



REQUEST FOR COMMISSION ACTION
CITY OF INDEPENDENCE
March 14, 2019

Department Administration

Director Approval Kelly Passauer

AGENDA ITEM Consider an ordinance reannexing Lots 14 and 15 of the West Laurel Street Industrial Park into the City limits.

SUMMARY RECOMMENDATION Staff recommends approval.

BACKGROUND Previously the City Commission adopted an ordinance de-annexing this property at the request of Independence Action Partnership (IAP) when they were wishing to drill an oil and/or gas well, which is not allowed within the City limits. Since that time the well(s) were never drilled, and the City has entered in a lease purchase agreement to purchase the property and as part of that agreement IAP has agreed to allow it to be reannexed. This property makes up a large portion of the City's West Laurel Industrial Park, therefore it is recommended to reannex this property for future industrial development.

BUDGET IMPACT N/A

SUGGESTED MOTION I move to approve an ordinance annexing Lots 14 and 15 of the West Laurel Street Industrial Park into the City limits.

SUPPORTING DOCUMENTS Ordinance and IAP Lease

ORDINANCE NO. _____

An Ordinance Annexing Property

Whereas, the following described real estate was previously within the corporate boundaries of the City of Independence, Kansas, but was de-annexed by agreement pursuant to Ordinance 4216 recorded in Book 646 at Page 1384 with the Montgomery County Register of Deeds:

NE/4 SW/4 of Section 26, Township 32 South, Range 15 East, Montgomery County, Kansas; also described as Lots 14 and 15, West Laurel Street Industrial Park, City of Independence, Montgomery County, Kansas

And Whereas, the above described real estate is now owned by Independence Action Partnership, Inc., and is under lease to the City of Independence, Kansas.

And Whereas, as a condition of the lease, Independence Action Partnership, Inc., has given its written consent to annexation of the above described real estate by the City of Independence, Kansas.

And Whereas, the above described real estate is adjacent to the city limits of the City of Independence, written consent has been given to its annexation by the City of Independence and accordingly annexation can occur by Ordinance with no further notice or hearing required.

BE IT ORDAINED by the Governing Body of the City of Independence, Kansas:

Section 1. The above described real estate is hereby annexed into the City of Independence, Kansas, and shall hereafter be considered as part of the West Laurel Street Industrial Park as it was originally platted and shall have the following legal description:

Lots 14 and 15, West Laurel Street Industrial Park, City of Independence, Montgomery County, Kansas

Section 2. This Ordinance shall take effect upon its publication in the official City newspaper.

Adopted by the Governing Body of the City of Independence, Kansas, on the 14th day of March, 2019.

LOUIS YSUSI, Mayor

ATTEST:

DAVID W. SCHWENKER, City Clerk

LEASE PURCHASE AGREEMENT

THIS AGREEMENT is entered into by and between Independence Action Partnership, Inc., a Kansas nonprofit corporation (hereafter IAP), and the City of Independence, Kansas, a municipal corporation (hereafter City).

WHEREAS, IAP owns the following described unimproved real estate:

Lots 14 and 15, West Laurel Street Industrial Park, Montgomery County, Kansas. (hereafter Property)

AND WHEREAS, City is desirous of acquiring the Property from IAP for potential economic development purposes.

NOW THEREFORE, in consideration of the mutual covenants and agreements hereinafter contained, the parties agree to the following:

1. **Lease:** IAP agrees to lease to City, and City agrees to lease from IAP, the Property.
2. **Lease Payment:** Beginning January 15, 2018, and on the anniversary date of each year thereafter, City shall pay IAP an annual lease payment of \$50,000.00 during the term of this agreement.
3. **Term:** This Lease Agreement shall be for a term of five (5) years beginning on the due date of the first payment.
4. **Use and Possession:** During the term of this agreement, City shall have exclusive use and possession of the Property and may assign and sublease any part thereof in the sole option of the City. City shall have the responsibility for the overall upkeep and maintenance of the Property and shall be responsible for payment of any applicable ad valorem taxes assessed against the Property.
5. **Annexation:** IAP hereby consents to annexation of the Property in the event City deems it advisable to annex the Property in the future.
6. **Default:** In the event City fails to make a required annual payment

within thirty (30) days of the due date, IAP at its option may give City written notice of noncompliance with this agreement. Upon receipt of notice, City shall have thirty (30) days to correct or cure the violation of the agreement. In the event City does not cure or correct the violation within thirty (30) days of the date of written notice, IAP at its sole option may declare this agreement null and void, and retain all payments made as reasonable rental value of the Property. Nothing contained herein shall limit the other available legal remedies to the parties.

7. **Option to Purchase:** After City has made five (5) annual lease payments totaling \$250,000.00, or in the event City pays IPA the total sum of \$250,000.00, City shall have the option to purchase the Property for an additional One Dollar (\$1.00). Notice of City's election to exercise its option to purchase shall be given to IAP in writing any time after City has paid a total of \$250,000.00 under this agreement.

8. **Expenses:** In the event City exercises its option to purchase, any expense related to title insurance and closing shall be paid by City.

9. **Binding Effect:** This agreement shall be binding upon the heirs, successors and assigns of the parties hereto.

SELLER

INDEPENDENCE ACTION PARTNERSHIP, INC.

11-22-17
Date

By: 
Don Hill, President

BUYER

CITY OF INDEPENDENCE, KANSAS

11/21/17
Date

By: *Fred D. Meier*
Fred D. Meier, Mayor

ATTEST:

Michael A. Borovetz
Michael A. Borovetz
City Clerk