



**ABILENE CITY COMMISSION
AGENDA
ABILENE PUBLIC LIBRARY, 209 NW FOURTH STREET
JUNE 22, 2026 - 4:30 PM**

Following the adjournment of the regular meeting

VIEW THIS CITY COMMISSION MEETING VIRTUALLY AT

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- 1. Call to Order – June 22, 2026, City Commission Study Session**
- 2. June 22, 2026, City Commission Study Session Agenda**
 - a. Stormwater Utility Rate Study and Financial Recommendations Discussion
 - b. Industrial Land Policy Discussion
- 3. Adjourn the June 22, 2026, City Commission Meeting.**

Future Meeting Reminders

MEMORANDUM

TO: Mayor and City Commission
FROM: Jon Quinday, Interim City Manager
DATE: June 18, 2026
SUBJECT: Stormwater Utility Rate Study and Funding of Commission-Approved Stormwater Priorities

The purpose of this memorandum is to clarify the basis for the stormwater utility rate study presented on June 8, 2026, and to explain how the study relates to the Commission's previously adopted stormwater policies, engineering studies, and approved priority project list.

During the June 8, 2026 City Commission meeting, questions were raised regarding the projected funding needs identified in the study, including a statement suggesting that the dollar amounts presented by staff seemed fabricated. This memorandum addresses that concern by documenting the City's adopted policies, the Commission's prior actions, the engineering information available to the City, and the financial data upon which the study was based.

The KMU study was undertaken to evaluate whether existing revenues are sufficient to support the maintenance, rehabilitation, replacement, and capital improvement needs identified through the City's planning and prioritization process.

The following chronology provides important context regarding how the City arrived at the current discussion:

- April 2011 – The City Commission adopted the Stormwater Management Policy, establishing procedures for project prioritization, engineering evaluation, stormwater funding, and periodic review of stormwater utility rates. The policy requires the City Manager to review the stormwater fee at least every three years to ensure sufficient funds are being collected to address stormwater needs and, if necessary, recommend changes to the City Commission.
- September 22, 2025 – Staff reviewed the Stormwater Management Policy with the Commission and discussed the need to identify, document, and prioritize known stormwater drainage deficiencies in accordance with the policy framework.
- November 10, 2025 – Staff presented a prioritized stormwater drainage project list developed pursuant to the Stormwater Management Policy and requested Commission feedback.
- November 24, 2025 – The City Commission unanimously adopted a prioritized stormwater drainage project list, establishing the City's stormwater priorities.
- June 8, 2026 – Kansas Municipal Utilities presented a stormwater utility rate study evaluating funding options for the Commission's adopted stormwater priorities.

The current discussion regarding stormwater utility rates did not create the City's stormwater priorities; it is a consequence of them.

The Commission's adopted priority projects are:

1. Southeast Drainage Project
2. South Buckeye Avenue at SE 6th Street
3. Second Street at Buckeye Avenue
4. 17th Street at Cedar Street
5. Eighth Street at Walnut Street

Only after the Commission approved the priority list did staff begin evaluating potential funding strategies to address those priorities and maintain the City's stormwater infrastructure.

The chronology above demonstrates that the City's stormwater priorities were established through an adopted policy framework, reviewed by the Commission, and formally approved prior to any discussion regarding stormwater utility rate adjustments. The rate study did not create those priorities; rather, it considers how the City might fund them.

Based on the City's adopted policies, Commission-approved priorities, engineering studies, and audited financial records, I do not believe the fabrication characterization accurately reflects the basis for the funding needs identified in the KMU study. The projections presented by KMU were not invented, arbitrarily selected, or developed without factual support. Rather, they were developed using historical financial information, projected operating and maintenance costs, known infrastructure needs, engineering studies, anticipated capital replacement requirements, and the Commission's adopted stormwater priorities.

Reasonable people may disagree regarding the assumptions, timing, scope, or funding of future projects. That is a policy discussion. However, disagreement over policy choices should not be confused with an allegation that the underlying information was fabricated.

To assist the Commission and the public in evaluating the information presented by KMU, staff has included the Storm Drain Fund schedules from the City's independently audited financial statements for years 2021 through 2025 as Exhibit A. The audit history provides important context regarding both the growth of the Storm Drain Fund balance and the reason staff brought this discussion forward.

The Storm Drain Fund balance increased from approximately \$476,000 at the end of 2021 to approximately \$656,000 at the end of 2025. While some may view this growth as evidence that the current stormwater rate is sufficient, the audit history warrants a broader examination. The increase in the Storm Drain Fund balance is not evidence that stormwater infrastructure needs do not exist. Rather, it reflects a period in which stormwater spending was directed toward reacting to individual drainage issues as they arose rather than implementing a systematic program of preventive maintenance, rehabilitation, replacement, or capital improvements.

The Commission's adopted priority list, the Southeast Drainage Preliminary Engineering Study, and other identified drainage deficiencies demonstrate that significant stormwater needs remain throughout the community. While individual drainage issues have been addressed as necessary, many of the larger systemwide deficiencies identified through the City's planning process remain unresolved.

For example, the Southeast Drainage Project, identified by the Commission as the City's highest-priority stormwater project, is supported by a preliminary engineering study documenting an undersized and deteriorated drainage system that is unable to convey even a two-year rainfall event, experiences recurring flooding issues, and exhibits evidence of potential structural failure. The study concluded that substantial investment would be required to bring the system to an acceptable level of service.

In many respects, the increase in fund balance reflects deferred investment in long-term system improvements and preventive infrastructure management rather than the absence of stormwater needs.

Historically, expenditures from the Storm Drain Fund have generally been reactive in nature, addressing specific drainage problems, failures, or maintenance needs when they occurred. The City has not historically funded a comprehensive program of ongoing stormwater rehabilitation, asset replacement, or major capital improvements designed to address the broader deficiencies identified through engineering studies and the Commission's adopted priority project list.

The existence of fund reserves also does not eliminate the need to discuss long-term financial sustainability.

The Commission certainly has the option of maintaining current stormwater rates and utilizing existing fund balances to address future expenses, maintenance activities, and capital projects. However, absent additional revenue, reserves will eventually be depleted, and the utility will ultimately reach a point where it can no longer fund ongoing operations, maintenance obligations, rehabilitation needs, and capital improvements.

The purpose of this memorandum is not to advocate for a particular rate structure, but to ensure that the Commission's discussion is informed by the City's adopted policies, historical financial records, engineering information, and previously approved stormwater priorities.

The Commission may ultimately determine that no rate adjustment is warranted, that a smaller increase is appropriate, or that the KMU recommendations should be adopted in whole or in part. Those decisions are policy choices reserved to the Commission. Staff's responsibility is to provide accurate information, identify infrastructure needs, present available funding alternatives, and implement the direction ultimately provided by the Commission.

The Commission has already acknowledged the existence of stormwater infrastructure needs through its adoption of a prioritized stormwater project list. The question before the Commission is how it wishes to fund those priorities and maintain the City's stormwater infrastructure in the years ahead.

