

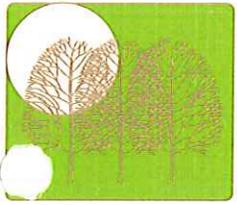
PLANNED

City of Leawood, Kansas
Capital Improvement Program 2011-2015

PROGRESS



Gezer Park
Dedicated 10-2-09



City of Leawood

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December 31, 2009

To the Honorable Mayor,
Members of the City Council
And the Citizens of Leawood, Kansas

Respectfully submitted before you is the 2011-2015 Capital Improvement Program (C.I.P.). The five year CIP is a document that encompasses capital projects that are all integral parts of the fiber of the community called Leawood. Besides the typical staging and costing of a project, responsible fiscal management must also include the funding method. Many projects can result in increased operating costs, or future repairs or replacements which compounds the challenges of sustainability. Traditionally the City has used the terms committed and uncommitted designations for projects. Committed projects are those which have been approved and authorized by a resolution, a development agreement, or achieved consensus during the annual review of the CIP with the Governing Body. These projects have funding sources associated with them. The mill levy increases projected in this planning period provide the necessary funding to pay for the cost of debt and the costs of operating the City as well as cash necessary to maintain targeted reserves deemed prudent and to remain financially solvent. Cash for unforeseen emergencies is also anticipated during the planning process. To realistically present all projects, two other categories of uncommitted projects are included, **Desired and Anticipated**. These projects set out unmet community needs, which deserve City Council consideration, but do not have a funding source. At the top of each of the programmed 2011-2015 capital project pages, starting behind Tab 4, you find the word Committed or Uncommitted which has been added to assist in this clarification. Anticipated projects are large annual capital projects such as the Accelerated Street Residential Reconstruction program and the recently added Accelerated Storm Water initiatives. Desired projects are ones requested by a City Committee, Council Member(s), or City staff, but have not been evaluated and discussed by the Governing Body for limited, competing resources and level of priority. Desired and Anticipated projects can be found on pages 47 and 48.

With the continuation of the global recession, staff continues to recommend a conservative approach in capital project spending for both pay-as-you-go and for new long term debt projects. While we believe that targeted reserve levels will be able to stay in tact over the next five years, careful monitoring of capital projects costs are essential so that the reserve balances are not eroded and are able to be maintained.

This transmittal letter will serve as a guide to describe the highlights and changes.

- The Overview on pages 3 and 4 under Tab 1 explains the philosophy of the C.I.P.
- Page 5 includes the history of the Street Program and the Pavement Condition Index (PCI) system, which the City uses to rate its streets. According to Joe Johnson, the City's Public Works Director, the average PCI rating for all Leawood streets is 87.0.
- Next, Page 7 discusses the assumptions for the C.I.P. The C.I.P. is linked to the operating budget. Assumptions made in one or the other budget (operating or capital) affect the entire organization. Annually key assumptions are reviewed and if necessary revised. A projected one mill increase in 2012, 2014 and 2016 is included to be implemented to fund projects which are already committed. The mill increases are necessary to fund the future capital and debt costs and to also meet current service levels in the operating budget.
- The other significant assumption is the rate at which the tax base will grow. The ten year growth rate through 2009 has averaged 7.8% annually and the five year growth rate has been 6.4%. However as communicated on several occasions by the County Appraiser, it is expected that assessed valuation will

experience decreases over the next couple of years. As a result, the 2011-2015 CIP Budget includes a decrease of 6.2% in 2011, 0% in 2012, and then a 4% increase each year thereafter.

- The affect of the economic crisis has resulted in increased unemployment in Johnson County. Staff continues to closely monitor sales taxes collections. Presently the projections include 2.5% growth in 2011 and 2012; 2.6% in 2013; 2.8% in 2014; and 3.0% in 2015 and beyond.
- Amend the Debt Service fund balance reserve policy from 35% to 20%. At the end of 2009, staff recommends establishing an allowance for delinquent property taxes. In addition to the allowance, staff believes that an additional reserve of 20% should be sufficient.
- Beginning on Page 8 is a Glossary of Capital and Budgeting Terms for your reference. The definitions of committed, uncommitted, desired and anticipated are included in this section.
- Under Tab 2, which begins on Page 13, you will find the Debt Policy, which was approved by the Governing Body in 2000 and amended in 2004 and again in May of 2007. The Debt Policy provides guidance to staff on how to manage the City debt. Staff would recommend adding language to amend the Debt Policy to allow the ability to stabilize the mill levy and to retain appropriate reserve levels. This recommendation is included in Section 17, on page 17.
- Tab 3, beginning on Page 20, contains the various capital debt projects planned for the City. The total of these projects on page 23 is \$41,122,236 over the next five years. Approximately 46% of these project costs will be paid with City funds and 8% from special benefit debt. The graph on page 23 also shows that 41% of the anticipated permanent placement of projects and debt (borrowings) during the next five years will be under the TDD authority.
- Projects by type (infrastructure, parks/recreation, and buildings) are shown on Pages 24-26.
- Changes from the 2010-2014 year C.I.P. include:
 - Phase II of the accelerated street reconstruction program is proposed to be scaled back in 2012. This project, Phase II-Year 3, has been reduced from \$2,500,000 to \$1,250,000. This program will continue every other year with a total of \$2,500,000 in 2014.
 - The five year arterial street program continues the same approach to maximize leveraged dollars. Several projects have been delayed a year or two to keep the City's annual pay-as-you-go portion around \$500,000 per year. The current five-year program contains over \$9,800,000 in improvements planned with neighboring cities and Johnson County. Leawood expects to fund from pay-as-you-go dollars \$2,693,334 of the improvements.
 - In the 2009-2013 CIP, an accelerated storm water program was unveiled. This program included \$1,000,000 each year for five years. However, the debt financing of this program was delayed until 2011 and the amount reduced to \$600,000 every other year. Staff is now proposing to pay for these repairs from the 1/8 Cent Sales Tax receipts, beginning in 2013 with \$600,000 and again in 2015 with an additional \$600,000 (page 65).
 - When we look at our capital reserve levels we are suggesting a change in funding for the trail banks along Tomahawk Creek which are estimated to cost \$1,000,000. The recommendation would be to use the Special Parks and Recreation fund, beginning in 2011. For each year of 2011, 2012, and 2013 \$325,000 has not yet been programmed for any specific use in this fund. The project could either be completed through phased approach or delayed until \$1,000,000 has been collected in 2013. Other choices would be to actively seek other funding sources, i.e. grants, to begin the repairs earlier. The only other project that fits the dollar amount of this project, which could be swapped, would be the roof project for City Hall. The roof and HVAC replacements are a higher priority as electrical savings should be generated from these repairs, where repairs to the trail will not produce such savings.

- Included in the 2011-2015 CIP is the currently Uncommitted Village of Seville TDD project. If this pay-as-you-go project occurs, it will be financed by TDD sales tax revenue.
- On pages 27-28 are color-coded lists of projects to indicate the design, construction and bonding years for General Obligation, Special Assessment and Transportation Development District funded projects.
- Tab 4, which begins on Page 29, shows a cost breakdown of each project by scheduled year. Each project detail sheet contains a notes section that provides additional information to the reader.
 - ✓ The list of streets scheduled for repair within the accelerated Residential Street Reconstruction Program (Phase II) is included behind the detail sheet for 2012 and 2014. The streets anticipated for 2012 can be found on Page 34; and the list of 2014 streets on Page 44.
 - ✓ The list of desired projects, which extends through 2015, can be found on page 47.
 - ✓ The list of anticipated projects, which extends through 2019, can be found on page 48.
 - ✓ The list of uncommitted projects which extends through 2019, can be found on page 49.
- The Debt Service information is located behind Tab 5. The committed projects are listed on the top section of Page 51. Projects not yet fully committed by either resolution or developer agreement or a Governing Body work session for the CIP, are shown at the bottom of the page.
 - ✓ Page 52 reflects all of the debt-financed projects and their costs in the year they will be bonded. General Obligation and Special Assessment debt are shown separately. (TDD debt is shown on this page under the section labeled Non Levy Support Debt, merely to give the reader a concept of the various debt issues the City will undertake in the coming years).
 - ✓ Page 53 shows the reader the total dollars needed to pay for all types of current debt along with the committed 2011-2015 debt. Page 54 shows the debt service as a percent of total expenditures. This measurement is a key operating ratio. This graph shows the current projects and the proposed future projects by category, City-at-large, special assessments, and TDD which is overlapping debt. This ratio remains under the 20% target and the 25% threshold throughout the planning period. According to the City's financial advisors, George K. Baum, the rating agency looks at the ratios in two ways. First with the TDD debt and then without this debt. George K. Baum does not feel that this debt will adversely affect our rating agencies, thus this threshold is maintained throughout the five-year planning period. With the approval of pay-as-you go transportation legislation this spring, there is a possibility that some of these projects may not go to long term financing through the city.
 - ✓ Page 55 lists and graphically shows the amount of outstanding debt held by the City at December 31, 2009. The debt ratios approved within the Debt Policy by the Governing Body are shown on Page 56. The City of Leawood has enjoyed a rapid pay off in debt, meaning more debt per year has been paid than has been added. There are two lines shown for the rapidness of debt pay off, which is a rating consideration by Moody's. The rate at which the City has paid off its debt has been higher than the rates shown going forward. If the City only funded the projects shown as Committed, then it would actually begin to increase the ratio which is seen as a positive. However, if we add all anticipated and uncommitted projects, the percentage of debt payoff dramatically decreases over the five year planning period.
 - ✓ As shown on Page 57, Leawood's debt per capita for 2011 will be \$2,560 as compared to the industry average of \$1,200. Debt per capita increases \$623 dollars per person; however this includes the Transportation District Debt (TDD) of \$341 per resident which is not a direct obligation of the taxpayer. Excluding TDD debt, the ratio would remain essentially unchanged from 2010. One other factor has been changed and that is the rate at which the population is expected to increase. The City's Master Plan which was adopted this fall represent a .5% growth assumption.

The rating agency looks at the wealth of the community when evaluating this ratio. Moody's looks at the demographics of our major employers and considers the impact of major lay-offs, mergers, etc. on the community's wealth.

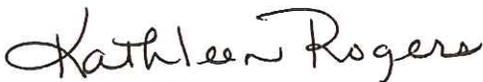
- ✓ Page 58 shows the debt outstanding as a percent of property market valuation. Throughout the 2011-2015 planning period, this measurement shows that Leawood remains below the industry standard of 1.5% for the entire planning period. This particular ratio tells the reader that on a per person basis, based on community wealth, the City is below its capacity when the TDD debt is subtracted. The chart shows the source of the debt and the proposed timing, current or future.
- ✓ Page 59 shows the total debt at 12/31/09 of \$53,160,000 while the statutory limit for Leawood is \$254,093,914. Leawood is below the state limits.
- Under Tab 6, Pages 60-68 is the Pay-As-You-Go and includes those Committed to and those Desired through 2015.
 - ✓ Page 61 reflects the arterial and street signal repair program as well as outside funding from other jurisdictions.
 - ✓ Page 63 details the funding for the Pay-As-You-Go Residential Street Program for the period of 2011-2015 which reflects a 5% inflation factor for each year, beginning in 2011.
 - ✓ Page 64 shows one possible remaining SMAC project, although we will need to submit this to the County for matching funds.
 - ✓ Page 65 shows the 1/8-cent sales tax projects proposed for the planning period, including \$600,000 in both 2013 and 2015 for the Accelerated Stormwater Reconstruction program.
 - ✓ Pages 66-67 reflect other committed cash-financed projects throughout the planning period. The bottom of Page 67 lists the unfunded desired or anticipated projects.
 - ✓ Page 68 is a listing of the "Art" projects that are planned in the City through 2015. Funding for these projects is secured through monies in the City Capital Art Fund, the Public Art Impact Fee Fund, or through donations.
- Tab 7, page 70 shows the current City leases and those being proposed throughout the planning period. The City Hall lease payment (revenue bonds) is being paid from General Fund operating monies. This project was initially set up as a lease rather than City-at-large debt and will be retired in 2012. Page 71 graphically illustrates the City's lease obligations.
- Behind Tab 8, you will find the supplemental resolutions that are referenced in the Debt Policy for Industrial Revenue Bonds, and for Special Benefit District Debt.

In conclusion, if there are any questions please feel free to contact staff.

Respectfully submitted,



Scott Lambers
City Administrator



Kathleen Rogers
Finance Director

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Overview

What is a capital improvement project?

A capital improvement project is a project that may include the construction of new facilities as additions to the City's assets, renovation of existing structures to significantly extend useful life, and major repair operations of a comprehensive and non-routine nature. To be defined as a capital project, the project must exceed \$100,000 in cost, and should be an expense that is nonrecurring (not an operating budget item). Common examples of capital improvement projects include the construction of roads and bridges, facility construction, and land acquisition. However, certain other large ticket items, such as fire trucks, are considered to be capital items as well.

What is a capital improvement program?

A capital improvement program is a document that is the result of systematic evaluation of capital projects. The plan serves as a guide for the efficient and effective provision of public facilities, outlining a timing and financing schedule of capital projects for a five-year period of time. In the process of formulating the plan, public improvements are prioritized and costs are projected, thereby allowing the City to take maximum advantage of federal, state, and county funds. However, the capital improvement program is not a document of long-term certainty. Rather, the plan is reviewed yearly, during which time the needs of the City may be re-prioritized and financial status reevaluated. This allows the City further flexibility in maintaining and promoting an effective level of service for present and future citizens.

What are the objectives of a capital improvement program?

1. To arrive at a balance between needed public improvements and the present financial capability of the City to provide for these improvements.
2. To forecast the public facilities and improvements that will be needed in the near future.
3. To forecast the public financing needs in order to maximize available federal, state, and county funds.
4. To promote sound financial planning in order to enhance and protect bond rating of the City of Leawood, in accordance with the Debt Policy.
5. To avoid, through sound financial planning, dramatic fluctuations of the tax rate.
6. To focus attention on, and assist in, the implementation of established community goals as outlined in the long term goals of the City Council.
7. To serve as a guide for local officials in making budgetary decisions.
8. To balance the needs of developing south Leawood with the needs of the already developed northern and middle portion of Leawood.
9. To promote and enhance the economic development of the City of Leawood in a timely manner.

10. To provide an opportunity for citizens and interest groups to voice their request for community improvement projects.
11. To provide for improvements in a timely and systematic manner.
12. To encourage responsible land use development within the City as well as adherence to the Leawood Master Development Plan.
13. To enable the Governing Body to consider long-term responsibilities and to respond appropriately.

How is the capital improvement program formulated?

Since a capital improvement is intended to schedule major physical improvements, it is necessary to allow all City departments an opportunity to submit capital improvement requests that are anticipated over a five-year period. Likewise, citizens and public interest groups should be offered the opportunity to voice their requests for community improvement projects.

Once a composite list of capital improvement requests have been created, and the administrative recommendations are submitted, the Planning Commission is responsible for reviewing and recommending project priority from a professional planning perspective. The Governing Body is responsible for recommending and prioritizing projects from a budgetary and affordability perspective, as well as examining the need and priority of the projects themselves. The scheduling of projects over a five-year period is based on an evaluation of Leawood's development policies and plans for future growth and the ability of the City to amortize the debt. It is important to understand that the Governing Body is not committed to a particular expenditure in a particular year. Instead, the capital improvement programming process is repeated each year to allow reevaluation of previous requests and consider new requests based on changing community needs and conditions.

How are capital improvements financed?

It is very important to note the direct correlation between sound capital planning and favorable bond ratings. Bonding agencies directly correlate large debt with greater risk. A solid assessed valuation in conjunction with low debt ratio encourages a better bond rating, thereby encouraging a more favorable interest rate for long-term borrowing. A realistic capital improvement program is critically important to a favorable bond rating, as it demonstrates that the City is able to exercise control over expenditures.

Because most capital improvements involve outlay of substantial funds, local government can seldom pay for these facilities through appropriations in the annual operating budget. Therefore, numerous techniques have evolved to enable local government to pay for capital improvements over a longer period of time rather than a single year. Most techniques involve the issuance of bonds in which a government borrows money from investors and pays the principal and interest over a number of years. Long-term debt is issued by the City of Leawood in accordance with

Resolution 1518 as the official debt policy of the City of Leawood. Brief definitions of financing techniques are included in the Glossary of Capital Budgeting Terms on page 8.

Street Program

History of Street Program

The Public Works Department began inventorying and rating streets in 1986. Streets were again reviewed in 1991 and 1995. Since 1996, the department has inspected streets every two years. This will occur again in 2012.

The Public Works Department purchased George Butler and Associates (GBA) Master Series software for the inventory and budget forecasting of streets in June 2000. The Master Series software allows us to model the streets with different levels of funding over any number of years to determine if the street pavement condition index (PCI) is decreasing or increasing. The Master Series software is linked with GIS to aid in data validation. The work history is updated annually and currently includes all streets from 1970 through present.

The Master Series software requires certain parameters that are unique to each city to be used for the budget forecast model. The parameters are: pavement deterioration rates for different levels of PCI's, maintenance breakpoints, sequence steps, construction costs, budget inflation and construction inflation.

Current and Future PCI Street Rating

Due to funding restraints from the State and the City, a program for street reconstruction was developed in late 2003. Phase I of the Accelerated Street Program included a total of \$10,500,000 over the five-year period of 2004 through 2008, alternating funding of \$1,500,000 and \$2,500,000 each year. Phase II began in 2009 but was scaled back with \$1,500,000 in 2009; followed by \$2,500,000 in 2010; and then reduced to funding every other year. Currently, a total of \$1,250,000 is planned for 2012 and \$2,500,000 for 2014. The funding for 2016 and beyond has not yet been determined. Per the annual budget document, the projected 2010 overall average PCI of all lane miles is 91.0. The percentage maintained at the standard of 70 PCI for arterial streets is 91.0; for collector streets is 90.0; and for residential streets is 94.0. The model will be updated annually and a current PCI will be calculated.

The following briefly describes each parameter used for the 2011-2015 PCI street rating model:

- Pavement Deterioration Rates: Deterioration rates vary with the age of the street. Streets within the first 10 years of life deteriorate at a slower rate than streets that are 20 years old. Deterioration rates from the previous inspections are reviewed and four unique deterioration rates are developed.
- Maintenance Breakpoints: The breakpoints were determined by driving the streets, reviewing their ratings and then determining what type of maintenance could be done on the street.

- Sequence Steps: This is used by the model to determine how much of the fund should be spent on the various types of maintenance. The first sequence is to select the streets that have been entered for certain years, then the program selects the streets that are deteriorating from one maintenance type to the next, (i.e. streets that could be slurried this year, but if delayed one more year will be in the overlay budget).
- Construction Costs: The 2009 bid tabs were used to determine current construction costs for various types of maintenance.
- Construction Inflation: A 5% annual construction inflation rate was assumed.

Conclusion:

We hope that the Governing Body is pleased with the current average PCI street rating of 87.0, compared to the Governing Body goal of a street rating of not less than 70.0. It is the hope of city staff that this type of analysis will provide the Governing Body greater information and will assist you in tailoring your broad goals with specific objectives. Furthermore, this information will provide measurable and quantifiable benchmarks that can clearly be communicated to staff and your constituents.

