

INDEPENDENCE CITY COMMISSION

SPECIAL SESSION AGENDA

December 23, 2024

9:00 AM

Civic Center Memorial Hall

To participate by conference call:
1 785-289-4727 Conference ID: 221 434 531#

The Agenda shall be as follows:

I. SPECIAL SESSION

A. Call to Order

II. PUBLIC HEARING

A. Public hearing to consider amending the 2024 Budgets.

III. ITEMS FOR COMMISSION ACTION

A. Consider approving the following Cereal Malt Beverage licenses:

1. Pizza Hut of SE Kansas 1815 N. Penn, Independence KS 67301
2. Walgreens #09454 301 W. Main, Independence KS 67301
3. Mikies 1901 N Penn, Independence KS 67301

B. Consider approving a "mortgage" for two lots, 401 and 405 South 6th, where the City of Independence, on behalf of the Independence Housing Authority, is the lender and Diamond Property Management LLC is the mortgagor for the development of two single-family homes.

C. Consider awarding the Central Park Sports Complex Phase 2 package.

IV. ADJOURNMENT



**REQUEST FOR COMMISSION ACTION
CITY OF INDEPENDENCE
December 23, 2024**

Department Finance

Director Approval Lacey Lies

AGENDA ITEM Public hearing to consider amending the 2024 Budgets.

SUMMARY RECOMMENDATION Approve the amended 2024 Budgets

BACKGROUND The following budgets are recommended to be amended for the following:

1. Industrial Fund – To show the 2023 invoice that was paid in 2024.
2. Economic Development Fund – To show the purchase of land for economic development purposes.
3. Education Sales Tax – To show the over-collection and subsequent pass through to USD 446 of 1% sales tax dollars.
4. Special Use Sales Tax – To show the over-collection and subsequent pass through to appropriate Funds of 1% sales tax dollars.
5. QOL Sales Tax – To show the close out of remaining funds transferred to the City Projects Fund for use on the Central Park Sports Complex QOL project.
6. Liability Insurance – To show an additional \$2,225 in expenses underestimated at budget time.
7. Bond & Interest – To account for interest payment amounts not known at the time the budget was adopted (for interest payments for the 2023 and 2024 Temporary Notes)
8. General Fund – In August, we adopted an ordinance eliminating our Employee Benefits Fund. This amendment shows revenue for the remaining cash in the Employee Benefit Fund being transferred to the General Fund, as well as the remaining unspent budget authority in the Employee Benefit Fund being transferred to the General Fund.

NOTE: Due to an error in the publication, this public hearing was rescheduled from December 12, 2024 at 5:30 PM to December 23, 2024 at 9 AM, and a new notification was published in the official newspaper.

FINANCIAL INFORMATION The amended budgets presented do not represent increased tax levies and are in accordance with previously approved projects or expenses.

SUGGESTED MOTION I move to approve the amended budgets as presented.

SUPPORTING DOCUMENTS

1. 2024 Amended Budget - State Workbook
2. New Notice of Amended Budget Hearing - Independence 2024

2024

**Notice of Budget Hearing for Amending the
2024 Budget**

The governing body of

City of Independence

will meet on the day of December 12, 2024 at 5:30 PM at City Hall, 120 N. 6th St. for the purpose of hearing and answering objections of taxpayers relating to the proposed amended use of funds.

Detailed budget information is available at City Hall, 120 N. 6th St.
and will be available at this hearing.

Summary of Amendments

Fund	2024 Adopted Budget			2024 Proposed Amended Expenditures
	Actual Tax Rate	Amount of Tax that was Levied	Expenditures	
Industrial Fund	0.359	22,559	27,500	30,000
Economic Development Fund			750,000	1,756,961
Edu Sales Tax			2,400,000	2,934,773
Special Use Sales Tax			2,400,000	2,750,000
QOL Sales Tax			0	14,121
Liability Insurance			100,000	102,225
Bond & Interest			1,793,066	2,154,990
General	35.026	2,198,938	9,375,662	9,954,538

Tim Emert
Official Title: Mayor

2024

Amended
Certificate
For Calendar Year 2024

To the Clerk of Montgomery, State of Kansas
We, the undersigned, duly elected, qualified, and acting officers of
City of Independence
certify that: (1) the hearing mentioned in the attached publication was
held;(2) after the Budget Hearing this Budget was duly approved and
adopted as the maximum expenditure for the various funds for the year.

