

**EDGERTON CITY COUNCIL  
MEETING AGENDA  
CITY HALL, 404 EAST NELSON STREET  
October 27, 2016**

**Call to Order**

1. **Roll Call** \_\_\_\_ Roberts \_\_\_\_ Longanecker \_\_\_\_ Crooks \_\_\_\_ Troutner \_\_\_\_ Brown \_\_\_\_ Crist
2. **Welcome**
3. **Pledge of Allegiance**

**Consent Agenda** *(Consent Agenda items will be acted upon by one motion unless a Council member requests an item be removed for discussion and separate action)*

4. Agenda Approval
5. Approve City Council Meeting Minutes October 13, 2016
6. Approve Application FP2016-02, Final Plat, Logistics Park Kansas City – Rail Served, First Plat located West of Waverly Road at 181st Street and Accept Any Dedications

**Regular Agenda**

7. **Public Comments.** Persons who wish to address the City Council regarding items not on the agenda and that are under the jurisdiction of the City Council may do so when called upon by the Mayor. Comments on personnel matters and matters pending before court or other outside tribunals are not permitted. Please notify the City Clerk before the meeting if you wish to speak. Speakers are limited to three (3) minutes. Any presentation is for informational purposes only. No action will be taken.
8. **Declaration.** At this time Council members may declare any conflict or communication they have had that might influence their ability to impartially consider today's issues.

**Business Requiring Action**

9. **PUBLIC HEARING REGARDING THE PARTIAL ASSIGNMENT OF A RESOLUTION OF INTENT FROM EDGERTON LAND HOLDING COMPANY, LLC TO ELHC XXII, LLC, OR ITS SUCCESSORS IN INTEREST**
10. **CONSIDER RESOLUTION NO. 10-27-16A CONSENTING TO THE PARTIAL ASSIGNMENT OF A RESOLUTION OF INTENT FROM EDGERTON LAND HOLDING COMPANY, LLC TO ELHC XXII, LLC, OR ITS SUCCESSORS IN INTEREST**

Motion: \_\_\_\_\_ Second: \_\_\_\_\_ Vote: \_\_\_\_\_

11. **CONSIDER ORDINANCE AUTHORIZING THE CITY OF EDGERTON, KANSAS, TO ISSUE INDUSTRIAL REVENUE BONDS (COLDPOINT LOGISTICS REAL ESTATE, LLC PROJECT) SERIES 2016, IN AN AGGREGATE MAXIMUM PRINCIPAL AMOUNT NOT TO EXCEED \$36,100,000, FOR THE PURPOSE OF FINANCING A WAREHOUSE AND COLD-STORAGE DISTRIBUTION FACILITY; AUTHORIZING THE CITY TO ENTER INTO A TRUST INDENTURE WITH UMB BANK, N.A., AS TRUSTEE; AUTHORIZING THE CITY TO ENTER INTO A BASE LEASE AND LEASE AGREEMENT WITH COLDPOINT LOGISTICS REAL ESTATE, LLC; AND AUTHORIZING AND APPROVING**

**THE EXECUTION OF ADDITIONAL DOCUMENTS AND THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF THE BONDS**

Motion: \_\_\_\_\_ Second: \_\_\_\_\_ Vote: \_\_\_\_\_

**12. Report by the City Administrator**

- Holiday City Council Meeting Schedule
- Update on formation of Edgerton Economic Development Agency

**13. Report by the Mayor**

**14. Future Meeting/Event Reminders:**

- November 8<sup>th</sup> – Election Day
- November 10<sup>th</sup> 7:00 PM – City Council Meeting
- November 11<sup>th</sup> - City Offices Closed for Veterans' Day
- November 15<sup>th</sup> 7:00 PM – Planning Commission
- November 16<sup>th</sup> Noon – Senior Lunch
- November 24<sup>th</sup> 7:00 PM – City Council Meeting (to be determined)

**15. CONSIDER RECESSING INTO EXECUTIVE SESSION PURSUANT TO K.S.A. 75-4319 (b) (6) FOR PRELIMINARY DISCUSSION RELATED TO ACQUISITION OF REAL PROPERTY TO INCLUDE CITY ATTORNEY AND CITY ADMINISTRATOR**

Motion: \_\_\_\_\_ Second: \_\_\_\_\_ Vote: \_\_\_\_\_

**RECONVENE INTO OPEN SESSION**

**16. CONSIDER RECESSING INTO EXECUTIVE SESSION PURSUANT TO K.S.A. 75-4319 (b) (2) CONSULTATION WITH AN ATTORNEY DEEMED PRIVILEGED IN THE ATTORNEY-CLIENT RELATIONSHIP TO INCLUDE CITY ATTORNEY AND CITY ADMINISTRATOR**

Motion: \_\_\_\_\_ Second: \_\_\_\_\_ Vote: \_\_\_\_\_

**RECONVENE INTO OPEN SESSION**

**17. Adjourn** Motion: \_\_\_\_\_ Second: \_\_\_\_\_ Vote: \_\_\_\_\_

**City of Edgerton, Kansas  
Minutes of City Council Regular Session  
October 13, 2016**

A Regular Session of the City Council was held in the Edgerton City Hall, 404 E. Nelson, Edgerton, Kansas on October 13, 2016. The meeting convened at 7:00 p.m. with Mayor Roberts presiding, and City Clerk Janeice L. Rawles recording.

**1. ROLL CALL**

Charlie Troutner	present
Clay Longanecker	present
Jody Brown	present
Darius Crist	present

Cindy Crooks	absent
--------------	--------

With a quorum present, the meeting commenced.

Staff in attendance:	City Administrator Beth Linn
	Community Development Director Kenneth Cook
	City Attorney Patrick Reavey
	Public Works Superintendent Trey Whitaker
	Karen Kindle Accountant

**2. WELCOME**

**3. PLEDGE OF ALLEGIANCE**

**CONSENT AGENDA**

4. The agenda for October 13, 2016 was considered.
5. City Council meeting Minutes of September 8, 2016 was considered.
6. Approve Resolution No. 10-13-16A waiving The City's Compliance with generally accepted accounting principles for financial reporting and causes such reports to be prepared in compliance with the cash basis and budget laws of the State of Kansas was considered.
7. Approve one year contract with Varney & Associates, CPS's, LLC, to prepare the City's Financial Audit for Fiscal Year 2016 was considered.
8. Appoint Juliann Hunter to the Planning Commission for term of September 2016 to September 2019 was considered.
9. Appoint Eric Erazo to Planning Commission for term of September 2016 to September 2019 was considered.
10. Accept resignation of Andrea Lucero from Planning Commission effective immediately was considered.

Mayor Roberts requested that item number five be removed from the consent agenda.

Motion by Longanecker, seconded by Brown, to approve Consent Agenda minus item number five.

Motion was approved 4-0.

Item number five; the minutes from the September 22, 2016 have been changed to read as follows: "Motion by Longanecker to prohibit beekeeping within city limits. Motion died for lack of a second. No motion was made in support of the ordinance; therefore, the item of business does not move forward."

Motion by Crist, seconded by Longanecker, to approve the changes for item number five on the consent agenda for the September 22, 2016 meeting.

Motion was approved, 4-0.

#### **11. PUBLIC COMMENTS**

None

#### **12. DECLARATION**

None

#### **BUSINESS REQUIRING ACTION**

##### **AGREEMENT WITH STRATEGY FOR I.T. SERVICES**

#### **13. AGREEMENT WITH STRATEGY NEW MEDIA, LLC TO PROVIDE INFORMATION TECHNOLOGY SERVICES WAS CONSIDERED.**

Beth Linn, City Administrator presented information about the process staff has been working on, for new I.T. Services. On August 29, 2016 staff issued a request for proposals for IT services, five proposals were received. Staff committee reviewed the proposals and interviewed all five firms. The staff committee recommends the City contract with Strategy New Media, LLC, to provide IT services. The contract would be for a period of three years, with the requirement that the contract be renewed annually.

Motion by Brown, seconded by Longanecker, to approve the agreement with Strategy New Media, LLC for IT Services.

Motion was approved, 4-0.

##### **ORDINANCE NO 1035 AUTHORIZING THE INDUSTRIAL REVENUE BONDS**

#### **14. AN AGREEMENT WITH BG CONSULTANTS FOR ENGINEERING DESIGN SERVICES FOR A TRAFFIC SIGNAL SYSTEM AT THE INTERSECTION OF 191<sup>ST</sup> STREET AND WAVERLY ROAD WAS CONSIDERED.**

Beth Linn, City Administrator presented information about the Engineering Design Services for a Traffic Signal System at the Intersection of 191<sup>st</sup> Street and Waverly Road. Staff requested the

ability to add the construction of a traffic signal at 191<sup>st</sup> Street and Waverly Road to the Montrose Street Phase II project. This request was approved by KDOT, and they expressed a strong desire for the project to be constructed as quickly as possible due to concerns regarding long-term funding for Kansas Department of Transportation. Design of the traffic signal would be funded from the Public Infrastructure Fund, no general fund dollars would be allocated for this project. The Kansas Department of Transportation economic development grant has remaining funds that will be used for the construction of the traffic signal. Stall is recommending an Agreement with BG consultants for Engineering Design Services for a Traffic signal System at the Intersection of 191<sup>st</sup> Street and Waverly Road.

