
AGENDA ITEM

TO: Mayor McNeill, Lansing City Council
FROM: Tim Vandall, City Administrator
DATE: January 27, 2022
SUBJECT: American Rescue Plan Sewer Improvements

Explanation: The American Rescue Plan Act, passed in 2021, allocated \$1,812,742 to the City of Lansing. The City has allocated \$800,000 to RG Fiber to fast-track high speed internet in Lansing, resulting in \$1,012,742 in ARP funds remaining. Sewer projects are also an eligible expense for ARP projects.

In order to further leverage the federal dollars, the City desires to partner with private parties to help build sewer lines within the City of Lansing. These types of sewer projects will upgrade Lansing's utility infrastructure, alleviate the housing shortage in Lansing, and ensure consistency between the City of Lansing and all private parties wishing to partner with the City.

Policy Consideration: This policy would create consistency between Lansing and all potential partners wanting to build sewer lines within our City. This partnership would apply to any developer wishing to construct sewer lines and connect with our utility infrastructure. This policy would ensure the sewer lines are installed in accordance with all KDHE rules and specifications. Additionally, the private partner must achieve the benchmark of 50% of foundations in the initial phase in order to be reimbursed. The City's allocation would not be expended until the sewer line is installed and benchmark achieved.

Financial Consideration: The partnership from the sewer lines would come from American Rescue Plan Funds and would not come from property taxes within the City. If these projects spark significant growth, it is possible the property tax rate could potentially decrease. For instance, a partner proposing sewer assistance for 130 new homes would generate \$92,820/year in sewer fees (on average) and \$220,828 per year in property taxes (based on current mill levy and valuation of \$360k).

Action: Approval of American Rescue Plan Public Private Partnership Policy, as presented.



City of Lansing
800 First Terrace
Lansing, Kansas 66043

American Rescue Plan Public Private Partnership Policy

The American Rescue Plan has allocated \$1,812,742 to the City of Lansing. Of this original allocation, \$1,012,742 remains for projects relating to water and sewer infrastructure. Guidance from the Federal Department of Treasury is listed below.

<https://home.treasury.gov/system/files/136/SLFRPFAQ.pdf>

In order to further leverage the federal dollars, the City wishes to cooperate with private parties to help build sewer lines within the City of Lansing in a cooperative agreement. The purpose of this policy is to upgrade Lansing's utility infrastructure, alleviate the severe housing shortage in Lansing, and ensure consistency between the City of Lansing and all private parties wanting to partner.

To ensure quality wastewater infrastructure and promote orderly residential growth, the City agrees to:

1. Reimburse up to 100% of total sewer main construction cost, not to exceed \$400,000. This assistance can only go to offset the costs of public sewer mainlines and cannot be used for residential service lines.
2. The City will not issue a payment until the sewer line has been installed satisfactorily based on KDHE specifications and the City Wastewater inspector.
3. The private partner must have poured at least 50% of foundations for the first phase of the project before they receive payment.

This program shall cease accepting applications on December 31, 2023, or once all funds to improve sewer lines are allocated. The City reserves the right to extend the program to December 31, 2024 should funds be available.

Adopted by the City Council on this 3rd day of February, 2022.

Anthony R. McNeill, Mayor

ATTEST:

Shantel Scrogin, Acting City Clerk

END OF POLICY STATEMENT