

RESOLUTION NO. 656

A RESOLUTION BY THE GOVERNING BODY OF THE CITY OF COLUMBUS, KANSAS, PROVIDING NOTICE OF PUBLIC HEARING, IN COMPLIANCE WITH K.S.A. 12-5245(b), AS AMENDED, PRIOR TO THE ADOPTION OF THE PLAN AND DESIGNATION OF THE PROPOSED RURAL HOUSING INCENTIVE DISTRICT, LOCATED AT 129 E. MAPLE STREET, COLUMBUS, CHEROKEE COUNTY, KANSAS.

NOTICE INCLUDES THE REQUISITE STATUTORY ELEMENTS.

WHEREAS, housing needs in the City of Columbus, Kansas have been identified in the *Columbus Housing Study and Needs Assessment* reflected in the City's Resolution No. 623, specifically regarding the real estate located at 129 E. Maple Street, Columbus, Kansas, adopted by the Governing Body of Columbus, Kansas, on April 18, 2022, and formally approved by the Secretary of the Kansas Department of Commerce.
Letter of Approval, September 29, 2022, attached; Exhibit 1

WHEREAS, a public hearing shall be held on the subject of a proposed Rural Housing Incentive District being established at 129 E. Maple Street, Columbus, Kansas, on Monday, March 18, 2024, at 6:30 p.m. at Columbus City Hall Council Chambers, 300 E. Maple Street, Columbus, KS 66725.

THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF COLUMBUS, KANSAS, the following information shall be provided as a summary and presentation of the proposal:

SECTION 1: K.S.A. 12-5245(b) and (a)(1) through (4) follows:

- (1) The legal description of the proposed Rural Housing Incentive District:
- (2) Street Address: 129 E. Maple, Columbus, Cherokee County, Kansas
- (3) Original plat CO, Block 15, Lot 19 – 20.
- (4) USD 493 School District.
Map is attached. Exhibit 2
- (5) The existing assessed valuation of the real estate:
Land & Building: \$ 5,188
Improvements: \$ 0

- (6) Names and addresses of the owners of record of real estate parcels within the proposed Rural Housing Incentive District:

Liberty Theater LLC
129 E. Maple Street
Columbus, KS 66725

Developer:
Ryan Imholz
1629 Terrace Way
Walnut Creek, CA 94597

- (7) Description of the Rural Housing Incentive District proposed housing and public facilities to be constructed on Lots 19-20, 129 E. Maple Street, Columbus, Kansas 66725:

Upper story housing; Minimum 6 units MIH
Lower story commercial: Target Restaurant and Family Entertainment with great lunch offer.
Renderings are attached. Exhibit 3

SECTION 2: The following information is presented pursuant to K.S.A. 12-5245 (b)((3):

The Developer's contractual assurances are progress dependent in compliance with Kansas Statutes, K.S.A. 12-5241, *et seq*, and Rural Housing Incentive District regulations with a commitment to deliver a minimum of 6 apartments on the upper floor of the project with a target date of December, 2024. Incremental progress will be monitored as a basis for grant funding disbursements.

Financial information has been provided by the Developer's banking institution.

The Financial assurances include:

Moderate Income Housing grant from the Kansas Housing Resources Corporation in the amount of \$650,000.

Historic Economic Asset Lifeline (HEAL) grant from the Kansas Department of Commerce in the amount of \$100,000.

The project financing structure is a "pay as you go" reimbursement to the Developer, being the difference in real property taxes between the value of the project prior to the development and the value after development.

Comprehensive feasibility analysis summary:

The comprehensive feasibility analysis outlines and concludes that benefits outweigh costs, considering the Rural Housing Incentive Development project at 129 E. Maple, Columbus, Kansas, will benefit the community by providing additional housing and commercial activity with no local funding commitment.

Professional feasibility analysis is attached. Exhibit 4.

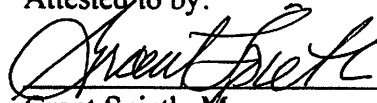
SECTION 3: The proposed Rural Housing Incentive District plan for 129 E. Maple Street, Columbus, KS, is available for inspection at the office of the Columbus City Clerk, 300 E. Maple, Columbus, KS 66725, during business hours, Monday through Friday, 8:30 a.m. – 4:30 p.m.

SECTION 4: Members of the public are invited to review the proposed plan for 129 E. Maple Street, Columbus, KS, and to attend the public hearing scheduled for Monday, March 18, 2024, 6:30 p.m., Columbus City Hall Council Chambers, 300 E. Maple Street, Columbus, KS 66725.

SECTION 5: This Resolution shall take effect after its adoption, and shall be published in the official City newspaper.

PASSED AND ADOPTED this 5th day of Feb., 2024, by the Governing Body of the City of Columbus, Kansas.

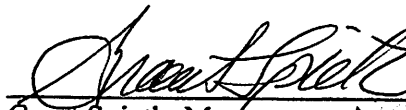
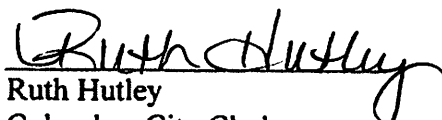
Attested to by:



Grant Spieth, Mayor
City of Columbus, Kansas

State of Kansas _____)
)ss
County of Cherokee _____)

I, Grant Spieth, do hereby affirm that I am the duly elected or appointed Mayor of the organization known as the City of Columbus, Kansas, and I further affirm that the above Resolution is a true and correct copy of the Resolution adopted by the Governing Body.


Grant Spieth, Mayor
Ruth Hutley
Columbus City Clerk

(SEAL)

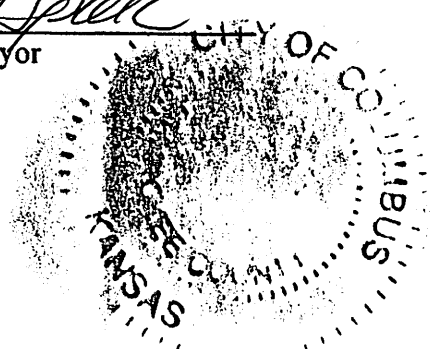


Exhibit 1

Department of Commerce
1000 S.W. Jackson St., Suite 100
Topeka, KS 66612-1354



Phone: (785) 296-3481
Fax: (785) 296-5055
KansasCommerce.gov

David C. Toland, Secretary

Laura Kelly, Governor

September 29, 2022

City of Columbus
Cherri Chancellor
City Clerk
300 Maple St.
Columbus, KS 66725

RE: Request for Approval of Rural Housing Incentive District –
City of Columbus, Resolution 623

Dear Ms. Chancellor:

This will acknowledge receipt of the City of Columbus application dated September 29, 2022 related to participation in the Kansas Rural Housing Incentive District Act. The current application is for assistance with housing infrastructure development for a downtown building in Columbus.