Motion by Longanecker, seconded by Crist, to approve the agreement with BG consultants for engineering design services for traffic signal system at 191<sup>st</sup> Street and Waverly Road.

Motion was approved, 4-0.

#### **PUBLIC HEARING**

#### **15. PUBLIC HEARING REGARDING THE PARTIAL ASSIGNMENT OF A RESOLUTION OF INTENT FROM EDGERTON LAND HOLDING COMPANY, LLC TO ELHC VIII, LLC, OR ITS SUCCESSORS IN INTEREST WAS CONSIDERED.**

Scott Anderson, SA Legal Advisors, City of Edgerton Bond Counsel, was present to discuss the current resolution of intent. The City has received an application for property tax abatement from ELHC VIII, LLC, to construct an approximately 780,000 sq. ft. spec warehouse and distribution facility to be located at 30900 W. 185<sup>th</sup> Street in Edgerton, Kansas. In order for the City to grant property tax abatement, the City must first hold a public hearing, consider the cost-benefit report and then approve a partial assignment of the Master Resolution of Intent.

Mayor Roberts opened the public hearing on ELHC VIII, LLC at 7:22 pm.

There were no comments or questions from the public of the council.

Mayor Roberts closed the public hearing at 7:23pm.

#### **RESOLUTION NO. 10-13-16B**

#### **16. RESOLUTION NO. 10-13-16B CONSENTING TO THE PARTIAL ASSIGNMENT OF A RESOLUTION OF INTENT FROM EDGERTON LAND HOLDING COMPANY, LLC TO ELHC VIII, LLC, OR ITS SUCCESSORS IN INTEREST WAS CONSIDERED.**

Scott Anderson, bond counsel for The City of Edgerton presented information about the master resolution of intent. The partial assignment of the Master Resolution of Intent to ELHC VIII is for the purpose of constructing this project.

Motion by Longanecker, seconded by Brown, to approve Resolution No. 10-13-16B.

Motion was approved, 4-0.

## 17. REPORT BY THE CITY ADMINISTRATOR

- \* First item presented by Beth Linn, City Administrator was a map and a draft ordinance pertaining to the weight limits on a portion of Waverly Road. After some discussion a motion was made.

Motion by Longanecker, seconded by Crist, to approve Ordinance No. 1036 amending the City Code to impose weight limits on a portion of Waverly Road within the corporate boundaries of Edgerton, Kansas.

Motion was approved, 4-0.

- \* Next announcement was that the Nelson Street Railroad Crossing is going to be closed on the 19<sup>th</sup> day of October 2016, all day.
- \* Beth Linn discussed the afterhour's answering service with Mayor and council. Incoming calls after business hours are answered by the answering service then e-mails are sent to some staff.
- \* The zip code issues were explained; such as Jet.com has an Edgerton, Kansas address however their zip code is 66030, which is the zip code for Gardner.

## 18. REPORT BY THE MAYOR

None

## 19. FUTURE MEETING/ EVENT REMINDERS:



October 18<sup>th</sup> 7:00 pm – Planning Commission



October 19<sup>th</sup> Noon- Senior Lunch



October 27<sup>th</sup> 7:00 pm – City Council Meeting



October 30<sup>th</sup> 4:00 pm – Halloween Fest

## 20. RECESS INTO EXECUTIVE SESSION PURSUANT TO K.S.A. 75-4319 (b) (6) FOR PRELIMINARY DISCUSSION RELATED TO ACQUISITION OF REAL PROPERTY TO INCLUDE CITY ATTORNEY AND CITY ADMINISTRATOR WAS CONSIDERED,

Motion by Brown, seconded by Crist to recess into executive session for fifteen minutes pursuant to K.S.A. 75-4319 (b)(6) for preliminary discussion related to acquisition of real property to include City Attorney, City Administrator, and Community Development Director.

Motion was approved, 4-0.

Meeting recessed at 7:49 pm.

Motion by Brown, seconded by Crist, to reconvene regular session, with no action taken.

Motion was approved, 4-0.

Meeting reconvened at 8:03 pm.

Motion by Brown, seconded by Longanecker, to recess into executive session for ten minutes, same discussion as previously recessed.

Motion was approved, 4-0.

Meeting recessed at 8:07 pm.

Motion by Brown, seconded by Crist, to reconvene into regular session.

Motion was approved, 4-0.

Meeting reconvened at 8:17 pm.

Motion by Longanecker, seconded by Brown, to approve Ordinance No. 1037 pertaining to the description and survey of lands necessary for acquisition of easements needed for expansion of the city's sanitary sewer collection system and associated improvements.

Motion was approved, 4-0.

## **21. ADJOURN**

Motion by Brown, seconded by Crist, to adjourn the meeting.

Motion was approved, 4-0.

The meeting adjourned at 8:18 p.m.

---

**Janeice L. Rawles, CMC**  
**City Clerk**

**Approved by the Governing Body on**

---

## AGENDA ITEM INFORMATION FORM

**Agenda Item:** Consider Application FP2016-02, Final Plat, Logistics Park Kansas City – Rail Served, First Plat

**Department:** Community Development

**Background/Description of Item:** The City of Edgerton has received Application FP2016-02 for final plat of the Logistics Park Kansas City – Rail Served, 1<sup>st</sup> Plat and which is located on the West side of Waverly Road at 181<sup>st</sup> Street. The final plat includes 61.37 acres and is made up of two lots and one tract. The Plat also includes the dedication of additional Public Street ROW for 181<sup>st</sup> Street. While the preliminary plat only included one lot the Planning Commission allowed for a second lot to be shown as the applicant has proposed to develop the property in Phases. This will require the applicant to submit a replat of the property when they are to develop the second phase to adjust the boundary line between the two lots. It is anticipated that the area shown as lots 1 & 2 will be a single lot once the building is complete. As staff has worked with the applicant on this project, they have also specified that they might want to also replat Tract A as a buildable lot in the future if they are able to find a use that could fit on this smaller area. The first phase proposed to be developed on this property includes an 115,000 square feet with the total size of the building when completed being around 625,000 square feet.

Staff, including City Engineer, has reviewed the Final Plat submittal for compliance with the Approved Preliminary Plat and requirements in Section 13.3 of Article 13 of the Edgerton UDC. Review comments are detailed in the attached staff report.

The Edgerton Planning Commission reviewed the application on October 18, 2016. The Planning Commission recommended approval of Application FP2016-02 for Final Plat for Logistics Park Kansas City Phase – Rail Served, First Plat subject to compliance with the following stipulations as listed in the staff report dated October 13, 2016:

1. All Final Plat requirements of the City listed above shall be met or addressed prior to recording of the Plat.
2. The commencement of any improvements shall not occur prior to the approval and endorsement of the final plat and the submittal to and approval of construction plans for all streets, sidewalks, storm water sewers, sanitary sewers, and water mains contained within the final plat by the Governing Body. Sanitary sewer drawings and specifications must be submitted to and approved by the City of Edgerton and Kansas Department of Health and Environment prior to the commencement of any improvements.
3. A Public Improvement Inspection Fee, established by the Fee Schedule for the Unified Development Code, shall be submitted with the document of financial assurance as defined in Section 13.7 prior to the commencement of any improvements.
4. The applicant shall meet all requirements of Recording a Final Plat as defined in Section 13.5 of the Edgerton Unified Development Code, including payment of excise tax.
5. The applicant shall meet all requirements of Financial Assurances as defined in Section 13.7 of the Edgerton Unified Development Code.
6. A special notation should be added to the face of the plat stating: *“A hard packed gravel road will be required to be constructed no later than when the proposed 181st Street has been constructed half the distance to Four Corners Road. Such road will be required to be maintained as an emergency access road and may be required at an earlier point in time as part of the consideration of additional projects along the rail served area if it is determined that the number of employees or anticipated traffic volumes warrant the improvement.”*



Enclosure: Staff Report Dated October 13, 2016  
Final Plat  
Final Plat Application FP2016-02 for Logistics Park Kansas City – Rail Served, First Plat

**Recommendation:** Approve Application FP2016-02, Final Plat, Logistics Park Kansas City – Rail Served, First Plat located West of Waverly Road at 181<sup>st</sup> Street.

