

fact that it simply could not deliver on the services it was trying to deliver. Henderson should be complimented for doing what was being done now based on the limited facility he had. He thought that was important to recognize because he heard it mentioned that it was mandated and he did not think that was the case. He thought they had come to a collective decision that it was not a good location mostly because the physical structure did not accommodate it. He agreed with Mayor Dever that as long as it was clarified in the letter that it was not an endorsement of a particular location or endorsement of any zoning or text amendments, but was support in trying to seek funding to get the ball rolling.

Commissioner Highberger said he encouraged Henderson to bring this letter to the entire Commission for approval. He would not be in support of it if it was endorsing a specific location. They had land use approval processes for making a decision. He supported the City Commission supporting the request for the shelter so they could move toward addressing the problem.

Commissioner Hack said the City Commission had continued to ask Henderson to address this issue and the City Commission needed to support Henderson's endeavors to receive federal dollars to help with this community problem. She supported signing the letter.

Moved by Chestnut, seconded by Highberger, to authorize the Mayor to sign a letter of support for the Lawrence Community Shelter federal earmark request. Motion carried unanimously. (18)

Receive draft Tax Increment Financing and Transportation Development District Policies.

* Diane Stoddard, Assistant City Manager, said tax increment financing and transportation development districts were being addressed. The TIF districts were a redevelopment tool that enable incremental revenues that came from a new development to go back to pay for public improvements associated with that development. Transportation development districts, TDDs, were a tool that enabled the use of either special assessments or special sales tax to be placed

on an area with the owner's consent and then those monies also went back to pay for certain transportation related improvements.

There was a variety of information related to other communities and in developing those drafts they utilized the policies of other cities as a guide. Both the TIF and TDD were creatures of statute and there were very specific statutory processes associated with establishing either types of district. Rather than reiterating those statutory requirements, they knew those were given, but the idea with these drafts were to focus on other policy issues or refinements of some of those steps in the state statutory process that might be important to the community.

In the TIF district policy draft, on the process requirements there would be a proposal received for the applicant, following the statutory process, and it would require a redevelopment agreement at the conclusion of the establishment of the district that would lay out all the responsibilities by the City and by the developer's part of that. The criterion was probably the most important part which was the policy matters on how a TIF might be established and under what condition. In the draft they had indicated the City would judiciously utilize TIF as a tool for projects that demonstrated a significant and substantial public benefit to the community. The project would achieve various economic development goals of the community which were set forth in the variety of means like creating jobs or retaining jobs. It would be a project of community wide importance and also have a comprehensive plan.

The draft also included a but/for principle which was basically that without the use of TIF, the project would not happen. The City Commission had discussed that as part of the analysis for the Oread project recently.

Additionally, indicating the projects that would involve debt issuance must provide a cover for that, about 1.5 times of the projected debt service and those were the cases that the City might be involved initially in debt for the project. The amount of the TIF assistance would be based on economic significance to the community and would be one of the things seen in the required feasibility study as part of the TIF analysis. The TIF proposals would provide for

redevelopment and stabilization of residential, commercial or industrial areas would be favored. They were trying to encourage redevelopment opportunities in the community.

She said as far as the developer requirements, the draft stated that the developer must be able to demonstrate the financial ability to complete and operate the project. The projects that had at least 50% developer cost share would be more favored than those that had less. Again, a redevelopment agreement would be required and might require the developer to front certain costs associated with the review of the proposal. Those were things like the feasibility study.

She said regarding the process of the TDD policy draft, there would be a petition that would be submitted and would follow the state statute process regarding the actual creation of the district. The criteria would be that it could be used to reimburse the City for certain public infrastructure costs that they front by issuing debt and then having revenues associated with the TDD come back to retire that debt or it could be pay as you go. The developer would front the funds to do the improvements and then the developer was paid over time as revenue came in. The policy indicated that the use of TDD should not enable a development to skirt the City's basic development policy. It was meant for things that were above and beyond what the development policy would call for. It also stated that one of the following should be met: promoting and supporting efforts to redevelop sites, looking at unique retail attraction opportunities or mixed use opportunities that would help the economic base, and also projects that would result in transportation infrastructure beyond what the City would require and what they would otherwise build.

Mirroring the TIF draft, this required evidence that the developer could do the project. It indicated that the equity or private financing contributions from the developer in excess of 15% would be viewed more favorably. The development agreement would be required and the applicant might be required to pay for analysis fees that might be necessary for the City Commission to review the proposal.

She said the action this evening would be to provide feedback the City Commission had at this point and the intention was to solicit public input regarding this item and then have the City Commission consider it at a future meeting.

