

CITY OF LEE'S SUMMIT ECONOMIC DEVELOPMENT INCENTIVE POLICY

MISSION: The City of Lee's Summit, Missouri believes in quality economic development to attract and retain business investments that will benefit the entire community.

1. General Considerations

- A. Each location is unique and requires that every proposal be evaluated on its individual merit and overall contribution to the City's economy and goals.
- B. Each project should be evaluated, using the application of the City's long-term fiscal model when appropriate, to determine potential economic benefit and impacts on the City's service levels.
- C. The City has extensive experience in using economic development tools such as: Tax Increment Financing, Transportation Development Districts, Neighborhood Development Districts, Community Development Districts, Industrial Development Financing under RSMo Chapter 100, and RSMo Chapter 353 Tax Abatement.
- D. All developments are subject to the development review process which includes: staff review of plan submittals, Planning Commission review (public involvement), City Council Review and approval (public involvement & final action), other Boards (as needed – project specific).

2. Investment Criteria

As a general goal, a project requesting economic assistance should invest a minimum of \$4-5 million combined real and personal property investment. (Revenues should exceed amount of total incentive over term of agreement.) City will also take into account potential increased revenue to the City from all sources associated with benefits of a particular business or overall development. Additionally, *the City will consider other factors such as character of the development, the contribution the proposed development to address identified target markets or areas of the City, and social and economic needs of the community.*

3. Other Considerations

The investment criteria may be either increased or decreased based upon the following considerations:

- A. Potential for incremental growth and revenue and other economic impact.
- B. Possible future expansion and constructed real and/or personal property investment.
- C. Desired or unique niche in marketplace consistent with City Goals, the Comprehensive Plan, or other desired amenities as set forth by the City Council.
- D. Employment impact. In evaluating the employment potential of a given enterprise, the following shall be taken into consideration:
 - 1) Number of additional employees and whether they are likely to be hired from the local population;
 - 2) Skill and education levels;
 - 3) Range of salary and compensation;
 - 4) Potential for executive relocation
- E. Potential of outside financial assistance.
- F. Enhancement of City's image and reputation.
- G. Increased sales taxes and/or other revenues.
- H. Impact on schools and other public entities. The City strongly encourages the incorporation of Payment in lieu of taxes (PILOTS) for developments that add students to the school population when structuring an economic development incentive agreement that impacts school district revenues.

4. Follow-up Evaluation

Each project shall be monitored on an annual basis to determine performance standards as put forth in the original incentive agreement.

5. Incentive Review Process

The City incentive review process has been established to ensure timely responses and well defined procedures. The process is as follows:

- A. A prospect should contact the Lee's Summit Economic Development Council (LSEDC) at (816) 525-6617.
- B. The Mayor, City Administrator and President/CEO of LSEDC discuss project details to determine their applicability to this policy.
- C. The Mayor determines the appropriate time of briefing the City Council of prospects seeking incentives.
- D. Once it is determined to move forward with a request for incentives, incentive terms are prepared and presented to the City Council for review, discussion, and potential approval.

ADOPTED by City Council on 2/20/03