will not participate in any actions or discussions relating to the activities herein proscribed. City represents to Developer that no such conflicts of interest exist as of the date hereof.

7.8 Insurance; Damage or Destruction.

(a) Developer will cause there to be insurance coverage as hereinafter set forth at all times during the process of constructing the Work and, from time to time at the request of City, will furnish City with proof of payment of premiums on:

(1) Builder's Risk insurance, written on the so called "Builder's Risk—Completed Value Basis," in an amount equal to one hundred percent (100%) of the insurable value of the Work at the date of completion, and with coverage available in non-reporting form on the so called "all risk" form of policy. The interest, if any, of City will be protected in accordance with a clause in form and content satisfactory to City; and,

(2) Comprehensive general liability insurance (including operations, operations of subcontractors, completed operations and contractual liability insurance) together with an owner's contractor's policy, with limits against bodily injury and property damage of not less than Five Million Dollars (\$3,000,000.00) for all claims arising out of a single accident or occurrence and Two Million Dollars (\$2,000,000.00) for any one person in a single accident or occurrence (to accomplish the above required limits, an umbrella excess liability policy may be used); and

(3) Workers Compensation insurance, with statutorily required coverage.

(b) The policies of insurance required pursuant to clauses (1) and (2) above will be in form and content reasonably satisfactory to City and will be placed with financially sound and reputable insurers licensed to transact business in the State of Kansas with general policy holder's rating of not less than A- and a financial rating of A- as rated in the most current available "Best's" insurance reports. The policy of insurance delivered pursuant to clause (1) above will contain an agreement of the insurer to give not less than 30 days advance written notice to the City in the event of cancellation of such policy or change affecting the coverage thereunder. All policies of insurance required pursuant to this section will name City as an additional insured. Developer will deliver to City evidence of all insurance to be maintained hereunder.

7.9 Inspection. Developer will allow City and its employees, agents and representatives to inspect, upon request, all architectural, engineering, demolition, construction and other contracts and documents pertaining to the construction of the Work as City determines is reasonable and necessary to verify Developer's compliance with the terms of this Agreement.

7.10 Choice of Law. This Agreement will be deemed to have been fully executed, made by the Parties in, and governed by the laws of State of Kansas for all purposes and intents.

7.11 Entire Agreement; Amendment. The Parties agree that this Agreement and the Development Plan collectively constitute the entire agreement between the Parties and that no other agreements or representations other than those contained in this Agreement have been made by the Parties. This Agreement may be amended only in writing and effective when signed by the authorized agents of the Parties.

7.12 Counterparts. This Agreement is executed in multiple counterparts, each of which constitute one and the same instruments.

7.13 Severability. If any term or provision of this Agreement is held to be unenforceable by a court of competent jurisdiction, the remainder will continue in full force and effect, to the extent the remainder can be given effect without the invalid provision.

7.14 Representatives Not Personally Liable. No elected or appointed official, agent, employee or representative of City will be personally liable to Developer in the event of any default or breach by any Party under this Agreement or for any amount which may become due to any Party or on any obligations under the terms of this Agreement.

7.15 Legal Actions. If a third party brings an action against City, or any officials, agents, employees or representatives thereof contesting the validity or legality of any of the terms of this Agreement, or the ordinance approving this Agreement, Developer may, at Developer's option assume the defense of such claim or action (including without limitation, to settle or compromise any claim or action for which Developer has assumed the defense) with counsel of Developer's choosing. The Parties expressly agree that so long as no conflicts of interest exist between them, the same attorney or attorneys may simultaneously represent City and Developer in any such proceeding; provided, Developer and its counsel will consult with City throughout the course of any such action and Developer will pay all reasonable and necessary costs incurred by City in connection with such action. If such defense is assumed by Developer, all costs of any such action incurred by City will be promptly paid by Developer. If City refuses to permit Developer to assume the defense of any action, then costs incurred by City will be paid by City.

7.16 Release and Indemnification. Notwithstanding the expiration, termination or breach of this Agreement by either Party, the indemnifications and covenants contained in this *Section 7.16* will, except as otherwise expressly set forth herein, survive such expiration, termination or breach of this Agreement by Parties hereto.

(a) Notwithstanding anything herein to the contrary, City and its Governing Body members, officers, agents, servants, employees and independent contractors will not be liable to Developer for damages or otherwise in the event that any ordinance, order or resolution adopted in connection with this Agreement is declared invalid or unconstitutional in whole or in part by the final (as to which all rights of appeal have expired or have been exhausted) judgment of any court of competent jurisdiction, and by reason thereof either City is prevented from performing any of the covenants and agreements herein or Developer is prevented from enjoying the rights and privileges hereof.

(b) Developer releases from, agrees to indemnify and hold harmless City, its Governing Body members, officers, agents, servants and employees against, and covenants and agrees that City and its Governing Body members, officers, agents, servants, employees and independent contractors will not be liable for, any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the acquisition of the Property or construction of the Work including any and all claims arising from the acquisition of the Property, including, but not limited to, location of hazardous wastes, hazardous materials or other environmental contaminants on the Property, including all costs of defense, including attorney's fees, except for those matters rising out of the willful and/or wanton negligence of City and its governing body members, officers, agents, servants, and employees.

(c) City and its Governing Body members, officers, agents, servants and employees will not be liable for any damage or injury to the persons or property of Developer or its officers, agents, servants or employees or any other person who may be about the Property or the Work except for matters arising out of the willful and/or wanton negligence of City and its Governing Body members, officers, agents, servants and employees.

(d) All covenants, stipulations, promises, agreements and obligations of City contained herein will be deemed to be the covenants, stipulations, promises, agreements and obligations of City and not of any of its Governing Body members, officers, agents, servants or employees in their individual capacities.

(e) No official, employee or representative of City will be personally liable to Developer in the event of a default or breach by any Party to this Agreement.

(f) Developer releases from and covenants and agrees the City, its Governing Body members, officers, employees, agents and independent contractors will not be liable for, and agrees to indemnify and hold City, its Governing Body, members, officers, employees, agents and independent contractors harmless from and against any and all suits, interest, claims and cost of attorney fees incurred by any of them, resulting from, arising out of, or in any way connected with: (1) the Holland Hotel Apartments Project or its approval, (2) the construction of the Work, (3) the negligence or willful misconduct of Developer, its employees, agents or independent contractors in connection with the management, development, and construction of the Work, (4) the compliance by Developer with all applicable state, federal and local environmental laws, regulations, ordinances and orders, (5) underground storage tanks located on or about the Property, (6) friable asbestos or asbestos-containing materials at, on, or in the Property, (7) the operation of all or any part of the Property, or the condition of the Property, including, without limitation, any environmental cost or liability, or (8) negotiations, inspections, acquisitions, preparations, construction, leasing, operations, and other activities of Developer or its agents in connection with or leading to the Holland Hotel Apartments Project or the Property; except that the foregoing release and indemnification will not apply in the case of such liability arising directly out of the intentional acts and/or negligence of City or its authorized Governing Body members, officers, employees and agents or which arises out of matters undertaken by City following termination of this Agreement.

7.17 Tax Implications. The Developer acknowledges and represents that (1) neither the City nor any of its officials, employees, consultants, attorneys or other agents has provided to the Developer any advice regarding the federal or State income tax implications or consequences of this Agreement and the transactions contemplated hereby, and (2) the Developer is relying solely upon its own tax advisors in this regard.

7.18 Cash Basis and Budget Laws. The Parties acknowledge and agree that the ability of the City to enter into and perform certain financial obligations pursuant to this Agreement are subject to the K.S.A. 10-1101 *et seq.* and K.S.A. 79-2935 *et seq.*

7.19 No Partnership. Nothing contained herein will be construed as creating a partnership between the Parties.

7.20 Term. The term of this Agreement will commence on the Effective Date and, unless terminated earlier as provided in this Agreement, expire on the latest of: (i) the date all Eligible Costs have been reimbursed with RHID Funds, subject to the requirements and limitations set forth in this Agreement; or (ii) when the City has released all RHID Funds that have been collected for 25 years after the date of the RHID Ordinance.

7.21 Authorized Parties. Whenever under the provisions of this Agreement and other related documents, instruments or any supplemental agreement, a request, demand, approval, notice or consent of the Parties are required, or the Parties are required to agree or to take some action at the request of the other Party, such approval or such consent or such request shall be given for the City, unless otherwise provided herein, by the City Manager and for the Developer by any officer of Developer so authorized; and any person shall be authorized to act on any such agreement, request, demand, approval, notice or consent or other action and neither Party shall have any complaint against the other as a result of any such action taken.

IN WITNESS WHEREOF, City and Developer have caused this Agreement to be executed in their respective names and City has caused its seal to be affixed thereto, and attested as to the date first above written.

CITY OF RUSSELL, KANSAS

(SEAL)

By: _____
Mayor

ATTEST:

By: _____
City Clerk

RUSSELL DEVELOPMENT, INC.

By: _____
Name: Vance P. Ruggels
Title: President

SCHEDULE OF EXHIBITS

Exhibit A	Property Description
Exhibit B	Property Map
Exhibit C	Eligible Costs for Holland Hotel Apartments Project
Exhibit D	Certification of Substantial Completion Form
Exhibit E	Request for Reimbursement Form
Exhibit F	Development Plan

EXHIBIT A

**PROPERTY DESCRIPTION
HOLLAND HOTEL APARTMENTS RURAL HOUSING INCENTIVE DISTRICT**

RUSSELL ORIGINAL TOWN, BLOCK 87, LOT 6, SECTION 27 TOWNSHIP 13S RANGE 14W

EXHIBIT B

**PROPERTY MAP
HOLLAND HOTEL APARTMENTS RURAL HOUSING INCENTIVE DISTRICT**

120 W. 7th Street



EXHIBIT C

**ELIGIBLE COSTS FOR
HOLLAND HOTEL APARTMENTS RURAL HOUSING INCENTIVE DISTRICT**

Category	Estimated Amount
Woods & Plastics	\$ 614,610
Thermal & Moisture Protection	\$ 37,320
Doors & Windows	\$ 146,610
Finishes	\$ 234,450
Specialties	\$ 20,700
Conveying Systems	\$ 65,520
Fire Suppression	\$ 72,600
Plumbing	\$ 207,360
HVAC	\$ 288,630
Electrical	\$ 343,200
Total	\$ 2,031,000

EXHIBIT D

CERTIFICATION OF SUBSTANTIAL COMPLETION FORM

The undersigned, on behalf of Russell Development, Inc. (the “Developer”), pursuant to **Section 4.4** of the Development Agreement dated as of October 18 2022 (the “Development Agreement”) by and among the City of Russell, Kansas, and the Developer, hereby certifies as follows. All capitalized terms used herein have the meaning attributable to such terms in the Development Agreement.

1. The Work is sufficiently complete in accordance with the Construction Plans, excepting all punch list items, such that the Developer can occupy or utilize the Work for its intended purpose.
2. The Work has been completed in a good and workmanlike manner.
3. There are no mechanic’s or materialmen’s liens or other statutory liens on file encumbering title to the Property; all bills for labor and materials furnished for such portion of the Work which could form the basis of a mechanic’s, materialmen’s or other statutory lien against the Property have been paid in full, and within the past four months no such labor or materials have been furnished which have not been paid for.
4. All applicable building codes have been complied with in connection with the Work.

Dated: _____, 20____

RUSSELL DEVELOPMENT, INC.

By: _____
Name: _____
Title: _____

EXHIBIT E

REQUEST FOR REIMBURSEMENT

City of Russell, Kansas

Attention: City Manager

You are hereby requested by the undersigned, an authorized representative of Russell Development, Inc. (the “Developer”) to disburse funds held by the City in the special revenue fund created pursuant the authority in K.S.A. 12-5250(b)(2)(A) for the Holland Hotel Apartments Project (the “Fund”) and set forth in the Development Agreement between the City of Russell, Kansas and the Developer for the Holland Hotel Apartments Rural Housing Incentive District dated October 18, 2022 (the “Agreement”) to reimburse expenditures made by the Developer for Eligible Costs (as defined in the Agreement) as described on and in the amounts set forth in the Schedules attached to this invoice and incorporated herein by this reference (the “Schedules”).

I hereby certify that the amounts requested in the attached Schedules have been paid by the Developer in payment of costs that are Eligible Costs, as defined in the Agreement.

I further certify that no part of the amounts set forth in the Schedules have been the basis for any previous withdrawal of any moneys from the Fund.

Attached to the Schedules is a description of the nature of the item billed, a reference to which type of Eligible Cost the expense applies to under the Rural Housing Incentive Act and the Agreement, and a copy of the contract, invoice or other billing for the Eligible Costs for which Developer seeks reimbursement, along with copies of checks, evidence of wire transfers or other evidence of payment by the Developer of such Eligible Costs and hereby certify that such copies are true and accurate copies of the original documents.

Dated: _____, 20____

RUSSELL DEVELOPMENT, INC.

By: _____
Name: _____
Title: _____

Invoice Reimbursement Schedule

Pursuant *Section 5.2* of the Agreement, I hereby request reimbursement of the amounts specified below and I certify that the description of the purchase or nature of each payment is reasonable, accurate and complete and that Developer has previously paid such Eligible Costs:

	Payee Name	Date of Payment	Purpose or Nature of Payment	Amount
1.				\$
2.				\$
3.				\$
4.				\$
5.				\$
6.				\$

Total Expenses \$ _____

Developer Signature

Note: Copies of bills, contracts, checks and other evidence reflecting the amounts shown above (as described in Section 5.2 of the Agreement) should be attached to this Schedule.

EXHIBIT F

A COPY OF THE DEVELOPMENT PLAN IS ATTACHED

EXHIBIT G

ACKNOWLEDGMENT OF ASSIGNMENT AND ASSUMPTION

This Acknowledgment of Assignment and Assumption is dated effective as of _____, 20__ by and between the City of Russell, Kansas (the “**City**”) and Russell Development, Inc., a Kansas limited liability company (the “**Developer**”).

1. The City and the Developer have entered into a Development Agreement (the “**Development Agreement**”) dated as of October 18, 2022, related to the redevelopment of the Holland Hotel Apartments project (the “**Project**”). Capitalized terms used but not defined herein will have the meaning set forth in the Development Agreement.

2. [KDOC][KHRC] has approved a grant award totaling \$1,000,000[_____] for the Project.

4. The City and [KDOC][KHRC] have entered into a Grant Agreement dated August 1, 2022 [_____, 20__] (the “**Grant Agreement**”), which is attached hereto and incorporated herein.

5. Pursuant to the terms of the Development Agreement, the City agreed to assign its rights and obligations under the Grant Agreement to the Developer and the Developer agreed to accept the rights and undertake and guarantee fulfillment of the obligations of the City under the Grant Agreement.

6. The City and the Developer hereby acknowledge and affirm (a) the assignment of the City’s rights and obligations under the Grant Agreement to the Developer and (b) the Developer’s assumption of the rights and obligations of the City under the Grant Agreement, all as described in **Section 6.2** of the Development Agreement.

