



Economic Development Incentive Application

Company Profile

Company Name: _____

Company Address: _____ Zip: _____

Phone: _____ Fax: _____

Email: _____

Longevity of Company: _____

Principal Officers: _____

_____ use additional pages if necessary

Stockholders: _____

_____ use additional pages if necessary

Clients: _____

_____ use additional pages if necessary

Economic Incentives Requested

Specific information on Economic Development Incentives being requested: _____

Economic Incentive Application Requirements

New or existing businesses that seek Economic Incentives from the City must file an *Application for Economic Incentives* before their request can be considered in the form then available from the Community Development Department. The application shall contain the following accompanying information if not included on the Application form:

1. Specific information on Economic Incentives being requested.
2. Company profile including longevity of company, principal officers, stockholders and clients.
3. Audited financial statements – last five (5) years or since date of incorporation if company has not been in existence for five (5) years; provided that, upon request this may be provided to City consultants pursuant to a non-disclosure agreement.
4. Business Plan as it relates to the proposed business to be located in Ottawa. Business Plan to include:
 - a. Number of employees along with a detailed breakdown of the classification and wages for each position type.
 - b. Projected annual operating costs for the proposed development.
 - c. Projected annual revenues and financing for the first ten (10) years.
5. For constitutional abatements and property tax abatement IRBs, a Cost Benefit Analysis Worksheet
6. For applicants wishing to develop a greenfield site, or redevelop property along existing infrastructure, the following items are required:
 - a. A detailed site development plan.
 - b. Construction estimates for all improvements. If asking for a TIF, TDD, IRB, CID, RHID or SBD, applicant must provide an itemized breakdown of eligible costs for the Economic Incentive program being requested.
 - c. Estimated utility usage and composition of wastewater produced by the site.
 - d. Detailed information regarding traffic patterns to and from the site being developed, including the number of vehicles per day (average and peak times) as well as size and type of vehicle.
 - e. If the proposed development requires the extension/creation/reconstruction of City of Ottawa water, electric, sewer, road, or stormwater infrastructure, the applicant must provide detailed cost estimates. **City of Ottawa staff will not provide cost estimates.** The applicant will be required to retain the services of a qualified engineer for this purpose.
7. Sources of funds for the project other than the requested Economic Incentives, including information on all other incentives requested or granted by state or federal jurisdictions.

The City will not consider the granting of any Economic Incentive unless the applicant submits a full and complete application and provides additional information as may be requested by City staff or the Governing Body. The accuracy of the information provided in the application shall be certified by the applicant. Any misstatement or error in fact may render the application null and void and may be cause for the repeal of any proceedings adopted in reliance on said information. Applications will not be considered after the issuance of building permits. Refer to the Fee Schedule, herein, for application and renewal fee information.

I have read a copy of the **Economic Development Incentive Policy** of the City of Ottawa, Kansas and all requirements therein have been met. I understand that any misrepresentation or false statement in the above answers may constitute cause for denial or revocation of this application. Fees paid for processing this application are not refundable or prorated in the event this application is denied.

Fees: Fees are set by Resolution No. 1884-21. Please include the appropriate fee with your application.

APPLICANT’S NAME (Printed)

APPLICANT’S SIGNATURE

TODAY’S DATE

Completed applications should be submitted to:

**Community Development
101 S. Hickory St.
PO Box 60
Ottawa, KS 66067
(785) 229-3620**

City of Ottawa Use:

Director of Utilities
Director of Public Works
Director of Community Development
City Attorney (reviewed)
City Manager (final approval)

RESOLUTION NO. 1884-21

A RESOLUTION AMENDING AN ECONOMIC DEVELOPMENT INCENTIVE POLICY ADOPTED IN RESOLUTION 2019 ESTABLISHING THE POLICIES AND PROCEDURES FOR CONSTITUTIONAL TAX ABATEMENT, INDUSTRIAL REVENUE BONDS (IRB), TAX INCREMENT FINANCING (TIF) AND STAR BOND FINANCING, COMMUNITY IMPROVEMENT DISTRICTS (CID), TRANSPORTATION DEVELOPMENT DISTRICTS (TDD), SPECIAL BENEFIT DISTRICTS (SBD), THE CDBG REVOLVING LOAN FUND FOR THE CITY OF OTTAWA, KANSAS, NEIGHBORHOOD REVITALIZATION PROGRAM (NRP) AND RURAL HOUSING INCENTIVE DISTRICTS (RHID); AND REPEALING RESOLUTION NUMBER 1797-19.

BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF OTTAWA, KANSAS, AS FOLLOWS:

Section 1. The Governing Body hereby approves and amends the Economic Development Incentive Policy in relation to RHID for the Downtown in the form attached hereto as *Exhibit A*.

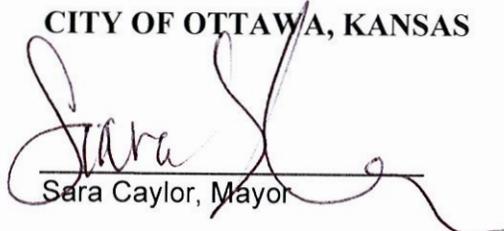
Section 2. Resolution Number 1797-19 is hereby repealed in its entirety.

Section 3. This Resolution shall be in full force and effect from and after its adoption.

ADOPTED this 6th day of October, 2021, by the Governing Body of the City of Ottawa, Kansas.



CITY OF OTTAWA, KANSAS


Sara Caylor, Mayor

ATTEST:

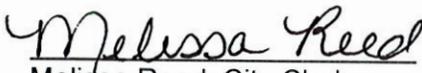

Melissa Reed, City Clerk

EXHIBIT A

ECONOMIC DEVELOPMENT INCENTIVE POLICY

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1. Introduction

The securing of private economic investment to broaden the tax base is an important current and long-term objective of the City of Ottawa (City). When fiscal benefits exceed fiscal costs, a broadened tax base provides local government with the financial resources to maintain and enhance the services available to all residents. The creation of job opportunities for Franklin County (County)

residents is an important current and long-term objective of the City. The quality of life for all area residents is enhanced when good job opportunities are available.

The City of Ottawa is interested in having one policy summarizing the goals, objectives, and standards for economic incentives (“Economic Incentives”). The decision to provide Economic Incentives to a business entity or citizen is guided by the expectation that the financial benefits to the City will produce a sufficient return on the City’s investment. All proposed Economic Incentives are subject to public hearing as a matter of policy, even if not statutorily required. Governmental agencies are not eligible for Economic Incentives under this Policy. No elected or appointed officer, employee or committee of the City, Ottawa Area Chamber of Commerce or Franklin County Development Council (FCDC) employee, board, or other public or private body or individual, shall be authorized to speak for and/or commit the Governing Body of the City to the granting of an Economic Incentive. This Economic Development Incentive Policy (Policy) is meant to encourage the following:

- a. Research and development-based businesses;
- b. High-tech businesses;
- c. Environmentally friendly businesses;
- d. Expansion of existing industry;
- e. Business start-ups;
- f. Businesses that will provide additional sales tax revenues to the City of Ottawa;
- g. Recruitment of new companies from out of state or abroad;
- h. The retention of businesses which are good corporate citizens that will add to the quality of life in Ottawa through their leadership and support of local civic and philanthropic organizations;
- i. Training and development of Ottawa area employees; and
- j. Housing expansion to meet needs of citizens.

