

**RESOLUTION NO. 6887**

**A RESOLUTION ESTABLISHING A POLICY OF THE CITY OF LAWRENCE, KANSAS RELATING TO COMMUNITY IMPROVEMENT DISTRICTS.**

**WHEREAS**, the City of Lawrence, Kansas (the "City") is committed to the high quality and balanced growth and development of the community while preserving the City's unique character and broadening and diversifying the tax base; and

**WHEREAS**, the economic development goals of the City include the expansion of existing businesses, development of new businesses, economic development activities which are environmentally sound, diversification of the economy, and the creation of quality jobs; and

**WHEREAS**, community improvement districts are an economic development tool established by K.S.A. 12-6a26 et seq. (the "Act") which can assist with economic development and the promotion of tourism and cultural activities by providing a means to finance certain public and private improvements through the levy of special assessments and/or the imposition of a community improvement district sales tax; and

**WHEREAS**, community improvement districts can provide public benefits to the community without diverting existing tax revenues; and

**WHEREAS**, the City finds it in the best interest of the public to establish certain policies and guidelines for the consideration of petitions that may be presented to the City by applicants requesting the establishment of a Community Improvement District ("CID").

**NOW, THEREFORE, THE COMMUNITY IMPROVEMENT DISTRICT POLICY FOR THE CITY OF LAWRENCE, KANSAS, WILL BE AS FOLLOWS:**

## **SECTION ONE: POLICY STATEMENT**

It is the policy of the City to consider the establishment of CIDs in order to promote economic development and tourism within the City. An applicant may petition the City to utilize special assessments or a special sales tax to fund projects eligible under the CID statutes. In considering the establishment of a CID, the Governing Body shall consider the criteria outlined in Section Two. CID shall only be used in situations where the applicant proposes to install all of the improvements at no cost to the City and later be reimbursed for such costs on a pay-as-you-go basis from special assessments levied within the CID or CID sales tax revenues generated within the CID; or in situations where the City installs all or a portion of the improvements by the City's issuance of special obligation CID revenue bonds. The use of CID should not alter the requirements of the City's Development policy in regard to the development paying for public infrastructure or meeting building codes. When establishing a CID, special consideration should be given to public benefits. These benefits may include, but are not limited to, strengthening economic development and employment opportunities, reducing blight, enhancing tourism and cultural amenities, upgrading older real estate and neighborhoods, and promoting sustainability and energy efficiency.

## **SECTION TWO: CRITERIA**

It shall be the policy of the City to create a CID, if, in the opinion of the Governing Body, it is in the best interest of the City to do so, and if, in the opinion of the Governing Body, creation of such a CID would meet one or more of the following criteria:

1. Promote and support efforts to redevelop sites within the City.
2. Attract unique commercial, office, industrial, and/or mixed use development which will enhance the economic climate of the City and diversify the economic base.
3. Encourage retail projects that enhance the retail base by either attracting new sales or capturing sales that are leaking to other markets.

4. Create facilities which promote the cultural, historical, or artistic elements of the region and enhance tourism and the quality of life.
5. Assist in the building of infrastructure or new real property beyond what the City can require to be built or would otherwise be built.

A CID may finance all or a portion of the public improvements associated with a project. In general, the CID will only finance a portion of any private improvements or provision of services associated with a project. However, cultural amenities and facilities that support culture and tourism may be fully financed, even if they are private improvements.

### **SECTION THREE: METHOD OF FINANCING**

Community improvement district proposals may be financed in one of the following forms:

1. Pay-as-you-go financing based either on a special assessment within the CID or a CID sales tax within the district;
2. Special Obligation bond financing payable wholly through special assessments within the CID;
3. Special Obligation bond financing payable in part through special assessments within the CID and in part through a CID sales tax; or
4. A combination of the foregoing methods.

Any special CID sales tax within the district must comply with the requirements set forth in the Act. The City will not provide credit enhancements for special obligation bonds; however, credit enhancement provided by the applicant on any bonds will be viewed favorably. Private financing of improvements will be encouraged by the City and viewed more favorably. The City shall not issue general obligation bonds for CID eligible costs, however, the City may consider issuance of general

obligation bonds for city-approved public improvements if it deems it appropriate. The proposed method of financing will be clearly shown in the petition requesting creation of a CID. The City has sole determination of the method of financing.

#### **SECTION FOUR: PROCESS**

1. An applicant wishing to request the City to create a CID in the City of Lawrence shall first submit a petition to the City. In addition to the information required by the Act, applicants seeking the issuance of special obligation bonds shall provide evidence in a form satisfactory to the City of the applicant's financial ability to complete the project as proposed. Such applicants shall also provide information disclosing the amount of financial commitment the applicant proposes to contribute to the proposed project.
2. An applicant seeking to finance all or a portion of the CID-eligible expenses with a special sales tax must obtain the signatures of one hundred percent (100%) of the property owners within the District. Similarly, an applicant seeking to finance private improvements through a CID must obtain the signatures of one hundred percent (100%) of the property owners within the District.
3. The petition must meet all of the requirements of the Act and this policy, and must be submitted in sufficient time for staff to follow established procedures for publication of notice, to review the project's site plans, and to analyze the merits of the proposed CID in the context of existing economic development and infrastructure projects.
4. The applicant shall furnish such additional information as requested by the City in order to clarify the petition or to assist staff or the Governing Body with the evaluation of the petition.
5. The applicant and the Governing Body shall then follow the appropriate process set forth in the Community Improvement District Act, for consideration of the petition to create a CID. The City's process for considering the request to create a CID will emphasize transparency, while balancing the potential need for some applicant information to remain confidential. Further, the City's process for considering the request for the creation of a CID shall encourage public participation and comment.

**SECTION FIVE: APPLICANT REQUIREMENTS**

1. The applicant shall provide evidence in a form acceptable to the City, that the applicant has the financial ability to complete the proposed project in a timely manner and successfully market the bonds.
2. For applicants seeking the issuance of special obligation bonds, projects with equity or private financing contributions from the applicant in excess of fifteen percent (15%) of the total CID-eligible expenses will be viewed more favorably.
3. In conjunction with an ordinance passed to create a CID under this resolution, a development or redevelopment agreement with the applicant shall also be considered. Such agreement will outline the responsibilities of the City and the applicant.

**SECTION SIX: FEES**

1. The applicant shall provide, along with the petition, an application fee of \$2,500 to cover City expenses associated with reviewing and processing a CID request.
2. The City may also require the applicant to enter into a funding agreement to finance costs incurred by the City for additional legal, financial and/or planning consultants, or for direct out-of-pocket expenses and other costs relating to services rendered to the City to review, evaluate, process and consider the petition for a CID.
3. For projects seeking only pay-as-you-go financing through a special sales tax, an annual administrative fee may be negotiated between the City and the applicant.
4. For all other projects, the applicant shall pay .5% of the taxes reimbursed to the applicant or the applicant's successor each year for the life of the CID to cover administrative fees associated with monitoring the District.

All fees paid by the applicant may be deemed costs of the project, to the extent permitted by the Act and subject to approval of the City Commission.

**SECTION SEVEN: 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. Additionally, the Governing Body, by its inherent authority, reserves the right to reject any petition for creation of a CID at any time in the review process when it considers such action to be in the best interests of the City.

**SECTION SEVEN: EFFECTIVE DATE**

This Resolution shall take effect upon adoption by the Governing Body.

ADOPTED by the Governing Body this \_\_\_th day of May, 20\_\_.