

CHAPTER 12

PLAN IMPLEMENTATION

Implementation Methods . . .

When properly implemented, a comprehensive development plan can become a strong motivating force to guide policy making decisions in both the public and private sector. The merits of the proposals within the plan itself can become a means of encouragement and provide ideas toward the accomplishments of the planning goals. Using a plan as a tool of leadership is often an effective method to achieve results. A plan remains just a concept unless it is implemented by some effective means which of necessity involves a conscious, collective effort. Methods are provided in this chapter for implementing this Comprehensive Development Plan by governmental and administrative policies, community involvement, adoption of regulations and codes, grant programs, intergovernmental cooperation, annexations, leadership, economic development efforts, capital improvement programming, and other techniques.

After a public hearing and adoption of this Plan document by the McPherson City Planning Commission and approval from the City Commission by ordinance, it should be continually studied to determine the best methods for implementing the goals and proposals. Probably the most important ingredient of all the methods is the kind of working relationship which is established between governmental agencies, private organizations, potential developers and citizens to achieve a desired community goal. Determining who is to carry out specific proposals is also extremely important because in community-wide endeavors, "everybody's business" can easily become "nobody's business" and nothing gets accomplished. The organizational and leadership effort involved becomes the key to successful implementation of the Plan.

Planning Commission . . .

The McPherson City Planning Commission was initially created by Ordinance No. 691 adopted on September 17, 1928. The Planning Commission was reestablished by Ordinance No. 2483 effective May 1, 1995, to reflect the recodification of state statutes under K.S.A. 12-741, *et seq.* A revised Ordinance No. 2483 adopted on May 8, 1995, also reduced the number of members from 11 to nine. A new set of bylaws was adopted by the Planning Commission as required by the new statutes and approved by the City Commission. With the consent of the Commission, the Mayor appoints the nine planning commission members including two persons, as required by state statutes, from outside but within three miles of the city limits. Members serve three-year staggered terms. Meetings are held monthly at the Municipal Center.

The Planning Commission's major responsibility as the "authorized" agency under state statutes is to prepare, adopt and maintain the Comprehensive Plan. It should also be available to undertake various responsibilities in implementing the Plan, some of which are described below:

- ◆ Reviewing the Plan annually as required by state statutes and reporting its status to the City Commission. Such annual reviews may result in minor changes in the Plan with a major review conducted when conditions warrant.
- ◆ Preparing, adopting and maintaining Zoning Regulations for the city, by way of holding public hearings and making recommendations to the City Commission.
- ◆ Preparing, adopting, administering and maintaining Subdivision Regulations for the city, and an extraterritorial jurisdiction, to assist the City Commission and developers in the design and improvements necessary for proper land development.
- ◆ Reviewing potential annexations and vacations of rights-of-way and easements for recommendations to the City Commission.
- ◆ Undertaking neighborhood or project plans to provide more detailed data for new areas or rehabilitating older areas or for special projects in the Planning Area.
- ◆ Reviewing improvement projects as proposed by the City and other organizations and making recommendations as to their conformance to the Plan.
- ◆ Assisting the City Commission on special planning projects including economic development efforts, capital improvement programming and grant applications.
- ◆ Establishing a convenient reference library of local plans, regulations, information, maps and policy statements readily accessible to officials, citizens and potential developers.
- ◆ Maintaining a working relationship to implement plans with public and private organizations at the city, county, regional, state and federal levels of government.

Community Involvement . . .

An essential ingredient of the planning process is the involvement of not only officials, but of individuals and groups of citizens, civic organizations and potential developers. Their participation should go beyond simply informing the public of planning activities. Avenues should be provided which encourage feedback from people so as to communicate their desires as to the kind of community in which they want to live. Since plans and their implementation affect people and their property, it is extremely important that the planning process be conducted within an open democratic framework.

The involvement of people to achieve an input and understanding of the planning proposals can be accomplished by the Planning Commission in many ways. Some examples are:

- ◆ Conducting business and hearings in open meetings for which notice has been adequately given, agendas provided, minutes taken and an opportunity made available for the public to voice their opinions and contribute their ideas.

- ◆ Involving the residents of an area when preparing plans and considering regulatory decisions which affect them.
- ◆ Appointing ad hoc committees of residents as needed to study and make recommendations on specific plans or proposed regulations.
- ◆ Arranging for liaison representation or periodic communications to and/or from organizations related to the implementation of Plan proposals, especially the City Commission, County Commission, McPherson Unified School District #418, the McPherson County Planning Commission, and various city staff.
- ◆ Scheduling meetings of public officials and leaders of community organizations to receive comments on the city's planning activities and to report back to their members.
- ◆ Keeping the public informed on planning matters.
- ◆ Distributing information regularly to the news media and encouraging them to attend and report on meetings.
- ◆ Making local officials as well as outside resource technicians available to community organizations on planning matters.
- ◆ Printing plans, reports, maps and regulations in sufficient quantity so that they can be adequately circulated for review and later available to the public in final format. Also, making these documents available in electronic format on the city website and through social media.