Because of Ottawa’s assets and the desire of area residents to plan for the future and retain a community that is different from other growing suburban areas, an Economic Incentive may not be offered to every applicant that is eligible under state statutes. Nothing herein shall imply or suggest that the Governing Body is under any obligation to provide an incentive to any applicant. The Governing Body reserves the right to deviate from this Policy when, in the opinion of the Governing Body, it is in the best interests of the City to do so.

2. General Policy Considerations

a. Pirating

It is the intent of the City, the County and the FCDC to avoid participation in “bidding wars” between Kansas cities or areas competing for the relocation of an existing Kansas business through attempts to offer the largest tax incentive or other public inducement, which is detrimental to the state’s economy and the public interest. It is the policy of the City to discourage applications for Economic Incentives, or to grant Economic Incentives, that deliberately encourage and cause the pirating of business from another Kansas community to this community. This Policy does not preclude providing information to companies that inquire about Ottawa or are seeking an expansion or consolidation rather than relocation. It also does not preclude the granting of an Economic Incentive in those situations where:

1. The company has already made a decision to relocate or expand; or
2. The company is seriously considering moving out of state.

b. Performance Agreement

Any Economic Incentive granted pursuant to this Policy shall be accompanied by a Performance Agreement or Development Agreement between the applicant and the City; provided, however, that for IRBs, the terms and conditions of the Economic Incentive will be included in the IRB lease and, if applicable, a payment in lieu of taxes agreement. The Performance Agreement shall include provisions governing the situation if an applicant fails to meet the wage, number of jobs, and/or capital investment projections set forth in the original application. Each Economic Incentive shall be reviewed annually. The Governing Body shall receive an annual update based on such review, and if the Governing Body determines that a business or project is not in compliance with the provisions of the Performance Agreement, then the Economic Incentive may be modified pursuant to the Performance Agreement as the Governing Body deems appropriate. Modifications to the Economic Incentive may include, but are not limited to, termination of the Economic Incentive, reduction of any Economic Incentive (including but not limited to reductions in tax abatement due to failure to meet requirements as set forth in this Policy) and claw-back of any existing Economic Incentive. To the extent necessary, the County Appraiser and the State Board of Tax Appeals shall be notified of appropriate actions to modify any Economic Incentive.

c. “But For” Principle

Each application for an Economic Incentive shall demonstrate that the Economic Incentive will make such a difference in determining the decision of the business to locate, expand or remain in the City that the business would not otherwise be established, expanded or retained without the availability of such incentive.

d. Reimbursement Priority

Unless otherwise indicated in this Policy, the Governing Body will give preference to Economic Incentives that will be used to reimburse costs of public infrastructure or improvements having a clear public benefit.

e. No Retroactive Granting of Economic Incentives

No Economic Incentives will be granted on a retroactive basis, *i.e.*, to reimburse costs incurred by an applicant prior to an expression of intent by the Governing Body to grant such Economic Incentive. Economic Incentives will be granted pursuant to the guidelines of this Policy and effective on the date indicated and approved by the Governing Body.

f. Transfer of Economic Incentives; Change in Use

Economic Incentives granted by the City may only be transferred with the express consent of the Governing Body or as provided in any Performance Agreement. The City shall be notified by the applicant of any substantive change in the use of a property receiving Economic Incentives.

g. Tax Protests and Payments

The Governing Body expects applicants receiving Economic Incentives to be current on taxes and assessments payable to all taxing jurisdictions.

The Governing Body further expects that, during the time an applicant is receiving Economic Incentives, such applicant will not protest the valuation for ad valorem taxes below the assessed value at the time Economic Incentives are awarded without a dollar-for-dollar decrease in the Economic Incentives received.

The City reserves the right to withdraw any and all Economic Incentives and terminate any Performance Agreement with the applicant if the applicant protests their valuation for ad valorem taxes below the assessed value at the time Economic Incentives are awarded.

h. Civic Participation

The Governing Body expects that applicants receiving Economic Incentives demonstrate a commitment to the community through participation in civic organizations or other, similar contributions.

i. Effect on Existing Business or Industry

The Governing Body may consider whether applications for Economic Incentives have serious detrimental effects on an existing business or industry in the City. Economic Incentives may be discouraged when the effect would be to grant the applicant an unfair advantage within the local market structure.

j. Clean, Non-Polluting Businesses

The proposed use must be clean, in keeping with the character of Ottawa, non-polluting and consistent with all planning and community development policies, ordinances and codes.

k. Whole Community Considerations

The proposed use must have a positive impact on the community and not overload or overburden public facilities, streets or other public improvements.

3. Types of Development

a. Industrial

The City will be selective as to the kinds of industrial businesses (*i.e.*, businesses that are not retail businesses) that are recruited and assisted. In general, the primary objective of the City's industrial Economic Development Incentive Policy is to target new and expanding businesses that are environmentally sound, strengthen our local economy, and demonstrate a need for public financial support in order to locate, expand or remain in Ottawa. Additionally, the City favors industry that creates high-caliber employment, such as high skill, high wage jobs with increased employee benefits and superior working conditions.

When considering proposals brought before the City, City staff and the Governing Body shall be cognizant of the investment being made by the business, the risk involved in doing business, and the reputation of the City which is created by decisions that are made.

b. Retail

The City relies heavily on sales taxes to support the provision of general services to its residents and visitors. The primary objectives of the City in granting Economic Incentives to retail businesses for development include the expansion of the sales tax base, general enhancement of quality of life, development as the regional hub for goods and services in east central Kansas, and the expansion of the property tax base.

The City encourages the creation of mixed use developments that contain commercial/retail uses as well as living units as this is a way to maximize available space and is a more efficient use of existing and future infrastructure.

c. Housing

In general, the primary objective of the City's housing Economic Development Incentive Policy is to identify and address housing needs within the City by incentivizing construction or rehabilitation of quality housing.

In determining whether to grant an Economic Incentive for a housing project, the Governing Body will consider the following factors:

- (1) Whether there is a shortage of quality housing of various price ranges in the City or County despite the best efforts of public and private housing developers;
- (2) Whether the shortage of quality housing can be expected to persist and that additional financial incentives are necessary in order to encourage the private sector to construct or renovate housing in the City or County;

(3) Whether the shortage of quality housing is a substantial deterrent to the future economic growth and development of the City or County; and

(4) Whether the future economic well-being of the City or County depends on the Governing Body providing additional incentives for the construction or renovation of quality housing in the City or County.