			2024 Amended Budget		
			Amount of 2023 Tax that was Levied	Adopted 2024 Expenditures	Proposed Amended 2024 Expenditures
Table of Contents:		Page No.			
Fund	K.S.A.				
Industrial Fund	12-1617h	2	22,559	27,500	30,000
Economic Development Fund	12-1617h	3		750,000	1,756,961
Edu Sales Tax	12-187	4		2,400,000	2,934,773
Special Use Sales Tax	12-187	5		2,400,000	2,750,000
QOL Sales Tax	12-187	6			14,121
Liability Insurance	75-6110	7		100,000	102,225
Bond & Interest	10-113	8		1,793,066	2,154,990
General	12-101a	9	2,198,938	9,375,662	9,954,538
		10			
Totals		xxxxxxx	2,221,497	16,846,228	19,697,608
Summary of Amendments		10			

Attested date: _____

County Clerk

Assisted by:

Address:

Email:

Tim Emert, Mayor

Scott Smith, Vice-Mayor

Dean Hayse, Commissioner

Governing Body

CPA Summary

City of Independence

2024

Adopted Budget

Industrial Fund	2024 Adopted Budget	2024 Proposed Budget
Unencumbered Cash Balance January 1	2,649	5,035
Receipts:		
Ad Valorem Tax	22,559	22,559
Delinquent Tax	500	1,131
Motor Vehicle Tax	3,117	3,080
Recreational Vehicle Tax	30	22
16/20M Vehicle Tax	12	13
Rental Excise Tax	0	112
Commercial Vehicle Tax	101	129
Watercraft Tax	29	29
Neighborhood Revitalization Rebate	-316	-316
MISC	97	395
Interest on Idle Funds		225
Total Receipts	26,129	27,379
Resources Available:	28,778	32,414
Expenditures:		
MCAC	25,000	25,000
Chamber of Commerce	2,500	5,000
Total Expenditures	27,500	30,000
Unencumbered Cash Balance December 31	1,278	2,414

CPA Summary

City of Independence

Adopted Budget

Economic Development Fund	2024 Adopted Budget	2024 Proposed Budget
Unencumbered Cash Balance January 1	1,799,591	2,159,813
Receipts:		
Ad Valorem Tax		
Delinquent Tax		
Motor Vehicle Tax		
Recreational Vehicle Tax		
16/20M Vehicle Tax		
Franchise Tax	346,000	346,000
Interfund Transfer In from SUST	120,000	137,500
Interfund Transfer In from GF	0	
Misc.	0	
Interest on Idle Funds	50,000	375,000
Total Receipts	516,000	858,500
Resources Available:	2,315,591	3,018,313
Expenditures:		
Inducement Agreements	50,000	50,000
Transfers - City Grant Programs	100,000	150,000
Transfer - to Street Capital Project	100,000	100,000
Labette Health Inducement Agreement	100,000	0
Transfer - to Street Capital (VSE Project)	400,000	400,000
Special Projects - Land Purchase	0	1,056,961
Total Expenditures	750,000	1,756,961
Unencumbered Cash Balance December 31	1,565,591	1,261,352

CPA Summary

City of Independence

2024

Adopted Budget

Edu Sales Tax	2024 Adopted Budget	2024 Proposed Budget
Unencumbered Cash Balance January 1	0	184,773
Receipts:		
Ad Valorem Tax		
Delinquent Tax		
Motor Vehicle Tax		
Recreational Vehicle Tax		
16/20M Vehicle Tax		
Sales Tax	2,400,000	2,750,000
Interest on Idle Funds		
Total Receipts	2,400,000	2,750,000
Resources Available:	2,400,000	2,934,773
Expenditures:		
Funding to USD 446	2,148,700	2,683,473
Transfer Out	251,300	251,300
Additional Collection to USD 446		
Total Expenditures	2,400,000	2,934,773
Unencumbered Cash Balance December 31	0	0

CPA Summary

City of Independence

2024

Adopted Budget

Special Use Sales Tax	2024 Adopted Budget	2024 Proposed Budget
Unencumbered Cash Balance January 1	0	0
Receipts:		
Ad Valorem Tax		
Delinquent Tax		
Motor Vehicle Tax		
Recreational Vehicle Tax		
16/20M Vehicle Tax		
Sales Tax	2,400,000	2,750,000
Interest on Idle Funds		
Total Receipts	2,400,000	2,750,000
Resources Available:	2,400,000	2,750,000
Expenditures:		
Transfers	2,400,000	2,750,000
Total Expenditures	2,400,000	2,750,000
Unencumbered Cash Balance December 31	0	0

