

# **West Bank Redevelopment District**

## **TIF Analysis**

**Prepared by Sedgwick County Finance Department**

**May 1, 2017**

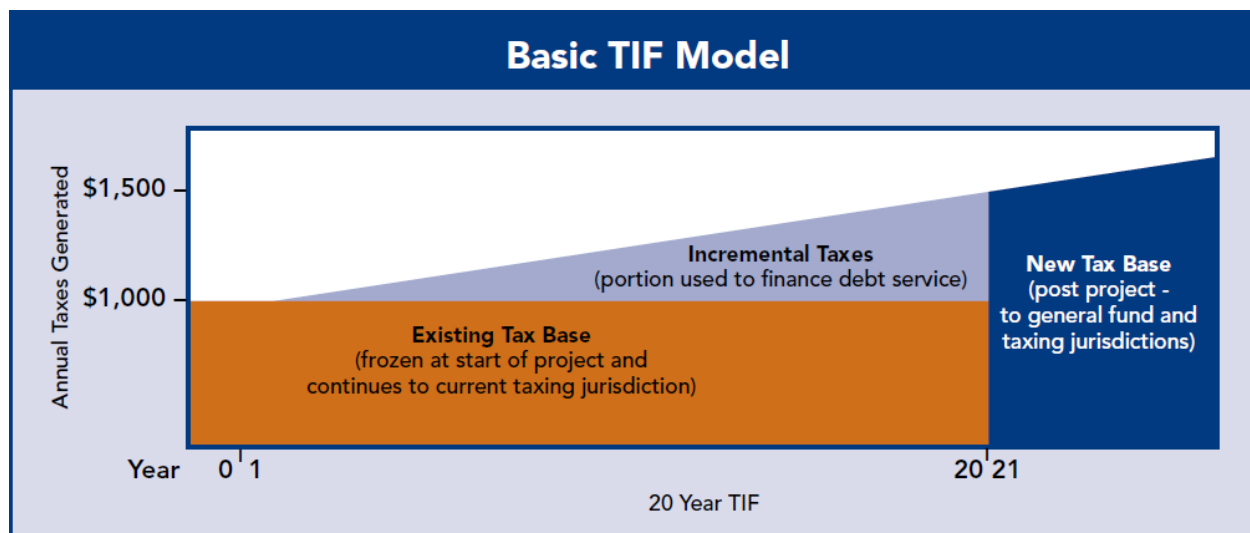
The City of Wichita approved the establishment of the West Bank Redevelopment District to facilitate the development of a modern multi-sport stadium, parking facilities, a mixed use commercial development and additional infrastructure projects. Estimated public funding of \$45 million for the area would come from STAR Bond and Tax Increment Financing (TIF).

According to an external feasibility study commissioned by The City; the STAR Bond revenues would be used to partially fund (up to \$20 million) the stadium construction. Additional funding for the stadium and other projects (\$25 million) would come from the TIF. The purpose of this analysis is to review the TIF proposal pursuant to Sedgwick County TIF Policy adopted by BOCC Resolution 90-08.

#### Tax Increment Financing Overview:

K.S.A. 12-1770 et seq. authorizes and governs the process of Tax Increment Financing in the State of Kansas.

TIF Districts may be established by cities; are designed as economic development tools to pay for current infrastructure improvements and other eligible expenses, with future tax revenues. They work by capturing tax revenues from increased property valuations for a defined period of time and using those revenues to fund the improvements. Real estate property tax revenues for the participating governments remain basically static during the life of the TIF.



From the CDFA *Tax Increment Finance Best Practices Reference Guide* © 2007. For illustrative purposes only.

Sedgwick County has participated, since 1995, with the City of Wichita in funding Tax Increment Districts. There are currently nine active TIF Districts in Wichita. Within these districts, Sedgwick County levied about \$1.1 million for 2017. Of this, about \$678 thousand was from the incremental, or increased, valuation and goes to the various TIF Districts; leaving about \$436 thousand for County funds.

Some key terms in understanding the mechanics of Tax Increment Financing:

- Base year assessed valuation: the assessed value of all **real** property within the boundaries of the redevelopment district on the date the district is established.
- Incremental Value: the increase in value over the base year value; the taxes generated from which are distributed to the TIF.
- District Plan: Approved with the establishment of the TIF District. The district plan provides generally, the plans for redevelopment of an area. This guides the use of TIF funds within a project plan.
- Project Plan: Must be approved by 2/3 of City Council. Approval of project plan starts the twenty year lifespan for TIF. Multiple project plans may be filed at different times within a TIF district. The filing of a project plan starts a new twenty year lifespan for TIF funding.

#### West Bank Redevelopment District Overview:

On April 11, 2017, the City of Wichita voted 6 – 1 to establish the West Bank Redevelopment District and seek Tax Increment Financing. This action begins a thirty day clock within which Sedgwick County and/or USD 259 may take action to affect the TIF. Prior to May 11, 2017; BOCC may take one of the following actions:

1. Vote by simple majority to approve the TIF District.
2. Vote by simple majority to veto the TIF District.
3. Take no action, which allows the TIF District to take effect.

An aerial photo with the boundaries of the proposed TIF District is on the following page.

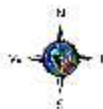


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Date: 4/28/2017

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FILE: C:\WestbankTIF.mxd  
NAME: mabeylco



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## Land Parcels in Westbank TIF

Sedgewick County, Kansas

### Legend

- Outer Boundary of West Bank TIF
- Land Parcels

Tax Increment Financing for the West Bank Redevelopment area is part of the public funding being sought in the second phase of the River District development. A River District Star Bond Project Plan was developed in 2007. The focus of that development has been to the east of the West Bank area.

