

RESOLUTION NO. 07-1146

A RESOLUTION ESTABLISHING POLICIES RELATING TO TRANSPORTATION DEVELOPMENT DISTRICTS IN THE CITY OF OLATHE, KANSAS; AND REPEALING CERTAIN PRIOR RESOLUTIONS

WHEREAS, the City of Olathe, Kansas ("the City") recognizes that transportation development is essential to stimulate economic growth and development for industries and businesses in order to provide services, employment and tax revenues for the benefit of the community; and

WHEREAS, it is further recognized that transportation development and the stimulation of balanced economic development is a joint responsibility of the private and public sectors, working closely together to create a positive business environment and to encourage industry to locate and expand in the City; and

WHEREAS, to meet these transportation and economic development goals, the City recognizes the occasional necessity of levying a transportation development district sales tax and/or special assessments in order to pay the costs of transportation infrastructure improvements; and

WHEREAS, certain transportation infrastructure improvements must be constructed to serve commercial development projects which add to and diversify the Olathe tax base as well as projects which would provide an extraordinary or particularly unique community-wide economic opportunity (each, an "Economic Development Project"); and

WHEREAS, K.S.A. 12-17,140 et seq., as amended ("the Act") authorizes the governing body of any city or county to create transportation development districts ("Transportation Districts" or "TDD") to acquire interests in property and to construct any project or undertaking relating thereto, within or without a Transportation District, to improve, construct, reconstruct, maintain, restore, replace, renew, repair, install, furnish, equip or extend any bridge, street, road, highway access road, interchange, intersection, signing, signalization, parking lot, bus stop, station, garage, terminal, hangar, shelter, rest area, dock, wharf, lake or river port, airport, railroad, light rail or other mass transit facility or any other transportation related project or infrastructure including, but not limited to, utility relocation, sanitary and storm sewers and lift stations, drainage conduits, channels and levees, street light fixtures, connection and facilities, underground gas, water, heating and electrical services and connections located within or without the public right-of-way, sidewalks and pedestrian underpasses or overpasses, and water main and extensions ("Transportation Project"); and

WHEREAS, the Act gives discretion to governing bodies to approve Transportation Projects which are located outside of the boundaries of Transportation Districts; and

WHEREAS, the Act further authorizes governing bodies, in order to pay the costs of such Transportation Projects, to impose a transportation district sales tax on the selling of tangible personal property at retail or rendering or furnishing services within Transportation Districts in any increment of .10% or .25% not to exceed 1.0% and/or the levy of special assessments upon property within such transportation districts and to issue revenue bonds payable from such sales taxes and/or special assessments,

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF OLATHE, KANSAS:

Section 1. Policy Statement. To meet the economic goals of the City as outlined above, it shall be the policy of the City to consider establishment of Transportation Districts, when the governing body deems it necessary, to finance certain Transportation Projects within the City. The City shall finance Transportation Projects by (a) special assessments levied on property within the Transportation District benefited by the Transportation Project, and/or (b) a transportation district sales tax on the sale of tangible personal property at retail or rendering or furnishing services taxable pursuant to the provisions of the Kansas Retailers' Sales Tax Act, and amendments thereto, within the Transportation District. The City may, in accordance with the Act and, at its sole discretion, levy

a sales tax within a Transportation District in any increment from .10% or .25% up to 1%, all of which may be pledged to repay any special obligation bonds issued to finance the Transportation Project. If special assessments are to be imposed within the Transportation District, the City shall follow the assessment procedures outlined in K.S.A. 12-6a01.

Section 2. Procedure. Pursuant to the Act, the City shall consider creation of a TDD after receipt of a completed TDD Petition ("Petition") (Exhibit A) and a Petition Fee as described in Section 5(a). The completed Petition will be reviewed by the City's TDD Committee and any other staff required to review the Petition prior to consideration of a complete and valid Petition by the governing body.

