



**CITY OF LEAWOOD
GOVERNING BODY
MEETING AGENDA**

Council Chamber
4800 Town Center Drive
Leawood, KS 66211

**GOVERNING BODY
WORK SESSION**

**Monday, September 21, 2020
6:00 P.M.**

(This agenda is subject to changes, additions or deletions at the discretion of the City Council)

Mayor Peggy Dunn

Councilmembers

<u>Ward One</u>	<u>Ward Two</u>	<u>Ward Three</u>	<u>Ward Four</u>
Debra Filla Andrew Osman	Jim Rawlings Mary Larson	Chuck Sipple Lisa Harrison	Julie Cain James Azeltine

Review the City’s Economic Development Policies

To reduce the likelihood of the spread of COVID-19 the Leawood Governing Body Work Session is being conducted remotely using the Zoom media format and some of the members of the Governing Body may appear remotely. Public comments will not be accepted during this meeting. City Hall is closed to public access during this meeting, however, the meeting will be livestreamed on YouTube and the public can access the livestream by clicking on www.leawood.org.

ADJOURN

(This agenda is subject to changes, additions or deletions at the discretion of the City Council)

Regular meetings of the Leawood City Council are held the first and third Mondays of each month beginning at 7:30 PM. Copies of the agenda are available at the Office of the City Clerk on the Friday prior to the meeting. Leawood operates under a Council/Mayor form of government, with a separately elected mayor and 8 council persons. Council members are elected on a non-partisan basis from 4 wards. The Council develops policies and provides direction for the professional city administration.

If you require any accommodation (i.e. qualified interpreter, hearing assistance, etc.) in order to attend this meeting, please notify this office at 913.339.6700 or at CityClerk@leawood.org no later than 96 hours prior to the scheduled commencement of the meeting.

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Work Session

THE LEAWOOD CITY COUNCIL

August 3, 2020

Minutes

The City Council of the City of Leawood, Kansas, met for a Special Call Meeting, 4800 Town Center Drive, at 6:00 P.M. on Monday, August 3, 2020. Mayor Peggy Dunn presided.

Councilmembers Present: James Azeltine, Jim Rawlings, Mary Larson, Lisa Harrison, and Chuck Sipple

Councilmembers Present via Zoom: Julie Cain, Andrew Osman, and Debra Filla

Councilmembers Absent: None

Staff Present: Patty Bennett, City Attorney
Stacie Stromberg, Assistant City Clerk

Staff Present via Zoom: Scott Lambers, City Administrator
Kelly Varner, City Clerk
Ross Kurz, Information Services Director

Others Present: None

Review the City's Economic Development Policies

Mayor Dunn opened the work session. Stacie Stromberg read the City Clerk statement into record:

To reduce the likelihood of the spread of COVID-19 the Leawood Governing Body Work Session is being conducted remotely using the Zoom media format and some of the members of the Governing Body may appear remotely. Public comments will not be accepted during this meeting. City Hall is closed to public access during this meeting, however, the meeting will be livestreamed on YouTube and the public can access the livestream by clicking on www.leawood.org.

Mayor Dunn introduced Scott Lambers to begin his presentation. Mr. Lambers addressed the Governing Body remotely via Zoom. He stated his goal is to review the current policies and what they are attempting to accomplish. He suggested the Governing Body select individual policies at the conclusion of his presentation to be reviewed at future work sessions.

Mr. Lambers stated the benefit to this process is that the Council will be able to adopt policy updates for the current year and Mayor.

Industrial Revenue Bonds – Resolution No. 598

Mr. Lambers began stating that the Industrial Revenue Bonds (IRB) are intended to facilitate cities and counties promotion of economic development with industrial and commercial warehousing activities. They provide benefits to an employer and tax abatements (property and sales tax) with the hope they will create jobs to stimulate the economy. The return to the community is secondary income that is generated. It is intended as a business park or industrial park activity.

Mr. Lambers explained Section 2b of the resolution is unique to the City of Leawood, as it is used for institutional or corporate headquarters and regional offices for major local, regional, and national firms. Mr. Lambers stated this makes Leawood more liberal in its utilization of an IRB.

Councilmember Harrison asked if AMC Theatres would be an example of a corporate headquarters and if they had requested an IRB. Mr. Lambers said AMC would have been eligible for consideration, but they did not request one.

Councilmember Sipple asked if Leawood has ever issued an IRB. Patty Bennett, City Attorney, replied it has been used once before for Leawood Fountain Plaza in 1982, prior to the current policy.

Mr. Lambers stated in Section 3a, this does create an unfair advantage because it reduces the cost of a business to the community, when other businesses in the same area may not have received an IRB. He stated this is boilerplate language in the policy. Councilmember Azeltine asked if the phrasing of Section 3a should be changed. Mr. Lambers recommended to delete it.

Mr. Lambers stated Section 3b covers entire developments, not an individual store. He suggested a future discussion regarding if it should cover new construction, old construction, redevelopment, but not individual development.

He stated Section 3e explains the financial aspect of the business, that it requires bonds to be public or private, and if they are viable. He explained the City is simply a conduit in the process, as the bonds are the responsibility of the owner who takes 100% of the risk. He stated there had been concern having bonds with the City's name on them without control, but emphasized that in case a payment has not been made, the City will not make the payment under an IRB. He suggested this section be revised to make it clearer in the statement.

Councilmember Filla asked if there is an overlap with Section 3b because of a CID (Community Improvement District) policy. Mr. Lambers stated there is an overlap, but these policies provide two different benefits, so it is possible an entity could request both.

Mr. Lambers stated the City is unique in that it does not provide tax abatement during the terms of the bonds. As stated in the current language the City becomes the owner of the property during the term of the IRB, which is how the entity receives the tax abatement and sales tax exemption. He stated it is considered a public improvement. Once the bonds are paid off, it reverts back to the entity.

Mr. Lambers stated there is a statute in Kansas allowing school districts to have a say in the tax abatements, but they have not utilized it. Mr. Lambers gave an example from the City of Ottawa, Kansas, of a payment in lieu of taxes to a school district under an IRB.

Mr. Lambers stated since the current IRB policy is from the 1980s, he will check with neighboring cities' provisions of their IRBs. He said the limits are not many, but IRBs cannot be used for personal property.

Councilmember Sipple asked about the administrative fee and if the money flows through a trustee. Mr. Lambers confirmed it goes through a trustee who then distributes the money, but the City still has auditing responsibilities.

Mr. Lambers stated Section 4d outlines a single-ownership structure. He stated he would check with other cities on this item, as well. Section 4e explains it is not to be used to refinance existing debt, which Mr. Lambers stated is a good policy to keep.

He stated in Section 4f the occupant must have 80% occupancy, unless otherwise approved. He stated this language should be more specific.

He stated the current policy regarding the Sales Tax Exemption Certificate in Section 4i allows the purchase of materials for the project to be sales tax exempt, but it could mean the City would lose 20 cents on the dollar. He suggested a payment in lieu of taxes to make the City whole, but it should be discussed further. Mr. Lambers suggested the Resolution of Intent mentioned in Section 4j be extended to 2 years.

Councilmember Azeltine asked if there have been any statute changes since the current IRB policy was adopted. Ms. Bennett said no. He asked to have several examples of how IRBs are used throughout Johnson County available at a future policy discussion. Mr. Lambers stated the Johnson County Appraiser's Office has an annual list of cities who have issued IRBs.

Mr. Lambers recommended this policy receive a review and some modifications.

Mayor Dunn stated a former councilmember had concerns about having the City's name on a bond for payments and recommended private placement. Mr. Lambers replied that it can be limited to private placement, but that the City has both.

Mayor Dunn stated there will be a future work session to discuss changes to the current IRB policy. Mr. Lambers stated he would like to have the review of the chosen policies scheduled by the end of the year.

Commercial Tax Increment Financed Projects – Resolution No. 1317

Mr. Lambers stated this is a redevelopment tool, unlike the IRB which is typically for new construction. The intent is an underlying base of property taxes being paid to all the entities and is a good tool for downtown reinvestment. He stated this is where the payment in lieu of taxes, also referred to as a PILOT, comes into play.

Councilmember Azeltine asked to verify that the City would not be required to have a PILOT agreement, but that it is an option. Mr. Lambers replied yes, it is at the discretion of the City.

Councilmember Sipple asked if in a Tax Increment Financing (TIF) Agreement the school districts would be involved in any discussion. Mr. Lambers stated yes, and if the Council would like to revisit this policy, he recommended the example of what is used in the City of Ottawa. Councilmember Sipple stated he did not believe there were any areas within the City of Leawood that would qualify for this type of redevelopment tool. Mayor Dunn stated when the TIF policy was put in place, there had been two anticipated locations.

Councilmember Azeltine stated he would like to have the option of a TIF for new development, as other communities have done. Mr. Lambers stated that for new projects a tax abatement, a policy the City does not have, would come into play. Councilmember Azeltine stated the statute does not prohibit using a tax abatement for new property in conjunction with a TIF. Ms. Bennett stated the statute has some limits on what it can be used for.

Mr. Lambers stated Section 2c states the intent of the policy for retail sales activity as opposed to a property tax generating activity. He stated it is a good objective to include in the policy statement. In Section 2d “revitalize” implies this policy will be used to tear down an existing structure and replace it with a bigger, better one, but the options are limited, he stated. Mr. Lambers stated the City will not need to be revitalized for a long time to come.

Mr. Lambers stated Section 3b is important for the policy to exist for the Council’s consideration of financial assistance, especially in cases of local, regional, and national firms to come to the City. In Section 3e, the current zoning will need to be revised to reflect the current LDO (Leawood Development Ordinance.)

Mr. Lambers stated Section 4b should be revised to specifically set out a timetable. Councilmember Filla asked if the schedule is all or nothing or a decreasing schedule. Mr. Lambers answered that it is not uncommon for a city to wean the developer off the benefits over several years.

Councilmember Sipple asked about Section 4d that explains the issuance of special bonds and if the City would hire a consultant to figure property tax collections. Mr. Lambers stated the Council would accept the applicant’s information, but an outside consultant may be brought in depending on the complexity. Councilmember Sipple asked if those bonds would have the City’s name on them. Mr. Lambers stated the bonds would not have the City’s name on them. He stated the policy’s inconsistency is whether or not the City issues full-faith bonds or special bonds. It is not clear in the current policy what those special bonds had intended to be. Councilmember Sipple asked since the bonds are not to be used for the construction of buildings or other structures of the remodel, what could they be used for. Mr. Lambers stated public improvements such as parking and street improvements. He stated an SBD (Special Benefit District) would not be uncommon, but it is likely a new project would already have the infrastructure in place and would be limited on how it is used.

