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COMMUNITY INVESTMENT PROSPECTUS

Opportunity | Community | Family

WELCOME

The City of Caney seeks to revitalize and grow with support from public and private investments and funding opportunities that enhance quality of life for the community. The efforts have resulted in visible improvements, including a public grocery market, downtown streetscape improvements, and a new pool.

A shortage of quality housing has been identified as a barrier for Caney's revitalization efforts. Increasing and diversifying housing is a top priority for city leadership. The city is working with regional, state and federal housing experts to identify residential development programs, funding resources, and planning strategies to address the housing shortage. The collaborative effort has helped to identify and create opportunities for public

and private investments that can support sustainable, healthy growth that benefits the whole community.

We hope this prospectus provides a view into the qualities that make Caney a special place to live and an attractive place to invest. A wide variety of incentives and programs support housing investments at multiple levels, from building one home to developing a neighborhood.

Caney's pride shines through in the activism, support and care that community members share for each other and the place they call home. The city leadership is eager to work with investors on opportunities that create economic benefits and social value while enhancing quality of life in Caney.

Caney, Kansas is the best place for raising children, starting a small business, and working remotely because only Caney provides the structural educational support, grassroots spirit, and high-speed fiber for a rich and fulfilling small town life.





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4 Why Caney?

Ready for investment, Caney offers a small town experience within reach of urban areas and wild lands.

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Invest in residential development that supports quality of life and enhances the whole community.

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Public funding, technical assistance, and other programs are available to support developers and investors.

14 Caney Profile

A summary of Caney's assets and demographic, housing, and workforce data provides additional information.

WHY CANEY

Vibrant community,
small town life



1 Caney is Investment-Ready

Engaged Leadership

A recent community-led housing assessment illustrates Caney's readiness to address housing needs. Over the last ten years, the city has invested in significant improvements, including a new library, community pool and city-owned grocery store.

In addition to city leadership, an active group of new and long-time residents called the Caney Community Betterment Group Foundation, Inc. dedicates time and creative energy to ensure Caney thrives. The committee is highly engaged with the community to celebrate Caney's values, assets and overall quality of life.

Funding Resources

Caney's 2022 housing assessment identifies needs for housing improvements to meet market demand and positions the city to apply for grants from the Kansas Department of Commerce, Kansas Housing Resources Corporation, USDA Rural Development and the Federal Home Loan Bank. Federal tax incentives for developers working in Caney are also offered through the Opportunity Zone Program. For more information on resources, see page ten.

We put our attention toward building a strong community—teaching our kids, helping our neighbors, and innovating ways to make life better.



Infrastructure and Technology

A strong fiber network provides reliable technology infrastructure for businesses and residents working from home.

Successes to Date

Caney's citizens and leadership actively pursue initiatives to enhance the community's quality of life. Over the last ten years, the city has pursued funding to complete a new recreation center, fire department, city library, and public swimming pool. Most recently, Caney purchased a vacant building in the downtown area and built a city-owned grocery store.



New equipment installation at city-owned grocery store located in Downtown Caney.

2 Quality of Life in Urban Reach



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Active Neighbors, Vibrant Community

Residents of Caney invest and engage with each other through acts of kindness, service and support—from teaching kids and helping neighbors, to innovating ways to make life better.

Strong Schools, Friday Night Lights

Caney's strong school system offers the advantages of a bigger district within a rural setting. Experienced teachers and low student-teacher ratios offer quality education, and the athletic programs remain strong year after year. The community proudly supports Caney's schools and cheers on sports teams.



