



# City of Olathe

## COUNCIL AGENDA ITEM

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**MEETING DATE:** 1/5/2021

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**FOCUS AREA:** Economy

**STAFF CONTACT:** Dianna Wright

**SUBJECT:** Report on the establishment of special assessments for Lindenwood 163<sup>rd</sup> to 167<sup>th</sup> Benefit District for Streets and Storm Sewer improvements.

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**ITEM DESCRIPTION:**

Report on the establishment of special assessments for the Lindenwood 163<sup>rd</sup> to 167<sup>th</sup> Benefit District for Street and Storm Sewer improvements.

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**SUMMARY:**

On August 22, 2017, U.S.D. 230 (Spring Hill) submitted a petition (Attachment A) for the creation of a benefit district to finance the construction of Lindenwood Drive, from 163<sup>rd</sup> Street to 167<sup>th</sup> Street, including grading, storm sewer, street lighting, pavement, curb and sidewalk. The proposed benefit district included 32.91+- acres owned by the School District at the northeast corner of 167<sup>th</sup> and Lindenwood Drive, where Woodland Spring Middle School is located. Also included in the benefit district is certain property adjacent to Lindenwood Drive, then owned by three limited liability companies controlled by Rodrock Development. The petition was signed by 100% of the owners of property within the proposed benefit district, including the School District and the aforementioned Rodrock Development entities.

On October 17, 2017, the Council adopted Resolution No. 17-1069 (Attachment B) establishing the benefit district. The resolution provided that the maximum amount of assessments to be assessed would be \$3,224,309.16, of which the improvement district would pay 100% and the city-at-large would pay 0%. The assessments were levied equally per square foot against all property within the benefit district, excluding right of way. The assessment amount is \$0.46/sf. For an average lot size of 9,000 sq ft, the total assessment would be approximately \$4,140 (\$414 annually for 10 years plus interest).

Resolution No. 17-1069 was published in the Olathe News on October 28, 2017 and recorded in the Johnson County, Kansas real estate records on October 31, 2017 at Book 201710, Pages 009705-11. In addition to this notice in the real estate records, Kansas law (K.S.A. 12-6a20) requires all sellers of property subject to a benefit district to disclose to the buyer that the property is subject to special assessments.

The improvements have now been completed. The final costs of the project have been determined and are itemized on the attached Statement of Final Costs (Attachment C). The total actual project costs are \$2,231,207.85, less than the estimated amount set forth in the petition and Resolution No. 17-1069.

Per Resolution No. 17-1069, the actual project costs have been allocated equally per square foot against all property in the benefit district. The attached Assessment Roll (Attachment D) has been

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prepared showing the amount of proposed assessment per parcel within the benefit district. On August 22, 2017, U.S.D. 230 (Spring Hill) submitted a petition (Attachment A) for the creation of a benefit district to finance the construction of Lindenwood Drive, from 163<sup>rd</sup> Street to 167<sup>th</sup> Street, including grading, storm sewer, street lighting, pavement, curb and sidewalk. The proposed benefit district included 32.91+- acres owned by the School District at the northeast corner of 167<sup>th</sup> and Lindenwood Drive, where Woodland Spring Middle School is located. Also included in the benefit district is certain property adjacent to Lindenwood Drive, then owned by three limited liability companies controlled by Rodrock Development. The petition was signed by 100% of the owners of property within the proposed benefit district, including the School District and the aforementioned Rodrock Development entities.

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Per Resolution No. 17-1069, the actual project costs have been allocated equally per square foot against all property in the benefit district. The attached Assessment Roll (Attachment D) has been prepared showing the amount of proposed assessment per parcel within the benefit district.

The next step in the required statutory process is to conduct a public hearing and consider an ordinance levying the special assessments against the property in the benefit district.

The City Clerk will mail notice of a public hearing to all property owners within the benefit district. Notice will also be published in the official City newspaper. (Attachment E)

A public hearing will be held on January 19, 2021. After the public hearing, the Council will consider an ordinance levying the special assessments. A draft Ordinance is attached as Attachment F.

If the ordinance is approved, the City will mail a second notice to property owners letting them know the ordinance has been adopted and giving property owners 30 days to prepay their assessments. If the assessment is not prepaid, then the City will issue bonds to finance any assessments that are not prepaid, and the assessments, together with interest, will be levied in equal annual installments over 10 years. Assessments will appear on property owners' property tax bills. The first assessments will

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appear on tax bills due in December 2021.

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**FINANCIAL IMPACT:**

This project is 100% funded by special assessments levied on properties within the boundaries of the Lindenwood 163<sup>rd</sup> to 167<sup>th</sup> benefit district.

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**ACTION NEEDED:**

Accept the report.

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**ATTACHMENT(S):**

Attachment A - Petition

Attachment B - Resolution No. 17-1079

Attachment C - Statement of Final Cost

Attachment D - Proposed Assessment Roll

Attachment E - Notice of Public Hearing

Attachment F - Draft Assessment Ordinance