Assumptions

In forecasting the fiscal impact of the 2011-2015 Capital Improvements Program, several financial assumptions have been made:

- Cost subject to change depending upon approved final design and construction bids in construction year.
- Oil prices, and oil based products, i.e. asphalt.
- Interest rates are projected at 5.25% and 5.50% for 15-year tax exempt bonded projects and 20-year bonded projects, respectively, in 2011. An interest rate of 6.00% and 6.50% for 15-year and 20-year taxable issues. For taxable TDD projects a rate of 8.25% is projected;
- State mandated debt limitation established at 30.0% of equalized assessed valuation.
- Interest earnings are projected at 2.0% in 2011, 3.0% for 2012; 3.2% for 2013; 3.5% for 2014; and 4.0% for 2015.
- Assessed valuation, combined for all classifications, is projected to decrease 6.2% in 2011; no change, 0%, in 2012; and then increase 4.0% for 2013 and beyond.
- Using a variance in the City's overall forecasting model of 101% revenues and 99% expenditures plus all the other appropriate financial assumptions i.e. assessed valuation, inflation, etc per the budget policy.
- A one mill increase is forecasted in 2012, 2014 and 2016.
- The financial planning model has been enhanced to reflect a 98% property tax collection rate. This will provide a more realistic forecast of delinquencies pertaining to both the General Fund and Bond & Interest Fund property taxes but also the payment of special assessment debt by special benefit district properties.
- Re-established the Debt Service fund balance reserves policy from 35% to 20%.
- Includes 1/8th cent sales tax for capital improvements extended throughout the 2011-2015 CIP. From this tax a portion will be used to support the mill & overlay projects and accelerated storm water projects.
- A total of \$600,000 in pay-as-you-go funding has been included in both 2013 and 2015 for the Accelerated Stormwater program using 1/8-Cent Sales Tax revenues.
- On city at large projects, construction inflation is generally projected at 5% per year.
- On the Residential Street Reconstruction initiative, the amounts are \$1,250,000 for 2012 and \$2,500,000 for 2014. These projects are planned to be debt-financed.
- Transportation Development District (TDD) project estimates are provided by the Developer. Staff has not indexed these projects for inflation since they generally have been approved through a specific Development Agreement. On developer driven Special Benefit District projects the amount shown in the CIP reflects the amount petitioned and approved by the Governing Body.
- Sales tax projections for the planning period are 2.5% growth in 2011 and 2012; 2.6% in 2013; 2.8% in 2014; and 3.0% in 2015 and beyond.

Glossary of Capital Budgeting Terms

Ad Valorem Tax

A tax levied on the assessed value of both real and personal property in proportion to the value of the property (also known as “property tax”).

Anticipated Projects

Anticipated projects represent neighborhood street reconstruction and major stormwater repairs/improvements that were originally initiated using a phased financial approach. These projects are seen as necessary to address large areas of capital maintenance. The funding of these multi-year improvements are beyond the five-year planning process, but are expected to continue.

Assessed Valuation

The valuation placed upon real and certain personal property by the county assessor as the basis for levying property taxes.

Authorities and Special Benefit Districts

Special authorities or benefit districts may be formed, pursuant to applicable statutory requirements, to provide public improvements. These districts are usually single purpose, providing only a single service improvement. The purpose of forming authorities or special benefit districts is often to avoid statutory local government debt limits, which restrict the ability of the municipality to issue long-term debt. A further purpose is to provide improvements, which may overlap jurisdictional boundaries. Projects undertaken by special districts and authorities are generally financed through the issuance of revenue bonds, although in some circumstances special districts may be granted the power to tax.

Bond

A written promise to pay a specified sum of money on a specific date at a specified or variable stated interest rate. The most common types of bonds are general obligation and revenue bonds. Bonds are typically used as long-term debt to pay for specific capital expenditures

Bond Rating

A rating that is received from Standard & Poor’s Corporation and Moody’s Investors service, Inc., which shows the financial and economic strengths of the City.

Capital Improvements Program

A plan for capital expenditures to be incurred each year over a five-year period, setting forth each capital project, identifying the expected beginning and ending date for each project, the amount to be expended in each year, and the method of financing those expenditures.

Committed Projects

Committed projects are those which have been approved and authorized by a resolution, a development agreement or achieved consensus during the annual review of the CIP with the Governing Body. Financial ratios and benchmarks are calculated using committed projects. During the annual review, the Governing Body will review the projects and may make changes from the previous year, provided funding and timing allows.

**Current Revenue
(Pay-as-you-go)**

Pay-as-you-go financing refers to the method whereby improvements are financed from current revenues including general taxes, fees, service charges, special funds, and special assessments.

Debt

An obligation resulting from the borrowing of money.

Debt Service

The City's obligation to pay the interest and repay the principal of all bonds and other debt instruments according to a predetermined payment schedule.

Desired Projects

Desired projects represent items which have been submitted for consideration into the CIP, but are currently not funded and therefore have not been included in the 2011-2015 CIP plan or in the financial forecasting model.

Fiscal Year

The time-period designated by the City signifying the beginning and the ending period of recording financial transactions. The City of Leawood has specified the calendar year as its fiscal year.

General Obligation Bonds

Many capital improvement projects are funded by the issuance of general obligation bonds. General obligation bonds are full faith and credit bonds, pledging the general taxing power of the jurisdiction to back the bonds. General obligation bonds can be sold to finance the permanent types of improvements such as schools, municipal buildings, parks, and recreation facilities. In some circumstances, voter approval may be required.

**General Obligation
Temporary Notes**

Temporary notes are to be used as a funding mechanism for capital projects, which will be paid off, by the use of general obligation bonds or other funding sources. General obligation temporary notes are full faith and credit notes, pledging the general taxing power of the jurisdiction to back the notes. General obligation temporary notes can be sold to finance the permanent types of improvements such as schools, municipal buildings, parks, and recreation facilities. In some circumstances, voter approval may be required.

Infrastructure

Public domain fixed assets such as roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, lighting systems and similar assets that are immovable and of value only to the government unit.

Lease Purchase

Local governments using the lease-purchase method prepare specifications for a needed public works project that is constructed and owned by a private company or authority. The facility is then leased back to the municipality, and the title is conveyed to the municipality at the end of the lease period. The lease period is of such length that the payments retire the principal and interest.

Long-Term Debt

Debt with a maturity of more than one year after the date of issuance.

Mill Levy

Used to impose taxes for the support of governmental activities. A Mill Levy is expressed as one dollar per one thousand dollars of assessed valuation.

Property Tax

Ad valorem taxes levied on both real and personal property according to the assessed valuation and the tax rate.

Reserve Funds

In reserve fund financing, funds are pooled in advance to finance an upcoming capital construction or purchase. This pool of funds may be from surplus or earmarked operational revenues, funds in depreciation reserves, or the sale of capital assets.

Revenue Bonds

Revenue bonds are a mechanism used in cases where the project being funded will generate revenue from user fees, such as water or sewer systems. These fees are used to pay for the improvement project. These bonds are not generally subject to statutory debt limitations, as these issues are not backed by the full faith and credit of the municipal entity. However, some revenue bonds, referred to as "double barreled" revenue bonds, have supplemental guarantees to make the investment more appealing. The interest rate on revenue bonds is generally higher than that for general obligation bonds, and voter approval is seldom required.

Special Assessments

Public works projects that more directly benefit certain property owners may be financed in the interest of equity by the use of special assessments. In this method, the directly benefiting property owners are assessed the cost of the improvements based upon applicable formulas and/or policies. Local improvements typically financed by this method include street pavement, sanitary sewers, and water mains.

State and Federal Grants

State and federal grants-in-aid are a financing method that have financed many improvements including street improvements, water and sewer facilities, airports, parks, and playgrounds. The cost of these improvements may be paid for entirely by the grants, although in many instances these funds must be leveraged with local funds.

Transportation Development District

Transportation Development District (TDD) is a transportation project development tool, governed by state statute. This debt tool is designed to facilitate specific public transportation improvements through the collection of taxes and the borrowing of funds. The revenue of a TDD (most frequently sales tax) can only be used for public transportation and transportation-related improvements or they can be backed by assessments.

Uncommitted Projects

Uncommitted projects represent capital improvements where a growth has or will necessitate the improvement; however, the project currently does not have an identified funding source and has not been formally agreed upon for inclusion in the CIP. These projects are shown in the CIP document, but are excluded from the financial debt ratios or mill levy projections.

City of Leawood

Debt Policies

Objective

To maintain the City's ability to incur debt and issue other long-term obligations at favorable interest rates in amounts needed for capital improvements, economic development, and facilities or equipment to provide essential city services.

Scope

This Policy provides a general guideline to all debt issued by the City regardless of purpose, source or type.

Responsibility

The primary responsibility for developing financing recommendations rests with the City Administrator. In developing the recommendations, the Finance Director, City Attorney or designee, Public Works Director, and other Department Heads assist the City Administrator. Responsibilities include annual review of debt capacity, quarterly assessment of progress on the Capital Improvement Program, preparation for debt issues and the ongoing responsibility of oversight and evaluation of services provided by the Financial Advisor and Bond Counsel.

I. Debt Planning Policies

- Section 1: Capital Planning. To enhance creditworthiness and prudent financial management, the City is committed to systematic capital planning, intergovernmental cooperation and coordination, and long-term financial planning. Evidence of this commitment is demonstrated through adoption of an annual Capital Improvement Plan (CIP) and annual assessment of the City's financial condition.
- Section 2: Debt Capacity. Each year the City will review whether it is willing and able to assume new debt beyond what will be retired. The Finance Director or designee shall, prior to the issuance of new debt, or at least annually, calculate the City's statutory debt limit in accordance with K.S.A. 10-308. Debt capacity will be assessed by reviewing debt per capita, general levels of per capita income, debt as a percent of appraised value, debt service payments as a percent of general government expenditures, debt payout over the ensuing ten years, and the level of overlapping net debt of all other local taxing jurisdictions.
- Section 3: Debt vs. Pay-As-You-Go. The City will evaluate annually the relationship between issuing debt and pay-as-you-go financing. The City will consider pay-as-you-go financing for all personal property less than \$50,000.

- Section 4: Appropriate Uses. The City will generally consider long-term financing for the acquisition, maintenance, replacement, or expansion of physical assets having a useful life of at least (5) years. The scheduled maturities of long-term obligations should generally not exceed the expected useful life of the capital project or asset(s) financed. Proceeds should only be used for construction project costs, acquisition of fixed assets, issue costs, debt service reserve requirements, or refunding of outstanding issues. Proceeds from long-term debt may not be used to fund current operating costs.
- Section 5: Timing of Issues. In determining when to issue bonds, notes and other obligations the following factors should be considered:
- a) The timing of other proposed issues, including those by other jurisdictions;
 - b) The timing of the preparation, completion and certification of the City's annual budget including special assessment procedures;
 - c) The availability of the City's audited financial statements for the previous fiscal year;
 - d) The potential impact on the City's bond ratings.
- Section 6: Types of obligations. In determining the type of obligation to issue, the following factors should be considered:
- a) The direct and indirect beneficiaries of the project (i.e. a significantly large proportion of citizens should benefit from projects financed by at-large taxes and other revenues);
 - b) The time pattern of the stream of benefits generated by the project;
 - c) The sources and timing of revenues available for the repayment of the debt;
 - d) The cost-effectiveness of user charges or other revenue sources to the extent available;
 - e) The effect of the proposed issue on the City's ability to finance future projects of equal or higher priority;
 - f) The interest cost of each type of obligation;
 - g) The impact on the City's financial condition and credit ratings.
- Section 7: At-Large General Obligation Bonds. At-large general obligation, property tax-supported financing should be used for those capital improvements and long term assets which have been determined to be essential to the maintenance or development of the City and as permitted by law. Consideration should be given to alternative funding sources, such as project revenues, Federal and State grants, and special assessments.
- Section 8: Benefit District Bonds. The issuance of benefit district general obligation bonds shall be governed by the most recently approved Resolution.
- Section 9: Revenue Supported Obligation. Revenue supported obligations should be used to limit potential dependence on property taxes for those projects with available revenue sources, whether self-generated or dedicated from other sources. Adequate financial feasibility studies will be performed for each project to establish assurances as to the self-liquidating nature of the project or adequacy of dedicated revenue sources.

Section 10: Transportation Development District Obligations. The formation of a Transportation Development District [TDD] and the provisions and conditions under which debt for such projects can be issued, will be considered by the Governing Body on a case by case basis. If sales tax is proposed to pay off the bonds, it would be based on extremely conservative estimates. A TDD Project will be initiated by petition pursuant to the TDD Act. The Governing Body will consider the petition and a reimbursement resolution on the filing of a timely and adequate petition. The Developer will be responsible for construction financing [the City will not participate]. The City will, however, participate in permanent financing upon terms satisfactory to the City but only through a direct private placement arranged by the Developer whereby the lender will satisfy itself with respect to all credit issues. To facilitate this process, a third party Trustee will be engaged by the City through the City Administrator. Costs for the Trustee will be the responsibility of the Developer. The Lender will be required to execute and deliver at closing an investment letter in form and substance satisfactory to the City and its Bond Counsel. The City shall not be committed for the repayment of any portion of the debt whatsoever.

Section 11: Lease and Lease-Purchase Agreements. The City may enter into leases and lease-purchase obligations to finance the acquisition of real and personal property as permitted by law. The Finance Director shall review all proposed leases prior to submittal to the Governing Body. Lease financing is appropriate:

- a) Whenever the introduction of leased equipment and/or a capital improvement results in verifiable operating savings, or interest costs that minimizes the loss on resale value, properly discounted, outweigh the lease financing costs;
- b) Existing or incremental new revenues are available to provide for the lease payments;
- c) The capital asset is deemed important enough (for safety, legal, efficiency, or other reasons) to lead to a reallocation of existing revenues; or
- d) Existing state statutes do not provide adequate or expedient methods of financing.

This Policy shall not preclude the use of operating leases in appropriate circumstances such as for office equipment.

Section 12: Other Borrowing Methods. Financial feasibility studies should be performed for other financing methods such as state loan programs and pool participation.

Section 13: Short Term Borrowing. Use of short-term borrowing, such as temporary notes will be undertaken if the available cash is insufficient to meet project requirements or their use is judged to be prudent and advantageous to the City. Temporary notes may also be used to affect the interim financing of capital projects including benefit district projects so that permanent financing can occur on a more orderly basis. The City will conduct a

cash flow analysis for a forecast period of no less than 12 months prior to issuing short-term notes.

Section 14: Conduit Financing. The City may sponsor conduit financing such as industrial revenue bonds and tax increment financings that are consistent with the City's overall service, development and Policy objectives. The issuance of industrial revenue bonds and tax increment financings should be governed by Resolutions 598 and 1317 respectively.

II. Debt Issuance Policies

Section 15: Method of Sale. As required by law, City debt will be issued through a competitive bidding process. Bids on long-term bonds will be awarded on a true interest cost basis, providing other bidding requirements are satisfied. Negotiated sales of debt will be considered when the complexity of the issue requires specialized expertise, or when the negotiated sale would result in substantial savings in time or money. The objective in all situations will be to accomplish the project at the lowest overall cost to the City.

Section 16: Length of Debt. Debt will be structured for the shortest period consistent with a fair allocation of costs to current and future beneficiaries or users (Guidelines: - 15 years for General Obligations Debt; 20 years for streets, storm sewers, land, parks, and buildings; and 15 to 20 years for Revenue Bonds). Benefit District Debt has a 10 year length, however, upon special approval by the Governing Body, benefit district debt may be extended up to a 15 year term. Transportation Development District [TDD] has a 10-year length however, upon special approval by the Governing Body, this debt may be extended up to a maximum of 22 years, in accordance with Kansas State Statute.

Section 17: Debt Structure. Debt will be structured to achieve the lowest possible net cost to the City given market conditions, the urgency of the capital project, and the nature and type of security provided. Moreover, to the extent possible, the City will design the repayment of its overall debt so as to recapture rapidly its borrowing capacity for future use. The structure should approximate level principal on street projects debt, and level payment for public buildings, land and parks. Level debt service should also be used for revenue bonds. There shall be no debt structures which include increasing debt service levels in subsequent years, except when such structuring will allow debt service to more closely match project revenues during the early years of the project's operation or such structuring is needed to mitigate property tax impacts. There shall be no "balloon" bond repayment schedules that consist of low annual payments and one large payment of the balance due at the end of the term. Normally, there shall be no capitalized interest included in the debt structure unless there are insufficient revenues available from the source of repayment of the debt during the project construction or start up phase.

The City may take additional steps, as necessary, to structure its General Obligation debt to stabilize tax levies or achieve other goals of the City. Provided such structuring

is consistent with the goals of the debt policy in achieving repayment of bonds within the useful life of the improvements being financed, recapturing the City's bond capacity over time and preserving the City's bond rating to the extent possible.

- Section 18: *Bond Rating.* The City should continually seek to maintain and improve current bond ratings so that borrowing costs are minimized and access to credit preserved. Good communication with bond rating agencies should be maintained and all necessary financial and economic data concerning the City and its borrowing needs shall be provided to the bond rating agencies as needed or requested. The city shall attempt to structure its debt issuance, prepare its operating budgets, and implement policies that will maintain or improve its existing bond rating. Any departure from prior structuring or budgeting processes that may jeopardize the City's bond rating will be discussed in advance with the rating agencies.
- Section 19: *Credit Enhancements.* Decisions regarding credit enhancements such as Letters of Credit or Bond Insurance will be based upon the City's goal of accomplishing its financings at the lowest borrowing cost.

III. Debt Administration Policies

- Section 20: *Coordination of Local Jurisdictions.* The City will participate in communications with overlapping and adjoining jurisdictions concerning plans for future debt issues.
- Section 21: *Monitoring.* The Finance Department should continually monitor the City's outstanding debt issues to verify compliance with debt covenants and record keeping.
- Section 22: *Reporting.* Official statements accompanying debt issues, Comprehensive Annual Financial Reports, and continuing disclosure statements will meet (at a minimum) the standards articulated by, the Government Accounting Standards Board (GASB), the Government Finance Officers Association (GFOA), any clarifying guidance from the Securities and Exchange Commission (SEC), and Generally Accepted Accounting Principles (GAAP). The Department of Finance shall be responsible for ongoing disclosure to established national and state information repositories and for maintaining compliance with disclosure standards of state and national regulatory bodies.
- Section 23: *Investment of Bond Proceeds.* All proceeds of bonds, notes and other obligations shall be segregated into separate funds and invested in a manner consistent with those authorized by existing state laws and by the City's investment practices, consistent with safety, liquidating and return. All interest earned on proceeds shall be used to pay costs associated with the projects being financed or used to pay the principal of or interest on such debt.

