

# BOARD OF COUNTY COMMISSIONERS OF DOUGLAS COUNTY, KANSAS

## WEDNESDAY, MAY 18, 2016

4:00 p.m.

-Kasold/SLT Intersection Work Session with Commissioners

### CONSENT AGENDA

- (1) (a) Consider approval of Commission Orders;  
(b) Consider accessing MACPP contract to purchase vehicle for maintenance- Jackie Waggoner); and  
(c) Consider approval of Supplemental Agreement No. 1 to the Engineering Services Agreement with BG Consultants, Inc. for Project No. 2015-18, the realignment of Hamm Landfill Access Road (N2100Road), Project No. 2015-18 (Chad Voigt)

### REGULAR AGENDA

- (2) Consider recommendation for modernization of elevator (Jackie Waggoner)
- (3) **-TA-15-00461:** Consider Text Amendments to the *Zoning Regulations for the Unincorporated Territory of Douglas County, Kansas* and the *Subdivision Regulations for Lawrence and the Unincorporated Areas of Douglas County, KS* to add Accessory Dwelling Units as a permitted use and to establish standards for the use. *Initiated by County Commission on 9/2/15. (Mary Miller)*
- (4) (a) Consider approval of Accounts Payable (if necessary)  
(b) Appointments  
**-Board of Construction Codes Appeals (1) position 12/15**  
**-Community Corrections Board (2) positions 01/16 and 05/16**  
(c) Public Comment  
(d) Miscellaneous

### RECESS

### RECONVENE

6:00 p.m.

- (5) Review the *2015 Annual Report: Economic Development Support & Compliance* and provide input to the Lawrence City Commission. (Britt Crumm-Cano)-backup added Monday
- (6) Adjourn

## WEDNESDAY, MAY 25, 2016

4:00 p.m.

-Proclamation for May 2016 as Mental Health Month (David Johnson)  
-Consider approval of a resolution qualifying the Clinton Marina Parking Lot Special Event to sell cereal malt beverages on the premises at 1329 E 800 Road (Clerk's Office);  
-Consider a one-year extension of approval for CUP-15-00060, Conditional Use Permit for a micro-distillery at 1743 N 200 Road. Submitted by William R. Murphy of Sunwise Turn Farms LLC, property owner of record. *(Approved by the Board of County Commissioners on June 3, 2015. Mary Miller is the Planner)*

## WEDNESDAY, JUNE 1, 2016

-Public Open House with KDOT on Kasold/SLT Intersection (Time TBA)

-Proclamation for "Relay for Life" (Amanda Davis)

6:00 p.m.

**TA-15-00571:** Consider a Text Amendment to the *Zoning Regulations for the Unincorporated Territory of Douglas County, Kansas* to add Wind Energy Conversion Systems. *Initiated by County Commission on 10/21/15. Deferred by County Commission on 4/6/16.* Sandra Day is the Planner

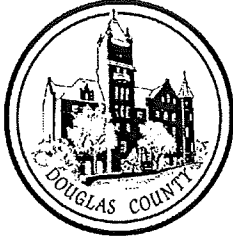
**WEDNESDAY, JUNE 8, 2016 - light**

**WEDNESDAY, JUNE 15, 2016- light**

**WEDNESDAY, JUNE 22, 2016**

-Consideration an endorsement of a specific option regarding SLT Intersection with E1200 Road (Keith Browning) (Time TBA)

**Note:** *The Douglas County Commission meets regularly on Wednesdays at 4:00 P.M. for administrative items and 6:00 P.M. for public items at the Douglas County Courthouse. Specific regular meeting dates that are not listed above have not been cancelled unless specifically noted on this schedule.*



## DOUGLAS COUNTY ADMINISTRATIVE SERVICES

### Division of Purchasing

1100 Massachusetts Street  
Lawrence, KS 66044-3064  
(785) 832-5286 Fax (785) 838-2480  
[www.douglas-county.com](http://www.douglas-county.com)

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MEMO TO: The Board of County Commissioners  
Craig Weinaug, County Administrator

FROM: Jackie Waggoner, Purchasing Director  
Division of Purchasing

SUBJECT: Consider Accessing MACPP Contract to Purchase Vehicle for Maintenance

DATE: May 16, 2016

As you are aware, Douglas County participates in a regional cooperative bidding process with MACPP (Mid America Council of Public Procurement) for the acquisition of our vehicles. Maintenance has funds allocated in Equipment Reserve to replace a 2011 Chevrolet Tahoe with 125,000 miles. This vehicle will be sold in our online auction.

Maintenance is interested in purchasing a Ford F-250 ¾ ton truck. The manufacture's production cutoff dates have expired on the 2016 models, so we would be purchasing a new 2015 model at the 2015 MACPP contract prices. This vehicle is primarily used to serve needs at the Fairgrounds and snow removal of parking lots.

The vehicle meeting the department needs was awarded to Shawnee Mission Ford. The dealership provided an informal quote of a truck that is available. The attached terms and condition provide details of this vehicle.

Staff will be available at the meeting to answer any questions you may have.

**RECOMMENDATION:** The Board of County Commissioner authorizes staff to access the MACPP contract with Shawnee Mission Ford for the purchase of a 2015 Ford F-250 in the amount of \$25,756, and authorizes the Purchasing Director to initiate the orders.

## DOUGLAS COUNTY, KANSAS

Terms &amp; Conditions to PO #

5/16/2016

Vendor Name/Address:

Shawnee Mission Ford  
 11501 W. Shawnee Mission Pkwy.  
 Shawnee, KS 66203  
 Contact: Jay Cooper (913) 248-2287

Deliver To:

Douglas County Public Works  
 3755 E. 25th Street  
 Lawrence, KS 66044  
 Contact: Doug Stephens (785) 331-1334

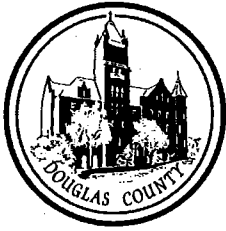
Delivery: 15 Days/Less - In stock

Approved by BOCC 5/18/2016

Bill To:

Douglas County Purchasing  
 1100 Massachusetts  
 Lawrence, KS 66044-3064  
 Contact: Jackie Waggoner (785) 832-5286

| Fund | Dept | Acct | QTY | DESCRIPTION                                                                                      | UNIT LIST PRICE | UNIT DISCOUNT PRICE | TOTAL PRICE        |
|------|------|------|-----|--------------------------------------------------------------------------------------------------|-----------------|---------------------|--------------------|
|      |      |      |     | Comply with MACPP specifications and contract terms & conditions: Vehicles - 2015 Model 251-14-1 |                 |                     |                    |
|      |      |      | 1   | 2015 Ford F-250 Regular Cab (F2B)                                                                |                 |                     | \$21,031.00        |
|      |      |      |     | Cloth Seats 40/20/40 (1S)                                                                        |                 |                     | \$85.00            |
|      |      |      |     | 4x4 (F2B)                                                                                        |                 |                     | \$2,532.00         |
|      |      |      |     | All Terrain Tires (TBM)                                                                          |                 |                     | \$107.00           |
|      |      |      |     | 3.73 E-Locking (X3E)                                                                             |                 |                     | \$333.00           |
|      |      |      |     | Power Group (90L)                                                                                |                 |                     | \$763.00           |
|      |      |      |     | Electronic Shift on the Fly (213)                                                                |                 |                     | \$158.00           |
|      |      |      |     | Snow Prep Plow Package (473)                                                                     |                 |                     | \$73.00            |
|      |      |      |     | Up Fitter Switches (66S)                                                                         |                 |                     | \$107.00           |
|      |      |      |     | XL Value Package (96V)                                                                           |                 |                     | \$507.00           |
|      |      |      | 2   | Chip Keys                                                                                        |                 | \$30.00             | \$60.00            |
|      |      |      |     |                                                                                                  |                 |                     |                    |
|      |      |      |     | Tax Exempt KSA 79-3606                                                                           |                 |                     |                    |
|      |      |      |     |                                                                                                  |                 |                     |                    |
|      |      |      |     | <b>Exterior:</b> Oxford White (Z1) <b>Interior:</b> Cloth 40/20/40 Seat (1S) - Gray              |                 |                     |                    |
|      |      |      |     | <b>Warranty:</b> 3 Years/36,000 Miles Bumper-Bumper and 5 Years/60,000 Miles Powertrain          |                 |                     |                    |
|      |      |      |     |                                                                                                  |                 |                     |                    |
|      |      |      |     | <b>TOTAL</b>                                                                                     |                 |                     | <b>\$25,756.00</b> |



## DOUGLAS COUNTY PUBLIC WORKS

3755 E. 25<sup>th</sup> Street  
Lawrence, KS 66046  
(785) 832-5293 Fax (785) 842-1201  
dgcopubw@douglascountyks.org  
www.douglascountyks.org

**Keith A. Browning, P.E.**  
Director of Public Works/County Engineer

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### MEMORANDUM

To: Board of County Commissioners

From: Chad Voigt, P.E., Deputy Director of Public Works ✓

Date: May 11, 2016

Re: Consider approving Supplemental Agreement No. 1  
Engineering Services Agreement with BG Consultants, Inc.  
Realignment of Hamm Landfill Access Road (N 2100 Road)  
DGCO Project No. 2015-18

On 12/23/2015, the BOCC approved an Engineering Services Agreement with BG Consultants for design of this project. The purpose of the project is to improve safety for trucks and other traffic by realigning the Hamm Landfill access road connection to US-24/59 highway. All costs for design and construction will be paid by Jefferson County from the Landfill Road Maintenance Fund using proceeds from the \$0.15/ton surcharge on waste delivered to the landfill. We've been working with Bill Noll, Jefferson County Road & Bridge Director on the design and administration of this project.

Preliminary plans have been developed for the project, and we're recommending that an eastbound left-turn lane on US-24/59 highway should be added as an alternate in the bid documents. State funds will likely not be available for this work; therefore the added construction costs would have to be covered by the Landfill Road Maintenance Fund if possible.

The attached Supplemental Agreement No. 1 adds engineering design services for the eastbound left-turn lane to the Scope of Services. The supplemental agreement stipulates the cost for these additional services will be paid on an hourly basis with a not-to-exceed cost of \$14,837.48. The original Engineering Services Agreement had a not-to-exceed amount of \$47,931.28.

Action Required: Approval of Supplemental Agreement No. 1 to the Engineering Services Agreement with BG Consultants, Inc. for Project No. 2015-18, the realignment of the Hamm Landfill access road (N 2100 Road).

**Supplemental Agreement No. 1**  
**to**  
**Engineering Services Agreement**  
**Between**  
**Douglas County, Kansas and BG Consultants, Inc.**  
**for**  
**Douglas County Project No. 2015-18**

The purpose of this Supplement No. 1 is to define additional engineering services requested by **Douglas County, Kansas**, hereinafter called the "County", to be provided by **BG Consultants, Inc.**, hereinafter called the "Engineer". This agreement is a supplement to the ENGINEERING SERVICES AGREEMENT FOR DOUGLAS COUNTY PROJECT No. 2015-18 BETWEEN DOUGLAS COUNTY, KANSAS AND **BG CONSULTANTS, INC.**, DATED **DECEMBER 23, 2015**.

**SECTION I – SCOPE OF SERVICES**

Under the terms of Supplement No. 1, the County and Engineer agree to modify the scope of services to include additional engineering services described as follows:

**Complete Scope of Work**

The Engineer will provide engineering design services to design and incorporate construction plans for an eastbound left-turn lane on US-24/59 as an alternate bid in the bid documents. This will include the additional typical section, additional plan-profile sheets for the add alternate work, an additional intersection detail, additional pavement marking plans, additional cross section sheets, and applicable tabulations of bid item quantities.

**SECTION II – COMPENSATION**

As compensation for the additional services required as described in Exhibit A, Sections I to VII, the County agrees to pay the Engineer an amount not to exceed **\$14,837.48**.

Billing procedures and all other items pertaining to compensation are as described in the Engineering Services Agreement for Douglas County Project No. 2015-18 between Douglas County, Kansas and BG Consultants, Inc., dated December 23, 2015.

**SECTION III – OTHER MATTERS**

It is mutually agreed and understood that all terms of the original Agreement, not specifically revised by this Supplement No. 1, shall remain unchanged and in full force.

IN WITNESS WHEREOF, the parties have executed this Supplement No. 1 on this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

Douglas County, Kansas  
County

**BG Consultants, Inc.**  
Engineer

By \_\_\_\_\_

By  \_\_\_\_\_  
**David J. Hamby, P.E., CFM**

Title \_\_\_\_\_

Title Vice President

Date \_\_\_\_\_

Date 4/21/16

Douglas County Project No. 2015-18  
Improvements to JF/DG Landfill Access Road  
EXHIBIT B for Supplemental Agreement No. 1  
PROFESSIONAL FEE

**ITEM**

1. Direct Payroll  
A. TOPOGRAPHIC SURVEY

| <u>Position</u>           | <u>Estimated Hours</u> | <u>Hourly Rate</u> | <u>Total</u> |
|---------------------------|------------------------|--------------------|--------------|
| Principal                 | 0                      | \$ 66.00           | \$ -         |
| Project Engineer IV       | 0                      | \$ 58.50           | \$ -         |
| Project Engineer III      | 0                      | \$ 53.00           | \$ -         |
| Project Engineer II       | 0                      | \$ 49.00           | \$ -         |
| Project Engineer I        | 0                      | \$ 42.00           | \$ -         |
| Design Engineer           | 0                      | \$ 38.00           | \$ -         |
| Senior Project Surveyor   | 0                      | \$ 60.00           | \$ -         |
| Survey Crew               | 0                      | \$ 60.00           | \$ -         |
| CAD Operator              | 0                      | \$ 37.00           | \$ -         |
| Clerical                  | 0                      | \$ 18.75           | \$ -         |
| Subtotal Direct Payroll = |                        |                    | \$ -         |

- B. PRELIMINARY DESIGN (Field Check)

| <u>Position</u>           | <u>Estimated Hours</u> | <u>Hourly Rate</u> | <u>Total</u> |
|---------------------------|------------------------|--------------------|--------------|
| Principal                 | 0                      | \$ 66.00           | \$ -         |
| Project Engineer IV       | 0                      | \$ 58.50           | \$ -         |
| Project Engineer III      | 16                     | \$ 53.00           | \$ 848.00    |
| Project Engineer II       | 0                      | \$ 49.00           | \$ -         |
| Project Engineer I        | 0                      | \$ 42.00           | \$ -         |
| Design Engineer           | 40                     | \$ 38.00           | \$ 1,520.00  |
| Senior Project Surveyor   | 0                      | \$ 60.00           | \$ -         |
| Survey Crew               | 0                      | \$ 60.00           | \$ -         |
| CAD Operator              | 20                     | \$ 37.00           | \$ 740.00    |
| Clerical                  | 0                      | \$ 18.75           | \$ -         |
| Subtotal Direct Payroll = |                        |                    | \$ 3,108.00  |

- C. FINAL DESIGN (Office Check)

| <u>Position</u>           | <u>Estimated Hours</u> | <u>Hourly Rate</u> | <u>Total</u> |
|---------------------------|------------------------|--------------------|--------------|
| Principal                 | 0                      | \$ 66.00           | \$ -         |
| Project Engineer IV       | 0                      | \$ 58.50           | \$ -         |
| Project Engineer III      | 8                      | \$ 53.00           | \$ 424.00    |
| Project Engineer II       | 0                      | \$ 49.00           | \$ -         |
| Project Engineer I        | 0                      | \$ 42.00           | \$ -         |
| Design Engineer           | 20                     | \$ 38.00           | \$ 760.00    |
| Senior Project Surveyor   | 0                      | \$ 60.00           | \$ -         |
| Survey Crew               | 0                      | \$ 60.00           | \$ -         |
| CAD Operator              | 10                     | \$ 37.00           | \$ 370.00    |
| Clerical                  | 0                      | \$ 18.75           | \$ -         |
| Subtotal Direct Payroll = |                        |                    | \$ 1,554.00  |

- D. FINAL PLAN PREPARATION

| <u>Position</u>         | <u>Estimated Hours</u> | <u>Hourly Rate</u> | <u>Total</u> |
|-------------------------|------------------------|--------------------|--------------|
| Principal               | 0                      | \$ 66.00           | \$ -         |
| Project Engineer IV     | 0                      | \$ 58.50           | \$ -         |
| Project Engineer III    | 0                      | \$ 53.00           | \$ -         |
| Project Engineer II     | 0                      | \$ 49.00           | \$ -         |
| Project Engineer I      | 0                      | \$ 42.00           | \$ -         |
| Design Engineer         | 0                      | \$ 38.00           | \$ -         |
| Senior Project Surveyor | 0                      | \$ 60.00           | \$ -         |

|                           |   |    |       |    |   |
|---------------------------|---|----|-------|----|---|
| Survey Crew               | 0 | \$ | 60.00 | \$ | - |
| CAD Operator              | 0 | \$ | 37.00 | \$ | - |
| Clerical                  | 0 | \$ | 18.75 | \$ | - |
| Subtotal Direct Payroll = |   |    |       | \$ | - |

**E. BIDDING PHASE**

| <u>Position</u>           | <u>Estimated Hours</u> | <u>Hourly Rate</u> | <u>Total</u> |
|---------------------------|------------------------|--------------------|--------------|
| Principal                 | 0                      | \$ 66.00           | \$ -         |
| Project Engineer IV       | 0                      | \$ 58.50           | \$ -         |
| Project Engineer III      | 0                      | \$ 53.00           | \$ -         |
| Project Engineer II       | 0                      | \$ 49.00           | \$ -         |
| Project Engineer I        | 0                      | \$ 42.00           | \$ -         |
| Design Engineer           | 0                      | \$ 38.00           | \$ -         |
| Senior Project Surveyor   | 0                      | \$ 60.00           | \$ -         |
| Survey Crew               | 0                      | \$ 60.00           | \$ -         |
| CAD Operator              | 0                      | \$ 37.00           | \$ -         |
| Clerical                  | 0                      | \$ 18.75           | \$ -         |
| Subtotal Direct Payroll = |                        |                    | \$ -         |

**E. CONSTRUCTION PHASE**

| <u>Position</u>           | <u>Estimated Hours</u> | <u>Hourly Rate</u> | <u>Total</u> |
|---------------------------|------------------------|--------------------|--------------|
| Principal                 | 0                      | \$ 66.00           | \$ -         |
| Project Engineer IV       | 0                      | \$ 58.50           | \$ -         |
| Project Engineer III      | 0                      | \$ 53.00           | \$ -         |
| Project Engineer II       | 0                      | \$ 49.00           | \$ -         |
| Project Engineer I        | 0                      | \$ 42.00           | \$ -         |
| Design Engineer           | 0                      | \$ 38.00           | \$ -         |
| Senior Project Surveyor   | 0                      | \$ 60.00           | \$ -         |
| Survey Crew               | 0                      | \$ 60.00           | \$ -         |
| CAD Operator              | 0                      | \$ 37.00           | \$ -         |
| Clerical                  | 0                      | \$ 18.75           | \$ -         |
| Subtotal Direct Payroll = |                        |                    | \$ -         |

Total Direct Payroll = \$ 4,662.00

**2. Salary Related Overhead**

Total Direct Payroll = \$ 4,662.00

Overhead Rate = 1.5622

Salary Related Overhead = \$ 7,282.98

**3. Total Payroll Plus Overhead**

Direct Payroll + Salary Related Overhead = \$ 11,944.98

**4. Net Fee**

+ Net Fee = \$ 1,500.00

**5. Direct Expenses**

|                            |      |   |             |             |
|----------------------------|------|---|-------------|-------------|
| Geology                    | L.S. | @ | \$ 1,392.50 | \$ 1,392.50 |
| O & E Certificates         |      | @ | \$ 250.00   | \$ -        |
| KDHE NOI Permit            |      | @ | \$ 60.00    | \$ -        |
| Mileage                    |      | @ | \$ 0.575    | \$ -        |
| Subtotal Direct Expenses = |      |   |             | \$ 1,392.50 |

**TOTAL PROFESSIONAL FEE (ITEMS 1-5) = \$ 14,837.48**

Note: The hourly rates shown above are subject to a small annual adjustment due to salary adjustments.



## DOUGLAS COUNTY ADMINISTRATIVE SERVICES

### Division of Purchasing

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MEMO TO: The Board of County Commissioners  
Craig Weinaug, County Administrator

FROM: Jackie Waggoner, Purchasing Director

SUBJECT: Consider Recommendation for Modernization of Elevator

DATE: May10, 2016

In the past couple of years the elevator in the Courthouse has increasingly had a number of issues. These issues have resulted in down time which becomes problematic with only one elevator being available. We have a maintenance contract on all of our elevators but many of our parts are becoming obsolete on this elevator.

The elevator was replaced in 1976 and the only change we have made since then was to upgrade it to comply with ADA requirements in 1995. Based on our findings as we explored options, we do not believe it would be necessary to completely replace the elevator. We developed specifications and requirements for a modernization which includes major components (anticipate expanding the life expectancy of the elevator 20-25 years), alternate #1 considers the replacement of a jack cylinder with a jack clause, and alternate #2 replaces hoistway entrance which addresses the aesthetics.

As you can see, there is significant cost for alternate #1 so staff had a test done to determine whether this scope of work was needed. The test indicated there was no leaking at this time and would not require the jack cylinder to be replaced. There is no guarantee for how long it could last but typical life expectancy is 30-50 years. For this reason, staff is recommending we do not accept alternate #1.

Alternate #2 addresses the aesthetics which would replace items such as the entrance doors, cab enclosure, and ceiling. Due to the added cost of \$12,680, staff is looking to the Board to decide whether to accept this alternate. The \$6,988 was an option ThyssenKrupp Elevator offered which would reduce their regular installation schedule of 3-5 weeks to 6 days. Since the courthouse only has one elevator staff recommends accepting this option. Funds are available in the Special Building Fund for this project.

All of the major elevator providers have cooperative contracts we can access. Instead of soliciting a formal bid, we solicited an RFI (Request for Information) to compare the cooperative contracts. ThyssenKrupp Elevator responded using the NJPA (National Joint Purchasing Alliance) contract, and Minnesota Elevator responded using the State of Missouri contract. For your review, attached is a summary of their response.

**RECOMMENDATION:** The Board of County Commissioners authorizes staff to access the NJPA contract from ThyssenKrupp Elevator in the amount of \$113,587, and considers alternate #2 in the amount of \$12,680.

|                                                                    | ThyssenKrupp Elevator                               | Minnesota Elevator Inc.                          |
|--------------------------------------------------------------------|-----------------------------------------------------|--------------------------------------------------|
| Base Cost                                                          | \$106,599                                           | \$140,034                                        |
| Alternate # 1<br>(Jack Cylinder & Jack Clause -not-to exceed)      | \$62,324                                            | \$54,294                                         |
| Alternate # 2<br>(Hoistway Entrance)                               | \$12,680                                            | \$17,540                                         |
| # of Days to Complete Installation                                 | 90 Days<br>(3-5 weeks for modernization)            | 25 Days                                          |
| Option – Schedule                                                  | \$6,988 - OT expense to<br>complete within six days |                                                  |
| <b>Total Cost</b><br>(base cost + option - schedule)               | <b>\$113,587</b>                                    | <b>\$140,034</b><br>(excludes option - schedule) |
| <b>Total Cost</b><br>(base cost + alternate 2 + option - schedule) | <b>\$126,267</b>                                    | <b>\$157,574</b><br>(excludes option - schedule) |

**PLANNING COMMISSION REPORT**  
**Regular Agenda -- Public Hearing Item**

PC Staff Report  
04/25/2016

**ITEM NO. 6      TEXT AMENDMENT TO ZONING REGULATIONS & SUBDIVISION  
REGULATIONS; ACCESSORY DWELLING UNITS (MKM)**

**TA-15-00461:** Consider Text Amendments to the *Zoning Regulations for the Unincorporated Territory of Douglas County, Kansas* and the *Subdivision Regulations for Lawrence and the Unincorporated Areas of Douglas County, KS* to add Accessory Dwelling Units as a permitted use and to establish standards for the use. *Initiated by County Commission on 9/2/15.*

**RECOMMENDATION:** Staff recommends approval of the proposed amendment, TA-15-00461, to revise Sections 12-303, 12-306, 12-307, 12-308, and to add Section 12-319.9 in the Zoning Regulations and to revise Sections 11-104 and 11-106 in the Subdivision Regulations [20-804 and 20-806, City Code] and that the Planning Commission forward a recommendation for approval to the Board of County Commissioners.

**Reason for Request:** Accessory Dwelling Units would provide a living area for elderly family members, or persons with health issues or disabilities in close proximity to a caregiver while allowing a degree of independence. In addition an Accessory Dwelling Unit would provide an alternative to mobile homes for farm employee housing.

**RELEVANT GOLDEN FACTOR:**

- Conformance with the comprehensive plan.

**ATTACHMENTS**

- Attachment A – Draft language

**OVERVIEW OF PROPOSED AMENDMENT**

The amendment adds an accessory residential use in agricultural and residential zoning districts that permit *Residential Detached Dwellings*, *Single Family Dwellings*, or *Residentially Designed Manufactured Homes*. These uses are permitted in the A (Agriculture), A-1 (Suburban Home Residential), and R-1 (Single Family Residential) Districts.

The amendment also provides an alternative to the farm housing provision in Section 12-306-2.17.

**CURRENT ZONING REGULATIONS PROVISIONS FOR ACCESSORY DWELLING UNITS:**

**Section 12-306-2.17:** *"One or more mobile homes shall be allowed as an accessory use to a farm so long as they are occupied by a family related by blood, or marriage, to the occupant of the main dwelling or by a person or persons employed on the farm. This mobile home must be at least 150 feet from another dwelling, and must be provided with a water supply and sanitary sewerage facilities, and may not be used as a rental income property. Mobile homes shall not be located within the 'F-W' or 'F-F' Overlay Districts."*

No changes are being proposed to this provision, but the Accessory Dwelling Unit is being included as another option for farm employee housing.

**Existing definitions**

**Section 12-303-1.02:** "Accessory Use: *An accessory use is one, which is clearly incidental to or customarily found in connection with, and (except as otherwise provided in this Resolution) on the same lot as the principal use of the premises. 'Accessory Use' includes, but is not limited to, the following:*

- a. Residential accommodations for domestics or guests and not rented or otherwise used as a separate domicile and containing no kitchen facilities or separate utility meters.*
- b. Residential accommodations for caretakers or proprietors on the same lot with any use listed in section 12-309-2. When 'accessory is used in the text, it shall have the same meaning as 'Accessory Use'."*

Accessory Dwellings are permitted in several Business and Industrial Zoning Districts as caretaker or manager units and accessory farm dwellings are permitted in the I-1, I-2 I-3 and I-4 Industrial Zoning Districts provided they are on lots of 10 acres or greater. The following table lists the various types of accessory residential uses that are currently permitted in Douglas County.

| <b>Accessory Residential Use</b> | <b>Standards</b>                                                                                                                                       | <b>Zoning District</b>       |
|----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| Guest House/Servant Quarters     | <ul style="list-style-type: none"><li>· Guest or servant use</li><li>· No kitchen facilities or separate utility meters</li><li>· No rentals</li></ul> | A, A-1, R-1, B-1, B-2, I-2,  |
| Caretaker/Manager House          | <ul style="list-style-type: none"><li>· Caretaker/manager must be employed on the premise</li></ul>                                                    | B-1, R-T, I-1 ,I-2, I-3, I-4 |
| Mobile Home                      | <ul style="list-style-type: none"><li>· Farm Employee or</li><li>· Farm Relative—accessory to existing dwelling</li></ul>                              | A                            |
| Accessory farm dwelling          | <ul style="list-style-type: none"><li>· On farms with minimum of 10 acres</li></ul>                                                                    | I-1, I-3, I-4                |
| Accessory Residential Uses       | --                                                                                                                                                     | B-3                          |
| Accessory Dwelling               | <ul style="list-style-type: none"><li>· When part of a 'living museum'</li></ul>                                                                       | R-T                          |

Accessory dwellings are currently permitted in Douglas County but are limited to caretaker or manager dwellings with commercial or industrial uses and mobile homes on farms for employees or members of the farmer's family. There are no limits on the number of mobile homes that can be installed on a property but they must be connected to water and a sewerage system approved by the Douglas County Health Department. The Health Department has typically required the mobile homes to have separate water source and septic systems.

There are several mobile homes in place today for the housing of farm employees or relatives of the property owner. This amendment does not intend to remove this option as that would make these residences nonconforming uses. Rather, this amendment would expand the options to allow an Accessory Dwelling Unit on residential properties (including non-farm properties), to allow permanent structures as an option for farm employee housing or housing for relatives of farm owners.

The amendment includes standards for the Accessory Dwelling Units and provides the review and approval process. Revisions to the Subdivision Regulations are also being proposed to allow the placement of an accessory dwelling on a Residential Development Parcel created through the Certificate of Survey process as the current language restricts development to one dwelling and associated accessory structures.

### **CONFORMANCE WITH THE COMPREHENSIVE PLAN**

*Horizon 2020* promotes the clustering of rural residences to minimize impacts on the rural character of Douglas County and to protect existing agricultural and natural uses in the rural areas. The Accessory Dwelling Unit will allow the installation of a smaller residence in association with a principal dwelling. The residence may be detached from the principal dwelling or located within the interior. This clustering will allow for additional residences without requiring any division of land; thereby protecting the rural character and reducing impact on agricultural and natural uses in the area.

### **CRITERIA FOR REVIEW AND DECISION-MAKING**

Section 12-324 of the Zoning Regulations provides the process for proposed text amendments but does not include criteria for review and decision-making. The text amendment was reviewed with the following criteria which are similar to those in the City of Lawrence Development Code:

#### **1) Whether the proposed text amendment corrects an error or inconsistency in the Zoning Regulations or meets the challenge of a changing condition;**

The proposed text amendment is in response to a changing condition. As the county develops, citizens are interested in options that would allow an aged or disabled family member to live independently, but in close proximity to the main residence. In addition, farmers who are handing over their land to younger generations may want to have housing for them or have permanent housing, rather than mobile homes, for their farm help. This amendment is drafted in response to changing demographics, economics, and changing community goals.

#### **2) Whether the proposed text amendment is consistent with the Comprehensive Plan and the stated purpose of the Zoning Regulations**

The proposed amendment is consistent with the Comprehensive Plan and the purpose of the Zoning Regulations in that it includes standards and processes to insure the compatibility with nearby land uses which allowing the clustering of residential uses as recommended in Chapter 4, Goal 2 '*Conserve the Rural Character of Douglas County*'.

## **SECTION 1: NEW LANGUAGE PERTAINING TO ACCESSORY DWELLING UNITS**

### **DEFINITIONS**

#### **12-303 Definitions**

**12-303-1.95 ACCESSORY DWELLING UNIT:** A dwelling unit that is incidental to and located on the same lot, vested parcel, or Residential Development Parcel as the principal dwelling.

**12-303-1.96 VESTED PARCEL:** a parcel lawfully created within the A (Agricultural) District, A-1 (Suburban-Home Residential) District, or R-1 (Single-Family Residential) District in the Unincorporated Area of Douglas County on or before December 31, 2006, that has been maintained in individual ownership (that is, not further divided). (See Section 11-108(e) of the *Subdivision Regulations for Lawrence and the Unincorporated Areas of Douglas County, KS*.)

### **DISTRICTS**

#### **12-306 'A' Agricultural District**

##### **12-306-2.27** Accessory Dwelling Unit.

One Accessory Dwelling Unit is allowed when it is accessory to a principal dwelling on the same vested parcel, Residential Development Parcel or platted lot subject to the supplemental use regulations in Section 12-319.9

#### **12-307 'A-1' Suburban Home Residential District**

##### **12-307-2.17** Accessory Dwelling Unit.

One Accessory Dwelling Unit is allowed when it is accessory to a principal dwelling on the same platted lot or vested parcel, subject to the supplemental use regulations in Section 12-319.9.

#### **12-308 'R-1' Single-Family Residential District**

##### **12-308-2.16** Accessory Dwelling Unit.

One Accessory Dwelling Unit is allowed when it is accessory to a principal dwelling on the same platted lot or vested parcel, subject to the supplemental use regulations in Section 12-319.9.

### **STANDARDS**

#### **12-319.9 Accessory Dwelling Units**

- a. Accessory Dwelling Units are allowed in certain situations to
  - 1) Create additional housing options while maintaining the rural character of unincorporated Douglas County;
  - 2) Provide an independent living area for residents with health issues or disabilities, in close proximity to a caretaker; and
  - 3) Provide housing for persons employed on a farm.
- b. One Accessory Dwelling Unit is permitted on a vested parcel, platted lot or a Residential Development Parcel, which contains a dwelling. This dwelling would be considered the principal dwelling.
- c. An Accessory Dwelling Unit may be established by one of the following means:
  - 1) Conversion of existing space within a principal dwelling or construction of an addition to a principal dwelling.
  - 2) Conversion of existing space within an accessory structure or construction of an

- addition to an accessory structure.
- 3) Construction of a separate accessory structure which will include the Accessory Dwelling Unit.
- d. An Accessory Dwelling Unit shall not be allowed within or attached to a mobile home but may be allowed within a manufactured home.
  - e. There shall be no more than one Accessory Dwelling Unit per vested parcel, Residential Development Parcel or platted lot.
  - f. All Accessory Dwelling Units, whether new construction or conversion of existing space, shall comply with the Douglas County Construction Codes.
  - g. An Accessory Dwelling Unit may be located in a structure which the Zoning and Codes Director has determined is a legal nonconforming structure with respect to building height or setbacks provided any addition to the structure does not extend or increase the degree of nonconformity.
  - h. The following standards apply to all Accessory Dwelling Units:
    - 1) The Accessory Dwelling Unit, if located in a newly constructed detached accessory structure, shall be located a minimum distance of 25 ft from the primary structure.
    - 2) An Accessory Dwelling Unit that is located within or attached to the principal dwelling may utilize the same septic system and water source as the principal dwelling provided the septic system is adequately sized per the Douglas County Health Department requirements.
    - 3) A detached Accessory Dwelling Unit shall have a water source and septic system that are separate from those serving the principal dwelling.
    - 4) The following area requirements apply to a detached Accessory Dwelling Unit:
      - a) A minimum of 3 acres outside the regulatory floodplain must be provided for the septic systems of the principal dwelling and Accessory Dwelling Unit (6 acres total) if the dwellings are served by Rural Water or other public water source.
      - b) A minimum of 5 acres outside the regulatory floodplain must be provided for the septic systems of the principal dwelling and Accessory Dwelling Unit (10 acres total) if the dwellings are served by well water.
    - 5) The Accessory Dwelling Unit and the principal dwelling unit shall share a common access drive unless a new access is approved by the County Engineer. To the greatest extent feasible, existing driveways shall be utilized.
    - 6) An Accessory Dwelling Unit may have an area of up to 1,000 sq ft provided the area of the Accessory Dwelling Unit is not greater than that of the primary dwelling.

- 7) Separate sale or ownership of an Accessory Dwelling Unit is prohibited, unless the parcel or lot is subdivided in accordance with the Subdivision Regulations, creating a separate lot or Residential Development Parcel for each dwelling.
  - 8) The Accessory Dwelling Unit may be rented, but shall not be used as a short term lodging use such as a Bed & Breakfast or motel.
  - 9) An Accessory Dwelling Unit is subject to the same occupancy limits as the principal dwelling. (one family, or group living as a household unit--limited to 4 adults if any of the residents are not related)
- i. The following standards also apply to Accessory Dwelling Units in the A-1 and R-1 Districts:
- 1) The Accessory Dwelling Unit should be located behind the front plane of the principal dwelling whenever possible.
  - 2) The Accessory Dwelling Unit or the principal dwelling shall be occupied by the owner of the property.
- j. Accessory Dwelling Unit Administrative Registration:**
- 1) Accessory Dwelling Units must be registered with the Zoning and Codes Director prior to their establishment. The Registration application, available from the Zoning and Codes Office, shall be provided to the Zoning and Codes Office along with a plot plan with the following information, at a minimum:
    - a) Locations of both the principal and accessory dwellings;
    - b) Property boundaries. For large properties, the boundaries in the area of the dwellings may be shown;
    - c) The distance between the structures and the property boundaries.
    - d) Location of access drive.
    - e) Area and height of the principal and accessory dwellings.
    - f) Locations of the septic system(s);
  - 2) The Zoning and Codes Director shall review the registration application to insure compliance with the Accessory Dwelling Unit Standards, the required setbacks, and to insure adequate access is provided for Fire/Medical emergency vehicles.
  - 3) When approved, the registration is completed with the filing of an affidavit with the Register of Deeds that includes the legal description of the property and identifies the structure as an Accessory Dwelling Unit subject to the standards in Section 12-319.9 of the Zoning Regulations. In the A-1 and R-1 Districts, the affidavit shall also note the requirement that one of the dwelling units is to be occupied by the owner of the property.

**k. ADU Registration requiring Board of County Commission Approval.**

- 1) A registration for an Accessory Dwelling Unit on a property with a Conditional Use Permit or a Type 2 Rural Home Occupation Business may not be administratively approved, but requires approval by the Board of County Commissioners.
  - a. The registration application shall be reviewed by the Zoning and Codes Director for compliance with the standards in this section and a recommendation forwarded to the Board of County Commissioners.
  - b. The Board of County Commissioners may approve the Accessory Dwelling Unit in addition to the other uses on the property if they determine the combined uses are compatible with nearby land uses.
- 2) The applicant shall provide written notice of the Accessory Dwelling Unit as noted below:
  - a) The applicant shall obtain a list of property owners within 1000 ft of the vested parcel, Residential Development Parcel, or platted lot on which the Accessory Dwelling Unit is proposed from the Douglas County Clerk's Office. If the notification area includes land within the corporate limits of a city, the list shall extend 200 feet into the city. If the notification area extends into the adjacent County, notice must be sent to property owners in the adjacent County.
  - b) The applicant shall mail a letter which contains the information below to the property owners on the list to advise them of the proposed Accessory Dwelling use and provide them the opportunity to contact the applicant or the Zoning and Codes Department if they have questions:

*"An Accessory Dwelling Unit at     ADDRESS     is in the process of being registered with Douglas County. The property at     ADDRESS     also contains     NAME OF BUSINESS     a Type 2 Rural Home Occupation Business or Conditional Use and therefore requires approval of the Douglas County Board of County Commissioners. Please contact me at     PHONE NUMBER, EMAIL ADDRESS     with any questions regarding this registration or the Douglas County Zoning and Codes Department at 785-331-1343 for information."*
  - c) A copy of the notification letter, the certified property owner list, and certification of the dates the letters were mailed to the addresses on the list shall be included with the Accessory Dwelling Unit registration materials noted in Section 12-3XX(i)(1).
  - d) The Accessory Dwelling Unit registration will be placed on a Board of County Commissioner's agenda for consideration a minimum of 20 days following the date of the letter.

- 3) When approved, the registration is completed with the filing of an affidavit with the Register of Deeds that includes the legal description of the property and identifies the structure as an Accessory Dwelling Unit subject to the standards in Section 12-319.9 of the Zoning Regulations. In the A-1 and R-1 Districts, the affidavit shall also note the requirement that one of the dwelling units is to be occupied by the owner of the property.

## **SECTION 2: REVISIONS TO EXISTING LANGUAGE IN OTHER PORTIONS OF THE ZONING REGULATIONS**

Proposed language in ***bold italics***, Deleted language shown as ~~*struckthrough*~~.

### **12-321-2 CONSTRUCTION REQUIREMENTS**

All new dwellings constructed, and all dwellings moved from one location to another shall;

**12-321-2.01** ~~Provide a minimum floor area of eight hundred square feet for each family.~~  
***Comply with the Construction Codes, Chapter 13 of the Douglas County Codes.***

## **SECTION 3: REVISIONS TO EXISTING LANGUAGE IN THE SUBDIVISION REGULATIONS:**

Proposed language in ***bold italics***, Deleted language shown as ~~*struckthrough*~~.

### **11-104 (d) Restrictive Covenant**

The Immediate Development Area and Future Development Area each shall be restricted by a separate instrument, satisfactory to the County Counselor, which shall:

- (3) For the Immediate Development Area, limit each Residential Development Parcel to one principal dwelling, ***one accessory dwelling unit, and accessory buildings until annexation into a city and municipal water and Sanitary Sewer service are extended to the property;***

### **11-106(d) Residential Development Parcel (RDP)**

- (2) Residential Development Parcels can be created through the Certificate of Survey process only when the Planning Director finds: the property is being divided for single-family residential purposes (***limited to a maximum of one principal dwelling and one accessory dwelling unit for each Residential Development Parcel***).
- (3) With respect to any division made according to this Section, the subsequent Residential Development Parcels shall be considered Parcels but shall not be considered platted Lots created through a Major or Minor Subdivision/Replat process. Each Residential Development Parcel shall be eligible for the issuance of building permits for one single-family ***principal dwelling, one single-family accessory dwelling unit***, and other permitted accessory uses, buildings, and structures. Use for any other purpose (other than agricultural use), construction of more than one single-family ***principal dwelling*** or ***one single-family accessory dwelling unit***; ~~or further division of the Residential Development Parcel~~ shall be prohibited. Development for any other use will require review through the Major Subdivision process.

PC Minutes 4/25/16

**ITEM NO. 6     TEXT AMENDMENT TO ZONING REGULATIONS & SUBDIVISION  
REGULATIONS; ACCESSORY DWELLING UNITS (MKM)**

**TA-15-00461:** Consider Text Amendments to the *Zoning Regulations for the Unincorporated Territory of Douglas County, Kansas* and the *Subdivision Regulations for Lawrence and the Unincorporated Areas of Douglas County, KS* to add Accessory Dwelling Units as a permitted use and to establish standards for the use. *Initiated by County Commission on 9/2/15.*

**STAFF PRESENTATION**

Ms. Mary Miller presented the item.

**PUBLIC HEARING**

No public comment.

**ACTION TAKEN**

Motioned by Commissioner Liese, seconded by Commissioner Britton, to approve the proposed amendment, TA-15-00461, to revise Sections 12-303, 12-306, 12-307, 12-308, and to add Section 12-319.9 in the Zoning Regulations and to revise Sections 11-104 and 11-106 in the Subdivision Regulations [20-804 and 20-806, City Code] and that the Planning Commission forward a recommendation for approval to the Board of County Commissioners.

Commissioner Kelly asked why rental was allowed but not bed and breakfast.

Ms. Miller said it could be permitted as an agritourism use or under certain zoning districts. She said having someone different stay every night was seen as more of a commercial use and not compatible with that zoning district. She said long-term rentals were allowed.

Commissioner von Achen said it seemed like a reasonable step to take and asked why this text amendment had not come before now.

Ms. Miller said there had been public inquiries. She stated it had been discussed and was in the works. She said it did not come to the point of a text amendment until recently.

Commissioner Britton inquired about notice to surrounding neighbors.

Ms. Miller said if there was a home business or Conditional Use Permit on the property there would be mailed notice.

Unanimously approved 9-0.

# Memorandum

## City of Lawrence

### City Manager's Office

TO: Thomas M. Markus, City Manager  
CC: Diane Stoddard, Assistant City Manager  
Casey Toomay, Assistant City Manager  
FROM: Britt Crum-Cano, Economic Development Coordinator  
DATE: April 11, 2016  
RE: 2015 Annual Report: Economic Development Support & Compliance

The City has released its *2015 Annual Report: Economic Support & Compliance*. The report covers public assistance to aid economic and community development efforts, providing details on the project, public assistance provided, and applicable compliance performance measures.

For 2015, the City, along with its economic development partners, supported a variety of assistance programs for both large and small businesses, ranging from pay-as-you-go programs such as property tax abatements, tax increment financing, neighborhood revitalization, and transportation development districts to providing direct support for relocation, infrastructure, historic rehab., business expansion, affordable housing, workforce development, and small business assistance services.

This year's report includes an expanded section on reimbursements and investment data, as well as information on County participation and recently expired programs.

Highlights from the 2015 report include:

#### **Property Tax Abatements**

Four companies had active property tax abatements in 2015, with all meeting substantial compliance measures: Amarr Garage Doors, Grandstand Sportswear and Glassware (Screen-It Graphics), Sunlite Science & Technology, and Rock Chalk Park<sup>1</sup>.

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<sup>1</sup> KU would normally enjoy a 100% property tax abatement on their property for the duration of ownership. However, given the structure of the Rock Chalk Park project with KU Athletics entering into a long term lease with a private developer to construct the facilities, an automatic property tax exemption was not possible. A property tax abatement was utilized to assist KU in pursuing this project. Due to the unique nature of the project and its primary benefits related to assisting KU Athletics and drawing visitors from outside the community rather than job creation, no job creation performance or wage requirements were imposed.

Overall, the properties receiving a tax abatement substantially outperformed projections for the year.

|                                                   |                   |                                                        |
|---------------------------------------------------|-------------------|--------------------------------------------------------|
| <b>Real Property Investment:</b>                  | <b>↑ 52%</b>      | (\$5.9+M projected, \$9+M delivered)                   |
| <b>Personal Property Investment:</b>              | <b>↑ 3%</b>       | (\$9.4M projected, \$9.7M delivered)                   |
| <b>Full-Time Employment:</b>                      | <b>↑ 174%</b>     | (129 projected, 354 created)                           |
| <b>Company Wages:</b>                             | <b>↑ 20%</b>      | (\$31,526 projected, \$37,760 delivered)               |
| <b>Co. Wages vs. Average Private-Sector Wage:</b> | <b>↑ \$7,055</b>  | (\$37,760 vs. \$30,705 average private community wage) |
| <b>Co. Wages vs. 2015 Wage Floor:</b>             | <b>↑ \$11,635</b> | (\$37,760 vs. \$26,125 Wage Floor 2015 Rate)           |

Based on the portion of property receiving an abatement, the three companies receiving a tax abatement paid a combined \$205,570 in property taxes out of a total \$354,879 due in 2015 (approximately \$149,197 abated).