By utilizing various techniques of community involvement as part of the planning process, leadership can be used effectively to implement the Comprehensive Development Plan.

Project Review . . .

When this Comprehensive Plan, or any elements thereof, has been adopted by the Planning Commission, a procedure is established under K.S.A. 12-748 to review projects proposed by the city which relate to the Plan. According to the state statutes, after Plan adoption:

" . . . no public improvement, public facility or public utility of a type embraced within the recommendations of the comprehensive plan or portion thereof shall be constructed without first being submitted to and being approved by the planning commission as being in conformity with the plan. If the planning commission does not make a report within 60 days, the project shall be deemed to have been approved by the planning commission . . . "

The City Commission may proceed with the project after the above procedure is completed. In the event the Planning Commission finds that the proposed project ". . . does not conform to the plan . . .

," the Commission must submit their findings "in writing" to the City Commission. The governing body may override the findings of the Planning Commission by a majority vote and proceed with the project. In this event the Plan *...for the area concerned shall be deemed to have been amended.*" The Planning Commission should proceed to make the necessary changes in the Plan by the formal adoption procedures as described in Chapter 1.

Projects can also be approved in such a manner as to satisfy this legal procedure during consideration of rezoning cases or the processing of plats, both of which should bear a relationship to the Comprehensive Plan. Other projects could be processed for "project review" by having the Planning Commission review an annual capital improvement program. K.S.A. 12-748(b) provides that if a project in a capital improvement program is reviewed and found to be in conformance to the Plan, then no further approval process is necessary by the Planning Commission. The concept of project review enables the City Commission to make current decisions in relationship to long-range planning and still retain their final decision-making authority.

Neighborhood and Project Plans . . .

Due to their overall concepts and long-range purposes, a comprehensive plan tends to generalize rather than specify detailed proposals. As development takes place, more specific and current information is needed on which to base more detailed decisions. A regular part of the continuing planning process should be to prepare "neighborhood" and "project" plans as the need arises.

Neighborhood plans may analyze in detail the land use, circulation and public facility needs of part of the Planning Area which poses unusual, difficult or new conditions. An area might cover a portion of the Planning Area or a block or a few blocks. Such plans are particularly useful in newly developing areas to properly connect streets and utilities and in determining areas in need of rehabilitation. They provide assistance in making current and future decisions on land use proposals, applications for rezoning, subdivision plats, annexations, capital improvement programming plus facilitating a working relationship between developers and area residents.

Project plans are different from neighborhood plans in that they involve specific site studies for limited purposes such as a park, recreation area, public building, etc. They are often prepared as a part of or a result of grant applications or bond issues.

These plans may be prepared by the Planning Commission to assist the City Commission and/or area residents. They may be approved by the Planning Commission or governing body or both to serve as policy guidelines for future decisions. In their simplest format, they may consist of a map and an explanatory statement. It is very important that property owners and potential developers who may be affected by such plans be involved with their preparation.

Areas for a particular neighborhood study might be the fast-growing residential area north of the city or the commercial area on the east side of I-135 along U.S. 56.

Zoning Regulations . . .

City, county or joint city / county zoning regulations are the primary methods for regulating the use of land and structures in Kansas. Such regulations provide the legal method to divide an area into various zoning districts which contain compatible land uses and establish densities for residential districts. The intensity of development can thereby be related to the necessary public and private facilities and utilities. Regulations also specify the maximum height and minimum building setback lines for structures which affect the degree of open space on the zoning lot. Provisions are included to ensure an adequate number of off-street parking spaces plus regulating the extent and location of signs, accessory uses and home occupations. Zoning seeks to prevent conflicts in the use of land, depreciation of property values and undue overcrowding or congestion. It is the major tool to resolve conflicts between adjacent land uses while also guiding the overall pattern of land use development for the future. The goal of zoning should be to ensure high standards for development without unduly restricting private initiative or causing excessive development cost. Zoning regulations in Kansas are not retroactive and, therefore, are not effective in clearing up past mistakes except over long periods of time by the gradual demise of "lawful, nonconforming uses." This is why it is so important to adopt and enforce zoning before problems occur.

The state zoning enabling statutes make it possible for a city to establish zoning within its boundaries and to extend such zoning extraterritorially for a maximum of three miles outside the city limits but not more than one-half the distance to another city, unless a county assumes the responsibility for such zoning in that portion of the unincorporated area. As a prerequisite, the land for adoption of extraterritorial zoning according to K.S.A. 12-715b outside the city must be included within a "comprehensive plan." Such a plan must be recommended by a city or county planning commission and approved by either the city commission or the board of county commissioners. There is an exemption for agricultural uses and related structures except in floodplains. Therefore cities are not authorized to adopt regulations outside the city which apply to or affect ". . . any land in excess of three acres under one ownership which is used only for agricultural purposes". Cities are required to notify the board of county commissioners in writing 60 days before initiating extraterritorial zoning regulations. If a city has extraterritorial zoning jurisdiction, then at least two of the members on the planning commission are required to live outside of but within three miles of the city. Two of these members must reside within the area of extraterritorial zoning jurisdiction. Floodplain zoning regulations may also be extended extraterritorially by a city for three miles unless a county has assumed this responsibility, but this is not adequately clarified in the statutes.