Mr. Lambers stated to issue bonds for an SBD, he recommended the Council be very cautious because of the issuance of debt.

He stated the Leawood Economic Development Council (EDC) receives a percentage for the tax increment as stated in Section 4g. Mayor Dunn stated she is not certain this is needed, as the City already pays the EDC from the City's General Fund. Mr. Lambers stated he is not sure if this is separate or if the City Council acts as the EDC.

Councilmember Sipple asked since the applicant is responsible for the debt service out of incremental tax increases, what guarantees are on the bonds. Mr. Lambers stated it is up to the developer and bond holders.

Mr. Lambers asked if he should plan to schedule future work sessions at this time. Mayor Dunn stated there are enough questions to warrant it. Councilmember Cain suggested the TIF policy be further down the list for discussion. Mayor Dunn stated the goal is to review them one at a time and be finished by the end of this year. Councilmember Azeltine stated this is an educational meeting on all the policies and felt more time should be concentrated on the policies the City has not reviewed in a couple of decades. He felt it was important to know what all the financial options are as allowed by the statute. Councilmember Osman agreed with Councilmember Azeltine to review IRB and TIF financing policies first, especially in terms of tax incentives. Mr. Lambers asked which policy to schedule for the second meeting in September or first meeting in October. Councilmember Osman suggested an IRB review first. Councilmember Filla agreed.

Special Benefit District Assessment Policy

Mr. Lambers stated the Special Benefit District Assessment Policy (SBD) is one that many cities do not use. He stated the City of Leawood is unique in providing financing of public improvements while giving the developer the ability to capture the City's low interest rate for a general obligation bond. If the payments are not made, the City will make the payment and place a lien on the property.

Councilmember Filla asked how often the City has used this policy. Mr. Lambers stated he will arrange a list of Special Benefit Districts to provide to the Council. Councilmember Cain asked Mr. Lambers' opinion on why the SBD is used more often than a CID (Community Improvement District) or TDD (Transportation Development District) and if it was a good decision looking back. Mr. Lambers stated it was the only statute available at the time. He stated the way the City has the policies currently structured, the TDD is for new projects and the CID is for existing, older projects. The benefit of a TDD and CID is they are sales tax driven. For an SBD there is an annual property tax that is to be paid by the developer. Councilmember Filla asked if SBDs can be used by citizens for sidewalks or traffic calming. Mr. Lambers stated the cost of issuing bonds is very expensive and should be used for projects no less than \$1 million. He stated that in issuing bonds, if the City had to foreclose, a lien would be placed for possible eviction, which the City would want to avoid doing to residents. Councilmember Filla asked if an SBD had been used in the City before but without being bonded. Mr. Lambers stated a benefit district could be established without being bonded and paid through assessments.

Mr. Lambers stated in the policy provisions the City requires a certified Letter of Credit (LOC) outlining the payments for the new development. Mr. Lambers explained the importance of the timeline of the financing and timing of assessments. He noted if the developer is unable or unwilling to make payment the City then has the LOC as a financial guarantee. It would be reviewed by Bond Counsel and financial advisors.

Mr. Lambers stated SBD improvements must be public improvements that the City would own and cannot be used for private improvements. Mr. Lambers stated assessment financing would not be approved if the petitioner has financial interest in property that is delinquent.

Mr. Lambers suggested changing the debt finance amortization term limit to 15 years, instead of the 10-15 year range. Improvements usually have a life expectancy of more than 15 years so he felt that is not unreasonable.

Mr. Lambers recommended there be a discussion regarding developers requests to fund the projects themselves and deeding them back to the City. His stated his concerns are where cost cutting measures are taken and administration of the project. He suggested adding language to the policy to reflect the City retaining administration of the project.

Mayor Dunn stated she believes that historically SBDs have been paid on time. Mr. Lambers confirmed that generally that has been true. He stated if a developer is delinquent, the delinquent fee goes to the county.

Mr. Lambers concluded by stating he will schedule the first work session in September for CID and TDD policy reviews. Mayor Dunn stated it should be planned for the second meeting in September or when dates are available. She thanked Mr. Lambers for his work on this presentation.

ADJOURN

The meeting adjourned at 7:18 p.m.

/s/ Stacie Stromberg
Assistant City Clerk

APPENDICES



- **Industrial Revenue Bonds, 1982 (Resolution #598)**
- **Commercial Tax Increment Financed Projects, 1996 (Resolution #1317)**
- **Special Benefit District Assessment Policy (Resolution #3761)**
- **Transportation Development District Policy (Included in the Debt Management Policy)**
- **Community Improvement District Policy (Resolution #4570)**



Resolution No. 598- Industrial Revenue Bonds (1982)

**A RESOLUTION ESTABLISHING A POLICY FOR CONSIDERING AND ISSUING
INDUSTRIAL REVENUE BONDS.**

WHEREAS, the Governing Body is responsible for encouraging and promoting the economic health of the City; and

WHEREAS, the Governing Body is authorized by Kansas law to issue industrial revenue bonds to further that objective; and

WHEREAS, the consideration and issuance of industrial revenue bonds is a complex legal and administrative matter requiring clear direction from the Governing Body.

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

SECTION 1. INDUSTRIAL REVENUE BOND POLICY. It shall be the policy of the City to consider requests from qualified applicants to issue Industrial revenue bonds for purposes allowed by law and to issue such bonds when, in the opinion of the Governing Body, it is in the best Interest of the City to do so, and providing that the proposed use and applicant therefore meet the criteria set forth in this policy.

SECTION 2. INDUSTRIAL REVENUE BOND OBJECTIVES. In reviewing requests to issue industrial revenue bonds, the Governing Body shall be guided by whether such an issue would help the City achieve the following objectives:

- a. Attract firms and businesses, which will substantially enhance the economic climate of the City and increase or maintain the job market therein.
- b. Promote Leawood as a center for Institutional or Corporate Headquarters and Regional Offices for major local, regional, and national firms.

SECTION 3. REVIEW CRITERIA. The following criteria will be used by the Governing Body to judge the desirability and feasibility of proposals:

- a. Industrial revenue bonds will be discouraged when the effect would be to grant the applicant an unfair advantage within the local market structure.
- b. Consideration will be given to proposals for the construction or rejuvenation of shopping center developments, but will not be given to Individual retail establishments.
- c. The proposed use must be clean, in keeping with the character of Leawood, non-polluting, and consistent with all planning and community development policies, ordinances, and codes.



- d. The proposed use must have a positive Impact on the community and not threaten public facilities, streets, or other public Improvements.
- e. The applicant must have a sound financial base Indicated by a Dun and Bradstreet rating or other Index of financial strength, and show that the bonds will be marketable either by producing evidence that they will be underwritten by a registered securities dealer or will be sold in a private sale.

SECTION 4. APPROVAL. CONDITIONS. Prior to approval for issuance of industrial revenue bonds, the Governing Body must be satisfied that the objectives and criteria for review established in this policy have been met. Further, all proposals approved shall be subject to the following conditions:

- a. There will be no tax abatement during the term of the bonds. The project is subject to all appropriate property tax levies during the term of the bonds. Lessee shall agree to pay all utility connections, user and service charges.
- b. The applicant shall pay to the City at the prescribed time a service fee of \$1,500 per million dollars of Issue or \$1,500, whichever is greater, the first year of the issue and \$1,500 per year for the remaining years of the repayment period to cover administration and other City costs. Such service fee shall be In addition to any payment by the applicant to reimburse the City for costs associated with the review of the proposal as outlined in Section 4(g).
- c. Industrial revenue bonds may be used to finance the purchase of land, land improvements, and production related machinery and/or equipment with an asset life span at least equal to the term of the lease. Industrial revenue bonds will not be used to finance the purchase of personal property, except production related machinery and/or equipment, as defined in K.S.A. 79—102, as amended.
- d. The City will carefully examine the bond repayment schedule and will require that the applicant have at least 20 percent unreserved equity in the project. Equity participation does not include professional or consulting fees.
- e. Industrial revenue bonds will not be used to refinance existing debt. This does not include the payment of an existing mortgage on real estate In order to purchase it for the proposed project.
- f. The applicant must occupy 80 percent of the facility's usable floor area unless specific arrangements to the contrary are approved by the Governing Body. Such arrangements would include commitments to purchase or lease space. For applications involving two or more applicants, one of the applicants must occupy 80 percent of the facility's usable floor area.



- g. The applicant must agree to and reimburse the City for costs of any legal, financial, or administrative research or work done in reviewing the proposal, writing the leases and other necessary legal documents, and researching the qualification and financial soundness of the proposal and applicant, as well as any costs associated with presentation of the notice of bond sale with the Kansas Board of Tax Appeals as required by law. The City bond counsel will prepare related documents. The City or its designee will perform a financial evaluation of the applicant.**
- h. The applicant agrees to immediate annexation of the property involved if it is not within the City's corporate limits. In addition, the applicant shall comply with all laws of the City zoning and building regulations.**
- i. The City will request a Sales Tax Exemption Certificate for the project under conditions established by the State of Kansas.**
- j. The Resolution of Intent shall be effective for a period of one year from date of issue. An extension may be granted by the Governing Body. The applicant is responsible for all related costs if the bonds are not issued.**
- k. An Industrial revenue bond application must be submitted at least twenty (20) days in advance of the Governing Body's consideration of any such proposal.**

SECTION 5. AUTHORITY OF GOVERNING BODY. The Governing Body, by its inherent authority, reserves the right to reject any proposal for issuance of industrial revenue bonds when it considers such action to be in the best interest of the City.

Adopted this 7th day of September 1982.

A handwritten signature in black ink, appearing to read "Kent H. Crapping".

Kent H. Crapping Mayor

ATTEST:

**/S/ J. Oberlander
J. Oberlander, City Clerk**

APPROVED AS TO FORM:

**/S/ Larry Winn, III
Larry Winn, III, City Attorney**



II. NATURE OF IMPROVEMENTS

Industrial revenue bonds may be used to finance the purchase of land, land Improvements, and production related machinery and/or equipment with an asset life span at least equal to the term of the lease. Industrial revenue bonds will not be used to finance the purchase of personal property, except production related machinery and/or equipment, as defined in K.S.A. 79—102, as amended.