One tax abatement, Prosoco, had expired and was placed fully back on the tax rolls in 2015. At the end of its 10 year abatement period, Prosoco had achieved substantial success, generating 2% more than projected in real property investment and 155% more than projected in personal property investment. The company created 38% more full-time jobs than projected with wages that were 68% higher than projected. At the end of the 10-year incentive period, for every \$1 in public sector assistance, \$8.47 in Prosoco's private capital investment was realized.

Prosoco continued to expand in 2015, purchasing the property directly south of their main facility in East Hills Business Park to support a new product line.

### **Industrial Revenue Bonds (IRB)**

Seven companies had NRAs in 2015, the majority of which were not affiliated with a property tax abatement, but instead used to obtain a sales tax exemption on project construction materials (a.k.a. stand-alone IRBs). Estimated sales tax exemption savings for stand-alone IRB projects completed in 2015 was \$907,477. Of that total, the City contributed an estimated \$214,610, the County contributed an estimated \$36,367, and the State contributed an estimated \$656,500 in sales tax exemption savings.<sup>2</sup> Note sales tax exemption savings are realized during project construction.

IRBs are a conduit financing tool with the companies being entirely responsible for principal and interest payments on the bonds.

<sup>2</sup> Amounts shown were estimated based on project cost assumptions provided by applicant, 50% materials cost for new construction projects and 100% materials and labor costs for remodeling projects. IRB sales tax exemption savings are realized during project construction with the State administering and monitoring the program.

### **Neighborhood Revitalization Areas (NRA)**

Three companies received NRA rebates in 2015 (720 E 9<sup>th</sup> Street, 1040 Vermont Street, and 810/812 Pennsylvania Street/Cider Building), generating an average of 10.5% more real property tax revenues as compared to property tax revenues that would have been realized if the properties were left in original condition

Overall (for all years in which a NRA rebate was given), the three NRA revitalized properties generated an average of 8.7% more real property tax revenues as compared to property tax revenues that would have been realized if the properties were left in original condition.

Four additional NRAs have been authorized, but are not yet due to receive rebates: 1106 Rhode Island Street, 1101/1115 Indiana Street, 900 Delaware Street, and 705 Massachusetts Street.

### **Tax increment Financing (TIF)**

Three TIF districts were active in 2015:

- The Downtown 2000 Redevelopment TIF District was created to support the development of the parking garage at 10<sup>th</sup> and New Hampshire and other cultural, commercial, office, and apartment developments. At the end of 2015, approximately \$3.37M million remained outstanding on the bond debt (approximately \$8.6 million).
- The Oread TIF District was created to help fund public improvements supporting the multi-level lodging, hospitality, and business venue at 12<sup>th</sup> and Oread. Public improvements to streets and infrastructure, including a parking garage, were financed initially by the developer and are reimbursed annually through both TIF and TDD revenues generated within the district. The district began generating TIF revenues in 2009.
- The 9<sup>th</sup> & New Hampshire TIF District was created in 2012 and includes two project areas: South and North. During 2015, the South Project area generated both TIF sales and property tax revenues. The North Project area was still under construction in 2015 and did not generate TIF revenues.

### **Transportation Development Districts (TDD)**

Currently, the City has three authorized TDD districts. In all TDD districts, public improvements are financed initially by the developer and are reimbursed annually via a one percent transportation district sales tax on retail or taxable services occurring within the district.

- The Oread TDD District (located at W. 12<sup>th</sup> Street & Oread Avenue) began generating sales tax revenues in 2009.

- The Free-State (Bauer Farm) TDD District (located at West 6<sup>th</sup> Street and Wakarusa Drive) began generating sales tax revenues in 2009.
- The 9<sup>th</sup> & New Hampshire TDD District was created in 2012 and includes two project areas: South and North. During 2015, TDD revenues were generated by the South Project, but not the North project since it was still under construction.

### **Direct Support Economic Development Programs**

The City also participates in other programs which directly assist economic development services and projects. The programs and projects supported in 2015 are shown below.

| <b>2015 Direct Support Programs</b>                   |                          |
|-------------------------------------------------------|--------------------------|
| <b>Program</b>                                        | <b>Description</b>       |
| Operations & Fixed Assets                             | BTBC                     |
| Economic Development Services                         | EDC, KU-SBDC             |
| Neighborhood Infrastructure/Improvements              | 9 Del Lofts              |
| Shared Infrastructure, Development/Permit Fee Rebates | Rock Chalk Park          |
| Development Grant                                     | 1106 Rhode Island Street |
| Relocation Assistance                                 | Integrated Animal Health |
| Workforce Training: Development Grants & Loans        | Peaslee Tech Remodel     |
| Workforce Training: Operations                        | Peaslee Tech Operations  |
| Business Expansion                                    | PROSOCO                  |
| Affordable Housing                                    | Cedarwood Sr. Cottages   |

### **Historic Assistance and Investments**

As a whole, companies participating in pay-as-you-go (PAYGO)<sup>3</sup> economic development programs received approximately \$981,400 in assistance for 2015 (\$149,197 in tax abatements, \$69,705 in Neighborhood Revitalization Area rebates, \$553,056 in TIF property and sales tax reimbursements, and \$209,410 in TDD sales tax reimbursements).<sup>4</sup>

In 2015, for every \$1 in public sector assistance provided for these programs, approximately \$5.61 in private sector capital investment was realized.

<sup>3</sup> PAYGO programs require the property developer/owner to front expenses for project improvements. Once the project is completed and begins to generate new tax revenues, a portion of project-generated tax revenues is reimbursed back over a specified period of time to the developer/owner to help offset the costs of these improvements.

<sup>4</sup> Amounts shown include all revenues distributed by the state and county. However, at the end of 2015, the City had not reimbursed all Oread TIF and TDD distributions due to a contractual dispute.

### **Community Development**

It should be noted that in 2015 several City programs provided assistance for projects that fell outside the purview of job creation. In 2015, the City authorized public assistance totaling over \$101,000 in support of Cedarwood Senior Cottages, a 14-unit affordable housing project.

Another affordable housing project supported by public assistance was the 9 Del Lofts project, which received a 15-year, 95% NRA to add affordable housing stock to the revitalized East Lawrence Warehouse District.

Located within the North Rhode Island Street Historic Residential District, the 1106 Rhode Island project was supported by both a \$26,000 City development grant and a 10-year, 85% NRA to preserve and revitalize the property's historic structures.

### **Recommended Action**

City commission to receive the *2015 Annual Report: Economic Development Support & Compliance* and refer to PIRC, JEDC, and the County for review and recommendation.

# Memorandum

## City of Lawrence

### City Manager's Office

TO: Thomas M. Markus, City Manager  
FROM: Diane Stoddard, Assistant City Manager  
Britt Crum-Cano, Economic Development Coordinator  
CC: Casey Toomay, Assistant City Manager  
DATE: April 14, 2016  
RE: Economic Development Policy Revisions

#### **Background**

The City Commission has held two study sessions to discuss City economic development tools and potential policy updates for those tools. At the **June 9, 2015 study session**, the City Commission discussed potential changes to the Neighborhood Revitalization Area (NRA) policy, the use of Industrial Revenue Bonds, and changes to the City's application for public assistance. Follow up information for this study session was provided by staff at the **July 7, 2015 City Commission Meeting**.

The City Commission held a second study session on 1-12-16 to further discuss their ideas for use of the economic development tools and possible policy changes. The below is a summary of cumulative direction given to staff, along with highlighted notes and references:

#### **Overall:**

- No changes regarding support for primary job creation

#### **Incentives Application & Application Fees:** **Application with Redlined Revisions)**

- Application Fees: Examine application fees in all policies related to fees in neighboring communities. *Staff contacted several neighboring communities and collected their fee information (see **Fees Comparison Table**) so the Commission can consider fee updates within the context of what other communities charge.*

*Note that NRA fees were discussed by the City Commission during their 2015 study sessions. The redlined version of the Assistance Application reflects potential NRA application fees, but does not address changes in other program fees.*

*Staff would suggest the City Commission consider increasing fees when in-house, "but for" analysis is performed. Based on an estimated 35-40 hours of in-house*

*staff time (pre-authorization) for meetings, data collection, analysis and report generation, Staff would suggest an in-house service fee of \$2000.*

*Additionally, Staff suggests the applicant be required to cover the costs of third-party services utilized in accessing and processing the request. The redlined version of the application contains suggested language.*

- **Public Benefits:** *The redline version of the application also shows a "benefits" checklist coversheet, as was suggested previously.*
- **Ownership Details:** *The redline version of the application incorporates a suggested Commissioner change to capture more detailed ownership data from the applicant. (This change has been incorporated into the existing application and is shown redlined for reference.)*

#### **Tax Abatement:**

- **Health Insurance Provision:** Look at language on health insurance requirement to see what other communities require. There was a specific question regarding the City tax abatement policy's ability to add a dollar premium to the wage floor to avoid health insurance requirement. *Staff contacted several neighboring communities and collected information on their healthcare requirements (see [Healthcare Provisions Table](#)).*
- **Affordable Housing Provision:** *In support of the Commission goal to increase community affordable housing, Staff suggests a set-aside requirement for any project requesting public assistance that will have four (4) or more residential units. General language was added to the Overarching policy under Economic Development Objectives, Section 1-2103. Specific language was added within IRB, NRA, TIF, and TDD policies.*

#### **IRBs:**

- **But For Analysis:** Require "but-for" analysis related to projects requesting use of IRBs that are non-primary job creators or affordable housing projects (applicable to mixed-use, office/retail development, etc. For example, a manufacturing project seeking industrial revenue bond financing would not have to show the "but-for", but an office development would.) (see [IRB Policy Redline, Section 1-2111](#))
- **Affordable Housing Definition:** Current definition in the policy is requirement that multi-family or senior housing projects have 35% of all housing units set aside

for households making 80% of the Area Median Income, or less. *Staff understands that other advisory boards (i.e. Affordable Housing) may be working on a definition of affordable housing and suggests that economic development policy language be aligned with their adopted definition. Until that time, staff would suggest maintaining current language as per Policy Section 1-2112.*

- Affordable Housing Provision: *Policy language was added under IRB Policy, Section 1-2112.*
- PILOT or Initiation Fees: Add policy language that discusses PILOTs (payments in lieu of taxes). *Staff contacted Gilmore & Bell for legal information. Gilmore & Bell would not suggest adding a PILOT, but rather a fee (sometimes referred to as a service, origination, issuance, or initiation fee). Below are related conversation notes.*
  - *IRB statute specifies that any payment-in-lieu of taxes (PILOT) has to be distributed to all taxing jurisdictions on a pro rata basis. (i.e. The share that each taxing jurisdiction is normally due). It should be noted that City policy currently address PILOTs when a property tax abatement is less than 100%. (See Section 1-2126 of IRB policy.)*
  - *Most communities charge an issuance or administration fee instead of PILOTs. State law requires the fund from these fees be used for "economic development purposes". Although this is typically not challenged, as the term has broad meaning.*
  - *Most communities don't direct the fees to a specific fund, but rather they go into the general fund.*
  - *Suggest City Commission define what "economic development purposes" means prior to charging these fees to avoid any legal challenges.*
  - *City can charge whatever they want for issuance/origination fees, but you don't want fees to be so high that the community isn't competitive. (From a developer perspective, these fees add to the cost of doing business. If the cost of doing business is too high in one community, they will go elsewhere.)*
  - *May want to consider different fees based on cost of project, non-profit project vs. private project, etc.*
  - *Usually deciding fees is a community effort—engage County, PIRC, JEDC, Chamber, building community, etc., for their input.*

*Based on the technical definition of PILOTs, Staff would suggest the City charge an IRB "origination" fee rather than PILOTs. Staff contacted neighboring communities for information on their IRB origination fees (see **IRB Fees-Comparison Table**). Taking into consideration those rates, and the*

*desire to remain regionally competitive, Staff would suggest the following IRB policy language.*

## **1-2116 ORIGATION AND OTHER FEES**

At the time the IRBs are issued, the applicant shall pay all fees associated with the issuance of the IRBs, including the City's origination fee.

The applicant shall pay the City an origination fee of 0.0010 of the par amount of bonds being issued on behalf of a for-profit company, unless the project will create primary jobs or add affordable housing to the community. If the project is anticipated to create primary jobs or add affordable housing to the community, the City will not charge an origination fee.

For IRBs issued on behalf of not-for-profit organizations, the City will not charge an origination fee.

*See **IRB Fees Example**.*

### **NRA: NRA Policy with Redlined Revisions**

- Update application fee to new schedule, depending upon capital investment thresholds. *Staff suggests having a smaller application fee for smaller projects and larger application fee for larger projects.*

| <b>NRA Application Fees</b>       |                        |
|-----------------------------------|------------------------|
| <b>Project Capital Investment</b> | <b>Application Fee</b> |
| \$1,000,000 and Under             | \$1,000                |
| \$1,000,000-\$10,000,000          | \$3,500                |
| Over \$10,000,000                 | \$5,000                |

*Note: Application fees in other communities are typically applied to NRAs used in larger geographic areas. That is not how NRAs have been used in Lawrence, which has targeted individual-tract projects.*

- Change policy language to have the maximum rebate level for analysis set at a 50%, ten-year threshold. *The City Commission could direct other analysis be done and the applicant could still request more in appropriate cases. See NRA Policy Redline, Section 4.*

- Affordable Housing Provision: *Policy language was added under NRA Policy, Section 3, paragraph 2B.*

**TDD: TDD Policy with Redlined Revisions**

- Require updated audit language.  
*Legal Staff has advised that specific audit language be implemented within agreements<sup>1</sup> and tailored to the project, rather than within policies. A general statement on audit language was added to TDD Policy Section 4, paragraph 4.*
- Require “but-for” analysis related to non-primary job creating or affordable housing projects. *See TDD Policy Section 4, paragraph 1 revised.*
- Affordable Housing Provision: *Policy language was added under TDD Policy, Section 2.*

**CID: CID Policy with Redlined Revisions**

- Require updated audit language.  
*Legal Staff has advised that specific audit language be implemented within agreements and tailored to the project, rather than within policies. A general statement on audit language was added to CID Policy Section 5, paragraph 3.*
- Require “but-for” analysis related to non-primary job creating or affordable housing projects. *See CID Policy Section 5, paragraph 1 revised.*
- Affordable Housing Provision: *Policy language was added under CID Policy, Section 2.*

**TIF: TIF Policy with Redlined Revisions**

- Require updated audit language.  
*Legal Staff has advised that specific audit language be implemented within agreements and tailored to the project, rather than within policies. A general statement on audit language was added to TIF Policy Section 4, paragraph 4 revised.*

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<sup>1</sup> Audit language should be tailored to fit the particular agreement and include:

1. Language granting the City the right to perform discretionary audits and the records to be audited (e.g., invoices in a construction project, sales invoices in a TIF or TDD, etc.).
2. The length of time that the records should be maintained (basically the length of the contract) and that they be maintained in accordance with sound accounting principles.
3. That the right-to-audit language be included in all subcontracts, leases, etc., depending on the nature of the underlying agreement, and be made applicable thereby to the subcontractor, lessee, etc.
4. That the City will bear the costs of any audit, unless the audit identifies that the City has been substantially shorted funds, in which case the developer, contractor, etc., would bear the costs of the audit.
5. General language that the right to audit does not abridge any other rights that the City may have, which may arise out of federal, state, or local law, including the right to audit.

- Require “but-for” analysis related to non-primary job creating or affordable housing projects. *TIF policy already includes “but-for” analysis requirement as part of the required feasibility analysis.*
- Affordable Housing Provision: *Policy language was added under TIF Policy, Section 3, paragraph 7.*

### **Next Steps**

Staff believes that the next steps for these policy items are review and recommendation from the city’s economic development advisory boards, the Public Incentive Review Committee and the Joint Economic Development Council, and Douglas County. Additionally, the City Commission may wish to direct staff to have other boards review the policy changes. Meetings for these reviews will be set soon.

The Commission may also wish to have more focused discussions relating to use of these tools to incent affordable housing in the community. While this has been discussed in relation to several policies, more discussion may be needed.

**City of Lawrence, Kansas**  
**Economic & Community Development**  
**Application for ~~Economic Development~~Public Assistance**  
**Support/Incentives**



The City of Lawrence considers support for economic or community development projects that will provide local public benefits. When requesting assistance for projects, please provide a request letter to the City Commission describing the project, details on the local public benefits it provides, a description of the assistance requested, and why this assistance is needed for the project to proceed. If available, project renderings and graphics are encouraged to be included along with your submission materials. Submit request letter along with the below, completed application for assistance, supporting materials, and applicable application fees to:

Lawrence City Commission  
Attn: City of Lawrence, Economic Development Coordinator  
6 East 6<sup>th</sup> Street  
Lawrence, KS 66044

Request materials can be submitted electronically to the Economic Development Coordinator: at:  
[bcano@lawrenceks.org](mailto:bcano@lawrenceks.org)

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Please indicate which public benefits your project brings to the local community. (Mark all that apply. Please explain and provide further details on the project's public benefits in the request letter.)

- ☐ Affordable housing
- ☐ Above average wages
- ☐ Enhancement of public infrastructure
- ☐ In-fill development
- ☐ Jobs with employee benefits including healthcare insurance
- ☐ Primary job creation:
  - ☐ Primary businesses typically serve customers outside of the immediate area, therefore importing dollars into the community through its sales.
  - ☐ Non-primary businesses provide goods and services to the local business and consumers, thereby circulating dollars within the community.
- ☐ Promotion of downtown density
- ☐ Retention or expansion of existing business
- ☐ Revitalization of dilapidated, unsafe, underutilized, or historic property
- ☐ Sustainability/energy efficiency

The information on this form will be used by the City to consider your request for development support and may also be used to prepare a cost-benefit or other analysis of the project. Information provided on this form will be available for public viewing and will be part of compliance benchmarks, if approved for ~~assistance~~ **economic development support**. Prior to submission, applicant may wish to seek technical assistance from City Staff, the Chamber of Commerce, the Small Business Development Center, or others to address questions and ensure the application is complete.

Please provide data in the cells below. Applicant is encouraged to attach additional pages as necessary to fully explain and support the answers to each question. Note anything additional you wish the City to take into consideration for your request and provide supporting documentation.

| Applicant Contact Information |  |
|-------------------------------|--|
| Name:                         |  |
| Title:                        |  |
| Organization:                 |  |
| Address 1:                    |  |
| Address 2:                    |  |
| Phone:                        |  |
| Email:                        |  |
| Fax:                          |  |

**Application Tips:**

Enter contact information for the company representative completing this application.

| Economic Development Support Requested    |        |                 |
|-------------------------------------------|--------|-----------------|
| City Incentives                           | Amount | Term (in years) |
| Tax Increment Financing District (TIF)    |        |                 |
| Transportation Development District (TDD) |        |                 |
| Neighborhood Revitalization Area (NRA)    |        |                 |
| Tax Abatement (TA)                        |        |                 |
| Industrial Revenue Bonds (IRBs)           |        |                 |
| Community Improvement District (CID)      |        |                 |
| Other (Please Describe):                  |        |                 |
|                                           |        |                 |

**Application Tips:**

**Applicable Terms:**

TIF: Up to 20 years  
TDD: Up to 22 years  
TA: Up to 10 years  
CID: Up to 22 years

IRBs: If applying for IRBs, please enter the amount that will cover all construction costs for the project. Enter "n/a" for term.

Examples: City provided water main along ABC Street from 1st Street to 2nd Street, employee training grant for 5 years at \$500/new employee, etc.

| Project Information                                                      |                                       |  |
|--------------------------------------------------------------------------|---------------------------------------|--|
| Name of Company Seeking Incentive(s):                                    |                                       |  |
| Project Type (check one):                                                | Expansion:                            |  |
|                                                                          | New Facility:                         |  |
| Company Type (check one):                                                | Existing Local Company:               |  |
|                                                                          | Out-of-Area Company Locating Locally: |  |
| Current Company Address:                                                 |                                       |  |
| Location of Proposed New Facility/Expansion Project:                     |                                       |  |
| Describe the Company's Plans to Develop or Expand in the Community:      |                                       |  |
|                                                                          |                                       |  |
| Operations Start Date at the Expansion or New Facility:                  |                                       |  |
| Industry NAICS # for the New or Expanded Facility (6-digit code):        |                                       |  |
| Describe the Primary Industry the New or Expanded Facility Will Support: |                                       |  |
|                                                                          |                                       |  |

**Application Tips:**

*Company's Plans: e.g. ABC manufacturing is the nation's largest processors of wind turbine components. The company plans to construct a new 250,000 sf manufacturing plant in Commerce Park, initially employing 150 with an average annual salary of \$35,000 each. Another 50 employees will be hired in Year 5 and 40 in year 7. The firm expects to initially invest \$5 million in land and buildings and anticipates a 50,000 sf, \$2 million expansion in Year 5 and another 50,000 sf expansion in Year 7.*

Link for NAICS code lookup:

<http://www.naics.com/search.htm>

| Capital Investment Information for New Facility or Expansion                                                                                                                                                   |                                              |      |       |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|------|-------|
| Estimated Size of New Facility (square feet):                                                                                                                                                                  |                                              |      |       |
| Estimated Size of Land for New Facility (acres):                                                                                                                                                               |                                              |      |       |
| <b>For the new or expanded facility, enter the amount the company anticipates spending for initial and subsequent investments in land, buildings and improvements (do not include machinery or equipment):</b> |                                              |      |       |
| Year                                                                                                                                                                                                           | Buildings & Other Real Property Improvements | Land | Total |
| 1                                                                                                                                                                                                              |                                              |      |       |
| 2                                                                                                                                                                                                              |                                              |      |       |
| 3                                                                                                                                                                                                              |                                              |      |       |
| 4                                                                                                                                                                                                              |                                              |      |       |
| 5                                                                                                                                                                                                              |                                              |      |       |
| 6                                                                                                                                                                                                              |                                              |      |       |
| 7                                                                                                                                                                                                              |                                              |      |       |
| 8                                                                                                                                                                                                              |                                              |      |       |
| 9                                                                                                                                                                                                              |                                              |      |       |
| 10                                                                                                                                                                                                             |                                              |      |       |
| <b>Total</b>                                                                                                                                                                                                   |                                              |      |       |
| Will land be leased from the City or County (Y/N):                                                                                                                                                             |                                              |      |       |
| If yes, Monthly Lease Rate for Land:                                                                                                                                                                           |                                              |      |       |

**Application Tips:**

*If expansion, only include information on size and values of the new facility, not existing facility.*

*If land is currently owned, enter current land value from Douglas County property tax records. Otherwise, enter the market value amount the company will pay for land.*

| Local Utility Expenses                                                                 |                                |                                                  |
|----------------------------------------------------------------------------------------|--------------------------------|--------------------------------------------------|
| Utility                                                                                | Current Local Monthly Expenses | Projected Local Monthly Expenses at New Facility |
| Gas                                                                                    |                                |                                                  |
| Electricity                                                                            |                                |                                                  |
| Phone                                                                                  |                                |                                                  |
| Cable                                                                                  |                                |                                                  |
| Operating Expenditures                                                                 |                                |                                                  |
| For Expansion Projects, Current Annual Operating Expenses at Existing Facility:        |                                |                                                  |
| Annual Operating Expenses after Expansion/Relocation:                                  |                                |                                                  |
| % of Additional Operating Expenses Anticipated to be Spent Locally:                    |                                |                                                  |
| Revenues                                                                               |                                |                                                  |
| % of Revenues at the new Lawrence Facility Anticipated to Come from Non-Local Sources. |                                |                                                  |
| Anticipated Annual Gross Profits:                                                      |                                |                                                  |
| <u>Anticipated Net Operating Income (at stabilization):</u>                            |                                |                                                  |
| <u>Anticipated Net Operating Expenses (at stabilization):</u>                          |                                |                                                  |

**Application Tips:**

Current Local Monthly Expenses: Enter 0 for an out-of-area relocation or if project involves a separate, new facility.

Projected Local Monthly Expenses: Enter expense amounts anticipated at the new facility.

Existing Facility Annual Operating Expenses: Enter 0 if project is being relocated from out-of-area or if project involves a separate, new facility.

% Additional Operating Expenses Spent Locally: Enter % of operating expenses anticipated to be spent in Lawrence/Douglas County as a result of the project.

Exports: Enter % of revenues (from the sale of goods or services) anticipated to be generated from sources outside of Lawrence/Douglas County.

Anticipated Annual Gross Profits: Please provide an estimate of anticipated Annual Gross Profits (\$). Note: For expansions, please enter anticipated gross annual profits from expansion.

| IRB and Tax Abatement Request Information                                                                                                                                                                     |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| If you are seeking an IRB, please list the firm that will be receiving the IRB:                                                                                                                               |  |
|                                                                                                                                                                                                               |  |
| Will your firm be leasing the building or the land in your expansion or newly constructed facility? (Y/N)                                                                                                     |  |
| If you are leasing the building or land, and you are seeking a <u>property</u> tax abatement <u>without</u> an IRB, please list the tenant and owner and the financial relationship between tenant and owner. |  |
|                                                                                                                                                                                                               |  |
| Total Cost of <u>Initial</u> Construction for the Project:                                                                                                                                                    |  |
| Estimated Cost of Construction Materials for <u>Initial</u> Construction:                                                                                                                                     |  |

Note: Applicant may be required to provide additional financial information for the project and company.

| Environmental Information                                                                               |               |  |
|---------------------------------------------------------------------------------------------------------|---------------|--|
| Will the new facility meet Energy STAR criteria? (Y/N)                                                  |               |  |
| Will the project seek or be designed to LEED certification <u>or</u> <u>equivalent</u> standards? (Y/N) |               |  |
| If yes,<br>please indicate level:                                                                       | Certification |  |
|                                                                                                         | Silver        |  |
|                                                                                                         | Gold          |  |
|                                                                                                         | Platinum      |  |
| Please describe environmentally friendly features of the project:                                       |               |  |
| Please describe anticipated positive environmental impacts resulting from the project:                  |               |  |
| Please describe anticipated negative environmental impacts and planned remediation efforts:             |               |  |

**Application Tips:**

Environmentally Friendly Features: e.g. Low-energy, led lighting used throughout, pedestrian friendly elements including green space, bike paths, water saving native plantings used in landscapes, etc.

### Additional Community Benefits

Describe Other Local Economic Benefits Resulting From Project:

#### Application Tips:

Local Economic Benefits: Include additional benefits not directly related to project capital investment and direct employment (e.g. Project attracting overnight visitors that will spend on lodging, entertainment, food and beverages, shopping, etc.)

Describe Other Quality of Life Benefits Resulting From Project:

Quality of Life Benefits: Include tangible and intangible benefits; such as how company is/will be a good corporate citizen, community involvement, local philanthropy efforts, and how project /company will contribute to local well being of citizens.

| Employment Information                                                                                |       |        |                   |        |                   |        |                   |        |                   |
|-------------------------------------------------------------------------------------------------------|-------|--------|-------------------|--------|-------------------|--------|-------------------|--------|-------------------|
| <b>Construction Employment for New Facility or Expansion</b>                                          |       |        |                   |        |                   |        |                   |        |                   |
| # Full-Time, Construction Jobs:                                                                       |       |        |                   |        |                   |        |                   |        |                   |
| Average Annual Salary for Full-Time, Construction Workers (during construction period):               |       |        |                   |        |                   |        |                   |        |                   |
| Construction Period (months):                                                                         |       |        |                   |        |                   |        |                   |        |                   |
| <b>For Expansion, # of Full-Time Employees Currently Working in Lawrence:</b>                         |       |        |                   |        |                   |        |                   |        |                   |
| <b>New Employment Resulting from Project</b>                                                          |       |        |                   |        |                   |        |                   |        |                   |
| Net New Jobs<br>(full-time, permanent)                                                                | Year  | # Jobs | Avg Annual Salary | # Jobs | Avg Annual Salary | # Jobs | Avg Annual Salary | # Jobs | Avg Annual Salary |
|                                                                                                       | 1     |        |                   |        |                   |        |                   |        |                   |
|                                                                                                       | 2     |        |                   |        |                   |        |                   |        |                   |
|                                                                                                       | 3     |        |                   |        |                   |        |                   |        |                   |
|                                                                                                       | 4     |        |                   |        |                   |        |                   |        |                   |
|                                                                                                       | 5     |        |                   |        |                   |        |                   |        |                   |
|                                                                                                       | 6     |        |                   |        |                   |        |                   |        |                   |
|                                                                                                       | 7     |        |                   |        |                   |        |                   |        |                   |
|                                                                                                       | 8     |        |                   |        |                   |        |                   |        |                   |
|                                                                                                       | 9     |        |                   |        |                   |        |                   |        |                   |
|                                                                                                       | 10    |        |                   |        |                   |        |                   |        |                   |
|                                                                                                       | Total |        |                   |        |                   |        |                   |        |                   |
| <b>Anticipated # of Employees to Be Relocated Locally as a Result of the Project</b>                  |       |        |                   |        |                   |        |                   |        |                   |
| # of Net New Full-Time Employees Anticipated to be Relocated From Outside of Kansas:                  |       |        |                   |        |                   |        |                   |        |                   |
| # of Net New Full-Time Employees Anticipated to be Relocated from Outside of Lawrence/Douglas County: |       |        |                   |        |                   |        |                   |        |                   |
| <b># of Local, Full-Time Jobs Anticipated At End of Incentives Period:</b>                            |       |        |                   |        |                   |        |                   |        |                   |

**Application Tips:**

Enter 0 if project is new or relocation.

Enter information by major job category (e.g. administrative, support, professional, executive, production, etc.)

For a local expansion, Net New Jobs = number of additional employees to be hired each year, excluding employees that are already employed in Lawrence. )

Average Annual Salary: Only provide wage information. Do not include the value of non-wage benefits such as insurance and time off.

# Jobs at End of Incentives Period:  
Enter total number of full-time employees (existing & new) anticipated to be employed at the new facility over the term of incentives (e.g. If applying for a 10-year tax abatement, this would be the total number of local Existing (if expanding) + Net New full-time jobs anticipated at the end of that 10-year period.)

| Employee Benefits                                             |                               |
|---------------------------------------------------------------|-------------------------------|
| Description                                                   | After Expansion or Relocation |
| % of Employees with Company Provided Health Care Insurance    |                               |
| % of Health Care Premium Covered by Company                   |                               |
| % of Employees with Company Provided Retirement Program       |                               |
| Will You Provide Job Training for Employees? (Y/N)            |                               |
| If Yes, Please Describe:                                      |                               |
|                                                               |                               |
| What is the Lowest Hourly Wage Offered to New Employees?      |                               |
| What Percentage of Your New Employees Will Receive this Wage? |                               |
| Will You Provide Additional Benefits to Employees? (Y/N)      |                               |
| If Yes, Please Describe:                                      |                               |
|                                                               |                               |

### NRA Eligibility Statement

***If applying for an NRA, please describe how your project meets one of the following state statute requirements for eligibility:***

(1) Project is in an area in which there is a predominance of buildings or improvements which by reason of dilapidation, deterioration, obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, the existence of conditions which endanger life or property by fire and other causes or a combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency or crime and which is detrimental to the public health, safety or welfare:

(2) Project is in an area which by reason of the presence of a substantial number of deteriorated or deteriorating structures, defective or inadequate streets, incompatible land use relationships, faulty lot layout in relation to size, adequacy, accessibility or usefulness, unsanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the actual value of the land, defective or unusual conditions of title, or the existence of conditions which endanger life or property by fire and other causes, or a combination of such factors, substantially impairs or arrests the sound growth of a municipality, retards the provision of housing accommodations or constitutes an economic or social liability and is detrimental to the public health, safety or welfare in its present condition and use:

(3) Project is in an area in which there is a predominance of buildings or improvements which by reason of age, history, architecture or significance should be preserved or restored to productive use:

## Disclosures

Company Form of Organization:

Please list the name(s) of each partner (or member) who owns (or will own) 5% or more capital of the company. In the case of businesses owning another business (such as an umbrella LLC that is the owner of several other LLC's), the actual partners' names need to be listed, not just the registrant's name with the Secretary of State.

Company Principals:

List all subsidiaries or affiliates and details of ownership:

Subsidiary :

Principals:

Has Company or any of its Directors/Officers been involved in or is the Company presently involved in any type of litigation?

Has the Company, developer or any affiliated party declared bankruptcy?

Has the Company, developer or any affiliated party defaulted on a real estate obligation?

Has the Company, developer or any affiliated party been the defendant in any legal suit or action?

Has the Company, developer or any affiliated party had judgments recorded against them?

*If the answer to any of the above question is yes, please explain:*

*Note: Applicant may be required to provide additional financial information for the project and company.*

The non-refundable application fee must accompany this application. When you have completed this form to your satisfaction, please sign and send, along with applicable application fee(s) to:

**City of Lawrence**  
**Attn: Economic Development Coordinator**  
**6 East 6th Street**  
**Lawrence, KS 66044**  
**Fax: 785-832-3405**  
**Email: [bcano@lawrenceks.org](mailto:bcano@lawrenceks.org)**

### Application Fees

|                                           |         |
|-------------------------------------------|---------|
| Tax Abatement                             | \$500   |
| Industrial Revenue Bonds (IRB)            | \$1,000 |
| Community improvement District (CID)      | \$2,500 |
| Neighborhood Revitalization Area (NRA)    | n/a     |
| Transportation Development District (TDD) | n/a     |
| Tax Increment Financing (TIF)             | n/a     |
| Other                                     | n/a     |

### Application Fees

|                                             |                |
|---------------------------------------------|----------------|
| <u>Tax Abatement</u>                        | <u>\$500</u>   |
| <u>Industrial Revenue Bonds (IRB)</u>       | <u>\$1,000</u> |
| <u>Community Improvement District (CID)</u> | <u>\$2,500</u> |

|                                                  |                               |
|--------------------------------------------------|-------------------------------|
| <u>Transportation Development District (TDD)</u> | <u>n/a</u>                    |
| <u>Tax Increment Financing (TIF)</u>             | <u>n/a</u>                    |
| <b><u>NRA Application Fees</u></b>               |                               |
| <b><u>Project Capital Investment</u></b>         | <b><u>Application Fee</u></b> |
| <u>\$1,000,000 and Under</u>                     | <u>\$1,000</u>                |
| <u>\$1,000,000-\$10,000,000</u>                  | <u>\$3,500</u>                |
| <u>Over \$10,000,000</u>                         | <u>\$5,000</u>                |

Applicant is responsible for paying all expenses incurred by the City for professional services pertaining to the project regardless of whether or not the project is approved. This may include costs associated with research and analytical services, legal publication notices, application fees to the Board of Tax Appeals, bond counsel and legal fees, and all other miscellaneous costs, including, but not limited to, the City's reasonable costs to process any modifications.

If this request proceeds, Applicant may be asked to enter into a funding agreement to cover all costs associated with processing approval for the requested public assistance.

As part of this application, Applicant has included the non-refundable application fee and understands that the Applicant will be required to cover all costs associated with approval processing. I hereby certify that the foregoing and attached information contained is true and correct, to the best of my knowledge:

Applicant/Representative: \_\_\_\_\_  
(Please Print)

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

## NRA Fees

|                          | Application                                                                                                                                                                                                                                                                   | Annual/Admin                                                                                                                                                                                                                                                                               |
|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Lawrence                 | None                                                                                                                                                                                                                                                                          | County administrative fees (varies)                                                                                                                                                                                                                                                        |
| Lenexa                   | \$25 for single family or two family residential, \$100 for commercial (fees refundable with first installment of the rebate)                                                                                                                                                 | None                                                                                                                                                                                                                                                                                       |
| Manhattan                | *                                                                                                                                                                                                                                                                             | *                                                                                                                                                                                                                                                                                          |
| Olathe                   | None                                                                                                                                                                                                                                                                          | 2.5% county administrative fee (year one); and Minus 7.5% for the Public NRA Funds if Single and Two Family Residential in year one, and 10% for every year thereafter; -OR- Minus 17.5% for the Public NRA Funds if Commercial/Industrial in year one, and 20% for every year thereafter. |
| Overland Park            | *                                                                                                                                                                                                                                                                             | *                                                                                                                                                                                                                                                                                          |
| Shawnee                  | None                                                                                                                                                                                                                                                                          | For commercial property, Johnson County retains 30% of applicable County taxes as an administration fee for an incremental increase of \$100,000 or greater.                                                                                                                               |
| Go Topeka/Shawnee County | None                                                                                                                                                                                                                                                                          | 5% of the 95% rebate remains in a neighborhood revitalization fund for administrative costs.                                                                                                                                                                                               |
| Wichita                  | n/a                                                                                                                                                                                                                                                                           | n/a                                                                                                                                                                                                                                                                                        |
| WyCo UG                  | An application fee of \$1,000 is required for all commercial, industrial, office, retail, historical, and environmentally contaminated projects. If the project is in a Special Projects Area and the construction cost is over \$10 million, the application fee is \$2,000. | None                                                                                                                                                                                                                                                                                       |

\*Could not locate comparable program.

n/a = data not available

| TIF Fees                 |                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                               |
|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                          | Application                                                                                                                                                                                                                  | Annual                                                                                                                                                                                                                                                                                                                                    | Other                                                                                                                                                                                                                                                                                                                                                                                         |
| Lawrence                 | None                                                                                                                                                                                                                         | None                                                                                                                                                                                                                                                                                                                                      | Funding agreement may be required to reimburse City for additional legal, financial, and out-of-pocket costs associated with consideration of the request.                                                                                                                                                                                                                                    |
| Lenexa                   | \$2500 application fee, \$1000 retainer                                                                                                                                                                                      | None                                                                                                                                                                                                                                                                                                                                      | None                                                                                                                                                                                                                                                                                                                                                                                          |
| Manhattan                | *                                                                                                                                                                                                                            | *                                                                                                                                                                                                                                                                                                                                         | *                                                                                                                                                                                                                                                                                                                                                                                             |
| Olathe                   | Initial Application Fee = 5% or \$5,000, whichever is less; Redevelopment Plan Fee = 15% or \$10,000, whichever is less; Ordinance Fee = 80% or \$85,000, whichever is less. Maximum fee = 1% or \$1,000, whichever is less. | Property Tax Increment Projects only = 0.5% of the annual increment; Property Tax, Sales, and other Tax Increment Projects = 2.5% of the annual increment.                                                                                                                                                                                | Applicant may have additional costs for outside consultant and attorney fees to fully analyze the TIF application--can be reimbursed back through bond proceeds or TIF revenues.                                                                                                                                                                                                              |
| Overland Park            | \$10,000, non-refundable                                                                                                                                                                                                     | Annual on-going administrative service fee, which amount will be determined on a case by case basis in the development agreement, but not less than \$7,500 or one percent (1%) of the public investment, whichever is greater. The annual administrative fee may be paid from tax increment revenues but shall not increase the TIF cap. | Initial Funding Agreement of not less than \$35,000. City to be reimbursed for all publication costs incurred in consideration of the request, (e.g. For legal publication notices, resolutions, ordinances, and other proceedings) and all costs for City's consultants, financial advisor, bond counsel and legal counsel as a result of the consideration of the requested TIF assistance. |
| Shawnee                  | \$5,000                                                                                                                                                                                                                      | Amount equal to 0.5% of project costs reimbursed to applicant.                                                                                                                                                                                                                                                                            | Funding agreement may be required to reimburse City for additional legal, financial, and out-of-pocket costs associated with consideration of the request.                                                                                                                                                                                                                                    |
| Go Topeka/Shawnee County | n/a                                                                                                                                                                                                                          | n/a                                                                                                                                                                                                                                                                                                                                       | n/a                                                                                                                                                                                                                                                                                                                                                                                           |
| Wichita                  | \$8500 Application Fee--TIF Available only for Downtown Development                                                                                                                                                          | n/a                                                                                                                                                                                                                                                                                                                                       | n/a                                                                                                                                                                                                                                                                                                                                                                                           |
| WyCo UG                  | n/a                                                                                                                                                                                                                          | n/a                                                                                                                                                                                                                                                                                                                                       | n/a                                                                                                                                                                                                                                                                                                                                                                                           |

\*Could not locate comparable program.

n/a = data not available

|                          | TDD Fees                                 |                                                                                              |                                                                                                                                                                                                                                                                                            |
|--------------------------|------------------------------------------|----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                          | Application                              | Annual                                                                                       | Other                                                                                                                                                                                                                                                                                      |
| Lawrence                 | None                                     | None                                                                                         | Funding agreement may be required to reimburse City for additional legal, financial, and out-of-pocket costs associated with consideration of the request.                                                                                                                                 |
| Lenexa                   | *                                        | *                                                                                            | *                                                                                                                                                                                                                                                                                          |
| Manhattan                | *                                        | *                                                                                            | *                                                                                                                                                                                                                                                                                          |
| Olathe                   | Petition Fee = \$5,000                   | Annual Administrative fee of 0.5% of the annual TDD revenue generated with the TDD district. | Issuance fee of 25 basis points of the first \$10M in bonds issued, + 20 basis points of the par amount of the second \$10M, + 10 basis points of the par amount in excess of \$10M of bonds being issued. In no event shall the issuance fee be less than \$2,000 or more than \$100,000. |
| Overland Park            | Not specified within TDD Policy (R 3417) | Not specified within TDD Policy (R 3417)                                                     | TDD Applicant must front the fees of the City's bond counsel and City financial advisor                                                                                                                                                                                                    |
| Shawnee                  | \$5,000                                  | Amount equal to 0.5% of project costs reimbursed to applicant.                               | Funding agreement may be required to reimburse City for additional legal, financial, and out-of-pocket costs associated with consideration of the request.                                                                                                                                 |
| Go Topeka/Shawnee County | n/a                                      | n/a                                                                                          | n/a                                                                                                                                                                                                                                                                                        |
| Wichita                  | n/a                                      | n/a                                                                                          | n/a                                                                                                                                                                                                                                                                                        |
| WyCo UG                  | *                                        | *                                                                                            | *                                                                                                                                                                                                                                                                                          |

\*Could not locate comparable program.

n/a = data not available

|                          | Tax Abatement Fees                                     |                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------------------------|--------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                          | Application                                            | Annual                                                                                                                                                                                                                                                                                  | Other                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Lawrence                 | \$500                                                  | \$200                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Lenexa                   | \$2000 application fee, \$8000 retainer                | Applicant responsible for all ongoing costs associated with the transaction including, but not limited to professional fees associated with Applicant's requested amendments such as assignments, assumptions or redemptions and additional fees incurred for amendments or extensions. | Applicant responsible for all professional, legal, administrative, and bond counsel fees.                                                                                                                                                                                                                                                                                                                                                                           |
| Manhattan                | \$1,000                                                | None                                                                                                                                                                                                                                                                                    | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Olathe                   | \$4000 for new business, \$2000 for existing business. | None                                                                                                                                                                                                                                                                                    | For projects requesting real property tax abatement that are not warehouse/distribution, or logistics-type project: issuance fee of 0.0025 of the first \$40M par amount of bonds being issued or the amount of EDX being requested, + 0.0020 of the par amount in excess of \$40M of bonds being issued. For projects warehouse/distribution & logistics projects: 0.0030 of par amount of bonds being issued. In no event shall issuance fee be less than \$2,500 |
| Overland Park            | \$250                                                  | \$100                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Shawnee                  | \$1,500                                                | Additional Fee due on 1st anniversary date and each anniversary date thereafter for life of issue: 0.04% of bond principal outstanding on 1st \$20M; 0.01% on amounts in excess of \$20M.                                                                                               | Origination fee due at closing .020% of bond principal issued on 1st \$10M; 0.10% on amount in excess of \$20M. Additional fee due at closing an on the 1st & 2nd anniversaries of issuance Date: \$5000 each of the three dates.                                                                                                                                                                                                                                   |
| Go Topeka/Shawnee County | \$250                                                  | \$100                                                                                                                                                                                                                                                                                   | n/a                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Wichita                  | \$660                                                  | n/a                                                                                                                                                                                                                                                                                     | n/a                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| WyCo UG                  | New Business = \$2000, Existing Business = \$1000      | Annual Monitoring : \$1000                                                                                                                                                                                                                                                              | 0.400 of 1st \$10M par amount of bonds being issued or amount of EDX abatement being requested +0.250 of par amount in excess of \$10M but less than \$25M. 0.125 of par amount in excess of \$25 M of bonds being issued.                                                                                                                                                                                                                                          |

\*Could not locate comparable program.

n/a = data not available

| CID Fees                                                    |                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                     |
|-------------------------------------------------------------|--------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Application                                                 | Annual                                                                                     | Other                                                                                                                                                                                                                                                                                                                                                                               |
| \$2,500                                                     | Administrative Fee = 0.05% of taxes reimbursed, through life of CID                        | Funding agreement may be required to reimburse City for additional legal, financial, and out-of-pocket costs associated with consideration of the request.                                                                                                                                                                                                                          |
| \$2,500 application fee, \$10,000 retainer                  | Dept. of Revenue shall keep 2% of amount collected up to \$60,000/year for administration. | The City may require the applicant to submit a retainer or enter into a funding agreement to finance costs incurred by the city for additional legal, financial and/or planning consultants, for direct out-of-pocket expenses and for other costs related to services rendered for the City to review, evaluate, process, and consider the CID petition                            |
| *                                                           | *                                                                                          | *                                                                                                                                                                                                                                                                                                                                                                                   |
| \$5,000 Petition Fee                                        | 5% of total cost of CID project less CID Petition Fee                                      | Issuance Fee of 25 basis points for 1st \$10M par amount of CID sales tax revenue bonds issued, 20 basic points for 2nd \$10 + 10 basis points for par amount in excess of \$20M. In no event shall the issuance fee be less than \$2,000 or more than \$150,000.                                                                                                                   |
| 5000 application, \$1000 petition, \$500/petition amendment | Determined on a case by case basis and specified within the development agreement.         | Funding Agreement required whereby applicant will reimburse City for all publication costs incurred in consideration of the request, (e.g. For legal publication notices, resolutions, ordinances, and other proceedings) and all costs for City's consultants, financial advisor, bond counsel and legal counsel as a result of the consideration of the requested CID assistance. |
| \$5,000                                                     | Amount equal to 0.5% of project costs reimbursed to applicant.                             | Funding agreement may be required to reimburse City for additional legal, financial, and out-of-pocket costs associated with consideration of the request.                                                                                                                                                                                                                          |
| n/a                                                         | n/a                                                                                        | n/a                                                                                                                                                                                                                                                                                                                                                                                 |
| \$5,000                                                     | 5% minus reimbursement for the \$5000 application fee                                      | n/a                                                                                                                                                                                                                                                                                                                                                                                 |
| n/a                                                         | n/a                                                                                        | n/a                                                                                                                                                                                                                                                                                                                                                                                 |

\*Could not locate comparable program.

n/a = data not available

| IRB Fees                 |                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|--------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                          | Application                                                                                                                                                                                                                                                                                                                                                                           | Annual                                                                                                                                                                                                                                                                                                                                                            | Other                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Lawrence                 | \$1000 City application fee                                                                                                                                                                                                                                                                                                                                                           | None, unless a tax abatement is also associated with the IRB. Renewal application fee is \$200/year for tax abatements.                                                                                                                                                                                                                                           | Applicant is responsible for bond counsel and other legal and professional fees associated with bond issuance.                                                                                                                                                                                                                                                                                                                                              |
| Lenexa                   | \$2000 application fee                                                                                                                                                                                                                                                                                                                                                                | None specified                                                                                                                                                                                                                                                                                                                                                    | \$8,000 retainer fee (retainer required only if applicant is requesting a tax abatement) to be applied to the professional fees incurred on behalf of the City in processing the tax abatement request. Applicant must pay for or reimburse City for costs of legal, financial and administrative work performed in connection with bond issue, throughout life of bond. Origination fee on bond issue, to be reduced by the amount of the application fee. |
| Manhattan                | \$1000 application fee                                                                                                                                                                                                                                                                                                                                                                | None specified                                                                                                                                                                                                                                                                                                                                                    | Applicant is responsible for paying all expenses incurred by the City for professional services pertaining to the project regardless of whether or not the project is approved or a closing on the sale of the contemplated bonds takes place.                                                                                                                                                                                                              |
| Olathe                   | \$2000 application fee for existing business; \$4000 application fee for new business; all applications for master resolutions of intent where the requested amount of bonds exceeds \$10M shall be charged an additional application fee of \$4000. City can elect to waive any or all City fees in the event the project is deemed to be a targeted industry or in a targeted area. | None specified                                                                                                                                                                                                                                                                                                                                                    | Applicant shall reimburse City for all costs associated with the cost-benefit analysis, all legal publication notices, application fees to the Board of Tax Appeals, the City's bond counsel fees and all other miscellaneous costs, including, but not limited to, the City's reasonable costs to process any modifications to existing bond-financed projects (e.g. subordinations and assignments).                                                      |
| Overland Park            | \$250 Application                                                                                                                                                                                                                                                                                                                                                                     | None Specified                                                                                                                                                                                                                                                                                                                                                    | Applicant is responsible for cost of cost-benefit analysis report. For Revenue Bond issuance, \$1,500 per million dollars of issue or \$1,500, whichever is greater for first year issue. \$1,500 per year for the remaining years of the repayment period to cover administration and other City costs. Applicant is responsible for all costs of legal, financial or administrative research or work done in reviewing the proposal.                      |
| Shawnee                  | \$1500 application fee                                                                                                                                                                                                                                                                                                                                                                | Additional Fee Payable at closing and on the first and 2nd anniversaries of Issuance Date: \$5000 on each of the three dates. Additional Annual Fee Payable on the first Anniversary Date and Each Anniversary Date thereafter for the Life of the Issue: 0.04% of the bond principal on first \$20M; 0.01% of the bond principal outstanding in excess of \$20M. | Applicant must pay all costs of legal fees due to the city Attorney and Bond Counsel associated with the project and exemption.                                                                                                                                                                                                                                                                                                                             |
| Go Topeka/Shawnee County | None Specified                                                                                                                                                                                                                                                                                                                                                                        | None Specified                                                                                                                                                                                                                                                                                                                                                    | None Specified                                                                                                                                                                                                                                                                                                                                                                                                                                              |

Continued

Wichita

\$660

\$2,500/year + \$1000 redemption

Service Fees: The City of Wichita and Sedgwick County reserve the right to impose on any business receiving tax abatements the payment of services fees through the provisions of the economic development incentive agreements for services provided by the applicable Unified School District and the Sedgwick County Fire District. The amount of service fee shall be based on the tax rate of the applicable USD and/or the Fire District and any service fees thus paid shall be remitted to such School and/or Fire District.

