

AGENDA

The Lansing City Council Work Session is open to the public with limited seating capacity. To mitigate the spread of COVID-19, face coverings are strongly encouraged for those attending the meeting. To attend the meeting in person, email cityclerk@lansingks.org no later than 4:00 p.m. on the day of the meeting to reserve a seat. Seats are available on a first come first serve basis.

CALL TO ORDER

AGENDA ITEMS

- [1.](#) Budget Overview
- [2.](#) Peripheral Street Fees and Development Incentives Discussion

ADJOURNMENT

WORKSESSION ITEM

TO: Tim Vandall, City Administrator
FROM: Elizabeth Sanford, Finance Director
DATE: May 24, 2021
SUBJECT: Budget Overview

The Finance Director will present an overview of the budget process.

WORKSESSION ITEM



Budget Overview

2020 Ending Balances

Fund	Fund Balance
General	\$3,048,303
Library	\$127,135
Debt Service	\$91,434
Special Highway	\$272,508
Special Parks & Rec	\$400,082
Special Alcoholic Liquor	\$53,475
Sales Tax (\$.45)	\$538,244
Wastewater	\$8,389,829
Solid Waste	\$156,958
Transient Guest Tax	\$126,878
Capital Improvements	\$980,096
Equipment Reserve	\$158,336
Police Equipment Reserve	\$17,462

Tax levy funds

General Fund – primary operating fund for the City

*(Admin, Police, Municipal Court, Streets, Street Lighting, CED, Finance,
Public Works, Parks, Activity Center, Community Center, City
Administrator, Council, IT)*

Debt Service Fund – pays
the principal and interest
on general obligation and
special assessment bonds

Library Fund – maintains
the library

Enterprise funds

Sewer Utility Fund –
used to operate,
maintain, and improve
wastewater services
provided by the City

Solid Waste Fund –
used to provide solid
waste and recycling
services for City
residents

Other funds

Special Revenue Funds

- Special Highway
- *Special Parks & Recreation*
- *Special Alcoholic Liquor*
- *Sales Tax (\$.45)*
- *Mayor's Christmas Tree*
- *Transient Guest Tax*

Capital Improvement Funds

- *Capital Improvement*
- *DeSoto Road*
- *Towne Centre*

Equipment Reserve Funds

- *Equipment Reserve*
- *Police Equipment*
- *Park Land*

Budget preparation sources of information

- County Clerk
 - *Valuation – received June 15*
 - *Motor Vehicle Tax Estimates*
- City Financial Reports
 - *Current Year expenditures*
 - *Current Year Budget*
 - *Debt Information*
 - *Prior Year Expenditures*
 - *Budget worksheets*
- League of Kansas Municipalities
 - *Budget Tips*
 - Special City/County Highway
 - Local Alcohol Liquor Tax

Revenue sources

Alcoholic Liquor Tax

- 1/3 of the tax goes to the general fund, special parks and recreation fund, and special alcoholic liquor fund. Distributions are received quarterly.

Sales Tax

- Local tax on sales of goods or services. Distributions are received monthly.

Special City and County Highway

- Quarterly distributions that are deposited in the Consolidated Street & Highway Fund.