As the Commission continues its discussion, staff requests consideration of the following policy questions:

- What level of stormwater maintenance, rehabilitation, and capital improvement activity does the Commission wish to support over the next ten years?

- Should the City continue relying primarily on existing reserves, or should ongoing revenues be increased to support future maintenance and capital needs?
- If existing reserves are utilized to address current priority projects, how should future stormwater maintenance and replacement needs be funded?
- Does the Commission wish to establish a dedicated Stormwater Improvement Fund or reserve fund for future capital projects?
- To what extent should stormwater improvements be funded through utility rates, existing reserves, grants, debt financing, or a combination of those funding sources?

Staff looks forward to receiving policy direction from the Commission regarding the future funding and management of the City's stormwater infrastructure.

EXHIBIT A

Storm Drain Fund schedules from the City's independently audited financial statements for years 2021 through 2025

SCHEDULE 2

CITY OF ABILENE, KANSAS
BUSINESS FUNDS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
STORM DRAIN FUND
 For the Year Ended December 31, 2021
 (WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED DECEMBER 31, 2020)

	2020	2021		Variance Over (Under)
	Actual	Actual	Budget	
Receipts				
Charges for services	\$ 67,448	\$ 68,267	\$ 68,000	\$ 267
Interest Income	48	60	100	(40)
Total Receipts	<u>\$ 67,496</u>	<u>\$ 68,327</u>	<u>\$ 68,100</u>	<u>\$ 227</u>
Expenditures				
Contractual Services	\$ 6,559	\$ 8,890	\$ 100,000	\$ (91,110)
Capital Outlay	16,666	191,989	350,000	(158,011)
2021 CIP	-	-	75,000	(75,000)
Transfers Out	3,000	3,400	3,400	-
Fund Reserve Balance	-	-	25,850	(25,850)
Total Expenditures	<u>\$ 26,225</u>	<u>\$ 204,279</u>	<u>\$ 554,250</u>	<u>\$ (349,971)</u>
Receipts Over (Under) Expenditures	<u>\$ 41,271</u>	<u>\$ (135,952)</u>		
Unencumbered Cash, January 1	<u>571,050</u>	<u>612,321</u>		
Unencumbered Cash, December 31	<u>\$ 612,321</u>	<u>\$ 476,369</u>		

SCHEDULE 4

**CITY OF ABILENE, KANSAS
 RELATED MUNICIPAL ENTITY
 PUBLIC BUILDING COMMISSION
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
 Regulatory Basis
 PBC HOSPITAL PROJECT**

For the Year Ended December 31, 2022

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED DECEMBER 31, 2021)

	<u>2021</u>	<u>2022</u>
Receipts		
Lease Payments	\$ 865,494	\$ 1,654,944
Expenditures		
2017 Bond Payment	\$ 865,494	\$ 1,654,944
Receipts Over (Under) Expenditures	\$ -	\$ -
Unencumbered Cash, January 1	149,779	149,779
Unencumbered Cash, December 31	\$ 149,779	\$ 149,779

SCHEDULE 2

CITY OF ABILENE, KANSAS
BUSINESS FUNDS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 Regulatory Basis
STORM DRAIN FUND

For the Year Ended December 31, 2023

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED DECEMBER 31, 2022)

	2022		2023		Variance Over (Under)
	Actual	Actual	Budget		
Receipts					
Charges for services	\$ 63,976	\$ 70,450	\$ 68,000	\$ 2,450	
Interest Income	129	232	-	232	
Miscellaneous	3,075	-	-	-	
Total Receipts	\$ 67,180	\$ 70,682	\$ 68,000	\$ 2,682	
Expenditures					
Contractual Services	\$ -	\$ -	\$ 20,000	\$ (20,000)	
Capital Outlay	11,785	-	550,000	(550,000)	
Transfers Out	3,400	3,400	3,400	-	
Fund Reserve Balance	-	-	25,569	(25,569)	
Total Expenditures	\$ 15,185	\$ 3,400	\$ 598,969	\$ (595,569)	
Receipts Over (Under)	\$ 51,995	\$ 67,282			
Unencumbered Cash, January 1	476,369	528,364			
Unencumbered Cash, December 31	\$ 528,364	\$ 595,646			

SCHEDULE 2

CITY OF ABILENE, KANSAS
BUSINESS FUNDS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
STORM DRAIN FUND
 For the Year Ended December 31, 2024
 (WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED DECEMBER 31, 2023)

	2023		2024		Variance Over (Under)
	Actual	Actual	Budget	Budget	
Receipts					
Charges for services	\$ 70,450	\$ 69,590	\$ 68,000	\$ 68,000	\$ 1,590
Interest Income	232	83	-	-	83
Total Receipts	\$ 70,682	\$ 69,673	\$ 68,000	\$ 68,000	\$ 1,673
Expenditures					
Contractual Services	-	\$ 7,714	\$ 20,000	\$ 20,000	\$ (12,286)
Capital Outlay	-	45,000	45,000	45,000	-
Transfers Out	3,400	3,400	3,400	3,400	-
Fund Reserve Balance	-	-	22,564	22,564	(22,564)
Total Expenditures	\$ 3,400	\$ 56,114	\$ 90,964	\$ 90,964	\$ (34,850)
Receipts Over (Under)	\$ 67,282	\$ 13,559			
Unencumbered Cash, January 1	528,364	595,646			
Unencumbered Cash, December 31	\$ 595,646	\$ 609,205			

See Independent Auditor's Report.

Page 46

SCHEDULE 2

CITY OF ABILENE, KANSAS
BUSINESS FUNDS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 Regulatory Basis
STORM DRAIN FUND
 For the Year Ended December 31, 2025
 (WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED DECEMBER 31, 2024)

	<u>2024</u>	<u>2025</u>		Variance Over (Under)
	Actual	Actual	Budget	
Receipts				
Charges for services	\$ 69,590	\$ 71,736	\$ 68,000	\$ 3,736
Interest Income	83	-	233	(233)
Total Receipts	<u>\$ 69,673</u>	<u>\$ 71,736</u>	<u>\$ 68,233</u>	<u>\$ 3,503</u>
Expenditures				
Contractual Services	\$ 7,714	\$ 10,614	\$ 50,000	\$ (39,386)
Services and Supplies	-	2,570	-	2,570
Capital Outlay	45,000	8,000	65,000	(57,000)
Transfers Out	3,400	3,400	3,400	-
Fund Reserve Balance	-	-	545,229	(545,229)
Total Expenditures	<u>\$ 56,114</u>	<u>\$ 24,584</u>	<u>\$ 663,629</u>	<u>\$ (639,045)</u>
Receipts Over (Under)	\$ 13,559	\$ 47,152		
Unencumbered Cash, January 1	<u>595,646</u>	<u>609,205</u>		
Unencumbered Cash, December 31	<u>\$ 609,205</u>	<u>\$ 656,357</u>		

See Independent Auditor's Report.