- 1. Amount requested for purchase of land: \$ _____
- 2. Amount requested for land Improvements (bldgs.) \$ _____
- 3. Amount requested for machinery and equipment _____
- 4. Is the proposed project an expansion or replacement of another existing facility? _____
- 5. Is the applicant presently located in the City of Leawood? _____

III. PROPOSED USE

- 1. Location of proposed facility _____
- 2. Current zoning district of proposed location _____
- 3. What business is proposed by the applicant? _____
- 4. List products or services to be rendered

- 5. Will the applicant be in direct competition with other local firms? _____
- 6. The applicant must occupy 80 percent of the facility’s usable floor space unless specific arrangements to the contrary are approved by the Governing Body. Such arrangements would include commitments to purchase or lease space. For application involving two or more applicants, one of the applicants must occupy 80 percent of the facility’s usable floor space. What percent of usable floor space will be occupied by the applicant?

Remarks:

IV. OWNERSHIP AND MANAGEMENT

- 1. Describe the organizational structure of the firm (proprietorship, partnership, subsidiary, corporation, etc.)



Note relationship to parent company

V. FINANCIAL RESPONSIBILITY

1. How many years has the applicant been in business?
2. What is the equity the proposed applicant is to have in the project?
3. Describe the form of the equity: _____
4. What is the applicant firm's Dun & Bradstreet rating? _____
5. Will the applicant pledge any other assets to secure the revenue bonds? If so, please explain:

VI. MEASURE OF ECONOMIC GROWTH AND BENEFIT

1. What percentage of sales will be sold locally? _____
2. What is the estimated amount of merchandise and services purchased locally, per year?

3. How many people will the project employ? _____

VII. GENERAL CONDITIONS

The following conditions are understood and agreed to pursuant to Resolution No. 598.

1. There will be no tax abatement during the term of the bonds. The property is subject to all appropriate property tax levies during the term of the bonds. Lessee shall agree to pay all utility connections, user and service charges.
2. The applicant shall pay to the City at the prescribed time a service fee of \$1,500 per million dollars of issue or \$1,500, whichever is greater, the first year of the Issue and \$1,500 per year for the remaining years of the repayment period to cover administration and other City costs. Such service fee shall be in addition to any payment by the applicant to reimburse the City for costs associated with the review of the proposal.
3. Industrial revenue bonds will not be used to refinance existing debt. This does not include the payment of an existing mortgage on real estate in order to purchase it for the proposed project.



4. The applicant must agree to and reimburse the City for the cost of any legal, financial, or administrative research or work done in reviewing the proposal, writing the leases and other necessary legal documents and researching the qualifications and financial soundness of the proposal and applicant as well as any costs associated with presentation of the notice of bond sale with the Kansas Securities Commissioner as required by law. The City bond counsel will perform a financial evaluation of the applicant.
5. The applicant agrees to immediate annexation of the property Involved If It is not within the City's corporate limits. In addition, the applicant shall comply with all laws of the City and all requirements established by the City as stated in zoning and building regulations.
6. The City will request a Sales Tax Exemption Certificate for the project under conditions established by the State of Kansas.
7. The Resolution of Intent shall be effective for a period of one year from date of Issue. An extension may be granted by the Governing Body. The applicant is responsible for all related costs if the bonds are not issued.

VIII. REVIEW PROCESS

1. In order to facilitate the timely processing of the application, please attach as part of the proposal the following Items:
 - a. Copy of the firm's financial audits for the past two years.
 - b. Firm's most recent annual financial report.
 - c. Interim financial statements, to date, for the current fiscal year.
2. An Industrial revenue bond application must be submitted at least twenty (20) days in advance of the Governing Body's consideration of any proposal.

Signature

Title

Date



Resolution No. 1317 – Commercial Tax Increment Financed Projects, 1996

A RESOLUTION ESTABLISHING A POLICY FOR CONSIDERING AND APPROVING COMMERCIAL TAX INCREMENT FINANCED PROJECTS.

WHEREAS, the Governing Body is responsible for encouraging and promoting the economic health of the City; and

WHEREAS, the Governing Body is authorized by Kansas law (K.S.A. 12-1770 et seq.) to issue special obligation bonds for the financing of redevelopment projects; and

WHEREAS, the consideration and approval of tax increment financed projects is a complex legal and administrative matter requiring clear direction for the Governing Body;

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

SECTION 1. COMMERCIAL TAX INCREMENT FINANCING POLICY

It shall be the policy of the City to consider requests from qualified applicants to approve tax increment financing for purposes allowed by law and to approve such financing when, in the opinion of the Governing Body, it is in the best interest of the City to do so, and providing that the proposed use and applicant meet the criteria set forth in this policy.

This policy authorizes the City to issue special obligation bonds for the financing of redevelopment projects. Any tax increment as defined by K.S.A. 12-1770 et seq. resulting from a redevelopment district undertaken in accordance with this policy shall be apportioned to a special fund for the payment of the cost of redevelopment project, including the payment of principal and interest on said special obligation bonds.

Any financial risk involved in a tax increment financed project authorized under this policy will be the sole responsibility of the applicant, not the City of Leawood. No general obligations of the City, including full faith and credit tax increment bonds authorized under K.S.A. 12-1770 et seq., shall be considered as part of this policy.

SECTION 2. TAX INCREMENT FINANCING OBJECTIVES.

In reviewing requests to approve commercial tax increment financed projects, the Governing Body shall be guided by whether such a project will substantially meet the challenges outlined within the City of Leawood's Economic Development Strategic Plan, including:

- a) Preserve the City's unique character and distinctive atmosphere**
- b) Insure the diversity of the City's economic base**
- c) Lessen the City's dependence on property tax as a revenue source**



- d) Revitalize the City's existing business climate

SECTION 3. REVIEW CRITERIA

The following criteria will be used by the Governing Body to judge the desirability and feasibility of proposals:

- a) Tax increment financing will be discouraged when the effect would be to grant the applicant an unfair advantage within the local market structure.
- b) Consideration will be given to projects that promote Leawood as a center for major local, regional and national firms.
- c) The proposed use must be in keeping with the character of Leawood, complementing the City's high standards and quality of life, non-polluting and consistent with all planning and development requirements, policies, ordinances and codes.
- d) The proposed use must have a positive impact on the community and not threaten public facilities, streets or other public improvements.
- e) Consideration will be given to redevelopment projects in areas zoned CP-1, CP-2 and/or PI. Proposed projects must promote property investment and urban renewal within existing commercial developments.

SECTION 4. APPROVAL CONDITIONS

Prior to the approval of tax increment financing, the Governing Body must be satisfied that the objectives and criteria for review established in the policy have been met. Further, all proposals shall be subject to the following conditions:

- a) The proceeds of special obligation bonds issued under this policy may be used implement the redevelopment plan as outlined in the K.S.A. 12-1773(b) and amendments thereto. As defined by law, none of the proceeds from the sale of such bonds that shall be used for the construction of buildings or other structures to be owned by the applicant.
- b) Any special obligation bond issued under this policy will utilize a maturity schedule payable over a period as short as financially practical.
- c) With regard to any special obligation bond issued under this policy, if the bond is offered to the public, an investment grade rating must be assigned to the issue; if the bond is privately placed, it may be issued without a rating, but must be sold to an accredited investor as that term is defined by securities industry standards.



- d) As outlined in K.S.A. 12-1774, should the City issue a special obligation bond to finance the undertaking of a redevelopment project in accordance with state law and this policy, such special obligation bonds shall be made payable, both as to principal and interest, from:
- i.) Property tax increment allocated to and paid into a special fund of the city;
 - ii.) Revenues of the City derived from or held in connection with the undertaking and carrying out the redevelopment project;
 - iii.) Any private sources, contributions or financial assistance from the state or federal government;
 - iv.) A pledge of a portion or all increased revenue received by the city from franchise fees collected from utilities and other businesses using public right-of-way within the development district;
 - v.) A pledge or portion or all of the revenue received by the City from sales taxes;
 - vi.) Or any combination of these methods.
- e) Should the annual increment fall short of the amount necessary to pay the principal and interest of the special obligation bonds issued under this policy, the remaining amount payable is the responsibility of the applicant, not the City.
- f) Annual monitoring to insure that the criteria for review established in this policy continue to be met will be required. Should monitoring indicate that the criteria established in this policy are not being met, the tax increment financing of the project will default and the repayment of the special obligation bond will become the responsibility of the applicant.
- g) The applicant shall pay to the Leawood Economic Development Council an economic development fee equal to ten percent (10%) of the tax increment for the first two years of the TIF project.
- Said fee will be required in lieu of a performance bond to insure the successfulness of the project. Should the developer cease to operate and/or abandon the project, said funds will be used to assist in redeveloping the property.
- h) The applicant must agree to and reimburse the City for all costs related to the issuing of the bond, including any legal, financial or administrative research, any costs related to the feasibility study required by Kansas law, and work done in reviewing the proposal, writing the leases or other necessary documents and researching the qualification and financial soundness of the proposal and



application, as well as any costs associated with presentation of the notice of bond also with the Kansas Board of Tax Appeals are required by law. The city's Bond Counsel will prepare related documents. The city or its designee will perform a financial evaluation of the application.

- i) The applicant shall comply with all laws of the City as well as zoning and building regulations.
- j) The City will request a Sales Tax Exemption Certificate for the project under conditions established by the State of Kansas.
- k) The Resolution of Internet shall be effective for a period of one year from the date of issue. An extension may be granted by the Governing Body. The Applicant is responsible for all related costs if the bonds are not issued.
- l) An application for a tax increment financed project must be submitted at least twenty (20) days in advance of the Governing Body's consideration of such proposal.

SECTION 5. AUTHORITY OF GOVERNING BODY.

The Governing Body, by its inherent authority, reserves the right to reject any tax increment financing proposal when it considers such action to be in the best interest of the City.

Passed by the Governing Body this, the 5th day of August, 1996.

Approved by the Mayor this, the 5th day of August 1996.

(SEAL)

/S/ Marcia Rinehart
Marcia Rinehart, Mayor

Attest:

/S/ Martha Heizer
Martha Heizer, City Clerk



Special Benefit District Assessment Policy

OBJECTIVES

- To provide for public improvements such as streets, stormwater management, etc., associated with the real estate development within the City through the use of Special Benefit District Assessment financing for projects with 100% of the property owners requesting the district to be formed.
- To provide adequate assurance to the City for the repayment of any bonds issued for the benefit district property.

SCOPE

Property owner or developer wishing to seek financial help from the City to develop within the City.

PROVISIONS

Following Governing Body approval of the Final Development Plan for a proposed project, the City of Leawood may facilitate new development by providing for the installation of public improvements upon submission of a valid petition (approved by City staff) of the requisite property owners, the required financial commitment, and acceptance by the Governing Body as required by law. Said commitment is considered to be provided whenever the City has been furnished by all requisite property owners with a financial guarantee (irrevocable Letter of Credit in such form and by such issuer to be acceptable to the City) equal to 35% of the estimated total cost of the improvements in the Benefit District or equal to five [5] years of estimated principal and interest payments, whichever is greater on any long term debt issued under K.S.A. § 12-6(a)01 et seq.

The acceptance of Letters of Credit will be that the issuing Bank for a Letter of Credit must be rated with at least three stars by Bankrate.com. The Letter of Credit must then be confirmed from the Federal Home Loan Bank of either Kansas or Missouri.

The issuance of Special Benefit District debt will be considered only for projects when the estimated cost of improvements totals \$1.0 million or more.

The required funding or financial guarantee shall be provided prior to the City approving any benefit district by resolution of intent or by resolution authorizing the improvement. At the time any bonds are issued, if the actual cost is less than the estimated cost, then the financial guarantee may be reduced accordingly. The financial guarantee shall be applied annually to satisfy the principal and interest costs of bonded public improvements of the District should any applicable special assessments not be paid when due.

The financial guarantee may be released upon request of the developer when certificates of occupancy are issued for at least 35% of the square footage of the most recent final development plan approved by the City Council. The City Council, by resolution, may release or reduce the funding or financial guarantee after five [5] consecutive years of timely payments of all property taxes and/or special assessments imposed within the approved Benefit District.



Special Benefit District Assessment financing will not be approved if the petitioner(s) has a financial interest in an existing development that has delinquent property taxes and/or special assessments.

Installation of public improvements with special assessment financing may be authorized by the Governing Body without a financial commitment when deemed to be in the public interest and when one or more of the following conditions exist:

- 1. Improvements are initiated by action of the Governing Body [and not by petition].**
- 2. The majority of land in the Benefit District is in public ownership.**
- 3. The Benefit District is in multiple ownership and a majority of the land therein is developed with residences or other municipal buildings.**

Pursuant to the City's Debt Policy, the Special Benefit District Debt will be financed with a 10-year level payment amortization term, however, upon approval by the Governing Body, Benefit District debt may be extended up to a 15-year term. In no event will Special Benefit District debt be issued when the cost of the improvements to be financed is less than \$1 million.

In general, all public improvement projects associated with any approved Special Benefit District [SBD] will be bid by the Public Works Department and administered by the City.

If a funding or financial guarantee must be drawn upon to pay any delinquent special assessment(s), then such amount drawn will be applied to any parcel(s) in the approved Benefit District that have not made a timely payment, in accordance with the Johnson County Treasurer's Office. If the funding or financial guarantee amount is insufficient to cover the total delinquencies in the approved Benefit District, then the amount will be applied on a prorated basis and recertified to the County.

PROCEDURES

Petition form and petition instruction are attached hereto and made a part of the Policy Statement.

RESPONSIBILITY FOR ENFORCEMENT

The City Administrator shall be responsible to the Governing Body for the enforcement of the Special Assessment Policy. The Finance Director shall assist in the implementation of this Policy.

REFERENCES

**Adopted by Resolution No. 694 [03-18-1985]
Revised by Resolution No. 1518 [04-03-2000]
Revised by Resolution No. 1615 [06-18-2001]
Revised by Resolution No. 2072 [09-02-2003]
Revised by Resolution No. 2222 [05-03-2004]
Revised by Resolution No. 2299 [10-18-2004]
Revised by Resolution No. 3257 [09-08-2009]
Revised by Resolution No. 3761 [03-05-2012]**



Transportation Development Districts

The policy regarding Transportation Development Districts [TDD] is addressed in the City's Debt Management Policy. The sections relating to TDD debt issuance is reflected below. For more information, please see the section titled "Debt Management Policy" in this document.

Section 11: *Transportation Development Districts.* The formation of a Transportation Development District [TDD] will be considered by the Governing Body on a case by case basis. The Governing Body will only consider pay-as-you-go [PAYGO] financing funded through a sales tax and/or special property tax assessment. However, bonded indebtedness may be considered by the Governing Body in the case of burying or relocating utility lines. A TDD Project will be initiated by petition pursuant to the TDD Act. The Developer shall comply with all of the statutory requirements of a TDD project. The Developer shall also be responsible for providing a description of the improvements to be financed, a timetable for such improvements to be completed and an itemized listing and estimated total cost of said improvements with the TDD petition. The Governing Body reserves the right to approve any or part of any petition submitted including which costs may be reimbursed, provided, however that in no event shall interest costs be subject to reimbursement from TDD revenues on a pay-as-you-go project. All costs subject to reimbursement from TDD proceeds shall be certified by the City and/or an outside consultant retained by the City prior to any reimbursement payment being made.

Section 17: *Length of Debt.* Debt will be structured for the shortest period consistent with a fair allocation of costs to current and future beneficiaries or users (Guidelines: - 15 years for General Obligations Debt; 20 years for land, parks and buildings; and 15 to 20 years for Revenue Bonds). Benefit District Debt has a 10 year length; however, upon special approval by the Governing Body, benefit district debt may be extended up to a 15 year term. Transportation Development District [TDD] has a 10-year length however, upon special approval by the Governing Body; this debt may be extended up to a maximum of 22 years, in accordance with Kansas State Statute. The term will commence with the imposition of the tax.

The City's Debt Management Policy,

REFERENCES:

Adopted by Resolution No. 1518 [April 3, 2000]

Revised by Resolution No. 2221 [May 3, 2004]

Revised by Resolution No. 2789 [May 5, 2007]

Revised by Resolution No. 3334 [February 1, 2010]

Revised by Resolution No. 3553 [March 7, 2011]

Revised by Resolution No. 3931 [November 19, 2012]

Revised by Resolution No. 4173 [February 17, 2014]



Community Improvement District Policy

RESOLUTION NO. 4570

A RESOLUTION AMENDING THE CITY OF LEAWOOD'S COMMUNITY IMPROVEMENT DISTRICT ["CID"] POLICY AND REPEALING RESOLUTION NO. 3930.

WHEREAS, the Kansas Community Improvement District Act, K.S.A. 12-6a26 et seq. [the "Act"] authorizes the governing body of any city to create community improvement districts ("Improvement Districts" or "CIDs") to enable public financing of all or a portion of certain projects or infrastructure improvements in order to encourage and promote economic development, tourism and community investment within a CID; and

WHEREAS, the Act further authorizes governing bodies, in order to pay the costs of such Projects (as defined herein), to impose a sales tax over and above the aggregate amount of the retailers' sales tax contained in K.S.A. 12-187 through 12-197, and amendments thereto, on the selling of tangible personal property at retail or rendering or furnishing services within Improvement Districts in any increment of .10% or .25%, not to exceed 2.0%, to levy special assessments upon property within such Improvement Districts, to issue special and or general obligation revenue bonds payable from such CID sales taxes and/or special assessments, or to reimburse the cost of the Project pursuant to Pay-As-You-Go financing (collectively, "CID Financing").

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

Section 1. Objectives.

The primary objective of this policy is to establish CID guidelines to enable public financing of all or a portion of a Project. A Project should provide a benefit to the public, strengthen economic development, reduce blight, or upgrade older real estate through exterior redevelopment or rehabilitation. Public financing



may be achieved by levying and collecting a sales tax in any increment of .10% or .25%, not to exceed 1.0% (“CID Sales Tax”).

Section 2. Scope.

This policy will apply when an owner or developer of land (“Petitioner”) submits a proper petition (“CID Petition”) and application to create a CID and/or utilize CID financing to fund approved Projects. The authority and decision to approve a CID Petition is within the sole discretion of the Governing Body. This policy is intended to provide guidelines only, and the Governing Body reserves its right to deviate from this Policy when it deems it to be in the best interest of the City.

The City of Leawood may consider establishment of CIDs, when the Governing Body deems it appropriate for certain Projects. In such case, Projects shall be financed by a CID Sales Tax on the sale of tangible personal property at retail or rendering or furnishing services taxable pursuant to the provisions of the Kansas Retailers’ Sales Tax Act, and amendments thereto, within the CID. The City, in accordance with the Act and in addition to and notwithstanding any limitations on the aggregate amount of the retailers’ sales tax contained in K.S.A. 12-187 through 12-197, may, at its sole discretion, levy a CID Sales Tax within the CID area, all of which may be pledged for pay-as-you-go financing of the verified costs of approved Projects.

Section 3. Definitions.

“Cost” means the definition set out in K.S.A. 12-6a27(f) as amended except as further set forth in this policy. The term Cost does not include: (a) costs incurred prior to CID establishment, (b) a developer’s attorney’s fees, financial advisor fees, real estate commissions, developer fees and fees paid to consultants representing developers, and (c) interest costs. The term “Cost” may include engineering and architectural fees, environmental and geotechnical consultant fees and other similar due diligence expenses associated with a Project. Costs approved for reimbursement associated with an established CID must be as approved by the Governing Body in a development agreement entered into by and between the Petitioners and the City.

“Pay-As-You-Go” means a method of financing in which the costs of a Project are financed without notes or bonds, and the approved and verified costs of a Project are reimbursed after Project completion or



completion of a phase of the Project as monies are deposited in the CID Fund (defined herein), all as approved by the Governing Body in an agreement between the Petitioner and the City [Development Agreement].

“Project” may include projects deemed eligible under this policy and that are otherwise eligible under the Act. The City reserves the right to exclude otherwise eligible Projects under the Act; determine eligible and ineligible projects, and determine the amount of funding for a Project on a case by case basis.

Section 4. Criteria.

The Governing Body may consider establishment of a CID when it determines it is in the City’s best interest and provided that it meets one or more of the following criteria:

1. The Project would attract and promote mixed use development.
2. The CID area has unique site constraints making development more difficult and costly.
3. The Project would substantially promote economic development.
4. The Project would incorporate higher standards for the design and construction of improvements than the minimum requirements under the Leawood Development Ordinance.
5. The Project encourages redevelopment, renovation or rehabilitation of commercial properties.
6. The Project incorporates the construction of public infrastructure.

Section 5. Project Eligibility.

