



City Council Chambers
214 SE 8th Street
Topeka, Kansas 66603
<https://www.topeka.org>

Governing Body Agenda

December 28, 2017
6:00 PM

SPECIAL MEETING

Mayor: Larry E. Wolgast

Councilmembers

Karen A. Hiller	District No. 1	Brendan Jensen	District No. 6
Sandra Clear	District No. 2	Elaine Schwartz	District No. 7
Sylvia E. Ortiz	District No. 3	Jeff Coen	District No. 8
Tony Emerson	District No. 4	Richard Harmon	District No. 9
Michelle De La Isla	District No. 5		

City Manager: Brent Trout

Addressing the Governing Body: No person shall address the Governing Body during a Governing Body Meeting, unless they have notified the City Clerk at (785)368-3940 or by email at cclerk@topeka.org by 5:00 P.M. on the day of any Governing Body Meeting or sign up to speak at the meeting by 6:00 P.M. This limitation shall not apply to items added during the course of a meeting. The Governing Body does not take action with respect to any subject not on the agenda unless added to the agenda by a two-thirds vote of the Governing Body.

Persons addressing the Governing Body will be limited to four (4) consecutive minutes on a particular agenda item. Debate, question/answer dialogue or discussion between Governing Body members will not be counted towards the four (4) minute time limitation. The Chair may extend time with the unanimous consent of the Governing Body or by an affirmative vote of five (5) Governing Body members may extend the four (4) minute limitation. The requirement to notify the City Clerk will not apply towards public hearings required by State and Federal law.

To make arrangements for special accommodations please call 785-368-3940. A 48-hour advance notice is preferred.

The Federal Communications Commission (FCC) has adopted use of the 711 dialing code for access to Telecommunications Relay Services (TRS). TRS permits persons with a hearing or speech disability to use the telephone system via a text telephone (TTY) or other device to call persons with or without such disabilities. To reach the City Clerk's office using the TRS, please dial 711.

(Agendas are available on Thursday afternoon in the City Clerk's office, 215 SE 7th -Room 166 and on the City's web site at <https://www.topeka.org>)

CALL TO ORDER:

1. ROLL CALL:

2. ACTION ITEMS:

A. Disposal of Real Property - SW Van Buren and S. Kansas Avenue

APPROVAL of the Real Estate Purchase Agreement between the City of Topeka and Pioneer Midtown Homes, L.L.C., for the disposal of real property located at 1601 SW Van Buren, 1606 SW Van Buren, 1601 S. Kansas Avenue and the northwest corner of 16th Street and S. Kansas Avenue. (formerly 1515 - 1529 S Kansas Avenue.)

Voting Requirement: Majority vote of the Governing Body (6)

(Approval would authorize the transfer of City real property to Pioneer Group for affordable housing.)

3. ADJOURNMENT:



City of Topeka
Council Action Form
Council Chambers
214 SE 8th Street
Topeka, Kansas 66603
www.topeka.org
December 28, 2017

DATE:	December 28, 2017	
CONTACT PERSON:	Sasha Haehn, Neighborhood Relations Director	DOCUMENT #:
SECOND PARTY/SUBJECT:	Pioneer Midtown Homes LLC	PROJECT #:
CATEGORY/SUBCATEGORY	007 Contracts and Amendments / 013 Sale of Land	
CIP PROJECT:	No	
ACTION OF COUNCIL:	Approve the real estate agreement for the disposal of real property	JOURNAL #:
PAGE #:		

DOCUMENT DESCRIPTION:

APPROVAL of the Real Estate Purchase Agreement between the City of Topeka and Pioneer Midtown Homes, L.L.C., for the disposal of real property located at 1601 SW Van Buren, 1606 SW Van Buren, 1601 S. Kansas Avenue and the northwest corner of 16th Street and S. Kansas Avenue. (formerly 1515 - 1529 S Kansas Avenue.)

Voting Requirement: Majority vote of the Governing Body (6)

(Approval would authorize the transfer of City real property to Pioneer Group for affordable housing.)

VOTING REQUIREMENTS:

Majority vote of the governing body (6)

POLICY ISSUE:

Whether to authorize the transfer of City real property to the Pioneer Group for affordable housing as authorized by T.M.C. 3.30.340(d)(3) which allows transfer of property to a private entity if used for public benefit.

STAFF RECOMMENDATION:

Staff recommends the Governing Body approve the real estate agreement and authorize the disposal of real property.