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Caney Valley Speedway

Events and Entertainment

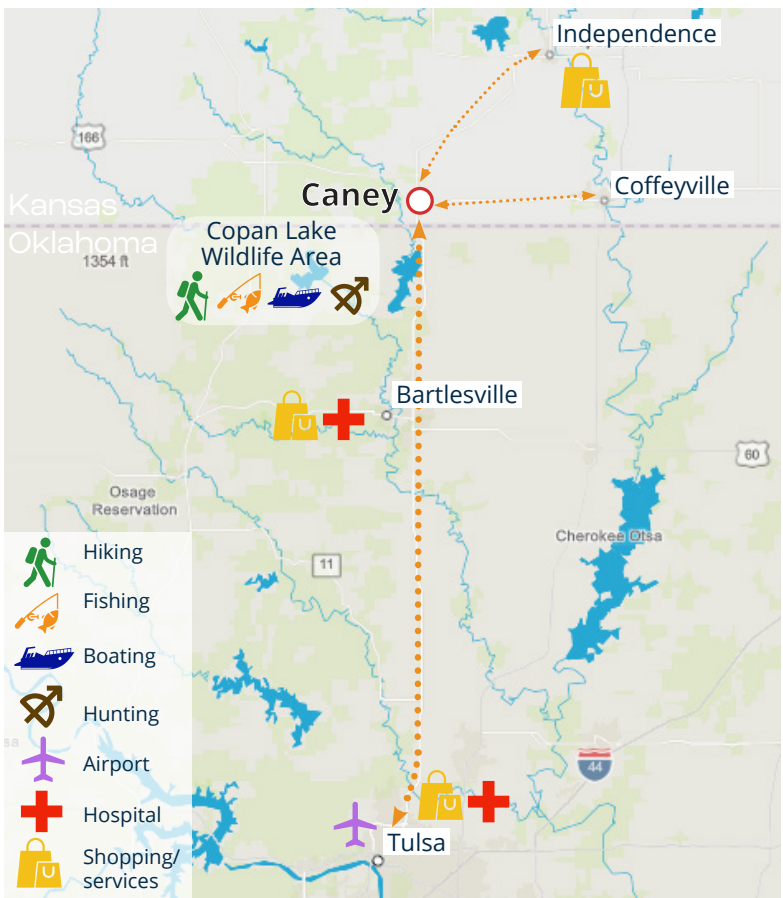
Community celebrations, live events and entertainment bring Caney together and draw visitors from across the region. During the Annual Mayfest Celebration, visitors gather for exhibits, a car show, live music, Memorial Day service, and other activities. Fourth and Live, a popular summer music series, attracts almost 2,000 visitors to Caney during summer months. The Caney Valley Speedway attracts visitors from up to seven states for dirt track, factory stock, street stock car racing and more.



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Close to Urban Amenities

A four-lane highway provides direct access to Tulsa's urban amenities and an international airport in less than an hour. A major hospital is located less than one-half hour away in Bartlesville, Oklahoma, a city that offers extensive shopping, dining, and cultural opportunities, as well as a wide range of services. Two four-year colleges and two community colleges are located within 22 miles of Caney, offering a wide range of higher education options and workforce training.



3 Rich Natural and Cultural Assets

Lakes, Rivers and Wildlife Recreation

Situated in a valley surrounded by hills, lakes and prairie, Caney's blocks are lined by a beautiful mature tree canopy that provides fresh air. Cheyenne Creek and Chautauqua Hills provide scenic areas close to town. Elk City Lake, 20 miles north, provides boating, hiking, swimming and camping on a 4500-acre lake reservoir.

The 2300-acre Copan Wildlife Area and the Little Caney River, starting one mile west of Caney, offer extensive fishing, hunting, camping and hiking opportunities. White bass and crappie provide area anglers with excellent fishing. Hunters find diversified habitat including riparian, woodlands, native grass, cropland, and waterfowl marshes for hunting white-tailed deer, turkey, squirrels, bobwhite quail, waterfowl and rabbits.

Rich Cultural History

Caney earned its name from the numerous wild cane brakes that lined the banks of the Little Caney River. Osage Indians frequently camped along the Little Caney River before being moved from their home in Montgomery County to the present Osage County, Oklahoma. Both the Cherokee Tribe and the Delaware Tribe have presences in Caney. Osage Nation in Pawhuska, Oklahoma, also the home of the popular Pioneer Woman Mercantile, is located forty miles southwest of Caney.

Annual events celebrating regional culture and heritage occur in surrounding towns, including Sedan, Havana, Independence and Coffeyville, Kansas, as well as Bartlesville, Oklahoma. The Woolaroc Museum and Wildlife Preserve in Bartlesville provides year-round opportunities to learn about wildlife, history and frontier life.