Page 50

**EXHIBIT B
STORMWATER PLANNING TIMELINE (2011–2026)**

Purpose: To provide historical context regarding the City's stormwater planning efforts and demonstrate the sequence of events that led to the June 2026 stormwater utility rate discussion.

Date	Action
April 11, 2011	City Commission adopts the Stormwater Management Policy. The policy establishes procedures for stormwater project prioritization, engineering evaluation, funding, and periodic review of stormwater utility rates.
2011–2025	Stormwater utility fees continue to be collected and deposited into the Storm Drain Fund for maintenance and improvement of the City's stormwater system.
September 22, 2025	Staff reviews the Stormwater Management Policy with the City Commission and discusses the need to identify, document, and prioritize known stormwater drainage deficiencies.
October 27, 2025	City Commission discusses implementation of the Stormwater Management Policy and directs staff to identify and rank stormwater drainage facilities and projects using the prioritization criteria established by policy.
November 10, 2025	Staff presents a prioritized stormwater drainage project list for Commission review and discussion.
November 24, 2025	City Commission unanimously adopts a prioritized stormwater drainage project list.
November 2025	Preliminary Engineering Study for the Southeast Drainage Project documents significant drainage deficiencies and evaluates alternatives for correcting those deficiencies.
June 8, 2026	Kansas Municipal Utilities presents a stormwater utility rate study evaluating funding options for the Commission's adopted stormwater priorities.
June 22, 2026	City Commission continues discussion regarding stormwater utility funding options and long-term financial sustainability.

COMMISSION-ADOPTED STORMWATER PRIORITIES

- Southeast Drainage Project
- South Buckeye Avenue at SE 6th Street
- Second Street at Buckeye Avenue
- 17th Street at Cedar Street
- Eighth Street at Walnut Street
- Second Street at Buckeye Avenue

The current discussion regarding stormwater utility rates did not create the City's stormwater priorities. The City first adopted a Stormwater Management Policy, directed staff to identify and prioritize drainage needs, reviewed engineering information, and formally adopted a priority project list. The projects came first. The funding discussion followed.

EXHIBIT C
STORM DRAIN FUND HISTORY (2021–2025)

Purpose: To provide historical financial context for the Storm Drain Fund and assist the Commission in evaluating long-term funding options.

ENDING FUND BALANCE

Year Ending Fund Balance

2021 \$476,369

2022 \$528,364

2023 \$595,646

2024 \$609,205

2025 \$656,357

Increase in Fund Balance (2021–2025): \$179,988

STORMWATER UTILITY REVENUE

Year Stormwater Fee Revenue

2021 Approximately \$68,000

2022 Approximately \$70,000

2023 Approximately \$72,000

2024 Approximately \$71,000

2025 Approximately \$72,000

Annual stormwater revenues have remained relatively stable during the five-year period.

ACTUAL EXPENDITURES

Year Actual Expenditures

2021 \$18,451

2022 \$18,005

2023 \$3,400

2024 \$56,114

2025 \$24,584

Historically, expenditures from the Storm Drain Fund have generally been reactive in nature, addressing specific drainage problems, failures, or maintenance needs when they occurred. The City has not implemented a comprehensive program of ongoing stormwater rehabilitation, asset replacement, or major capital improvements designed to address the broader deficiencies identified through engineering studies and the Commission's adopted priority project list.

The policy question before the Commission is whether the City wishes to continue that approach or establish a funding strategy capable of supporting preventive maintenance, rehabilitation, replacement, and implementation of the Commission's adopted stormwater priorities.

Table 1

City of Abilene
Storm Water Analysis
Income Statement Summary
Historical Years ending December 31, 2021 through 2024

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Receipts				
Charges for services	\$68,267	\$63,976	\$70,450	\$69,590
Interest Income	60	129	232	83
Miscellaneous	0	3,075	0	0
Total receipts	<u>\$68,327</u>	<u>\$67,180</u>	<u>\$70,682</u>	<u>\$69,673</u>
Expenditures				
Contractual services	\$8,890	\$0	\$0	\$7,714
Capital Outlay	191,989	11,785	0	45,000
Transfers to:				
General Fund	3,400	3,400	3,400	3,400
Total expenditures	<u>\$204,279</u>	<u>\$15,185</u>	<u>\$3,400</u>	<u>\$56,114</u>
Receipts over (under) expenditures	(\$135,952)	\$51,995	\$67,282	\$13,559
Unencumbered cash, beginning	\$612,321	\$476,369	\$528,364	\$595,646
Unencumbered cash, ending	\$476,369	\$528,364	\$595,646	\$609,205
Days of cash on hand	851	12,700	63,944	3,963

Table 2

**City of Abilene
Storm Water Analysis
Summary of Rate Charges
Historical Years ending December 31, 2021 through 2024**

		<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Storm water assessment fee					
Residential	(1)	\$1.25	\$1.25	\$1.25	\$1.25
Commercial	(1)	\$1.25	\$1.25	\$1.25	\$1.25

(1) Per drainage unit

Table 3

**City of Abilene
Storm Water Analysis
Summary of Historical Number of Customers
Historical Years ending December 31, 2021 through 2024**

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Storm water assessment fee				
Residential	2,472	2,475	2,486	2,502
Commercial	2,088	2,090	2,156	2,197
Total number of customers	4,560	4,565	4,642	4,699
<i>% Growth (Decline)</i>				
<i>Residential</i>		0.12%	0.43%	0.63%
<i>Commercial</i>		0.11%	3.13%	1.94%

Table 4

**City of Abilene
Storm Water Analysis
Revenue Comparison
Historical Years ending December 31, 2021 through 2024**

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Revenue from draing fee				
Residential	\$37,085	\$37,129	\$37,290	\$37,526
Commercial	31,319	31,353	32,335	32,962
Calculated revenue	<hr/> \$68,404	<hr/> \$68,482	<hr/> \$69,625	<hr/> \$70,489
Revenue reported within audit	\$68,267	\$63,976	\$70,450	\$69,590
Variance	\$137	\$4,506	(\$825)	\$899
% Difference (Model error)	0.20%	6.58%	-1.19%	1.27%

Table 5

**City of Abilene
Storm Water Analysis
Forecasted Number of Customers**

	<u>2024</u>	<u>MEAN</u>	<u>MEDIAN</u>	<u>BASE</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
Residential	2,502	2,484	2,481	2,502	2,522	2,532	2,542	2,552	2,562
Commercial	2,197	2,133	2,123	2,197	2,274	2,313	2,353	2,394	2,435
Total number of customers	4,699				4,796	4,845	4,895	4,946	4,997
<i>% Growth (Decline)</i>									
<i>Residential</i>	0.63%	0.40%	0.43%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%
<i>Commercial</i>	1.94%	1.73%	1.94%	1.73%	1.73%	1.73%	1.73%	1.73%	1.73%