Section 24: Arbitrage Rebate. The Finance Director shall ensure that record keeping and reporting meets the arbitrage rebate compliance requirements of the federal tax code. This effort shall include tracking investment earnings on bond proceeds, calculating rebate payments in compliance with tax law, and remitting any rebatable earnings to the federal government in a timely manner in order to preserve the tax-exempt status of the City's outstanding debt issues. The City should actively monitor its investment practices to ensure maximum returns on its invested bond funds while complying with federal arbitrage guidelines.

Section 25: Refunding. Periodic reviews of all outstanding debt will be undertaken to determine refunding opportunities. As a general matter, advance refundings may be undertaken for economic savings when net present value savings of not less than two percent of the refunded debt can be achieved. The City also may choose to refund outstanding indebtedness when existing bond covenants or other financial structures can be modified to improve financial operations. Savings requirements for current or advance refundings undertaken to restructure debt may be waived upon finding that such a restructuring is in the City's overall best financial interests.

REFERENCES:

Adopted by Resolution No. 1518 [April 3, 2000]

Revised by Resolution No. 2221 [May 3, 2004]

Revised by Resolution No. 2789 [May 5, 2007]

Program Summary

Bond Issue Financed

All Projects

Infrastructure Projects

Parks and Recreation Projects

Buildings and Facilities Projects

Bonding Projections – General Obligation & Special Benefit District

Capital Improvements Program 2011 - 2015

Total Project Cost - All Projects, by Construction Year

| <u>Proj #</u> | <u>Project Description</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|----------------|--|------------------|---------------------|--------------------|--------------------|---------------------|
| # 80162 | 143rd Street, Nall to Mission | | | | | \$15,204,891 |
| # 80212 | 2012 Residential Streets, Phase II-Yr 3 | | \$1,250,000 | | | |
| # 80214 | 2014 Residential Streets, Phase II-Yr 4 | | | | \$2,500,000 | |
| <i># 80401</i> | <i>Traffic Signal, College & Brookwood</i> | | <i>\$271,294</i> | | | |
| # 80404 | Traffic Signal, 133rd & Roe Avenue | \$344,650 | | | | |
| # 80450 | 135th St-Bury Power Lines (TDD) | | \$3,375,000 | | | |
| # 80451 | 135th St-Add Third Lane (SBD) | | \$3,400,000 | | | |
| # 80454 | Park Place-Parking Structure #2 (TDD) | | \$6,966,000 | | | |
| # 80455 | Park Place-aloft/Element Garage (TDD) | | | \$6,500,000 | | |
| <i># 80457</i> | <i>Village of Seville (TDD)</i> | <i>\$600,000</i> | | | | |
| <i># 80550</i> | <i>89th & Mission Stormsewer</i> | | | <i>\$1,310,400</i> | | |
| Total | | \$944,650 | \$15,262,294 | \$7,810,400 | \$2,500,000 | \$15,204,891 |
| | COMMITTED | \$344,650 | \$14,991,000 | \$6,500,000 | \$2,500,000 | \$15,204,891 |
| | UNCOMMITTED | \$600,000 | \$271,294 | \$1,310,400 | \$0 | \$0 |

Committed projects are those which have been approved and authorized by a resolution, a development agreement or achieved consensus during the annual review of the CIP with the Governing Body. Financial ratios and benchmarks are calculated using committed projects. During the annual review, the Governing Body will review the projects and may make changes from the previous year provided funding and timing allows.

Capital Improvements Program 2011 - 2015

Total City Cost - All Projects, by Construction Year

| <u>Proj #</u> | <u>Project Description</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|----------------|--|------------------|--------------------|--------------------|--------------------|---------------------|
| # 80162 | 143rd Street, Nall to Mission | | | | | \$13,074,891 |
| # 80212 | 2012 Residential Streets, Phase II-Yr 3 | | \$1,250,000 | | | |
| # 80214 | 2014 Residential Streets, Phase II-Yr 4 | | | | \$2,500,000 | |
| <i># 80401</i> | <i>Traffic Signal, College & Brookwood</i> | | <i>\$271,294</i> | | | |
| # 80404 | Traffic Signal, 133rd & Roe Avenue | \$344,650 | | | | |
| # 80450 | 135th St-Bury Power Lines (TDD) | 1 | \$0 | | | |
| # 80451 | 135th St-Add Third Lane (SBD) | 1 | \$0 | | | |
| # 80454 | Park Place-Parking Structure #2 (TDD) | 1 | \$0 | | | |
| # 80455 | Park Place-aloft/Element Garage (TDD) | 1 | \$0 | | | |
| <i># 80457</i> | <i>Village of Seville (TDD)</i> | <i>\$0</i> | | | | |
| <i># 80550</i> | <i>89th & Mission Stormsewer</i> | | | <i>\$1,310,400</i> | | |
| Total | | \$344,650 | \$1,521,294 | \$1,310,400 | \$2,500,000 | \$13,074,891 |
| | COMMITTED | \$344,650 | \$1,250,000 | \$0 | \$2,500,000 | \$13,074,891 |
| | UNCOMMITTED | <i>\$0</i> | <i>\$271,294</i> | <i>\$1,310,400</i> | <i>\$0</i> | <i>\$0</i> |

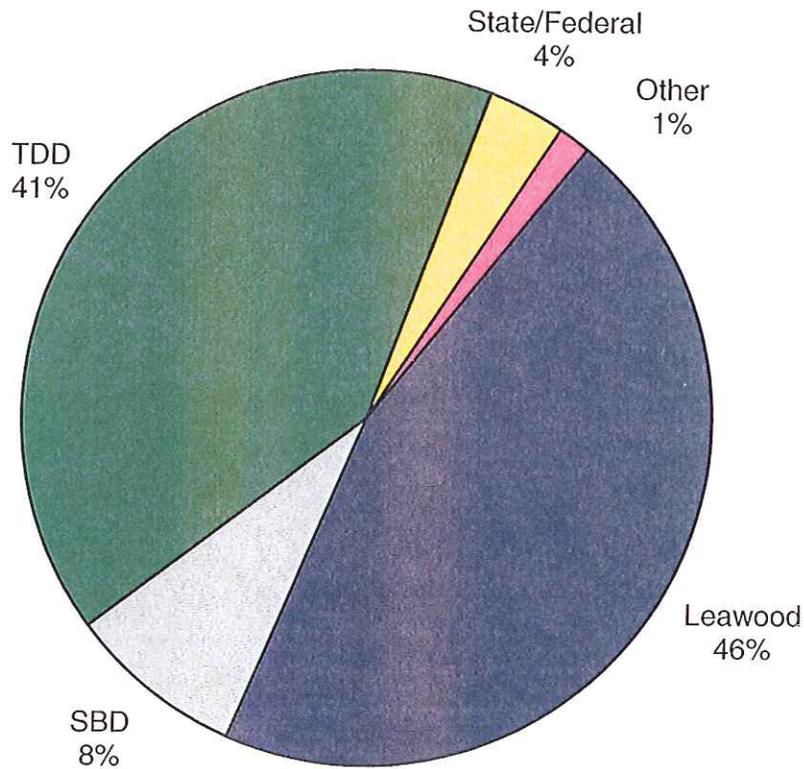
Committed projects are those which have been approved and authorized by a resolution, a development agreement or achieved consensus during the annual review of the CIP with the Governing Body. Financial ratios and benchmarks are calculated using committed projects. During the annual review, the Governing Body will review the projects and may make changes from the previous year provided funding and timing allows.

1. The Total City Cost may differ from the Total Project cost due to funding sources other than Leawood, such as Special Benefit District, TDD, and/or Other Contributions.

Capital Improvements Program 2011 - 2015

Construction Year Cost Distribution by Funding Source

| <u>Year</u> | <u>City of Leawood</u> | <u>Special Benefit Dist</u> | <u>Transportation Devel Dist</u> | <u>State/Federal</u> | <u>Other</u> | <u>Total</u> |
|--------------|------------------------|-----------------------------|----------------------------------|----------------------|------------------|---------------------|
| 2011 | \$344,650 | \$0 | \$0 | \$0 | \$0 | \$344,650 |
| 2012 | \$1,521,294 | \$3,400,000 | \$10,341,000 | \$0 | \$0 | \$15,262,294 |
| 2013 | \$1,310,400 | \$0 | \$6,500,000 | \$0 | \$0 | \$7,810,400 |
| 2014 | \$2,500,000 | \$0 | \$0 | \$0 | \$0 | \$2,500,000 |
| 2015 | \$13,074,891 | \$0 | \$0 | \$1,500,000 | \$630,000 | \$15,204,891 |
| Total | \$18,751,236 | \$3,400,000 | \$16,841,000 | \$1,500,000 | \$630,000 | \$41,122,236 |



Capital Improvements Program 2011 - 2015

Total Project Cost - Infrastructure

| Project Number | Project Description | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|--------------------------|--|------------------|--------------------|--------------------|--------------------|---------------------|
| # 80162 | 143rd Street, Nall to Mission | | | | | \$15,204,891 |
| # 80212 | 2012 Residential Streets, Phase II-Yr 3 | | \$1,250,000 | | | |
| # 80214 | 2014 Residential Streets, Phase II-Yr 4 | | | | \$2,500,000 | |
| <i># 80401</i> | <i>Traffic Signal, College & Brookwood</i> | | <i>\$271,294</i> | | | |
| # 80404 | Traffic Signal, 133rd & Roe Avenue | \$344,650 | | | | |
| # 80450 | 135th St-Bury Power Lines (TDD) | | \$3,375,000 | | | |
| # 80451 | 135th St-Add Third Lane (SBD) | | \$3,400,000 | | | |
| <i># 80457</i> | <i>Village of Seville (TDD)</i> | <i>\$600,000</i> | | | | |
| <i># 80550</i> | <i>89th & Mission Stormsewer</i> | | | <i>\$1,310,400</i> | | |
| Total Annual Cost | | \$944,650 | \$8,296,294 | \$1,310,400 | \$2,500,000 | \$15,204,891 |

COMMITTED
UNCOMMITTED

Committed projects are those which have been approved and authorized by a resolution, a development agreement or achieved consensus during the annual review of the CIP with the Governing Body. Financial ratios and benchmarks are calculated using committed projects. During the annual review, the Governing Body will review the projects and may make changes from the previous year provided funding and timing allows.

Capital Improvements Program 2011 - 2015

Total Project Cost - Parks & Recreation Projects

| <u>Project Number</u> <u>Project Description</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|--|-------------|-------------|-------------|-------------|-------------|
| <i>Currently there are no projects included in the 2010 - 2014 planning period</i> | | | | | |
| Total Annual Cost | \$0 | \$0 | \$0 | \$0 | \$0 |

COMMITTED

~~UNCOMMITTED~~

Committed projects are those which have been approved and authorized by a resolution, a development agreement or achieved consensus during the annual review of the CIP with the Governing Body. Financial ratios and benchmarks are calculated using committed projects. During the annual review, the Governing Body will review the projects and may make changes from the previous year provided funding and timing allows.

Capital Improvements Program 2011 - 2015

Total Project Cost - Buildings

| <u>Project</u> <u>Number</u> <u>Project Description</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|--|-------------|--------------------|--------------------|-------------|-------------|
| # 80454 Park Place-Parking Structure #2 (TDD) | | \$6,966,000 | | | |
| # 80455 Park Place-aloft/Element Garage (TDD) | | | \$6,500,000 | | |
| Total Annual Cost | \$0 | \$6,966,000 | \$6,500,000 | \$0 | \$0 |

COMMITTED

UNCOMMITTED

Committed projects are those which have been approved and authorized by a resolution, a development agreement or achieved consensus during the annual review of the CIP with the Governing Body. Financial ratios and benchmarks are calculated using committed projects. During the annual review, the Governing Body will review the projects and may make changes from the previous year provided funding and timing allows.

Capital Improvements Program 2011 - 2015

General Obligation Bonding Projections and Total City Cost

| Project Number | Project Description | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|-----------------------------------|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| # 80212 | 2012 Residential Streets, Phase II-Yr 3 | \$1,250,000 | \$1,250,000 | \$1,250,000 | | |
| # 80214 | 2014 Residential Streets, Phase II-Yr 4 | | | \$2,500,000 | \$2,500,000 | \$2,500,000 |
| # 80401 | Traffic Signal, College & Brookwood | | \$271,294 | \$271,294 | | |
| # 80404 | Traffic Signal, 133rd & Roe Avenue | \$344,650 | \$344,650 | | | |
| # 80550 | 89th & Mission Stormsewer | | \$1,310,400 | \$1,310,400 | \$1,310,400 | |
| Totals | | \$1,594,650 | \$3,176,344 | \$5,331,694 | \$3,810,400 | \$2,500,000 |
| Total Project Cost/Design Year | | \$1,250,000 | \$1,310,400 | \$2,500,000 | \$0 | \$0 |
| Total City Cost/Construction Year | | \$344,650 | \$1,521,294 | \$1,310,400 | \$2,500,000 | \$0 |
| Total Project Cost/Bond Year | | \$0 | \$344,650 | \$1,521,294 | \$1,310,400 | \$2,500,000 |

COMMITTED
UNCOMMITTED

Capital Improvements Program 2011 - 2015

Special Benefit District Bonding Projections and Total City Cost

| <u>Project Number</u> | <u>Project Description</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|----------------------------------|-------------------------------|--------------------|--------------------|--------------------|-------------|-------------|
| # 80197 | Villaggio Project (SBD) | \$4,390,000 | | | | |
| # 80451 | 135th St-Add Third Lane (SBD) | \$3,400,000 | \$3,400,000 | \$3,400,000 | | |
| Totals | | \$3,400,000 | \$3,400,000 | \$3,400,000 | \$0 | \$0 |
| Total Project Cost/Design Year | | \$3,400,000 | \$0 | \$0 | \$0 | \$0 |
| Total SBD Cost/Construction Year | | \$0 | \$3,400,000 | \$0 | \$0 | \$0 |
| Total Project Cost/Bond Year | | \$4,390,000 | \$0 | \$3,400,000 | \$0 | \$0 |

Transportation Development District Bonding Projections and Total City Cost

| <u>Project Number</u> | <u>Project Description</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|----------------------------------|---------------------------------------|---------------------|---------------------|---------------------|--------------------|-------------|
| # 80450 | 135th St-Bury Power Lines (TDD) | \$3,375,000 | \$3,375,000 | \$3,375,000 | | |
| # 80453 | Park Place-Parking Structure #1 (TDD) | \$8,034,000 | | | | |
| # 80454 | Park Place-Parking Structure #2 (TDD) | \$6,966,000 | \$6,966,000 | \$6,966,000 | | |
| # 80455 | Park Place-aloft/Element Garage (TDD) | | \$6,500,000 | \$6,500,000 | \$6,500,000 | |
| Totals | | \$18,375,000 | \$16,841,000 | \$16,841,000 | \$6,500,000 | \$0 |
| Total Project Cost/Design Year | | \$10,341,000 | \$6,500,000 | \$0 | \$0 | \$0 |
| Total TDD Cost/Construction Year | | \$0 | \$10,341,000 | \$6,500,000 | \$0 | \$0 |
| Total Project Cost/Bond Year | | \$8,034,000 | \$0 | \$10,341,000 | \$6,500,000 | \$0 |

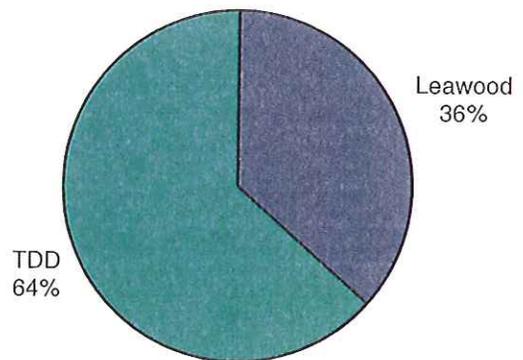
COMMITTED
UNCOMMITTED

Annual Projects

2011

80404 Traffic Signal, 133rd & Roe Avenue
80457 Village of Seville (TDD)

1 Project(s)
\$944,650 Total 2011 Project Cost



COMMITTED
UNCOMMITTED

Traffic Signal, 133rd & Roe Avenue

2011

COMMITTED Presented to Council 10/6/08, Fact Sheet

| | |
|---|--------------------------------|
| Project Number: # 80404 | Design Date: 2010 |
| Location: 133rd & Roe Avenue | Construction Date: 2011 |
| Description: Install traffic signals at 133rd & Roe Avenue | Project Life: 1 year |
| | Bond Date: 2012 |
| | Bond Life: 15 |

Estimated Cost

| | |
|-------------------|------------------|
| Construction | \$243,238 |
| Stormwater | \$0 |
| Design | \$30,000 |
| Inspection/Survey | \$10,000 |
| Trails | \$0 |
| Land | \$0 |
| Landscaping | \$0 |
| ROW/Utilities | \$0 |
| Equipment | \$0 |
| Finance/Admin. | \$45,000 |
| Sub-total | \$328,238 |
| Inflation | 5% |
| Total | \$344,650 |

Funding Source

| | |
|------------------|------------------|
| Leawood | \$344,650 |
| Special District | \$0 |
| State/Federal | \$0 |
| Johnson County | \$0 |
| Other | \$0 |
| Total | \$344,650 |

Note: ESTIMATED COST ONLY. Cost subject to change depending upon approved final design and construction bids in construction year.

Village of Seville (TDD)

2011

UNCOMMITTED

Project Number: # 80457

Location: 133rd & State Line

Description: Retail district

Design Date:

Construction Date:

Project Life:

Bond Date: NA

Bond Life: NA

Estimated Cost

| | |
|-------------------|-----------|
| Construction | \$600,000 |
| Stormwater | \$0 |
| Design | \$0 |
| Inspection/Survey | \$0 |
| Trails | \$0 |
| Land | \$0 |
| Landscaping | \$0 |
| ROW/Utilities | \$0 |
| Equipment | \$0 |
| Finance/Admin. | \$0 |
| <hr/> | |
| Sub-total | \$600,000 |
| Inflation | 0% |
| <hr/> | |
| Total | \$600,000 |

Funding Source

| | |
|-----------------------|-----------|
| Leawood | \$0 |
| TDD | \$600,000 |
| State/Federal | \$0 |
| Johnson County (CARS) | \$0 |
| Other | \$0 |
| <hr/> | |
| Total | \$600,000 |

Note: This project is proposed as a Pay-As-You-Go TDD to be funded with a 1% sales tax increase for the development area.