**Funding Source:** N/A

Prepared by: Kenneth Cook, Community Development Director  
Date: October 24, 2016

NAME OF PROPOSED SUBDIVISION: Inland Port XL (Rail Serve)LOCATION OR ADDRESS OF SUBJECT PROPERTY: 31301 W. 181<sup>ST</sup> St. Edgerton, KSLEGAL DESCRIPTION: see attached  
LogisticsCURRENT ZONING ON SUBJECT PROPERTY: Park District CURRENT LAND USE: \_\_\_\_\_TOTAL AREA: 61.37 Acres NUMBER OF LOTS: 2 lots/1 Tract AVG. LOT SIZE: \_\_\_\_\_ Sq. Ft.DEVELOPER'S NAME(S): EL HC, LLC PHONE: (816) 888-7052COMPANY: ELHC, LLC FAX: (816) 888-7399MAILING ADDRESS: 5015 NW Canal St. Riverside MO 64150  
Street City State ZipPROPERTY OWNER'S NAME(S): ELHC, LLC PHONE: (816) 888-7052COMPANY: ELHC, LLC FAX: (816) 888-7399MAILING ADDRESS: 5015 NW Canal St. Riverside MO 64150  
Street City State ZipENGINEER'S NAME(S): Mick Slutter, P.E. PHONE: (816) 800-0950COMPANY: RIC FAX: \_\_\_\_\_MAILING ADDRESS: 5015 NW Canal St. Riverside MO 64150  
Street City State ZipSIGNATURE OF OWNER OR AGENT: [Signature]  
If not signed by owner, authorization of agent must accompany this application.

NOTE: Ten (10) copies of the proposed preliminary plat must accompany this application for staff review. One (1) reduced copy (8 1/2 x 11) must also be submitted with the application.

**FOR OFFICE USE ONLY**

Case No.: P- \_\_\_\_\_ Amount of Fee Paid: \$ \_\_\_\_\_ Date Fee Paid: \_\_\_\_\_

Received By: \_\_\_\_\_ Date of Hearing: \_\_\_\_\_

**FINAL PLAT INSTRUCTIONS**

**SUBMITTAL DEADLINE:** The applicant shall submit an application at least forty-five (45) days prior to a scheduled meeting. If the final plat complies with the preliminary plat, Planning Commission and Governing Body may consider approval without notice or public hearing.

**STAFF REPORT**

October 13, 2016

To: Edgerton Planning Commission  
Fr: Kenneth Cook, AICP, CFM, Community Development Director  
Re: FP2016-02 Final Plat for Logistics Park Kansas City, 10<sup>th</sup> Plat

**APPLICATION INFORMATION**

**Applicant/Property Owner:** Edgerton Land Holding Company

**Requested Action:** Final Plat – Logistics Park Kansas City, 10<sup>th</sup> Plat

**Legal Description:** See Final Plat attached

**Site Address/Location:** West of Waverly Road, North of the Intermodal lead track and South of the Transcontinental Tracks.

**Surrounding Zoning and Uses:**

	ZONING	LAND USE	USER/OWNER
SITE	B-P, Business Park District	Agricultural	Edgerton Land Holding Company
NORTH	RUR, Rural Residential District (County)	Agricultural	Baker, Dale Q. Rev Trust
SOUTH	A-G, Agricultural District	Industrial	BNSF Railway Company
EAST	A, Agricultural District (Gardner)	Park	KCP&L Co.
WEST	A-G, Agricultural District	Agricultural	BNSF Railway Company

**Existing Improvements:** None

**Site Size:** Approximately 62 Acres

**PROJECT DESCRIPTION**

This is additional development of the Logistics Park Kansas City by Edgerton Land Holding Company (ELHC), a subsidiary of NorthPoint Development. The property will serve the BNSF intermodal facility to the South of the subject site. The intermodal facility's purpose is to transfer loaded cargo containers from trains to trucks. LPKC is a 1500 acre master planned development. ELHC, the applicant for this project, is BNSF's partner for developing warehousing which is planned to eventually surround the intermodal facility.

The subject property is located South of 181<sup>st</sup> Street and on the West side of Waverly Road and is zoned L-P, Logistics Park. The property is located directly to the North of the BNSF intermodal facility and is the first project being developed within the rail served portion of the park. The City's Unified Development Code (UDC) defines this district as a limited multimodal industrial zone created to support activities related to truck, rail and other transport services. The property is located within the fifth phase of development and has an approved preliminary

plat and preliminary site plan as well as an approved Final Site Plan. The proposed subdivision includes 2 lots and one 7.83 acre tract. The preliminary Plat originally showed this subdivision as having a single lot with a tract. As part of the phased development of this project, the applicant has requested that they be permitted to plat only that portion of the project that will be used as part of the first phase in Lot 1. The applicant has expressed their intent to replat the proposed site as they move forward with future phases so that the building will be located on an individual lot. The Site Plan that has been approved for this area show a proposed warehouses that will be developed in phases. The first phase of the building is anticipated to be 115,000 square feet with the total size of the building being around 625,000 square feet.

## **INFRASTRUCTURE AND SERVICES**

Infrastructure was reviewed previously per the rezoning and preliminary plat. Some conditions continue to exist as noted below.

- a. Waverly Road has recently been upgraded to be a three-lane concrete road. This project has also included a grade separated crossing of the intermodal lead tracks that go into the BNSF facility. A portion of the new street known as 181<sup>st</sup> Street will be developed as part of this project. This road will initially be constructed to a point just past the driveway for the site and will be extended as part of additional development of this site or adjacent sites. The final site plan for this project was approved with conditions that require this road to be upgraded to an emergency access road and to a full street based upon meeting certain development criteria or when demand warrents.
- b. The property is located within the Big Bull Creek watershed, which flows south from 167th Street to the southern edge of the county at Homestead Lane. A stormwater plan should be submitted to the City Engineer prior to development of the property.
- c. While the subject property is not currently located within a Special Flood Hazard Area the current FIRM Panel does show portions of the property as located within Zone X, 1% Future Conditions.
- d. The property does not currently have sanitary sewer service. The City is currently working with NorthPoint on the Development of a Sewer Master Plan for the development of the sewer system for the Logistics Park and surrounding area.
- e. The property is located within the service area of Rural Water District No. 7. A 12-inch water main appears to currently extend to near 183<sup>rd</sup> Street along Waverly Road. The water line will be required to be extended as part of this project.
- f. Police protection is provided by the Johnson County Sheriff's Department under contract with the City of Edgerton. Fire protection is provided by Johnson County Rural Fire District No. 1. A fire station is located in the City of Edgerton, approximately 4.5 miles to the west with another fire station being located with the City of Gardner approximately 1.5 miles to the East.

## **FINAL PLAT REVIEW**

Staff has reviewed the Final Plat submittal for compliance with the Approved Preliminary Plat and requirements in Section 13.3 of Article 13 of the Edgerton UDC. Review comments are listed below.

1. Scale, the same used for the preliminary plat; North point; vicinity map. *A different scale is being used for the Final Plat as the Final Plat only includes a portion of the area shown in the Preliminary Plat. The change in scale allows for the Final Plat to show improved detail and staff considers the change acceptable. **Final Plat complies.***

2. The words "FINAL PLAT" followed by the name of the subdivision at the top of the sheet, and then followed by a metes and bounds description of the tract. *Staff would suggest that the name would appear to be incorrect and might create problems in being recorded at the County. The last Plat labeled as Logistics Park Kansas City was for IP V and was titled Logistics Park Kansas City - Fourth Plat. Staff would suggest that this should either be titled: Fifth Plat; Rail Served – First Plat; Phase V First Plat; or something else. Update Final Plat*
3. The instrument of survey which shows the point of beginning, corners, bearings, courses, distances, exterior boundaries, interior lot boundaries, abandoned lot lines, pins, monuments found or set. All P.I.'s corners, boundaries must be monumented with a 2" x 24" metal bar. **Update Final Plat**
  - *The plat currently shows all monuments being ½" x 24" Rebar while the regulations require 2" x 24" metal bar. Staff believes that the 2" measurement is a typographical error and that it should be ½".*
  - *The legal description does not match the graphic portion of the plat in several courses.*
  - *No monuments are currently shown at corners or points of deflection*
  - *The three found sectional corners should show what is on the cap and the origin of the corner and any other found monuments should show the origin, if known.*
  - *Adjoining parcels should be identified by the title description or recorded reference.*
  - *Show the floodplain boundaries labeled with the Zones. Show a drainage easement that encompasses the floodplain limits.*
  - *Provide minimum elevation of building opening for each lot in the plat.*
  - *Provide street names on the plat*
4. A boundary survey of third order surveying accuracy (maximum closure error one in five thousand (1' in 5,000), with bearings and distances referenced to section or fractional section corners or other base line shown on the plat and readily reproducible on the ground. **Final Plat Complies.**
5. Individual notations and a TABLE showing: lot area, setbacks, and building envelopes. *Table is incomplete. Setbacks shown are also partly inaccurate as the normal front setback is 50' with the Planning Commission having the authority to allow a reduction to 25' only adjacent to two-lane collectors. The Setback adjacent to Waverly Road does not qualify for this reduction as it is a three-lane road. Setbacks have also been typically shown on the face of the plat. Update Final Plat.*
6. A number for each lot, starting (if practical) in the northwest corner. **Final Plat Complies.**
7. All easements with widths, and roads with curve data. **Update Final Plat.**
  - *Consider a wider ROW where 50' is shown. If only 50' width is desired, a 15' P/E & U/E adjacent to each side is typically required.*
  - *Additional utility easements may be necessary.*
  - *The City typically only accepts general utility easements as part of a plat. A number of easement are currently shown on the plat for water and gas easements. If these easements have already been recorded by separate document, the Book and Page reference should also be included on the plat. If these easements are not currently in existence, they should be removed from the plat as these utilities are allowed to be placed in the ROW or utility easement.*

