

CITY COMMISSION AGENDA MEMO
July 22, 2020

FROM: Brian Johnson, City Engineer

MEETING: August 4, 2020

SUBJECT: Public Hearing/Ordinance No. 7492 Establishing the Blueville, Unit Two, Transportation Development District (TDD)

PRESENTER: Brian Johnson, City Engineer

BACKGROUND

The City is in receipt of a petition from Blueville Nursery, Inc., the owner of Lots 2 and 3 in Blueville Addition, Unit 2 (the “Real Estate”), for the establishment of a half-cent Transportation Development District (TDD) on the Real Estate, which is just west of the intersection of Scenic Drive, Anderson Avenue and Kimball Avenue.

On July 7, 2020, the City Commission found the petition sufficient and approved Resolution No. 070720-B setting August 4, 2020, as the date for a public hearing relative to the creation of the Blueville Addition, Unit 2, Transportation Development District.

DISCUSSION

An initial TDD was created in late 2016 that covered the existing building and sales at the Blueville Nursery property and also a portion of what is now Unit 2. With the re-platting of Blueville Addition, an additional TDD is being established to generate additional revenue for the improvements completed with the West Anderson Avenue project.

This TDD will impose the additional half cent sales tax rate to two of the newly created lots of Blueville Nursery, Unit 2 (the other Lot already has a TDD). In addition to the publication of the Notice regarding the hearing that was published in *The Manhattan Mercury* on Sunday, July 12, 2020, and Sunday, July 19, 2020, the owner of the Real Estate of Lots 2 and 3, Blueville Addition, Unit 2, received a certified mailing of the Notice that was mailed on July 22, 2020. Once approved, the City will then have authority to capture the half-cent sales tax and dedicate it towards public improvements in the area that is described in the TDD petition. At this point in time, the City anticipates dedicating these revenues annually towards the debt retirement of the West Anderson Avenue improvements, including the intersection of Scenic Drive, Anderson Avenue and Kimball Avenue.

FINANCING

The Blueville Addition, Unit 2, TDD eligible projects have recently been bonded for approximately \$4.5 million. Historically, the existing TDD has generated about \$15,000 - \$20,000 annually over a period of 22 years to assist with debt retirement of that portion of the West Anderson Avenue improvements within the boundaries of the proposed project area.

Following the public hearing, the Commission will have the opportunity to pass an ordinance to create the district.

ALTERNATIVES

It appears the Commission has the following alternatives concerning the issue at hand. The Commission may:

1. Conduct a public hearing and approve Ordinance No. 7492 establishing the Blueville Addition, Unit 2, TDD.
2. Decline the item.
3. Modify the item to meet the needs of the City Commission.
4. Table the issue.

RECOMMENDATION

City Administration recommends the City Commission conduct a public hearing and approve an ordinance establishing the Blueville Addition, Unit 2, TDD.

POSSIBLE MOTION

Approve Ordinance No. 7492 establishing the Blueville Addition, Unit 2, Transportation Development District.

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Enclosure:

1. Ordinance No. 7492

ORDINANCE NO. 7492

AN ORDINANCE CREATING A TRANSPORTATION DEVELOPMENT DISTRICT IN MANHATTAN, KANSAS; AUTHORIZING THE MAKING OF CERTAIN TRANSPORTATION PROJECT IMPROVEMENTS RELATING THERETO; APPROVING THE ESTIMATED COSTS OF SUCH TRANSPORTATION PROJECT IMPROVEMENTS; AND PROVIDING FOR THE METHOD OF FINANCING THE SAME.

WHEREAS, K.S.A. 12-17,140 *et. seq.* (the “Act”) authorizes the governing body of any city or county to create transportation development districts (“Transportation Districts”) within such jurisdiction, to acquire interests in property and to construct any project or undertaking, whether within or without the 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, streetscape 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. (collectively, “Transportation Projects”); and

WHEREAS, the Act further authorizes said governing body, in order to pay the costs of such Transportation Projects, to levy a transportation district sales tax on the selling of tangible personal property at retail or rendering or furnishing services taxable pursuant to the Kansas retailer's sales tax act 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

WHEREAS, a petition (the “TDD Petition”) has been filed with the City Clerk proposing the creation of a Transportation District, the making of Transportation Projects therein and the imposition of a transportation district sales tax in order to pay the costs of such Transportation Projects; and

