

City of Leavenworth
Economic Development Incentive Policy

General Purposes and Objectives

The City of Leavenworth, Kansas is committed to the promotion and retention of high quality development in all sectors of the City as part of an overall effort to improve the quality of life for its residents. Since these objectives can be served, in part, by the expansion of its commercial business, retail, and mixed use base, the City of Leavenworth will consider providing economic development incentives as stimulation for selected development projects within the community. However, nothing within this policy shall imply or suggest that the City of Leavenworth is under any obligation to provide economic development incentives to any applicant.

Eligibility Criteria

Economic development incentives may be available to any new or expanding business subject to an evaluation of the following criteria:

- The likelihood that the proposed development would not occur in the absence of economic development incentives
- The extent to which the proposed development satisfies a desired or unique niche in the marketplace and improves the diversification of the economy of the City
- The beneficial economic impacts the development may have on a particular area of the City, including areas needing revitalization or redevelopment
- The compatibility of the location of the development with land use and development plans as described by City goals and/or the Comprehensive Plan, including consideration of the availability of existing infrastructure facilities and essential public services
- The extent to which additional direct or indirect public costs to the City and to other local governmental units would be necessary, such as the cost of the extension of public infrastructure facilities and/or municipal services
- The gain in property tax revenues that may result from the development
- The gain in sales tax revenues that may result from the development
- The degree to which the development may potentially stimulate other desirable economic development within the City
- The contribution that the development will make towards increased employment and earnings within the City, including the number and quality of new jobs created
- The potential of the development for further expansion and additional job creation

Incentives Available

Upon request, the City Commission may consider and/or negotiate on a case-by-case basis any of the following incentives or amenities to attract housing, commercial/retail and industrial developments to the community. Other reasonable requests may also be considered by the City Commission.

- **Neighborhood Revitalization Property Tax Rebate Plan:** Certain areas of the City have been designated for property tax rebates for improvements to existing property or new development of residential, multi-family, commercial, industrial, and historical properties. The Plan provides a 95% property tax rebate for a period up to 10 years, depending upon the value of the improvements
- **Tax Increment Financing (TIF):** TIF is a real estate redevelopment technique applicable to industrial, commercial, and residential projects. TIF uses the anticipated increase in sales and/or property tax revenues to retire the bonds sold to finance qualifying redevelopment costs. Qualifying costs can include public improvements (streets, sanitary sewers, storm sewers, drainage improvements, underground water, gas, electrical services in public right of way); site preparation; parking facilities; landscaping and decorative amenities, and land acquisition costs. It cannot be used for the construction of buildings or other structures to be owned or leased by a developer.
- **Transportation Development District Financing (TDD):** Transportation Development Districts may be created for the purpose of financing certain projects, including bridges, streets, interchanges, intersections, signage, signalization, parking lots, parking garages, bus stops and stations, airports, docks, lake or river ports, railroad, light rail, mass transit facilities and any other transportation related project or infrastructure.
- **Industrial Revenue Bonds (IRB):** This is a cost-efficient method that finances up to 100% of the purchase of land and costs for constructing and equipping new facilities or the costs of acquiring, remodeling, and expanding existing facilities. IRBs are securities issued by the City; however, the City assumes no financial obligation for repayment of the securities. IRBs may be tax-exempt or taxable bonds, depending upon what is being financed. Other benefits of an IRB include eligibility for a property tax exemption for financing facilities of up to 100% for up to ten years and a sales tax exemption for labor and materials purchased for new facilities.
- **Abatement or refund of sales and/or property taxes:** Abatement or refund of a portion of sales and/or property taxes for a period specified in an economic development incentive agreement
- **Special Benefit District (water, sewer, streets, drainage):** State statues allows benefit districts to be established when all of the property owners benefit fairly/equally from the improvement and are assessed an amount based upon the square footage or front lineal foot for their property
- **Sponsoring or co-sponsoring grant requests to state and/or federal agencies**
- **Paying all, or a portion, of moving or relocation costs of building and/or equipment**
- **Assisting in applying for revolving loan funds from other agencies, and applying for state incentives or assistance (i.e. training, sales tax exemptions, child day care tax credits,**

enterprise zone incentives, and/or applying for Small Business Administration loans for purchase of equipment, business expansion and working capital)

- Providing public funded assistance using existing City funds
- Purchasing property on which a new facility is to be constructed or to which an existing facility is to be relocated
- Providing a discounted purchase price for land owned by the City
- Causing infrastructure to be constructed, renovated, improved, or otherwise altered or added, such as roads, sewers, storm sewers, drainage waterways, curb cuts, and access routes.
- Waiving all, or portions of, City permit, inspection, and/or utility connection fees
- Paying for all or a portion of the extension of utilities