BACKGROUND:

In 2016, Mayor Wolgast formed the Affordable Housing Task Force to work on the issues surrounding affordable housing in Topeka. Pioneer Group was invited to join the Task Force as a representative affordable housing development, as was the Topeka Housing Authority. Both groups develop affordable housing in Topeka and are considered valuable partners to the City's Neighborhood Relations Department.

In the summer of 2017, Pioneer, THA and Neighborhood Relations began discussions regarding the potential for a scattered site affordable housing project and the possibility of a public/private partnership to facilitate the development of the project. Pioneer Group, operating as Pioneer Midtown Homes LLC, will serve as the developer, Topeka Housing Authority will serve as the property manager once the project is complete and the City will facilitate the development with the contribution of real estate.

The proposed public/private partnership will result in approximately 81 new affordable housing units in the community and a project/improvement estimated at approximately \$10 million dollars. The project will include the Van Buren area properties listed below and potentially another location in Central Topeka that the developer is working to acquire.

The Van Buren School property located at 1601 SW Van Buren, the residential lot at 1606 SW Van Buren St., 1601 S. Kansas Ave. (SW corner of 16th and Kansas Ave.) and the North West corner of 16th St. and Kansas Ave. is being proposed to be sold to the developer for \$1 and other valuable consideration. The County's appraised valuation of these properties is approximately \$63,700.

The project is located in the Monroe NIA. Staff has been in steady contact with the Monroe NIA President Todd Huston, beginning in late October regarding the potential for a project in the neighborhood. Although details of the project could not yet be disclosed at the request of the developer and related to their efforts to acquire surrounding properties for the project, information was shared that there was a potential affordable housing project being worked on between Neighborhood Relations and two of our local development partners. Staff, Pioneer representatives and THA representatives had tentatively planned to attend the November and December NIA meetings to share project details. Unfortunately, the project was not yet at a stage to disclose details in time for either meeting. Mr. Huston was contacted December 21, 2017, and information was shared including the identity of our partners and more specific details on the project. Mr. Huston requested that plans be made to attend their January meeting to share project details so that residents could be notified that may be interested in attending the January meeting to learn about the project.

BUDGETARY IMPACT:

There is no direct financial cost to the city at this time. The contribution of real estate is valued at approximately \$63,700. The City's liability related to the Van Buren school building if it were to be demolished is estimated between \$250,000-\$400,000 based on the environmental reviews done and the level of asbestos contamination in the building.

SOURCE OF FUNDING:

Not Applicable

ATTACHMENTS:**Description**

Executive Summary

Real Estate Report

Van Buren Project Aerial

Van Buren School floor plan

Real Estate Agreement



CITY OF TOPEKA

DEPARTMENT OF NEIGHBORHOOD RELATIONS
620 S.E. Madison Street, 1st Floor
TOPEKA, Kansas 66607

Phone: (785) 368-3711
Fax: (785) 368-2546

MEMORANDUM

Date: December 21, 2017
To: Brent Trout, City Manager
From: Sasha Haehn, Director of Neighborhood Relations
Subject: Van Buren School project & disposal of real property

BACKGROUND:

In August 2016 Neighborhood Relations acquired the Van Buren School property located at 1601 SW Van Buren by donation of the owner. The Department intended to demolish the structure based on the deteriorated condition. As staff worked toward the demolition of the project, a structural analysis of the building was obtained from Treanor HL. Discussions had begun with Pioneer Group in late 2016 regarding the potential for them to rehabilitate the school into affordable housing.

In 2016 Mayor Wolgast also formed the Affordable Housing Task Force to work on the issues surrounding affordable housing in Topeka. Pioneer Group was invited to join the Task Force as a representative affordable housing development, as was the Topeka Housing Authority. Both groups develop affordable housing in Topeka and are considered valuable partners to the City's Neighborhood Relations Department.

In the summer of 2017 Pioneer, THA and Neighborhood Relations began discussions regarding the potential for a scattered site affordable housing project and the possibility of a public/private partnership to facilitate the development of the project. Pioneer Group, operating as Pioneer Midtown Homes LLC, will serve as the developer, Topeka Housing Authority will serve as the property manager once the project is complete and the City will facilitate the development with the contribution of real estate.

The proposed public/private partnership will result in approximately 81 new affordable housing units in the community and a project/improvement estimated at around \$10 million dollars. The project will include the Van Buren area properties listed below and potentially another location in Central Topeka that the developer is working to acquire as we prepare for this project. I am hopeful that they will be able to share that location at the Council meeting.

