

Affordable Housing Provision										
Topic	Staff's Initial Suggestion(s)		Applicable Policies/Documents	JEDC Recommendation(s)	AHAB Recommendation(s)	PIRC Recommendation(s)	County Input	Current Policy	Staff Suggested Policy Clean-Up Edits	Final Staff Recommendation(s)
Affordable Housing Provision	Projects having four (4) or more residential units seeking incentives 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.		City of Lawrence Economic Development Goals, Process and Procedures (City Code Chapter 1, Article 21)	Affordable housing is necessary for a diverse job force. We therefore need to be careful not to make the cost of providing housing too great, as this may have the counter effect of lessening available housing and thereby increasing demand and consequently cost.	Partnership provision: Provide additional incentives for private projects that will partner with non-profit housing agencies to manage, monitor, and maintain affordable housing units.	For projects involving residential units, require a 10% set-aside for affordable housing which would be applicable only during the duration of the incentive period. In cases where a fraction of a unit is specified, round down to the nearest whole unit to ensure that projects with less than 10 residential units would be excluded from the set-aside requirement. The committee has concerns about the 35% being too high with the end result being that projects are not completed and no affordable housing is created.	There was consensus from the County Commissioners that the City proceed with caution when considering adopting policy that requires developers to devote 35% of dwellings to affordable housing, as adding limitations may put the community at a competitive disadvantage.	n/a	n/a	Duration of affordable housing requirement to be congruent with the incentive. For example, a 10 year NRA triggering affordable housing provision would have a 10 year affordable housing requirement.
	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.		NRA Policy (Res. No. 6954)		Redirection of Proceeds after Expiration: After the incentives period has expired on TIF or NRA projects, redirect a portion of project-generated incremental tax revenues to the affordable housing trust fund.					
	Affordable Housing Set Aside Requirements: 4-49 Residential Units	Not less than 10%	TIF Policy (Res. No. 6789)		Affordable Housing Duration: Reduce the affordable housing set-aside percentage in exchange for a longer affordable housing maintenance period (e.g. 15% set aside for 30 years vs. 35% set aside for 15 years.)					
	Affordable Housing Set Aside Requirements: 50+ Residential Units	Not less than 35%	CID Policy (Res. No 6953)							

Incentives Application										
Topic	Staff's Initial Suggestion(s)		Applicable Policies/Documents	JEDC Recommendation(s)	AHAB Recommendation(s)	PIRC Recommendation(s)	County Input	Current Application	Staff Suggested Policy Clean-Up/Edits	Final Staff Recommendation(s)
Application Fees	Non-Refundable Application Fee: 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.		City Application for Economic Development Incentives	Additional fees to apply for incentives should not be arbitrarily imposed.	n/a	Projects with under \$1M in capital investment should be subject to a modest application fee (e.g. \$100) to make it palatable for small projects to make requests, but still keep a flood of frivolous applications from being submitted.	n/a	n/a	n/a	Non-Refundable Application Fee: 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.
	Applicant responsibility for covering processing expenses/fees: If 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.		City of Lawrence Economic Development Goals, Process and Procedures (City Code Chapter 1, Article 21)					n/a	n/a	Applicant responsibility for covering processing expenses/fees: If 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.
Application: NRA Fees	Existing Application Fees		City Application for Economic Development Incentives & City of Lawrence Economic Development Goals, Process and Procedures (City Code Chapter 1, Article 21)					Refer to Existing Application Fees table to the left.	Refer to proposed NRA Application Fees table to the left	If project is not approved, 1/2 of the application fee would be returned to the applicant. Applicant will be responsible for reimbursement of third party analytical costs and any required publication costs.
	Tax Abatement	\$500								
	Industrial Revenue Bonds (IRB)	\$1,000								
	Community Improvement District (CID)	\$2,500								
	Transportation Development District (TDD)	n/a	City Application for Economic Development Incentives							
	Neighborhood Revitalization Area (NRA)	n/a								
	Tax Increment Financing (TIF)	n/a								
	Proposed NRA Application Fees		City of Lawrence Economic Development Goals, Process and Procedures (City Code Chapter 1, Article 21)							
	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								
Application: Disclosures*	As suggested by the Vice Mayor: 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.		City Application for Economic Development Incentives	n/a	n/a	Add language on cost recovery to make it clear that any fees an applicant would be required to pay would be clearly defined upfront in an agreement with the city so that they have clear expectations and no surprises.	n/a	n/a	n/a	
	Public Benefits Highlighted*		As suggested by the Vice-Mayor: Provide checklist at the beginning of the application where applicant can indicate the public benefits the project will provide.	City Application for Economic Development Incentives	n/a	n/a	n/a	n/a	n/a	

*Previously suggested by public official.