4. Statement of Process

a. Economic Incentive Application

New or existing businesses that seek Economic Incentives from the City must file an *Application for Economic Incentives* before their request can be considered in the form then available from the Community Development Department. The application shall contain the following accompanying information if not included on the Application form:

1. Specific information on Economic Incentives being requested.
2. Company profile including longevity of company, principal officers, stockholders and clients.
3. Audited financial statements – last five (5) years or since date of incorporation if company has not been in existence for five (5) years; provided that, upon request this may be provided to City consultants pursuant to a non-disclosure agreement.
4. Business Plan as it relates to the proposed business to be located in Ottawa. Business Plan to include:
 - a. Number of employees along with a detailed breakdown of the classification and wages for each position type.
 - b. Projected annual operating costs for the proposed development.
 - c. Projected annual revenues and financing for the first ten (10) years.
5. For constitutional abatements and property tax abatement IRBs, a Cost Benefit Analysis Worksheet
6. For applicants wishing to develop a greenfield site, or redevelop property along existing infrastructure, the following items are required:
 - a. A detailed site development plan.
 - b. Construction estimates for all improvements. If asking for a TIF, TDD, IRB, CID, RHID or SBD, applicant must provide an itemized

breakdown of eligible costs for the Economic Incentive program being requested.

- c. Estimated utility usage and composition of wastewater produced by the site.
 - d. Detailed information regarding traffic patterns to and from the site being developed, including the number of vehicles per day (average and peak times) as well as size and type of vehicle.
 - e. If the proposed development requires the extension/creation/reconstruction of City of Ottawa water, electric, sewer, road, or stormwater infrastructure, the applicant must provide detailed cost estimates. **City of Ottawa staff will not provide cost estimates.** The applicant will be required to retain the services of a qualified engineer for this purpose.
7. Sources of funds for the project other than the requested Economic Incentives, including information on all other incentives requested or granted by state or federal jurisdictions.

The City will not consider the granting of any Economic Incentive unless the applicant submits a full and complete application, and provides additional information as may be requested by City staff or the Governing Body. The accuracy of the information provided in the application shall be certified by the applicant. Any misstatement or error in fact may render the application null and void and may be cause for the repeal of any proceedings adopted in reliance on said information. Applications will not be considered after the issuance of building permits. Refer to the Fee Schedule, herein, for application and renewal fee information.

b. Fee Schedule

Except as otherwise set forth, any applicant requesting any Economic Incentive shall pay to the City a nonrefundable application fee of \$1,000 plus a deposit of \$5,000 for RHID projects and \$10,000 for any other Economic Incentives which deposit shall be retained by the City pursuant to a Funding Agreement to pay for the City's out of pocket costs associated with the City's review of the application and other actions and agreements associated with the proposed Economic Incentive, including but not limited to the City's cost of legal counsel, financial advisors and consultants necessary to evaluate the application; provided, however, that fees for IRBs will be listed in the IRB sections of this Policy. In the event that costs for third-party services incurred by the City exceed the deposit collected, the applicant shall deposit same sum again or reimburse the City for such additional cost, immediately upon request, but no later than prior to final consideration of the Economic Incentive by the Governing Body. The application fee and deposit shall be submitted at the same time the *Application for Economic Incentives* is submitted. At its discretion, the Governing Body may consider waiving a portion of the fee or deposit upon request. During the period in which Economic Incentives are being received by an applicant, such applicant

shall pay an annual nonrefundable renewal fee in the minimum amount of \$500 or as provided in the Performance Agreement between the City and the applicant.

The City shall use its designated Bond Counsel and its designated Financial Advisor or Municipal Advisor to represent its interests. The City reserves the right to approve the selection of other necessary participants in the administration of an Economic Incentive, including but not limited to, the underwriter and trustee/fiscal agent. The City, at its discretion, may retain additional independent advisors to assist the City in analyzing the merits of the application and in making a determination of its approval at the applicant's expense. Examples of additional advisors include environmental specialists or a certified public accountant.

c. Review by the Economic Development Review Team

For any application for Economic Incentives, it is the expectation of the Governing Body that all applications under this Policy are to be vetted for accuracy, clarity and compliance to the City's policy requirements, by the Economic Development Review Team. The team is comprised of the City Manager, City Attorney, City Clerk, Community Development Director, Finance Director, Public Works Director, Utilities Director, USD 290 Superintendent, Franklin County Administrator, Franklin County Clerk, and FCDC Executive Director.

d. But-For Analysis

All TIF, CID, TDD, RHID and SBD applications shall be considered in light of the "but-for" principle, *i.e.*, the requested Economic Incentive must make such a difference in the decision of the applicant that the project would not be economically feasible "but for" the availability of that Economic Incentive. In evaluating the economic feasibility, the staff shall consider factors that include, but are not limited to:

- a. the extraordinary or unique costs associated with developing the project;
- b. the applicant's financial investment in the project;
- c. the property, sales and other tax and fee revenue that may result from the project;
- d. the creditworthiness and experience of the applicant;
- e. developer compliance with other City development projects and development agreements, including but not limited to delinquency on property tax; and
- f. the value added, including intangible costs and benefits received by the City and other taxing jurisdictions, as a result of the proposed project.

The but-for analysis is supplemental to any statutorily required cost-benefit analysis.

e. Memorandum of Understanding

Authority to issue memorandums of understanding to consider requests for Economic Incentives shall lie only with the Governing Body. Such memorandums of understanding shall only be issued by the Governing Body, and as an expression of good faith intent, but shall not in any way bind the City to the granting of an Economic Incentive and shall not obligate the City to proceed with negotiations if the Governing Body determines the requested Economic Incentive is not in the best interest of the City. Unless noted otherwise, such memorandums of understanding shall expire six months after issuance, but may be renewed. A public hearing shall not be required prior to the issuance of memorandums of understanding.

f. Notice and Hearing

As a matter of policy, rather than statute, no Economic Incentive shall be granted by the City prior to a public hearing thereon. Notice of the public hearing shall be published in the official city newspaper, giving the time and place, and the hearing may be held at a regular or special meeting of the Governing Body. The City Manager shall also notify the Franklin County Commissioners, the Superintendent of USD 290 school district, and the clerk of any taxing jurisdiction, excluding the state, which derives or could derive tax revenue from the affected business advising them of the scheduled public hearing and inviting their review and comment. Upon request, the City Manager shall provide any such public agency with a copy of the application, which shall remain confidential unless released by the Governing Body. It is expected that the applicant will attend any public hearings.

g. Action by the City

The City shall consider granting an Economic Incentive pursuant to this Policy after receipt of a complete application from the applicant in a form prescribed by the City together with the application fee and deposit. The application shall be submitted in sufficient time for staff to follow established procedures for publication of notice, to review the project's preliminary site plans and building elevations, to prepare a cost benefit analysis, and to notify other taxing jurisdictions within which the project is located as required pursuant to City policy. The project's site plans and building elevations are subject to final approval to ensure that they are similar to the preliminary plans and elevations submitted.