Preliminary Application

Prior to submitting a formal application, a business may inquire as to its eligibility for economic development incentives based on preliminary job creation and capital investment data. A preliminary application shall be submitted to the Economic Development Department. The purpose of the preliminary application process is to determine the extent to which the applicant meets the eligibility criteria as described in this policy. Applicants that are determined to meet the City's criteria shall be invited to submit a formal application. The following information shall be provided as part of a preliminary application:

- A description of the proposed development, including the type of assistance being sought, location of the development, capital costs, and a development timeline
- A description of the applicant, including ownership information
- A description of the applicant's financial and business capability to accomplish and sustain the proposed development
- An estimate of new jobs (FTE) to be created with estimated wages/earnings of these jobs

The response from staff shall in no way represent definitive findings or be seen as an expression of intent or obligation of the City Commission to favorably consider or approve a formal request for incentives.

Formal Application

Upon approval of the preliminary application, a formal application shall be submitted for consideration. The City reserves the right to request additional information if it is deemed necessary to fully evaluate the formal application. The application shall include the following information:

- A detailed description and documentation of ownership and management of the development, including the name and address of the business, principal owners and officers, contact person, telephone and fax numbers
- A detailed description of the nature of the business, business history, and experience in the business activity for which assistance is being requested
- The name and address of the owner of the land and building occupied or to be occupied by the development
- A detailed description of the proposed development, including the type of assistance being sought, location of the development, capital costs, and a development timeline
- A site plan of the proposed development
- A demonstration of the financial viability of the development, including:
 - The financial capability of the applicant
 - A market analysis or other information demonstrating project viability
 - A business plan for the development
- If the applicant is an existing business, the average total monthly employment data for the past 12 months
- The number of new jobs (FTE) to be created by type or position and an estimate of wages/earnings of these jobs
- A statement of how the proposed development will maintain or enhance the quality of life and provide social, economic, or cultural benefits to the community
- A statement that the business operation will not detract from the City's aesthetic environment (addresses odor, noise, water quality, smoke, heat, glare vibration, lighting, etc.)

Application Review Procedures

After a staff review of the application for completeness, the application will be submitted to the City Commission for preliminary consideration on a Study Session agenda. The City Commission will review the analysis of the costs and benefits of the proposed development and receive comments from the applicant and public. The City Commission may direct the preparation of a resolution setting forth the terms of an economic incentive agreement. Final approval shall be in the form of a resolution on a Regular Meeting agenda.

The approval of any request for assistance is at the sole discretion of the City Commission and subject further to sufficient funds being budgeted and appropriated by the City Commission.

Monitoring Review

Each development shall be subject to an annual evaluation to determine if the business continues to meet all eligibility criteria and remains in compliance with the terms and conditions of the original incentive agreement. The economic development incentive agreement may be terminated by City Commission if the business fails to continue to meet the eligibility criteria. Economic development incentive agreements may not be transferred or otherwise conveyed to another party, unless agreed to by the City Commission.

Changing economic conditions and availability of funds may cause the City of Leavenworth to modify, amend, or discontinue any economic development incentive program. Should an incentive program be discontinued, the City Commission will honor any incentive committed to before the discontinuance of the program.

Compliance

All economic development incentives will be formalized in a written agreement between the City of Leavenworth and the recipient company. The recipient company will be required to meet the following performance criteria:

- Job creation as agreed upon
- Compliance with wage requirements as agreed upon
- Capital investment in real and personal property as agreed upon
- Compliance with all applicable governmental laws, rules, and regulations
- Compliance with any other conditions imposed by the agreement

The City of Leavenworth reserves the right to audit a business to assure compliance with the agreement. The City Commission may discontinue any ongoing incentives and require the incentives already received to be repaid in full or in part, as set forth in the agreement, if performance is not met.

Exceptions

Exceptions to the conditions set forth in this policy may be made by the Leavenworth City Commission.

City of Leavenworth
Small Business Economic Development Grants

New and existing business owners may be reimbursed 50% of the costs for development of their business. Owners may be eligible for a dollar-for-dollar matching grant up to \$5,000 for single unit locations and up to \$15,000 for multi-tenant locations. Examples of improvements considered for the grant include:

- Architectural Façade Renovation
- Replacement or installation of windows and doors
- Improvements to ceilings & floors
- Installation or removal of fixed walls
- Internal architectural changes
- Interior and exterior lightning
- Permanent fixtures
- Aesthetic detailing
- ADA Improvements
- Installation of new HVAC systems (for buildings that never had one)
- Electrical and plumbing alterations for bringing a structure up to required codes
- Additional new construction to an existing structure for expansion

The amount of available funds for such grants is limited. Before you begin your development project, call the Economic Development Department or log onto the City's website at xxxxx.org. Grant Funds are disbursed upon completion of project and final inspection. Grant funds will not be awarded for projects that have been started or completed before approval.