

Memorandums of Understanding and Next Steps

Memorandums of Understanding

Memorandums of Understanding (MOU's) formalized the continued collaborative environment initiated by the study and created a moral framework to encourage implementation of the provisions of the K-7 Corridor Management Plan. While each MOU was customized to meet the individual needs of each community, every MOU included the same general information:

- Whereas Clauses – Define the study limits and process
- Corridor Purpose – purpose of the corridor plan
- Corridor Parameters – minimum requirements (i.e. interchange spacing, level of service, etc.)
- Establishment of Corridor Review Committee – Representatives of the communities and KDOT to review the progress of implementation of the plan and to evaluate any required changes to the plan
- Roles and Responsibilities of KDOT and the Communities -
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- Miscellaneous Provisions – term, termination, etc.

Within the roles and responsibilities sections of the MOU are provisions identifying corridor preservation, access management tools, and improvements. These provisions essentially outline the “next steps” to implementing the K-7 Corridor Management Plan. Beyond incorporating the K-7 Corridor Management Plan into MARC's Long Range Transportation Plan, several of these “next steps” are highlighted in the following sections.

Corridor Review Committee

The purpose of the Committee is to serve as an advisory body to regularly review, evaluate, facilitate discussions of and provide input on events and developments that may have an impact on the K-7 Corridor and the Corridor Management Plan, and to assist in the development of the K-7 Corridor implementation strategy. The Committee shall not have any authority regarding powers vested in cities and counties pursuant to state law. The Committee shall be composed of one representative from each participating county and city whose jurisdictional boundary includes land covered by the K-7 Footprint Map, a KDOT representative and a representative of the Mid-America Regional Council. The city and county representatives shall be appointed by the chief elected official of that particular city or county for a term to be determined by that official. A KDOT representative will serve as one Co-Chair of the Committee and the members of the Committee each year shall elect one other member to serve as the other Co-Chair. The Committee shall meet whenever the Co-Chairs jointly determine that a meeting is appropriate, but shall, at a minimum, meet twice a year.

Innovative Financing

KDOT currently has very little funding to implement the K-7 Corridor Plan. There is currently a Corridor Preservation Fund (\$5-10 million annually Statewide, some portion of which could be utilized for K-7) which could be utilized to preserve strategic parcels of right-of-way. KDOT is also looking into options to establish a specific budget for K-7 which would provide small amounts of money for corridor preservation. KDOT also has Economic Development funds for qualifying projects to construct minor interim improvements. Beyond this, potential for significant funding will have to wait until another highway bill is passed.

Federal dollars through the Mid America Regional Council (MARC) are also available for several of the needed interim improvements. Projects would need to qualify for the various federal funding sources and be included on MARC's list of Transportation Improvement Projects (TIP). KDOT would look for ways to co-sponsor K-7 Corridor Management Plan improvements.

As private development occurs along K-7, developers could be required to dedicate reasonable amounts of right-of-way for K-7 and the local street network. In addition, they could be required to construct improvements needed as a result of their developments (i.e. reverse frontage roads, turn lanes, etc.)

Beyond this, funding will also need to come from the communities themselves. Given that most of the communities have tight CIP budgets with many other needs, the communities have expressed an interest in identifying a new funding source which could be used to help finance the K-7 Corridor Plan. After evaluating a number of options, several funding options show some potential:

a) Excise Tax: method of raising revenue by levying a tax on a certain activity, such as business done, income received, or privilege enjoyed.

Premise: Some activities (such as platting) create extra impacts (e.g., necessitating new or widened roads) and those activities should pay accordingly. Current use: registration on platted lots (e.g., \$100 per lot paid at final plat recordation).

Geographic Application: Community wide.

Who Pays: Developer at platting (home buyer at purchase).

Use of Funds: Anything in budget if money is placed in general fund, but good faith and/or adopting ordinance may require use for purpose adopted, e.g., transportation improvements.

Keeping of funds: Permitted in general fund, but may be held in special account

Challenges: Only works where developers are platting.

Used in Kansas: Yes, widely used.

Memorandums of Understanding and Next Steps

b) Transportation Development District: Form of special assessment district focused on transportation needs. The TDD has authority to raise funds either through special assessment or sales tax in district.

Premise: District should pay for improvements for which it creates the demand. This can be done through assessing property and/or imposing sales tax.

Geographic Application: District identified at project creation.

Who Pays: Property owners or users.

Use of Funds: Extensive list provided in statute.

Keeping of Funds: Special account.

Challenge: Requires approval of all property owners within the district.

Used in Kansas: Yes, authorized by K.S.A. 12-17,141 et seq.

c.) Transportation Utility Fee: Fee collected on residences and businesses within a city's corporate limits tied to the use and consumption of transportation services.

Premise: Local government is responsible for making roadways available to anybody who wants to use them, all potential users should pay for upkeep.

Similar to: Stormwater utility fees (also water and sewer fees).

Geographic Application: Typically community-wide, but may potentially be limited to corridor or district

Who Pays: All users within designated area.

Use of Funds: Transportation improvements identified by utility provider.

Keeping of Funds: Special account.

Challenge: No specific enabling authority or home rule adoptions

Use in Kansas: Not yet. Currently used in Washington and Colorado.

d.) Impact Fees: One time payments assessed against new development to cover the costs for necessary capital improvements proportionate to the demand generated by the new development.