- *Staff would suggest that additional discussion should occur in regards to the ROW width for Waverly Road adjacent to Tract A as the city has had some discussions in regards to the ability to have a grade separation over the transcontinental tracks. This should also include if the utility easement shown adjacent to this section of the road should be move further West so that relocation would not be required in the future.*
- 8. *Ingress/egress limitations if required. Notate on the plat that no access will be permitted to Waverly Road from Lot 1 or Tract A. **Update Final Plat.***
- 9. *The location of existing utility easements. Document recording information should be added for the sewer easement. **Update Final Plat.***
- 10. *A written legal description from the survey. **Written legal description does not match the graphic portion. Update Final Plat.***
- 11. *An instrument of dedication for all roads and easements. **Additional wording needs to be added to the plat that discusses the purposes proposed for Tract A (i.e. drainage, open space. Update Final Plat.***
- 12. *Special notations required as a condition of platting by the Planning Commission. **The following condition was placed on the approval of the Preliminary Plat and should be included on the face of the Final Plat as a Special Notation:***  
*"A hard packed gravel road will be required to be constructed no later than when the proposed 181st Street has been constructed half the distance to Four Corners Road. Such road will be required to be maintained as an emergency access road and may be required at an earlier point in time as part of the consideration of additional projects along the rail served area if it is determined that the number of employees or anticipated traffic volumes warrant the improvement." **Update Final Plat.***
- 13. *Approved phases – clearly delineated. **Not proposed to be developed in phases. Final Plat complies.***
- 14. *Private travel easements. **Final Plat complies.***
- 15. *The Owner's Certificate with Notary Seal. **Final Plat complies.***
- 16. *Certificate of the Governing Body with City Clerk's attest and Seal. **Final Plat Complies.***
- 17. *Edgerton City Planning Commission chair and secretary approval. **Final Plat Complies.***
- 18. *Certificate of the Register of Deeds. **Register of Deeds uses their own stamp and requires space to be reserved in the top left corner. No certificate required. Final Plat Complies***
- 19. *Surveyor's Certificate and Seal and certificate for survey review by the County Surveyor or designated Land Surveyor. **County Surveyor uses own stamp. No certificate required. Final Plat Complies.***
- 20. *Certificate of the Zoning Administrator. **Final Plat Complies.***

## **RECOMMENDATION**

City staff recommends approval of the Final Plat for Logistics Park Kansas City Phase IV, Second Plat, subject to compliance with the following stipulations:

1. All Final Plat requirements of the City listed above shall be met or addressed prior to recording of the Plat.
2. The commencement of any improvements shall not occur prior to the approval and endorsement of the final plat and the submittal to and approval of construction plans for all streets, sidewalks, storm water sewers, sanitary sewers, and water mains

contained within the final plat by the Governing Body. Sanitary sewer drawings and specifications must be submitted to and approved by the City of Edgerton and Kansas Department of Health and Environment prior to the commencement of any improvements.

3. A Public Improvement Inspection Fee, established by the Fee Schedule for the Unified Development Code, shall be submitted with the document of financial assurance as defined in Section 13.7 prior to the commencement of any improvements.
4. The applicant shall meet all requirements of Recording a Final Plat as defined in Section 13.5 of the Edgerton Unified Development Code, including payment of excise tax.
5. The applicant shall meet all requirements of Financial Assurances as defined in Section 13.7 of the Edgerton Unified Development Code.

#### **ATTACHMENTS**

Application FP2016-02

Preliminary Plat for Logistics Park Kansas City Phase V

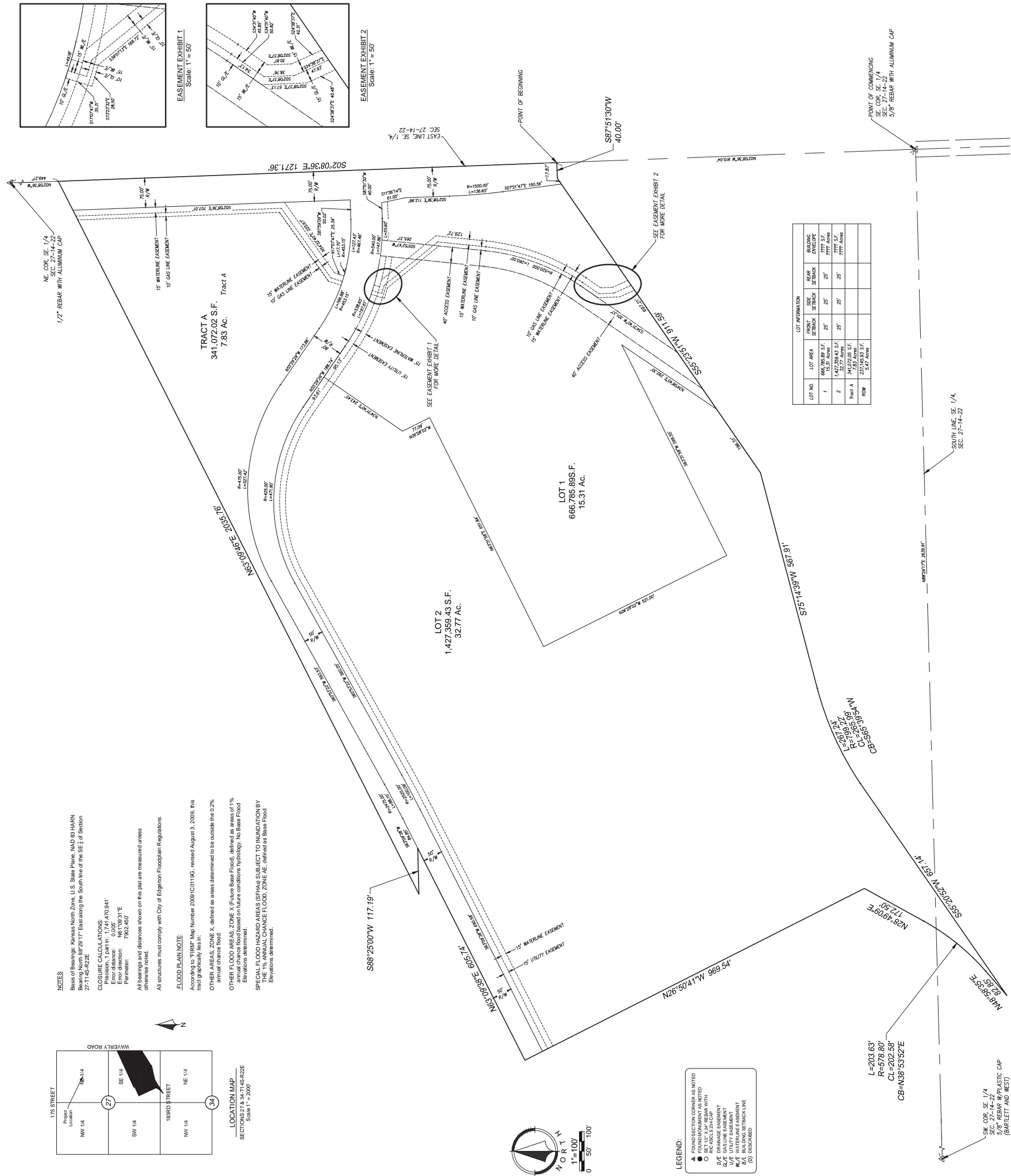
Final Plat for Logistics Park Kansas City – Tenth Plat (to be renamed)



# FINAL PLAT

# LOGISTICS PARK KANSAS CITY - TENTH PLAT

A SUBDIVISION OF LAND IN THE CITY OF EDGERTON, JOHNSON COUNTY, KANSAS



LEGAL DESCRIPTION:

A tract of land in the Southeast Quarter of Section 27, Township 14 South, Range 22 East, and in the Northeast Quarter of Section 34, Township 14 South, Range 22 East, Johnson County, Kansas being more particularly described as follows:

Commencing at the Southeast corner of South Street & Cedar St., thence N 0° 08' W by the Town of Bellingham, thence S 76° 13' W, departing Southeast Quarter of said Section 27, a distance of 915.0 feet to the Point of Beginning, thence S 78° 31' 30" E, departing Northeast Quarter of said Section 27, a distance of 1,088.7 feet to the Point of Beginning, thence S 87° 13' 30" E, departing Northwest Quarter of said Section 27, a distance of 1,088.7 feet to the Point of Beginning, thence S 87° 13' 30" E, continuing North along North property line of Unplatted lot #1, owned by BNSF Railway Company, thence S 62° 32' 31" W, continuing West along North property line of Unplatted lot #1, owned by BNSF Railway Company, thence S 75° 14' 30" E, continuing East along said tract No. 1, a distance of 277.65 feet to the Point of Beginning, thence S 82° 02' 16" W, continuing along said tract No. 1, a distance of 657.14 feet, thence N 48° 58' 00" E, departing said North Line, a distance of 82.35 feet, thence Northerly, along a curve having a radius of 1,000.00 feet, through the center of said quarter section, to the Point of Beginning, thence S 78° 31' 30" E, a distance of 976.80 feet, to a distance of 203.03 feet, thence N 28° 20' 00" E, a distance of 172.25 feet, thence N 26° 59' 41" E, a distance of 104.21 feet, to the Point of Beginning, thence S 87° 13' 30" E, continuing along said North right-of-way line a distance of 1,816.00 feet, to the intersection of said North Right-of-Way line with said North-South street, thence S 87° 13' 30" E, continuing along said North-right-of-way line a distance of 1,117.19 feet, thence North N 63° 09' 48" East, continuing along said North-right-of-way line a distance of 203.76 feet, more or less, to the Point of Beginning, thence S 87° 13' 30" E, continuing along said North-right-of-way line a distance of 1,071-36.00 feet to the Point of Beginning, containing 2,673.96± square feet, ± 6.31 sq. ft.

more or less

## DEDICATION

The undersigned proprietor of the above described tract of land has caused the same to be subdivided in the manner as shown on the accompanying plat, which subdivision and plat shall hereafter be known as "LOGISTICS PARK KANSAS CITY - TENTH PLAT".

The undersigned, proprietor of said property shown on this plat, does hereby dedicate for public use and purposes, all parcels and parts of land located on said plat as streets, highways, roads, ways and thoroughfares, all parks and all lawns and all other lands and premises, streets, roads, ways, lanes, alleys, avenues and always not less than five feet wide, where said parcels have been granted to any person, utility or corporation on said plats of the land so dedicated, and any poles and conduits, darts or cables heretofore installed thereon and thereon are required to be relocated in accordance with proposed improvements as now set forth, the undersigned property hereby aboves and agrees to indemnify the City of Edgerton, Kansas, from any expense incurred in the relocation of any such existing utility installations within said prior easement.

An easement or license to enter upon, locate, construct, use and maintain or authorize the location, construction or maintenance and use of conduits, water, gas, sewer pipes, poles, wires, drainage facilities, irrigation systems, ducts and cables, and similar facilities, upon, over and under these areas outlined and designated on this plat as "Utility Easement" or "UE" is hereby granted to the City of Edgerton, Kansas with subordinate use of the same by other governmental entities and public utilities as may be authorized by state law to use such easement for said purposes. Utility easements shall be kept clear of obstructions that impair the strength or interfere with the use and/or maintenance of public utilities located within the easement.

An easement or license to enter upon, locate, construct, use and maintain or authorize the location, construction, maintenance or use of conduits, surface drainage facilities, subsurface drainage facilities, and similar facilities, upon, over and through those areas outlined and designated on this plat as "Drainage Easement" or "DE" is hereby granted to the City of Edgerton, Kansas. Drainage easements shall be kept clear of obstructions that impair the strength or interfere with the use and/or maintenance of storm drainage facilities.

## CONSENT TO LEVY

The undersigned proprietor of the above described tract of land hereby consents and agrees that the Board of County Commissioners and the City of Edgerton, Kansas, shall have the power to release such land proposed to be dedicated for public use from the lien and effect of any special assessments, and that the amount of unpaid special assessments on such land dedicated, shall become and remain a lien on the land fronting and abutting on such dedicated public way or thoroughfare.

## EXECUTION

IN TESTIMONY WHEREOF, the undersigned proprietor has caused this instrument to be executed  
this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Nathaniel Hago

STATE OF KANSAS )  
 ) ss  
COUNTY OF JOHNSON)

BE IT REMEMBERED, that on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me a Notary Public in and for said County and State, came Nathaniel Hagdom, Managing Member of ELHC XL, LLC, who is personally known to me to be the same person who executed the foregoing instrument of writing on behalf of said corporation, and he duly acknowledged the execution of the same to be the act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year last written above.

Notary Public

my Appointment Expires.

## APPROVALS

APPROVED by the Planning Commission of the City of Edgerton, Johnson County, Kansas, on the      day of      , 2016.

---

Chuck Davis, Chairperson

APPROVED by the Governing Body of the City of Edgerton, Johnson County, Kansas, on the      day of      , 2016.

**Donald Roberts, Mayor**

APPROVED by the Zoning Administrator on the \_\_\_\_\_ day of \_\_\_\_\_, 2016.

**Kenneth A. Cook, Zoning Administrator**

This is to certify on the 3rd day of October, 2016, this field survey was completed on the ground by me or under my direct supervision and that said survey meets or exceeds the "Kansas Minimum Standards" for boundary surveys.

Roger B. Dill, Kansas LS-1408

LOT INFORMATION					
LOT NO.	LOT AREA	FRONT SETBACK	SIDE SETBACK	REAR SETBACK	BUILDING ENVELOPE
1	666,785.89 S.F. 15.31 Acres	25'	25'	25'	9999 S.F. 9999 Acres
2	1,427,359.43 S.F. 32.77 Acres	25'	25'	25'	9999 S.F. 9999 Acres
Tract A	34,072.05 S.F. 7.83 Acres				
ROW	237,145.93 S.F. 5.47 Acres				



## CITY OF EDGERTON, KANSAS

### COUNCIL AGENDA ITEM

---

**Council Meeting Date:** October 27, 2016

**Agenda Item:** Public Hearing  
Partial Assignment of Resolution of Intent

**Subject:** Bonds and Property Tax Abatement for ELHC XXII, LLC Project

**Hearing Notice Published:** October 19, 2016 in the *Gardner News*

---

#### **Summary:**

The City has received an application for property tax abatement from ELHC XXII, LLC. ELHC XII desires to construct an approximately 500,000 sq. ft. spec warehouse and distribution facility to be located at 32901 W. 193<sup>rd</sup> Street in Edgerton, Kansas. In order for the City to issue bonds and grant property tax abatement, the City must first hold a public hearing, consider the cost-benefit report and then approve a partial assignment of the Master Resolution of Intent.

#### **Public Hearing**

A notice of the public hearing has been published at least seven days prior to the date of this meeting. Written notice of the public hearing has also been provided to the County and the School District. The Council should take comments from the public.

#### **Cost-Benefit Report**

Columbia Capital Management, LLC has prepared a cost-benefit report for the proposed project. The Council should consider the cost-benefit report and ask any questions the Council may have about the report.

#### **Partial Assignment of Resolution of Intent**

The City previously adopted a Master Resolution of Intent for the benefit of Edgerton Land Holding Company, LLC ("Edgerton Land") for constructing various projects in the Logistics Park-Kansas City, and provided for the issuance of up to \$1,000,000,000 in industrial revenue bonds. The Master Resolution of Intent allows Edgerton Land to assign portions of the Master Resolution of Intent to various companies that locate within the park. The partial assignment of the Master Resolution of Intent assigns \$33,000,000 of the Master Resolution of Intent to ELHC XII for the purpose of constructing this project.