CPA Summary

City of Independence

2024

Adopted Budget

QOL Sales Tax	2024 Adopted Budget	2024 Proposed Budget
Unencumbered Cash Balance January 1	0	14,121
Receipts:		
Ad Valorem Tax		
Delinquent Tax		
Motor Vehicle Tax		
Recreational Vehicle Tax		
16/20M Vehicle Tax		
Total Receipts	0	0
Resources Available:	0	14,121
Expenditures:		
Transfer to City Projects (QOL Project)		14,121
Total Expenditures	0	14,121
Unencumbered Cash Balance December 31	0	0

CPA Summary

City of Independence

2024

Adopted Budget

Liability Insurance	2024 Adopted Budget	2024 Proposed Budget
Unencumbered Cash Balance January 1	224,281	224,814
Receipts:		
Ad Valorem Tax	0	
Delinquent Tax	4,000	3,375
Motor Vehicle Tax	7,479	7,625
Recreational Vehicle Tax	71	80
16/20M Vehicle Tax	29	36
Rental Excise Tax	0	290
Commercial Vehicle Tax	243	314
Watercraft Tax	69	70
Neighborhood Revitalization Rebate	0	
MISC	236	12
Interest on Idle Funds	5,000	5,600
Total Receipts	17,127	17,402
Resources Available:	241,408	242,216
Expenditures:		
Contractual	100,000	102,225
Total Expenditures	100,000	102,225
Unencumbered Cash Balance December 31	141,408	139,991

CPA Summary

City of Independence

2024

Adopted Budget

Bond & Interest	2024 Adopted Budget	2024 Proposed Budget
Unencumbered Cash Balance January 1	551,217	560,549
Receipts:		
Ad Valorem Tax		
Delinquent Tax		160
Motor Vehicle Tax		
Recreational Vehicle Tax		
16/20M Vehicle Tax		
Special Assessments	7,000	15,612
Transfers - Debt Service	79,450	666,766
Transfer - SUST (31%)	1,362,316	852,500
Transfers - Edu Sales Tax	251,300	251,300
Bond Proceeds	0	866,389
Reimbursements		12,844
Interest on Idle Funds		
Total Receipts	1,700,066	2,665,571
Resources Available:	2,251,283	3,226,120
Expenditures:		
Principal	1,105,000	1,105,000
Interest	688,066	1,049,990
Total Expenditures	1,793,066	2,154,990
Unencumbered Cash Balance December 31	458,217	1,071,130

CPA Summary

City of Independence

2024

Adopted Budget

General	2024 Adopted Budget	2024 Proposed Budget
Unencumbered Cash Balance January 1	1,044,782	1,480,723
Receipts:		
Ad Valorem Tax	2,198,938	2,198,938
Delinquent Tax	95,000	95,000
Motor Vehicle Tax	216,621	216,621
Recreational Vehicle Tax	2,060	2,060
16/20M Vehicle Tax	845	845
Commercial Vehicle Tax	7,052	7,052
Watercraft Tax	1,993	1,993
Local Alcoholic Liquor	41,387	41,387
Local Sales Tax	3,000,000	3,000,000
Franchise Tax	524,000	524,000
Nuisance Special Assessments	5,000	5,000
GF Support from Enterprise Funds	1,128,792	1,128,792
PLUG/Neighborhood Revitalization Rebate	1,396,719	1,396,719
Transfer from GF Employee Benefit Fund		514,866
Interest on Idle Funds	251,000	251,000
Total Receipts	8,869,407	9,384,273
Resources Available:	9,914,189	10,864,996
Expenditures:		
Administration	526,659	526,659
Animal Control	75,602	75,602
Building D	340,623	340,623
Building Inspector/Code Enforcement	111,357	111,357
Cemetery	257,959	257,959
City Hall	92,206	92,206
Emergency Preparedness	17,000	17,000
Evidence Storage Building	3,500	3,500
Finance & Records	292,172	292,172
Fire-EMS	1,780,655	1,780,655
General Government	710,486	710,486
Memorial Hall	333,225	333,225
Municipal Court	142,738	142,738
Park/Zoo	977,490	977,490
Police	2,005,709	2,005,709
Special Improvements	383,709	383,709
Streets/Traffic	946,483	946,483
From Employee Benefit Fund	0	578,876
Cash Forward	378,089	378,089
Total Expenditures	9,375,662	9,954,538
Unencumbered Cash Balance December 31	538,527	910,459

