

Memorandum

City of Lawrence

City Manager's Office

TO: Thomas M. Markus, City Manager
CC: Casey Toomay, Assistant City Manager
FROM: Britt Crum-Cano, Economic Development Administrator
Diane Stoddard, Assistant City Manager
DATE: May 1, 2019
RE: PIRC/AHAB: **Proposed 826 Pennsylvania Street NRA Plan Revisions**

Background:

The City Commission approved an NRA Plan for 826 Pennsylvania Street on November 15, 2016. At that time, an affordable housing provision was being considered as part of an update to the City's economic development policy, but it was not yet in place.

Since two 1-bedroom units were being proposed for affordable housing as part of the project, the City Commission sent the 826 Pennsylvania Street NRA request to the Affordable Housing Advisory Board (AHAB) for review and recommendation. At their October 10, 2016 meeting, AHAB voted (7-0) to recommend the City Commission approve the NRA for the project. At that meeting, staff asked the board to assist City staff in developing a plan to monitor affordable units during the incentive period and agreed extended affordability period. Shannon Oury from AHAB agreed to assist staff in determining the information required to certify and monitor the affordable units.

The City's economic development policy was updated and adopted January 15, 2017. This update included an affordable housing provision specifying a percentage of units to be set-aside for affordable housing if the project included more than four (4) residential units. At this time, AHAB was still working on defining affordable housing and related requirements.

On March 1, 2019, Staff received the first annual application for NRA rebate (for the 2018 tax year) from 826 Pennsylvania Street. The Owner provided additional documentation with the application which indicated that one of the tenants occupying an affordable housing unit had a change in income toward the end of 2018 as a result of getting a new job.

At the time the NRA Plan was drafted, it did not contemplate various tenant scenarios that might impact affordable housing compliance. Staff has since consulted and worked with Shannon Oury of the Lawrence Douglas County Housing Authority (LCDHA) and Tom Jackson of the National Development Council (NDC) to draft additional affordable housing guidelines that accommodates tenant changes as well as keeps with the intent of the affordable housing program and goals. Proposed Plan revisions incorporate those guidelines and are intended to clarify reporting and compliance requirements related to affordable housing.

Overview of NRA Plan Revisions:

- Part 10, Paragraph 2B was rewritten to add clarification on tenant eligibility and certification requirements
- Part 10, Paragraph 2C was added to address potential proration of rebate/reimbursement based on a minimum time requirement unit is to be occupied by an eligible tenant.
- Exhibit B, the *Annual NRA Rebate Application & Compliance Certification* form was redesigned to align with new affordable housing reporting requirements
- References to Exhibit B were updated throughout the Plan to align with the form's revised title.

Actions to Date:

May 7, 2019—City Commission received the proposed revisions to the 826 Pennsylvania Street NRA Plan, adopted November 15, 2016 by Ordinance No. 9304, clarifying administration and compliance requirements for affordable housing. The changes were then referred to the Public Incentives Review Committee (PIRC) and Affordable Housing Advisory Board (AHAB) to review and provide recommendations.

Future Actions:

June 18, 2019—City Commission to receive recommendations from the Public Incentives Review Committee (PIRC) and the Affordable Housing Advisory Board (AHAB) and consider approving an amendment to 826 Pennsylvania Street NRA Plan, adopted November 15, 2016 by Ordinance No. 9304, clarifying administration and compliance requirements for affordable housing.

June 19, 2019—County Commission to receive recommendations from the Public Incentives Review Committee (PIRC) and consider approving an amendment to the 826 Pennsylvania Street NRA Plan, adopted November 15, 2016 by Ordinance No. 9304, clarifying administration and compliance requirements for affordable housing.

June 24, 2019—USD 497 School Board to receive recommendations from the Public Incentives Review Committee (PIRC) and consider approving an amendment to the 826 Pennsylvania Street NRA Plan, adopted November 15, 2016 by Ordinance No. 9304, clarifying administration and compliance requirements for affordable housing.

PIRC/AHAB Action Requested:

Review and provide recommendation to the City Commission, County Commission and USD 497 School Board on revisions to the 826 Pennsylvania Street NRA Plan, adopted November 15, 2016 by Ordinance No. 9304, clarifying administration and compliance requirements for affordable housing.

Attachments:

- 826 Pennsylvania Street NRA Plan, Ordinance No. 9304, Cooperative Agreement
- AHAB October 10, 2016 Meeting Minutes
- City Economic Development Policy, January 15, 2017
- Proposed Revised 826 Pennsylvania Street NRA Plan
- LDCHA draft proposal for services

**NEIGHBORHOOD REVITALIZATION ACT
COOPERATIVE AGREEMENT for 826 PENNSYLVANIA STREET**

This Agreement (hereinafter "Agreement") is entered into this 15 day of November, 2016, by and between the City of Lawrence, Kansas (hereinafter "City"); the Board of Commissioners of Douglas County, Kansas (hereinafter "County"); and Unified School District No. 497, Douglas County, State of Kansas (hereinafter "USD 497") (collectively the "Parties"), all of which are municipalities within the meaning of K.S.A. 10-1101 and K.S.A. 12-17,114 *et seq.*; and

WHEREAS, K.S.A. 12-17,114 *et seq.* and amendments thereto, also referred to as the Kansas Neighborhood Revitalization Act (the "Act"), provides a program for neighborhood revitalization to provide incentives for property owners to improve aging and deteriorating property, or otherwise stimulate new construction, the rehabilitation, conservation or redevelopment of an area in order to protect the public health, safety and welfare; and

WHEREAS, K.S.A. 12-17,119, provides for all taxing jurisdictions within a Neighborhood Revitalization District to enter into agreements to further neighborhood revitalization; and

WHEREAS, the Parties desire to maximize the economic development opportunities under the Act and the Neighborhood Revitalization Plan (later defined herein) by acting jointly through the use of this agreement; and

WHEREAS, the Parties desire to set out the terms and conditions of participation as described herein, and

WHEREAS, the City and County will have primary responsibility for the procedural aspects of NRA implementation and administration, and therefore desire to set forth the specific rights and responsibilities of the Parties with respect to the procedures associated with the NRA.

NOW, THEREFORE, for the mutual promises and covenants contained herein and other good and valuable consideration, the Parties understand and agree as follows:

1. Purpose. The purpose of this Agreement is to provide a program for neighborhood revitalization and allow the taxing jurisdictions within the designated neighborhood revitalization area ("Area") to work together, through this agreement, to facilitate the rehabilitation, conservation or redevelopment of an area to protect the public health, safety and welfare of the residents of Lawrence.

- a. After conducting a public hearing and complying with the publication requirements of K.S.A. 12-17,117 as amended, on November 15, 2016 the City approved Ordinance No 9304 adopting a neighborhood revitalization district plan in substantially the same form and content as contained in **Exhibit A** attached hereto and incorporated herein by reference. ("Plan").
 - b. The other Parties to this Agreement have also reviewed and considered the Plan, and by adoption of this Agreement, agree to work cooperatively to implement the Plan.
 - c. The Parties further agree that no separate legal entity shall be created under this Agreement, but rather the City, on behalf of all Parties, shall administer the Plan as adopted by the City or as it may be subsequently amended as provided herein.
 - d. The Parties agree that the Plan shall not be amended by the City or by any of the Parties acting separately and shall only be amended in writing signed by all Parties hereto, which consent and cooperation shall not be unreasonably withheld.
 - e. In the event that the Neighborhood Revitalization Plan, as adopted, is not followed with respect to the aspects set forth in the Plan, the Parties may individually wish to reconsider participation in the Plan.
2. Duration. This Agreement shall commence after it has been approved by and is fully executed by the Parties, and shall expire upon the expiration of the Rebate Period or termination of the 826 Pennsylvania NRA Plan.
 3. Termination. The Parties agree that termination of this Agreement by any party prior to the period set forth in Paragraph 2 above would adversely impact the Plan, and consequently, this Agreement may only be terminated with ninety (90) days written notice, and further provided such written notice must be received prior to August 1 in the calendar year prior to the tax year the party desires to terminate participation, unless such notice is waived, in writing, by all Parties to this Agreement. The Parties further agree that any application for tax rebate submitted to the City prior to receipt of the notice of termination shall, if approved, be considered eligible for the duration of the rebate period set forth in the Plan.
 4. Financing.
 - a. A qualified improvement must meet the requirements set out in the Plan.

- b. The County shall calculate the annual rebate as per the Plan and shall transfer any tax increment rebate amounts received for the Parties to the Neighborhood Revitalization Fund (NRA Fund) a separate fund created and maintained by the City under the authority of K.S.A. 12-17,118 and amendments thereto.
- c. The County shall retain an annual administrative fee in an amount of \$500 from the increment of the rebate program. The County shall deduct this fee from the tax increment prior to rebating the tax increment to the City for disbursement to the property owner as provided in the Plan.
- d. Within thirty (30) days of distribution of the tax increment from the County, the City will disburse the rebate(s) in the appropriate percentage to each eligible property owner(s) in accordance with the Plan. All funds transferred to the NRA Fund by the County and not required to be rebated to Owner(s) shall be refunded by the City to the County Treasurer for distribution to all participating taxing jurisdictions in their proportionate share based on their tax rate at the time of disbursement.

5. Additional City Responsibilities

- a. The City's Economic Development Coordinator shall be responsible for receiving compliance information and documentation for annual rebate from the Owner/(s) under the NRA Plan. The City's Economic Development Coordinator shall have the authority and discretion to approve or reject annual rebate applications based on eligibility standards and review criteria contained in the NRA Plan. The City's Economic Development Coordinator will forward notice of application approval or rejection to the County for annual rebate.
- b. Upon payment of taxes by the Owner/Taxpayer, and provided the Owner/Taxpayer is in compliance with the NRA Plan, the City shall issue the appropriate rebate to the Owner/Taxpayer within 30 days after the next distribution date by Douglas County as specified in K.S.A. 12-1678a, and amendments thereto and in accordance with the NRA Plan.
- c. Rebates are not given until property taxes are paid in full.

6. Additional County Responsibilities.

- a. The County Appraiser shall conduct an on-site appraisal as part of the normal valuations following completion of the Improvements and determine the increase in the taxable valuation due to the improvements.
 - b. The County Appraiser will notify the City and the County Clerk of the valuation.
 - c. The County Treasurer will monitor real estate tax delinquencies for Property participating in the Program. The County Treasurer will notify the City if a Property becomes ineligible for the program due to tax or special assessment delinquencies.
8. Execution. For purposes of executing this Agreement, this document if signed and transmitted by facsimile machine or telecopier, is to be treated as an original document. This Agreement may be executed in one or more counterparts and by each party on a separate counterpart, each of which when so executed and delivered shall be an original, and all of which together shall constitute one instrument.
9. Liberal Construction. This Agreement shall be liberally construed to achieve the economic development objectives and purposes of both this Agreement and the Plan. Should any provision of this Agreement be determined to be void, invalid, unenforceable or illegal, such provision(s) shall be null and void, but the remaining provisions shall be unaffected thereby and shall continue to be valid and enforceable.
10. Entire Agreement. This Agreement constitutes the entire agreement between the Parties on this subject and may not be modified or amended except in writing executed by all Parties in the same manner as the original.
11. Governing Law. This Agreement and the Plan and the rights of all the Parties hereto shall be governed by and construed according to the laws of the State of Kansas.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their respective, appropriate representatives with authority to bind their respective entity.

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[SEAL]

CITY OF LAWRENCE, KANSAS

By: *Thomas M. Markus*

Thomas M. Markus, City Manager

Attest:

Sherri Riedemann
Sherri Riedemann, City Clerk

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BOARD OF COMMISSIONERS
OF DOUGLAS COUNTY, KANSAS

[Seal]

By: *Jameson Shew*

Attest:

Mamie D. Purdy, Clerk of the Board
deputy

Approved As To Form:

[Signature]
County Counselor



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UNIFIED SCHOOL DISTRICT NO. 497,
DOUGLAS COUNTY, STATE OF
KANSAS



By: *Mark [Signature]*

President, Board of Education

Attest:

Jarvis E. Owen
Clerk of the Board

Approved As To Form:

[Signature]
Attorney for the Board

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Exhibit A

Neighborhood Revitalization Plan
As adopted by Governing Body of the City of Lawrence
On November 15, 2016
through Ordinance No. 9304

[See Attached]

ORDINANCE NO. 9304

AN ORDINANCE OF THE CITY OF LAWRENCE, KANSAS, ADOPTING A NEIGHBORHOOD REVITALIZATION PLAN, DESIGNATING A NEIGHBORHOOD REVITALIZATION AREA, AND ESTABLISHING A FUND TO FINANCE THE REDEVELOPMENT OF THE AREA FOR THAT REAL PROPERTY COMMONLY KNOWN AS 826 PENNSYLVANIA STREET, LAWRENCE, DOUGLAS COUNTY, KANSAS, ALL IN ACCORDANCE WITH THE KANSAS NEIGHBORHOOD REVITALIZATION ACT OF 1994, CODIFIED AS AMENDED AT K.S.A. 12-17,114 ET SEQ.

WHEREAS, pursuant to authority granted it by the Kansas Neighborhood Revitalization Act of 1994 ("the Act"), codified as amended at K.S.A. 12-17,114 *et seq.*, the Governing Body of the City of Lawrence, Kansas, desires to adopt a plan for the revitalization of 826 Pennsylvania Street, Lawrence, Douglas County, Kansas, to designate 826 Pennsylvania Street as a Neighborhood Revitalization Area, and to create a fund to finance the redevelopment of the area and to provide rebates authorized by the Act, all in accordance with the Act;

WHEREAS, at its October 18, 2016, public meeting, in accordance with the Act, the Governing Body scheduled a public hearing for November 1st, for the purpose of considering the Neighborhood Revitalization Plan (a copy of which is affixed hereto as Exhibit A) for 826 Pennsylvania Street;

WHEREAS, in accordance with the Act, the Governing Body caused notice of such public hearing to be published in The Lawrence Journal-World, a newspaper of general circulation within the City, on October 20, 2016, and October 27, 2016; and

WHEREAS, at its November 1st, 2016, public meeting, pursuant to said public notice, the Governing Body considered the Neighborhood Revitalization Plan for 826 Pennsylvania Street.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF LAWRENCE, KANSAS:

SECTION 1. The above-stated recitals are incorporated herein by reference and shall be as effective as if repeated verbatim.

SECTION 2. The Governing Body hereby adopts the Neighborhood Revitalization Plan for 826 Pennsylvania Street ("Revitalization Plan"), attached hereto as Exhibit A, and incorporates the same herein by reference.

SECTION 3. The Governing Body has determined that that real property, commonly known as 826 Pennsylvania Street, Lawrence, Douglas County, Kansas, and legally described as

Lot 3, 8th and Pennsylvania Neighborhood Redevelopment Addition No. 3, a Minor Subdivision Replat of Lots 1 and 2, Block "A" of 8th and Pennsylvania Neighborhood Redevelopment, in the City of Lawrence, Douglas County, Kansas,

constitutes 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 delinquencies 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. Accordingly, pursuant to the Act, the Governing Body hereby designates that real property, legally described above, as the "826 Pennsylvania Street Neighborhood Revitalization Area" ("the Revitalization Area").

SECTION 4. The Governing Body hereby creates, pursuant to K.S.A. 12-17,118, a Neighborhood Revitalization Fund in order to finance the redevelopment of the Revitalization Area and to provide a rebate of property tax increments as scheduled in the Revitalization Plan.

SECTION 5. If any section, sentence, clause, or phrase of this ordinance is found to be unconstitutional or is otherwise held invalid by any court of competent jurisdiction, it shall not affect the validity of any remaining parts of this ordinance.

SECTION 6. This ordinance shall be in full force and effect from and after its passage and publication as provided by law.

PASSED by the Governing Body of the City of Lawrence, Kansas, this 15th day of November, 2016.

APPROVED:



Mike Amyx, Mayor

ATTEST:



Sherri Riedemann, City Clerk

APPROVED AS TO FORM:



Toni R. Wheeler, City Attorney

NEIGHBORHOOD REVITALIZATION PLAN
 For 826¹ Pennsylvania Street
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Purpose and Factual Findings

This plan is intended to promote the revitalization of the area of the City of Lawrence, Kansas (the City) through the rehabilitation, conservation, or redevelopment of the area to protect the public health, safety, or welfare of the residents of the City. More specifically, a tax rebate incentive will be available for certain improvements within the area. The improvements will include the rehabilitation of the existing building to accommodate a restaurant, office, and brewery/manufacturing space on the first floor and include a two story vertical addition to accommodate apartments.

In accordance with the provisions of K.S.A. 12-17, 114 et seq., the Lawrence City Commission has held a public hearing and considered the existing conditions and alternatives with respect to the designated Area, the criteria and standards for a tax rebate, and the necessity for interlocal cooperation among other taxing units. Accordingly, the City Commission has carefully reviewed, evaluated, and determined the Area meets one or more of the conditions to be designated as a “neighborhood revitalization area.”

¹ Area- used interchangeably with “Property”, referring to the property located at 826 Pennsylvania Street (identified by the County and the City GIS system as 820 Pennsylvania Street), Lawrence, Douglas County, Kansas

Part 1
Legal Description of Neighborhood Revitalization Area

Lot 3, 8th and Pennsylvania Neighborhood Redevelopment Addition No. 3, a Minor Subdivision Replat of Lots 1 and 2, Block "A" of 8th and Pennsylvania Neighborhood Redevelopment, in the City of Lawrence, Douglas County, Kansas

A map depicting the existing parcel of real estate is attached hereto as Exhibit A and incorporated into this Plan by reference as if fully set forth herein.