The City of Leawood has determined that CID Financing is appropriate for redevelopment or renovation of existing developments that were built at least twenty (20) years prior to the date of the petition. The 20 year period shall be measured from the date of the first building permit issued for building construction in the development. The following Projects pertaining to such developments, if otherwise qualified under the Act, may be eligible for CID Financing under this policy:

A. Projects within the CID area to acquire, improve, construct, demolish, remove, renovate, reconstruct, rehabilitate, restore, replace, renew, repair, install, relocate, furnish, equip or extend:

1. The exterior of buildings, structures, marquees and facilities;
2. Sidewalks, streets, roads, interchanges, highway access roads, intersections, alleys, parking lots, bridges, tunnels, traffic signs and signals, utilities, pedestrian or bicycle amenities, public transit options, drainage systems, water systems, storm systems, sewer systems, lift stations, underground gas, and water mains and extensions;
3. Parking garages;
4. Streetscape, exterior lighting, street light fixtures, street light connections, street light facilities, and exterior benches, walls and barriers;
5. Parks, lawns, trees and other landscape;
6. Awnings and canopies;
7. Bus stops and other outdoor shelters; and



8. Outdoor cultural amenities, including but not limited to, sculptures and fountains.
- B. Within the District, to operate or to contract for the provision of parking lots or garages.
- C. The following project types are not eligible for CID financing:
 1. Roof installation, maintenance or repair;
 2. HVAC installation, maintenance or repair; or
 3. General maintenance items.

Section 6. Procedure.

The City shall consider creation of a CID for improvements shown on an approved Preliminary Development Plan after receipt of a completed CID application and petition ("CID Petition) and a fee in the amount of \$500. The completed CID Petition and application will be reviewed by the City's staff, including the City Administrator, City Attorney and Finance Director.

A. Application.

At submission of the application to the City for establishment of a CID, the Petitioner shall also provide the following information:

1. Evidence in a form satisfactory to the City of the Petitioner's financial ability to complete the proposed project in a timely manner.
2. Documentation substantiating the Petitioner's sources of funding, including the amount/percentage of equity funding.
3. Submission of a pro forma with project feasibility analysis.
4. Payment of all required fees and compliance with all procedural requirements of the Act and the City's CID Policy.
5. Copy of approved Preliminary Development Plan.
6. Draft of a Development Agreement to be executed contemporaneous with establishment of the CID.

B. Application Process.

The City's staff will first review the application and any supplemental information requested by the City Administrator. The review will determine whether the proposed CID fulfills the criteria and objectives of this policy. If the City Administrator determines that the proposed CID meets the criteria and objectives of the policy, a Governing Body work session will be scheduled to review the CID application for preliminary consideration. If the application is favorably considered, then the Governing Body may direct staff to work with the applicant to prepare a formal petition and resolution to call a public hearing.

**C. Petition.**

The procedure for Governing Body consideration will be in compliance with the Act and this policy and shall meet the following minimum requirements:

1. **Petition Sufficiency.** It is a goal of the Council that the CID Petition be signed by the owners of 100% of the property within the proposed district. However, if the Petitioner submits evidence that 100% participation cannot be achieved due to extenuating circumstances then the Governing Body may, in its sole discretion, choose to accept the Petition with less than 100% participation. In no case shall the signatures submitted be less than a minimum of owners of more than fifty-five percent (55%) of the land area within the proposed district, and owners collectively owning more than fifty-five percent (55%) by assessed value of the land area within the proposed district as required by the Act.
2. **Petition Submittal Requirements.** The CID Petition must contain a description of the following:
 - a. The general nature of the Project;
 - b. The estimated cost of the Project, supplemented by a preliminary budget describing each element of the Project proposed to be paid for by CID Sales Tax;
 - c. The proposed method of financing the Project;
 - d. A statement that there will be no assessments;
 - e. The proposed amount of any CID sales tax; and
 - f. A map and legal description of the proposed District.
3. **Public Hearing Procedure.** The City may, at any time, request such additional information as it deems necessary and appropriate. The CID Petition and Resolution calling for a public hearing will be placed on a Governing Body agenda, after approval of a final development plan for the property [and may be heard on the same agenda].

After review of a completed CID Petition and accompanying information by the City staff, the Governing Body shall, by resolution, direct and order a public hearing on the advisability of creating such Improvement District and the construction of such Projects therein. Such resolution shall direct that notice of the hearing be given by publication at least once each week for two (2)



consecutive weeks in the official City Newspaper and by certified mail to all property owners within the proposed Improvement District, with the second publication to be at least seven (7) days prior to the hearing and such certified mail sent at least ten (10) days prior to such hearing. The notice of public hearing shall contain the following information:

1. The time and place of the hearing;
2. The general nature of the proposed Improvement Project;
3. The estimated cost of the proposed Improvement Project;
4. The proposed method of financing the costs of the Project;
5. The proposed amount of the CID Sales Tax;
6. Notation that there will be no assessments; and
7. A map and legal description of the proposed Improvement District.

A copy of the notice shall also be made available on the City's website.

4. **Governing Body Findings.** After the Public Hearing is conducted on the proposed CID, the Governing Body shall determine the advisability of creating an Improvement District in accordance with section 7 below, setting forth the boundaries thereof, authorizing the proposed Projects, approving the maximum Costs thereof and approving the method of financing the same. Such determinations will be made by adoption of an ordinance. Any approved CID Sales Tax will be approved by separate ordinance.

Section 7. Consideration.

The Governing Body shall review and evaluate each CID Petition on its merits which may include, but not be limited to the following factors:

1. The Petitioner's history of timely payment of property taxes.
2. Whether the CID meets the criteria stated herein.
3. The total development costs and investment, including estimated Project costs for which public financing and CID financing is sought;
4. Sources of funding, including the amount of equity funding in comparison to CID financing;
5. Similar experience and financial stability of developer or owner;
6. Whether or not tenants for the Project are in place and the nature and quality of the tenants;
7. Economic competition the Project has and is expected to have in the future;
8. The amount and purpose of the funding request, including the percentage of funding for capital costs and public infrastructure costs;
9. Strong consideration will be given to Projects which add to and diversify the Leawood tax base as well as Projects which would provide an extraordinary or particularly unique community-wide economic opportunity. Evaluation criteria to be used in determining economic benefit to the community shall include, but shall not be limited to, consideration of the amount of capital investment and a determination of whether the proposed Project enables



- the development and location of new products, services and amenities in the City rather than the relocation of existing City businesses.
10. The Governing Body will give strong consideration for a CID that will be located in a targeted area for economic development or redevelopment, has specific site constraints making development more difficult or costly, or is considered in need of rehabilitation in some way.
 11. The City may require higher standards for the design of improvements and materials used in making improvements within a CID. Preference will be given to businesses that practice sustainable design practices, including but not limited to, energy efficient construction, use of recycled materials, use of native and drought-resistant landscaping, and conservation of natural hydrological systems. The proposed use must be clean, nonpolluting and consistent with all City policies, ordinances, and codes. The Governing Body may require additional stipulations or revisions to the approved Final Development Plan.
 12. All Projects should be consistent with the City's Comprehensive Plan, street improvement plans, approved Preliminary Development Plans and any special established corridor plans. The City will consult these plans for consistency prior to the City approving any proposed CID. Preference will be given to Projects which enhance pedestrian, bicycle, or public transit options. If a Project requires a rezoning in addition to any rezoning required within the CID, the Petitioner shall demonstrate the Project's compatibility with land use, capital improvement, and other relevant plans of the City.
 13. Preference will be given to those projects which bring the existing development into compliance with the City's current Leawood Development Ordinance.

Section 8. Term.

The Governing Body shall review the financial feasibility of each CID and shall use this information in determining the appropriate term of the CID which may be less than the duration allowed by the Act. The CID Sales Tax shall expire on a date approved by the City, but no later than 22 years from the date the state Director of Taxation begins collecting such tax or when the pay-as-you-go costs have been paid, whichever comes first.

Section 9. Financing.

The cost of all or a portion of any approved and authorized Project shall be financed by pay-as-you-go financing based on CID Sales Tax within the Improvement District.

After review and prior to presentation of the CID Petition to the Governing Body, the staff will work with the Petitioner on a Development Agreement which shall be presented to the Governing Body for consideration, contemporaneous with the CID Petition. The Development Agreement must be executed prior to or simultaneously with the creation of the CID and shall address the recommended method of financing, approved Projects and approved Costs, the feasibility of the Project, and other terms the City deems appropriate.

**Section 10. Project Funds.**

A separate fund shall be created for each CID ("CID Fund") and such fund shall be identified by a suitable title. CID sales Tax receipts shall be credited to such fund. The CID Fund shall be solely used to pay the approved and verified Costs of the Project. Reimbursement of approved Costs may only be made after a certificate of completion of the Project or phase of the Project has been issued by the City.

In the event moneys remain in the CID Fund after the expiration of the CID Sales Tax, such moneys shall continue to be used solely to pay the Cost of the Project. Upon payment of all Project Costs, the City has the authority to terminate the CID and spend any moneys remaining in such fund for the purposes which local sales tax receipts may be spent.

Section 11. Fees.

When submitting its application, the Petitioner shall pay a non-refundable application fee in the amount of \$500 to cover City expenses associated with reviewing and processing the CID Petition. The City may also require the Petitioner to submit a retainer or enter into a funding agreement to finance costs incurred by the City for additional legal, financial and/or planning consultants; for direct out-of-pocket expenses and for other costs relating to services rendered for the City to review, evaluate, process and consider the CID Petition.

The Petitioner shall also be responsible for paying an annual administrative fee to cover the cost of monitoring and administering the CID in an amount not to exceed 2.5% of the total approved amount of CID revenues received by the City from the State Department of Revenue each year which shall be deducted from the Project Funds each year.

Section 12. Criteria and Adjustments.

A. Projected Payoff. The total amount of CID assistance provided for projects will be based on the economic payoff expectations of the Project and the Project's significance to the community. In general, the goal for Projects would be a 10-year payoff. Longer periods may be considered up to the maximum statutory payoff period of 22 years from creation of the Improvement District if a determination is made that the Project is of community-wide significance.



B. Developer Contribution & Cost Allocation. Each Petition should include evidence that the Petitioner or someone on Petitioner’s behalf will do the following:

1. Have the financial ability to complete and operate the Project,
2. Will meet at least one of the following private financing thresholds: (a) provide private financing of at least twenty-five percent (25%) of the total cost of the Project [exterior improvements]; or (b) provide private financing of at least fifty percent (50%) of all work being done on a redevelopment project, including interior renovation. Projects with equity or private financing contributions from the developer in excess of the percent required above will be viewed more favorably,

C. Project Completion. The City will require satisfactory assurance that the Project will be completed in a timely manner in accordance with the Development Agreement.

Section 13: Resolution no. 3930 is hereby repealed.

Section 14: This resolution shall become effective upon passage.

PASSED by the Governing Body this 15th day of February, 2016.

APPROVED by the Mayor this 15th day of February, 2016.