Assumptions

Base number of customers = 2024 customer data

Base growth (decline) is minimum between mean, median, and rate for year 2024

Information in bold is based on input from city staff

Table 6

City of Abilene
 Storm Water Analysis
 Forecasted Expenditures
 Version A - No Proposed Changes

	<u>2024</u>	<u>MEAN</u>	<u>MEDIAN</u>	<u>BASE</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
Expenditures									
Contractual services	\$7,714	\$4,151	\$3,857	\$7,714	\$51,500	\$54,075	\$56,779	\$59,618	\$62,599
Capital Outlay	45,000	62,194	28,393	62,194	50,000	52,500	55,125	57,881	60,775
Transfers to:									
General Fund	3,400	3,400	3,400	3,400	3,551	3,587	3,624	3,662	3,700
New Debt Service									
None	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total expenditures	\$56,114				\$105,051	\$110,162	\$115,528	\$121,161	\$127,074
Margin				5.00%	\$5,253	\$5,508	\$5,776	\$6,058	\$6,354
Total expenditures and margin					\$110,303	\$115,670	\$121,304	\$127,219	\$133,428

Contractual services for 2026 were based on 2026 Budget.

Operating expenses were inflated at 5% per year.

Transfers were based on initial forecast amount and were forecasted to remain flat.

Information in bold is based on input from city staff.

Table 7

**City of Abilene
Storm Water Analysis
Forecasted Cash Receipts
Version A - No Proposed Changes**

	<u>2024</u>	<u>MEAN</u>	<u>MEDIAN</u>	<u>BASE</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
Receipts									
Charges for services	\$69,590	\$68,071	\$68,929		\$71,017	\$71,747	\$72,486	\$73,237	\$73,999
Interest Income	83	126	106	0	0	0	0	0	0
Miscellaneous	0	769	0	0	0	0	0	0	0
Total receipts	\$69,673				\$71,017	\$71,747	\$72,486	\$73,237	\$73,999

Assumptions

Charges for services are based on calculations found on Table 9

Base receipt amount is minimum between mean, median, and amount expensed in year 2024.

Cash receipts were forecasted to remain flat over the forecast period.

Information in bold is based on input from city staff.

Table 8

**City of Abilene
Storm Water Analysis
Pro Forma Analysis
Version A - No Proposed Changes**

	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
Receipts					
Charges for services	\$71,017	\$71,747	\$72,486	\$73,237	\$73,999
Interest Income	0	0	0	0	0
Miscellaneous	0	0	0	0	0
Total receipts	\$71,017	\$71,747	\$72,486	\$73,237	\$73,999
Expenditures					
Contractual services	\$51,500	\$54,075	\$56,779	\$59,618	\$62,599
Capital Outlay	50,000	52,500	55,125	57,881	60,775
Transfers to:					
General Fund	3,551	3,587	3,624	3,662	3,700
New Debt Service					
None	N/A	N/A	N/A	N/A	N/A
Margin	5,253	5,508	5,776	6,058	6,354
Total expenditures	\$110,303	\$115,670	\$121,304	\$127,219	\$133,428
Revenue over (under) expenditures	(\$39,286)	(\$43,924)	(\$48,818)	(\$53,982)	(\$59,429)

Assumptions

- Charges for services are based on calculations found on Table 9
- Base receipt amount is minimum between mean, median, and amount expensed in year 2024.
- Cash receipts were forecasted to remain flat over the forecast period.
- Contractual services for 2026 were based on 2026 Budget.
- Operating expenses were inflated at 5% per year.
- Transfers were based on initial forecast amount and were forecasted to remain flat.

Table 9

**City of Abilene
Storm Water Analysis
Summary of Proposed Changes
Version A - No Proposed Changes**

	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
PROPOSED RATE INCREASE	N/A	0.00%	0.00%	0.00%	0.00%	0.00%

Storm water assessment fee						
Residential	(1)	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25
Commercial	(1)	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25

(1) Per drainage unit

Table 10

City of Abilene
Storm Water Analysis
Cash on Hand Analysis
Version A - No Proposed Changes

	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
SUMMARY OF CASH ON HAND						
Storm Drainage Fund						
Unencumbered cash, beginning		\$656,357	\$622,324	\$583,908	\$540,866	\$492,943
Estimated net cash gain		(34,034)	(38,416)	(43,042)	(47,924)	(53,075)
Estimated unencumbered cash, ending	\$656,357	\$622,324	\$583,908	\$540,866	\$492,943	\$439,868
Days of cash on hand	N/A	2,059	1,843	1,627	1,414	1,203

Recommendation is to have a minimum of 180 days of operating cash on hand
Days of cash on hand can be as low as 90 days if there are other adequately funded reserve/replacement funds

Table 11

**City of Abilene
Storm Water Analysis
Debt Service Coverage Ratio Analysis
Version A - No Proposed Changes**

	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
DEBT SERVICE COVERAGE RATIO SUMMARY					
Revenues available for debt service					
Revenue over (under) expenditures	(\$39,286)	(\$43,924)	(\$48,818)	(\$53,982)	(\$59,429)
Capital Outlay	50,000	52,500	55,125	57,881	60,775
Transfers to:					
General Fund	3,551	3,587	3,624	3,662	3,700
New Debt Service					
None	N/A	N/A	N/A	N/A	N/A
Margin	5,253	5,508	5,776	6,058	6,354
Total revenues available for debt service	\$19,517	\$17,672	\$15,708	\$13,620	\$11,400
Total debt service	N/A	N/A	N/A	N/A	N/A
Debt service coverage ratio	N/A	N/A	N/A	N/A	N/A

It is recommended for cities to maintain a debt service coverage ratio of 100% on outstanding general obligation debt

Table 12

**City of Abilene
Storm Water Analysis
Forecasted Expenditures
Version B - Proposed Rate Increase to Breakeven**

	<u>2024</u>	<u>MEAN</u>	<u>MEDIAN</u>	<u>BASE</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
Expenditures									
Contractual services	\$7,714	\$4,151	\$3,857	\$7,714	\$51,500	\$54,075	\$56,779	\$59,618	\$62,599
Capital Outlay	45,000	62,194	28,393	62,194	50,000	52,500	55,125	57,881	60,775
Transfers to:									
General Fund	3,400	3,400	3,400	3,400	5,681	5,969	10,252	10,773	11,320
New Debt Service									
Misc Capital Outlay Projects	N/A	N/A	N/A	N/A	N/A	N/A	\$73,582	\$73,582	\$73,582
Total expenditures	\$56,114				\$107,181	\$112,544	\$195,738	\$201,854	\$208,276
Margin				5.00%	\$5,359	\$5,627	\$9,787	\$10,093	\$10,414
Total expenditures and margin					\$112,540	\$118,172	\$205,525	\$211,946	\$218,690

Contractual services for 2026 were based on 2026 Budget.

Operating expenses were inflated at 5% per year.

Transfers were based on initial forecast amount and were forecasted to remain flat.

Information in bold is based on input from city staff.

