

GOVERNANCE CONSIDERATIONS

Major Considerations

- **Long-term stability (Property values, economic development, redevelopment)**
- **Annexation possibility**
- **Lake improvements (water, sewer, roads)**
- **City finances (perceived drain)**
- **Governance (who and structure?)**
- **Keeping cost down for lake residents**

Priorities

Priority One

- **Long-term Financial Stability**
- **Correct Financial Drain**

Priority two

- **Lake improvements**
- **Maintenance Arrangements**

DO NOTHING UNTIL 2011

Continue as is until 2011

Not recommended by Task Force or Exec Board

Positive

- **Easiest to do, path of least resistance**

Draw Backs

- **Lake is still perceived as a financial drain on the city**
- **Annexation is still a possible revenue source for the city at any time**
- **The lack of action will further uncertainty about future lease and annexation status, decreasing values.**
- **Lease expires in 2011, future lease status uncertain**
- **Limited or nonexistent financing for lake homes**
- **No possibility of improvements or better maintenance**

- Severe detriment to economic stability of the area

LONG TERM LEASES WITH ANNEXATION

Renegotiate a long term (99yr) individual leases with annexation. City would annex lake property and continue to be responsible for governing, maintenance and improvements.

Positives

- Lake residents could vote in city elections.
- Long-term real estate financing should be available

Draw backs

- Approximately 50% increase in taxes to city paid by lake home owners
- City's interest in improvements and maintenance historically has been marginal
- Still have the instability of ever changing ordinances and rules with each new city council.

LONG TERM LEASE NO ANNEXATION

Renegotiate a long term (individual) lease with the city

Positives

- Some degree of stability
- Long-term financing available
- Draw backs
- Same problems continue

Long-term Master Lease

No Annex

Lake Kahola Model

Lake assoc incorporates and leases all but water and dam from city, one master

lease.

Lake assoc in turn leases to home owners and provides for improvements, maintenance, etc

Positives

- Ends most of city's expense and daily involvement in day to day management(saves city over \$200, 000/yr)
- Lake assoc (self governing) is responsible for operation, maintenance and improvements.
- Some what stabilizes cost to residents
- Long term financing available for real estate
- Increased economic growth

Draw Backs

- Still leased lots
- Self maintenance and operation may be difficult
- Grants and loans for improvements, may not be possible
- Not an ideal solution as Lake Kahola is now moving towards a "buy out"

IMPROVEMENT DISTRICT SUMMARY

District Purchase, no Annexation

City Retains Water and Dam

Governed and Maintained by Improvement District

Lake Wabaunsee Model

#1 Recommendation of Governance Task Force and Exec Board

Summary of an Improvement District

- Established, Governed, and operated under KSA 19-2753 available at www.kslegislature.org Board of three elected Directors
- Incorporated through the county commission by petition and official county election (locally registered voters that pay real property tax).
- Self governing, responsible for all maintenance and infrastructure.
- Ability to raise funds, also a limited ability to levy taxes (by vote only)
- Eligible for Grants, and low interest loans.

Improvement District

Positives

- **Ends City 's obligation to govern and maintain lake (over \$200,000/yr savings for city)**
- **More cash for city to operate. City would receive an annual payment check from the district, or a lump sum payment.**
- **Self governing, residents directly responsible for improvements, maintenance, regulations, etc.**
- **Residents own lots and control their future**
- **Long term financing available for building and buying lake property**
- **Increase economic growth: building increased local spending, and resulting tax revenues.**
- **A “doable” solution, follow Lake Wabaunsee’s model.**

Draw Backs

- **Requires a large dedicated effort to accomplish.**
- **MUST be lead by quality volunteers, separate from the Exec Board.**
- **Significant up front cost for legal and negotiations**
- **Research and progress will move forward only with great unified effort.**