/s/ Peggy J. Dunn
Peggy J. Dunn, Mayor

[SEAL]

ATTEST:

/s/ Debra Harper
Debra Harper, CMC, City Clerk

APPROVED AS TO FORM:

/s/ Patricia A. Bennett
Patricia A. Bennett, City Attorney

REFERENCES

- Adopted by Resolution No. 3816 [06-04-2012]
- Revised by Resolution No. 3930 [11-19-2012]
- Revised by Resolution No. 4570 [02-15-2016]

Comparison of Economic Development Financing Tools

Cities surveyed

Tool	Lenexa	Overland Park	Olathe	Shawnee
Special Benefit District (SBD)	X	None	X	None
Community Improvement District (CID) Financing	X	X	X	X
Transportation Development District (TDD)	X	X	X	X
Industrial Revenue Bonds (IRBs)	X	X	X	X
Tax Increment Financing (TIF)	X	X	X	X

Special Benefit District

Leawood's current policy was last revised in 2012. Only Lenexa and Olathe have policies for this financing tool. Lenexa's policy appears to be closer in scope and length to Leawood.

A. Clear Process for Application and Review.

Olathe provides a clear process for application and review and their policy is well organized and easy to follow. They require that all requests for creation of a benefit district are due by December 31st of the year prior to the year of funding. They also provide a process for termination if certain benchmarks are not met (construction has not begun, changes in ownership, City's share of costs have increased, etc.).

Lenexa includes general policies applicable to all projects, but then provides separate provisions for Arterial and Collector Road Projects, Local Street SBD Projects, Storm water, WaterOne, and Other Similar Benefit District Projects, and Short Term Temporary Note SBD Projects. This allows the City flexibility to tailor provisions, approved uses, and financing based on the project instead of a one-size-fits-all approach.

B. Other Policy Considerations.

Both Lenexa and Olathe specifically require easements and ROW be dedicated to the City at no cost.

Olathe includes a provision that GB can deviate from policy and procedure when in the best interest of the City. This provision appears on many of their financing tool policies.

Industrial Revenue Bonds

Leawood's current policy and application was last revised in 1982. All of the surrounding cities have updated this policy within the last 5 years.

A few areas with room for improvement include updating objectives, including targeted areas or industries, and clarifying the process for application and review and the term for abatement.

A. Objectives for Consideration.

Several cities include objectives that include some sort of cost benefit analysis. Some examples from other cities:

- Promote the redevelopment of older parts of the City.
- Promote the completion of existing business parks in the City and encourage the development of new business enterprises in the City.
- Accomplish any other needs of the City.
- Leveraging private investment that, in the opinion of the Governing Body, is in the best interest of the City.
- Promoting redevelopment projects or economic development projects which implement the intent of this Policy and other adopted City policies regarding land use, density, and design and to meet the highest development standards as outlined in the City's development process, design guidelines, and ordinances.

B. Targeted Industry and Area.

Olathe includes in their policy a preference for a targeted industry or area and also excludes certain businesses from eligibility.

- *Targeted Industries: An abatement adjustment of up to 5%, for a total of 55%, may be considered for projects that are in targeted industries and development types. The current targeted industries include quality high technology and bioscience-related businesses (including, but not limited to, businesses in the alternative energy, animal health, and food safety fields) and office development. At any time, the Olathe Economic Development Council may provide the City with a revised targeted industry list for approval by the Governing Body. The Governing Body may exceed the 5% adjustment for any project it determines to be of extraordinary benefit to the entire City.*
- *Targeted Area: An abatement adjustment of up to 50%, for a total of 100%, may be considered for projects that locate in the Olathe Downtown Business District (as identified in Exhibit A) which meet the minimum investment thresholds set forth in Section 3. At any time, the Olathe Economic Development Council may provide the City with a revised targeted area list for approval by the Governing Body.*

C. Clear Process for Application and Review.

Currently, an application must be submitted 20 days before GB review but there is little other guidance on the procedures. That does not provide much time for City Staff review.

The other cities vary on how they handle this. Lenexa provides that City Staff is to develop internal procedures for processing (as well as revoking). Overland Park's process begins with requiring consultation with the City Manager, then submittal of application, review by Finance, Admin, and Eco Devo Committee, completion of a Resolution of Intent, then finally GB review. Shawnee requires Finance Team review before review by GB.

Olathe also requires a Performance Agreement. This Agreement is subject to annual review and determination by the GB as to whether the exemption should continue. The Agreement is required to include clawbacks such that if the applicant has not incurred the required minimum capital investment, the percentage of tax abatement will be reduced.

D. Include a term for abatement – or at least the City's preference.

Shawnee gives a range and allows for the possibility of a greater incentive for a time period less than the 10 year max. Shawnee also includes the following table as guidelines that provide the basis for determining the percentage of the property tax exemption:

Size of Project (in millions)	New Development			Redevelopment Expansion	
	Other	Office/Bioscience	3+ Story Office	Other	Office/Bioscience
\$1.5 - \$5.0	50%	65%	50%/65%	55%	65%
\$5.0 - \$15	55%	70%	75%	60%	70%
\$15+	60%	75%	80%	65%	75%

E. Other Policy Considerations.

Olathe, and Shawnee provide for a minimum capital investment. Lenexa and OP have a minimum bond issuance amount.

Shawnee has a sunset provision that once the commercial portion of the Shawnee property tax base reaches 30%, the policy allowing for incentives “sunsets” unless renewed by majority vote of the GB.

Transportation Development District

Lenexa and Overland Park both have short TDD policies. Overland Park’s policy has not been revised since 204. Olathe’s is lengthy, but was recently revised (Dec. 2019). Shawnee combines their TDD and CID in one policy, but has also been recently revised (Dec. 2019).

F. Objectives and Criteria for Consideration.

In Lenexa, the GB evaluates whether the TDD is in the best interest of the City by reviewing the factors listed below. Shawnee has the same factors plus several additional factors for consideration.

- o Promote and support efforts to redevelop retail sites to provide for reinvestment in our community.
- o Stimulate quality, retail development to enhance the City’s diverse economic base;
- o Attract and promote mixed use, urban development.
- o Allow for the construction of transportation related infrastructure beyond what the City requires or would otherwise build.
- o 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.
- o Recommendation of the City Finance Team.
- o Whatever other factors the Governing Body deems relevant to its decision.
- o Cost of the proposed improvements identified in the Project.
- o Sources of funding, including the amount of equity funding in comparison to public financing.
- o Experience and stability of Developer.
- o Whether or not tenants are in place and the nature and quality of the tenants.
- o Economic competition the development has and is expected to have in the future.

Olathe requires the GB to consider several factors, including: existence of economic benefit, location, design criteria, compatibility with adopted city plans, traffic impacts, utilization of city-owned utilities, and community benefit. The community benefit factor requires an annual donation of at least \$3,000 to the Olathe Community Foundation and requires that the applicant be a dues-paying member of the Olathe Chamber of Commerce and the Olathe Eco Devo Council.

G. Clear Process for Application and Review.

Lenexa's process is collaborative. Once the application is filed it is reviewed by the "Finance Team". The Finance Team makes a recommendation to the GB, then works with the applicant/petitioner to prepare the petition and develop a Finance Plan to present to the GB. Completion of a Finance Plan before presented to GB with petition.

Olathe's policy, though lengthy, is thorough, well organized, and provides a clear picture of the process.

Overland Park has a preliminary, information process requiring certain information be presented to the City Manager (estimated cost, proposed method of financing, proposed amount and method of assessment, proposed amount of TDD sales tax, and map/boundary description). The City Manager works with City Staff, bond counsel, and City's financial advisor. Instead of a recommendation, the City Manager must forward this preliminary information to the Finance, Administration, and Eco Devo Committee if at least 1 criteria is met. It is the FAED Committee that, upon approval, authorizes the City staff to work with the applicant to develop a finance plan. Then the formal process begins.

Tax Increment Financing

Leawood's current policy was last revised in 1996. All of the surrounding cities have updated this policy within the last 5 years.

The surrounding cities all include a "but for" analysis – project would not be economically feasible but for the availability of TIF. Most also require a minimum capital investment or minimum capital investment is a factor for consideration. The surrounding cities also have numerous factors and criteria for consideration – Olathe has 14 factors, Overland Park has almost 30.

Leawood does not use general obligation bonds or Full Faith and Credit bonds, while most other cities do.

Olathe's policy gives preference to new or expanded industrial, manufacturing, office, and retail projects over service commercial.

Olathe, Overland Park, and Shawnee set annual administration fees. Leawood's policy requires annual monitoring but does not address payment to the City to cover administrative reviews. Lenexa's fees are not included in their policy, but rather reference internal procedures to be developed by city staff. Olathe also allows for waiver of fees in certain circumstances.

Economic Development Tools Detailed Summary Matrix

Tool	Statutory Authority or Limitation	Revenue Basis				Maximum Duration	Structure (Bond, PayGo, Reimb.)	Restrictions (show blight, tourism, etc.)	Limits (within District, etc.)	Allowable Costs	Allowable Fees	Use With Other Tools Y/N	Authority, Permission & Actions (veto power; % of property owners)
		Prop Tax Y/N	Sales Y/N	Assessments Y/N	Fee Y/N								
Special Benefit District (SBD) - GO backed	12-6a01et seq.	N	N	Y	N	max 20 years, but gen 10-15 yrs	Bonds - secured by City GO authority so City pays assessments if not paid by owner until the property is foreclosed upon. Very favorable rate.	must be a public improvement. City holds contract with engineer and contractor.	public improvements in definable area benefitted by the improvements	publicly owned improvements - generally streets, public parking lots and stormwater improvements	fee not to exceed 5% of total improvement cost or amount to reimb City for its costs of admin and superv.	Y - combine with any other financing tool	no veto; petition requires 100% if not all property benefitted is included. Otherwise, City can "force" a district upon petition of 51% or more property owners
<u>City Resolution #3761 (2012)</u>				Y		10 years unless GB approves 15	Secured by financial guarantee = to 35% of estimated total cost or 5 yrs of est. principal+interest payments	Projects bid by PW, administered by City; improvements more than \$1mil					100% property owners
Community Improvement District (CID) Financing	12-6a26 et seq.	Y	Y - up to 2% in increments of .10 or .25	Y	N	max 20 years for special assessments; CID sales tax expires 22 years from date state begins collecting	Bonds; reimb; paygo		improvements must be within the CID - <u>except</u> "costs for infrastructure located outside the district but contiguous to any portion of the district and such infrastructure is related to a project within the district or substantially for the benefit of the district." (2014 addition)	wide range of capital improvements and operational costs including projects to acquire, improve, construct, demolish, remove, renovate, reconstruct, rehabilitate, maintain, restore, replace, renew, repair, install, relocate, furnish, and equip bldgs, structures, facilities, parking facilities, parks, airports, light rail and other mass transit; and a variety of infrastructure improvements; provide for cleaning, maintenance, security, childcare and other services; to promote tourism, recreational, cultural and special events; to support business activity and economic development, to provide support training programs for business employees; and to conduct economic impact, planning, marketing or other studies.	5% of total cost of project or cost to reimburse for admin and superv work by municipality's general officers	Y - combine with IRBs, TDDs or TIFs.	petition of 55% of land area within proposed CID and owners of more than 55% of assessed value of land area within proposed CID; or petition of 100% of owners if assessments only
<u>City Reso #4570 (2016)</u>			Y - up to 1% in increments of .10 or .25			10 year goal	PayGo	Redevelopment/renovation of existing developments built at least 20 years prior to petition date (show blight, tourism, etc.)	Specifically lists allowed and excluded projects	K.S.A. 12-6a27(f) + engin&arch fees, enviro/geotech consultant fees	\$500 fee + any other fees; also annual admin fee max 2.5%		100% unless extenuating circumstances (no less than 55%) - GB must address specific factors

