

CITY OF MISSION, KANSAS
FINANCE & ADMINISTRATION COMMITTEE

WEDNESDAY, FEBRUARY 1, 2017

7:30 p.m.

(or immediately following 6:30 p.m. CDC Meeting)

Mission City Hall, 6090 Woodson

PUBLIC HEARINGS / PUBLIC COMMENTS

PUBLIC PRESENTATIONS / INFORMATIONAL ONLY

ACTION ITEMS

1. Predevelopment Agreement, Dial Development - Laura Smith

Dial Development is proposing to construct a 141-unit senior living facility at 5665 Foxridge Drive. In their preliminary meetings with the City, they indicate that the project presents some unique challenges and added costs which create a project financing gap. As a result, Dial is asking the City to consider certain incentives in order for the project to move forward. Historically, when the City considers a project of this nature, we enter into a "Predevelopment Agreement" that outlines responsibilities and expectations for both parties.

2. Resolution Establishing Public Hearing on Redevelopment District, Dial Development - Laura Smith

State law requires that the City Council pass a resolution officially calling a public hearing to consider establishing the Redevelopment District. This Resolution must be passed not less than 30 days and not more than 70 days prior to the date of the Hearing. The regular timing of the February and March City Council meetings does not allow us to meet the prescribed timeline, as there are not 30 days between February 15th and March 15th. The developer's due diligence period only extends through June 1, 2017, creating a compact timeline for the project. Staff recommends the Council hold a special City Council meeting on Wednesday, February 1st at 7:45 p.m. (immediately following the Finance & Administration Committee meeting), for the sole purpose of considering this resolution. This allows the public hearing to move forward on the March 15th date. The Resolution does not commit the City to any other action besides scheduling the hearing and providing required notice.

DISCUSSION ITEMS

3. Purchase of Speed Limit Signs - John Belger/Kirk Lane (no attachments)

Staff will provide an update on the plan for testing both a speed trailer and the digital speed limit signs that have been discussed over the last 2-3 months. The Police Department was able to secure both on loan from the manufacturers, and has been working with the Public Works

Department to develop an appropriate trial/testing plan.

4. Review of 2018 Budget Process and Calendar - Brian Scott

The proposed calendar for consideration and adoption of the 2018 Budget will be presented and discussed.

OTHER

5. Department Updates - Laura Smith

Staff will provide a brief update on any current department projects or issues that may be of interest to the Finance & Administration Committee.

Ron Appletoft, Chairperson
Nick Schlossmacher, Vice-Chairperson
Mission City Hall, 6090 Woodson
913-676-8350

City of Mission	Item Number:	1.
ACTION ITEM SUMMARY	Date:	January 25, 2017
Administration	From:	Laura Smith

Action items require a vote to recommend the item to full City Council for further action.

RE: Dial Development Predevelopment Agreement

RECOMMENDATION: Approve the Predevelopment Agreement with Dial Development for consideration of a senior housing facility development on 5.0 acres located at 5665 Foxridge Drive.

DETAILS: The 5.0 acre parcel located at 56th and Foxridge Drive (former JC Penney Call Center) has been vacant for many years. This land is designated as “Mixed Use, Medium Density” in Mission’s Comprehensive Plan. Commercial/office properties exist to the property’s

north and south. Metcalf provides a buffer/boundary to the west of the site, and the single family neighborhoods to the east are separated by an existing parking lot and commercial properties.



City of Mission	Item Number:	1.
ACTION ITEM SUMMARY	Date:	January 25, 2017
Administration	From:	Laura Smith

Action items require a vote to recommend the item to full City Council for further action.

The Developer has submitted a signed agreement, along with \$10,000 pending City Council approval. If approved, work will begin on review of development plans and any potential incentive requests. The planning and zoning entitlement process is anticipated to get underway in March.

A copy of the presentation the Developer made at the December 14, 2016 Community Development Committee meeting is attached for your information and reference.

CFAA CONSIDERATIONS/IMPACTS: If approved, this project provides a specific senior housing alternative not currently available in Mission. As designed, the project would allow older residents an opportunity to access independent living, assisted living, and memory care services in one facility.

Related Statute/City Ordinance:	N/A
Line Item Code/Description:	N/A
Available Budget:	N/A

PREDEVELOPMENT AGREEMENT

THIS PREDEVELOPMENT AGREEMENT (this “Agreement”) is entered into as of the ____ day of _____, 2017 (the “Effective Date”), between the City of Mission, Kansas, a municipal corporation of the State of Kansas (the “City”) and _____ (the “Developer”) (the City and Developer are hereby collectively referred to as the “Parties”).

RECITALS

A. The parties desire to enter into this Predevelopment Agreement in order to designate the Developer as the exclusive developer during the period hereof for the purpose of implementing a senior housing project within the City of Mission and set forth matters that need to be included in any Final Development Agreement. For purposes of this Agreement, the “Project Area” shall be the 5.0 acre parcel located at 5665 Foxridge Drive within the City (Johnson County Parcel ID KF251208-1021). Developer currently has the Project Area under contract.

B. The Developer has indicated that they intend to ask the City to consider the use of Tax Increment Financing (“TIF”) and/or other incentives in connection with the project.

