

Guidelines:

Pursuant to the statutory purposes of the LCRA Act, the City Council has developed the following guidelines and policy statements for evaluating the requested use of LCRA incentives. The LCRA and the City Council shall assign such weight and consideration to these guidelines as deemed appropriate for each particular application and project. These statements are intended to provide guidance, but do not carry the force of law to bind the City Council on any particular application or requested use of LCRA tools or incentives.

1. **Level of Abatement:** Most favorable consideration will be given to projects that request abatement of no more than 50% of the real or personal property taxes.
2. **Duration of Abatement:** Most favorable consideration will be given to projects where the abatement (a) lasts no longer than needed to provide the minimum amount of abatement to induce the company to undertake the project and (b) lasts no longer than 10 years.
3. **Blight Clearance and Public Benefits:** Most favorable consideration will be given to projects that reduce or eliminate undesirable or blighted conditions on the targeted property.
4. **Tax Stabilization:** Most favorable consideration will be given to projects that immediately generate direct or indirect new tax revenues for the City and other taxing jurisdictions, accounting for sales taxes, personal property taxes, real property taxes, lodging and tourism taxes and franchise (gross receipts) taxes.
5. **Sustainable / Green Development:** Most favorable consideration will be given to projects that incorporate sustainable or green development or renewable or energy-saving practices.
6. **Statement of Need (“But For Test”):** Most favorable consideration will be given to projects where the company proves that (a) the project would not be undertaken without the requested LCRA incentive or (b) the project provides substantially enhanced features or amenities if the requested LCRA incentive is provided.
7. **Size of Project and Total Investment:**
  - a. **Redevelopment** – (1) For certificates of qualification, most favorable consideration will be given to projects that invest at least \$500,000 in total project costs. (2) For all other LCRA incentives, most favorable consideration will be given to projects that invest at least \$5 million in total project costs.
  - b. **Business Expansion** – Most favorable consideration will be given to expansion projects that invest at least 50% of the original project costs after adjusting for inflation.
8. **Company Equity:** Most favorable consideration will be given to projects where the at least 15% of the total project costs is funded from company equity rather than

private bank loans.

9. **New job creation:** Most favorable consideration will be given to projects (a) that create new jobs in the City, which are not relocated from another location in the City, and (b) where the average compensation of such jobs meets or exceeds the average pay of workers in Jackson County, Missouri (see **Exhibit C**).
10. **Job retention:** Most favorable consideration will be given to projects where (a) the company proves that the requested incentive will retain jobs in the City that would otherwise leave the City for another jurisdiction and (b) the average compensation of such jobs meets or exceeds the average pay of workers in Jackson County, Missouri (see **Exhibit C**).
11. **Public Improvements:** Most favorable consideration will be given to projects that cause the construction of public improvements that have a general public benefit.
12. **Targeted Businesses and Industries:** Most favorable consideration will be given to projects that cause the construction of facilities which are targeted businesses in accordance with the Strategic Direction of the Incentive Policy (see page 5).
13. **Historic Preservation:** Most favorable consideration will be given to projects that encourage rehabilitation and redevelopment of structures that are listed on any historic register or within any historic district as defined by local, state, or federal governments.

#### Implementation Conditions

The following conditions will be applied in the approving ordinance or the redevelopment contract, as applicable to each approved incentive:

- Coordination with Zoning Approvals:** The incentives will be conditioned upon construction and operation of the project as set forth on the preliminary development plan or other applicable zoning approval pursuant to the Unified Development Ordinance.
- Change in Use:** A change in the use of the property or ownership of the property will trigger a reconsideration and possible revocation of the approved LCRA incentive, unless otherwise stated in the approving ordinance or redevelopment contract.
- Data Reporting:** The applicant may be required to provide reports about the number of jobs created or retained at the project on an annual basis, the salaries of the workers, the amount of investment, and other criteria as applicable to the project and the requested incentive.
- No reconsideration:** Unless otherwise stated in the approving ordinance or the redevelopment contract, the approved incentive will not be considered for renewal at the end of the incentive term.