[BALANCE OF PAGE INTENTIONALLY BLANK]

IN WITNESS WHEREOF, City and Developer have caused this Acknowledgment of Assignment and Assumption to be executed in their respective names and City has caused its seal to be affixed thereto, and attested as to the date first above written.

CITY OF RUSSELL, KANSAS

(SEAL)

By: _____
Mayor

ATTEST:

By: _____
City Clerk

RUSSELL DEVELOPMENT, INC.

By: _____
Name: Vance P. Ruggels
Title: President

**REDEVELOPMENT PLAN
HOLLAND HOTEL APARTMENTS
RURAL HOUSING INCENTIVE DISTRICT**

Russell Development, Inc. (RDI) is in the process of acquiring real property and improvements (Property) located within the boundaries of the City of Russell (City) and desires to redevelop the Property into an 11-unit multifamily residential complex, known as the “**Holland Hotel Apartments Project**” (Project), all as more fully described herein.

**SECTION I
LEGAL DESCRIPTION AND MAP**

RUSSELL ORIGINAL TOWN, BLOCK 87, LOT 6,
SECTION 27 TOWNSHIP 13S RANGE 14W

A map of the proposed Rural Housing Incentive District (RHID) is attached as Exhibit A.

**SECTION II
EXISTING ASSESSED VALUATION**

The 2022 total appraised valuation of the real estate located within the RHID for ad valorem tax purposes is \$14,550, with a value of \$1,570 placed on the land and a value of \$12,980 placed on the improvements.

**SECTION III
NAME AND ADDRESS OF OWNERS**

All of the real property located within the RHID is owned of record as follows:

Russell Development, Inc.
639 N. Main Street
Russell, KS 67665

The recorded deed is attached as Exhibit B.

**SECTION IV
DESCRIPTION OF THE HOUSING PUBLIC FACILITIES PROJECT PROPOSED**

The Project consists of the redevelopment of a long-vacant former hotel, located in Russell’s downtown, into loft-style apartments. The building, which was constructed in 1926, has not been in use for at least two decades and has fallen into disrepair. The three-story building will be redeveloped into 11 rental units ranging in size from 375 to 813 square feet and will include a mix of studio, one-bedroom and two-bedroom floor plans. Rents are anticipated to initially range from \$500 to \$800 per month.

The City will waive a sum of money up to a value equal to \$20,001 for the costs of building permit fees, utility tap fees, and utility infrastructure.

**SECTION V
NAME AND ADDRESS OF DEVELOPER**

The developer of the Project is Russell Development, Inc. (RDI), whose address is as follows:

Russell Development, Inc.
639 N. Main Street
Russell, KS 67665

RDI is the owner of all of the real property located within the RHID.

**SECTION VI
CONTRACTUAL ASSURANCES OF DEVELOPER**

A Development Agreement between the City and RDI, which outlines the terms of the RHID, the scope and size of the Project, the amount of the increment to be reimbursed to RDI, and the deliverables due to the City, is attached as Exhibit C.

**SECTION VII
COMPREHENSIVE FEASIBILITY ANALYSIS**

Presently, there are 2,283 housing units within the city limits of Russell. Of these units, 69% are owner-occupied, 15% are renter-occupied, and 16% are vacant. Of the 1,565 owner-occupied units, 905 have a value of less than \$150,000. Data from both the City of Russell Housing Assessment and the Kansas Statewide Housing Assessment quantify the current state of residential inventory in Russell, outlining the following indicators and measurable terms of need:

- 70% of the housing inventory was built prior to 1970 (> 50 years old).
- 43% of the housing inventory was built prior to 1945 (> 70 years old).
- 2% of the housing inventory was built in the last 20 years.
- 20% of housing units rank in “poor” condition or below.
- 12.5% of housing units rank in “deteriorated” condition.
- Vacant units are unoccupied due to condition of the property, rather than lack of demand.

A landlord with one of the largest rental portfolios in Russell currently only has one vacant unit available, and the average time a unit stays open is only about one week. Even for those wishing to purchase a moderately priced home, the options are limited. A search of the websites for the two local realtors shows a total of only three properties with an asking price of less than \$100,000 and only seven with an asking price of less than \$150,000.

In aggregate, this data suggests the following:

- Of the existing housing stock, a significant proportion of it is in substandard condition.
- There is an insufficient quantity of both rental units and single-family housing available.

The shortage of rental housing makes it difficult for employers to recruit qualified employees. According to the Kansas Department of Labor, Russell County had an unemployment rate in July of 2.8%, or 93 people. This means that employers have to recruit from outside the Russell County area in order to fill their open positions. Currently, our major employers have the following unfilled positions, some of which have been open for more than a year:

City of Russell	5
Russell Regional Hospital	10
Unified School District 407	14
PureField Ingredients	12

PureField ingredients is starting a major expansion which will create 40 new jobs upon completion. Another local company, AgriLead, Inc., is also in the process of building an expansion and plans to add 2-3 new positions within the next year. Additionally, the Russell community is a finalist in the search for a new location by a manufacturing company with plans to hire 10-15 employees within the first year.

Russell is currently having difficulty filling positions with existing employers due to inadequate housing inventory, let alone the additional positions expected to be created within the next year. It is nearly impossible to attract new businesses to a community that does not have suitable housing for its employees. Over the past twenty years, Russell has lost numerous opportunities to bring in new businesses due to the inability to house the associated employees. There is a direct correlation between housing availability and recruitment of new businesses. When businesses are looking to open a facility in a new community, they require that the community offer a complete set of incentives and amenities, and that includes housing for their employees.

Ten of the units proposed under this application are either one-bedroom or studio apartments, for which the target market is young, single professionals. The median household income in Russell is \$55,416. However, even at the lower end of the MIH income range for one person occupancy (\$36,360) the maximum rental rate is \$909 per month. All of the units in the Project fall under this rate, with the range of initial rental rates projected to be \$500 to \$800 per month.

Residential development in downtown Russell presents an opportunity for satisfying rental housing needs and creating spaces that appeal to a younger workforce. Not only will downtown residential units help to alleviate Russell’s housing shortage, they will help revitalize Main Street and are a critical component of Russell’s Downtown Revitalization Plan.

Although the building is currently in a state of disrepair, it does have a relatively new water tight roof. At some point in the past, additional support beams were installed in the basement, which has positively contributed to the current structural condition of the building. RDI has hired a structural engineer to evaluate the property. The engineering report indicated that the building

is sound enough to repair and renovate for use as an apartment building. However, minimal structural repairs are still necessary.

It is understood that the post-construction appraised value will be less than the cost of redevelopment. Therefore, financing can be a significant obstacle to creating new housing, because the housing units will appraise at a value lower than the cost to build or renovate the units. As such, it is highly unlikely that, without the assistance of City incentives and the establishment of an RHID, a developer would be willing to make the investment necessary to redevelop the building.

The City has performed an analysis comparing the public benefits to be derived from the RHID with the cost of the publicly funded investment by the City. This was done by comparing the net present value of ten percent (10%) of the incremental tax benefit over the next twenty-five (25) years with the cost of the City's investment in utility taps and building permit fees of \$20,001. The Cash Flow Projection Summary attached as Exhibit D projects the net present value of the incremental real property tax benefit at \$9,115 over the next 25 years. After the first 25 years have elapsed, the annual incremental tax benefit to the City will be in excess of \$5,000 per year. However, this does not take into account the direct and indirect benefits of additional sales tax revenues generated by new residents in the community, nor does it consider the sales tax benefit of construction materials purchased within the community. The actual public benefits will undoubtedly be much higher once sales taxes are taken into account.

[BALANCE OF THIS PAGE LEFT BLANK INTENTIONALLY]

IN WITNESS WHEREOF, City and Developer have caused this Redevelopment Plan to be executed in their respective names and City has caused its seal to be affixed thereto, and attested as to the date first above written.

CITY OF RUSSELL, KANSAS

(SEAL)

By: _____
Mayor

ATTEST:

By: _____
City Clerk

RUSSELL DEVELOPMENT, INC.

By: _____
Name: Vance P. Ruggels
Title: President

SCHEDULE OF EXHIBITS

Exhibit A	Property Map
Exhibit B	Deed
Exhibit C	Development Agreement
Exhibit D	Cash Flow Projection Summary

EXHIBIT A

**PROPERTY MAP
HOLLAND HOTEL APARTMENTS RURAL HOUSING INCENTIVE DISTRICT**

RUSSELL ORIGINAL TOWN, BLOCK 87, LOT 6,
SECTION 27 TOWNSHIP 13S RANGE 14W

120 W. 7TH STREET



EXHIBIT B

CONTRACT FOR SALE OF REAL ESTATE

A Copy of the Contract for Sale of Real Estate between the Adam Henry Pohlman II Revocable Trust and Russell Development, Inc. is attached.

EXHIBIT C

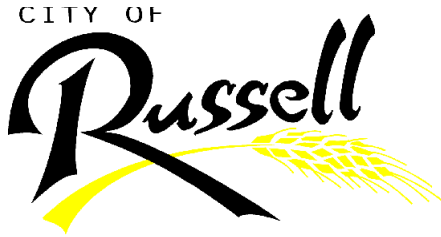
DEVELOPMENT AGREEMENT

A Copy of the Development Agreement between the City of Russell and Russell Development, Inc. is attached.

EXHIBIT D

CASH FLOW PROJECTION SUMMARY

The RHID Cash Flow Projection Summer for the Project is attached.



CITY COUNCIL AGENDA FORM

Meeting Date: November 1, 2022

Agenda Item Title: Ordinance Governing the Registration and Renewal of Work-Site Utility Vehicles, Micro Utility Trucks and All-Terrain Vehicles

Department: Police

Presenter: Jordan Harrison

Background: The City Council authorized the operation of all-terrain vehicles on city streets effective January 1, 2005, with certain requirements and limitations. With the exception for use in a parade authorized by the Governing Body, every owner of an all-terrain vehicle intended to be operated on a street in the City has to register the all-terrain vehicle through the police department. Registration required providing the name of the owner, the owner's residential address, a description of the vehicle, and liability insurance information for the vehicle. A registration fee of \$25 is charged for each registration. The all-terrain vehicle has to comply with the equipment requirements under Kansas statutes and can only be operated between sunrise and sunset. As the types of recreational vehicles increased, they were added to the City Code through Ordinance 1752 in July 2005, Ordinance 1783 in August 2007, and Ordinance 1795 in September 2008; which was the last update. Currently, work-site utility vehicles, micro-utility trucks, and all-terrain vehicles are allowed for operation on city streets and public highways within the corporate city limits of the city if they meet the requirements of City Code.

Following discussion with City Council at the September 20, 2022 and October 4, 2022 meeting, the City Attorney has drafted the attached ordinance. As presented, the cost to

register each vehicle is \$35.00 for vehicles registered on or after January 1, 2023. Vehicles registered on or after January 1, 2023 will require an annual renewal, with the renewal charge set at \$5.00 to cover the cost of a registration sticker. If an owner fails to renew the annual registration within three months of the registration's expiration, the right to use the registration plate expires. After that time, the owner is required to re-register the vehicle.

Funding Source: Police Department Operating Budget

City Attorney Review/Comment: 10/17/2022

- Options:**
1. Approve the new ordinance, updating the registration process and adding a registration renewal process for ATVs, MUTs, and WUVs.
 2. Provide staff with alternate direction.
 3. Take no action and the current ordinance remains in effect.

Staff Recommendations: Staff recommends the approval of the ordinance, adding a registration renewal process for ATVs, MUTs, and WUVs on or after January 1, 2023.

Attachments:

[Ordinance Governing the Registration and Renewal of Work-Site Utility Vehicles, Micro Utility Trucks and All-Terrain Vehicles](#)

AN ORDINANCE AMENDING SECTION 14-504 AND 14-505 OF THE CODE OF THE CITY OF RUSSELL, KANSAS, PROVIDING FOR REGISTRATION AND REGISTRATION RENEWAL OF ATVS IN THE CITY OF RUSSELL, KANSAS

BE IT ORDAINED by the Governing Body of the City of Russell, Kansas:

SECTION 1. That Section 14-504 of the Code of the City of Russell is hereby amended to read as follows:

14-504. Registration and Registration Renewal of Work-Site Utility Vehicles, Micro Utility Trucks and All-Terrain Vehicles.

Except for use in a parade authorized by the Governing Body of the City of Russell, every owner of a WUV, MUT and an ATV intended to be operated on a street or highway in the City of Russell, Kansas, whether such owner is a resident of the City or not, shall before such WUV, MUT, ATV is operated on such street or highway, register such vehicle through the office of the Russell Police Department on such forms as furnished by the Russell Police Department. The application shall contain the name of the owner, the owner's residential address, a brief description of the vehicle to be registered, insurance information on the vehicle, and such other information as may be required by the department. The application shall be signed by the owner, owner's spouse or owner's parent. The department shall furnish to every owner whose vehicle is registered a registration plate which shall be displayed prominently on the rear of the vehicle before its operation in the City. A registration fee of Thirty-five Dollars (\$35.00) per vehicle shall be charged. Commencing for a WUV, MUT or ATV first registered by its owner with the City on or after January 1, 2023, the registration period for such vehicle shall be for a period of one (1) year with the registration expiring the following year on the last day of the same month that the vehicle was first registered by its owner. Registration renewals shall be made annually through the Russell Police Department in advance of the expiration of the registration by payment of a renewal charge of Five Dollars (\$5.00) and proof of insurance as required by Section 14-502. There shall be a late charge of Five Dollars (\$5.00) per month or any portion of a month for late registration.

SECTION 2. That Section 14-505 of the Code of the City of Russell is hereby amended to read as follows:

14-505. Expiration of Registration and Removal of Tag.

The registration of a vehicle under this Article shall expire upon the occurrence of any of the following:

- (a) Upon the transfer of ownership of any WUV, MUT or ATV registered under this article; or
- (b) Upon failure to renew the annual registration as set forth in Section 14-504 within three (3) months of the registration's expiration.

Upon expiration of the registration as set forth above, the right to use the registration plate thereon shall expire and the registration plate shall be removed from the vehicle.

ORDINANCE NO. _____

SECTION 3: Publication and Effective Date. This ordinance shall take effect and be in full force and effect from and after its passage, signature and publication of a summary of this ordinance in the official city newspaper and posting of the full text of the ordinance on the city's website in compliance with K.S.A. 12-3007(b).

PASSED by the Governing Body of the City of Russell, Kansas, this 1st day of November, 2022.

APPROVED by the Mayor of the City of Russell, Kansas, this 1st day of November, 2022.

Jim Cross, Mayor

ATTEST:

Ashley Mai, City Clerk

(Seal)



CITY COUNCIL AGENDA FORM

Meeting Date: November 1, 2022
Agenda Item Title: Golf Course Greens Fees and Memberships
Department: Public Works
Presenter: Jon Quinday

Background: The Golf Course Board recommends to the Governing Body that greens fees increase by \$3.00 beginning January 1, 2023 with no increase in membership fees.

The greens and membership fees have changed over the years.

