

RESOLUTION NO. 10-14-03B
**A RESOLUTION ESTABLISHING THE
DEVELOPMENT POLICY FOR THE FINANCING
OF PUBLIC IMPROVEMENTS WITHIN THE CITY
OF PAOLA, KANSAS.**

WHEREAS, it is the policy of the Governing Body to encourage development within the City limits; and

WHEREAS, the city wishes to repeal and revise Resolution 3-14-95; and

WHEREAS, the Governing Body uses special assessment financing as one method of ensuring the completion of public improvements; and

WHEREAS, the Governing Body has determined that high construction standards for public improvements reduce future maintenance cost; and

WHEREAS, the Governing Body has determined that the special assessment method of financing public improvements allows the pass-through of tax free interest advantages to the consumer; and

WHEREAS, the Governing Body, in return for providing the financing for public improvements, requires that all petitioners and/or developers provide adequate assurance of full annual payment of special assessments before their petitioned improvements are approved; and

WHEREAS, it is understood that the Governing Body is under no obligation to proceed on any petitioned improvement; and

WHEREAS, the Governing Body reserves the right to vary the percentage of City participation, if any, when unusual circumstances so warrant; and

WHEREAS, nothing in this policy shall prohibit any individual from financing and constructing public improvements by other methods allowed by law; and

WHEREAS, all construction of public improvements shall conform to City standards and specifications; and

WHEREAS, the Governing Body retains the authority to initiate improvements by the resolution method;

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

SECTION I. POLICY AND DEFINITION. There is hereby created a **“Development Policy for the Financing of Public Improvements”** for the City of Paola, Kansas. This policy governs the financial participation of the City with regard to the construction of streets, sidewalks, storm drainage, sanitary sewers, underground wiring and water improvements. For the purposes of this policy, **Newly Developing Areas** shall be those areas where no substantial amounts of public improvements have been installed and where no substantial number of buildings have been constructed. **Substantially Developed Areas** shall be those areas where substantial amounts of public improvements exist and where a substantial number of buildings have been constructed.

For the purpose of this policy, Public Improvements shall generally mean streets, sidewalks, sewers and sewer systems, water production and distribution systems, and storm water drainage and control structures.

Construction costs for Public Improvements shall include the cost of preparing preliminary and final engineering plans and specifications, acquisition of easements and rights-of-way, supervision and inspection of the project, actual construction costs and any administrative or finance costs the City shall incur as a result of the project, as permitted by law. Pursuant to K.S.A. 12-6a01, construction costs shall also include an administrative fee paid to the City in an amount equal to 5% of the total cost of the improvement.

All Public Improvements shall be constructed to City standards and specifications. After completion of construction to City’s satisfaction, all public improvements shall be dedicated to the City and the City shall retain complete ownership and control (except as otherwise noted, i.e. sidewalks) and no party shall have any interest in the public improvement.

A Developer is a person(s) requesting extension of Public Improvements.

SECTION II. ASSESSMENT METHODS. It is the burden of the petitioner for improvements to indicate on the petition the recommended method of allocating the costs of improvements within the benefit district. Petitioners are encouraged to consult with the City’s staff and its bond counsel before submitting an executed petition to make sure the proposed petition complies with state and federal law and conforms to the City’s policy. The methods available for assessing costs including but not limited to:

Streets/Sidewalks	Sanitary Sewers
1. Adjusted front foot	1. Front foot
2. Front foot	2. Square foot
3. Square foot	3. Adjusted front foot
4. Property Value	4. Property Value
5. Per lot	5. 75% by lot/25% by area

SECTION III. NOTICE TO PROPERTY OWNERS. The City may require the petitioner to notify any property owner within a proposed benefit district who is not represented by the petition that certain improvements have been requested and the date, time, and place the City Council will consider authorizing said improvements. The petitioner will be responsible for providing to the City a current list of property owners in the proposed benefit district.

SECTION IV. STANDARDS AND FINANCING. From and after the effective date of the Resolution, the following policy shall govern the installation of public improvements, subject to the limitations in Section V:

A. Streets

1. When a sufficient petition has been filed requesting the installation of residential streets 28 feet in width in newly developing areas, 100 percent of the cost involved in the improvement shall be paid by the benefit district.
2. When a sufficient petition has been filed requesting streets involving widths in excess of 28 feet in newly developing areas, the apportionment of cost shall be based on a formula whereby the benefited property shall pay 100 percent of the cost of the first 32 feet of the improvement, including two curbs, and the city-at-large may pay the cost of the additional width. The City may pay the cost, exclusive of the cost of the first 32 feet, for the additional width of arterial streets wider than 32 feet.
3. Bridges and culverts within street right-of-way necessary to maintain adequate road design will be considered part of the street construction and not storm drainage. The amount of City participation will be determined by the City Council in each case.