WyCo UG

\$1000 for existing businesses; New business application fee is \$2000

Monitoring Fee: \$1000 annual compliance review of all projects receiving a tax abatement (either IRB or EDX)

Applicant shall reimburse the UG for all costs associated with all legal publication notices, application fees to the Court of Tax Appeals, UG's bond counsel fees, and all other miscellaneous costs.

\*Could not locate comparable program.

n/a = data not available

| Policy Healthcare Provision |                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-----------------------------|-----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| City                        | Policy                                                                | Description                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Lawrence                    | Tax Abatement                                                         | The business provides one of the following:                                                                                                                                                                                                                                                                                                                                                                                                   |
|                             |                                                                       | 1) The Availability of covered employees to obtain an employer-sponsored health insurance policy, pursuant to employer guidelines, in which case the employer provides a minimum of 70% of the cos of such policy.                                                                                                                                                                                                                            |
|                             |                                                                       | 2) As an alternative to offering an employer-sponsored health insurance policy, the employer shall pay the covered employee a wage which is at least \$1.50 per hour above the amount of the community average wage floor.                                                                                                                                                                                                                    |
| Lenexa                      | Tax Abatement                                                         | None specified                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Manhattan                   | Manhattan Economic development fund process and Procedures            | Points-based system for % employer pays of HC premium:                                                                                                                                                                                                                                                                                                                                                                                        |
|                             |                                                                       | No Health Plan = 0 points                                                                                                                                                                                                                                                                                                                                                                                                                     |
|                             |                                                                       | >0%<25% = 5 points                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                             |                                                                       | >=25% - <50% = 10 points                                                                                                                                                                                                                                                                                                                                                                                                                      |
|                             |                                                                       | >= 50% = 15 points                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Olathe                      | Policy #F5, Industrial Revenue Bond and Property Tax Abatement Policy | None specified                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Overland Park               |                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Shawnee                     | PS-21: IRB and Property Tax Exemption Policy                          | None specified                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Go Topeka/Shawnee County    |                                                                       | n/a                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Wichita                     | Tax Abatement/IRB Policy                                              | For Tax Abatements: Jobs created must include health care benefits. If healthcare benefits are not offered, wages must be 120% of the average wage for that type of business as determined by the most appropriate available NAICS code within the Wichita MSA, or greater than the average wage for all jobs in the Wichita MSA if wages are calculated excluding the wages of the transportation equipment manufacturing sector (NAICS 336) |
| WyCo UG                     | Tax Abatement Policy, Adopted 10-21-2010                              | None specified                                                                                                                                                                                                                                                                                                                                                                                                                                |

n/a = data not available



City of Lawrence

**DATE APPROVED:**

**March 24<sup>th</sup>, 2009**

*Updated ~~May 18<sup>th</sup>, 2010~~ 2016*

**City of Lawrence  
Economic Development  
Goals, Process and  
Procedures**

## **1-2101 INTRODUCTION**

The purpose of this document is to establish the official policy and procedures of the City for the granting of economic development incentives, including cash incentives and exclusive infrastructure assistance associated with projects within the City of Lawrence.

## **1-2102 GENERAL OBJECTIVE**

In Horizons 2020, the City identifies three goals for economic development: job growth in excess of population growth; increasing the share of the tax base coming from non-residential growth; and increasing career opportunities by attracting high-skilled jobs in expanding industries.

Various economic incentives are available under Kansas law to help municipalities achieve their public objectives. This ordinance establishes the policy, procedures and requirements to govern the fair, effective and judicious use of these incentives by the City in order to help meet its economic development goals.

Because of Lawrence's assets and the desire of area residents to plan for the future and retain a community that is different from other growing suburban areas, economic incentives may not be offered to every firm that is eligible under state statutes. Instead, incentives will be targeted toward businesses meeting the objectives defined below.

## **1-2103 ECONOMIC DEVELOPMENT OBJECTIVES**

The City works in cooperation with Douglas County and the Lawrence Chamber of Commerce to achieve the general objectives outlined in the section above. This partnership enables the community to maximize its resources and to develop a consensus regarding the kind of economic development that best advances the interests of the entire community.

All of the partners in this effort share a commitment to:

- encourage existing industry to expand,
- assist new business start-ups,
- recruit new companies from out-of-state and internationally,
- encourage high technology and research based-businesses,
- encourage training and development of Lawrence area employees, and
- encourage the location and retention of businesses which are good "corporate citizens" that will add to the quality of life in Lawrence through their leadership and support of local civic and philanthropic organizations.

While it is the new companies from out-of-state that typically generate the most publicity, it is the policy of the City, County, and the Chamber to place a high priority on the retention and expansion of existing businesses.

The City's role in this economic development partnership involves:

- providing the land, zoning and infrastructure that are required to create new jobs and new investment,
- providing policies, processes and procedures for clear standards and timely reviews of applications, and
- providing the personal assistance and in some cases the incentives necessary to achieve the objectives set forth in this document.

All partners believe that Lawrence and Douglas County should be selective as to the kinds of businesses that are recruited and assisted. Horizons 2020 specifies that businesses within the following industries should particularly be a focus of economic development efforts:

- Life Sciences/Research,
- Information Technology,
- Aviation and Aerospace,
- Value-added Agriculture, and
- Light Manufacturing and Distribution.

#### Affordable Housing:

In support of the City Commission goal to increase affordable housing within the community, projects having four (4) or more residential units seeking public assistance shall only be considered if a portion of those units are set aside as affordable housing.

The units set aside for affordable housing are subject to income and rent parameters 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.

## **1-2104 ECONOMIC DEVELOPMENT INCENTIVES**

When appropriate, the City may utilize incentives in order to achieve its economic development goals. One or more incentives may be utilized, depending on the application. These include, but are not necessarily limited to, the following:

- **Loans/Grants:** Provide capital to existing and new businesses for projects related to new growth and expansion, providing job training, assisting with business relocation expenses, and other types of assistance which further the community's economic development goals.
- **Infrastructure:** Provide infrastructure improvements related to needs of businesses or to assist in making property useable and available for businesses or other designated economic development activities (i.e. infrastructure for industrial property, etc.)

- **Property Tax Abatement:** The City may utilize property tax abatements to spur investments.
- **Tax Increment Financing:** The City may judiciously utilize Tax Increment Financing (TIF) for the purpose of encouraging projects with an emphasis on redevelopment activities. The City has a separate policy regarding tax increment financing.
- **Transportation Development Districts:** The City may utilize transportation development districts to encourage quality transportation-related infrastructure. The City has a separate policy regarding transportation development districts.

## 1-2105 APPLICATION PROCEDURES

1. Applicant picks up a blank Application form at City Hall (City Manager's Office) or the Application is downloaded from the Internet. Applicant's business/project must be located in the City of Lawrence or near the City of Lawrence such that there will be direct economic benefit to the City.
2. An Application must include a project plan that:
  - (A) summarizes the project,
  - (B) demonstrates the financial and professional capability to complete the project,
  - (C) proposes a timeline for project completion, and
  - (D) provides a summary of project benefits to and assistance requested from the City.
3. When the Application (with an attached Project Plan) is completed, it will be submitted to City Hall (City Manager's Office) along with any application fees that may be required for the particular incentive sought. Applicant may seek technical assistance in ensuring the application is complete from City Staff, the Chamber of Commerce, the Small Business Development Center, or others.
4. City Staff will facilitate the review of all applications before they are considered by the City Commission. In preparing such review, City Staff will utilize the City's resources or other professional assistance as deemed appropriate by the City Manager.

In cases in which sensitive financial information needs to be shared to evaluate an application, the City will utilize a third party to review such information and write a report that summarizes any major concerns with the ability of the applicant to complete the project. The third party will also make recommendations regarding appropriate provisions the City may consider to secure its investment.

The application review will be summarized in writing and presented no later than the time the application is presented to the City Commission. This review may include but not be limited to the following:

- (A) Verification that the applicant is eligible for the incentive sought under the Kansas Constitution, City or County ordinances or any other applicable laws,
- (B) Phone calls to listed references for banking, other financing, major suppliers, and major customers,
- (C) Oral verification of major indebtedness with lender/mortgage holders,
- (D) Review of financial documents for reasonableness,
- (E) cursory reconciliation of future year cash flow projections with current cash status, requested monies, etc.,
- (F) Correlation with other requests from the City (subsidized land costs, property tax abatements, City industrial revenue bonds, utility improvements),
- (G) Adequacy of performance provisions,
- (H) Any significant positive or negative aspects of the application, and
- (I) Benefit/cost analysis (as prepared by City staff).

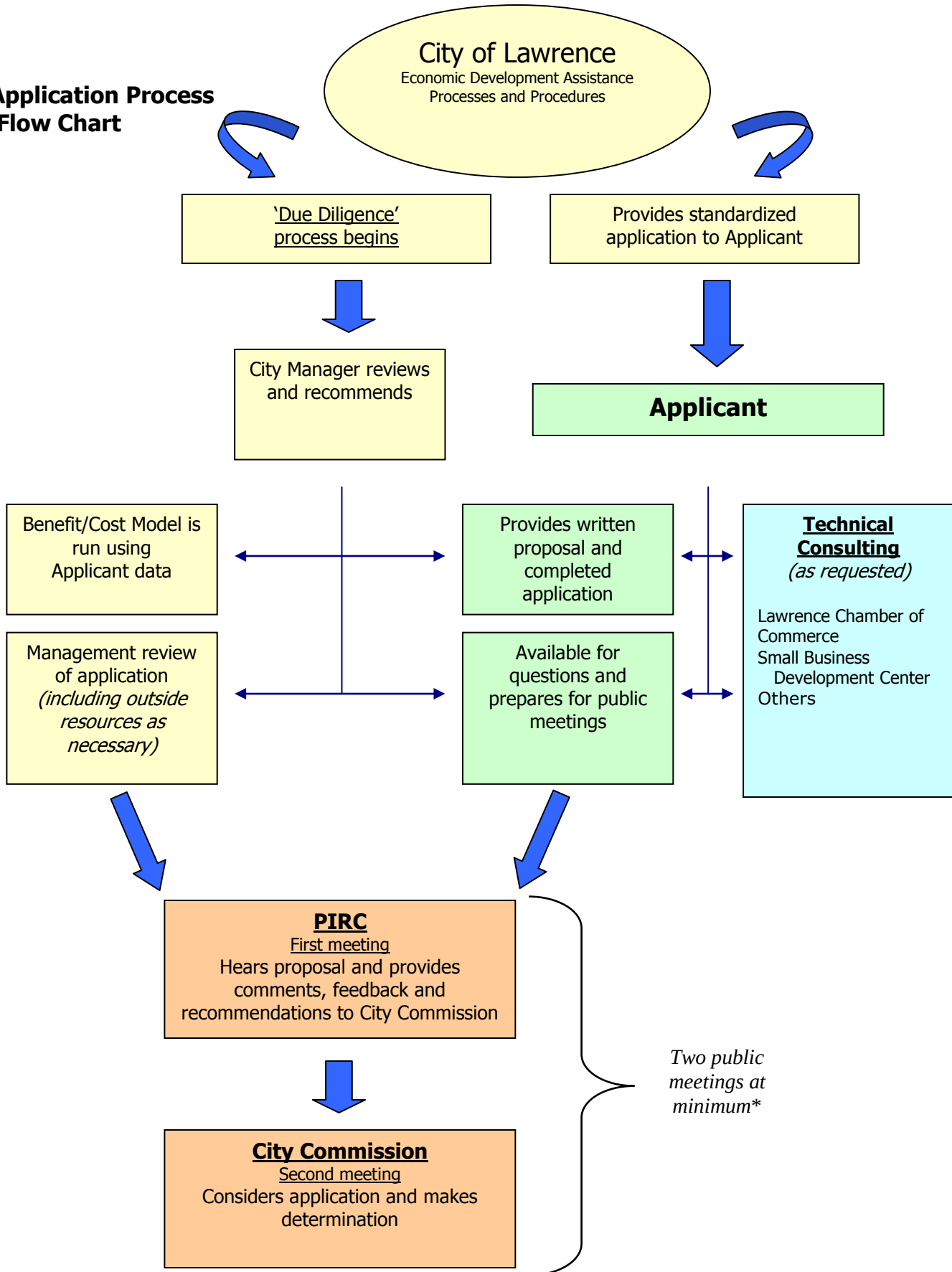
Results of this review will be shared with the applicant as soon as possible to ensure accuracy of the application before its official presentation to the City Commission. This review will not be construed as a "screening" procedure. Each applicant has the privilege to present its application intact and unchanged to the City Commission.

5. The City Manager will provide the information concerning the Application to the members of the City Commission for study. Copies will also be provided to professional staff.
6. The City Manager will determine when the Application will be considered for public hearings with a Review Committee (as established in Section 1-2108, below) and the City Commission.
7. Upon completion of management review, the Review Committee shall conduct a public meeting to hear the proposal from the applicant, receive comments from the public, and seek additional information as necessary. Comments, recommendations, and additional information from the applicant shall be forwarded to the City Commission for consideration along with the original application.
8. The City Commission will then consider the application during a public meeting. At this meeting, the Commission may consider the application and make a

determination. Additional City Commission meetings may be necessary. The City Commission retains the prerogative of rejecting any Application.

9. If the City Commission has approved an Application, it is then turned over to the City Manager for implementation and administration.

## Application Process Flow Chart



\* Additional City Commission meetings may be necessary

## **1-2106 BENEFIT/COST MODEL**

The City, in determining whether certain incentives should be granted; shall conduct a benefit/cost analysis which will consider various factors including, but not limited to, the following:

- the increase in appraised valuation of the property,
- the sales and income tax revenue which may result,
- the number of new jobs, the earnings and the benefits that will be provided;
- additional jobs created through secondary or “multiplier” effects, as well as the associated tax revenues from these jobs and residents,
- the capital expenditures that local government will need to make to expand public services, for example parks and police stations, to both the company and new residents,
- the operating expenditures that local government will need to make on a regular basis for public services, for example fire protection and street maintenance, to both the company and new residents,
- the expenditures by the local school district to provide the facilities and to educate the students of the new residents associated with the company,
- any expenditures by the State of Kansas, such as per-student funding in local school systems, created by the firm and new residents, and
- other public expenditures associated with attracting the new company.

In addition to the results of the cost-benefit analysis, the following factors may also be considered:

- the degree to which the business improves the diversification of the economy,
- the kinds of jobs created in relation to the types of skills available from the local labor market,
- the degree to which the ultimate market for the business products and services is outside the community, recognizing that outside markets bring “new money” to the local economy,
- the potential of the business for future expansion and additional job creation,
- the beneficial impacts the business may have by creating other new jobs and businesses, including the utilization of local products or other materials and substances in manufacturing and creation of niche businesses, such as those in the bioscience area,
- the benefits and impacts the firm has on environmental quality both to the region or, through its products, nationally, as well as any efforts the firm makes to promote sustainability or mitigate environmental harm, and

- the beneficial economic impact the business will have on a particular area of the City, including designated enterprise zones and areas of needed revitalization or redevelopment, and
- the compatibility of the location of the business with land use and development plans of the City and the availability of existing infrastructure facilities and essential public services.

## **1-2107 PERFORMANCE PROVISIONS**

Each company that receives an incentive from the City will be held accountable to certain performance provisions. These provisions will be included in a performance agreement between the company receiving the incentive and the City. Each performance agreement shall contain annual targets for capital investment, job creation and wage structure. The average of these three targets will be used to create an overall annual percentage of compliance for that year. These annual targets will then determine the amount of annual incentives that the company will receive for that year. Substantial compliance and incentives received will be determined by the following chart:

| % compliance with annual target | Amount of incentive to be received |
|---------------------------------|------------------------------------|
| 90-100%                         | 100%                               |
| 80-89%                          | 85%                                |
| 70-79%                          | 75%                                |
| Below 70%                       | No incentive                       |

Depending upon the funding mechanism utilized and the application, additional performance criteria may be utilized and included in the compliance calculation.

Substantial compliance will be evaluated annually. Failure to fully meet compliance requirements in any one year will result in a reduction in incentives only for the following year. In addition, any firm that does not provide the information required in its annual report may be subject to incentive reductions for the current year.

City Staff shall notify the firm of any adverse finding prior to an incentive reduction being taken. The firm shall have the privilege of appealing an adverse finding to the City Commission as set forth in Section 1-2109 below. The City Commission may override an incentive reduction determination for that year with a majority vote.

Regardless of the funding mechanism used, the City should be mindful to secure its assets and ensure satisfactory performance by the Applicant. A number of tools can be utilized by the City, and be included in the performance agreement, in order to accomplish this.

## **1-2108 PUBLIC INCENTIVES REVIEW COMMITTEE**

The Public Incentives Review Committee (PIRC) has been established to review and comment about City incentives under this policy. Additionally, the committee is charged with annual review and monitoring of compliance for all cashlike incentives issued under this ordinance. The purpose of the Public Incentives Review Committee is to:

- Ensure that the public, the County, and the School District have an opportunity to participate in the application and review procedures for public incentives,
- Receive and review requests for all incentives requested by applicants,
- Gather and review such additional information as may be deemed necessary to determine if the company meets the target objectives set forth in this policy,
- Make recommendations on the application for consideration by the City Commission, especially as related to the factors listed in Section 1-2106 that are in addition to the benefit-cost model,
- Review the City's yearly incentive report and compliance with performance agreements, and
- Review other economic development related matters upon the request of the City Commission.

The Public Incentives Review Committee shall be composed of:

1. the Mayor, or the Mayor's designee, who shall serve as chair,
2. another member of the City Commission appointed by the Mayor with the consent of the City Commission,
3. a member of the Douglas County Commission, as appointed by the County Commission,
4. a member of the Lawrence Public Schools U.S.D. 497 School Board or a School Board representative, appointed by the School Board,
5. a professional financial analyst appointed by the Mayor and City Commission for a three year term,
6. the Chair of the Lawrence/Douglas County Economic Development Board,
7. a resident of Lawrence appointed for a three year term by the Mayor and the City Commission, from a list of not less than three people chosen by the Sustainability Advisory Board (SAB), and
8. a resident of Lawrence appointed for a three year term by the Mayor and the City Commission.

City, County, and School District staff shall provide technical and policy advice to the Committee. The Committee shall meet on call of the Mayor.

Public Incentives Review Committee records, including applications for tax exemptions, may be withheld from public disclosure under the Kansas Open Records Act as provided for under subsections (20) and (31) and other subsections of K.S.A. 45-221, but shall be

available for public inspection when otherwise required by law. The Committee is authorized to issue administrative letters of finding which shall not be binding on the City Commission, and may be superseded by any action by the City Commission.

## **1-2109 ACCOUNTABILITY**

Annually, City Staff will be responsible for reviewing the performance of each recipient of funds for the previous year. The purpose of this review is to check for compliance with the performance agreement and to gather information regarding cumulative job creation, wage structure, and other such information necessary to gauge the performance of the company. The accountability review may include a site visit.

The fund recipient will be required to certify, to the City, compliance with the performance agreement's wage, capital, and job requirements for the preceding year. For the purposes of a property tax abatement, this compliance report shall include information showing how the wage floor, average wages, and health insurance requirements as set forth in Section 1-2112 (2.), (3.), and (4.) have been met. Such certification will be signed and returned to the City by March 1 of the current year. The accountability period will last only as long as required to meet the performance obligations outlined in the performance agreement.

Utilizing the information gathered, City staff will compile an incentives report, showing statistics and other information relative to each recipient of funds, as well as the overall performance of each fund. The report will be provided to the Public Incentives Review Committee by April 1. If either City staff or the Public Incentive Review Committee finds that substantial compliance has not been met by a firm, as calculated in the respective performance agreements, the firm shall be notified of such finding before presenting the incentives report to the City Commission.

The incentives report along with comments and recommendations from the Public Incentives Review Committee shall be submitted by City staff to the City Commission no later than May 1. This submission shall note any firms that wish to appeal a finding of non-compliance. Firms must provide a written request for appeal of such findings to the City no later than May 15 to ensure that any appeals for the current year are addressed in a timely manner. Written requests to appeal a finding must:

1. address the specific targets the firm is not meeting,
2. include reasons for non-compliance with these particular performance targets, and
3. discuss whether the firm believes that substantial compliance can be met in the following year.

## **INDUSTRIAL REVENUE BONDS**

## 1-2110 PURPOSE

Industrial Revenue Bonds (IRBs) are an incentive established by the State of Kansas to enhance economic development and improve the quality of life. The City may from time to time grant IRBs when the project under consideration helps further the economic and community development objectives as set forth in this Ordinance and Horizon 2020.

## 1-2111 CRITERIA

The City favors issuing Industrial Revenue Bonds to projects that bring in new revenues from outside the community or enhance the local quality of life over projects that will primarily compete against other local firms. Additionally, a project must meet the following criteria in order to qualify for IRBs:

1. Only those projects which qualify under Kansas law will be eligible for IRB financing. The City shall look more favorably upon projects that support the targeted industries listed in Section 1-2103, above.
2. The proposed project shall achieve one or more of the following public benefits:
  - (A) meet the economic development goals of the City as set forth in this policy and the Comprehensive Plan of Lawrence and Douglas County;
  - (B) enhance Downtown Lawrence;
  - (C) promote infill through the development of vacant lots, the rehabilitation of deteriorated properties or the adaptive reuse of historic properties;
  - (D) incorporate environmentally sustainable elements into the design and operation of the facility; or
  - (E) provide other public benefits to the community, particularly as set forth in the Comprehensive Plan of Lawrence and Douglas County.
  - ~~(E)-(F)~~ The proposed project results in a combined positive cost-benefit ratio of 1:1.25 or greater over a 15 year period, as determined by the City adopted cost-benefit model.

For Projects unrelated to primary job creation or affordable housing, the applicant shall submit a "but for" analysis to the City demonstrating the need for the IRB and the purpose for which the IRB revenue will be used. The analysis should support that "but for" the IRB, 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.

3. The prospective tenant shall show the financial capacity to complete the proposed project and successfully market the bonds.

## 1-2112 SPECIAL CONSIDERATION FOR HOUSING AND RETAIL PROJECTS

Except as indicated below, Industrial Revenue Bonds shall not be granted for projects that are principally for retail or residential use.

1. Projects requesting IRBs that are primarily retail in nature shall only be considered if the applicant demonstrates that the project is exceptional and unique, and is likely to add to the retail base by attracting new retail sales or capturing sales that are leaking to other markets.

2.

Projects having four (4) or more residential units seeking an IRB 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>Affordable Housing Parameters</u> |                                                                |                                                                                               |                                                                                  |
|--------------------------------------|----------------------------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| <u># Residential Units</u>           | <u>% of Residential Units Set Aside for Affordable Housing</u> | <u>Income Parameters</u>                                                                      | <u>Rent Parameters</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>                                       |                                                                                               |                                                                                  |

~~Projects requesting IRBs that are primarily residential in nature shall only be considered if the project is a multi-family or senior living project and fits the criteria herein described.~~

2. ~~Infill development or redevelopment is preferred or mMixed-use projects, or Downtown development are more desirable, as are projects in the Downtown area, and viewed more favorably. Multi-family or senior living projects that contain no non-residential uses and are requesting IRBs must have at least 35% of all housing units set aside for households making 80% of the Area Median Income or less. Infill housing~~

~~projects shall be looked upon more favorably if they are mixed use, located in Downtown, or both.~~

## 1-2113 PROCEDURES

1. **Formal Application.** An applicant may pick up a formal application either at City Hall in the City Manager's Office, or online. The applicant shall complete the application and file it with the City Manager. An application fee of \$1,000 is due upon filing in order to help defray the City's cost in processing the application. Such fee shall be collected regardless of the City Commission's action on the application or if the bond issue closes.
2. **Preliminary Review.** City staff will provide an initial review of the application to ensure that it meets the requirements in City policy.
3. **Coordination with Bond Counsel:** City staff will coordinate with the applicant and bond counsel a schedule for the issuance of the bonds which meets the needs of all parties involved. During the process, bond counsel will assist with the preparation of other documents needed for filing through the State of Kansas.

Applicants are encouraged to utilize the City's bond counsel. In the event that the applicant selects other bond counsel, the City may require its bond counsel to be involved in the transaction in a review capacity, depending upon the amount of the transaction and the project involved.

4. **Public Notification:** At least seven (7) days prior to consideration, the City shall prepare a Notice of Public Hearing to be published in the official City newspaper, giving notice of hearing on the IRB request, and indicating the purpose, time and place thereof.
5. **Resolution of Intent and Ordinance Provisions:** The City Commission shall conduct a public hearing and consider a Resolution of Intent followed by two readings of an ordinance authorizing the issuance of the bonds.
6. **Documents:** All documents related to Industrial Revenue Bonds will be kept on file with the City Clerk.

## 1-2114 SALES TAX EXEMPTIONS

Labor and materials used in construction as well as equipment purchased with IRB proceeds are generally exempted from State and local sales tax. ~~Payments in lieu of sales tax may be made as negotiated between the City and the Applicant.~~

## 1-2115 INDUSTRIAL REVENUE BONDS AND TAX ABATEMENTS

Applicants that request tax abatements in conjunction with IRBs must follow the policies and procedures set forth in the City's Tax Abatement Policy in addition to the procedures for IRBs as provided above.

#### **1-2116 ORIGINATION AND ADDITIONAL-OTHER FEES**

At the time the IRBs are issued, Each the applicant who receives an issuance of Industrial Revenue Bonds shall pay all fees associated with the issuance of the Industrial Revenue Bonds-IRBs, including the City's origination fee.

The applicant shall pay the City an origination fee of 0.0010 of the par amount of bonds being issued on behalf of a for-profit company, unless the project will create primary jobs or add affordable housing to the community. If the project is anticipated to create primary jobs or add affordable housing to the community, the City will not charge an origination fee.

For IRBs issued on behalf of not-for-profit organizations, the City will not charge an origination fee.

#### **1-2117 AUTHORITY TO ISSUE INDUSTRIAL REVENUE BONDS**

The authority to approve the issuances of IRBs shall be ~~the responsibility-discretionary by of the~~ City and shall be the sole responsibility of the City Commission. The Commission's decision for approval or disapproval will be based on the analysis made by the City staff and the recommendations the staff provides to the City Commission from its review of all pertinent data relating to a particular request for bonds.

#### **1-2118 REPEAL OF PREVIOUS RESOLUTION**

Resolution 5239, approved May 4<sup>th</sup>, 1989 to govern the issuance and use of Industrial Revenue Bonds by the City, is hereby repealed.

### **PROPERTY TAX ABATEMENTS**

#### **1-2119 PURPOSE FOR PROPERTY TAX ABATEMENTS**

In order to help meet its economic development objectives, the City may from time to time grant tax abatements to firms that meet State Constitutional requirements or have received an Industrial Revenue Bond, and are within the City's targeted industries. It shall be the policy of the City to grant up to a 50% "Baseline" abatement for firms that meet the investment and employment criteria outlined in Sections 1-2112, 1-2113 and 1-

2114. Firms may receive an additional abatement if they meet the additional criteria outlined in these same sections.

## **1-2120 DEFINITIONS**

For the purpose of the Property Tax Abatement section of the Ordinance, in application to the City of Lawrence, the words or phrases as used shall have the following meaning:

1. "Applicant" shall mean and include the business, property owner or owners, and their officers, employees and agents.
2. "Associated therewith" as used with respect to tangible personal property shall mean being located within, upon, or adjacent to buildings or added improvements to buildings.
3. "Commenced operations" shall mean the start of the business activity housed in the building for which a tax exemption is requested.
4. "Economic development purposes" shall mean the expansion or the establishment of a new business enterprise which:
  - (A) is or proposes to be located or principally based in Kansas; and
  - (B) can provide demonstrable evidence that:
    - i) it is or will be primarily engaged in any one or more of the Kansas basic industries,
    - ii) it is or will be primarily engaged in the development or production of goods or the provision of services for out-of-state sale, or
    - iii) it is or will be primarily engaged in the production of raw materials, ingredients or components for other enterprises which export the majority of their products,
    - iv) it is a national or regional enterprise which is primarily engaged in interstate commerce,
    - v) it is or will be primarily engaged in the production of goods or the provision of services which will supplant goods or services which would be imported into the city, or
    - vi) it is the corporate or regional headquarters of a multistate enterprise which is primarily engaged in out-of-state industrial activities that take place outside of Lawrence.
5. "Kansas basic industry" shall mean:

- (A) agriculture,
  - (B) mining,
  - (C) manufacturing,
  - (D) interstate transportation,
  - (E) wholesale trade which is primarily engaged in multistate activity or which has a major import supplanting effect within the state,
  - (F) financial services which are primarily engaged in providing such services for interstate or international transactions,
  - (G) business services which are primarily engaged in providing such services to out-of-town markets,
  - (H) research and development of new products, processes or technologies, or
  - (I) tourism activities which are primarily engaged in for the purpose of attracting out-of-state tourists.
6. As used in these subsections, "primarily engaged" means engagement in an activity by an enterprise to the extent that not less than fifty-one percent (51%) of the gross income of the enterprise is derived from such engagement.
  7. "Expansion" shall mean the enlargement of a building or buildings, construction of a new building, the addition of tangible personal property, or any combination thereof, which is new to the tax rolls and increases the employment capacity of a business eligible for a tax exemption.
  8. "Tangible personal property" shall mean machinery and equipment which is new to the tax rolls and used during the term of the tax exemption which may be granted.

## **1-2121 REQUIREMENTS FOR CONSIDERATION OF A TAX ABATEMENT**

The City shall only grant a tax abatement to a business which meets the legal requirements for a tax abatement and which indicates in their application that they will fully comply with the following requirements:

1. the business is environmentally sound.
2. the business pays all employees in the abated project an average wage per employment category that meets or exceeds the average in the community as determined annually by the Kansas Department of Human Resources Wage Survey.

3. the business pays all covered employees a wage, at or above, an amount which is equal to one hundred thirty percent (130%) of the federal poverty threshold for a family of three (3), as established by the United States Department of Health and Human Services, as further set forth in Section 1-2113 of this ordinance.
4. the business provides one of the following:
  - (A) the availability of covered employees to obtain an employer-sponsored health insurance policy, pursuant to employer guidelines, in which case the employer provides a minimum of seventy percent (70%) of the cost of such policy, or
  - (B) as an alternative to offering an employer-sponsored health insurance policy, the employer shall pay the covered employee a wage which is at least \$1.50 per hour above the amount required in (3.) above.
5. the proposed project and tax abatement results in a combined positive cost:benefit ratio of 1:1.25 or greater over a 15 year period as determined by the City adopted benefit-cost model.

#### **1-2122 WAGE FLOOR AND HEALTH INSURANCE REQUIREMENTS**

The requirements of Section 1-2112, subsections (3.) and (4.), may be referred to as the wage floor and health insurance requirements of this policy. The wage floor requirements shall be annually adjusted pursuant to the release of statistical information from the federal government, and the City shall notify in writing the businesses receiving a tax abatement, which are affected by the wage floor requirements. For 2009, the wage floor is \$11.43 per hour. These requirements shall apply to all employees of a business receiving a tax abatement at the specific real estate receiving the tax abatement, with the exception of a business that has Lawrence operations prior to the granting of a tax abatement in which case the wage floor and health insurance requirements shall apply to all employees in the abated project.

The wage floor and health insurance requirements for tax abatements shall not apply to the following employees:

1. employees employed in a bona fide or certified job training program for no more than 60 calendar days (once per employee),
2. temporary employees working fewer than 100 hours per calendar year, or
3. employees with the status of student seasonal workers hired for not to exceed ninety calendar days, or
4. employees of not-for-profit organizations.

Covered employees would not include subcontractors whose work is only incidental to plant operations. Suppliers, raw goods/material suppliers, landscape companies, construction contractors, delivery employees shall not be covered employees.

The wage floor and health insurance requirements shall not apply to employees covered by a collective bargaining agreement that provides a wage higher than the requirements of this ordinance.

In order to ensure compliances with the health and wage floor requirements, firms shall maintain payroll records for covered employees and shall preserve them for a period of two (2) years. The records shall contain:

1. the name and address of each covered employee,
2. the job title and classification,
3. the number of hours worked each day,
4. the gross wages earned and deductions made,
5. records of health insurance payments made by the employee and employer, and
6. additional information necessary to establish that an employee is exempt from the wage floor and health insurance requirements established in this section.

A copy of these records shall be provided to a third-party auditor to review and determine compliance with the requirements of this ordinance. Members of the Public Incentive Review Committee, City staff selected by the City Manager, or the City Commission may review these records in the custody of the third-party auditor but may not do anything to remove or destroy their confidential nature.

### **1-2123 AMOUNT OF TAX EXEMPTION**

It shall be the policy of the City to approve a tax abatement for the real property portion of a project if the project meets the requirements set forth in Sections 1-2112, 1-2113 and 1-2114 of this ordinance. In determining the actual amount of tax abatement to be granted to Kansas basic industries that meet the Economic Development Objectives of Section 1-2102 of this Ordinance, the City shall use as a guideline the following basic schedule:

1. up to fifty percent (50%) property tax abatement for ten years on investments greater than \$7 million in adjusted 2009 dollars and a minimum of 30 new jobs that meet the wage requirements as outlined in Section 1-2112 (3. to 5.), or
2. if the firm has been on the Douglas County property tax rolls for more than 3 years, up to fifty percent (50%) property tax abatement for ten years on investments greater than \$5 million in adjusted 2008 dollars and a minimum of 20 new jobs that meet the requirements outlined in Section 1-2112 (3. to 5.),

3. investments that meet one or more of the following criteria, may receive a property tax abatement that exceeds fifty percent (50%):
- (A) a company that has been on the Douglas County property tax rolls for at least three (3) years may receive up to an additional ten percent (10%) tax abatement,
  - (B) capital investments that exceed \$10 million dollars in adjusted 2009 dollars may receive up to an additional five percent (5%) abatement,
  - (C) projects constructed in compliance with Leadership in Energy and Environmental Design (LEED) criteria may receive up to an additional five percent (5%) abatement for "Certified" or "Silver" certification, and ten percent (10%) for "Gold" or "Platinum" certification,
  - (D) unique site constraints or construction requirements that make development more difficult and costly may receive up to an additional five percent (5%) abatement,
  - (E) a project that is seen as a catalyst for future projects in an economic development area of focus for the community, such as the biosciences, may receive up to an additional five percent (5%) abatement,
  - (F) a project that is located in a targeted development location as defined by the City Commission, or a site that already has infrastructure in place such as an existing business park, may receive up to an additional five percent (5%) abatement, or
  - (G) a project that is seen as providing exceptional wages given current market conditions, industry norms in Douglas County and other relevant business factors, may receive up to an additional ten percent (10%) abatement.

These criteria are additive. For example, a local firm that invested \$15 million in real property and received LEED gold certification on the new facility, may qualify for a property tax abatement of up to 75%. This abatement would include the 50% "Baseline" abatement, plus a 10% adjustment for being a local firm, plus a 5% adjustment for a capital investment exceeding \$10 million, plus a 10% adjustment for a LEED gold certification.

4. the governing body may vary the amount, maximum, and duration of the abatement provided the net abatement to a business shall not reduce the net tax revenues as would be received pursuant to the above schedules to the local taxing units over ten (10) years.

The abatement term for projects considered under authority of Section 13 of Article 11 of the Kansas Constitution shall begin in the calendar year after the calendar year in which the business commences its operations. The abatement term for Industrial Revenue

Bond (IRB) projects considered under authority of K.S.A. 12-1740 et seq. and K.S.A. 79-201a shall begin in the calendar year after the calendar year in which the bonds are issued.

#### **1-2124 APPLICATION AND RENEWAL FEES**

Any business requesting a tax abatement pursuant to this ordinance shall pay to the City an application fee of \$500.00 which shall be submitted at the same time the application form required in Section 1-2105 is submitted. In addition, any business which has been granted a tax abatement shall pay an annual renewal fee in the amount of \$200.00. In addition to the application and renewal fees, the business seeking a tax abatement shall be responsible for any City costs associated with the retention of bond counsel, attorney costs, or auditing costs associated with abatement approval and review, auditing or industrial revenue bond issuance.

#### **1-2125 LETTERS OF INTENT**

For IRBs, the City Commission may issue a letter of intent, setting forth in general terms its proposed plans for granting a tax abatement and any conditions thereto. Such letters of intent shall be issued only as an expression of good faith intent and shall not in any way bind the City Commission to the granting of an abatement. Such letters of intent shall expire six months after issuance, but may be renewed. A public hearing shall not be required prior to the issuance of letters of intent. No elected or appointed officer, employee or committee of the City, Chamber employee, or other public or private body or individual, shall be authorized to speak for and commit the City Commission to the granting of a tax abatement. Letters of intent issued by the City Commission shall supersede any letters issued by the Public Incentives Review Committee.

#### **1-2126 MINIMUM PAYMENT IN LIEU OF TAXES**

Any applicant receiving a tax abatement pursuant to this ordinance shall be required to make a minimum payment in lieu of taxes. The minimum payment shall equal the amount of property tax paid or was payable for the most recent year prior to the acquisition of the property by the new business or the construction of new buildings or added improvements to buildings. The purpose of requiring a minimum payment in lieu of taxes is to provide the City, the County, the School District and any other taxing jurisdictions affected by the abatement with as much tax revenue from the exempted property as was received prior to the abatement.

#### **1-2127 LEGAL AUTHORITY**

The governing bodies of Kansas counties and cities may exempt certain property used by Kansas basic industry for economic development purposes from taxes for a maximum of ten (10) years, in accordance with the provisions of Section 13 of Article 11 of the Kansas Constitution and the provisions of K.S.A 12-1740 et seq. and K.S.A 79-201a, subject to such limitations or prohibitions as may be enacted by the legislature. This authority is discretionary with the City, and the City may provide for tax abatements in

an amount and for purposes more restrictive than that authorized by the Constitution or any such legislation. Pursuant to its home rule and statutory powers, the City may:

- require the owners of any property for which an abatement is requested to provide certain information,
- condition the granting of an abatement to an agreement providing for the payment of in lieu charges or taxes, and
- require the payment of initial application and annual renewal fees reasonably necessary to cover the costs of administration.

### **1-2128 JURISDICTION**

The City shall grant tax abatements only as to property located within the City. The City will advise Douglas County and appropriate school districts on all applications. The City encourages the Board of County Commissioners to advise the City as to applications outside the City and within the three-mile area.

### **1-2129 NOMINAL TAX DETERMINATION**

All tangible property of a business receiving a tax abatement under this ordinance shall be annually assessed by the County Appraiser in the same manner as if it were not exempt, but the amount exempted shall not be placed on the assessment rolls. The amount of the property taxes which would be payable shall also be determined annually by the County Clerk and Treasurer, in the same manner as if the property were not exempt. Separate assessment and tax calculations shall be made for the land and the improvements thereon.

The County Clerk and Treasurer are requested to provide the City with this information as early as possible, but not later than November 15 of each year.

### **1-2130 SPECIAL ASSESSMENTS**

Any tax abatement granted for real property under this ordinance shall not affect the liability of such property for any special assessments levied or to be levied against such property.

### **1-2131 PIRATING**

It is the intent of the City, the County and the Chamber to avoid participation in "bidding wars" between Kansas cities or areas competing for the relocation of an existing Kansas business through attempts to offer the largest tax incentive or other public inducement, which is detrimental to the state's economy and the public interest. It is the policy of the City to discourage applications for tax abatements, or to grant tax abatements which deliberately encourage and cause the pirating of business from another Kansas community to this community. This policy does not preclude the providing of information to companies that inquire about Lawrence or are seeking an expansion rather than a

relocation. It also does not preclude the granting of a tax abatement in those situations-where:

- the company has already made a decision to relocate or expand, or
- the company is seriously considering moving out of state.

#### **1-2132 NO UNFAIR ADVANTAGE**

A tax abatement will not be granted if the abatement would create, in the judgment of the City Commission, an unfair advantage for one business over another Lawrence business that competes for the same consumer market within the city.

#### **1-2133 TRANSFER OF OWNERSHIP OR USE**

No abatement or tax incentive granted by the City shall be transferred as a result of a change in the majority ownership of the business. Any new majority owner shall file a new application for a tax abatement. Further, the City shall be notified by the business of any substantive change in the use of a tax exempt property.

