

City of Lawrence: Major Economic Development Tools

ED Tool	Type	Max. Duration	Incentive Level	Analysis Required	Application Fee	Administrative Fees	Affordable Housing Required	Other	City Policy/State Statute
IRB Industrial Revenue Bonds	Sales tax exemption on project construction materials and remodeling labor. Can also be used to get a property tax abatement for certain types of businesses.	10 years, if part of a property tax abatement. For sales tax exemption only, depends on project construction time-frame.	If used for a Property Tax Abatement: 50% base, additional percentages available based on meeting additional criteria	Cost-Benefit (if used for a property tax abatement)	\$1,000	Origination Fee for sales tax only IRBs. Where the applicant is a federally registered not-for-profit organization, where the proposed project will create primary jobs, or where the primary purpose of the proposed project is to create affordable housing, the City may waive a portion or all of the origination fee required hereunder.	If project contains residential, it is subject to affordable housing requirements	Bond Counsel services required	City: Resolution 7289
									State: Economic Development Revenue Bonds Act of 1961, codified as amended at K.S.A. 12-1740 et seq.
Property Tax Abatement	Tax abatement on real property (building & land)	10 Years	50% base, additional percentages available based on meeting additional criteria	Cost-Benefit (required by State statute)	\$500	\$200/year	Not specified, but may be implied via City Policy, Section 1.8.3	Capital Investment, wage and healthcare insurance requirements apply	City: Resolution 7289
								Job creation requirements apply	State: Kan. Const. Article 11, § 13
NRA Neighborhood Revitalization Area	Property tax rebate on portion of incremental value of improvements. Base taxes not rebated.	Based on project merits as determined by the governing bodies	Up to 100% on incremental increase in property taxes due to improvements, based on project merits	Cost-Benefit (typical)	\$500	None	If project contains residential, it is subject to affordable housing requirements	City, County and School District separately determines their participation in NRA	City: Resolution 7289
				"But For": If project is unrelated to primary job creation and does not, as a primary component of the project, provide affordable housing.					State: Neighborhood Revitalization Act of 1994, codified as amended at K.S.A. 12-17,114 et seq.,
TIF Tax Increment Financing	Property tax reimbursement on Incremental Increase in property value due to improvements.	Up to 20 years	Up to 100% on incremental increase in property taxes due to improvements, based on project merits	"But For" (aka Need for Assistance)	\$1,000	Where the applicant only seeks reimbursement of the property tax increment, the administrative service fee shall be 0.5% of the annual increment.	If project contains residential, it is subject to affordable housing requirements	Financing: City has the authority to determine method of financing	City: Resolution 7289
	Incremental sales and transient guest taxes		Generally no more than 50% of the incremental sales and transient guest taxes	Feasibility Study (required by State Statute)		In all other cases, the administrative service fee shall be 2.5% of the annual increment.		No Credit Enhancements: For any special obligation bonds	State: Development and Redevelopment of Areas in and Around Cities Act of 1976, codified as amended at K.S.A. 12-1770 et seq.
TDD Transportation Development District	Added sales tax within district	Up to 22 years	Project dependent	"But For": If project is unrelated to primary job creation and does not, as a primary component of the project, provide affordable housing.	\$2,500	0.5% of the annual TDD revenues generated	If project contains residential, it is subject to affordable housing requirements	Financing: City has the authority to determine method of financing	City: Resolution 7289
								No Credit Enhancements: For any special obligation bonds	
								Petition Signatures: 100% of property owners in proposed district.	
CID Community Improvement District	Added sales tax within district	Up to 22 years for "pay-as-you-go" financing	Sales tax issued in increments of 0.1% to 0.25%, up to 2.0%	"But For": If project is unrelated to primary job creation and does not, as a primary component of the project, provide affordable housing.	\$2,500	For all projects involving "pay-as-you-go" financing and reimbursement through the assessment of CID sales tax collected with the CID sales tax district, it is the policy of the City to negotiate any annual administrative fee between the City and the petitioner to cover the City's administrative costs.	If project contains residential, it is subject to affordable housing requirements	CID Cap: Amount of CID Cap will be the funding gap identified in the "but for" analysis provided by the petitioner(s).	City: Resolution 7289
		For bond financing projects, no later than bond maturity.				For all other projects, the petitioner shall pay 0.5% of the funds reimbursed to the petitioner, or any successor in interest, each year for the life of the CID to cover the City's administrative costs.		No GOB: City shall not issue General Obligation bonds for CID-eligible costs. Governing Body may consider the issuance of General Obligation bonds for City-approved public improvements.	State: Community Improvement District Act of 2009, codified as amended at K.S.A. 2015 Supp. 12-6a26 et seq.