CPA Summary

2024

**Notice of Budget Hearing for Amending the
2024 Budget**

The governing body of

City of Independence

will meet on the day of December 23, 2024 at 9:00 AM at City Hall, 120 N. 6th St. for the purpose of hearing and answering objections of taxpayers relating to the proposed amended use of funds.

Detailed budget information is available at City Hall, 120 N. 6th St.
and will be available at this hearing.

Summary of Amendments

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Industrial Fund	0.359	22,559	27,500	30,000
Economic Development Fund			750,000	1,756,961
Edu Sales Tax			2,400,000	2,934,773
Special Use Sales Tax			2,400,000	2,750,000
QOL Sales Tax			0	14,121
Liability Insurance			100,000	102,325
Bond & Interest			1,793,066	2,154,990
General	35.026	2,198,938	9,375,662	9,954,538

Tim Emert
Official Title: Mayor



**REQUEST FOR COMMISSION ACTION
CITY OF INDEPENDENCE
December 23, 2024**

Department Finance

Director Approval Lacey Lies

AGENDA ITEM Consider approving the following Cereal Malt Beverage licenses:

1. Pizza Hut of SE Kansas 1815 N. Penn, Independence KS 67301
2. Walgreens #09454 301 W. Main, Independence KS 67301
3. Mikies 1901 N Penn, Independence KS 67301

SUMMARY RECOMMENDATION Approve the 2025 licenses

BACKGROUND This is an annual license renewal for businesses who wish to sell cereal malt beverages.

FINANCIAL INFORMATION There is no cost to the City.

SUGGESTED MOTION I move to approve the Cereal Malt Beverage licenses as presented.

SUPPORTING DOCUMENTS

1. 2025 CNB Renewals #2
2. Mikies CMB License Renewal



KEEP THIS LICENSE POSTED CONSPICUOUSLY AT ALL TIMES

Fee, \$ 225.00

No. 0198

DEALER'S RETAIL LICENSE

From 01 01, 2025
Month Day Year

To 12 31, 2025
Month Day Year

To All Whom It May Concern:

License is here by granted to Pizza Hut of SE Kansas to sell at retail

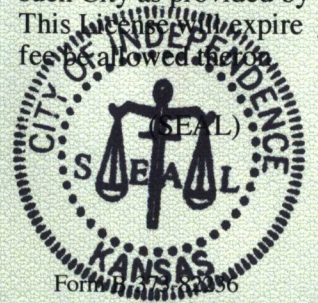
CEREAL MALT BEVERAGES

(State if for consumption on the premises, or for sale in original and unopened containers and not for consumption on the premises.)

at 1815 N. Penn
(Give exact location, with street number, if any.)

in the City of Independence in Montgomery County, Kansas,

Application therefor, on file in the office of the City Clerk of said City, having been approved by the governing body such City as provided by the Laws of Kansas and the rules, regulations and ordinances pertaining thereto. This license shall expire December 31, 2025 unless sooner revoked, is not transferable, nor will any refund of the fee be allowed thereon.



Given under our hands and the corporate seal of said City, this 19th
day of December, 2024

Countersigned: _____ Mayor
_____ City Treasurer
_____ City Clerk



145060

KEEP THIS LICENSE POSTED CONSPICUOUSLY AT ALL TIMES

Fee, \$ 75.00No. 2955

DEALER'S RETAIL LICENSE

From 01 01, 2025
Month Day YearTo 12 31, 2025
Month Day Year*To All Whom It May Concern:*License is hereby granted to Walgreens #09454 to sell at retail

CEREAL MALT BEVERAGES

(State if for consumption on the premises, or for sale in original and unopened containers and not for consumption on the premises.)

at

301 W. Main

(Give exact location, with street number, if any.)

in the City of Independence in Montgomery County, Kansas,

Application therefor, on file in the office of the City Clerk of said City, having been approved by the governing body such City as provided by the Laws of Kansas and the rules, regulations and ordinances pertaining thereto.