Table 13

**City of Abilene
Storm Water Analysis
Forecasted Cash Receipts
Version B - Proposed Rate Increase to Breakeven**

	<u>2024</u>	<u>MEAN</u>	<u>MEDIAN</u>	<u>BASE</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
Receipts									
Charges for services	\$69,590	\$68,071	\$68,929		\$113,628	\$119,386	\$205,050	\$215,460	\$226,409
Interest Income	83	126	106	0	0	0	0	0	0
Miscellaneous	0	769	0	0	0	0	0	0	0
Total receipts	\$69,673				\$113,628	\$119,386	\$205,050	\$215,460	\$226,409

Assumptions

Charges for services are based on calculations found on Table 15

Base receipt amount is minimum between mean, median, and amount expensed in year 2024.

Cash receipts were forecasted to remain flat over the forecast period.

Information in bold is based on input from city staff.

Table 14

**City of Abilene
Storm Water Analysis
Pro Forma Analysis
Version B - Proposed Rate Increase to Breakeven**

	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
Receipts					
Charges for services	\$113,628	\$119,386	\$205,050	\$215,460	\$226,409
Interest Income	0	0	0	0	0
Miscellaneous	0	0	0	0	0
Total receipts	\$113,628	\$119,386	\$205,050	\$215,460	\$226,409
Expenditures					
Contractual services	\$51,500	\$54,075	\$56,779	\$59,618	\$62,599
Capital Outlay	50,000	52,500	55,125	57,881	60,775
Transfers to:					
General Fund	5,681	5,969	10,252	10,773	11,320
New Debt Service					
Misc Capital Outlay Projects	N/A	N/A	73,582	73,582	73,582
Margin	5,359	5,627	9,787	10,093	10,414
Total expenditures	\$112,540	\$118,172	\$205,525	\$211,946	\$218,690
Revenue over (under) expenditures	\$1,087	\$1,215	(\$475)	\$3,514	\$7,719

Assumptions

- Charges for services are based on calculations found on Table 15
- Base receipt amount is minimum between mean, median, and amount expensed in year 2024.
- Cash receipts were forecasted to remain flat over the forecast period.
- Contractual services for 2026 were based on 2026 Budget.
- Operating expenses were inflated at 5% per year.
- Transfers were based on initial forecast amount and were forecasted to remain flat.

Table 15

City of Abilene
Storm Water Analysis
Summary of Proposed Changes
Version B - Proposed Rate Increase to Breakeven

	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
PROPOSED RATE INCREASE	N/A	60.00%	4.00%	70.00%	4.00%	4.00%

Storm water assessment fee							
Residential	(1)	\$1.25	\$2.00	\$2.08	\$3.54	\$3.68	\$3.82
Commercial	(1)	\$1.25	\$2.00	\$2.08	\$3.54	\$3.68	\$3.82

(1) Per drainage unit

Table 16

City of Abilene
Storm Water Analysis
Cash on Hand Analysis
Version B - Proposed Rate Increase to Breakeven

	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
SUMMARY OF CASH ON HAND						
Storm Drainage Fund						
Unencumbered cash, beginning		\$656,357	\$662,804	\$669,646	\$678,957	\$692,564
Estimated net cash gain		6,446	6,842	9,312	13,607	18,133
Estimated unencumbered cash, ending	\$656,357	\$662,804	\$669,646	\$678,957	\$692,564	\$710,697
Days of cash on hand	N/A	2,150	2,068	1,206	1,193	1,186

Recommendation is to have a minimum of 180 days of operating cash on hand
Days of cash on hand can be as low as 90 days if there are other adequately funded reserve/replacement funds

Table 17

**City of Abilene
Storm Water Analysis
Debt Service Coverage Ratio Analysis
Version B - Proposed Rate Increase to Breakeven**

	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
DEBT SERVICE COVERAGE RATIO SUMMARY					
Revenues available for debt service					
Revenue over (under) expenditures	\$1,087	\$1,215	(\$475)	\$3,514	\$7,719
Capital Outlay	50,000	52,500	55,125	57,881	60,775
Transfers to:					
General Fund	5,681	5,969	10,252	10,773	11,320
New Debt Service					
Misc Capital Outlay Projects	N/A	N/A	73,582	73,582	73,582
Margin	5,359	5,627	9,787	10,093	10,414
Total revenues available for debt service	<u>\$62,128</u>	<u>\$65,311</u>	<u>\$148,271</u>	<u>\$155,843</u>	<u>\$163,811</u>
Total debt service	N/A	N/A	\$73,582	\$73,582	\$73,582
Debt service coverage ratio	N/A	N/A	2.0151	2.1180	2.2262

It is recommended for cities to maintain a debt service coverage ratio of 100% on outstanding general obligation debt

RESOLUTION 041111-4

A RESOLUTION ADOPTING THE CITY OF ABILENE'S STORMWATER MANAGEMENT POLICY

BE IT RESOLVED by the Governing Body of the City of Abilene, Kansas that the following policy for Stormwater Management:

SECTION ONE: PURPOSE

The purpose of this Policy is to provide guidance and direction in the implementation of Charter Ordinance No. 13 regarding the City's Stormwater Utility.

SECTION TWO: POLICY

It is the policy of the City of Abilene that all stormwater drainage facilities within the public right-of-way must be properly maintained to ensure adequate efficiency of municipal stormwater systems. In order to accomplish this goal, under the direction of the Public Works Department and the Stormwater Management Program, the guidelines for such maintenance will be as follows:

SECTION THREE: GENERAL REGULATIONS

1. The City shall maintain only the stormwater drainage facilities which are in the City-maintained street rights-of-way with exception to culverts and head walls under driveways within the rights-of-way; stormwater drainage facilities which are in permanent stormwater drainage easements conveyed to and accepted for maintenance by the City; and stormwater drainage facilities which are on City property. All other stormwater drainage facilities shall be the responsibility of the property owner(s).
2. When stormwater drainage facilities have been placed or will be placed by others within City-maintained rights-of-way or within other City-maintained stormwater drainage areas, the City has the right to require such drainage facilities be removed or brought up to City standards and specifications under the following conditions: 1) the facilities do not meet City standards; 2) where it is determined that these facilities are a detriment to public roads or other public property; 3) that they endanger the public; and 4) where the stormwater drainage facilities result in the need for frequent maintenance work or repairs. The removed or upgrading of such facilities is the responsibility of the individual in terms of actual work and cost.
3. The General Financial and Budgetary Policy contains criteria to be used in the evaluation and prioritization of proposed Capital Improvement Projects. Additionally, the prioritization of corrective measures for the stormwater problems which are the responsibility of the City will be based upon the following criteria:
 - a. Loss of Life, Reduction in Public Safety or Damage to Public Property;
 - b. Major Property Damage;
 - c. Potential for Major Property Damage;
 - d. Minor Property Damage;
 - e. Potential for Minor Property Damage; and
 - f. Minor Nuisance Flooding.
4. Where there exists a stormwater drainage problem which needs to be corrected, as determined by the Public Works Director and City Engineer, on public rights-of-way or on other City-maintained stormwater drainage facilities, and the adjacent property owner(s) requests

improvements over and above the minimum improvements which would be necessary to mitigate said problem as determined by the Public Works Director and the City Engineer, then the City may have the discretion to allow the additional improvements be made with an agreement from the property owner(s) to be responsible for all additional costs associated with the improvements over and above the minimum necessary improvements.