Part 2
Assessed Valuation of Real Property

The assessed valuation of the real estate contained in the Area is listed as follows for the parcel, for land and building value separately:

2016 Tax Information						
Property Address	Appraised			Assessed		
	Land	Improvements	Total	Land	Improvements	Total
820 Pennsylvania Street	\$ 89,760	\$ 241,440	\$ 331,200	\$ 22,440	\$ 60,360	\$ 82,800
Total	\$ 89,760	\$ 241,440	\$ 331,200	\$ 22,440	\$ 60,360	\$ 82,800

Part 3
Listing of Owners of Record in Area

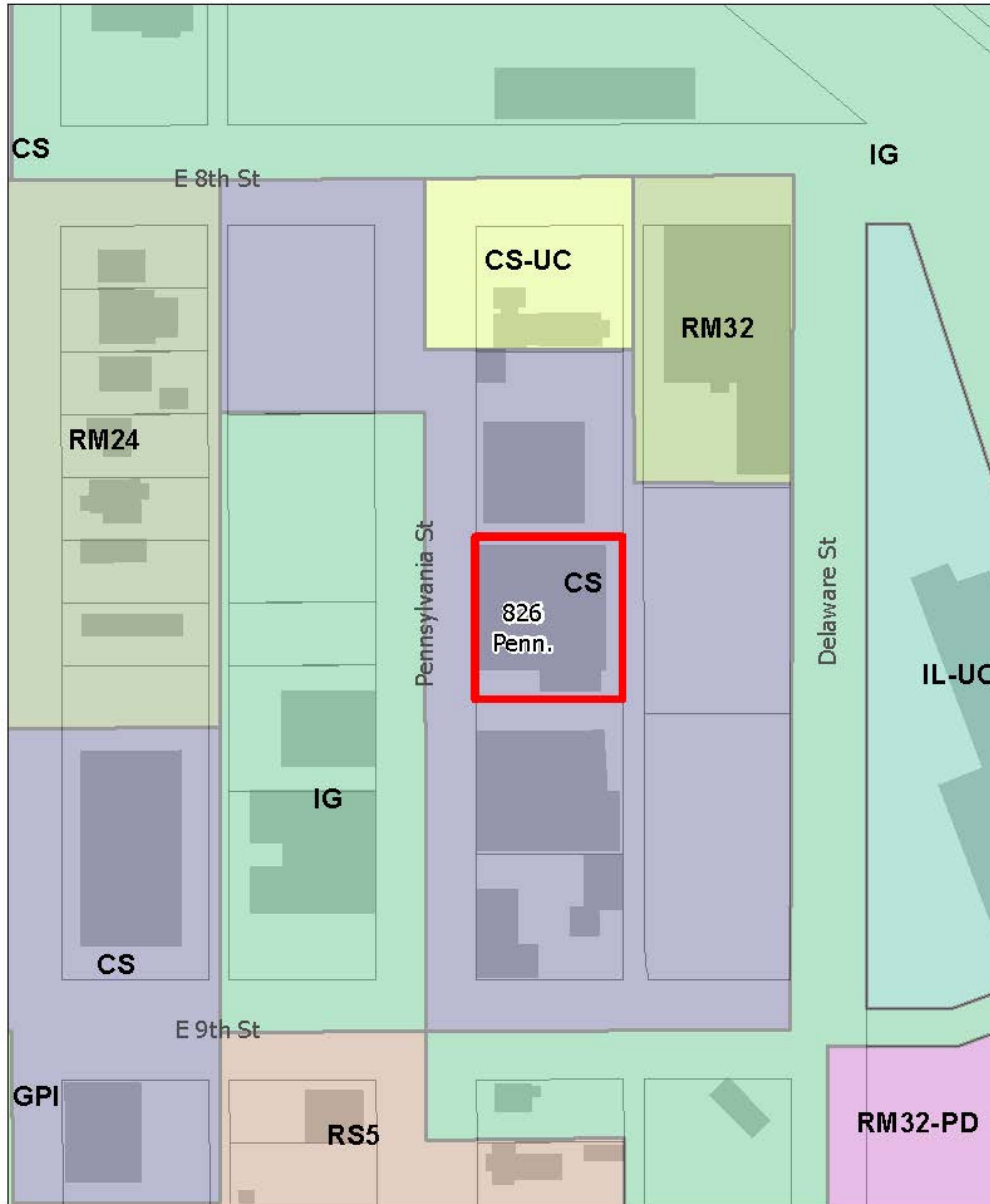
A list of name(s) and address(es) of the Owner(s) of record of the parcel of real estate within the Area:

Williams Management, LLC
826 Pennsylvania Street
Lawrence, Kansas 66049

Part 4
Existing Zoning Classification Boundaries
& Existing and Proposed Land Uses

A. Existing Zoning Classifications and Boundaries

The existing zoning classification of the Area is CS, Commercial Strip District. The existing zoning classification boundaries are depicted in the map below:



826 Pennsylvania Neighborhood Revitalization Area - Zoning
0 200 400 Feet
City of Lawrence

B. Existing and Proposed Land Uses

826 Pennsylvania, known as the SeedCo Building, was historically used for manufacturing and warehouse uses but has been vacant for several years. The use of the basement is limited to storage that is accessory to the other uses on the site, as the basement does not have suitable access for other uses. The building originally had two stories, but it was damaged by a fire and was rebuilt as one and a-half stories. The site plan proposes an addition to the building to three stories. The first floor will house a brewery, restaurant and office space. The second and third stories will contain apartments (Nine (9) one-bedroom units and five (5) two-bedroom units).

The Brewery could be classified as a Brewpub or Manufacturing and Production, Limited, depending on the scale of the project. A Brewpub as defined in Section 20-1724 of the Development Code is limited to the manufacture of up to 5,000 barrels of fermented malt beverages per year. If the brewery produces more than 5,000 barrels a year the use would be classified as Manufacturing and Production, Limited as defined in Section 20-1739(3) of the Development Code. The difference between the two uses is primarily a matter of scale. The brewery may be approved with the site plan as a Brewpub. If the use expands to the point it no longer complies with the definition of a Brewpub it would be necessary to seek approval of the use as Manufacturing and Production, Limited through a Special Use Permit. This is noted on the plan.

Part 5 Capital Improvement Planned for the Area

The Area will, for the most part, be served by existing municipal services.

Transportation – the Area will have access to the City’s transit system.

Water and sewage systems – the Area will connect to City water, wastewater and storm water systems.

Refuse collection – the Area will be served by existing City refuse and recycling services.

Road and street maintenance – the Area is adjacent to existing Pennsylvania Street. Pennsylvania Street will be maintained as part of the City’s regular street maintenance system. The property Owner(s) will be responsible for sidewalk maintenance in accordance with state law.

Park and recreation facilities – the Area will be served by existing parks and recreation facilities.

Police and fire protection – existing police and fire and medical services will serve the Area.

Part 6
Property Eligible for a Tax Rebate

The Area is comprised of one building (to be redeveloped) and one parcel of real estate. Accordingly, rehabilitation, alterations, and additions to the existing structure and the land in the Area are eligible for the tax rebate.

Part 7
Criteria for Determination of Eligibility

The Area consists of one parcel of real estate with an existing one-level building with basement that will be redeveloped by Williams Management, LLC, adding two additional floors and converting the property into mixed use commercial and residential space. In order to be eligible for the NRA rebate, Williams Management, LLC shall pull a building permit for the Project in the Area within one year of the effective date of the Ordinance designating the NRA Area, and shall complete the Project within two years of said Ordinance's effective date.

Part 8
Contents of Annual Application for Tax Rebate

The annual application for a tax rebate shall contain the following general information

1. Owner's Name
2. Owner's Mailing Address
3. Owner's Email Address (if one is available)
4. Owner's Day Phone Number
5. Address of Property
6. Legal Description of Property
7. Parcel Identification Number
8. Tax year for which the NRA rebate is being requested.
9. Receipt showing all taxes and special assessments have been paid in full for the applicable tax year.
10. Documentation showing compliance with affordable housing requirements as set forth in Section 10.
11. The signature and date of the Owner confirming the accuracy and validity of the annual application for tax rebate.

The Annual Application for Tax Rebate is attached hereto as Exhibit B, and incorporated herein by reference.

Part 9
Procedure for Submission of an Application

Owner(s) seeking a tax rebate shall annually complete the form, Exhibit B. The Annual Application for Tax Rebate, and supporting compliance documentation, shall be submitted to the City's Economic Development Coordinator.

**Part 10
Standards and Criteria for Review and Approval
Annual Application for Tax Rebate**

1. The property in which a rebate is requested shall conform with all applicable federal, state, and city laws, codes, and regulations in effect at the time the improvements are made and shall remain in conformance with applicable laws, codes, and regulations for the duration of the rebate period or the rebate may be terminated.
2. The Owner(s) shall comply with the Affordable Housing Requirements as set forth in this paragraph, and shall remain in conformance therewith for the duration of the rebate period or its rebate may be terminated. Owner(s) shall timely provide the City with any information or records reasonably requested by City to document compliance with this provision to the City's satisfaction.

Affordable Housing Requirements:

- A. Agreement to Maintain Units As Affordable for 30 Years** Owner agrees to enter into and maintain an agreement with City during and beyond the Rebate Period as set forth in this Plan. In said Agreement, Owner shall agree to comply with the Affordable Housing Requirements in Part 10, Paragraph 2.B. for thirty years after the date a Certificate of Occupancy is issued for the residential units. Said Agreement shall be recorded with the Douglas County Register of Deeds.
- B. Annual Certification of Affordability of Two Residential Units.** The Owner shall annually certify to the City the affordability of its residential units in a manner acceptable to the City.

Two, One-Bedroom Residential Units in the Project Area shall meet the following criteria:

<u>Income Eligibility</u>	<u>Maximum Rent</u>	<u>Utilities</u>	<u>Duration</u>
60% or less MFI*	LIHTC Max. Rent**	Included	30 years

*Income eligibility limits of Median Family Income (MFI) and maximum LIHTC rent to be charged per one bedroom unit as determined annually for the Lawrence, KS MSA by The Kansas Housing Resources Corporation and shown on the *Maximum Income and Rents to Qualify Units as Low Income for Low Income Housing Tax Credit Program* for the most recently available year.

The Owner(s) is volunteering to hold the affordable housing units to the above standard over a thirty (30) year period. Compliance with affordable housing requirements after the Rebate Period will be confirmed in accordance with the Agreement referenced in Part 10, Paragraph 2.A. of this Plan.

3. Any property that is delinquent in any tax payment or special assessment shall not be eligible for a rebate until such time as all taxes and assessments have been paid in full. Any taxes paid under protest for an eligible property will suspend the rebate until the

protest has been resolved. If the Owner(s) of an eligible property appeals the appraised value of its property, no rebate will be made until the appeal is finalized.

4. Following establishment of the increase in assessed value resulting from a specific improvement, the fixed rebate percentage shall be applied to any change in assessed value or mill levy during subsequent years. See Part 11.
5. The City’s Economic Development Coordinator, or his or her designee, shall have the authority and discretion to approve or reject annual rebate applications based on eligibility standards and review criteria contained herein. If an applicant is dissatisfied with the decision, a written appeal may be submitted to the City Commission for final determination. Such written appeal must be filed within 30 days after the Economic Development Coordinator’s decision.

Part 11
Statement Specifying Amount and Years of Eligibility of Rebate

The Owner(s), or the Owner(s)’ assignee, provided the requirements of this Plan are satisfied, will be eligible for a property tax rebate as set forth in this Part 11.

Program Period: The NRA fund and tax rebate incentive program shall expire at the conclusion of the Rebate Period set forth below, unless earlier terminated pursuant to this Plan. The City, County, and School District may jointly agree to amend or modify the Plan as conditions, policies or priorities change, provided that no amendment or modification to the Plan which decreases the percentage Rebate Amount under this Plan or materially increases the Owner(s) obligations or duties under the Plan shall be effective without the Owner(s) prior written consent. If there is no tax increment generated for a specific property due to a diminution of assessed values, no tax rebate shall be provided for the Property. The Owner(s) shall receive at least thirty (30) days prior written notice of any proposed amendment or modification to the Plan.

Rebate Period: The NRA rebate period shall commence on the first full tax year after Project Completion. For the purposes of this Plan, it is understood and agreed that the Project Completion refers to the date when a Certificate of Occupancy is issued by the City for the Project and is filed with the County Appraiser by December 1st.

The NRA Rebate Period shall be 10 years, unless earlier terminated as provided in this Plan.

Rebate Amount:

Taxing Jurisdiction	Annual NRA Rebate Percentage	
	Commercial	Residential
City	50%	50%
County	85%	85%
USD 497	50%	50%

The owner of the property at the time the property taxes are paid in full will be eligible for a property tax rebate on the incremental taxes associated with improvements to the Property (the "tax increment"). The Tax Increment will equal the property tax assessment against the Property for the first year after the improvements are completed (i.e. determined including the value that such improvements add to the assessed value of the Property) reduced by the property tax assessed against the Property for the base year (the year this Plan is approved) (i.e. determined without the value that the improvements add to the assessed value of the Property). The Increment will be reassessed each year of the rebate program, based off the new appraisal value. Then the fixed rebate percentage set forth above shall be applied to any change in assessed value or mill levy during subsequent years for the rebate period, as outlined above.

Douglas County shall be entitled to an annual administrative fee of \$500 for each annual application filed by an Owner(s). The administrative fee shall be retained by the County from increment proceeds before making the rebate distribution to the City. .

Timing of Annual Tax Rebate Payment: Provided the Owner(s) is in conformance with this Plan, has submitted a complete Annual Application for Tax Rebate, and the Annual Application for Tax Rebate has been approved by the City's Economic Development Coordinator, or the City Commission, then upon payment of taxes by the Owner(s), the rebate shall be made within 30 days after the next distribution date by Douglas County, as specified in K.S.A. 12-1678a, and amendments thereto.

Part 12 Other Requirements

1. This Plan and tax rebate program are subject to approval of each taxing unit (City Commission, Douglas County Commission, and USD 497). The participating taxing units will enter into a cooperative agreement concerning the implementation of this Plan and the payment of tax rebates.
2. The Developer shall submit a Property Construction Commencement form to the City, signed by the Douglas County Appraiser, before it commences any pre-construction or construction activities in the Area. The Property Construction Commencement form is attached hereto as Exhibit C, and incorporated herein by reference. The City acknowledges and agrees that the Base Property Value shall be based upon the 2016 appraised value determined by the Douglas County Appraiser, as the same is verified on Exhibit C.
3. The Developer shall within 10 days of completing the Project submit to the City a Certificate of Project Completion, attached hereto as Exhibit D and incorporated herein by reference.
4. Construction or redevelopment activities must be located in the Area and begin after the effective date of the Ordinance establishing the Area, or after the Base Property Value Determination date, whichever occurs later, to be eligible for a rebate.

5. The City's obligation to rebate any increment in ad valorem property taxes under this Plan shall be limited to monies in the NRA fund. In no event shall the City be obligated to cover such rebates from other City funds.
6. Some improvements regardless of cost may not result in an increase in assessed value and thus would not make the property eligible for a property tax rebate. Such determinations will be made solely and independently by the Douglas County Appraiser's Office and the Douglas County Clerk.

The County Appraiser shall conduct an on-site appraisal as a part of the normal valuations following completion of the Improvements and determine the increase in the taxable valuation due to the Improvements. On or before December 1st of each calendar year, the City shall notify the County Appraiser, in writing, of each property in the Area for which Improvements have been completed so that the County Appraiser may conduct on-site inspections as a part of the normal valuations to determine the increase in taxable valuations due to the Improvements. The County Appraiser will notify the City and the County Clerk of the valuation.

7. If this Plan is repealed or the rebate criteria changed, any approved applications shall be eligible for rebates for the remaining Term of the rebate originally provided in the plan.
8. The Developer shall keep proper books of record and account, in which full and correct entries shall be made of all dealings or transactions of or in relation to the properties, business and affairs of the Developer related to the Project or this Plan in accordance with generally accepted accounting principles. At reasonable times and upon reasonable prior written notice, the Developer agrees to allow representatives and agents of the City or Douglas County to inspect all books and records, invoices and other financial information related to the NRA incentive.
9. To the extent either party determines that the other has failed to comply with any term of this Plan, such party shall provide written notice to the other party, and said party shall be provided thirty (30) days after the receipt of such notice to comply with the terms of this Plan."

Exhibit A

A Map depicting existing parcels of real estate in Neighborhood Revitalization Area

Pennsylvania Street NRA - Area Map





Exhibit B
Application for Annual NRA Rebate &
Certification of Rebate of Increment
in Ad Valorem Property Taxes
Page 1

Please fill out the below application and submit along with a copy of all applicable tax payment receipts.

Submit Application to: City of Lawrence, City Manager's Office,
Attn: Economic Development
6th East 6th Street, Lawrence, KS 66044

With a copy sent to: Douglas County, Kansas, Attn: Treasurer's Department
1100 Massachusetts St., Lawrence, KS 66044

Project: _____
Owner(s): _____
Owner(s) Address: _____
Parcel ID #: _____
Property Legal Address: _____

Annual Rebate Requested: Rebate on property taxes levied in _____
(Y/N) The Owner(s) has paid, at the time Application for Rebate is made, all real estate taxes levied against the Property on which the Project is located

**Please attach a copy of tax payment receipts for the
calendar year in which the rebate is requested.**
(If applicable, also include payment receipts for any past due property taxes.)

Application Prepared by: _____
Title: _____
Address: _____
Email: _____
Phone: _____

The above information is correct, to the best of my knowledge.

Signature: _____ Date: _____

Note: Rebates are given only after property taxes are paid in full.

Exhibit B
Annual Application for Tax Rebate
Page 2

CERTIFICATION

The undersigned Owner (s) does hereby certify to the City of Lawrence, Kansas (the "City") that the following information is true and correct as of the date hereof:

1. The Owner(s) is in compliance with the terms of the Neighborhood Revitalization Act Plan for the Vermont Place NRA.
2. The Owner(s) is entitled to the rebate of the increment in ad valorem property taxes levied pursuant to the terms of the Neighborhood Revitalization Plan for the Vermont Place NRA in connection with the Project and the Neighborhood Revitalization Act.
3. The undersigned has reviewed the provisions of K.S.A. 21-6004 and understands the penalties thereunder.

Owner(s):

By: _____

Printed Name: _____

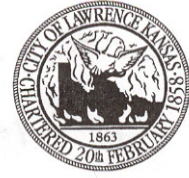
Title: _____

By: _____

Printed Name: _____

Title: _____

Note: Rebates are given only after property taxes are paid in full.



**Exhibit C
Property Construction Commencement**

The Owner(s) shall notify the City Manager and County Appraiser prior to commencement of project construction/redevelopment activities by submitting a signed copy of this form. The Owner(s) shall provide any information concerning the Project that may be helpful to the County Appraiser in the valuation process.

Project: _____
Parcel ID #: _____
Property Legal Address: _____

To be Completed by the County Appraiser:

Date of Appraisal: _____ Base Year: _____
Assessed Valuation: Land: _____
Improvements: _____
Total: _____
County Appraiser Signature: _____ Date: _____

To be Completed by the Property Owner(s):

Name: _____
Address: _____
Title: _____
Email: _____ Phone: _____
Signature: _____ Date: _____

Submit form to: City of Lawrence, City Manager's Office, Attn: Economic Development
6th East 6th Street, Lawrence, KS 66044

With a copy sent to: Douglas County, Kansas, Attn: County Appraiser
1100 Massachusetts St., Lawrence, KS 66044



Exhibit D
Certification of Project Completion

Please fill out the below certificate of completion and submit within 10 days of the conclusion of project construction.

Submit Application to: City of Lawrence, City Manager's Office,
Attn: Economic Development
6th East 6th Street, Lawrence, KS 66044

With a copy sent to: Douglas County, Kansas, Attn: Appraiser's Office
1100 Massachusetts St., Lawrence, KS 66044

Project: _____
Developer's Name: _____
Developer's Address: _____
Parcel ID #: _____
Property Legal Address: _____

Contact Information:
Company Contact(s): _____
Contact Address: _____
Contact Phone: _____
Contact Email: _____

Property Information:
Date of construction start (include copy of building permit receipt): _____
Date of construction end (include copy of certificate of occupancy): _____
Estimated cost of project improvements:
 Land: _____
 Building (include soft and hard costs): _____
 Total Project Cost: _____

I certify that the above information is correct.

Owner's Signature _____ Date _____

Draft
City of Lawrence
Affordable Housing Advisory Board
October 10, 2016 minutes

MEMBERS PRESENT: Rebecca Buford, John Harvey, Dana Ortiz, Shannon Oury, Tim Stultz, Matt Sturtevant, Nancy Thellman

MEMBERS ABSENT: Emmanuel Birdling, Stuart Boley

STAFF PRESENT: Casey Toomay, Assistant City Manager; Diane Stoddard, Assistant City Manager; Britt Crum-Cano, Economic Development Coordinator; Scott McCullough, Director of Planning and Development Services; Jeff Crick, Planner II; Danelle Dresslar, Community Development Manager; Brad Karr, Community Development Programs Analyst

Chair Matt Sturtevant called the meeting to order at 11:02 am.