This license will expire December 31, 2025, unless sooner revoked, is not transferable, nor will any refund of the fee be made thereon.Given under our hands and the corporate seal of said City, this 23rdday of December, 2024
Countersigned:

Mayor.

City Treasurer.

City Clerk.



145059

KEEP THIS LICENSE POSTED CONSPICUOUSLY AT ALL TIMES

Fee, \$ 75.00No. 6504**DEALER'S RETAIL LICENSE**From 01 01, 2025
Month Day YearTo 12 31, 2025
Month Day Year*To All Whom It May Concern:**License is here by granted to* Mikies *to sell at retail***CEREAL MALT BEVERAGES**

(State if for consumption on the premises, or for sale in original and unopened containers and not for consumption on the premises.)

at 1901 N. Penn
(Give exact location, with street number, if any.)*in the City of Independence in Montgomery County, Kansas,*

Application therefor, on file in the office of the City Clerk of said City, having been approved by the governing body such City as provided by the Laws of Kansas and the rules, regulations and ordinances pertaining thereto.

This License will expire December 31, 2025 unless sooner revoked, is not transferable, nor will any refund of the fee be allowed.Given under our hands and the corporate seal of said City this 12th day of December, 2024
Countersigned: Lucy Liss Mayor

City Treasurer

City Clerk



**REQUEST FOR COMMISSION ACTION
CITY OF INDEPENDENCE
December 23, 2024**

Department Housing

Director Approval April Nutt

AGENDA ITEM Consider approving a "mortgage" for two lots, 401 and 405 South 6th, where the City of Independence, on behalf of the Independence Housing Authority, is the lender and Diamond Property Management LLC is the mortgagor for the development of two single-family homes.

SUMMARY RECOMMENDATION The Independence Housing Authority recommends the Independence City Commission authorize the Mayor to sign the mortgage document for developing a single-family home on 401 and 405 South 6th Street.

BACKGROUND The Independence Housing Authority has retained lots 401 and 405 South 6th Street for the development of infill housing. Shane Harris, with Diamond Property Management LLC is requesting an opportunity to develop the two lots by constructing a single-family home on each lot. The homes would be 800 to 1,000 square feet with a two-car garage. Mr. Harris is constructing a development of new homes outside the city limits and, as a requirement to obtain City water per a previous development agreement, Mr. Harris is required to either rehabilitate a home or construct a new home south of Main Street. Mr. Harris intends to construct two new homes south of Main Street, thus meeting his requirement for City water services. Once the mortgage obligation for constructing the homes has been met, the Independence Housing Authority will request the City of Independence to deed the property to Diamond Property Management LLC.

FINANCIAL INFORMATION There is no financial impact on the City budget.

SUGGESTED MOTION I move to authorize the Mayor to sign the "Mortgage" agreement between the City of Independence, on behalf of the Independence Housing Authority, and Diamond Property Management LLC.

SUPPORTING DOCUMENTS

1. Mortgage-Harris-4-5 Mortgage 12202024

----- Space Above This Line for Recording Data -----

MORTGAGE

1. DATE AND PARTIES. The effective date of this Mortgage (Security Instrument) is _____, **2024**, and the parties, their addresses and tax identification numbers, if required, are as follows:

MORTGAGOR:

Diamond Property Management LLC

LENDER:

City of Independence, Kansas, a municipal corporation

120 North 6th

Independence, KS 67301

2. CONVEYANCE. For good and valuable consideration, the receipt and sufficiency of which is acknowledged, and to secure the Secured Debt (defined below) and Mortgagor's performance under this Security Instrument, Mortgagor grants, bargains, conveys, mortgages and warrants to Lender the following described property:

Tract 4:

Lot 1, Block 91, Original City of Independence, Montgomery County, Kansas (commonly known as 401 South 6th, Independence, Kansas)

Tract 5:

Lot 2, Block 91, Original City of Independence, Montgomery County, Kansas (commonly known as 405 South 6th, Independence, Kansas)

The property is located in **Montgomery County, Kansas**, at addresses indicated above, Independence, Kansas
(Address) (City)

Together with all rights, easements, appurtenances, royalties, mineral rights, oil and gas rights, all water and riparian rights, ditches, and water stock and all existing and future improvements, structures, fixtures, and replacements that may now, or at any time in the future, be part of the real estate described above (all referred to as "Property").