5. The City's acquisition of City-maintained stormwater drainage easements and/or the cleaning, construction, or repair by the City of stormwater drainage facilities does not constitute a warranty against stormwater hazards, including, but not limited to, flooding, erosion, or standing water.

SECTION FOUR: CAPITAL IMPROVEMENT PROGRAMMING

The Public Works Department shall develop and maintain a prioritized list of proposed stormwater drainage projects. Proposed projects may be added to the list by the procedure described in the General Financial and Budgetary Policy. A project may be deleted from the list at the direction of City Commission, at the request of the person(s) initiating the project, or upon completion and acceptance of the project by the City.

SECTION FIVE: STORMWATER PROJECT IDENTIFICATION STUDY

In March 2010, George Butler Associates provided the City with the final report for Phase I of the Storm Sewer Project Identification Study. The report provides a summary of work completed, findings and recommendations to address the stormwater problems the City is experiencing. This study shall serve as a starting point for discussion on stormwater projects. The City shall periodically update the Study to ensure that stormwater projects within the study reflect the current conditions of the community.

SECTION SIX: PROJECT ENGINEERING STUDY

Prior to commencing work on any proposed stormwater project, the City will conduct a preliminary engineering study. This study will determine the feasibility of the proposed project, the environmental effects and the impact on existing structures, facilities and affected properties. A preliminary cost estimate will also be prepared. A cost estimate will be provided for both contract construction and for construction by City crews, including all time and materials.

Based upon the findings of the preliminary engineering study, the Public Works Director will place each of the proposed projects in one of the categories specified in Section 2d, above. Each proposed project will be further evaluated within each category according to the number, frequency and severity of the drainage problems, the number of affected properties, the potential for environmental damage due to construction activities and the community support for the project. For projects rated equally, the lower cost project and/or projects where residents are willing to share in the construction cost will be given a higher priority.

SECTION SEVEN: PROJECT APPROVAL AND FUNDING

The Public Works Director may approve projects that will be constructed solely by City forces using materials purchased with budgeted Public Works Department operating funds. All other projects must be approved by the City Commission before implementation. For projects requiring Commission approval, the results of the preliminary engineering study will be forwarded to the City Commission, along with a staff recommendation regarding project approval, funding and scheduling. Projects may be approved by appropriations for funds during the annual budget process or by the City Commission at other times throughout the year. The City Commission will be provided with the current project list for review on an annual basis. The Commission's review will coincide with the annual five-year Capital Improvement Program process.

SECTION EIGHT: STORMWATER FUND; STORMWATER DRAINAGE FEE; REVIEW

The City Commission approved a stormwater fee to be charged to all residential and commercial property owners within the City of Abilene. This fee is collected with the monthly utility bills and is deposited into the City's Stormwater Fund for the purpose of updating and maintaining the public stormwater system. The City Manager shall review the stormwater fee at least every three years to ensure that sufficient funds are being collected to adequately address stormwater issues throughout the community. If the City Manager determines that insufficient funds are being collected to adequately fund stormwater needs, he or she shall recommend such changes as may be necessary to the City Commission.

The primary means of funding stormwater improvements or maintenance shall be the proceeds of the stormwater utility fee. The City Commission, through the Capital Improvement Program and criteria named in this Policy, may designate public projects to fund with the stormwater fee. The stormwater fee shall be used on projects as follows:

1. City project benefiting the overall community; or
2. City at-large contribution for stormwater projects initiated by private property owners or a developer where there is a demonstrable benefit to the community.

SECTION NINE: SPECIAL BENEFIT DISTRICT

Property owners may petition the City, under K.S.A. 12-06a, et seq., to make stormwater improvements to address issues that are not programmed in the Capital Improvement Program. The City may elect to participate in a special benefit district if the City Commission determines that there is a portion of the requested project that has a benefit to the at-large community. The City Manager, with the assistance of the City Engineer, shall provide the City Commission a recommendation of the portion of costs attributable to the at-large community.

SECTION TEN: ISSUANCE OF DEBT

The City Commission may elect to issue public debt to finance the cost of stormwater projects. Such debt shall be issued in accordance with the General Financial and Budgetary Policy and any other existing policies regarding the issuance of debt. The City Commission may issue debt in any allowable debt instrument as provided by state law and local ordinance. Prior to the issuance of any public debt for stormwater projects, the City shall have conduct a cost-benefit analysis and cost recovery analysis of the proposed project to include dedicated sources of revenue. The final report shall be provided to the City Commission and made available to the public prior to authorizing the issuance of public debt.

SECTION ELEVEN: STORMWATER BEST MANAGEMENT PRACTICES

Property owners and developers should be encouraged to implement Best Management Practices (BMPs) for stormwater management to reduce the immediate impact of stormwater on the City's existing stormwater system and to also improve the quality of stormwater before it enters local watersheds. Best management practices include:

1. Soil protection and restoration;
2. Capturing run-off from impervious surfaces using bio-retention areas;
3. Implementation of non-structural or structural BMPs;
4. Elimination of direct connections of impervious areas to storm drains; and
5. Self-regulation of land uses that contribute to greater concentrations of hydrocarbons, metals, and other pollutants.

Although not formally adopted by the City, interested property owners may consult the Mid-America Regional Council and American Public Works Association's "Manual of Best Management Practices for Stormwater Quality, August 2009 edition" for guidance on the implementation of BMPs for stormwater.

SECTION TWELVE: PROJECT DESIGN AND EASEMENT ACQUISITION

The Public Works Department is responsible for the preparation of construction plans and easement plats for each approved project. All projects shall be designed in conformance with the existing "Design Criteria for Storm Drainage Systems" for the City. The Public Works Department is responsible for acquiring easements and discussing the proposed plans with the affected property owners. The Department will attempt to accommodate any reasonable suggestions and comments of property owners concerning project design. The final project design and plan approval is the responsibility of the City Engineer and Public Works Director.

SECTION THIRTEEN: ON AND OFF-SITE STORMWATER IMPROVEMENTS

Any proposed stormwater improvement, both on-site and off-site, will provide effective stormwater management in accordance with all applicable regulations and will be adequate to carry projected peak flows in a design storm without causing damage or flooding to downstream public or private property.

SECTION FOURTEEN: BIDDING AND CONSTRUCTION

All bidding shall be carried out in accordance with the Purchasing Policy. The Public Works Department shall prepare bid specifications. The Public Works Department shall be responsible for monitoring the construction of an approved project including, but not limited to, surveying, contractor supervision, inspection and approval of invoices. The City Engineer must approve any changes to the construction plans.

