

ORDINANCE NO. 8523

AN ORDINANCE ESTABLISHING A POLICY OF THE CITY OF LAWRENCE, KANSAS RELATING TO INDUSTRIAL REVENUE BONDS, AND REPEALING RESOLUTION 5239.

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

SECTION ONE: The Policy of the City of Lawrence, Kansas relating to the issuance of Industrial Revenue Bonds, shall be as follows:

INDUSTRIAL REVENUE BONDS: PURPOSE.

Industrial Revenue Bonds (IRBs) are an incentive established by the State of Kansas to enhance economic development and improve the quality of life. The City may from time to time grant IRBs when the project under consideration helps further the economic and community development objectives as set forth in this Ordinance and Horizon 2020.

SECTION TWO: CRITERIA.

The City favors issuing Industrial Revenue Bonds to projects that bring in new revenues from outside the community or enhance the local quality of life over projects that will primarily compete against other local firms. Additionally, a project must meet the following criteria in order to qualify for IRBs:

- 1) Only those projects which qualify under Kansas law will be eligible for IRB financing. The City shall look more favorably upon projects that support the targeted industries listed in Section 1-2103 of the Code of the City of Lawrence.
- 2) The proposed project shall achieve one or more of the following public benefits:
 - a. Meet the economic development goals of the City as set forth in this policy and the Comprehensive Plan of Lawrence and Douglas County;
 - b. Enhance Downtown Lawrence;
 - c. Promote infill through the development of vacant lots, the rehabilitation of deteriorated properties or the adaptive reuse of historic properties;
 - d. Incorporate environmentally sustainable elements into the design and operation of the facility; or
 - e. Provide other public benefits to the community, particularly as set forth in the Comprehensive Plan of Lawrence and Douglas County.
- 3) The prospective tenant shall show the financial capacity to complete the proposed project and successfully market the bonds.

SECTION THREE: SPECIAL CONSIDERATION FOR HOUSING AND RETAIL PROJECTS.

Except as indicated below, Industrial Revenue Bonds shall not be granted for projects that are principally for retail or residential use.

- 1) Projects requesting IRBs that are primarily retail in nature shall only be considered if the applicant demonstrates that the project is exceptional and unique, and is likely to add to the retail base by attracting new retail sales or capturing sales that are leaking to other markets.
- 2) Projects requesting IRBs that are primarily residential in nature shall only be considered if the project is a multi-family or senior living project and fits the criteria herein described. Infill development or redevelopment is preferred. Mixed-use projects are more desirable, as are projects in the Downtown area. Multi-family or senior living projects that contain no non-residential uses and are requesting IRBs must have at least 35% of all housing units set aside for households making 80% of the Area Median Income or less. Infill housing projects shall be looked upon more favorably if they are mixed use, located in Downtown, or both.

SECTION FOUR: PROCEDURES.

- 1) **Formal Application.** An applicant may pick up a formal application either at City Hall in the City Manager's Office, or online. The applicant shall complete the application and file it with the City Manager. A fee of \$1,000 is due upon filing in order to help defray the City's cost in processing the application. Such fee shall be collected regardless of the City Commission's action on the application or if the bond issue closes.
- 2) **Preliminary Review.** City staff will provide an initial review of the application to ensure that it meets the requirements in City policy.
- 3) **Coordination with Bond Counsel:** City staff will coordinate with the applicant and bond counsel a schedule for the issuance of the bonds which meets the needs of all parties involved. During the process, bond counsel will assist with the preparation of other documents needed for filing through the State of Kansas.

Applicants are encouraged to utilize the City's bond counsel. In the event that the applicant selects other bond counsel, the City may require its bond counsel to be involved in the transaction in a review capacity, depending upon the amount of the transaction and the project involved.

- 4) **Public Notification:** At least seven (7) days prior to consideration, the City shall prepare a Notice of Public Hearing to be published in the official City newspaper, giving notice of hearing on the IRB request, and indicating the purpose, time and place thereof.
- 5) **Resolution of Intent and Ordinance Provisions:** The City Commission shall conduct a public hearing and consider a Resolution of Intent followed by two readings of an ordinance authorizing the issuance of the bonds.
- 6) **Documents:** All documents related to Industrial Revenue Bonds will be kept on file with the City Clerk.

SECTION FIVE: SALES TAX EXEMPTIONS.

Labor and materials used in construction as well as equipment purchased with IRB proceeds are generally exempted from State and local sales tax. Payments-in-lieu of sales tax may be made as negotiated between the City and the Applicant.

SECTION SIX: INDUSTRIAL REVENUE BONDS AND TAX ABATEMENTS.

Applicants that request tax abatements in conjunction with IRBs must follow the policies and procedures set forth in the City's Tax Abatement Policy in addition to the procedures for IRBs as provided above.

SECTION SEVEN: ADDITIONAL FEES.

Each applicant who receives an issuance of Industrial Revenue Bonds shall pay all fees associated with the issuance of the Industrial Revenue Bonds.

SECTION EIGHT: AUTHORITY TO ISSUE INDUSTRIAL REVENUE BONDS.

The authority to approve the issuances of IRBs shall be the responsibility of the City Commission. The Commission's decision for approval or disapproval will be based on the analysis made by the City staff and the recommendations the staff provides to the City Commission from its review of all pertinent data relating to a particular request for bonds.

SECTION NINE:

Resolution 5239, approved May 4th, 1989 to govern the issuance and use of Industrial Revenue Bonds by the City, is hereby repealed.

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

SECTION ELEVEN. This Ordinance shall take effect and be in force from and after its adoption and publication as provided by law.

Adopted this 18th day of May, 2010.

APPROVED:



Mike Amyx, Mayor

ATTEST:



Jonathan M. Douglass
City Clerk

APPROVED AS TO FORM AND LEGALITY:



Toni Ramirez Wheeler, Director of Legal Services