#### **1-2134 DISTRIBUTION OF REVENUE**

The granting of tax abatement by the City Commission is hereby declared to be a contract under the provisions of K.S.A. 12-147. The in lieu of taxes payment which may be required of a business granted a tax abatement under this ordinance shall be paid to the County Treasurer, with notice of the amount and date paid provided to the City. The County Treasurer is directed to apportion the payment to the general fund of all taxing subdivisions, excluding the state, which levies taxes on property where the business is situated. The apportionment shall be based on the relative amount of taxes levied, for any and all purposes, by each of the applicable taxing subdivisions.

#### **1-2135 EXEMPTION ORDINANCE**

The City Clerk shall provide a copy of the ordinance, as published in the official city newspaper, granting an abatement from taxation to the applicant for use in filing an initial request for tax exemption as required by K.S.A. 79-213, and by K.S.A. 79-210 for subsequent years.

#### **1-2136 EXEMPTION FORMS**

A copy of the exemption application required by K.S.A. 79-213 and 79-210, and the statement required by K.S.A. 79-214 for the cessation of an exempt use of property, shall be filed with the City Clerk by the property owner.

#### **1-2137 NO RETROACTIVE APPLICATION**

This ordinance shall only apply to tax abatements approved after the adoption of the ordinance, and shall not apply retroactively to previously approved abatements and projects. Tax abatements granted pursuant to earlier City policies and procedures shall

be governed by the City policy and procedures in effect upon the initial granting of the abatement.

| IRB Program Fees |                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| City             | Application Fees                                                                                                                                                                                                                                                                                                                                                                      | Renewal/Monitoring Fees                                                                                                                                                                                                                                                                                                                                           | Issuance/Origination Fees                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Other Fees                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Lawrence         | \$1000 City application fee                                                                                                                                                                                                                                                                                                                                                           | None, unless a tax abatement is also associated with the IRB. Renewal application fee is \$200/year for tax abatements.                                                                                                                                                                                                                                           | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Applicant is responsible for bond counsel and other legal and professional fees associated with bond issuance.                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Lenexa           | \$2000 application fee                                                                                                                                                                                                                                                                                                                                                                | None specified                                                                                                                                                                                                                                                                                                                                                    | Origination fees are due upon closing of the debt issue and are reduced by the amount of the application fee. Rate varies depending on if the property is commercial, MF, or a tax-exempt organization. Commercial property origination fees are .0025 of par amount for the first \$10M and increase based on debt amount to a maximum of \$100,000 for commercial and MF projects. There is no maximum for tax-exempt organizations.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | \$8,000 retainer fee (retainer required only if applicant is requesting a tax abatement) to be applied to the professional fees incurred on behalf of the City in processing the tax abatement request. Applicant must pay for or reimburse City for costs of legal, financial and administrative work performed in connection with bond issue, throughout life of bond. Origination fee on bond issue, to be reduced by the amount of the application fee.                                                                          |
| Manhattan        | \$1000 application fee                                                                                                                                                                                                                                                                                                                                                                | None specified                                                                                                                                                                                                                                                                                                                                                    | Payments-in-lieu of sales tax may be made as negotiated between the city and the applicant.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Applicant is responsible for paying all expenses incurred by the City for professional services pertaining to the project regardless of whether or not the project is approved or a closing on the sale of the contemplated bonds takes place.                                                                                                                                                                                                                                                                                       |
| Olathe           | \$2000 application fee for existing business; \$4000 application fee for new business; all applications for master resolutions of intent where the requested amount of bonds exceeds \$10M shall be charged an additional application fee of \$4000. City can elect to waive any or all City fees in the event the project is deemed to be a targeted industry or in a targeted area. | None specified                                                                                                                                                                                                                                                                                                                                                    | For projects not requesting a real property tax abatement, the City shall receive an issuance fee of .0010 of the par amount of bonds being issued on behalf of a for-profit company. In no event shall the the issuance fee be less than \$2000. For nonprofit organizations, the City will not charge an issuance fee for bonds issued. The City will not charge an issuance fee for any amount of any bond issue that refunds a prior bond issue for a tax-exempt, nonprofit organization. For projects requesting a real property tax abatement which are not warehouse, distribution or logistics type development project, the City shall receive an issuance fee of .0025 of the first \$40M par amount of bonds being issued or the amount of constitutional tax abatement being requested. For warehouse, distribution or logistics-type development projects, the City shall receive an issuance fee of .0030 of the par amount of bonds being issued or the amount of constitutional tax abatement being requested. In no instance will the issuance fee be less than \$2500. | Applicant shall reimburse City for all costs associated with the cost-benefit analysis, all legal publication notices, application fees to the Board of Tax Appeals, the City's bond counsel fees and all other miscellaneous costs, including, but not limited to, the City's reasonable costs to process any modifications to existing bond-financed projects (e.g. subordinations and assignments).                                                                                                                               |
| Overland Park**  | \$250 Application                                                                                                                                                                                                                                                                                                                                                                     | None specified within IRB resolution 2765                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Applicant is responsible for cost of cost-benefit analysis report. For Revenue Bond issuance, \$1,500 per million dollars of issue or \$1,500, whichever is greater for first year issue. \$1,500 per year for the remaining years of the repayment period to cover administration and other City costs. Applicant is responsible for all costs of legal, financial or administrative research or work done in reviewing the proposal.                                                                                               |
| Shawnee          | \$1500 application fee                                                                                                                                                                                                                                                                                                                                                                | Additional Fee Payable at closing and on the first and 2nd anniversaries of Issuance Date: \$5000 on each of the three dates. Additional Annual Fee Payable on the first Anniversary Date and Each Anniversary Date thereafter for the Life of the Issue: 0.04% of the bond principal on first \$20M; 0.01% of the bond principal outstanding in excess of \$20M. | 0.20% of the bond principal issued on the first \$20M; 0.10% of the bond principal issued on amounts in excess of \$20M.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Applicant must pay all costs of legal fees due to the city Attorney and Bond Counsel associated with the project and exemption.                                                                                                                                                                                                                                                                                                                                                                                                      |
| Topeka           | None specified                                                                                                                                                                                                                                                                                                                                                                        | None specified                                                                                                                                                                                                                                                                                                                                                    | None specified                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | None specified                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Wichita          | \$660                                                                                                                                                                                                                                                                                                                                                                                 | \$2,500/year + \$1000 redemption                                                                                                                                                                                                                                                                                                                                  | Not specified                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Service Fees: The City of Wichita and Sedgwick County reserve the right to impose on any business receiving tax abatements the payment of services fees through the provisions of the economic development incentive agreements for services provided by the applicable Unified School District and the Sedgwick County Fire District. The amount of service fee shall be based on the tax rate of the applicable USD and/or the Fire District and any service fees thus paid shall be remitted to such School and/or Fire District. |
| WyCo UG          | \$1000 for existing businesses; New business application fee is \$2000                                                                                                                                                                                                                                                                                                                | Monitoring Fee: \$1000 annual compliance review of all projects receiving a tax abatement (either IRB or EDX)                                                                                                                                                                                                                                                     | For projects requesting a tax abatement, applicants shall pay an issuance fee of 0.400 of the first \$10M par amount of bonds being issued or the amount of EDX abatement being requested, plus 0.250 of the par amount in excess of \$10M but less than \$25M; 0.125 of the par amount in excess of \$25M of bonds being issued. Fee is payable at the time bonds are issued.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Applicant shall reimburse the UG for all costs associated with all legal publication notices, application fees to the Court of Tax Appeals, UG's bond counsel fees, and all other miscellaneous costs.                                                                                                                                                                                                                                                                                                                               |

Given an 0.01 origination fee rate, IRBs for a \$10 million project (not creating primary jobs or adding affordable housing to the community) would be subject to the below fees:

#### Origination Fee Calculation

**Origination Fee Rate:** 0.01  
**Amount of IRB Bonds:** \$10,000,000  
**Origination Fee:** \$100,000

| Total IRB Fees ( \$10 million bond issuance) |           |
|----------------------------------------------|-----------|
| Application                                  | \$1,000   |
| Origination                                  | \$100,000 |
|                                              | \$0       |
| Bond Counsel                                 | \$35,000  |
| BOTA                                         | \$500     |
| BOTA                                         | \$,1000   |
| Trustee                                      | \$2,500   |

For-profit company  
Not-for-profit company  
Estimated  
Kansas Board of Tax Appeals Information Statement  
Kansas Board of Tax Appeals Property Tax Exemption (if also requesting a property tax abatement)  
Estimated

In addition to the above, the applicant is responsible for paying all expenses incurred by the City for professional services and publication notices pertaining to the project regardless of whether or not the project is approved or a closing on the sale of the contemplated bonds takes place.

| City            | Issuance/Origination Fee Rates                                     | Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-----------------|--------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Lawrence        | 0.01                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Lenexa          | 0.0025 for 1st \$10M up to \$100,000 max                           | Origination fees are due upon closing of the debt issue and are reduced by the amount of the application fee. Rate varies depending on if the property is commercial, MF, or a tax-exempt organization. Commercial property origination fees are .0025 of par amount for the first \$10M and increase based on debt amount to a maximum of \$100,000 for commercial and MF projects. There is no maximum for tax-exempt organizations.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Manhattan       |                                                                    | Payments-in-lieu of sales tax may be made as negotiated between the city and the applicant.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Olathe          | 0.0010-0.0030 of par amount of bonds being issued                  | For projects not requesting a real property tax abatement, the City shall receive an issuance fee of .0010 of the par amount of bonds being issued on behalf of a for-profit company. In no event shall the the issuance fee be less than \$2000. For nonprofit organizations, the City will not charge an issuance fee for bonds issued. The City will not charge an issuance fee for any amount of any bond issue that refunds a prior bond issue for a tax-exempt, nonprofit organization. For projects requesting a real property tax abatement which are not warehouse, distribution or logistics-type development project, the City shall receive an issuance fee of .0025 of the first \$40M par amount of bonds being issued or the amount of constitutional tax abatement being requested. For warehouse, distribution or logistics-type development projects, the City shall receive an issuance fee of .0030 of the par amount of bonds being issued or the amount of constitutional tax abatement being requested. In no instance will the issuance fee be less than \$2500. |
| Overland Park** |                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Shawnee         | 0.20 up to \$20M, 0.10 for amounts over \$20M                      | 0.20% of the bond principal issued on the first \$20M; 0.10% of the bond principal issued on amounts in excess of \$20M.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Topeka          | None specified                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Wichita         | Not specified                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| WyCo UG         | 0.400 up to \$10M; plus 0.250 over \$10 to \$25M; 0.125 over \$25M | For projects requesting a tax abatement, applicants shall pay an issuance fee of 0.400 of the first \$10M par amount of bonds being issued or the amount of EDX abatement being requested, plus 0.250 of the par amount in excess of \$10M but less than \$25M; 0.125 of the par amount in excess of \$25M of bonds being issued. Fee is payable at the time bonds are issued.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

**RESOLUTION NO. ~~6954XXXX~~**

**A RESOLUTION ESTABLISHING A POLICY OF THE CITY OF LAWRENCE, KANSAS RELATING TO NEIGHBORHOOD REVITALIZATION AREAS.**

**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, quality in-fill development, historic preservation, and the creation of quality jobs; and

**WHEREAS**, neighborhood revitalization areas are an economic development tool established by K.S.A. 12-17,114 et seq. (the "Neighborhood Revitalization Act") which can assist with spurring reinvestment and revitalization of properties which can benefit a neighborhood and the general public; and

**WHEREAS**, the City finds it in the best interest of the public to establish certain policies and guidelines for the consideration of requests to utilize the Neighborhood Revitalization Act ("NRA") within the City of Lawrence.

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

**SECTION ONE:** This policy shall be entitled the Neighborhood Revitalization Act Policy of the City of Lawrence.

**SECTION TWO: POLICY STATEMENT:** It is the policy of the City to consider the establishment of Neighborhood Revitalization areas in order to promote reinvestment and revitalization of properties which in turn have a positive economic effect upon a neighborhood and the City in general. An applicant may request the City consider the establishment of a Neighborhood Revitalization area under the NRA either for a specific property, group of properties or neighborhood area. In considering the establishment of an NRA, the Governing Body shall consider the criteria outlined in Section Three. ~~In determining the amount of a rebate, the Governing Body may balance the desirability of the project versus the amount and duration of the rebate and the requirements set forth in Section Four. It is the policy of the City to only consider the establishment of Neighborhood Revitalization areas which yield a benefit/cost ratio of at least 1.25.~~

### **SECTION THREE: CRITERIA:**

**1. ELIGIBLE AREAS:** Eligible areas may include a defined geographic area which encompasses more than one property, or it may be a single property/lot.

#### **2. STATUTORY FINDINGS AND OTHER CRITERIA:**

A. STATUTORY CRITERIA. It shall be the policy of the City to create a Neighborhood Revitalization area, if, in the opinion of the Governing Body, the rehabilitation, conservation or redevelopment of the area is necessary to protect the public health, safety or welfare of the residents of the City of Lawrence, it is in the best interest of the City to do so, and if, in the opinion of the Governing Body, one of the following findings, set forth in K.S.A. 12-17,115 can be made:

1. An area in which there is a predominance of buildings or improvements which by reason of dilapidation, deterioration, obsolescence, inadequate provision of ventilation, light, air or open spaces, high density of population and overcrowding, the existence of conditions which endanger life or property by fire and other causes or a combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency or crime and which is detrimental to the public health, safety or welfare;
2. an area which by reason of the presence of a substantial number of deteriorated or deteriorating structures, defective or inadequate streets, incompatible land use relationships, faulty lot layout in relation to size, adequacy, accessibility or usefulness, unsanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the actual value of the land, defective or unusual conditions of title, or the existence of conditions which endanger life or property by fire and other causes, or a combination of such factors, substantially impairs or arrests the sound growth of a municipality, retards the provision of housing accommodations or constitutes an economic or social liability and is detrimental to the public health, safety or welfare in its present condition and use; or
3. an area in which there is a predominance of buildings or improvements which by reason of age, history, architecture or significance should be preserved or restored to productive use.

B. OTHER CRITERIA. Additionally, the Governing Body will consider whether a project meets the Policy Statement outlined in Section Two, and the project meets a majority of the following criteria when considering the establishment of a Neighborhood Revitalization area:

1. the opportunity to promote redevelopment activities which enhance Downtown Lawrence;

2. the opportunity to promote redevelopment activities for properties which have been vacant or significantly underutilized;
3. the opportunity to attract unique retail and/or mixed use development which will enhance the economic climate of the City and diversify the economic base;
4. the opportunity to enhance the vitality of a neighborhood within the City as supported by the City's Comprehensive Plan and/or other sector planning documents;
5. the opportunity to enhance the community's sustainability by supporting projects which embrace energy efficiency, multi-modal transportation options, or other elements of sustainable design.

Affordable Housing:

Projects having four (4) or more residential units seeking a NRA 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>Affordable Housing Parameters</u> |                                                                |                                                                                               |                                                                                  |
|--------------------------------------|----------------------------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| <u># Residential Units</u>           | <u>% of Residential Units Set Aside for Affordable Housing</u> | <u>Income Parameters</u>                                                                      | <u>Rent Parameters</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>                                       |                                                                                               |                                                                                  |

5.—

**SECTION FOUR: AMOUNT AND DURATION OF REBATE:**

As a standard practice it is the policy of the City to provide a 50% NRA rebate percentage for no longer than 10 years for projects that meet statutory and other criteria as specified in Section Three. Staff will only analyze requests at the 10 year, 50% rebate level unless directed otherwise by the Governing Body.

The City Commission can choose to consider a larger rebate percentage and longer duration period, if the applicant can sufficiently prove the project will provide exceptional benefit to the City or extraordinary circumstances prevail that are in the best interests of the City. Any additional analysis the City Commission deems necessary to help make the case for expanding the NRA rebate percentage or duration period shall be provided by City selected third-party consultants, with all related expenses paid by the applicant.

~~, the City will not provide a rebate amount in excess of 50% of the incremental property taxes and will not establish an NRA for a period of time longer than 10 years. The City may consider a greater rebate and/or a longer duration if sufficiently justified in the “but for” analysis required by Section Five. The determination of the rebate amount and duration of the NRA is the sole discretion of the Governing Body.~~

#### **SECTION FIVE: PROCESS:**

1. An applicant ~~wishing requesting the to request that the City consideration of a to create a~~ Neighborhood Revitalization Area in the City of Lawrence ~~shall submit a~~ City incentives application and a narrative description of the project explaining its public benefits, the level of assistance requested and why assistance is needed, request to the City.

The applicant shall furnish additional information, as requested by the City, in order to clarify the request or to assist the Governing Body or Staff with the evaluation of the request.

A nonrefundable application shall be due at the time the incentives application is submitted. Fees are based on the amount of project capital investment and should be made payable to the City of Lawrence:

| <b><u>NRA Application Fees</u></b>       |                               |
|------------------------------------------|-------------------------------|
| <b><u>Project Capital Investment</u></b> | <b><u>Application Fee</u></b> |
| <u>\$1,000,000 and Under</u>             | <u>\$1,000</u>                |
| <u>\$1,000,000-\$10,000,000</u>          | <u>\$3,500</u>                |
| <u>Over \$10,000,000</u>                 | <u>\$5,000</u>                |

~~The request shall include information that would be required for a revitalization plan. Such requirements are set forth in K.S.A. 12-17,117. The applicant shall also submit a “but for” analysis to the City demonstrating the need for the NRA and the purpose for which the NRA revenue will be used. The analysis should support that “but for” the NRA, 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.~~

~~The applicant shall furnish such additional information as requested by the City in order to clarify the request or to assist staff or the Governing Body with the evaluation of the request.~~

2. The Governing Body shall receive the request and determine whether to consider ~~the request~~ or deny the request.

If the Governing Body wishes to consider the request, the request shall be referred to the City's Public Incentive Review Committee for review and a recommendation. Unless directed otherwise by the Governing Body, Staff will perform analysis for the project at the 50%, 10-year rebate level.

The Governing Body may also set a date for a public hearing to consider the establishment of a revitalization area and a revitalization plan.

3. The applicant shall submit a "but for" analysis to the City demonstrating the need for the NRA and the purpose for which the NRA revenue will be used. The analysis should support that "but for" the NRA, 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.

4. The applicant shall provide City Staff with information required for a revitalization plan as set forth in K.S.A. 12-17,117.

~~Staff will perform a benefit/cost analysis on the project. The Governing Body may also set a date for a public hearing to consider the establishment of a revitalization area and a revitalization plan.~~

~~3. 5.~~ Douglas County and USD 497 are also important parties related to a NRA request. When an NRA is considered, the City and the applicant will work with Douglas County and USD 497 to seek concurrence from these entities regarding the establishment of an NRA.

~~64.~~ The Governing Body will determine whether one of the findings set forth in Section Three can be made regarding the request. Additionally, the Governing Body shall consider the other criteria outlined in Section Three.

~~7. 5.~~ The Governing Body shall hold a public hearing, after the required statutory notice is provided, and consider adoption of the revitalization plan to establish the revitalization area.

~~86.~~ The City will require a performance agreement with the property owner to require adherence to the adopted Neighborhood Revitalization Plan.

~~9. 7.~~ The merits of the proposal under this policy shall guide the decision on the application without regard to the applicant.

**SECTION SIX: PUBLIC INCENTIVES REVIEW COMMITTEE AND GOVERNING BODY ANNUAL REVIEW OF THIS POLICY:**

~~Annually~~Periodically, the Public Incentives Review Committee and the Governing Body shall review this policy.

**SECTION SEVEN: AUTHORITY OF GOVERNING BODY:** The Governing Body reserves the right to deviate from any policy, but not any procedure set forth in 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 NRA 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 69~~5421~~.** Resolution 69~~5421~~ is hereby repealed.

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

ADOPTED by the Governing Body this \_\_the day of \_\_\_\_\_, 201~~5~~4.

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

ATTEST:

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

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:

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

**RESOLUTION NO. ~~6953XXXX~~**

**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, quality redevelopment and infill projects are highly desired within the City; 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 GOVERNING BODY OF THE CITY OF LAWRENCE,  
KANSAS DOES HEREBY RESOLVE:**

**SECTION ONE: POLICY STATEMENT**

1. It is the policy of the City to consider the establishment of CIDs in order to promote economic development and tourism within the City for redevelopment or infill projects. In considering the establishment of a CID, the Governing Body shall consider the criteria outlined in Section Two.
2. CID revenue shall only be used for redevelopment or infill projects and shall only be used to fund public improvements, with the exception of certain private external building or site improvements which can be shown to benefit the City and are beyond what would normally be required by the City. 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 private external or site improvements, limited to those improvements above and beyond the City's requirements. Examples include enhanced landscaping or exterior building improvements. The City may consider full

financing of cultural amenities and facilities that support culture and tourism, even if they are private improvements.

3. CIDs 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.

## SECTION TWO: **CRITERIA**

It shall be the policy of the City to create a CID, if, in the opinion of the Governing Body:

1. it is in the best interest of the City to do so, and;
2. the CID proposal meets the Policy Statement outlined in Section One, and;
3. the CID proposal would meet a majority of the following:
  - a) Attract unique commercial, office, industrial, and/or mixed use development which will enhance the economic climate of the City and diversify the economic base.
  - b) Encourage retail projects that enhance the retail base by either attracting new sales or capturing sales that are leaking to other markets.
  - c) Create facilities which promote the cultural, historical, or artistic elements of the region and enhance tourism and the quality of life.
  - d) Assist in the building of infrastructure or new real property beyond what the City can require to be built or would otherwise be built.

### Affordable Housing:

Projects having four (4) or more residential units seeking a CID 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.

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| <b><u>Affordable Housing Parameters</u></b> |                                                |                                 |                               |
|---------------------------------------------|------------------------------------------------|---------------------------------|-------------------------------|
| <b><u># Residential</u></b>                 | <b><u>% of Residential Units Set Aside</u></b> | <b><u>Income Parameters</u></b> | <b><u>Rent Parameters</u></b> |

| <u>Units</u>      | <u>for Affordable Housing</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>      |                                                                                               |                                                                                  |

### **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 FOR CONSIDERING ESTABLISHMENT OF A CID**

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, and any other required documents or analysis, such as that required under Section Five. 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 or special assessment 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, and review the applicant's financial submittals.
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.
6. The merits of the proposal under this policy shall guide the decision on the application without regard to the applicant.

**SECTION FIVE: APPLICANT REQUIREMENTS**

1. ~~For projects unrelated to primary job creation or affordable housing, the, t~~The applicant shall provide a "but for" analysis to the City demonstrating the need for the CID and the purpose for which the CID revenue will be used. The analysis should support that "but for" the CID, 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. 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, if applicable.
3. 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.

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.

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"The agreement will outline the obligations of the parties involved, specify performance targets, and contain audit language based on the parameters of the project."

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~~Such agreement will outline the responsibilities of the City and the applicant.~~

4.

#### **SECTION SIX: MAXIMUM CID REVENUE, CID TERM AND PERCENTAGE OF CID SALES TAX**

1. When a CID is established, a cap shall be set on the maximum dollar amount of revenue that can be reimbursed to the project. The maximum amount will relate to the funding gap identified in the "but for" analysis provided by the applicant. Once the maximum amount of revenue is received, the CID sales tax shall cease, regardless of its term.
2. The term and the percentage of the CID sales tax may vary from project to project. However, the term and percentage shall not exceed the revenue necessary as specified in the "but for" analysis.

#### **SECTION SEVEN: SIGNAGE REQUIREMENT FOR CID SALES TAX**

Upon establishment of a CID utilizing sales tax as the source of CID revenue, each business shall have a sign prominently displayed at each public entrance for the duration of time that the CID 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 Community Improvement District Financing. Additional Community Improvement District sales tax of \_\_\_\_% collected here."

#### **SECTION EIGHT: FEES**

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.

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.

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.

For all other projects, the applicant shall pay 0.5% 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 NINE: 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 TEN: REPEAL OF RESOLUTION 6887**

Resolution ~~6887-6953~~ is hereby repealed.

**SECTION ELEVEN: EFFECTIVE DATE**

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

ADOPTED by the Governing Body this \_\_\_\_ day of \_\_\_\_, 201~~6~~<sup>1</sup>.

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

ATTEST:

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

RESOLUTION NO. ~~6789~~XXX

**A RESOLUTION ESTABLISHING A POLICY OF THE CITY OF LAWRENCE, KANSAS RELATING TO TAX INCREMENT FINANCING 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 while revitalizing and redeveloping areas of the City; and

**WHEREAS**, economic development is a joint responsibility of the private and public sectors, working closely together creating a positive business environment and to encourage commercial development and expansion in the City; 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**, to meet these economic development goals, the City recognizes the need to assist in the redevelopment of property located within the City by the creation of redevelopment districts; an economic development tool established by K.S.A. 12-1770 et seq. (the "TIF Act") for the financing of qualified redevelopment projects; and

**WHEREAS**, redevelopment activities, due to complexities of existing infrastructure and development, often require larger financial investments and meet a larger public goal; and

**WHEREAS**, the City finds it in the best interest of the public to establish certain policies and guidelines for the consideration of proposals that may be presented to the City by applicants requesting Tax Increment Financing ("TIF") assistance; and

**WHEREAS**, all projects must demonstrate financial and economic reasons such that they would not otherwise go forward and be viable, but for conditions of blight, extenuating circumstances which exist in the site, location, or other factors related to the proposed development.

**NOW, THEREFORE, THE TAX INCREMENT FINANCING 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 judicious use of TIF for those projects which demonstrate a substantial and significant public benefit by constructing public improvements in support of developments. For the purposes of this policy “a substantial and significant public benefit” may include one or more of the following benefits: creating new jobs and/or retaining existing employment, eliminating blight, strengthening the employment and economic base of the City, increasing property values and tax revenues, reducing poverty, creating economic stability, upgrading older neighborhoods, facilitating economic self sufficiency, promoting projects that are of community wide importance, or implementing the Comprehensive Plan and economic development goals of the City. Projects which encourage redevelopment congruent with City goals, plans and/or policies will be considered more favorably. The City Commission also encourages projects that will be sensitive to the environment and contain elements which promote energy efficiency.

## **SECTION TWO: PROCESS:**

1. An applicant wishing to request the City to create a redevelopment district within the City of Lawrence shall first submit a detailed written proposal to the City Manager. The proposal shall include, but is not limited to: (a) a proposed comprehensive plan that identifies all the proposed redevelopment project areas and that identifies in a general manner all of the buildings and facilities that are proposed to be constructed or improved in each redevelopment project area; (b) description and map of the proposed redevelopment district; (c) description of the proposed boundaries of the redevelopment district; (d) information regarding expected capital expenditure by the applicant; and (e) a proposal for development assistance.

2. The applicant shall furnish such additional information as requested by the City Manager in order to clarify and evaluate the submittal.

3. The Governing Body shall then determine whether it desires to commence the statutory process to create a redevelopment district as set forth in the TIF Act. City staff shall make available to the public in a timely manner information summarizing the TIF Act and the process for evaluating a request to create a redevelopment district. The City’s process for considering the request to create a redevelopment district within the City will emphasize transparency, while balancing the potential need for some applicant information to remain confidential. Further, the City’s process for considering a request to create a redevelopment district shall encourage public participation and comment.

4.. The applicant and City will enter into a redevelopment agreement upon satisfactory approval of the redevelopment project plan. The agreement will

outline the obligations of the parties involved, specify performance targets, and contain audit language based on the parameters of the project.

**SECTION THREE: POLICY GUIDELINES.** The following criteria are to be used by the Governing Body and staff to evaluate TIF Proposals:

1. Each TIF proposal must demonstrate that "but for" the use of TIF, the project would not be completed. Such evaluation may include a review of appropriate market returns for a project that takes into consideration the type of the project, the site and other relevant factors. This evaluation will take place in conjunction with the feasibility study as required by statute.

2. All TIF proposals requesting the issuance of bonds or notes will be required to demonstrate that the incremental taxes and/or the economic activity taxes expected to be generated will be sufficient to provide a debt coverage factor of at least 1.25 times the projected debt service on the tax increment bonds or notes. Debt service coverage greater than 1.25 times may be necessary to market any notes or bonds that are limited to public offerings. At the discretion of the City, applicant or bank purchased bonds may be less than 1.25 times debt service coverage. Alternatively, applicants may provide a guarantee or other credit enhancement to cover any shortfalls in revenue in a manner that is satisfactory to the City.

3. The total amount of TIF assistance provided for projects will be based on the economic payoff expectations of the project and its significance to the community.

4. Each TIF proposal must include evidence in a form acceptable to the City that the applicant has the financial ability to complete and operate the proposed project.

5. Projects that have at least 50% of the total project costs (redevelopment project costs as defined by the TIF Act and costs reasonably related to the project that are not included in the TIF Act's definition of redevelopment project costs) paid by the applicant will be viewed more favorably.

6. The City will require satisfactory assurance that the project will be completed in a timely manner in accordance with the redevelopment project plan and redevelopment agreement.

7. Projects having four (4) or more residential units seeking a TIF 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.

| <b><u>Affordable Housing Parameters</u></b> |                                                                       |                                                                                               |                                                                                  |
|---------------------------------------------|-----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| <b><u># Residential Units</u></b>           | <b><u>% of Residential Units Set Aside for Affordable Housing</u></b> | <b><u>Income Parameters</u></b>                                                               | <b><u>Rent Parameters</u></b>                                                    |
| <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>                                              |                                                                                               |                                                                                  |

~~TIF proposals for residential redevelopment projects may be considered for removal of blight and revitalization of older developed neighborhoods, and/or to provide for public improvements to benefit economic development and employment.~~

8. TIF proposals for the redevelopment of existing residential neighborhoods, commercial and industrial areas will be viewed more favorably. Projects to stabilize current residential neighborhoods, commercial, and industrial areas that have or will likely experience deterioration will also be viewed more favorably.

**SECTION FOUR: PAYMENT OF CERTAIN COSTS.** Upon submission of the proposal to the City Manager, the applicant shall enter into a funding agreement with the City to pay out-of-pocket costs of the City in connection with the evaluation of the applicant's proposal for the creation of the redevelopment district, the redevelopment project plan and the redevelopment agreement, including outside consultant, financial advisor and attorney fees. Consultant and attorney fees may be reimbursed to the applicant from bond proceeds or TIF revenues if a redevelopment district is established and redevelopment project plan approved, to the extent such costs are "redevelopment project costs" as defined by the TIF Act.

**SECTION FIVE: REQUEST FOR PROPOSAL.** The City may initiate a Request for Proposal for a redevelopment project.

**SECTION SIX: METHOD OF FINANCING.** TIF proposals may request that TIF assistance be provided in one of the following forms:

1. Special Obligation Bond Financing;
2. Direct Reimbursement to the applicant when improvements are privately financed; or
3. Any combination of the foregoing methods.

In deciding which method of financing to use, the prevailing factor in making the determination will be total costs and the security for the bonds. The City will not provide credit enhancements for the 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. Generally, the City will not issue General Obligation Bonds for TIF eligible costs. The proposed method of financing will be clearly shown in the application and the redevelopment project plan. The City has sole determination of the method of financing.

**SECTION SEVEN: CERTAIN ECONOMIC ACTIVITY TAXES.** Sales taxes, property taxes, or other applicable taxes may be considered for purposes of the tax increment derived from TIF economic activity taxes. The City may make incremental City Sales Taxes and/or Transient Guest Taxes associated with the redevelopment district available as TIF incentives. Generally, the City will make no more than 50% of the incremental sales and transient guest taxes available for a redevelopment project. For STAR Bond projects that meet state required criteria, additional revenues may be required.

**SECTION EIGHT: OTHER CONDITIONS.** The City reserves the right to modify or waive any or all of these policies in accordance with the approved redevelopment project plan and/or redevelopment agreement.

**SECTION NINE: 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.

**SECTION TEN: REPEAL OF RESOLUTION 6789. Resolution 6789 is hereby repealed.**

**SECTION ~~TEN~~ ELEVEN: EFFECTIVE DATE.** This Resolution shall take effect immediately.

ADOPTED by the Governing Body this \_\_\_\_\_ day of  
| \_\_\_\_\_, ~~2008~~2016.

| ~~Michael Dever~~Mike Amyx, Mayor

ATTEST:

| ~~Frank S. Reeb~~Brandon McGuire, Acting City Clerk



2015

City of Lawrence, Kansas

Annual Report: Economic Development Support & Compliance

Britt Crum-Cano, Economic Development Coordinator



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# Executive Summary

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Each year, the City of Lawrence compiles information on the firms receiving property tax abatements in order to assess the effectiveness of program goals, including making good investments and providing quality wages and jobs for the community. This information is required by City Code (Section 1-2107), which states that businesses receiving property tax abatements must provide certain information until their property tax abatement expires.

The report also includes information on other active incentive programs currently sponsored by the City, including Neighborhood Revitalization Areas (NRA), Tax Increment Financing districts (TIF), Transportation Development Districts (TDD), and other support programs.

The annual report contains information on active programs for the report year. Below is a summary of this year's report highlights:

## **Property Tax Abatements:**

Four Lawrence companies had active property tax abatements in 2015: Amarr Garage Doors, Grandstand Sportswear and Glassware (Screen-It Graphics), Sunlite Science & Technology, and Rock Chalk Park (KU facility portion). All met their compliance measures as per performance agreements signed with the City.<sup>1</sup>

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<sup>1</sup> KU would normally enjoy a 100% property tax abatement on their property for the duration of ownership. However, given the structure of the Rock Chalk Park project with KU Athletics entering into a long term lease with a private developer to construct the facilities, an automatic property tax exemption was not possible. A property tax abatement was utilized to assist KU in pursuing this project. Due to the unique nature of the project and its primary benefits related to assisting KU Athletics and drawing visitors from outside the community rather than job creation, no job creation performance or wage requirements were imposed.



# Executive Summary

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The fifty-five percent (55%) real and personal property tax abatement for Prosoco ended with the 2014 tax year and was fully on the tax rolls in 2015. Over the course of the abatement period, \$361,325 was abated and the Company contributed \$1,308,374 in property taxes.<sup>2</sup> At the end of the abatement period, PROSOCO had achieved substantial success in meeting its capital investment and job performance targets.

| PROSOCO Performance At Tax Abatement Expiration |             |             |                                        |
|-------------------------------------------------|-------------|-------------|----------------------------------------|
| PROSOCO, Inc.                                   | Projected   | Actual      | Comparison<br>(Projected to<br>Actual) |
| Real Property Investment                        | \$2,348,000 | \$2,397,288 | 102%                                   |
| Personal Property Investment                    | \$260,000   | \$662,312   | 255%                                   |
| Full-Time Employees                             | 50          | 69          | 138%                                   |
| Average Wages (based on 2014 Dollars)           | \$29,937    | \$50,309    | 168%                                   |

## ***Investments—***

- For companies receiving a property tax abatement, real property investment totaled \$9,006,330 in 2015 as compared to \$5,940,000 projected. Real property investment to date was \$7,897,198 for Grandstand and \$1,109,132 for Sunlite. Amarr did not receive a real property tax abatement and their investment numbers are not included.
- Personal property investment totaled \$9,700,000 in 2015 as compared to 9,400,000 projected. Personal property investment to date for Amarr was \$9,700,000. Grandstand and Sunlite did not receive personal property tax

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<sup>2</sup> Total tax bill of approximately \$1,670,000 in real and personal property tax.



# Executive Summary

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abatements on personal property through the City as this was automatically exempted through state law and their investment numbers are not included.<sup>3</sup>

## ***Employment—***

All the companies receiving property tax abatements either met or exceeded required projected employment levels during 2015. Amarr projected 40 net new positions and realized 157, Grandstand projected 78 net new positions and realized 186, and Sunlite projected and met 11 full-time positions in 2015.

## ***Full-Time Wages—***

All the companies receiving property tax abatements either met or exceeded required wage levels during 2015. As a whole, the companies achieved an average annual wage of \$37,760 for full-time positions in 2015 compared with just over \$31,526 (inflation adjusted) as originally projected. This is approximately \$7,055 higher than the average full-time, private sector wage in Lawrence (\$30,705 per year) and \$11,635 higher than the annual 2015 wage floor rate of \$26,125. Average 2015 full-time wages was \$36,985 for Amarr, \$36,026 for Grandstand, and \$40,269 for Sunlite.

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<sup>3</sup> The State of Kansas exempted commercial personal property purchased July 1, 2006 and after from taxation.



# Executive Summary

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## ***Tax Generation—***

Based on the portion of property receiving an abatement, the companies receiving a property tax abatement for economic development purposes paid a combined \$205,570 in property taxes out of a total \$354,879 due in 2015 (\$149,197 abated).<sup>4</sup> Amarr paid a total of \$130,853 in personal property tax out of \$159,558 due (\$28,593 abated); Grandstand paid a total of \$53,536 in real property tax out of \$152,958 due (\$99,422 abated); and Sunlite paid a total of \$21,181 in real property tax out of \$42,363 due (\$21,182 abated).

## **Industrial Revenue Bonds (IRB):**

Seven companies had Industrial Revenue Bonds (IRB) in 2015. The majority of the authorized IRBs were not affiliated with a property tax abatement, but rather were utilized to obtain a sales tax exemption on construction materials for the project. Two new IRBs were authorized in 2015 via a resolution of intent, but had not closed by the end of the year: Pioneer Ridge and 800 New Hampshire. It should be noted that IRBs are backed by private sources, with no obligation on the part of the City for repayment of principal or interest.

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<sup>4</sup> Rock Chalk Park was not subject to economic development measures due to the unique nature of the project and taxes are not reported for that project. KU would normally enjoy a 100% property tax abatement on their property for the duration of ownership. However, given the deal structure of the Rock Chalk Park project with KU Athletics entering into a long term lease with a private developer to construct the facilities, an automatic property tax exemption was not possible. A property tax abatement was utilized to assist KU in pursuing this project. Due to the unique nature of the project and its primary benefits related to assisting KU Athletics and drawing visitors from outside the community rather than job creation, no job creation performance or wage requirements were imposed.



# Executive Summary

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## **Neighborhood Revitalization Areas (NRA):**

The City of Lawrence has seven active NRAs at the end of 2015, three of which received NRA rebates for the 2015 tax year: 720 E 9<sup>th</sup> Street, 1040 Vermont Street, and 810/812 Pennsylvania Street.<sup>5</sup> The remaining NRA projects were not yet eligible for a rebate.

## **Tax Increment Financing Districts (TIF):**

The City currently has three TIF districts: The Downtown 2000 TIF district, The Oread TIF district and the 9<sup>th</sup> & New Hampshire TIF District.<sup>6</sup>

- The Downtown 2000 Redevelopment TIF District was created to support the development of the parking garage at 10<sup>th</sup> and New Hampshire and other cultural, commercial, office, and apartment developments. At the end of 2015, approximately \$3.37 million remained outstanding on the bond debt (approximately \$8.6 million).
- The Oread TIF District was created to help fund public improvements supporting the multi-level lodging, hospitality, and business venue at 12<sup>th</sup> and Oread. Public improvements to streets and infrastructure, including a parking garage, were financed initially by the developer and are reimbursed annually through both TIF and TDD revenues generated within the district. The district began generating TIF revenues in 2009.

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<sup>5</sup> Rebates amounts are shown in Appendix B.

<sup>6</sup> Reimbursement amounts are shown in Appendix B.



# Executive Summary

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- The 9<sup>th</sup> & New Hampshire TIF District was created in 2012 and includes two project areas: South and North. The South Project area was fully operational in 2015. At the end of 2015, the North Project area was under construction.

## **Transportation Development Districts (TDD):**

Currently, the City has three authorized TDD districts: The Oread TDD District, Free-State (Bauer Farms) TDD District, and the 9<sup>th</sup> & New Hampshire TDD District.<sup>7</sup> In all TDD districts, public improvements are financed initially by the developer and are reimbursed annually via a one percent transportation district sales tax on retail or taxable services occurring within the district.

- The Oread TDD District (located at W. 12<sup>th</sup> Street & Oread Avenue) began generating sales tax revenues in 2009.
- The Free-State (Bauer Farm) TDD District (located at West 6<sup>th</sup> Street and Wakarusa Drive) began generating sales tax revenues in 2009.
- The 9<sup>th</sup> & New Hampshire TDD District was created in 2012 and includes two project areas: South and North. The district began generating TDD revenue in 2015 via the South Project. At the end of 2015, the North Project area was under construction.

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<sup>7</sup> Reimbursement amounts are shown in Appendix B.



# Executive Summary

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## **Other Economic Development Programs (Direct-Support):**

The City also participates in direct-support programs to help initiate and support economic development within the community. The programs supported in 2015 include:

- ***Economic Development Services***—The City, along with various other community stakeholders, provides support for the Bioscience & Technology Business Center (BTBC). City support to the BTBC in 2015 totaled \$396,540 for various economic development services and facilities.  
  
City support for economic development services provided by the Lawrence Chamber of Commerce and KU Small Business Development Center totaled \$219,500 in 2014.
- ***Neighborhood Infrastructure***—Improvements were authorized by the City Commission on June 3, 2014 to support the addition of affordable housing in the East Lawrence neighborhood through the 9 Del Lofts project. At the end of 2015, the City had reimbursed all amounts related to the project and its neighborhood improvements (up to \$270,967 authorized, \$269,582 reimbursed).
- ***Shared Infrastructure & Fee Rebates***—At the end of 2015, the City had reimbursed all amounts due for shared infrastructure and development fees associated with the Rock Chalk Park project. Shared infrastructure included improvements that are utilized for both the KU facilities and City facilities at the park. For example, the parking lot can be used to accommodate large events at either the City's recreation center or KU activities at the park.



# Executive Summary

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- ***Development Grant***—The City authorized up to \$26,100 in development assistance, primarily in the form of rebated fees, to aid the rehabilitation of historic structures and revitalization at 1106 Rhode Island Street. By the end of 2015, \$23,640 had been reimbursed.
- ***Relocation Assistance***—Based out of Queensland, Australia, Integrated Animal Health (IAH) is a privately owned and funded company that uses patented technology to help increase the absorption of medicine in animals, either given orally or through the skin. To help establish IAH's global headquarters in Lawrence, the City and Douglas County agreed to share equally in providing a 3-year lease subsidy for space at the BTBC main facility and a \$100,000 forgivable loan. Rent subsidy started with June 2015. At the end of 2015, both the City and County had contributed \$63,969 in loan and rent subsidy. The first full measurement year for calculating compliance on the forgivable loan will be June 1, 2015-May 31, 2016.
- ***Workforce Training***—In 2015, the City and County provided support to help establish the Peaslee Technical Training Center. Aimed at helping fill the skills gap in the local workforce, the Center opened August of 2015 with an enrollment of 150 students. Public support included a property tax refund for 2014 and 2015, renovations grant for the training center, renovations loan for the Workforce Center, permit reimbursements, waiver of the IRB application fee, and funding for operations.



# Executive Summary

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- ***Business Expansion***—PROSOCO is a third generation business headquartered in the East Hills Business Park that produces and sells products for building protection and restoration for historic structures in the United States and around the world. To accommodate a new product line, the company purchased the property located directly south at 3701 Greenway Circle (former Kinedyne building). To aid in the expansion, Douglas County donated the land and the City forgave the special assessments on that property, which amounted to approximately \$44,938.
- ***Affordable Housing***—The City provided neighborhood infrastructure and improvements, valued at approximately \$102,000, to help assist the development of Tenants to Homeowners' 14-unit, senior living townhouse project. The project was under construction in 2015 and is expected to be completed the summer of 2016.



# Introduction

The City of Lawrence provides multiple support programs for economic development opportunities designed to enhance the local economy and quality of life. As these programs involve public funding for current and future community assets, projects are viewed as an investment in which the City analyzes the risks and returns, selecting economic projects that best balance the goal of growing the local economy with the required amount of investment. Currently, the City has the below active economic development programs and projects.

| 2015 Major Economic Development Support Programs |                                                 |                                    |       |
|--------------------------------------------------|-------------------------------------------------|------------------------------------|-------|
| Incentive Program                                | Description                                     | Location                           | Map # |
| <b>Property Tax Abatements</b>                   | Amarr                                           | 3800 Greenway circle               | 1     |
|                                                  | Screen-It Graphics/Grandstand                   | 3840 Greenway Circle               | 2     |
|                                                  | Rock Chalk Park                                 | 6100 Rock Chalk Drive              | 3     |
|                                                  | Sunlite Science & Technology, Inc.              | 4811 Quail Crest Place             | 4     |
| <b>Industrial Revenue Bonds (IRB)</b>            | Bowersock (Hydro-Electric Plant)                | Kansas River, east of N 2nd Street | 5     |
|                                                  | PROSOCO                                         | 3741 Greenway circle               | 6     |
|                                                  | 9th & New Hampshire--South Project <sup>1</sup> | 900 New Hampshire                  | 7     |
|                                                  | Rock Chalk Park                                 | 6100 Rock Chalk Drive              | 8     |
|                                                  | 1101/1115 Indiana Street (HERE Kansas)          | 1101/1115 Indiana Street           | 9     |
|                                                  | 9th & New Hampshire--North Project              | 100 E 9th Street                   | 10    |
|                                                  | Peaslee Technical Training Center               | 2920 Haskell Avenue                | 11    |
|                                                  | Eldridge Hotel expansion                        | 705 Massachusetts Street           | 12    |
|                                                  | Pioneer Ridge                                   | 1000 Wakarusa Drive                | 13    |
| <b>Neighborhood Revitalization Areas (NRA)</b>   | 800 New Hampshire redevelopment                 | 800 New Hampshire Street           | 14    |
|                                                  | 8th and Pennsylvania Street District            | 720 E 9th Street                   | 15    |
|                                                  | 1040 Vermont (Treanor Headquarters)             | 1040 Vermont Street                | 16    |
|                                                  | 810/812 Pennsylvania (Cider Building)           | 810/812 Pennsylvania Street        | 17    |
|                                                  | 1106 Rhode Island Street (Hernly Associates)    | 1106 Rhode Island Street           | 18    |
|                                                  | 1101/1115 Indiana Street (HERE Kansas)          | 1101/1115 Indiana Street           | 19    |
|                                                  | 900 Delaware Street (9 Del Lofts)               | 900 Delaware Street                | 20    |
| <b>Tax Increment Financing (TIF)</b>             | Eldridge Hotel expansion                        | 705 Massachusetts Street           | 21    |
|                                                  | Downtown 2000 District                          | 9th & New Hampshire area           | 22    |
|                                                  | 901 New Hampshire (TIF Refund)                  | 901 New Hampshire                  | 23    |
|                                                  | Oread Project                                   | 1200 Oread Avenue                  | 24    |
|                                                  | 9th & New Hampshire TIF District                | SEC & NEC, 9th & New Hampshire     | 25    |

<sup>1</sup> Terminated December 2015.