SECTION FIFTEEN: PROJECT ACCEPTANCE

Acceptance of a project is the responsibility of the City Manager. Any concerns of a property owner as to whether a project has been properly constructed should be addressed by the Public Works Department, the City Manager or the City Commission.

SECTION SIXTEEN: PUBLIC EDUCATION

Revenue in the Stormwater Fund may be used for public education for stormwater-related issues. The City should also include a public education initiative as part of every stormwater project to provide public recognition of stormwater projects and to further the public's understanding of stormwater-related issues including: environmental, public safety, regulatory, and financial aspects.

SECTION SEVENTEEN: PUBLIC COMMENT

The City shall provide the public with opportunities to comment on proposed stormwater projects through the Capital Improvement Program process and other general project or study planning initiatives. Public comment will be solicited by the City throughout the project implementation process to ensure that public needs and concerns are being addressed.

REPEAL. All other policies in conflict of this Stormwater Management Policy are hereby repealed.

EFFECTIVE DATE. This Resolution shall be in full force and effect after its adoption on April 11, 2011.

Adopted by the Governing Body of the City of Abilene, Kansas, this 11th day of April, 2011.

(Seal)



Lynn Peterson
Lynn Peterson, Mayor

ATTEST:

Penny L. Soukup
Penny L. Soukup, CMC
City Clerk



Memorandum

To: Mayor and City Commission
From: Jon Quinday, Interim City Manager
Date: April 20, 2026
Subject: Industrial Land Policy Review and Pricing Strategy for Industrial Park

The purpose of this memorandum is to provide background information and policy considerations regarding the City's industrial land program in light of ongoing infrastructure investments in the industrial park. The City Commission is asked to provide direction on whether to maintain, amend, or replace the current policy governing the sale of industrial land.

The City of Abilene has historically used industrial land as a tool to attract new and expanding businesses. In April 2020, the City Commission adopted a policy allowing the City to convey industrial land at no cost ("free land") to qualifying projects that meet established investment, job creation, and wage requirements.

Under this policy, eligible projects must generally include:

1. A minimum private capital investment of \$500,000
2. Creation of at least four (4) full-time jobs
3. Wages of at least \$20.00 per hour

The policy also requires companies to meet these commitments over a five-year period. If those commitments are not met, the City may recover the value of the land at fair market rates.

Approximately 20 acres of City-owned land within the industrial park are subject to this policy. Historically, the "free land" approach has reduced upfront costs for businesses and served as a primary economic development incentive.

The City is currently making a significant investment in the industrial park to improve its readiness for development. This project includes:

- Installation of water and sanitary sewer infrastructure
- Construction of a stormwater detention basin
- Development of roadway access

The total project cost is approximately \$3.0 million. The City has received grant funding from the State of Kansas that will reimburse project costs proportionally, with the State contributing up to \$2.5 million and the City responsible for a local match of up to \$750,000.

As a result of these improvements, the industrial park will transition from largely undeveloped land to fully serviced sites with infrastructure in place.

It is helpful to understand two commonly used terms as they relate to industrial development:

1. Shovel-ready site: Land that has necessary infrastructure (water, sewer, roads, and drainage) in place or immediately accessible, allowing a business to begin construction quickly.
2. Certified site: A designation from the Kansas Department of Commerce indicating that a site has undergone additional due diligence (such as environmental review, utility verification, and title work) to reduce risk and accelerate development timelines.

It is important to note that certification does not determine the price of land. Pricing is established locally by each community, and certified sites in Kansas vary widely in price depending on location and market conditions.

A review of industrial land across Kansas shows that pricing varies significantly based on location, infrastructure, and demand.

General pricing ranges include:

Rural / incentive-driven communities:

- ~\$5,000 – \$10,000 per acre
(Often includes free or heavily discounted land to attract jobs)

Communities similar to Abilene (secondary markets):

- ~\$15,000 – \$60,000 per acre
(Typical range for land with infrastructure in place)

Larger or metro markets (Wichita / Kansas City region):

- \$100,000+ per acre

A summary of Kansas industrial land pricing and comparable sites is included as Attachment A.

Industrial land pricing in Kansas varies widely, even among certified sites. While infrastructure generally increases land value, many communities use pricing strategically—offering land at no cost, at a discount, or at market rates—depending on their economic development goals.

The City's infrastructure investment represents a significant change in the condition and marketability of the industrial park. Historically, the property has consisted of undeveloped or partially improved land. Upon completion of the current improvements, the site will be fully serviced and ready for development, allowing businesses to begin construction more quickly and with fewer upfront challenges.

This transition raises an important policy consideration for the City Commission: whether to continue offering land at no cost as an incentive or to establish a pricing structure that reflects the City's investment in infrastructure and the increased value of the property.

The City Commission has several options to consider regarding the future of the industrial land policy, each reflecting a different balance between economic development incentives and recovery of the City's infrastructure investment.

One option is to maintain the current policy of providing land at no cost to qualifying projects. This approach maximizes the City's competitiveness with other rural communities that offer aggressive incentives and continues to reduce upfront costs for prospective businesses. It is also a simple and familiar program that has been used successfully in the past. However, continuing this approach would not allow the City to recover its investment in infrastructure, may undervalue land that will soon be fully serviced, and provides the same level of benefit regardless of the size or impact of a project.

A second option is to amend the current policy to establish a hybrid approach. Under this model, the City could introduce a base price for industrial land while retaining the ability to offer discounts or incentives based on project performance. For example, land could be priced per acre or square foot, with reductions or waivers provided for projects that meet higher thresholds for investment, job creation, or wages. This approach balances cost recovery with economic development goals, aligns with practices used by many comparable Kansas communities, and allows flexibility to respond to different types of projects. However, it would be more complex to administer and would require the development of clear criteria and guidelines.

A third option is to move to a market-based pricing model in which all industrial land is sold at a set price based on current market conditions. This approach would allow the City to recover a portion of its infrastructure investment, provide consistency and transparency in pricing, and support long-term sustainability of the industrial park. The primary drawback is that it may reduce the City's competitiveness in attracting new businesses, increase upfront costs for developers, and require the use of other incentive tools to remain competitive with peer communities.

Finally, the City could consider a tiered pricing strategy that varies the cost of land based on the overall impact of a project. Under this approach, high-impact projects could receive free or reduced-cost land, while standard projects might receive discounted pricing and lower-impact uses would pay full market value. This structure allows the City to align incentives with community priorities, encourage higher-quality development, and maintain flexibility in negotiations. However, it introduces additional complexity, requires clearly defined evaluation criteria, and may involve a greater degree of subjectivity in decision-making.

In evaluating these options, the City Commission may wish to consider several factors, including the City's financial investment in infrastructure, competitiveness with similar Kansas communities, and the role of industrial land as either an economic development incentive or a revenue-generating asset. Additional considerations include the long-term sustainability of the industrial park, opportunities for future reinvestment, and the level of administrative complexity associated with implementation.