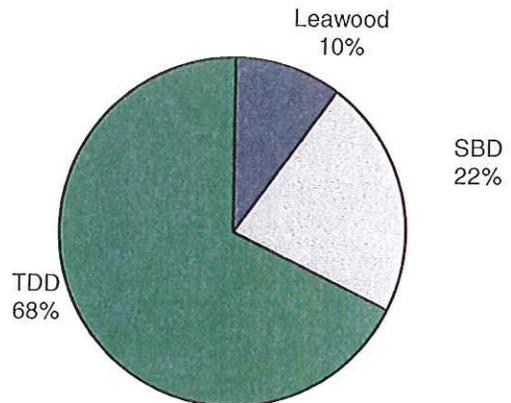
Annual Projects

2012

- # 80212 2012 Residential Streets, Phase II-Yr 3
- # 80401 Traffic Signal, College & Brookwood
- # 80450 135th St-Bury Power Lines (TDD)
- # 80451 135th St-Add Third Lane (SBD)
- # 80454 Park Place-Parking Structure #2 (TDD)

5 Project(s)

\$15,262,294 Total 2012 Project Cost



COMMITTED
UNCOMMITTED

2012 Residential Streets, Phase II-Yr 3

2012

COMMITTED Approval by Governing Body at 3/12/07 WSS

| | | |
|--|--------------------|--------|
| Project Number: # 80212 | Design Date: | 2011 |
| Location: Various | Construction Date: | 2012 |
| Description: Street Reconstruction Program | Project Life: | 1 year |
| | Bond Date: | 2013 |
| | Bond Life: | 15 |

Estimated Cost

| | |
|-------------------|-------------|
| Construction | \$1,160,000 |
| Stormwater | \$0 |
| Design | \$0 |
| Inspection/Survey | \$15,000 |
| Trails | \$0 |
| Land | \$0 |
| Landscaping | \$0 |
| ROW/Utilities | \$0 |
| Equipment | \$0 |
| Finance/Admin. | \$75,000 |
| Sub-total | \$1,250,000 |
| Inflation | 0% |
| Total | \$1,250,000 |

Funding Source

| | |
|------------------|-------------|
| Leawood | \$1,250,000 |
| Special District | \$0 |
| State/Federal | \$0 |
| Johnson County | \$0 |
| Other | \$0 |
| Total | \$1,250,000 |

Note: ESTIMATED COST ONLY. Cost subject to change depending upon approved final design and construction bids in construction year.

2012 Residential Street Reconstruction Program

| Street | Length (ft) | Type of Work | PCI | Est Cost |
|---------------------------------|-------------|----------------|-----|---------------|
| <u>Group 12A</u> | | | | |
| Wenonga Road (83rd to Somerset) | 2,225 | Reconstruction | 67 | 634,117 |
| 81st Terrace (W of Wenonga) | 976 | Reconstruction | 70 | 278,156 |
| 82nd Street (W of Wenonga) | 951 | Reconstruction | 72 | 271,031 |
| Irrigation/Contingency | | | | <u>50,000</u> |
| | | | | 1,233,304 |

Traffic Signal, College & Brookwood

2012

UNCOMMITTED

| | |
|---|--------------------------------|
| Project Number: # 80401 | Design Date: 2011 |
| Location: College Blvd & Brookwood | Construction Date: 2012 |
| Description: Add traffic signal to the intersection of College & Brookwood | Project Life: 1 year |
| | Bond Date: 2013 |
| | Bond Life: 15 |

Estimated Cost

| | |
|-------------------|-----------|
| Construction | \$176,548 |
| Stormwater | \$0 |
| Design | \$30,000 |
| Inspection/Survey | \$15,000 |
| Trails | \$0 |
| Land | \$0 |
| Landscaping | \$0 |
| ROW/Utilities | \$0 |
| Equipment | \$0 |
| Finance/Admin. | \$25,083 |
| Sub-total | \$246,631 |
| Inflation | 10% |
| Total | \$271,294 |

Funding Source

| | |
|------------------|-----------|
| Leawood | \$271,294 |
| Special District | \$0 |
| State/Federal | \$0 |
| Johnson County | \$0 |
| Other | \$0 |
| Total | \$271,294 |

Note: ESTIMATED COST ONLY. Cost subject to change depending upon approved final design and construction bids in construction year.

135th St-Bury Power Lines (TDD)

2012

COMMITTED Approval by 12/15/08 City Council Meeting

Project Number: # 80450

Location: 135th Street

Description: Bury overhead power lines along 3 sides
of 135th Street.

Design Date: 2011

Construction Date: 2012

Project Life: 1 year

Bond Date: 2013

Bond Life: 15

Estimated Cost

| | |
|-------------------|-------------|
| Construction | \$3,305,000 |
| Stormwater | \$0 |
| Design | \$0 |
| Inspection/Survey | \$0 |
| Trails | \$0 |
| Land | \$0 |
| Landscaping | \$0 |
| ROW/Utilities | \$0 |
| Equipment | \$0 |
| Finance/Admin. | \$70,000 |
| <hr/> | |
| Sub-total | \$3,375,000 |
| Inflation | 0% |
| <hr/> | |
| Total | \$3,375,000 |

Funding Source

| | |
|-----------------------|-------------|
| Leawood | 0 |
| TDD | \$3,375,000 |
| State/Federal | \$0 |
| Johnson County (CARS) | \$0 |
| Other | \$0 |
| <hr/> | |
| Total | \$3,375,000 |

Note: ESTIMATED COST ONLY. Cost subject to change depending upon approved final design and construction bids in construction year.

135th St-Add Third Lane (SBD)

2012

COMMITTED Approval by 12/15/08 City Council Meeting

Project Number: # 80451

Location: 135th Street

Description: Add third lane for eastbound, from
Fontana to State Line Road.

Design Date: 2011

Construction Date: 2012

Project Life: 1 year

Bond Date: 2013

Bond Life: 15

Estimated Cost

| | |
|-------------------|-------------------|
| Construction | \$3,330,000 |
| Stormwater | \$0 |
| Design | \$0 |
| Inspection/Survey | \$0 |
| Trails | \$0 |
| Land | \$0 |
| Landscaping | \$0 |
| ROW/Utilities | \$0 |
| Equipment | \$0 |
| Finance/Admin. | \$70,000 |
| <hr/> Sub-total | <hr/> \$3,400,000 |
| Inflation | 0% |
| <hr/> Total | <hr/> \$3,400,000 |

Funding Source

| | |
|-----------------------|-------------------|
| Leawood | 0 |
| SBD | \$3,400,000 |
| State/Federal | \$0 |
| Johnson County (CARS) | \$0 |
| Other | \$0 |
| <hr/> Total | <hr/> \$3,400,000 |

Note: ESTIMATED COST ONLY. Cost subject to change depending upon approved final design and construction bids in construction year.

Park Place-Parking Structure #2 (TDD)

2012

*COMMITTED Development Agreement, Resolution #2267, Ordinance #2084.
Amended by Resolution # 2891 (10/15/07)*

Project Number: # 80454

Location: Between 117th St & Town Center
Drive, E of Nall

Description: Parking Structure

Design Date: 2007

Construction Date: 2012

Project Life: 1 year

Bond Date: 2013

Bond Life: 22

Estimated Cost

| | |
|-------------------|-------------|
| Construction | \$6,816,000 |
| Stormwater | \$0 |
| Design | \$0 |
| Inspection/Survey | \$0 |
| Trails | \$0 |
| Land | \$0 |
| Landscaping | \$0 |
| ROW/Utilities | \$0 |
| Equipment | \$0 |
| Finance/Admin. | \$150,000 |
| Sub-total | \$6,966,000 |
| Inflation | 0% |
| Total | \$6,966,000 |

Funding Source

| | |
|-----------------------|-------------|
| Leawood | \$0 |
| TDD | \$6,966,000 |
| State/Federal | \$0 |
| Johnson County (CARS) | \$0 |
| Other | \$0 |
| Total | \$6,966,000 |

Note: ESTIMATED COST ONLY.

The design and construction years do not impact the City's schedule since the bonds will not be sold until the project is fully operational, per the development agreement.

Annual Projects

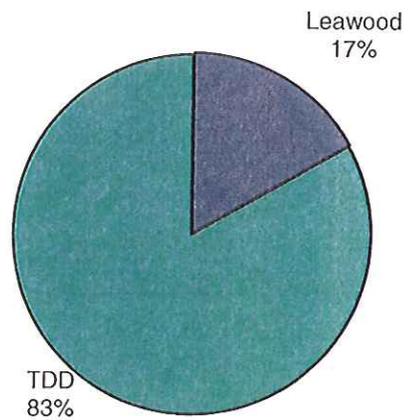
2013

80455 Park Place-aloft/Element Garage (TDD)

80550 89th & Mission Stormsewer

2 Project(s)

\$7,810,400 Total 2013 Project Cost



COMMITTED

UNCOMMITTED

Park Place-a loft/Element Garage (TDD)

2013

COMMITTED Resolution #2891 (10/15/07)

| | |
|--|-------------------------|
| Project Number: # 80455 | Design Date: 2008 |
| | Construction Date: 2013 |
| Location: Between 117th St & Town Center Drive, E of Nall | Project Life: 1 year |
| Description: Parking Structure | Bond Date: 2014 |
| | Bond Life: 22 |

Estimated Cost

| | |
|-------------------|-------------|
| Construction | \$6,350,000 |
| Stormwater | \$0 |
| Design | \$0 |
| Inspection/Survey | \$0 |
| Trails | \$0 |
| Land | \$0 |
| Landscaping | \$0 |
| ROW/Utilities | \$0 |
| Equipment | \$0 |
| Finance/Admin. | \$150,000 |
| Sub-total | \$6,500,000 |
| Inflation | 0% |
| Total | \$6,500,000 |

Funding Source

| | |
|-----------------------|-------------|
| Leawood | \$0 |
| TDD | \$6,500,000 |
| State/Federal | \$0 |
| Johnson County (CARS) | \$0 |
| Other | \$0 |
| Total | \$6,500,000 |

Note: ESTIMATED COST ONLY.

The design and construction years do not impact the City's schedule since the bonds will not be sold until the project is fully operational, per the development agreement.

89th & Mission Stormsewer

2013

UNCOMMITTED

Project Number: # 80550

Design Date: 2012

Construction Date: 2013

Location: 89th & Mission Road

Project Life: 1 year

Bond Date: 2014

Description: Replace the existing stormsewer pipe between 89th Street and 92nd Street between Mission and Mohawk.

Bond Life: 15

Estimated Cost

| | |
|-------------------|-------------|
| Construction | \$1,064,479 |
| Stormwater | \$0 |
| Design | \$30,000 |
| Inspection/Survey | \$0 |
| Trails | \$0 |
| Land | \$0 |
| Landscaping | \$0 |
| ROW/Utilities | \$0 |
| Equipment | \$0 |
| Finance/Admin. | \$45,000 |
| Sub-total | \$1,139,479 |
| Inflation | 15% |
| Total | \$1,310,400 |

Funding Source

| | |
|------------------|-------------|
| Leawood | \$1,310,400 |
| Special District | \$0 |
| State/Federal | \$0 |
| Johnson County | \$0 |
| Other | \$0 |
| Total | \$1,310,400 |

Note: ESTIMATED COST ONLY. Cost subject to change depending upon approved final design and construction bids in construction year.

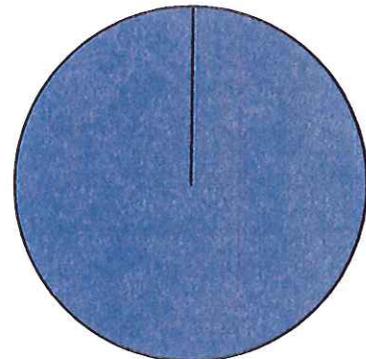
Annual Projects

2014

80214 2014 Residential Streets, Phase II-Yr 4

1 Project(s)
\$2,500,000 Total 2014 Project Cost

Leawood
100%



COMMITTED
UNCOMMITTED

2014 Residential Streets, Phase II-Yr 4

2014

COMMITTED Approval by Governing Body at 3/12/07 WSS

Project Number: # 80214

Location: Various

Description: Street Reconstruction Program

Design Date: 2013

Construction Date: 2014

Project Life: 1 year

Bond Date: 2015

Bond Life: 15

Estimated Cost

| | |
|-------------------|-------------|
| Construction | \$2,320,000 |
| Stormwater | \$0 |
| Design | \$0 |
| Inspection/Survey | \$30,000 |
| Trails | \$0 |
| Land | \$0 |
| Landscaping | \$0 |
| ROW/Utilities | \$0 |
| Equipment | \$0 |
| Finance/Admin. | \$150,000 |
| Sub-total | \$2,500,000 |
| Inflation | 0% |
| Total | \$2,500,000 |

Funding Source

| | |
|------------------|-------------|
| Leawood | \$2,500,000 |
| Special District | \$0 |
| State/Federal | \$0 |
| Johnson County | \$0 |
| Other | \$0 |
| Total | \$2,500,000 |

Note: ESTIMATED COST ONLY. Cost subject to change depending upon approved final design and construction bids in construction year.

2014 Residential Street Reconstruction Program

| Street | Length (ft) | Type of Work | PCI | Est Cost |
|--------------------------------------|-------------|-----------------------|-----|------------------|
| <u>Group 12A</u> | | | | |
| 82nd Terrace (83rd St to Wenonga) | 1,285 | | 82 | 403,758 |
| <u>Group 14A</u> | | | | |
| 92nd St (Mission Rd to Wenonga) | 2,200 | Reconstruction | 81 | 691,258 |
| 92nd Terrace (Mission Rd to Wenonga) | 1,543 | Reconstruction | 83 | 484,824 |
| 92nd Place (Mission Rd to 92nd Terr) | 1,461 | Reconstruction | 77 | 459,058 |
| <u>Group 14B</u> | | | | |
| 88th St (West of Cherokee Ln) | 140 | Road Recon (no storm) | 78 | 41,181 |
| Ensley Ct (north of 89th St) | 305 | Road Recon (no storm) | 69 | 89,717 |
| <u>Group 12B</u> | | | | |
| Wenonga (91st St to 93rd St) | 1,600 | | 84 | 502,733 |
| Irrigation/Contingency | | | | <u>75,000</u> |
| | | | | 2,747,529 |

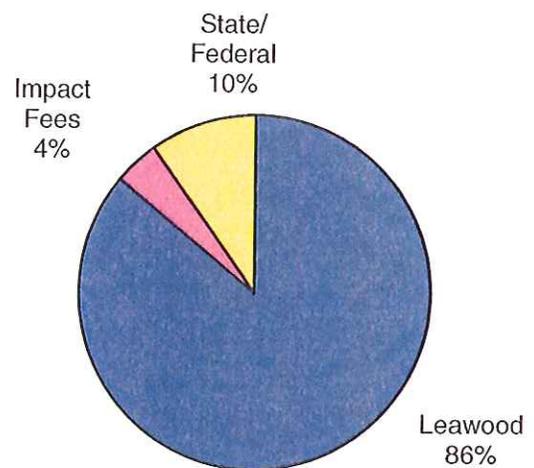
Annual Projects

2015

80162 143rd Street, Nall Ave to Mission Rd

1 Project(s)

\$15,204,891 Total 2015 Project Cost



COMMITTED
UNCOMMITTED

143rd Street, Nall to Mission

2015

COMMITTED Authorized by Resolution #1684; Amended by Resolution #2991

| | | |
|--|--------------------|---------|
| Project Number: # 80162 | Design Date: | 2007 |
| | Construction Date: | 2015 |
| Location: 143rd Street, Nall Ave to Mission Rd | Project Life: | 2 years |
| | Bond Date: | 2017 |
| Description: Improve 143rd from 2-lane ditch street to a 4-lane curb & gutter, sidewalks, street lights, storm sewers & traffic signals. | Bond Life: | 15 |

Estimated Cost

| | |
|-------------------|--------------|
| Construction | \$7,158,900 |
| Stormwater | \$0 |
| Design | \$945,000 |
| Inspection/Survey | \$560,000 |
| Trails | \$0 |
| Land | \$700,000 |
| Landscaping | \$300,000 |
| ROW/Utilities | \$1,500,000 |
| Equipment | \$0 |
| Finance/Admin. | \$1,000,013 |
| Sub-total | \$12,163,913 |
| Inflation | 25% |
| Total | \$15,204,891 |

Funding Source

| | |
|----------------|--------------|
| Leawood | \$13,074,891 |
| Impact Fees | \$630,000 |
| State/Federal | \$1,500,000 |
| Johnson County | \$0 |
| Other | \$0 |
| Total | \$15,204,891 |

Note: ESTIMATED COST ONLY. Cost subject to change depending upon approved final design and construction bids in construction year.

Capital Improvements Program

2011 - 2015

DESIRED, but UNFUNDED Projects

| Funding | Description | 2011 Priority | Project # | Desired Begin Date | Estimated City Cost * |
|---------|---|------------------|--------------|-----------------------|--------------------------|
| PAYG | Curb, Gutter & Median Repairs | | 72xxx | | Unknown |
| Unknown | Amphitheater Build-Out, Phase II <i>(Parking Spaces)</i> | | 71005 | | \$160,000 |
| PAYG | Gezer Park - Additional Improvements | | 76006 | | \$103,638 |
| PAYG | Tomahawk Creek Bank Erosion Repairs | | 76017 | | \$1,000,000 |
| PAYG | City Park Restroom/Shelterhouse | | 76016 | | \$600,000 |
| PAYG | Lawn/Landscape Improvements, N Side of City Hall | | 76023 | | \$250,000 |
| PAYG | Improvements to Roe Ave Trail Tunnel | | 76024 | | \$100,000 |
| PAYG | Portable Stage Wagon | | NA | | \$101,000 |
| Unknown | Amphitheater Build-Out, Phase III <i>(Design/Construct Restroom & Concassion, N of stage)</i> | | 71005 | | \$500,000 |
| Unknown | Amphitheater Build-Out, Phase IV <i>(Construct/Complete 3D Stage Structure; Finish Lower Level of Stage/Storage)</i> | | 71005 | | \$937,700 |
| PAYG | Leawood Town Center Fire Station | | 80156 | | \$3,757,000 |
| Unknown | Activity Center | | 80154 | | Unknown |
| | | | | | \$7,509,338 |

DESIRED projects represent items which have been submitted for consideration into the CIP, but are currently not funded and therefore have not been included in the 2011-2015 CIP plan or in the financial forecasting plan.

* These costs represent preliminary estimates from March, 2007 and DO NOT include annual inflation growth.

Capital Improvements Program

2011 - 2015

ANTICIPATED 2016 - 2019 Projects

| CIP Year | Description | Project # | Estimated Total Cost | Bond Year |
|----------|---|-----------|----------------------|-----------|
| 2016 | 2016 Residential Streets, Phase II-Yr 5 | 80216 | \$2,500,000 | 2017 |
| 2017 | 2017 Residential Streets, Phase xx-Yr x | 80217 | \$0 | 2018 |
| 2017 | 2017 Accelerated Stormwater Reconstruct | 80510 | \$600,000 | 2018 |
| 2018 | 2018 Residential Streets, Ph III-Yr 1 | 80218 | \$2,500,000 | 2019 |
| 2019 | 2019 Residential Streets, Phase xx-Yr x | 80219 | \$0 | 2020 |
| 2019 | 2019 Accelerated Stormwater Reconstruct | 80512 | \$600,000 | 2020 |
| | | | <u>\$6,200,000</u> | |

ANTICIPATED projects represent neighborhood street reconstruction and major stormwater repairs/improvements that were originally initiated using a phased financial approach. These projects are seen as necessary to address large areas of capital maintenance. The funding of these multi-year improvements are beyond the five-year planning process, but are reasonably expected to continue. Since they are funded annually, the projected mill levy does not reflect any funding to be set aside for these costs after 2015.

Capital Improvements Program

2011 - 2015

UNCOMMITTED 2016 - 2019 Projects

| CIP Year | Description | Project # | Estimated Total Cost | Estimated City Cost | Bond Year |
|-------------|--|-----------|-------------------------|------------------------|--------------|
| 2016 | 151st St, Nall Ave to E. City Limit | 80163 | \$20,930,000 | \$11,930,000 | 2017 |
| 2016 | Mission Rd, 135th to 143rd St. | 80175 | \$10,251,000 | \$6,000,000 | 2017 |
| 2017 | 143rd Street, Mission Rd to Kenneth Rd | 80129 | \$12,129,250 | \$9,749,250 | 2018 |
| 2018 | Mission Rd, 143rd to 151st St. | 80155 | \$10,000,000 | \$6,000,000 | 2019 |
| 2019 | Kenneth Rd, 143rd to S City Limits | 80102 | \$9,650,000 | \$9,650,000 | 2020 |
| | 135th St, N to 133rd & Fontana (SBD) | 80303 | \$1,600,000 | \$0 | |
| | | | \$64,560,250 | \$43,329,250 | |

UNCOMMITTED projects represent repairs/improvements where a desire or need has been identified, however, the project currently does not have an identified funding source and has not been formally agreed upon for inclusion in the CIP. These projects are shown in the CIP document, but are excluded from the financial debt ratios or mill levy projections.

Debt Service Information

Capital Improvements Program 2011 - 2015 Committed Projects

| Number | Project Description | Project Cost | Finish Date | GO Bond Issue Amt | Developer/TDD or SBD Amount | Bond Date | Bond Life |
|--------------|---|---------------------|-------------|---------------------|-----------------------------|-----------|-----------|
| # 80143 | Nall Avenue, 143rd to 159th Streets | \$19,227,400 | 2008 | \$3,805,000 | \$0 | 2010 | 15 |
| # 80208 | 2008 Residential Streets, Phase I-Yr 5 | \$2,500,000 | 2009 | \$2,120,000 | \$0 | 2010 | 15 |
| # 80209 | 2009 Residential Streets, Phase II-Yr 1 | \$1,500,000 | 2010 | \$1,335,000 | \$0 | 2010 | 15 |
| # 80210 | 2010 Residential Streets, Phase II-Yr 2 | \$2,500,000 | 2011 | \$2,375,000 | \$0 | 2010 | 15 |
| # 80400 | Traffic Signals, 128th & State Line | \$366,300 | 2008 | \$275,000 | \$0 | 2010 | 15 |
| # 80403 | 135th & Fontana Traffic Signals (SBD) | \$825,000 | 2008 | \$0 | \$716,000 | 2010 | 10 |
| # 80456 | One Nineteen (TDD) | \$4,950,000 | 2009 | \$0 | \$3,215,000 | 2010 | 22 |
| # 80196 * | Park Place (SBD) | \$4,743,322 | 2008 | \$0 | \$4,985,000 | 2010 | 15 |
| # 80197 | Villaggio Project (SBD) | \$4,500,000 | 2008 | \$0 | \$4,390,000 | 2011 | 15 |
| # 80453 | Park Place-Parking Structure #1 (TDD) | \$8,034,000 | 2008 | \$0 | \$8,034,000 | 2011 | 22 |
| # 80404 | Traffic Signal, 133rd & Roe Avenue | \$344,650 | 2011 | \$344,650 | \$0 | 2012 | 15 |
| # 80212 | 2012 Residential Streets, Phase II-Yr 3 | \$1,250,000 | 2013 | \$1,250,000 | \$0 | 2013 | 15 |
| # 80401 | Traffic Signal, College & Brookwood | \$271,294 | 2012 | \$271,294 | \$0 | 2013 | 15 |
| # 80450 | 135th St-Bury Power Lines (TDD) | \$3,375,000 | 2013 | \$0 | \$3,375,000 | 2013 | 15 |
| # 80451 | 135th St-Add Third Lane (SBD) | \$3,400,000 | 2013 | \$0 | \$3,400,000 | 2013 | 15 |
| # 80454 | Park Place-Parking Structure #2 (TDD) | \$6,966,000 | 2012 | \$0 | \$6,966,000 | 2013 | 22 |
| # 80455 | Park Place-aloft/Element Garage (TDD) | \$6,500,000 | 2013 | \$0 | \$6,500,000 | 2014 | 22 |
| # 80214 | 2014 Residential Streets, Phase II-Yr 4 | \$2,500,000 | 2014 | \$2,500,000 | \$0 | 2015 | 15 |
| TOTAL | | \$73,752,966 | | \$14,275,944 | \$41,581,000 | | |

Committed projects are those which have been approved and authorized by a resolution, a development agreement or during the annual review of the CIP with the Governing Body. During the annual review, the Governing Body will review the projects and may make changes from the prior year, provided funding is available.

* It is possible that this project could be changed from Special Benefit District (SBD) financing to Transportation Development District (TDD) financing. However, until this is finalized the project is being shown as SBD.

Uncommitted Projects

| Number | Project Description | Project Cost | Finish Date | GO Bond Issue Amt | Developer/TDD or SBD Amount | Bond Date | Bond Life |
|--------------|---------------------------|--------------------|-------------|--------------------|-----------------------------|-----------|-----------|
| # 80550 | 89th & Mission Stormsewer | \$1,310,400 | 2013 | \$1,310,400 | \$0 | 2014 | 15 |
| TOTAL | | \$1,310,400 | | \$1,310,400 | \$0 | | |

GO = General Obligation (city-at-large) Debt

SBD = Special Benefit District

TDD = Transportation Development District Debt

Debt Summary 2011 - 2015

Levy Supported - General Obligation Debt Bond Issuance Year Cost Distribution

| <u>Proj #</u> | <u>Project Description</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|---------------|---|-------------|-------------|-------------|-------------|-------------|
| # 80212 | 2012 Residential Streets, Phase II-Yr 3 | | | \$1,250,000 | | |
| # 80214 | 2014 Residential Streets, Phase II-Yr 4 | | | | | \$2,500,000 |
| # 80401 | Traffic Signal, College & Brookwood | | | \$271,294 | | |
| # 80404 | Traffic Signal, 133rd & Roe Avenue | | \$344,650 | | | |
| # 80550 | 89th & Mission Stormsewer | | | | \$1,310,400 | |
| Totals | | \$0 | \$344,650 | \$1,521,294 | \$1,310,400 | \$2,500,000 |

Non Levy Supported -Special Benefit District and Transportation Development District Debt

Bond Issuance Year Cost Distribution

| <u>Proj #</u> | <u>Project Description</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|---------------|---------------------------------------|--------------|-------------|--------------|-------------|-------------|
| # 80197 | Villaggio Project (SBD) | \$4,390,000 | | | | |
| # 80450 | 135th St-Bury Power Lines (TDD) | | | \$3,375,000 | | |
| # 80451 | 135th St-Add Third Lane (SBD) | | | \$3,400,000 | | |
| # 80453 | Park Place-Parking Structure #1 (TDD) | \$8,034,000 | | | | |
| # 80454 | Park Place-Parking Structure #2 (TDD) | | | \$6,966,000 | | |
| # 80455 | Park Place-aloft/Element Garage (TDD) | | | | \$6,500,000 | |
| Totals | | \$12,424,000 | \$0 | \$13,741,000 | \$6,500,000 | \$0 |

COMMITTED

UNCOMMITTED

DEBT SERVICE AND LEASE PAYMENTS

| | 2011 | 2012 | 2013 | 2014 | 2015 |
|---------------------------------|-----------|-----------|-----------|-----------|-----------|
| <i>Current Bond and Leases</i> | | | | | |
| General Obligation | | | | | |
| Property Tax Supported - GO | 4,970,942 | 4,588,457 | 4,528,922 | 4,068,292 | 3,838,952 |
| Special Assessments | 1,829,154 | 1,781,847 | 1,724,821 | 1,583,909 | 1,539,154 |
| Subtotal | 6,800,096 | 6,370,304 | 6,253,745 | 5,652,203 | 5,378,109 |
| Agency Debt | | | | | |
| Transportation District Debt | 175,875 | 169,675 | 168,475 | 171,900 | 164,550 |
| Subtotal | 175,875 | 169,675 | 168,475 | 171,900 | 164,550 |
| Leases | | | | | |
| Property Tax Supported - Leases | 201,092 | 201,092 | 201,092 | 0 | 0 |
| Subtotal | 201,092 | 201,092 | 201,092 | 0 | 0 |
| Revenue Bonds | | | | | |
| Subtotal | 412,400 | 190,550 | 0 | 0 | 0 |
| Subtotal | 412,400 | 190,550 | 0 | 0 | 0 |
| TOTAL Current | 7,589,464 | 6,931,621 | 6,623,312 | 5,824,103 | 5,542,659 |

*Committed Projects **

General Obligation

| | | | | | |
|-----------------------------|-----------|-----------|-----------|-----------|-----------|
| Property Tax Supported - GO | 1,156,167 | 1,123,133 | 1,131,171 | 1,278,219 | 1,238,655 |
| Special Assessments | 745,993 | 1,277,824 | 1,236,028 | 1,624,899 | 1,569,503 |

Proposed Agency Debt

| | | | | | |
|------------------------------|---------|-----------|-----------|-----------|-----------|
| Transportation District Debt | 321,429 | 1,124,652 | 1,124,652 | 2,324,536 | 2,955,830 |
|------------------------------|---------|-----------|-----------|-----------|-----------|

Proposed Future Leases

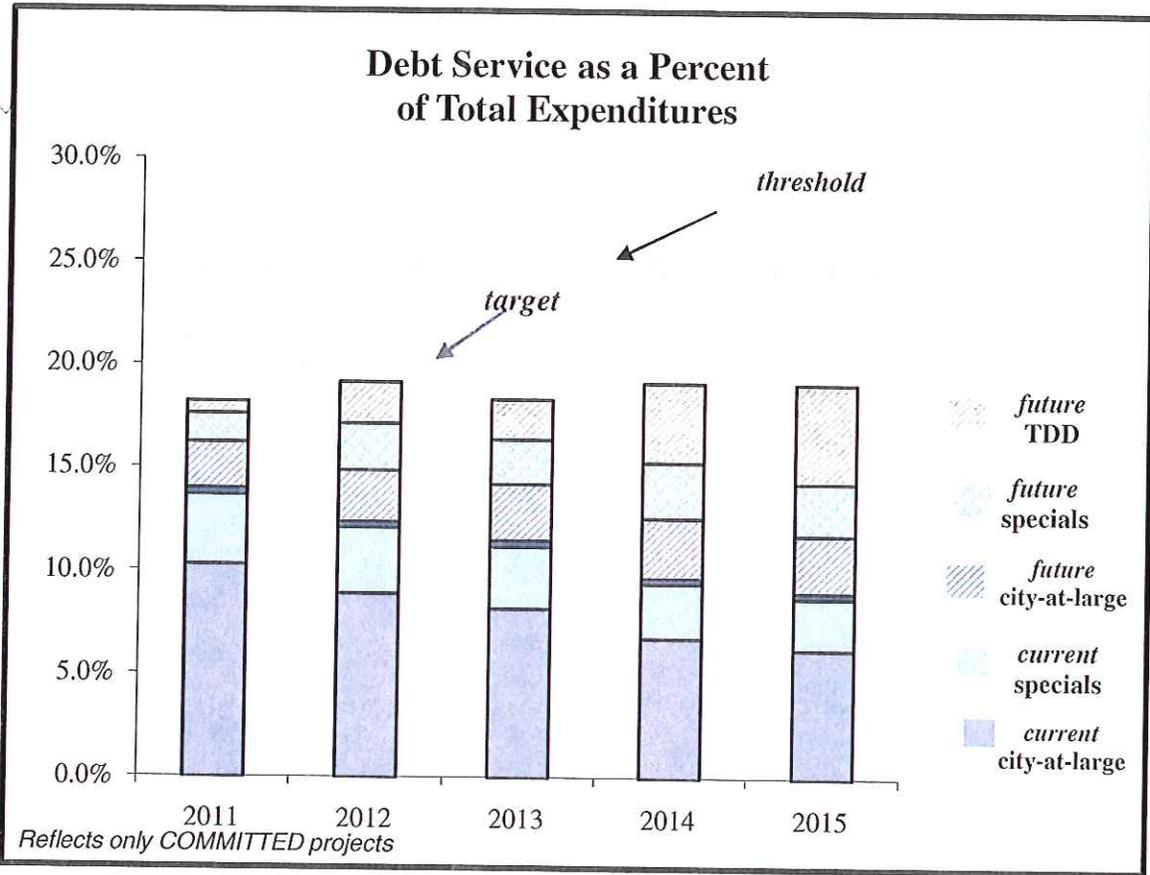
| | | | | | |
|---------------------------------|--------|---------|---------|---------|---------|
| Property Tax Supported - Leases | 63,000 | 259,831 | 456,662 | 456,662 | 456,662 |
|---------------------------------|--------|---------|---------|---------|---------|

| | | | | | |
|--------------------------|-----------|-----------|-----------|-----------|-----------|
| TOTAL Committed * | 2,286,589 | 3,785,440 | 3,948,513 | 5,684,317 | 6,220,652 |
|--------------------------|-----------|-----------|-----------|-----------|-----------|

| | | | | | |
|--------------------|------------------|-------------------|-------------------|-------------------|-------------------|
| GRAND TOTAL | 9,876,053 | 10,717,061 | 10,571,825 | 11,508,420 | 11,763,311 |
|--------------------|------------------|-------------------|-------------------|-------------------|-------------------|

**Committed projects are those which have been approved and authorized by a resolution, a development agreement or achieved consensus during the annual review of the CIP with the Governing Body. Financial ratios and benchmarks are calculated using committed projects. During the annual review, the Governing Body will review the projects and may make changes from the previous year provided funding and timing allows.*

The ratios only reflect those projects listed as COMMITTED and does not include any projects listed as:
UNCOMMITTED, ANTICIPATED or DESIRED.



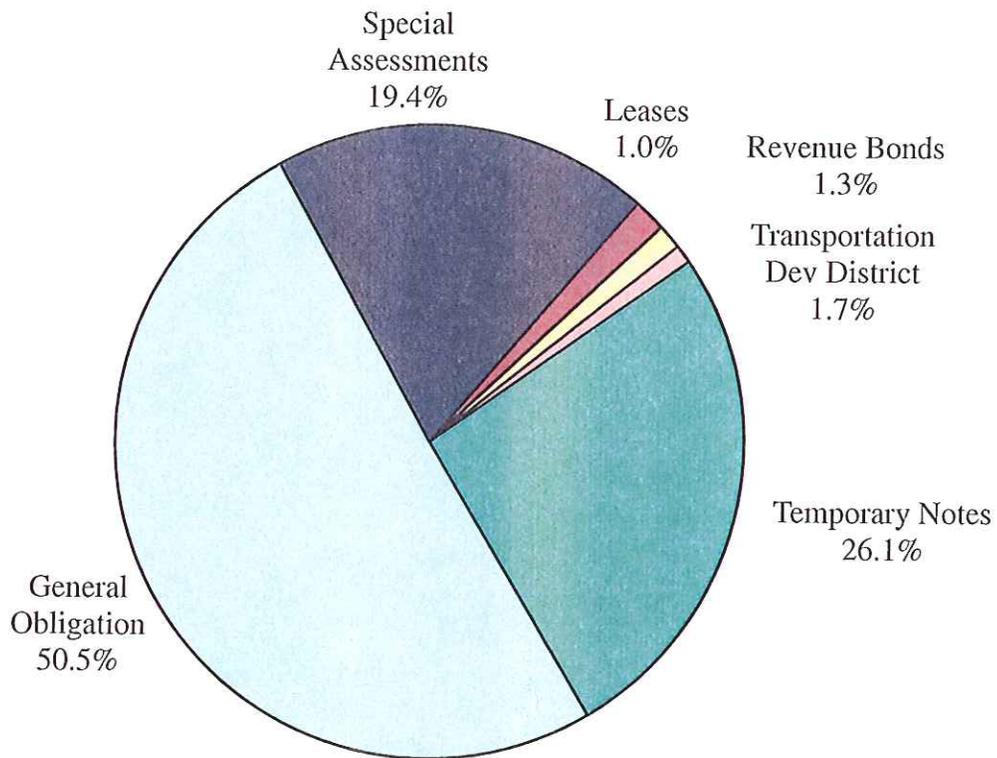
| | 2011 | 2012 | 2013 | 2014 | 2015 |
|--|--------------|--------------|--------------|--------------|--------------|
| Debt Service as a Percent of Total Expenditures | | | | | |
| <i>Current Tax-Supported:</i> | | | | | |
| City-at-Large | 10.3% | 8.9% | 8.2% | 6.8% | 6.2% |
| Special Assessments | 3.4% | 3.2% | 3.0% | 2.6% | 2.5% |
| <i>Current Agency-Supported:</i> | | | | | |
| Transportation District Debt | 0.3% | 0.3% | 0.3% | 0.3% | 0.3% |
| <i>Future Tax-Supported:</i> | | | | | |
| City-at-Large | 2.2% | 2.5% | 2.8% | 2.9% | 2.8% |
| Special Assessments | 1.4% | 2.3% | 2.1% | 2.7% | 2.6% |
| <i>Future Agency-Supported:</i> | | | | | |
| Transportation District Debt | 0.6% | 2.0% | 1.9% | 3.9% | 4.8% |
| | 18.2% | 19.1% | 18.3% | 19.2% | 19.1% |
| Threshold | 25% | 25% | 25% | 25% | 25% |
| Target | 20% | 20% | 20% | 20% | 20% |

This measurement is a key operating ratio. The graph shows the current projects and the proposed future projects by category, city-at-large, special assessment, and TDD. This ratio is projected to remain below the 20% target throughout the planning period.

According to the city's financial advisors, George K. Baum, TDD debt is not included as direct debt but is included as overlapping debt by the rating agencies, thus this threshold is maintained throughout the five-year planning period.