C. The City is a municipal corporation duly organized and existing under the laws of the state of Kansas and authorized by K.S.A. 12-1770 *et seq.*, as amended (the “TIF Act”), to provide tax increment financing for certain qualified projects upon compliance with the procedures set forth in the TIF Act and the TIF policy of the City.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties agree as follows:

1. DEVELOPER OF RECORD. The City acknowledges that the risks and costs of preliminary planning activities and other requirements associated with the preparation of a Redevelopment Project Plan under the TIF Act are greater than associated with ordinary development. As an inducement to Developer to assume those costs and undertake those activities set forth herein, the City designates Developer as the exclusive developer of record for Project Area for one hundred and twenty (120) days from the date of this Agreement. During said period of time, as long as this Agreement is in effect, the City agrees that it will not enter into a Final Redevelopment Agreement with any other person or entity, for the implementation of any redevelopment project within the Project Area without the written consent of Developer.

2. TIF APPLICATION. Following the execution of this Agreement, Developer will complete and submit to the City a TIF Application in accordance with the TIF Act, and the TIF Policy of the City.

3. BASIC TERMS OF FINAL DEVELOPMENT AGREEMENT.

The parties agree that before either City or Developer is obligated to proceed with any development within Project Area, a Final Development Agreement, satisfactory to City and Developer in their sole and absolute discretion, must be entered into. Although the specific terms of such Final Development Agreement must be negotiated between the City and Developer, the City and Developer presently believe that such terms must necessarily address, at a minimum, the following matters, to-wit:

A. Determination of Project. The City and Developer must agree on the number of living units and the site designs for the development.

B. Agreement on Site Work, Infrastructure and Utilities. The City and Developer must agree on how site work, utilities, street, sidewalk and similar improvements are to be addressed by the development plan. Agreement must also be reached on the method of financing

of these improvements, the distribution of costs for each element and the responsibility for meeting these costs.

C. Agreement on Plans and Specifications. The City and Developer must agree on the plans and specifications of the exterior design of the development.

D. Agreement on Progress Schedule. The City and Developer must agree on a progress schedule by which the redevelopment project will be undertaken and completed.

E. Zoning Changes. The parties shall agree as to how any necessary zoning changes will be addressed. Nothing contained within this Agreement, nor any future agreement, shall be deemed to bind the City, acting in its governmental capacity, to approve any such zoning changes.

F. Other Matters. The Final Development Agreement shall also address any other matters that City and Developer deem appropriate.

4. OBLIGATIONS OF THE PARTIES TO PROCEED.

The obligation of the parties to proceed beyond this Predevelopment Agreement is dependent upon the City and Developer entering into a Final Development Agreement prior to the termination of this Agreement. Nothing contained herein shall (i) obligate the City to create or approve any suggested development (ii) obligate the City to create a TIF District or approve a development plan for Project Area, or (iii) obligate City or Developer to enter into a Final Development Agreement.

5. MISCELLANEOUS.

A. Costs. Each party shall be solely responsible for all costs and expenses incurred by such party in connection with the matters contemplated by this Agreement. Provided, however, that the Developer will reimburse and pay the City for its expenses incurred (“City Expenses”) following execution of this Agreement.

i. In order to ensure the prompt and timely payment of the City Expenses, the Developer will establish a fund (the “Fund”) in the amount of \$10,000 (“Initial Deposit”) by paying such amount to the City contemporaneously with the execution of this Agreement, receipt of which is hereby acknowledged.

ii. City shall provide Developer with a written description of each City Expense containing the name of the party to which the expense will be owed and a reasonable description of the work to be performed or service to be provided. Developer shall have fifteen (15) days after receipt of the City’s notice to approve or deny the expense or request additional detail. In the event Developer fails to respond within the fifteen (15) day period, the expense shall be deemed approved. In the event Developer denies any City Expense, the City and Developer shall attempt in good faith to resolve Developer’s objection thereto; in the event the parties are unable to resolve such objection, City may terminate this Agreement.

iii. On a monthly basis, the City will pay the approved City Expenses from the Fund and will submit to Developer monthly statements itemizing the approved City Expenses paid from the Fund during the preceding month.

iv. In the event the City determines that the total of the City Expenses will exceed the balance in the Fund, the City will submit an itemized statement therefor to the Developer to replenish the Fund so that there is a cash balance available against which additional City Expenses may be applied on a current basis.

v. All statements of approved City Expenses will be payable by Developer within thirty (30) days of receipt thereof.

vi. If economic incentives are extended to Developer for its project, and any City Expenses are eligible for reimbursement through such incentives, the City will not oppose such reimbursement.

vii. All studies, reports, and other work product, other than attorney-client work product, prepared for City and paid out of the Fund shall be provided to Developer at no charge to Developer.

B. Assignability. No party shall assign this Agreement without the written consent of the other parties.

C. Amendments. This Agreement may be supplemented or amended only by written instrument executed by the parties affected by such supplement or amendment.

D. Applicable Law. This Agreement shall be deemed to be entered into in the state of Kansas, and shall be enforceable under the laws of that state.

E. Binding Effect. This Agreement shall inure to the benefit of, and be binding upon the parties hereto, and the permitted successors and assigns of the parties.

F. Non-liability of City Officials and Employees. No member of the governing body, official or employee of the City shall be personally liable to Developer or Owner, or any successor in interest to Developer or Owner, pursuant to the provisions of this Agreement, nor for any default or breach of the Agreement by the City.

G. Not a Partnership. The provisions of this Agreement are not intended to create, nor shall they in any way be interpreted or construed to create, a joint venture, partnership, or any other similar relationship among the parties.