Based on each application and such additional information as may be requested by the City, the City shall prepare or cause to be prepared a financial analysis or analyses which shall be used by the Governing Body in considering the request for Economic Incentive. In making its decision, the Governing Body may also consider any fiscal and/or economic impact analyses performed by the County and any other taxing jurisdiction within which the property proposed for the Economic Incentive is located.

h. Waiver of Requirements

The Governing Body reserves the right to grant or deny an Economic Incentive under circumstances beyond the scope of this Policy, or to waive any procedural requirement. However, no such action or waiver shall be taken or made except upon a finding by the Governing Body that a compelling or imperative reason or emergency exists, and that such action or waiver is found

and declared to be in the public interest.

The Governing Body will not entertain requests for Economic Incentives outside of what is allowed by, or in accordance with, this Policy. If any interested party would like the Governing Body to include an additional Economic Incentive to this Policy, or modify the criteria for an existing Economic Incentive, that party must formally address the Governing Body and request that this Policy be amended.

5. Types of Economic Incentives

a. Constitutional Abatement

1. Policy

The grant of property tax abatement will be considered for real property and improvements in accordance with the provisions of Article 11, Section 13 of the Constitution of the State of Kansas and applicable statutes.

2. Amount of Tax Abatement

To accomplish the economic objectives of the City as outlined earlier in this Policy, it shall be the policy of the City to consider providing a 50% constitutional tax abatement per year for up to 10 years for projects that qualify for tax abatement under Kansas law and meet the tax abatement provisions in this Policy. The abatement percentage of 50% may be adjusted based upon compelling justification and in the discretion of the Governing Body.

Additional abatement amounts may be based on the following criteria:

1. A company that has been paying property tax in Franklin County and whose payments are current to date for at least three years may be eligible for an additional five percent tax abatement for a new project.
2. Additional abatement adjustments may be considered for projects that meet the following criteria:
 - a. When the investment under consideration exceeds \$20 million the Governing Body may consider a property tax abatement that exceeds fifty percent.
 - b. Companies that employ or will employ more than 100 employees.
 - c. Companies whose new construction achieves U.S. Green Building Council “LEED Certification.”

All applications will be considered on a case-by-case basis. The Governing Body is under no obligation to approve any requested tax abatement and reserves the right to deviate from the

policies contained herein if, in the opinion of the Governing Body, circumstances warrant such deviation. The Governing Body may vary the amount and duration of the abatement provided that any abatement to a business shall not decrease such business's existing tax liability.

3. Payment of PILOTs

Any payment in lieu of taxes, which may be required of a business granted a property tax abatement, shall be paid to the County Treasurer, with notice of the amount and date paid provided to the City. The specific provisions for payment of PILOTs shall be set forth in the Performance Agreement or payment in lieu of taxes agreement for IRBs between the City and the applicant.

b. Industrial Revenue Bonds

1. Policy Statement

It shall be the policy of the City to consider the issuance of industrial revenue bonds *for sales tax exemption* pursuant to 12-1740 *et seq.* (the "IRB Act") for the purposes set out in this Policy, and the IRB Act. Industrial revenue bonds may also be issued for the purpose of property tax abatement.

2. Amount of Tax Abatement

To accomplish the economic objectives of the City as outlined earlier in this Policy, it shall be the policy of the City to consider providing a 50% IRB tax abatement per year for up to 10 years for projects that qualify for tax abatement under the IRB Act and meet the tax abatement provisions in this Policy. The abatement percentage of 50% may be adjusted based upon compelling justification and in the discretion of the Governing Body.

Additional abatement amounts may be based on the following criteria:

1. A company that has been paying property tax in Franklin County and whose payments are current to date for at least three years may be eligible for an additional five percent tax abatement for a new project.
2. Additional abatement adjustments may be considered for projects that meet the following criteria:
 - a. When the investment under consideration exceeds \$20 million the Governing Body may consider a property tax abatement that exceeds fifty percent.
 - b. Companies that employ or will employ more than 100 employees.
 - c. Companies whose new construction achieves U.S. Green Building Council "LEED Certification."

3. Project Eligibility

- a. The applicant must have a sound financial base. The City's Financial Advisor shall make recommendation to the Economic Development Review Team and Governing Body as to an applicant's financial stability.
- b. It is the policy of the City that applicants for IRBs purchase their own bonds. If not so purchased, the underwriter, City Bond Counsel and City Financial Advisor must provide reasonable assurance the bonds are secure and marketable and that the bond issue complies with applicable state and federal laws.
- c. If the bonds are not purchased by the applicant, the City may require credit enhancement such as a letter of credit, bond insurance, personal guarantees, pledges of other collateral, a bond reserve account, or a combination thereof.
- d. The City requires the use of its designated Bond Counsel and its designated Financial Advisor. The City reserves the right to approve the selection of other participants including, but not limited to, the underwriter and trustee/fiscal agent. The City, at its discretion, may retain additional independent advisors to assist the City in analyzing the merits of the application and in making a determination of its approval at the applicant's expense, such as: environmental specialist or certified public accountant.
- e. Prior to finally approving an application, the project for which IRBs are requested must be appropriately zoned.

4. Amount and Term

The minimum issuance size for all IRB issues shall be at least \$2 million, and the term for any IRB issue cannot exceed the useful life of the financed assets.

5. Costs and Fees

The applicant shall reimburse the City for all costs associated with the issuance of IRBs, including but not limited to, the cost-benefit analysis, all legal notices, application fees to the Board of Tax Appeals, the City's bond counsel fees and all other miscellaneous costs.

Each applicant approved for issuance of industrial revenue bonds shall pay the City an origination fee in an amount equal to 1% of the total industrial revenue bond issuance up to \$10MM, and 0.2% for amounts in excess of \$10MM. Payment of the origination fee is a requirement for issuing industrial revenue bonds. Origination fees collected by the City shall be received into the Economic Development Fund to be used for the purpose of promoting and furthering local economic development activities.

c. Tax Increment Financing and STAR Bonds

1. Objectives

Applications for Tax Increment Financing will be considered in accordance with the provisions of K.S.A. 12-1770 *et seq.* (the TIF Act). It is the policy of the Governing Body to promote economic development and job creation, stimulate and develop property for the economic welfare and quality of life in the City. The City will consider STAR bond financing pursuant to K.S.A. 12-17,160 *et seq.* on a case-by-case basis by applying the standards and procedures set forth in this TIF policy where applicable.