Any city which enacts zoning regulations must create a Board of Zoning Appeals (BZA). Cities under K.S.A. 12-759 may establish boards of three to seven members who serve staggered three or four-year terms. All members must reside in the city limits whenever the city exercises zoning in the city only but must have at least one member from outside the city for extraterritorial zoning. Such boards decide appeals from determinations of the zoning administrator and grant variances and exceptions to the zoning regulations. If approved, variances permit reductions in such standards as the maximum height of structures, building setback lines and minimum lot sizes. Exceptions allow uses in zoning districts not otherwise permitted outright; provided, that such uses are specifically listed in the regulations. Exceptions in the City's Zoning Regulations are referred to as "conditional uses." The recodified statutes of 1992 permit a planning commission to concurrently be designated as a BZA. However, at that time, McPherson chose not to do so because of the heavy

agenda of both the Planning Commission and the BZA. The two bodies remain separate at this time for the same reason. Any appeal from the BZA is made directly to district court.

Court tests of zoning cases are based upon the "reasonableness" of the decision. The importance of the comprehensive plan to zoning is noted in the state statutes by the fact that any amendment, i.e., changing a zoning district classification or boundary, "*... if in accordance with the land use plan or the land use element of a comprehensive plan, shall be presumed to be reasonable.*"

McPherson County originally adopted Zoning Regulations in 1961. Revised regulations were last adopted in 2007. In the past, the county has indicated that it is reluctant to allow McPherson or other cities to establish extraterritorial zoning jurisdiction. However such future requests may receive favorable consideration if based on appropriate land use planning as outlined in a comprehensive plan. While there are many other advantages to the city in having an extraterritorial zoning jurisdiction, K.S.A. 47-1502 would also permit the city to control the location and environmental effects of animal feedlots, especially over the Equus Beds. Extraterritorial zoning would enhance the efficiency of development and future annexations by the concurrent coordinated administration of the existing city subdivision regulations, floodplain zoning regulations and construction codes with that of zoning regulations. Except for zoning, extraterritorial boundaries for the three other regulations are depicted in Figure 1-A.

A major revision of the Zoning Regulations was last adopted for the city by Ordinance No. 3016 effective August 11, 2010. The city has had zoning regulations since 1948. The new regulations contain 17 zoning districts which are designed to implement the Plan document. These regulations reflect the mandated changes in state statutes which became effective January 1, 1992. Local aesthetic standards are included for residential-design manufactured homes which were mandated by statute in all single-family zoning districts. Additional aesthetic standards are included by way of screening, landscaping and site plan reviews. The Planning Commission keeps the Zoning Regulations up-to-date by way of an annual review.

When a city adopts new zoning regulations or makes revisions thereto, it is acting in a "legislative capacity". When holding a hearing and deliberating on a zoning request for a specific parcel of land, planning commissions in Kansas since 1978 have been required to act in a "quasi-judicial" manner. This means that the City Planning Commission must make its recommendations based on findings of evidence and an issue-oriented analysis in order to prevent arbitrary and capricious rezoning decisions. The City Commission is held to the same standards and, thus, if it deems it desirable to differ or amend the recommendation of the Planning Commission then it must determine its own findings and analysis for its decision. In any event, the governing body "*... shall establish in its zoning regulations the matters to be considered when approving or disapproving a zoning request . . .*" according to K.S.A. 12-757(a), i.e., the factors on which rezoning decisions are determined. The Kansas Supreme Court has also determined that an analysis of such factors is appropriate in the review of special uses which if approved within a zoning district may be subject to "reasonable" conditions.

Subdivision Regulations . . .

Land subdivision regulations are another important method of controlling the development of an area. They are effective in setting standards for the arrangement and design of streets, utility easements, lots, size of blocks, open space, installation of public improvements and proper drainage. Such regulations also provide a working arrangement between governmental bodies and developers to reserve sites for future public facilities and to guarantee the installation of public improvements.

As required by K.S.A. 12-749, cities must first adopt a "comprehensive plan" before proceeding to adopt subdivision regulations within or outside their city limits. These may be extended extraterritorially for a distance up to three miles from the city limits, but not more than one-half the distance to another city having such regulations. Counties may adopt subdivision regulations for all or part of the unincorporated area. If both a city and county want jurisdiction in the same 3-mile area, a joint city-county subdivision committee composed of planning commission members from both entities must be formed to administer such regulations as may be mutually agreed upon. Although McPherson is eligible to form such a joint committee, it is considered to be a very cumbersome method and is rarely used in the state.