B. Sidewalks

1. For benefit district financing, all petitions for street improvements shall include sidewalk improvements as required by the Zoning Ordinance and Subdivision Regulations unless the City Council has specifically waived the sidewalk requirement for the improvement.
2. In newly developing areas and subdivisions of the city, the total cost of all sidewalk improvements shall be borne by the property benefited in the improvement district.
3. Pursuant to the state law requirement that adjoining property owners are responsible for maintaining and repairing sidewalks, the City will generally not participate in funding for the repair and maintenance of existing sidewalks adjoining private property, except as the City Council shall determine.

C. Storm Drainage Improvements

1. Throughout the City, the use of open drainage will be encouraged. If the City Council determines that a drainage course should be closed in a substantially developed area, the amount of City participation and method of financing will be determined by negotiation between the City and the affected property owners in each case.
2. The use of special assessment financing will be limited to streets, sidewalks, and sanitary sewers where such improvement is to the benefit of the City. However, storm drainage improvements will be eligible for special assessment financing in those substantially developed areas of the City. The City will not participate in the cost, nor use special assessment financing, for storm sewers in newly developing areas.
3. In cases where the developer determines, and the City Council concurs, that closed storm sewers are necessary in newly developing areas, the cost will be entirely borne by the developer without the use of special assessment financing. Design standards of the City must be followed and the final design approved by the City.

D. Sanitary Sewers

1. The total cost of all sanitary sewer construction shall be borne by the property benefited in the improvement district except as otherwise provided in this policy.
2. All sewers lines shall be sized for the projected ultimate development of the watershed as determined by the City and constructed in accordance with the specifications of the City. The City may participate in the financing of improvements particularly in any over sizing of improvements that may be required by the City.
3. If relief sewers are required due to overloading of existing lines in the system, the cost involved shall be borne 100 percent by the City.
4. The cost of expanding or constructing lift station facilities shall be born by the developer. In cases where the City determines facilities should be sized to accommodate future development, the developer shall pay for any costs directly attributable to the development (i.e. pumps) and shall pay a proportionate share of all other construction costs of the pump housing, wet well, force main and other appurtenances. Proportionate share shall be determined on the basis of the ratio the development area bears to the total area to be served by the facility. The City may pay the remaining costs.

5. Development that occurs subsequent to the construction of a lift station or any other sanitary sewer improvement for, which some of the costs have been paid by the City (described in 4) shall pay a benefit fee before being allowed to discharge sewage to the facility. This fee shall be in addition to hook-up and other fees charged for sewer service. The fee shall be based upon the proportionate assessment the development would have paid had it been included in the benefit district for the original construction, plus the amount of interest that would have been levied on such development had it been included in the original improvement district.
6. The City may serve isolated subdivisions or users. The user will be responsible for all costs of this extension. The point of connection will be determined by the City.
7. After completion of construction to City's satisfaction of sewer lines and facilities, all lines and facilities shall be dedicated to the City and the City shall retain complete ownership and control of the lines and facilities. The City shall have the right to add users to extensions and to add new extensions without the consent of any party contributing to the cost of the improvement.
8. No new sewer customers will be accepted outside the City limits.

E. Underground Wiring

Electrical supply lines, cable television services and other such services in new subdivisions shall be underground in the right-of-way. Costs of installing services shall be paid by the developer. Special assessment financing shall not be provided for the financing of underground wiring.

F. Traffic Signal Escrow Fee

Each industrial or commercial development will be studied to determine projected impacts on traffic signal/control requirements for public streets. The City may use traffic models, city traffic impact/analysis studies, studies provided by private traffic engineering firms and other related information to determine the need for traffic control devices such as traffic signals near the development. A development may be required to provide an appropriate share of that cost as a stipulation to rezoning or final plan approval.

G. PUD/Commercial Development - Off-Site Improvement

The requirements for off-site improvements adjacent or proximate to planned unit developments or commercial developments may be added to zoning approval or final development plans. Off-site improvements include, but are not limited to, streets, traffic signals, streetlights, water mains/extensions, sewer mains,

intersections and sidewalks. The City Council will ask for staff evaluation of the impact of the development of these public improvements and may require payment for the recommended improvements or an agreement to construct from the developer prior to issuance of building permits.

SECTION V. SPECIAL ASSESSMENT FINANCING.

- A.** When a petition has been filed requesting the installation of public improvements eligible for special assessment financing, the petitioner and/or developer shall be required to provide adequate assurance of full annual payment of special assessments before a contract for the construction is awarded. This assurance shall be by an irrevocable letter of credit identifying the City as the beneficiary, in a form acceptable to the City, and for an amount equal to not less than the average amount of assessments, plus interest, to be levied against property in the improvement district for a three-year period. Special assessment financing will not be approved if the petitioner and/or developer owns property directly or indirectly (i.e. through partnership or corporate interest) that has delinquent real property taxes or delinquent special assessment taxes or has signed a personal guarantee of full payment of a special assessment which is delinquent. When a lot has been sold or title transferred to an unrelated party, the letter or credit may be reduced by the amount of assessment, plus interest, which would have been levied against such lot for a three-year period.
- B.** When a petition has been filed requesting special assessment financing to install eligible public improvements in newly developing areas, the percentage of the cost of the improvements covered by special assessment financing shall not exceed 75% including all construction, engineering, legal, inspection, temporary financing and related costs. The petitioner's and/or developer's share of not less than 25% of the estimated engineering costs, shall be given to the City of Paola prior to the City incurring any monetary obligation for the engineering work; the petitioner's and/or developer's share of not less than 25% of the estimated construction improvement costs shall be given to the City of Paola prior to the City incurring any monetary obligation for the construction improvements. The developer's share may be in the form of cash or an irrevocable letter of credit, which will be drawn upon. When the improvements are completed and total costs of the improvement are ascertained, any funds in excess of the petitioner's and/or developer's share shall be refunded by the City. The requirements of this paragraph may be waived by the City Council for industrial, commercial and institutional developments when deemed appropriate.
- C.** In substantially developed areas, the City Council may waive the requirements of this section.

SECTION VI. WATER SERVICE.

GENERAL

Special Assessment financing shall not be available for the construction of water service except as provided in Section VI-10. General terms under which water service will be extended to serve new customers will include, but not necessarily be limited to, the following conditions:

1. All customers obtaining water service from the City of Paola shall conform to all rules, regulations, ordinances, rates, conditions of service, and practices now prevailing or which may be established by the City in the future.
2. The City reserves the right to refuse, or to limit water service, where the extension of water service conflicts with the general policy of the City or jeopardizes water service to then existing customers.
3. All new customers shall be within the City limits except contract sales to rural water districts, other municipalities or government agencies. Water distribution mains will be extended into areas within the City limits of Paola only after the area has been platted in accordance with the subdivision requirements of the City.
4. Water service will not be extended to any user until provisions have been made for the financing of necessary sanitary sewerage facilities is assured, with the following exceptions:
 - a. Where water is to be used for industrial, agricultural, or other purposes that do not result in the production of objectionable wastes.
 - b. Where the construction of sanitary sewers cannot be consummated due to reasons beyond the control of the proposed user and where user can provide independent methods of sewage disposal in a manner approved by the public health authorities and by the City. Septic tanks or similar means of disposal shall not be approved for other than isolated farm dwellings.
5. All water mains, valves, fire hydrants, fire lines, service connections to the property line, meters, an appurtenances will be constructed in accordance with the City's standards and specifications and, upon completion, dedicated to the City.

6. All local water distribution mains and appurtenances will be normally constructed by the City. Full construction costs are to be paid with full by the property owner, developer, or others desiring the distribution main installations. Estimated construction cost payment is to be made in advance of construction. The owner may elect to contract the construction of water main extensions. Construction shall occur in conjunction with the installation of streets and sidewalks, and shall be determined, coordinated and reviewed by the Public Works Director. The City will inspect, at owner's cost, all privately constructed water mains to determine compliance with City specifications.
7. The cost of a new water main extension with a diameter up to 12 inches shall be paid by the developer/property owner.
8. Where short main extensions are desired on isolated streets, within platted areas, and where such extensions serve a diversified property ownership consisting of three or more property owners, the City will at its option, make such main extensions when payment is made in full. Costs will be apportioned among the property owners on the basis of platted front footage. Where distribution mains serve irregular shaped lots (such as may be encountered in cul-de-sacs) where the platted front footage is disproportionate to the size of the lot as compared to other lots served, the adjusted front footage used for the purpose of determining the charge for distribution main construction shall be calculated as 0.817 times the square foot of the area of the lot. The charge for distribution mains serving corner lots will be established on the basis of the lesser of the two front footages regardless of the location of the main from which service is rendered.
9. In addition to the direct payment for local distribution mains within their areas, developers of isolated properties/subdivisions shall pay the costs of line extensions up to 8" in diameter. However, if a development requires a line size larger than 8" for purposes of supplying its consumption or fire protection needs, the cost of the larger service will be borne by the development. In instances where the City determines a larger diameter line is desirable to provide for future growth, the City will pay the difference in construction and materials costs between the estimated costs of a 8" diameter line and the actual costs of the larger diameter line. The connection shall be made at a point where the City determines it can provide adequate service. The City shall retain ownership and complete control of the connecting pipelines, as well as all other distribution lines, and shall have the right to connect additional customers in accordance with established rules and regulations, or future modifications thereof. The developers of the isolated subdivision shall have no interest in the connecting pipeline other than the right to service.