WHEREAS, the TDD Petition was signed by the owners of record, whether resident or not, of all of the land area within the proposed Transportation District; and

WHEREAS, the Act provides that prior to creating any Transportation District, 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 at least two publications in the official newspaper and by certified mail to all property owners within the proposed Transportation District, the second of such publications to be at least seven days prior to the hearing and such certified mail sent at least ten days prior to such hearing; and

WHEREAS, such published and mailed notices shall contain the following information: (a) the time and place of the hearing; (b) the general nature of the proposed Transportation Projects; (c) the maximum cost of the proposed Transportation Projects; (d) the proposed method of financing the costs of the Transportation Projects; (e) the proposed amount of the transportation development district sales tax; (f) the proposed amount of any special assessments and the method of assessment; and (g) the map or boundary description of the proposed Transportation District; and

WHEREAS, the governing body of the City adopted Resolution No. 070720-B on July 7, 2020, directing that a public hearing on the proposed Transportation District within the city be held on August 4, 2020, and requiring that the City Clerk provide for notice of such public hearing as set forth in the Act; and

WHEREAS, a Notice of Public Hearing containing the following information: (a) the time and place of the hearing; (b) the general nature of the proposed Transportation Projects; (c) the maximum cost of the proposed Transportation Projects; (d) the proposed method of financing the costs of the Transportation Projects; (e) the proposed amount of the transportation development district sales tax; (f) the proposed amount of any special assessments and the method of assessment; and (g) the map or boundary description of the proposed Transportation District, was mailed (by certified mail) to all property owners within the proposed Transportation District on July 22, 2020, and published once each week for two consecutive weeks in *The Manhattan Mercury*, the official City newspaper, on July 12, 2020, and July 19, 2020; and

WHEREAS, on August 4, 2020, the governing body of the City conducted a public hearing on the proposed Transportation District, the proposed Transportation Projects, the estimated costs thereof, the method of financing the same; and the imposition of the transportation development district sales tax; and

WHEREAS, the governing body of the City hereby finds and determines it to be advisable to create the Transportation District, authorize Transportation Projects relating thereto, approve the estimated costs of such Transportation Projects, approve the method of financing the same and impose the transportation development district sales tax, all in accordance with the provisions of the Act.

THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF MANHATTAN, KANSAS:

SECTION 1. Creation of Transportation District; Boundaries. The governing body of the City hereby creates, in accordance with the provisions of the Act, the Transportation District to be known as the Blueville, Unit 2, Transportation Development District (TDD), the legal description of which is set forth on **Exhibit A** attached hereto and incorporated by reference herein. A map generally outlining the boundaries of the Transportation District is attached as **Exhibit B** hereto and incorporated herein by reference.

SECTION 2. Authorization of Transportation District Projects; Estimated Costs. The governing body of the City hereby authorizes certain transportation district projects (the “Projects”) within the Transportation District, as more fully described on **Exhibit C** attached hereto and incorporated by reference. The maximum cost of the Projects is \$6,000,000.00, plus costs of issuance, costs of interest on any temporary financing and associated reserves.

SECTION 3. Method of Financing.

(a) In order to provide funds to finance the costs of the Projects, the City hereby imposes, in accordance the provisions of the Act, a transportation development district sales tax within the Transportation District in the amount of 0.5% on the selling 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.

(b) There will be **no** special assessments imposed under the Act on property within the boundaries of the Transportation District.

(c) The costs of the Projects shall be financed by “pay-as-you-go” financing of the City in a maximum principal amount of \$6,000,000.00, plus costs of issuance, costs of interest on any temporary financing and associated reserves, if any. The financing shall be secured by the pledge of money received from the imposition of a transportation development district sales tax in amount of **0.5%** on the selling 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.

SECTION 4. Effective Date. This Ordinance shall take effect and be in full force from and after its passage by the governing body and publication in the official City newspaper.

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PASSED by the City Commission of the City of Manhattan, Kansas on August 4, 2020.

Usha Reddi, Mayor

Attest:

Brenda K. Wolf, CMC, City Clerk

EXHIBIT A

LEGAL DESCRIPTION OF TRANSPORTATION DEVELOPMENT DISTRICT

**Lots 2 and 3 of Blueville Addition, Unit 2, an Addition to the City of Manhattan, Riley County,
Kansas**

EXHIBIT B

MAP OF TRANSPORTATION DEVELOPMENT DISTRICT