1. Approve minutes from September 12, 2016 meeting

John Harvey moved to approve the meeting minutes from September 12, 2016. Rebecca Buford seconded the motion. The motion passed 7-0.

2. Public Comment

There was no public comment.

3. Monthly Financial Report - August

Casey Toomay presented the board with the August Financial Report for the AHAB.

4. Consider letter of support for the United Way's application for Kansas Health Foundation Grant

Erika Dvorske, President and CEO of the United Way of Douglas County, spoke to the board about the United Way's application for the Kansas Health Foundation Grant. As part of the application process, the United Way underwent an evaluation on building its capacity. The United Way plans to build capacity in fund raising and program evaluation with emphasis on a particular housing program targeting a narrow subset of the population. The target group would be individuals on Medicaid, Medicare or are uninsured who are frequent emergency department users for non-emergent care. There would be an estimated 180 to 200 individuals targeted in this program.

Toomay presented the board with a draft [letter of support](#) that would be on the October 11, 2016 City Commission agenda for approval.

Shannon Oury moved to recommend forwarding the letter of support to the City Commission for approval. Nancy Thellman seconded the motion. The motion passed 7-0.

5. Review and consider recommendation of project:

Britt Crum-Cano gave the board an overview of the reason for the AHAB to review these projects, and reminded the board the changes to the economic development policy have not been approved yet.

1. Robert Schumm - multi-level, mixed use commercial and residential development at approximately 815 Vermont St.
 - a. [Original Staff Memo & Attachments](#); 6/7/16 City Commission Action: Defer the request back to staff.
 - b. [Reconsideration request Staff Memo & Attachments](#); 7/5/16 City Commission Action: Receive request; refer to staff for gap analysis, specifying the Neighborhood Revitalization Area rebate percentage level and duration that can be examined; require the applicant to enter into a funding agreement with the City to cover the cost of gap analysis; and, refer request to the Affordable Housing Advisory Board and Public Incentives Review Committee for review and recommendation.

Robert Schumm gave the board an overview of his proposed project, which would include one unit to be sold at below market rate to an income qualified buyer. The first floor is currently anticipated to be commercial space, the second floor offices, and floors 3-5 condominiums. The project would include a total of twelve condo units and a twenty two space underground parking garage. The 600 square foot affordable unit would list for \$98,000 and use a deed restriction to remain permanently affordable. The total subsidy on the affordable unit would be \$149,728 (\$38,000 on construction, \$60,000 in finishing charges, and \$51,728 for one parking space). Buford asked about the amount of HOA fees for the affordable unit. Schumm indicated the HOA fees have not yet been determined, but could be estimated at around \$200/month. If the final HOA amount puts the unit out of range for a buyer at 80% of MFI, he would reduce the selling price to compensate for the fees. Harvey asked what the price points were for the market rate condo units. Schumm said the average would be around \$225 per square foot for a white box shell with no finishings. Harvey asked if the developer would be partnering with a non-profit to locate and qualify a buyer for the affordable unit. Buford said Tenants to Homeowners (TTH) and the developer do not yet have an agreement, but if so TTH would find and qualify the buyer. Buford asked what the tax incentive amount is on this project. Crum-Cano said two analytical models are used, the cost benefit model to determine the fiscal impact to the four taxing jurisdictions (city, county, school district, state) and a gap analysis that identified the financial gap the developer needs for the entire project to go forward. The cost benefit model ratio for the City is 1.78; every \$1 of public incentive invested by the taxing jurisdiction in this project returns \$1.78; the ratio for the County is 2.56. The gap analysis showed a need for a 10 year/75% NRA rebate and the developer also requested a sales tax exemption on construction materials. Those two combined over a 10 year period will account for \$1.478 million. Thellman said in fairness to the developer, this project could have provided nothing towards affordable housing; the project as is provides for several of the AHAB priorities including mixed use, infill development with an affordable housing component. Oury said the important factors to her are the permanent aspect of the affordable unit and the opportunity for a low income individual to live downtown.

Thellman moved to recommend the project to the City Commission. Oury seconded the motion. The motion passed 6-0 with one abstention (Buford).

2. Williams Management LLC - multi-level, mixed use commercial and residential development to be located at 820-826 Pennsylvania St.
 - a. [Staff Memo & Attachments](#); 7/5/16 City Commission Action: Receive request; refer to staff for gap analysis, specifying the Neighborhood Revitalization Area rebate percentage level and duration that can be examined; require the applicant to enter into a funding agreement with the City to cover the cost of gap analysis; and, refer request to the Affordable Housing Advisory Board and Public Incentives Review Committee for review and recommendation.

Matt Gough with Barber Emerson, L.C., representing Williams Management LLC, presented the board an overview of the proposed project. The project would contain a restaurant/brewery on the first floor and fourteen apartments on the second and third floors. The applicant has requested economic development incentives in the form of a ten year NRA tax rebate and an IRB for sales tax exemption on construction materials and taxable labor. The applicant has proposed two affordable one bedroom rental units for a thirty year period. The project would use the LIHTC standards to establish a maximum rent and to qualify applicants who are at or below 60% of MFI, which currently would set the rent at \$840 with utilities. Buford asked what

the rent would be on the market rate units. Gough said the market rate one bedroom units would be estimated around \$1,000 to \$1,200 per month. Oury mentioned the Poehler and 9Del projects are also 30 year periods of affordability, so all of these units will go market rate around the same time. Harvey said 30 years is a reasonable time period for this type of project. Thellman asked why rental units cannot be held in permanent affordability. Oury indicated the long term administrative expenses involved in certifying and monitoring the projects make it difficult; she felt the best case scenario is permanent affordability, but it is not always financially best for some projects. Stultz said he felt the applicant is providing a greater public benefit by extending the affordability period past the economic development incentive period. Ortiz pointed out both projects are one bedroom units and do not address the issue of affordable units for families. Buford said she appreciated the 30 year period of affordability, but cautioned the applicant on the difficulty in qualifying individuals at 60% of MFI. Cano-Crum asked the board to assist City staff in developing a plan to monitor affordable units during the period of affordability. Oury agreed to assist staff in determining the information required to certify and monitor the affordable units.

Thellman moved to recommend the project to the City Commission. Stultz seconded the motion. The motion passed 7-0.

6. Review Economic Development policy recommendation memo

Diane Stoddard presented the board with a memo detailing the AHAB's recommendations to the City Commission on the subject of the affordable housing provisions in the City's economic development policies. Sturtevant asked if the income guidelines should be split to include both rental and homeownership. Buford agreed and indicated most of their homeowners fall in the 60% to 80% of MFI. Oury indicated their down payment match program usually is homeowners in the 80% to 100% of MFI. Stoddard reminded the board some projects might provide other public benefits desirable by the community. Harvey said the memo should state these recommendations are for private developers requesting economic development incentives; the recommendations might be different for projects funded with the Housing Trust Fund. Stultz asked about the option for a developer to provide a payment in lieu of building units; he felt those generated funds could be used to provide the more difficult to build units in the under 30% of MFI category. Buford agreed, as long as the payment in lieu is an appropriate amount, such as based on the current cost of an affordable housing unit. Oury said the cost for a unit in Mr. Schumm's project, for example, the payment in lieu would be \$150,000. Harvey suggested a higher factor to provide for scattered site units, for example a 1.25 factor, to motivate the developer to build the units instead of just always using the buyout. Toomay indicated the AHAB can always recommend it to the City Commission to consider. Stoddard said the wording could indicate the amount of the payment in lieu would require additional discussion. Stoddard said she would include the suggested changes in the [memo](#) to the City Commission.

Schumm suggested the AHAB recommend the ratio of affordable units be based on bedrooms rather than units; otherwise the developers are always going to just build one bedroom units to meet the requirements. Schumm also indicated the City needs a source of funds to address the need for affordable housing and he felt it should be a one mill increase by the City or the County, or the need will never be met. Thellman indicated a mill levy increase would require a public referendum because of the tax lid. Ortiz agreed with the idea of a ratio of bedrooms instead of units. Stoddard said she would include wording in the [memo](#) indicating a preference for larger than one bedroom units.

Harvey asked if a developer would be allowed to build two one-bedroom units or one two-bedroom unit to satisfy the affordable unit ratio. Oury indicated the vast majority of the waiting list for housing for LDCHA is for one-bedroom units, so she would hate to see developers cut out all one bedroom units just because it is cheaper per bedroom to build larger units.

Oury made a motion to approve the Economic Development policy recommendation memo as amended. Ortiz seconded the motion. The motion passed 7-0.

7. Receive AHAB Planning Retreat Summary

The board was given a [summary](#) of the planning retreat held on September 1, 2016. Discussion of the summary will be held at the next meeting.

8. Other New Business/ Future Business

The City Commission will hold a work session on Tuesday October 12, 2016 at 5:45 and will discuss the recommendations to the economic development policy.

9. Next Meeting.

Toomay said the November 14, 2016 meeting will include a discussion of the SMART Goals and Action Steps identified at the planning retreat, and possibly Ellen Willets from USD 497.

10. Adjourn

Stultz moved to adjourn the meeting. Thellman seconded the motion. The motion passed 7-0 at 1:06 pm.

Future Meeting Dates / Tentative Agenda items

November 14 – Ellen Willets USD 497 (possible), discuss SMART Goals and Action Steps from planning retreat, administrative policy to recommend letter of support for LIHTC applications

December 12 - discuss Housing Trust fund year-end balance, dedicated funding stream options

These minutes were approved by the Board _____.

RESOLUTION NO. 7184

A RESOLUTION OF THE CITY OF LAWRENCE, KANSAS, ADOPTING THE "CITY OF LAWRENCE, KANSAS, ECONOMIC DEVELOPMENT POLICY."

WHEREAS, the City of Lawrence, Kansas, is committed to promoting high-quality and balanced economic development in the City, to broadening and diversifying the City's tax base, and, at the same time, to preserving the unique character of the City;

WHEREAS, it is the City's economic development goal to sustain the City's long-term economic health and vitality through the retention, expansion, and attraction of businesses and employment opportunities and through the development, and redevelopment of properties, all of which operate to broaden and diversify the City's tax base and make positive contributions to the quality of life of the residents of the City;

WHEREAS, the Kansas legislature has established a number of economic development tools, including economic development incentives, to stimulate the State's economy and to assist Kansas cities in reaching their economic development goals;

WHEREAS, the City recognizes that, to meet its economic goals and objectives, it must, from time to time, grant economic development incentives;

WHEREAS, the City recognizes that the judicious use of economic development incentives can aid the City in achieving its economic development goals and objectives, without diverting existing tax revenues and without creating additional tax burdens on the residents of the City; and

WHEREAS, the Governing Body finds that it is in the best interest of the City to establish certain policies and guidelines governing the judicious use of economic development incentives.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF LAWRENCE, KANSAS:

SECTION 1: The Governing Body hereby adopts, as the City's comprehensive economic development policy, "City of Lawrence, Kansas, Economic Development Policy," which document is affixed hereto as Exhibit A and incorporated herein by reference.

SECTION 2: After adoption and approval, as required by law, this resolution and "City of Lawrence, Kansas, Economic Development Policy" shall be in full force and effect commencing January 15, 2017.

SECTION 3: Resolution Nos. 6789, 6790, 6887, 6921, 6952, 6953, and 6954 are hereby repealed in their entirety, it being the intent of the Governing Body that the provisions of this Resolution supersede them in their entirety.

ADOPTED by the Governing Body of the City of Lawrence, Kansas, this 20th day of December, 2016.

APPROVED:



Mike Amyx, Mayor

ATTEST:



Sherri Riedemann, City Clerk

APPROVED AS TO FORM:



Toni R. Wheeler, City Attorney



City of Lawrence

**CITY OF LAWRENCE, KANSAS,
ECONOMIC DEVELOPMENT
POLICY**

(Adopted by Resolution No. 7184)

JANUARY 15, 2017

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PART 1: GENERAL POLICY STATEMENTS

1.1 INTRODUCTION

The purpose of the “City of Lawrence, Kansas, Economic Development Policy” is to establish the City’s official policy governing economic development incentives in the City.

1.2 GENERAL OBJECTIVE

Horizon 2020, the Comprehensive Plan for Lawrence and Unincorporated Douglas County, identifies three goals for the City’s economic development: employment growth, tax base growth, and income growth.

Under Kansas law, various economic development incentives are available to assist the City in achieving its economic development goals. This document establishes the City’s policies, procedures, and standards, governing the fair, effective, and judicious use of the various economic development incentives, in order for the City to meet its economic development goals in the most expeditious manner possible.

Because of its numerous assets and its unique character, the City strives to strike a balance between planning for future growth and retaining those aspects of the City that differentiate it from other growing suburban areas. Because that is the case, the City may not offer every economic development incentive that is available under state law; nor, may it offer economic development incentives to every entity that may be eligible for such under state law. Rather, the City endeavors to employ economic development incentives to target those businesses and to revitalize and redevelop those areas that meet the City’s economic development goals and objectives, as established by this policy, and that advance the interests and enhance the quality of life of the residents of this community.

1.3 ECONOMIC DEVELOPMENT OBJECTIVES

1.3.1 To achieve its economic development goals and objectives, the City works in cooperation and as partners with Douglas County and the Lawrence Chamber of Commerce. That cooperation and partnership enables the community to maximize its resources, by avoiding unnecessary duplication of efforts and by capitalizing on economies of scale, and to develop a consensus, through communication and coordination of efforts, regarding those kinds of economic development projects that would best advance the interests and enhance the quality of life of the entire community.

To those ends, the partners share a commitment:

- (a) to encourage existing businesses to expand;
- (b) to assist new business start-ups;

- (c) to recruit new businesses from outside Lawrence, from outside Douglas County, from outside Kansas, and from outside the United States;
- (d) to encourage high-technology and research-based businesses;
- (e) to encourage training and development of the area's work force; and
- (f) to retain and attract businesses that are "good corporate citizens," and that, through their leadership and support of local civic and philanthropic organizations, will best advance the interests and enhance the quality of life of the entire community.

1.3.2 The City's specific role in the economic partnership includes, but is not limited to:

- (a) providing land, zoning, and infrastructure that may be necessary to help achieve the goals and objectives of this policy;
- (b) providing clear policies, procedures, and standards, timely review of applications, and City Staff assistance that may be necessary to achieve the goals and objectives of this policy; and
- (c) providing assistance and, in some cases, economic development incentives necessary to attract jobs and investment in the community consistent with the goals and objectives of this policy.

1.3.3 All partners agree that they should be selective as to the kinds of businesses recruited, attracted, and assisted. *Horizon 2020, the Comprehensive Plan for Lawrence and Unincorporated Douglas County*, specifies that businesses within the following industries should be the primary focus of the partners' economic development efforts:

- (a) Life Sciences/Research;
- (b) Information Technology;
- (c) Aviation and Aerospace;
- (d) Value-added Agriculture; and
- (e) Light Manufacturing and Distribution.

1.4 ECONOMIC DEVELOPMENT INCENTIVES

When appropriate, the City may deploy one or more economic development incentives to achieve the goals and objectives of this policy. Depending on the project, the City may deploy one or more of the economic development incentives available to it. These include, but are not limited to:

- (a) Industrial Revenue Bonds (IRBs) (*see* Part 2);
- (b) Property Tax Abatements (*see* Part 3);
- (c) Neighborhood Revitalization Areas (NRAs) (*see* Part 4);
- (d) Tax Increment Financing of Redevelopment Districts (TIFs) (*see* Part 5);
- (e) Transportation Development Districts (TDDs) (*see* Part 6)
- (f) Community Improvement Districts (CIDs) (*see* Part 7);
- (g) Loans or Grants;
- (h) Creation of Benefit Districts; and/or
- (i) Construction or Installation of Infrastructure.

1.5 GENERAL PROCEDURAL GUIDELINES

Although the specific procedures for the various economic development incentives will differ from incentive to incentive -- please see the appropriate policy for the economic development incentive being sought for the applicable procedure -- each application or petition for an economic development incentive will generally follow the same steps, as outlined below.

1.5.1 Pre-application.

- 1.5.1.1 Because of the unique nature of each project and each economic development incentive, an applicant or petitioner seeking an economic development incentive is strongly encouraged in the first instance, prior to submitting an application, petition, or other documentation in support of the project or any concurrent request for economic development incentive, to contact the City Manager's Office to discuss the project, any additional information that the City may require, and the procedural steps for the particular project.
- 1.5.1.2 Application forms may be downloaded from the City website, or are available from the City Manager's Office. City Staff are available to answer questions or provide assistance.
- 1.5.1.3 Prior to submission of a completed and finalized application or petition requesting an economic development incentive, the applicant or petitioner is encouraged to send a draft version to City Staff for review. The purpose of the preliminary review is to screen the application or petition to ensure that it meets State and City eligibility requirements and to ensure that the application or petition is otherwise complete.

1.5.1.4 If the proposed project does not meet State or City eligibility requirements or otherwise is not complete, City Staff will discuss that fact with the applicant or petitioner.

1.5.2 **Applications/Petitions.**

1.5.2.1 While the application or petition requirements for each economic development incentive will differ from incentive to incentive -- please see the appropriate policy for the economic development incentive being sought for its specific requirements -- each application or petition requesting an economic development incentive shall require, at the very least, the following:

- (a) a description of the project, including but not limited to location, type (*e.g.*, remodel, new construction, redevelopment, historical preservation, *etc.*), proposed uses (*e.g.*, mixed use, residential, commercial, industrial, *etc.*), size, planning approvals achieved, planning approvals yet to be achieved, and any additional information that would describe the proposed project (*e.g.*, renderings, floor plans, graphics, *etc.*);
- (b) A summary of the benefits accruing to the City and the community if the proposed project proceeds to completion;
- (c) A statement describing the type, amount, and duration of the economic development incentive or incentives being requested and an explanation as to why incentive is needed for the proposed project to proceed;
- (d) A proposed timeline for completion of the proposed project;
- (e) A statement establishing the financial and professional wherewithal of the applicant to complete the proposed project; and
- (f) Certification, under oath, by all applicants or petitioners that they have no financial interest in any real property, anywhere within the state of Kansas, with delinquent special assessments, *ad valorem* taxes, or federal or state tax liens, and that they are not currently delinquent or in default on any debts, responsibilities, or other obligations owed to the City.

1.5.2.2 The applicant or petitioner may seek assistance from City Staff to ensure that the application or petition is completed and finalized prior to submitting it to the City for final decision.

1.5.2.3 The completed application or petition, once it is finalized, shall be submitted to the City Manager's Office.

1.5.3 **Receipt and Referral.**

1.5.3.1 Upon receipt of a completed and finalized application or petition, the City Manager will forward it to the Governing Body for initial consideration. As soon as may be practicable, the City Manager, with the advice of the Mayor, shall place the application or petition on the agenda of a Governing Body's public meeting. At the public meeting, the Governing Body will consider whether to receive the application or petition and whether to refer it to the Public Incentives Review Committee (PIRC) for its review and recommendation.

1.5.3.2 The Governing Body may, at its discretion, (a) receive any application or petition and refer the same to PIRC for review and recommendation or (b) decline to receive any application or petition (which effectively denies the request for economic development incentives).

1.5.4 **Analysis and Due Diligence.**

1.5.4.1 If the application or petition is referred to PIRC for its review and recommendation, City Staff will work with the applicant or petitioner to gather any additional information necessary to process the application or petition and to perform any necessary analysis, including one or more of the following:

- (a) Performing a benefit/cost analysis and, if required by this policy or the direction of the Governing Body, arranging for additional analysis.
- (b) Composing a technical report that summarizes results of the benefit/cost analysis and any other analyses.
- (c) Preparing draft agreements, ordinances, resolutions, notices, and other documents, as may be required by state law, local law, or this policy.
- (d) Coordinating the processing of the application or petition, including scheduling notices, meetings, hearings, and other necessary actions relevant to the economic development incentive being sought.

1.5.4.2 If the applicant or petitioner requests an economic development incentive that would require direct financing from the City, *i.e.*, anything other than pay-as-you-go financing, then the City may require additional due diligence.

1.5.4.3 In performing analyses and due diligence, the City will utilize the City's resources or other professional services, as deemed appropriate and necessary by the City Manager.

1.5.4.4 Results of any benefit/cost analysis and any other analysis performed hereunder will first be shared with the applicant or petitioner, as soon as may be practicable, before presentation of such analyses to PIRC.

- 1.5.4.5 In cases where sensitive financial information is involved, the City will, at the cost of the applicant, hire a third party to review such information and prepare a report, analyzing the application or petition and setting forth any opinions that he or she has regarding the applicant's or petitioner's financial wherewithal to complete the proposed project. The third party may also make recommendations to the City regarding appropriate steps the City may consider in order to secure any investment it may make.
- 1.5.5 **PIRC Review**
- 1.5.5.1 After the Governing Body has received and referred to PIRC an application or petition and after City Staff, or any third party hired for that purpose, has completed any analyses or other due diligence required thereby, the City Manager shall, as soon thereafter as may be practicable, establish a time when PIRC shall, at a public meeting, review the application or petition.
- 1.5.5.2 PIRC shall, at a public meeting, review the application or petition. PIRC shall receive City Staff's analyses and due diligence, if any, shall hear from the applicant or petitioner, may receive public comment, and shall elicit additional information as may be necessary and relevant to its review of the application or petition.
- 1.5.5.3 At the conclusion of the PIRC public meeting, applying the criteria set forth in this policy, PIRC shall, by a majority vote, make a recommendation to be forwarded to the Governing Body. PIRC's recommendation, the minutes of the PIRC meeting, and any documentary evidence adduced at the hearing shall be forwarded to the Governing Body for its final decision.
- 1.5.6 **Final Decision.**
- 1.5.6.1 Upon receipt of PIRC's recommendation, and as soon thereafter as may be practicable, the City Manager, with the advice of the Mayor, shall schedule the application or petition for a public hearing, at a public meeting of the Governing Body, for final decision.
- 1.5.6.2 At the public hearing on the application or petition, the Governing Body shall receive the recommendation and package of materials from PIRC, shall hear from City Staff, shall hear from the applicant or petitioner, shall receive public comment, and shall elicit additional information as may be necessary and relevant to the application or petition. The Governing Body may, as necessary, defer the matter from time to time in order to gather more information or to perform more analysis or due diligence in order to make its final decision.
- 1.5.6.3 At the conclusion of the public hearing, based on the information presented to it, any other relevant factors, and the relevant criteria, the Governing Body may, at its discretion, by a majority vote, approve the application or petition, approve the application or petition with conditions, approve the application or petition with modifications, or disapprove the application or petition.

1.5.6.4 The decision of the Governing Body shall be the final decision of the City.

1.5.7 **Implementation and Administration.**

1.5.7.1 If the Governing Body approves an application or petition, approves an application or petition with conditions, or approves an application or petition with modifications, then the City Manager's Office thereafter shall be responsible for implementing and administering the economic development incentive.

1.5.7.2 If an economic development incentive is granted, the applicant or petitioner shall enter into a Performance Agreement (*see* Section 1.6, below), with the City. The City Manager's Office shall be responsible for ensuring that the Performance Agreement is in compliance with this policy and is executed by the parties.

1.5.7.3 When an economic development incentive is granted, the City Manager's Office shall be responsible for all tracking, compliance, and reporting requirements.

1.6 PERFORMANCE AGREEMENTS

1.6.1 Every economic development incentive granted by the City shall be accompanied by a Performance Agreement between the applicant or petitioner and the City.

1.6.2 Each Performance Agreement shall be subject to periodic review by City Staff and determination by the Governing Body that the applicant or petitioner is in compliance with the Performance Agreement and that the conditions qualifying the applicant or petitioner for the economic development incentive continue to exist. *See* Section 1.7, below.

1.6.3 Each Performance Agreement shall include audit language that will permit the City, upon request, to review the books, records, sales tax returns, invoices, or other relevant information, of the applicant or petitioner, or any lessee, assignee, or successor of the applicant or petitioner, to determine continuing compliance with the Performance Agreement.

1.6.4 Each Performance Agreement shall include a notice and waiver, whereby the City shall reserve the right to grant future economic development incentives on comparable projects in amounts different than that granted the applicant or petitioner. Such shall include language whereby the applicant or petitioner waives any right to request modification or amendment of such economic development incentive as a result of such difference.

1.6.5 Where the project is required to designate and set aside dwelling units as affordable housing, in accordance with Section 1.7.3, below, the Performance Agreement shall include language whereby the applicant or petitioner shall agree to verify, at no cost to the City, compliance with the City's affordable housing policies and standards.

1.6.6 Each Performance Agreement shall include clawback language whereby, if certain conditions qualifying the applicant or petitioner for economic development incentives are not met, *e.g.*, the applicant or petitioner fails to provide the minimum capital investment, the applicant or petitioner fails to meet City land development requirements, the applicant or petitioner fails to provide required affordable housing, *etc.*, then the City shall have the right to clawback certain economic incentives granted and shall have the authority to eliminate or reduce the amount of the economic development incentive going forward.

1.6.7 Each Performance Agreement shall include language whereby the City will have the authority, upon any material breach of the Performance Agreement or any other agreement, or upon any fraudulent or illegal act of the applicant or petitioner, or any lessee, assignee or successor of the applicant or petitioner, to modify or terminate the Performance Agreement or the economic development incentive.

1.7 COMPLIANCE

1.7.1 Annually, City Staff shall be responsible for reviewing the performance of each recipient of an economic development incentive. The purpose of the review is to verify compliance with the Performance Agreement and to gather other information that may be relevant to the recipient and to its compliance with any conditions of the economic development incentive. The compliance review may include a site visit and may include a request to audit the books, payroll records, or other records of the recipient to ensure compliance.

1.7.2 Annually, each recipient of an economic development incentive shall certify, by affidavit, that the recipient is in compliance with the Performance Agreement, applicable state law, the City economic development policy, applicable local law, and any and all conditions placed on the award of the economic development incentive. Such certification for any property tax abatement shall be signed, notarized, and returned to the City no later than January 15 of each year. All other such certifications shall be due in accordance with the terms of the Performance Agreement. Tardiness in returning the certification shall be noted in City Staff's annual incentives report.

1.7.3 Using the information gathered and the certification of each recipient, City Staff will compile and prepare an annual incentives report, showing statistics and other relevant information for each economic development incentive granted by the City. The report will be completed May 1 and will thereafter be made available to PIRC. If City Staff or PIRC finds that any recipient of an economic development incentive is not in substantial compliance with the Performance Agreement or any other condition of the economic development incentive, City Staff shall notify the recipient before forwarding the report and any recommendation to the Governing Body.

1.7.4 Any person wishing to appeal a finding of non-compliance or a recommendation of PIRC, shall, within 14 days of notification or of PIRC's recommendation, file with the City Manager's Office a written appeal. The appeal must be writing and must establish (1) why the determination of City Staff or PIRC is in error or (2) why the recipient failed to meet the performance targets, how it will meet them in the future, and why its economic development incentive should not be altered.

1.7.5 The City Commission will review the recommendations of PIRC and hear any appeal therefrom, and shall, based on the evidence before it, make any decision it deems necessary under the Performance Agreement to adjust, modify, or terminate any economic development incentive.

1.8 GENERAL POLICY STATEMENTS

1.8.1 Benefit/Cost Model

1.8.1.1 When, in determining whether to grant certain economic development incentives, a benefit/cost analysis is required, the City shall consider the following nonexclusive factors:

- (a) whether the proposed project will increase the appraised valuation of the property or properties;
- (b) whether the proposed project will increase tax revenues;
- (c) whether the proposed project will create new jobs (including the number of new jobs and the salaries and benefits accruing to those new jobs);
- (d) whether the proposed project will, through secondary or "multiplier" effects, create additional new jobs (including the associated tax revenues from such new jobs and new residents);
- (e) whether the proposed project will require the City to make capital expenditures to expand public services, *e.g.*, additional parks or police stations, to accommodate the proposed project and new residents;
- (f) whether the proposed project will require the City to make regular operating expenditures for public services, *e.g.*, fire protection or street maintenance, to accommodate the proposed project and new residents;
- (g) whether the proposed project will require the School District to provide new or expanded facilities to accommodate the proposed project and new residents; or
- (h) whether the proposed project will require the City or any other local taxing subdivision of the state to expend public funds to accommodate the proposed project and new residents.

1.8.1.2 In addition to the foregoing nonexclusive factors, in performing the benefit/cost analysis the City may also consider one or more of the following nonexclusive factors:

- (a) the degree to which the proposed project improves the diversification of the City's economy;
- (b) the kinds of job the proposed project will create in relation to the kinds of skills available in the local labor market;
- (c) the degree to which the ultimate market for the proposed project's products or services reside outside the community, recognizing that outside markets bring "new money" to the local economy;
- (d) the potential of the proposed project to expand and create additional jobs in the future;
- (e) the beneficial impact the proposed project may have on the City, resulting from its creation of other new jobs and businesses, from its use of local products or other materials and substances in manufacturing, or from its creation of niche businesses, such as those in the bioscience arena;
- (f) the beneficial impact the proposed project may have on the environmental quality of the region or, through its products or services, nationally, as well as any efforts the proposed project makes to promote sustainability or to mitigate environmental harm.
- (g) the beneficial impact the proposed project will have on a particular area of the City, including designated enterprise zones and areas of needed revitalization or redevelopment; or
- (h) the compatibility of the location of the proposed project with land use and development plans of the City and the availability of existing infrastructure facilities and essential public services.

1.8.2 **"But for" Analysis**

1.8.2.1 For those applications or petitions requesting an economic development incentive, where the proposed project is unrelated to primary job creation and does not, as a primary component of the project, provide affordable housing, or where it is required by the particular economic development incentive being sought, the applicant or petitioner shall submit to the City, together with the application or petition, a "but for" analysis demonstrating the need for the economic development incentive and the purpose for which it will be used. **The analysis should establish that, "but for" the economic development incentive, the proposed project would not proceed.**

1.8.2.2 As part of its “but for” analysis, the applicant or petitioner shall also submit to the City a *pro forma* cash flow analysis, showing the sources of funds and the proposed uses of those funds in sufficient detail to demonstrate, to the satisfaction of the City, that reasonably available conventional debt and equity financing sources will not fund the entire cost of the project and still provide the applicant or petitioner a reasonable market rate of return on the investment in the proposed project.

1.8.3 **Affordable Housing**

1.8.3.1 It is the policy of the City that no application or petition requesting an economic development incentive, where the proposed project contemplates the development or redevelopment of four (4) or more residential dwelling units, shall be considered or approved by the Governing Body, unless the proposed project designates and sets aside, as affordable housing, a certain number of dwelling units, in accordance with the following table:

Affordable Housing Parameters	
# Residential Dwelling Units	% of Residential Dwelling Units Designated and Set Aside as Affordable Housing
4 to 49 units	Not less than 10%, with a minimum of at least one unit
50 or more units	Not less than 15%, with a minimum of at least eight units

1.8.3.2 It is the policy of the City that any residential dwelling unit, that is designated and set aside as affordable housing and that is made available for lease, shall be affordable for those qualifying at 60% or below HUD area median income (AMI) for the most recent available year. (Source: HUD HOME Income Limits – Lawrence, KS MSA “60% Limits”)

It is the policy of the City that rent for affordable rental housing units will not exceed the maximum Fair Market Rent (FMR) as established annually by the Lawrence Douglas County Housing Authority.

Section 8 vouchers for affordable rental housing units cannot be denied for affordable rental housing units.

1.8.3.3 It is the policy of the City that any residential dwelling unit, that is designated and set aside as affordable housing and that is made available for purchase, shall be affordable for those qualifying at 80% or below HUD area median income (AMI) for the most recent available year. All housing costs (i.e. HOA or other fees, Principal and Interest, utilities, etc. must not exceed 30% of household income. Source: HUD HOME Income Limits – Lawrence, KS MSA “Low Income”)

- 1.8.3.4 In order to benefit those most in need of affordable housing, it is the policy of the City to give preference to those projects assisting income levels below 60% of the HUD AMI for the most recent available year. It is also the policy of the City to give preference to those projects providing residential dwelling units that contain more than one bedroom.
- 1.8.3.5 The City encourages any applicant or petitioner to work with local not-for-profit agencies to screen and verify the income of persons seeking to lease or purchase dwelling units designated and set aside as affordable housing, hereunder, in order to ensure compliance with the Performance Agreement and the City's affordable housing policies and standards.
- 1.8.3.6 It is the policy of the City that those dwelling units designated and set aside as affordable housing include base finishes approximating that of market value dwelling units within the same project, if any. All dwelling units shall meet or exceed all City Code requirements.
- 1.8.3.7 It is the policy of the City that, in addition to the Performance Agreement, all affordable housing polices and standards shall apply during the term of the incentive period. The City strongly encourages the applicant or petitioner to maintain any dwelling unit, designated and set aside as affordable housing hereunder, as affordable housing, even after the expiration or termination of any economic development incentive period.
- 1.8.4 **Transparency**
It is the policy of the City, when considering any application or petition requesting an economic development incentive, to emphasize transparency, while balancing the potential need for some applicant or petitioner information to remain confidential. The City shall encourage public participation and comment.
- 1.8.5 **Merits of the Project**
It is the policy of the City that, when considering any application or petition requesting an economic development incentive, the Governing Body shall base its final decision on the merits of the proposed project, without regard to the identity of any person or entity proposing or opposing the proposed project.
- 1.8.6 **Tax Deficiencies or Defaults**
It is the policy of the City that no economic development incentive will be granted to any applicant or petitioner who owns any financial interest in any real property, anywhere within the state of Kansas, with delinquent special assessments, delinquent *ad valorem* taxes, or federal or state tax liens, or who is currently delinquent or in default on any debts, responsibilities, or other obligations owed to the City.

- 1.8.7 **No General Obligation Bonds**
It is the policy of the City that, in the course of granting economic development incentives, it will not – except in the most extraordinary of circumstances – use general obligation bonds to finance the proposed project.
- 1.8.8 **No Unfair Advantage**
It is the policy of the City to deny any application or petition requesting economic development incentives where, in the judgment of the Governing Body, the economic development incentive, if granted, will provide a business with an unfair competitive advantage over another existing business that competes in the same local market for the same consumers.
- 1.8.9 **Anti-piracy**
It is the policy of the City to avoid competing with other Kansas municipalities for the relocation of existing Kansas businesses by engaging in “bidding wars,” either by offering larger economic development incentive packages or other public inducements, which “bidding wars” are hereby declared deleterious to the state’s economy and to the public interest. It the policy of the City to discourage any application or petition requesting economic development incentives that would cause the “pirating” of a business from another Kansas community. This policy shall not preclude the City, however, from considering any application or petition for economic development incentives where the business seeks expansion rather than relocation, where the business has already made a decision to relocate or expand, or where the business is seriously considering moving out of state.
- 1.8.10 **Infill and Redevelopment**
It is the policy of the City, when considering any application or petition requesting an economic development incentive, to give preference to those proposed projects seeking to provide infill development or the redevelopment of existing properties.
- 1.8.11 **Universal Design Standards**
It is the policy of the City, when considering any application or petition requesting an economic development incentive, to give preference to those proposed projects employing universal design standards that enable accessibility for all persons.
- 1.8.12 **Energy Efficiency**
It is the policy of the City, when considering any application or petition requesting an economic development incentive, to give preference to those proposed projects employing energy efficient designs.
- 1.8.13 **Transfer of Ownership**
The owner or lessee of any real property that receives any economic development incentive from the City shall obtain from the City written consent before (a) transferring majority ownership of the real property or (b) transferring majority ownership in the owner or lessee of the real property, unless such transfer is to an affiliate or related entity.

1.8.14

Authority of Governing Body

The Governing Body reserves the right to deviate from any policy – but not any procedure – herein stated, but only when it considers such action to be of exceptional benefit to the City or where such extraordinary circumstances prevail that such deviation is in the best interest of the City.

1.8.15

Prospective Application

The “City of Lawrence, Kansas, Economic Policy” shall apply prospectively only and shall not be applied retroactively. Any existing economic development incentive shall be governed by the policy and procedures in existence at the time of the inception of that particular economic development incentive.

1.8.16

Periodic Review

The “City of Lawrence, Kansas, Economic Policy” shall be subject to periodic review to ensure compliance with state law and current practices of the City and may, from time to time, be amended by a Resolution of the Governing Body to comply with state law or current practices of the City or to alter its terms.

PART 2: INDUSTRIAL REVENUE BONDS

2.1 IRBs POLICY STATEMENT

In the Economic Development Revenue Bonds Act of 1961, codified as amended at K.S.A. 12-1740 *et seq.* ("the Act"), the Kansas legislature created industrial revenue bonds (IRBs) as an economic development tool for cities to stimulate economic prosperity and to promote economic stability, by providing greater employment opportunities and diversification of industry. Accordingly, the City may consider and, from time to time, issue IRBs when a proposed project furthers the economic goals and objects of the City, as outlined in this policy and in *Horizon 202, the Comprehensive Plan for the City of Lawrence and Unincorporated Douglas County*.

2.2 IRBs APPLICATION

2.2.1 Any entity requesting the City to issue IRBs as an economic development incentive for any proposed project shall file with the City Manager's Office an application in accordance with Section 1.5.2, *supra*, which shall include all information requested therein. In addition to those requirements, the application shall also include the following:

- (a) unless otherwise waived, *see* Section 2.3.3, below the application fee as established in Section 2.3.1 and 2.3.2, below.

2.3 IRBs APPLICATION FEE

2.3.1 Together with the application, the applicant shall submit to the City a nonrefundable initial fee of \$1,000.00, the purpose of which is to recapture the City's costs of processing the application.

2.3.2 If it appears to the City that the costs of processing the application requesting the City to issue IRBs will exceed \$1,000.00, then the City may also require the applicant to enter into a funding agreement with the City, whereby the applicant agrees to finance the City's actual costs of processing the application requesting the City to issue IRBs.

2.4 IRBs PROCEDURE

2.4.1 Upon receipt of an application requesting the City to issue IRBs, City Staff will conduct a preliminary review of the application to ensure that it meets all eligibility requirements of the Act and this policy. If it does not, City Staff will communicate that fact to the applicant.

2.4.2 If the application meets the eligibility requirements of the Act and the policy, then the City will follow the procedures required by the Act and those procedures established at Section 1.5, above.

2.5 IRBs REVIEW CRITERIA

- 2.5.1 In considering whether to approve an application for an IRB, the Governing Body shall determine if the proposed project achieves one or more of the following public benefits:
- (a) The project meets the economic development goals and objectives of the City, as outlined in this policy and in *Horizon 2020, the Comprehensive Plan for the City of Lawrence and Unincorporated Douglas County*;
 - (b) The project enhances Downtown Lawrence;
 - (c) The project promotes infill through the development of vacant lots, the rehabilitation of deteriorated properties, or the adaptive reuse of historic properties;
 - (d) The project incorporates environmentally sustainable elements into the design and operation of the facility; or
 - (e) The project provides other benefits to the City or meets other goals of the City, particularly those set forth in *Horizon 2020, the Comprehensive Plan for the City of Lawrence and Unincorporated Douglas County*.
- 2.5.2 When considered in conjunction with a property tax abatement, it is the policy of the City to view more favorably those applications requesting the City to issue IRBs where the proposed project is projected to result in a positive benefit/cost ratio of 1.25 or greater, over a 15-year period, as determined by application of the benefit/cost model described in more detail in Section 1.8.1, above.
- 2.5.3 It is the policy of the City to view more favorably those applications requesting the City to issue IRBs, where the project generates revenues from outside this community and enhances the quality of life for residents of this community. The City does not favor those applications requesting the City to issue IRBs, where the project primarily will compete with existing businesses. *See also* Section 1.8.8, above.
- 2.5.4 It is the policy of the City to view more favorably proposed projects involving targeted business as set forth at Section 1.3.3, above.
- 2.5.5 It is the policy of the City to decline to issue IRBs for projects that are largely retail or residential in nature, except that:
- (a) the City may consider the issuance of IRBs for proposed projects that are primarily retail in nature, if the applicant demonstrates that the proposed project is exceptional and that it is likely to add to the City's retail base by attracting additional retail sales to the community or by capturing retail sales that are leaking from the community to other markets.

- (b) the City may consider the issuance of IRBs for proposed projects that are primarily residential in nature, if the primary purpose of the proposed project is to provide affordable housing, multi-family dwellings, senior living, or a mixed-use development.

2.5.6 If the proposed project requesting the City to issue IRBs includes any residential dwelling units, then the proposed project must comply with the City’s policy regarding economic development incentives and affordable housing as set forth in Section 1.8.3, above.

2.6 IRBs FINAL DECISION

2.6.1 After reviewing the recommendation of PIRC, considering the criteria set forth in the preceding section, and the goals and objectives of this policy, the Governing Body shall have the discretion to approve the application requesting the City to issue IRBs or to disapprove the application.

2.6.2 If the Governing Body approves the application, the applicant shall, in accordance with Section 1.6, above, execute a Performance Agreement.

2.6.3 The decision of the Governing Body shall be the final decision of the City.

2.7 IRBs ISSUANCE OF BONDS

2.7.1 Once the Governing Body has approved an application requesting the City to issue IRBs, City Staff will coordinate with the applicant and bond counsel regarding the issuance of the IRBs. During the process, bond counsel will assist the City and the applicant with the preparation of those documents and those filings necessary for the City to issue IRBs.

2.7.2 The City encourages applicants to work with the City and the City’s bond counsel. In the event that the applicant engages other bond counsel, the City shall have the discretion to require its bond counsel to be involved in the transaction or to review the documents prepared and filed regarding the issuance of the IRBs. If the applicant fails to cooperate with the City, the City retains the right to revoke the approval of the City’s issuance of the IRBs.

2.8 IRBs SALES TAX EXEMPTION

Labor and materials that are used in the construction of any project, as well as any equipment purchased therefor, and that are purchased with IRBs proceeds are generally exempt from State and local sales tax.

2.9 IRBs ORIGINATION FEES

2.9.1 Unless otherwise exempted by Section 2.9.2, any applicant requesting the City to issue IRBs for the purpose of realizing the IRBs sales tax exemption, as described in Section 2.8, shall pay to the City, based on the par amount of the bonds being issued and in accordance with the table that follows, an origination fee. Origination fees are due at the time of the bond closing.

IRB Origination Fee	
Rate	Amounts*
0.004	First \$10M or up to \$10M
\$40,000 + 0.002	2nd \$10M
\$60,000 + 0.001	Over \$20M

*Maximum fee is \$100,000

2.9.2 Where the applicant is a federally registered not-for-profit organization, where the proposed project will create primary jobs, or where the primary purpose of the proposed project is to create affordable housing, the City may waive a portion or all of the origination fee required hereunder.

2.10 IRBs AND PROPERTY TAX ABATEMENTS

Applicants that request a property tax abatement in conjunction with the City's issuance of IRBs shall also follow the procedures established at the City's Property Tax Abatement Policy, *see* Part 3, in addition to those procedures set forth herein and in Part 1.

2.11 IRBs AND COMPLIANCE

To ensure compliance with the Performance Agreement and any other condition of approval of the City's issuance of the IRBs established by the Governing Body, the applicant shall comply with the provisions of Section 1.7, above.

2.12 IRBs GENERAL POLICY STATEMENTS

The General Policy Statements set forth in Part 1 of this Policy shall apply, where relevant, to all applications requesting the City to issue IRBs.

PART 3: PROPERTY TAX ABATEMENTS

3.1 PROPERTY TAX ABATEMENT POLICY STATEMENT

To meet the economic goals and objectives of the City, as outlined in this policy, it shall be the policy of the City to consider and, from time to time, to grant property tax abatements to applicants that meet the criteria of Kan. Const. Art. 11, § 13, or have received IRBs. In such cases, it shall be the policy of the City to consider granting a 50% real property tax abatement for those portions of a proposed project that qualify for a property tax abatement under state law, so long as it meets the criteria set forth at Section 3.5. Applicants may receive additional property tax abatements, beyond the 50% "baseline" abatement, if they meet one or more of the additional criteria set forth at Section 3.8.

3.2 PROPERTY TAX ABATEMENT APPLICATION

3.2.1 Any applicant requesting from the City a property tax abatements as an economic development incentive for any proposed project shall file with the City Manager's Office an application in accordance with Section 1.5.2, above, which application shall include all information requested therein. In addition to those requirements, the application shall also include the following:

- (a) a statement that the proposed project will be environmentally sound; and
- (b) the application fee as established in Section 3.3.1.

3.3 PROPERTY TAX ABATEMENT APPLICATION FEE

3.3.1 Together with the application for a property tax abatement, the applicant shall submit to the City a nonrefundable initial fee of \$500.00, the purpose of which is to recapture the City's costs of processing the application.

3.3.2 If it appears to the City that the costs of processing an application for a property tax abatement will exceed \$500.00, then the City may also require the applicant to enter into a funding agreement with the City, whereby the applicant agrees to finance the City's actual costs of processing the application for the property tax abatement.

3.4 PROPERTY TAX ABATEMENT PROCEDURE

3.4.1 Upon receipt of an application for a property tax abatement, City Staff will conduct a preliminary review of the application to ensure that it meets the eligibility requirements of the State and this policy. If it does not, City Staff will communicate that fact to the applicant.

3.4.2 If the application meets the eligibility requirements of the State and this policy, then the City will follow the procedure established at Section 1.5, above

3.5 PROPERTY TAX ABATEMENT REVIEW CRITERIA

3.5.1 The City shall only grant a property tax abatement to those entities that meet requirements of State law and where the proposed project meets each of the following criteria:

- (a) for each employee employed on the premises of real property for which the applicant receives a property tax abatement, the applicant must pay an average wage to that employee, for his or her employment category, that meets or exceeds the average wage for that employment category in the community, as determined annually by the Kansas Department of Human Resources Wage Survey;
- (b) for each eligible employee, the applicant must meet the “wage floor” threshold as defined in Section 3.6.1;
- (c) for each eligible employee, the applicant must meet the “health insurance floor” threshold as defined in Section 3.6.2; and
- (d) the proposed project is projected to result in a positive benefit/cost ratio of 1.25 or greater, over a 15-year period, as determined by application of the benefit/cost model described in more detail in Section 1.8.1, above.

3.6 PROPERTY TAX ABATEMENT WAGE FLOOR AND HEALTH INSURANCE FLOOR

3.6.1 Wage Floor

The wage floor may be met by paying a wage equal to one hundred thirty percent (130%) of the federal poverty threshold for a family of three persons, as established by the United States Department of Health and Human Services. The wage floor shall be adjusted annually and the City shall notify, in writing, those businesses that are affected by any change to the wage floor. The amount of the wage floor for the current year shall be available to those requesting it from the Office of the City Manager.

3.6.2 Health Insurance Floor

The health insurance floor may be met as follows:

- (a) the applicant makes available, pursuant to the applicant’s policy, to each eligible employee an employer-sponsored individual health insurance policy, for which the employer provides a minimum of seventy percent (70%) of the cost of such individual health insurance policy; or
- (b) the employer pays to each eligible employee a wage which is at least \$1.50 per hour in excess of the wage floor.

3.6.3

Eligible Employees

Any person employed by the recipient of a property tax abatement, employed on the premises of the real property for which the property tax abatement was granted, shall be deemed, for the purposes of the wage floor and health insurance floor, an eligible employee, except the following:

- (a) employees employed in a *bona fide* or certified job training program (which can only be used once for each employee and which program can last no more than sixty calendar days).
- (b) temporary employees who work less than 100 hours per calendar year.
- (c) employees who are designated student seasonal workers and who work less than ninety calendar days per year;
- (d) employees of not-for-profit organizations.
- (e) subcontractors, whose work is only incidental to the primary purpose of the business.
- (f) suppliers, raw goods/material suppliers, landscape companies, construction contractors and subcontractors, and delivery persons.
- (g) employees covered by a collective bargaining agreement that provides wages and health insurance benefits greater than the requirements herein.

3.6.4

Recordkeeping

3.6.4.1

In order to ensure compliance with the wage floor and health insurance floors set forth herein, employers shall maintain payroll records for all employees and shall retain them for a period of three years. The records shall contain, at least, the following:

- (a) the name and address of each employee;
- (b) the employee's job title and job classification;
- (c) the number of hours worked each day;
- (d) the gross wages of the employee and any deductions therefrom;
- (e) health insurance payments made by the employer and the employee; and
- (f) any additional information necessary to establish that the employee is not an eligible employee subject to the wage floor and health insurance floor of this section.

- 3.6.4.2 Upon reasonable request of the City, any recipient of a property tax abatement shall grant to the City, or any agent of the City, in accordance with the Performance Agreement, access to its payroll records to audit and to ensure compliance with the City wage floor and health insurance floor policy. Failure of the employer to comply with a request to audit shall be grounds to modify or terminate the property tax abatement.

3.7. PROPERTY TAX ABATEMENT FINAL DECISION

- 3.7.1 After reviewing the recommendation of PIRC, considering the criteria set forth in the preceding sections, and the goals and objectives of this policy, the Governing Body shall have the discretion to approve the application for a property tax abatement or to disapprove the application.
- 3.7.2 In accordance with Section 3.8, the Governing Body shall also have the discretion to establish the amount and duration, not to exceed ten years, of any property tax abatement. However, the property tax abatement shall not reduce the property tax revenues that would otherwise be received by local taxing jurisdictions during the life of the property tax abatement.
- 3.7.3 If the Governing Body approves the application for a property tax abatement, the applicant shall, in accordance with Section 1.6, above, execute a Performance Agreement.
- 3.7.4 The decision of the Governing Body shall be the final decision of the City.

3.8. PROPERTY TAX ABATEMENT AMOUNT AND DURATION

The City's "baseline amount" of a property tax abatement shall be a 50% property tax abatement for a period of ten years. In determining the amount of a particular property tax abatement and its duration, the Governing Body should use, as a guideline, the following schedule:

- 3.8.1 A property tax abatement of a maximum of 50% for ten years, where the proposed project involves an investment greater than \$7,000,000, in adjusted 2009 dollars, and provides a minimum of 30 new jobs that meet the requirements of Section 3.5.1(a)-(c) and Section 3.6.
- 3.8.2 A property tax abatement of a maximum of 50% for ten years, where the applicant has been on the Douglas County tax rolls for more than three years, the proposed project involves an investment is greater than \$5,000,000, in adjusted 2008 dollars, and provides a minimum of 20 new jobs that meet the requirements of Section 3.5.1(a)-(c) and Section 3.6.
- 3.8.3 Proposed projects that meet one or more of the additional criteria may receive a property tax abatement in excess of 50%:

- (a) a project proposed by any business that has been on the Douglas County property tax rolls for at least three years may receive, over the baseline amount, an additional 10% property tax abatement.
- (b) a project proposed by any business that makes a capital investment of more than \$10,000,000, in adjusted 2009 dollars, may receive, over the baseline amount, an additional 5% property tax abatement.
- (c) a project proposed to be constructed in compliance with Leadership in Energy and Environmental Design (LEED) criteria may receive, over the baseline amount, an additional 5% property tax abatement for "Certified" or "Silver" certification and an additional 10% property tax abatement for "Gold" or "Platinum" certification.
- (d) a project proposed, where the site presents unique constraints or presents unique construction challenges that make development of the site more difficult and costly, may receive, over the baseline amount, an additional 5% property tax abatement.
- (e) a proposed project that will serve as a catalyst for future projects in a targeted industry, *see* Section 1.3.3, above, or other desirable developments, that would advance the interest and enhance the quality of life of the community, may receive, over the baseline amount, an additional 5% property tax abatement.
- (f) a project proposed in a targeted development location, such as Downtown Lawrence, Lawrence VenturePark, any other desirous location designated by the Governing Body, or on a site where infrastructure is already in place, may receive, over the baseline amount, an additional 5% property tax abatement.
- (g) a proposed project that provides exceptional wages, given the current market conditions, industry norms in Douglas County, or other relevant business factors, may receive, over the baseline amount, an additional 10% property tax abatement.

3.8.4 The property tax abatement enhancements of this section are cumulative.

- (a) For example, an applicant that has been on the Douglas County tax rolls for more than 3 years, that invests \$15,000,000 in a proposed project, and that proposed project receives LEED "Gold" certification would qualify for a property tax abatement of 75%: the baseline amount of 50%, plus 10% for being local, plus 5% for an investing more than \$10,000,000, plus 10% for LEED "Gold" certification.

3.9 PROPERTY TAX ABATEMENT COMMENCEMENT

The property tax abatement period for any project considered under the authority of Kan. Const. Art 11, §13 shall commence in the calendar year succeeding the calendar year in which the project, for which the property tax abatement is awarded, commences operation. The property tax abatement term for IRBs projects under K.S.A. 12-1740, *et seq.*, shall commence the calendar year succeeding the calendar year in which the IRBs are issued.

3.10 PROPERTY TAX ABATEMENT ADMINISTRATION FEES

3.10.1 In addition to the property tax abatement application fee under Section 3.3.1 or any other additional fees required by Section 3.3.2, any business which has been granted a property tax abatement shall pay an annual administration fee to the City in the amount of \$200.00, which amount shall offset the City’s costs in administering the property tax abatement, monitoring compliance, recordkeeping, and reporting.

3.11 PROPERTY TAX ABATEMENT PAYMENTS IN LIEU OF TAXES (PILOT)

Any entity receiving a property tax abatement may be required to make a minimum payment in lieu of taxes (PILOT). The PILOT shall equal the amount of property tax that was paid or that was payable to the various taxing jurisdictions for the most recent year prior to the purchase of the property or the construction of the project. The purpose of the PILOT is to ensure that the taxing jurisdictions receive the same amount of taxes that they received prior to the commencement of the property tax abatement.

3.12 PROPERTY TAX ABATEMENT COMPLIANCE

3.12.1 Each entity receiving a property tax abatement shall certify no later than January 15 of each year that, in addition to being in compliance with those items identified in Section 1.7, above, it is in compliance with Section 3.5.1(a)-(c) and Section 3.6.

3.12.2 In addition to that set forth in Section 1.7, above, the property tax abatement for any year will be based on the City’s analysis of the applicant’s compliance in the preceding year in accordance with 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

3.13 PROPERTY TAX ABATEMENT GENERAL POLICY STATEMENTS

The General Policy Statements set forth in Part 1 of this Policy shall apply, where relevant, to all applications for a property tax abatement.

PART 4: NEIGHBORHOOD REVITALIZATION AREAS (NRAs)

4.1 NRA POLICY STATEMENT

In the Neighborhood Revitalization Act of 1994, codified as amended at K.S.A. 12-17,114 *et seq.*, the Kansas legislature created the Neighborhood Revitalization Area (NRA) as an economic development tool to revitalize certain areas or neighborhoods of cities. It is the policy of the City to consider the establishment of NRAs in order to promote reinvestment and revitalization of areas, neighborhoods, and properties, where such reinvestment and revitalization have a positive economic impact on the City, as a whole. In determining whether to establish an NRA, the City shall consider the criteria set forth in this policy.

4.2 NRA APPLICATION

4.2.1 Any entity requesting an NRA as an economic development incentive shall submit to the City Manager's Office a complete and finalized application in accordance with Section 1.5.2, above, which shall include all information required therein. In addition to those requirements, any application for establishment of an NRA shall also include the following:

- (a) the information required by K.S.A. 12-17,117, as amended, for the establishment of a NRA plan; and
- (b) the application fee as established in Section 4.3, below;
- (c) any other information required by the City to process the application.

4.2.2 If the proposed NRA proposes a project that is unrelated to primary job creation and does not, as a primary component of the project, provide affordable housing, the applicant shall, together with the application, also provide the "but for" analysis required by Section 1.8.2, above.

4.3 NRA APPLICATION FEE

4.3.1 Together with the application, the applicant shall submit to the City an initial nonrefundable fee of \$500.00, the purpose of which is to recapture the City's costs of processing the application.

4.3.2 If it appears to the City that the costs of processing an application for establishment of an NRA will exceed \$500.00, including but not limited to the hiring of third party consultants, then the City may also require the applicant to enter into a funding agreement with the City, whereby the applicant agrees to finance the City's actual costs of processing the application for establishment of the NRA.

4.4 NRA PROCEDURE

- 4.4.1 Upon receipt of an application requesting an NRA, City Staff will conduct a preliminary review of the application to ensure that it meets the eligibility requirements of this policy. If it does not, City Staff will communicate that fact to the applicant.
- 4.4.2 If the application meets the eligibility requirements of this policy, then the City will follow the procedure established at Section 1.5, above.

4.5 NRA REVIEW CRITERIA

- 4.5.1 Upon receipt of any recommendation from PIRC regarding an NRA, the Governing Body shall, in accordance with state law, at a public meeting, conduct a public hearing to determine (a) whether to create an NRA and (b) whether to approve the applicant's NRA Plan. In making those decisions, the Governing Body shall consider whether the proposed NRA meets statutory criteria and the City criteria.

4.5.2 Statutory Criteria

The Governing Body may, at its discretion, establish an NRA if, in the opinion of the Governing Body, the rehabilitation, conservation, or redevelopment of the area, neighborhood, or property is necessary to protect the public health, safety, or welfare, and if the area, neighborhood, or property may be described as one of the following:

- (a) an area in which there is a predominance of buildings or improvements which by reason of dilapidation, deterioration, obsolescence, inadequate provisions 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;
- (b) an area in 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, 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

- (c) 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.