I have reviewed Resolution No. 623 passed by the governing body and submitted to the Kansas Department of Commerce (Commerce) pursuant to the Rural Housing Incentive District Act found at K.S.A. 12-5241 et seq. I have further reviewed the 2021 Housing Needs Analysis (Analysis) prepared by the City and upon which the resolution was based. The process of establishing a Rural Housing Incentive District requires the Analysis to summarize and determine the nature and extent of housing needs within the community. The Analysis must then be adopted by the governing body and is subject to the review and approval of the Secretary of Commerce. The Act sets out four findings and determinations which must be included in the Analysis and adopted by the City.

Based on my review of the original application material and supplemental information provided by the City of Columbus, I hereby agree with and approve the findings set forth in the resolution passed by the City of Columbus to wit:

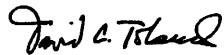
1. There is a shortage of quality housing, including affordable single family and multi-family apartment units, at various price ranges in the City of Columbus despite the best efforts of public and private housing developers;
2. The shortage of quality housing can be expected to persist and that additional financial incentives are necessary in order to encourage the private sector to construct or renovate housing development in the City of Columbus;
3. The shortage of quality housing is a substantial deterrent to the future economic growth and development of the City of Columbus; and

4. The future economic well-being of the City of Columbus depends on the governing body providing additional incentives for the construction or renovation of quality housing in the City of Columbus.

Commerce believes the Analysis and findings by the governing body of the City of Columbus meet the requirements set forth in K.S.A. 12-5244(a) and this constitutes the approval required by K.S.A. 12-5244(c) for the various Districts as detailed in Resolution No. 623. The application for approval of the findings required for the establishment of the Rural Housing Incentive Districts as set forth in the application is hereby approved. This approval is predicated solely upon the information and data received from the City of Columbus.

If you have any questions regarding this matter, please let me know.

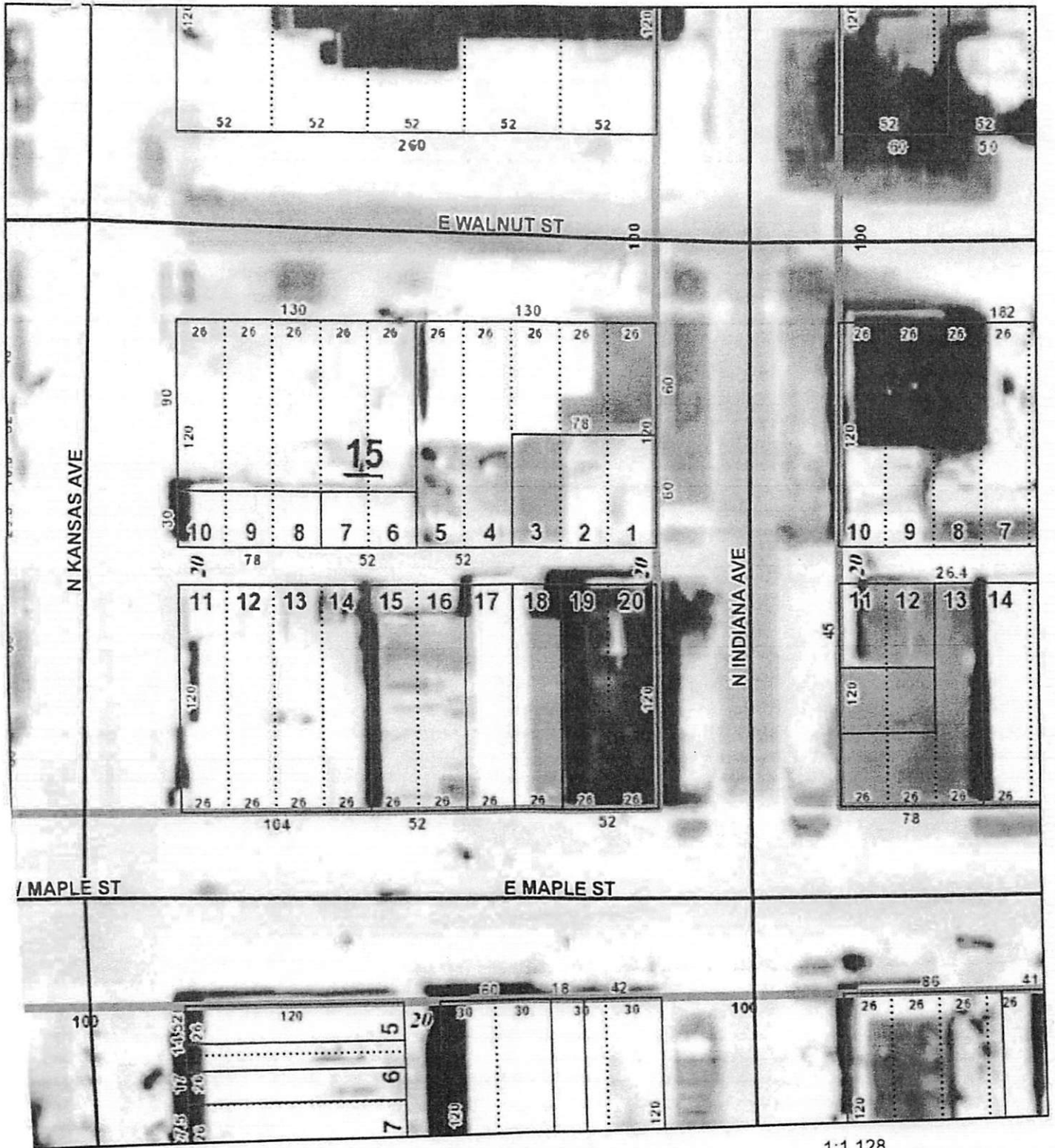
Sincerely,



David C. Toland
Lt. Governor and Secretary

cc: Ryan Vincent (KHRC)
Robert North

EXHIBIT 2 Original Plat CO Blk 15 lots 19-20



11/2022, 11:51:08 PM

3911 2018 Aerial Image (leaf off, 1' pixel)

Red: Band_1

Green: Band_2

Blue: Band_3

City Boundaries

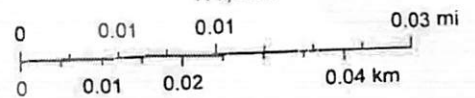
Appraisers Office Land Ownership (Parcels)

Roads

Subdivisions

Lot Lines

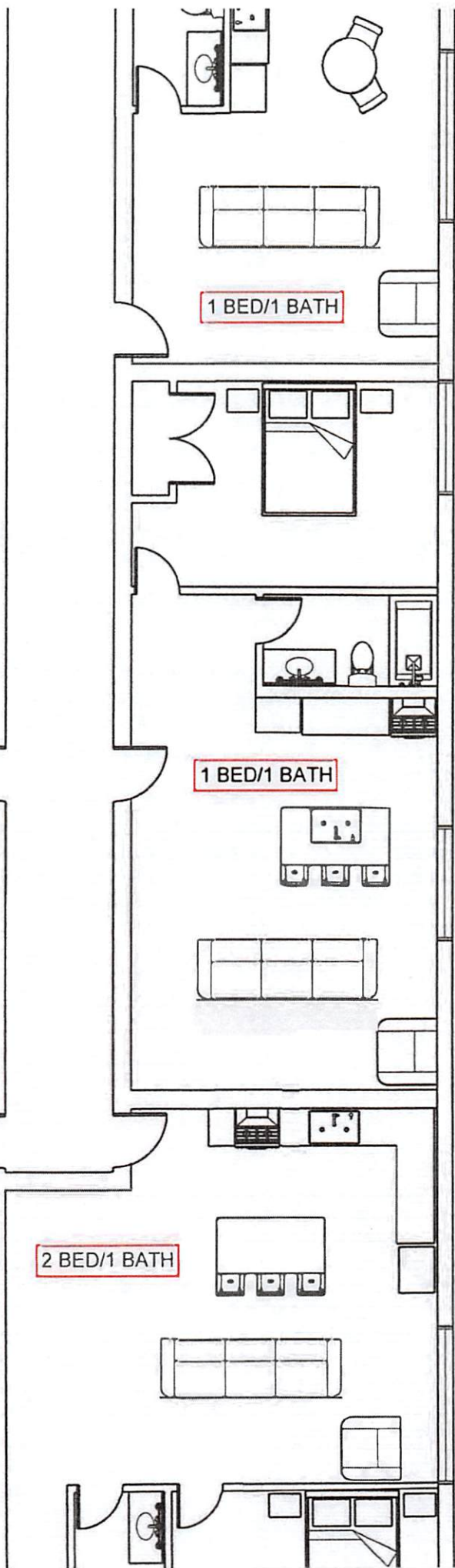
1:1,128



Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), NGCC, (c) OpenStreetMap contributors, and the GIS User Community FSA, USDA

EXHIBIT 3 RENDITION 129 E. Maple St., Columbus, KS





TENANT SPACE B

COMMERCIAL KITCHEN

TENANT SPACE A

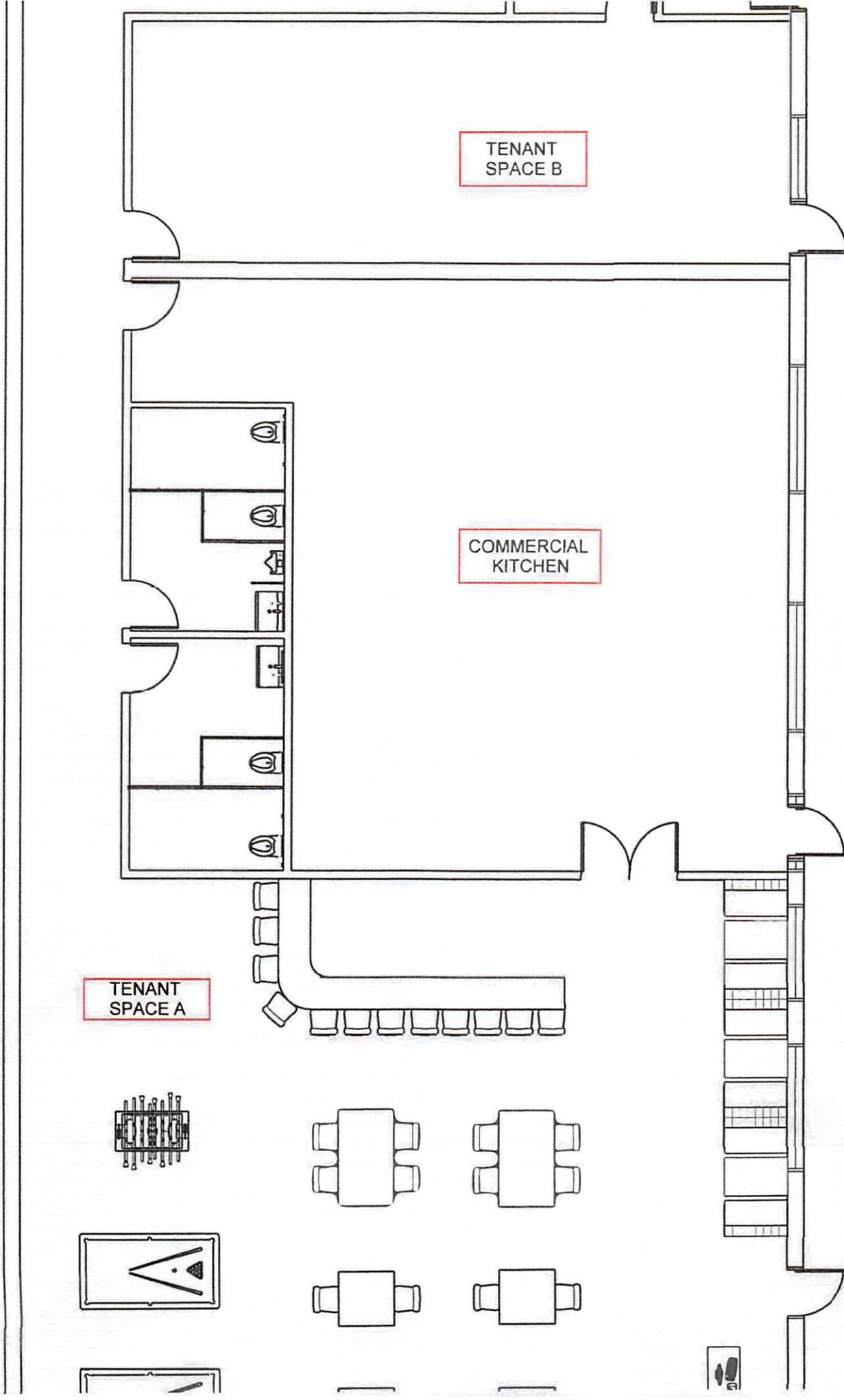
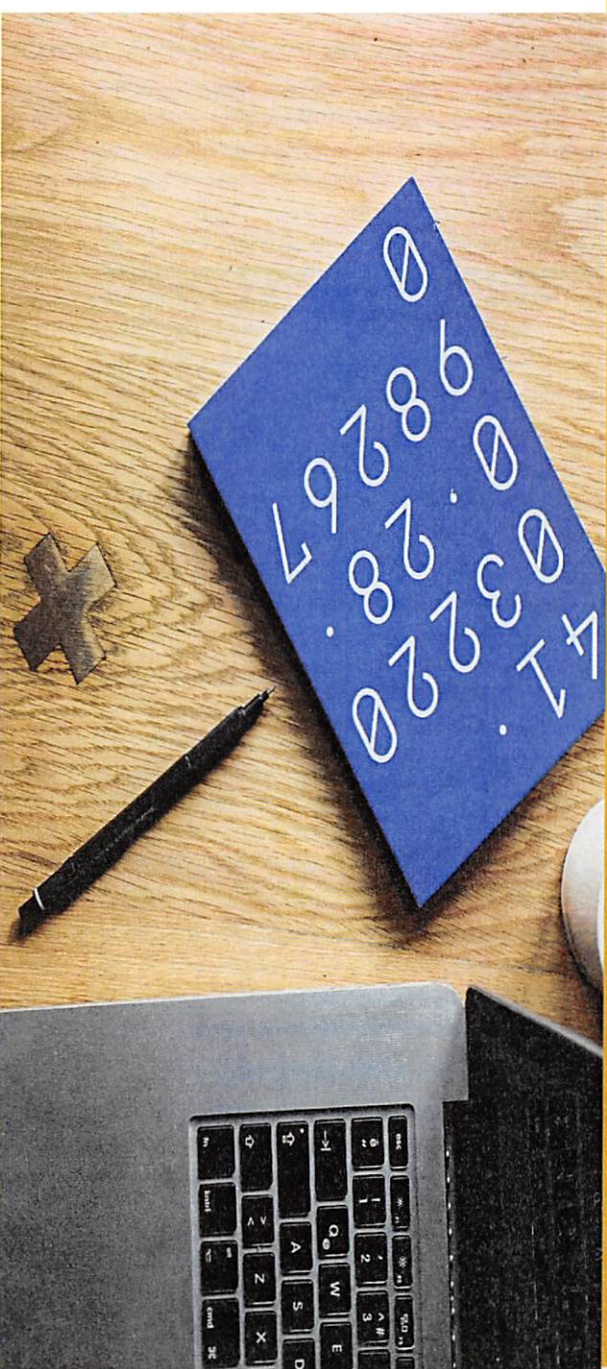


Exhibit 4



2024

Liberty Theater Development RHID Financial Feasibility Analysis City of Columbus, Kansas



Prepared by:

The Center of Community Supports at Greenbush

2/3/2024

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RHID Financial Feasibility Analysis

February 2024

Commissioned by Liberty Theater, LLC

For the Liberty Theater Project in the City of Columbus, Kansas

Purpose of Analysis

To determine the economic impact of the Reinvestment Housing Incentive District (RHID) application for the Liberty Theater, located at 129 E. Maple Street in Columbus, Kansas. The renovation will yield six apartments on the second floor and a first floor for commercial use. This analysis is provided for the review of the City Council and others as part of an overall RHID submission package.

Resolution 623 Designation of a Rural Housing Incentive District in the City of Columbus, Kansas

On April 18, 2022, the Governing Body of the City of Columbus adopted Resolution 623, which made “certain findings and determinations as to the need for housing within the City of Columbus, Kansas” and set forth “the legal description of real property proposed to be designated as a rural housing incentive district within the city.” The Council determined all requirements were met and 129 E. Maple Street in Columbus, Kansas (legal description: Original plat CO, Block 15, Lot 19-20) was designated.

Adherence to Kansas Statute KSA 12-5245

This financial feasibility analysis adheres to the requirements of KSA 12-5245, section seven, which is outlined as follows:

“A comprehensive analysis of the feasibility of providing housing tax incentives in the district as provided in this act, which shows the public benefits derived from such district will exceed the costs and that the income therefrom, together with other sources of funding, will be sufficient to pay for the public improvements that may be undertaken in such district. If other sources of public or private funds are to be used to finance the improvements, they shall be identified in the analysis.”

Specific Project Circumstances

Best practices in estimation and forecasting were utilized when actual numbers were unavailable.

This analysis was conducted based on the following assumptions:

- No additional city infrastructure is needed for this project.
- There is no direct cost to any local taxing jurisdiction.
- This project will bring six new households into the affected taxing jurisdictions.
- There are no planned increases for mill levies or assessment rates.
- Utility rates and property values will increase by 3% per year.
- The retail space on the first floor of the development will generate \$100/sq ft of taxable sales revenue.
- The discount rate used to calculate present values is 4%, slightly lower than the current 30-year Treasury yield.

Description of Economic Impact

The following key findings were verified using generally acceptable procedures for analyzing financial information:

- The analysis projects a positive economic and financial impact for the City of Columbus, the County of Cherokee, and the local school district, USD 493. The estimated present value of 35 years for all three taxing jurisdictions is \$808,553.
- Any cost incurred by the City and County would be negligible and indirect, in the form of limited administrative labor performed during regular business hours. There are no foreseeable costs of time or resources to USD 493.
- This present value of estimated rebated taxes for all three taxing jurisdictions totals \$190,781.
- This project may create new jobs in the retail space of this multiuse development. The economic impact of these jobs is outside the scope of this analysis but should be noted.
- The new households are estimated to generate approximately \$30,532 in new local spending the first year.

Calculations Specific to Economic Impact

The following tables and graphs articulate multiple components considered to complete the analysis. Each table and graph include footnotes as applicable, as well as references to generally accepted financial principles and reputable sources.