McPherson County has had Subdivision Regulations since 1974. In January of 1998, the county adopted a new set of Subdivision Regulations designed to discourage the dividing of farmland. During 1996, the county initiated a program to reduce the extraterritorial subdivision jurisdiction around cities. As a result McPherson's jurisdiction was reduced from an average of 2 miles to an area of approximately one mile around the city. (See Figure 1-A.) It may now be too close to the city to properly plan ahead for future development. As a concurrent result, the jurisdiction for issuing building permits was reduced by the city to match the new boundary. K.S.A. 12-751 now allows a city to unilaterally adopt building codes for the extraterritorial jurisdiction so long as the county has not adopted building codes of its own. It may be desirable, in the future, for the city and county to jointly address the enforcement of building codes in other developments near the city.

The city adopted revised Subdivision Regulations by Ordinance No. 3044 effective November 10, 2011. The regulations provide design criteria for public improvements and methods for guaranteeing their installation. Procedures and standards are included for sketch plans, preliminary and final plats and plats for small tracts. Vacation procedures for plats, streets, alleys, easements, access controls, setbacks and "other public reservations" normally include a hearing and recommendation from the Planning Commission before consideration by the City Commission.

Official Maps . . .

Requiring the dedication of street and road rights-of-way including the widening of existing alignments is considered a normal part of the platting process under subdivision regulations. Litigation in the courts of Kansas has also held that reasonable additions to existing rights-of-way may also be required as a condition for the approval of zoning cases. This is often accomplished by requiring unplatted land to be platted with wider rights-of-way prior to final publication of the zoning ordinance.

Most of the existing county and township mile line roads were laid out years ago and many of them pre-date the advent of the automobile. The number and speed of modern cars and the size of trucks today continues to make it necessary for cities, townships and counties to seek means of widening the rights-of-way. While the above two methods are of assistance in securing dedications where development is taking place, it is not effective when land is already properly zoned and platted for development or where such regulations do not exist or property is exempt from the requirements such as is the case with agricultural structures.

To prevent premature construction within the future right-of-way of a street or road, both counties and cities are empowered by K.S.A. 12-765 to adopt what is known as an "Official Map". Whenever a city has adopted a "major street or highway system" element of its comprehensive plan, and after consultation with the Kansas Department of Transportation, the county engineer and the county planning commission, a city may establish building or setback lines to prohibit new construction. They may exercise such jurisdiction "within the plat approval jurisdiction of the city". The enabling act provides for adoption by reference of an "official map" showing "with reasonable survey accuracy the location and width of existing or proposed major streets or highways and any building or setback lines". Such official map may be adopted after public notice and a hearing by the City Commission. To modify any "unwarranted hardships", the City Board of Zoning Appeals is granted the power to determine appropriate variances in the setbacks and no property owner can be deprived of the use and maintenance of his existing property.

As traffic and right-of-way costs increase during the Planning Period, the city may find the official map technique to be a reasonable approach to prevent the premature construction of structures within the future rights-of-way of streets and roads both inside and particularly outside the city. The transportation chapter of this Plan document, Chapter 9, would provide the background necessary for implementation of this technique. Because the reduced area for extraterritorial subdivision jurisdiction limits the city's possibility for right-of-way preservation beyond that boundary, it is important to coordinate with the county as rural development occurs.

Annexation . . .

Annexation policies are another tool in how plans are implemented. Extensive revisions to the state statutes on annexation procedures were adopted by the 1987 Legislature as amendments to K.S.A. 12-519 *et seq.* Later legislative actions have also curtailed the annexation process in many ways. The changes create a much more lengthy process for unilateral annexation by a city as distinguished from the petition or consent arrangement with a cooperating property owner. The latter methods are still possible and far less time consuming and complex.

Seven conditions exist under which a city can unilaterally annex land. Adjoining platted areas of unlimited size are the most eligible. Limitations exist on unplatting land over 21 acres in size and unplatting agricultural land of 21 acres or more must have the consent of the owner. If the land does not meet one or more of the seven conditions, the Board of County Commissioners can be requested to consider the matter at a quasi-judicial hearing and make findings from a list of 14 factors. The Board must find by a preponderance of evidence that manifest injury would result to property owners before an annexation request may be denied. "Island" annexations not involving

city-owned property must still be approved by the county commissioners even if the landowner consents. Island annexations of city-owned property may be easily annexed by a city without a formal hearing.

Extensive notification for unilateral annexations is now required to public agencies in the area including city, county or regional planning commissions having "jurisdiction." Presumably the latter means "planning jurisdiction" and in the case of McPherson would involve both the City Planning Commission and the McPherson County Planning Commission. The planning commissions so designated shall review the proposed annexation and make a finding of its compatibility or incompatibility with any adopted land use or comprehensive plan.

In planning for an orderly, unilateral annexation approach so that in time the appropriate public facilities and services will be available when needed, a "plan" is required of the city as to the extent, financing and time-table for such improvements. The plan shall be in ". . . sufficient detail to provide a reasonable person with a full and complete understanding of the intentions of the city for . . . each major municipal service" A procedure for the de-annexation of land is established whereby the county commissioners are required to hold a hearing five years after an annexation to determine if services have been provided as promised. The land may be ordered to be de-annexed by the county if services have not been provided within two and one-half years following the hearing.