(1 of 5)

3. MAXIMUM OBLIGATION LIMIT. The total principal amount secured by this Security Instrument at any one time shall not exceed **\$22,140.00**. This limitation of amount does not apply to advances made under the terms of this Security Instrument to protect Lender's security and to perform any of the covenants contained in this Security Instrument. The limitation is for the purposes set forth in K.S.A. ' 58-2336 and ' 79-3102.

4. SECURED DEBT. The debt incurred under the terms of the Real Estate Sales Agreement dated December ____, 2024, entered into between the parties, plus all extensions, renewals, modifications or substitutions thereof.

5. PAYMENTS. [THIS SECTION LEFT INTENTIONALLY BLANK]

6. WARRANTY OF TITLE. Mortgagor warrants that Mortgagor is or will be lawfully seized of the estate conveyed by this Security Instrument and has the right to grant, bargain, convey, sell, mortgage and warrant the Property. Mortgagor also warrants that the Property is unencumbered, except for encumbrances of record.

7. PRIOR SECURITY INTERESTS. [THIS SECTION LEFT INTENTIONALLY BLANK]

8. CLAIMS AGAINST TITLE. Mortgagor will pay all taxes, assessments, liens, encumbrances, lease payments, ground rents, utilities, and other charges relating to the Property when due. Lender may require Mortgagor to provide to Lender copies of all notices that such amounts are due and the receipts evidencing Mortgagor's payment. Mortgagor will defend title to the Property against any claims that would impair the Lien of this Security Instrument. Mortgagor agrees to assign to Lender, as requested by Lender, any rights, claims or defenses Mortgagor may have against parties who supply labor or materials to maintain or improve the Property.

9. DUE ON SALE OR ENCUMBRANCE. [THIS SECTION LEFT INTENTIONALLY BLANK]

10. PROPERTY CONDITION, ALTERATIONS AND INSPECTION. Mortgagor will keep the Property in good condition and make all repairs that are reasonably necessary. Mortgagor shall not commit or allow any waste, impairment, or deterioration of the Property. Mortgagor will keep the Property free of noxious weeds and grasses. Mortgagor agrees that the nature of the occupancy and use will not substantially change without Lender's prior written consent. Mortgagor will not permit any change in any license, restrictive covenant or easement without Lender's prior written consent. Mortgagor will notify Lender of all demands, proceedings, claims and actions against Mortgagor, and of any loss or damage to the Property.

Lender or Lender's agents may, at Lender's option, enter the Property at any reasonable time for the purpose of inspecting the Property. Lender shall give Mortgagor notice at the time of or before an inspection specifying a reasonable purpose for the inspection. Any inspection of the Property shall be entirely for Lender's benefit and Mortgagor will in no way rely on Lender's inspection.

11. AUTHORITY TO PERFORM. If Mortgagor fails to perform any duty or any of the covenants contained in this Security Instrument, Lender may perform or cause them to be performed. Mortgagor appoints Lender as attorney in fact to sign Mortgagor's name or pay any amount necessary for performance. Lender's right to perform for Mortgagor shall not create an obligation to perform, and Lender's failure to perform will not preclude Lender from exercising any of Lender's other rights under the law or this Security Instrument. If any construction on the Property is discontinued or not carried on in a reasonable manner, Lender may take all steps necessary to protect Lender's security interest in the Property, including completion of the construction.

12. ASSIGNMENT OF LEASES AND RENTS. Mortgagor assigns, grants, bargains, conveys and mortgages to Lender as additional security all the right, title and interest in the following (all referred to as Property): existing or future leases, subleases, licenses, guaranties and any other written or verbal agreements for the use and occupancy of the Property, including any extensions, renewals, modifications or replacements (all referred to as Leases); and rents, issues and profits (all referred to as Rents). In the event any item listed as Leases or Rents is determined to be personal property, this Assignment will also be regarded as a security agreement. Mortgagor will promptly provide Lender with copies of the Leases and will certify these Leases are true and correct copies. The existing Leases will be provided on execution of the Assignment, and all future Leases and any other information with respect to these Leases will be provided immediately after they are executed. Mortgagor may collect, receive, enjoy and use the Rents so long as Mortgagor is not in default.