Aggregate Impact Over 35 Years

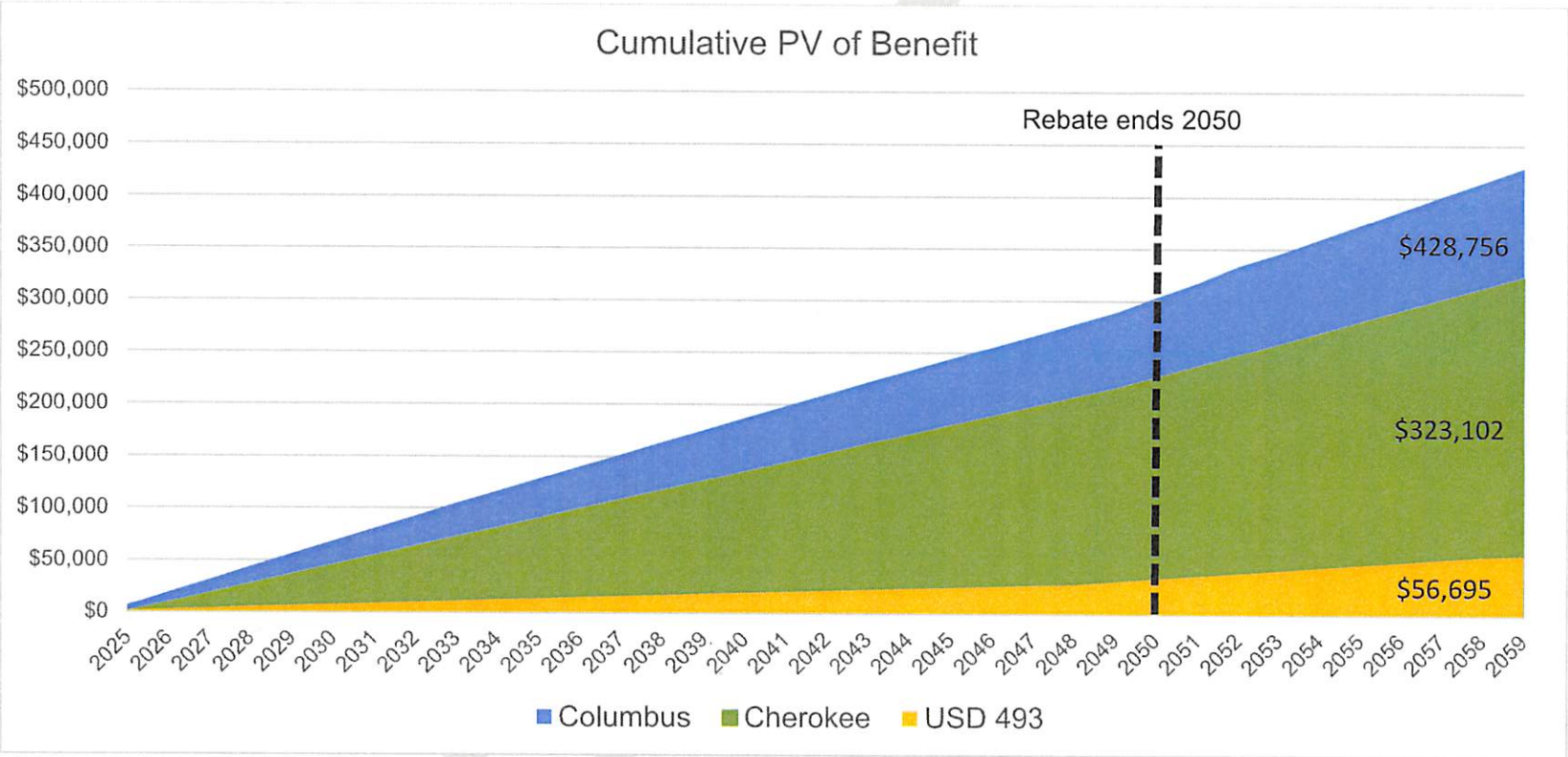
This table articulates multiple factors determining the Present Value of the potential development to each taxing jurisdiction. Since there is no cost to any of the local taxing jurisdictions, the Rebate to Revenue Ratio, Net Present Value (NPV), and Payback Period were calculated, for informational purposes only, by substituting the tax rebate for the cost. It is important to understand that the rebate is not a cost, but a deferred benefit that would be *in addition to* the calculated total benefit.

| Taxing Jurisdiction | PV of Tax Rebate | PV Sales Tax Benefit | PV Utility Fees Benefit | PV of Property Tax Benefit | PV Total Benefit | Rebate to Benefit Ratio | NPV | Payback Period in Years |
|---------------------|------------------|----------------------|-------------------------|----------------------------|------------------|-------------------------|-----------|-------------------------|
| USD 493 | \$49,550 | \$0 | \$0 | \$56,695 | \$56,695 | 1.1 | \$7,145 | 26.2 |
| Columbus | \$90,853 | \$203,600 | \$193,811 | \$31,345 | \$428,756 | 4.7 | \$337,904 | 6.4 |
| Cherokee County | \$50,379 | \$305,400 | \$0 | \$17,702 | \$323,102 | 6.4 | \$272,723 | 4.7 |
| Totals | \$190,781 | \$508,999 | \$193,811 | \$105,742 | \$808,553 | 4.2 | \$617,772 | 7.1 |