BONDS, NOTES, AND LEASES OUTSTANDING

| | Outstanding 12/31/2009 | Percent of Total |
|-----------------------------|---------------------------|---------------------|
| General Obligation | 38,403,000 | 50.5% |
| Special Assessments | 14,757,000 | 19.4% |
| Transportation Dev District | 1,290,000 | 1.7% |
| Revenue Bonds | 965,000 | 1.3% |
| Leases | 728,227 | 1.0% |
| Temporary Notes | 19,870,000 | 26.1% |
| TOTAL | \$76,013,227 | 100.0% |

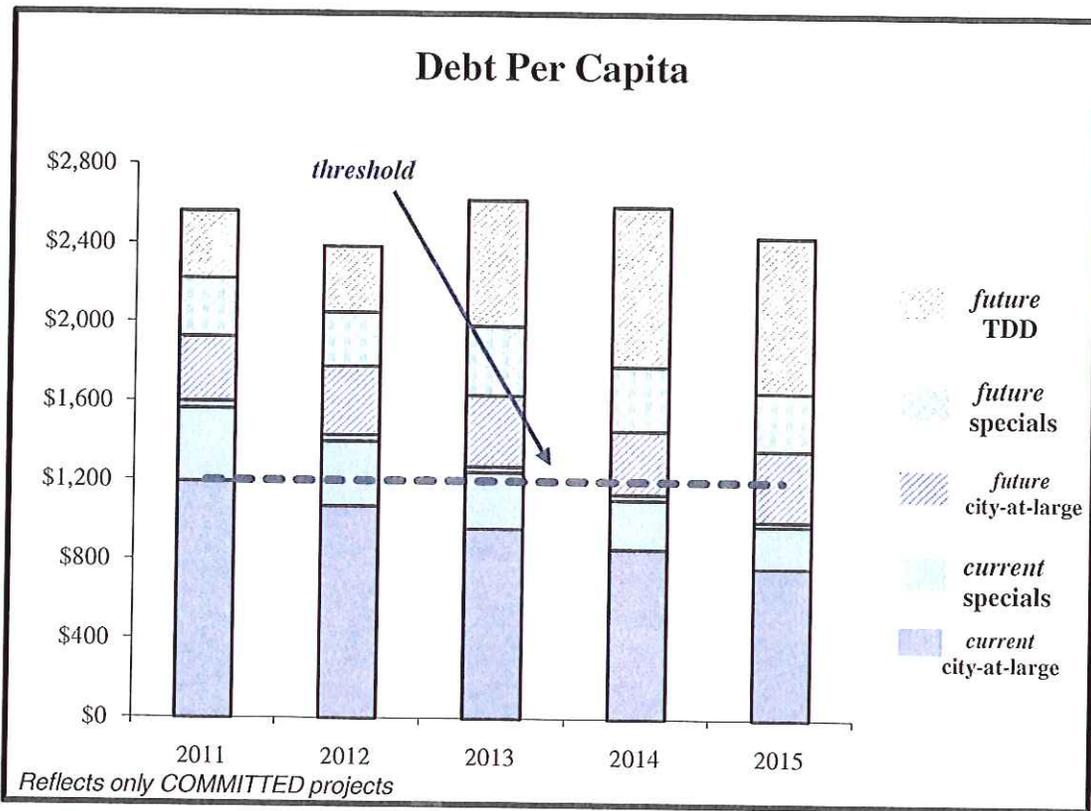


KEY DEBT MANAGEMENT RATIOS

| | ← Forecast → | | | | | |
|--|--------------|---------|---------|---------|---------|-----------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | Standard |
| Outstanding Debt per capita | | | | | | |
| Net Debt (1) | \$1,521 | \$1,419 | \$1,316 | \$1,180 | \$1,124 | < \$1,200 |
| Direct Debt (2) | \$2,185 | \$2,019 | \$1,955 | \$1,753 | \$1,630 | |
| Direct and Overlapping Debt (3) | \$5,372 | \$5,182 | \$5,406 | \$5,361 | \$5,196 | |
| Debt outstanding as a percent of full valuation of property | | | | | | |
| Net Debt (1) | 0.8% | 0.7% | 0.6% | 0.6% | 0.5% | < 1.5% |
| Direct Debt (2) | 1.2% | 1.1% | 1.0% | 0.9% | 0.8% | |
| Direct and Overlapping Debt (3) | 2.9% | 2.8% | 2.8% | 2.7% | 2.6% | |
| Total debt service as a percent of total expenditures (4) | | | | | | |
| | 18.2% | 19.1% | 18.3% | 19.2% | 19.1% | < 20% |
| Debt Service Levy (per \$1,000 of assessed value) | | | | | | |
| | 6.500 | 6.000 | 6.000 | 5.500 | 4.000 | NA |
| Debt Payout in 10 Years | | | | | | |
| Current Debt (2) | 77.65% | 79.04% | 79.56% | 77.75% | 75.19% | NA |
| Current + <i>Only</i> Committed Future Projects (2) | 49.97% | 52.52% | 61.93% | 65.46% | 67.46% | NA |
| Current + <i>ALL</i> Projects (2) | 19.72% | 23.40% | 32.32% | 37.98% | 42.42% | NA |

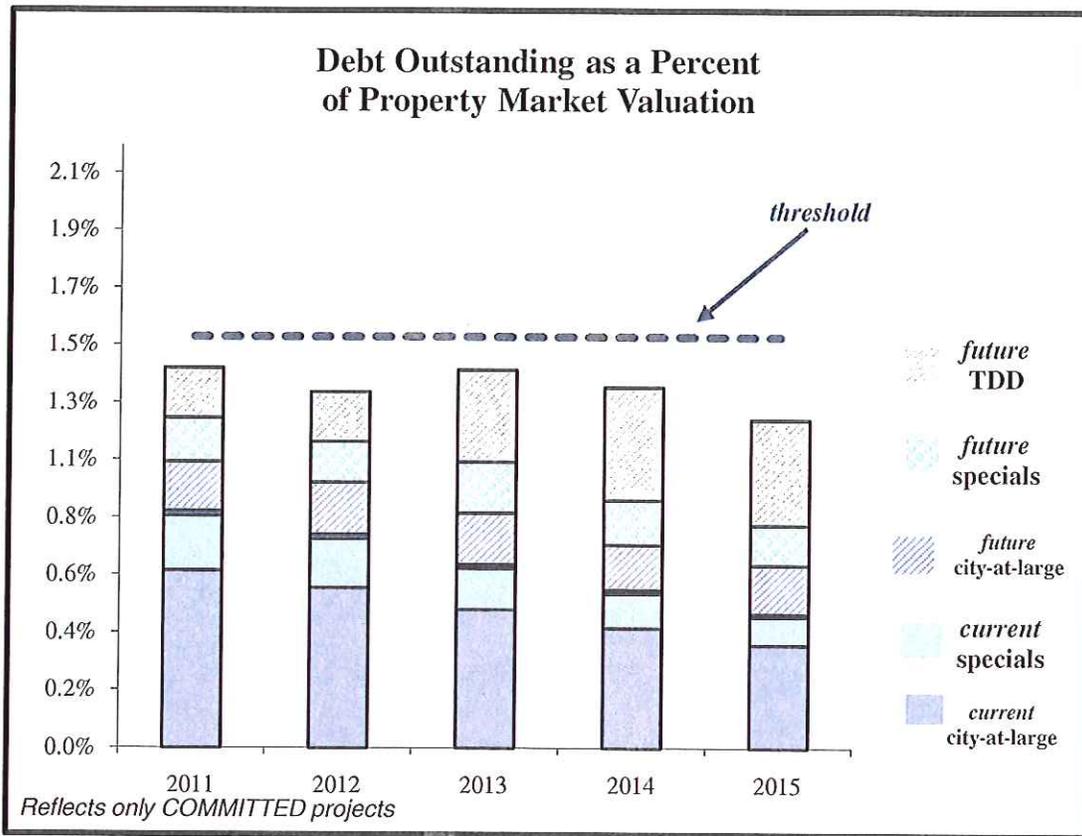
1. General Obligation debt and capital leases supported by general tax levy revenues.
2. General Obligation, Special Assessment debt and capital leases, excluding Transportation Development District debt (TDD).
3. All debt described in #2 plus Leawood's share of debt from Blue Valley & Shawnee Mission school districts, Johnson County, County Parks & Rec and Leawood's TDD debt.
4. The Target is less than 20%, not to exceed 25% in any given year.

These projections are based on the current assumptions in the City's comprehensive financial planning model.



| | 2011 | 2012 | 2013 | 2014 | 2015 |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|
| Debt Per Capita | | | | | |
| <i>Current Tax-Supported:</i> | | | | | |
| City-at-Large | \$1,193 | \$1,072 | \$957 | \$858 | \$764 |
| Special Assessments | \$369 | \$327 | \$286 | \$249 | \$212 |
| <i>Current Agency-Supported:</i> | | | | | |
| Transportation District Debt | \$35 | \$32 | \$29 | \$26 | \$23 |
| <i>Future Tax-Supported:</i> | | | | | |
| City-at-Large | \$328 | \$347 | \$359 | \$322 | \$360 |
| Special Assessments | \$295 | \$273 | \$353 | \$323 | \$294 |
| <i>Future Agency-Supported:</i> | | | | | |
| Transportation District Debt | \$341 | \$333 | \$637 | \$812 | \$786 |
| | <u>\$2,560</u> | <u>\$2,384</u> | <u>\$2,624</u> | <u>\$2,595</u> | <u>\$2,445</u> |
| Threshold | \$1,200 | \$1,200 | \$1,200 | \$1,200 | \$1,200 |

As shown in the above graph, Leawood continues to remain ahead of the debt per capita (industry average) of \$1,200 per citizen through 2015. Population is projected to increase approximately .5% annually throughout the planning period.



2011 2012 2013 2014 2015

Debt as a Percent of Full Valuation

| | | | | | |
|----------------------------------|-------------|-------------|-------------|-------------|-------------|
| <i>Current Tax-Supported:</i> | | | | | |
| City-at-Large | 0.6% | 0.6% | 0.5% | 0.4% | 0.4% |
| Special Assessments | 0.2% | 0.2% | 0.2% | 0.1% | 0.1% |
| <i>Current Agency-Supported:</i> | | | | | |
| Transportation District Debt | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| <i>Future Tax-Supported:</i> | | | | | |
| City-at-Large | 0.2% | 0.2% | 0.2% | 0.2% | 0.2% |
| Special Assessments | 0.2% | 0.1% | 0.2% | 0.2% | 0.1% |
| <i>Future Agency-Supported:</i> | | | | | |
| Transportation District Debt | 0.2% | 0.2% | 0.3% | 0.4% | 0.4% |
| | <u>1.4%</u> | <u>1.3%</u> | <u>1.4%</u> | <u>1.3%</u> | <u>1.2%</u> |
| Threshold | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% |

This measurement exceeds the industry standard of 1.5% in 2010 but lowers each year thereafter. This ratio helps buyers of city bonds determine how well a city carries its debt load when measured against property appraisal valuations.

Debt Limitation Status

| | |
|---|---------------|
| Assessed value, real and personal property, 2010 Budget | \$776,837,767 |
| Plus assessed value, motor vehicles, 2010 Budget | \$70,141,946 |
| Total assessed value, 2010 Budget | \$846,979,713 |
| New debt limitation percentage | 30% |
| 2010 debt limitation | \$254,093,914 |
| Total general obligation debt outstanding at 12/31/09 | \$53,160,000 |

Note

In 1997, the Kansas Legislature repealed K.S.A. 79-5037, the statute that had governed legal debt limits for municipalities since statewide reappraisal in 1989. Based on this action, the legal general obligation debt limit for most cities in the state, including Leawood, returned to the pre-1989 limit of 30% of equalized assessed valuation. Between 1989 and 1997, K.S.A. 79-5037 adjusted the debt limit to account for the effect of reappraisal. During this period Leawood's debt limit was approximately 15.82% of equalized assessed valuation.

Pay-As-You-Go Program

Arterial/Collector Projects

Residential Street Projects

Stormwater Projects

1/8-Cent Sales Tax Projects

Other PAYG Projects

Art Projects (APPI)

Pay-As-You-Go Capital Program

2011 - 2015

Street Improvements Fund, 13020 (Includes the Arterial Street Program and Other Street/Signal Repairs)

| 2010 Program | Proj # | Project Type | Est Cost | Funding from Other Sources | Proposed CARS Funds | Program Cost |
|--------------------------------------|--------|----------------|--------------------|----------------------------|---------------------|------------------|
| 103rd St, Mission Rd to State Line * | 72014 | Mill/Overlay | \$1,300,000 | \$1,300,000 State | \$0 | \$0 |
| Re-saw/Fill joints on 135th St * | 72027 | Cut/Seal Joint | \$440,000 | | \$220,000 | \$220,000 |
| State Line, I-435 Ramp to 119th St | 72028 | Mill/Overlay | \$500,000 | \$250,000 KC | \$125,000 | \$125,000 |
| Mission Rd, 95th-103rd Streets | 72016 | Mill/Overlay | \$702,000 | \$365,000 OP | \$249,000 | \$88,000 |
| Nall Ave, College to 119th St | 72037 | Micro-Surf | \$164,000 | \$82,000 OP | | \$82,000 |
| 95th & Mission Traffic Signals | 72038 | Traffic Signal | \$60,000 | | | \$60,000 |
| <i>Annual Total</i> | | | \$3,166,000 | \$1,997,000 | \$594,000 | \$575,000 |

| 2011 Program | Project # | Project Type | Est Cost | Funding from Other Sources | Proposed CARS Funds | Program Cost |
|-------------------------------|-----------|--------------|--------------------|----------------------------|---------------------|------------------|
| 104th Street Improvements * | 72015 | Mill/Overlay | \$175,000 | | | \$175,000 |
| Nall Ave, 119th-135th Streets | 72018 | Mill/Overlay | \$1,953,308 | \$790,809 OP | \$977,000 | \$185,499 |
| <i>Annual Total</i> | | | \$2,128,308 | \$790,809 | \$977,000 | \$360,499 |

| 2012 Program | Project # | Project Type | Est Cost | Funding from Other Sources | Proposed CARS Funds | Program Cost |
|------------------------------------|-----------|--------------|------------------|----------------------------|---------------------|------------------|
| Town Center Drive * | 72019 | Mill/Overlay | \$300,000 | | \$150,000 | \$150,000 |
| 127th St, Mission Rd to Nall Ave * | 72020 | Mill/Overlay | \$430,000 | | \$215,000 | \$215,000 |
| <i>Annual Total</i> | | | \$730,000 | \$0 | \$365,000 | \$365,000 |

| 2013 Program | Project # | Project Type | Est Cost | Funding from Other Sources | Proposed CARS Funds | Program Cost |
|--------------------------------------|-----------|--------------|--------------------|----------------------------|---------------------|------------------|
| 119th Street, Roe to State Line Rd * | 72017 | Mill/Overlay | \$608,000 | | \$304,000 | \$304,000 |
| Somerset, Mission to Belinder | 72035 | Mill/Overlay | \$1,017,000 | \$384,500 PV | \$457,500 | \$175,000 |
| <i>Annual Total</i> | | | \$1,625,000 | \$384,500 | \$761,500 | \$479,000 |

| 2014 Program | Project # | Project Type | Est Cost | Funding from Other Sources | Proposed CARS Funds | Program Cost |
|------------------------------------|-----------|--------------|--------------------|----------------------------|---------------------|------------------|
| 115th Street, Roe to Tomahawk Ck * | 72024 | Mill/Overlay | \$175,000 | | \$87,500 | \$87,500 |
| Somerset, Belinder to State Line | 72036 | Mill/Overlay | \$602,000 | \$175,500 PV | \$266,500 | \$160,000 |
| 137th Street, Roe to Nall | 72031 | Mill/Overlay | \$250,000 | | \$125,000 | \$125,000 |
| <i>Annual Total</i> | | | \$1,027,000 | \$175,500 | \$479,000 | \$372,500 |

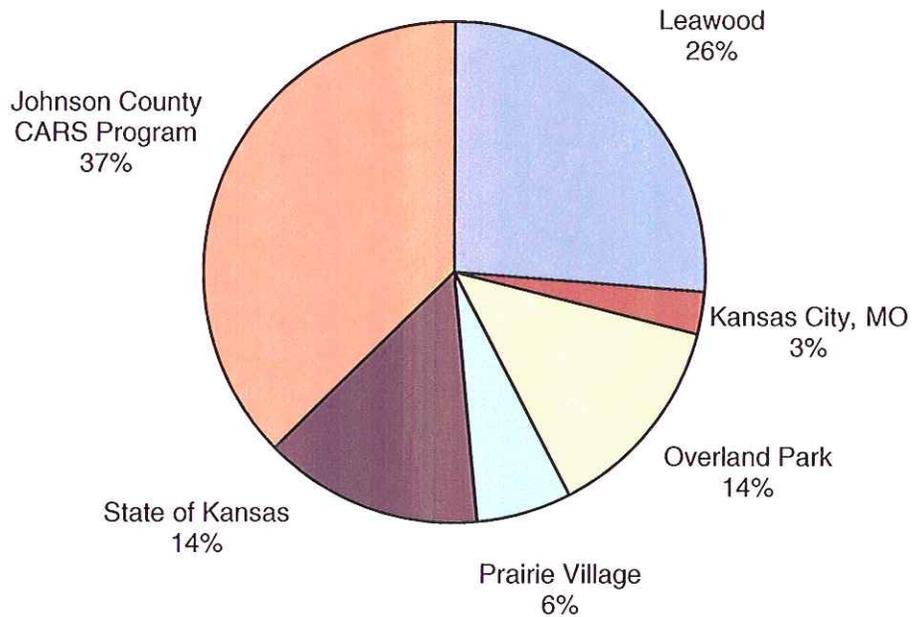
| 2015 Program | Project # | Project Type | Est Cost | Funding from Partner City | Proposed CARS Funds | Program Cost |
|--------------------------------------|-----------|--------------|------------------|---------------------------|---------------------|------------------|
| 133rd Street, State Line Rd to Roe * | 72022 | Mill/Overlay | \$525,000 | | \$262,500 | \$262,500 |
| <i>Annual Total</i> | | | \$525,000 | \$0 | \$262,500 | \$262,500 |

* Project administered by the City of Leawood

Pay-As-You-Go Capital Program 2011 - 2015

Arterial Street Program by Funding Source

| | |
|-----------------------------|---------------------|
| Leawood | \$ 2,414,499 |
| Kansas City, MO | \$ 250,000 |
| Overland Park | \$ 1,237,809 |
| Prairie Village | \$ 560,000 |
| State of Kansas | \$ 1,300,000 |
| Johnson County CARS Program | \$ 3,439,000 |
| <i>Total</i> | <u>\$ 9,201,308</u> |



Pay-As-You-Go Capital Program
2011 - 2015
Residential Street Program

A 5% inflation factor has been included each year, beginning in 2011.

2010 Program

| Project | Length | PCI | Project Type/Number | Cost |
|-----------------------|--------|-----|-------------------------|--------------------|
| Various | | | Slurry Seal - #70007 | \$450,000 |
| Various | | | Mill & Overlay - #70008 | \$800,000 |
| <i>Total for 2010</i> | | | | <i>\$1,250,000</i> |

2011 Program

| Project | Length | PCI | Project Type/Number | Cost |
|-----------------------|--------|-----|-------------------------|--------------------|
| Various | | | Slurry Seal - #70009 | \$500,000 |
| Various | | | Mill & Overlay - #70010 | \$840,000 |
| <i>Total for 2011</i> | | | | <i>\$1,340,000</i> |

2012 Program

| Project | Length | PCI | Project Type/Number | Cost |
|-----------------------|--------|-----|-------------------------|--------------------|
| Various | | | Slurry Seal - #70011 | \$525,000 |
| Various | | | Mill & Overlay - #70012 | \$882,000 |
| <i>Total for 2012</i> | | | | <i>\$1,407,000</i> |

2013 Program

| Project | Length | PCI | Project Type/Number | Cost |
|-----------------------|--------|-----|-------------------------|--------------------|
| Various | | | Slurry Seal - #70013 | \$551,250 |
| Various | | | Mill & Overlay - #70014 | \$926,100 |
| <i>Total for 2013</i> | | | | <i>\$1,477,350</i> |

2014 Program

| Project | Length | PCI | Project Type/Number | Cost |
|-----------------------|--------|-----|-------------------------|--------------------|
| Various | | | Slurry Seal - #70015 | \$578,813 |
| Various | | | Mill & Overlay - #70016 | \$972,405 |
| <i>Total for 2014</i> | | | | <i>\$1,551,218</i> |

2015 Program

| Project | Length | PCI | Project Type/Number | Cost |
|-----------------------|--------|-----|-------------------------|--------------------|
| Various | | | Slurry Seal - #70017 | \$607,753 |
| Various | | | Mill & Overlay - #70018 | \$1,021,025 |
| <i>Total for 2015</i> | | | | <i>\$1,628,778</i> |

* The Public Works Committee recommended the establishment of an annual curb, gutter and median repair program, to be funded with a mill levy increase, not to exceed one mill. At this time neither this initiative or a mill levy increase has been included in the C.I.P.