Greens fees:

2003 changed to \$11 for 9 holes and \$13 for 18 holes on weekdays, with weekend rates set at \$15 for 9 holes and \$17 for 18 holes

2013 changed to \$12 for 9 holes and \$16 for 18 holes on weekdays, with weekend rates set at \$14 for 9 holes and \$18 for 18 holes

Membership Fees:

2013 Single Family Annual changed to \$315

2018 Single annual membership changed to \$365 - Current

Junior Membership:

2005 changed to \$85.00 for youth 18 years of age and younger, with play limited to Monday-Friday and after 4 p.m. on weekends and holidays - Current

Monthly Membership

2013 added a single monthly members shift running from the

1st day of the month to the last day of the month for \$100
Single Membership - Current

Family Membership

2005 Family annual membership changed to \$440 for two family members residing in the same household.

2018 Family annual membership changed to \$490 for two family members residing in the same household - Current

The attached spreadsheet shows:

The actual revenue and expenses for 2018 - 2021

The projected revenue for 2018 - 2021, assuming a \$3 greens fee increase (17%)

The projected revenue for 2018 - 2021, assuming a ten percent increase to single and family membership fees.

Expenses not covered by greens fees, membership, and tournaments, are covered by the General Fund - see attachment.

During the October 18, 2022 meeting, Council directed staff to see what surrounding municipal golf courses charge. The following information is attached.

Funding Source: User Fees
General Fund

City Attorney Review/Comment: N/A

Options: For review and discussion

Staff Recommendations: Following review and discussion provide staff direction how to proceed for 2023 fees related to the Russell Municipal Golf Course

Attachments:

[Golf Income and Revenue Comparison with Rate Changes](#)
[Russell and Surrounding Municipal Golf Course Fees](#)

Current

Year	2018	% of Income	2019	% of Income	2020	% of Income	2021	% of Income
Income								
Memberships	\$40,907.00	23%	\$38,880.00	21%	\$39,305.00	22%	\$40,785.00	21%
Greens Fee	\$17,962.00	10%	\$22,435.00	12%	\$27,570.00	15%	\$28,684.00	15%
Tournaments	\$5,025.00	3%	\$5,900.00	3%	\$2,200.00	1%	\$4,200.00	2%
Total	\$63,894.00	36%	\$67,215.00	36%	\$69,075.00	38%	\$73,669.00	38%
Actual Expense	(\$178,309.00)	-64%	(\$182,083.00)	-64%	(\$182,159.00)	-62%	(\$191,609.00)	-62%
Property Tax	(\$114,415.00)		(\$114,868.00)		(\$113,084.00)		(\$117,940.00)	

Family - \$490
 Single - \$365
 18-holes \$18 weekend
 18-holes \$16 weekdays
 Student - \$2 (8am - 4pm)

With \$3.00 Green Fee Increase

Year	2018	% of Income	2019	% of Income	2020	% of Income	2021	% of Income
Income								
Memberships	\$40,907.00	23%	\$38,880.00	21%	\$39,305.00	22%	\$40,785.00	21%
Greens Fee	\$21,015.54	12%	\$26,248.95	14%	\$32,256.90	18%	\$33,560.28	18%
Tournaments	\$5,025.00	3%	\$5,900.00	3%	\$2,200.00	1%	\$4,200.00	2%
Total	\$66,947.54	38%	\$71,028.95	38%	\$73,761.90	41%	\$78,545.28	41%
Actual Expense	(\$178,309.00)	-62%	(\$182,083.00)	-62%	(\$182,159.00)	-59%	(\$191,609.00)	-59%
Property Tax	(\$111,361.46)		(\$111,054.05)		(\$108,397.10)		(\$113,063.72)	

Family - \$490
 Single - \$365
 18-holes \$21 weekend
 18-holes \$19 weekdays
 Student - \$2 (8am - 4pm)

With \$3.00 Green Fee Increase (17%) and 10% Membership Fee Increase

Year	2018	% of Income	2019	% of Income	2020	% of Income	2021	% of Income
Income								
Memberships	\$44,997.70	25%	\$42,768.00	23%	\$43,235.50	24%	\$44,863.50	23%
Greens Fee	\$24,588.18	14%	\$30,711.27	16%	\$37,740.57	21%	\$39,265.53	21%
Tournaments	\$5,025.00	3%	\$5,900.00	3%	\$2,200.00	1%	\$4,200.00	2%
Total	\$74,610.88	42%	\$79,379.27	43%	\$83,176.07	46%	\$88,329.03	46%
Actual Expense	(\$178,309.00)	100%	(\$182,083.00)	100%	(\$182,159.00)	100%	(\$191,609.00)	100%
Property Tax	(\$103,698.12)	58%	(\$102,703.73)	57%	(\$98,982.93)	54%	(\$103,279.97)	54%

Family - \$539 (\$540)
 Single - \$401.5 (\$400)
 18-holes \$21 weekend
 18-holes \$19 weekdays
 Student - \$2 (8am - 4pm)

Golf Course Fees - Comparison

	Russell Current	2023	Ellsworth Current	2023	18-hole	Hays Current	2023	Osborne Current	2023
Annual Membership									
Family	\$490		\$575 ^A	\$600 ^A		\$645 ^B		\$450	
Additional	\$60					\$575 ^C		N/A	
Single	\$365		\$375	\$400		\$465		\$300	
Junior ¹	\$85		\$50	\$50		N/A		\$90	
Monthly Membership	\$100		N/A	N/A		N/A		N/A	
Greens Fee									
9-hole Weekday	\$12		\$14	\$14		\$14		\$10	
9-hole Weekend	\$14		\$20	\$20		\$14		\$20	
18-hole Weekday	\$16					\$20			
18-hole Weekend	\$18		No break for 18			\$23		No break for 18	
Student ²	\$2		\$5	\$5		\$10		\$5	
			\$10	\$10					
Trail Fees									
Annual per cart	\$75		\$125	\$150		\$105			
Daily	\$10		\$7	\$9		N/A		N/A	

Russell Memberships and Carts

	2018	2019	2020	2021	2022
SINGLE	95	66	56	61	79
FAMILY	29	65	44	35	38
YOUTH	2	4	1	4	7
ADD-ON				9	12
MONTH	2	4	3	4	1
CARTS	147	94	92	96	104

Notes:

- 1 - Junior memberhsi for youth 18 years of age and younger with play limited to Monday through Friday and after 4 pm on weekends and holidays
- 2 - For 9 holes, local students with tee time being 8 am to 10:30 am on weekdays only

A - Family Membership includes all individuals living in the same house and also current college students

B - Family Membership vaild for parent(s) and dependent children under age 20

C - Couple Membership valid for two designated persons of immediate family (husband/wife, father/son, mother/daughter, etc. - Childrent must be under age 20

Lyons, KS Rec Commission

Larned KS Country Club

Ellis, KS Country Club

Concordia, Country Club & American Legion

Wakeeney, Member owned



CITY COUNCIL AGENDA FORM

Meeting Date: November 1, 2022

Agenda Item Title: Special Event Application - Lighted Christmas Parade and Weihnachtsfest

Department: City Clerk

Presenter: Ashley Mai

Background: Russell Main Street submitted a special event application for the annual Lighted Christmas Parade / Weihnachtsfest. The parade is scheduled for November 26, 2022 from 7:15 pm - 9 pm. Weihnachtsfest is scheduled from 11 am - 2 pm on December 10, 2022. The request includes two electric drops, eight poly-karts, and barricades. Russell Main Street is asking for a waiver of fees in the amount of \$400.00.

Funding Source: Electric Sanitation Street

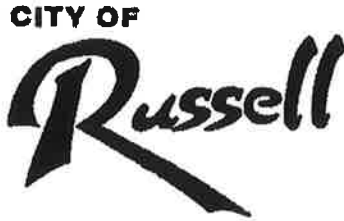
City Attorney Review/Comment: N/A

Options:

1. Approve the special event application as presented
2. Provide staff with alternate direction
3. Take no action - the even application is not approved.

Staff Recommendations: Approve the special event application as presented with waiver of fees in the amount of \$400.00.

Attachments:
[Special Event Application - Lighted Christmas Parade/Weihnachtsfest](#)



FEES		
Application Fee	\$25	25
Electric Drop (includes usage) *Fee increase may be applicable if special needs are determined	\$150 each	
Polycart	\$10 each	
Dumpster	\$46.50 each	
Barricades/Rope Standers	\$20	
Picnic Tables (includes up to 2, max 8)	\$25	
CMB Application (separate application)	\$225	
	TOTAL	25.00

SPECIAL EVENT APPLICATION FORM

A complete application must be submitted at least ten days in advance of City Council Meeting, held on the third Tuesday of each month at 4:30 P.M.

Applicants must have a representative at the Council meeting or the application will not be approved.

Event Name: Lighted Christmas Parade/Weihnachtsfest

Purpose/Description of Event: Downtown parade and Christmas Festival

Promote Downtown Russell, boost sales, and build community pride.

Applicant Information:

Date: 10/20/22

Name: Krista Whitmer

Company or Group: Russell Main Street, Inc.

Address: 207 E. 8th Street, Russell, KS 67665

Phone Number: 785-483-2897

Cell Phone Number: 785-483-1951

Fax Number: _____

E-mail Address: director@russellmainstreet.com

Event Information:

Address: Downtown Russell

Property Owner: City of Russell

Event Type:

Type 1: Fundraising or non-commercial events for non-profit religious, educational, or community service organizations.

Type 2: Promotional or commercial events and activities intended to be for-profit, or public events intended primarily for entertainment or amusement, such as concerts or festivals.

Please describe the proposed Special Event: Please see attachment.

Proposed Dates: _____ to _____ November 26 7:15pm-9pm
December 10 11am-2pm

Proposed hours of operation: _____ to _____

***No more than four (4) Special Event Permits may be issued in a calendar year to the same applicant.**

Event Description: Please include the following information

****Applicant must visit with the Department Heads of the services requested and have them sign off.****

- **Electric Department**
 - Electric Drop – # 2
 - Voltage Needed _____ Amps _____ Location _____
- **Public Works**
 - Poly-Karts - # 8 for Weihnachtsfest only
 - Dumpsters - # _____

Cecil Park - Knights - 1
Knights Special Drop
Sunflower Bank - 1

- Barricades – (Blocking public access to businesses or residences requires signatures of agreement from all affected by such closure, please include signatures on separate document) Describe detailed placement See attachment

- Picnic Tables - # _____
- Rope Standers - # _____

- **Police Department**

- Explain provisions for parking and security - N/A
-
-

- Anticipated Attendance - Parade - 300; Weihnachtsfest - 200-300

- Describe proposed site maintenance; including how and when site will be cleaned following event. All vendors will clean-up areas before leaving. All trash will be placed in receptacles.
-

- Note provisions, if any, that are being made for portable toilets (please include provider and disposal contractor) - N/A
-

- Identify any mobile food vendors associated with this proposed event – Knights of Columbus Funnel Cakes will set up by Cecil Bricker Park.
-

- Special Event Cereal Malt Beverage License (CMB) must be submitted in addition to Special Event Application, if Cereal Malt Beverages are to be served.

GRAPHIC DESCRIPTION: Please provide an aerial photograph or site plan of the area to include the following information:

- Location and dimensions of the event area
- Location and dimensions of any structures (tents, stages, etc) used for the event
- Location of requested amenities
- Any other information which pertains to the event

- The Lighted Christmas Parade and Weihnachtsfest are events organized to enhance Downtown Russell by attracting community members, visitors, etc to Downtown to celebrate the holiday season. The Lighted Christmas Parade takes place the Saturday after Thanksgiving where floats of all types parade down Main Street in Russell covered in lights. Weihnachtsfest takes place the second Saturday in December, during this event Downtown turns into a hub of numerous Christmas activities with shopping, food, and more.
- Proposed Special Event:
 - Lighted Christmas Parade: November 26th starting at 7:15 pm. The parade entrants will begin lining up at the Russell High School Parking Lot at 5:00 pm, at 6:30 pm the parade will travel to Downtown Russell. The parade will begin on 9th and Main and end on 3rd and Main. At 7:00 the countdown to lighting of Main Street Christmas Lights will take place. At 7:15 pm the parade will begin the parade will end at about 7:45.
 - Additional Information: In preparation for the parade, the Russell Main Street Christmas Committee would like to find local artists to paint the intersections, one possibly two, of Main Street with holiday themed art.
 - Weihnachtsfest: December 10 from 11 am to 2 pm. Weihnachtsfest consists of Downtown Vendors, activities in the Downtown businesses, Santa's Workshop, Carriage Rides and more. For Weihnachtsefst this year we are scaling back to sidewalk vendors only. We will have a few booths needing electricity. Some needs can be met through Downtown businesses however we will still need to request one electric drop for the Knights of Columbus and one electric drop for potential vendors (closer to the event if not needed we will notify the electric department). For the carriage rides we would like to load and unload at Cecil Bricker Park. We will need to block off a few parking stalls to allow for the carriage to load and unload safely. Please see map attached.
 - Knights of Columbus Funnel Cakes: November 26th and December 10th. For The Lighted Christmas Parade and Weihnachtsfest we would like to request the Knights of Columbus drop be placed on the Southwest corner of Cecil Bricker Park. The Knights will park their trailer for the parade on 8th street parallel to Cecil Bricker Park for the Parade. This will take up 3 parking stalls. For Weihnachtsfest the trailer will be parked on Main Street to the West of Cecil Bricker Park. This will also take up 3 parking stalls. The Knights will donate part of their proceeds to the Russell Food Pantry.