- PV = Present Value; NPV = Net Present Value

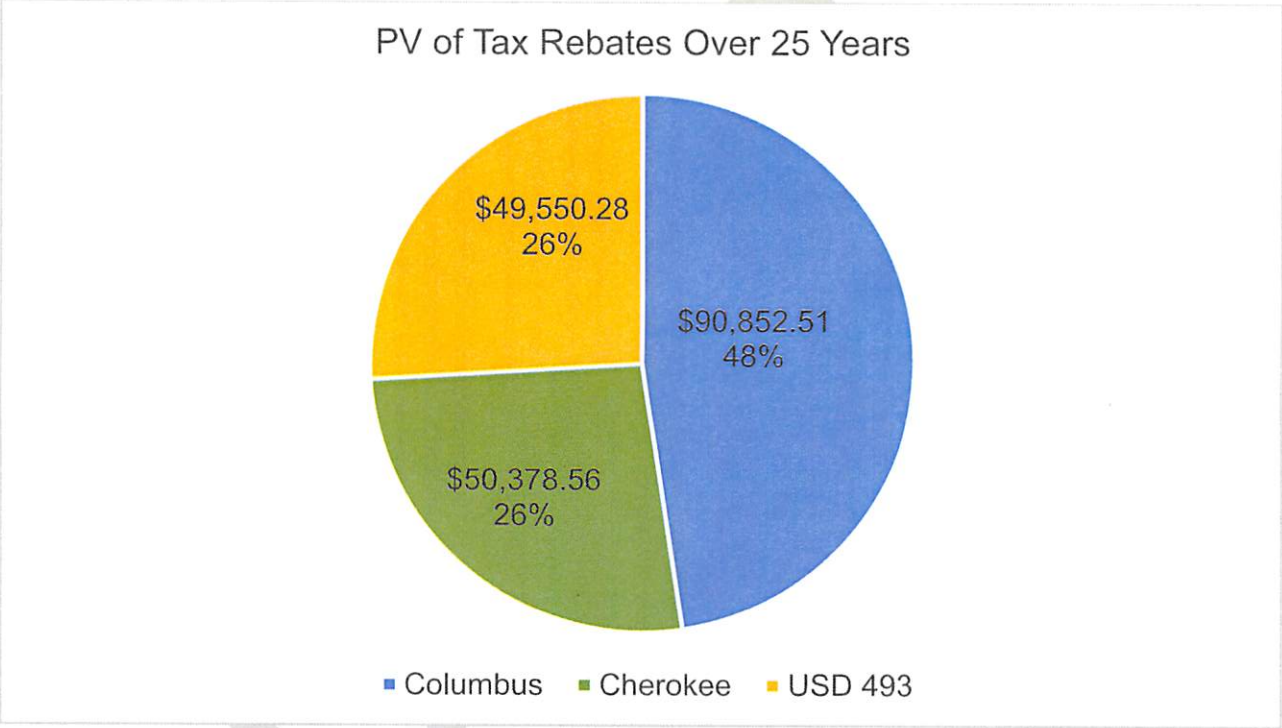
Cumulative Value of Benefits

This stacked area chart shows the cumulative benefit of this project to all taxing jurisdictions over a 35-year period. The numbers at the end of the chart represent the amount of benefit per taxing jurisdiction, while the vertical axis shows the overall benefit.



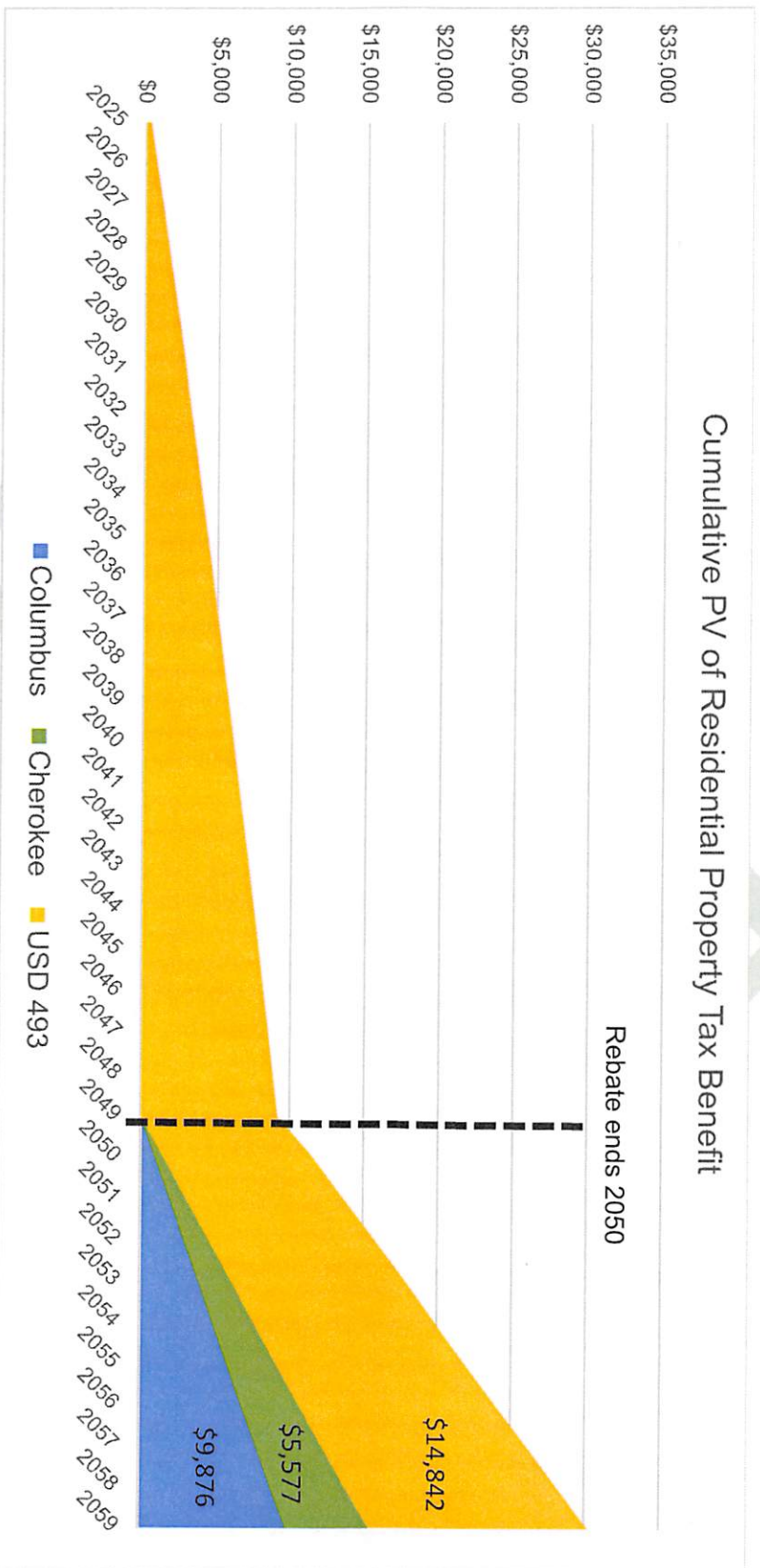
Estimated Value of Rebated Taxes

This pie chart illustrates the dollar amount of taxes that will be rebated by each taxing jurisdiction over the next 25 years. Calculations are based on an estimated appraised value of \$375,000 assessed at 50% residential and 50% commercial use.



