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Sedgwick County

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Legislation Details (With Text)

File #: 12-0954 **Version:** 1 **Name:** Maize 54 Redevelopment District
Type: Resolution **Status:** New Business
File created: 11/30/2012 **In control:** Board of Sedgwick County Commissioners
On agenda: 12/12/2012 **Final action:**
Title: CONSIDERATION OF THE PROPOSED CREATION OF THE MAIZE 54 REDEVELOPMENT (TAX INCREMENT FINANCING) DISTRICT. (BOWLLAGIO).
Presented by: Troy Bruun, Deputy C.F.O.

RECOMMENDED ACTION: Consider the proposal and take action as appropriate.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Maize54 Establish District, 2. Maize54 - Adverse, 3. Maize 54 TIF District Analysis 12042012

Date	Ver.	Action By	Action	Result
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CONSIDERATION OF THE PROPOSED CREATION OF THE MAIZE 54 REDEVELOPMENT (TAX INCREMENT FINANCING) DISTRICT. (BOWLLAGIO).

Presented by: Troy Bruun, Deputy C.F.O.

RECOMMENDED ACTION: Consider the proposal and take action as appropriate.

On November 20, 2012, the Wichita City Council conducted a public hearing and placed on first reading an ordinance establishing the Maize 54 Redevelopment District. The council voted 4 - 3 to approve the redevelopment district. The proposed district lies generally north of the intersection of Maize Road and Highway 54. It is predominantly located on the east side of Maize Road with a smaller area (approximately 9 parcels) lying west of Maize Road. The total area is approximately 86 ½ acres.

Development plans and financial projections are preliminary and are subject to change. They will not be finalized until the City enters into a development agreement with the prospective developer; which occurs subsequent to the creation of the district. The county's only opportunity to approve or oppose creation of the district expires December 20, 2012, which is 30 days after the City's November 20 public hearing.

State law gives the county the option to veto creation of the district if it finds that it would create an adverse effect on the County. State law doesn't define "adverse effect." County policy provides five considerations, any one of which may constitute adverse effect and justify opposition to creation of the district. If none of the five considerations are found to exist, or if they do not exist to a substantial degree, County policy is to approve creation of the district. The five considerations are:

1. Does the potential loss of tax revenue hinder future service delivery?
2. Is the proposed project economically feasible without county funding support?
3. Is proposed private equity funding insufficient to effect default risk?

4. Are costs to County government greater than benefits to County government?
5. Has the County been provided sufficient data and information with which to make an informed judgment?

Attachments to this agenda summary include:

1. A resolution approving creation of the district
2. A resolution finding that creation of the district will cause adverse effect, and therefore opposing it's creation.

Alternatives:

State Statutes provide three options for the County:

1. Approve the creation of the district.
2. Deny the creation of the district.
3. Take no action; which implies approval and allows the City to create the district.

Financial Considerations:

The creation of the TIF district will provide the City with the mechanism to divert property tax revenues from the increase in assessed value that occurs as a result of the development. In this particular TIF district, the City proposes to divert 65% of the incremental tax revenues to the TIF district and return 35% of the incremental tax revenues to the participating taxing authorities. The City further limits the eligible TIF expenditures to drainage improvements within the boundaries of the TIF district. These are projected to be approximately \$ 8 Million.

Legal Considerations:

Under K.S.A. 2010 Supp. 12-1771(d), a redevelopment district may not be created if the County Commission determines by resolution that the district would have an adverse effect on the County.

Policy Considerations:

It is Sedgwick County's policy to support City efforts to eliminate blight and promote their redevelopment by allowing the diversion of County tax revenues to TIF districts when such actions are shown to create no adverse effects.

County policy identifies the criteria for determining adverse effect.

1. Potential loss of tax revenue would hinder effective future delivery of public services.
2. Proposed project is economically feasible without County funding support.
3. Proposed private equity funding is insufficient to effect default risk.
4. Costs to County government are greater than benefits to County government.
5. Sufficient data or notification was not provided for County staff to adequately review the proposal for a TIF district.

Outside Attendees:

Multimedia Presentation: