

**Policy:        Guardrails for LURA Project Implementation**

- I. Any use of funds must be bound by realistic forecasts of property tax revenue. (property and use tax.) Adjust as forecasts change due to changing conditions.
- II. Do not put LURA at risk by incurring debt. While the start-up costs are now sunk costs, the LURA should not expect that projects will require the Town or any other taxing entity within LURA to guarantee payment of debts or repayment of loans.
  - a. Work with developers that can accomplish their goals by arranging the financing themselves and/or only use available LURA funds that have already been collected (earned TIF) as indicated above. (In other words, they would only receive LURA funds after they are collected. That puts the risk on them).
  - b. Generally, expect developers to bear risks.
  - c. Limit loan commitments to defined, limited amounts.
  - d. Any agreements with developers that require loans to or through LURA, must require a two-thirds majority vote of the LURA Board.
- III. Minimize expenses moving forward. Efficiently manage our legal expenses and limit the administrative burdens for town staff. Burdens on the Town's budget or staff must be considered carefully.
  - a. The exception might be expenses for resources to recruit developers and tenants for identified projects that have a high probability of eventuating.
- IV. Set up a repayment schedule to the Town for their investments in LURA development, and review the IGA between the Town and LURA for potential amendment.
- V. Develop criteria and priorities for expenses that the LURA will cover (e.g., public improvements, sprinkler systems, infrastructure, public parking, grease traps, side streaming, renewable energy, increased water line sizes, etc.).
- VI. Avoid projects that may create situational obligations for other taxing entities, such as unfinished projects that are dependencies for completions of development (e.g., buildings built but require investments for otherwise unfunded infrastructure that go beyond the resources of the LURA)

Adopted January 27, 2022 by LURA  
Adopted February 7, 2022 by BOT