Pay-As-You-Go Capital Program

2011 - 2015

Stormwater Projects

Listed below are both SMAC and other stormwater projects, all financed with Pay-As-You-Go (PAYG) funds in the Capital Improvements Fund. A portion of the SMAC projects will be paid from other sources, i.e., county contributions, federal grants or private contributions.

| | | <i>----- Committed Projects -----</i> | | |
|---------------------------|---|---------------------------------------|---------------------------------|------------------------------------|
| <i>Project Number</i> | <i>Project Description</i> | <i>Estimated Total Cost</i> | <i>Estimated City Share</i> | <i>Status</i> |
| DB-04-19 (#73002) | Wenonga, 91st to 93rd Streets Replace the existing storm sewer that is failing and undersized. (May receive 75% SMAC reimbursement). | \$600,000 | \$150,000 | Design and Construction in 2012 |
| | | Total Cost | \$600,000 | \$150,000 |

Pay-As-You-Go Capital Program

2011 - 2015

1/8 ¢ Sales Tax Revenue

In April of 2000, the citizens of Leawood approved a 1/8-cent sales tax for improvement of City owned storm water projects as well as acceleration of the annual street improvement program. This five-year tax became effective July 1, 2000. In August 2004 voters approved, with 71% of the vote, to extend this tax for another five years until June 30, 2010. Then in August 2008, the tax was extended for an additional five years until 2015. Approximately half of the tax goes towards increasing the number of streets for rehabilitation. Listed below are the stormwater projects recommended for funding, financed by the other half of the tax collected.

| <i>Year</i> | <i>Project#/Name</i> | <i>Subdivision</i> | <i>Project Description</i> | <i>Cost</i> |
|-------------------|--|-------------------------|---|------------------|
| 2010 | #77005 -- 87th Street & Cherokee Lane | Leawood Heritage | Install pipe and inlet system to capture and convey runoff from the 10 year event. | \$440,000 |
| 2010 | #77004 -- 137th Street & Pembroke | Leawood Falls | Install pipe and inlet system to capture and convey runoff from the 10-yr event. | \$60,000 |
| 2010 | #77009 -- 14601 Delmar | Pavillions of Leawood | Extend the existing storm sewer system by approximately 200 feet. | \$66,000 |
| TOTAL 2010 | | | | \$566,000 |
| 2011 | #77006 -- 12601 Norwood | Royse | Install new storm | \$65,000 |
| TOTAL 2011 | | | | \$65,000 |
| 2012 | #77011 -- Box Culvert, 87th & Mission Rd | Within Mission Road R/W | Replace existing 13x14 box culvert that crosses Mision Rd. This will be a joint project with Prairie Village, administered by Leawood. <i>(Amount represents the total cost, but half will be reimbursed by Prairie Village).</i> | \$541,200 |
| TOTAL 2012 | | | | \$541,200 |
| 2013 | #77113 -- 2013 Accelerated Stormwater Reconstruction | | Repair failing curb inlets, junction boxes and point repairs. Some pipe will be replaced, but these will not be significant. | \$600,000 |
| TOTAL 2013 | | | | \$600,000 |
| 2014 | Currently there are no projects planned for this year. | | | |
| TOTAL 2014 | | | | \$0 |
| 2015 | #77115 -- 2015 Accelerated Stormwater Reconstruction | | Repair failing curb inlets, junction boxes and point repairs. Some pipe will be replaced, but these will not be significant. | \$600,000 |
| TOTAL 2015 | | | | \$600,000 |

This sales tax revenue generates approximately \$700,000 per year. The 1/8-Cent Sales Tax fund should begin 2010 with a fund balance around \$600,000. After the above projects are complete through 2015, it is estimated that 2015 ending fund balance will be close to \$500,000.

Pay-As-You-Go Capital Program

2011 - 2015

Other Projects

The following represents projects which have been included in the CIP for other repairs/replacements which are either for non-SMAC eligible and City owned properties. These pay-as-you-go projects are funded within the City Capital Improvements Fund, unless otherwise noted.

| <i>Year</i> | <i>Project Name</i> | <i>Project Description</i> | <i>City Project Cost</i> |
|-------------------|--|--|--------------------------|
| 2010 | #49116 -- Golf Course Maint Building Parking Lot | Replace the parking lot adjacent to the Maintenance Building to comply with NPDES. | \$300,000 |
| 2010 | #76012 -- Park Maintenance Bldg Parking Lot | Reconstruction of the parking lot to reconfigure water flow and comply with NPDES. | \$330,000 |
| 2010 | #76015 -- Public Works Building Parking Lot | Repair the parking lot to reconfigure water flow and comply with NPDES. | \$110,000 |
| 2010 | #76022 -- 2009 Accelerated Stormwater PAYG | Repair failing curb inlets, junction boxes, and point repairs. The funds will be used for storm inlet repairs, design and construction. (<i>* The final carry-forward budget will not be available until after all 2009 bills have been paid.</i>) | \$400,000 * |
| 2010 | #76019 -- Police Building, Roof Replacement | Replace the current Police Building roof. (<i>May not be necessary - contingent on the timing of the Justice Center construction & possible future use of the current Police building.</i>) | \$235,000 |
| 2010 | #49120 -- Golf Course Clubhouse Parking Lot | Replace the clubhouse parking lot and overlay Bell Drive. | \$225,000 |
| 2010 | #76018 -- Pond & Trail Improvements | Dredge N Pond/114th & Tomahawk and trail improvements, N/S College Blvd (<i>Special Parks & Recreation Fund</i>). | \$287,600 |
| 2010 | #76006 -- Gezer Park | Gezer Park amenities (<i>Special Parks & Recreation Fund</i>). | \$150,000 |
| TOTAL 2010 | | | \$2,037,600 |
| 2011 | #76008 -- Justice Center ** | Construction of a Police and Court Facility in 2012-2013, with design in 2010-2011 and bid in 2011. (<i>This initiative is funded from the Public Safety Fund.</i>) | \$16,000,000 |
| TOTAL 2011 | | | \$17,100,000 |

*** The project will be cash-financed through several sources including: sale of city-owned property; a .40 city sales tax levy; and .250% county economic development sales tax.*

Pay-As-You-Go Capital Program

2011 - 2015
Other Projects

| <i>Year</i> | <i>Project Name</i> | <i>Committed Projects</i> | <i>Project Description</i> | <i>City Project Cost</i> |
|-------------------|---|---------------------------|----------------------------|--------------------------|
| 2012 | #76025 -- Fire Station #1 Roof Replacement | ----- | Replace the current roof. | \$105,000 |
| <i>TOTAL 2012</i> | | | | <u>\$105,000</u> |

Currently there are no planned projects for 2013 through 2015.

| <i>Year</i> | <i>Project Name</i> | <i>Desired & Anticipated Projects</i> | <i>Project Description</i> | <i>City Project Cost</i> |
|--|---|---|---|--------------------------|
| TBD | #76017 -- Tomahawk Creek Bank Erosion Repairs | ----- | Engineering & trail repairs/improvements for the College trail, the N Lake trail and the E City Park trail. <i>Possible funding from the Special Parks & Recreation Fund.</i> | \$1,000,000 |
| TBD | #76006 -- Gezer Park | ----- | Additional improvements: Shade structure #2; Shade structure #3 w/retaining wall; and a Fire pit. | \$103,638 |
| TBD | #76016 -- City Park Restroom/Shelterhouse | ----- | Remove Shelters A & B, rebuild shelters and add a restroom facility. | \$600,000 |
| TBD | #76023 -- Lawn/Landscape Improvements, N Side City Hall | ----- | Repair/replace pavers, plants, trees and improvements to the small amphitheater area. | \$250,000 |
| TBD | #76021 -- Amphitheater, Ironwoods Park | ----- | Construction of a permanent stage at Ironwoods Park (<i>Phases II-IV</i>). | \$1,597,700 |
| TBD | #76024 -- Improvements to Roe Ave Trail Tunnel | ----- | Construct a new tow-wall to prevent erosion and installation of LED lights. | \$100,000 |
| TBD | #NA -- Portable Stage/Show Wagon | ----- | Purchase a stage to be used at city events and rented out to surrounding agencies. | \$101,000 |
| <i>TOTAL Desired & Uncommitted</i> | | | | <u>\$2,752,338</u> |

Pay-As-You-Go Capital Program

2011 - 2015

Art Projects

The following represent planned art projects which have been identified by the Leawood Arts Council. This committee is responsible for Leawood's Art in Public Places Initiative (APPI) which is intended to integrate many aspects of art into the Leawood community in order to create a legacy of works to be enjoyed by current and future generations. The art purchases are made from the following two funds: the City Capital Art Fund and the Public Art Impact Fee Fund. Beginning in 2007 funds were included annually in the City Capital Art Fund for art maintenance, as needed. This amount varies annually as it represents 10% of the total art value for all city-owned art. As art is added, the total art value changes.

| <i>Year</i> | <i>Project Name/Description</i> | <i>Projected Fund Source</i> | <i>Project Cost</i> |
|-------------|--|------------------------------|-------------------------|
| 2010 | #79006 -- Sculpture Garden, Site 3-Ph I | City Capital Art Fund | \$120,000 * |
| 2010 | #79005 -- Temporary Art | City Capital Art Fund | \$5,000 |
| 2010 | #79010 -- I-Lan Park Art | Public Art Impact Fee Fund | \$25,000 |
| 2010 | <i>Annual Art Maintenance</i> | <i>City Capital Art Fund</i> | <u>\$78,408</u> |
| | | <i>TOTAL 2010</i> | <i>\$228,408</i> |
| | | | |
| 2011 | #79006 -- Sculpture Garden, Site 3-Ph I | City Capital Art Fund | \$120,000 * |
| 2011 | #79010 -- I-Lan Park Art | Public Art Impact Fee Fund | \$25,000 |
| 2011 | #79005 -- Temporary Art | City Capital Art Fund | \$5,000 |
| 2011 | <i>Annual Art Maintenance</i> | <i>City Capital Art Fund</i> | <u>\$107,408</u> |
| | | <i>TOTAL 2011</i> | <i>\$257,408</i> |
| | | | |
| 2012 | #79006 -- Sculpture Garden, Site # TBD | Public Art Impact Fee Fund | \$50,000 |
| 2012 | #79005 -- Temporary Art | City Capital Art Fund | \$5,000 |
| 2012 | <i>Annual Art Maintenance</i> | <i>City Capital Art Fund</i> | <u>\$112,408</u> |
| | | <i>TOTAL 2012</i> | <i>\$167,408</i> |
| | | | |
| 2013 | #79006 -- Sculpture Garden, Site # TBD | City Capital Art Fund | \$100,000 |
| 2013 | #79004 -- Justice Center Art <i>(in conjunction w/Justice Cntr construction).</i> | City Capital Art Fund | \$75,000 |
| 2013 | #79005 -- Temporary Art | City Capital Art Fund | \$5,000 |
| 2013 | <i>Annual Art Maintenance</i> | <i>City Capital Art Fund</i> | <u>\$129,908</u> |
| | | <i>TOTAL 2013</i> | <i>\$309,908</i> |
| | | | |
| 2014 | #79006 -- Sculpture Garden, Site # TBD | Public Art Impact Fee Fund | \$50,000 |
| 2014 | #79005 -- Temporary Art | City Capital Art Fund | \$5,000 |
| 2014 | <i>Annual Art Maintenance</i> | <i>City Capital Art Fund</i> | <u>\$134,908</u> |
| | | <i>TOTAL 2014</i> | <i>\$189,908</i> |
| | | | |
| 2015 | #79006 -- Sculpture Garden, Site # TBD | City Capital Art Fund | \$100,000 |
| 2015 | #79005 -- Temporary Art | City Capital Art Fund | \$5,000 |
| 2015 | <i>Annual Art Maintenance</i> | <i>City Capital Art Fund</i> | <u>\$144,908</u> |
| | | <i>TOTAL 2015</i> | <i>\$249,908</i> |

*Future Art - Yet To Be Determined

Former Leawood City Hall Building Art

* Project cost has been increased by 20% for anticipated site preparation work.

Capital Leases

Lease Schedule 2011 - 2015

Current Lease Payments *(Principal & Interest)*

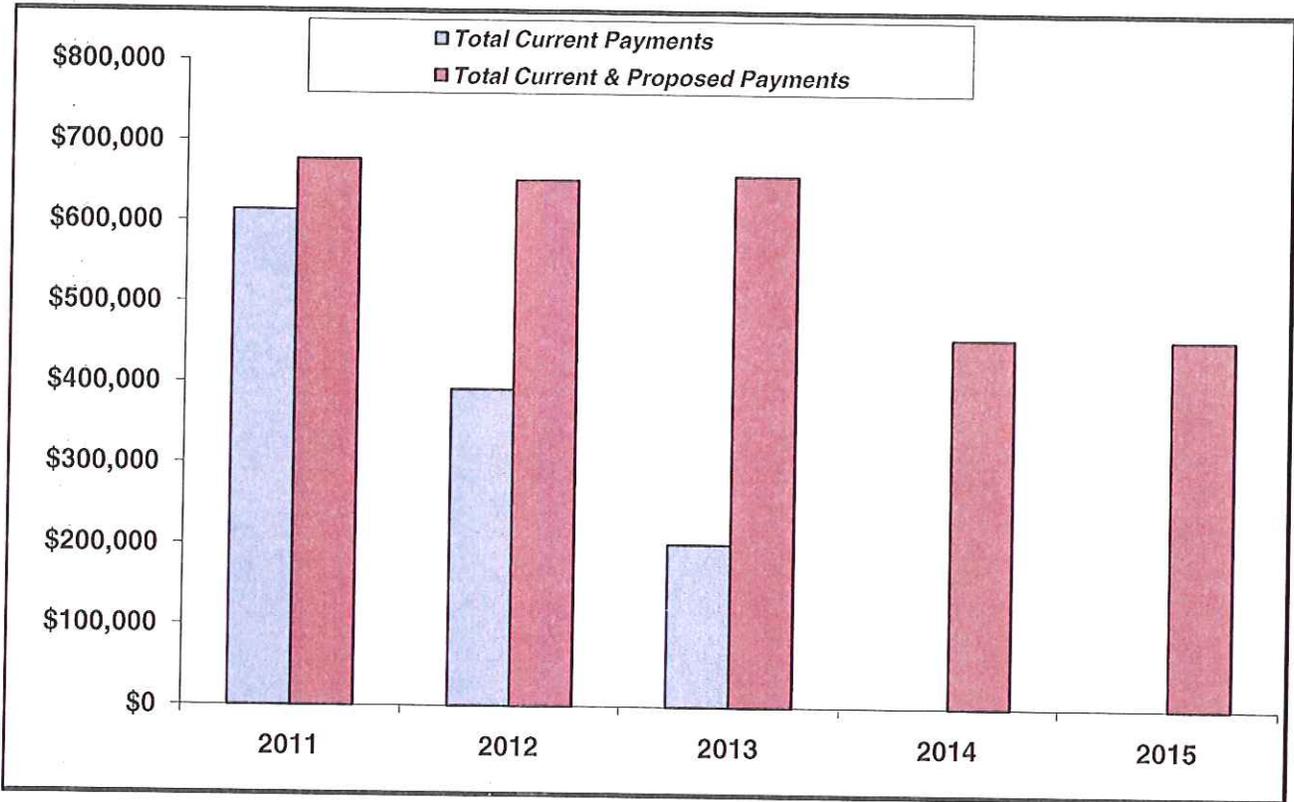
| <u>Description</u> | <u>Funding</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>Lease Ends</u> |
|-------------------------------|----------------|------------------|------------------|------------------|-------------|-------------|-----------------------|
| General/City Equipment | | | | | | | |
| Fire Units 2009 | Tax Levy | \$201,092 | \$201,092 | \$201,092 | \$0 | \$0 | 2013 |
| Leawood City Hall Bldg | Rev Bonds | \$412,400 | \$190,550 | \$0 | \$0 | \$0 | 2012 |
| Golf Carts 2006 | Tax Levy | \$0 | \$0 | \$0 | | | 2009 |
| | | \$613,492 | \$391,642 | \$201,092 | \$0 | \$0 | |

Proposed Future Lease Payments

| <u>Description</u> | <u>Funding</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>Lease Ends</u> |
|-------------------------------|----------------|------------------|------------------|------------------|------------------|------------------|-----------------------|
| General/City Equipment | | | | | | | |
| Golf Carts | Tax Levy | \$63,000 | \$63,000 | \$63,000 | \$63,000 | \$63,000 | On-Going |
| Fire Pumpers (2012) | Tax Levy | \$0 | \$196,831 | \$196,831 | \$196,831 | \$196,831 | 2019 |
| Fire Platform Truck (2013) | Tax Levy | \$0 | \$0 | \$196,831 | \$196,831 | \$196,831 | 2020 |
| | | \$63,000 | \$259,831 | \$456,662 | \$456,662 | \$456,662 | |
| | | \$676,492 | \$651,473 | \$657,754 | \$456,662 | \$456,662 | |

Lease Payments

*Current vs.
Current and Proposed*



2011 2012 2013 2014 2015

Lease Payments (Current vs. Current & Proposed)

| | | | | | |
|---------------------------------------|------------------|------------------|------------------|------------------|------------------|
| <i>Current Leases:</i> | | | | | |
| General & City Equipment | 613,492 | 391,642 | 201,092 | 0 | 0 |
| TOTAL Current Leases: | \$613,492 | \$391,642 | \$201,092 | \$0 | \$0 |
| <i>Future Leases:</i> | | | | | |
| General & City Equipment | 63,000 | 259,831 | 456,662 | 456,662 | 456,662 |
| TOTAL Current/Proposed Leases: | \$676,492 | \$651,473 | \$657,754 | \$456,662 | \$456,662 |
| Proposed Annual Increase | 10.3% | 66.3% | 227.1% | 100.0% | 200.0% |

Appendices

Resolution No. 1317 – Commercial Tax Increment Financed Projects, 1996

A RESOLUTION ESTABLISHING A POLICY FOR CONSIDERING AND APPROVING COMMERCIAL TAX INCREMENT FINANCED PROJECTS.

