



June 21, 2010

The Honorable Mike Amyx, Mayor  
and members of the Lawrence City Commission  
Lawrence City Hall  
6 East Sixth Street  
Lawrence, KS 66044

RE: Proposed changes to the City TDD & CID Policies

Dear Mayor Amyx and City Commissioners,

I am writing you today concerning an issue of great concern to the Lawrence Chamber of Commerce and the member businesses we represent. It is my understanding that you are considering amendments to the city's current policy on TDD and CID districts that would require a super majority vote for one of these districts to be created.

I also understand that you are considering changing the policy to require that all retail establishments within a TDD or CID post a sign at the business entrance stating to the consumer they are shopping at an establishment that charges an additional sales tax.

We believe these proposed changes will have a direct adverse effect on the local business community and the ability to bring new revenue-generating businesses to Lawrence. It is our position that the present city policy regarding TDDs is sufficient in the requirements it imposes and that the city's CID policy should reflect those same requirements. Our recommendation to you on this policy is based upon the following:

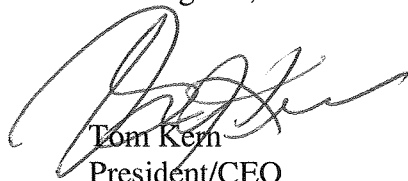
- A large number of TDD and CID districts exist within the State of Kansas. As far as we have been able to ascertain none of these existing districts require a super majority vote before such a district is created, nor are we aware of any communities that require signs advising customers an additional tax is being levied at a specific business.
- Several of these special tax districts already exist in communities close to Lawrence and are used regularly by our residents. The Legends in Wyandotte County as well as the Oak Park Mall in Overland Park are special taxing districts that have been in existence for several years. The concept of special taxing districts is well known within the community and has been accepted as a reasonable form of a taxing system, demonstrated by their success regionally and throughout the state.

- The current economic environment in our community – declines in job growth, sales tax receipts and property taxes as examples – demands that we do everything in our power to encourage business growth and development to benefit our citizens. Our economic development policies should be drafted in such a manner as to encourage a business to develop, expand or locate in Lawrence.
- We are competing with communities like Topeka and Johnson County to attract new businesses. Requirements such as the ones under discussion are viewed as deterrents to doing business in Lawrence, and make these neighboring communities all the more attractive to potential new businesses.
- It is our understanding that our community desires to place the financial incentives for business development upon business users rather than the general taxpayer. TDD and CID districts do exactly that. These districts shift financial incentives for development to the users of the businesses through special taxing districts that pay for public, semi-public and private improvements. These districts offer a better financial incentive program for business development, shifting the burden to business users and not spreading the financial incentive costs to all taxpayers.
- The use of TDD districts in Lawrence is not new. It has been used successfully at both the Oread Hotel and Bauer Farms projects. While there has been significant media discussion of these two special taxing districts in recent months, it is not clear that discussion is based on any significant outcry from the public regarding their additional taxing authority.
- CID projects can help ease budgetary concerns by generating state and local sales taxes, and by increasing the commercial tax base. These projects likely will include “infill” development that may revitalize aging (if not blighted) areas of the city.

We understand that privately you have received significant public feedback on these issues from residents within Lawrence. We understand their concerns regarding these issues. However, the Chamber strongly believes that these proposed amendments – specifically a super majority vote and on-site signage requirements – will restrict the availability of CID projects and negatively affect growth of the city’s tax base and development. These restrictions put Lawrence at a disadvantage when competing for new businesses and jobs.

We look forward to discussing this issue with you in more detail and we can work collaboratively to find a solution to this issue that works for all parties concerned. If you have any questions regarding this issue please feel free to contact me.

Best regards,



Tom Kern  
President/CEO  
Lawrence Chamber of Commerce