CHECKLIST:

- Completed Application**
- Signatures for the use of barricades (Street Closures)**
- Cereal Malt Beverage License Application**
- Detailed Graphic Description**

***Please note: Certain fees may be waived by City Council, if proposed event fits the Type 1 criteria.**

***Please submit application, required documents, and payment to City Clerk's office at least 10 days prior to regularly scheduled City Council Meeting.**

For Office Use Only:		
Date Remitted: <u>10/25/2022</u>	Cash/CC/Check# _____	Receipt# <u>54430e</u>
Reviewed by:		
Police Dept. <u>[Signature]</u> <u>10/25/2022</u>	Fire Dept. <u>[Signature]</u>	Public Works <u>[Signature]</u>
Electric Dept. <u>[Signature]</u>	City Clerk <u>AM</u>	
Permit Number: _____	Date Approved: _____	

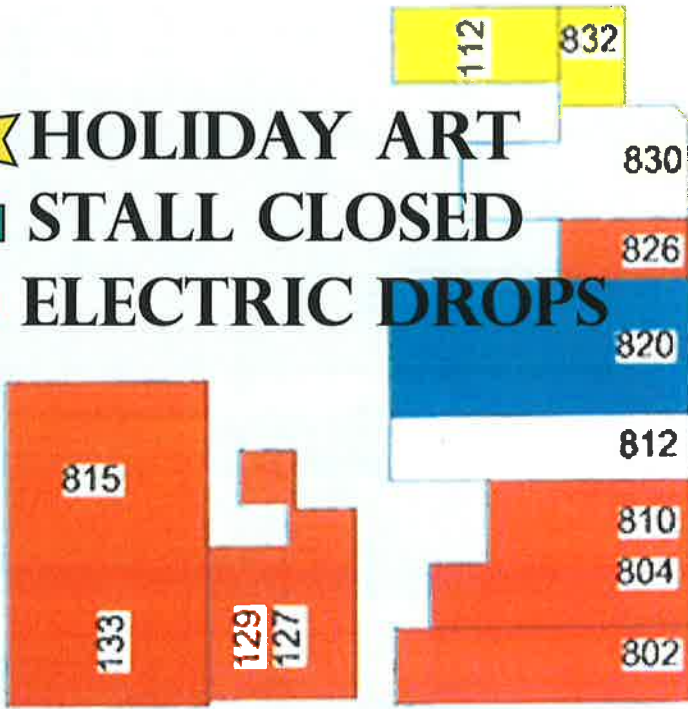
Maple Street



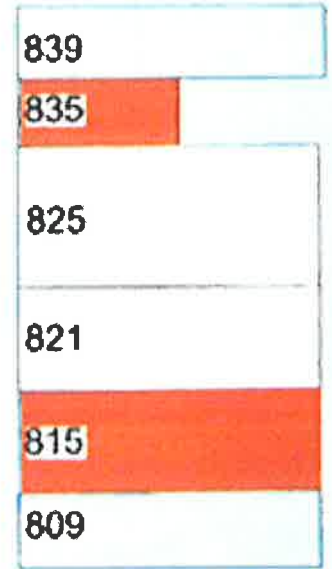
HOLIDAY ART

■ **STALL CLOSED**

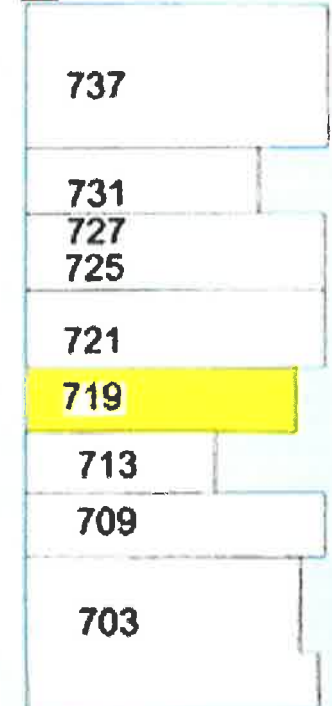
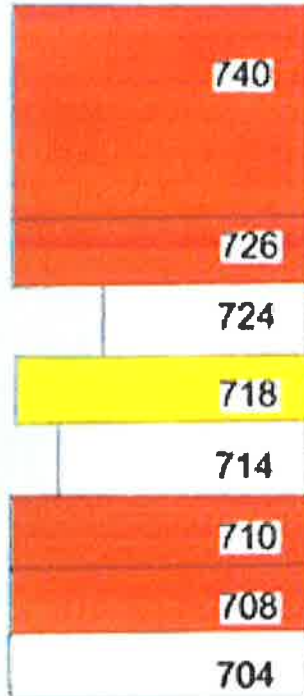
■ **ELECTRIC DROPS**

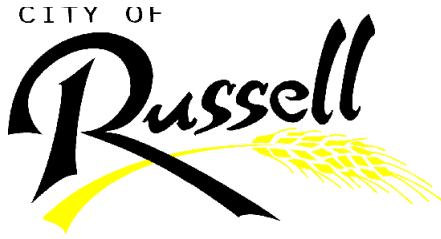


Main Street



BRICKER PARK





CITY COUNCIL AGENDA FORM

Meeting Date: November 1, 2022
Agenda Item Title: General Nuisance Abatement at 1326 N. Lincoln St.
Department: Building, Planning, and Zoning
Presenter: Kim Grizzle

Background: A resolution authorizing the removal of nuisances at 1326 N. Lincoln St. These nuisances include shingles, old lumber, Christmas decorations, shelves, exercising equipment, windows, broken windows, glass from broken windows, screens & rubbish. The required notification has been provided and the property owner has failed to abate the nuisance(s) or request a hearing before the governing body as required.

Upon approval of the Resolution if the nuisance(s) are not abated in the required time, the city will have the nuisances abated and the property brought into compliance. Costs of the abatement will be charged to the property.

Funding Source: General Fund

City Attorney Review/Comment: October 31, 2022

Options:

1. Approve the Resolution authorizing the removal of the nuisance(s) from 1326 N. Lincoln
2. Provide alternate direction to staff.
3. Take no action-the abatement process halted.

Staff Recommendations: Approve the Resolution authorizing the removal of nuisance(s)

from 1326 N. Lincoln providing the costs, if any, incurred by the city shall be charged against the lots or parcels of ground on which the nuisance is located.

Attachments:

Resolution Authorizing the Removal of Nuisances at 1326 N. Lincoln

Certified Mail - Hays

Certified Mail - Gorham

Affidavit of Publication

1326 N Lincoln - Front

1326 N Lincoln - Shingles

1326 N Lincoln - Window Screen/Siding

1326 N Lincoln - Weeds/Overgrowth

RESOLUTION NO.

A RESOLUTION AUTHORIZING THE REMOVAL OF A NUISANCE FROM CERTAIN PROPERTY IN THE CITY OF RUSSELL, KANSAS.

WHEREAS, the Governing Body of the City of Russell has declared it unlawful for any person to maintain a nuisance on private property within the City of Russell; and

WHEREAS, the owners(s) of the private property at the address listed herein have been notified pursuant to Chapter VIII, Article 2, Section 8-207 of the Code of Ordinances of a violation of the Ordinance and have not requested a hearing before the Governing Body;

WHEREAS, the public officer in charge of administration and enforcement of this ordinance has provided the Governing Body with information regarding the condition of the property which is alleged to be a nuisance and after due consideration the Governing Body adopted the following resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF RUSSELL, KANSAS:

Section 1. Upon proper notice and consideration of information provided by the enforcement officer, it was determined that the following condition on the property is a nuisance in violation of Chapter VIII, Article 2, Section 8-201:

1326 N. Lincoln Christina Bourland
Shingles, old lumber, Christmas decorations, shelves, exercising equipment, windows & broken windows

Section 2. Ten (10) days after passage of this resolution the public officer is authorized to enforce the abatement of this condition by abatement of the nuisance if the owner has not previously done so.

Section 3. The abatement costs, if any, incurred by the City shall be charged against the lots or parcels of ground on which the nuisance is located.

Section 4. A copy of this resolution shall be served on the owner of the land as provided in the city's Code of Ordinance.

PASSED AND APPROVED by the Governing Body of the City of Russell, Kansas, on this 1st^h day of November, 2022.

Jim Cross, Mayor

ATTEST:

Ashley Mai, City Clerk

USSELL

67665-0112

E REQUESTED



WICHITA KS 670

28 AUG 2022 PM 7 L

7019 0700 0001 6638 4310

11



ZIP 67665
02 7H
0001304597

\$ 007.82⁰
AUG 22 2022

Cristina Bourland
2709 Augusta LN Apt. C
Hays, KS. 67601

CAA

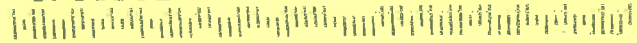
NIXIE 672 DE 1 0009/12/22

RETURN TO SENDER
UNCLAIMED
UNABLE TO FORWARD

BC: 67665011212 *1060-06274-23-40

UNC

67665-0112
67601-480175



CITY OF RUSSELL

133 W 8TH ST
PO BOX 112
RUSSELL KS 67665-0112

RETURN SERVICE REQUESTED

CERTIFIED MAIL



7019 0700 0001 6638 4174 d
Christina

P.O. Box 213
Gorham, Ks. 67640-0213

FIRST-CLASS



US POSTAGE™
PITNEY BOWES
ZIP 67665 02 7H \$ 007.82⁰
0001304597 AUG 18 2022

NSN

8-22-22

NIXIE 672 DE 1 0008/20/22
RETURN TO SENDER
NO SUCH NUMBER
UNABLE TO FORWARD
BC: 67665011212 *1960-02665-20-31

NSN
67665>0112

STATE OF KANSAS
 RUSSELL
 COUNTY

Affidavit of SS. Publication

Frank Mercer, being first duly sworn, deposes and says: That he is publisher of the *Russell County News*, a weekly newspaper printed in the State of Kansas, and published in and of general circulation in Russell County, Kansas, with a general paid circulation on a weekly basis in Russell County, Kansas, and that said newspaper is not a trade, religious or fraternal publication.

Said newspaper is a weekly published one day a week and has been published continuously and uninterruptedly in said county and state for a period of more than five years prior to the first publication of said notice; and has been admitted at the post office of Russell, Kansas, in said county as second class matter.

That the attached notice is a true copy thereof and was published in the regular and entire issue of said newspaper for 1 consecutive week, the first publication thereof being made as aforesaid on the 13 day of Oct, 2022, with subsequent publications being made on the following dates:

_____, 20____, _____, 20____
 _____, 20____, _____, 20____
 _____, 20____, _____, 20____

Signed: [Signature]

Subscribed and sworn to before me this 14 day of Oct, 2022.

NOTARY PUBLIC - State of Kansas
 SUSAN R. KRALEY
 My Appl. Expires 6-5-23
Susan R. Kraley
 Notary Public's Signature
 My commission expires: June 5, 2023

Publication Fee \$ 101.44
 Affidavit, Notary's Fee \$ 1.00
 Additional copies @ \$ _____
 Total Publication Fee \$ 102.44

Legal Notice

Published in the *Russell County News* Thursday, Oct. 13, 2022

NOTICE OF GENERAL NUISANCE

TO: Bourland Christina and ALL Other Persons Concerned

Notice is hereby given to the above-identified owner(s), occupants and all other interested persons that the property described below is in violation of City Code Chapter 8 Article 2 which prohibits general nuisances.

Nuisances, as defined in Section 8-201 include without limitation: Filth, excrement, lumber, rocks, dirt, cans, paper, trash, metal, articles or things whatsoever caused, kept, maintained or permitted by any persons to the injury, annoyance or inconvenience of the public or of any neighborhood.

You are further notified that the nuisances have been found are as follows: Shingles, old lumber, exercising equipment, window, broken window, window screen, rubbish.

Legal Description 1326 N. Lincoln St. 084-148-27-0-10-08-012-00-0 RUSSELL ORIGINAL TOWN S27, T13, R14W, BLOCK 20, Lot S60' OF 4, SECTION 27 TOWNSHIP 13 RANGE 14W

No further notice will be given prior to removal of the nuisance from the property described above for the current or subsequent violations during the calendar year 2022.

If you have questions, the Public Officer, Kim Grizzle, Code Service Officer, should be contacted at 785-483-6311.

City of Russell
 Kim Grizzle
 Public Officer and
 Code Service Officer

Oct. 13











CITY COUNCIL AGENDA FORM

Meeting Date: November 1, 2022

Agenda Item Title: Resolution Setting a Hearing and Providing Notice for a Dangerous or Unsafe Structure(s) at 42 S. Maple Street

Department: Building, Planning, and Zoning

Presenter: Roger Sells

Background: The residence at 42 S Maple was inspected on 9-27-22, multiple property maintenance violations were found. A preliminary letter was mailed via certified mail to the owner describing the property conditions and what steps need to be taken to abate the hazard. The letter was signed on 10-11-22 by the owner. Within the Council packet are the resolution setting a hearing along with the inspection report and photos of the property depicting in detail the condition of the property.

Funding Source: Duke Johnson Fund

City Attorney Review/Comment: 10-31-22

Options:

1. Approve the resolution to set the hearing for a dangerous structure at 42 S Maple Street
2. Take no action and process is halted.

Staff Recommendations: Approve the resolution setting a hearing for a dangerous or unsafe structure at 42 S Maple Street. The hearing being 4:30 pm on December 20, 2022 in council room of City Hall.

Attachments:
[Resolution Setting Hearing for Dangerous of Unsafe Structure - 42 S Maple Street](#)
[Dangerous Structures Checklist and Report - 42 S Maple Street](#)

Preliminary Letter Certified
42 S Maple Street - Front.
42 S Maple Street - Porch
42 S Maple South Street - Side
42 S Maple Street - North Side
42 S Maple Street - North Window
42 S Maple Street - Foundation 2
42 S Maple Street Foundation 3
42 S Maple Street - Back

RESOLUTION XX-XX

A RESOLUTION FIXING A TIME AND PLACE AND PROVIDING FOR NOTICE OF A HEARING BEFORE THE GOVERNING BODY OF THE CITY OF RUSSELL, KANSAS, AT WHICH THE OWNER(S), HIS OR HER AGENT, LIENHOLDERS OF RECORD AND OCCUPANTS OF THE STRUCTURE(S) LOCATED AT 42 S MAPLE. IN SAID CITY MAY APPEAR AND SHOW CAUSE WHY SUCH STRUCTURE(S) SHOULD NOT BE CONDEMNED AND ORDERED REPAIRED OR DEMOLISHED AS AN UNSAFE OR DANGEROUS STRUCTURE(S)

WHEREAS, the enforcing officer of the City of Russell, Kansas did on the 1ST, day of November 2022, file with the governing body of said city, a statement in writing that the structure hereinafter described is unsafe or dangerous.

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of the City of Russell, Kansas:

That a hearing will be held on the 20th day of December 2022, before the Governing Body of the City at 4:30 p.m. in the council room of City Hall at which the owner, his or her agent, any lienholders of record and any occupant of the house and accessory buildings located upon the following land:

(a) Lot 10,11,12, Block 2, Section 34 Township 13 Range 14W in the Russell Original Town

may appear and show cause why such structure(s) should not be condemned as unsafe or dangerous structure(s) and ordered repaired or demolished. (Last Record Title Owner: Roberto Rivera).

BE IT FURTHER RESOLVED, that the City Clerk shall cause this resolution to be published and shall give notice of the aforesaid hearing in the manner provided by law.

ADOPTED AND APPROVED by the Governing Body of the City of Russell, Kansas, on this 1st day of November 2022.

CITY OF RUSSELL, KANSAS

Jim Cross, Mayor

ATTEST:

Ashley Mai, City Clerk



Dangerous Structures Inspection Checklist and Report

Street Address: 42 S Maple

Date of Inspection: 9-27-22

Owner(s): ROBERTO Rivera

Time of Inspection: 9:30 am

Legal Description: Block 2, Lot 10,11,12 in the Windsor Park Addition PI 084-148-34-0-10-06-023.00-0

Premises

Yards City is having to mow it.

Fences NA

Sidewalks Crack with vegetation growing in it.

Drives None

Drainage Missing gutters

Garbage & Refuse City has had to remove shingles that have blown off the roof.

Infestation NA

A. Structures or Dwellings

Basement or Cellar Unknown.

Ceilings Unknown.

Floors Unknown.

Foundations Several large cracks and the north side is tilting inward.

Porches Not structurally sound.

Roof South side is mostly underlayment due to shingles blowing off and north side is old wood shingles.

Sewage & Waste Disposal NA

Structures or Dwellings cont'd

Awnings, Signs, Marquees NA

Stairways Unknown.

Structural Members Roof rafters and window framing members showing signs of dry rot.

Toilets & Lavatories NA

Walls, Exterior Without paint and exposing the wood siding to the elements.

Walls, Interior NA

Windows Some are broke out and many of the trim and framing members have dry rot.

B. Additional Findings/Notes:

This is a property that the owner is out of state and the city is constantly having to mow and pick up shingles.

Building Official Roger Sells

Date 9-27-22

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Roberto Rivera
 1411 Maurine St.
 Billings, MT 59105



9590 9402 7483 2055 9059 16

2. Article Number (Transfer from service label)

7020 3160 0001 5336 4139

PS Form 3811, July 2020 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *Hugo Rivera* Agent
 Addressee

B. Received by (Printed Name)

HUGO F RIVERA

C. Date of Delivery

10/11/22

D. Is delivery address different from item 1?
 If YES, enter delivery address below:

Yes
 No

3. Service Type

- Adult Signature
- Adult Signature Restricted Delivery
- Certified Mail®
- Certified Mail Restricted Delivery
- Collect on Delivery
- Collect on Delivery Restricted Delivery

Insured Mail
 Insured Mail Restricted Delivery
 (over \$500)

- Priority Mail Express®
- Registered Mail™
- Registered Mail Restricted Delivery
- Signature Confirmation™
- Signature Confirmation Restricted Delivery







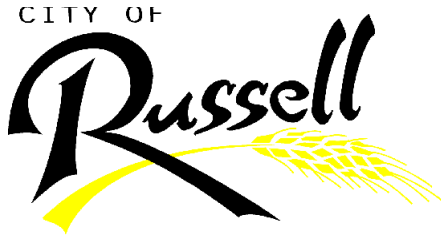












CITY COUNCIL AGENDA FORM

Meeting Date: November 1, 2022
Agenda Item Title: Economic Development Policy
Department: City Manager
Presenter: Kayla Schneider

Background: The City's Economic Development Policy was approved by Council in April of 2019. This purpose of this policy is to promote the growth and welfare of the City of Russell through offering economic development incentives to encourage capital investment while also providing methods of determining that the financial benefits to the City will produce a sufficient return on investment.

The policy provides methods to apply for and utilize property tax abatement, industrial revenue bonds, tax increment financing, community improvement districts, and rural housing incentive districts. Within each incentive, applicants must meet specific eligibility criteria and follow guidelines set forth by state statute.

Each application requires a nonrefundable application fee of \$1,000 plus a deposit of \$5,000 which is retained to cover out of pocket expenses associated with the review of the application. These expenses include, but are not limited to, the cost of legal counsel, financial advisors, and consultants which are necessary to evaluate the application and administer the incentive.

Upon staff review, proposed changes include a change in language to provide that city staff will assist in the development of providing cost estimates for extensions or additions of

infrastructure, as this is necessary to ensure proposed changes will benefit and positively impact existing infrastructure as well as ensuring current infrastructure can meet proposed demand. An additional proposed change of policy includes the removal of language providing for the opportunity to request a waiver of fees and/or deposit. The policy does reserve the right of the City Council to deviate from this policy when found in the best interest of the City to do so.

The current policy includes a mandatory review by Council every three years.

Funding Source: N/A

City Attorney Review/Comment: 10/17/2022

Options:

1. Approve the Economic Development Policy as presented.
2. Approve the Economic Development Policy with changes.
3. Take No Action.

Staff Recommendations: Approve the Economic Development Policy as presented.

Attachments:
[Economic Development Policy with Application](#)

SUBJECT	ISSUED BY	EFFECTIVE DATE	REVISION DATE
Economic Development Policy	City Council	April 2, 2019	November 1, 2022

POLICY STATEMENT

Economic development incentives are necessary because of the inherent competition between localities for new businesses and jobs and therefore shall be used prudently on projects where incentives can make a difference to either remain or locate in the City of Russell. The use of public funds to stimulate business growth may be necessary or desirable in certain cases. The decision to provide incentives to a business is guided by the expectation that the financial benefits to the City will produce a sufficient return on the City’s investment. This policy may compliment any incentive program offered by the State of Kansas or available through Russell County Economic Development.

This policy is meant to encourage the following:

- Creating and retaining quality jobs;
- Broadening and diversifying the tax base;
- Encouraging capital investments;
- Promoting the growth and welfare of the City of Russell;
- Increasing the community’s competitiveness.

The City Council reserves the right to deviate from this policy when, in the opinion of the Council, it is in the best interest of the City to do so. All proposed incentives are subject to a public hearing.

SECTION 1. PROCESS

For applications wishing to utilize a CID, EDX, IRB, RHID, or TIF, as allowed under this policy it is necessary that the applicant work with City staff and Russell County Economic Development prior to formally approaching the Council. City staff will enter into a funding agreement with the applicant in order to ensure all requests for incentives are clarified and reviewed by the City’s bond counsel. The City’s bond counsel will then draft a Term Sheet that will be presented to the Council in conjunction with the applicant’s proposal. The Term Sheet will contain a concise summary of the incentives being proposed, a detailed outline of the process involved to enact the incentives, and the obligations of the applicant and the City in the Matter.

Applicant requirements for Term Sheet Development

- Clear request for desired incentives
- Preliminary site plan
- Infrastructure needs/requirement estimate
- Total project costs
- Estimated annual revenues
- Estimated property values pre/post development
- Estimated annual sales
- Estimated number of jobs created by development and average wage per job

Each request for incentives will be evaluated on an individual basis. Changing economic conditions and availability of funds may cause the City of Russell to modify, amend, or discontinue any economic development incentive program. Should an incentive program be discontinued, the City Council will honor any incentive committed to before the discontinuance of the program.

SECTION 2. DEFINITIONS

“City” means the City of Russell, Kansas

“Economic development purposes” shall mean the establishment of a new business or the expansion of an existing business, which:

- a. is or will be primarily engaged in any one or more of the Kansas Basic Industries; or
- b. is or will be primarily engaged in the development or production of goods or the provision of services for out-of-state sale; or
- c. 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; or
- d. is a national or regional enterprise which is primarily engaged in interstate commerce; or
- e. 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 city; or
- f. is the corporate or regional headquarters of an enterprise, which is primarily engaged in out-of-state business activities.

“Kansas basic industry” shall mean

- Agriculture;
- Mining;
- Manufacturing;
- Interstate transportation;
- Wholesale trade which is primarily engaged in providing such services for interstate or international transactions;
- Business services which are primarily engaged in provided such services for interstate or international transactions;

- Business services which are primarily engaged in providing such services to out-of-town markets;
- Research and development of new products, processes, or technologies;
- Tourism activities, which are primarily engaged in for the purpose of attracting out-of-state tourists.

As used in these subsections, “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.

SECTION 3. INDUSTRIAL ECONOMIC DEVELOPMENT

The City will be selected as to the kinds of industrial businesses (i.e., business that are not retail businesses) that are recruited and assisted. In general, the primary objective of the City’s Economic Development Policy is to target new and expanding businesses that are environmentally sound, strengthen our local economy, and demonstrate a need for public financial support in order to locate or expand in Russell. Additionally, the City favors industry that creates high-caliber employment, such as high-skill, high-wage jobs with increased employee benefits and will be good stewards of the City of Russell’s water sources.

When considering proposals brought before the City, City staff and the City Council shall be cognizant of the investment being made by the business, the risk involved in doing business, and the reputation of the City which is created by decisions that are made.

Examples of incentives that may be available to industrial businesses may include; Constitutional Property Tax Abatement (EDX), Industrial Revenue Bonds (IRB), Tax Increment Financing (TIF), or other available programs as approved by the City Council or Kansas Legislature.

SECTION 4. RETAIL DEVELOPMENT

The City of Russell relies on sales taxes to support the provision of general services to its residents and visitors. The primary objectives of the City in granting incentives to retail businesses for development include the expansion of the sales tax base, general enhancement of quality of life, development as the hub for goods and services in Russell County, and the expansion of the property tax base.

The City encourages the creation of mixed use developments that contain commercial/retail uses as well as living units as this is a way to maximize available space and is a more efficient use of existing and future infrastructure.

Examples of incentives that may be available to retail business may include; Tax Increment Financing (TIF – Property tax only, sales taxes are not eligible), Community Improvement District (CID), Sales Tax and Revenue Bonds (STAR Bonds), Industrial Revenue Bonds (IRB) or other available programs as approved by the City Council or the Kansas Legislature.

SECTION 5. ECONOMIC DEVELOPMENT APPLICATION

New or existing businesses that seek financial incentives from the City must file a completed Application for Economic Incentives and Supplemental Questionnaire before their request can be considered. The application shall contain the following information.

- a. Specific information on incentives being requested; and
- b. Company profile including longevity of company, principal officers, stockholders and clients; and
- c. Audited or compiled financial statements – last five (5) years or since date of incorporation if company has not been in existence for five (5) years; and
- d. Business Plan as it relates to the proposed business to be located in Russell. Business Plan is to include:
 1. Number of employees along with a detailed breakdown of the classification and salary for each employee.
 2. Projected annual operating costs for the proposed development
 3. Projected annual revenues for the first 10 years.
- e. Cost Benefit Analysis – See Section 14
- f. A detailed site development plan
- g. Construction estimates for all improvements, if asking for a TIF, RHID, or CID, applicant must provide an itemized breakdown of eligible costs for the incentive program being requested.
- h. Estimated water usage and composition of wastewater produced by the site
- i. Detailed information regarding traffic patterns to and from the site being developed, including the number of vehicles per day (average and peak times) as well as size and type of vehicle.
- j. If the proposed development requires the extension / creation / reconstruction of City electric, water, sewer, road, or storm water infrastructure, the applicant must provide detailed cost estimates. City staff will assist in providing cost estimates for electric, water, sewer and storm water infrastructure extensions or additions. The applicant will be required to retain the services of a qualified engineer for this purpose.

The City will not consider the granting of any incentive unless the business submits a full and complete application, and provides additional information as may be requested by the City Council. The accuracy of the information provided in the application shall be verifiable by the applicant. Any misstatement of, or error in fact, may render the application null and void and may be cause for the repeal of any resolution or ordinance adopted in reliance of said information. Applications will not be considered after the issuance of building permits.

SECTION 6. FEE SCHEDULE

Any individual business requesting an incentive shall pay to the City a nonrefundable application fee of \$1,000 plus a deposit of \$5,000 to be retained by the City to pay for the City's out of pocket costs associated with the City's review of the application and other actions and agreements associated with the proposed incentive, including but not limited to the City's cost of legal counsel, financial advisors and consultants necessary to evaluate the application and administer the incentive. In the event that costs for third-party services incurred by the City exceed the fee and deposit collected, the applicant shall reimburse the City for such additional costs, immediately upon request, but no later than prior to final consideration of the incentive by the City Council. The application fee and deposit shall be submitted at the same time the Application for Economic Incentives is submitted.

The City requires the use of its designated Bond Counsel and its designed Financial Advisor. The City reserves the right to approve the selection of other necessary participants in the administration of an incentive, including but not limited to, a bond underwriter and bond trustee/fiscal agent. The City at its discretion, may retain additional independent advisors to assist the City in analyzing the merits of the application and in making a determination of its approval at the applicant's expense. Examples of additional advisors include economic or environmental specialists, or a certified public accountant.

SECTION 7. PROPERTY TAX ABATEMENT POLICY

The grant of property tax abatement will be considered for real and personal property being added to the tax rolls by "Kansas basic industry", in accordance with the provisions set by Article 11, Section 13, of the Constitution of the State of Kansas (EDX) and the provisions of K.S.A. 12-1740 et seq. (IRB) and K.S.A. 79-201a.

The City may approve for economic development purposes a property tax abatement on real and personal property used in the following business activities:

- Conducting research and development;
- Manufacturing articles of commerce;
- Storing goods that are sold or traded in interstate commerce;
- Agricultural, commercial, hospital, industrial, natural resources, recreational development and manufacturing purposes, with a preference for corporate or regional headquarters and high-tech businesses.

Abatement Amount and Term.

While Kansas law permits an exemption up to 100 percent of the qualified investment for up to 10 years, it shall be the policy of the City to normally provide property tax abatement and require payments in lieu of taxes (PILOT) as set forth in the following schedule for portions of a project that meet the economic development goals of the City and that qualify for abatement under Kansas law. The abatement level is based on capital investment and job creation .

<u>Abatement Level</u>	Capital Investment¹	Job Creation²
50% abatement for 10 years	Minimum: \$500,000 Maximum: \$2,500,000	Minimum: <u>3</u> Eligible Net New Jobs Maximum: <u>7</u> Eligible Net New Jobs
100% abatement for 10 years	>\$2,500,000	> <u>7</u> Eligible Net New Jobs

¹ Capital Investment will be determined by increase in appraised value from the appraised value of the property on the date of the application compared to the appraised value on the January 1 after completion of improvements, all as determined by tax appraisal from the Russell County Appraiser's office.

² "Eligible Net New Jobs" means each full-time equivalent job created above the monthly average full-time equivalent employee count for the 12-month period preceding the date of application. In order for a job to qualify as an "Eligible Net New Job," each job must pay wages equal to or greater than the median wage for Russell County.

The abatement term for projects considered under the authority of Article 11, Section 13 of the Constitution of the State of Kansas shall begin in the calendar year after the calendar year in which the business commences its operations locally. The abatement term for projects considered under the authority of K.S.A. 12-1740 *et seq.* and K.S.A. 79-201a shall begin in the calendar year after the calendar year in which industrial revenue bonds are issued

Procedure

1. *Action by the City.* The City shall consider granting a tax exemption pursuant to this Policy after receipt of a complete Application for Economic Incentives together with the application fee and deposit. The application shall be submitted in sufficient time for staff to follow established procedures for publication of notice, to review the project's preliminary site plans and building elevations, to prepare a cost benefit analysis, and to contact the county and unified school district. The project's site plans and building elevations are subject to final approval to ensure that they are similar to the preliminary plans and elevations submitted.

Based on each application and such additional information as may be requested by the City, the City shall prepare or cause to be prepared a cost benefit analysis of the proposed exemption on the city and state of Kansas, which analysis shall be used by the City Council in considering the requested for abatement, and shall be sufficient to meet statutory requirements for obtaining property tax abatement. In making its decision, the City Council may also consider any fiscal and/or economic impact analyses performed by the county and the unified school district.

Prior to action on each resolution of intent, the City Council shall conduct a public hearing thereon, to be scheduled at least seven days after publication of notice. Notice of the hearing shall also be sent to the Russell County Clerk and the unified school district.

Any grant of property tax abatement shall be accompanied by a Performance Agreement as set forth in Section 13 of this Policy and continuing abatement shall be subject to annual review as set forth in Section 15 of this Policy.

All documents necessary to consider granting a tax exemption, including the cost benefit analysis, notice of hearing, and any resolutions, shall be prepared and reviewed by the City's Bond Counsel.