To form a Transportation District, the following procedure is established:

- A. **Petition Procedure.** A valid Petition proposing the creation of a Transportation District, the making of Transportation Projects relating thereto and the imposition of a transportation district sales tax or special assessments in order to pay the costs of such transportation projects must be filed with the City Clerk of the City of Olathe. The Petition must be signed by the owners of record, whether resident or not, of all of the land area within the proposed transportation district. The Petition shall be submitted in sufficient time for staff to follow established procedures for publication of notice, to review the Economic Development Project's site plans, and to analyze the merits of the proposed Transportation District in the context of existing economic development and infrastructure projects. The Petition must contain a description of the following:
1. the general nature of the Transportation Project;
 2. the proposed uses of all Transportation District funds;
 3. the maximum cost of the Transportation Project supplemented by a preliminary budget describing each element of the Transportation Project proposed to be paid for by Transportation District sales tax or assessments;
 4. the proposed method of financing the Transportation Project;
 5. the proposed method of assessment, if any;
 6. the proposed amount of any Transportation District sales tax;
 7. a map and legal description of the proposed Transportation District.
- B. **Supplemental Information.** The City reserves the right to request any additional information to supplement the Petition, including those items described in Exhibit A, prior to consideration by the governing body.
- C. **District Financed Only by Special Assessments.** Upon filing of a Petition for a Transportation District financed only by special assessments, the governing body may proceed without notice or a hearing to make findings by ordinance as to the nature, advisability and maximum cost of the project, the boundaries of the Transportation District and the amount and method of assessment. Upon making such findings the governing body may authorize the Transportation Project in accordance with such findings as to the advisability of the Transportation Project. The ordinance shall be effective upon publication once in the official City Newspaper.
- D. **Property Outside of the Transportation District Boundary.** The Transportation District boundaries and the method of financing for the Transportation Project shall not require that all property that is benefited by the Economic Development Project, whether the benefited property is within or without the Transportation District, be included in the Transportation District, or be subject to an assessment or a Transportation District sales tax.
- E. **Public Hearing Procedure.** After review of a completed Petition by the TDD Committee, and prior to

creating any Transportation District (except a Transportation District financed only by special assessments, for which no public hearing is required) the governing body shall, by resolution, direct and order a public hearing on the advisability of creating such Transportation District and the construction of such Transportation Projects therein, and to give notice of the hearing by publication at least once each week for two consecutive weeks in the official City Newspaper and by certified mail to all property owners within the proposed Transportation District, the second publication to be at least seven days prior to the hearing and such certified mail sent at least ten days prior to such hearing. The notice of public hearing shall contain the following information:

1. the time and place of the hearing;
2. the general nature of the proposed Transportation Project;
3. the maximum cost of the proposed Transportation Project;
4. the proposed method of financing the costs of the Transportation Project;
5. the proposed method of assessment, if any;
6. the proposed amount of the Transportation District sales tax; and
7. a map and legal description of the proposed Transportation District.

F. **Governing Body Findings.** After the Public Hearing is conducted on the proposed Transportation District, the governing body shall determine the advisability of creating a Transportation District setting forth the boundaries thereof, authorizing the proposed Transportation Projects, approving the maximum costs thereof, levy the Transportation District sales tax, imposing any special assessments and approving the method of financing the same. Such determinations will be made by adoption of an ordinance.

G. **Project Account.** The City shall create a separate account for each Transportation District and Transportation Project, and all transportation district sales tax and or special assessment revenues shall be deposited into such account.

Section 3. Criteria and Adjustments. It is the intention of the governing body that all Economic Development Projects and Transportation Projects related to proposed Transportation Districts meet the criteria detailed below. Failure to meet the standards set forth below may result in rejection of the Petition or a decrease in the proposed TDD sales tax percentage or proposed special assessments. Adjustments may be made to increase the proposed TDD sales tax or proposed special assessments intended to be provided as an extra incentive to exceed certain economic development criteria. However, in no instance shall adjustments to the proposed TDD sales tax or special assessments exceed the maximum allowable TDD sales tax or special assessments which may be levied pursuant to the Act.