# Introduction

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Continued

|                                                   |                                  |                                |    |
|---------------------------------------------------|----------------------------------|--------------------------------|----|
| <b>Transportation Development Districts (TDD)</b> | Free State (Bauer Farm)          | NEC 6th & Wakarusa             | 26 |
|                                                   | Oread Project                    | 1200 Oread Avenue              | 27 |
|                                                   | 9th & New Hampshire TDD District | SEC & NEC, 9th & New Hampshire | 28 |

| <b>2015 Other (Direct Support) Programs</b>           |                                          |                                  |              |
|-------------------------------------------------------|------------------------------------------|----------------------------------|--------------|
| <b>Support Program</b>                                | <b>Description</b>                       | <b>Location</b>                  | <b>Map #</b> |
| Operations Grant                                      | BTBC                                     | 2029 Becker & 4950 Research Pkwy | 29           |
| Infrastructure                                        | 9 Del Lofts, Infrastructure/Improvements | 900 Delaware Street              | 30           |
| Shared Infrastructure, Development/Permit Fee Rebates | Rock Chalk Park                          | 6100 Rock Chalk Drive            | 31           |
| Development Grant                                     | 1106 Rhode Island Street Improvements    | 1106 Rhode Island Street         | 32           |
| Relocation Assistance                                 | Integrated Animal Health                 | 2029 Becker Drive                | 33           |
| Workforce Training                                    | Peaslee Technical Training Center        | 2920 Haskell Avenue              | 34           |
| Business Expansion                                    | PROSOCO                                  | 3700 Greenway Circle             | 35           |
| Affordable Housing                                    | Cedarwood Sr. Cottages                   | 2575 Cedarwood Avenue            | 36           |



## A horizontal scale bar with a black segment from 0 to 1 and a white segment from 1 to 2. The word "Miles" is at the right end.





# Property Tax Abatements

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## Overview

Property tax abatements are authorized by the State of Kansas to allow municipalities and other taxing jurisdictions to reduce property taxes for a limited period of time in order to spur additional investment within a community. Currently, the state automatically grants a property tax abatement on personal property (i.e. machinery and equipment), purchased July 1, 2006 and after, that is used for commercial purposes. A property tax abatement on real property applies only to land and building(s).

Each year, the City of Lawrence compiles information on the firms receiving property tax abatements in order to assess the effectiveness of the abatements at providing investments, quality jobs and good wages for the community. This information is required by City Code (Section 1-2107), which states that businesses receiving property tax abatements must provide certain information until their property tax abatement expires. The information presented in this section provides profile and performance information for the companies currently receiving property tax abatements. See appendix B for information on recently expired property tax abatements.



# Property Tax Abatements

| 2015 Property Tax Abatements: Active                     |                    |                      |                                                             |                       |         | COTA Docket #  |
|----------------------------------------------------------|--------------------|----------------------|-------------------------------------------------------------|-----------------------|---------|----------------|
| Company                                                  | Start <sup>1</sup> | Expires <sup>2</sup> | Maximum Investment Amount Subject to Abatement <sup>3</sup> | Abatement %           | Ord/Res |                |
| Amarr Garage Doors, Inc.                                 | 2010               | 2019                 | \$9,400,000 personal property                               | 55% personal property | O-8497  | 2010-5589-EDX  |
| 3840 Greenway Circle LLC/Screen-It Graphics (Grandstand) | 2012               | 2021                 | \$4,990,000 real property <sup>4</sup>                      | 65% on real property  | R-6948  | 2012-9459-EDX  |
| Sunlite Science & Technology, Inc.                       | 2014               | 2023                 | \$2,300,000 real property <sup>5</sup>                      | 50% on real property  | R-7042  | 2013-5409-EDX  |
| Rock Chalk Park <sup>6</sup>                             | 2014               | 2023                 | \$40,000,000                                                | 100% on real property | R-7014  | 2014-7320-IRBX |

<sup>1</sup> Exemption from ad valorem taxation starts with the taxes levied in the calendar year shown.

<sup>2</sup> Exemption from ad valorem taxation expires with the taxes levied in the calendar year shown.

<sup>3</sup> Amounts that appear in the City Ordinance authorizing the abatement.

<sup>4</sup> Estimated cumulative capital investment over 10-year term as per agreement dated October, 11, 2011 between City, 3840 Greenway Circle LLC, and Screen-It Graphics of Lawrence, Inc.

<sup>5</sup> Estimated cumulative capital investment over 10-year term as per agreement dated August 30, 2013 between City and Sunlite Science & Technology, Inc.

<sup>6</sup> KU would normally enjoy a 100% property tax abatement on their property for the duration of ownership. However, given the structure of the project with KU Athletics entering into a long term lease with a private developer to construct the facilities, an automatic property tax exemption was not possible. A property tax abatement was utilized to assist KU in pursuing this project. Due to the unique nature of the project and its primary benefits related to assisting KU Athletics and drawing visitors from outside the community rather than job creation, no job creation performance requirements were imposed.



# Property Tax Abatements

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## Non-Initiated Property Tax Abatements

There were two property tax abatements approved that were not initiated:

- In 2006, the City approved a ninety percent (90%) real property tax abatement for Berry Plastics for a three stage expansion at their existing plant. At this stage, two of the three phases have been completed, but there has been no material change to Berry's real property value. Berry has therefore elected not to initiate this abatement yet.
- The City Commission approved a fifty-five percent (55%) real property tax abatement for API Foils in 2008. API Foils has not yet begun construction on this project.



# Property Tax Abatements

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## Company Profiles

### **Amarr Garage Doors**

Amarr was established in 1951 by the Brenner family in Winston-Salem, NC, and has grown to have sales in excess of \$300 million, 1,200 employees, and 76 locations in the United States, Mexico, and Canada.



They are one of the world's leading designers, manufacturers, and distributors of door access systems for residential garages, warehouses, commercial buildings, shopping malls and other commercial applications. Amarr has over 17 products to offer residential customers as well a wide array of commercial doors



such as sectional steel doors and rolling steel doors. Designs are inspired by some of America's leading brands and sold by over 3,000 professional independent garage door dealers worldwide.

Amarr produces garage doors in two locations: Lawrence and North Carolina. The company came to Lawrence in 1989 as the first occupant of East Hills Business Park and currently produces the majority of their garage doors at this location. Amarr provides jobs for over 600 people, making it one of the largest private employers in the City.





# Property Tax Abatements

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## **Grandstand Sportswear & Glassware (Screen-It Graphics)**

Based in Lawrence, Kansas, Grandstand is a custom screen printer specializing in sportswear, glassware and promotional items. Beginning operations as an apparel



Grandstand: 3840 Greenway Circle

company with seven employees in 1988, this local business has experienced rapid expansion, now selling products throughout the U.S., Canada, and Australia.

Company growth necessitated a move in late 2011/early 2012 from its Lawrence location at 2920 Haskell, where it occupied 30,000 square feet of space, to its new 155,000 square foot building in East Hills Business Park. The move into the larger facility gives the company the opportunity to grow and expand as it continues to respond to increasing market demand.





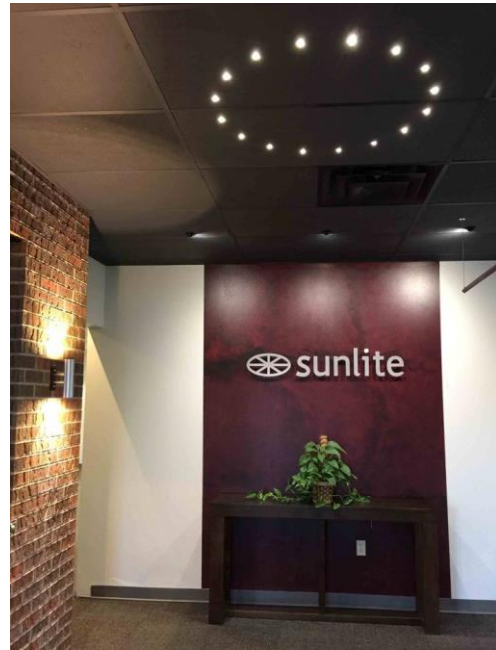
# Property Tax Abatements

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## **Sunlite Sciene & Technology**

Sunlite Science & Technology, Inc. designs and manufactures high-efficiency LED lighting fixtures for residential and commercial uses. This home-grown company has been headquartered out of Lawrence, Kansas since 1997 and was the first graduate from the Lawrence Bioscience and Technology Business Center (BTBC) incubator.

In 2013, the company purchased the property at 4811 Quail Quest Place in order to consolidate business operations and grow to the next business phase.





# Property Tax Abatements

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## Abatement Performance

The table below compares projected investment, employment and wage milestones<sup>7</sup> to actual achievement for each of the companies receiving a property tax abatement during 2015.

| 2015 Property Tax Abatement Performance by Company |             |             |                                  |
|----------------------------------------------------|-------------|-------------|----------------------------------|
| Amarr Garage Doors, Inc.                           | Projected   | Actual      | Comparison (Projected to Actual) |
| Real Property Investment                           | n/a         | n/a         | n/a                              |
| Personal Property Investment                       | \$9,400,000 | \$9,700,000 | 103%                             |
| Full-Time Employees <sup>8</sup>                   | 40          | 157         | 393%                             |
| Average Wages (2015 Dollars)                       | \$32,170    | \$36,985    | 115%                             |

Continued

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<sup>7</sup> Each firm was required to provide projections of real property investments, personal property investments, new jobs and wages for those jobs in order to do a cost-benefit analysis. The cost-benefit analysis is required by state law in order for the Kansas Court of Tax Appeals (COTA) to grant a tax abatement.

<sup>8</sup> The number of jobs projected from abatement was 40, as per COTA orders (Docket # 2010-5589-EDX, received 8-12-2010) granting the tax abatement on personal property. According to the COTA orders, "Applicant is using the subject property for manufacturing articles of commerce and its expansion has resulted in or will result in the creation of 40 new positions."

During the year prior to submission of the COTA application (2009), Amarr had a total full-time workforce of 499. From the COTA orders, the company projected 40 net new full-time positions would be added during the abatement period for a total of 539 full-time jobs (499 + 40 = 539). In 2015, Amarr reported 696 actual, full-time positions and had realized 157 net new full-time positions (696-539 = 157).



# Property Tax Abatements

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| <b>Grandstand/Screen-It Graphics</b>    | <b>Projected</b> | <b>Actual</b> | <b>Comparison<br/>(Projected to<br/>Actual)</b> |
|-----------------------------------------|------------------|---------------|-------------------------------------------------|
| Real Property Investment                | \$4,840,000      | \$7,897,198   | 163%                                            |
| Personal Property Investment            | n/a              | n/a           | n/a                                             |
| Full-Time Employment <sup>9</sup>       | 78               | 186           | 238%                                            |
| Average Wages (2015 Dollars)            | \$30,909         | \$36,026      | 117%                                            |
| <b>Sunlite Science &amp; Technology</b> | <b>Projected</b> | <b>Actual</b> | <b>Comparison<br/>(Projected to<br/>Actual)</b> |
| Real Property Investment                | \$1,100,000      | \$1,109,132   | 101%                                            |
| Personal Property Investment            | n/a              | n/a           | n/a                                             |
| Full-Time Employment <sup>10</sup>      | 11               | 11            | 100%                                            |
| Average Wages (2015 Dollars)            | \$31,500         | \$40,269      | 128%                                            |

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<sup>9</sup> Per the performance agreement between Grandstand and the City, the measurement period for job creation was specified as January 1 through December 31 of the immediately preceding year. Under mutual agreement, the City and Grandstand agreed to a clarification of the measurement period that would align it to the year taxes are being levied/abated. For example, the measurement period for taxes levied in 2014 will be January 1, 2014 through December 31, 2014. This does not change targets or total job creation numbers, but rather makes compliance calculation and reporting more efficient and straightforward for both the City and Grandstand.

<sup>10</sup> Pre-abatement employment as of December 31, 2013 was 5 full-time positions.



# Property Tax Abatements

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## Performance Summary

| 2015 Property Tax Abatement Summary |                 |              |                                  |
|-------------------------------------|-----------------|--------------|----------------------------------|
|                                     | Total Projected | Total Actual | Comparison (Projected to Actual) |
| Real Property Investment            | \$5,940,000     | \$9,006,330  | 152%                             |
| Personal Property Investment        | \$9,400,000     | \$9,700,000  | 103%                             |
| Full-Time Employees                 | 129             | 354          | 274%                             |
| Average Wages (2015 Dollars)        | \$31,526        | \$37,760     | 120%                             |

### **Real Property Investment**

Overall, the companies receiving property tax abatements in 2015 achieved one hundred fifty-two percent (152%) of the projected amount for real property investments. Real property investment totaled approximately \$9 million, with company investments ranging from just over \$1.1 million (Sunlite) to approximately \$7.9 million (Grandstand). Amarr did not receive a property tax abatement on real property and those investment amounts were not included.

### **Personal Property Investment**

Overall, the companies receiving property tax abatements in 2015 achieved one hundred three percent (103%) of the projected amount for personal property investments. Personal property investment totaled approximately \$9.7 million. Grandstand and Sunlite did not receive a personal property tax abatement and those amounts were not included.



# Property Tax Abatements

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## **Job Creation:**

All of the companies receiving a property tax abatement in 2015 met or exceeded full-time employment projections as per reporting requirements. Amarr Garage Doors exceeded projected employment by three hundred ninety-three percent (393%), Grandstand exceeded projected employment by two hundred thirty-eight percent (238%), and Sunlite met one hundred percent (100%) of their projected employment for the 2015 abatement year. Overall, the three companies receiving a property tax abatement during 2015 met two hundred seventy-four percent (274%) of new, full-time job projections.

## **Wages:**

Employee pay is an important element for both the quality of life and for promoting other businesses indirectly. Adjusting for inflation, average wages from the companies receiving property tax abatements is approximately \$37,760 per year. This wage is about \$7.055 higher than the average private sector wage in Lawrence.<sup>11</sup> This wage is also substantially above the 2015 community wage floor rate (\$12.56 per hour wage floor rate as compared to \$18.15 per hour average wage rate paid by abatement companies.)

All three companies met or exceeded wage expectations. Overall wages averaged one hundred twenty percent (120%) of projections. (Again, the projections provided in the application have been adjusted for inflation.)

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<sup>11</sup> Kansas Department of Labor, Kansas Labor Information Center, Average Private Sector Wage in Lawrence, KS (by Industry), Quarterly Census of Employment and Wages, \$30,705, data released fall 2015.



# Property Tax Abatements

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## Employment Summary

Each year, a questionnaire is sent to companies receiving property tax abatements, requesting employment information. Occupation specific information, including full-time or part-time status, the 6-digit Standard Occupation Code (SOC) for each job category, and the hourly or annual wage for each position is collected.<sup>12</sup> The information for each occupation is then compared with a community average (mean) wage for that occupation. In the majority of cases, the community average wage used was the 6-digit SOC Code mean wage as reported in the 2015 Edition of the Kansas Wage Survey for the Lawrence Metropolitan Statistical Area (MSA). Whenever a 6-digit SOC Code mean wage was not available for Lawrence, the 2015 Edition 6-digit SOC Code mean wage for the state of Kansas was used.

| 2015 Employment Summary                            |         |
|----------------------------------------------------|---------|
| <b>Amarr Garage Doors, Inc.</b>                    |         |
| Total Employment                                   | 711     |
| Full-Time Employment                               | 696     |
| % of Full-Time Jobs meeting or exceeding mean wage | 99.9%   |
| Average Full-Time Wage                             | \$17.78 |
| <b>Grandstand/Screen-It Graphics</b>               |         |
| Total Employment                                   | 186     |
| Full-Time Employment                               | 186     |
| % of Full-Time Jobs meeting or exceeding mean wage | 117%    |
| Average Salary                                     | \$17.32 |
| <b>Sunlite Science &amp; Technology</b>            |         |
| Total Employment                                   | 11      |
| Full-Time Employment                               | 11      |
| % of Full-Time Jobs meeting or exceeding mean wage | 128%    |
| Average Salary                                     | \$19.36 |

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<sup>12</sup> Due to confidentiality, companies were not required to provide wage data on job categories with only one employee. For purposes of calculating the company average wage, jobs indicated as below the average wage were estimated at 10% less than the SOC community average wage for that job category. Jobs indicated as above the average wage were estimated at 3% more than the SOC Community average wage for that job category.



# Property Tax Abatements

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It should be noted that City agreements for the Amarr property tax abatement was signed prior to the commencement of the new economic development policy and are not subject to that policy or its wage and health premium requirements.



# Property Tax Abatements

## Employment History

In addition to 2015 employment, the below table presents historical employment records over the past five years for the companies receiving a property tax abatement:

| 2011-2015 Employment History (year-end)     |               |          |                          |          |                      |          |      |     |      |     |      |     |      |    |            |           |                                 |           |
|---------------------------------------------|---------------|----------|--------------------------|----------|----------------------|----------|------|-----|------|-----|------|-----|------|----|------------|-----------|---------------------------------|-----------|
| Company                                     | Pre-Abatement |          | Projected from Abatement |          | Total Estimated Jobs |          | 2011 |     | 2012 |     | 2013 |     | 2014 |    | 2015       |           | 2015 Over/Under Estimated Total |           |
|                                             | FT            | PT       | FT                       | PT       | FT                   | PT       | FT   | PT  | FT   | PT  | FT   | PT  | FT   | PT | FT         | PT        | FT                              | PT        |
| Amarr (2009) <sup>13</sup>                  | 499           | 0        | 40                       | 0        | 539                  | 0        | 453  | 6   | 477  | 4   | 624  | 16  | 697  | 36 | 696        | 15        | 157                             | 15        |
| Grandstand/Screen-It Graphics <sup>14</sup> | 40            | 0        | 38                       | 0        | 78                   | 0        | n/a  | n/a | 45   | 0   | 71   | 0   | 97   | 0  | 186        | 0         | 108                             | 0         |
| Sunlite Science & Technology <sup>15</sup>  | 5             | 0        | 6                        | 0        | 11                   | 0        | n/a  | n/a | n/a  | n/a | n/a  | n/a | 6    | 0  | 11         | 0         | 0                               | 0         |
| <i>Total</i>                                | <i>544</i>    | <i>0</i> | <i>84</i>                | <i>0</i> | <i>628</i>           | <i>0</i> |      |     |      |     |      |     |      |    | <i>893</i> | <i>15</i> | <i>265</i>                      | <i>15</i> |

<sup>13</sup> The number of jobs projected from abatement was 40, as per COTA orders (Docket # 2010-5589-EDX, received 8-12-2010) granting the tax abatement on personal property. According to the COTA orders, "Applicant is using the subject property for manufacturing articles of commerce and its expansion has resulted in or will result in the creation of 40 new positions."

During the year prior to submission of the COTA application (2009), Amarr had a total full-time workforce of 499. From the COTA orders, the company projected 40 net new full-time positions would be added during the abatement period for a total of 539 full-time jobs (499 + 40 = 539). In 2015, Amarr reported 696 actual, full-time positions and had realized 157 net new full-time positions (696-539 = 157).

<sup>14</sup> Per the performance agreement between Grandstand and the City, the measurement period for job creation was specified as January 1 through December 31 of the immediately preceding year. Under mutual agreement, the City and Grandstand agreed to a clarification of the measurement period that would align it to the year taxes are being levied/abated. For example, the measurement period for taxes levied in 2015 will be January 1, 2015 through December 31, 2015. This does not change targets or total job creation numbers, but rather makes compliance calculation and reporting more efficient and straightforward for both the City and Grandstand.

<sup>15</sup> Pre-abatement employment as of December 31, 2013 was 5 full-time positions.



# Property Tax Abatements

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## Abatement Compliance Summary:

In order to annually qualify for a property tax abatement, each company is subject to provisions as specified within a performance agreement signed with the City and the property tax abatement policy that was in place at the time of agreement signing. Only two companies, Grandstand and Sunlite, are subject to current property tax abatement policy requirements. Amarr signed performance agreements before the current policy was in place and is not subject to current compliance provisions. However, Amarr has substantially met their compliance targets for 2015 based on their performance agreements and referenced property tax abatement policy.

Current policy is based on the below compliance schedule:

| Compliance Schedule |                                    |
|---------------------|------------------------------------|
| Blended Range %     | Amount of Incentive to be Received |
| 90-100%             | 100%                               |
| 80-89%              | 85%                                |
| 70-79%              | 75%                                |
| Below 70%           | 0%                                 |



# Property Tax Abatements

Grandstand was subject to the below performance provisions for 2015. The company met substantial compliance and was eligible for one hundred percent (100%) of their 2015 property tax abatement amount.

| 2015 Grandstand Compliance Summary |                                                                                             |                                         |             |                              |        |                    |
|------------------------------------|---------------------------------------------------------------------------------------------|-----------------------------------------|-------------|------------------------------|--------|--------------------|
| Compliance Category                | Description                                                                                 | Target                                  | Actual      | % Compliance (Actual/Target) | Weight | Overall Compliance |
| Capital Investment                 | Cumulative Capital Investment (as of Dec 31, 2015)                                          | \$4,840,000                             | \$7,897,198 | 163.17%                      | 0.25   | 40.79%             |
| Job Creation                       | Full-Time Employment (FTEs)                                                                 | 78                                      | 186         | 238.46%                      | 0.25   | 59.62%             |
| Wages                              | 2015 Wage Floor (\$12.56/hr) <sup>16</sup>                                                  | 100% of Employees paid above wage floor | 86%         | 86.00%                       | 0.125  | 10.75%             |
|                                    | Average Company Hourly Wage                                                                 | \$14.86                                 | \$17.32     | 116.55%                      | 0.125  | 14.57%             |
| Health Benefits                    | Employer Provided Health Care Coverage (minimum of 70% employer paid premium) <sup>17</sup> | 100% of Employees                       | 100%        | 100.00%                      | 0.25   | 25.00%             |

*Blended Compliance %* 151%

*Eligible Incentive %* 100%

Note that as per the performance agreement between Grandstand and the City, the measurement period for job creation was specified as January 1 through December 31 of the immediately preceding year. Under mutual agreement, the City and Grandstand agreed to a clarification of the measurement period that would align it to the year taxes are being

<sup>16</sup> As per agreement (dated 10-11-11, Section 5c), Grandstand shall maintain a wage structure for its FTEs such that 100% of its regular full-time employees are paid above the annual wage floor. Wages for employees serving their initial training period of 90 days will not be included in this calculation.

<sup>17</sup> As per agreement (dated 10-11-11, Section 5d), Grandstand shall provide a minimum of 70% of the premiums for an employer-sponsored health insurance policy for covered employees (or provide employees with a wage which is \$1.50/hr. above the wage floor).



# Property Tax Abatements

levied/abated. For example, the measurement period for taxes levied in 2015 will be January 1, 2015 through December 31, 2015. This does not change targets or total job creation numbers, but rather makes compliance calculation and reporting more efficient and straightforward for both the City and Grandstand.

Sunlite was subject to the below performance provisions for 2015. The company met substantial compliance and was eligible for one hundred percent (100%) of their 2015 property tax abatement amount.

| 2015 Sunlite Compliance Summary |                                                                                             |                                         |             |                              |        |                    |
|---------------------------------|---------------------------------------------------------------------------------------------|-----------------------------------------|-------------|------------------------------|--------|--------------------|
| Compliance Category             | Description                                                                                 | Target                                  | Actual      | % Compliance (Actual/Target) | Weight | Overall Compliance |
| Capital Investment              | Cumulative Capital Investment (as of Dec 31, 2015)                                          | \$1,100,000                             | \$1,109,132 | 100.83%                      | 0.25   | 25.21%             |
| Job Creation                    | Full-Time Employment (FTEs)                                                                 | 11                                      | 11          | 100.00%                      | 0.25   | 25.00%             |
| Wages                           | Wage Floor (\$12.56/hr) <sup>18</sup>                                                       | 100% of Employees paid above wage floor | 100%        | 100.00%                      | 0.125  | 12.50%             |
|                                 | Average Company Hourly Wage                                                                 | \$15.14                                 | \$19.36     | 127.84%                      | 0.125  | 15.98%             |
| Health Benefits                 | Employer Provided Health Care Coverage (minimum of 70% employer paid premium) <sup>19</sup> | 100% of Employees                       | 91%         | 91.00%                       | 0.25   | 22.75%             |

*Blended Compliance %* 101%

*Eligible Incentive %* 100%

<sup>18</sup> As per performance agreement (dated 8-30-13, Section 4-C), Sunlite shall maintain a wage structure for its FTEs such that 100% of its regular full-time employees are paid above the annual wage floor. Wages for employees serving their initial training period of 90 days will not be included in this calculation.

<sup>19</sup> As per performance agreement (dated 8-30-13, Section 4-D), Sunlite shall provide a minimum of 70% of the premiums for an employer-sponsored health insurance policy for covered employees (or provide employees with a wage which is \$1.50/hr. above the wage floor).



# Property Tax Abatements

Amarr signed their performance agreement before the current policy was in place and is not subject to the same provisions as indicated in the current policy. However, Amarr has substantially met their compliance measures for 2015 as per their performance agreement and is eligible for one hundred percent (100%) of their annual incentive amount. Performance measures for Amarr, in light of current standards, are shown below for comparison.

| 2015 Amarr Compliance Summary |                                                      |                                         |             |                              |        |                    |
|-------------------------------|------------------------------------------------------|-----------------------------------------|-------------|------------------------------|--------|--------------------|
| Compliance Category           | Description                                          | Target                                  | Actual      | % Compliance (Actual/Target) | Weight | Overall Compliance |
| Cap. Investment               | Personal Property <sup>20</sup>                      | \$9,400,000                             | \$9,700,000 | 103.19%                      | 0.25   | 25.80%             |
| Job Creation                  | Full-Time Employment <sup>21</sup>                   | 40                                      | 157         | 392.50%                      | 0.25   | 98.13%             |
| Wages                         | Wage Floor <sup>22</sup>                             | 100% of Employees paid above wage floor | 99.86%      | 99.86%                       | 0.125  | 12.48%             |
|                               | Average Company Hourly Wage <sup>23</sup>            | \$15.47                                 | \$17.78     | 114.97%                      | 0.125  | 14.37%             |
| Health Benefits               | Employer Provided Health Care Coverage <sup>24</sup> | 100% of Employees                       | 100.00%     | 100.00%                      | 0.25   | 25.00%             |
| Blended Compliance %          |                                                      |                                         |             |                              |        | 176%               |
| Eligible Incentive %          |                                                      |                                         |             |                              |        | 100%               |

<sup>20</sup> Per Ord. 8497, Amarr's transfer of real property ownership on 3-27-07 invalidated a tax exemption on real property.

<sup>21</sup> Amarr was originally granted a fifty-five percent (55%) tax abatement on real and personal property via Ordinance 8470 (adopted 10-27-2009). Requirements under the performance agreement (signed 12-17-2003), referenced by Ordinance 8470 states "The approval of the tax abatement by the governing body of the City was in reliance upon the application submitted by Amarr. Specifically, the application and the approved tax abatement provided that Amarr would 1) construct a facility, new construction and modification to existing facility in the capital amount of \$7,700,000; 2) expend \$9,400,000 in the purchase of new machinery and equipment; and 3) employ eighty (80) full-time employees as the result of the project." Ordinance 8497 (authorized 4-6-2010) later repealed Ordinance 8470, and specified a fifty-five (55%) tax abatement on personal property only. In association, with this tax abatement, the COTA application submitted June 28, 2010 specified "The applicant is using the subject property exclusively for manufacturing articles of commerce and its expansion has resulted in or will result in the creation of 40 new positions."

<sup>22</sup> 2015 Wage floor is \$12.56/hour. The wage floor hourly wage is adjusted annually based upon an annual wage equal to one hundred thirty percent (130% of the Federal poverty threshold for a family of three, as established by the U.S. Department of Health and Human Services. \$17.65 represents Amarr's average wage for all full-time employees.

<sup>23</sup> Community average wages are provide by occupation through the Kansas Department of Labor, 2015 Edition Wage Survey. Amarr had 99.86% of all full-time positions that met or exceeded the community average wage.

<sup>24</sup> Ordinance 7706 states that the company shall make available to covered employees, an employer-sponsored health insurance policy, pursuant to employer guidelines, in which case the employer provides a minimum of seventy percent (70%) of the cost of such policy. Amarr submitted a letter stating that the company is self-insured and paid 71% of all healthcare expenses in 2015. (See Appendix E.)



# Property Tax Abatements

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## Additional Community Benefits

Businesses provide many important benefits to the communities in which they reside. In addition to direct job creation and generation of wages, companies increase purchases within the local economy, contribute to the local tax base and bring capital into the community. They also generate a substantial social impact, including providing training and benefits to the work force, supporting community organizations, and employing environmental stewardship.

### **Local Expenditures & Non-Local Sales**

A key objective of economic development is to bring new money into the community, and then have that money stay in the community. Firms bring new money to the community when they sell products to other geographic markets. The money then remains in the community to the extent that it is distributed in wages to local residents, paid in dividends to local owners and shareholders, or spent locally. The below table shows the share of sales made outside of Lawrence and the local expenditures made directly by the firms.

Almost all local revenue generated by products sold by the three companies is imported into the community from outside sales. Local expenditures were low, ranging from 4-9 percent (4%-9%), a likely result of the nature of manufacturing production at these facilities. (e.g. These companies create products using materials that are not produced locally, requiring larger expenditures from outside the community.)

| 2015 Local Expenditures & Outside Sales |                                    |                                  |
|-----------------------------------------|------------------------------------|----------------------------------|
| Company                                 | Expenditures Spent Within Lawrence | Sales Generated Outside Lawrence |
| Amarr Garage Doors Inc.                 | 5%                                 | 99%                              |
| Grandstand/Screen-It Graphics           | 4%                                 | 99%                              |
| Sunlite Science & Technology            | 9%                                 | 99%                              |



# Property Tax Abatements

## Property Tax Generation

Since none of the three companies received a one hundred percent (100%) property tax abatement, all of the abated property are currently generating some level of property taxes.<sup>25</sup>

| <b>2015 Tax Generation</b> (on portion of property receiving an abatement) |                            |                          |                                                     |
|----------------------------------------------------------------------------|----------------------------|--------------------------|-----------------------------------------------------|
| <b>Company &amp; Abatement %</b>                                           | <b>Total Tax Potential</b> | <b>Abated Tax Amount</b> | <b>Taxes Paid (or to be paid) by Property Owner</b> |
| <b>Amarr Garage Doors, Inc.</b>                                            |                            |                          |                                                     |
| Personal (55%) <sup>26</sup>                                               | \$159,558                  | \$28,593                 | \$130,853                                           |
| <b>Grandstand/Screen-It Graphics</b>                                       |                            |                          |                                                     |
| Real (65%)                                                                 | \$152,958                  | \$99,422                 | \$53,536                                            |
| <b>Sunlite Science &amp; Technology</b>                                    |                            |                          |                                                     |
| Real (50%)                                                                 | \$42,363                   | \$21,182                 | \$21,181                                            |
| <b>Total</b>                                                               | <b>\$354,879</b>           | <b>\$149,197</b>         | <b>\$205,570</b>                                    |

Source: Douglas County

<sup>25</sup> The amounts shown for real property values are only for the portion of real property that received the abatement and may not reflect values for the entire parcel.

<sup>26</sup> Personal property amount may not reflect the percentage of abatement, as some personal property is not included in the exemption. The State of Kansas exempted commercial personal property purchased July 1, 2006 and after from taxation. However, personal property purchased prior to that date is still taxed at a depreciated rate. Each company is required to submit an annual claim for a personal property tax abatement, listing out the equipment, value and date purchased. The County then determines the amount of personal property exempted and taxes due.

The state granted an additional exemption for personal property items listed that are valued for \$1,500 or less. This is not a part of the EDX exemption. The amount shown under "Abated Tax Amount" for Amarr Garage Door reflects the abated taxes attributable to the EDX. The amount under "Taxes Paid..." reflects the actual tax bill.



# Property Tax Abatements

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## **Social Impacts**

Companies also contribute to the community by providing career enhancement for their employees and by giving to local charities. The three firms receiving abatements in 2015 have obtained substantial achievements in the areas of the environment, community engagement, and environmental practices.

### **Amarr Garage Doors, Inc.**

#### **Environment**

Amarr participates in recycling programs that include steel, aluminum, cardboard, pallets, and paper. Over sixty-five percent (65%) of Amarr's Finished Good Product is manufactured from recycled steel.

#### **Community Engagement**

Amarr has supported a number of community groups, including Tenants to Homeowners, United Way, Habitat for Humanity, Just Foods, Stroke Detention Plus, Lawrence Memorial Hospital (Breast Cancer "Pink It Up" and Catch a Break campaigns), Truity Credit Union, Meritrust Credit Union, Lawrence Parks and Recreation, Prompt Care, Lawrence Vein Center, Willow Domestic Violence Center, GaDugi Safe Center, Recovery and Hope Network, Independence, Inc, Catholic Charities, and Headquarters Counseling Center. Amarr partners with Lawrence High School and Free State High School to encourage and educate students about Amarr and careers in Manufacturing (LEAP Partners). Amarr Team Members facilitated professional skills training through Junior Achievement at the College and Career Center in Lawrence.



# Property Tax Abatements

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## **Job Training/Benefits**

During the course of the year, Amarr continually offered a wide range of training, including new employee orientation, harassment training, safety training, leadership skills development, and on-the-job machinery equipment operation instruction. Amarr also offers an in-house degree program to all employees designed to improve skill sets for both professional and personal growth.



# Property Tax Abatements

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## **Grandstand (Screen-It Graphics), Inc.**

### **Environment**

During 2015, Grandstand continued to employ an aggressive environmental program to reduce, reuse, and recycle as much waste as possible. The company has an over/under policy with customers, which reduces scrap glass output substantially every year. The company worked closely with their suppliers to put branding on their boxes to allow Grandstand to ship out in the same boxes the product arrived in. Currently, Grandstand is able to cover ninety-eight percent (98%) of outbound shipping in reused boxes. The company continues to recycle scrap glass, corrugate, office paper, aluminum, and plastic waste.

### **Community Engagement**

Grandstand sponsored the following local organizations in 2015: Arthritis Foundation, Boys & Girls Club of Lawrence, Ballard Community Services, Corpus Christi Catholic Church, Couture for Cancer, Douglas County Special Olympics, Emerald Gems Foundation, Free State High School, GaDugi Safecenter, Lawrence Art Center, Lawrence Festival of Trees, Leadership Lawrence, March of Dimes, St Jude Children's hospital, Theater Lawrence, The Penn House, and Van Go, Inc. The company also adopted several local families and provided a number of items for Christmas.

### **Job Training/Benefits**

The company hired and trained 96 new employees during 2015. Grandstand completed various safety trainings for all applicable employees and had a number of employees attend continuing education for their respective fields.



# Property Tax Abatements

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## **Sunlite Science & Technology, Inc.**

### **Environment**

Sunlite has replaced ninety-nine percent (99%) of the light fixtures in the company headquarters with high energy efficient LED light fixtures. The company reduces their energy consumption by carefully monitoring the heating and cooling system. Sunlite is diligent about recycling paper products, metals, and batteries.

### **Community Engagement**

In 2015, Sunlite supported the efforts of Studio 804, Inc. for their Greenwall updates and the creation of a house project. Sunlite donated LED grow lights to KU's Department of Ecology and Evolutionary Biology. The company also donated LED can lights to one of the Peaslee Technical Training Center classrooms and provided RGB color changing lights to the lobby. Sunlite provided space for the Free State High School Homecoming Parade Assembly.

### **Job Training/Benefits**

The company provided on-site and on the job training for all employees. Sunlite also provided job training to a high school graduate in a training program through Cottonwood Incorporation.



## 2 Industrial Revenue Bonds

K.S.A. 12-1740 permits cities to issue revenue bonds for the purpose of paying the costs of purchasing, acquiring, constructing or equipping facilities for “agricultural, commercial, hospital, industrial, natural resources, recreational development and manufacturing purposes”. IRBs can be beneficial in obtaining a sales tax exemption on project construction materials, machinery and equipment and may also support favorable rate financing.

Seven companies had Industrial Revenue Bonds (IRBs) in 2015, the majority of which were not affiliated with a tax abatement, but rather utilized for a sales tax exemption on project construction materials. The table below details the date of issue as well as the maturity date. Note that outstanding IRBs are payable solely from private sources and not backed by the City. In addition, those companies that had IRBs issued after 1995 are required to provide arbitrage and secondary disclosures.

| 2015 IRBs: Outstanding                                                    |               |                |              |                   |                                       |
|---------------------------------------------------------------------------|---------------|----------------|--------------|-------------------|---------------------------------------|
| Company                                                                   | Date of Issue | Issuing Ord. # | Year Matures | Amount Authorized | Project                               |
| Bowersock: Series 2011B & 2011C                                           | 2010/2011     | 8607 & 8620    | 2037         | \$27,000,000      | Hydro-Electric Facility               |
| PROSOCO, Inc: Series 1998A (\$5,800,000) & Series 1998B (\$2,240,000)     | 1999          | 7060           | 2019         | \$8,040,000       | Manufacturing Facility                |
| Rock Chalk Park                                                           | Oct. 2013     | 8862           | 2023         | \$40,000,000      | Commercial Recreational Facility      |
| 1101/1115 Indiana Street*                                                 | Nov. 2014     | 9053           | 2017         | \$76,000,000      | Mixed-Use, Retail and Student Housing |
| 100 East 9th Street LLC (9th & New Hampshire North Project): Series 2015* | Mar. 2015     | 9093           | 2017         | \$23,000,000      | Mixed-Use Commercial/Residential      |
| Dwayne Peaslee Technical Training Center, Inc.: Series 2015*              | May. 2015     | 9111           | 2017         | \$1,600,000       | Technical Training Center             |
| Eldridge Expansion (705 Massachusetts Street)*                            | Oct. 2015     | 9161           | n/a          | \$12,500,000      | Hotel Expansion                       |

\*Stand-alone IRB for sales tax exemption on construction materials.



## Industrial Revenue Bonds

Two new IRBs were authorized in 2015, but had not closed by the end of the year.

| 2015 IRBs: Authorized |                 |        |              |                   |                                               |
|-----------------------|-----------------|--------|--------------|-------------------|-----------------------------------------------|
| Company               | Resolution Date | Res. # | Year Matures | Amount Authorized | Project                                       |
| Pioneer Ridge*        | Feb. 2015       | 7103   | n/a          | \$14,500,000      | Commercial, Independent Living Facility       |
| 800 New Hampshire*    | Dec. 2015       | 7135   | n/a          | \$7,800,00        | Mixed-Use Commercial/Multi-Family Residential |

\*Stand-alone IRB for sales tax exemption on construction materials.

| 2015 IRBs: Matured (no longer outstanding)            |               |               |            |                   |                                                           |
|-------------------------------------------------------|---------------|---------------|------------|-------------------|-----------------------------------------------------------|
| Company                                               | Date of Issue | Issuing Ord # | Terminated | Amount Authorized | Project                                                   |
| DST Systems, Inc: Series 2001                         | 2001          | 7331          | 2012       | \$9,000, 000      | Acquisition & Renovation of Existing Office Building      |
| Neuvant House II*                                     | 2013          | 8901          | 2014       | \$2,500,000       | Specialty Healthcare Facility                             |
| 9th & New Hampshire LLC: Series 2012 (South Project)* | 2012          | 8804          | 2015       | \$17,250,000      | Mixed Use Hotel (900 New Hampshire Street: South Project) |

\*Stand-alone IRB for sales tax exemption on construction materials.



## 3 Neighborhood Revitalization Areas

Neighborhood Revitalization Areas (NRA) are an economic development tool established by the Kansas Neighborhood Revitalization Act (K.S.A. 12-17,114 et seq.) to promote reinvestment and revitalization of properties, which in turn have a positive economic effect upon a neighborhood and the City in general.

During 2015, the City of Lawrence had the below approved Neighborhood Revitalization Areas:

| 2015 Established Neighborhood Revitalization Areas (NRA)    |                      |       |                        |                                      |                    |
|-------------------------------------------------------------|----------------------|-------|------------------------|--------------------------------------|--------------------|
| NRA                                                         | District Established | Ord # | % Rebate               | Duration                             | First NRA Tax Year |
| <b>8th and Pennsylvania District:</b><br>(720 E 9th Street) | Apr. 2007            | 8093  | 95%                    | Based on amount rebated <sup>1</sup> | 2011               |
| <b>1040 Vermont</b> (Treanor Architect's Headquarters)      | Apr. 2011            | 8625  | Declining <sup>2</sup> | 10 years                             | 2013               |
| <b>810/812 Pennsylvania</b> (Cider Building)                | Jul. 2012            | 8753  | 95%                    | 10 years                             | 2014               |
| <b>1106 Rhode Island</b> (Hernly Architect's)               | Aug. 2014            | 9022  | 85%                    | 10 years                             | 2016               |
| <b>1101/1115 Indiana</b> (Mixed-Use, Student Housing)       | Aug. 2014            | 9021  | 85%                    | 10 years                             | 2017               |
| <b>900 Delaware</b> (9 Del Lofts)                           | Oct. 2014            | 9040  | 95%                    | 15 years                             | 2016               |
| <b>705 Massachusetts Street</b> (Eldridge Hotel expansion)  | Mar. 2015            | 9086  | 85%                    | 15 years                             | 2017               |

Three properties were eligible for an NRA rebate for the property taxes levied in 2015: 720 E 9<sup>th</sup> Street, 1040 Vermont Street, and 810/812 Pennsylvania Street. The remaining NRA projects were either under construction or had not commenced construction by the end of the year, and were not eligible for a rebate. Rebate amounts are shown in Appendix B.

The 1001 Massachusetts Street NRA was previously authorized (Ordinance 8671, September 2011), but had not proceeded as of the end of the year, due to a change in use.

<sup>1</sup> The 8th & Pennsylvania NRA district allows for up to 20 years of NRA rebates (subject to a capped amount correlating with costs). As per agreement with the City, rebates are due until the maximum amount of \$324,673.18 has been rebated or 12-31-2032, whichever comes first.

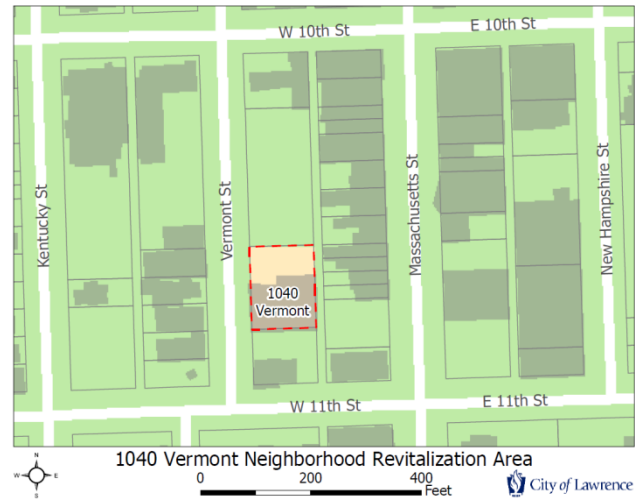
<sup>2</sup> Yrs 1-4: 95%, Yrs 5-6: 85%, Yr 7: 70%, Yr 8: 50%, Yr 9: 30%, Yr 10: 20%.



## 3 Neighborhood Revitalization Areas

### 1040 Vermont Street NRA

Treanor Architects received an NRA in order to design and build an 18,000 square foot office to relocate their associates to downtown Lawrence. The project involved renovation of a former car dealership built in 1953, which had also previously housed a grocery store and office supply company.



1040 Vermont Street Before Renovation

The new design reused the back half of the building to create a partial two-story space featuring an open floor plan, reception area, offices, multiple conference rooms, break

areas, rooftop garden and recreation space.



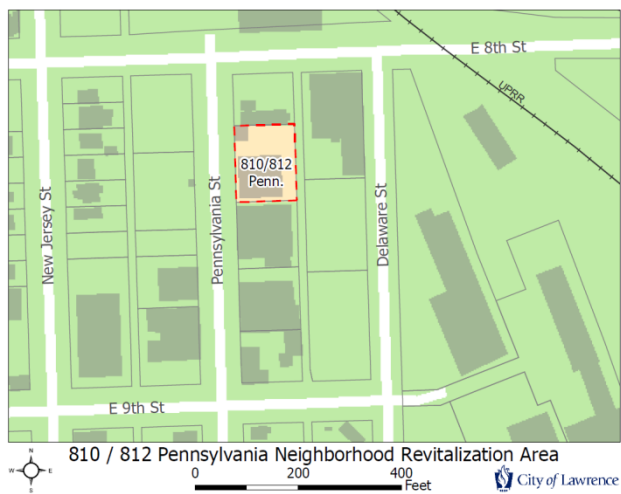
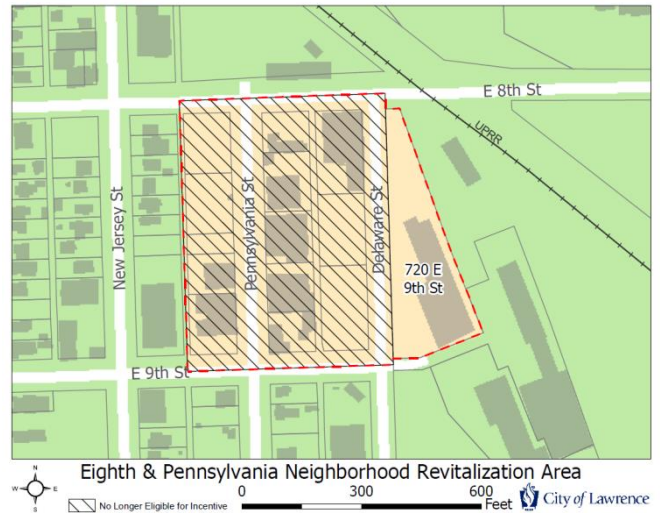
1040 Vermont Street After Renovation



## 3 Neighborhood Revitalization Areas

### 8<sup>th</sup> & Pennsylvania Street NRA

The 8<sup>th</sup> & Pennsylvania Street NRA was established in 2007, although the only property redeveloped was the parcel located at 720 E 9<sup>th</sup> Street. The district expired in April 2012. However, this parcel remains eligible for NRA refunds.



### 810/812 Pennsylvania Street NRA

The 810/812 Pennsylvania Street NRA was approved in 2012 to redevelop the historic Cider building as part of an overall renovation of the East Lawrence Historic Neighborhood District. The abandoned



Cider Art Gallery

building was converted into an arts gallery with events space on the lower level and office space on the upper level. The redevelopment opened in 2013 and supports event, art, and entrepreneurial needs of the East Lawrence Historic community.



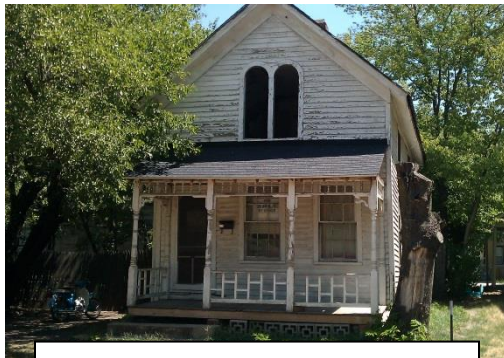
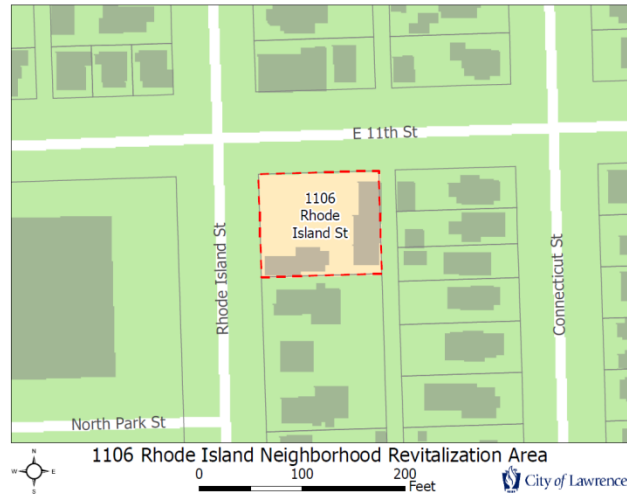
### 3

## Neighborhood Revitalization Areas

### 1106 Rhode Island Street NRA

The 1106 Rhode Island Street NRA district was established in 2014 to help redevelop the property and its historic structures to productive use. As a vacant, dilapidated, and blighted property, it presented safety, health, environmental, and economic concerns for the community. However, the existing house, large barn, and garage

were contributing structures to the North Rhode Island Street Historic Residential District and it was determined they retained sufficient integrity to be rehabilitated.



Property Before Rehabilitation

Currently, the property is under rehabilitation, converting the on-site, historic structures to productive use and adding new space to enhance the usefulness of the property. The first NRA rebate is anticipated to occur for the 2016 tax year.



Property During Rehabilitation



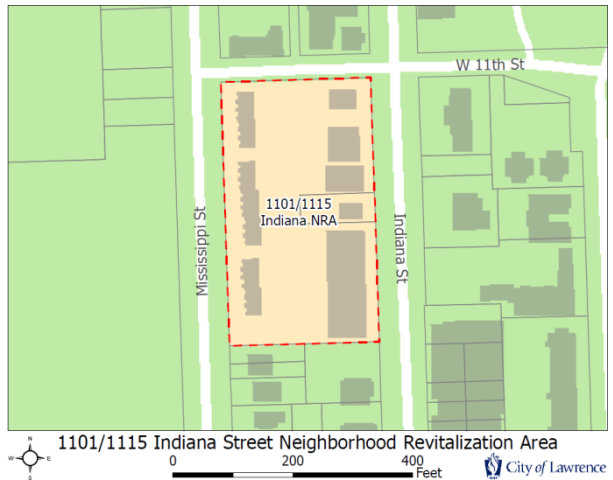
## 3 Neighborhood Revitalization Areas

### 1101/1115 Indiana Street NRA

The 1101/1115 Indiana Street NRA was authorized in 2014 to support redevelopment of the property into an upscale, mixed-use, student housing community.

The estimated \$75.5 million project will include approximately 239 high-end apartment units, approximately 14,051 square feet of first floor retail space, and an automated robotic parking garage.

Currently, the project is under construction, with the first NRA rebate anticipated to occur for the 2017 tax year.



Future Mixed-Use, Student Housing



Project Under Construction



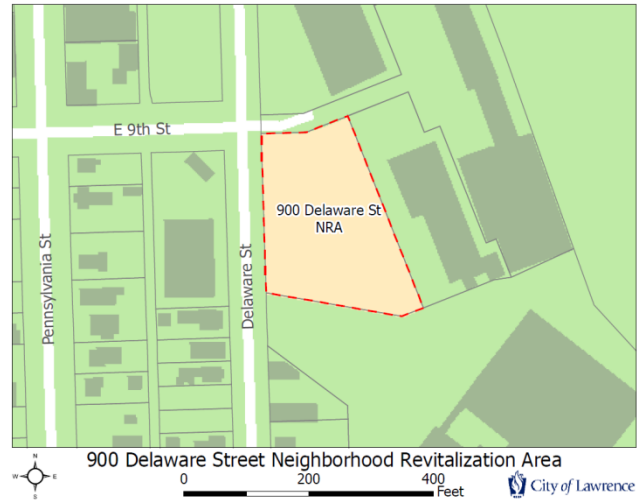
### 3

## Neighborhood Revitalization Areas

### 900 Delaware Street NRA

Located on the southeast corner of 9<sup>th</sup> Street and Delaware Street, adjacent to the East Lawrence Historic Warehouse District, the 9 Del Lofts project converted vacant land into a multi-family, affordable housing complex. The 900 Delaware NRA was authorized in 2014 to help support the project and add affordable housing to the community. The complex opened in 2015

with 43 apartment units: 18, one-bedroom units; 16, two-bedroom units; and four, three-



bedroom units. NRA rebates are anticipated to start with the 2016 tax year.



9 Del Lofts



### 3

## Neighborhood Revitalization Areas

### 705 Massachusetts Street NRA

Located along the historic Downtown Massachusetts Street corridor in Lawrence, Kansas, the Eldridge Hotel has been part of community history and culture since 1855. The hotel underwent a complete restoration in 2005 and features historic accommodations including, 48 guest suites, a full-service restaurant and lounge, and banquet room space.

In 2015, the City authorized an NRA to help the hotel expand into the long vacant parcel, located next to the existing hotel, at 705 Massachusetts Street. The expansion project will add approximately 54 new guest rooms and provide approximate 5,000 feet for additional meeting/banquet room space, hotel kitchen expansion, and restaurant and bar concept.



Current Vacant Lot



Rendering of Future Hotel Expansion

Project construction began in fall 2015. NRA rebates are anticipated to start for the 2017 tax year. Note the NRA and associated rebates are only applicable for the 705 Massachusetts Street expansion and do not apply to the existing hotel.



## Tax Increment Financing

Tax Increment Financing (TIF) Districts are an economic development tool established by the Kansas TIF Act (K.S.A. 12-1770 et seq.) to aid in financing projects for substantial public benefit. Public benefits can include creating jobs or retaining existing employment, eliminating blight, strengthening the employment and economic base of the City, increasing property values and tax revenues, reducing poverty, creating economic stability, upgrading older neighborhoods, facilitating economic self-sufficiency, promoting projects that are of community wide importance, or implementing the Comprehensive Plan and economic development goals of the City.

The City currently has three active TIF districts:

| 2015 TIF: Active                                                      |                      |                 |                  |                      |             |                             |
|-----------------------------------------------------------------------|----------------------|-----------------|------------------|----------------------|-------------|-----------------------------|
| TIF                                                                   | District Established | District Ord. # | Plan Established | Expires <sup>1</sup> | Plan Ord. # | Estimated Eligible Expenses |
| Downtown 2000 Redevelopment ( <i>Original 9th and New Hampshire</i> ) | Aug. 1999            | 7127            | April 2000       | April 2020           | 7207        | \$8,645,000                 |
| The Oread                                                             | Feb. 2008            | 8234            | April 2008       | April 2028           | 8253        | \$11,000,000 <sup>2</sup>   |
| 9th & New Hampshire: South Project                                    | Aug. 2012            | 8768            | May 2013         | May 2032             | 8865        | \$4,000,000 <sup>3</sup>    |
| 9th & New Hampshire: North Project                                    |                      |                 | April 2014       | April 2034           | 8971        | \$4,750,000 <sup>4</sup>    |

<sup>1</sup> The 20-year TIF clock for the reimbursement period starts when the *redevelopment plan* is approved.

<sup>2</sup> Amount shown is the total reimbursement cap, which is to be reimbursed from both TIF and TDD revenues. The reimbursement cap shown does not include interest.

<sup>3</sup> Amount amended from \$3,500,000 to \$4,000,000 on May 13, 2013. Amount shown is the reimbursement cap without interest. As per the redevelopment agreement, interest is subject to reimbursement from TIF revenues at the Developer's actual interest rate for borrowed funds

<sup>4</sup> Amount shown does not include interest. As per the redevelopment agreement, interest is subject to reimbursement from TIF revenues at the Developer's actual interest rate for borrowed funds.

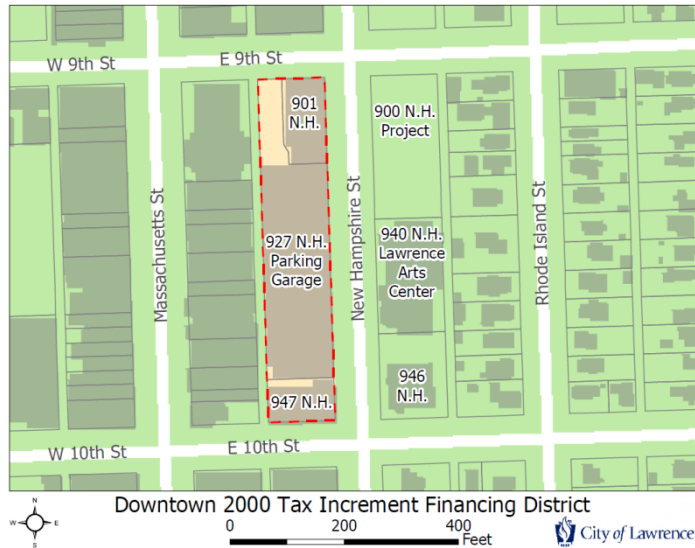


## Tax Increment Financing

### Downtown 2000 Redevelopment District

#### The Downtown 2000

Redevelopment TIF District was created to support the development of the parking garage at 10<sup>th</sup> and New Hampshire and other cultural, commercial, office, and apartment developments. At the end of 2015, approximately \$3.37M<sup>5</sup> remained outstanding on the bond debt (approximately \$8.6M).



In 2012 the 900 New Hampshire parcel was removed from the Downtown 2000 district and is now part of the new 9<sup>th</sup> & New Hampshire Redevelopment district. In exchange for removal of this parcel from the Downtown 2000 district, the first \$850,000 of project generated TDD proceeds from the 9<sup>th</sup> & New Hampshire district will be contributed to bond payoffs on the parking garage. Reimbursement records are provided in Appendix B.

<sup>5</sup> At the beginning of 2015, approximately \$3,940,000 remained outstanding on the bond debt. After payments made on 3-1-2015 and 9-1-2015, estimated balance remaining was \$3,370,000.



## Tax Increment Financing

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### ***901 New Hampshire Reimbursements:***

In January 2012, the City Commission authorized the City Manager to execute a performance agreement allowing a reimbursement of TIF revenues generated from the original Downtown 2000 Redevelopment District to be paid for developer-paid public improvements made to 901 New Hampshire, a mixed-use retail/office/apartment project located within the district. The agreement calls for a total of \$280,852 to be paid by the City to the Developer over a 10 year period in ten equal, annual installments of \$28,085.20. The first annual reimbursement was for taxes levied in 2012. Reimbursement records are provided in Appendix B.



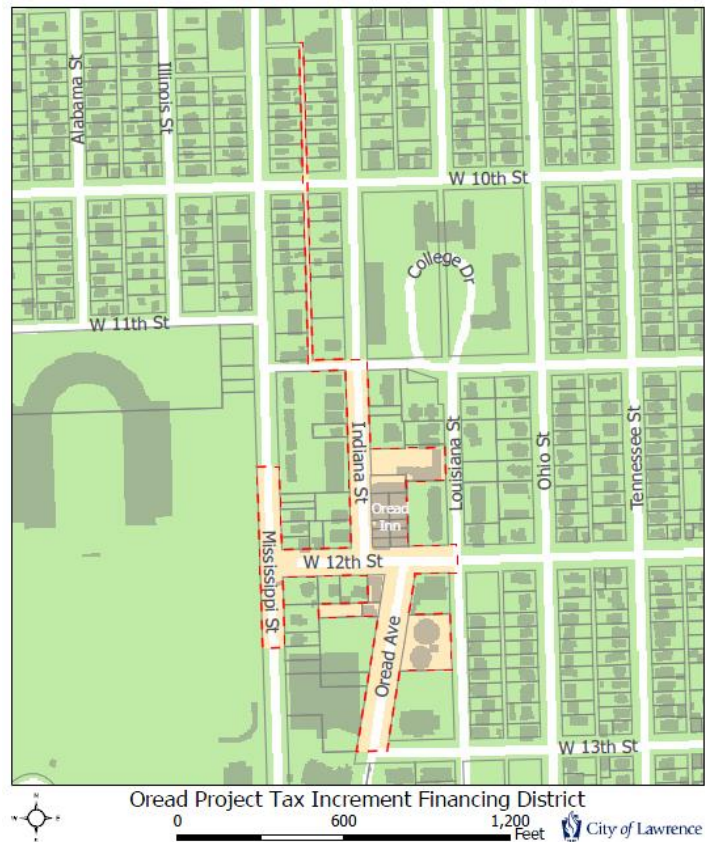
## Tax Increment Financing

### 12<sup>th</sup> and Oread Redevelopment

#### District: 1200 Oread Avenue

The Oread is a multi-level lodging, hospitality, and business venue with 10 above-ground floors and five below ground levels. Located on top of Mount Oread at the north gate of The University of Kansas, the center features 99 guest rooms and suites, two large banquet rooms, a state of the art audio/video theater, tanning salon and fitness center, and a variety of restaurants.

Public improvements to streets and infrastructure, including a parking garage, were financed initially by the Developer and are reimbursed annually through TIF revenues generated within the district. The district began generating TIF revenues in 2009. Reimbursements related to this TIF were under review at the time of this report. Data related to this TIF cannot be supplied at this time.



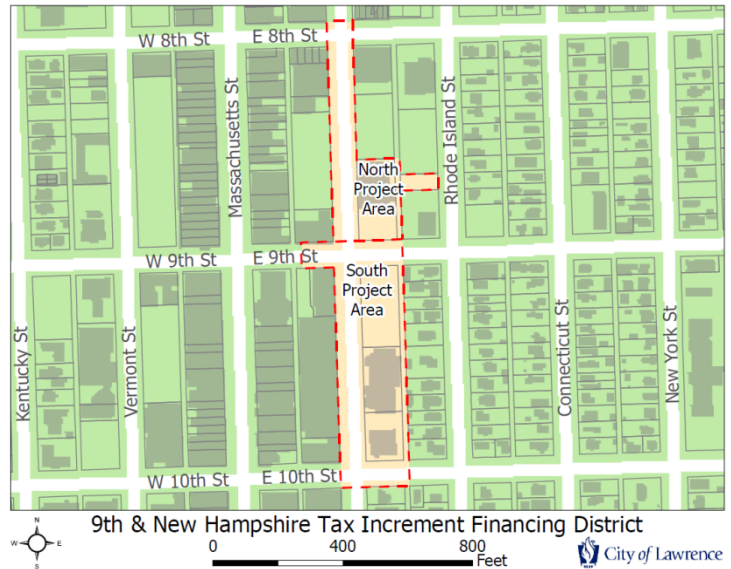


## Tax Increment Financing

### 9<sup>th</sup> & New Hampshire

#### Redevelopment District

Created in 2012, this district includes two project areas: South Project Area and North Project Area. Public infrastructure for both areas is to be funded initially by the developer and reimbursed on a “pay-as-you-go” basis by project generated TIF revenues. In addition, TIF revenues will be split between the City and



Developer to fund both a public “Arts Commons” project and public infrastructure within the district, with five percent (5%) of the proceeds reserved for the “Arts Commons” project (up to a total of \$900,000) and ninety-five percent (95%) of proceeds going to reimburse the Developer for public infrastructure expenses.<sup>6</sup>

The district began generating TIF revenues in 2014 through the South Project. The North Project was still under construction in 2015, so no TIF revenues were generated via that project for the tax year. Reimbursement records are provided in Appendix B.

<sup>6</sup> As per the South Area Development Agreement, if “Art Common” project does not proceed within 60 months of the date of the filing of the Certificate of Substantial Completion, 5% TIF revenues will go toward reimbursement of the property owner’s TIF project expenses. (Certificate filed December 31, 2014. City “Arts Common” project must proceed by December 31, 2019 for City to retain the 5% TIF revenues.)



## 4

# Tax Increment Financing

### South Project Area

The South Project Area includes a mixed-use hotel with retail space and hotel lobby on the first floor, underground parking and related public and private infrastructure. The proposed public project is affiliated with the Lawrence Arts Center. This “Arts Commons” space is planned to be a venue for public art exhibitions, theatrical productions, music, film and art-making activities and include green space for children attending the arts-based preschool and other educational programs to work and play outside.



### North Project Area

The North Project Area is a planned mixed-use apartment and banking center with underground parking, water line improvements along New Hampshire Street, and related public and private infrastructure.



*9<sup>th</sup> & New Hampshire District—Concept Rendering*



## 5 Transportation Development Districts

Transportation Development Districts (TDD) are an economic development tool established by the Kansas TDD Act (K.S.A. 12-17,140 et seq.) to assist with the development of transportation projects which can benefit a development and the public.

Currently, the City has three authorized TDDs. In all districts, public improvements were financed initially by the developer and are reimbursed annually via a one percent (1%) transportation district sales tax on retail or taxable services occurring within the district.

| 2015 TDDs: Active        |                                |               |                         |                       |                             |
|--------------------------|--------------------------------|---------------|-------------------------|-----------------------|-----------------------------|
| TDD                      | Ordinance #, Date Authorized   | TDD Sales Tax | TDD Sales Tax Commences | TDD Sales Tax Expires | Estimated Eligible Expenses |
| The Oread                | #8254, April 2008              | 1%            | Oct. 2009               | Oct. 2031             | \$11,000,000 <sup>1</sup>   |
| Free-State (Bauer Farms) | #8339, October 2008            | 1%            | April 2009              | April 2031            | \$5,000,000                 |
| 9th & New Hampshire      | #8979, April 2014 <sup>2</sup> | 1%            | Jan. 2015               | Jan. 2037             | \$3,000,000 <sup>3</sup>    |

<sup>1</sup> Amount shown is the total reimbursement cap, which is to be reimbursed from both TIF and TDD revenues. The reimbursement cap shown does not include interest.

<sup>2</sup> Ordinance 8803 which originally established the TDD district was repealed due to a technicality and replaced with Ordinance 8979.

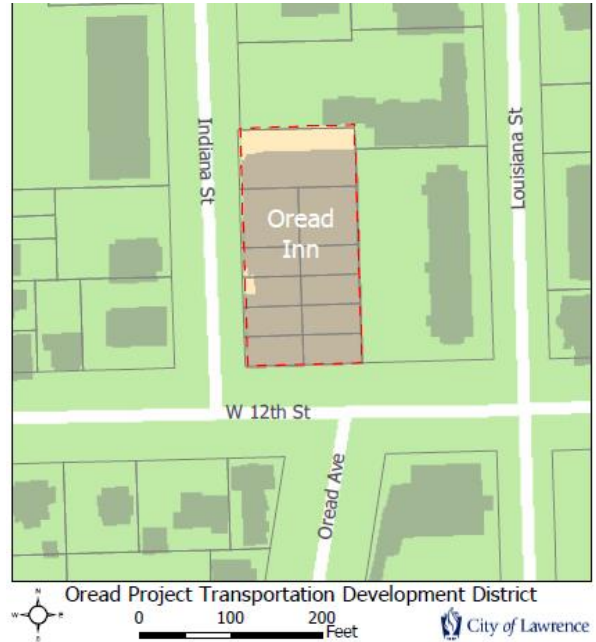
<sup>3</sup> Amount shown is the reimbursement cap without interest. As per the redevelopment agreement, interest is subject to reimbursement at the Developer's actual interest rate for borrowed funds.



## 5 Transportation Development Districts

### **The Oread TDD**

The Oread TDD (located at W. 12<sup>th</sup> Street & Oread Avenue) began generating sales tax revenues in 2009. Reimbursement records are provided in Appendix B.

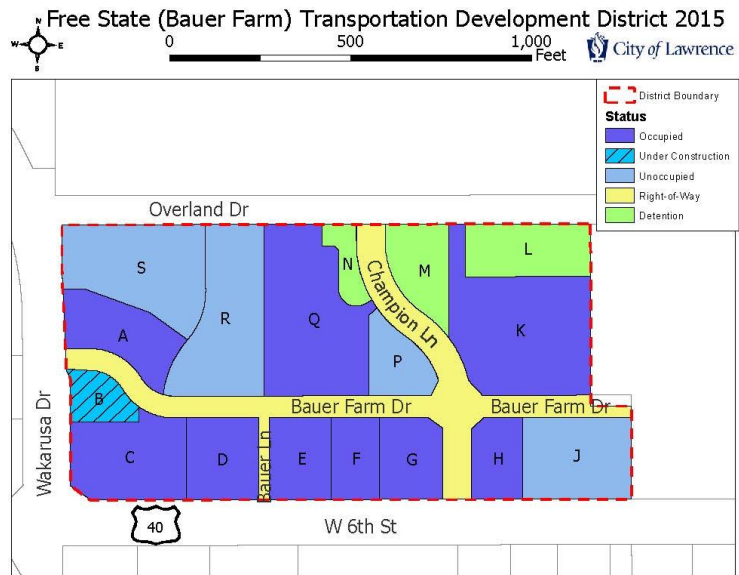




## 5 Transportation Development Districts

### Free-State TDD

The Free-State (Bauer Farm) TDD (located at W. 6<sup>th</sup> Street and Wakarusa Drive) began generating sales tax revenues in 2009. At the end of 2015, approximately sixty-seven percent (66.9%) of the buildable area within the district was occupied. Reimbursement records are provided in Appendix B.

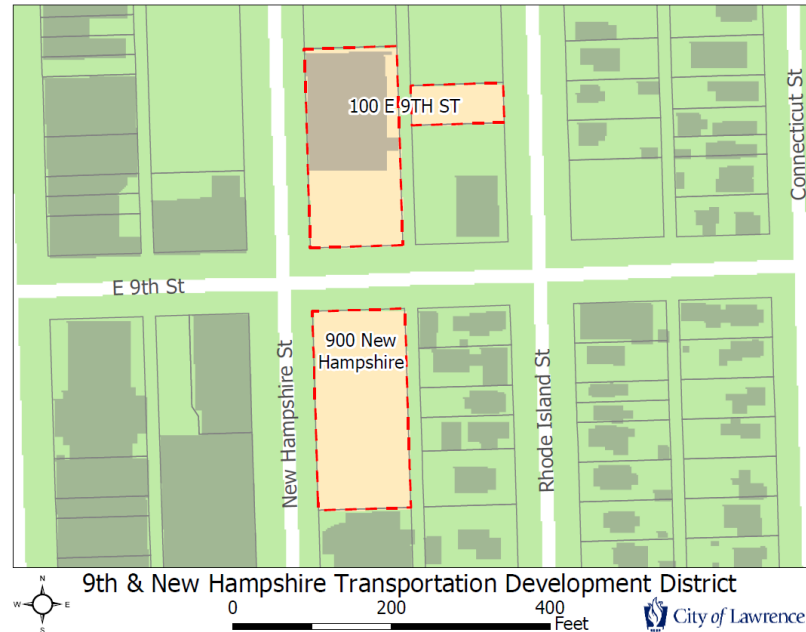




## 5 Transportation Development Districts

### 9<sup>th</sup> & New Hampshire TDD

The 9<sup>th</sup> & New Hampshire TDD was approved in July 2012. The district began generating TDD sales tax in 2015. The first \$850,000 of district TDD revenues will go toward paying back bonds for the 10<sup>th</sup> & New Hampshire parking garage. After reaching that threshold, additional TDD revenues will reimburse Developer-paid public infrastructure expenses. Reimbursement records are provided in Appendix B.





## 6

# Other Support Programs

## Economic Development Services

The City of Lawrence annually contracts with the agencies below to provide services related to economic development in order to foster job growth within the community.



### **Bioscience & Technology Business Center**

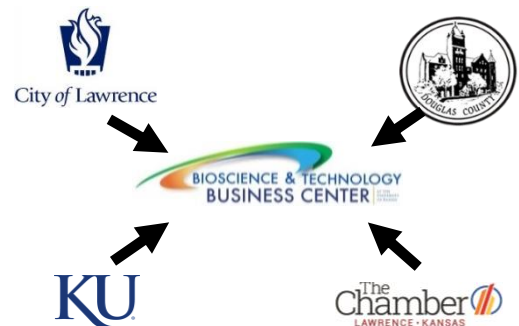
The BTBC creates, recruits, grows, and retains companies that produce high quality, high-paying jobs by supporting growth of the bioscience and technology industries in Lawrence, Douglas County, and Kansas City.

By producing these jobs, the BTBC is able to

increase the local tax base and create wealth in the community. To help its tenant companies grow and succeed, the BTBC provides:

- Customized office and laboratory space
- Access to the BTBC's network of business and industry contacts
- Access to KU resources
- High bandwidth, low latency fiber internet connection
- Business services and support

The BTBC is a unique coalition consisting of the City, County, KU, and the local business community via the Lawrence Chamber of Commerce—The first of its kind for Lawrence. As a result of this unique partnership, each dollar contributed by the City is leveraged by contributions by the other partners.





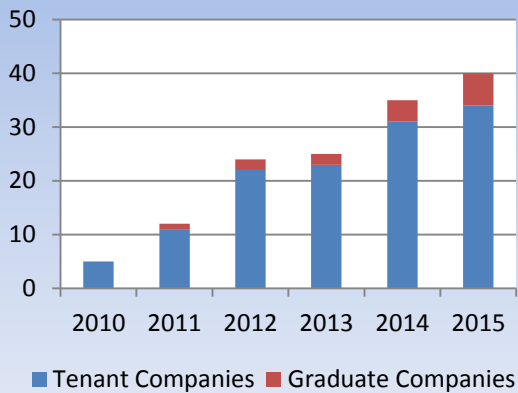
## 6 Other Support Programs

| BTBC Facilities |                                      |             |                                                                                                                |
|-----------------|--------------------------------------|-------------|----------------------------------------------------------------------------------------------------------------|
| Facility        | Location                             | Rentable SF | Description                                                                                                    |
| BTBC Main       | KU's West Campus                     | 50,400      | Office and lab space situated near several prominent KU research buildings.                                    |
| BTBC West       | 15 <sup>th</sup> Street and Wakarusa | 17,500      | Suited for incubator graduates, tenants with unique space requirements, and companies seeking GMP-ready space. |
| BTBC-KUMC       | KU Medical Center Campus, KCK        | 21,000      | Office and wet lab space adjacent to the KUMC and the KU Hospital.                                             |

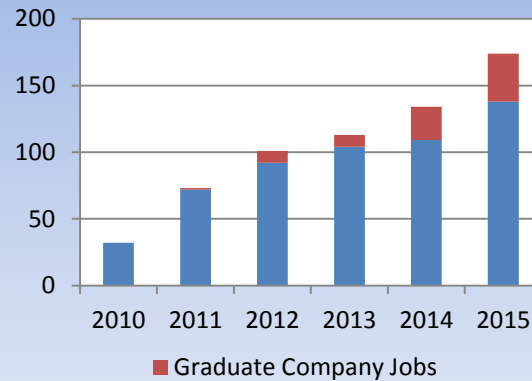
Source: Bioscience & Business Technology Center, data as of December 31, 2015.

### BTBC Economic Development Metrics

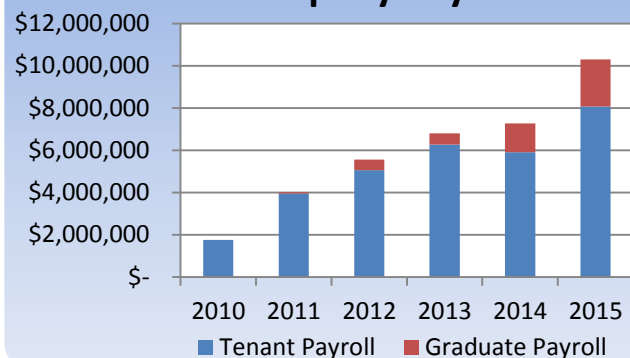
#### BTBC System Companies



#### BTBC Companies Jobs



#### BTBC Company Payroll



Source: Bioscience & Business Technology Center, data current as of 12/31/15.



## Other Support Programs

By locating in Lawrence, the BTBC companies also create an indirect economic benefit to the local economy consisting of money paid to local vendors as well as take-home pay spent by tenant company employees on housing, utilities, food, child care, entertainment, etc. The following chart shows the total direct and indirect economic impact of BTBC companies:

| Metric                  | BTBC Companies | BTBC Graduates | BTBC System Total |
|-------------------------|----------------|----------------|-------------------|
| Companies               | 34             | 6              | 40                |
| Jobs - Direct           | 138            | 37             | 175               |
| Jobs – Indirect/Induced | 91             | 24             | 115               |
| Jobs - Total            | 229            | 61             | 290               |
| Annual Payroll          | \$13,742,748   | \$3,660,732    | \$17,403,480      |

*Analysis produced using EMSI Developer Economic Development software*



Construction of Phase II, an additional 30,000 square feet of office and lab space, was completed in August of 2014. The BTBC Main Facility has since reached approximately seventy-eight percent (78%) occupancy, which is about two years ahead of projections. The BTBC has begun

planning for Phase III, which will likely include an anchor tenant or tenants. The BTBC's long term goal is the development of a technology park on KU's West Campus.



## Other Support Programs

### Overview of City Support for BTBC Services

The City of Lawrence has provided the below funding support for BTBC operations:

| Bioscience & Technology Business Center Support |                                    |            |           |
|-------------------------------------------------|------------------------------------|------------|-----------|
| Year                                            | Capital Investment – Fixed Assets* | Operations | Total     |
| 2006                                            | --                                 | \$200,000  | \$200,000 |
| 2007 <sup>1</sup>                               | --                                 | \$192,000  | \$192,000 |
| 2008                                            | --                                 | \$200,000  | \$200,000 |
| 2009                                            | \$75,000                           | \$200,000  | \$275,000 |
| 2010                                            | \$75,000                           | \$200,000  | \$275,000 |
| 2011                                            | \$141,540                          | \$200,000  | \$341,540 |
| 2012                                            | \$641,540                          | \$200,000  | \$841,540 |
| 2013                                            | \$641,540                          | \$200,000  | \$841,540 |
| 2014 <sup>2</sup>                               | \$141,540                          | \$200,000  | \$341,540 |
| 2015                                            | \$196,540                          | \$200,000  | \$396,540 |

Source: City Budget Office, City of Lawrence, Kansas

\*Denotes city funding for construction of the \$14.5MM BTBC Main Facility, of which the City has a 25% interest.

<sup>1</sup> A 4% reduction was imposed on support for all outside agencies in 2007.

<sup>2</sup> In addition to operations support, the City and County jointly agreed to split expenses related to the roof replacement for the BTBC West (Expansion) Facility. The City's portion of the expense was \$122,855.40, which was paid in 2014.



## 6 Other Support Programs

### Support for Other Economic Development Services

During 2015, the City provided the same amount of financial support to local agencies for economic development services as in the previous year.

| Other Support for Economic Development Services                     |                                         |                  |                  |                  |                  |
|---------------------------------------------------------------------|-----------------------------------------|------------------|------------------|------------------|------------------|
| Organization                                                        | Description                             | 2012             | 2013             | 2014             | 2015             |
| Economic Development Corporation (EDC) of Lawrence & Douglas County | Economic development marketing services | \$199,500        | \$199,500        | \$199,500        | \$199,500        |
| KU Small Business Development Center (KU-KSBDC)                     | Small business development services     | \$20,000         | \$20,000         | \$20,000         | \$20,000         |
| <b>Total</b>                                                        |                                         | <b>\$219,500</b> | <b>\$219,500</b> | <b>\$219,500</b> | <b>\$219,500</b> |

Source: City Budget Office, City of Lawrence, Kansas

### **Economic Development Corporation (EDC)**

The Economic Development Corporation of Lawrence & Douglas County is committed to supporting and enabling economic growth and bringing high quality jobs to the region. The below are some of the many EDC accomplishments in 2015.

| Company Attraction                    |                                         |                                  |                                             |                         |
|---------------------------------------|-----------------------------------------|----------------------------------|---------------------------------------------|-------------------------|
| Company                               | Estimated Net # Jobs                    | Real Property Capital Investment | Business Type                               | Business Location       |
| Integrated Animal Health              | 50 within 10 years                      | \$244,000                        | Animal Health                               | BTBC, 2029 Becker Drive |
| USA 800                               | 333 within first year                   | \$3,400,000                      | Call Center                                 | 1025 N. 3rd St.         |
| Midwest Manufacturing, Inc. (Menards) | 100 within first two years of operation | \$25,000,000                     | Manufacturing                               | Lawrence VenturePark    |
| DM Bruce Associates                   | 18 Jobs (relocated from KC/Topeka)      | n/a                              | Financial Services, Corporate HQ Relocation | 4911 Legends Drive      |
| Iowa EPS                              | 20 Jobs (relocated from Iowa)           | n/a                              | Manufacturing                               | 31st & Haskell          |
| <b>Total</b>                          | <b>521</b>                              | <b>\$28,644,000</b>              |                                             |                         |

Source: EDC of Lawrence and Douglas County



## Other Support Programs

| Workforce Development                                     |           |                     |           |                                                                                                   |                                  |                                  |
|-----------------------------------------------------------|-----------|---------------------|-----------|---------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------|
| Peaslee Tech Training Center                              | Opened    | # Enrolled Students | # Courses | Description                                                                                       | Education Providers              | Industry Engagement & Curriculum |
| Workforce Training Center, located at 2920 Haskell Avenue | Fall 2015 | 150                 | 22        | 17,000 Square Foot Renovation (April-August 2015) : 2 classrooms, 3 labs, break room & admin area | Flint Hills Technical College    | Manufacturing                    |
|                                                           |           |                     |           |                                                                                                   | Johnson County Community College | Construction                     |
|                                                           |           |                     |           |                                                                                                   | Neosho County Community College  | Computer                         |
|                                                           |           |                     |           |                                                                                                   |                                  | HVAC                             |

Source: EDC of Lawrence and Douglas County

The EDC plays an active role in local business retention and routinely reaches out through community visits (10 in 2015) and direct contact (1,000 touches) in 2015.

In addition to the above, the EDC has been a key partner in small business development through the BizFuel and Metropolitan E-Community programs.



| Small Business Development                                                         |         |                                           |                               |
|------------------------------------------------------------------------------------|---------|-------------------------------------------|-------------------------------|
| BizFuel                                                                            | Date    | 2015 Programs                             | Education Providers           |
| Partnership for building and growing the local community entrepreneurial ecosystem | Q2-2015 | Sales Tax/Compensating Use Tax Workshop   | Kansas Department of Revenue  |
|                                                                                    | Q3-2015 | Tales of a Manufacturer                   | Peaslee Tech, MAMTC/NIST      |
|                                                                                    |         | Art as a Business                         | Marc Wilson/KSBDC             |
|                                                                                    | Q4-2015 | Affordable Care Act & Your Small Business | Small Business Administration |

Source: City and EDC of Lawrence and Douglas County



## Other Support Programs

### BizFuel

BizFuel is a public/private partnership, formed in May 2015, between the City of Lawrence, Douglas County, the EDC of Lawrence, Lawrence Chamber of Commerce, KU Small Business Development Center and the Lawrence Public Library. BizFuel partners work to build and grow local Small to Medium Enterprises (SMEs) and a stronger entrepreneurial ecosystem through a collective impact approach method.

#### 2015 BizFuel Activity



**4**

Workshops/Seminars  
Delivered from  
May-December



**216**

Entrepreneurs/  
Small Businesses  
Served



**4.7**

Overall Average BizFuel  
Workshop Rating  
By Attendees  
(Out of 5)

### Metropolitan E-Community Partnership

In 2015, the City and EDC established The Metropolitan E-Community program for Lawrence. Available through Network Kansas, this program allows the City to raise seed money for local entrepreneurs by awarding tax credits based on donations from individuals or businesses within the community. The seed money is then used to set up a revolving loan fund to be used for businesses that meet the below guidelines.

- Businesses located in a distressed area (20%+ live below poverty level)
- Owned by woman, minority, or someone of disadvantaged status
- Businesses that currently employ or will employ low-income employees
- Businesses whose products/service supports disadvantaged/underserved populations
- Businesses whose mission is to serve disadvantaged/underserved populations



## Other Support Programs

### KU-KSBDC (Small Business Development Center)

The KU-KSBDC is one of 17 Centers in Kansas and one of approximately 1100 Centers in the America's SBDC network that provides free and confidential consulting services to entrepreneurs who are starting and growing small businesses. Staffed by professionals certified in areas such as business continuity planning, business valuation, and exit planning, the center focuses on providing services for business planning, access to capital, marketplace/industry analysis, and financial benchmarking.



In 2015, the KU-KSBDC provided almost 1900 hours of one-to-one consulting and 500 hours of other community engagement. While the Center provides services throughout a 6 county area, approximately eighty-five (85%) of measured activity takes place locally.



As part of the cooperative model, economic impact is measured annually by The Docking Institute in cooperation with the Kansas Small Business Development Center. As reported in April of 2015, KU-KSBDC's services provided the below economic impacts:

| 2014 KU-KSBDC Economic Impact |              |
|-------------------------------|--------------|
| Total client companies        | 367          |
| Reported starting business    | 57           |
| New access to capital         | \$10,650,000 |
| New revenue generated         | \$16,820,000 |
| Jobs impact                   | 490          |

Source: KU-KSBDC



## 6

# Other Support Programs

## Neighborhood Infrastructure

### **East Lawrence Industrial Historic District: 8<sup>th</sup> & Pennsylvania Area**

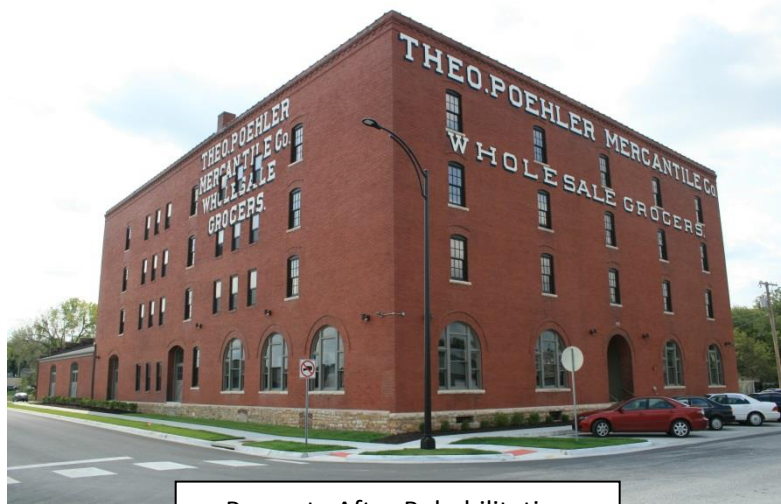
The East Lawrence Industrial Historic District encompasses several existing manufacturing buildings of historic architectural integrity associated with the City's industrial past. Part of what was once a larger assembly

of manufacturing, warehouse, wholesale, distribution, and rail freight-related buildings and structures that historically stretched eastward from

Massachusetts Street along the railroad alignment into East Lawrence, the buildings in the district reflect an important

component in the commercial history of

Lawrence from the late nineteenth century through the mid-twentieth century.



Property After Rehabilitation



Property Prior to Rehabilitation

Redevelopment in the district aims to preserve a historically significant area, restore a dilapidated, non-productive area to productive use, serve as a catalyst for future area improvements and provide quality, affordable housing. The City continues supporting the



## 6

# Other Support Programs

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preservation and revitalization of the district by funding several neighborhood improvements.

First Phase improvements were completed in 2012 and included:

- Providing adequate storm water services and improvements to enhance the watersheds ability to manage storm water runoff more effectively and efficiently
- Replacing a 100-year old, inadequately sized waterline with the correct capacity line, completing the loop and upgrading to current design standards
- Providing Complete Street aspects (e.g. pedestrian lighting, landscaping, sidewalks, and on-street parking)



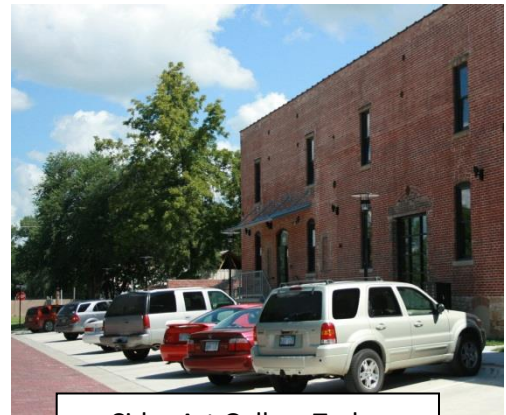
South View of Poehler Building Today

Second Phase improvements were completed in 2013 and included:

- 9th Street reconstruction & intersection improvements
- Pennsylvania Street reconstruction
- 8th Street & Pennsylvania Street parking
- Utility and safety improvements



Cider Building During Rehabilitation



Cider Art Gallery Today



## 6 Other Support Programs

Phase Three improvements were authorized by the City Commission on June 3, 2014 to support the on-going revitalization of the area and the addition of affordable housing through the 9 Del Lofts project. Specifically, the City agreed to reimburse up to \$270,967 in improvements for:



9 Del Lofts

- Relocation and connection of sanitary sewer main, water line
- Public street improvement plans
- 9<sup>th</sup> Street drive extension and 10' public trail installation
- Burying of area utility lines

To date, estimated City infrastructure investment in support of area revitalization is just over \$2 million.

| Warehouse District: Area Public Support                 |                    |
|---------------------------------------------------------|--------------------|
| City Contribution                                       | Amount (est.)      |
| Poehler/Phase I Infrastructure                          | \$1,051,577        |
| Cider/Phase II Infrastructure                           | \$695,430          |
| Cider CID Special Assessments on City-Owned Parking Lot | \$22,432           |
| 9 Del/Phase III Infrastructure                          | \$269,582          |
| <b>Total Estimated Area Support</b>                     | <b>\$2,039,021</b> |



## 6

# Other Support Programs

## Shared Infrastructure

### Rock Chalk Park

Opening in the fall of 2014, Rock Chalk Park, is an 89 acre sports campus located at the northwest corner of Rock Chalk Drive and George Williams Way. Rock Chalk Park is home to the 181,000 square foot City recreation center (Sports Pavilion Lawrence) and University of Kansas (KU) athletic facilities.



In 2015, during its first full year of operation, Sports Pavilion Lawrence averaged nearly 40,000 visits monthly.



Additional usage statistics for the recreation center include:

- 27,011 people have registered/received key cards for use since opening. Lawrence and Douglas County residents using the facility need the free key card to use the facility and assists with determining usage at the center.
- 15,218 key card holders are women and 11,793 are men.
- The average age for key card holders is 40 years-old.
- The Lawrence zip code that uses the center the most is 66049 with 9,790 users. Next highest zip code is 66044 with 8,544 users.
- Lawrence Parks and recreation staff estimate that in 2015 Sports Pavilion Lawrence generated over 5 million dollars in economic impact for the City of Lawrence.