2. *Action by the State Board of Tax Appeals.* If the abatement request is granted, the applicant shall prepare and submit to the City each February 1, a copy of the abatement application required by K.S.A. 79-213 and 79-210, and the statement required by K.S.A. 79-214 for the cessation of an exempt use of property. The City Clerk shall submit such application and statement to the County Appraiser, who will forward to the Board of Tax Appeals. The City Clerk shall provide a copy of the ordinance, as published in the official city newspaper, granting abatement from taxation to the applicant for use in filing an initial request for tax abatement as required by K.S.A. 79-213 and K.S.A. 79-201 for subsequent years. The City expressly notes to applicants that no abatement can be provided without the approval of the Board of Tax Appeals.

Payment of PILOTs.

Any payment in lieu of taxes, which shall be required of a business granted a property tax abatement of less than 100% for 10 years, shall be paid to the County Treasurer, with notice of the amount and date paid provided to the City. The County Treasurer is directed to apportion the payment, under the provisions of subsection (3) of K.S.A. 12-148, to the general fund of all taxing subdivisions, excluding the state, which levies taxes on property where the business is situated. The apportionment shall be based on the relative amount of taxes levied, for any and all purposes by each of the applicable taxing subdivisions. The specific provisions for payment of PILOTs shall be set forth in the Performance Agreement between the City and the applicant.

SECTION 8. INDUSTRIAL REVENUE BOND POLICY

It shall be the policy of the City to consider the issuance of industrial revenue bonds pursuant to K.S.A. 12-1740 et seq. (the "IRB Act") for the purpose of this Policy. And the IRB Act. Industrial revenue bonds may also be issued for the purpose of property tax abatement as set for in Section 7 of this Policy.

Sales Tax Exemption for Construction Materials

Labor and materials, as well as equipment purchased with IRB proceeds may be exempt from State and local sales tax. The City reserves the right to grant or deny such sales tax exemption in connection with the issuance of IRBs, to be determined on a case-by-case basis.

For projects requesting tax abatement in connection with the issuance of industrial revenue bonds the City shall receive an issuance fee of (i) 25 basis points (.0025) for the first \$10 million par amount of bonds being issues or the amount of the constitutional tax abatement being requested, plus (ii) 20 basis points (.002) of the part amount of the second \$10 million of bonds being issues or the amount of the constitutional tax abatement being requested, plus (iii) 10 basis points (.001) of the part amount in excess of \$20 million of bonds being issues or the amount of constitutional tax abatement being requested. In no event shall the issuance fee be less than \$1,500 or more than \$100,000. The fee shall be due and payable at the time the bonds are issued.

SECTION 9. TAX INCREMENT FINANCING POLICY

It is the policy of the City to consider creation of a redevelopment district for redevelopment projects that are qualified under state law and the policies of the City. An applicant for TIF financing must comply with all state law and city requirements relating to the redevelopment plan and project, both before and after the redevelopment district is created.

It is the policy of the City to consider the judicious use of TIF financing for projects that demonstrate a substantial and significant public benefit through constructing public improvements supporting developments that will: create new jobs or assisting in retaining existing employment, eliminate blight, strengthen the employment and economic base of the City, increase property values and tax revenues, reduce poverty, create economic stability, upgrade older neighborhoods, facilitate economic self-sufficiency, promote projects that are of community wide importance, and help implement economic development goals of the City.

It is the policy of the City to exercise care and to thoroughly evaluate each proposed TIF financing project to ensure that the benefits expected to accrue from approval of TIF financing for a project are adequate to justify the costs of such assistance to the City and that the costs and benefits of a TIF project are equitable to the City as a whole.

The City will charge an application and an administrative service fee for TIF financing projects as described in Section 6.

CRITERIA

The following criteria are to be used by City staff, the City Council and consultants to evaluate TIF Applications:

1. An application for TIF financing must demonstrate that “but for” the proposed TIF financing assistance, the project is not feasible and cannot be completed.
2. The total amount of TIF financing assistance for a proposed project and its term will be determined based on the economic payoff expectations of the project and its significance to the community. The City’s policy favors a 10-year payoff in the absence of unusual factors. Longer terms for TIF financing may be considered if the proposed project is concerned with the redevelopment of blighted areas or conservation areas or is a project of community-wide significance.
3. Each TIF Application must include evidence acceptable to the City that the applicant:
 - a. Has the financial ability to complete and operate the project.
 - b. Will be liable for, or contribute equity or private financing of at least fifteen percent (15%) of the total cost of the project or provide a performance bond for the completion of the project. Projects with equity or private financing contributions from the developer in excess of fifteen percent (15%) will be viewed more favorably.
4. The City will require satisfactory assurance that the project will be completed in a timely manner in accordance with the redevelopment district plan, the redevelopment project plan and the agreement between the City and the developer of the redevelopment plan.

5. TIF applications for the redevelopment of blighted areas or conservation areas in the City and applications for development of new or expanded industrial, manufacturing, office, and retail projects will be viewed more favorably than projects for service commercial use (commercial uses that mainly provide a service rather than the sale of products). TIF projects that create jobs with wages that exceed the community average will be encouraged. Industrial, manufacturing, retail and office developments will be given more favorable consideration than warehouse uses based upon the projected employment per square foot. The City will give additional consideration to projects with a capital investment in excess of five million dollars (\$5,000,000) and those projects the City determines will stimulate the local economy and improve the quality of life of its citizens.
6. TIF applications for retail and for service commercial projects will be more favorably considered if the project is one where a substantial part of its total products and/or services are either exported from the Russell area or the project will add jobs in the City and sell or provide products and services now acquired by Russell citizens outside the City. Additional considerations should include whether the project has the ability to support or stimulate new retail development in the City.
7. TIF applications for residential development projects may be considered for removal of blight and revitalization of older developed neighborhoods, and/or to provide for public improvements to benefit economic development and employment.
8. TIF applications for the redevelopment of existing residential neighborhoods, commercial and industrial areas will be viewed more favorably. Projects to stabilize existing residential neighborhoods, commercial, and industrial areas that have or will likely experience deterioration will be favored.
9. All TIF applications must comply with the requirements of the Kansas statutes governing TIF financing.
10. Redevelopment project costs to be financed with TIF revenues shall be identified in the application and the preliminary redevelopment plan submitted with the Application.
11. TIF applications that include the establishment of business areas or the redevelopment of existing business areas shall describe the business type of the major tenants of the redevelopment district. In addition, a thorough market analysis should be completed and submitted that identifies: (a) the population areas that the business in the redevelopment district will draw from; (b) the existing business in the City of similar types that will compete with new business in the TIF redevelopment district; and (c) the anticipated impact of the new businesses in the TIF redevelopment district on existing business of a similar type.
12. The applicant shall agree to pay the cost of a feasibility study for the TIF financing proposal performed by a consultant selected by or approved by the City.
13. The compatibility of the TIF project with land use and development plans of the City and the availability of existing infrastructure facilities and essential public services will be a consideration. The project must be environmentally acceptable to the location intended as well as the surrounding areas. Preference will be given to businesses that do their or pre-treatment or do not require extensive environmental controls. The proposed use

must be clean, nonpolluting, and consistent with all policies, ordinances, and codes. Based upon future growth, the applicant must be willing to provide a traffic study on any projected traffic increase on the on City.

PROCESS

The City may consider issuing tax increment financing bonds or reimbursing the eligible redevelopment costs from tax increments pursuant to state law and this policy after the following occurs:

1. A complete application is received by the City from the applicant in a form prescribed by the City. The application shall be submitted in sufficient time for staff to follow established procedures, review the project documents, and to meet with Russell County officials and officials of Unified School District 407.
2. After reviewing an application, the City may require, and the applicant shall furnish, additional requested information to further describe or clarify the proposal.
3. After the City creates a redevelopment district pursuant to state law, the City may designate the applicant as the proposed developer by adopting a Memorandum of Understanding between the City and the applicant.
4. The applicant shall, in consultation with the City and the planning commission, proceed with the preparation of the redevelopment project plan pursuant to state law and City requirements, including a complete and comprehensive financial feasibility study demonstrating that the economic benefits of the project exceed the cost, the tax increment to be derived from the project will fully fund such cost or proposed bond payments, and that the term of the redevelopment district does not exceed a mutually agreed upon period of time. A consultant selected by or approved by the City shall perform the financial feasibility study. The costs of the feasibility study shall be paid by the applicant / developer.
5. The applicant and the City will enter into a Redevelopment Agreement upon satisfactory completion of the redevelopment project plan.
6. In addition to the fees described in Section 6, the applicant shall pay to the City an annual TIF Administration Service fee of an amount equal to 0.5% of the annual increment. This fee is to reimburse administration and other City costs for each approved TIF project. This fee shall be in addition to the application fee. The service fee may be paid from tax increment generated from the project over time or from a direct billing to the applicant. The payment method of the administration service fee shall be determined on a case-by-case basis and only to the extent tax increment is available.
7. The City may waive or reduce the fees established by this policy if it is determined to be in the City's best interests.

METHOD OF FINANCING

TIF assistance is available as "Pay-as-you-go financing", which means a method of financing in which the costs of a project are financed without notes or bonds of the City, and the costs of such project are thereafter reimbursed as moneys are deposited in the special fund described in K.S.A. 12-1175, and amendments thereto.

TAXES AVAILABLE AS TIF REVENUE

The following taxes will be considered available for payment of approved redevelopment project costs:

1. **New Development:** Projects for new development in previously undeveloped areas or areas that are not blighted, or conservation areas may receive up to 50% of the real property tax increment in the district.
2. **Redevelopment Projects:** Projects for the redevelopment of previously developed areas that are blighted or located in a conservation area may receive up to 100% of the real property tax increment in the district.
3. **Other Economic Activity Taxes:** The City will not pledge as part of tax increment financing revenues: (i) the City's existing 0.5% retailers' sales tax pledged to capital improvements, (ii) any future special purpose retailer's sales tax, or (iii) utility franchise taxes or similar payments attributed to the redevelopment district.

TERM

In General, the term of a tax increment financing shall be 10 years or less. Shorter projected terms will be viewed more favorably than longer terms. Terms longer than 10 years may be approved for redevelopment projects in blighted areas or in conservation areas or for projects the City determines will have significant positive impact on the community at large.

AUTHORITY OF THE GOVERNING BODY

The Governing Body reserves the right to deviate from any policy, but not any procedural requirements of state law, when it considers such action to be of exceptional benefit to the City or extraordinary circumstances prevail that are in the best interests of the City.

SECTION 10. COMMUNITY IMPROVEMENT DISTRICT POLICY

It is the policy of the City to consider the establishment of CIDs for reimbursable expenses in the amount of \$250,000 or greater in order to promote economic development and tourism within the City. An applicant may petition the City to utilize special assessments or a special sales tax to fund project eligible under the CID statutes. In considering the establishment of a CID, the City Council shall consider whether the proposed CID will achieve the economic development purposes outlined in Section 1 of this Policy.

It is further policy of the City that a CID shall only be established for projects where the applicant/developer pays the cost of eligible CID improvements (at no cost to the City) and agrees to be reimbursed on a pay-as-you-go basis for such costs from the City's receipt of CID sales tax revenues or CID special assessment revenues.

The use of CIDs should not alter the requirements of the City's Economic Development Policy in regard to the development paying for public infrastructure or meeting building codes. When establishing a CID, special consideration will be given to public benefits. These benefits may include, but are not limited to, strengthening economic development and employment opportunities, reducing blight, enhancing tourism and cultural amenities, upgrading older retail real estate and commercial neighborhoods, and promoting sustainability and energy efficiency.

CRITERIA

It shall be the policy of the City to create a CID, if, in the opinion of the City Council, it is in the best interest of the City to do so. The City Council shall consider the following factors when creating a CID:

1. The project meets the City's economic development goals by expanding existing businesses or develops new businesses, and/or strengthens the economic development and employment opportunities, reduces blight, enhances tourism and cultural amenities, upgrades older retail real estate and commercial neighborhoods, and promotes sustainability and energy efficiency.
2. The project uses higher standards for the design of improvements and materials used in making improvements within the CID, compared to the minimum requirements set for in the City's current design guidelines.
3. The project extends public infrastructure to parts of the City that are not currently served by such infrastructure.

PROJECT ELIGIBILITY

It is the intent of the City to allow only projects involving capital investment and improvements to qualify for reimbursement. Purchase of consumables, and items or property considered to be operating expenses shall not qualify for reimbursement.

The following projects within the district to acquire, improve, construct, demolish, remove, renovate, reconstruct, rehabilitate, maintain, restore, replace, renew, repair, install, relocate, equip or extend shall be eligible for reimbursement out of the proceeds of the community improvement district sales tax:

1. Public buildings, structures and facilities, and private not-for-profit museums;
2. Sidewalks, streets, roads, interchanges, highway access roads, intersections, alleys, parking lots, bridges, ramps, tunnels, overpasses and underpasses, traffic signs and signals, utilities, pedestrian amenities, drainage systems, water systems, storm systems, sewer systems, lift stations, underground gas, heating and electrical services and connections located within or without the public right-of-way, water mains and extensions and other site improvements;
3. Parking garages;
4. Streetscape, lighting, street light fixtures, street light connections, street light facilities, benches or other seating furniture, trash receptacles, marquees, awnings, canopies, walls and barriers;
5. Parks, lawns, trees and other landscape;
6. Communication and information booths, bus stops and other shelters, stations, terminals, hangers, rest rooms and kiosks;
7. Outdoor cultural amenities, including but not limited to, sculptures and fountains;
8. Private buildings, structures and facilities;

9. To produce and promote tourism, recreational or cultural activity or special event, including, but not limited to, decoration of any public place in the district, promotion of such activity and special events;
10. To support business activity and economic development, including, but not limited to, development, retention, and the recruitment of developers and businesses;
11. To provide or support training programs for employees of businesses.

Generally, projects not listed in the foregoing eligibility section shall not be eligible for reimbursement out of the proceeds of a CID sales tax. Additionally, the following projects within the district to acquire, improve, construct, demolish, remove, renovate, reconstruct, rehabilitate, maintain, restore, replace, renew, repair, install, relocate, furnish, equip or extend shall be ineligible for reimbursement out of the proceeds of a community improvement district sales tax:

1. Airports, railroads, light rail and other mass transit facilities;
2. Lakes, dams, docks, wharfs, lakes or river ports, channels and levies, waterways and drainage conduits;
3. To provide or contract for the provision of security personnel, equipment or facilities for the protection of property and persons, buildings and outdoor spaces;
4. To provide or contract for cleaning, maintenance and other services to public property, buildings and outdoor spaces;
5. To contract for or conduct economic impact, planning, marketing or other studies related to the district;
6. Indoor cultural amenities, including but not limited to, paintings, murals, and display cases, which are not located in a private not-for-profit museum;
7. To operate or to contract for the provision of music, news, child-care, or parking lots or garages and buses, minibuses or other modes of transportation;
8. To provide or contract for the provision of security personnel, equipment or facilities for the protection of property and persons inside private buildings;
9. To provide or contract for cleaning, maintenance and other services to private property;
10. The purchase of inventory and/or supplies for use or resale;
11. To purchase interior furnishings;
12. To purchase advertising or any promotional expenses;
13. Any other projects not permitted by state statute as amended from time to time.