The Van Buren School property located at 1601 SW Van Buren, the residential lot at 1606 SW Van Buren St., 1601 S. Kansas Ave. (SW corner of 16th & Kansas Ave.) and the North West corner of 16th St. and Kansas Ave. is being proposed to be sold to the developer for \$1 and other valuable consideration. The County's appraised valuation of these properties is approximately \$63,700. Included in the Council packet is an aerial map of the properties proposed to be contributed to this project, as well as a real estate report and real estate purchase agreement.

The project is located in the Monroe NIA. Staff has been in steady contact with the Monroe NIA President Todd Huston, beginning in late October regarding the potential for a project in the neighborhood. Although I was not at liberty to disclose the details of the project at the request of the developer and related to their efforts to acquire surrounding properties for the project, I did share that there was a potential affordable housing project being worked on between Neighborhood Relations and two of our local development partners. Staff, Pioneer representatives and THA representatives had tentatively planned to attend the November and December NIA meetings to hopefully share project details. Unfortunately, the project was not yet at a stage to disclose details in time for either meeting. I spoke to Mr. Huston 12/21/17 and was able to share the identity of our partners and more specific details on the project. We discussed my attendance at their NIA meeting that evening, but Mr. Huston requested that we plan to attend their January meeting to share project details so that he could have time to notify neighbors and alert residents that may be interested to attend the January meeting to learn about the project.

FINANCIAL CONSIDERATIONS:

There is no direct financial cost to the city at this time. The contribution of real estate is valued at approximately \$63,700. The City's liability related to the Van Buren school building, if we were to demolish it, is estimated between \$250,000-\$400,000 based on the environmental reviews we have done and the level of asbestos contamination in the building.

LEGAL CONSIDERATIONS:

The City Attorney's office created the Real Estate Purchase agreement and has approved it as to form.

RECOMMENDATION/ACTION:

Approve the Real Estate Purchase Agreement authorizing the disposal of the real estate listed above to Pioneer Midtown Homes LLC.

SUPPORTING DOCUMENTS:

Real Estate Report
Aerial map of properties being considered
Real Estate Purchase Agreement & Exhibit A

DEPARTMENT OF NEIGHBORHOOD RELATIONS REAL ESTATE REPORT

- a. **Common Address:** 1601 SW Van Buren, 1606 SW Van Buren, 1601 S. Kansas Ave., NW corner of S. Kansas Ave. (formerly 1515-1529) (see attached aerial)

- b. **Legal Description:** See pg. 2

- c. **Current Zoning:** C4, M1 & M2, commercial & multi-family

- d. **Acquisition Date:** 1601 SW Van Buren – 8/25/16 – donation to City by owner
1606 SW Van Buren – 8/18/17 – deeded to City by estate, deceased owner
1601 S. Kansas Ave. – 6/25/90 – Greenway project acquisition
1515 – 1529 S. Kansas Ave. – 05/26/89 – Greenway project acquisition
(NW corner of 16th St. & Kansas Ave.)

- e. **Reason City Acquired:** Eliminate blight, donation by owner & Greenway project

- f. **How City Acquired:** Donation and warranty deed

- g. **Current Use:** Vacant land, abandoned residential and abandoned school

- h. **Expected Future Use:** Affordable Housing

- i. **Appraised Value:** \$63,710 – SNCO 2017 appraised value

- j. **Method of Disposal Results:** Private negotiated sale (Topeka Municipal Code 3.30.340)

Legal Descriptions;

1601 S. Kansas Ave.

The East 75 feet Lots 583 and 585 on Kansas Avenue, in Orchard Place Addition to the City of Topeka, Shawnee County, Kansas; The East 100 feet of Lot 587 on Kansas Avenue in Orchard Place Addition to the City of Topeka, and a strip of ground 8 feet wide on the South side of said lot extending west to the alley, being a part of said lot, in Shawnee County, Kansas; Lot 589 and the North Half of Lot 591, on Kansas Avenue, in Orchard Place Addition to the City of Topeka, Shawnee County, Kansas; The South Half of Lot 591 and all of Lot 593 on Kansas Avenue in Orchard Place Addition to the City of Topeka, Shawnee County, Kansas.

NW corner of 16th St. & Kansas Ave.