## Other Support Programs

| Sports Pavilion Lawrence: 2015 Attendance |                    |                    |         |          |        |                                  |
|-------------------------------------------|--------------------|--------------------|---------|----------|--------|----------------------------------|
| Year                                      | Avg Monthly Visits | Key Card Holders   |         |          |        | Estimated Annual Economic Impact |
|                                           |                    | # Key Card Holders | Avg Age | % Female | % Male |                                  |
| 2015                                      | 40,000             | 27,011             | 40      | 56.3%    | 43.7%  | \$5,000,000                      |

Source: City Parks and Rec Department

| 2015 Attendance for RCP Softball, Soccer, Track & Field Events |          |             |
|----------------------------------------------------------------|----------|-------------|
| Year                                                           | # Events | # Attendees |
| 2015                                                           | 39       | 32,722      |

Source: Kansas Athletics

Traditional economic development tools utilized for the project included a property tax abatement and issuance of industrial revenue bonds for the property containing the KU Athletic facilities.<sup>3</sup> (Refer to Sections 1 and 2 for additional information.) In addition, the City authorized support for the shared infrastructure within the park (e.g. parking, walking trails, all necessary sanitary sewer, potable water, storm sewer, water detention facilities, public and private streets, sidewalk and related improvements) and a rebate of City permit and development fees. By the end of 2015, the City had reimbursed all amounts due for shared infrastructure and development fees.

<sup>3</sup> KU would normally enjoy a 100% property tax abatement on their property for the duration of ownership. However, given the structure of the project with KU Athletics entering into a long term lease with a private developer to construct the facilities, an automatic property tax exemption was not possible. A property tax abatement was utilized to assist KU in pursuing this project. Due to the unique nature of the project and its primary benefits related to assisting KU Athletics and drawing visitors from outside the community rather than job creation, no job creation performance requirements were imposed.



## 6

# Other Support Programs

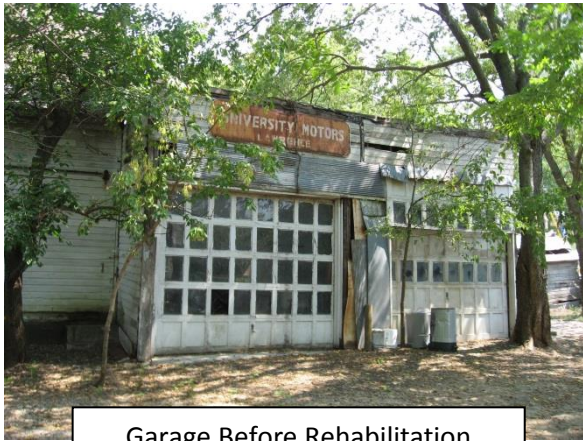
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## Development Grant

### **1106 Rhode Island Street Historic Rehabilitation**

In support of the commercial rehabilitation of historic properties at 1106 Rhode Island Street, the City authorized a development grant estimated at \$26,100 to assist with City fees and permit expenses.

The grant was authorized in July 2014. At the end of 2015, \$23,640 had been reimbursed on the project.



Garage Before Rehabilitation



Garage During Rehabilitation



Barn Before Rehabilitation



Barn During Rehabilitation



## 6 Other Support Programs

### Relocation Assistance

#### **Integrated Animal Health Global Headquarters**

2920 Becker Drive, BTBC Lawrence

Based out of Queensland, Australia, Integrated Animal Health (IAH) is a privately owned and funded company that uses patented technology to help increase the absorption of medicine in animals, either given orally or through the skin. To aid in establishing IAH's global headquarters in Lawrence, the City and Douglas County agreed to share equally in providing a 3-year lease subsidy for space at the BTBC main facility and a \$100,000 forgivable loan.

- The rent subsidy was contingent on IAH signing a 3-year lease at the BTBC main facility. The lease was executed in April 2015, with the first lease subsidy paid for June 2015 rent.
- The forgivable loan is tied to performance and subject to the below employment targets and compliance schedule. The first full measurement year for calculating compliance on the forgivable loan will be June 1, 2015-May 31, 2016.

| Job Performance Targets & Loan Forgiveness Schedule |                    |                                    |                       |                                       |
|-----------------------------------------------------|--------------------|------------------------------------|-----------------------|---------------------------------------|
| Year                                                | Measurement Period | Cumulative, Net New Full-Time Jobs | Average Annual Salary | Maximum Amount of Loan to be Forgiven |
| 1                                                   | Jun 2015-May 2016  | 2                                  | \$113,167             | \$33,333.33                           |
| 2                                                   | Jun 2016-May 2017  | 5                                  | \$113,167             | \$33,333.33                           |
| 3                                                   | Jun 2017-May 2018  | 9                                  | \$113,167             | \$33,333.34                           |
| Total                                               |                    |                                    |                       | \$100,000.00                          |



## Other Support Programs

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| Compliance % Schedule |                                       |
|-----------------------|---------------------------------------|
| Year                  | Maximum Amount of Loan to be Forgiven |
| 90-100%               | 100%                                  |
| 80-89%                | 85%                                   |
| 70-79%                | 75%                                   |
| Below 70%             | 0%                                    |

The below table summarizes public assistance for IAH, as of the end of year.

| 2015 Integrated Animal Health |                    |                    |
|-------------------------------|--------------------|--------------------|
|                               | City 2015          | County 2015        |
| Forgivable Loan               | \$50,000.00        | \$50,000.00        |
| Rent Subsidy                  | \$13,969.00        | \$13,969.00        |
| <b>Total</b>                  | <b>\$63,969.00</b> | <b>\$63,969.00</b> |



## 6

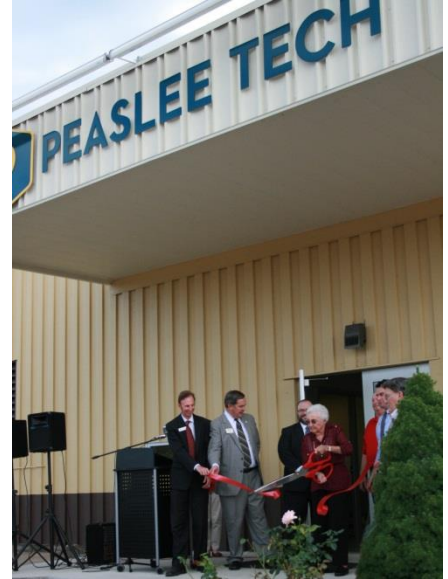
## Other Support Programs

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### Workforce Training Support

#### **Dwayne Peaslee Technical Training Center (Peaslee Tech)**

Located at in a former industrial building at 2920 Haskell Avenue in Lawrence, Peaslee Tech was established by a consortium of partners, including the Economic Development Corporation of Lawrence and Douglas County, the City of Lawrence, Douglas County, The Chamber, local industry, and private donors to fill the technical skills training gap within the Lawrence and Douglas County community.



The Center opened August of 2015 with an enrollment of 150 students. Course focused on technical skills such as Construction, Advanced Manufacturing, HVAC (limited to electrical aspects), Technical Math, Computer Literacy, and supportive areas such as employability skills, resolving conflicts, and problem solving.



## 6 Other Support Programs

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In 2015, the City and County provided support to help establish the center. City assistance included:

- Refund of \$15,533.20 in 2014 real estate taxes on property and improvements
- Refund of \$11,776.30 in 2015 real estate taxes on the property and improvements
- One time grant of \$500,000 to be used exclusively for renovations and approved infrastructure development of the training center
- City loan of \$143,294.50 for renovations to approximately 5,587 square feet of office space located at the west entrance of the building to be leased to the Lawrence Workforce Center
- Reimbursement of Building Permit Fees associated with the development and renovations to the Peaslee Center to develop classroom, office, training, and laboratory space for the training center and Lawrence Workforce Center
- Waiver of Industrial Revenue Bond application fee of \$1000



In addition to the above, the City provided \$100,000 in 2015 to assist in Peaslee Center operations.



## 6 Other Support Programs

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In 2015, the County provided:

- Refund of up to \$20,239.45 in 2014 real estate taxes on the property and improvements
- Refund of \$15,370.38 in 2015 real estate taxes on the property and improvements
- One time grant of \$500,000 to be used exclusively for renovations and approved infrastructure development of the training center
- County loan of \$143,294.50 for renovations to approximately 5,587 square feet of office space located at the west entrance of the building to be leased to the Lawrence Workforce Center



In addition to the above, the County provided \$100,000 in 2015 to assist in Peaslee Center operations.



## 6

# Other Support Programs

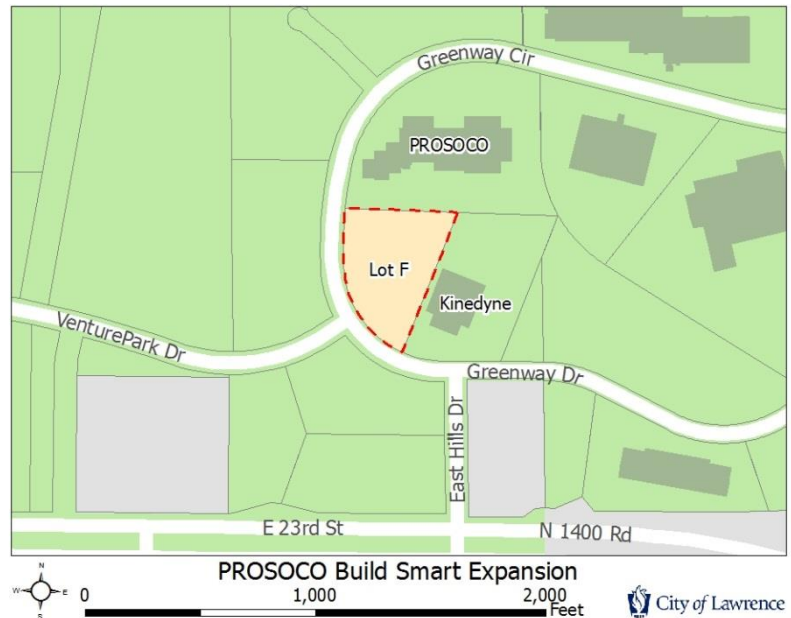
## Business Expansion Assistance

### **PROSOCO Expansion, 3700 Greenway Circle (Lot F), East Hill Business Park**

PROSOCO is a third generation business headquartered in the East Hills Business Park that produces and sells products for building protection and restoration for historic structures in the United States and around the world.

In 2015, the company announced the development of a new business partnership, Build

Smart, to manufacture insulated wall-panel products for the high-performance segment of the construction industry. To support additional space requirements for manufacturing the new product line, the company purchased the Kinedyne property located at 3701 Greenway Circle, directly south of their current facility.



The company will retrofit the Kinedyne property to accommodate production. However, in order to complete the retrofit, it will be necessary to construct a driveway that circles the existing building. The Kinedyne building is constructed almost to the west property line and the site will currently not accommodate this driveway. The driveway can be accommodated however if the site could be expanded slightly to the west onto the easternmost portion of the adjacent lot owned by the County, (3700 Greenway Circle, Lot F).



## 6 Other Support Programs

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To fully accommodate the expansion, PROSOCO asked Douglas County to donate the land at Lot F within the Park. To accompany the donation, Douglas County asked the City to forgive any outstanding special assessments on that parcel. In 2015, the City Commission authorized forgiveness of special assessments in the amount of \$44,937.81 on Lot F in the East Hills Business Park for the PROSOCO expansion project, contingent upon Douglas County Commission action to donate the lot to PROSOCO for the project.

### Affordable Housing Development

#### **Cedarwood Sr. Cottages, 2525 Cedarwood Avenue**

In support of a 14-unit, senior living townhouse project, Tenants to Homeowners requested and received City assistance to cover a finance gap of up to \$101,975 for the affordable housing project. Assistance provided was for neighborhood infrastructure and improvements, including adding sidewalks, making storm sewer improvements, adding fire hydrants, detention pond assistance, and rebates on service development installation fees.

The project was under construction in 2015 and is expected to be completed in the summer of 2016.



# Regulating Documents

| 2015 Tax Abatements                |                                                |                       |            |
|------------------------------------|------------------------------------------------|-----------------------|------------|
|                                    | Document                                       | Description           | Dated      |
| Amarr Garage Doors                 | <a href="#">Ordinance No. 8497</a>             | Tax Abatement         | 10/27/2009 |
|                                    | <a href="#">Agreement</a>                      | Performance Agreement | 12/17/2003 |
|                                    | <a href="#">Ordinance No. 7706</a>             | Policy                | 10/28/2003 |
|                                    | <a href="#">Overarching ED Policy (O-8522)</a> |                       | 5/18/2010  |
| Grandstand/Screen-It Graphics      | <a href="#">Resolution 6948</a>                | Tax Abatement         | 10/11/2011 |
|                                    | <a href="#">Agreement</a>                      | Performance Agreement | 9/2/2011   |
|                                    | <a href="#">Overarching ED Policy (O-8522)</a> | Policy                | 5/18/2010  |
| Sunlite Science & Technology, Inc. | <a href="#">Resolution 7042</a>                | Tax Abatement         | 8/27/2013  |
|                                    | <a href="#">Agreement</a>                      | Performance Agreement | 8/30/2013  |
|                                    | <a href="#">Overarching ED Policy (O-8522)</a> | Policy                | 5/18/2010  |
| Rock Chalk Park                    | <a href="#">Resolution 7014</a>                | Tax Abatement         | 3/5/2013   |
|                                    | <a href="#">Agreement</a>                      | Development Agreement | 7/30/2013  |
|                                    | <a href="#">Overarching ED Policy (O-8522)</a> | Policy                | 5/18/2010  |



# Regulating Documents

| 2015 IRBs                                           |                                               |                                            |                       |
|-----------------------------------------------------|-----------------------------------------------|--------------------------------------------|-----------------------|
|                                                     | Document                                      | Description                                | Dated                 |
| Prosoco                                             | <a href="#">Ordinance No. 7060</a>            | IRB Issuance: Series 1998A & Series 1998 B | 12/8/1998             |
| Bowersock Dam                                       | <a href="#">Ordinance No. 8607 &amp; 8620</a> | IRB Issuance: Series 2011B, 2011C          | 12/21/2010 & 3-1-2011 |
| 9th & New Hampshire: South                          | <a href="#">Ordinance No. 8804</a>            | IRB Issuance: Series 2012                  | 11/6/2012             |
| Rock Chalk Park                                     | <a href="#">Ordinance No. 8862</a>            | IRB Issuance: Series 2013                  | 1/22/2013             |
| 1101/1115 Indiana Street                            | <a href="#">Ordinance No. 9053</a>            | IRB Issuance: Series 2014                  | 11/18/2014            |
| 9th & New Hampshire: North                          | <a href="#">Ordinance No. 8804</a>            | IRB Issuance: Series 2012                  | 11/6/2012             |
| Peaslee Technical Center                            | <a href="#">Ordinance No. 9111</a>            | IRB Issuance: Series 2015                  | 5/12/2015             |
| 705 Massachusetts Street (Eldridge Hotel expansion) | <a href="#">Ordinance No. 9161</a>            | IRB Issuance: Series 2015                  | 10/20/2015            |

| 2015 Active NRAs                                    |                                    |                                           |                             |
|-----------------------------------------------------|------------------------------------|-------------------------------------------|-----------------------------|
|                                                     | Document                           | Description                               | Dated                       |
| 8th & Pennsylvania                                  | <a href="#">Ordinance No. 8093</a> | Plan                                      | 4/3/2007                    |
|                                                     | <a href="#">Agreement</a>          | Tax Rebate Agreement for 720 E 9th Street | 4/17/2012                   |
| 1040 Vermont Street                                 | <a href="#">Ordinance No. 8625</a> | Plan                                      | 4/12/2011                   |
|                                                     | <a href="#">Agreement</a>          | Performance Agreement                     | 11/1/2011                   |
| 810/812 Pennsylvania                                | <a href="#">Ordinance No. 8753</a> | Plan                                      | 7/3/2012                    |
| 1106 Rhode Island Street                            | <a href="#">Ordinance No. 9022</a> | Plan                                      | 8/5/2014                    |
|                                                     | <a href="#">Agreement</a>          | Performance Agreement                     | 10/21/2014                  |
| 1101/1115 Indiana Street                            | <a href="#">Ordinance 9021</a>     | Plan                                      | 8/5/2014                    |
|                                                     | <a href="#">Agreement</a>          | Performance Agreement                     | 8/12/2014                   |
| 900 Delaware Street                                 | <a href="#">Ordinance No. 9040</a> | Plan                                      | 10/21/2014                  |
|                                                     | <a href="#">Agreement</a>          | Performance Agreement                     | 10/21/2014                  |
| 705 Massachusetts Street (Eldridge Hotel expansion) | <a href="#">Ordinance No. 9086</a> | Plan                                      | 3/24/2015                   |
|                                                     | Agreement                          | Performance Agreement                     | Not executed by end of 2015 |
| 2015 TIFs                                           |                                    |                                           |                             |



# Regulating Documents

|                     | Document                                      | Description                         | Dated      |
|---------------------|-----------------------------------------------|-------------------------------------|------------|
| Downtown 2000       | <a href="#">Ordinance No. 7127</a>            | District Established                | 8/3/1999   |
|                     | <a href="#">Ordinance No. 7207 &amp; Plan</a> | Redevelopment Plan                  | 4/25/2000  |
|                     | <a href="#">Agreement</a>                     | Construction Agreement              | 9/18/2000  |
| The Oread           | <a href="#">Ordinance No. 8234</a>            | District Established                | 2/19/2008  |
|                     | <a href="#">Ordinance 8253</a>                | Redevelopment Plan                  | 4/8/2008   |
|                     | <a href="#">Agreement</a>                     | Redevelopment Agreement             | 4/8/2008   |
| 9th & New Hampshire | <a href="#">Ordinance 8768</a>                | District Established                | 8/7/2012   |
|                     | <a href="#">Ordinance 8865</a>                | So Project: Redevelopment Plan      | 5/21/2013  |
|                     | <a href="#">South Agreement</a>               | So Project: Redevelopment Agreement | 11/30/2012 |
|                     | <a href="#">Ordinance 8971</a>                | No Project: Redevelopment Plan      | 4/15/2014  |
|                     | <a href="#">North Agreement</a>               | No Project: Redevelopment Agreement | 4/15/2014  |

| 2015 TDDs               |                                    |                       |            |
|-------------------------|------------------------------------|-----------------------|------------|
|                         | Document                           | Description           | Dated      |
| The Oread               | <a href="#">Ordinance No. 8254</a> | District Established  | 4/8/2008   |
| Free-State (Bauer Farm) | <a href="#">Ordinance No. 8339</a> | District Established  | 10/14/2008 |
|                         | <a href="#">Agreement</a>          | Development Agreement | 10/14/2008 |
| 9th & New Hampshire     | <a href="#">Ordinance 8979</a>     | District Established  | 4/15/2014  |



## Historical Assistance & Investment

The below table is a summary of reimbursement totals (as of the December 31, 2015) for currently active, pay-as-you-go (PAYGO)<sup>1</sup> economic development programs.

| Summary: Reimbursement by Year |                  |                  |                  |                  |                  |
|--------------------------------|------------------|------------------|------------------|------------------|------------------|
| Incentive Program              | 2011 Tax Year    | 2012 Tax Year    | 2013 Tax Year    | 2014 Tax Year    | 2015 Tax Year    |
| Tax Abatement                  | \$66,248         | \$184,224        | \$159,464        | \$181,318        | \$149,197        |
| NRA                            | \$12,515         | \$11,982         | \$38,975         | \$65,090         | \$69,705         |
| TIF (property and sales tax)   | \$626,882        | \$515,284        | \$480,458        | \$460,457        | \$553,056        |
| TDD (sales tax)                | \$156,334        | \$196,516        | \$182,282        | \$182,177        | \$209,410        |
| <b>Total</b>                   | <b>\$861,979</b> | <b>\$908,006</b> | <b>\$861,179</b> | <b>\$889,042</b> | <b>\$981,368</b> |

Source: City of Lawrence, Kansas

**Reimbursements Less TDD**      **\$705,644**      **\$711,490**      **\$678,896**      **\$706,865**      **\$771,957**

<sup>1</sup> PAYGO programs require the property developer/owner to front expenses for project improvements. Once the project is completed and begins to generate new tax revenues, a portion of project-generated tax revenues is reimbursed back over a specified period of time, to the developer/owner to help offset the costs of improvements.

Certain PAYGO programs have restrictions on the type of improvement expenses that are eligible for reimbursement. For example, the TDD program only allows reimbursements to be made on a project's transportation related improvements. (e.g. TDD eligible improvements can be related to a 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, 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.)



# Historical Assistance & Investment

Data by year is further broken down by project and economic development program, as shown below:

| Reimbursements <sup>2</sup> by Year and ED Program   |                 |                 |                 |                  |                  |                  |                  |
|------------------------------------------------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|
|                                                      | Tax Year        |                 |                 |                  |                  |                  |                  |
|                                                      | 2009            | 2010            | 2011            | 2012             | 2013             | 2014             | 2015             |
| <b>Tax Abatements</b>                                |                 |                 |                 |                  |                  |                  |                  |
| Amarr: Personal Property                             | n/a             | \$31,880        | \$28,686        | \$27,525         | \$27,876         | \$27,876         | \$28,593         |
| Prosoco: Real Property                               | \$35,146        | \$36,139        | \$36,630        | \$36,482         | \$36,966         | \$36,949         | expired          |
| Prosoco: Personal Property                           | \$1,265         | \$919           | \$932           | \$928            | \$940            | \$940            | expired          |
| Grandstand                                           | n/a             | n/a             | n/a             | \$119,289        | \$93,682         | \$96,081         | \$99,422         |
| Sunlite                                              | n/a             | n/a             | n/a             | n/a              | n/a              | \$19,472         | \$21,182         |
| <b>Tax Abated Subtotal</b>                           | <b>\$36,411</b> | <b>\$68,938</b> | <b>\$66,248</b> | <b>\$184,224</b> | <b>\$159,464</b> | <b>\$181,318</b> | <b>\$149,197</b> |
| <b>Neighborhood Revitalization Areas</b>             |                 |                 |                 |                  |                  |                  |                  |
| 720 E 9th Street<br>(NRA Tax Yr 1 = 2011)            | n/a             | n/a             | \$12,515        | \$11,982         | \$12,162         | \$12,282         | \$13,617         |
| 1040 Vermont Street<br>(NRA Tax Yr 1 = 2013)         | n/a             | n/a             | n/a             | n/a              | \$26,993         | \$27,438         | \$29,718         |
| 810/812 Pennsylvania Street<br>(NRA Tax Yr 1 = 2014) | n/a             | n/a             | n/a             | n/a              | n/a              | \$25,370         | \$26,370         |
| 1106 Rhode Island Street<br>(NRA Tax Yr 1 = 2016)    | n/a             | n/a             | n/a             | n/a              | n/a              | n/a              | n/a              |
| 1101/1115 Indiana Street<br>(NRA Tax Yr 1 = 2017)    | n/a             | n/a             | n/a             | n/a              | n/a              | n/a              | n/a              |
| 900 Delaware Street<br>(NRA Yr 1 = 2016)             | n/a             | n/a             | n/a             | n/a              | n/a              | n/a              | n/a              |
| 705 Massachusetts Street<br>(NRA Yr 1 = 2017)        | n/a             | n/a             | n/a             | n/a              | n/a              | n/a              | n/a              |
| <b>NRA Subtotal</b>                                  |                 |                 | <b>\$12,515</b> | <b>\$11,982</b>  | <b>\$39,155</b>  | <b>\$65,090</b>  | <b>\$69,705</b>  |

Continued

<sup>2</sup> Reimbursements are based on when distributions are received from the County and State and do not reflect when revenues were generated.



# Historical Assistance & Investment

| Reimbursements by Year and ED Program (cont.)                                                 |                |                  |                  |                  |                  |                  |                        |
|-----------------------------------------------------------------------------------------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------------|
|                                                                                               | Tax Year       |                  |                  |                  |                  |                  |                        |
|                                                                                               | 2009           | 2010             | 2011             | 2012             | 2013             | 2014             | 2015                   |
| <b>Tax Increment Financing</b>                                                                |                |                  |                  |                  |                  |                  |                        |
| <i>The Oread TIF</i>                                                                          |                |                  |                  |                  |                  |                  |                        |
| The Oread: TIF Sales Tax, State Distributions to City                                         | \$3,113        | \$152,978        | \$200,603        | \$264,453        | \$211,542        | \$181,813        | \$181,009 <sup>3</sup> |
| The Oread: TIF Property Tax                                                                   | n/a            | n/a              | \$426,278        | \$222,746        | \$240,830        | \$250,558        | \$270,490 <sup>4</sup> |
| 901 New Hampshire Street (Downtown 2000 District) <sup>5</sup>                                | n/a            | n/a              | n/a              | \$28,085         | \$28,085         | \$28,085         | \$28,085               |
| <i>900 New Hampshire TIF</i>                                                                  |                |                  |                  |                  |                  |                  |                        |
| TIF Sales Tax: <b>South Project</b> (900 New Hampshire, completed early 2015) <sup>6</sup>    | n/a            | n/a              | n/a              | n/a              | n/a              | n/a              | \$50,786               |
| TIF Property Tax: <b>South Project</b> (900 New Hampshire, completed early 2015) <sup>7</sup> |                |                  |                  |                  |                  | n/a              | \$22,685               |
| TIF Sales Tax: <b>North Project</b> (under construction in 2015)                              | n/a            | n/a              | n/a              | n/a              | n/a              | n/a              | n/a                    |
| TIF Property Tax: <b>North Project</b> (under construction in 2015)                           |                |                  |                  |                  |                  |                  |                        |
| <b>TIF Subtotal</b>                                                                           | <b>\$3,113</b> | <b>\$152,978</b> | <b>\$626,882</b> | <b>\$515,284</b> | <b>\$480,458</b> | <b>\$460,457</b> | <b>\$553,056</b>       |

Continued

<sup>3</sup> For 2015, not all distributions collected had been reimbursed due to a contractual dispute.

<sup>4</sup> For 2015, not all distributions collected had been reimbursed due to a contractual dispute.

<sup>5</sup> The Downtown 2000 TIF does not pay out to private entities except for a ~\$28,085/year reimbursement that was authorized via agreement. This amount is captured in the above table under 901 New Hampshire Street.

<sup>6</sup> Represents total reimbursement amount to property owner in 2015. Includes TIF property tax reimbursements made in 2015 for 2014 property taxes. City retains 5% for the Arts Common project, up to \$900,000.

<sup>7</sup> Represents total reimbursement amount to property owner in 2015. Includes TIF property tax reimbursements made in 2015 for 2014 property taxes. City retains 5% for the Arts Common project, up to \$900,000.



# B Historical Assistance & Investment

| Reimbursements by Year and ED Program (cont.)                   |                 |                  |                  |                  |                  |                  |                       |
|-----------------------------------------------------------------|-----------------|------------------|------------------|------------------|------------------|------------------|-----------------------|
|                                                                 | Tax Year        |                  |                  |                  |                  |                  |                       |
|                                                                 | 2009            | 2010             | 2011             | 2012             | 2013             | 2014             | 2015                  |
| <b>Transportation Development District</b>                      |                 |                  |                  |                  |                  |                  |                       |
| Oread: TDD Sales Tax, State Distributions to City               | \$1,609         | \$79,087         | \$103,774        | \$136,867        | \$109,474        | \$94,024         | \$93,559 <sup>8</sup> |
| Bauer Farms: TDD Sales Tax (Revenue Generation started in 2009) | \$9,472         | \$19,457         | \$52,561         | \$59,650         | \$72,809         | \$88,152         | \$115,851             |
| <b>9th &amp; New Hampshire TDD</b>                              |                 |                  |                  |                  |                  |                  |                       |
| South Project: TDD <sup>9</sup>                                 | n/a             | n/a              | n/a              | n/a              | n/a              | n/a              | \$0                   |
| North Project: TDD (Under construction in 2015)                 | n/a             | n/a              | n/a              | n/a              | n/a              | n/a              | n/a                   |
| <b>TDD Subtotal</b>                                             | <b>\$11,082</b> | <b>\$98,545</b>  | <b>\$156,334</b> | <b>\$196,516</b> | <b>\$182,282</b> | <b>\$182,177</b> | <b>\$209,410</b>      |
| <b>Total</b>                                                    | <b>\$50,605</b> | <b>\$320,461</b> | <b>\$861,979</b> | <b>\$908,006</b> | <b>\$861,179</b> | <b>\$889,042</b> | <b>\$981,368</b>      |

Source: City of Lawrence, Kansas

<sup>8</sup> For 2015, not all distributions collected had been reimbursed due to a contractual dispute.

<sup>9</sup> \$21,622 TDD revenue was distributed in 2015 on behalf of the South Project. The City retains the first \$850,000 as contribution toward the City parking garage at 10th & New Hampshire. The City retained the entire amount of \$21,622.



# Historical Assistance & Investment

## NRA Property Taxes

Three companies received NRA rebates in 2015 (720 E 9<sup>th</sup> Street, 1040 Vermont Street, and 810/812 Pennsylvania Street/Cider Building), generating an average of 10.5% more real property tax revenues as compared to property tax revenues that would have been realized if the properties were left in original condition. Overall (for all years in which a NRA rebate was given), the three NRA revitalized properties generated an average of 8.7% more real property tax revenues as compared to property tax revenues that would have been realized if the properties were left in original condition.

Once the NRA expires, revenues realized by the taxing jurisdictions will be substantially greater than if the property had not been redeveloped. At that time, the incremental value resulting from NRA improvements will be fully on the tax rolls.

| NRAs: Cumulative Property Taxes |                  |                  |                     |                    |                   |
|---------------------------------|------------------|------------------|---------------------|--------------------|-------------------|
| NRA                             | Base Tax         | Incremental Tax  | Total Tax Potential | NRA Rebated Amount | Net Tax Revenues* |
| 720 E 9th St                    | \$63,735         | \$66,986         | \$130,721           | \$62,557           | \$68,164          |
| 1040 Vermont St                 | \$82,282         | \$89,544         | \$171,826           | \$84,149           | \$87,677          |
| 810/812 Pennsylvania St.        | \$7,789          | \$55,310         | \$63,100            | \$51,741           | \$11,359          |
| <b>Total</b>                    | <b>\$153,806</b> | <b>\$211,841</b> | <b>\$365,647</b>    | <b>\$198,447</b>   | <b>\$167,200</b>  |

Estimated  
property tax  
revenue if  
property had not  
been redeveloped

Amount of property  
tax attributed to  
redevelopment  
improvements

Total property tax on  
redeveloped  
property\*

Net property tax  
revenue received  
after  
redevelopment

\* Includes Douglas County administrative fee



# B Historical Assistance & Investment

Below shows property taxes by year for NRA projects.

| 720 E 9th Street (8th & Pennsylvania Street NRA) |              |                 |                 |                     |            |                   |
|--------------------------------------------------|--------------|-----------------|-----------------|---------------------|------------|-------------------|
| NRA Year                                         | Tax Year     | Base Tax        | Incremental Tax | Total Tax Potential | Rebate %   | Net Tax Revenues* |
| 1                                                | 2011         | \$12,533        | \$13,403        | \$25,936            | n/a        | \$13,421          |
| 2                                                | 2012         | \$12,481        | \$12,833        | \$25,314            | n/a        | \$13,333          |
| 3                                                | 2013         | \$12,648        | \$13,025        | \$25,673            | n/a        | \$13,511          |
| 4                                                | 2014         | \$12,974        | \$13,149        | \$26,123            | n/a        | \$13,841          |
| 5                                                | 2015         | \$13,099        | \$14,576        | \$27,675            | n/a        | \$14,059          |
|                                                  | <b>Total</b> | <b>\$63,735</b> | <b>\$66,986</b> | <b>\$130,721</b>    | <b>n/a</b> | <b>\$68,164</b>   |

Estimated property tax revenue if property had not been redeveloped

Amount of property tax attributed to redevelopment improvements

Total property tax on redeveloped property\*

Net property tax revenue received after redevelopment

\* Includes Douglas County administrative fee

| 1040 Vermont Street NRA |              |                 |                 |                     |          |                   |
|-------------------------|--------------|-----------------|-----------------|---------------------|----------|-------------------|
| NRA Year                | Tax Year     | Base Tax        | Incremental Tax | Total Tax Potential | Rebate % | Net Tax Revenues* |
| 1                       | 2013         | \$26,877        | \$28,680        | \$55,557            | 95%      | \$28,564          |
| 2                       | 2014         | \$27,569        | \$29,220        | \$56,789            | 95%      | \$29,351          |
| 3                       | 2015         | \$27,836        | \$31,644        | \$59,480            | 95%      | \$29,762          |
|                         | <b>Total</b> | <b>\$82,282</b> | <b>\$89,544</b> | <b>\$171,826</b>    |          | <b>\$87,677</b>   |

Estimated property tax revenue if property had not been redeveloped

Amount of property tax attributed to redevelopment improvements

Total property tax on redeveloped property\*

Net property tax revenue received after redevelopment

\* Includes Douglas County administrative fee



# Historical Assistance & Investment

NRA Year

1

2

| 810/812 Pennsylvania Street NRA (Cider Building) |                |                 |                     |          |                    |                   |
|--------------------------------------------------|----------------|-----------------|---------------------|----------|--------------------|-------------------|
| Tax Year                                         | Base Tax       | Incremental Tax | Total Tax Potential | Rebate % | NRA Rebated Amount | Net Tax Revenues* |
| 2014                                             | \$3,876        | \$27,124        | \$31,000            | 95%      | \$25,370           | \$5,630           |
| 2015                                             | \$3,913        | \$28,186        | \$32,100            | 95%      | \$26,370           | \$5,729           |
| <b>Total</b>                                     | <b>\$7,789</b> | <b>\$55,310</b> | <b>\$63,100</b>     |          | <b>\$51,741</b>    | <b>\$11,359</b>   |

Estimated property tax revenue if property had not been redeveloped

Amount of property tax attributed to redevelopment improvements

Total property tax on redeveloped property\*

Net property tax revenue received after redevelopment

\* Includes Douglas County administrative fee



## Historical Assistance & Investment

### 9<sup>th</sup> & New Hampshire South TIF and TDD Reimbursement Splits

| 2015 | 900 New Hampshire District: South Project Area |               |                  |              |                 |               |                  |                  |               |                  |
|------|------------------------------------------------|---------------|------------------|--------------|-----------------|---------------|------------------|------------------|---------------|------------------|
|      | Total Revenue                                  |               |                  |              | Revenue to City |               |                  | Revenue to Owner |               |                  |
|      | TDD Sales Tax                                  | TIF Sales Tax | TIF Property Tax | Annual Total | TDD Sales Tax   | TIF Sales Tax | TIF Property Tax | TDD Sales Tax    | TIF Sales Tax | TIF Property Tax |
|      | \$21,622                                       | \$53,459      | \$23,879         | \$98,961     | \$21,622        | \$2,673       | \$1,194          | \$0              | \$50,786      | \$22,685         |

Total TDD sales tax distributed within the district was \$21,622 in 2015. As per the South Area development agreement, the first \$850,000 of district TDD revenues will go toward paying back bonds for the 10<sup>th</sup> & New Hampshire parking garage. For 2015, the City received \$21,622 in TDD revenue and the owner received no TDD reimbursements.

Total TIF sales tax revenue distributed was \$53,459 and total TIF property tax distributed was \$23,879 in 2015. As per the South Area development agreement, the City retains five percent (5%) of the TIF revenue, up to \$900,000, to go toward a City “Arts Common” project.<sup>10</sup> The property owner gets ninety-five percent (95%) of the TIF revenue (to reimburse TIF project costs), which amounted to \$50,786 in TIF sales tax and \$22,685 in TIF property tax in 2015.

<sup>10</sup> As per the South Area Development Agreement, if “Art Common” project does not proceed within 60 months of the date of the filing of the Certificate of Substantial Completion, 5% TIF revenues will go toward reimbursement of the property owner’s TIF project expenses. (Certificate filed December 31, 2014. City “Arts Common” project must proceed by December 31, 2019 for City to retain the 5% TIF revenues.)



# Historical Assistance & Investment

## Tax Abatement Amounts

Three Lawrence companies had active tax abatements in 2015: Amarr Garage Doors, Grandstand Sportswear and Glassware (Screen-It Graphics), and Sunlite Science & Technology. Since none of the three companies received a one hundred percent (100%) tax abatement, all of the abated property are currently generating some level of property taxes.<sup>11</sup>

| 2015 Tax Generation (on portion of property receiving an abatement) |                     |                   |                                              |
|---------------------------------------------------------------------|---------------------|-------------------|----------------------------------------------|
| Company & Abatement %                                               | Total Tax Potential | Abated Tax Amount | Taxes Paid (or to be paid) by Property Owner |
| <b>Amarr Garage Doors, Inc.</b>                                     |                     |                   |                                              |
| Personal (55%) <sup>12</sup>                                        | \$159,558           | \$28,593          | \$130,853                                    |
| <b>Grandstand/Screen-It Graphics</b>                                |                     |                   |                                              |
| Real (65%)                                                          | \$152,958           | \$99,422          | \$53,536                                     |
| <b>Sunlite Science &amp; Technology</b>                             |                     |                   |                                              |
| Real (50%)                                                          | \$42,363            | \$21,182          | \$21,181                                     |
| <b>Total</b>                                                        | <b>\$354,879</b>    | <b>\$149,197</b>  | <b>\$205,570</b>                             |

Source: Douglas County

<sup>11</sup> The amounts shown for real property values are only for the portion of real property that received the abatement and may not reflect values for the entire parcel.

<sup>12</sup> The State of Kansas exempted commercial personal property purchased July 1, 2006 and after from taxation. However, personal property purchased prior to that date is still taxed at a depreciated rate. Each company is required to submit an annual claim for a personal property tax abatement, listing out the equipment, value and date purchased. The County then determines the amount of personal property exempted and taxes due.

The state granted an additional exemption for personal property items listed that are valued for \$1,500 or less. This is not a part of the EDX exemption. The amount shown under "Abated Tax Amount" for Amarr Garage Door reflects the abated taxes attributable to the EDX. The amount under "Taxes Paid..." reflects the actual tax bill.



# Historical Assistance & Investment

The following table shows amounts abated by year.

| Tax Abatements by Year (2005-2015)                |                                       |                    |          |          |          |          |          |          |           |           |           |              | Cumulative<br>Total (End<br>of 2015) |
|---------------------------------------------------|---------------------------------------|--------------------|----------|----------|----------|----------|----------|----------|-----------|-----------|-----------|--------------|--------------------------------------|
| Company                                           | Start of<br>Abatement/Ord<br>or Res # | Abated Tax Amounts |          |          |          |          |          |          |           |           |           |              |                                      |
|                                                   |                                       | 2005               | 2006     | 2007     | 2008     | 2009     | 2010     | 2011     | 2012      | 2013      | 2014      | 2015         |                                      |
| Amarr Garage Doors, Inc. (Personal Property, 55%) | 2010/O-8497                           | --                 | --       | --       | --       | --       | \$31,880 | \$28,686 | \$27,525  | \$27,876  | \$27,876  | \$28,593     | \$172,436                            |
| Grandstand (Real Property, 65%)                   | 2012/R-6948                           | --                 | --       | --       | --       | --       | --       | --       | \$119,289 | \$93,682  | \$96,081  | \$99,422     | \$408,474                            |
| Sunlite Science & Technology (Real Property, 50%) | 2014/R-7042                           | --                 | --       | --       | --       | --       | --       | --       | --        | --        | \$19,472  | \$21,182     | \$40,654                             |
| Prosoco, Inc (Real Property, 55%)                 | 2005/O-7882                           | \$31,386           | \$32,951 | \$33,048 | \$33,755 | \$33,881 | \$35,220 | \$35,698 | \$35,554  | \$36,026  | \$36,949  | Expired 2014 | \$344,468                            |
| Prosoco, Inc (Personal Property, 55%)             | 2005/O-7882                           | \$3,510            | \$3,070  | \$2,463  | \$1,890  | \$1,265  | \$919    | \$932    | \$928     | \$940     | \$940     | Expired 2014 | \$16,857                             |
| Total                                             |                                       | \$34,896           | \$36,021 | \$35,511 | \$35,645 | \$35,146 | \$68,019 | \$65,316 | \$183,296 | \$158,524 | \$181,318 | \$149,197    | \$982,889                            |

Note: Above does not include personal property that became exempt by State in 2006.



# Historical Assistance & Investment

## Private-Public Investment

The below table presents the amount of private and public investment made for the projects currently participating in the City's pay-as-you-go (PAYGO) economic development programs. It should be noted that private capital investment represents direct investments and does not include employment or income multiplier effects on the community. It should further be noted that these are active programs and do not cover projects with expired incentives.

| Active Projects: Private Capital Investment                               |                                               |                                   |                                           | Public Investment<br>(Major ED Programs) <sup>13</sup> |
|---------------------------------------------------------------------------|-----------------------------------------------|-----------------------------------|-------------------------------------------|--------------------------------------------------------|
| Active Projects                                                           | Private Capital Investment<br>(as of 12-2015) | Incentive<br>Duration in<br>Years | 2015 Annual Private<br>Capital Investment | 2015                                                   |
| <b>Tax Abatements</b>                                                     |                                               |                                   |                                           |                                                        |
| Amarr (Tax Abatement, 2005-2013)                                          | \$9,700,000                                   | 10                                | \$970,000                                 | \$28,593                                               |
| Grandstand<br>(Tax Abatement, 2011-2013) <sup>14</sup>                    | \$7,897,198                                   | 10                                | \$789,720                                 | \$99,422                                               |
| Sunlite (Tax Abatement starts with<br>taxes levied in 2014) <sup>15</sup> | \$1,109,132                                   | 10                                | \$110,913                                 | \$21,182                                               |

Continued

<sup>13</sup> Assistance information for other programs is covered in other sections of the report. IRB sales tax exemption on project construction materials are part of a state-exemption program and tracked by the state. The state monitors compliance with this exemption, which is dependent on construction schedules.

<sup>14</sup> Private capital investment per Grandstand's 2015 tax abatement questionnaire. Public investment is represented by the tax abatement value.

<sup>15</sup> Private capital investment per Sunlite's 2015 tax abatement questionnaire. Public investment is represented by the tax abatement value.



# Historical Assistance & Investment

| Active Projects: Private Capital Investment (cont.)                     |                                               |                             |                                        | Public Investment<br>(Major ED Programs) |
|-------------------------------------------------------------------------|-----------------------------------------------|-----------------------------|----------------------------------------|------------------------------------------|
| Active Projects                                                         | Private Capital Investment<br>(as of 12-2015) | Incentive Duration in Years | 2015 Annual Private Capital Investment | 2015                                     |
| NRA                                                                     |                                               |                             |                                        |                                          |
| 720 E 9th Street<br>(NRA Tax Yr 1 = 2011) <sup>16</sup>                 | \$1,700,000                                   | 22                          | \$77,273                               | \$13,617                                 |
| 1040 Vermont Street<br>(NRA Tax Yr 1 = 2013) <sup>17</sup>              | \$2,150,000                                   | 10                          | \$215,000                              | \$29,718                                 |
| 810/812 Pennsylvania Street<br>(NRA Tax Yr 1 = 2014) <sup>18</sup>      | \$1,480,000                                   | 10                          | \$148,000                              | \$26,370                                 |
| TIF                                                                     |                                               |                             |                                        |                                          |
| The Oread (TIF) <sup>19</sup>                                           |                                               |                             |                                        |                                          |
| TIF Sales Tax                                                           | \$8,941,754                                   | 20                          | \$447,088                              | \$181,009 *                              |
| TIF Property Tax                                                        |                                               |                             |                                        | \$270,490 *                              |
| 901 New Hampshire Street<br>(Downtown 2000 District) <sup>20</sup>      | \$11,472,000                                  | 20                          | \$573,600                              | \$28,085                                 |
| SOUTH: 9th & New Hampshire                                              |                                               |                             |                                        |                                          |
| TIF Sales Tax                                                           | 8,625,000                                     | 20                          | \$431,250                              | \$50,786                                 |
| TIF Property Tax                                                        |                                               |                             |                                        | \$22,685                                 |
| TDD                                                                     |                                               |                             |                                        |                                          |
| Oread: TDD Sales Tax (Revenue generation started in 2009) <sup>21</sup> | \$8,941,754                                   | 22                          | \$406,443                              | \$93,559 *                               |
| Bauer Farms: TDD Sales Tax (Revenue Generation started in 2009)         | \$20,800,000                                  | 22                          | \$945,455                              | \$115,851                                |
| SOUTH: 9th & New Hampshire TDD <sup>22</sup>                            | 8,625,000                                     | 22                          | \$392,045                              | \$0                                      |
| Total                                                                   | \$91,441,838                                  |                             | \$5,506,787                            | \$981,368                                |

\*For 2015, not all distributions collected had been reimbursed due to a contractual dispute.

<sup>16</sup> Per Developer.

<sup>17</sup> Private capital investment per 2-23-11 CBA. Public investment is represented by NRA rebate value.

<sup>18</sup> Private capital investment per Incentive application dated 6-8-12. Public investment is represented by NRA rebate value.

<sup>19</sup> OREAD original permit valuation for the construction of the hotel was \$17,883,508 (value split equally between TIF and TIDD) (per Planning/Dev Services Department 1-28-15). Actual capital investment amounts are expected to be higher.

<sup>20</sup> Private capital investment per Developer. Public investment is represented by project-generated TDD revenues.