METHOD OF FINANCING

The City Council will consider creation of a CID where (i) the costs of CID improvements will be financed on a pay-as-you-go basis from CID sales tax revenue or (ii) the costs of CID

improvements consisting only of public infrastructure improvements will be financed from CID special assessments. In the instance where public infrastructure CID improvements will be financed from CID special assessments, the City will consider the issuance of special obligation or general obligation CID special assessment bonds. The City will not issue special obligation or general obligation bonds for CID improvements, other than the limited circumstances set forth in this section. The proposed method of financing will be clearly shown in the petition.

PROCESS

The process for creation of a CID shall be as follows:

1. *Petition and Supplemental Information.* An applicant requesting the City create a CID shall first submit a petition to the City. Such petition shall contain all of the information required by K.S.A. 12-6a26 *et seq.* and shall contain all of the required signatures of property owners as set forth in the CID. Such petition shall also contain an agreement by the applicant to pay all out of pocket costs incurred by the City related to the City's review of the petition, including but not limited to the City's cost of legal counsel and financial advisors necessary to evaluate the petition. In addition to the information required by K.S.A. 12-6a26 *et seq.*, applicants must file (a) an Application for Economic Incentives and Supplemental Questionnaire, as provided by the City's Economic Development Policy, (b) a site plan for all public and private improvements to be located within the proposed CID, and (c) a business plan evidencing that the applicant has the financial ability to complete the proposed project in a timely manner and operate the project for the term of the proposed CID. The applicant shall furnish such additional information as requested by the City in order to clarify the petition or to assist staff or the City Council with the evaluation of the petition
2. *Application Fee and Deposit.* The application fee and deposit, as well as any costs and expenses required to be paid by the applicant may be deemed costs of the improvements, and may be reimbursable to the extent permitted by the CID and as authorized by the City Council.
3. *Timing of Submissions.* The petition and all additional information required by this Policy must be submitted in sufficient time for staff to follow established procedures for publication of notice, to review the project's site plans, and to analyze the merits of the proposed CID in the context of existing economic development and infrastructure projects.
4. *Public Hearing.* Upon receipt of the petition and all additional information required by this Policy, the City Council will order a public hearing on the creation of a CID and the imposition of a CID sales tax. The City Council shall give public notice and hold such hearing in the manner required by the Community Improvement District.
5. *City Council Findings; Development Agreement Required.* After the public hearing is conducted, the City Council shall determine the advisability of creating a CID pursuant to the CID Act. If advisable, the City Council may create a CID by adopting an ordinance. Contemporaneously with the adoption of an ordinance creating a CID, the City Council shall consider a Development Agreement between the City and the applicant setting forth the specific terms and conditions under which the City will reimburse the applicant on a pay-as-you-go basis for the costs of certain CID Improvements.

APPLICANT REQUIREMENTS

1. The applicant shall provide a tax clearance letter from the State of Kansas Department of Revenue to determine and ensure the applicant is compliant with all primary Kansas Tax Laws. An annual submission of the tax clearance from the State of Kansas Department of Revenue is required.
2. If a CID is created, the applicant must complete an annual report by March 1 of each year covering the previous calendar year.
3. If a CID is created, the applicant must agree in the Development Agreement to pay to the City an annual administrative fee equal to 0.5% of the annual CID revenue generated within the CID, to cover the administration and other City costs related to the CID. This fee is in lieu of the annual renewal fee of \$100.00 set forth in Section 6 for other economic development incentives.

PAYMENT OF CERTAIN COSTS

The City shall require the applicant to enter into a funding agreement or other evidence of the applicant's agreement to pay costs incurred by the City for additional legal, financial and/or planning consultants, or for direct out of pocket expenses and other costs relating from services rendered to the City to review, evaluate, process and consider the petition for a CID, as well as the continued maintenance of the escrow account for CID revenues and for the processing of payments of CID eligible costs. Such costs and expenses may be deemed costs of the project, to the extent permitted by the CID Act.

FINANCIAL AND FISCAL IMPACT

The applicant must detail the proposed method and amount of financing, including any public financial participation requested. The applicant must financially participate in the project in an amount that is at least 25 percent of the total project cost.

AUTHORITY OF CITY COUNCIL

The City Council reserves the right to deviate from any policy when it considers such action to be of exceptional benefit to the City or extraordinary circumstances prevail that is in the best interests of the City. Additionally, the City Council, by its inherent authority, reserves the right to reject any proposal or petition for creation of a CID at any time in the review process when it considers such action to be in the best interests of the City.

SECTION 10. RURAL HOUSING IMPROVEMENT DISTRICT POLICY

It is the policy of the City to consider the establishment of a RHID for housing development. It is the further policy of the City that a RHID shall only be established for projects where the applicant/developer pays for the cost of eligible RHID improvements (at no cost to the City) and agrees to be reimbursed on a pay-as-you-go basis for such costs from the City's receipt of RHID revenues.

CRITERIA

It shall be the policy of the City to create a RHID, if, in the opinion of the City Council, it is in the best interest of the City to do so. The City Council shall consider the following factors when creating a RHID:

1. Assure taxpayers that the City is not financing an already viable project;
2. Assure taxpayers that the City is not financing an unreasonably high profit margin for developers. Each developer will be required to submit a detail of development costs and net operating income including an Internal Rate of Return to be compared to the market for reasonableness;
3. Assure taxpayers that the development provides the City safeguards committing the developer to complete the project.

The Development Plan required by statute for each project must determine that the incremental ad valorem property tax revenues generated by the RHID, together with other funds committed by the Developer, will cover the estimated eligible costs of the project. All Development Plans must assume that the initial estimated incremental property tax revenues will remain flat over the term of the RHID (i.e., no plan may assume increasing incremental property tax revenues will be available to cover project costs).

All development requests must utilize drought tolerant landscaping and water efficient fixtures in order to minimize the impact on water resources. City staff will provide the necessary guidance.

ELIGIBLE COSTS

It is the intent of the City to allow only the following development expenditures within a RHID to qualify for reimbursement out of RHID revenues:

1. Acquisition of property within the RHID;
2. Payment of relocation assistance;
3. Site preparation;
4. Sanitary and storm sewers and lift stations;
5. Drainage conduits, channels and levees;
6. Street grading, paving, curbs and gutters
7. Street lighting
8. Underground public and limited private utilities, all located within the public right-of-way;
9. Sidewalks
10. Water mains and extensions.

METHOD OF FINANCING

The City Council will consider creation of a RHID where eligible costs will be financed on a pay-as-you-go basis from incremental ad valorem tax revenues generated within the RHID. The City will not issue special obligation bonds for RHID improvements.

PROCESS

The process for the creation of an RHID District shall be as follows:

1. *Application and Supplemental Information.* An applicant requesting that the City create a RHID must file:
 - a. an Application for Economic Incentives and Supplemental Questionnaire, as provided by the City's Economic Development Policy;
 - b. a Housing Needs Analysis meeting the requirements of K.S.A. 12-5244(a) and the guidelines of the Kansas Department of Commerce, and incorporating the findings contains in the Current Russell Housing Assessment;
 - c. a Development Plan meeting the requirements of K.S.A. 12-5245; and
 - d. a business plan evidencing that the applicant has the financial ability to complete the proposed project in a timely manner and that the project meets the criteria for establishment of a RHIS, as set forth in this Policy.

The applicant shall furnish such additional information as requested by the City in order to clarify the application or to assist staff or the City Council with the evaluation of the application.

2. *Application Fee and Deposit.* The application fee and deposit as well as any costs and expenses required to be paid by the applicant are not reimbursable pursuant to the RHID Act. The applicant will pay all out of pocket costs incurred by the City related to the City's review of the application, all documents related to consideration of a RHID and the development agreement, including but not limited to the City's cost of legal counsel and financial advisors necessary to evaluate and create the proposed RHID.
3. *Timing of Submissions.* The application and other information required by this Policy must be submitted in sufficient time for staff to follow established procedures for publication of notice, to review the submitted documents and analyze the merits of the proposed RHID in the context of existing economic development policy.
4. *Secretary of Commerce Approval.* If the City Council determines that it is in the best interest of the City to approve the Housing Needs Analysis and move forward with the proposed Development Plan, the City Council shall adopt a resolution approving the Housing Needs Analysis and submit such analysis to the Kansas Secretary of Commerce for approval. If the Secretary of Commerce agrees within the findings of the City Council set forth in such resolution, the City Council may proceed with the establishment of an RHID.
5. *Development Agreement.* Upon receipt of approval from the Secretary of Commerce, but before the City Council takes further action with respect to the creation of the RHID, the City and the Developer shall negotiate a development/performance agreement to implement the proposed Development Plan and including the requirements of Section 13 of this Policy, including particularly the requirements of this Policy related to Performance Agreements.

6. *Public Hearing.* When the Development Plan, a draft Development Agreement, and all additional information required by the RHID Act and this Policy are ready to be presented to the City Council the City Council will consider adopting a resolution ordering a public hearing on creation of the RHID and adoption of the plan. The City Council shall give such notice and hold such hearing in the manner required by the RHID Act.
7. *City Council Findings.* After the public hearing is conducted, if advisable, the City Council may create an RHID district by adopting an ordinance creating the district, adopting the Development Plan, and approving the Development Agreement.

PAYMENT OF CERTAIN COSTS

The City shall require the applicant to enter into a funding agreement or other evidence of the applicant's agreement to pay costs incurred by the City for additional legal, financial and/or planning consultants, or for direct out of pocket expenses and other costs relating from services rendered to the City to review, evaluate, process and consider the request for RHID. Such costs and expenses are the applicant's sole responsibility, and are not generally reimbursable pursuant to the RHID Act.

AUTHORITY OF THE CITY COUNCIL

The City Council reserves the right to deviate from any policy when it considers such action to be of exceptional benefit to the City or extraordinary circumstances prevail that is in the best interests of the City. Additionally, the City Council, by its inherent authority, reserves the right to reject any proposal or request for the creation of an RHID at any time in the review process when it considers such action to be in the best interest of the City or whenever, in the opinion of the City Council sufficient properties are already available for the type of development being considered.

REVIEW

The RHID policy will be in place as long as there is a need for low-income and income-qualified housing. The City expects the Housing Needs Assessment will be updated every three to five years.

SECTION 11. MEMORANDUM OF UNDERSTANDING

Authority to issue memorandums of understanding to consider requests for economic development incentives shall lie only with the City Council. Such memorandums of understanding shall only be issued by the City Council, and as an expression of good faith intent, but shall not in any way bind the City to the granting of an incentive. Such memorandums of understanding shall expire six months after issuance, but may be renewed. A public hearing shall not be required prior to the issuance of memorandums of understanding.

SECTION 12. NOTICE AND HEARING

No incentive shall be granted by the City prior to a public hearing thereon. Notice of the public hearing shall be published at least seven days prior to the hearing in the official city newspaper, giving the time and place, and the hearing may be held at a regular or special meeting of the City Council. The City Manager, or designate thereof, shall thereupon notify the Russell County Commission, the superintendent of the school district, and the clerk of any taxing jurisdiction,

excluding the state, which derives or could derive property taxes from the affected business advising them of the scheduled public hearing and inviting their review and comment. Upon request, the City Manager shall provide any such public agency with a copy of the application, which shall remain confidential unless released by the City Council. The applicant business shall be invited, but not required, to attend the public hearings.

SECTION 13. PERFORMANCE AGREEMENT

Any incentive granted pursuant to this policy shall be accompanied by a Performance Agreement between the applicant and the City, which shall include provisions governing the situation if an applicant fails to meet the wage, number of jobs, and/or capital investment projections set forth in the original application. Each incentive shall be reviewed annually. The City Council shall receive the annual review report, and if the City Council determines that a business or project is not in compliance with the provisions of the Performance Agreement, then the incentive may be modified pursuant to the Performance Agreement as the City Council deems appropriate. Modifications to the incentive may include, but are not limited to, termination of the incentive, reduction of any incentive (including but not limited to reductions in tax abatement due to failure to meet requirements as set forth in Section 7) and claw-back of any existing incentive. To the extent necessary, the County Appraiser and the State Board of Tax Appeals shall be notified of appropriate actions to modify any incentive.

SECTION 14. COST BENEFIT ANALYSIS

The Cost Benefit Analysis will offer a wide spectrum of information as it pertains to development, the adequacy, or inadequacy of, financial incentives, and finally, the net gain, current and future, of entering into these types of endeavors on behalf of the citizens of the City. The Cost Benefit Analysis should address the following items:

1. *Direct Costs to the City.* Any identified direct cost should be included in the analysis. Examples of these types of costs include installation and assumed annual liability of municipal infrastructure to the business site, and costs of providing city General services such as public works, fire, and police protection.
2. *Benefit to the City.* Direct benefits include wages/salaries/benefits paid to employees, any taxes collected (property, sales, franchise fees), and purchases of products/services from local vendors.
3. *Cost versus Benefit.* From a community perspective, incentives are used because a net benefit is expected. A desired benefit to cost ratio must be at least in the 1.25:1 ratio. Proposed economic development projects that achieve this benchmark traditionally employ a higher proportion of local labor, including managers, at an above-average hourly wage.

This analysis should identify the particulars involving the developer's proposal. This should include confirmation of the size of the facility or store, financial information, number of employees, pay scale, tax collections, and other areas involving development. The developer is responsible for the development of this analysis including any cost incurred.

If asking for any financial incentives, such as a CID, TIF, RHID, or tax abatements, the applicant shall be required to provide a detailed monetary breakdown of the program(s) being requested,

including but not limited to: the determination of any revenues generated from sales taxes or an incremental increase in property taxes, the direct cost to the city in lost sales or property tax revenue, the number of years required to retire any debt being financed with the above-mentioned programs.

SECTION 15. ANNUAL REVIEW FOR COMPLIANCE

All incentives granted shall be subject to an annual review to ensure that the ownership, use of property, and the economic performance of the business, including the capital investment, employment, and wages, are pursuant to requirements and criteria of this policy, the application, and the conditions of the granting of incentives. The review shall also include a comprehensive review of the entire incentive period for the business (if applicable), including milestones and project phases for the business. The annual review shall provide an opportunity for the company receiving the incentive to describe their achievements, especially in the areas of environmentally sound practice, community engagement and services, and job training. If the business:

1. no longer qualifies for the incentive pursuant to law or this policy;
2. substantially fails to meet the expectations set forth in the application for an incentive, including failure to meet employment, wage, or capital investment plans in the application; or
3. substantially fails to meet the criteria or objects of this policy;

The City Council, after notice and a public hearing, may modify any incentive by ordinance or resolution.

The City reserves the right to issue any level of penalties that it deems necessary. These may include; (i) rescissions, which are a complete cancellation of the incentive, (ii) penalties, which are fines charged when the business does not meet a certain level of performance or relocates, and finally, (iii) recalibrations, which are the provisions for changing the incentive in some manner in order to accommodate an evolving economic climate. The use of these tools will provide a safety net to the community, ensuring that its investment in the business will result in the positive benefits it expects.