H. Term. The term of this Agreement shall be one hundred and twenty (120) days from the Effective Date.

IN WITNESS WHEREOF, the parties have duly executed this Agreement pursuant to all requisite authorizations as of the date first above written.

CITY OF MISSION, a Kansas municipal corporation

Steve Schowengerdt, Mayor

ATTEST:

Martha Sumrall, City Clerk

By: _____
Name: _____
Title: _____



Dial Retirement Communities



ALLEY-POYNER
MACCHIETTO
ARCHITECTURE



Our Portfolio

12 Locations, 4 States (IA,NE,KS, IL)

1,710 Units, 1,800 Residents, Current Occupancy 91%

Revenue in 2015: \$55 Million; Projected 2016: \$60.7 Million

Portfolio Operating Margin: 40% (Top 25% of Industry) 900+

Current Employees

1.5 Million Meals Served Per Year

2.2 Million Medications Administered Per Year

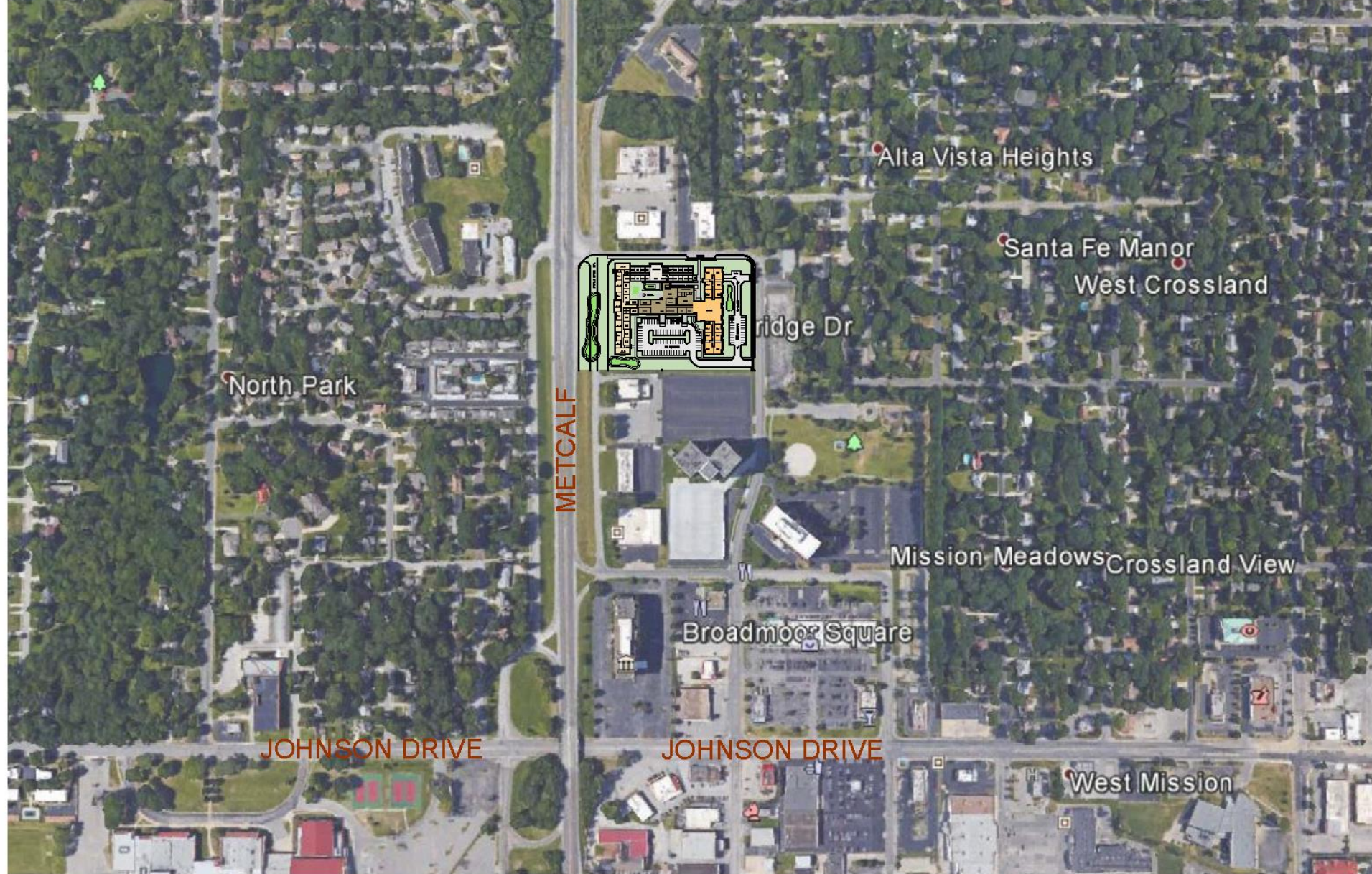
40,000 Apartments Cleaned Per Year

40,000 Transported to Medical Appointments Per Year 45,000

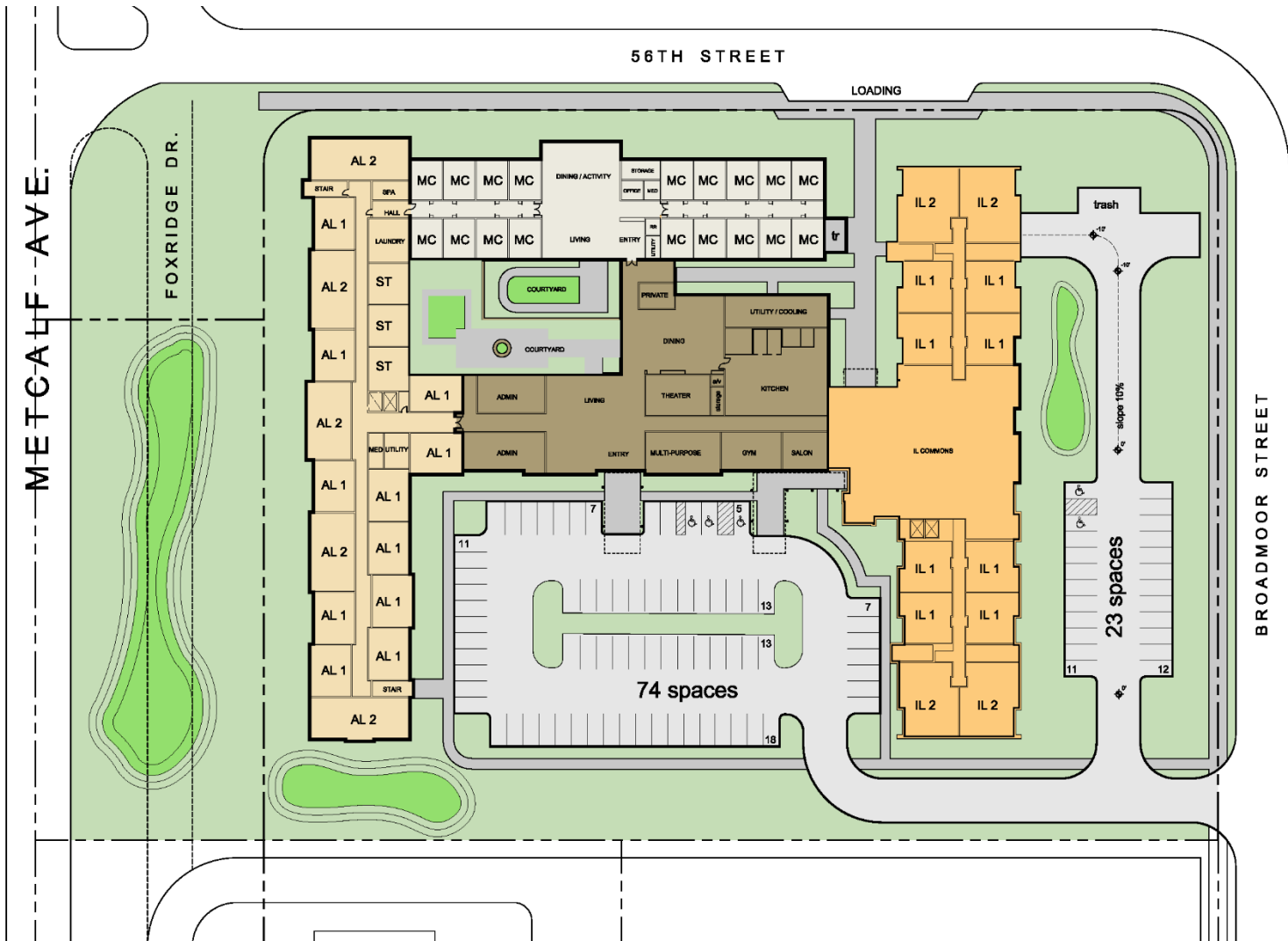
Supervised Activity Functions Per Year



Mission Kansas

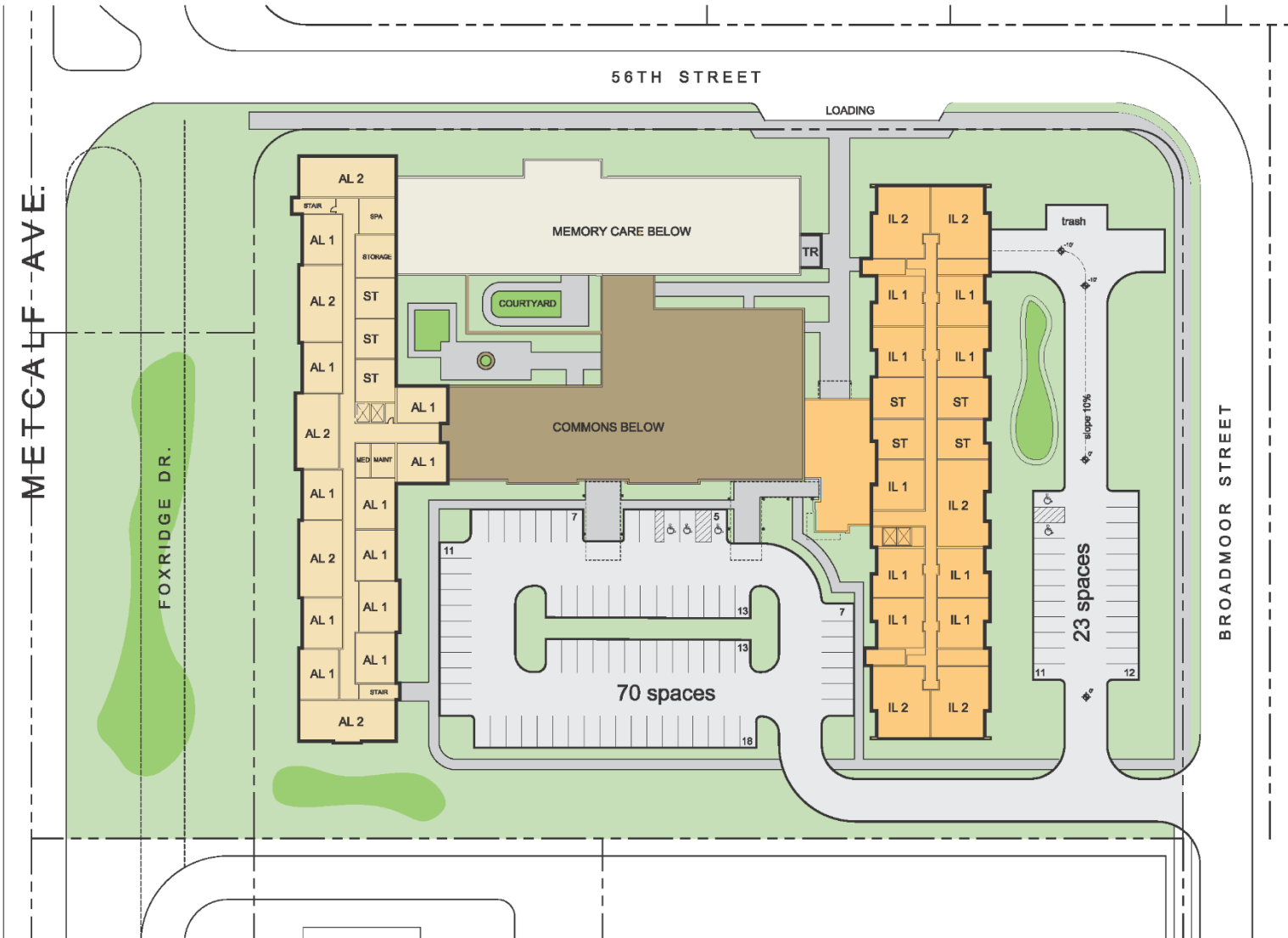


Dial Senior Living