A. **Transportation Development District Committee Consideration.** The City's TDD Committee and any other staff required to review Petitions shall utilize the following criteria to evaluate Petitions:

1. **"But For" Test.** Each Petition should demonstrate that "but for" the creation of a TDD and use of Transportation District sales tax and/or the levy of special assessments, the Economic Development Project is not feasible and would not be completed without the proposed TDD assistance.
2. **Debt Service Coverage Ratio for Special Obligation Transportation Development District Sales Tax Revenue Bonds.** All Petitions requesting the imposition of a TDD sales tax and the issuance of special obligation bonds or temporary notes should demonstrate that the TDD sales taxes expected to be generated will be sufficient to provide enough security to pay off the bonds. The TDD sales taxes generated should provide a debt service coverage ratio of at least 1.25 times the projected debt service on the special obligation bonds or notes. A debt service coverage ratio greater than

1.25 times may be necessary to market any notes or bonds that are public offerings. Petitioner or bank purchased bonds may be less than 1.25 times debt service coverage.

3. **Debt Service Coverage Ratio for Special Obligation Transportation Development District Special Assessment Revenue Bonds.** All Petitions requesting the imposition of TDD special assessments and the issuance of special obligation bonds or temporary notes should demonstrate that the TDD special assessments expected to be levied will be sufficient to provide enough security to pay off the bonds. The TDD special assessments should generate enough revenue to provide a debt service coverage ratio of at least 1.15 times the projected debt service on the special obligation bonds or notes. A debt service coverage ratio greater than 1.15 times may be necessary to market any notes or bonds that are public offerings. Petitioner or bank purchased bonds may be less than 1.15 times debt service coverage.
4. **Projected Payoff.** The total amount of TDD assistance provided for projects will be based on the economic payoff expectations of the Transportation Project and the Economic Development Project's significance to the community. In general, the goal for Transportation Projects (including any associated TDD special assessments) would be a 10-year payoff. Longer periods may be considered up to the maximum statutory payoff period of 22 years from creation of the Transportation District if a determination is made that the Economic Development Project is of community-wide significance.
5. **Developer Contribution & Cost Allocation.** Each Petition should include evidence that the Petitioner will do the following:
 - a. Have the financial ability to complete and operate the Economic Development Project,
 - b. Will be liable for, or contribute equity or private financing of at least fifteen percent (15%) of the total cost of the Economic Development Project or provide a performance bond for the completion of the Economic Development Project (Economic Development Projects with equity or private financing contributions from the developer in excess of fifteen percent (15%) will be viewed more favorably),
 - c. Demonstrate a financial nexus between the public transportation infrastructure financed by the TDD assistance and the private transportation infrastructure financed by the TDD assistance. The TDD-eligible costs identified by the Petitioner should be itemized within the Transportation Project as follows:
 1. At least 50% of the TDD-eligible costs should pay for construction of major public City-specified transportation infrastructure outside of the Transportation District which must be improved to serve the Economic Development Project and which would not otherwise require improvement but for the Economic Development Project;
 2. At least 25% of the TDD-eligible costs should pay for construction of public transportation infrastructure outside of the Transportation District, but which is located immediately adjacent to the Transportation District, which must be improved to serve the Economic Development Project and which would not otherwise require improvement but for the Economic Development Project;
 3. No more than 25% of the TDD-eligible costs should be allocated to pay for construction of private transportation infrastructure costs within the Transportation District, including but not limited to construction of private parking lots and garages constructed to serve private businesses.

Projects with a portion of TDD-eligible costs dedicated to pay public transportation infrastructure costs in excess of seventy-five percent (75%) will be viewed more favorably by the TDD Committee and the

governing body.

6. **Project Completion.** The City will require satisfactory assurance that the Economic Development Project and the Transportation Project will be completed in a timely manner in accordance with the Development Agreement described in Section 4.