10. The City may, at its option, make extensions to the water distribution system to serve special institutional or industrial developments where contracted or estimated revenues will justify the cost of such extensions. Where distribution system extensions abut commercial and industrial property and provide service under normal conditions of service, the property shall be charged for distribution system mains in the same manner outlined above. The City may, at its option, allow special assessment financing of waterline improvements for commercial or industrial development, the assessment method to be determined by the City and the petitioner.
11. The City will provide water service at the pressures existing in the water system. Any customer requiring pressures higher or lower than normally maintained in the system, or abnormal quantities of the water for fire protection or other special purposes, shall provide the additional equipment required such as pressure reduction devices or additional pumping and storage facilities within his property and shall also pay for the additional expense to the City in providing additional transmission mains or other facilities required to provide such special services. Service of a special nature will be rendered only at the option of the City and under conditions, which will not interfere with normal service to the other customers. Nothing in this section shall be deemed to relieve the developer from insuring that adequate water supply for fire suppression purposes is provided as determined by the City.
12. Water for fire protection will be provided by the City through fire hydrants installed at intervals determined by the City. The cost of installation of hydrants shall be borne by the developer or entity desiring such expansion of service.
13. The developer/property owner shall be responsible for all service connection fees charged by the City as provided by the City Code or by Ordinance. These fees are in addition to construction and other costs.

ADOPTED this 14th day of October, 2003.

ATTEST: (Seal)

Jill Ann Holmes, City Clerk

Floyd J. Grimes, Mayor

MATRIX FOR DEVELOPMENT/FINANCE COSTS

Improvement	Developer Cost*	City Cost	Comments
On-Site Improvements:			
Lateral Sewer and Trunk Main Sewers			
Water	100% 100% of all distribution lines**	Relief Lines 100% 100% of transmission lines	(1)
Relief Sewer	-0-	100%	
Streets	100% first 32'		
Storm Sewers	100%		(2) (3)
Water Meter/Tap	100%	0%	
Sewer Lift Station	100% construction	100% maintenance and operation	(4)
Sidewalks/Bike Trails	100%	-0-	
Off-Site Improvements:			
Street Lights			
Traffic Signals	-0-	100%***	
Street Improvements	Refer to Section F	Refer to Section F	
Storm Drainage	Refer to Section G	Refer to Section G	
Electricity/Street lights	-0-	100%	(5) (6)
Telephone	100%	-0-	
Cable	100%	-0-	
Natural Gas	100%	-0-	
Parks	-0-	100%	(7)

* City considers Benefit District Financing Requests (usually 10 years). Benefit Districts require the developer to pay 25% of the engineering and construction costs up-front. Generally available for street and sewer construction.

** Distribution lines are any lines up to 12" in diameter.

*** Yearly rental with KCPL for a typical subdivision. KCPL charges developer for subdivision costs, trenching, etc.

- (1) For cost sharing related to extension of transmission and distribution lines to isolated development, see Section VI (9).
- (2) City does not allow for use of Benefit District Financing for storm sewers in newly developing areas. Catch basins, crossroad pipes, etc., are considered part of the street.
- (3) City considers Benefit District Financing in substantially developed areas. Open drainage is encouraged throughout the city. City participation is negotiated.
- (5) Lift station means a relatively small packaged facility designed to serve an individual development rather than a substantial watershed. Use available only upon approval of the City.

- (5) Developers negotiate with KCPL, KPL Gas, Southwestern Bell Telephone and Cable TV of Paola for installation costs.
- (6) Development costs for underground wiring to service building and streetlights are 100% cost to the developer.
- (7) Developers must submit a landscape plan and complete the plan during construction.

MATRIX FOR DEVELOPMENT/FINANCE COSTS

Improvement	Developer Cost*	City Cost
Wastewater Treatment Plant	-0-	100%
Sanitary Sewer Collection System	100 % Lateral and Trunk Main Lines	100% Interceptor Relief Lines
Sanitary Sewer Pump Station	Proportionate share of Construction costs*	Proportionate share of construction costs*/100% Operation/Maintenance
Water Treatment Plant	-0-	100%
Water Distribution System Mains - New	100% of all distribution lines	-0-
Water Distribution System Mains - Rehab	-0-	100%
Elevated Storage	-0-	100%
Water Distribution System- Transmission	-0-**	100%**
Water Tap/Meter	100%	-0-

* See Section IV D (4)

** See Section VI (9)