Mission, KS




FIRST FLOOR PLAN
 scale = 1:60

Dial Senior Living
 Mission, KS




SECOND FLOOR PLAN
 scale = 1:60

Dial Senior Living
 Mission, KS

Aksarben Senior Living



Aksarben Village Senior Living Facility
Omaha, NE



Aksarben Village Senior Living Facility
Omaha, NE







Aksarben Village Senior Living Facility
Omaha, NE



Aksarben Village Senior Living Facility
Omaha, NE



Elk Ridge Village



Elk Ridge Village
Elkhorn, NE



Elk Ridge Village
Elkhorn, NE





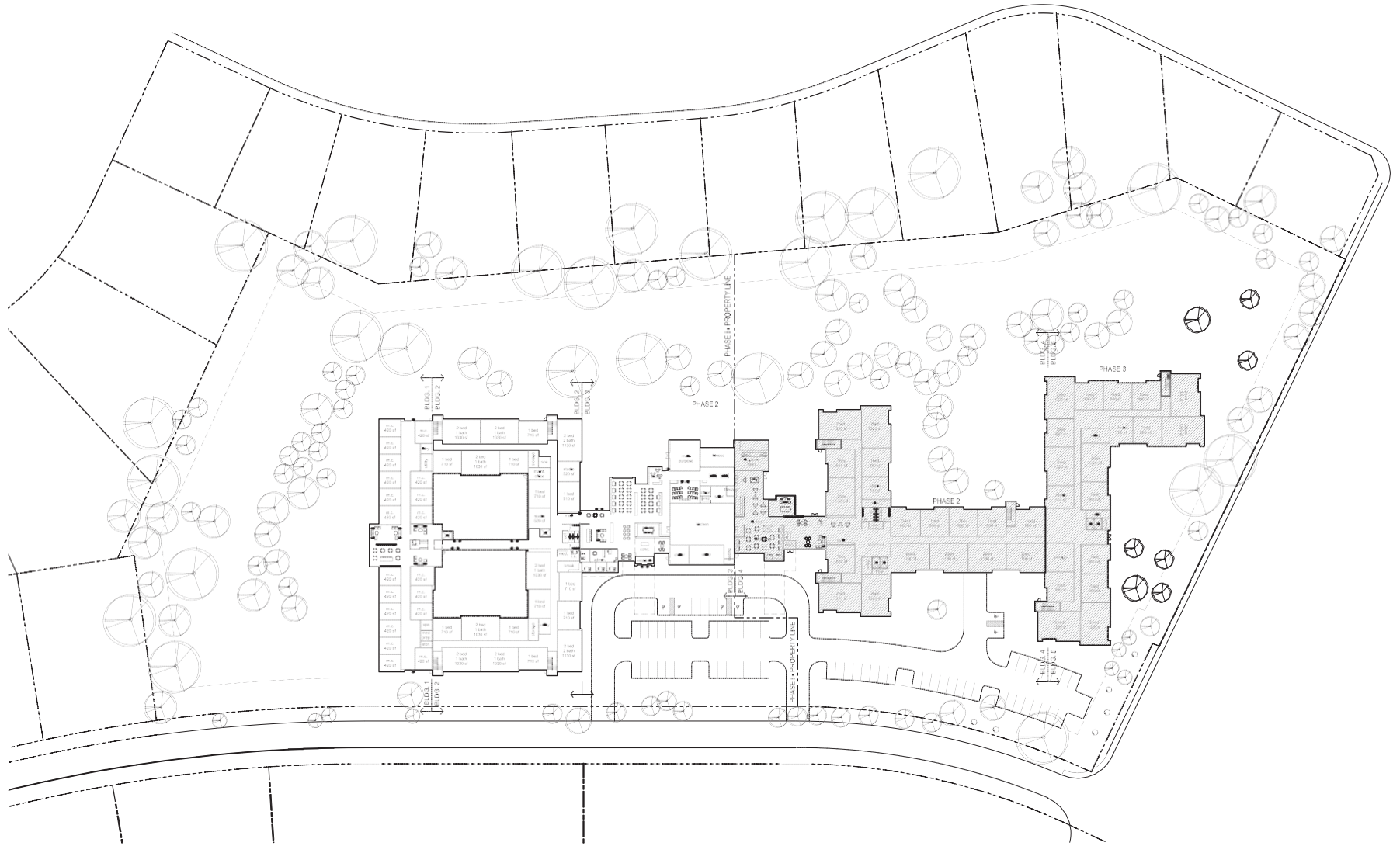
The Knolls...coming 2018!