INVESTING IN CANEY

Opportunities



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Housing Development Opportunities

Caney has prioritized steps to address the housing shortage in Caney. Community members, with guidance from Kansas State University and the Kansas Department of Commerce, recently completed a housing assessment that identifies housing needs in Caney. The findings highlight investment opportunities and position Caney to apply for state funding that supports housing development.

Newer and larger housing options are needed at several price points to meet demand for housing in Caney. Existing housing, which consists largely of single-story homes built in the 1930s and 1940s, is typically small and outdated based on modern housing expectations. The assessment identified over 40 properties for demolition, which creates land for new housing construction. The assessment also identifies over 100 houses suitable for rehabilitation, which can help meet demand for livable, affordable housing. With more investment, potentially enlarged and reconfigured houses can meet demand for larger homes.

Business Development Opportunities

Caney is nestled in a manufacturing and distribution hub of southeast Kansas in Montgomery County. World class companies like John Deere, Cessna/Textron Aviation, CVR, Loren Cook, ACME Foundry and Spears Manufacturing Co. all find Montgomery County and its impressive workforce a place to grow and call home.

Montgomery County suits a variety of business needs, from a large scale operation looking for a centrally located site or a strategic supplier looking to move closer to a large customer. The City of Caney's growth in activity and vibrant downtown position the town to be a profitable and dynamic place to do business.

For more information about business development opportunities in Caney and Montgomery County, see: www.actioncouncil.com.

Housing Needs

Caney needs housing to meet the needs of potential home buyers and renters. Existing housing is limited in size, quality and number.

1 - More Diverse Housing Types

A range of housing types is needed to support relocating buyers and the local workforce. Key housing types in demand include:

- **Rental housing.** Updated and new apartments and single family homes are needed to accommodate relocating employees and older residents looking to reduce maintenance.
- **Quality single family housing.** Affordable, updated homes are needed to accommodate the growing workforce in local manufacturing companies, public education and small businesses.
- **Larger, contemporary houses.** Larger houses (minimum three bedroom, two bathrooms) are needed to accommodate growing families, retirees and others who expect higher-end, modern housing amenities.

2 - More Housing Availability

Few houses have been constructed in Caney since the 1980s, and until recent efforts to clear structures on vacant properties, little land has been available for new construction. The recent housing assessment indicates that Caney's major employers are unable to find suitable housing in Caney for new hires, and many buyers relocating to the area must find housing in nearby cities.

3 - Reinvestment in Older Housing

Renovation of older houses, which comprises the majority of existing housing in Caney, can raise property values across the city and meet the need for livable, affordable housing and middle-income housing.



Examples of housing types

Housing Investment Opportunities

Many investment opportunities, supported by federal and state funding and financial incentive programs, offer benefits to developers while meeting market demand and improving quality of life and property value in Caney. The following pages provide details about these opportunities.



1 - New housing development

Opportunities exist to build on vacant lots in the city (infill development) and to develop a housing subdivision on the south side of Caney.



2 - Existing housing renovation

Over 100 houses are ready for rehabilitation to supply livable rental houses and owner-occupied houses to meet market demand for affordable or moderate income housing.



3 - Downtown mixed-use redevelopment

Downtown revitalization has sparked interest in mixed-use redevelopment to provide housing on second and third floors of commercial buildings in the downtown business district.

1 New Housing Investment Opportunities



Undeveloped Land

A limited number of undeveloped, builder-ready lots close to downtown amenities are suitable for new single family housing.