Residential Property Tax Benefit

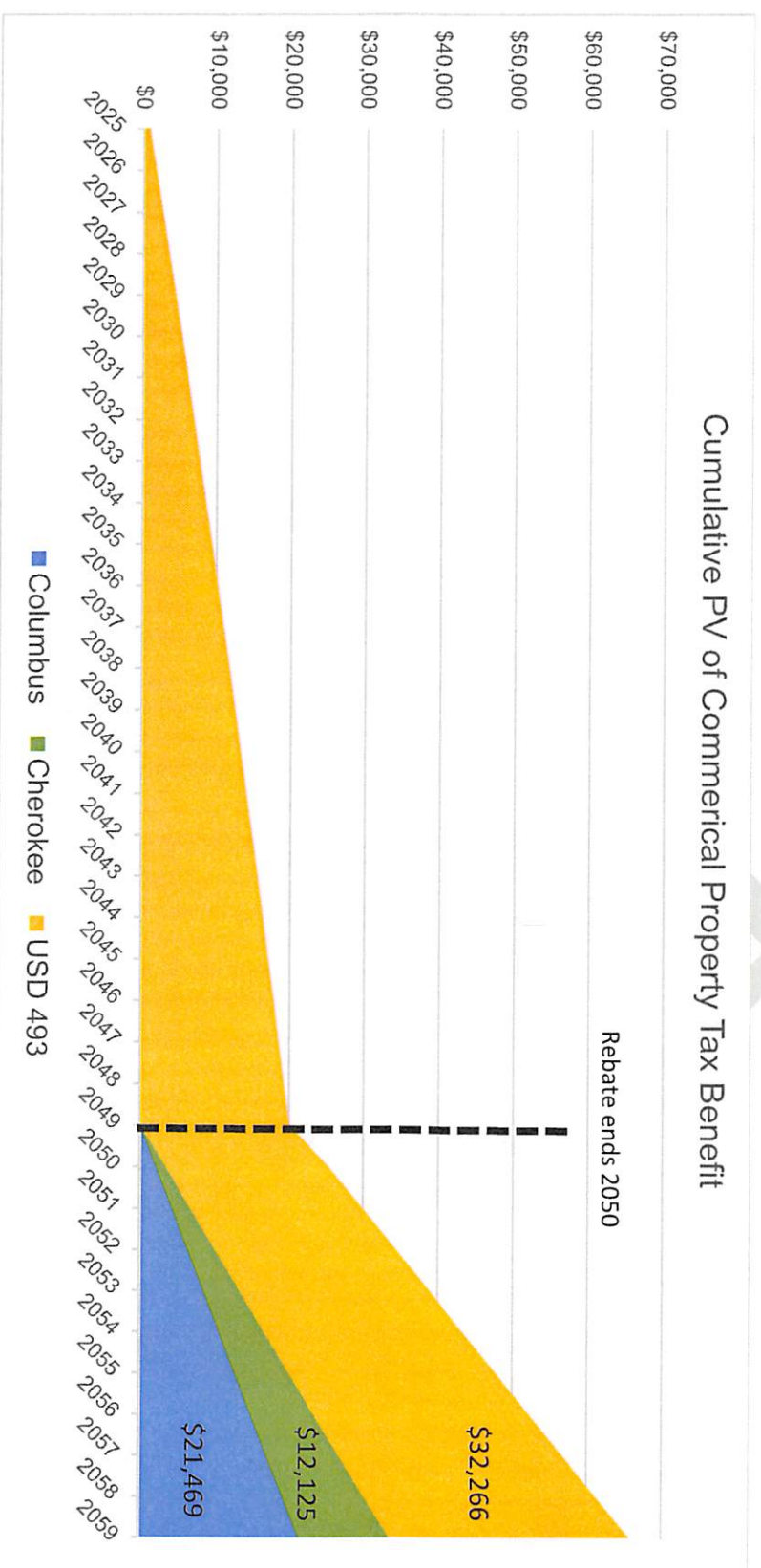
This stacked area chart shows the accumulated present value of residential property tax for each taxing jurisdiction. When the rebate ends, Columbus and Cherokee will begin to collect property taxes on the development. USD 493 will collect 20 mills immediately and 100% of their mill levy rate after the rebate ends. The numbers at the end of the chart represent the amount of benefit per taxing jurisdiction, while the vertical axis shows the overall benefit.



- Estimated appraised value after development for the residential portion is \$187,500, with an annual 3% increase annually.
- Assessment rate is per the state constitution rate of 11.5%.

Commercial Property Tax Benefit

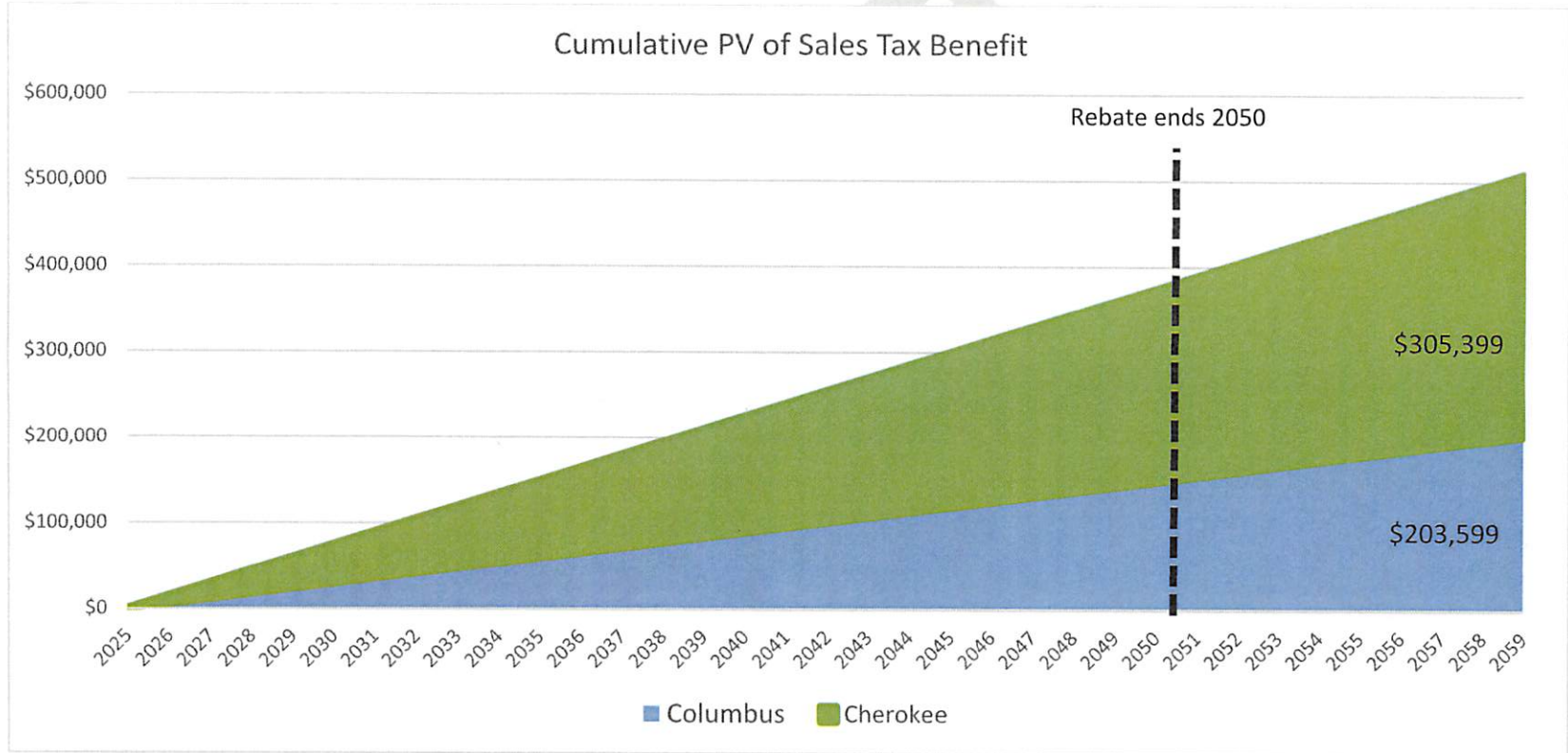
This stacked area chart shows the accumulated present value of commercial tax for each taxing jurisdiction. When the rebate ends, Columbus and Cherokee will begin to collect property taxes on the development. USD 493 will collect 20 mills immediately and 100% of their mill levy rate after the rebate ends. The numbers at the end of the chart represent the amount of benefit per taxing jurisdiction, while the vertical axis shows the overall benefit.