Annexation in Kansas is an extensive manual concerning the annexation powers and duties of cities which has been published by the League of Kansas Municipalities. Samples of plans for extensions of municipal services and various procedural forms are provided.

Basic to the city's annexation policy is to not provide utilities or other services outside the city limits unless annexation takes place or a written agreement is signed between the city and the property owner agreeing not to oppose annexation in the future. Annexing land after development takes place can be very difficult and costly without such an agreement. Following such policies is important to the future tax base and to the orderly installation of streets and utilities. Such a provision is contained in the City's Subdivision Regulations.

Only 15% of the land inside the city in 1997-1998 was undeveloped which is comparatively modest in amount indicating that McPherson has been conservative in its annexation policy. Some cities have as much as 25%-33% undeveloped. While the city has made efforts to annex land unilaterally if necessary, there still are some industrial, commercial, and residential land uses which should be annexed, possibly including some developing areas east of I-135 along U.S. 56 highway.

Construction and Environmental Codes . . .

Although zoning and subdivision regulations are very important implementation tools, they do not provide standards for the quality of construction nor do they remedy substandard housing and sanitary conditions. This can be accomplished through the adoption by a city of various construction and environmental codes.

National or international model codes may be adopted which provide minimum standards for building construction and plumbing, mechanical, electrical and gas installations. Housing codes prevent overcrowding and maintain a minimum level of health and safety features in dwellings. Fire codes set safety standards and attempt to prevent fires from starting and/or spreading. They are also a factor in fire insurance ratings. Local environmental codes can be used in the regulation of refuse disposal, certain kinds of animals, the height of grass or weeds, abandoned and inoperable vehicles and the removal of dilapidated structures. These codes are important to upgrade and maintain the quality of structures, housing, and the overall quality of life for McPherson citizens.

More detailed descriptions of these codes and proposals relative to housing conditions are presented in Chapter 6. McPherson has adopted most of the codes deemed desirable for new construction and the renewal of older structures. Many of these are applied extraterritorially. Local advisory committees composed of citizens and technicians in the construction field are normally used to decide appeals in the event of unusual hardship circumstances and to periodically review the codes to keep them up-to-date.

Intergovernmental Cooperation . . .

Sometimes opportunities exist for plan implementation through intergovernmental cooperation. Such joint undertakings often reduce not only the cost of singularly providing a facility or service, but improve the quality and/or make possible something that was not economically feasible on an individual basis. Implementing plan proposals by cooperative methods becomes a matter of evaluating each project initially to determine if a better project could be achieved at equal or less cost through a city, county or regional combined effort. Occasionally state and federal grant programs require various degrees of joint cooperation in order to be eligible and some provide added financial incentives.

Basically, what can be done separately, can be done together. The principal cooperation law is K.S.A. 12-901 *et seq.*, commonly referred to as the Interlocal Cooperation Act. It authorizes cooperation between public agencies and private groups for specific public improvements and services.

Economic Development . . .

An important element for implementing the Plan for the McPherson Planning Area is the attention which needs to be given to available economic development programs. To attain this goal, economic development should be viewed in its broadest concept. Not only is it a matter of attracting new businesses and expanding existing businesses, but also promoting other types of economic activities. Furthermore, it is necessary for a community (1) to maintain a constant effort to see that adequate utilities and energy sources are available now and will continue to be in the future; (2) to ensure that the potential exists to meet the needs of new and existing businesses for "affordable or workforce housing"; (3) to maintain and improve the transportation system; and (4) to encourage cultural and recreational activities which interest and retain young people and promote enjoyable

family life. Whereas there are various reasons for promoting economic development, an overriding interest from the community's standpoint would be to broaden job opportunities and the tax base.

This document contains ideas that promote or support various economic development activities. Communities that are most successful in achieving such efforts are those which utilize the most effective organizational structure. Such promotional activities take place at many levels -- city, county, regional, state and national -- and are carried out by both private and public groups. Each organizational level has a function to perform and each supplements and reinforces the other. Success at the local level entails the ability to harness the technical services and funding sources available at the other levels. Examples of such resource groups include the Kansas Department of Commerce and Housing (Topeka), the South Central Kansas Economic Development District (Wichita), and the K.S.U. Cooperative Extension Service (Hutchinson). The services of these agencies vary in degree, type and availability. Thus, McPherson officials should determine in detail what services may apply to the city.

Locally fragmented and undefined roles lead to frustration and lack of results. Continuing effort is needed to maintain a clear understanding of the role and goals of local economic development entities so that an effective coordinating structure is available to better utilize outside resources and to promote the best interests of the area. The function of economic development on an organized promotional basis at the city level is best carried on by a separate group other than a planning commission.