2. Project Eligibility

Regardless of what may be allowed by the TIF Act, it is the City's policy that redevelopment project costs shall not include:

- attorney fees, financial advisor fees, real estate commissions paid to developers, developer fees, and fees paid to consultants representing developers. This prohibition does not extend to architectural and engineering fees, environmental and geotechnical consultants or other similar due diligence expenses associated with a project or related infrastructure; and
- soft costs such as marketing expenses and moving expenses for employees of businesses locating to the district.

3. Amount

The City recognizes that a simple system of determining the amount of TIF to be granted in order to reach the objectives within this Policy may not always be equitable if applied uniformly to different kinds of redevelopment plans. As a result, in determining the actual amount, percentage and duration of TIF to be granted, the City will consider the factors using a but-for analysis on a case-by-case basis. As a matter of policy, the City will consider requests for redirection of property taxes but will not consider requests for both property and sales taxes.

4. Other

A. Financing Methods

The City's preference is a reimbursement, pay as you go model rather than issuing bonds; however a bond issue can be considered at the City's discretion. The maximum period for any debt, bond or reimbursement shall be twenty (20) years. The issuance of TIF bonds is dependent on structure and creditworthiness of each bond issue. The City shall determine whether TIF bonds will be sold through negotiation or public sale and, if sold through negotiation, will select the underwriter to purchase the TIF bonds.

B. Property Acquisition

The use of condemnation by the City to acquire the property as permitted by law will be considered

by the City only upon a finding that the applicant has attempted in good faith to acquire the property privately. In the event the City approves the use of condemnation, the applicant shall be responsible for all costs associated with the proceedings including court and litigation costs, appraisals, attorney's fees and the final condemnation awards made, through the cost of sale as clarified in the development agreement. The City may proceed to acquire property within the TIF district by purchase or eminent domain (with 2/3 vote of the Governing Body) and implement the plan. However, the City may not exercise eminent domain in conservation areas.

C. Applicant Requirements

City shall be paid an annual administrative fee equal to 2.5% of the annual TIF revenue generated within the TIF district, to cover the administration and other City costs related to the TIF. This fee is in lieu of the annual renewal fee of \$500.00 set forth in the City's Economic Development Incentive Policy for other economic development incentives.

d. Community Improvement District

1. Policy Statement

It is the policy of the City to consider the establishment of CIDs for reimbursable expenses in the amount of \$250,000 or greater in order to promote economic development and tourism within the City. An applicant may petition the City to utilize special assessments or a special sales tax to fund projects eligible under the CID statutes. In considering the establishment of a CID, the Governing Body shall consider whether the proposed CID will achieve the economic development purposes outlined in this Policy.

It is the further policy of the City that a CID shall only be established for projects where the applicant/developer pays for the cost of eligible CID improvements (at no cost to the City) and agrees to be reimbursed on a pay-as-you-go basis for such costs from the City's receipt of CID sales tax revenues or CID special assessment revenues.

The use of CIDs should not alter the requirements of the City's Economic Development Incentive Policy in regard to the development paying for public infrastructure or meeting building codes. When establishing a CID, special consideration will be given to public benefits.

2. Project Eligibility

It is the intent of the City to allow only projects involving capital investment and improvements to qualify for reimbursement. Purchase of consumables, items, services or property considered to be operating expenses shall not qualify for reimbursement.

3. Amount

The City recognizes that a simple system of determining the amount of CID sales tax to be granted in order to reach the objectives within this Policy may not always be equitable if applied uniformly to different kinds of redevelopment plans. As a result, in determining the actual amount,

percentage and duration of CID sales tax to be granted, the City will consider the factors using a but-for analysis on a case-by-case basis.

4. Other

A. Method of Financing

The Governing Body will consider creation of a CID where (1) the costs of CID improvements will be financed on a pay-as-you-go basis from CID sales tax revenues or (2) the costs of CID improvements consisting only of public infrastructure improvements will be financed from CID special assessments. In the instance where public infrastructure CID improvements will be financed from CID special assessments, the City will consider the issuance of special obligation CID special assessment bonds. The City will not issue special obligation or general obligation bonds for CID improvements, other than the limited circumstances set forth in this section. The proposed method of financing will be clearly shown in the petition.

B. Applicant Requirements

City shall be paid an annual administrative fee equal to 5.0% of the annual CID revenue generated within the CID, to cover the administration and other City costs related to the CID. This fee is in lieu of the annual renewal fee of \$500.00 set forth in the City's Economic Development Incentive Policy for other economic development incentives.

e. Transportation Development District

1. Policy Statement

The Governing Body is responsible for encouraging and promoting the City's economic health. The Transportation Development District Act (the TDD Act), K.S.A. 12-17,140 *et seq.*, as amended, authorizes the City to create Transportation Development Districts for the purpose of financing transportation related projects or other infrastructure related projects from revenue sources within the established district.

The Governing Body, by its inherent authority, reserves the right to reject any preliminary proposal or petition for creation of a TDD at any time in the review process when it considers such action to be in the best interest of the City.

2. Objectives

It shall be the policy of the City to consider creating a TDD if, in the opinion of the Governing Body: 1) it is in the best interest of the City to create a TDD, and 2) creation of such a TDD would meet one or more of the following:

- A. Result in the building of transportation related infrastructure and/or other infrastructure beyond what the City would require or would otherwise build;

- B. Stimulate quality, retail development to enhance the City's diverse economic base; or
- C. The project will be located in an area that has been targeted by the Governing Body for economic development or redevelopment; or has specific site constraints making development more difficult or costly.

3. Project Eligibility

TDD proceedings shall be initiated by petition, on a form prescribed by the City and containing the information required in K.S.A. 12-17,140 *et seq.*, as amended. A TDD petition must be submitted with signatures of 100% of the property owners of all of the land area within the proposed District.

TDD financing will not be approved if any signatory to a petition has a financial interest in real estate located in the City with existing delinquent tax obligations. All petitioners will be required to certify, under oath, that they have no financial interest in any real estate with delinquent special assessments, ad valorem taxes, or other city, state or federal taxes at any location in the County.

4. Amount

The City recognizes that a simple system of determining the amount of TDD Sales Tax to be granted in order to reach the objectives within this Policy may not always be equitable if applied uniformly to different kinds of redevelopment plans. As a result, in determining the actual amount, percentage and duration of TDD Sales Tax to be granted, the City will consider the factors using a but-for analysis on a case-by-case basis.