Lot 563 and the North Half of Lot 565 on Kansas Avenue, in Orchard Place Addition to the City of Topeka, Shawnee County, Kansas; The South Half of Lot 565 and all of Lot 567, on Kansas Avenue, in Orchard Place Addition to the City of Topeka, Shawnee County, Kansas; Lot 569 and the North Half of Lot 571, on Kansas Avenue, Orchard Place Addition to the City of Topeka, Shawnee County, Kansas; Lot 573 and the South Half of Lot 571 on Kansas Avenue, in Orchard Place Addition to the City of Topeka, Shawnee County, Kansas; All of Lot 575 and the North 9 ½ feet of Lot 577, on Kansas Avenue, Orchard Place Addition to the City of Topeka, Shawnee County, Kansas; The South 15 ½ feet of Lot 577 and the North 13 feet of Lot 579, on Kansas Avenue, Orchard Place Addition to the City of Topeka, Shawnee County, Kansas; The South 12 feet of Lot 579 and all of Lot 581 on Kansas Avenue, Orchard Place Addition to the City of Topeka, Shawnee County, Kansas.

1601 SW Van Buren St.

Tract 1: Lots 589, 591, 593, 595, 597, 601, 603 and 605 on Van Buren Street, in Orchard Place Addition, City of Topeka, Shawnee County, Kansas.

Tract 2: Lots 583, 585 and 587 on Van Buren Street, in Orchard Place Addition, City of Topeka, Shawnee County, Kansas.

1606 SW Van Buren St.

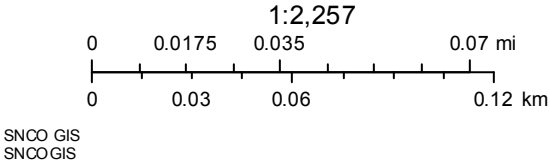
Lots 590 and 592 on Van Buren Street, Orchard Place Addition, City of Topeka, Shawnee County, Kansas.

Van Buren 100417



October 4, 2017

Parcels





Zoning map

 Subject Parcels

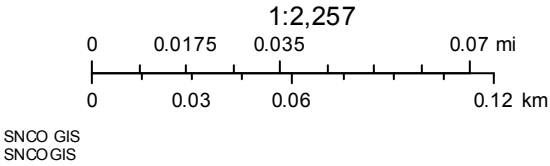


Van Buren 100417

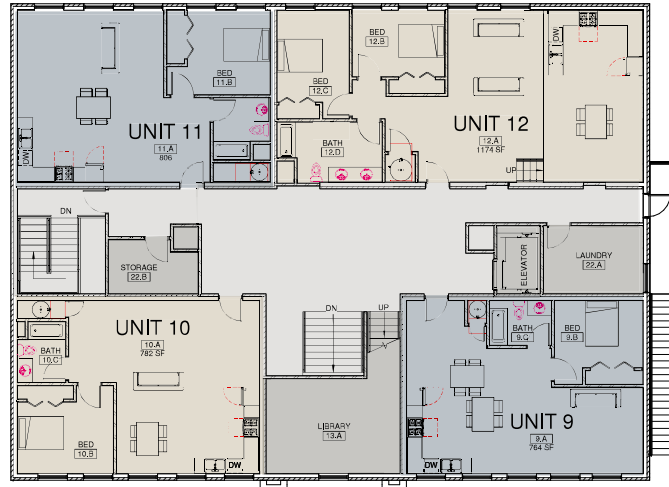


October 4, 2017

Parcels



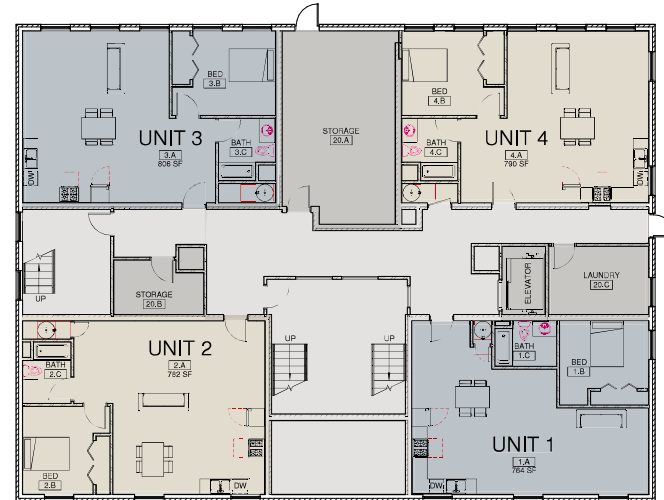
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2ND LEVEL FLOOR PLAN
(3) 1 BED UNITS
(1) 2 BED UNITS
1/8" = 1'-0"
0 4 8 16'