McPherson has been very successful in its economic development efforts due to the diligent work of the City Commission, McPherson Industrial Development Company, Inc. (MIDC), the Chamber of Commerce and the Board of Public Utilities (BPU) plus their working relationships with the County Commissioners and regional and state agencies. MIDC is a quasi-public organization funded by both the county and the city from tax levies collected for economic development purposes. The mission of MIDC is not only to recruit and attract new industries, but to work with existing industries on expansion plans. While they have some land currently optioned for industrial use, they have owned land in the past. Presently, the BPU has about 100 acres subdivided in an industrial park northeast of the city. The Chamber of Commerce and McPherson Main Street, Inc., concentrate on attracting and expanding retail businesses. Under joint sponsorship of MIDC and the McPherson Chamber of Commerce, the Industrial Workforce Enhancement Cooperative (IWEC) is working to enhance both the quality and quantity of the industrial labor pool for the area. Others partnering in this effort include McPherson U.S.D. 418, McPherson College, Central Christian College, Hutchinson Community College, McPherson County Small Business Development Association (SBDA), and representatives from various McPherson industries. The problem of affordable housing is presently being addressed by committees of the McPherson Chamber of Commerce and the SBDA. While much of the middle and higher priced housing in McPherson has continued to see increases in inventory through new construction, "affordable" or "workforce" housing has not kept pace with the needs of the expanding commercial, service, and industry bases. The Commission has and will continue to look at incentives and other means to promote continued development of workforce housing options in the community. It is the responsibility of the City Commission to encourage growth in all sectors of housing by providing tools whether it be incentives, policies that encourage growth, or means to provide infrastructure to

expand the footprint of housing to new undeveloped areas where such residential use is anticipated and designated.

The City has also begun a process to encourage the expansion of additional rental property within McPherson. With limited production of new multifamily rental housing since the 1999 Countywide Housing Study, McPherson has been stepping up efforts to expand both affordable and market rate rental opportunities. By encouraging and working with developers to recognize demand for new rental markets, McPherson continues to paint a picture of growth that mirrors or exceeds growth trends in national housing market.

Finally, McPherson has and continues to step up efforts to encourage rehabilitation, repair, and improvement of existing aging housing stock within the city. McPherson has begun a multi-year process of pursuing Community Development Block Grant (CDBG) Funding for renter and owner occupied rehabilitation and demolition projects. The City of McPherson has also established a land bank which will provide opportunities to purchase deteriorating properties for demolition and/or resale.

Under K.S.A. 12-1617(h), cities are authorized to annually levy a property tax ". . . for the purpose of creating a fund to be used in securing industries or manufacturing institutions for such city or near its environs" The proposed levy must be initially be approved by voters at a referendum, may not exceed one mill, and is not subject to the property tax lid. Monies may also be expended from the general fund, however they would be subject to the tax lid. Because of the highly competitive nature of economic development programs, such funding is necessary for a successful effort today. McPherson city and county both utilize this method of funding.

Additional legislation for improving a city's capacity for development may be found in a publication by the Kansas Department of Economic Development entitled: "Kansas Economic Development Statutes." In 1987 the legislature worked on a broad "package" of economic development initiatives which were converted to statutory language. While many of them create state programs, others provide local enabling legislation and bear monitoring to evaluate for local use. New references on economic development statutes are found in on-going publishing efforts by the Department of Commerce and Housing. The Department continues to provide its "Community Profile" service. This brochure is published upon request providing various local and area wide data helpful to potential economic development prospects. A city is asked to assist in assembling data and then is provided with copies for local promotional use.

Private Activity Bonds and the City of McPherson . . .

Since the early 1960s, the City of McPherson has utilized the authority granted by the state to encourage economic development within the city and its environs by issuing industrial revenue bonds. Historically, a tax abatement of up to ten years for a new business starting or an existing business expanding has been approved by the city for buildings and equipment purchased with bond proceeds. Dozens of this type of incentive have been approved since the inception of the program. As of September 30, 2015, there were 10 issues with outstanding balances. The total of industrial revenue bonds outstanding as of that date was \$82,960,095. There has never been a City of

McPherson industrial revenue bond issue in default. The use of this incentive has been a part of the reason that McPherson has enjoyed manageable constant growth over the past 35 years.

The Kansas Development Finance Authority has implemented a new low-interest, tax-exempt industrial development revenue bond program for capital improvements as well as machinery and equipment for manufacturing and production companies. It is designated as the Kansas Composite Industrial Development Revenue Bond Program. Cities and counties would have veto power over such state financing and could allow local tax abatements. The city has to carefully structure its bonded indebtedness in order to be financially ready for economic opportunities.

Grant Programs . . .

The availability of grant money from higher levels of government has become considerably limited in recent years. Whereas eligibility requirements in past years had changed so that more programs were available to smaller entities, it is not foreseeable at this point in time as to the extent, type and requirements for such grants. Neither the state nor the federal government now appear to have what might be called an "urban policy" which would provide direction in grant program activity. In any program, the advantages of outside funding should be weighed against the local overhead of administration and prerequisites.