Economic Development Tools Detailed Summary Matrix

Tool	Statutory Authority or Limitation	Revenue Basis				Maximum Duration	Structure (Bond, PayGo, Reimb.)	Restrictions (show blight, tourism, etc.)	Limits (within District, etc.)	Allowable Costs	Allowable Fees	Use With Other Tools Y/N	Authority, Permission & Actions (veto power; % of property owners)
		Prop Tax Y/N	Sales Y/N	Assessments Y/N	Fee Y/N								
Transportation Development District (TDD)	12-17,140 et seq.	Y	Y - up to 1% in increments of .10 or .25	Y	N	max 22 years	Bonds	Transportation related projects. Follows procedures in 12-6a01 et seq.	improvements inside or outside the TDD	Bridge, street, road, highway access road, interchange or intersection improvements; signing; signalization; parking lot; mass transit facility improvements; rest area, water port; airport, railroad, streetscape or any other transportation related project or infrastructure, including utility relocation; sanitary and storm sewers; drainage conduits; channels and levees; street light fixtures; underground gas, water, heating and electrical services and connections within and outside row; sidewalks and pedestrian under and overpasses; water main extensions and facades to existing bldgs.	fee not to exceed 5% of total improvement cost or amount to reimb City for its costs of admin and superv.	Y - combine with IRBs, TIFs, SBD or CID's.	Petition of 100% of property owners (regardless of sales tax or assessments) Notice and public hearing if using sales tax
<u>City Reso #4173 (2014)</u>			Y	Y		10 yrs unless otherwise approved by GB up to 22 years	PayGo only - but bonding maybe if undergrounding						Same
Industrial Revenue Bonds (IRBs)	12-1740 et seq. and 12-3801 et seq.	N	N	N	N	no limit	Bonds - secured by lease payments and a pledge of the facility financed with bonds (can also include credit enhancements)	n/a	n/a	"facilities for agriculture, commercial, hospital, industrial, natural resources, recreational dev, and manuf."	fee to cover admin. costs & origination fee to be used exclusively for eco devo	Y - TIFs; TDD's or CID's	no veto
Property Tax Abatement (with IRBs)	12-1740 et seq.; 12-147-148	Y	N	N	N	10 years	Bonds	Apply "but for" test and cost/benefit analysis (city policy); execute PILOT Agmt [payment in lieu of tax]	abatement only applies to real and personal property acquired with bond proceeds	"facilities for agric, commercial, hospital, industrial, natural resources, recreational dev, and manuf."	fee to cover administrative costs and origination fee to be used exclusively for eco devo	Y - TDD's or CID's but no TIF	no veto but notice to County and school districts
<u>City Resolution #598 (1982)</u>								Applicant must occupy 80% of usable floor area unless GB approves otherwise.		purchase of land, land improvements, and production-related machinery/equipment	\$1500/million, then \$1500/year + costs of review	No property tax abatement but sales tax	

Economic Development Tools Detailed Summary Matrix

Tool	Statutory Authority or Limitation	Revenue Basis				Maximum Duration	Structure (Bond, PayGo, Reimb.)	Restrictions (show blight, tourism, etc.)	Limits (within District, etc.)	Allowable Costs	Allowable Fees	Use With Other Tools Y/N	Authority, Permission & Actions (veto power; % of property owners)
		Prop Tax Y/N	Sales Y/N	Assessments Y/N	Fee Y/N								
Tax Increment Financing (TIF)	12-1770 et seq.	Y	N	N	N	20 years from approval of each project plan	Bonds; reimb; paygo	eligible areas include blighted area, conservation area, enterprise zone (pre 7-1-92), intermodal transportation area, major tourism area (auto racetrack with not less than \$1M improvements), major commercial entertainment and tourism area or bioscience area	improvements must be identified in the Project Plan and within TIF District, but can be outside the Project Plan area	property acq, payment of relocation assistance, site prep, sanitary and storm sewers, drainage improvements, street improvements, utility services within the public row, sidewalks, driveway approaches within row, water improvements, plazas and arcades, parking facilities, landscaping and all related expenses to redevelop a project. Generally, cannot be used for bldgs and structures owned or leased by developer; if bonded, excludes other soft costs	City discretion	Y- combine with CID; TIF, SBD and IRB, but no abatement.	County and School District can veto or they can agree to modified plan (i.e. don't capture all increment)
<u>City Resolution #1317 (1996)</u>		Y	Y				Special Obligation bonds	Not to be used for construction of buildings or other structures to be owned by applicant.		Eco Devo Fee 10% of tax increment for 2 years	City to apply for sales tax exemption.		

Special Benefit District

City	Latest Revision	Headings	Criteria	Process	Fees	Financing	Definition Section?	Other	Other	
Leawood	3/5/2012	Objectives, Scope, Provisions, Procedures, Responsibility for Enforcement, References	Public Improvements (streets, stormwater management, etc.)	(1) GB approves final development plan; (2) Petition, approved by City Staff; (3) GB	Financial guarantee = 35% of total cost or 5 years principal % interest payments		10 years, max 15	No	Will not be approved if petitioner has a financial interest in existing development w/ delinquent property taxes or spec assessments	100% property owners
			At least \$1 million	Bid by PW, administered by City	Waived when in public interest or GB initiates, majority of land is in public ownership, or developed with residences or other municipal buildings					
Lenexa	Unknown	Objectives, Scope, Definitions, Provisions, Procedures, Responsibility for Enforcement, References	Public improvements (streets, landscaping, public parking facilities, & storm sewers)	(0) Suggest pre-petition meeting with CFO (1) Petition; (2) Review by Benefit District Team & rec to City Manager; (3) Review by GB	Differing process and costs for: (1) Arterial and Collector Road Projects, (2) Local Street Special Benefit Districts, (3) Storm Water, WaterOne, or Other Similar Benefit District Projects, and (4) Short Term Temp Note Special Benefit District Projects		Max Assessment Approach preferred	Yes	Can delay payment of special assessments for up to 15 years for undeveloped/unplatted area	Prefer 100% property owners (if so, easements & ROW must be dedicated at no cost to City)
									has financial interest in an existing development that has delinquent tax obligations.	
Olathe	12/4/2018	General Policies, Cost Distribution Policies, Fees, Notice, Reallocation of Assessments, Authority of GB, Sunset Date		(1) Petition, (2) Public Hearing	Cost Distribution section broken down into the following categories: Streets, Water Mains, Sanitary & Storm Sewers, and Other Improvements	Benefit Fee (owners that benefit from improvement but were not included in original improvement district)	Max Term for GO bonds: 10 years	No	Can delay payment of special assessments for up to 15 years for undeveloped/unplatted area	Prefer 100% property owners (if so, easements & ROW must be dedicated at no cost to City)
		Section re: when termination will/should occur		Provisions for reallocation if property is split	What construction is permitted, length of assessments, cost distribution, benefit fees, technical criteria to be used	Recover costs of administering benefit district, admin fees, etc.	Max Term for SO bonds: 10 years (unless special circumstance, max 20 years)		No approval if signatory has financial interest in an existing development that has delinquent tax obligations.	Can deviate from policy & procedure when in the best interest of the city

Transportation Development District

City	Latest Revision	Headings	Criteria	Process	Term	Fees	Financing	Definition Section?	Project Fund Res.?	Other
Leawood	2/17/2014	*** Part of the City's Debt Management Policy ***	GB will consider for undergrounding or relocating utility lines	Comply with statutes. Provide description of improvements, timetable for completion, itemized listing & estimated total costs with petition.	10 years, max 22 w/ special approval from GB		PayGo via sales tax or special property tax assessment	No	No	
Lenexa	Unknown	Objectives, Scope, Definitions, Financing, Procedures, Statutory Amendments, Responsibility for Enforcement	12 factors for consideration: promote retail sites, attract MXD/urban development, targeted area, costs, source of funding, tenants, experience & stability of developer	(1) Application submitted; (2) Review by Finance Team & rec to GB; (3) Petition & Finance Plan for GB	Case by case basis; max 22 years		Special assessments, TDD sales tax, PayGo	Yes	Yes	
				100% property owners			Must create a Finance Plan with City staff			
				No approval if signatory has financial interest in real estate located in Lenexa that has delinquent tax obligations.			Min. issue \$3mil			
				City Staff develops internal procedures for processing						
Olathe	1/1/2020	Policy Statement, Procedure, Criteria and Adjustments, Development or Redevelopment Agreement, Petition and Bond Fees, Authority of GB	TDD Committee considers: "But for" test; debt service coverage ratio; projected payoff; developer contribution	Petition, Review by City staff, public hearing, GB review/determination	Goal 10 years, max 22	Petition Fee (\$5,000); Advance Funds Deposit (\$10,000); Bond Issuance Fee (depends); Admin Service Fee (5%); reimburse any other City costs	PayGo, TDD Sales Tax Revenue Bonds, or TDD Spec. Assessment Revenue Bonds	No	Unk.	GB can deviate from policy, but not procedure, if exceptional benefit to City or extraordinary circumstances
			GB considers: Economic benefit, location, design criteria, compatibility w/ City plans, traffic impact, etc.	Re/development Agreement						
Overland Park	9/13/2004	Really short policy Criteria, Initiation of the Preliminary Review and Approval Process, Process for Formal Approval of a TDD, Authority of GB	Best interest of the City + meets at least 1 of the following criteria:	(1) Preliminary info to City Manager; (2) review by City Manager + City Staff and bond counsel; (3) forward to Finance, Admin, and Eco Devo Committee. If concept approved, staff works with applicant on finance plan.						
			attract unique retail development, attract large regional retail development, result in transportation related infrastructure beyond what City can require/build, promote redevelopment in City	Applicant files petition, public hearing, GB directs ordinance be prepared						
Shawnee	12/23/2019				22 years max			Yes	Yes	