<sup>21</sup> OREAD original permit valuation for the construction of the hotel was \$17,883,508 (value split equally between TIF and TIDD) (per Planning/Dev Services Department 1-28-15). Actual capital investment amounts are anticipated to be higher. Public investment is represented by project-generated TIF and TDD revenues.

<sup>22</sup> Private capital investment is for \$17,250,000 as per IRB Ord 8804. Amount split equally between TIF and TDD = \$8,625,000 each. Public investment is represented by project-generated TIF and TDD revenues.



## Historical Assistance & Investment

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In 2015, for every \$1 in public sector assistance provided for these programs, approximately \$5.61 in private sector capital investment was realized.

| 2015 Public Return on Private Capital Investment (by Year) |             |
|------------------------------------------------------------|-------------|
| Public Assistance:                                         | \$981,368   |
| Private Investment:                                        | \$5,506,787 |
| Private Investment for each Dollar of Public Assistance:   | \$5.61      |



# Historical Assistance & Investment

## New/Future Investments

All of the below projects were under construction, had not commenced construction by the end of the year, or were not yet eligible for incentives payment. Therefore, no public reimbursements were made on these projects.

| Future Projects: Private Capital Investment (as of 12-2015) |                                    |                             |                                        | Public Investment (Major ED Programs) |
|-------------------------------------------------------------|------------------------------------|-----------------------------|----------------------------------------|---------------------------------------|
| Active Projects                                             | Private Investment (as of 12-2015) | Incentive Duration in Years | 2015 Annual Private Capital Investment | 2015                                  |
| <b>TIF</b>                                                  |                                    |                             |                                        |                                       |
| NORTH: 9th & New Hampshire TIF <sup>23</sup>                | 12,250,000                         | 20                          | \$612,500                              | n/a                                   |
| <b>TDD</b>                                                  |                                    |                             |                                        |                                       |
| NORTH: 9th & New Hampshire TDD <sup>24</sup>                | 12,250,000                         | 22                          | \$556,818                              | n/a                                   |
| <b>NRA</b>                                                  |                                    |                             |                                        |                                       |
| 1106 Rhode Island Street (NRA) <sup>25</sup>                | \$896,585                          | 10                          | \$89,659                               | n/a                                   |
| 1101/1115 Indiana Street (NRA) <sup>26</sup>                | \$76,000,000                       | 10                          | \$7,600,000                            | n/a                                   |
| 900 Delaware Street (NRA) <sup>27</sup>                     | \$7,200,000                        | 15                          | \$480,000                              | n/a                                   |
| 705 Massachusetts Street NRA <sup>28</sup>                  | \$12,500,000                       | 15                          | \$833,333                              | n/a                                   |

<sup>23</sup> Project under construction in 2015. IRB for \$24,500,000 as per R7066. Split equally between TIF and TDD = \$12,250,000 each.

<sup>24</sup> Project under construction in 2015. IRB for \$24,500,000 as per R7066. Split equally between TIF and TDD = \$12,250,000 each.

<sup>25</sup> Project under construction. Private capital investment is per incentive application dated 5-30-14.

<sup>26</sup> Project under construction. IRB for \$76,000,000 as per Ord. 9053.

<sup>27</sup> Project opened in 2015. NRA rebates anticipated to start with the 2016 tax year. Private capital investment is per incentive application dated 9-19-14.

<sup>28</sup> Construction had not yet commenced by the end of the year. NRA rebates anticipated to start with the 2017 tax year. Private capital investment is per incentive application dated 1-14-15.



# Historical Assistance & Investment

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## **Direct-Support Programs**

The below shows the projects and programs that received assistance in 2015 to directly support economic development programs, services, and projects.

| 2015 Direct Support Programs                          |                          |
|-------------------------------------------------------|--------------------------|
| Program                                               | Description              |
| Operations & Fixed Assets                             | BTBC                     |
| Economic Development Services                         | EDC, KU-SBDC             |
| Neighborhood Infrastructure/Improvements              | 9 Del Lofts              |
| Shared Infrastructure, Development/Permit Fee Rebates | Rock Chalk Park*         |
| Development Grant                                     | 1106 Rhode Island Street |
| Relocation Assistance                                 | Integrated Animal Health |
| Workforce Training: Development Grants & Loans        | Peaslee Tech Remodel     |
| Workforce Training: Operations                        | Peaslee Tech Operations  |
| Business Expansion                                    | PROSOCO                  |
| Affordable Housing                                    | Cedarwood Sr. Cottages   |

*\* Final payment made in early 2015.*



# Historical Assistance & Investment

## IRB Sales Tax Exemption Savings

Estimated sales tax exemption savings for IRB projects completed in 2015 was \$907,477. Of that total, the City contributed approximately \$214,610, the County contributed approximately \$36,367, and the State contributed approximately \$656,500. Note sales tax exemption savings are realized during project construction.<sup>29</sup>

| Stand-Alone IRB: Sales Tax Exemption Values (est.) |                      |                   |            |                                 |                 |                     |             |                  |
|----------------------------------------------------|----------------------|-------------------|------------|---------------------------------|-----------------|---------------------|-------------|------------------|
| Project                                            | Estimated Completion | Materials Expense | 1.55% City | Countywide 1% (July 2015 Rates) |                 |                     | 6.50% State | Total Est Amount |
|                                                    |                      |                   |            | 0.00574847                      | 0.00360074      | 0.00065079          |             |                  |
|                                                    |                      |                   |            | City Portion                    | County Portion  | Other Jurisdictions |             |                  |
| 1101/1115 Indiana Street                           | 2017                 | \$27,616,342      | \$428,053  | \$158,752                       | \$99,439        | \$2,277             | \$1,795,062 | \$2,483,584      |
| 900 New Hampshire: South                           | 2015                 | \$6,900,000       | \$106,950  | \$39,664                        | \$24,845        | \$2,277             | \$448,500   | \$622,237        |
| 900 New Hampshire: North                           | 2016                 | \$12,958,077      | \$200,850  | \$74,489                        | \$46,659        | \$2,277             | \$842,275   | \$1,166,550      |
| Peaslee Tech                                       | 2015                 | \$3,200,000       | \$49,600   | \$18,395                        | \$11,522        | \$2,277             | \$208,000   | \$289,795        |
| 705 Massachusetts Street                           | 2017                 | \$5,067,700       | \$78,549   | \$29,132                        | \$18,247        | \$2,277             | \$329,401   | \$457,606        |
| 800 New Hampshire                                  | 2017                 | \$3,498,982       | \$54,234   | \$20,114                        | \$12,599        | \$2,277             | \$227,434   | \$316,658        |
| Pioneer Ridge                                      | 2016                 | \$5,416,977       | \$83,963   | \$31,139                        | \$19,505        | \$2,277             | \$352,104   | \$488,988        |
| <b>Total City: Projects Completed in 2015</b>      |                      |                   |            | <b>\$156,550</b>                | <b>\$58,060</b> |                     |             | <b>\$214,610</b> |
| <b>Total County: Projects Completed in 2015</b>    |                      |                   |            |                                 |                 |                     |             | <b>\$36,367</b>  |
| <b>Total State: Projects Completed in 2015</b>     |                      |                   |            |                                 |                 |                     |             | <b>\$656,500</b> |
| <b>Total 2015:</b>                                 |                      |                   |            |                                 |                 |                     |             | <b>\$907,477</b> |

<sup>29</sup> IRB sales tax exemption on new construction materials (& labor for remodeling projects) is part of a state-exemption program and tracked by the state. The state monitors compliance with this exemption, which is dependent on construction schedules.



# Expired Programs

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## Employee Training Incentives

### **Argenta: 2029 Becker Drive**

Argenta, a global provider of drug development services and contract product manufacturing for the animal health industry, commenced operations at a new lab facility and office in Lawrence in January 2012. Based out of New Zealand, Argenta provides formulations research and development, analytical methods development, and small and commercial-scale manufacturing of animal health products.

To support their operations in Lawrence, the City of Lawrence partnered with Douglas County to provide a job creation/employee training package totaling \$10,500, to be disbursed over a four year period. In 2012, the City and County each paid \$2,750 of the total to assist with up front expenses, providing support for 2012 and 2013. The company did not certify for 2014 or 2015 and no grant was given for either year.



# Expired Programs

## PROSOCO Tax Abatement

Headquartered in East Hills Business Park since 1999, PROSOCO specializes in manufacturing building protection and restoration products. The Company was founded by Albert Boyer in 1939, and is now a third generation family business, selling products nationwide as well as globally.



The City authorized a 10-year, fifty-five percent (55%) tax abatement on real and personal property for the purchase of new equipment, machinery, and building expansion improvements via Ordinance 7882. This abatement expired at the end of 2014, with the property going fully back on the tax rolls in 2015.

| PROSOCO Tax Abatement Overview |                    |                      |                                                             |                                   |        |
|--------------------------------|--------------------|----------------------|-------------------------------------------------------------|-----------------------------------|--------|
| Company                        | Start <sup>1</sup> | Expires <sup>2</sup> | Maximum Investment Amount Subject to Abatement <sup>3</sup> | Abatement %                       | Ord.   |
| PROSOCO, Inc.                  | 2005               | 2014                 | \$260,000 personal property                                 | 55% on personal and real property | O-7882 |
|                                |                    |                      | \$2,348,000 real property                                   |                                   |        |

<sup>1</sup> Exemption from ad valorem taxation starts with the taxes levied in the calendar year shown.

<sup>2</sup> Exemption from ad valorem taxation expires with the taxes levied in the calendar year shown.

<sup>3</sup> Amounts that appear in the City Ordinance authorizing the abatement.



## Expired Programs

### Property Tax Summary

Over the course of the abatement period, \$361,325 was abated out of a total of approximately \$1,670,000 in real and personal property tax. The Company paid the remainder (\$1,308,374) in property taxes.

| PROSOCO Property Tax Generation |                                            |                   |                              |                                                |                   |                              |
|---------------------------------|--------------------------------------------|-------------------|------------------------------|------------------------------------------------|-------------------|------------------------------|
|                                 | Real Property (55% Abatement) <sup>4</sup> |                   |                              | Personal Property (55% Abatement) <sup>5</sup> |                   |                              |
| Tax Year                        | Total Tax Potential                        | Abated Tax Amount | Taxes Paid by Property Owner | Total Tax Potential                            | Abated Tax Amount | Taxes Paid by Property Owner |
| 2005                            | \$57,066                                   | \$31,386          | \$25,680                     | \$36,248                                       | \$3,510           | \$32,378                     |
| 2006                            | \$59,911                                   | \$32,951          | \$26,960                     | \$35,988                                       | \$3,070           | \$32,918                     |
| 2007                            | \$60,087                                   | \$33,048          | \$27,039                     | \$28,378                                       | \$2,463           | \$25,915                     |
| 2008                            | \$66,714                                   | \$33,755          | \$32,959                     | \$21,342                                       | \$1,890           | \$19,452                     |
| 2009                            | \$193,936                                  | \$33,881          | \$160,055                    | \$16,542                                       | \$1,265           | \$15,277                     |
| 2010                            | \$201,603                                  | \$35,220          | \$166,383                    | \$14,368                                       | \$919             | \$13,449                     |
| 2011                            | \$204,341                                  | \$35,698          | \$168,642                    | \$14,132                                       | \$932             | \$13,210                     |
| 2012                            | \$203,512                                  | \$35,554          | \$167,959                    | \$13,081                                       | \$928             | \$12,153                     |
| 2013                            | \$206,477                                  | \$36,026          | \$170,451                    | \$12,672                                       | \$940             | \$11,731                     |
| 2014                            | \$210,981                                  | \$36,949          | \$174,032                    | \$12,672                                       | \$940             | \$11,731                     |
| Total                           | \$1,464,628                                | \$344,468         | \$1,120,160                  | \$205,423                                      | \$16,857          | \$188,214                    |

<sup>4</sup> The amounts shown for real property values are only for the portion of real property that received the abatement and may not reflect values for the entire parcel.

<sup>5</sup> Personal property amount may not reflect the percentage of abatement, as some personal property is not included in the exemption. The State of Kansas exempted commercial personal property purchased July 1, 2006 and after from taxation. However, personal property purchased prior to that date is still taxed at a depreciated rate. Each company is required to submit an annual claim for a personal property tax abatement, listing out the equipment, value and date purchased. The County then determines the amount of personal property exempted and taxes due.



## Expired Programs

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### Performance Summary

At the end of the abatement period, PROSOCO had achieved substantial success in meeting its capital investment and job performance targets.

| PROSOCO Performance At Tax Abatement Expiration |             |             |                                        |
|-------------------------------------------------|-------------|-------------|----------------------------------------|
| PROSOCO, Inc.                                   | Projected   | Actual      | Comparison<br>(Projected to<br>Actual) |
| Real Property Investment                        | \$2,348,000 | \$2,397,288 | 102%                                   |
| Personal Property Investment                    | \$260,000   | \$662,312   | 255%                                   |
| Full-Time Employees                             | 50          | 69          | 138%                                   |
| Average Wages (based on 2014 Dollars)           | \$29,937    | \$50,309    | 168%                                   |

In addition, at the end of the 10-year incentive period, for every \$1 in public sector assistance, \$8.47 in PROSOCO's private sector capital investment was realized.

| Prosoco: Public Return on Private Capital<br>Investment (Total over 10-year Incentive Period) |             |
|-----------------------------------------------------------------------------------------------|-------------|
| Public Assistance:                                                                            | \$361,325   |
| Private Investment:                                                                           | \$3,059,600 |
| Private Investment for each<br>Dollar of Public Assistance:                                   | \$8.47      |



## County Programs

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Barry Plastics, a global manufacturer and marketer of plastic packaging products, is one of the largest private employers in Lawrence with 600 employed at its manufacturing facility located at 2330 Packer Road. In 2011, the company built a 600,000 square foot distribution center just outside of Lawrence at E. 700 Road in Lecompton Township to free up space at the manufacturing facility and consolidate storage operations to one location. The distribution center supports an additional 125 employees, as well as allows the company to continue to grow employment at the local manufacturing facility.

To assist with the establishment of the new distribution center, Douglas County authorized a 10-year, ninety percent (90%) property tax abatement, industrial revenue bond (IRB) financing of up to \$21 million, and contributed \$600,000 in for infrastructure improvements. The tax abatement started with the 2013 tax year and will expire with the 2022 tax year.



## Supplemental Information

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### **Amarr Healthcare Benefits:** (Letter dated 2-1-2016)

Amarr is a Self-Insured Company. Below is the breakdown of Medical Expenses – company vs employee.

One Medical Benefit that I have added to our cost is the Expense of having an onsite Medical Clinic available for all 3 shifts. This reduces the out of pocket expense for our team members in that they can make an appointment at the clinic for a variety of treatments at no expense to them. We provide blood draws, basic everyday treatments, and a wide array of treatments that you could get with a regular visit to a physician. This reduces the amount of time an employee has to miss work and sometimes gets employees to seek treatment where if they had to miss work – they may not.

When we add all of this together – the Company paid portion is 71% as you can see from the chart below.

Please let me know if you have further questions.

| 2015                    |                  |     |         |
|-------------------------|------------------|-----|---------|
| Claims/Fees Paid        | 3,246,000        |     |         |
| Claims Reserved for     | 511,000          |     |         |
| Onsite Health Clinic    | 136,887          |     |         |
| Net Medical Expenses    | <u>3,893,887</u> |     |         |
|                         |                  |     |         |
| Total Employee Premiums | 1,128,000        | 29% |         |
| Total Company Portion   | 2,765,887        | 71% | Company |

Thank you

Nancy Kelley  
Mfg Controller / Director of Finance

| Feedback on Application Changes |                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Notes                                                                                                                         | Comments |
|---------------------------------|---------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|----------|
| Program                         | Topic                                                                                             | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                               |          |
| Application                     | Public Benefits Highlighted                                                                       | Provide checklist at the beginning of the application where applicant can indicate the public benefits the project will provide.                                                                                                                                                                                                                                                                                                                                                           | <i>Aids City Commission in determining if request is to be considered/denied or if additional analysis would be required.</i> |          |
|                                 | NRA Application Fees Added                                                                        | Existing Application Fees                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                               |          |
|                                 |                                                                                                   | Tax Abatement                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | \$500                                                                                                                         |          |
|                                 |                                                                                                   | Industrial Revenue Bonds (IRB)                                                                                                                                                                                                                                                                                                                                                                                                                                                             | \$1,000                                                                                                                       |          |
|                                 |                                                                                                   | Community Improvement District (CID)                                                                                                                                                                                                                                                                                                                                                                                                                                                       | \$2,500                                                                                                                       |          |
|                                 |                                                                                                   | Transportation Development District (TDD)                                                                                                                                                                                                                                                                                                                                                                                                                                                  | n/a                                                                                                                           |          |
|                                 |                                                                                                   | Tax Increment Financing (TIF)                                                                                                                                                                                                                                                                                                                                                                                                                                                              | n/a                                                                                                                           |          |
|                                 |                                                                                                   | NRA Application Fees                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                               |          |
|                                 |                                                                                                   | Project Capital Investment                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Application Fee                                                                                                               |          |
|                                 |                                                                                                   | \$1,000,000 and Under                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | \$1,000                                                                                                                       |          |
|                                 |                                                                                                   | \$1,000,000-\$10,000,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | \$3,500                                                                                                                       |          |
|                                 |                                                                                                   | Over \$10,000,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | \$5,000                                                                                                                       |          |
|                                 | Disclosures                                                                                       | Please list the name(s) of each partner (or member) who owns (or will own) 5% or more capital of the company. In the case of businesses owning another business (such as an umbrella LLC that is the owner of several other LLC's), the actual partners' names need to be listed, not just the registrant's name with the Secretary of State.                                                                                                                                              | <i>Provides for additional transparency.</i>                                                                                  |          |
|                                 | Non-Refundable Application Fee and Applicant responsibility for covering processing expenses/fees | Applicant is responsible for paying all expenses incurred by the City for professional services pertaining to the project regardless of whether or not the project is approved. This may include costs associated with research and analytical services, legal publication notices, application fees to the Board of Tax Appeals, bond counsel and legal fees, and all other miscellaneous costs, including, but not limited to, the City's reasonable costs to process any modifications. | <i>Provides additional information for applicant.</i>                                                                         |          |
|                                 |                                                                                                   | If this request proceeds, Applicant may be asked to enter into a funding agreement to cover all costs associated with processing approval for the requested public assistance.                                                                                                                                                                                                                                                                                                             | <i>Provides additional information for applicant.</i>                                                                         |          |

| Feedback on IRB Policy Changes |                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Notes                                                                                                                                                                                                                                                                                                                    | Comments |
|--------------------------------|-----------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| Program                        | Topic                                                                       | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                          |          |
| Tax Abatement & IRB policy     | Origination & Other Fees <i>(Section 1-2116)</i>                            | At the time IRBs are issued, Each the applicant who receives an issuance of Industrial Revenue Bonds shall pay all fees associated with the issuance of the Industrial Revenue Bonds. IRBs, including the City's origination fee.                                                                                                                                                                                                                                                                                            | <i>Provides additional information for applicant.</i>                                                                                                                                                                                                                                                                    |          |
|                                |                                                                             | The applicant shall pay the City an origination fee of 0.0010 of the par amount of bonds being issued on behalf of a for-profit company, unless the project will create primary jobs or add affordable housing to the community. If the project is anticipated to create primary jobs or add affordable housing to the community, the City will not charge an origination fee.                                                                                                                                               | <i>Provides funds to be used for economic development purposes (e.g. affordable housing)</i>                                                                                                                                                                                                                             |          |
|                                |                                                                             | For IRBs issued on behalf of not-for-profit organizations, the City will not charge an origination fee.                                                                                                                                                                                                                                                                                                                                                                                                                      | <i>Provides additional information for applicant.</i>                                                                                                                                                                                                                                                                    |          |
|                                | Analysis:                                                                   | <b>"But For"/Pro Forma:</b> "But For" analysis to be performed for projects that are non-primary job creators or affordable housing. <i>(Section 1-2111)</i>                                                                                                                                                                                                                                                                                                                                                                 | <i>"But for" analysis is currently not required in IRB policy.</i>                                                                                                                                                                                                                                                       |          |
|                                |                                                                             | In-House Analytical Services: "But For"                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <i>Shall the City charge for in-house, "but for" analysis? If so, what would be suggested service fee? (Applicable for IRB, TDD, CID. Note TIF already contains a "But For" requirement. However, due to time/resources needed to meet state statute requirements, it is likely TIFs will require outside analysis.)</i> |          |
|                                | Economic Development Objectives: Affordable Housing <i>(Section 1-2103)</i> | In support of the City Commission goal to increase affordable housing within the community, projects having four (4) or more residential units seeking public assistance shall only be considered if a portion of those units are set aside as affordable housing.                                                                                                                                                                                                                                                           | <i>Supports CC goal for adding affordable housing</i>                                                                                                                                                                                                                                                                    |          |
|                                |                                                                             | The units set aside for affordable housing are subject to income and rent parameters 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. |                                                                                                                                                                                                                                                                                                                          |          |
|                                | Affordable Housing Provisions: <i>(Section 1-2112)</i>                      | Projects having four (4) or more residential units seeking an <u>IRB</u> 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.                                                                                                                                                                                                               | <i>Supports CC goal for adding affordable housing</i>                                                                                                                                                                                                                                                                    |          |
|                                |                                                                             | 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.                                                                                                                 |                                                                                                                                                                                                                                                                                                                          |          |
|                                |                                                                             | Affordable Housing Set Aside Requirements: <b>4-49 Residential Units</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                          |          |
|                                |                                                                             | Affordable Housing Set Aside Requirements: <b>50+ Residential Units</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                          |          |
|                                | Healthcare provision:                                                       | Should the dollar premium be changed in lieu of meeting healthcare insurance premium requirement?                                                                                                                                                                                                                                                                                                                                                                                                                            | <i>Current policy sets the healthcare premium at \$1.50 over wage floor, unless the company pays 70% of the healthcare insurance premium for all full-time employees. Should the premium be changed, especially in light of what neighboring communities charge?</i>                                                     |          |

| Feedback on NRA Policy Changes                                  |                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Notes                                                              | Comments |                            |                 |                       |         |                          |         |                   |         |                                                                                                                                           |  |
|-----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|----------|----------------------------|-----------------|-----------------------|---------|--------------------------|---------|-------------------|---------|-------------------------------------------------------------------------------------------------------------------------------------------|--|
| Program                                                         | Topic                                                                                                                                                                                                                                                                                                                                                                                                        | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                    |          |                            |                 |                       |         |                          |         |                   |         |                                                                                                                                           |  |
| NRA                                                             | NRA Rebate Level and Duration <i>(Section 4)</i>                                                                                                                                                                                                                                                                                                                                                             | It is the policy of the City to provide a 50% NRA rebate percentage for no longer than 10 years for projects that meet statutory and other criteria as specified in Section Three. Staff will only analyze requests at the 10 year, 50% rebate level unless directed otherwise by the Governing Body.                                                                                                                                                                                                                                           |                                                                    |          |                            |                 |                       |         |                          |         |                   |         |                                                                                                                                           |  |
|                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                              | The City Commission can choose to consider a larger rebate percentage and longer duration period, if the applicant can sufficiently prove the project will provide exceptional benefit to the City or extraordinary circumstances prevail that are in the best interests of the City. Any additional analysis the City Commission deems necessary to help make the case for expanding the NRA rebate percentage or duration period shall be provided by City selected third-party consultants, with all related expenses paid by the applicant. |                                                                    |          |                            |                 |                       |         |                          |         |                   |         |                                                                                                                                           |  |
|                                                                 | Application Fee <i>(Section 5, paragraph 1)</i>                                                                                                                                                                                                                                                                                                                                                              | Charged as per project capital investment thresholds:<br><table><tr><th colspan="2">NRA Application Fees</th></tr><tr><th>Project Capital Investment</th><th>Application Fee</th></tr><tr><td>\$1,000,000 and Under</td><td>\$1,000</td></tr><tr><td>\$1,000,000-\$10,000,000</td><td>\$3,500</td></tr><tr><td>Over \$10,000,000</td><td>\$5,000</td></tr></table>                                                                                                                                                                              | NRA Application Fees                                               |          | Project Capital Investment | Application Fee | \$1,000,000 and Under | \$1,000 | \$1,000,000-\$10,000,000 | \$3,500 | Over \$10,000,000 | \$5,000 | <i>CCity currently does not charge an NRA application fee. Shown is Staff's suggestion based on thresholds for project capital costs.</i> |  |
|                                                                 | NRA Application Fees                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                    |          |                            |                 |                       |         |                          |         |                   |         |                                                                                                                                           |  |
|                                                                 | Project Capital Investment                                                                                                                                                                                                                                                                                                                                                                                   | Application Fee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                    |          |                            |                 |                       |         |                          |         |                   |         |                                                                                                                                           |  |
|                                                                 | \$1,000,000 and Under                                                                                                                                                                                                                                                                                                                                                                                        | \$1,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                    |          |                            |                 |                       |         |                          |         |                   |         |                                                                                                                                           |  |
|                                                                 | \$1,000,000-\$10,000,000                                                                                                                                                                                                                                                                                                                                                                                     | \$3,500                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                    |          |                            |                 |                       |         |                          |         |                   |         |                                                                                                                                           |  |
|                                                                 | Over \$10,000,000                                                                                                                                                                                                                                                                                                                                                                                            | \$5,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                    |          |                            |                 |                       |         |                          |         |                   |         |                                                                                                                                           |  |
|                                                                 | Analysis                                                                                                                                                                                                                                                                                                                                                                                                     | CC determines if additional analysis is required. <i>(Section 4 &amp; 5, paragraph 1)</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <i>Accommodates additional information for evaluation purposes</i> |          |                            |                 |                       |         |                          |         |                   |         |                                                                                                                                           |  |
|                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                              | If additional analysis is required, City selects vendor for performing study. Applicant is responsible for expenses related to additional analysis. <i>(Section 4)</i>                                                                                                                                                                                                                                                                                                                                                                          |                                                                    |          |                            |                 |                       |         |                          |         |                   |         |                                                                                                                                           |  |
| Affordable Housing Provisions: <i>(Section 3, Paragraph 2B)</i> | Projects having four (4) or more residential units seeking a NRA 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.                                                                                                       | <i>Supports CC goal for adding affordable housing</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                    |          |                            |                 |                       |         |                          |         |                   |         |                                                                                                                                           |  |
|                                                                 | 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. |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                    |          |                            |                 |                       |         |                          |         |                   |         |                                                                                                                                           |  |
|                                                                 | Affordable Housing Set Aside Requirements: <b>4-49 Residential Units</b>                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Not less than 10%                                                  |          |                            |                 |                       |         |                          |         |                   |         |                                                                                                                                           |  |
|                                                                 | Affordable Housing Set Aside Requirements: <b>50+ Residential Units</b>                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Not less than 35%                                                  |          |                            |                 |                       |         |                          |         |                   |         |                                                                                                                                           |  |
| Policy Review <i>(Section 6)</i>                                | Periodically, the Public Incentives Review Committee and the Governing Body shall review this policy.                                                                                                                                                                                                                                                                                                        | <i>Currently policy has it set for annual review.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                    |          |                            |                 |                       |         |                          |         |                   |         |                                                                                                                                           |  |

| Feedback on TDD Policy Changes |                                                    |                                                                                                                                                                                                                                                                                                                                                                                                             | Notes                                                                                                                                                                                                                                                                                                                    | Comments |
|--------------------------------|----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| Program                        | Topic                                              | Description                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                          |          |
| TDD                            | But For Provision <i>(Section 4, paragraph 1)</i>  | 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.                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                          |          |
|                                | Analysis:                                          | In-House Analytical Services: "But For"                                                                                                                                                                                                                                                                                                                                                                     | <i>Shall the City charge for in-house, "but for" analysis? If so, what would be suggested service fee? (Applicable for IRB, TDD, CID. Note TIF already contains a "But For" requirement. However, due to time/resources needed to meet state statute requirements, it is likely TIFs will require outside analysis.)</i> |          |
|                                | Affordable Housing Provisions: <i>(Section 2B)</i> | Projects having four (4) or more residential units seeking a TDDshall only be considered if a portion of those units are set aside forhouseholds 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. |                                                                                                                                                                                                                                                                                                                          |          |
|                                |                                                    | Affordable Housing Set Aside Requirements: <b>4-49 Residential Units</b>                                                                                                                                                                                                                                                                                                                                    | Not less than 10%                                                                                                                                                                                                                                                                                                        |          |
|                                |                                                    | Affordable Housing Set Aside Requirements: <b>50+ Residential Units</b>                                                                                                                                                                                                                                                                                                                                     | Not less than 35%                                                                                                                                                                                                                                                                                                        |          |

| Feedback on TIF Policy Changes |                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                              | Comments          |
|--------------------------------|-------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| Program                        | Topic                                                             | Description                                                                                                                                                                                                                                                                                                                                                                                                  |                   |
|                                | Affordable Housing Provisions:<br><i>(Section 3, paragraph 7)</i> | Projects having four (4) or more residential units seeking a TIF 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. |                   |
|                                |                                                                   | Affordable Housing Set Aside Requirements: <b>4-49 Residential Units</b>                                                                                                                                                                                                                                                                                                                                     | Not less than 10% |
|                                |                                                                   | Affordable Housing Set Aside Requirements: <b>50+ Residential Units</b>                                                                                                                                                                                                                                                                                                                                      | Not less than 35% |

| Feedback on CID Policy Changes |                                                   |                                                                                                                                                                                                                                                                                                                                                                                                              |                   | Notes                                                                                                                                                                                                                                                                                                                    | Comments |
|--------------------------------|---------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| Program                        | Topic                                             | Description                                                                                                                                                                                                                                                                                                                                                                                                  |                   |                                                                                                                                                                                                                                                                                                                          |          |
| CID                            | But For Provision <i>(Section 5, paragraph 1)</i> | 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.                                                                                                                                                                                |                   |                                                                                                                                                                                                                                                                                                                          |          |
|                                | Analysis:                                         | In-House Analytical Services: "But For"                                                                                                                                                                                                                                                                                                                                                                      |                   | <i>Shall the City charge for in-house, "but for" analysis? If so, what would be suggested service fee? (Applicable for IRB, TDD, CID. Note TIF already contains a "But For" requirement. However, due to time/resources needed to meet state statute requirements, it is likely TIFs will require outside analysis.)</i> |          |
|                                | Affordable Housing Provisions: <i>(Section 2)</i> | Projects having four (4) or more residential units seeking a CID 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. |                   |                                                                                                                                                                                                                                                                                                                          |          |
|                                |                                                   | Affordable Housing Set Aside Requirements: <i>4-49 Residential Units</i>                                                                                                                                                                                                                                                                                                                                     | Not less than 10% |                                                                                                                                                                                                                                                                                                                          |          |
|                                |                                                   | Affordable Housing Set Aside Requirements: <i>50+ Residential Units</i>                                                                                                                                                                                                                                                                                                                                      | Not less than 35% |                                                                                                                                                                                                                                                                                                                          |          |

| Feedback on Application Changes |                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Notes                                                                                                                         |
|---------------------------------|---------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| Program                         | Topic                                                                                             | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                               |
| Application                     | Public Benefits Highlighted                                                                       | Provide checklist at the beginning of the application where applicant can indicate the public benefits the project will provide.                                                                                                                                                                                                                                                                                                                                                           | <i>Aids City Commission in determining if request is to be considered/denied or if additional analysis would be required.</i> |
|                                 | NRA Application Fees Added                                                                        | Existing Application Fees                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                               |
|                                 |                                                                                                   | Tax Abatement                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | \$500                                                                                                                         |
|                                 |                                                                                                   | Industrial Revenue Bonds (IRB)                                                                                                                                                                                                                                                                                                                                                                                                                                                             | \$1,000                                                                                                                       |
|                                 |                                                                                                   | Community Improvement District (CID)                                                                                                                                                                                                                                                                                                                                                                                                                                                       | \$2,500                                                                                                                       |
|                                 |                                                                                                   | Transportation Development District (TDD)                                                                                                                                                                                                                                                                                                                                                                                                                                                  | n/a                                                                                                                           |
|                                 |                                                                                                   | Tax Increment Financing (TIF)                                                                                                                                                                                                                                                                                                                                                                                                                                                              | n/a                                                                                                                           |
|                                 |                                                                                                   | NRA Application Fees                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                               |
|                                 |                                                                                                   | Project Capital Investment                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Application Fee                                                                                                               |
|                                 |                                                                                                   | \$1,000,000 and Under                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | \$1,000                                                                                                                       |
|                                 |                                                                                                   | \$1,000,000-\$10,000,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | \$3,500                                                                                                                       |
|                                 |                                                                                                   | Over \$10,000,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | \$5,000                                                                                                                       |
|                                 |                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                               |
|                                 |                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                               |
|                                 |                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                               |
|                                 | Disclosures                                                                                       | Please list the name(s) of each partner (or member) who owns (or will own) 5% or more capital of the company. In the case of businesses owning another business (such as an umbrella LLC that is the owner of several other LLC's), the actual partners' names need to be listed, not just the registrant's name with the Secretary of State.                                                                                                                                              | <i>Provides for additional transparency.</i>                                                                                  |
|                                 | Non-Refundable Application Fee and Applicant responsibility for covering processing expenses/fees | Applicant is responsible for paying all expenses incurred by the City for professional services pertaining to the project regardless of whether or not the project is approved. This may include costs associated with research and analytical services, legal publication notices, application fees to the Board of Tax Appeals, bond counsel and legal fees, and all other miscellaneous costs, including, but not limited to, the City's reasonable costs to process any modifications. | <i>Provides additional information for applicant.</i>                                                                         |
|                                 |                                                                                                   | If this request proceeds, Applicant may be asked to enter into a funding agreement to cover all costs associated with processing approval for the requested public assistance.                                                                                                                                                                                                                                                                                                             | <i>Provides additional information for applicant.</i>                                                                         |

| Feedback on IRB Policy Changes |                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Notes                                                                                                                                                                                                                                                                                                                    |
|--------------------------------|--------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Program                        | Topic                                                                          | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                          |
| Tax Abatement & IRB policy     | Origination & Other Fees<br><i>(Section 1-2116)</i>                            | At the time IRBs are issued, Each the applicant who receives an issuance of Industrial Revenue Bonds shall pay all fees associated with the issuance of the Industrial Revenue Bonds, including the City's origination fee.                                                                                                                                                                                                                                                                                                  | <i>Provides additional information for applicant.</i>                                                                                                                                                                                                                                                                    |
|                                |                                                                                | The applicant shall pay the City an origination fee of 0.0010 of the par amount of bonds being issued on behalf of a for-profit company, unless the project will create primary jobs or add affordable housing to the community. If the project is anticipated to create primary jobs or add affordable housing to the community, the City will not charge an origination fee.                                                                                                                                               | <i>Provides funds to be used for economic development purposes (e.g. affordable housing)</i>                                                                                                                                                                                                                             |
|                                |                                                                                | For IRBs issued on behalf of not-for-profit organizations, the City will not charge an origination fee.                                                                                                                                                                                                                                                                                                                                                                                                                      | <i>Provides additional information for applicant.</i>                                                                                                                                                                                                                                                                    |
|                                | Analysis:                                                                      | <b>"But For"/Pro Forma:</b> "But For" analysis to be performed for projects that are non-primary job creators or affordable housing. <i>(Section 1-2111)</i>                                                                                                                                                                                                                                                                                                                                                                 | <i>"But for" analysis is currently not required in IRB policy.</i>                                                                                                                                                                                                                                                       |
|                                |                                                                                | In-House Analytical Services: "But For"                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <i>Shall the City charge for in-house, "but for" analysis? If so, what would be suggested service fee? (Applicable for IRB, TDD, CID. Note TIF already contains a "But For" requirement. However, due to time/resources needed to meet state statute requirements, it is likely TIFs will require outside analysis.)</i> |
|                                | Economic Development Objectives: Affordable Housing<br><i>(Section 1-2103)</i> | In support of the City Commission goal to increase affordable housing within the community, projects having four (4) or more residential units seeking public assistance shall only be considered if a portion of those units are set aside as affordable housing.                                                                                                                                                                                                                                                           | <i>Supports CC goal for adding affordable housing</i>                                                                                                                                                                                                                                                                    |
|                                |                                                                                | The units set aside for affordable housing are subject to income and rent parameters 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. |                                                                                                                                                                                                                                                                                                                          |
|                                | Affordable Housing Provisions:<br><i>(Section 1-2112)</i>                      | Projects having four (4) or more residential units seeking an <u>IRB</u> 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.                                                                                                                                                                                                               | <i>Supports CC goal for adding affordable housing</i>                                                                                                                                                                                                                                                                    |
|                                |                                                                                | 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.                                                                                                                 |                                                                                                                                                                                                                                                                                                                          |
|                                |                                                                                | Affordable Housing Set Aside Requirements: <b>4-49 Residential Units</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                          |
|                                |                                                                                | Affordable Housing Set Aside Requirements: <b>50+ Residential Units</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                          |
|                                | Healthcare provision:                                                          | Should the dollar premium be changed in lieu of meeting healthcare insurance premium requirement?                                                                                                                                                                                                                                                                                                                                                                                                                            | <i>Current policy sets the healthcare premium at \$1.50 over wage floor, unless the company pays 70% of the healthcare insurance premium for all full-time employees. Should the premium be changed, especially in light of what neighboring communities charge?</i>                                                     |

| Feedback on NRA Policy Changes                                  |                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Notes                |  |                            |                 |                       |         |                          |         |                   |         |                                                                                                                                   |
|-----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|--|----------------------------|-----------------|-----------------------|---------|--------------------------|---------|-------------------|---------|-----------------------------------------------------------------------------------------------------------------------------------|
| Program                                                         | Topic                                                                                                                                                                                                                                                                                                                                                                                                        | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                      |  |                            |                 |                       |         |                          |         |                   |         |                                                                                                                                   |
| NRA                                                             | NRA Rebate Level and Duration <i>(Section 4)</i>                                                                                                                                                                                                                                                                                                                                                             | It is the policy of the City to provide a 50% NRA rebate percentage for no longer than 10 years for projects that meet statutory and other criteria as specified in Section Three. Staff will only analyze requests at the 10 year, 50% rebate level unless directed otherwise by the Governing Body.                                                                                                                                                                                                                                           |                      |  |                            |                 |                       |         |                          |         |                   |         |                                                                                                                                   |
|                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                              | The City Commission can choose to consider a larger rebate percentage and longer duration period, if the applicant can sufficiently prove the project will provide exceptional benefit to the City or extraordinary circumstances prevail that are in the best interests of the City. Any additional analysis the City Commission deems necessary to help make the case for expanding the NRA rebate percentage or duration period shall be provided by City selected third-party consultants, with all related expenses paid by the applicant. |                      |  |                            |                 |                       |         |                          |         |                   |         |                                                                                                                                   |
|                                                                 | Application Fee <i>(Section 5, paragraph 1)</i>                                                                                                                                                                                                                                                                                                                                                              | Charged as per project capital investment thresholds:<br><table><tr><th colspan="2">NRA Application Fees</th></tr><tr><th>Project Capital Investment</th><th>Application Fee</th></tr><tr><td>\$1,000,000 and Under</td><td>\$1,000</td></tr><tr><td>\$1,000,000-\$10,000,000</td><td>\$3,500</td></tr><tr><td>Over \$10,000,000</td><td>\$5,000</td></tr></table>                                                                                                                                                                              | NRA Application Fees |  | Project Capital Investment | Application Fee | \$1,000,000 and Under | \$1,000 | \$1,000,000-\$10,000,000 | \$3,500 | Over \$10,000,000 | \$5,000 | City currently does not charge an NRA application fee. Shown is Staff's suggestion based on thresholds for project capital costs. |
|                                                                 | NRA Application Fees                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                      |  |                            |                 |                       |         |                          |         |                   |         |                                                                                                                                   |
|                                                                 | Project Capital Investment                                                                                                                                                                                                                                                                                                                                                                                   | Application Fee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                      |  |                            |                 |                       |         |                          |         |                   |         |                                                                                                                                   |
|                                                                 | \$1,000,000 and Under                                                                                                                                                                                                                                                                                                                                                                                        | \$1,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                      |  |                            |                 |                       |         |                          |         |                   |         |                                                                                                                                   |
|                                                                 | \$1,000,000-\$10,000,000                                                                                                                                                                                                                                                                                                                                                                                     | \$3,500                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                      |  |                            |                 |                       |         |                          |         |                   |         |                                                                                                                                   |
| Over \$10,000,000                                               | \$5,000                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                      |  |                            |                 |                       |         |                          |         |                   |         |                                                                                                                                   |
| Analysis                                                        | CC determines if additional analysis is required. <i>(Section 4 &amp; 5, paragraph 1)</i>                                                                                                                                                                                                                                                                                                                    | Accommodates additional information for evaluation purposes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                      |  |                            |                 |                       |         |                          |         |                   |         |                                                                                                                                   |
|                                                                 | If additional analysis is required, City selects vendor for performing study. Applicant is responsible for expenses related to additional analysis. <i>(Section 4)</i>                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                      |  |                            |                 |                       |         |                          |         |                   |         |                                                                                                                                   |
| Affordable Housing Provisions: <i>(Section 3, Paragraph 2B)</i> | Projects having four (4) or more residential units seeking a NRA 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.                                                                                                       | Supports CC goal for adding affordable housing                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                      |  |                            |                 |                       |         |                          |         |                   |         |                                                                                                                                   |
|                                                                 | 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. |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                      |  |                            |                 |                       |         |                          |         |                   |         |                                                                                                                                   |
|                                                                 | Affordable Housing Set Aside Requirements: <b>4-49 Residential Units</b>                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Not less than 10%    |  |                            |                 |                       |         |                          |         |                   |         |                                                                                                                                   |
|                                                                 | Affordable Housing Set Aside Requirements: <b>50+ Residential Units</b>                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Not less than 35%    |  |                            |                 |                       |         |                          |         |                   |         |                                                                                                                                   |
| Policy Review <i>(Section 6)</i>                                | Periodically, the Public Incentives Review Committee and the Governing Body shall review this policy.                                                                                                                                                                                                                                                                                                        | Currently policy has it set for annual review.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                      |  |                            |                 |                       |         |                          |         |                   |         |                                                                                                                                   |

| Feedback on TDD Policy Changes |                                                    |                                                                                                                                                                                                                                                                                                                                                                                                              | Notes                                                                                                                                                                                                                                                                                                                    |  |
|--------------------------------|----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| Program                        | Topic                                              | Description                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                          |  |
| TDD                            | But For Provision <i>(Section 4, paragraph 1)</i>  | 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.                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                          |  |
|                                | Analysis:                                          | In-House Analytical Services: "But For"                                                                                                                                                                                                                                                                                                                                                                      | <i>Shall the City charge for in-house, "but for" analysis? If so, what would be suggested service fee? (Applicable for IRB, TDD, CID. Note TIF already contains a "But For" requirement. However, due to time/resources needed to meet state statute requirements, it is likely TIFs will require outside analysis.)</i> |  |
|                                | Affordable Housing Provisions: <i>(Section 2B)</i> | 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. |                                                                                                                                                                                                                                                                                                                          |  |
|                                |                                                    | Affordable Housing Set Aside Requirements: <b>4-49 Residential Units</b>                                                                                                                                                                                                                                                                                                                                     | Not less than 10%                                                                                                                                                                                                                                                                                                        |  |
|                                |                                                    | Affordable Housing Set Aside Requirements: <b>50+ Residential Units</b>                                                                                                                                                                                                                                                                                                                                      | Not less than 35%                                                                                                                                                                                                                                                                                                        |  |

| Feedback on TIF Policy Changes |                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                              |
|--------------------------------|-------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Program                        | Topic                                                             | Description                                                                                                                                                                                                                                                                                                                                                                                                  |
|                                | Affordable Housing Provisions:<br><i>(Section 3, paragraph 7)</i> | Projects having four (4) or more residential units seeking a TIF 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. |
|                                |                                                                   | Affordable Housing Set Aside Requirements: <b>4-49 Residential Units</b> Not less than 10%                                                                                                                                                                                                                                                                                                                   |
|                                |                                                                   | Affordable Housing Set Aside Requirements: <b>50+ Residential Units</b> Not less than 35%                                                                                                                                                                                                                                                                                                                    |

| Feedback on CID Policy Changes |                                                      |                                                                                                                                                                                                                                                                                                                                                                                                              | Notes                                                                                                                                                                                                                                                                                                                    |
|--------------------------------|------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Program                        | Topic                                                | Description                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                          |
| CID                            | But For Provision<br><i>(Section 5, paragraph 1)</i> | 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.                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                          |
|                                | Analysis:                                            | In-House Analytical Services: "But For"                                                                                                                                                                                                                                                                                                                                                                      | <i>Shall the City charge for in-house, "but for" analysis? If so, what would be suggested service fee? (Applicable for IRB, TDD, CID. Note TIF already contains a "But For" requirement. However, due to time/resources needed to meet state statute requirements, it is likely TIFs will require outside analysis.)</i> |
|                                | Affordable Housing Provisions: <i>(Section 2)</i>    | Projects having four (4) or more residential units seeking a CID 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. |                                                                                                                                                                                                                                                                                                                          |
|                                |                                                      | Affordable Housing Set Aside Requirements: <b>4-49 Residential Units</b>                                                                                                                                                                                                                                                                                                                                     | Not less than 10%                                                                                                                                                                                                                                                                                                        |
|                                |                                                      | Affordable Housing Set Aside Requirements: <b>50+ Residential Units</b>                                                                                                                                                                                                                                                                                                                                      | Not less than 35%                                                                                                                                                                                                                                                                                                        |