

City of Lawrence

Public Incentives Review Committee

August 22, 2016 minutes

MEMBERS PRESENT: Mayor Mike Amyx, Linda Jalenak, Aron Cromwell, Bradley Burnside, Brian Iverson, and Commissioner Mike Gaughan

MEMBERS ABSENT: Vice Mayor Leslie Soden and Jill Fincher

STAFF PRESENT: Tom Markus, Diane Stoddard, Britt Crum-Cano

PUBLIC PRESENT: Rochelle Valverde from the Lawrence Journal World

Mayor Amyx called the meeting to order at approximately 4 pm.

Mayor Amyx thanked the group for working this summer on the subcommittee. The minutes were reviewed. Mr. Cromwell made a motion to approve the minutes from the May 17, 2016 meeting; Ms. Jalenak seconded the motion. The motion was unanimously approved.

Aron Cromwell reported on the work of the subcommittee. The subcommittee report as submitted was approved unanimously by the subcommittee. He thanked everyone for their participation on the group and also thanked City staff and the City Manager for work on this. He said he believed that the recommendation was a good compromise to include affordable housing. He said that the group thought that the 30% requirement for affordable housing as originally drafted was too high. He said that the group believes that 10% does provide an incentive for affordable housing yet wouldn't be a detriment to economic development projects seeking incentives. Mr. Iverson added that the group also spent quite a bit of time discussing the "but for" and recommending that be removed for IRBs.

Mayor Amyx asked if the threshold for affordable housing was only for projects that included housing as part of the project. Cromwell stated that was the case. Cromwell also added that it was the intention of the subcommittee to not have this requirement apply to very small projects with less than 10 units so that it wasn't a detriment to those small projects.

Commissioner Gaughan asked about whether the subcommittee reviewed the definition of neighborhood for the NRA policy. Cromwell stated that the framework is there if the community wanted to pursue it. Mayor Amyx added that at a prior meeting with county officials there was some concern about property values.

Mr. Iverson stated that he believed that nothing would pass a "but for" clause for the IRB since it is only sales tax on building materials. Cromwell added that the sales tax

IRB is a low cost incentive in terms of an impact to the City yet a high value incentive for a project. He stated there could be good derived from an IRB project. Commissioner Gaughan asked about reporting on this. Ms. Crum-Cano confirmed this was in the annual report. Crum-Cano clarified that the sales tax exemption actuals are not collected because they are handled directly between the company and the state. There was also some discussion that there is no financial liability for IRBs to the government but there is paperwork that is required to be executed.

Mayor Amyx asked about the last recommendation related to small projects. Cromwell stated that the subcommittee believed it was important to keep fees affordable for smaller projects so that smaller projects were not negatively affected. He provided the example of the Hernly project that restored a historic structure for reuse. Commissioner Gaughan stated that he has been supportive of the City's review of these economic development fees. Cromwell added that paying some fee was important so that applicants had some skin in the game.

There was a question about next steps from here. It was stated that the recommendations would likely be discussed at the October City Commission Work Session on October 11. Brad Burnside stated that the KCADC is now discussing these same issues. Mr. Cromwell added that Lawrence is very careful on these issues and reporting. Tom Markus echoed that comment, as did Mayor Amyx.

Mr. Burnside made a motion to forward the recommendation to the City Commission. Mr. Cromwell seconded the motion and it passed unanimously.

Mr. Iverson made a motion to adjourn the meeting. Ms. Jalenak seconded the motion. Approved unanimously.

The meeting was adjourned at approximately 4:22 pm.