(2 of 5)

Upon default, Mortgagor will receive any Rents in trust for Lender and will not commingle the Rents with any other funds. Mortgagor agrees that this Security Instrument is immediately effective between Mortgagor and Lender and effective as to third parties on the recording of this Assignment. As long as this Assignment is in effect, Mortgagor warrants and represents that no default exists under the Leases, and the parties subject to the Leases have not violated any applicable law on leases, licenses and landlords and tenants.

13. LEASEHOLDS; CONDOMINIUMS; PLANNED UNIT DEVELOPMENTS. Mortgagor agrees to comply with the provisions of any lease if this Security Instrument is on a leasehold. If the Property includes a unit in a condominium or a planned unit development, Mortgagor will perform all of Mortgagor's duties under the covenants, by-laws, or regulations of the condominium or planned unit development.

14. DEFAULT. Mortgagor will be in default if it fails to meet all terms and conditions of the Real Estate Sales Agreement entered into between the parties.

15. REMEDIES ON DEFAULT. The remedies available to Mortgagee upon default are as specified in the Real Estate Sales Agreement entered into between the parties.

16. EXPENSES; ADVANCES ON COVENANTS; ATTORNEYS' FEES; COLLECTION COSTS. Except when prohibited by law, Mortgagor agrees to pay all of Lender's expenses if Mortgagor breaches any covenant in this Security Instrument. Mortgagor will also pay on demand any amount incurred by Lender for insuring, inspecting, preserving or otherwise protecting the Property and Lender's security interest. These expenses will bear interest from the date of the payment until paid in full at the highest interest rate in effect as provided in the terms of the Secured Debt. Mortgagor agrees to pay all reasonable costs and expenses incurred by Lender in collecting, enforcing or protecting Lender's rights and remedies under this Security Instrument. This amount includes, but is not limited to, collection agency fees or attorneys' fees and other legal costs and expenses. This Security Instrument shall remain in effect until released.

17. ENVIRONMENTAL LAWS AND HAZARDOUS SUBSTANCES. As used in this section, (1) Environmental Law means, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA, 42 U.S.C. 9601 et seq.), and all other federal, state and local laws, regulations, ordinances, court orders, attorney general opinions or interpretive letters concerning the public health, safety, welfare, environment or a hazardous substance; and (2) Hazardous Substance means any toxic, radioactive or hazardous material, waste, pollutant or contaminant which has characteristics which render the substance dangerous or potentially dangerous to the public health, safety, welfare or environment. The term includes, without limitation, any substances defined as "hazardous material," "toxic substances," "hazardous waste," "hazardous substance," or "regulated substance" under any Environmental Law.

Mortgagor represents, warrants and agrees that:

- A. Except as previously disclosed and acknowledged in writing to Lender, no Hazardous Substance is or will be located, stored or released on or in the Property. This restriction does not apply to small quantities of Hazardous Substances that are generally recognized to be appropriate for the normal use and maintenance of the Property.
- B. Except as previously disclosed and acknowledged in writing to Lender, Mortgagor and every tenant have been, are, and shall remain in full compliance with any applicable Environmental Law.
- C. Mortgagor shall immediately notify Lender if a release or threatened release of a Hazardous Substance occurs on, under or about the Property or there is a violation of any Environmental Law concerning the Property. In such an event, Mortgagor shall take all necessary remedial action in accordance with any Environmental Law.
- D. Mortgagor shall immediately notify Lender in writing as soon as Mortgagor has reason to believe there is any pending or threatened investigation, claim, or proceeding relating to the release or threatened release of any Hazardous Substance or the violation of any Environmental Law.

18. CONDEMNATION. Mortgagor will give Lender prompt notice of any pending or threatened action, by private or public entities to purchase or take any or all of the Property through condemnation, eminent domain, or any other means.

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Mortgagor authorizes Lender to intervene in Mortgagor's name in any of the above described actions or claims. Mortgagor assigns to Lender the proceeds of any award or claim for damages connected with a condemnation or other taking of all or any part of the Property. Such proceeds shall be considered payments and will be applied as provided in this Security Instrument. This assignment of proceeds is subject to the terms of any prior mortgage, deed of trust, security agreement or other lien document.