Mayor Dever asked how the draft policies were created.

Stoddard said these key elements were similar in other City policies and it was looking at what a lot of other cities had done previously. Staff visited with Gary Anderson, the City's Bond Counsel, and had him look at both of them. Anderson provided comments on the drafts and the drafts reflected the comments he provided. There were a number of policy issues. A lot of cities do a lot of things differently, but generally a lot of the key elements were provided and there was a lot of flexibility regarding those elements as well.

Commissioner Amyx said it was clear they needed to have a policy in place that would meet requests in the future and thought this was a good way to start. His recommendation would be to start this process with the 30 day period in being able to get feedback.

Commissioner Highberger said he appreciated the work and did not see anything left out or anything they ought to change.

Mayor Dever called for public comment.

After receiving no public comment, Commissioner Hack said what she liked about the policy was that it was tight in the areas that it needed to be tight in, in terms of percentages and how much the developer would pay up front and how the cost benefit worked. It also allowed for some flexibility to have the opportunities to look at the created projects and would enhance what they tried to accomplish in the community. It was a great balance on both of those policies.

Vice Mayor Chestnut said when talking about demonstrating the but/for, he thought the Springsted study was a great process to go through and would encourage the Commission to have a little bit more robust language about how they saw that. He thought the way it was presented when they went through the Oread project, it was enlightening about market

expectations. He wanted to get more meat behind that because in the tax abatement policy, the statement was there but not well clarified.

He would also encourage the City Commission to make sure they had robust language in regard to the proposals and opportunities for redevelopment, particularly infill. It was clear with the Oread project that it was clear there were some costs to address because infill projects tended to be more expensive and more difficult. They needed to clarify what their intention was because they would take that over something less dense. Also, they would all appreciate the list of people this would be sent out to for public comment because his guess was they would get quite a bit of dialogue with those individuals. He knew there were certain people they wanted to specifically contact and once it was distributed it would be good for the City Commission to know.

Corliss said staff was working on a list of people that participated. He asked if the Commission wanted staff to respond to any of the amendments at this point or should staff keep track of those amendments and use the document that came back with draft language.

Mayor Dever said it would be good to add some third party declaration.

Corliss said the statutes require a feasibility study and a feasibility study for a TIF said that incremental revenue would be enough to pay for the required public projects. They took the additional step of asking whether or not the project would provide a rate of return the marketplace would normally accept, which got to the but/for question in one way of phrasing it. They could find a way to put it in a paragraph that put it at that issue because it was an additional question. They could devise a feasibility study that would show the project would conservatively bring in revenue and bring in that amount of public improvements to make the project feasible. Another public policy question would be if the project would be likely to proceed if they did or did not have the incentive. That was an additional level they thought was good and needed to find a way to write it in the policy.

Commissioner Highberger asked if PIRC would have an opportunity to review this at the April 17th meeting.

Corliss said they could ask that they look at that. They may not get much of a chance to review it between now and next week. One of the items that was important was the fiscal consequences for the school district and Douglas County. They mentioned that it was out there. It was a good way to do that as well.

Moved by Hack, seconded by Amyx, to receive draft policies and solicit public comment for a period of at least 30 days. Motion carried unanimously. (19)

PUBLIC COMMENT:

There was no public comment.

FUTURE AGENDA ITEMS:

- | | |
|----------|--|
| 04/29/08 | <ul style="list-style-type: none">• Oread Neighborhood Study Session follow-up items.• Public hearing regarding the sale and serving of alcohol within 400 feet of a school or church for a proposed outdoor concert on the 900 block of New Hampshire. |
| TBD | <ul style="list-style-type: none">• Consider request from Lawrence Arts Commission regarding modifications to Resolution No. 5966 and Resolution No. 5015.• Receive follow-up staff report on sales tax options• Consideration and discussion of proposed Neighborhood Revitalization Act plans. The Lawrence Association of Neighborhoods has indicated an interest in establishing a task force to review applications of the NRA.• Discussion of City/County funding relationships |

Airport business park land use and public financing issues. ***Because valid protest petitions have been received, a super-majority vote (4 votes) would be needed regarding the rezoning items.***

- (a) Consider approval of the requested annexation of approximately 144.959 acres and direct staff to draft an ordinance for A-06-05-07, for Airport Business Park No. 1, located at E 1500 Road and US Hwy 24/40. Submitted by Landplan Engineering, for Roger Pine, Pine Family Investments, LC, and Kathleen and Brian Pine, property owners of record. (PC Item 16A; approved 5-2 on 10/24/07)