



# City of Olathe

## COUNCIL AGENDA ITEM

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**MEETING DATE:** 5/18/2021

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**FOCUS AREA:** Economy

**STAFF CONTACT:** Dianna Wright, Ron Shaver

**SUBJECT:** Consideration of Resolution No. 21-1038 approving a petition to establish the Clare Road Benefit District for construction of Clare Road from College Blvd. to 106th Terrace

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**ITEM DESCRIPTION:**

Consideration of Resolution No. 21-1038 approving a petition to establish the Clare Road Benefit District for construction of Clare Road from College Blvd. to 106th Terrace.

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**SUMMARY:**

On May 4, 2021, the City Council considered two petitions from Cedar Creek Development Company, LLC for the creation of benefit districts to finance certain roads in the Cedar Creek area. Council deferred action on the petitions and requested staff consider alternatives to the initial proposal.

In the motion to defer action on the petitions, the City Council directed staff to consider the following items:

- Remove flood plains from assessment (including Tract A College Point First Plat [Olathe Medical Center/College Point Merchants Association drainage tract])
- Look closer at the \$800K HOA expenses
- Equity to other Districts
- The possibility of phasing the BD
- Look at the issue of some being in two BDs
- Possibility of more money from the City at large

In addition, the City Council requested that staff meet with residents in the affected areas. On May 11, 2021, staff met with representatives of the Cedar Creek Village HOA, the Prairie Brook HOA and their attorney, and some of the Hidden Lake Estates homeowners and their attorney.

The City has also engaged with the Developer to discuss options to address the Council's concerns.

Based on these discussions, the following proposal has emerged with several components. The proposal levies assessments only on property owned by the Developer and not on any property owned by third parties.

Clare Road - College to 106<sup>th</sup> Terrace Benefit District Petition

On May 15, 2021, Cedar Creek Development Company, LLC submitted a petition (Attachment A) for the creation of a benefit district to finance the construction of Clare Road, from College Blvd. to 106th Terrace, including grading, storm sewer, street lighting, pavement, curb and sidewalk.

The boundaries of the proposed benefit district include only property owned by the Developer and entities it controls. The boundaries of the proposed benefit district are depicted in a map attached to the petition. Generally, the boundaries would include only property in the Hidden Lake Estates area owned by the Developer. Property in Hidden Lake Estates owned by existing homeowners would not be included in the proposed benefit district boundaries. Property in the Prairie Brook Subdivision would not be included in the proposed benefit district boundaries.

The petition proposes that the costs paid by the benefit district be levied equally per square foot, for a maximum per square foot cost of \$0.54.

The petition estimates the total cost of the project as \$8,972,735.93. The benefit district would pay 70% of the costs of the project (\$6,280,915) and the City at large would pay 30% of the costs of the project (\$2,691,821). The petition does not include a request that the City waive any fees.

#### Clare Road - 106th Terrace to Valley Parkway

The proposal assumes that Clare Road from 106th Terrace to Valley Parkway would be constructed at a later date, at such time as the City Council determines to fund the project through the Capital Improvement Plan. The estimated construction cost of this road segment is approximately \$4,200,000.

#### Bluestem Parkway, 107<sup>th</sup> Terrace and Cedar Creek Parkway - College to Bluestem

On May 14, 2021, Cedar Creek Development Company, LLC submitted a petition (Attachment B) for the creation of a benefit district to finance the construction of Bluestem Parkway from its current southern terminus to Cedar Creek Parkway; 107<sup>th</sup> Terrace, from Bluestem Parkway to Clare Road; and Cedar Creek Parkway, from College Boulevard to Bluestem Parkway; all including grading, storm sewer, water lines within the public right of way, street lighting, pavement, curb and sidewalk and right of way acquisition.

Only property owned by the Developer would be included within the proposed benefit district.

The petition proposes that the costs paid by the Bluestem-107<sup>th</sup>-Cedar Creek Parkway benefit district be levied equally per square foot, for a maximum per square foot cost of \$1.04.

The boundaries of the proposed benefit district are depicted in a map attached to the petition. Generally, the boundaries would include only property in the Hidden Lake Estates area owned by the Developer. Property in Hidden Lake Estates owned by existing homeowners would not be included in the proposed benefit district boundaries.

The petition estimates the total cost of the project as \$11,095,792.67. The benefit district would pay 100% of the costs of the project.

A resolution to create this benefit district follows this item on the City Council agenda and will be considered separately by the City Council.

#### College Boulevard Improvements

The proposal assumes that College Boulevard from Cedar Niles to Clare Road would be constructed at a later date, at such time as the Council determines to fund the project through the Capital Improvement Plan. The estimated construction cost of this road segment is approximately \$12,540,000.

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The resolution to create the Clare Road Improvement District is Attachment C.

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**FINANCIAL IMPACT:**

See Above

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**ACTION NEEDED:**

Consider approval of Resolution No. 21-1038 approving a petition to establish the Clare Road Benefit District for construction of Clare Road from College Blvd. to 106th Terrace.

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**ATTACHMENT(S):**

Attachment A - Petition - Proposed Clare Road Improvement District

Attachment B - Petition - Proposed Bluestem, 107<sup>th</sup> and Cedar Creek Parkway Improvement District

Attachment C - Resolution No. 21-1038