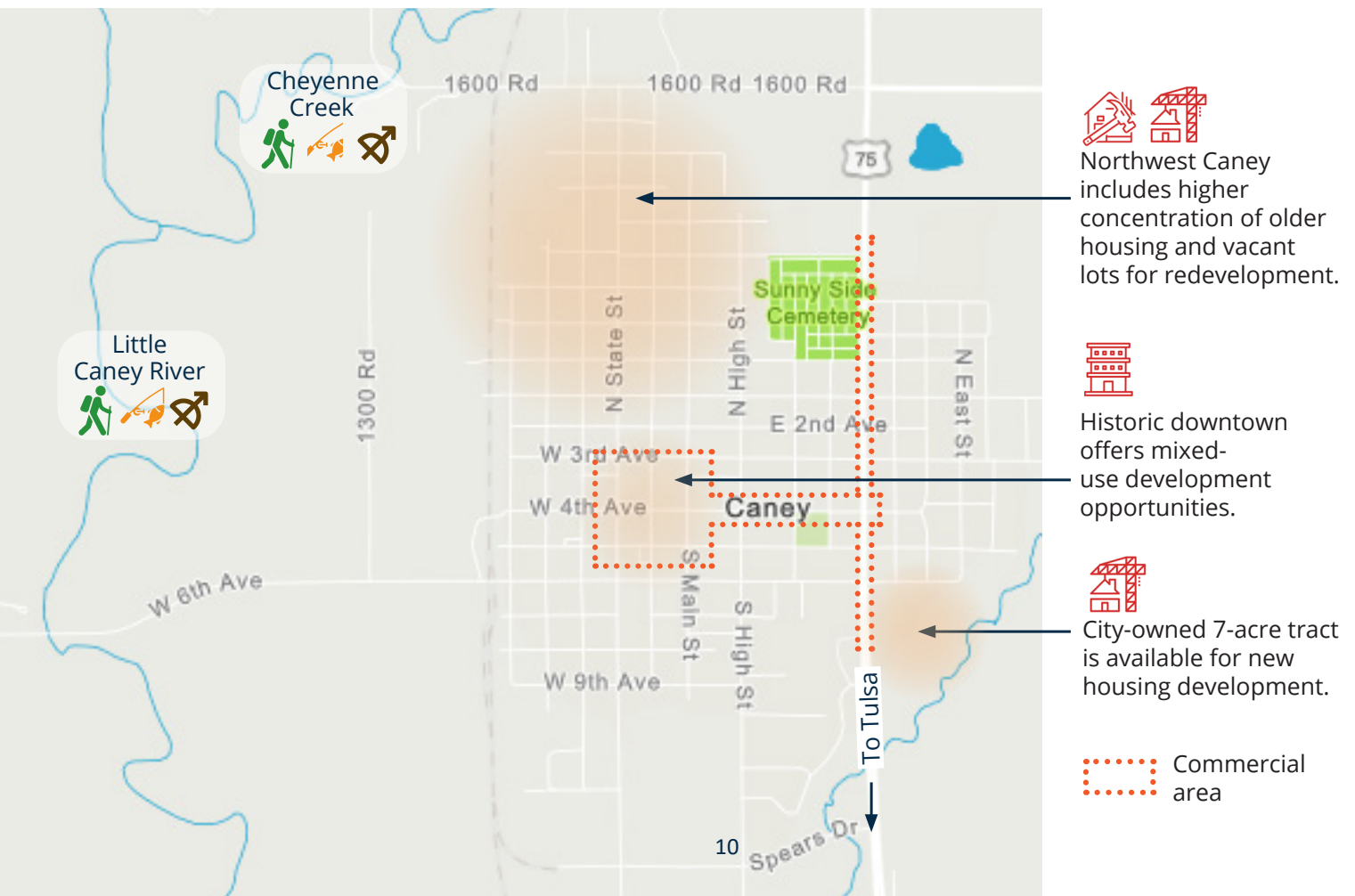
A seven-acre tract of pristine, undeveloped land along Highway 75 presents a unique opportunity to develop a residential subdivision for ten to twelve single family homes, or a combination of single and multifamily housing units. A creek extends along the property, which is surrounded by a woodland landscape.

Cleared Properties (infill development)

Caney plans to remove unsafe and dilapidated structures. Based on the housing assessment, as many as 40 properties are positioned for demolition and resale. The available land can accommodate new housing to meet demand, and parcels might be consolidated or adjusted for larger houses or multifamily housing.

Land Bank

A new land bank program in development can provide oversight for the transition of vacant properties to improve value and encourage suitable, sustainable redevelopment. Caney's land bank program can support the city's housing goals and development initiatives by supporting home buyers, builders and developers.