Assistance on grant programs is available through such groups as the South Central Kansas Economic Development District (SCKEDD), the K.S.U. Cooperative Extension Service and from various functional agencies at the regional and state level. The services of the Kansas Department of Commerce and Housing in Topeka are augmented by their regional office in Wichita. Their Community Development Division administers the federal Community Development Block Grant program for economic development and housing projects. Such outside assistance does not preclude the need; however, for designating at the city level who is responsible for monitoring the availability of grants and who prepares and follows up on applications. This suggests that a recognized local communicative system is necessary to gain the most in working with other agencies. Competition is strong and some cities employ a "grantsman" or private firm to assist in the process. On behalf of the cities and the rural area, the McPherson Board of County Commissioners carries a significant burden in maintaining the necessary contacts, appointments and memberships with as well as financing for regional organizations which assist in such endeavors.

When a valid local need is recognized, those who succeed in securing grants develop a sense of timing, perception and knowledge of the requirements and, most important, have the data ready when the appropriate time arises. Patience is a virtue and if at first you don't succeed, try again. Experience gained by each grant application becomes of accumulative value in an effort to return state and federal tax monies for local use.

Comprehensive plans have often served to provide ideas for grant applications. This Plan provides basic data often required for preparation of applications. To assist the City Commission, the Planning Commission should review this Plan periodically to recommend projects for which appropriate grants might be sought. As part of the grant process, the Planning Commission should coordinate with county, regional and state agencies to ensure that its local plans are reflected in the

plans at a higher level of government. A good example would be to coordinate city projects such as streets and roads with the county's long-range highway program.

Policy Statements . . .

The League of Kansas Municipalities has long been concerned with the need for governments to adopt and maintain written policies. In fact, according to Webster's dictionary, "govern" means "to control and direct the making and administration of policy." To govern then means "to make policy," not "just make decisions." The League has published a booklet entitled, "Municipal Policy Statements--A Tool for Governance." Included within the material is a Municipal Policy Code Outline and sample policy statements. One section, "Community Development," as well as others, deals with subjects which in effect implement many of the proposals and policies adopted in a comprehensive plan. Such a method for plan implementation through governing body policy formulation bears consideration.

Capital Improvements Programming . . .

With the growing complexity of financing and constructing public improvement projects, it is important that a city establish procedures for making such determinations in an efficient manner. Such a process is referred to as capital improvements programming. The resulting program or "CIP" is a long-range financial plan covering a period of perhaps three to five years including the current year. This establishes the priority, timing, cost estimates and sources of funding for public physical improvements. It does not deal with annually recurring operating expenses except to note the effect which a new facility or improvement may have on future operating budgets. The first year of the CIP is the most clearly defined, financially estimated and timed and is adopted as the city's capital improvements budget along with the annual operating budget.

A significant function of the CIP is to coordinate the sequence of financing and construction of a project that might involve joint funding between various agencies plus private organizations. The anticipated use of county, state or federal funds may necessitate scheduling ahead for several years. The use of a CIP is an effective way of guiding the direction and timing of growth and is especially useful in relation to the legal requirements for unilateral annexations referred to previously in this chapter. A useful booklet has been prepared by the League of Kansas Municipalities entitled: "A Guide for Capital Improvements Programming and Budgeting."

Some of the advantages of CIPs cited are:

- ◆ To help focus attention on community goals.
- ◆ To encourage citizen and group participation.
- ◆ To improve intergovernmental cooperation.
- ◆ To increase capability of utilizing various matching funds programs.

- ◆ To improve project implementation.
- ◆ To stabilize financial programs.

The planning commission should assist the governing body in preparing the CIP and evaluating each project as to its conformance to the comprehensive plan. This procedure would serve as the planning commission's "project review" for such items as provided for in K.S.A. 12-748(b). As part of this process, a public hearing could be held for citizens and a method provided for other governmental entities to comment upon the CIP proposals.

While there are a number of exceptions, it is sufficient for general financial planning purposes to say that under Kansas law the general obligation of the city-at-large (G.O. debt) and special assessment debt combined may not exceed 30% of the total equalized assessed tangible valuations plus motor vehicle valuations to calculate the bonded debt limitation. Bonds issued for general sewer and water work and revenue bonds are outside the debt limitations. Various financing methods used for CIP projects include:

General fund, general obligation bonds, utility revenue bonds, special assessments, trust funds, federal and state grant programs, and private contributions.

A simple example of the contents which might be included in a CIP is illustrated in Table 12-A.

Table 12-A. SAMPLE CAPITAL IMPROVEMENT PROGRAM CONCEPT

Project Description	Project Year				Project Financing
	2012	2013	2014	2015	
Downtown Alleys	\$ 9,680	\$ 220,000			City/Utilities, \$150,000 Utilities
Signalization Maple, Centennial Champlin, 1 st	\$ 220,000				25% City, 75% KDOT
North 81 Bypass & I-135 Interchange	\$ 20,000	\$ 250,000	\$ 250,000	\$13,800,000	25%Local (split 50% City/County)

Sales Tax as a Source of Capitol Improvement Funding....

As early as late 2002, McPherson has recognized the use of sales tax as a major funding source for a number of major capital projects. It is recognized that revenue generated from sales taxes can cause some cost sharing opportunities between local property owners who pay property taxes and out of town residents who utilize services and buy goods in the community but do not share equally in the usage cost of infrastructure and amenities. McPherson Citizens have voted for five different citywide sales tax issues that have generated \$24 million between the first citywide sales tax in 2003 and the most recent one on September 30, 2015.

