

**DISTRICT PLAN FOR THE REDEVELOPMENT
OF THE SOUTHFORK REDEVELOPMENT DISTRICT
THROUGH TAX INCREMENT FINANCING**

February 14, 2012

SECTION 1: PURPOSE

A district plan is required for inclusion in the establishment of a redevelopment district under K.S.A. 12-1771. The district plan is a preliminary plan that identifies proposed redevelopment project areas within the district, and describes in a general manner the buildings, facilities and improvements to be constructed or improved.

SECTION 2: DESCRIPTION OF TAX INCREMENT INCOME

Projects financed through tax increment financing typically involve the creation of an “increment” in real estate property tax income. The increment is generated by segregating the assessed values of real property located within a defined geographic area such that a portion of the resulting property taxes flow to the City to fund projects in the redevelopment district, and the remaining portion flows to all remaining taxing jurisdictions. The portion of property taxes flowing to the City is determined by the increase in the assessed value of the properties within the redevelopment district as a result of the new development occurring within the same area. When the current aggregate property tax rates of all taxing jurisdictions are applied to this increase in assessed property value from new development, increment income is generated. Public improvements within the district and other qualified expenditures are funded by the City and repaid over a specified period of time with this increment income. The property taxes attributable to the assessed value existing prior to redevelopment, the “original valuation,” continue to flow to all taxing jurisdictions just as they did prior to redevelopment. This condition continues for the duration of the established district, as defined by statute, or until all eligible project costs are funded, whichever is of shorter duration.

SECTION 3: DESCRIPTION OF THE DISTRICT BOUNDARIES

The property within the proposed district is generally located southwest of the intersection of 47th Street South and I-135; it includes approximately 50 acres bounded between I-135 and a drainage canal and approximately 22 acres bounded by Broadway on the west and the drainage canal on the east, in Wichita, Sedgwick County, Kansas; and including all street rights of way within such described areas. The legal description of the proposed district is attached hereto and incorporated herein as Exhibit A.

SECTION 4: BUILDINGS AND FACILITIES

The proposed district is located within the South Wichita/Haysville Area Plan. The Plan identifies and recommends a variety of land uses and infrastructure improvements to influence and guide the redevelopment of the area that is expected as a result of the infrastructure improvements to the I-135/47th Street interchange.

The proposed redevelopment district is an area that meets the criteria for designation as a “blighted area” as defined by state law governing the establishment and financing of redevelopment districts. Property within a blighted area is legally eligible for establishment of a redevelopment district.

Under the state statutes (K.S.A. 12-1770, et. seq.) an “eligible area” for tax increment financing may include any area defined as a blighted area. The statutory definition of “blighted area” includes any area in which a majority of the property lies within the 100-year floodplain (KSA 12-1770(c)(3)). It has been determined that the majority of the proposed Project Area property lies within the 100-year floodplain following an engineer’s review of the flood plain map.

SECTION 5: REDEVELOPMENT AND PROJECT AREAS

It is anticipated that all property within district will be redeveloped in multiple phases and each phase will be designated as a separate “project area” under a separate project plan, which must be adopted by the City Council by a 2/3 majority vote for each phase before the expenditure of any tax increment financing funds. The Phasing of the project areas is notionally depicted in Exhibit B attached hereto. The plans for redevelopment of the district generally call for development of all 72 acres into a mixed use development of approximately 4 outparcels along 47th street, approximately 1,000,000 square feet of retail space, a hotel and office space on the east side of the development and a medical park on the west 22 acres portion of the development. ***The project plans and development agreements for each phase shall require that all property in the project areas, excluding drainage structures, easements and reserves, will be raised above the 100-year flood plain.***

Tax increment financing will be used on a pay-as-you-go basis to reimburse the cost of site preparation, as well as on public infrastructure improvements, such as streetscape, public parking, utility extensions, landscaping, and public plazas. Tax increment financing may not be used to pay for construction of any buildings owned by or leased to a private, nongovernmental entity. ***TIF revenues used to pay for eligible costs shall not exceed \$16,500,000 including interest on city bonds. Any tax increment revenue not needed to pay such costs, including reimbursement of past special assessments paid for such improvements, shall be used to retire outstanding bond debt in order to accelerate termination of the Redevelopment District.***

SECTION 6: CONCLUSION

After the establishment of the redevelopment district, any redevelopment projects to be funded with tax increment financing will be presented to the Governing Body for approval through the adoption of Redevelopment Project Plans. Each Project Plan will identify the specific project area located within the established tax increment financing district and will include detailed descriptions of the projects as well as a financial feasibility study showing that the economic benefits out-weigh the costs. Each Project Plan must be reviewed by the Metropolitan Planning Commission and submitted to a public hearing following further notification of property owners and occupants, before it can be adopted by a two-thirds majority vote of the Governing Body. Only then can tax increment income be spent on the redevelopment projects.