- Estimated appraised value after development for the residential portion is \$187,500, with an annual 3% increase annually.
- Assessment rate is per the state constitution rate of 25.0%.

Sales Tax Benefit

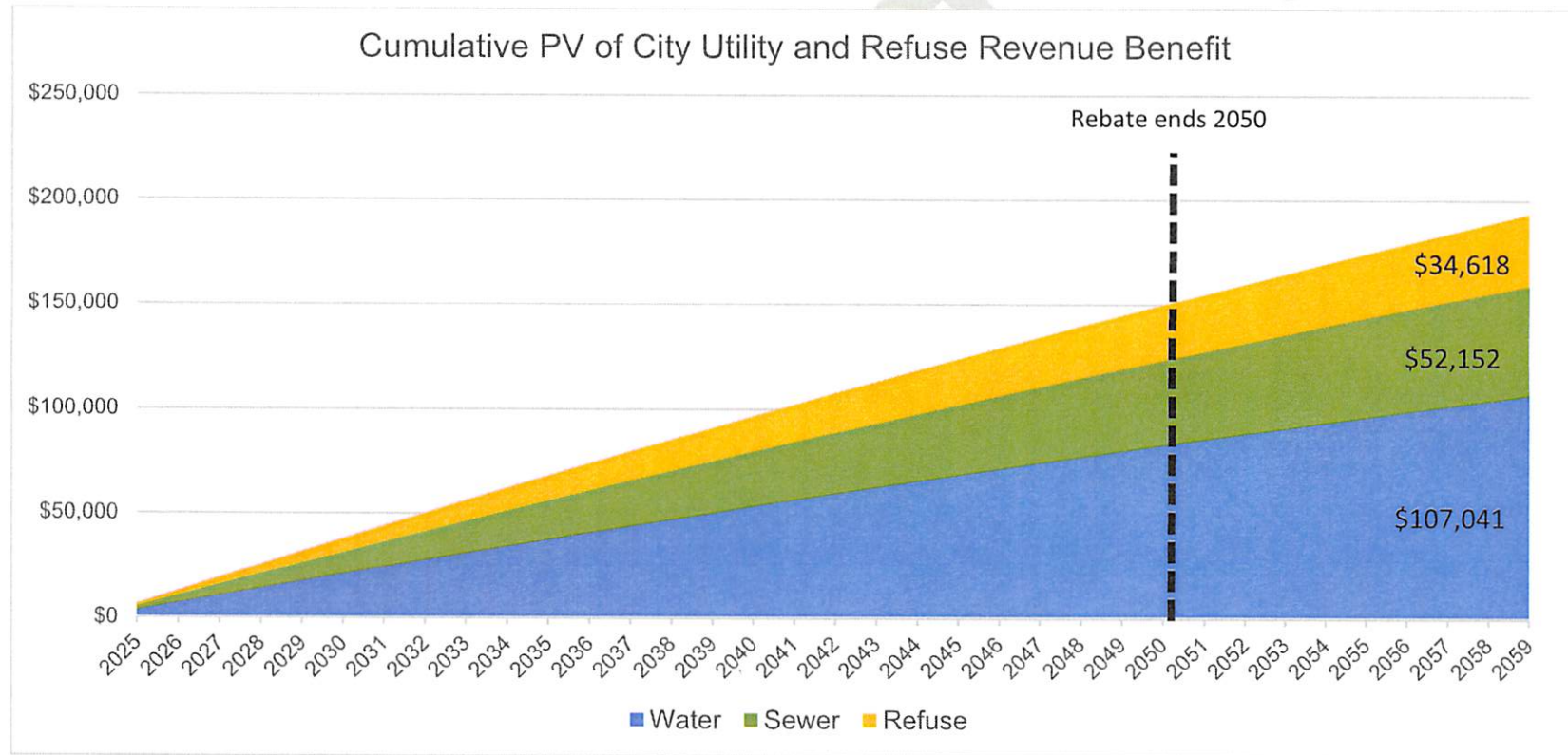
This stacked area chart shows the cumulative present value of sales tax benefit for each taxing jurisdiction. The source of the sales tax benefit includes new local spending from the six households occupying the second story and direct sales tax revenue from the commercial activity on the first story. The numbers at the end of the chart represent the amount of benefit per taxing jurisdiction, while the vertical axis shows the overall benefit.



- The average anticipated rent between the six apartments is \$933/month. Based on the assumption that the average household spends more than 30% of their income on rent, the average income is estimated at \$33,924. ([Census.gov](https://www.census.gov))
- Local spending is calculated at 10.5% of income on food and cleaning supplies, 2.5% on automotive needs, and 2% "Other." ([Bureau of Labor Statistics](https://www.bls.gov).)
- Direct sales tax revenue from the commercial space was calculated assuming 6,150 sq./ft. and a conservative estimated annual sales per square foot at \$100.

City Utility and Refuse Revenue Benefit

This stacked area chart shows the projection for increased city utility and refuse revenues for the City of Columbus from the six new households. The numbers at the end of the chart represent the amount of benefit per taxing jurisdiction, while the vertical axis shows the overall benefit.



- Divided number of households per the 2020 Census (1,281) by 80% of Utility and Refuse receipts in Columbus 2020 financial statements to estimate expense per new household.
- Assumes 3% increase in rates per year.