The Knolls Retirement Community
Lincoln, NE



The Knolls Retirement Community
Lincoln, NE



The Knolls Retirement Community
Lincoln, NE

Lenexa...coming 2016!



Silvercrest Senior Living at College View
Lenexa, KS



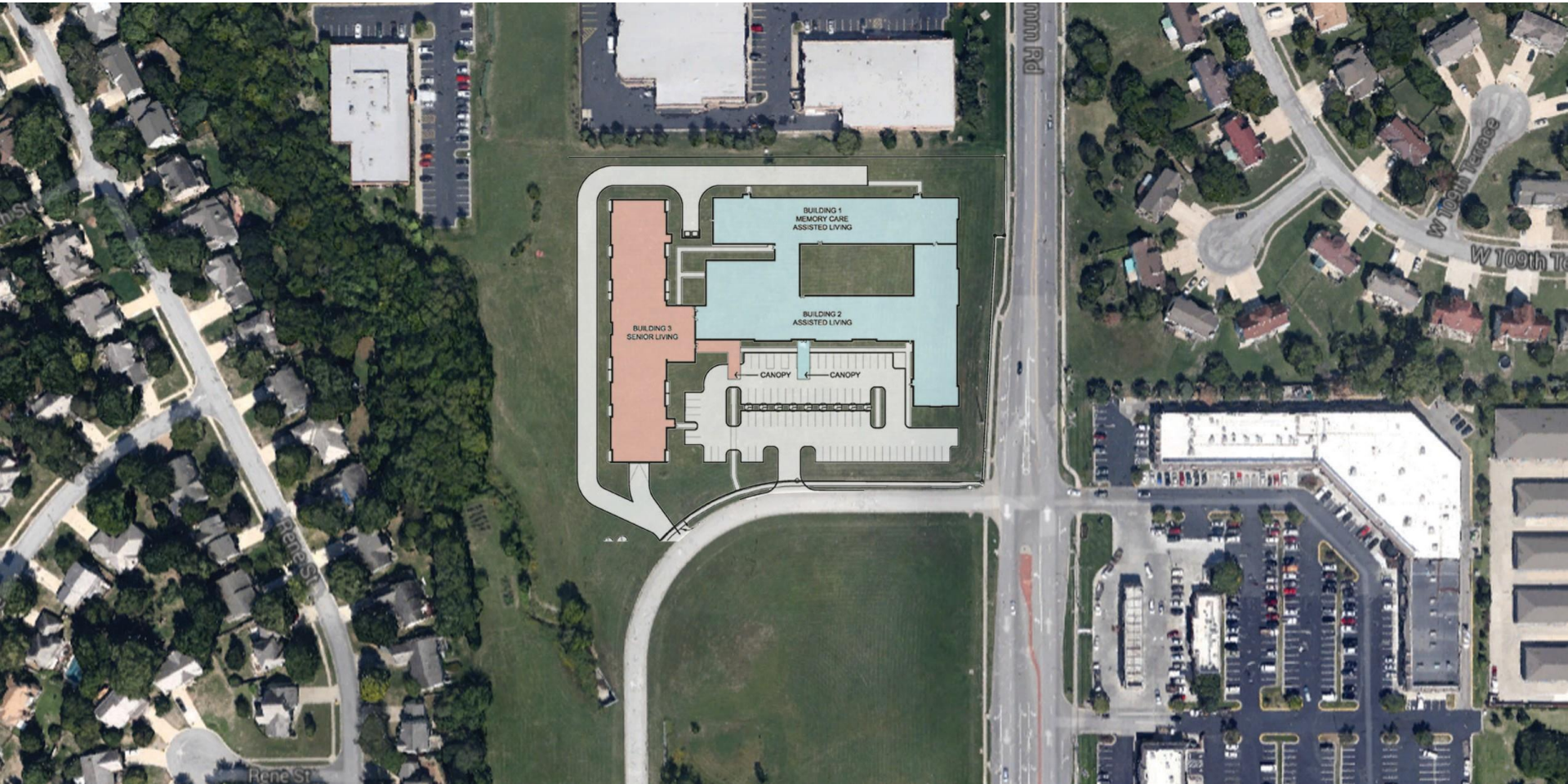
ALLEY-POYNER
MACCHIETTO
ARCHITECTURE

Silvercrest Senior Living at College View
Lenexa, KS



ALLEY-POYNER
MACCHIETTO
ARCHITECTURE

Silvercrest Senior Living at College View
Lenexa, KS



Silvercrest Senior Living at College View
Lenexa, KS

Our Operating System

25 Home Office Employees

Corporate Directors for Every Area of Operation

Electronic Nurse Charting System

Database Marketing Management System

Centralized Accounting and Bill Paying System

Dial University On-line Training Programs and Traveling Training Coordinators

5 STAR Recognition System

Centralized Menu System, Recipes, and Ordering Guide

Creation of Own GPO

4 States of Policies and Procedures with Quality Improvement Team Monitoring Compliance

Regular and Frequent On-site Visits by All Members of Home Office Team

Centralized Advertising, Marketing, Social Media (In-House)

Lifestyle Enhancement: Launch of LifeLoop



Solutions in Management

Highly regulated by government agencies that are different for each state.