1ST LEVEL FLOOR PLAN
(4) 1 BED UNITS
1/8" = 1'-0"
0 4 8 16'



BASEMENT FLOOR PLAN
(4) 1 BED UNITS
1/8" = 1'-0"
0 4 8 16'

TREANORHL

719 SW Van Buren St., Suite 200
Topeka, KS 66612
Office: 785.235.2013
Fax: 785.235.0013
www.treanorhl.com

PIONEER GROUP, INC.

**PIONEER MIDTOWN HOMES
VAN BUREN**
1601 SW VAN BUREN ST., TOPEKA, KS 66612

Pioneer Group, Inc.

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This drawing is a computer-generated plot and shall not be used for construction without the approval of the architect and the engineer. No part of this drawing shall be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or by any information storage and retrieval system, without the prior written approval of the architect.

Issued For: 08/28/16
Date:

REVISIONS		
NO.	DESCRIPTION	DATE

A101

FLOOR PLANS

TreanorHL NO.

CITY OF TOPEKA CONTRACT NO. _____

This agreement (the "Agreement") entered into this _____ day of _____, 2017, by and between the City of Topeka, a duly organized municipal corporation hereinafter referred to as the "CITY" and Pioneer Midtown Homes, LLC., a Kansas limited liability company, hereinafter referred to as "PIONEER."

IN CONSIDERATION OF THE MUTUAL COVENANTS CONTAINED HEREIN THE PARTIES AGREE AS FOLLOWS:

1. PROPERTIES. CITY agrees to sell and PIONEER agrees to purchase the following real properties described as follows:

1601 S. Kansas Ave.

The East 75 feet Lots 583 and 585 on Kansas Avenue, in Orchard Place Addition to the City of Topeka, Shawnee County, Kansas; The East 100 feet of Lot 587 on Kansas Avenue in Orchard Place Addition to the City of Topeka, and a strip of ground 8 feet wide on the South side of said lot extending west to the alley, being a part of said lot, in Shawnee County, Kansas; Lot 589 and the North Half of Lot 591, on Kansas Avenue, in Orchard Place Addition to the City of Topeka, Shawnee County, Kansas; The South Half of Lot 591 and all of Lot 593 on Kansas Avenue in Orchard Place Addition to the City of Topeka, Shawnee County, Kansas.

NW corner of 16th St. & Kansas Ave.

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1601 SW Van Buren St.

Tract 1: Lots 589, 591, 593, 595, 597, 601, 603 and 605 on Van Buren Street, in Orchard Place Addition, City of Topeka, Shawnee County, Kansas.

Tract 2: Lots 583, 585 and 587 on Van Buren Street, in Orchard Place Addition, City of Topeka, Shawnee County, Kansas.

1606 SW Van Buren St.

Lots 590 and 592 on Van Buren Street, Orchard Place Addition, City of Topeka, Shawnee County, Kansas.

2. PURCHASE PRICE. The purchase price for the Properties shall be ONE and 00/100 Dollar (\$1.00).

3. CLOSING COSTS. The CITY and PIONEER will divide equally the cost for closing fees.

4. DEED. Subject to the reversionary interest described in Paragraph 5, CITY shall convey the properties by general warranty deed to be delivered to PIONEER at the closing of this Agreement, free of all liens and encumbrances except:

a. Zoning, conditions, restrictions, deed restrictions, reservations, rights-of-way and easements of record, if any, which do not materially affect the value or prohibit the use of the property for a legal purpose;

b. Encumbrances created by the CITY;

c. Installments, if any, of special assessments not yet due; and

d. Other exceptions, if any.

5. AFFORDABLE HOUSING; REVERSIONARY INTEREST. PIONEER will construct affordable rental housing units as depicted on Exhibit A which is attached herein and incorporated by reference. PIONEER agrees that the ownership of the Properties shall revert to CITY if the construction of the affordable housing project depicted on Exhibit A has not commenced by January 1, 2019. "Affordable housing"

means rental units that are affordable to households meeting income-eligibility criteria determined by the Kansas Housing Resources Corporation. A restriction to this effect shall be included in the deed and shall run with the land.