B. Governing Body Consideration. The governing body shall consider the following factors when creating Transportation Development Districts pursuant to the Act:

1. **Existence of Economic Benefit.** Strong consideration will be given to Economic Development Projects which add to and diversify the Olathe tax base as well as Economic Development Projects which would provide an extraordinary or particularly unique community-wide economic opportunity. Evaluation criteria to be used in determining economic benefit to the community shall include, but shall not be limited to, consideration of the amount of capital investment and a determination of whether the proposed transportation improvements enable the development and location of new products and services in Olathe rather than the relocation of existing businesses already in the City.
2. **Location.** The governing body will give strong consideration for a Transportation District that will be located in a targeted area for economic development or redevelopment, has specific site constraints making development more difficult or costly, or is considered in need of rehabilitation in some way. Targeted areas for economic development or redevelopment may include, but not be limited to, the state Enterprise Zone, blighted areas or conservation areas as defined under K.S.A. 12-1770a, and the Downtown Core.
3. **Design Criteria.** The City will require higher standards for the design of improvements and materials used in making improvements within a Transportation District than the minimum requirements set forth in the design guidelines provided by the City's Development Services Department. Preference will be given to businesses that do their own pre-treatment or do not require extensive environmental controls. The proposed use must be clean, nonpolluting and consistent with all policies, ordinances, and codes. The Economic Development Project's site plans and building elevations and the Transportation Project's plans are subject to final approval by the City's Development Services Department to ensure that they are similar to the preliminary plans and elevations submitted.
4. **Compatibility with Adopted City Plans.** All Transportation Projects should be consistent with the City's Comprehensive Plan, street improvement plans, and any special established corridor plans. The City will consult these plans for consistency prior to the City approving any proposed Transportation District. When evaluating proposed Transportation Districts, the City will consider (1) the compatibility of the location of the proposed Economic Development Project and Transportation Project(s); (2) the compatibility of the proposed land uses with land use, capital improvement, and other relevant plans of the City; and (3) the availability of existing infrastructure facilities and essential public services. Preference will be given to projects which enhance pedestrian, bicycle, or public transportation options. If a Economic Development Project requires a rezoning in addition to any rezoning required within the Transportation District, the Petitioner shall demonstrate the Economic Development Project's compatibility with land use, capital improvement, and other relevant plans of the City.
5. **Traffic Impacts.** All Transportation Projects shall conform to the City's Access Management Plan and any other plans and/or policies which would automatically trigger the issuance of a Traffic Impact Study or any other study. All additional studies shall be submitted with the Petition for consideration by the TDD Committee and before consideration of the Petition by the governing body.
6. **Utilization of City-Owned Utilities.** All Transportation Districts within the boundaries of City-owned utility service areas (including the City's water, sewer, and solid waste services) shall

use City-owned utilities. Exceptions will only be made when it is demonstrated in writing that City-owned utilities cannot feasibly provide acceptable service to the Transportation District.

Section 4. Development or Redevelopment Agreement. Any Transportation District approved by ordinance pursuant to this Resolution shall be accompanied by a development or redevelopment agreement ("Agreement") between the Petitioner and/or lessee and the City. The Agreement will be subject to approval by the governing body prior to reimbursement of eligible Transportation Project improvements and/or issuance of TDD Sales Tax Revenue Bonds or TDD Special Assessment Revenue Bonds, and prior to construction of the Economic Development Project and the Transportation Project. The City shall review information provided by the Petitioner, lessee, county, or state to determine compliance with the Agreement. Each Agreement shall contain a notice and waiver disclosing to each Petitioner that the City reserves the right to create future Transportation Districts on comparable projects with different Transportation District sales tax rates or different amounts of special assessments than those approved for such project. The aforementioned notice and waiver shall include a provision that the Petitioner waives any right to request a modification or amendment of such Transportation District sales tax rate or amount of special assessments based upon such differences.

All costs of preparation of the Agreement, publication of legal notices and all other related Petition costs shall be paid by the Petitioner.