Premise: Existing development has already paid for its infrastructure; new development should pay for its own infrastructure.

Geographic Application: Typically community-wide but has been limited to specific corridors in Kansas.

Who Pays: Depends upon when fee is collected, which ranges from platting to certificate of occupancy.

Use of Funds: New capital facilities and services required by development: roads, sewer, stormwater; sometimes police, fire, EMS, schools, public buildings.

Keeping of Fees: Special account.

Challenge: Amount of fee collected depends on rate of development and the law (community must document that):

- New facilities/services are a consequence of new development;
- There is a proportionate relationship between the fee and the infrastructure demand
- The funds collected will be use to provide a substantial benefit to the new development

Used in Kansas: Yes, but through home rule, no specific authority.

e.) Tax Increment Financing: Capture of future increment in property taxes (and sometimes sales taxes) and then reinvesting that increment in specified projects.

For Example: Blighted building property tax is \$100/year. Demo and construction of new building yields \$10,000/year. \$9,900 increment available for development.

Premise: If local government allows project funds to be reinvested in project to pay for infrastructure costs, more people will be encouraged to redevelop because they will have more money to use.

Geographic Application: District identified at project creation.

Who Pays: Developer; however, some argue that this technique redirects money that would otherwise go to the general fund so the public pays for these projects.

Use of Funds: Improvements within TIF district – sometimes across multiple districts

Memorandums of Understanding and Next Steps

Keeping of Funds: Special account, to be used for project only.

Challenge: Relies on demand for redevelopment, revenue can be unpredictable; also, property must be blighted.

Used in Kansas: Yes, specific authority.

In evaluating the previously described funding options, the one that shows the most potential is the transportation utility fee. It is essentially a user fee collected based on the number of trips individuals and businesses generate within the K-7 Corridor. It is similar to other utility fees already established in the region with payment and collection systems in place. It may be possible to establish a transportation utility fee to cover the entire corridor; however, consideration will need to be given to political concerns such as intergovernmental cooperation and the movement of funds across jurisdictional boundaries. This may result in the creation of multiple fee districts (e.g., one for each jurisdiction), or the establishment of regional fee sub-districts (such as north, central, and south) to avoid perceived funding inequalities. This is a good example of an initiative for the K-7 Review Committee to tackle.

Parcel Maps

While the plate drawings attached to this report show improvements and general right-of-way requirements, they do not show the detail needed to fully assess the impact to properties. Therefore, parcel maps indicating property lines and ownership information will help identify in more detail the right-of-way required for the corridor. Specifically, they will help to identify who is impacted by any potential right-of-way setback lines and by any of the proposed K-7 improvements.

Corridor Preservation/Access Management

With the general right-of-way needs identified in the K-7 Corridor Plan coupled with the parcel maps, needed tracts of land will be identified for right-of-way preservation. Planning tools highlighted in previous sections of this report should be utilized including overlay zones to assist in the preservation of needed land. As development occurs through the platting process, communities will need to collaborate with KDOT regarding the need for dedication and/or purchase of the required parcels of land, the construction of portions of the street network (i.e. turn lanes, reverse frontage roads, etc.), and in the modifications to local access to K-7. A number of the access management tools identified in previous sections of this report should be used to eventually achieve the access parameters established for the corridor.

Permanent Improvements

a.) K-7: At some point in the future, preliminary design will need to be performed for the proposed K-7 improvements to further define in more detail the required right-of-way footprint for the corridor. The plate drawings within this plan identify a conceptual right-of-way footprint based on standard interchange templates and conservative assumptions on customized interchange configurations. No vertical information has been analyzed nor any detailed horizontal alignments performed. More detailed traffic analysis along with preliminary horizontal and vertical geometrics, cross sections, drainage, and environmental work will need to be performed to determine grading limits and more accurate right-of-way requirements. Examples of where this is especially important would be the new system-to-system interchanges at K-7 and I-70 and K-7 and I-35 as well as other interchanges which are non-standard diamonds. Another area needing further evaluation would be the section of K-7 in Olathe between 175th Street and 119th Street. This is where a realignment of K-7 and an upgrade to freeway will more than likely require an Environmental Assessment to determine exact location of the alignment before right-of-way can be further defined. Finally, as traffic warrants and as funding becomes available, final design will need to be performed on those sections of K-7 which move forward to construction.

b.) Local Streets: As development occurs and as traffic demand increases, each community will need to make every effort that the identified reverse frontage roads and cross street improvements get constructed in compliance with the K-7 Corridor Management Plan. This can be done through normal CIP improvements or can be accomplished through private development participation.

Interim Improvements

Given the current lack of funding to build the permanent improvements, interim improvements will be needed to accommodate the growing traffic demands and to address safety issues that arise. Examples of interim improvements include adding traffic signals and/or turn lanes at intersections which will eventually become interchanges or overpasses. These minor improvements could be funded from one or several of the following sources: (1) projects which qualify and are placed on MARC's TIP, (2) projects which qualify for special KDOT funding (ie. Geometric improvement funds, economic development funds, etc.), (3) projects which are included on a communities CIP, and (4) projects funded by developers as a result of development impacts.