6. TITLE INSURANCE. CITY shall order and make available to PIONEER within fifteen (15) days after the date of this Agreement, as evidence of marketable title, a standard Owner's preliminary title insurance report, and after closing of this Agreement, a standard Owner's title insurance policy which will insure PIONEER against loss or damage to the extent of the appraised land value by reason of defects in the title to said real estate, subject to the above exceptions. It is understood and agreed by CITY and PIONEER, that CITY shall be responsible for paying the cost of said report as well as the cost of any title insurance. Upon delivery of said preliminary Owner's title insurance report, and copies of all documents relating to all exceptions shown on the title report, PIONEER shall have a reasonable time not to exceed thirty (30) days to examine the same and return the same to CITY with any written objections concerning the marketability of the title or the same shall be deemed waived. If the CITY shall be unable to deliver marketable title as herein provided, this Agreement shall be of no further force or effect; provided, however, CITY shall have a reasonable time not to exceed thirty (30) days to satisfy any valid objections to title. If CITY does not correct valid objections to title within thirty (30) days, PIONEER shall have the right to terminate this Agreement or waive such objections and to close this Agreement even though such objections have not been corrected by CITY.

7. TAXES. All taxes and assessments on the Properties due and payable in prior years and a prorata share of present taxes, based upon taxes and assessments

for 2017, shall be paid by CITY to date of closing. PIONEER shall be responsible for payment of taxes and assessments after the date of closing.

8. GOVERNING BODY APPROVAL. This Agreement is contingent upon approval by CITY'S Governing Body.

9. CLOSING. The closing shall occur at Lawyer's Title, 5715 S.W. 21st Street, Topeka, Kansas. Unless additional time is required to provide marketable title, this Agreement shall be closed on or before December 31, 2017.

10. TIME IS OF THE ESSENCE. Time is of the essence of this Agreement. In the event either party fails to comply with any of the terms of this Agreement, then this Agreement shall, at the option of either party, become null and void, and all rights hereunder shall then terminate. In such event, CITY shall be entitled to possession of said real estate, free of all right, title and PIONEER and all parties shall then be released from all further liability hereunder.

11. INSPECTION. PIONEER agrees to accept the property in its "as is" condition without any inspections. During the period from the execution of this Agreement to closing, CITY agrees to make the subject property available for inspection by PIONEER and its agents. The foregoing inspections shall be made during normal business hours after reasonable advance notice. CITY shall not unreasonably withhold consent for inspections.

12. NOTICES. All notices required or permitted under this Agreement shall be in writing and shall be deemed delivered when delivered in person or deposited in the United States mail, postage prepaid, addressed as follows:

If for CITY:

City of Topeka
Attn: Neighborhood Relations
620 SE Madison, 1st Floor, Unit 8
Topeka, Kansas 66607

If for PIONEER:

Pioneer Group, Inc.
Ross Freeman, President
404 S.W. 9th St.
Topeka, Kansas 66612

Such address may be changed from time to time by either party by providing written notice to the other in the manner set forth above.

13. ENTIRE AGREEMENT. This Agreement contains the entire agreement of the parties and there are no other promises or conditions in any other agreement whether oral or written. This Agreement supersedes any prior written or oral agreements between the parties.

14. AMENDMENT. This Agreement may be modified or amended if the amendment is made in writing and is signed by both parties.

15. SEVERABILITY. If any provision of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

16. WAIVER OF CONTRACTUAL RIGHT. The failure of either party to enforce any provision of this Agreement shall not be construed as a waiver or limitation

of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.

17. AUTHORITY TO EXECUTE. By signing this Agreement, PIONEER's representative thereby represents that he or she is duly authorized by the organization to execute this agreement on behalf of PIONEER and that PIONEER agrees to be bound by the provisions of this Agreement.

18. APPLICABLE LAW. The laws of the State of Kansas shall govern this Agreement.

IN WITNESS WHEREOF, THE PARTIES HAVE HERETO EXECUTED THIS AGREEMENT AS OF THE DAY AND YEAR FIRST ABOVE WRITTEN.

CITY OF TOPEKA, KANSAS

ATTEST:

Larry E. Wolgast, Mayor

Brenda Younger, City Clerk

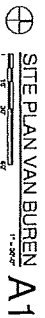
APPROVED AS TO FORM AND LEGALITY	
DATE <u>12/22/17</u>	BY <u>MF</u>

PIONEER MIDTOWN HOMES, LLC.



Ross Freeman, Managing Member

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