4.5.3 **City Criteria**

Additionally, the Governing Body shall consider whether the proposed NRA meets one or more of the following criteria:

- (a) The proposed NRA will promote redevelopment that will enhance Downtown Lawrence;
- (b) The proposed NRA will promote redevelopment activities for areas, neighborhoods, or properties that are significantly underutilized or vacant;
- (c) The proposed NRA will attract unique retail and/or mixed use development that will enhance the economic climate of the City, diversify the economic base, and achieve the goals and objectives of this policy.
- (d) The proposed NRA will enhance the vitality of any neighborhood within the City;
- (e) The proposed NRA will enhance the community's sustainability, by fostering projects and development that embrace energy efficiency, multi-modal transportation options, or other elements of sustainable design.

4.5.4 If the proposed NRA includes any residential dwelling units, then the project must comply with the City's policy regarding economic development incentives and affordable housing as set forth in Section 1.8.3, *supra*.

4.5.5 If the proposed NRA is unrelated to primary job creation and does not, as a primary component of the project, provide affordable housing, the Governing Body shall consider the "but for" analysis provided by the applicant in accordance with section 4.2.2, *supra*, and shall not establish an NRA unless the applicant demonstrates, to the City's satisfaction, that the project would not proceed "but for" the establishment of the NRA.

4.6 **NRA FINAL DECISION**

4.6.1 After reviewing the recommendation of PIRC, considering the criteria set forth in the preceding section, and the goals and objectives of this policy, the Governing Body shall have the discretion to approve the application and establish the NRA or to disapprove the application and decline to establish the NRA.

4.6.2 If the Governing Body approves the application, the applicant shall, in accordance with Section 1.6 of this Policy, execute a Performance Agreement.

4.6.3 The decision of the Governing Body shall be the final decision of the City.

4.7

NRA REBATE

If the Governing Body approves an application seeking the establishment of an NRA, it shall, based on the merits of the project, the analysis performed, the recommendations of any third party consultant, and the evidence adduced at the hearing, determine the amount of any *ad valorem* property tax rebate (**note** that this is a tax rebate and not a tax abatement) and the duration of any tax rebate period.

4.8

NRA APPROVAL AND OTHER TAXING JURISDICTIONS

The applicant must be mindful that Douglas County and Unified School District No. 497 are also important parties related to any NRA request. When an NRA is considered, the City will work with Douglas County and the School District to seek concurrence, but cannot guarantee concurrence, regarding the establishment of an NRA.

4.9

NRA AND COMPLIANCE

To ensure compliance with the Performance Agreement and any other condition of approval of the NRA established by the Governing Body, the applicant shall comply with the provisions of Section 1.7, above.

4.10

NRA GENERAL POLICY STATEMENTS

The General Policy Statements set forth in Part 1 of this Policy shall apply, where relevant, to all applications for an NRA.

PART 5: TAX INCREMENT FINANCING (TIFs)

5.1 TIF POLICY STATEMENT

5.1.1 In the Development and Redevelopment of Areas in and Around Cities Act of 1976, codified as amended at K.S.A. 12-1770 *et seq.* ("the Act"), the Kansas legislature created tax increment financing for redevelopment districts (TIF) as an economic development tool for cities to promote, stimulate, and expand their economy and to assist in the development and redevelopment of properties. It is the policy of the City to consider the judicious use of TIFs for qualifying redevelopment projects.

5.1.2 It is the policy of the City to consider the judicious use of TIF for those proposed projects that demonstrate a substantial and significant public benefit. A proposed project demonstrates substantial and significant public benefit if it creates new jobs or retains existing jobs, eliminates blight, strengthens the employment and economic base of the City, increases property values, increases tax revenues, reduces poverty, provides affordable housing, upgrades older neighborhoods, facilitates economic self-sufficiency, promotes projects that are of community-wide importance, implements the comprehensive plan of the City, or furthers the economic goals and objectives of the City, as set forth in this policy.

5.2 TIF APPLICATION

5.2.1 Any entity requesting a TIF shall submit to the City Manager's Office a complete and finalized application in accordance with Section 1.5.2, above, which shall include all information required therein. In addition to those requirements, any application for a TIF shall also include the following:

- (a) any and all information required by K.S.A. 12-1771 and K.S.A. 12-1772, as amended;
- (b) certification of the applicant that it has the financial, professional, and legal wherewithal to complete and operate the proposed project;
- (c) a "but for" analysis in accordance with section 1.8.2, *supra*;
- (d) the application fee as established by section 5.3; and
- (e) any other information required by the City to process the application.

5.3 TIF APPLICATION FEES

5.3.1 Together with the application, the applicant shall submit to the City an initial nonrefundable fee, not to exceed \$1,000.00, the purpose of which is to recapture the City's costs of processing the TIF application.

- 5.3.2 If it appears to the City that the costs of processing an application for a TIF will exceed \$1,000.00, including but not limited to the hiring of third party consultants, then the City may also require the applicant to enter into a funding agreement with the City, whereby the applicant agrees to finance the City's actual costs of processing the application for the TIF.
- 5.3.3 To the extent that the City creates the TIF, and to the extent that they are considered "redevelopment project costs" under the Act, any fees or costs charged to the applicant under this section may, to the extent allowed by the Act, be reimbursed to the applicant from bond proceeds or TIF revenues.

5.4 TIF PROCEDURE

- 5.4.1 Upon receipt of an application for a TIF, City Staff will conduct a preliminary review of the application to ensure that it meets the eligibility requirements of this policy. If it does not, City Staff will communicate that fact to the applicant.
- 5.4.2 If the application meets the eligibility requirements of this policy, then the City will follow the procedures established by the Act, *see* K.S.A. 12-1770 *et seq.*, and this policy at Section 1.5, above, in addressing the application.

5.5 TIF REVIEW CRITERIA

- 5.5.1 With every application for a TIF, the Governing Body shall consider the "but for" analysis provided by the applicant, and shall not create the TIF unless the applicant establishes that the proposed project would not proceed "but for" the TIF. The Governing Body shall consider the applicant's "but for" analysis at the same time that it considers the feasibility study required by the Act.
- 5.5.2 In reviewing the "but for" analysis and the feasibility study, in deciding whether to approve or disapprove an application for a TIF, the Governing Body shall consider the proposed market returns for the proposal, including the nature of the project, the location of the project, and other factors, as they may be relevant.
- 5.5.3 No TIF application that seeks financing through the issuance of special obligation bonds shall be granted unless the applicant demonstrates that the incremental taxes expected to be generated will be sufficient to provide a debt coverage factor of at least 1.25 times the expected debt service on the special obligation bonds. Debt service coverage greater than 1.25 times the projected debt service on the special obligation bonds may be necessary to market bonds that are limited to public offerings. The City may, at its discretion permit a debt coverage factor of less than 1.25 for developer- or bank-purchased bonds.
- 5.5.4 It is the policy of the City to view more favorably those projects where the applicant pays for at least 50% of the total redevelopment project costs, as defined by the Act, and other related costs.

- 5.5.5 It is the policy of the City to base the amount of TIF assistance on the economic payoff expectations of the project and the significance to the community.
- 5.5.6 It is the policy of the City to consider TIF applications for residential development where the proposed project proposes to remove blight, revitalize or upgrade older development neighborhoods, or provide affordable housing.
- 5.5.7 It is the policy of the City to view more favorably TIF applications that propose the redevelopment of existing residential neighborhoods or commercial and industrial areas.
- 5.5.8 If the proposed TIF includes any residential dwelling units, then the project must comply with the City's policy regarding economic development incentives and affordable housing as set forth in Section 1.8.3, above.

5.6 TIF FINAL DECISION

- 5.6.1 After reviewing the recommendation of PIRC, considering the criteria set forth in the preceding section, and the goals and objectives of this policy, the Governing Body shall have the discretion to approve the application for a TIF or to disapprove the application.
- 5.6.2 If the Governing Body approves the application, the applicant shall, in accordance with Section 1.6, above, execute a Performance Agreement.
- 5.6.3 The decision of the Governing Body shall be the final decision of the City.

5.7 TIF ASSISTANCE

If the Governing Body approves an application requesting the establishment of a TIF, it shall, based on the merits of the project, the analysis performed, the recommendations of any third party consultant, and the evidence adduced at the hearing, determine the amount of TIF assistance to reimburse the applicant for eligible redevelopment costs, if any, and the duration of any reimbursement period.

5.8 TIF METHODS OF FINANCING

- 5.8.1 An application for a TIF may request that TIF assistance be provided in one of the following forms;
- (a) Special Obligation Bond Financing;
 - (b) Pay-as-you-go Financing, with direct reimbursement to the applicant for eligible redevelopment project costs; or
 - (c) A pledge of tax increment financing revenues to pay the private financing of eligible redevelopment projects costs.

- 5.8.2 The City shall retain the sole authority to determine which method of financing will be used for any project. In deciding which method to use, the prevailing factor shall be the total cost and the security for the special obligation bonds, if any.
- 5.8.3 The City will **not** provide credit enhancements for any special obligation bonds; however, the City views favorably credit enhancements provide by the applicant.
- 5.8.4 It is the policy of the City to view more favorably those projects that propose pay-as-you-go financing.

5.9 TIF REVENUES

- 5.9.1 Any special obligation bonds issued by the City may be made payable, both as to principal and interest, from those sources or a pledge of those sources listed at K.S.A. 12-1774, as amended.
- 5.9.2 It is the policy of the City to give preference to those TIF projects that seek reimbursement of eligible redevelopment project costs solely from the incremental real property taxes generated by the TIF project.
- 5.9.3 TIF projects may also receive reimbursement of eligible redevelopment costs from incremental sales taxes and transient guest tax. Generally, it is the policy of the not to make any more than 50% of the incremental sales and transient guest taxes available for a TIF redevelopment project. For STAR Bond projects that meet state required criteria, additional revenues may be required.
- 5.9.4 Any Development Agreement or Redevelopment Agreement, or the Performance Agreement required by section 5.6.2, shall set forth the amount to be reimbursed for eligible redevelopment costs, the method by which TIF revenues shall be used to reimburse the applicant for eligible redevelopment costs, the term for which such reimbursements will be made, and the parties' attendant rights and obligations thereunder.
- 5.9.5 If the parties enter into a separate Development Agreement or Redevelopment Agreement, it shall, in accordance with section 5.6, above, be made part and parcel of the Performance Agreement.

5.10 TIF ADMINISTRATION SERVICE FEES

If a TIF is established, the following TIF administration service fees shall be paid to the City from the tax increment generated from the project, prior to disbursement of any increment to the applicant or to the bond trustee, to cover administrative and associated costs of the City. Such administration costs shall be in addition to the TIF application fee and other fees associated with the project. Those fees shall be as follows:

- (a) Where the applicant only seeks reimbursement of the property tax increment, the administrative service fee shall be 0.5% of the annual increment;
- (b) In all other cases, the administrative service fee shall be 2.5% of the annual increment.

5.11 TIF AND COMPLIANCE

To ensure compliance with the Performance Agreement and any other condition of approval of the TIF established by the Governing Body, the applicant shall comply with the provisions of Section 1.7, above.

5.12 TIF GENERAL POLICY STATEMENTS

The General Policy Statements set forth in Part 1 of this Policy shall apply, where relevant, to all applications requesting a TIF.

PART 6: TRANSPORTATION DEVELOPMENT DISTRICTS (TDDs)

6.1 TDD POLICY STATEMENT

6.1.1 In the Transportation Development District Act of 2003, codified as amended at K.S.A. 2015 Supp. 12-17,140 *et seq.* ("the Act"), the Kansas legislature created transportation development districts (TDDs) as an economic development tool whereby cities may make special assessments or create special sales tax districts in order to promote transportation related development. It is the policy of the City to consider petitions seeking the establishment of TDDs in order to promote economic development within the City.

6.1.2 It is the policy of the City that no TDD shall be created, except: (a) where the petitioner constructs or installs all of the improvements at no cost to the City -- on a "pay-as-you-go" financing basis -- and agrees to be reimbursed later for certain public improvement costs from special assessments levied and collected within the TDD, from revenues received from TDD sales tax collected within the TDD, or from a combination of both sources; or (b) where the City constructs or finances the construction or installation of all or a portion of the improvements through the issuance of special obligation bonds, which bonds shall be made payable from special assessments levied and collected within the TDD, from revenues received from TDD sales tax collected within the TDD, or from a combination of both sources.

6.1.3 It is the policy of the City, when establishing a TDD, to give consideration to multi-modal transportation needs.

6.2 TDD PETITION

6.2.1 Any entity requesting a TDD shall submit to the City Manager's Office a complete, finalized, and valid petition in accordance with Section 1.5.2, above, which shall include all information required therein. In addition to those requirements, any petition for a TDD shall also include the following:

- (a) the petition shall be signed by all owners of record of real property located within the proposed TDD;
- (b) a valid petition containing that information required by K.S.A. 2015 Supp. 12-17,142, as amended;
- (c) a statement disclosing the petitioner's financial commitment to the project;
- (d) the initial fee as established by section 6.3; and
- (e) any other information required by the City to process the petition.

6.2.2 If the proposed TDD proposes a project that is unrelated to primary job creation and does not, as a primary component of the project, provide affordable housing, the applicant shall, together with the application, also provide the “but for” analysis required by Section 1.8.2, above.

6.3 TDD INITIAL FEES

6.3.1 Together with the petition, the petitioner shall submit to the City a nonrefundable initial fee of \$2,500.00, the purpose of which is to recapture the City’s costs of processing the petition for a TDD.

6.3.2 If it appears to the City that the costs of processing an petition for a TDD will exceed \$2,500.00, including but not limited to the hiring of third party consultants, then the City may also require the applicant to enter into a funding agreement with the City, whereby the applicant agrees to finance the City’s actual costs of processing the application for the TDD.

6.4 TDD PROCEDURE

6.4.1 Upon receipt of a petition for a TDD, City Staff will conduct a preliminary review of the petition to ensure that it meets all requirements of the Act and to ensure that it meets the eligibility requirements of this policy. If it does not, City Staff will communicate that fact to the petitioner.

6.4.2 If the petition meets the requirements of the Act and this policy, then the City will follow the procedures established by the Act, *see* K.S.A. 12-1770 *et seq.*, and this Policy at Section 1.5, above, in considering the petition.

6.5 TDD REVIEW CRITERIA

6.5.1 In determining whether to create a TDD, the following criteria shall be considered:

- (a) whether creation of the TDD is in the best interest of the City;
- (b) whether creation of the TDD is consistent with this policy; and
- (c) whether the creation of the TDD will meet one or more of the following goals:
 - (i) The TDD will promote and support efforts to redevelop sites within the City; or
 - (ii) The TDD will attract unique retail and/or mixed use development, which will substantially enhance the economic climate of the City and diversify the economic base.

- 6.5.2 No TDD petition that seeks financing through the issuance of special obligation bonds shall be granted unless the petitioner demonstrates that the TDD sales tax expected to be generated will be sufficient to provide a debt coverage factor of at least 1.25 times the expected debt service on the special obligation bonds. Debt service coverage greater than 1.25 times the projected debt service on the special obligation bonds may be necessary to market bonds that are limited to public offerings. The City may, at its discretion permit a debt coverage factor of less than 1.25 for developer or bank purchased bonds.
- 6.5.3 It is the policy of the City to view more favorably those projects where the petitioner uses equity or private financing to finance in excess of 15% of the total TDD eligible expenses.
- 6.5.4 If the proposed TDD includes any residential dwelling units, then the project must comply with the City's policy regarding economic development incentives and affordable housing as set forth in Section 1.8.3, above.

6.6 TDD FINAL DECISION

- 6.6.1 After reviewing the recommendation of PIRC, considering the criteria set forth in the preceding section, and the goals and objectives of this policy, the Governing Body shall have the discretion to approve the petition for a TDD or to disapprove the petition for a TDD.
- 6.6.2 If the Governing Body approves the petition, the petitioner shall, in accordance with Section 1.6 of this Policy, execute a Performance Agreement.
- 6.6.3 The decision of the Governing Body shall be the final decision of the City.

6.7 TDD METHODS OF FINANCING

- 6.7.1 The City may finance a TDD in one or more of the following ways:
- (a) The petitioner pays for all costs of development ("pay-as-you-go" financing), and then is later reimbursed by the City for certain public improvement costs from TDD revenues generated from special assessments levied and collected within the TDD, from TDD sales tax collected within the TDD sales tax district, or from both.
 - (b) The City issues Special Obligation bonds financing the TDD, where the bonds are made payable through the pledge of revenues to be generated from special assessments levied and collected within the TDD.
 - (c) The City issues a Special Obligation bond financing the TDD, where the bonds are made payable, in part, through a pledge of special assessments levied and collected within the TDD and, in part, through a pledge of TDD sales tax collected within the TDD sales tax district.

- 6.7.2 The City shall retain the sole authority to determine which method of financing will be used for any project. In deciding which method to use, the prevailing factor shall be the total cost and the security for the special obligation bonds, if any.
- 6.7.3 The City will **not** provide credit enhancements for any special obligation bonds; however, the City views favorably credit enhancements provide by the applicant.
- 6.7.4 It is the policy of the City to view more favorably those projects that propose financing through pay-as-you-go financing or special assessments.

6.8 TDD REVENUES

- 6.8.1 Any special obligation bonds issued by the City may be made payable, both as to principal and interest, from those sources or a pledge of those sources listed at K.S.A. 2015 Supp. 12-17,147, as amended.
- 6.8.2 Any Development Agreement or Redevelopment Agreement, or the Performance Agreement required by Section 5.6.2 shall set forth the amount to be reimbursed for eligible redevelopment costs, the method by which TDD revenues shall be used to reimburse the applicant for eligible TDD costs, the term for which such reimbursements will be made, and the parties' attendant rights and obligations thereunder.

6.9 TDD ADMINISTRATIVE SERVICE FEES

If a TDD is established, 0.5% of the annual TDD revenues generated shall be paid to the City as administrative and associated costs. Such payment shall be made prior to the disbursement of TDD funds to the petitioner or to the bond trustee. The TDD administrative fee shall be in addition to the TDD application fee and other fees associated with the project.

6.10 TDD SIGNAGE

Upon establishment of a TDD sales tax district, each business within the TDD sales tax district shall display prominently at each public entrance, for the duration of time that the TDD sales tax is collected, a sign that contains, at a minimum, the following: "This project made possible by Transportation Development District Financing. Additional Transportation Development District sales tax of ___% collected here." The sign shall be a minimum size of 8.5 inches by 11 inches. The font size of the printed message shall be at least 30 pt.

6.11 TDD AND COMPLIANCE

To ensure compliance with the Performance Agreement and any other condition of approval of the TDD established by the Governing Body, the applicant shall comply with the provisions of Section 1.7, above.

6.12**TDD GENERAL POLICY STATEMENTS**

The General Policy Statements set forth in Part 1 of this Policy shall apply, where relevant, to all petitions for TDD.