2 Housing Reinvestment Opportunities



The Housing Assessment identified over 100 houses in Caney in need of significant renovation to create suitable housing that meets market demands for affordable and middle-income housing without new construction. Reinvesting in homes that are in disrepair is an investment in the neighborhood and community quality of life.

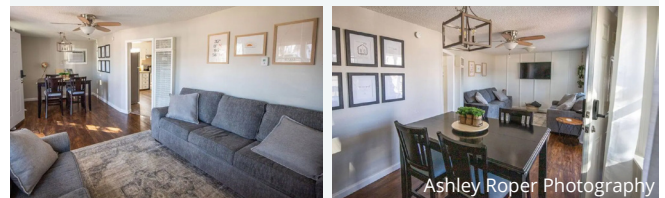
Renovations that meet buyer demands for additional square footage and amenities will add long-term value to the home and the surrounding residences. Features might include:

- Updated kitchens and bathrooms.
- Additions that add light and flexible use to common areas.
- Sustainable, quality materials and appliances.

The challenge for renovation is to address the “value gap” to ensure the cost of rehabilitating a home is less than the post-construction value of the unit. Loans, grants and other financial incentives are available to help fund rehabilitation of older homes. If passed by Congress, the proposed Neighborhood Homes Investment Act would create tax credit to produce new equity investment dollars for the renovation of housing in distressed urban, suburban and rural areas. See page 10 for information about resources.



This bungalow in downtown Caney has been renovated to include updated amenities and materials to provide a welcoming, light-filled home.



3 Downtown Mixed-Use Investment Opportunities



Caney's successful downtown revitalization initiative has created a more vibrant district that includes local businesses, community centers such as the library and historic society, and a market.

Input from the community shows strong support for adding residential units over commercial storefronts in downtown to create a mixed-use area that appeals to buyers seeking alternatives to single family homes. Converting multistory buildings in downtown for residential use above businesses can create contemporary new living spaces in the heart of Caney and continue to revitalize the commercial district.



INVESTING TOOLKIT

Funding Resources



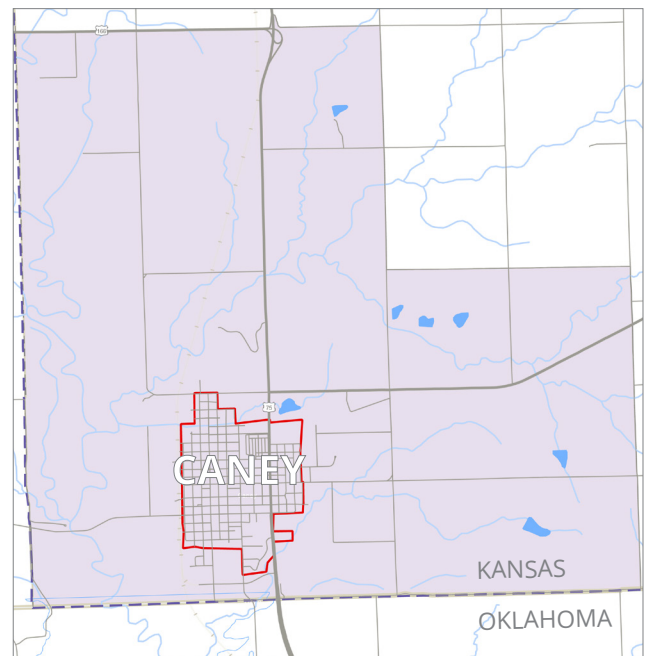
Adobe Stock

Many state and federal programs provide support, funding and incentives to encourage investment and generate activity that helps tackle the housing issues facing small rural communities like Caney. The following information provides an overview of some potential funding sources.

1 Incentive Programs

Opportunity Zones

Caney and the immediate surrounding area of Montgomery County is designated as an Opportunity Zone. The Opportunity Zones program is a federal tax incentive tool designed to lower barriers to development by providing tax benefits for new investments in economically stressed areas. New long-term (greater than 10 years) investments in Opportunity Zones can result in the elimination of taxes on gains from such investments.