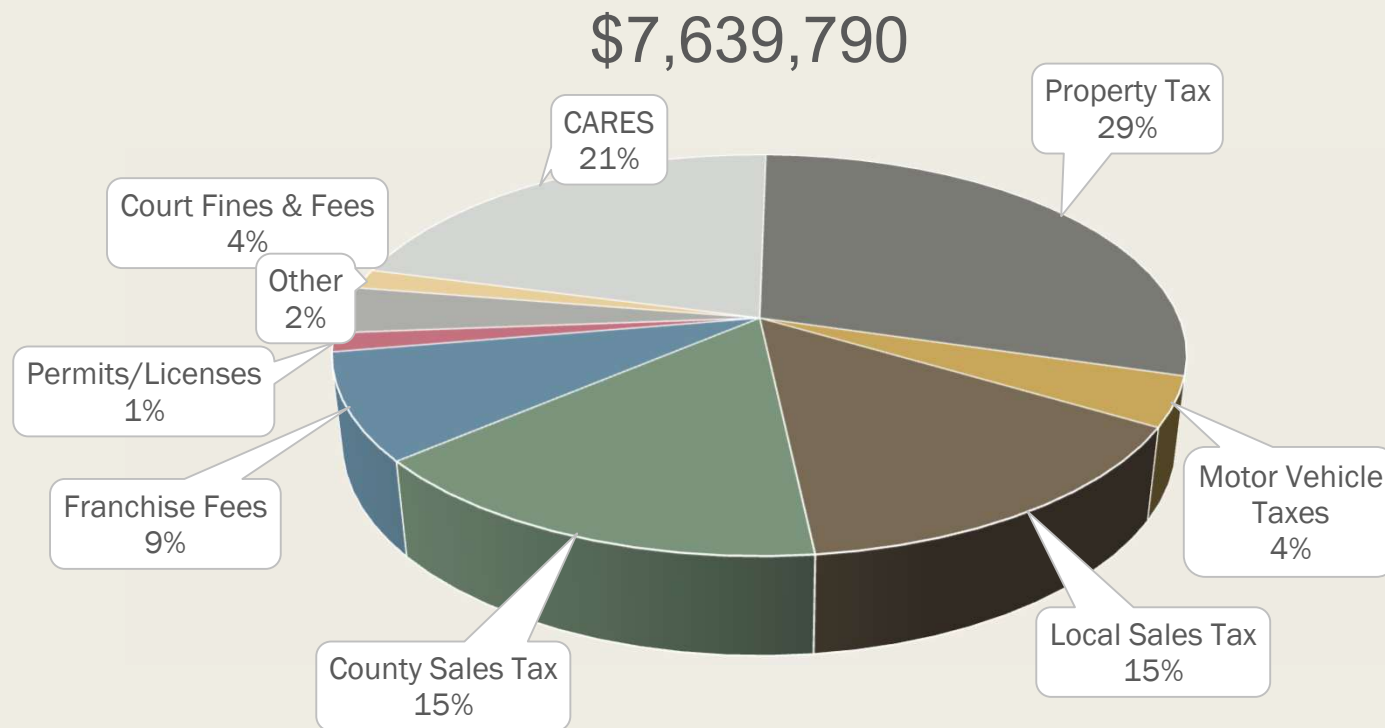
Franchise fees

Fines

- Payments for violations of laws or city ordinances.

Licenses and Permits

2020 General Fund Revenues



2021 Kansas Senate Bill

- Repeals Tax Lid and establishes base levy limit and additional hearing requirements for ad valorem property tax increases
- Effective now
- Revenue Neutral Rate – The County Clerk provides the RNR with estimated assessed valuation by June 15
- Revenue Neutral Rate is the tax rate for the current tax year that would generate the same property tax revenue as levied the previous tax year using the current year's total assessed valuation

- **.June 15** – Assessed property valuation estimates received from County Clerk
- **June 24** – Budget Work Session
- **July 20** – Notify County Clerk of intent to levy above RNR
- **July 19** - Publish notice of intent to exceed RNR along with hearing time, date, and location.
- **September 2** – RNR hearing and Public hearing on final budget. Approve 2022 Budget.
- **October 1** – Submit budget to County Clerk

IMPORTANT DATES

Solid Waste Advisory Group Update


WM contract ends
February 28, 2022

2022 WM rates

Recommendations

Questions?

WORKSESSION ITEM

TO: Tim Vandall, City Administrator
FROM: Matthew R. Schmitz, Director, Community and Economic Development 
DATE: May 27, 2021
SUBJECT: Peripheral (Perimeter) Street Fees and Development Incentives Discussion

Staff would like to continue the discussion from August 29, 2019, and Jan 30, 2020, about peripheral street fees. We have a presentation to share with information about surrounding cities and their fee structures. We would like to garner feedback from the Council on what direction to take the individual Peripheral (Perimeter) Street Fees given this additional information.

We would also like to discuss potential development incentives that could be offered for residential development in the city.

WORKSESSION ITEM

Peripheral (Perimeter) Street Fees & Development Incentives

Council Work Session
May 27th, 2021

Peripheral Street Fees

- Currently Required by UDO – Peripheral Street Fees – Unified Development Ordinance (UDO), Section 3.04, Item H.
- Due to recent court case (Heartland Apartment Association Inc. v. City of Mission)– Director and City Attorney believe that Peripheral Street Fees are now very difficult, if not impossible, to collect.