WHEREAS, the Governing Body is responsible for encouraging and promoting the economic health of the City; and

WHEREAS, the Governing Body is authorized by Kansas law (K.S.A. 12-1770 et seq.) to issue special obligation bonds for the financing of redevelopment projects; and

WHEREAS, the consideration and approval of tax increment financed projects is a complex legal and administrative matter requiring clear direction for the Governing Body;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF LEAWOOD, KANSAS, THAT:

SECTION 1. COMMERCIAL TAX INCREMENT FINANCING POLICY

It shall be the policy of the City to consider requests from qualified applicants to approve tax increment financing for purposes allowed by law and to approve such financing when, in the opinion of the Governing Body, it is in the best interest of the City to do so, and providing that the proposed use and applicant meet the criteria set forth in this policy.

This policy authorizes the City to issue special obligation bonds for the financing of redevelopment projects. Any tax increment as defined by K.S.A. 12-1770 et seq. resulting from a redevelopment district undertaken in accordance with this policy shall be apportioned to a special fund for the payment of the cost of redevelopment project, including the payment of principal and interest on said special obligation bonds.

Any financial risk involved in a tax increment financed project authorized under this policy will be the sole responsibility of the applicant, not the City of Leawood. No general obligations of the City, including full faith and credit tax increment bonds authorized under K.S.A. 12-1770 et seq., shall be considered as part of this policy.

SECTION 2. TAX INCREMENT FINANCING OBJECTIVES.

In reviewing requests to approve commercial tax increment financed projects, the Governing Body shall be guided by whether such a project will substantially meet the challenges outlined within the City of Leawood's Economic Development Strategic Plan, including:

- a) Preserve the City's unique character and distinctive atmosphere
- b) Insure the diversity of the City's economic base
- c) Lessen the City's dependence on property tax as a revenue source
- d) Revitalize the City's existing business climate

SECTION 3. REVIEW CRITERIA

The following criteria will be used by the Governing Body to judge the desirability and feasibility of proposals:

- a) Tax increment financing will be discouraged when the effect would be to grant the applicant an unfair advantage within the local market structure.
- b) Consideration will be given to projects that promote Leawood as a center for major local, regional and national firms.
- c) The proposed use must be in keeping with the character of Leawood, complementing the City's high standards and quality of life, non-polluting and consistent with all planning and development requirements, policies, ordinances and codes.
- d) The proposed use must have a positive impact on the community and not threaten public facilities, streets or other public improvements.
- e) Consideration will be given to redevelopment projects in areas zoned CP-1, CP-2 and/or PI. Proposed projects must promote property investment and urban renewal within existing commercial developments.

SECTION 4. APPROVAL CONDITIONS

Prior to the approval of tax increment financing, the Governing Body must be satisfied that the objectives and criteria for review established in the policy have been met.

Further, all proposals shall be subject to the following conditions:

- a) The proceeds of special obligation bonds issued under this policy may be used implement the redevelopment plan as outlined in the K.S.A. 12-1773(b) and amendments thereto. As defined by law, none of the proceeds from the sale of such bonds that shall be used for the construction of buildings or other structures to be owned by the applicant.
- b) Any special obligation bond issued under this policy will utilize a maturity schedule payable over a period as short as financially practical.
- c) With regard to any special obligation bond issued under this policy, if the bond is offered to the public, an investment grade rating must be assigned to the issue; if the bond is privately placed, it may be issued without a rating, but must be sold to an accredited investor as that term is defined by securities industry standards.
- d) As outlined in K.S.A. 12-1774, should the City issue a special obligation bond to finance the undertaking of a redevelopment project in accordance with state law and this policy, such special obligation bonds shall be made payable, both as to principal and interest, from:
 - i.) Property tax increment allocated to and paid into a special fund of the city;

- ii.) Revenues of the City derived from or held in connection with the undertaking and carrying out the redevelopment project;
 - iii.) Any private sources, contributions or financial assistance from the state or federal government;
 - iv.) A pledge of a portion or all increased revenue received by the city from franchise fees collected from utilities and other businesses using public right-of-way within the development district;
 - v.) A pledge or portion or all of the revenue received by the City from sales taxes;
 - vi.) Or any combination of these methods.
- e) Should the annual increment fall short of the amount necessary to pay the principal and interest of the special obligation bonds issued under this policy, the remaining amount payable is the responsibility of the applicant, not the City.
 - f) Annual monitoring to insure that the criteria for review established in this policy continue to be met will be required. Should monitoring indicate that the criteria established in this policy are not being met, the tax increment financing of the project will default and the repayment of the special obligation bond will become the responsibility of the applicant.
 - g) The applicant shall pay to the Leawood Economic Development Council an economic development fee equal to ten percent (10%) of the tax increment for the first two years of the TIF project.

Said fee will be required in lieu of a performance bond to insure the successfulness of the project. Should the developer cease to operate and/or abandon the project, said funds will be used to assist in redeveloping the property.

- h) The applicant must agree to and reimburse the City for all costs related to the issuing of the bond, including any legal, financial or administrative research, any costs related to the feasibility study required by Kansas law, and work done in reviewing the proposal, writing the leases or other necessary documents and researching the qualification and financial soundness of the proposal and application, as well as any costs associated with presentation of the notice of bond also with the Kansas Board of Tax Appeals are required by law. The city's Bond Counsel will prepare related documents. The city or its designee will perform a financial evaluation of the application.
- i) The applicant shall comply with all laws of the City as well as zoning and building regulations.
- j) The City will request a Sales Tax Exemption Certificate for the project under conditions established by the State of Kansas.

- k) The Resolution of Internet shall be effective for a period of one year from the date of issue. An extension may be granted by the Governing Body. The Applicant is responsible for all related costs if the bonds are not issued.
- l) An application for a tax increment financed project must be submitted at least twenty (20) days in advance of the Governing Body's consideration of such proposal.

SECTION 5. AUTHORITY OF GOVERNING BODY.

The Governing Body, by its inherent authority, reserves the right to reject any tax increment financing proposal when it considers such action to be in the best interest of the City.

Passed by the Governing Body this, the 5th day of August, 1996.

Approved by the Mayor this, the 5th day of August 1996.

(SEAL)

/S/ Marcia Rinehart
Marcia Rinehart, Mayor

Attest:

/S/ Martha Heizer
Martha Heizer, City Clerk

Special Benefit District Assessment Policy

OBJECTIVES

- To provide for public improvements such as streets, stormwater management, etc., associated with the real estate development within the City through the use of Special Benefit District Assessment financing for projects with 100% of the property owners requesting the district to be formed.
- To provide adequate assurance to the City for the repayment of bonds from benefit district property.

SCOPE

Property owner or developer wishing to seek financial help from the City to develop within the City.

PROVISIONS

Following Governing Body approval of the Final Development Plan for a proposed project, the City of Leawood may facilitate new development by providing for the installation of public improvements upon submission of a valid petition (approved by City staff) of the requisite property owners, the required financial commitment, and acceptance by the Governing Body as required by law. Said commitment is considered to be provided whenever the City has been furnished by all requisite property owners with a financial guarantee (irrevocable Letter of Credit in such form and by such issuer to be acceptable to the City) equal to 35% of the estimated total cost of the improvements in the Benefit District or equal to five [5] years of estimated principal and interest payments, whichever is greater of the long term debt issued under K.S.A. § 12-6(a)01 et seq.

The acceptance of Letters of Credit will be that the issuing Bank for a Letter of Credit must be rated with at least three stars by Bankrate.com. The Letter of Credit must then be confirmed from the Federal Home Loan Bank of either Kansas or Missouri.

The required funding or financial guarantee shall be provided prior to the City approving any benefit district by resolution of intent or by resolution authorizing the improvement. At the time the bonds are issued, if the actual cost is less than the estimated cost, then the financial guarantee may be reduced accordingly. The financial guarantee shall be applied annually to satisfy the principal and interest costs of bonded public improvements of the District should any applicable special assessments not be paid when due.

The financial guarantee may be released upon request of the developer when certificates of occupancy are issued for at least 35% of the square footage of the most recent final development plan approved by the City Council. The City Council, by resolution, may release or reduce the funding or financial guarantee after five [5] consecutive years of timely payments of all property taxes and/or special assessments imposed within the approved Benefit District.

Special Benefit District Assessment financing will not be approved if the petitioner(s) has a financial interest in an existing development that has delinquent property taxes and/or special assessments.

Installation of public improvements with special assessment financing may be authorized by the Governing Body without a financial commitment when deemed to be in the public interest and when one or more of the following conditions exist:

1. Improvements are ordered by resolution of the Governing Body.
2. The majority of land in the Benefit District is in public ownership.
3. The Benefit District is in multiple ownership and a majority of the land therein is developed with residences or other municipal buildings.

Pursuant to the City's Debt Policy, the Special Benefit District Debt will be financed with a 10-year level payment amortization term, however, upon approval by the Governing Body, Benefit District debt may be extended up to a 15-year term.

In general, all public improvement projects associated with any approved Special Benefit District [SBD] will be bid by the Public Works Department and administered by the City.

If a funding or financial guarantee must be drawn upon to pay any delinquent special assessment(s), then such amount drawn will be applied to any parcel(s) in the approved Benefit District that have not made a timely payment, in accordance with the Johnson County Treasurer's Office. If the funding or financial guarantee amount is insufficient to cover the total delinquencies in the approved Benefit District, then the amount will be applied on a prorated basis and recertified to the County.

PROCEDURES

Petition form and petition instruction are attached hereto and made a part of the Policy Statement.

RESPONSIBILITY FOR ENFORCEMENT

The City Administrator shall be responsible to the Governing Body for the enforcement of the Special Assessment Policy. The Finance Director shall assist in the implementation of this Policy.

Please contact the City Clerk's Office to obtain the revised Petition Forms.

REFERENCES

Adopted by Resolution No. 694 [03-18-1985]
Revised by Resolution No. 1518 [04-03-2000]
Revised by Resolution No. 1615 [06-18-2001]
Revised by Resolution No. 2072 [09-02-2003]
Revised by Resolution No. 2222 [05-03-2004]
Revised by Resolution No. 2299 [10-18-2004]
Revised by Resolution No. 3257 [09-08-2009]

Resolution No. 598- Industrial Revenue Bonds (1982)

A RESOLUTION ESTABLISHING A POLICY FOR CONSIDERING AND ISSUING INDUSTRIAL REVENUE BONDS.

WHEREAS, the Governing Body is responsible for encouraging and promoting the economic health of the City; and

WHEREAS, the Governing Body is authorized by Kansas law to issue industrial revenue bonds to further that objective; and

WHEREAS, the consideration and issuance of industrial revenue bonds is a complex legal and administrative matter requiring clear direction from the Governing Body.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF LEAWOOD, KANSAS, THAT:

SECTION 1. INDUSTRIAL REVENUE BOND POLICY. It shall be the policy of the City to consider requests from qualified applicants to issue Industrial revenue bonds for purposes allowed by law and to issue such bonds when, in the opinion of the Governing Body, it is in the best Interest of the City to do so, and providing that the proposed use and applicant therefore meet the criteria set forth In this policy.

SECTION 2. INDUSTRIAL REVENUE BOND OBJECTIVES. In reviewing requests to issue industrial revenue bonds, the Governing Body shall be guided by whether such an issue would help the City achieve the following objectives:

- a. Attract firms and businesses, which will substantially enhance the economic climate of the City and increase or maintain the job market therein.
- b. Promote Leawood as a center for-Institutional or Corporate Headquarters and Regional Offices for major local, regional, and national firms.

SECTION 3. REVIEW CRITERIA. The following criteria will be used by the Governing Body to judge the desirability and feasibility of proposals:

- a. Industrial revenue bonds will be discouraged when the effect would be to grant the applicant an unfair advantage within the local market structure.
- b. Consideration will be given to proposals for the construction or rejuvenation of shopping center developments, but will not be given to Individual retail establishments.
- c. The proposed use must be clean, in keeping with the character of Leawood, non-polluting, and consistent with all planning and community development policies, ordinances, and codes.
- d. The proposed use must have a positive Impact on the community and not threaten public facilities, streets, or other public Improvements.

- e. The applicant must have a sound financial base Indicated by a Dun and Bradstreet rating or other Index of financial strength, and show that the bonds will be marketable either by producing evidence that they will be underwritten by a registered securities dealer or will be sold in a private sale.

SECTION 4. APPROVAL. CONDITIONS. Prior to approval for issuance of industrial revenue bonds, the Governing Body must be satisfied that the objectives and criteria for review established in this policy have been met. Further, all proposals approved shall be subject to the following conditions:

- a. There will be no tax abatement during the term of the bonds. The project is subject to all appropriate property tax levies during the term of the bonds. Lessee shall agree to pay all utility connections, user and service charges.
- b. The applicant shall pay to the City at the prescribed time a service fee of \$1,500 per million dollars of Issue or \$1,500, whichever is greater, the first year of the issue and \$1,500 per year for the remaining years of the repayment period to cover administration and other City costs. Such service fee shall be In addition to any payment by the applicant to reimburse the City for costs associated with the review of the proposal as outlined in Section 4(g).
- c. Industrial revenue bonds may be used to finance the purchase of land, land improvements, and production related machinery and/or equipment with an asset life span at least equal to the term of the lease. Industrial revenue bonds will not be used to finance the purchase of personal property, except production related machinery and/or equipment, as defined in K.S.A. 79—102, as amended.
- d. The City will carefully examine the bond repayment schedule and will require that the applicant have at least 20 percent unreserved equity in the project. Equity participation does not include professional or consulting fees.
- e. Industrial revenue bonds will not be used to refinance existing debt. This does not include the payment of an existing mortgage on real estate In order to purchase it for the proposed project.
- f. The applicant must occupy 80 percent of the facility's usable floor area unless specific arrangements to the contrary are approved by the Governing Body. Such arrangements would include commitments to purchase or lease space. For applications involving two or more applicants, one of the applicants must occupy 80 percent of the facility's usable floor area.
- g. The applicant must agree to and reimburse the City for costs of any legal, financial, or administrative research or work done in reviewing the proposal, writing the leases and other necessary legal documents, and researching the qualification and financial soundness of the proposal and applicant, as well as any costs associated with presentation of the notice of bond sale with the Kansas Board of Tax Appeals as required by law. The City bond counsel will prepare related documents. The City or its designee will perform a financial evaluation of the applicant.

- h. The applicant agrees to immediate annexation of the property involved if it is not within the City's corporate limits. In addition, the applicant shall comply with all laws of the City zoning and building regulations.
- i. The City will request a Sales Tax Exemption Certificate for the project under conditions established by the State of Kansas.
- j. The Resolution of Intent shall be effective for a period of one year from date of issue. An extension may be granted by the Governing Body. The applicant is responsible for all related costs if the bonds are not issued.
- k. An Industrial revenue bond application must be submitted at least twenty (20) days in advance of the Governing Body's consideration of any such proposal.

SECTION 5. AUTHORITY OF GOVERNING BODY. The Governing Body, by its inherent authority, reserves the right to reject any proposal for issuance of industrial revenue bonds when it considers such action to be in the best interest of the City.

Adopted this 7th.day of September 1982.



Kent E. Crispin Mayor

ATTEST:

/S/ J. Oberlander
J. Oberlander, City Clerk

APPROVED AS TO FORM:

/S/ Larry Winn, III
Larry Winn, III, City Attorney

II. NATURE OF IMPROVEMENTS

Industrial revenue bonds may be used to finance the purchase of land, land Improvements, and production related machinery and/or equipment with an asset life span at least equal to the term of the lease. Industrial revenue bonds will not be used to finance the purchase of personal property, except production related machinery and/or equipment, as defined in K.S.A. 79—102, as amended.

1. Amount requested for purchase of land: \$ _____
2. Amount requested for land Improvements (bldgs.) \$ _____
3. Amount requested for machinery and equipment _____
4. Is the proposed project an expansion or replacement of another existing facility? _____
5. Is the applicant presently located in the City of Leawood? _____

III. PROPOSED USE

1. Location of proposed facility _____
2. Current zoning district of proposed location _____
3. What business is proposed by the applicant? _____
4. List products or services to be rendered

5. Will the applicant be in direct competition with other local firms? _____
6. The applicant must occupy 80 percent of the facility's usable floor space unless specific arrangements to the contrary are approved by the Governing Body. Such arrangements would include commitments to purchase or lease space. For application involving two or more applicants, one of the applicants must occupy 80 percent of the facility's usable floor space. What percent of usable floor space will be occupied by the applicant?

Remarks:

IV. OWNERSHIP AND MANAGEMENT

1. Describe the organizational structure of the firm (proprietorship, partnership, subsidiary, corporation, etc.)

Note relationship to parent company _____

V. FINANCIAL RESPONSIBILITY

1. How many years has the applicant been in business?
 2. What is the equity the proposed applicant is to have in the project?
 3. Describe the form of the equity: _____
 4. What is the applicant firm's Dun & Bradstreet rating? _____
 5. Will the applicant pledge any other assets to secure the revenue bonds? if so, please explain: _____
-

VI. MEASURE OF ECONOMIC GROWTH AND BENEFIT

1. What percentage of sales will be sold locally? _____
2. What is the estimated amount of merchandise and services purchased locally, per year?

3. How many people will the project employ? _____

VII. GENERAL CONDITIONS

The following conditions are understood and agreed to pursuant to Resolution No. 598.

1. There will be no tax abatement during the term of the bonds. The property is subject to all appropriate property tax levies during the term of the bonds. Lessee shall agree to pay all utility connections, user and service charges.
2. The applicant shall pay to the City at the prescribed time a service fee of \$1,500 per million dollars of issue or \$1,500, whichever is greater, the first year of the Issue and \$1,500 per year for the remaining years of the repayment period to cover administration and other City costs. Such service fee shall be in addition to any payment by the applicant to reimburse the City for costs associated with the review of the proposal.
3. Industrial revenue bonds will not be used to refinance existing debt. This does not include the payment of an existing mortgage on real estate in order to purchase it for the proposed project.
4. The applicant must agree to and reimburse the City for the cost of any legal, financial, or administrative research or work done in reviewing the proposal, writing the leases and other necessary legal documents and researching the qualifications and financial soundness of the proposal and applicant as well as any costs associated with presentation of the notice of bond sale with the Kansas Securities Commissioner as

required by law. The City bond counsel will perform a financial evaluation of the applicant.

5. The applicant agrees to immediate annexation of the property Involved If It is not within the City's corporate limits. In addition, the applicant shall comply with all laws of the City and all requirements established by the City as stated in zoning and building regulations.
6. The City will request a Sales Tax Exemption Certificate for the project under conditions established by the State of Kansas.
7. The Resolution of Intent shall be effective for a period of one year from date of Issue. An extension may be granted by the Governing Body. The applicant is responsible for all related costs if the bonds are not issued.

VIII. REVIEW PROCESS

1. In order to facilitate the timely processing of the application, please attach as part of the proposal the following Items:
 - a. Copy of the firm's financial audits for the past two years.
 - b. Firm's most recent annual financial report.
 - c. Interim financial statements, to date, for the current fiscal year.
2. An Industrial revenue bond application must be submitted at least twenty (20) days in advance of the Governing Body's consideration of any proposal.

Signature

Title

Date