

RESOLUTION NO. ~~6952XXXX~~

**A RESOLUTION ESTABLISHING A POLICY OF THE CITY OF LAWRENCE, KANSAS RELATING TO TRANSPORTATION DEVELOPMENT 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**, transportation development districts are an economic development tool established by K.S.A. 12-17,140 et seq. (the "TDD Act") which can assist with the development of transportation projects which can benefit a development and the public; 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 Transportation Development District ("TDD").

**NOW, THEREFORE, THE GOVERNING BODY OF THE CITY OF LAWRENCE, KANSAS DOES HEREBY RESOLVE;**

**SECTION ONE: POLICY STATEMENT:** It is the policy of the City to consider the establishment of TDDs in order to promote economic development within the City. An applicant may petition the City to utilize special assessments or a special sales tax to fund the transportation related projects eligible under the TDD statutes. Such projects shall be limited to improvements that are above and beyond what the City would normally require and the use of TDD shall not alter the requirements of the City's Development policy in regard to the requirements of a development to pay for public infrastructure. In considering the establishment of a TDD, the Governing Body shall consider the criteria outlined in Section Two. TDD shall only be used in the following circumstances: 1) pay-as-you-go in situations where the applicant proposes to install all of the public improvements at no cost to the City; or 2) in situations where the City installs all or a portion of the public improvements, and the applicant provides funding through payments to the City or special assessment benefit districts, pursuant to the City's development policy. When establishing a TDD, consideration should be given to pedestrian and public transportation needs.

**SECTION TWO: CRITERIA:** It shall be the policy of the City to create a TDD, if, in the opinion of the Governing Body, it is:

1. is the best interest of the City to do so, and;
2. it is consistent with the Policy Statement in Section One, and;
3. the creation of such a TDD would meet one or more of the following criteria:
  - a. Promote and support efforts to redevelop sites within the City.
  - b. Attract unique retail and/or mixed use development which will substantially enhance the economic climate of the City and diversify the economic base.

**Affordable Housing:**

Projects having four (4) or more residential units seeking a TDD shall only be considered if a portion of those units are set aside for households making 80% of the Area Median Income, as defined annually by the U.S. Department of Housing and Urban Development (HUD) for Douglas County, Kansas.

Projects shall reserve and maintain the number of dwelling units designated as affordable housing units for a period of not less than fifteen (15) years of any Certificate of Occupancy and must have a suitable management program in place to ensure affordable housing eligibility requirements are met for those units. The units set aside for affordable housing are subject to the below parameters.

<u><b>Affordable Housing Parameters</b></u>			
<u><b># Residential Units</b></u>	<u><b>% of Residential Units Set Aside for Affordable Housing</b></u>	<u><b>Income Parameters</b></u>	<u><b>Rent Parameters</b></u>
<u>4-49</u>	<u>Not less than 10%</u>	<u>80% of Area Family Median Income as defined annually by HUD for Douglas County, Kansas</u>	<u>Fair Market Rent as determined annually by HUD for Douglas County, Kansas</u>
<u>50 or more</u>	<u>Not less than 35%</u>		

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**SECTION THREE: PROCESS:**

1. An applicant wishing to request the City to create a TDD in the City of Lawrence shall first submit a petition to the City. The petition must be signed by the owners of all of the land within the proposed district and shall include all information required by K.S.A. 12-17,142 and amendments thereto;. In addition to the information required by K.S.A. 12-17, 142, the applicant shall provide evidence in a form satisfactory to the City of the applicant's financial ability to

complete the project as proposed. The applicant shall also provide information disclosing the amount of financial commitment the applicant proposes to contribute to the proposed project, and any other analysis as required under Section Four.

2. The petition must meet all of the requirements of the TDD 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 TDD in the context of existing economic development and infrastructure projects.

3. 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.

4. The applicant and the Governing Body shall then follow the process set forth in the TDD Act, as amended, for consideration of the petition to create a TDD and creation of a TDD, if appropriate City staff shall make available to the public in a timely manner information summarizing the TDD Act and the process for evaluating a request to create a TDD. The City's process for considering the request to create a TDD 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 TDD shall encourage public participation and comment.

5. The merits of the proposal under this policy shall guide the decision on the application without regard to the applicant.

#### **SECTION FOUR: APPLICANT REQUIREMENTS:**

1. ~~The For projects unrelated to primary job creation or affordable housing, the~~ applicant shall provide a "but for" analysis to the City demonstrating the need for the TDD and the purpose for which the TDD revenue will be used. The analysis should support that "but for" the TDD, the project will be unable to proceed. The applicant shall provide City Staff with pro forma cash flow analysis and sources and uses of funds in sufficient detail to demonstrate that reasonably available conventional debt and equity financing sources will not fund the entire cost of the project and still provide the applicant a reasonable market rate of return on investment.

2. Projects requesting TDDs that will have four or more residential units, shall only be considered if the project will have at least 35% of the housing units set aside for households making 80% of the Area Median Income or less

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2.3. 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.

3. Projects with equity or private financing contributions from the applicant in excess of fifteen percent (15%) of the total TDD-eligible expenses will be viewed more favorably.

In conjunction with an ordinance passed to create a TDD 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.~~ The agreement will outline the obligations of the parties involved, specify performance targets, and contain audit language based on the parameters of the project.

4.

#### **SECTION FIVE: SIGNAGE REQUIREMENTS:**

Upon establishment of a TDD utilizing sales tax as the source of TDD revenue, each business shall have a sign prominently displayed at each public entrance for the duration of time that the TDD sales tax is collected. The sign shall be a minimum size of 8.5 inches by 11 inches with a font size of at least 30. The sign shall at a minimum contain the following:

“This project made possible by Transportation Development District Financing. Additional Transportation Development District sales tax of \_\_\_\_% collected here.”

#### **SECTION SIX: PAYMENT OF CERTAIN COSTS.**

The City may 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 director out-of pocket expenses and other costs relating from services rendered to the applicant to review, evaluate, process and consider the petition for a transportation development district.. Such costs and expenses may be deemed costs of the project, to the extent permitted by the TDD Act, as amended..

#### **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 proposal or petition for creation of a TDD at any time in the review process when it considers such action to be in the best interests of the City.

**SECTION EIGHT: REPEAL OF RESOLUTION ~~6790-6952~~ 67906952.** Resolution ~~6790-6952~~ is hereby repealed.

**SECTION NINE: EFFECTIVE DATE.** This Resolution shall take effect immediately.

ADOPTED by the Governing Body this \_\_\_\_\_ day of \_\_\_\_\_, ~~2011~~2016

\_\_\_\_\_  
~~Aron E. Cromwell~~Mike Amyx, Mayor

ATTEST:

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~~Jonathan M. Douglass~~Brandon McGuire, Acting City Clerk