Section 5. Petition and Bond Fees. The governing body hereby establishes the following fees:

- A. **Petition Fee.** A non-refundable Petition Fee of \$5,000 shall accompany all Petitions and shall be paid prior to consideration of all Petitions for the creation of a Transportation District by the TDD Committee.
- B. **Bond Issuance Fee.** The City shall receive an issuance fee of (i) 25 basis points (.25%) of the first \$10 million par amount of Transportation District sales tax revenue bonds being issued, plus (ii) 20 basis points (.20%) of the par amount of the second \$10 million of bonds being issued, plus (iii) 10 basis points (.10%) of the par amount in excess of \$20 million of bonds being issued for each series of bonds to be paid by the proceeds of a TDD sales tax or special assessments. In no event shall the issuance fee be less than \$2,000 or more than \$100,000. The fee shall be due and payable at the time the bonds are issued. The City will not charge the issuance fee for any amount of any bond issue that refunds a prior bond issue.
- C. **Administrative Service Fee.** In addition to the fees listed above, the Petitioner shall pay to the City, at the time prescribed in the Agreement, an annual administrative service fee of .5% of the annual TDD revenue generated within the Transportation District, or any amount set forth from time to time by the City, to cover the administration and other City costs for each approved Transportation Project. Such administrative service fees may be paid from the Transportation District sales tax generated from the project, special assessments, bond proceeds, or from a direct billing to the Petitioner. The payment method of the administrative service fee shall be determined on a case by case basis under the terms of the Agreement.
- D. **Additional Costs.** The Petitioner shall reimburse the City for all costs associated with the analysis of a proposed Transportation District, all legal publication notices, the City's bond counsel and any other legal fees, financial advisor fees, any consultant fees, and all other miscellaneous costs.

Section 6. Authority of Governing Body. The governing body reserves the right to deviate from any policy, but not any procedure set forth in this Resolution or any other procedural requirements of state law, when it considers such action to be of exceptional benefit to the City or extraordinary circumstances prevail that are in the best interests of the City.

Section 7. Sunset Date. Since the justification and necessity for creation of Transportation Development Districts may be lessened as the local economy moves towards its goals of balance and diversification and the City's transportation needs are satisfied, this policy shall automatically expire on December 31, 2007 unless it is readopted for an additional term. No such Transportation Project shall be granted following such expiration, unless this policy is readopted or repealed by adoption of a new policy.

Section 8. Previous Resolution Repealed. Resolution No. 07-1055 is hereby repealed.

Section 9. Effective Date. This Resolution shall take effect on ~~June 1, 2007~~ January 1, 2008.

ADOPTED by the governing body of the City of Olathe, Kansas this ____ day of ~~May~~ December, 2007.

Mayor

ATTEST:

City Clerk

(SEAL)

Exhibit A

**CITY OF OLATHE
TRANSPORTATION DEVELOPMENT DISTRICT
PETITION PROCEDURE**

TDD Petition Procedures

1. PETITION:

Submission. The Transportation Development District Petition form, policies, and procedures are available from the City's Strategic Financial Management Department or City Clerk's office. Not less than two (2) paper copies and one (1) electronic copy of the completed Petition should be submitted to the TDD Committee together with the required Petition fee. The completed Petition shall be submitted to the City Clerk of the City of Olathe with copies to the Director of Strategic Financial Management, City of Olathe, 201 N. Cherry St., P. O. Box 768, Olathe, Kansas 66061.

Petition Fee. Each Petition shall be accompanied with a non-refundable Petition fee made payable to the City of Olathe. The Petition fee will be used by the City to pay the costs incurred by the City in the review of the Petition. The City has established a Petition fee and has established a policy for reimbursement of additional costs as outlined in Section 5 of the TDD Policy. In the event that costs for third-party services incurred by the City exceed the fee collected, the Petitioner will reimburse the City for such additional cost prior to final consideration of the Petition by the City Council. The Petitioner shall be required to pay all additional costs such as those set forth in section 5 of the TDD Policy.