PART 7: COMMUNITY IMPROVEMENT DISTRICTS (CIDs)

7.1 CID POLICY STATEMENT

- 7.1.1 In the Community Improvement District Act of 2009, codified as amended at K.S.A. 2015 Supp. 12-6a26 *et seq.* ("the Act"), the Kansas legislature created community improvement districts as an economic development tool to assist cities with economic development, by providing a means, through the imposition of special assessments and/or a CID sales tax within the CID, *inter alia*, to finance certain public and private improvements within the CID. It is the policy of the City to consider petitions seeking the establishment of CIDs in order to promote economic development within the City.
- 7.1.2 It is the policy of the City that no CID shall be created, except: (a) where the petitioner(s) construct(s) or install(s) all of the improvements at no cost to the City -- on a "pay-as-you-go" financing basis -- and agrees to be reimbursed later for certain public improvement costs from special assessments levied and collected within the CID, from revenues received from CID sales tax collected within the CID, or from a combination of both sources; or (b) where the City constructs or finances the construction or installation of all or a portion of the improvements through the issuance of special obligation bonds, which bonds shall be made payable from special assessments levied and collected within the CID, from revenues received from CID sales tax collected within the CID, or from a combination of both sources.
- 7.1.3 It is the policy of the City that no CID shall be created unless the proposed project involves redevelopment or infill development.
- 7.1.4 It is also the policy of the City that CID revenue shall only be used to finance public improvements. However, at the discretion of the Governing Body, the City may, as exceptions to the foregoing, authorize:
- (a) the expenditure of CID revenues to finance certain private external building or site improvements that benefit the City and that are beyond that which the City normally requires in similar projects, *e.g.*, enhanced landscaping, enhanced architectural features, extra public amenities, *etc.* In those cases, the CID revenue shall finance only those portions of the external building or site improvements that are beyond that which the City normally requires in similar projects.
 - (b) the expenditure of CID revenues to finance the entire project, or any portion of the project, if the project involves certain amenities and facilities that promote and support the culture of the community or tourism, or both, even if they are wholly or partially private improvements.

7.2 CID PETITION

7.2.1 Any entity requesting a CID shall submit to the City Manager's Office a complete and finalized petition in accordance with Section 1.5.2, above, which shall include all information required therein. In addition to those requirements, any petition for a CID shall also include the following:

- (a) a valid petition containing that information required by K.S.A. 2015 Supp. 12-6a28, as amended, or K.S.A. 2015 Supp. 12-6a29, as amended, whichever is relevant to the CID being requested;
- (b) a verification that the petitioner has the financial, professional, and legal wherewithal to complete and operate the proposed project;
- (c) a statement disclosing the petitioner's financial commitment to the project;
- (d) the application fee as established by section 7.3; and
- (e) any other information required by the City to process the petition.

7.2.2 If the proposed CID proposes a project that is unrelated to primary job creation and does not, as a primary component of the project, provide affordable housing, the applicant shall, together with the application, also provide the "but for" analysis required by Section 1.8.2, above.

7.2.3 If the petition seeks to finance the proposed project, in whole or in part, through the City's issuance of special obligation bonds, then the petition shall also include, in a form satisfactory to the City, proof of the petitioner's financial wherewithal to complete the proposed project in a timely manner. In such cases, the petitioner shall disclose the amount of the financial commitment that the petitioner will be contributing to the proposed project. It is the policy of the City to give preference to those projects where private financing contributes more than fifteen percent (15%) of the financing for the proposed project.

7.2.4 If the petition seeks to finance all or a portion of the public improvement costs, either through special assessments or the creation of a CID sales tax district, the petition shall include signatures of one hundred percent (100%) of the owners of record of real property located within the CID.

7.3 CID INITIAL FEES

7.3.1 Together with the petition, the petitioner shall submit to the City a nonrefundable initial fee of \$2,500.00, the purpose of which is to recapture the City's costs of processing the application requesting a CID.

7.3.2 If it appears to the City that the costs of processing a petition for a CID will exceed \$2,500.00, including but not limited to the hiring of third party consultants, then the City may also require the applicant to enter into a funding agreement with the City, whereby the applicant agrees to finance the City's actual costs of processing the application requesting a CID.

7.4 CID PROCEDURE

7.4.1 Upon receipt of an application requesting a CID, City Staff will conduct a preliminary review of the petition to ensure that it meets all requirements of the Act and to ensure that it meets the requirements of this policy. If it does not, City Staff will communicate that fact to the petitioner.

7.4.2 If the petition meets the requirements of the Act and this policy, then the City will follow the procedures established by the Act, *see* K.S.A. 2015 Supp. 12-6a26, *et seq.*, and this Policy at Section 1.5, above.

7.5 CID REVIEW CRITERIA

7.5.1 The Governing Body may, at its discretion, create a CID if it finds that:

- (a) it is in the best interest of the City to do so;
- (b) the petition seeking the CID complies with the Act and the City's policy, as set forth in this Resolution; and
- (c) the petition seeking the CID meets one or more of the following goals:
 - (i) The proposed project will attract unique commercial, office, industrial, and/or mixed use development that will enhance the economic climate of the City and diversify its economic base.
 - (ii) The proposed project will encourage retail projects that enhance the retail base, either by attracting new sales or by capturing sales that are leaking to other markets.
 - (iii) The proposed project will create facilities that promote the cultural, historical, or artistic elements of the City or region, will encourage tourism, and will enhance the quality of life.
 - (iv) The proposed project will assist in the development of infrastructure and new real property beyond that which the City can require to be developed or that which would otherwise be developed.

- 7.5.2 No CID petition that seeks financing through the issuance of special obligation bonds shall be granted unless the petitioner demonstrates that the CID sales tax expected to be generated will be sufficient to provide a debt coverage factor of at least 1.25 times the expected debt service on the special obligation bonds. Debt service coverage greater than 1.25 times the projected debt service on the special obligation bonds may be necessary to market bonds that are limited to public offerings. The City may, at its discretion permit a debt coverage factor of less than 1.25 for developer or bank purchased bonds.
- 7.5.3 It is the policy of the City to view more favorably those projects where the petitioner uses equity or private financing to finance in excess of 15% of the total CID eligible expenses.
- 7.5.4 If the proposed CID includes any residential dwelling units, then the project must comply with the City's policy regarding economic development incentives and affordable housing as set forth in Section 1.8.3, supra.

7.6 CID FINAL DECISION

- 7.6.1 After reviewing the recommendation of PIRC, considering the criteria set forth in the preceding section, and the goals and objectives of this policy, the Governing Body shall have the discretion to approve the petition for a CID or to disapprove the petition for a CID.
- 7.6.2 If the Governing Body approves the petition, the petitioner shall, in accordance with Section 1.6 of this Policy, execute a Performance Agreement.
- 7.6.3 The decision of the Governing Body shall be the final decision of the City.

7.7 CID METHODS OF FINANCING

- 7.7.1 The City may finance a CID in one or more of the following ways:
- (a) The petitioner pays for all costs of development ("pay-as-you-go" financing), and then is later reimbursed by the City for certain public improvement costs, from CID revenues generated from special assessments levied and collected within the CID, from CID sales tax collected within the CID sales tax district, or from both.
 - (b) The City issues Special Obligation bonds financing the CID, where the bonds are made payable through the pledge of revenues to be generated from special assessments levied and collected within the CID.
 - (c) The City issues a Special Obligation bond financing the CID, where the bonds are made payable, in part, through a pledge of special assessments levied and collected within the CID and, in part, through a pledge of CID sales tax collected within the CID sales tax district.

- 7.7.2 Any CID sales tax district that is created as the financing mechanism or as part of the financing mechanism of a CID shall comply with the requirements of the Act.
- 7.7.3 The City will not provide credit enhancements for Special Obligation bonds. However, it is the policy of the City to view favorably any credit enhancement for Special Obligation bonds provided by the petitioner.
- 7.7.4 The City highly encourages and it is the policy of the City to give preference to private financing of improvements.
- 7.7.5 In accordance with section 1.8.7, above, the City shall not issue General Obligation bonds for CID-eligible costs. However, the City may, at the discretion of the Governing Body, consider the issuance of General Obligation bonds for City-approved public improvements if it deems it appropriate.
- 7.7.6 Although the petitioner must set forth the proposed method of financing in the petition seeking the creation of a CID, the City reserves right to determine the method of financing for any CID that it creates.

7.8 CID REVENUES

- 7.8.1 Any special obligation bonds issued by the City may be made payable, both as to principal and interest, from those sources or a pledge of those sources listed at K.S.A. 2015 Supp. 12-17,147, as amended.
- 7.8.2 The Performance Agreement required by Section 1.6 and Section 7.6.2 shall set forth the amount to be reimbursed for eligible redevelopment costs, the method by which CID revenues shall be used to reimburse the applicant for eligible CID costs the term, not to exceed 20 years, for which such reimbursements will be made, and the parties' attendant rights and obligations thereunder.

7.9 CID CAPS

- 7.9.1 When it creates any CID, the City shall also establish a maximum dollar amount of CID revenue that may be reimbursed to the petitioner(s) ("CID Cap"). It is the policy of the City that the amount of the CID Cap will be the funding gap identified in the "but for" analysis provided by the petitioner(s). Once the CID Cap has been reimbursed to the petitioner(s), then any CID sales tax shall cease and no more special assessments will be levied or collected, regardless of the term of the CID.
- 7.9.2 The City recognizes that the term and the method of financing shall vary from project to project. It is the policy of the City that neither the CID Cap nor the term of the CID shall exceed the funding gap identified in the "but for" analysis provided by the petitioner(s).

7.10 CID ADMINISTRATIVE SERVICE FEES

- 7.10.1 For all projects involving “pay-as-you-go” financing and reimbursement through the assessment of CID sales tax collected with the CID sales tax district, it is the policy of the City to negotiate any annual administrative fee between the City and the petitioner to cover the City’s administrative costs.
- 7.10.2 For all other projects, the petitioner shall pay 0.5% of the funds reimbursed to the petitioner, or any successor in interest, each year for the life of the CID to cover the City’s administrative costs.
- 7.10.3 All administrative costs paid by the petitioner(s) may be deemed costs of the project, to the extent such is permitted by the Act and is approved by the Governing Body.

7.11 CID SIGNAGE

Upon establishment of a CID sales tax district, each business within the CID sales tax district shall display prominently at each public entrance, for the duration of time that the CID sales tax is collected, a sign that contains, at a minimum, the following: “This project made possible by Transportation Development District Financing. Additional Community Improvement District sales tax of ___% collected here.” The sign shall be a minimum size of 8.5 inches by 11 inches. The font size of the printed message shall be at least 30 pt.

7.12 CID AND COMPLIANCE

To ensure compliance with the Performance Agreement and any other condition of approval of the CID established by the Governing Body, the applicant shall comply with the provisions of Section 1.7, *supra*.

7.13 CID GENERAL POLICY STATEMENTS

The General Policy Statements set forth in Part I of this Policy shall apply, where relevant, to all applications for CID.

NEIGHBORHOOD REVITALIZATION PLAN
For 826¹ Pennsylvania Street
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Purpose and Factual Findings

This plan is intended to promote the revitalization of the area of the City of Lawrence, Kansas (the City) through the rehabilitation, conservation, or redevelopment of the area to protect the public health, safety, or welfare of the residents of the City. More specifically, a tax rebate incentive will be available for certain improvements within the area. The improvements will include the rehabilitation of the existing building to accommodate a restaurant, office, and brewery/manufacturing space on the first floor and include a two story vertical addition to accommodate apartments.

In accordance with the provisions of K.S.A. 12-17, 114 et seq., the Lawrence City Commission has held a public hearing and considered the existing conditions and alternatives with respect to the designated Area, the criteria and standards for a tax rebate, and the necessity for interlocal cooperation among other taxing units. Accordingly, the City Commission has carefully reviewed, evaluated, and determined the Area meets one or more of the conditions to be designated as a “neighborhood revitalization area.”

¹ Area- used interchangeably with “Property”, referring to the property located at 826 Pennsylvania Street (identified by the County and the City GIS system as 820 Pennsylvania Street), Lawrence, Douglas County, Kansas

**Part 1
Legal Description of Neighborhood Revitalization Area**

Lot 3, 8th and Pennsylvania Neighborhood Redevelopment Addition No. 3, a Minor Subdivision Replat of Lots 1 and 2, Block "A" of 8th and Pennsylvania Neighborhood Redevelopment, in the City of Lawrence, Douglas County, Kansas

A map depicting the existing parcel of real estate is attached hereto as Exhibit A and incorporated into this Plan by reference as if fully set forth herein.

**Part 2
Assessed Valuation of Real Property**

The assessed valuation of the real estate contained in the Area is listed as follows for the parcel, for land and building value separately:

2016 Tax Information						
Property Address	Appraised			Assessed		
	Land	Improvements	Total	Land	Improvements	Total
820 Pennsylvania Street	\$ 89,760	\$ 241,440	\$ 331,200	\$ 22,440	\$ 60,360	\$ 82,800
Total	\$ 89,760	\$ 241,440	\$ 331,200	\$ 22,440	\$ 60,360	\$ 82,800

**Part 3
Listing of Owners of Record in Area**

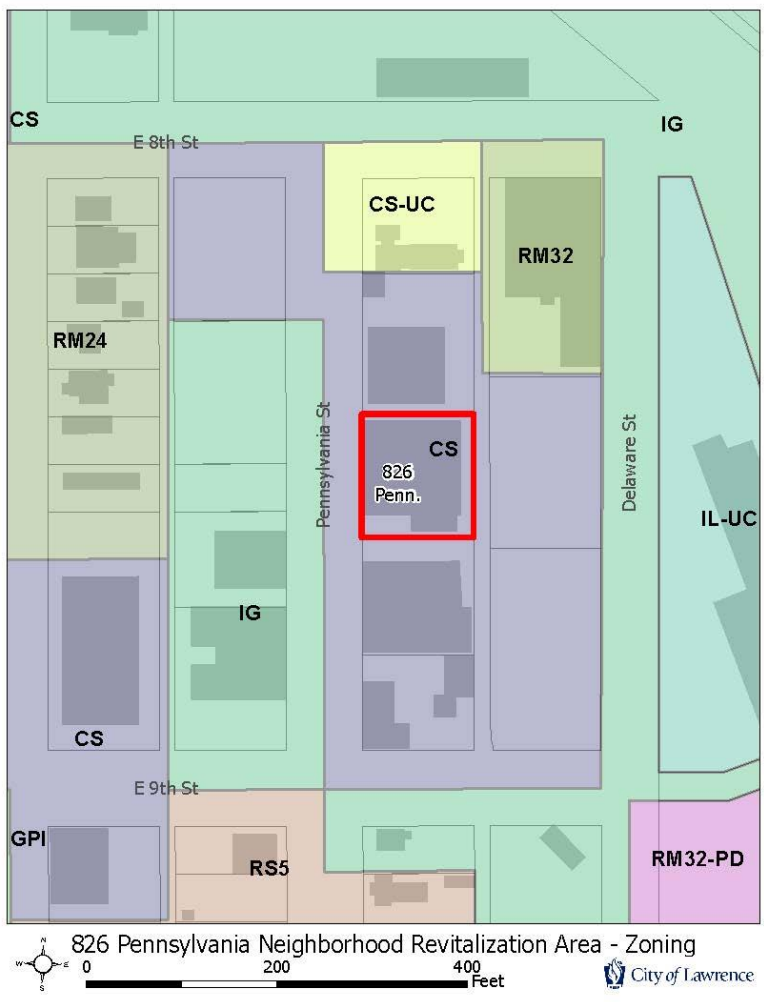
A list of name(s) and address(es) of the Owner(s) of record of the parcel of real estate within the Area:

Williams Management, LLC
826 Pennsylvania Street
Lawrence, Kansas 66049

**Part 4
Existing Zoning Classification Boundaries
& Existing and Proposed Land Uses**

A. Existing Zoning Classifications and Boundaries

The existing zoning classification of the Area is CS, Commercial Strip District. The existing zoning classification boundaries are depicted in the map below:



B. Existing and Proposed Land Uses

826 Pennsylvania, known as the SeedCo Building, was historically used for manufacturing and warehouse uses but has been vacant for several years. The use of the basement is limited to storage that is accessory to the other uses on the site, as the basement does not have suitable access for other uses. The building originally had two stories, but it was damaged by a fire and was rebuilt as one and a-half stories. The site plan proposes an addition to the building to three stories. The first floor will house a brewery, restaurant and office space. The second and third stories will contain apartments (Nine (9) one-bedroom units and five (5) two-bedroom units).

The Brewery could be classified as a Brewpub or Manufacturing and Production, Limited, depending on the scale of the project. A Brewpub as defined in Section 20-1724 of the Development Code is limited to the manufacture of up to 5,000 barrels of fermented malt beverages per year. If the brewery produces more than 5,000 barrels a year the use would be classified as Manufacturing and Production, Limited as defined in Section 20-1739(3) of the Development Code. The difference between the two uses is primarily a matter of scale. The brewery may be approved with the site plan as a Brewpub. If the use expands to the point it no longer complies with the definition of a Brewpub it would be necessary to seek approval of the use as Manufacturing and Production, Limited through a Special Use Permit. This is noted on the plan.

Part 5 Capital Improvement Planned for the Area

The Area will, for the most part, be served by existing municipal services.

Transportation – the Area will have access to the City's transit system.

Water and sewage systems – the Area will connect to City water, wastewater and storm water systems.

Refuse collection – the Area will be served by existing City refuse and recycling services.

Road and street maintenance – the Area is adjacent to existing Pennsylvania Street. Pennsylvania Street will be maintained as part of the City's regular street maintenance system. The property Owner(s) will be responsible for sidewalk maintenance in accordance with state law.

Park and recreation facilities – the Area will be served by existing parks and recreation facilities.

Police and fire protection – existing police and fire and medical services will serve the Area.

**Part 6
Property Eligible for a Tax Rebate**

The Area is comprised of one building (to be redeveloped) and one parcel of real estate. Accordingly, rehabilitation, alterations, and additions to the existing structure and the land in the Area are eligible for the tax rebate.

**Part 7
Criteria for Determination of Eligibility**

The Area consists of one parcel of real estate with an existing one-level building with basement that will be redeveloped by Williams Management, LLC, adding two additional floors and converting the property into mixed use commercial and residential space. In order to be eligible for the NRA rebate, Williams Management, LLC shall pull a building permit for the Project in the Area within one year of the effective date of the Ordinance designating the NRA Area, and shall complete the Project within two years of said Ordinance's effective date.

**Part 8
Contents of Annual Application for Tax Rebate**

The annual application for a tax rebate shall contain the following general information

1. Owner's Name
2. Owner's Mailing Address
3. Owner's Email Address (if one is available)
4. Owner's Day Phone Number
5. Address of Property
6. Legal Description of Property
7. Parcel Identification Number
8. Tax year for which the NRA rebate is being requested.
9. Receipt showing all taxes and special assessments have been paid in full for the applicable tax year.
10. Documentation showing compliance with affordable housing requirements as set forth in Section 10.
11. The signature and date of the Owner confirming the accuracy and validity of the annual application for tax rebate.

The ~~Annual NRA Rebate Application & Compliance Certification Annual Application for Tax Rebate~~ is attached hereto as Exhibit B₇ and incorporated herein by reference.

**Part 9
Procedure for Submission of an Application**

Owner(s) seeking a tax rebate shall annually complete the form, Exhibit B. ~~Exhibit B, t~~The ~~Annual NRA Rebate Application & Compliance Certification Annual Application for Tax Rebate~~, and supporting compliance documentation, shall be submitted to the City's Economic Development Coordinator.

Part 10
Standards and Criteria for Review and Approval
Annual Application for Tax Rebate

1. The property in which a rebate is requested shall conform with all applicable federal, state, and city laws, codes, and regulations in effect at the time the improvements are made and shall remain in conformance with applicable laws, codes, and regulations for the duration of the rebate period or the rebate may be terminated.