K.S.A. 12-194 – Excise Taxes

- 12-194 allows cities to charge excise taxes that were on the books prior to 2006
- After 2006, increases in existing excise taxes must be approved by a public vote
- Lansing implemented Peripheral Street Fees via Ordinance 578 – November 2nd, 1995
- Lansing updated Peripheral Street Fees via Ordinance 642 – August 6th, 1998

Comparison Cities

- Cities contacted:
 - Olathe*
 - Overland Park
 - Leavenworth
 - Shawnee
 - Merriam
 - Basehor*
- Olathe charges fees similar to Peripheral Street Fees, although they refer to them as Excise Taxes
- Basehor does have a Transportation Excise Fee - \$0.09 per sq. ft. – part of Platting process

Other considerations

- Olathe and Basehor both had square footage (excise taxes) fees in place before 2006 when K.S.A. 12-194 was enacted.
- Overland Park noted that when a traffic signal is required via Traffic Analysis, the signal is the responsibility of the developer to install
- Many cities in Johnson County utilize benefit districts, whether it's 100% funded by the benefit district or 50% BD / 50% City, to fund arterial and above roadway construction when residential developments are constructed

Building Permit Fees

Lansing

- Building Permit Fee - \$1,164.50
- Electrical fee - \$150.00
- Mechanical (HVAC) fee - \$60.00
- Plumbing fee - \$75.00
- Driveway fee - \$15.00
- Sidewalk fee - \$15.00
- Sewer hookup fee - \$3,000.00
- Total fees - \$4,479.50
- Parkland fee - \$400 per lot

Basehor

- Building Permit Fee - \$1,637.25
- Electrical fee - \$130.00
- Mechanical (HVAC) fee - \$95.00
- Plumbing fee - \$160.00
- Sewer hookup fee - \$3,450.00
- Total fees - \$5,472.25
- Parkland fee - \$200 per lot

*All fees based on \$250,000 construction value

- Change to per lot fee
 - Discussed in August 2019 – \$1,000 per lot
 - This would be similar to Basehor, who averages \$1,500 for their Transportation Excise Fee
- Removal of Perimeter Street Fees altogether
 - Due to previously discussed court case, perhaps removing is best?
- Clarification that if no public streets are being constructed, then no fees for perimeter street fees are due the city (i.e. Homestead Acres)

- Ryan Property on 4-H Road
 - Current Fees (Based on Collector for 4-H and Minor Arterial for DeSoto Road)
 - 4-H Road section – Approx. 2,674 ft. frontage (with sidewalks)
 - Total fees \$510,734.00
 - DeSoto Road section – Approx. 2,638 ft. frontage (with sidewalks)
 - Total fees \$598,826.00
 - Gilman Road section – Approx. 2,659 ft. frontage (with sidewalks)
 - Total fees \$507,895.74
 - Total Fee for this property – \$1,617,429 in solely peripheral street fees
 - \$1,000 per lot structure
 - Assuming roughly 250 lots on the property, \$250,000 in fees for peripheral street fees
 - Basehor fee @ \$0.09 per sq. ft would be approx. \$600,000 for the same development (minus public spaces)

Potential Incentives

Benefit Districts

- Sewer Benefit District
 - Potential to spread the costs of sewer improvements for a subdivision or other property over the development.
 - Benefit to developer, but increase in yearly fees for potential homeowners as with all benefit districts
- Road Benefit District
 - Potential to spread the costs of road improvements over adjacent properties
 - Could replace Perimeter Street Fees
 - Has the greatest benefit on large parcels where ground has not been developed, but the City desires to promote development (DeSoto Road / 147th South of 4-H).

Possible Incentives

- Straight Waiving of Fees to promote development
 - Building permit fees
 - Sewer connection fees
- Could be structured as a program with a timeline (for the next 18 months, etc.)
- Could add requirements to the developer in return for waiving fees
 - i.e. Require 20% of the lots to be opened up to any builder rather than the developer themselves

ARP Funds?

- ARP funds could be used to assist with sewer construction for potential developments. (we expect that we would have roughly \$1.2M to use towards this).
- ARP funds need to be spent by 2024.
- Ideas on how to contact potential developers about offering assistance for sewer construction related to potential developments?



Questions / Thoughts?