Light purple indicates the Opportunity Zone area encompassing Caney.

Rural Housing Incentive District

The Rural Housing Incentive District (RHID) program aids developers in building housing within rural communities by assisting with financing public improvements. RHID captures the incremental increase in real property taxes created by a housing development project for up to 25 years. The Upper Story RHID program can support the creation of housing in Caney's revitalized downtown area.

Kansas Low Income Housing Tax Credit

The Low Income Housing Tax Credit (LIHTC) encourages investment of private capital in the development of rental housing by providing credits to offset an investor's federal income tax liability.

2 Grants and Loans

A variety of federal and state funding programs offer loans and grants for developing, building, repairing and buying houses. The following list includes programs that might be available for some buyers, developers or homeowners in Caney:

- **Moderate Income Housing Program (MIH)** provides grants or loans to local governments to develop owner or rental housing for households making up to 150% of the state area median income in cities or counties with populations of less than 60,000.
- **National Housing Trust Fund** assists communities and developers with increasing the supply of rental housing that is affordable to low-income households.
- **Private Activity Bonds** offer floating tax credits, which provide a source of equity to the developer, allowing them to offer lower rental rates to serve low-income households.
- **KHRC Weatherization Program** increases the energy efficiency of older homes by sealing leaks, repairing and upgrading appliances, installing insulation, and more.
- **USDA Home Safety Grants** (for owner occupancy) offers loans and grants for low-income and elderly homeowners for repairs, safety improvements and modernization.

Resources

More information about the incentive and funding programs listed on this page can be found by contacting one of the following organizations:

Kansas Housing Resources Corporation (KHRC) administers federal housing programs for the state. <https://kshousingcorp.org>

Kansas Department of Commerce assists with RHID programs. <https://www.kansascommerce.gov>

Montgomery County Action Council (MCAC), the economic development agency for Montgomery County, Kansas supports the Opportunity Zones program. www.actioncouncil.com



CANEY PROFILE

Caney is located in a valley surrounded by the Chautauqua Hills on the west and Oklahoma lakes on the south. Caney is rich in culture and has a strong historical society. The city is home to large manufacturing companies such as Spears Manufacturing Co. and Engineered Systems and Equipment Inc., two of the region's best employers.

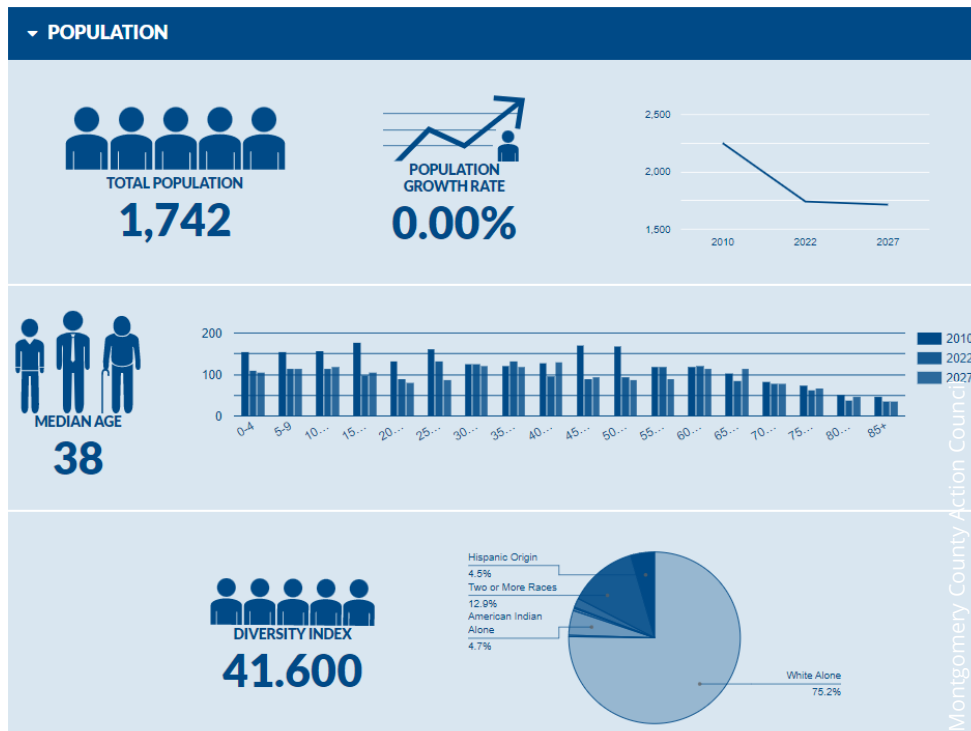
Community pride is clear in Caney, especially each Memorial Day Weekend when the Mayfest Festival draws people from around the world to gather and celebrate spring. Construction of a new city hall in 2006, a recreation center in 2011, the fire department in 2012, and the city library in 2017 show the community's dedication to making improvements. The city was also recently awarded a \$1,000,000 grant to help replace its swimming pool, which was built in 1957. Caney also developed a city-owned grocery store downtown to serve residents.