In 2002 the McPherson voters approved a $\frac{1}{2}\%$ sales tax bond to construct and finance a maintenance fund for the McPherson Waterpark. That sales tax lasted from October 2002 to October 2007. The sales tax generated nearly \$5.5 million dollars which was utilized to construct and set up the maintenance fund. The McPherson Waterpark has seen 555,600 visitors since it opened in Summer of 2003.

McPherson Citizens once again voted another sales tax improvement issue that funded construction of an addition and improvement to the existing McPherson Public Library. The $\frac{1}{2}\%$ McPherson Public Library sales tax began seamlessly in conjunction with the termination of the $\frac{1}{2}\%$ sales tax for the McPherson Waterpark and generated over \$4.5 million to pay off a temporary note for an addition and improvements to the existing public library. Funds for the McPherson Public Library project were used to more than double the square footage of the library from 10,625 square feet to 27,427 square feet. Also included were enhanced technology, increasing the size of the collection, and furnishing new furniture for the facility. The sales tax for the library went from October 2007 to March 2011.

In an effort to support a historic renovation of the then crumbling McPherson Opera House, voters once again went to the polls to approve \$2.7 million from a $\frac{1}{2}\%$ sales tax which was used to pay bank financing for repairs to the Opera House Property. The $\frac{1}{2}\%$ sales tax went into effect in April 2011 and raised adequate funds to pay the \$2.7 bank loan for renovations by September 2013. The McPherson Opera House now stands as one of the showcase gems in the McPherson Community.

On August 3, 2010 voters approved imposing a $\frac{1}{2}\%$ city wide special sales tax, the proceeds of which were to be used only to finance City expenses relating to the costs of construction, reconstruction, operation, and maintenance of public streets, sidewalks, street related drainage, traffic control devices, and curbs and improvements appurtenant thereto within the City, including related financing costs. This sales tax, which was in addition to the existing sales tax for the McPherson Opera House, commenced collections on January 1, 2011 and is set to terminate on December 31, 2020. Proceeds from tax-exempt obligations issued by the City to finance the costs of the Major Capital Improvements that have been funded since implementation of this sales tax include: mill and overlay, chip sealing, reclamite, and partial or total reconstruction of arterial, collector, and residential streets throughout the community. Some specific projects paid with these sales tax funds include: Avenue A Improvements from Oak Street to the UP Railroad, Hancock Street reconstruction, and Main Street Overlay from 1st to the UP Railroad. Other future anticipated projects using these sales tax funds include: Grimes and Myers Street reconstructions along with participation in other street maintenance projects throughout the life of the sales tax.

General Obligation Bonds; Revenue Bonds; Other Financing . . .

The City of McPherson utilizes debt financing to accomplish projects which are characterized as long-term city facilities. Examples of projects completed by issuing general obligation debt are: streets and highways, buildings and, in some cases, large items of equipment such as a fire truck or a motor grader. On September 30, 2015, the city's general obligation debt was \$15,685,000. Approximately 14% of that amount is paid by special assessments and another 3% is paid by wastewater system revenues.

Other outstanding debt as of on September 30, 2015, includes the Kansas Department of Health and Environment's revolving loan fund for a major sewer improvement, the balance of which is \$9,112,379.

The city's electric and water utility (BPU) has a combined outstanding debt of \$13,150,000. This debt is all revenue bond debt which is to be repaid by revenues of the utility.

The current city debt policy allows for refinancing of general obligation bonds if certain parameters are met which allow for a net present value savings of at least 3%. The City continually looks to bundle refinancing of general obligation debt along with new issues for projects that are deemed appropriate to maintain or improve infrastructure or amenities for the community.

Recognizing the need for continued repairs and updates to declining and increasingly expensive infrastructure, the voters of McPherson passed the ½% citywide sales tax described earlier.

For details on the above refer to Figures 12-B, 12-C, and 12-D which follow.

A feature of good municipal management is to maintain a continuing effort to keep the public facilities up-to-date and not to fluctuate too greatly in the status of the mill levy for indebtedness. Potential Capital Improvement Program items are referred to in the chapters on Utilities, Community Facilities and Transportation. The ability of the city to reach the population potential predicated for this Plan should be greatly enhanced by the continued prudent planning of its finances.

City Administration . . .

McPherson adopted a joint City Clerk/Administrator position in 1986. In 2009 the duties of the City Administrator and City Clerk were split and specific duties were assigned to the City Administrator. To the extent that such a governmental structure facilitates planning and coordination within the city operation, it also serves as another method of implementing planning proposals in the Comprehensive Plan.

Because of the increasing complexity of government, more cities have turned to city Administrators or Managers to provide trained expertise in administering city operations. More responsibility is normally given a city manager than an administrator, but the latter is easier to establish than the former. In each of the management structures, the governing body sets the policies and the administrator or manager carries them out.