## **RESOLUTION NO. 10-27-16A**

### **RESOLUTION CONSENTING TO THE PARTIAL ASSIGNMENT OF A RESOLUTION OF INTENT FROM EDGERTON LAND HOLDING COMPANY, LLC TO ELHC XXII, LLC, OR ITS SUCCESSORS IN INTEREST**

---

**WHEREAS**, the City of Edgerton, Kansas (the "City"), desires to promote, stimulate and develop the general welfare and economic prosperity of the City and its inhabitants and thereby to further promote, stimulate and develop the general welfare and economic prosperity of the State of Kansas; and

**WHEREAS**, the City is authorized and empowered under the provisions of K.S.A. 12-1740 to 12-1749d, inclusive (the "Act"), to issue industrial revenue bonds to pay the cost of certain facilities (as defined in the Act) for the purposes set forth in the Act and to lease such facilities to private persons, firms or corporations; and

**WHEREAS**, the City adopted Resolution No. 07-08-10A on July 8, 2010, as amended by Resolution No. 04-25-13A adopted on April 25, 2013 and Resolution No. 04-09-15A adopted on April 9, 2015 (collectively, the "Resolution of Intent") determining the intent of the City to issue its industrial revenue bonds in multiple series, the aggregate amount of all series not to exceed \$1,000,000,000 (the "Bonds"), to finance the costs of acquiring, constructing, reconstructing, improving and equipping the Logistics Park Projects (as defined in the Resolution of Intent) for the benefit of Edgerton Land Holding Company, LLC (the "Developer"); and

**WHEREAS**, the Resolution of Intent permits the Developer, with the consent of the City, to assign a portion of its interest in the Resolution of Intent to another entity, thereby conferring on such entity the benefits of the Resolution of Intent and the proceedings related thereto; and

**WHEREAS**, the Developer desires to assign \$33,000,000 of its interest in the Resolution of Intent to ELHC XXII, LLC, a Kansas limited liability company (the "Company"), for the purposes of permitting the Company to acquire, construct and equip a commercial project, consisting of an approximately 500,000 sq. ft. warehouse and distribution facility (the "ELHC Project"), to be located at 32901 W. 193<sup>rd</sup> Street in Edgerton, Kansas; and

**WHEREAS**, the City desires to consent to such partial assignment of the Resolution of Intent to the Company.

**NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF EDGERTON, KANSAS, AS FOLLOWS:**

**Section 1. Partial Assignment of Resolution of Intent.** The Governing Body of the City hereby consents to the assignment by the Developer of \$33,000,000 of the Developer's interest in the Resolution of Intent to the Company for the purposes of completing the ELHC Project, which is a Logistics Park Project. The City agrees that the Company will now be

entitled to the benefits of the Resolution of Intent to the same extent and on the same terms as the Developer with respect to the ELHC Project.

**Section 2. Authorization to Proceed.** The Company is authorized to proceed with the acquiring, constructing and equipping of the ELHC Project, and to advance such funds as may be necessary to accomplish such purposes, and, to the extent permitted by law, the City will reimburse the Company for all expenditures paid or incurred therefor out of the proceeds of the Bonds.

**Section 3. Benefit of Resolution.** This Resolution will inure to the benefit of the City and the Company. The Company may, with the prior written consent of the City, assign its interest in this Resolution and the Resolution of Intent to another entity, and such assignee will be entitled to the benefits of this Resolution, the Resolution of Intent and the proceedings related hereto.

**Section 4. Effective Date.** This Resolution shall take effect and be in full force immediately after its adoption by the Governing Body of the City.

**ADOPTED** this 27<sup>th</sup> day of October, 2016.

**CITY OF EDGERTON, KANSAS**

[SEAL]

By: \_\_\_\_\_  
Donald Roberts, Mayor

ATTEST:

\_\_\_\_\_  
Janeice Rawles, City Clerk

Approved as to form:

\_\_\_\_\_  
Scott W. Anderson, Bond Counsel



6330 Lamar  
Suite 200  
Overland Park, Kansas 66202  
Jeff White, Principal  
913.312.8077  
jwhite@columbiacapital.com

October 10, 2016

Ms. Beth Linn  
City Administrator  
City of Edgerton  
404 East Nelson  
Edgerton, Kansas 66021

*RE: Cost-Benefit Analysis for ELHC XXII, LLC*

Dear Beth:

Please find attached the results of our cost-benefit analysis related to the projected property tax abatement to be granted by the City to applicant ELHC XXII, LLC, related to the construction of a 500,000 square foot distribution and warehousing facility in Logistics Park Kansas City (**LPKC**). The purpose of this analysis is to satisfy the City's requirement pursuant to KSA 12-1749d or KSA 79-251(a)(1) to undertake a cost-benefit analysis before granting a property tax abatement. Consistent with City policy for development within LPKC, this analysis reflects the City's previous decision to grant a 100% property tax abatement for 10 years with the applicant paying an annual payment-in-lieu-of-taxes equal to \$0.21 per square foot on the building to be constructed.

## **BACKGROUND**

As part of negotiations with the original master developer on the potential location of LPKC in Edgerton, the Edgerton City Council approved an incentives program that provides ten-year property tax abatements for projects locating in LPKC. The purpose of these abatements was to ensure that rents paid by the eventual users of buildings constructed by the master developer would be competitive against warehouse/distribution developments in Olathe, south Kansas City, Riverside and those located in other cities, including Dallas, Chicago, Memphis and Indianapolis. Like Edgerton, these communities also have incentives programs in place for warehouse and distribution facilities.

The original master developer reported—and its successor, NorthPoint Development/Edgerton Land Holding Company (**ELHC**) continues to make the argument—that, without the abatement incentives, large-scale warehouse and distribution facilities would not materialize in LPKC and certainly not at the pace of development LPKC has seen in recent years: the presence of the abatements was and is a necessary condition to the development of the project.

## ABATEMENT MECHANICS

Under Kansas law, every ad valorem tax abatement is a 100% abatement. Cities granting an abatement have the right to negotiate payments-in-lieu-of-tax (**PILOT**) payments from the abatement beneficiary to reduce the effective value of the abatement to that party. PILOT payments are distributed by Kansas counties to all taxing jurisdictions affected by the abatement in the same proportion as regular property taxes.

Property tax abatements effectively defer a portion of the tax benefit on new development for a period of up to 10 years. Although property tax abatements can create a loss of status quo ante tax revenues for taxing jurisdictions, abatements at LPKC have a very limited impact on existing tax revenues. Because the vast majority of undeveloped land within the boundaries of LPKC is classified for property tax purposes as “farming or ranch operations,” status quo ante property taxes in the aggregate within LPKC tend to total less than \$50 per acre per year.

## ECONOMICS

The subject property is approximately 30.2 acres in size and will house an estimated 500,000 square foot distribution and warehousing facility. Pursuant to the City’s agreement with the master developer, this analysis assumes the City will provide the applicant with a 100% property tax abatement for 10 years. We have further assumed that, consistent with its agreement with the master developer, the City will impose a \$0.21 per square foot per year PILOT, or \$105,000 per year.

The table below reflects the immediate impact on property tax/PILOT receipts from the subject property, assuming a status quo ante tax burden of \$50 per acre per year and based upon November 2015 levy rates published by Johnson County.

ENTITY	LEVY	% of TOTAL	EXISTING TAXES LOST	NEW PILOTs PAID	ANNUAL NET TAX GAIN/(LOSS)
State of KS	1.500	0.96%	\$(14)	\$ 1,007	\$ 993
Johnson Co.	19.582	12.53%	(189)	13,152	12,963
JCCC	9.469	6.06%	(91)	6,360	6,268
JCPRD	3.101	1.98%	(30)	2,083	2,053
Edgerton	33.622	21.51%	(324)	22,582	22,257
USD 231 Uniform	20.000	12.79%	(193)	13,433	13,240
USD 231 Capital	8.000	5.12%	(77)	5,373	5,296
USD 231 Other	25.015	16.00%	(241)	16,801	16,560
USD 231 Bond	16.170	10.34%	(156)	10,860	10,704
Fire Dist #1	15.965	10.21%	(154)	10,723	10,569
Library	3.912	2.50%	(38)	2,627	2,590
	156.336	100.00%	\$(1,508)	\$ 105,000	\$ 103,492

## COST-BENEFIT ANALYSIS DETAILS AND ASSUMPTIONS

KSA 12-1749d(2) requires notification of anticipated abatements only to counties or school districts affected. As a result, our analysis focuses on financial impacts to the City, Johnson County and USD 231 Gardner/Edgerton Schools (the **District**). We have not calculated the cost-benefit on other taxing jurisdictions. State law also requires the analysis to include “the effect of the exemption on state revenues.” Our modeling includes such an estimate.

Our proprietary cost-benefit modeling relies on a number of key assumptions in the calculation of net present value benefit to the City, Johnson County and the District. Most of our assumptions are derived from public information, although some inputs are based upon dialogue with subject matter experts, including staff of the Kansas Department of Revenue. Some of these key assumptions include:

- An evaluation of the direct costs and benefits of the project. Columbia's model does not include indirect or "spin-off" effects as a result of input-output multipliers.
- A ten-year analysis timeframe for each individual project, matching the maximum permitted term of the abatement.
- Direct costs to the City, the County, the school district and the State as estimated by Columbia based upon the financial reports, expert analysis and/or conversations with key staff members within those agencies and at the State of Kansas. Please note our analysis assumes the return of a school finance formula that provides aid to the District on a per pupil basis (see below).
- Where applicable, reliance upon statistical data as reported in the 2010 US Census.
- The use of a discount rate comprised of two components: a risk-free rate of return (the current yield of the on-the-run 10-year US Treasury) plus a risk premium of two (2) percent. The value of the discount rate is a proxy for the opportunity cost of the City (and other agencies) of foregoing the future property and/or sales tax revenues that would be generated by the development. Thought of another way, if the City had those revenues in hand and placed them in an alternative investment with the same risk characteristics, what would be its expected rate of return?

