

RESOLUTION 2018-006

**A RESOLUTION ADOPTING A COMMUNITY IMPROVEMENT
DISTRICT POLICY PURSUANT TO K.S.A. 12-6a26 *et seq.***

WHEREAS, the City of Paola is committed to the encouragement and promotion of the economic health and vitality of the City; and

WHEREAS, the Governing Body is authorized by the Community Improvement District Act, K.S.A. 12-6a26 *et seq.* (the "Act"), to create a community improvement district ("CID") for projects related to amenities and improvements as provided in the Act from certain revenues generated within the district; and

WHEREAS, these revenues may be derived from a CID sales tax up to 2% that is charged only within the district or from special assessments on the property within the district or a combination of sales tax and special assessments; and

WHEREAS, the creation of a CID is a complex legal and administrative matter requiring clear direction from the Governing Body; and

WHEREAS, the Governing Body finds that it is in the best interest of the City to establish certain policies and guidelines for consideration of CID petitions.

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

It hereby adopts the Community Improvement District policy attached as Exhibit A and incorporated by reference. The City Manager shall prepare and approve procedures necessary to implement the CID policy.

ADOPTED this 8th day of May, 2018.

Artie Stuteville, Mayor

ATTEST: [seal]

Daniel G. Droste, City Clerk

RESOLUTION NO. 2018-006
EXHIBIT A

**CITY OF PAOLA COMMUNITY IMPROVEMENT DISTRICT
(CID) POLICY**

- (A) **Application.** Interested parties shall submit a CID request via the Application for public financial participation provided by the City. City staff shall review all CID Applications for compliance with City policy and Kansas (the "State") law and make a recommendation for preliminary approval and a decision to forward a petition to the Council for consideration and action. A proposed petition shall accompany each Application for a CID. If the Finance Team believes the Application and proposed petition meets the criteria set forth in this Policy and should be recommended for approval, the Finance Team will work with the petitioner(s) to develop a Finance Plan to present to the Council when it considers the petition to establish the CID.
- (B) **Petition.** A valid CID petition must be submitted with signatures of either of the following:
1. 100% of the property owners of all of the land area within the proposed Special Assessment CID who seek financing solely by assessment. If all landowners petition for a CID, then the City may proceed with its creation by a majority vote of the Council and assessments without notice or public hearing; or
 2. Property owners representing more than 55% of the land area of the proposed Sales Tax CID and also signed by property owners collectively owning more than 55% of the assessed value of the land within the proposed CID. If this petition method is utilized, then the City will be required to adopt a resolution giving public notice of a hearing on the advisability of the creation and financing of a CID. The Council may adopt a resolution by a majority vote to authorize the Project and create the CID.
- (C) **Boundaries.** The CID boundaries and the method of financing for the project shall not require that all property that is benefited by the Project, whether or not the benefited property is within the CID, be included in the CID or be subject to an assessment or the CID sales tax.
- (D) **Term.** The Council shall review the financial feasibility of each CID proposed for consideration and shall use this information in determining the appropriate term of financing for Projects within the CID. Any CID sales tax shall expire no later than the date the bonds issued to finance such Project, or refunding bonds issued for the Project, mature. In the event pay-as-you-go financing is utilized, CID sales tax shall expire twenty-two (22) years from the date the State Director of Taxation begins collecting such tax or when the bonds or pay-as-you-go costs have been paid. CID Bonds shall mature no more than twenty-two (22) years from date of issue.
- (E) **Public Hearing.** No Council public hearing consideration will occur unless all information is provided at least fifteen (15) business days prior to any such scheduled meeting. All fees and requirements of a funding agreement must also be met before Council consideration.
- (F) **Criteria for Use of Community Improvement District.** The decision to establish a CID is within the sole discretion of the Council. In determining whether or not to approve a petition to establish a CID, the Council will evaluate whether or not the creation of a CID is in the City's best interest, by considering one or more of the following criteria:
1. Promotes and supports efforts to develop or redevelop commercial sites to provide for reinvestment in the city;

2. Stimulates quality, retail development to enhance the City's economic base;
3. Allows for the construction of infrastructure, including the construction of infrastructure beyond what the City would require or otherwise build;
4. The Projects will be located in an area that has been targeted by the Council for economic development or redevelopment; or has specific site constraints making development more difficult or costly;
5. The impact on other infrastructure systems, to include the cost of core system extensions to areas not adjacent to existing systems;
6. The financial risk to the City and any other government units of the financing proposal, to include exposure of the general property tax levy, enterprise funds positions and credit rating;
7. Recommendation of the Finance Team;
8. Other factors the Council deems relevant to its decision.

(G) **Conformance to Local Requirements, Including:**

1. Compliance with uses anticipated in the Comprehensive Plan;
2. High degree of architectural design and site layout;
3. Enhanced use of landscaping, water quality best management practices and other sustainable features;
4. Design of infrastructure to meet public and/or private standards.

(H) **Additional Considerations:**

1. Cost of the proposed improvements identified in the CID;
2. Sources of funding, including the amount of equity funding in comparison to public funding;
3. Payment risk mitigation mechanisms offered by the Applicant;
4. Experience and stability of the proposed developer;
5. Whether or not tenants are in place, and the nature and quality of the tenants;
6. Economic competition the Projects within the CID has and is expected to have in the future; and
7. Impact to current businesses within the City.