Preliminary Determination of Completeness. Upon submission, the Petition will be reviewed by the TDD Committee to determine if it is complete under the Staff Review guidelines described below. If the Petition is incomplete or if additional information is needed, the Petitioner will be notified in writing that the Petition is not complete and the reasons will be stated referring to the specific criteria that are not met, including, but not limited to, additional information required and/or financial, legal, planning, and development concerns.

Requests for Proposals. The City may initiate a Request for Proposals for a redevelopment project. The fees shown above are for both City-initiated and non-City initiated redevelopment projects. The City reserves the right to modify, reduce, or waive the above fees if a TDD project is determined to be in the best interest of the City. Upon the filing of a complete Petition that is non-City initiated, the City reserves the right to cause a public notice to be inserted in a newspaper of general circulation in the City or on the City's website requesting proposals for development in the proposed Transportation District.

2. STAFF REVIEW:

Review of the Petition will be conducted by the City's TDD Committee (which includes, but is not limited to, members of the City Manager's Office, Legal, Strategic Financial Management, Public Works, Development Services, Neighborhood and Human Services, and Municipal Services departments), and if necessary by other City staff, the City's Financial Advisor, Bond Counsel, and any other outside consultant deemed necessary for review of the Petition. Initial review time will be approximately 30 days from the date the completed Petition is submitted to the City. However, more or less time may be required for particular Petitions. Upon receipt of a complete Petition and after review by the City's TDD Committee, the TDD Committee shall forward a recommendation to the City Council for consideration. The recommendation of the City's TDD Committee may be approved, denied, or amended by the City Council. Petitioners will be notified of the City's TDD Committee forwarding the Petition to the City Council for

consideration at a Council study session and a regular Council meeting.

Petitions that are determined to be incomplete or do not conform to the City's TDD policy will not be forwarded to the City Council. Petitioners will be notified of the determination that the Petition will not be forwarded and should be modified before being considered in the future.

The following is a list of additional information which may be requested by the City's TDD Committee. The TDD Committee may request any or all of this information prior to consideration of a Petition for creation of a TDD by the governing body in connection with the TDD Committee's evaluation of the Petition and determination of whether the Petition is complete and conforms to the City's TDD Policy:

- A. Describe the proposed Economic Development Project and associated Transportation Project, including the size and scope, phasing and anticipated timing of the Economic Development Project and associated Transportation Project. Specifically outline residential development, if any, to be included in the Economic Development Project.
- B. State the need and justification for TDD assistance and the type and amount of assistance being requested by providing the following information:
 1. A Economic Development Project proforma containing assumptions for TDD assistance, including a revenue worksheet which estimates the sales taxes and/or special assessment revenues to be generated within the Transportation District, as well as internal rate of return with and without public assistance.
 2. An explanation of how but for TDD assistance, this Economic Development Project will be unable to proceed due to extraordinary economic conditions.
 3. Substantiation that alternative methods of financing have been thoroughly explored as well as why TDD assistance is necessary.
- C. Provide an outline of the costs associated with the development of the proposed Economic Development Project and related parcel or parcels located within the Transportation District under the criteria described in Section 3 (Developer Contribution & Cost Allocation) of the City's TDD Policy. Identify in the outline those costs proposed to be funded with TDD financing and the proposed payback time frame (provide a debt service schedule showing rates and assumptions). The information shall include interest rates and all assumptions.
- D. Discuss the condition(s) that would qualify the proposed Transportation District as an eligible area as defined within the City of Olathe TDD Policy.
- E. Discuss and document information used to describe the market feasibility of the Economic Development Project. Provide copies of any formal feasibility or comparable studies.
- F. Provide a traffic study detailing any projected traffic impact increase on the City that is based upon the Economic Development Project.
- G. Describe the impacts of the proposed Economic Development Project on existing and proposed infrastructure and services including, but not limited to: water, sanitary sewer, storm water, solid waste, and streets where not otherwise described. Please note that where available, City services shall be utilized.
- H. Identify the property within the Transportation District that is currently in the control of the Petitioner via ownership or option, and who will own the property if not the Petitioner. If under option, note the option expiration date.
- I. Attach a letter from a financial institution indicating that the Petitioner has sufficient financial resources to obtain the private financing for the Economic Development Project.
- J. State whether the property to be included in the Transportation District is currently zoned for the proposed

use. If not, describe what zoning change(s) will be required.