5. Financing Methods

The City's preference is a reimbursement, pay as you go model rather than issuing bonds; however a bond issue can be considered at the City's discretion. The maximum period for any debt, bond or reimbursement shall be twenty-two (22) years. The issuance of TDD bonds is dependent on structure and creditworthiness of each bond issue. The City shall determine whether TDD bonds will be sold through negotiation or public sale and, if sold through negotiation, will select the underwriter to purchase the TDD bonds.

f. Special Benefit Districts

1. Policy

It is the policy of the City of to consider the establishment of Special Benefit Districts pursuant to K.S.A. 12-6a01 *et seq.* (the SBD Act), as amended from time to time. It shall be the policy of the City to create a SBD, if, in the opinion of the Governing Body, it is in the best interest of the City to do so. The Governing Body shall consider the following factors when creating a SBD:

- The necessity of improvements to existing streets and alleys within the City; and

- The City’s overall plan for development in the City;
- If a petition to create a SBD is received by the City, the substance of the petition and the petitioner’s willingness to secure the project with letters of credit or other suitable security.

2. Project Eligibility

The Governing Body will consider creating a SBD for projects providing a special benefit to a defined improvement district area. Such special benefit projects may include, but are not limited to, collector and arterial roadways, main and lateral storm water drains, sanitary sewer systems, street lighting, parks, flood control works, bridges, retaining walls, off-street parking facilities and asbestos control and lead control projects.

3. Amount

The City recognizes that a simple system of determining the amount of city participation in order to reach the objectives within this Policy may not always be equitable if applied uniformly to different kinds of redevelopment plans. As a result, in determining the actual amount, percentage and duration of city participation to be granted, the City will consider the factors on a case-by-case basis.

4. Term

The Governing Body shall review the financial feasibility of each SBD proposed for consideration and shall use this information in determining the appropriate term of the District. It is the expectation that the financing shall mature no more than ten (10) years from date of issue, unless otherwise provided by law or agreed to by the Governing Body.

5. Other

A. Reimbursement

The City’s preference is for special assessment-only backed SBD. The City may consider a general obligation backed SBD when such is determined by the Governing Body to be in the best interest of the City. The City shall determine whether SBD bonds will be sold through negotiation or public sale and, if sold through negotiation, will select the underwriter to purchase the SBC bonds.

B. Petition

The City’s preference is for petitions to create a SBD be submitted with 100% property owner participation or with an agreement that the persons submitting the petition agree to be responsible for all assessments.

C. Maximum Assessment

The City’s preference is for the “maximum assessment approach” set forth in K.S.A. 12-6a08(c)

of the SBD Act.

D. City's Contribution

The City's preference is to pay the entire costs of intersection improvements within approved SBDs. Other requests to pay costs of improvements in the SBD will be considered on a case-by-case basis.

E. SBD Boundaries

The SBD shall be defined and the limits set by first ascertaining the center line of the street or alley to be improved and then by measuring the distance from said line to a point which shall be one-half the distance to the center line of the next parallel street on either side of said street to be improved. In the event there shall be no parallel street, then the distance from the center line to the street to be improved shall be measured as if a street did exist or, where applicable, by using the nearest property lines established by plat.

F. Apportionment

All assessments to divide the cost of the improvements among the properties within the SBD shall be established on a case-by-case basis, as permitted by the SBD Act.

G. Financial Guarantee

The City will require a financial guarantee in the form of a letter of credit, bond, escrow, or similar security from an applicant petitioning to establish an SBD. The financial guarantee will be applied to satisfy the annual principal and interest costs of bonded public improvements in the event any special assessment is not paid when due. The financial guarantee will be released when certificates of occupancy are issued for a specified percentage of the structures within the SBD, which percentage shall be determined on a case-by-case basis.

g. CDBG Revolving Loan Fund

1. Purpose

The purpose of the Community Development Block Grant (CDBG) Revolving Loan Fund is to assist new or existing industrial and/or commercial businesses in creating, expanding, and/or relocating in the City. The use of the Revolving Loan Fund is intended to impact the economy of the City in a positive manner, allowing the loan generated to remain in and benefit the community, meeting the "appropriateness" criterion of the Kansas Department of Commerce (KDOC).

2. Project Eligibility

A. Applicants

The Revolving Loan Fund is available to owner-user businesses, developers, for-profit companies

and non-profit companies. Industrial manufacturing, retail, commercial and service businesses are eligible for consideration by the City. Personal guarantees are required for projects financed by the Revolving Loan Fund. No more than one loan will be extended to any applicant at one time.

B. But-For Test

Applicants must acknowledge that the proposed project would not progress without Revolving Loan Fund financing.

C. Uses of Revolving Loan Fund Proceeds

Proceeds from the Revolving Loan Fund may be used for fixed assets, including land, buildings, construction, renovation, machinery, equipment and leasehold improvements. Proceeds may also be used for working capital, provided; for plant expansions involving construction and acquisition, working capital is fully collateralized with fixed assets and a private lending institution is providing a portion of the financing. Refinancing projects will not be eligible.

D. Job-Creating Projects

The City's preference is to use the Revolving Loan Fund to finance job-creating projects. As a guideline, the City expects at least one job to be created for every \$35,000 of City involvement. The City expects 51% of jobs created to be for persons earning enough to qualify for Low-to-Moderate Income (LMI) status, according to the LMI guidelines set forth annually by the Kansas Department of Commerce.

E. Special Consideration

Preference will be given to those projects that exceed the minimum requirements set forth in this Policy. The City may give special consideration to projects that meet the following criteria:

1. Projects that prove they exceed the minimum requirements of job creation while maintaining ability to meet debt service;
2. Projects that request loans for capital assets rather than working capital; or
3. Projects that create jobs in the basic sector which will spin off additional jobs in the service and retail sector.

3. Amount, Minimum Interest Rate and Term

A. Amount

The maximum amount of funding available for eligible projects is dependent upon the funds available. The minimum amount of funding available is \$5,000.

B. Minimum Interest Rate

The minimum Interest Rate shall be 4.00%.

C. Term

The maximum term for real estate and working capital loans is ten (10) years, based on life of asset, or based on the ability to repay.

4. Conditions

A. Equity

The amount of equity required of the applicant will be determined on a case-by-case basis, although no 100% financed projects will be considered. Matching funds are preferred at the 2/1 ratio of loan amount to personal injection.

B. Collateral

The City must take a collateral position in each asset financed or pledged. Generally, second lien position will be accepted is a local commercial lending institution is involved. Collateral value, as established by appraisal (real estate and used equipment) or cost verification must be adequate to secure the loan.

5. Application Procedure

A. Application

Applicants must complete the Revolving Loan Fund application available from the Community Development Department.

B. Bank Qualification

Applicants must furnish from the applicant's participating bank a letter stating the amount the participating bank is willing to loan on this particular project. The participating bank should be willing to fund operating capital beyond the amount in the request. The participating bank must provide a copy of the latest credit report on the applicant.

C. Tax Returns

The applicant must provide the City a copy of the last three (3) years of business and personal federal income tax returns.

D. Application Fee

The applicant will pay a \$100 application fee at the time the application is received by the City. The application fee is non-refundable.