EXHIBIT A
SOUTHFORK TIF LEGAL DESCRIPTION

A tract of land being located in Sections 21 and 28, Township 28 South, Range 1 East, of the 6th Principal Meridian, Sedgwick County, Kansas, being more particularly described as follows:

Commencing at the Northwest corner of the Northwest 1/4 of said Section 21; thence S89°31'13"E, on an assumed bearing for a distance of 1626.43 feet to the point of intersection with the East line of the Riverside Drainage District Easement as recorded in Deed Book 432 at Page 162; thence S6°12'07"E along the East line of said Riverside Drainage District Easement for a distance of 156.28 feet to the Point of Beginning, said point being 155.50 feet South of the North line of the NW ¼; thence N89°31'13"E parallel with the North line of said NW ¼ for a distance of 653.73 feet to a point; thence S19°28'47"E for a distance of 393.37 feet to a point on the Kansas Department of Transportation right-of-way as described in the deed, Book 1351, Page 253; thence S6°26'53"E for a distance of 129.68 feet; thence S19°28'47"E, for a distance of 1465.35 feet to a point on the right-of-way line of the Kansas Turnpike Authority as described in Condemnation Case A-55279; thence along said Kansas Turnpike Authority right-of-way line S8°42'58"W for a distance of 579.10 feet to a point on the South line of the NE ¼ of Section 21, Township 28 South, Range 1 East; thence S88°50'51"W along the South line of said NE ¼ for a distance of 176.00 feet to the Southwest corner of said NE ¼; thence S88°50'53"W along the South line of the NW ¼ of Section 21, Township 28 South, Range 1 East for a distance of 792.71 feet to a point on the East line of the Riverside Drainage Easement as recorded in Deed Book 432 at Page 162; thence South on the East right-of-way line of said Riverside Drainage Canal Easement to a point of intersection with the South line of said Section 21; thence continuing Southeasterly on the East right-of-way line of said Riverside Drainage Canal Easement to a point of intersection with the East line of the Northwest Quarter Section of said Section 28; thence continuing Southeasterly on the East right-of-way line of said Riverside Drainage Canal Easement to a point of intersection with the East right-of-way line of the Kansas Turnpike Authority; thence South on the East right-of-way line of said Kansas Turnpike Authority to a point of intersection with the West right-of-way line of said Riverside Drainage Canal Easement; thence Northwesterly on said West right-of-way line of said Riverside Drainage Canal Easement to a point of intersection with the East line the Northwest Quarter Section of said Section 28; thence Northwesterly on said West right-of-way line of said Riverside Drainage Canal Easement to a point of intersection with the South line of said Section 21; thence North on said West right-of-way line of said Riverside Drainage Canal Easement to a point of intersection with the South right-of-way line of Custy Street; thence West on the said South line of Custy Street to the East right-of-way line of U.S. 81 (Broadway); thence South on the East right-of-way line of U.S.81 to a point of intersection with the South line of Colonial Heights, Wichita, Sedgwick County, Kansas; thence West at a perpendicular angle to a point of intersection with the West right-of-way line of said U.S.81; thence North on the West right-of-way line of said U.S.81 to a point of intersection with the southerly most North line extended of Kmart Plaza South, an Addition to Wichita, Sedgwick County, Kansas; thence East on the southerly most North line extended of said Kmart Plaza South to a point of intersection with the East right-of-way line of said U.S. 81; thence South on said East right-of-way line of U.S. 81 to a point of intersection with the South line of Florence Addition to Wichita, Sedgwick County, Kansas extended; thence East on the South line of Florence Addition extended to the Southwest corner of said Florence Addition; thence East on said South line of said Florence Addition to the Southeast corner of said Florence Addition, said Southeast corner also being a Southwest corner of Southglen 3rd Addition, Wichita, Sedgwick County, Kansas; thence East on a South line of said Southglen 3rd Addition extended to a point of intersection with the East right-of-way of said Riverside Drainage Canal Easement; thence North on said East right-of-way of said Riverside Drainage Canal Easement to the Point of Beginning.