19. INSURANCE. [THIS SECTION LEFT INTENTIONALLY BLANK]

20. ESCROW FOR TAXES AND INSURANCE. [THIS SECTION LEFT INTENTIONALLY BLANK]

21. FINANCIAL REPORTS AND ADDITIONAL DOCUMENTS. [THIS SECTION LEFT INTENTIONALLY BLANK]

22. JOINT AND INDIVIDUAL LIABILITY; CO-SIGNERS; SUCCESSORS AND ASSIGNS BOUND. All duties under this Security Instrument are joint and individual. If Mortgagor signs this Security Instrument but does not sign an evidence of debt, Mortgagor does so only to mortgage Mortgagor's interest in the Property to secure payment of the Secured Debt and Mortgagor does not agree to be personally liable on the Secured Debt. If this Security Instrument secures a guaranty between Lender and Mortgagor, Mortgagor agrees to waive any rights that may prevent Lender from bringing any action or claim against Mortgagor or any party indebted under the obligation. These rights may include, but are not limited to, any anti-deficiency or one-action laws. Mortgagor agrees that Lender and any party to this Security Instrument may extend, modify or make any change in the terms of this Security Instrument or any evidence of debt without Mortgagor's consent. Such a change will not release Mortgagor from the terms of this Security Instrument. The duties and benefits of this Security Instrument shall bind and benefit the successors and assigns of Mortgagor and Lender.

23. APPLICABLE LAW; SEVERABILITY; INTERPRETATION. This Security Instrument is governed by the laws of the jurisdiction in which Lender is located, except to the extent otherwise required by the laws of the jurisdiction where the Property is located. This Security Instrument is complete and fully integrated. This Security Instrument may not be amended or modified by oral agreement. Any section in this Security Instrument, attachments, or any agreement related to the Secured Debt that conflicts with applicable law will not be effective, unless that law expressly or impliedly permits the variations by written agreement. If any section of this Security Instrument cannot be enforced according to its terms, that section will be severed and will not affect the enforceability of the remainder of this Security Instrument. Whenever used, the singular shall include the plural and the plural the singular. The captions and headings of the sections of this Security Instrument are for convenience only and are not to be used to interpret or define the terms of this Security Instrument. Time is of the essence in this Security Instrument.

24. NOTICE. Unless otherwise required by law, any notice shall be given by delivering it or by mailing it by first class mail to the appropriate party's address on page 1 of this Security Instrument, or to any other address designated in writing. Notice to one mortgagor will be deemed to be notice to all mortgagors.

25. WAIVERS. Except to the extent prohibited by law, Mortgagor waives all appraisal and homestead exemption rights relating to the Property.

26. OTHER TERMS. [THIS SECTION LEFT INTENTIONALLY BLANK]

SIGNATURES: By signing below, Mortgagor agrees to the terms and covenants contained in this Security Instrument and in any attachments. Mortgagor also acknowledges receipt of a copy of this Security Instrument on the date stated on page 1.

DIAMOND PROPERTY MANAGEMENT LLC
SHANE M. HARRIS

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ACKNOWLEDGMENT

STATE OF KANSAS, COUNTY OF MONTGOMERY } ss.

This instrument was acknowledged before me this _____ day of _____, 2024, by **Diamond Property Management LLC**.

(Notary Public)

Term expires:

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**REQUEST FOR COMMISSION ACTION
CITY OF INDEPENDENCE
December 23, 2024**

Department Finance

Director Approval Lacey Lies

AGENDA ITEM Consider awarding the Central Park Sports Complex Phase 2 package.

SUMMARY RECOMMENDATION Award Phase 2 construction.

BACKGROUND Originally, the Phase 2 project of the Central Park Sports Complex completed all remaining features of the master plan, including a large baseball field, soccer restroom/concession facility, basketball courts, pickleball courts, batting cages, playground, sidewalk improvements, a road rebuild and off-street parking, two large parking lots, lighting improvements, shade structures and more. Due to increasing costs, the scope of the project had to be reduced to align with the grant dollars received for Phase 2. The features included in the scope reduction will be moved to Phase 3, which will push out their completion a year. The City plans to apply for another Land and Water Conservation Fund grant in September of 2025 to construct them in 2026, and will continue applying for funding until the entirety of the CPSC Master Plan has been completed.

FINANCIAL INFORMATION This project is paid for from a combination of grants, private donations, and bond authority.

SUGGESTED MOTION I move to award the reduced scope Phase 2 project to Crossland Construction, up to a specified amount, and authorize City Staff to execute all related documents.

SUPPORTING DOCUMENTS

1. CENTRAL PARK - PHASE 2 - Scope Reduction Plan- 12.20.24b