E. Loan Costs

All costs related to the processing of the application will be paid by the applicant (e.g. credit checks, appraisals, fees, mortgage registration, etc.).

6. Loan Procedure

A. Delivery of Loan Proceeds

i. Loans Less than \$10,000

A check in the amount of the loan will be forwarded to the borrower's lending bank, which shall pay the bills incurred by the borrower upon receipt of said bills. Upon expending the total amount of the loan funds, the lending bank shall provide copies of all bills paid with loan proceeds.

ii. Loans of \$10,000 or More

The contractor or subcontractor will present the itemized bill to the business owner. Upon approval of the bill, the business owner will turn it over to appointee to inspect the progress and work done at the business site. Upon approval at the inspection, the submitted bill will be reviewed. With the approval, it is then submitted for payment. The payment is made directly by the City to the contractor.

B. Drawdowns

The first drawdown must be made within ninety (90) days of the written approval. The final drawdown must be made within one hundred fifty (150) days of approval.

C. Repayment

The loans will require Interest Only Payments for the first twelve (12) monthly payments, with the first payment due one (1) month from the date of the loan. The fully amortized payments of principal and interest will begin thirteen (13) months from the date of the loan.

D. Penalty Assessment of Late Payments

Penalties assessment for late payments will equal an annual rate of .1% of outstanding loan balance for 0-30 days. If loan is not brought current within first thirty (30) days, then the penalty assessed will be at an annual rate of 10% on the outstanding loan balance for the entire number of days the loan is delinquent; with a minimum penalty of \$10.00.

7. Other

A. Applicant Businesses Must Remain in the City

The unpaid balance of the loan shall become due and payable without notice, within thirty (30) days of said business (loan recipient) moving its primary business office, including, but not limited to the payroll and administration, out of the boundaries of the City.

B. Annual Report

The annual report form is provided to each loan recipient upon execution of the loan documents, and must be submitted on each individual whose job is created or retained as a result of a Revolving Loan Fund loan. This includes individuals who are hired or retained anytime between the date of the loan approval and the date the loan is paid off in full, provided the job is created as a result of the loan.

Annual reports are due on a semiannual basis, as the dates as follow:

January 20, for the reporting period of July 1 through December 31 of the preceding year;
and

July 20, for the reporting period of January 1 through June 30 of the same year.

Annual reports shall be due until the loan is repaid in full. These reports furnish the necessary information to fulfill reporting requirements mandated by the Kansas Department of Commerce and/or U. S. Department of Housing and Urban Development.

h. Neighborhood Revitalization Program

1. Policy Statement

It is the policy of the City to consider the establishment of neighborhood revitalization area pursuant to K.S.A. 12-17,114 *et seq.* (the NRA) from time to time. It shall be the policy of the City to create a neighborhood revitalization area, if, in the opinion of the Governing Body, it is in the best interest of the City to do so. As part of the City's NRP, the Governing Body shall consider the following factors when designating an area of the City a neighborhood revitalization area:

- the revitalization and the increased health, safety, welfare and prosperity in specific areas of the City; and
- new construction and rehabilitation in specific areas of the City

2. Project Eligibility

When determining whether a parcel of residential or commercial real property is eligible for the NRP, the real property must meet the following requirements:

1. The property must be within one of the designated neighborhood revitalization areas.
2. Construction must have begun after the date the area was designated an eligible neighborhood revitalization area.

3. Improvements must conform to the current City Comprehensive Land Use Plan and Zoning Ordinance.
4. The new, as well as existing, improvements to the property must conform to all other codes, rules, and regulations in effect at the time the building permit is issued.

3. Process

a. Application Fee

A \$25 application fee is required at the time an application is submitted. The application fee is nonrefundable.

b. City Consideration of Application

Upon receipt of a completed application, the Community Development Department will gather current appraisal and tax information from the Franklin County Appraiser and Franklin County Treasurer. If the property taxes are current and the amount of the estimated cost of improvements is more than the required amount, the process continues. If not, a letter is sent to the applicant stating their application will not be forwarded to the review committee.

i. Review Committee

A review committee (Review Committee) consisting of one member each from the City, the County, and the U.S.D. 290 School Board will review the application. The Review Committee may recommend an appropriate rebate period and rebate amount for each application. The Review Committee will then forward its recommendation to the Governing Body for consideration.

ii. Determination of Rebate Amount

The Review Committee may recommend a property tax increment rebate based on the amount of property tax increase resulting from the improvements to the structure or property located in a neighborhood revitalization area.

iii. Rebate Period

The Review Committee may recommend a property tax increment rebate period using the guidelines in this Policy.

A. Commercial Development

Improvements increasing assessed value between 10% and 19%: maximum of five years

Improvements increasing assessed value at least 20%: maximum of 10 years

B. Residential Development

New construction: maximum of 10 years

Remodel: maximum of five years

iv. Rebate Amount

The Review Committee may recommend a property tax increment rebate amount using the guidelines in this Policy. The County charges an annual \$50 administrative fee for processing rebates, and the percentages indicated in this Policy do not include that annual fee.

A. Commercial Development

Improvements increasing assessed value at least 20%:	Years 1-5	100%
	Year 6	50%
	Year 7	40%
	Year 8	30%
	Year 9	20%
	Year 10	10%

Improvements increasing assessed value 10% to 19%:	Year 1	100%
	Years 2-3	75%
	Years 4-5	50%

B. Residential Development

New construction	Years 1-10	95%
Remodel	Years 1-5	95%

c. Rebate Disbursement

Upon payment of the real estate taxes **in full** by the taxpayer, the rebate in the amount of the property tax increment (minus the \$50 administration fee retained by the county) will be made within thirty (30) days after the next distribution date (as specified in KSA 12-1678a and amendments thereto). The tax rebate shall be made by the Franklin County Treasurer's Office through the NRP fund established by the taxing units participating in the NRP.

i. Rural Housing Incentive District

1. Policy Statement

It is the policy of the City to consider the establishment of rural housing incentive districts (RHIDs

or Districts) pursuant to K.S.A. 12-5241 *et seq.* (the RHID Act), as amended from time to time, for developments containing a minimum of ten renter-occupied units. It is the further policy of the City that RHIDs shall only be established for projects where the applicant/developer pays for the cost of eligible RHID improvements (at no cost to the City) and agrees to be reimbursed on a pay-as-you-go basis for such costs from the City's receipt of RHID revenues.

2. Project Eligibility

In considering applications for RHIDs, the Governing Body shall prioritize projects that propose new streets or public utility improvements. Applications shall also be considered in light of the "but-for" principle, *i.e.*, RHID financing must make such a difference in the decision of the applicant that the project would not be economically feasible "but-for" the availability of the incentive. In evaluating economic feasibility, staff shall consider factors that include, but are not limited to:

- a. the extraordinary or unique costs associated with developing the project;
- b. the applicant's financial investment in the project;
- c. the property, sales and other tax and fee revenue that may result from the project;
- d. the credit worthiness and experience of the applicant;
- e. the applicant's compliance with other City development projects and development agreements, including but not limited to delinquency on property tax; and
- f. the value added, including intangible costs and benefits received by the City and other taxing jurisdictions, as a result of the proposed project.