Creating consistent practices for each community: Non-negotiables vs. Best Practices.

900 employees: 3 shifts per day: 24 hours per day operation.

Consistent messaging: Culture, Mission Vision Values, and getting Buy-in.

Less than Industry in Resident Turn-over

Creating Best in Industry Training Programs & Continuing Education

Efficiencies in Group Purchasing

Managing care levels and behaviors individual to each resident.

Staying on the forefront of Technology (LifeLoop, Electronic Charting, Dial University, Emergency Response, Building Design).

Creating superior Lifestyle to go with superior nursing care.

Balancing financial profitability with resident services.



The Senior Living Industry

By the Year 2030, the senior population will more than double.

75 Million Americans (approx 1 in 5) will be over the Age 65.

More than 55% of the senior population has at least 1 disability (Increases for those 80 years of age).

More than 38% of the senior population has at least 1 Severe disability (Increases for those 80 years of age). More than 75% of Residents in Senior Living are Female (Females are more apt to seek a social model).

80 is the new 65: With advancement in medicine, life expectancies continue to grow each year. The 85 plus population is expected to TRIPLE to 14.1 Million in 2040 and 19 Million in 2050.

It is estimated that 5.1 Million Americans currently have Alzheimer's Disease, this is expected to triple with the aging population.

National average monthly cost for Assisted Living: \$5,800 (Increases approx 1.5 to 2% annually). National average occupancy for senior living: 90%.

Significant Barriers to Entry:

State and Federal Regulations

High Operational Cost, Intense Operational Involvement

Specialized Field / Healthcare – Nursing Shortage Financing Risk

– Interest Rates for Long-Term Debt Required Historical Validation of Expertise in Industry Significant Start-Up Capital Needs

Need & Lifestyle Driven Industry



Thanks for your time!



ALLEY•POYNER
MACCHIETTO
ARCHITECTURE



City of Mission	Item Number:	2.
ACTION ITEM SUMMARY	Date:	January 25, 2017
ADMINISTRATION	From:	Laura Smith

Action items require a vote to recommend the item to full City Council for further action.

RE: Resolution providing notice of a Public Hearing concerning establishment of a Redevelopment District (TIF District) within the City of Mission.

RECOMMENDATION: Approve the Resolution calling the Public Hearing for 7:00 p.m. at the March 15, 2017 City Council Meeting.

DETAILS: In December, the Council heard a presentation from Dial Development regarding their interest in constructing a 141-unit senior housing facility at 5665 Foxridge, the former JC Penney Call Center building. At that meeting, the developers indicated that they would ask the City to consider establishing a Redevelopment District (TIF District) in connection with the project.

State law requires that the City Council pass a resolution officially calling a public hearing to consider establishing the Redevelopment District. This Resolution must be passed not less than 30 days and not more than 70 days prior to the date of the Hearing. The regular timing of the February and March City Council meetings does not allow us to meet the prescribed timeline, as there are not 30 days between February 15th and March 15th. The developer's due diligence period only extends through June 1, 2017, creating a compact timeline for the project. Staff recommends the Council hold a special City Council meeting on Wednesday, February 1st at 7:45 p.m. (immediately following the Finance & Administration Committee meeting), for the sole purpose of considering this resolution. This allows the public hearing to move forward on the March 15th date.

If approved, the Resolution would officially set the hearing date for March 15, 2017 at 7:00 p.m. at the City Council meeting. The Resolution does not commit the City to any other action besides scheduling the hearing and providing required notice.

We will review the complete process and calendar for establishing a redevelopment district at the Committee meeting.

CFAA CONSIDERATIONS/IMPACTS: N/A

Related Statute/City Ordinance:	K.S.A. 12-1770 <i>et seq.</i>
Line Item Code/Description:	N/A
Available Budget:	N/A

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF MISSION, KANSAS, PROVIDING FOR NOTICE OF A PUBLIC HEARING CONCERNING THE ESTABLISHMENT OF A REDEVELOPMENT DISTRICT WITHIN THE CITY PURSUANT TO K.S.A. 121770, ET SEQ., AS AMENDED

WHEREAS, pursuant to K.S.A. 121770 *et seq.*, as amended (the “Act”), the city of Mission, Kansas (the “City”), is authorized to assist in the development and redevelopment of eligible areas within the City in order to promote, stimulate and develop the general and economic welfare of the State of Kansas and its communities; and

WHEREAS, the City hereby finds and determines it desirable to encourage the development and redevelopment of certain real property generally located at the Southeast corner of Foxridge Drive and 56th Street within the City and to consider the establishment of a redevelopment district at such location (the “Redevelopment District”); and

WHEREAS, pursuant to the Act, the City must adopt a resolution stating that the City is considering the establishment of the Redevelopment District and include in such resolution notice that a public hearing will be held to consider the establishment of said Redevelopment District;

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

1. Notice is hereby given that a public hearing to consider the establishment by the City of the Redevelopment District shall be held at the Mission City Hall, 6090 Woodson St, Mission, Kansas, on March 15, 2017, beginning at 7:00 p.m.