#### **TREATMENT OF SCHOOL FINANCE FORMULA**

As of the date of this analysis, the mechanics of public school finances in Kansas remain in flux. The Kansas legislature, through special session during the summer of 2016, resolved immediate judicial concerns about funding equity that might have delayed the start of the 2016/17 school year. But, lower Kansas courts have found that the current block grant funding mechanism is constitutionally flawed and falls hundreds of millions of dollars short of the amount of state aid to schools necessary to satisfy the "adequate" funding requirement within the state constitution; appeals to that lower court ruling remain before the Kansas Supreme Court and are as yet unresolved.

For the purposes of our analysis, we have assumed the existence of a school funding formula that increases or decreases district state aid based upon the district's student enrollment. The district court's findings on the funding adequacy issue were particularly critical of the current block grant formula's failure to recognize and compensate schools for the impacts of changes in enrollment. Our cost-benefit modeling

assumes a return to the capitation-based funding approach that has prevailed in Kansas since the 1990s.

For the treatment of costs in the model, we have assumed that the addition of one new child in the schools increases the District's costs by an average cost to educate the remainder of the students currently within the District. (This approach is consistent with our treatment of new city and county residents on city and county budgets.) For small changes in student enrollment, this approach likely over-states the cost impact to the District: a District with 5,500 students is very likely to spend the same amount in the aggregate to educate those children as it would if its enrollment were 5,501 instead.

It is important to note that, under the state constitution, the obligation of funding public schools is fundamentally the State's obligation. The majority of the local property tax levies imposed by the District automatically adjust to provide a level of funding prescribed by school funding laws or regulations. Put another way, as assessed valuations *decline*, property tax levy rates *increase* to produce required revenue; similarly, as assessed valuations increase, property tax levy levies roll-down to limit revenue collected. This is how, for instance, school districts are able to execute "no tax increase" bond issues—as assessed valuations increase, existing debt service levies produce higher property tax receipts, providing schools with additional financial resources to pay principal and interest on debt even though the levy rate itself has not changed.

The one exception to this general rule is the levy the District may impose for capital purposes. That levy is capped under current state law at eight mills. Because the District imposes the levy at the eight-mill limit, any reduction in assessed value in the District reduces tax dollars available to the District. Similarly, increases in assessed value produce more dollars for the purposes permitted related to that levy.

As demonstrated in the "Economics" section above, we expect most projects within LPKC to produce positive net property tax/PILOT revenues for the District (and all other taxing entities) compared to existing, undeveloped property, even during the term of the tax abatement on such projects.

## **USING THE COST-BENEFIT MODELING RESULTS**

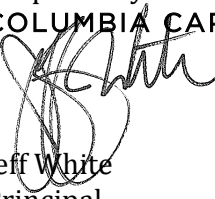
The output of the model is presented as the net present value benefit/(cost) of the project for the City, County and school district over the 10-year life of the abatement on each project. The net benefit (or, if negative, cost) of the incentive package is presented in today's dollars. The estimated impact on State revenues is presented in nominal (future value) terms. We also provide an estimated future value project contribution to the City's Public Infrastructure Fund (**PIF**). While the modeling shows a significant net present value benefit to the City, it is important to note that *the majority of the City's net benefit is reinvested in LPKC through the PIF*.

In the preparation of this cost-benefit analysis, Columbia has relied upon the information provided to it by applicant and has not independently verified or validated these data. The City must draw its own conclusions as to the reliability of these data.

Finally, the intent of this analysis and of the applicable statutes is to inform the governing body's policy debate about the value of the abatement incentive it is providing to the applicant. The project's generation of a net present value benefit to the agencies affected should be but one of the many factors in the governing body's decision about whether and how much incentive to provide to any applicant.

Thank you in advance for your thoughtful consideration of the analysis attached. Please let me know if you have any questions.

Respectfully submitted,  
COLUMBIA CAPITAL MANAGEMENT, LLC

A handwritten signature in black ink, appearing to read "Jeff White", written over the printed name.

Jeff White  
Principal



**SUMMARY OF COSTS AND BENEFITS**  
**City of Edgerton, Kansas**

**APPLICANT INFORMATION:**

<b>Application Date:</b>	10/4/16	<b>Summary of Incentives Provided:</b>	100% real property tax abatement for a 10 year period, as well as a construction sales tax exemption for materials, with a PILOT payment of \$0.21/s.f. per year.
<b>Firm Name:</b>	ELHC XXII, LLC		
<b>Firm Address:</b>	5015 NW Canal St., Suite 200 Riverside, Missouri 64150		
<b>Firm Contact:</b>	John Thomas 816.888.7640		

**SUMMARY OF INCENTIVE PACKAGE (LOCAL GOVERNMENT IMPACTS ONLY):**

Year	Property Tax Abatement		Construction Sales Tax Abatement		Direct Incentives		
	(%)	(\$)	(%)	(\$)	City	County	School
2	100	442,145	100	0	0	0	0
3	100	442,145	100	0	0	0	0
4	100	442,145	100	0	0	0	0
5	100	442,145	100	0	0	0	0
6	100	442,145	100	0	0	0	0
7	100	442,145	100	0	0	0	0
8	100	442,145	100	0	0	0	0
9	100	442,145	100	0	0	0	0
10	100	442,145	100	0	0	0	0
11	100	442,145	100	0	0	0	0

**PAYMENT IN LIEU OF TAXES RECEIPTS:**

City	County	School
(\$)	(\$)	(\$)
22,582	13,152	46,467
22,582	13,152	46,467
22,582	13,152	46,467
22,582	13,152	46,467
22,582	13,152	46,467
22,582	13,152	46,467
22,582	13,152	46,467
22,582	13,152	46,467
22,582	13,152	46,467
22,582	13,152	46,467
22,582	13,152	46,467

**SUMMARY OF PRESENT VALUE BENEFITS:**

City Summary				
Year	Total Benefits	Total Costs	Net Benefit	Net PV Benefit
2	364,160	142,583	221,577	205,968
3	363,117	142,583	220,534	197,646
4	363,156	142,583	220,573	190,591
5	363,197	142,583	220,614	183,789
6	363,240	142,583	220,657	177,232
7	363,284	142,583	220,702	170,910
8	363,332	142,583	220,749	164,815
9	363,381	142,583	220,798	158,940
10	363,433	142,583	220,850	153,275
11	363,488	142,583	220,905	147,815
	3,633,788	1,425,829	2,207,959	1,750,982

County Summary			
Total Benefits	Total Costs	Net Benefit	Net PV Benefit
87,664	90,433	-2,769	-2,574
86,393	90,433	-4,040	-3,620
86,449	90,433	-3,984	-3,443
86,507	90,433	-3,926	-3,271
86,568	90,433	-3,865	-3,104
86,632	90,433	-3,801	-2,943
86,700	90,433	-3,733	-2,787
86,771	90,433	-3,663	-2,636
86,845	90,433	-3,588	-2,490
86,923	90,433	-3,510	-2,349
867,452	904,331	-36,880	-29,219

School District Summary			
Total Benefits	Total Costs	Net Benefit	Net PV Benefit
316,547	271,707	44,839	41,680
316,547	271,707	44,839	40,185
316,547	271,707	44,839	38,744
316,547	271,707	44,839	37,355
316,547	271,707	44,839	36,015
316,547	271,707	44,839	34,723
316,547	271,707	44,839	33,478
316,547	271,707	44,839	32,277
316,547	271,707	44,839	31,119
316,547	271,707	44,839	30,003
3,165,465	2,717,074	448,391	355,580

**SUMMARY OF ECONOMIC IMPACT (over 10-year period):**

Number of jobs to be created : 175

Number of new residents:

City	6
County	7
School District	7

Expected 10-Year Contribution to PIF: \$ 1,712,500

Impact of exemption on state revenues: \$ (54,189)

## CITY OF EDGERTON, KANSAS

### COUNCIL AGENDA ITEM

---

<b>Council Meeting Date:</b>	October 27, 2016
<b>Agenda Item:</b>	Ordinance Authorizing Bonds and Bond Documents
<b>Subject:</b>	Industrial Revenue Bonds and Property Tax Abatement for Coldpoint Logistics Project

---

#### Summary:

The City received an application for industrial revenue bonds and property tax abatement from Coldpoint Logistics Real Estate, LLC for a project located in the Logistics Park, consisting of an approximately 161,000 sq. ft. warehouse and cold-storage distribution facility, to be located at 31301 W. 181<sup>st</sup> Street, Edgerton, Kansas (the “Project”).