3. Process

The process for considering an application to establish an RHID shall be as follows:

- A. *Application and Supplemental Information.* An applicant requesting that the City create an RHID must file:
 - i. an Application for Economic Incentives, in the form then required by the City's Community Development Department;
 - ii. either: (1) a housing needs analysis meeting the requirements of K.S.A. 12-5244(a), supporting the findings contained in K.S.A. 12-5244(a), and meeting any guidelines established by the Kansas Department of Commerce; or (2) a request to rely on a housing needs analysis prepared by the City;
 - iii. a development or redevelopment plan meeting the requirements of K.S.A. 12-5245; and
 - iv. a business plan evidencing that the applicant has the financial ability to complete the proposed project in a timely manner and that the project meets the criteria for establishment of an RHID as set forth in this Policy.

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

- B. *Application Fee and Deposit.* Any application to establish an RHID shall be accompanied by a nonrefundable application fee of \$1,000 plus a deposit of \$5,000. The deposit shall be retained by the City pursuant to a funding agreement to pay for the City's out of pocket costs associated with its review of the application and the proceedings relating to the proposed project. The applicant will pay all out of pocket costs incurred by the City related to such review and to such proceedings, including but not limited to the City's cost of legal counsel and financial advisors necessary to evaluate and establish the proposed RHID.
- C. *Timing of Submissions.* The application and other information required by this Policy must be submitted in sufficient time for staff to follow established procedures for publication of notice, to review the submitted documents and analyze the merits of the proposed RHID in the context of existing economic development incentive policy.
- D. *Secretary of Commerce Review.* If the Governing Body determines that it is in the best interest of the City to move forward with the proposed development or redevelopment plan, the Governing Body shall take such action and make such findings as required under K.S.A. 12-5244, including submission of a resolution of the Governing Body to the Secretary of Commerce. If the Secretary of Commerce agrees with the findings contained in the resolution, the Governing Body may proceed with establishing the proposed RHID.
- E. *Development Agreement.* Upon receipt of the agreement of the Secretary of Commerce, but before the Governing Body acts to establish the RHID, the City and the applicant shall negotiate a development agreement to implement the proposed development or redevelopment plan.
- F. *Public Hearing.* When the development or redevelopment plan, a draft development agreement, and all additional information required by the RHID Act and this Policy are ready to be presented to the Governing Body, the Governing Body will consider adopting a resolution ordering a public hearing on establishing the RHID and adopting such plan. The Governing Body shall give such notice and hold such hearing in the manner required by the RHID Act.
- G. *Governing Body Findings.* After the public hearing is conducted, if advisable, the Governing Body may establish an RHID district by passing an ordinance creating the district, adopting the development or redevelopment plan, and approving the development agreement.

4. Method of Financing

It is the policy of the City to reimburse the cost of eligible RHID improvements to the applicant on a pay-as-you-go basis as RHID revenues are received rather than through the issuance of special obligation bonds.

5. Eligible Costs

It is the intent of the City to limit reimbursement from RHID revenues to the following types of expenditures despite any other costs which may qualify for reimbursement pursuant to the RHID Act, as amended from time to time:

- Acquisition of property within the specific project area or areas;
- Payment of relocation assistance;
- Site preparation;
- Sanitary and storm sewers and lift stations;
- Drainage conduits, channels and levees;
- Street grading, paving, graveling, macadamizing, curbing, guttering and surfacing;
- Street lighting fixtures, connection and facilities;
- Underground gas, water, heating, and electrical services and connections located within the public right-of-way;
- Sidewalks; and
- Water mains and extensions.
- Renovation of buildings or other structures more than 25 years of age primarily for residential use located in a central business district as approved by the secretary of commerce. Certification of the age of the building or other structure shall be submitted to the Secretary by the Governing Body of the City with the resolution as provided by K.S.A. 12-5244, and amendments thereto. Eligible residential improvements shall include only improvements made to the second or higher floors of a building or other structure. Improvements for commercial purposes shall not be eligible.

6. Administration of Economic Incentives

a. Annual Review for Compliance

Subject to any applicable Performance Agreement, Economic Incentives granted shall be subject to an annual review to ensure that the ownership, use of property, and the economic performance of the business, including the capital investment, employment, and wages, are pursuant to requirements and criteria of this Policy, the application, and the conditions of the granting of Economic Incentives. The review shall also include a comprehensive review of the entire Economic Incentive period for the business (if applicable), including milestones and project phases

for the business. The annual review shall provide an opportunity for the company receiving the Economic Incentive to describe their achievements, especially in the areas of environmentally sound practice, community engagement and services, and job training. If the business; (i) no longer qualifies for the Economic Incentive pursuant to law or this Policy; (ii) substantially fails to meet the expectations set forth in the application for an Economic Incentive or related Performance Agreement; or (iii) substantially fails to meet the criteria or objectives of this Policy, then the Governing Body, after notice, may modify any Economic Incentive by ordinance or resolution

The failure of a business to comply with the performance standards set forth in the Performance Agreement, shall be grounds for the modification or revocation of the Economic Incentive granted.

The City may require an annual renewal application to be filed or other information necessary to assure the continued qualification of the business. Any material omission or misstatement of fact in information provided to the City in any such statement or renewal application may be cause for repeal of any Economic Incentive ordinance adopted, renewed or extended in reliance thereon.

b. Annual Renewal Fee

Except as described herein for the TIF and CID incentives, the City shall require an annual renewal fee of \$100 for each business receiving an Economic Incentive during each calendar year that such incentive remains in place.

7. Amendments

The Governing Body of the City retains the right to amend any portion of this Policy as needed from time to time.

APPENDIX 1

USE OF INCENTIVES

Incentive	Redevelopment	Attraction / Retention	Targeted Business	Minimum Investment	Base %
Tax Abatement	X	X	X	*	50%
Industrial Revenue Bonds (IRB)	X	X	X	\$2,000,000	50%
Tax Increment Financing (TIF)	X	X	X	*	*
Sale Tax Revenue Bonds (STAR)	X	X	X	*	*
Community Improvement District (CID)	X	X	X	\$250,000	*
Transportation Development District (TDD)	X	X		\$250,000	*
Special Benefit District (SBD)	X	X	X	*	*
CDBG Revolving Loan Fund	X	X	X	*	*
Neighborhood Revitalization Act	X			*	*
Rural Housing Incentive District (RHID)	X		X	*	*

* Determined on a case-by-case basis