Staff is seeking direction from the City Commission on whether to maintain the current policy, bring back an amended policy based on the direction the Commission wishes to proceed, or repeal and replace the policy with a new framework.

Attachment A – Kansas Industrial Land Comparable Analysis

The following matrix summarizes industrial land pricing across Kansas, with emphasis on sites that are either certified (“shovel-ready”) or have infrastructure in place. Pricing is normalized to a per-acre basis for comparison.

Location	Site / Type	Acres	Total Price	\$/Acre	Infrastructure / Readiness	Market Type
Coffeyville	Certified Industrial Site	62.5	~\$562,500	~\$9,000	Full utilities, highway access	Rural
Tribune	Certified Site	24.83	\$125,000	~\$5,000	Basic utilities	Rural
Wichita	The Paddock Industrial Park	Various	—	\$126,000–\$166,000	Fully serviced, shovel-ready	Metro
Wichita (frontage)	Premium frontage lots	—	—	~\$435,000	Fully serviced, high visibility	Metro
Salina	Airport Industrial Land	13.02	\$345,030	~\$26,500	Utilities + logistics access	Secondary
Newton	Industrial Park Lots	2–4	\$28K–\$241K	\$15K–\$80K	Subdivided, utilities in place	Secondary
Topeka	Industrial Lots	~10	\$112K–\$612K	\$11K–\$60K	Utility-served	Secondary
Garden City	Industrial Land	36.14	\$674,000	~\$18,600	Utilities available	Rural/Secondary
Salina (larger tracts)	Industrial Sites	14–18	\$510K–\$1.78M	\$35K–\$98K	Fully serviced	Secondary
Spring Hill (KC region)	Industrial Site	25	\$4.3M	~\$172,000	Fully serviced	Metro

Based on the comparables above, industrial land pricing in Kansas generally falls within the following ranges:

Market Category	Typical Price Range	Characteristics
Rural / Economic Development Pricing	\$5,000 – \$10,000 per acre	Often subsidized; may include free land incentives
Secondary Markets (Comparable to Abilene)	\$15,000 – \$60,000 per acre	Infrastructure in place; most common range
Regional Logistics / Larger Tracts	\$25,000 – \$100,000 per acre	Larger sites with transportation access
Metro Markets (Wichita / KC Region)	\$100,000 – \$175,000+ per acre	High demand, fully serviced
Urban Core / Infill	\$175,000 – \$350,000+ per acre	Limited land availability

Key Observations

- Industrial land pricing in Kansas varies widely based on location, infrastructure, and market demand.
- Certified (“shovel-ready”) sites do not have a standard price and range from approximately \$5,000 to over \$150,000 per acre.
- The presence of infrastructure (water, sewer, roads, drainage) significantly increases land value.
- For communities similar to Abilene, the most representative pricing range for serviced industrial land is approximately \$15,000 to \$60,000 per acre.

The City’s investment in infrastructure will transition the industrial park to fully serviced, development-ready sites. Based on Kansas comparables:

- Serviced industrial land is typically marketed at a per-acre or per-square-foot price
- Some communities continue to offer free or discounted land as an incentive
- Others use market pricing combined with performance-based incentives

City of Abilene, Kansas

Industrial Land Funding Policy

Section 1. Intent – The city of Abilene considers the growth of employment and investment in industries that manufacture or add value to products that are sold outside of the community as a primary benefit to the health and vitality of the Abilene. In order to foster industrial growth, the City has invested public resources into land acquisitions that accommodate new, expanded, and relocating industrial activities.

Section 2. Eligible Property – The benefits of the policy may be applied toward the approximate 20 acres of land that the city owns. This property is located along 14th Ave. and the future Industrial Park Ave. The legal description of these lots are:

1. LOT 1 BLOCK 1, INDUSTRIAL PARK ADDITION NO. 1, S07, T13, R02, BLOCK 1, Lot 1, 129050 SQUARE FEET, 3.0 ACRES
2. LOT 2 BLOCK 1, INDUSTRIAL PARK ADDITION NO. 1, S07, T13, R02, BLOCK 1, Lot 2, 218471 SQUARE FEET, 4.9 ACRES
3. LOT 3 BLOCK 1, INDUSTRIAL PARK ADDITION NO. 1, S07, T13, R02, BLOCK 1, Lot 3, 217725 SQUARE FEET, 4.9 ACRES
4. LOT 4 BLOCK 1 INDUSTRIAL PARK ADDITION NO. 1, S07, T13, R02, BLOCK 1, Lot 4, 217804 SQUARE FEET, 5.0 ACRES

All or part of the property is eligible contingent on meeting the criteria set forth in these guidelines.

Section 3. Minimum Project Requirements – An individual Industrial growth project must meet the following minimum requirements:

- \$500,00.00 of private capital investment in buildings, equipment and/or site improvements.
- A minimum of 4 new FTE employees; and
- A base wage of \$20.00 for each created position.

Section 4. Benefit Request – A request for the industrial land may be filed with the Planning and Zoning Department and must include a detailed description of the project to include:

- Company Description and contact information;
- Specific site information;

- Building improvement information, including anticipated construction costs;
- Description of the industrial process, materials, and products produced;
- Anticipated employment by position and base wage rates; and
- Description of other public incentives being sought from either City, State, or other resources.

Requests will be reviewed by the Dickinson County Economic Development Corporation for a recommendation, which will be forwarded to the Abilene City Commission for consideration.

Section 5. Assurances – The eligible industry shall maintain the employment requirement set fourth for a minimum of five years with base wage of at least \$20.00 for the four FTE. If this standard is not met, the company will be required to pay for the given land at fair market rate.

Section 6. Compliance Documentation – Annually the company must provide the following data to the Planning and Zoning Department prior to the 2nd and subsequent anniversary dates of the closing of the property acquired from the City under this policy.

- Monthly employment data for the previous year including FTE positions and wage rates for each position;
- Statement of capital assets to include, building, land, site improvements, and equipment;
- Any significant changes in products or materials produced or used in production activities.

This information will be reviewed by the Dickinson County Economic Development Corporation and a finding of compliance forwarded to the Abilene City Commission for consideration. If the criteria is not met the City Commission has the right to revoke the free land agreement, and charge the industry the fair market rate of acquired property. After the 5th anniversary of the transfer of land the requirements stated in this policy will be automatically fully released.

Section 6. City Commission Discretion – The Abilene City Commission reserves the right to exempt any project from the limitations set forth in this policy. Exemptions may include the eligibility and benefit standards. Also, if projects do not meet the criteria, the land may be purchased for the going market rate. The Commission may also terminate, suspend or amend this policy when deemed necessary by a majority of the Commission.

Section 8. Effective – This policy shall be effective upon the adoption by the Abilene City Commission and will remain so until such times as the City Commission revokes or amends the provisions herein.

Approved this 13th day of April 2020.

ATTEST:



Chris Ostermann
Chris Ostermann, Mayor

Penny L. Soukup, CMC
Penny L. Soukup, CMC
City Clerk