One of the most appealing reasons for locating in Caney is its immediate access to Highway 75, which is a direct four-lane highway to Tulsa, Oklahoma and Tulsa International Airport.

Existing manufacturers in Caney include Spears Manufacturing Co., WE-MAC, E.S.E./Intec, KOPCO, and Arrow Valve. Caney also has outstanding utility partners.

Nearby Independence and Coffeyville Community Colleges are economic development partners for employers in Caney. Each College works diligently to support the educational growth of our labor force and works with local employers to establish innovative training programs that local employers need to improve the skills of their employees.

As the economic development organization for the area, Montgomery County Action Council (MCAC), together with the city and the county, works collaboratively with developers and business owners to package offers that benefit the city and investors. Programs like Opportunity Zones, Industrial Revenue Bonds, Kansas EDX tax rebates, Neighborhood Revitalization, Community Improvement Districts, and entrepreneurship development loans are all programs that the city has utilized to help a business grow.



Information provided by:

Montgomery County
Action Council
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Independence, KS 67301
Phone (620) 331-3830
www.actioncouncil.com

Email:
director@actioncouncil.com

Caney Residential Yards Superfund Site

Two historic smelters that operated in Caney during the early 1900's caused lead contamination in soil around the smelter sites located on the north side of Caney. Starting in 2020, the U.S. Environmental Protection Agency (EPA) led an effort to investigate and clean up properties located on and around the former smelter sites. EPA has sampled 1,041 residential properties and completed remediation on 344 residential properties exceeding the lead standard. Thirty-two residential properties remain to be sampled.

Information for Property Owners, Prospective Purchasers and Housing Investors

If you are acquiring residential property or planning construction/sitework, please contact EPA for more information about the property's status and steps you may need to take to keep the community and environment safe.

EPA can help answer questions and verify a property's suitability for residential use to property owners, investors and lenders upon request. Additionally, Federal law provides liability protections for property owners and prospective purchasers of former Superfund sites like Caney Yards.

For more information, contact:

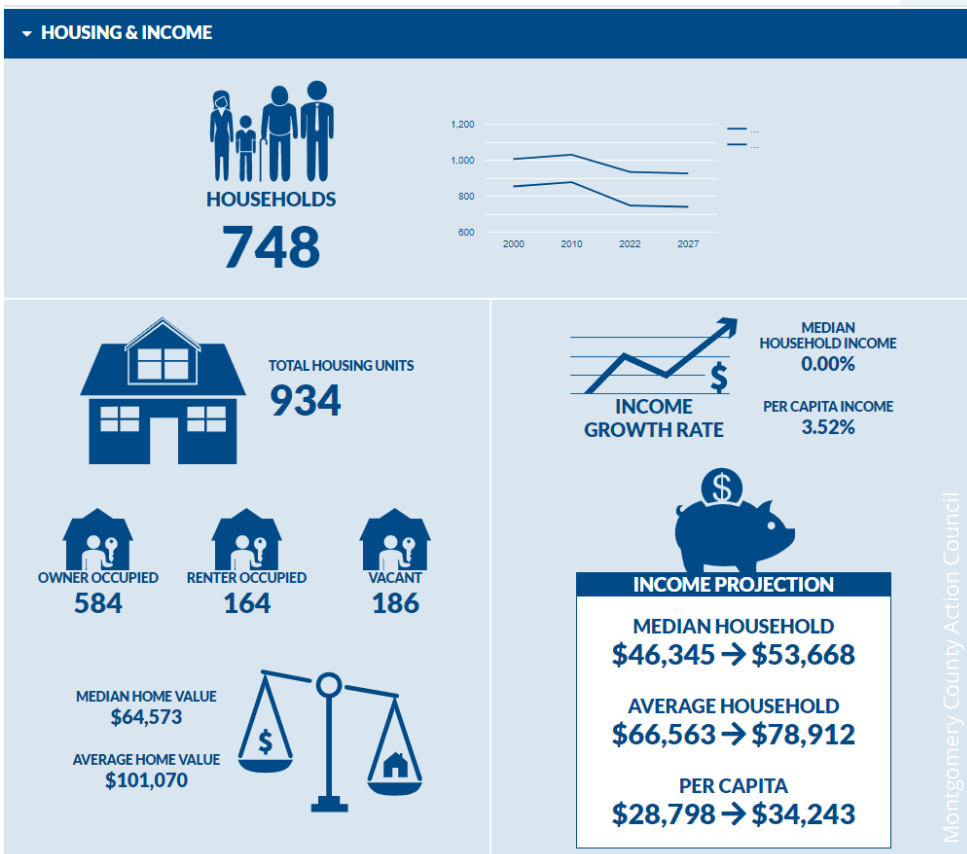
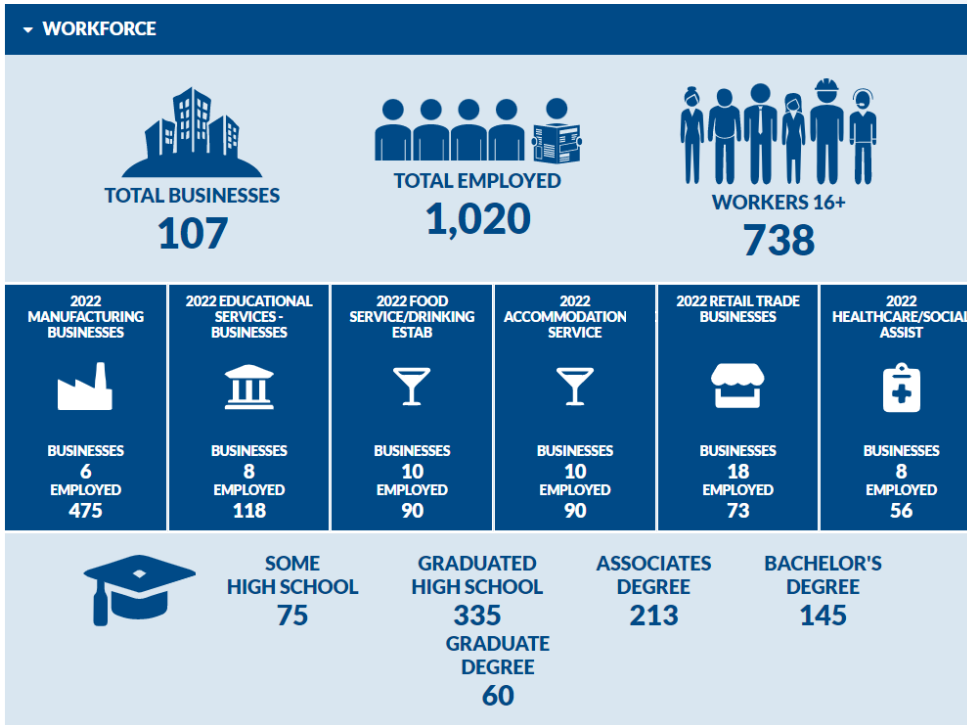
Kim Burr, Remedial Project Manager, EPA

913-551-7069

burr.kimberly@epa.gov

Caney Residential Yards Site Profile Page: <https://cumulis.epa.gov/supercpad/cursites/csinfo.cfm?id=0703396>

Montgomery County Action Council





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