2. **Affordable Housing Requirements:**

A. Agreement to Maintain Units as Affordable for 30 Years. Owner agrees to enter into and maintain an agreement with City during and beyond the Rebate Period as set forth in this Plan. In said Agreement, Owner shall agree to comply with the Affordable Housing Requirements in Part 10, Paragraph 2.B. for thirty years after the date a Certificate of Occupancy is issued for the residential units. Said Agreement shall be recorded with the Douglas County Register of Deeds.

B. Annual Certification of Affordable Housing Compliance. The Owner shall annually certify to the City, using the form attached hereto as Exhibit B, that two, 1-bedroom residential units in the Project Area met affordable housing requirements per the below criteria:

Maximum Rent Requirement—Rent plus utilities for each affordable housing unit does not exceed the maximum rent established by the Kansas Housing Resources Commission for the Lawrence, Kansas MSA, based on 60% Median Family Income (MFI) for a one bedroom unit, and published in the "Maximum Income and Rents to Qualify Units as Low Income for Low Income Housing Tax Credit Program" for the most recent year.

Tenant Eligibility Requirement—Tenant households qualify as eligible for occupying an affordable housing unit, certified by the Lawrence Douglas County Housing Authority, based on the following schedule.

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Affordable Housing (AH) Eligibility Schedule			
Tenant Household Status	Timeline for Certification	Tenant Household Income at Certification	Eligibility Status
Potential AH Tenant Household	Prior to lease signing*	Household Income < 60% MFI	AH Eligible
Existing AH Eligible Tenant Household	Annually: Recertification to be performed December 1-15 of most recent year	Household Income < 100% MFI	AH Eligible
		100% MFI < Household Income	<p>AH Eligible-Over-Income: Tenant household is AH eligible for one additional year. At the end of one year at Over-Income status, tenant household is no longer AH eligible.</p> <p>Over-Income Notice to Tenant: Landlord must provide tenant household written "Over-Income" notice addressing one of the following options that will occur at the end of the following year.</p> <p>1) If a comparable unit is designated as AH and made available to another qualified AH tenant household, the existing Over-Income household can remain in the original unit, but original unit is not AH eligible and rent goes to market rate.</p> <p>2) If a comparable unit is not available to designate as AH, the landlord must give Over-Income household notice that the lease will not be renewed. AH unit then becomes available for a new AH eligible household at lease expiration.</p>

**New tenant households initially certified January-September of current year must be recertified in December of that year to determine continued AH eligibility. New tenant households initially certified during the last quarter of the current year do NOT have recertify in December of that year for continued eligibility.*

C. Affordable Housing Occupancy and Proration of NRA Rebate. If an affordable housing unit is not rented to an eligible household for the majority (no less than 7 months) of the calendar year, the unit's annual NRA rebate may be subject to proration based on the percentage of time the unit was not occupied by an eligible household.

Compliance with this provision shall be determined by the LDCHA during annual certification (December 1-15). During this certification period, owner should provide LDCHA occupancy information for each affordable housing unit, as measured from January 1 of the applicable calendar year, including details on when the unit was occupied by an affordable housing eligible tenant. Owner is encouraged to supply LDCHA additional information explaining reasons for any unoccupied periods.

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The Owner(s) is volunteering to hold the affordable housing units to the above standard over a thirty (30) year period. Compliance with affordable housing requirements after the Rebate Period will be confirmed in accordance with the Agreement referenced in Part 10, Paragraph 2.A. of this Plan.

~~The Owner(s) shall comply with the Affordable Housing Requirements as set forth in this paragraph, and shall remain in conformance therewith for the duration of the rebate period or its rebate may be terminated. Owner(s) shall timely provide the City with any information or records reasonably requested by City to document compliance with this provision to the City's satisfaction.~~

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Affordable Housing Requirements:

~~Agreement to Maintain Units As Affordable for 30 Years~~ Owner agrees to enter into and maintain an agreement with City during and beyond the Rebate Period as set forth in this Plan. In said Agreement, Owner shall agree to comply with the Affordable Housing Requirements in Part 10, Paragraph 2.B. for thirty years after the date a Certificate of Occupancy is issued for the residential units. Said Agreement shall be recorded with the Douglas County Register of Deeds.

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~~Annual Certification of Affordability of Two Residential Units.~~ The Owner shall annually certify to the City the affordability of its residential units in a manner acceptable to the City.

~~Two, One Bedroom Residential Units in the Project Area shall meet the following criteria:~~

~~Income Eligibility Maximum Rent Utilities Duration~~

~~60% or less MFI* LIHTC Max. Rent** Included 30 years~~

~~*Income eligibility limits of Median Family Income (MFI) and maximum LIHTC rent to be charged per one bedroom unit as determined annually for the Lawrence, KS MSA by The Kansas Housing Resources Corporation and shown on the Maximum Income and Rents to Qualify Units as Low Income for Low Income Housing Tax Credit Program for the most recently available year.~~

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~~The Owner(s) is volunteering to hold the affordable housing units to the above standard over a thirty (30) year period. Compliance with affordable housing requirements after the Rebate Period will be confirmed in accordance with the Agreement referenced in Part 10, Paragraph 2.A. of this Plan.~~

3. ~~Any property that is delinquent in any tax payment or special assessment shall not be eligible for a rebate until such time as all taxes and assessments have been paid in full.~~

Any taxes paid under protest for an eligible property will suspend the rebate until the protest has been resolved. If the Owner(s) of an eligible property appeals the appraised value of its property, no rebate will be made until the appeal is finalized.

4.4. Following establishment of the increase in assessed value resulting from a specific improvement, the fixed rebate percentage shall be applied to any change in assessed value or mill levy during subsequent years. See Part 11.

5.5. The City’s Economic Development Coordinator, or his or her designee, shall have the authority and discretion to approve or reject annual rebate applications based on eligibility standards and review criteria contained herein. If an applicant is dissatisfied with the decision, a written appeal may be submitted to the City Commission for final determination. Such written appeal must be filed within 30 days after the Economic Development Coordinator’s decision.

Part 11
Statement Specifying Amount and Years of Eligibility of Rebate

The Owner(s), or the Owner(s)’ assignee, provided the requirements of this Plan are satisfied, will be eligible for a property tax rebate as set forth in this Part 11.

Program Period: The NRA fund and tax rebate incentive program shall expire at the conclusion of the Rebate Period set forth below, unless earlier terminated pursuant to this Plan. The City, County, and School District may jointly agree to amend or modify the Plan as conditions, policies or priorities change, provided that no amendment or modification to the Plan which decreases the percentage Rebate Amount under this Plan or materially increases the Owner(s) obligations or duties under the Plan shall be effective without the Owner(s) prior written consent. If there is no tax increment generated for a specific property due to a diminution of assessed values, no tax rebate shall be provided for the Property. The Owner(s) shall receive at least thirty (30) days prior written notice of any proposed amendment or modification to the Plan.

Rebate Period: The NRA rebate period shall commence on the first full tax year after Project Completion. For the purposes of this Plan, it is understood and agreed that the Project Completion refers to the date when a Certificate of Occupancy is issued by the City for the Project and is filed with the County Appraiser by December 1st.

The NRA Rebate Period shall be 10 years, unless earlier terminated as provided in this Plan.

Rebate Amount:

Taxing Jurisdiction	Annual NRA Rebate Percentage	
	Commercial	Residential
City	50%	50%

County	85%	85%
USD 497	50%	50%

The owner of the property at the time the property taxes are paid in full will be eligible for a property tax rebate on the incremental taxes associated with improvements to the Property (the "tax increment"). The Tax Increment will equal the property tax assessment against the Property for the first year after the improvements are completed (i.e. determined including the value that such improvements add to the assessed value of the Property) reduced by the property tax assessed against the Property for the base year (the year this Plan is approved) (i.e. determined without the value that the improvements add to the assessed value of the Property). The Increment will be reassessed each year of the rebate program, based off the new appraisal value. Then the fixed rebate percentage set forth above shall be applied to any change in assessed value or mill levy during subsequent years for the rebate period, as outlined above.

Douglas County shall be entitled to an annual administrative fee of \$500 for each annual application filed by an Owner(s). The administrative fee shall be retained by the County from increment proceeds before making the rebate distribution to the City.--

Timing of Annual Tax Rebate Payment: Provided the Owner(s) is in conformance with this Plan, has submitted a complete Annual Application for Tax Rebate, and the Annual Application for Tax Rebate has been approved by the City's Economic Development Coordinator, or the City Commission, then upon payment of taxes by the Owner(s), the rebate shall be made within 30 days after the next distribution date by Douglas County, as specified in K.S.A. 12-1678a, and amendments thereto.

**Part 12
Other Requirements**

1. This Plan and tax rebate program are subject to approval of each taxing unit (City Commission, Douglas County Commission, and USD 497). The participating taxing units will enter into a cooperative agreement concerning the implementation of this Plan and the payment of tax rebates.
2. The Developer shall submit a Property Construction Commencement form to the City, signed by the Douglas County Appraiser, before it commences any pre-construction or construction activities in the Area. The Property Construction Commencement form is attached hereto as Exhibit C₇ and incorporated herein by reference. The City acknowledges and agrees that the Base Property Value shall be based upon the 2016 appraised value determined by the Douglas County Appraiser, as the same is verified on Exhibit C.
3. The Developer shall within 10 days of completing the Project submit to the City a Certificate of Project Completion, attached hereto as Exhibit D and incorporated herein by reference.

4. Construction or redevelopment activities must be located in the Area and begin after the effective date of the Ordinance establishing the Area, or after the Base Property Value Determination date, whichever occurs later, to be eligible for a rebate.
5. The City's obligation to rebate any increment in ad valorem property taxes under this Plan shall be limited to monies in the NRA fund. In no event shall the City be obligated to cover such rebates from other City funds.
6. Some improvements regardless of cost may not result in an increase in assessed value and thus would not make the property eligible for a property tax rebate. Such determinations will be made solely and independently by the Douglas County Appraiser's Office and the Douglas County Clerk.

The County Appraiser shall conduct an on-site appraisal as a part of the normal valuations following completion of the Improvements and determine the increase in the taxable valuation due to the Improvements. On or before December 1st of each calendar year, the City shall notify the County Appraiser, in writing, of each property in the Area for which Improvements have been completed so that the County Appraiser may conduct on-site inspections as a part of the normal valuations to determine the increase in taxable valuations due to the Improvements. The County Appraiser will notify the City and the County Clerk of the valuation.

7. If this Plan is repealed or the rebate criteria changed, any approved applications shall be eligible for rebates for the remaining Term of the rebate originally provided in the plan.
8. The Developer shall keep proper books of record and account, in which full and correct entries shall be made of all dealings or transactions of or in relation to the properties, business and affairs of the Developer related to the Project or this Plan in accordance with generally accepted accounting principles. At reasonable times and upon reasonable prior written notice, the Developer agrees to allow representatives and agents of the City or Douglas County to inspect all books and records, invoices and other financial information related to the NRA incentive.
9. To the extent either party determines that the other has failed to comply with any term of this Plan, such party shall provide written notice to the other party, and said party shall be provided thirty (30) days after the receipt of such notice to comply with the terms of this Plan."

Exhibit A

A Map depicting existing parcels of real estate in Neighborhood Revitalization Area

Pennsylvania Street NRA - Area Map

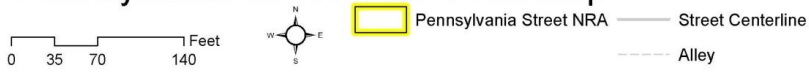




Exhibit B
Annual NRA Rebate Application & Compliance Certification

Please fill out the below and submit along with a copy of all applicable receipts, records and supporting documents.

Submit Application to: City of Lawrence
Economic Development, City Manager's Office
6th East 6th Street, Lawrence, KS 66044

Annual NRA rebate requested for property taxes levied in:

Project: 826 Pennsylvania Street NRA

Address: 826 Pennsylvania Street, Lawrence, KS 66049

Pin #: 023-079-31-0-10-09-004.00-0

Plate#: U00097A

Legal Address: Lot 3, 8th and Pennsylvania Neighborhood Redevelopment Addition No. 3, a Minor Subdivision Replat of Lots 1 and 2, Block "A" of 8th and Pennsylvania Neighborhood Redevelopment, in the City of Lawrence, Douglas County, Kansas

Owner Name: _____

Owner Address: _____

Phone: _____

Email: _____

Company Rep: _____

Title: _____

Phone: _____

Email: _____

CERTIFICATION

The undersigned Owner(s) does hereby certify to the City of Lawrence, Kansas (the "City") that the information contained within this application is true and correct and the project has met the below requirements as of the date hereof:

1. The Owner(s) is in compliance with the terms of the Neighborhood Revitalization Act Plan for the 826 Pennsylvania Street NRA.
2. The Owner(s) is entitled to the rebate of the increment in ad valorem property taxes levied pursuant to the terms of the Neighborhood Revitalization Plan for the 826 Pennsylvania Street NRA in connection with the Project and the Neighborhood Revitalization Act.
3. Owner(s) has paid all real estate taxes levied against the above property. *
Attach a copy of **tax payment receipts for the applicable calendar year of rebate.*
4. Owner has met affordable housing compliance during the _____ calendar year by providing two, 1-bedroom residential units that met 826 Pennsylvania Street NRA Plan affordable housing requirements as indicated below:

Affordable Housing Compliance				
Tenancy	Unit #	Tenant Meets AH Eligibility (Y/N) *	Monthly Rent + Utilities	Rent Meets AH Criteria (Y/N) **
Tenant 1		—	\$	—
Tenant 2		—	\$	—

For applicable rebate year, attach copies of **LDCHA certification of eligibility for each tenant household occupying an affordable housing unit.*

*** For applicable rebate year, attach a copy of the Kansas Housing Resources Corporation's "**Maximum Income and Rents to Qualify Units as Low Income for Low Income Housing Tax Credit Program**" for Lawrence, Kansas MSA.*

Please attach any additional information you feel would help support annual compliance.

The undersigned has reviewed the provisions of K.S.A. 21-6004 and understands the penalties thereunder.

Owner Name: _____
(please print)

Signature: _____

Date: Exhibit B
**Application for Annual NRA Rebate &
Certification of Rebate of Increment
in Ad Valorem Property Taxes
Page 1**

Please fill out the below application and submit along with a copy of all applicable tax payment receipts.

Submit Application to: City of Lawrence, City Manager's Office,
Attn: Economic Development
6th East 6th Street, Lawrence, KS 66044

With a copy sent to: Douglas County, Kansas, Attn: Treasurer's Department
1100 Massachusetts St., Lawrence, KS 66044

Project: _____
Owner(s): _____

Owner(s) Address: _____
Parcel ID #: _____
Property Legal Address: _____

Annual Rebate Requested: _____ Rebate on property taxes levied in _____

(Y/N) The Owner(s) has paid, at the time Application for Rebate is made, all real estate taxes levied against the Property on which the Project is located

Please attach a copy of tax payment receipts for the calendar year in which the rebate is requested.
(If applicable, also include payment receipts for any past due property taxes.)

Application Prepared by: _____
Title: _____
Address: _____
Email: _____
Phone: _____

The above information is correct, to the best of my knowledge. _____

Signature: _____ Date: _____

Note: Rebates are given only after property taxes are paid in full.

**Exhibit B
Annual Application for Tax Rebate
Page 2**

CERTIFICATION

The undersigned Owner (s) does hereby certify to the City of Lawrence, Kansas (the "City") that the following information is true and correct as of the date hereof:

1. The Owner(s) is in compliance with the terms of the Neighborhood Revitalization Act Plan for the Vermont Place NRA.
2. The Owner(s) is entitled to the rebate of the increment in ad valorem property taxes levied pursuant to the terms of the Neighborhood Revitalization Plan for the Vermont Place NRA in connection with the Project and the Neighborhood Revitalization Act.
3. The undersigned has reviewed the provisions of K.S.A. 21-6004 and understands the penalties thereunder.

_____ Owner(s):

_____ By: _____

_____ Printed Name: _____

_____ Title: _____

By: _____

_____ Printed Name: _____

_____ Title: _____

Note: Rebates are given only after property taxes are paid in full.



**Exhibit C
Property Construction Commencement**

The Owner(s) shall notify the City Manager and County Appraiser prior to commencement of project construction/redevelopment activities by submitting a signed copy of this form. The Owner(s) shall provide any information concerning the Project that may be helpful to the County Appraiser in the valuation process.

Project: _____
Parcel ID #: _____
Property Legal Address: _____

To be Completed by the County Appraiser:

Date of Appraisal: _____ Base Year: _____
Assessed Valuation: Land: _____
Improvements: _____
Total: _____
County Appraiser Signature: _____ Date: _____

To be Completed by the Property Owner(s):

Name: _____
Address: _____
Title: _____
Email: _____ Phone: _____
Signature: _____ Date: _____

Submit form to: City of Lawrence, City Manager's Office, Attn: Economic Development
6th East 6th Street, Lawrence, KS 66044

With a copy sent to: Douglas County, Kansas, Attn: County Appraiser
1100 Massachusetts St., Lawrence, KS 66044



**Exhibit D
Certification of Project Completion**

Please fill out the below certificate of completion and submit within 10 days of the conclusion of project construction.

Submit Application to: City of Lawrence, City Manager's Office,
Attn: Economic Development
6th East 6th Street, Lawrence, KS 66044

With a copy sent to: Douglas County, Kansas, Attn: Appraiser's Office
1100 Massachusetts St., Lawrence, KS 66044

Project: _____
Developer's Name: _____
Developer's Address: _____
Parcel ID #: _____
Property Legal Address: _____

Contact Information:
Company Contact(s): _____
Contact Address: _____
Contact Phone: _____
Contact Email: _____

Property Information:
Date of construction start (include copy of building permit receipt): _____
Date of construction end (include copy of certificate of occupancy): _____
Estimated cost of project improvements:
Land: _____
Building (include soft and hard costs): _____
Total Project Cost: _____

I certify that the above information is correct.

Owner's Signature _____ Date _____

LAWRENCE DOUGLAS COUNTY HOUSING AUTHORITY PROPOSAL FOR SERVICES

Income Eligibility Determinations

OVERVIEW

Lawrence Douglas County Housing Authority (LDCHA) is pleased to submit this proposal for services to support the income eligibility for entities that need to certify to the City of Lawrence the income of a tenant household for compliance with affordable housing eligibility requirement of the Economic Development Policy.

OUR PROPOSAL

The LDCHA will follow standard HUD policies in compliance with the HOME Investment Partnership program (HOME) to determine the income of tenants whose income documentation is submitted.

Cost: The LDCHA will perform this service for **\$25 per hour**.

Project Deliverables

Following is a complete list of all project deliverables:

Deliverable	Description
Deliverable #1	Collection of documents from household or landlord
Deliverable #2	Provision of privacy notification and procurement of releases from all adult members of tenant household
Deliverable #3	Run Enterprise Income Verification (EIV) in accordance with HUD guidelines
Deliverable #4	Employment verification with employer
Deliverable #5	Calculate income according to HOME regulations
Deliverable #6	Produce certification of each household's income delivered to City and landlord

Timeline for Execution

LDCHA estimates it will take an average of 2 hours to certify the eligibility of each tenant household.

Billing and Payment

1. The landlord will be billed directly by Douglas County Housing, Inc., an affiliate of LDCHA.
2. Payment will be made to Douglas County Housing, Inc. within 30 days of an invoice being sent to landlord.