- K. Describe whether the proposed Economic Development Project or Transportation Project will result in the relocation of residential, commercial, industrial or public facilities. If so, discuss the nature of any anticipated relocations.
- L. Identify any proposed tenants of the Economic Development Project. Have leases been negotiated or signed? What type of lease is contemplated?
- M. Briefly describe the "economic and quality of life" benefits of the proposed Economic Development Project to the City.
- N. In no more than three pages provide relevant information on the Petitioner's background and development experience. Include resumes of key individuals assigned to the project as well as other projects completed including location and contact persons from local governments and bank references. Also include a copy of the development company's organizational structure.
- O. Identify the Petitioner's consultants involved or proposed to be involved in the project noting relevant experience on similar projects (i.e., civil engineer, land use planner, Petitioner's legal counsel, Petitioner's financial advisor).

3. DEVELOPMENT CONSIDERATION:

The City Council may desire to hold one or more study sessions before any public hearing is held. During this period the Petitioner may be required to submit additional information as requested and/or appear before the City Council to present information regarding the Petition. The City Council will make all findings and determinations required by the TDD Statute (K.S.A. 12-17,140, et. seq.).

The City Council conducts hearings and other requirements as prescribed by state law. The proposed developer prepares a Petition pursuant to Kansas law and City requirements. The cost of all studies shall be paid by the Petitioner and should be prepared by a professional consultant having a favorable reputation for the preparation of such studies. The studies shall be submitted to the City in a timely manner for review by staff prior to any City Council meetings or study sessions. Additionally, consideration of the Petition shall adhere to the requirements of the TDD Policy and may require additional studies as necessary. The City's TDD Committee reviews the Petition and submits it to the City Council with comments. The City's TDD Committee makes no assurances, promises or guarantees as to the determinations of the City Council after a Petition is forwarded to the City Council for consideration.

The City Council reviews and discusses the Petition during Council study sessions. At a regular Council meeting, the City Council considers an Ordinance making necessary findings and creating the Transportation District setting forth the boundaries thereof, authorizing the proposed Transportation Projects, approving the maximum costs thereof, levying the Transportation District sales tax, imposing any special assessments, and approving the method of financing the same. Authorization of the issuance of bonds or reimbursement of eligible costs may also be considered at this time.

After approval of all elements required to be submitted in the Petition and creation of the Transportation District, but prior to reimbursement of eligible Transportation Project improvements and/or issuance of TDD Sales Tax Revenue Bonds or TDD Special Assessment Revenue Bonds, the City and Petitioner shall prepare a Development or Redevelopment Agreement. Additional requirements and costs, as needed, may be included in the Redevelopment Agreement.

4. NOTIFICATION / PUBLICATION RESPONSIBILITIES:

Legal notices and mailings to taxing districts and property owners shall be prepared or caused to be prepared, delivered, and mailed by the City pursuant to state law. Copies of certifications of mailing, signed delivery certifications, or other proofs of notifications shall be forwarded to the City Clerk. The City shall also prepare or

cause to be prepared any Notices of Public Hearings to be published and forward to the City Clerk for publication in a timely manner as required by state law. The Petitioner is responsible for all costs associated with publications, mailings, certifications, delivery, and preparation of notices. The City shall be reimbursed for any expenses associated with Petition and the TDD formation process.

5. OTHER COSTS OR EXPENSES:

Petitioner shall reimburse the City for all reasonable documented, out-of-pocket expenses incurred in connection with the TDD including attorney's fees, financial advisor fees, and any consultant fees. Said reimbursements to the City shall be deemed "reimbursable expenditures" which may be included in the costs of issuance when TDD bonds are issued.