Combines CID & TDD		Purpose, Legal Authority, Financing, Procedure, GB Actions, Waiver of Requirements, Definitions and Descriptions	Lists 20 factors for consideration (costs, source of funding, impact on current businesses, experience of developer, etc.	Application, review by Finance Team & rec to GB, Petition, Public Hearing, GB consideration, Development Agreement		Application Fee, Annual Admin Service Fee	Special assessments, sales tax, or "any other funds appropriated by the GB", PayGo			GB can grant or reject any proposal if in best interests of the City.
						Funding agreement required	CID or TDD bond minimum \$3,000,000			

Tax Increment Financing

City	Latest Revision	Headings	Criteria	Process	Costs	Fees	Financing	Reimbursement	Definition Section?	"But for" Applied?	Min. Capital Investment	Condemnation	Waiver of Requirements
Leawood	8/5/1996	Commercial TIF Policy, TIF Objectives, Review Criteria, Approval Conditions, Authority of GB	Whether project will substantially meet challenges outlined in Eco Devo Strategic Plan	Application must be submitted at least 20 days in advance of GB's consideration.	"May be used to implement the redevelopment plan" but should not be used for construction of buildings or other structures owned by applicant.	Reimburse City for all costs	Special obligation: NO gen. obligations of Full Faith	Property tax increment, revenues from redevelopment, private sources, pledge of increased revenue from franchise fees or sales taxes, or any comb.	No	No Mention	No Mention	No mention	No
			& 5 additional criteria for GB consideration (unfair advantage, promote LW as center for major firm, proposed use in keeping with character, positive impact on community, and redevelopment in CP-1, CP-2, and/or Pt			Eco Devo Fee to LW Eco Devo Council - 10% of the tax increment for the first 2 years in lieu of a performance bond.							
Lenexa	Unknown	Objectives, Scope, Definitions, Provisions, Procedures, Statutory Amendments, Responsibility for Enforcement, References	General objectives (matches Shawnee) and Specific objectives listed	Internal procedures for processing apps and fees	Lists permissible costs and those costs that shall not be included	Internal procedure	Special Oblig., Full Faith & Credit, IRB	Preferred over bond financing, reimburse over period not to exceed 20 years	Yes	Yes	No minimum, but a factor to be considered	Not encouraged, GB 2/3 vote	Yes
		Provisions Subheadings: Legal Authority, Eligible Project Costs, Bond Authority, Reimb. Authority, Amount of TIF Available (Criteria, Capital Investment, Application of "But for", Distribution of Ad Valorem Taxes, Condemnation, Waiver of Requirements)											
Olathe	Dec. 2019	Adopt Policies & Procedures, Policy Statement, Policy Guidelines, Procedure, Fees, Request for Proposal, Design Criteria, Employment & Business Relocations, Method of Financing, Taxes to Repay TIF, Star Bond Projects, Authority of GB, Sunset Date	14 factors for consideration - applicant must be member of OCC & Olathe Eco Devo Council AND make annual donation to Olathe Comm. Foundation of at least \$3000	App to City, creation of TIF district, may designate applicant as developer through MOU, with City and PC proceed with Redev. Plan, then Redev. Agreement		Initial App Fee (5% or \$5000), Advance Funds Deposit (15% or \$10,000) Redev. Plan Fee (15% or \$10,000), Ord. Approving Agreement & Issuance of Bonds (65% or \$75,000), Max Fee (1% or \$100,000), Admin Fees (5%)	Special Oblig., PayGo, TIF revenues - but no Gen. Oblig.	Prefer apps that request reimbursement solely from real property taxes generated by the TIF project	No	Yes	No mention	No mention	GB can deviate from policy but not procedures
Overland Park	Dec. 2015	Criteria, GB Evaluation of Projects, Financial Evaluation of Proposed Projects, Eligible Project Costs, Financing, Application, Process, Development Agreement, Fees, Authority of GB	18+ factors for project, then additional 11 factors for financial evaluation	Initial Consultation, Application, Review of App, GB Review, Funding Agreement	Lists permissible costs and those costs that shall not be included	App Fee (\$10,000), Annual Admin. Fee (\$7500 or 1%)	PayGo, Special Oblig., Full Faith mentioned	Prefer PayGo over bond issuance	No	Yes	Private funding/financing of at least 70%	No mention	Yes - deviation from policy contained in specific sections

	Required to participate in comm. Organizations, make financial contributions, and/or construct public art	Policy lists provisions to be included in Agreement		Example: GB can consider any other factors deemed relevant to consideration of proposed redevelopment
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Shawnee	Dec. 2019								Yes	Yes			
Very similar to Lenexa		Purpose, Legal Authority, Financing, Evaluation of TIF Applications, Procedure, Governing Body Actions, Other Provisions, Definitions	General objectives (matches Lenexa) and Specific objectives listed	Application submitted, reviewed by "Finance Team" for recommendation, funding agreement, then to GB (confusing process)	Lists permissible costs	Application fee, Annual Admin Service Fee (both set in separate policy). Funding Agreement (to pay City for fees & expenses associated with project). Must establish a Fund.	Special obligation bonds or Full faith and credit	Preferred over bond financing, reimburse over period not to exceed 20 years	At the end of the policy, would be easier to understand if at the beginning		No minimum, but a factor to be considered	Yes, but not encouraged.	Yes - upon GB finding that a compelling or imperative reason or emergency exists.

Community Improvement District

City	Latest Revision	Headings	Criteria	Process	Term	Fees	Financing	Definition Section?	Project Fund Req.?	Other	
Leawood	2/15/2016		Built 20 years prior	Liste specific projects	Max 22 years	Application fee \$500	PayGo CID sales tax	Yes	Yes	Goal 100% property owners, min. 55%	
		Objectives, Scope, Definitions, Criteria, Project Eligibility, Procedure, Consideration, Term, Financing, Project Funds, Fees, Criteria and Adjustments	City best interest + meets at least 1 of 6 criteria	Attract mixed use, unique site constraints, promote eco devc, encourages redevelopment, incorporates public infrastructure, etc.	Application and petition + fee submitted to City Staff. If City Admin determines it meets criteria, taken to GB Work Session for review. If favorably considered, back to City Staff for formal petition and PH reso	May also require retainer for paying other City-incurred fees. Annual admin fee of 2.5%	Private financing thresholds: 25% of total cost [exterior improvements] or 50% of all work being done, including interior renovations.				
			Additional 13 factors for GB consideration of Petition	Development Agreement required							
Lenexa	Unknown	Objectives, Scope, Definitions, Provisions, Procedures, Statutory Amendments, Effective Date, Responsibility for Enforcement, References	Best interest of the City and meets at least 1 of 10 criteria.		Application submitted, Finance Team review & rec to GB (lists 9 factors for FT evaluation), FT & Applicant work on Development Agreement to present with petition to GB	Max 22 years	Application fee, retainer/funding agreement for consultants & services for the City to review/evaluate/process petition, cost of bond issuance, annual admin fee. Actual amounts set out in City procedures.	PayGo preferred (special assessment and/or CID sales tax), special obligation bond, or a combo	Yes	Yes	
							Special Ob but no special assessments on City at large & no credit enhancement by City. Discourage FF&C but may consider for exclusively public enhancements.				
Olathe	12/17/2019	Policy Statement, Project Eligibility, Procedure, Criteria & Adjustments, Development or Redevelopment Agreement, Fees, Authority of GB, Sunset	Lists projects eligible (12) and ineligible (9) for reimbursement. Also lists specific considerations for Committee consideration (6) and GB consideration (7)	Committee: "But For" test, debt service coverage ratio, projected payoff, developer contribution, project completion	(1) Petition submitted by Applicant to City Clerk for review by Eco Devo Committee + staff (55% if sales tax, 100% if assessment). (2) Public Hearing (if Spec Assess no public hearing) (3) GB ordinance (4) Re/Development Agreement (SEE ALSO	Prefer 10 years, max 22	Petition fee (\$5,000); Advance Funds Deposit (\$10,000); Bond Issuance Fee (\$2,000-\$150,000); Admin Service Fee (5%); and any additional costs of City	PayGo, CID sales tax revenue bonds, or CID Spec Assessment revenue bonds	No	Yes	
				GB: Economic benefit, location, design criteria, compatibility with City plans, traffic impact, city-owned utility utilization, community benefit						GB can deviate from policy but not procedure when "exceptional benefit to City or extraordinary circumstances prevail"	Petition procedure included as Exhibit A
Overland Park	1/13/2014	Criteria, GB Evaluation of Projects, Eligible CID Project Costs, Financing, Application, Process, Development Agreement, Fees, Authority of GB, Policy Manual	14 factors for GB consideration (costs, funding sources & percentages, experience of developer, relocation w/in city vs. outside, any other factors relevant)	Also lists specific factors for "Greenfield Development Project"	(1) Draft Petition + application, (2) Review by City Manager + city staff (3) Finance, Admin, and Eco Devo Committee review (4) Formal petition (5) Public hearing (6) funding agreement (7) GB findings		Application fee (\$5,000), Petition fee (\$1,000); amendments to Petition (\$500); Annual Admin Fee (amount determined on a case by case basis)	PayGo preferred, special obligation (special assessments), special obligation (CID sales tax), or combination	No	No	
			Lists projects eligible (28) and ineligible (9) for reimbursement.		No ordinance until GB approves development agreement (required provisions listed in policy)			PayGo preferred, Special Obligation has \$8,000,000 min.		GB can grant or reject any proposal if in best interests of the City.	No FF&C or credit enhancement by City
Shawnee	12/23/2019				22 years max			Yes	Yes		

Combines CID & TDD		Purpose, Legal Authority, Financing, Procedure, GB Actions, Waiver of Requirements, Definitions and Descriptions	Lists 20 factors for consideration (costs, source of funding, impact on current businesses, experience of developer, etc.		Application, review by Finance Team & rec to GB, Petition, Public Hearing, GB consideration, Development Agreement		Application Fee, Annual Admin Service Fee	Special assessments, sales tax, or "any other funds appropriated by the GB", PayGo			GB can grant or reject any proposal if in best interests of the City.
							Funding agreement required	CID or TDD bond minimum \$3,000,000			