Each business receiving an incentive shall be required to complete an annual report by March 1. The information in the report will cover the time period of January 1 through December 31 of the previous year. The annual report will be reviewed by May 1.

By May 1 of each year, an annual report listing all financial incentives that remain in effect will be presented to the City Council. The annual report shall include information regarding when the incentive was granted, when the incentive expires, current property taxes paid for the property, in lieu of tax payments, amount of any industrial revenue bonds issued, the assessed value of the property, number of employees, salary and payroll of employees, and any additional information concerning the operation of the business receiving the incentive, and other information as requested by the City Council.

The failure of a business (i) to provide accurate and timely information to the City in the preparation of the annual report or (ii) to comply with the performance standards set forth in the

Performance Agreement shall be grounds for the modification or revocation of the incentive granted.

The City may require an annual renewal application to be filed or other information necessary to assure the continued qualification of the exempt business. Any material omission or misstatement of fact in information provided to the City in any such statement or renewal application may be cause for repeal of any incentive ordinance adopted, renewed or extended in reliance thereon.

SECTION 16. TRANSFER OF OWNERSHIP OR USE

Incentives granted by the City may be transferred as a result of a change in the majority ownership of the business. Any new owner shall file a new application, along with the renewal fee, for an incentive. The City shall be notified by the business of any change in ownership and any substantive change in the use of a tax-exempt property.

SECTION 17. RETROACTIVE GRANTING OF INCENTIVES; “BUT FOR PRINCIPLE”

No incentives will be distributed on a retroactive funding basis. Incentives will be granted pursuant to the guidelines of this policy and effective on the date indicated and approved by the City Council.

Each application for incentive shall demonstrate that the incentive will make such a difference in determining the decision of the business to locate, expand or remain in the City that the business would not otherwise be established, expanded or retained without the availability of the incentive.

SECTION 18. WAIVER OF STATEMENT REQUIREMENTS

The City Council reserves the right to grant or not to grant an incentive under circumstances beyond the scope of this Statement, or to waive any procedural requirement. However, no such action or waiver shall be taken or made except upon a finding by the City Council that a compelling or imperative reason or emergency exists, and that such action or waiver is found and declared to be in the public interest.

SECTION 19. AMENDMENTS

The City Council retains the right to amend any portion of this policy as needed.

SECTION 20. TAX CLEARANCE CERTIFICATION

Any person, company, or entity receiving economic incentives under this policy must provide a Tax Clearance Certificate from the State of Kansas Department of Revenue on an annual basis prior to December 31. The Tax Clearance Certificate requirement will be in effect until such time that incentives are no longer being utilized.

SECTION 21. MANDATORY REVIEW

This policy will be subject to a mandatory review by the City Council every three years.

CITY OF RUSSELL, KANSAS
APPLICATION FOR ECONOMIC DEVELOPMENT INCENTIVES

APPLICANT: _____

ADDRESS: _____

PHONE #: _____

FAX #: _____

E-MAIL ADDRESS: _____

CONTACT PERSON: _____

PROJECT NAME: _____

Application Format: On a separate sheet(s) of paper please answer the following questions. Please type each question prior to the applicable response.

- a. Please provide specific information on incentives being requested; and
- b. Company profile including longevity of company, principal officers, stockholders and clients; and
- c. Audited or compiled financial statements – last five (5) years or since date of incorporation if company has not been in existence for five (5) years; and
- d. Business Plan as it relates to the proposed business to be located in Russell. Business Plan is to include:
 1. Number of employees along with a detailed breakdown of the classification and salary for each employee.
 2. Projected annual operating costs for the proposed development
 3. Projected annual revenues for the first 10 years.
- e. A detailed site development plan, including the size and scope of phasing of the proposed project.
- f. Define the boundaries of the proposed TIF, CID, or RHID area, or the property that would be subject to a property tax abatement or sales tax project exemption through and EDX or IRB process, by address and locator number(s). Include a map of the proposed area.
- g. Provide an outline of the costs associated with the development of the proposed project(s) and related parcel or parcels located within the development area. Identify in the outline those costs you

would propose to fund with IRB/TIF / CID / RHID financing and the proposed payback term (provide a debt service schedule showing rates and assumptions).

- h. Estimated water usage and composition of wastewater produced by the site
- i. Detailed information regarding traffic patterns to and from the site being developed, including the number of vehicles per day (average and peak times) as well as size and type of vehicle.
- j. If the proposed development requires the extension / creation / reconstruction of City electric, water, sewer, road, or storm water infrastructure, the applicant must provide detailed cost estimates. City staff will not provide cost estimates. The applicant will be required to retain the services of a qualified engineer for this purpose.
- k. Identify the Applicant’s consultants involved or proposed to be involved in the project noting relevant experience on similar projects (i.e., civil engineer, land use planner, Applicant’s legal counsel, Applicant’s financial advisor).
- l. Identify the property that is currently in the control of the Applicant via ownership or option. If under option note the option expiration date.
- m. Is the property currently zoned for the proposed use? If not, what zoning change will be required?
- n. State the need and justification for economic incentive assistance. Explain how the applicant intends to demonstrate that “but for” the project is not feasible and will not be completed. Substantiate that other alternative methods of financing have been thoroughly explored and why assistance is necessary.
- o. If applying for a TIF incentive, discuss the condition(s) that would qualify the proposed TIF District as a “blighted area” or “conservation area,” and/or whether the project is within an enterprise zone as defined within Kansas law.
- p. Identify sources, amounts, and status of all debt financing and/or equity funding available to complete the project. Does the applicant intend to privately finance construction of the project and reimburse costs with IRBs, or TIF / CID / RHID revenues after the project is substantially complete or will IRB/TIF / CID / RHID financing be used to pay costs of construction / infrastructure? Are any bonds or notes to be privately placed or publicly sold? Please list all information in the following table format.

<u>Financial Resource</u>	<u>Amount</u>	<u>Term</u>	<u>Status</u>	<u>Contact Person</u>	<u>Contact Telephone #</u>
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- q. In one page or less, discuss and document information used to describe the market feasibility of each element of the proposed project. If a formal feasibility or comparable studies have been prepared, attach such reports as an appendix to this application.
- r. On a revenue worksheet estimate the incremental property taxes and economic activity taxes to be generated by the project, including underlying assumptions and identify the amounts of such revenue to be applied to pay or reimburse project costs.
- s. Provide an estimate of the market value of all fixtures and equipment to be used by all owners or tenants of the proposed project that will be taxed as personal property.
- t. Identify any existing business within the city limits that may reasonably be expected to be adversely affected by businesses within the project.
- u. Attach a letter from a financial institution indicating that the applicant has sufficient financial resources to obtain the private financing for the project.
- ❖ Applicant shall reimburse the City for legal counsel, financial advisors and consultants necessary to evaluate the application. Reimbursement shall be made before final consideration of the incentive by the City Council.



CITY COUNCIL AGENDA FORM

Meeting Date: November 1, 2022

Agenda Item Title: Water Source Status

Department: Water

Presenter: Randy Baker

Background: The US Drought Monitor released October 25, 2022 keeps Russell in the extreme drought category - this includes the area of our Pfiefer wellfield. The National Oceanic and Atmospheric Administration (NOAA) Climate Prediction Center's 8 - 14 day outlook, valid from November 4 - 10, 2022, shows a 50-60% probability of above normal temperatures and 33-40% probability of above normal precipitation - an improvement from two weeks ago.

Funding Source: N/A

City Attorney Review/Comment: N/A

Options: Informational Item

Staff Recommendations: Informational Item

Attachments:

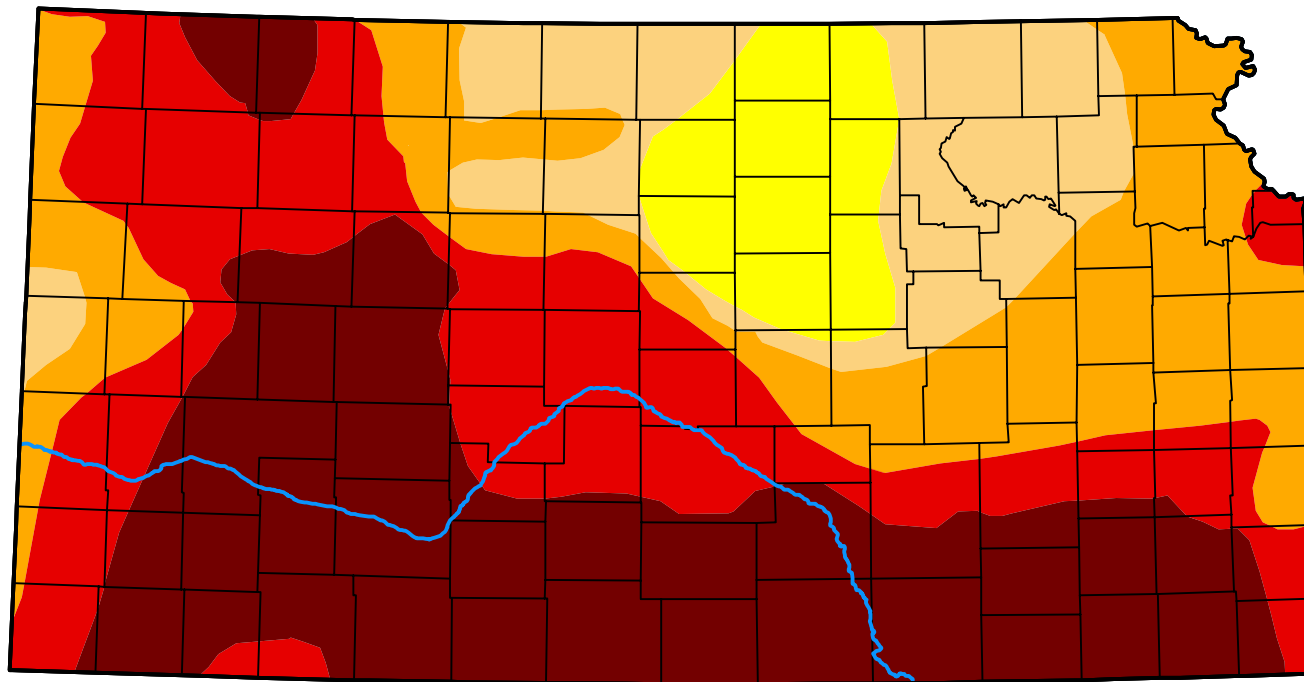
[US Drought Monitor - Kansas](#)

[NOAA Climate Prediction Center November 4-10, 2022 Temperature Outlook](#)

[NOAA Climate Prediction Center November 4-10, 2022 Precipitation Outlook](#)

U.S. Drought Monitor Kansas

October 25, 2022
(Released Thursday, Oct. 27, 2022)
Valid 8 a.m. EDT



Intensity:

-  None
-  D0 Abnormally Dry
-  D1 Moderate Drought
-  D2 Severe Drought
-  D3 Extreme Drought
-  D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>

Author:

Adam Hartman
NOAA/NWS/NCEP/CPC



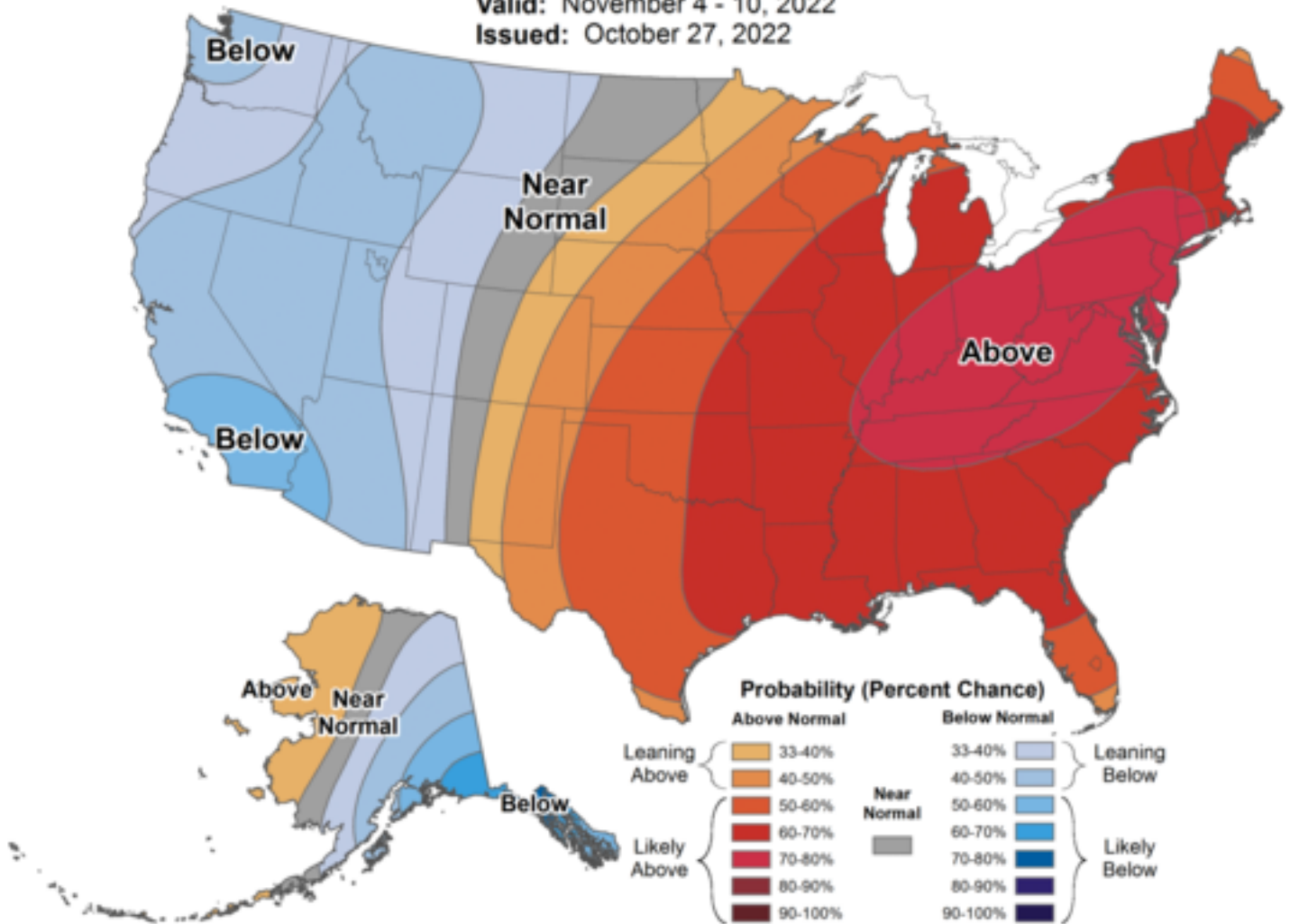


8-14 Day Temperature Outlook



Valid: November 4 - 10, 2022

Issued: October 27, 2022





8-14 Day Precipitation Outlook



Valid: November 4 - 10, 2022

Issued: October 27, 2022