The City has previously adopted Resolution No. 07-08-10A on July 8, 2010, Resolution No. 04-25-13A on April 25, 2013, and Resolution No. 04-09-15A on April 9, 2015 (collectively, the “Resolution of Intent”) expressing the intent of the City to issue its industrial revenue bonds in multiple series, the aggregate amount of all series not to exceed \$1,000,000,000, to finance the costs of acquiring, constructing, reconstructing, improving and equipping various projects within The Logistics Park-KC for the benefit of Edgerton Land Holding Company, LLC, or its assigns (the “Developer”). The City adopted Resolution No. 08-25-16C on August 25, 2016 (the “Assignment Resolution”) consenting to the assignment of \$36,100,000 of the Developer’s interest in the Resolution of Intent to Coldpoint Logistics Real Estate, LLC for the Project. Prior to adopting the Assignment Resolution, the City held a public hearing on the Project and considered the cost-benefit report.

#### Ordinance:

The Ordinance authorizes the City to issue up to \$36,100,000 of industrial revenue bonds for the Project. This bond issue is commonly referred to as a “buy your own bonds bond issue.” Coldpoint Logistics will be both the lessee on the project and the owner of the bonds. When the bonds are issued, Coldpoint Logistics will lease the project site to the City as is required by state law. The City will then sublease the project back to Coldpoint Logistics. Coldpoint Logistics will be obligated to repurchase the project at the conclusion of the tax abatement.

The bonds will be limited obligations of the City. This means that the City has to make payments on the bonds to Coldpoint Logistics as the owner of the bonds only to the extent the City receives payments from Coldpoint Logistics pursuant to the lease. If lease payments from Coldpoint Logistics are insufficient to cover scheduled debt service on the bonds, the City is not obligated to make up any shortfall from any other funds of the City. The bonds are not a general obligation of the City and do not count against the City’s debt limit.

The Ordinance authorizes the City to enter into the following documents:

- (a) Trust Indenture which contains the terms governing the Bonds and contains the form of the Bonds;
- (b) Base Lease Agreement whereby the City leases the project site from Coldpoint Logistics;
- (c) Lease Agreement whereby the City will lease the project to Coldpoint Logistics for the term of the tax abatement;
- (d) Bond Purchase Agreement whereby Coldpoint Logistics agrees to acquire the Bonds;
- (e) Performance Agreement whereby Coldpoint Logistics agrees to make certain payments-in-lieu of tax payments;
- and
- (f) Origination Fee Agreement whereby Coldpoint Logistics agrees to pay the origination fee to the City over time.

**ORDINANCE NO. 1038**

**AN ORDINANCE AUTHORIZING THE CITY OF EDGERTON, KANSAS, TO ISSUE INDUSTRIAL REVENUE BONDS (COLDPOINT LOGISTICS REAL ESTATE, LLC PROJECT) SERIES 2016, IN AN AGGREGATE MAXIMUM PRINCIPAL AMOUNT NOT TO EXCEED \$36,100,000, FOR THE PURPOSE OF FINANCING A WAREHOUSE AND COLD-STORAGE DISTRIBUTION FACILITY; AUTHORIZING THE CITY TO ENTER INTO A TRUST INDENTURE WITH UMB BANK, N.A., AS TRUSTEE; AUTHORIZING THE CITY TO ENTER INTO A BASE LEASE AND LEASE AGREEMENT WITH COLDPOINT LOGISTICS REAL ESTATE, LLC; AND AUTHORIZING AND APPROVING THE EXECUTION OF ADDITIONAL DOCUMENTS AND THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF THE BONDS.**

**WHEREAS**, the City of Edgerton, Kansas (the “City”), is authorized pursuant to the provisions of K.S.A. 12-1740 to 12-1749d, inclusive, as amended (the “Act”), to acquire, purchase, construct, install and equip certain commercial and industrial facilities, and to issue industrial revenue bonds for the purpose of paying the cost of such facilities, and to lease such facilities to private persons, firms or corporations; and

**WHEREAS**, the governing body of the City has heretofore and does now find and determine that it is desirable in order to promote, stimulate and develop the general economic welfare and prosperity of the City and the State of Kansas that the City issue its Industrial Revenue Bonds (Coldpoint Logistics Real Estate, LLC Project) Series 2016, in an aggregate maximum principal amount not to exceed \$36,100,000 (the “Bonds”), for the purpose of acquiring, constructing and equipping a commercial project, consisting of an approximately 161,000 sq. ft. warehouse and cold-storage distribution facility, to be located at 31301 W. 181<sup>st</sup> Street, Edgerton, Kansas, including land, buildings, structures, improvements, fixtures, machinery and equipment (the “Project”), and that the City lease the Project to Coldpoint Logistics Real Estate, LLC, a Kansas limited liability company (the “Company”); and

**WHEREAS**, the governing body of the City further finds and determines that it is necessary and desirable in connection with the issuance of the Bonds that the City enter into certain agreements, and that the City take certain other actions and approve the execution of certain other documents as herein provided;

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF EDGERTON, KANSAS, AS FOLLOWS:**

**Section 1. Authorization of the Project.** The City is hereby authorized to provide for the acquisition, purchase, construction, installation and equipping of the Project, all in the manner and as more particularly described in the Indenture and the Lease Agreement hereinafter authorized.

**Section 2. Authorization of and Security for the Bonds.** The City is hereby authorized to issue and sell the Bonds for the purpose of providing funds to pay the cost of acquiring, purchasing, constructing, installing and equipping the Project. The Bonds shall be issued and secured pursuant to the herein authorized Indenture and shall bear such date, shall mature at such time, shall be in such denominations, shall bear interest at such rates, shall be in such form, shall be subject to redemption and other terms and conditions, and shall be issued in such manner, subject to such provisions, covenants and agreements, as are set forth in the hereafter defined Indenture. The Bonds shall be payable solely out of the rents, revenues and

receipts derived by the City from the Project, and the Project and the net earnings derived by the City from the Project shall be pledged and assigned to the hereafter defined Trustee as security for payment of the Bonds as provided in the Indenture.

**Section 3. Authorization of Documents.** The City is hereby authorized to enter into the following documents, in substantially the forms presented to and reviewed by the Council of the City (copies of which documents, upon execution thereof, shall be filed in the office of the City Clerk), with such changes therein as shall be approved by the officers of the City executing such documents, such officers' signatures thereon being conclusive evidence of their approval thereof:

(a) Trust Indenture dated the date set forth therein (the "Indenture"), between the City and UMB Bank, N.A., as trustee (the "Trustee"), pursuant to which the Bonds shall be issued and the City shall pledge the Project and assign the rents, revenues and receipts received pursuant to the hereafter defined Lease to the Trustee for the benefit of and security of the holder of the Bonds upon the terms and conditions as set forth in said form of Indenture;

(b) Base Lease Agreement dated the date set forth therein (the "Base Lease"), between the Company and the City, under which the City will lease the project site from the Company;

(c) Lease Agreement dated the date set forth therein (the "Lease Agreement"), between the City and the Company, under which the City will agree to use the proceeds derived from the sale of the Bonds for the purpose of acquiring, purchasing, constructing, installing and equipping the Project and to sublease the Project to the Company, and the Company will agree to make payments in amounts sufficient to provide for the payment of the principal of, redemption premium, if any, and interest on the Bonds as the same become due;

(d) Bond Purchase Agreement dated the date set forth therein (the "Bond Purchase Agreement"), among the City, the Company, as lessee, and the Company, as purchaser;

(e) Performance Agreement dated the date set forth therein (the "Performance Agreement"), between the City and the Company; and

(f) Origination Fee Agreement dated the date set forth therein (the "Origination Fee Agreement"), between the City and the Company.

**Section 4. Execution of Bond and Documents.** The Mayor of the City is hereby authorized and directed to execute the Bonds and to deliver the Bonds to the Trustee for authentication for and on behalf of and as the act and deed of the City in the manner provided in the Indenture. The Mayor of the City is hereby authorized and directed to execute the Indenture, the Base Lease, the Lease Agreement, the Bond Purchase Agreement, the Performance Agreement, the Origination Fee Agreement and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance, for and on behalf of and as the act and deed of the City. The City Clerk of the City is hereby authorized and directed to attest to and affix the seal of the City to the Bonds, the Indenture, the Base Lease, the Lease Agreement, the Bond Purchase Agreement, the Performance Agreement, the Origination Fee Agreement and such other documents, certificates and instruments as may be necessary.

**Section 5. Further Authority.** The City shall, and the officers, employees and agents of the City are hereby authorized and directed to, take such action, expend such funds and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance and to carry out, comply with and perform the duties of the City with respect to the

Bonds, the Indenture, the Base Lease, the Lease Agreement, the Performance Agreement, the Bond Purchase Agreement and the Origination Fee Agreement.

**Section 6. Effective Date.** This Ordinance shall take effect and be in force from and after its passage, approval and publication in summary form in the official City newspaper.

**PASSED** by the Council of the City of Edgerton, Kansas, this 27<sup>th</sup> day of October, 2016.

---

Donald Roberts, Mayor

[SEAL]

ATTEST:

---

Janeice Rawles, City Clerk

Approved as to form:

---

Scott W. Anderson, Bond Counsel