"But For" Requirement									
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But For Provision	NRA, CID, TDD, IRB/TA Policies: 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 incentive and the purpose for which the incentive revenue will be used.	City of Lawrence Economic Development Goals, Process and Procedures (City Code Chapter 1, Article 21)	While the "but for" test can provide valuable information and is required by law in some situations, we would encourage that there be discretion for the City Commission to apply it on a case-by-case basis. We urge the City Commission to make no changes to the current policies. We believe maintenance of maximum flexibility is critical.	n/a	Strike the "but for" requirement on IRBs as the only cost to the city from implementation of an IRB is a loss of the city's portion of sales tax on building materials, which is small.	n/a	TAX ABATEMENT/IRB REQUIREMENTS: none	none	No "but for" requirement on tax abatements or IRB requests. For IRBs issued to received just a sales tax exemption (not a property tax abatement), the public purpose (i.e. affordable housing contribution) is conditioned upon the IRB origination fee.
		NRA Policy (Res. No. 6954)					NRA APPLICANT REQUIREMENTS: An applicant wishing to request that the City to create a Neighborhood Revitalization Area in the City of Lawrence shall submit a request to the City. 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.	NRA APPLICANT REQUIREMENTS: 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 NRA and the purpose for which the NRA revenue will be used.	Require "but for" test for projects unrelated to primary job creation or affordable housing when NRA, TDD, or CID is requested. City may waive "but for" requirements for non-profits seeking these incentives. City to be reimbursed by applicant for 3rd- party "but for" analysis performed.
		TDD Policy (Res. No. 6952)					TDD/CID APPLICANT REQUIREMENTS: The applicant shall provide a "but for" analysis to the City demonstrating the need for the CID/TDD and the purpose for which the CID/TDD revenue will be used.	TDD/CID APPLICANT REQUIREMENTS: 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 CID/TDD and the purpose for which the CID/TDD revenue will be used.	
		CID Policy (Res. No 6953)							

	TIF Policy: TIF policy currently includes a "but for" analysis requirement as part of state requirements. No change to "but for" provision with the TIF policy.	TIF Policy (Res. No. 6789). Note TIF policy currently includes a "but-for" analysis requirement as part of the state requirements.			n/a		TIF APPLICANT REQUIREMENTS: 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.	n/a	No changes as "but for" is required by State Statute on TIF requests.	
IRB/TA Specific										
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Healthcare provision	n/a	City of Lawrence Economic Development Goals, Process and Procedures (City Code Chapter 1, Article 21)	n/a	n/a	n/a	n/a	SECTION 1-2121, paragraph 4: REQUIREMENTS FOR CONSIDERATION OF A TAX ABATEMENT: 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 provide 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 wage floor.		SECTION 1-2121, paragraph 4: REQUIREMENTS FOR CONSIDERATION OF A TAX ABATEMENT: 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 in which the employer pays a minimum of seventy percent (70%) of the cost of such policy, the employer shall pay the covered employee a wage which is at least \$1.50 per hour above the wage floor.	
Origination Fee for Sales Tax Exemption IRBs (takes the place of a PILOT for funding ED goals such as affordable housing))	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.	City of Lawrence Economic Development Goals, Process and Procedures (City Code Chapter 1, Article 21)	Additional fees to apply for incentives should not be arbitrarily imposed.	n/a	n/a	n/a	n/a		n/a	The applicant shall pay the City an origination fee 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 to receive only a sales tax exemption (not a property tax abatement), the public purpose (i.e. affordable housing contribution) is conditioned upon the IRB origination fee.
								Recommended Rates: 0.004 for first \$10,000,000; \$40,000 + 0.002 for 2nd \$10,000,000; \$60,000 + 0.001 for amounts over \$20,000,000. Maximum fee of \$100,000.		
	For IRBs issued on behalf of not-for-profit organizations, the City will not charge an origination fee.		n/a	n/a	n/a	n/a	n/a		n/a	For IRBs issued on behalf of not-for-profit organizations, the City will not charge an origination fee.
NRA Specific										
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NRA Rebate Level and Duration	SECTION FOUR: AMOUNT AND DURATION OF REBATE: 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.	NRA Policy (Res. No. 6954)	We urge the City Commission to make no changes to the current policies. We believe maintenance of maximum flexibility is critical.	n/a	Open up the cap on analyzing NRAs beyond the 10 year/50% level to allow the pros and cons of an individual project to be examined on it's merits. Changing this policy maintains flexibility to examine projects which may contribute greatly to our community's goals.	n/a	SECTION FOUR: AMOUNT OF REBATE: As standard practice, 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.		n/a	The determination of the rebate amount and duration of the NRA is at the sole discretion of the governing bodies. Governing bodies to consider NRA rebate percentage and duration based on the merits of each project, including evaluation of need as shown through gap (but for) analysis and fiscal impacts to the taxing jurisdictions through a cost-benefit analysis. Additional analysis governing bodies deem necessary to help make the case for supporting the NRA rebate percentage or duration period shall be provided by City selected third-party consultants, with all related expenses paid by the applicant. Staff believes that this approach provides the greatest flexibility and consistency to the City.
	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.						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.		n/a	
NRA Policy Review	Periodically, the Public Incentives Review Committee and the Governing Body shall review this policy.			n/a	n/a	n/a	n/a	n/a	SECTION SIX: PUBLIC INCENTIVES REVIEW COMMITTEE AND GOVERNING BODY ANNUAL REVIEW OF THIS POLICY: Annually the Public Incentives Review Committee and the Governing Body shall review this policy.	
Neighborhood NRAs	n/a		n/a	n/a	n/a	County would like to consider opening NRAs to home owners that need revitalization, maybe targeting neighborhoods.	SECTION TWO: POLICY STATEMENT: The 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.		n/a	n/a