2. The proposed boundaries of the Redevelopment District are set forth in **Exhibit A** attached hereto and incorporated herein by reference. A map depicting the boundaries of the proposed Redevelopment District is attached hereto as **Exhibit B**.

3. A description of the proposed district plan for the Redevelopment District and the general description of the proposed buildings, facilities and improvements to be constructed or improved are attached hereto as **Exhibit C** and incorporated herein by reference.

4. A description and map of the proposed Redevelopment District are available for public inspection prior to the public hearing during regular office hours in the Office of the City Clerk, at Mission City Hall, 6090 Woodson St, Mission, Kansas.

5. At the public hearing, the Governing Body of the City will consider findings necessary for the establishment of the proposed Redevelopment District.

6. The City Clerk shall give notice of the public hearing in accordance with the provisions of the Act.

7. The Act authorizes the issuance by the City of bonds to finance all or a portion of the costs of implementing the district plan. Said bonds may be issued to reimburse expenditures made on or after the date which is 60 days before the date of passage of this Resolution, pursuant to Treasury Regulation §1.150-2 in the maximum principal amount of \$1,000,000.

THIS RESOLUTION IS ADOPTED by the City Council of the City of Mission, Kansas, this ____ day of _____, 2017.

CITY OF MISSION, KANSAS

By: _____
Steve Schowengerdt, Mayor

(SEAL)

ATTEST:

By: _____
Martha Sumrall, City Clerk

APPROVED AS TO FORM ONLY:

By: _____
David Martin, City Attorney

EXHIBIT A

PROPOSED BOUNDARIES

All that part of the Northwest $\frac{1}{4}$ of Section 8, Township 12, Range 25, in the City of Mission, Johnson County, Kansas, more particularly described as follows:

Beginning at a point 1355 feet North of the South line and 127.35 feet East of the West line of the Northwest $\frac{1}{4}$ of said Section 8, said point also being on the Easterly right-of-way line of U.S. Highway No. 69 (Metcalf Avenue) as now established; thence South 89 degrees, 47 minutes, 38 seconds East, along a line 1355 feet North of and parallel to the South line of the Northwest $\frac{1}{4}$ of said Section 8, a distance of 533.59 feet, to a point on the Westerly right-of-way line of Broadmoor, as now established; thence North 00 degrees, 15 minutes, 50 seconds West, along the Westerly right-of-way line of said Broadmoor, a distance of 377.45 feet, to a point of curvature; thence Northerly, Northwesterly and Westerly, along a curve to the left, having a radius of 30 feet, a distance of 46.98 feet, to a point of tangency, said point also being on the Southerly right-of-way line of 56th Street, as now established; thence North 89 degrees, 59 minutes, 12 seconds West, along the Southerly right-of-way line of said 56th Street, a distance of 473.33 feet, to a point of curvature; thence Westerly, Southwesterly and Southerly, along a curve to the left, having a radius of 30 feet, a distance of 47.28 feet, to a point of tangency, said point also being on the Easterly right-of-way line of said U.S. Highway No. 69; thence South 00 degrees, 16 minutes, 48 seconds East, along the Easterly right-of-way line of said U.S. Highway No. 69, a distance of 84.85 feet; thence South 00 degrees, 12 minutes, 37 seconds East, along the Easterly right-of-way line of said U.S. Highway No. 69, a distance of 290.51 feet, to a point of beginning, subject to the part in streets or highways.

Including all adjacent right of way.

EXHIBIT B

MAP OF PROPOSED REDEVELOPMENT DISTRICT



EXHIBIT C

DESCRIPTION OF THE PROPOSED DISTRICT PLAN

Construction of approximately 141 units of independent living, assisted living and memory care apartment units with parking, related amenities, and any necessary infrastructure improvements.

2018 Budget Calendar

March 31, 2017	CIP Request Due
March 31, 2017	Budget Instructions Given to Department Directors
April 3, 2017	Initial Revenue Projections Due
April 10, 2017	5-Year Forecast Due for Review
April 26, 2017 (WS)	Budget Work Session - Goals and Objectives/5-Year Forecast
April 29, 2017	Department Budgets Due
May 3, 2017 (FAC)	Audit/Review Budget Priorities/Additional Forecast Information
May 24, 2017 (WS)	Capital Improvement Program (CIP) - Stormwater/Parks/Streets
June 7, 2017 (FAC)	Review General Fund Budget and Supplemental Requests
June 28, 2017 (WS)	Hold for Continued Budget Review (If Necessary)
July 5, 2017 (FAC)	Refine Proposed 2018 Budget and Budget Resolution
July 14, 2017	Deadline for Submitting Notice of Public Hearing to Legal Record
July 26, 2017 (CC)	Community Dialogue on 2018 Budget at CC Meeting
August 2, 2017 (FAC)	Public Hearing/Final Review of 2018 Budget (notice published 7/18)
August 16, 2017 (CC)	Adoption of 2018 Budget/2018 Budget Resolutions
August 25, 2017	Final Day for Submitting Budget to County Clerk

FAC = Finance & Administration Committee

CC = City Council Meeting

WS = City Council Worksession

1/24/2017