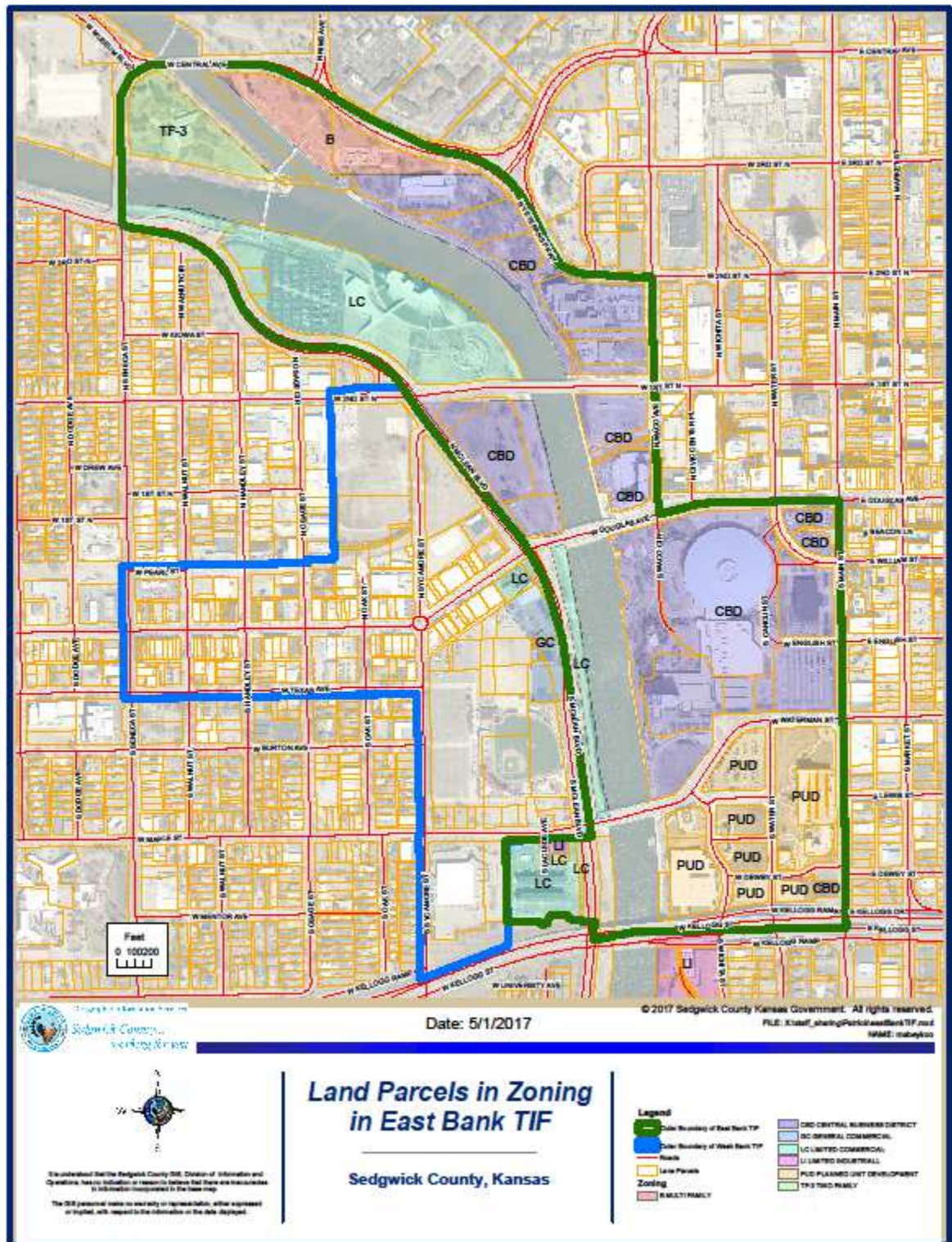


Additional public funding has been provided in this area via the East Bank TIF District. Created in 1995 to spur development of a convention hotel adjacent to Century II Convention Center, the East Bank has also provided tax increment financing to stimulate construction in the WaterWalk area including the condominiums, retail space, the Wichita Area Association of Realtors office, the Fairfield Inn and apartments. The City adopted a project plan for the West Bank Apartments in 2013.

Of the \$454 thousand County tax levy in the East Bank, \$441 thousand is contributed to the TIF District.

A map of the East Bank TIF & proposed West Bank TIF follows:





## **Uses of Tax Increment Financing**

Uses of TIF as outlined in potential West Bank Project Plan.

*The City is constructing the new Advanced Learning Library and is in the process of selling the Delano Catalyst Site south and east of the Library for a mixed-use development. The City of Wichita is currently developing plans to rebuild or substantially rehabilitate Lawrence Dumont Stadium into a modern multi-sport stadium. The modern stadium will be a catalyst to attract an affiliated Minor League Baseball (MiLB) team to Wichita.*

*The Delano and Multi-Sport Stadium Project consists of improvements to Lawrence Dumont Stadium. The area around the stadium and north of Douglas Avenue is anticipated to be developed as a mixed use development consisting of multi-story retail, office and residential structures. The area where redevelopment is expected to occur is north of Kellogg to 1<sup>st</sup> Street, from McLean to Sycamore, including an area west of Sycamore to Seneca from Texas to Pearl Street referred to as the "Project Area" (see attached district map).*

### *Lawrence Dumont Stadium*

*The City of Wichita plans to substantially rehabilitate or replace Lawrence Dumont Stadium into a multi-sport athletic complex. Revitalization of the stadium is expected to be a catalyst for nearby property. The project area contains areas of vacant and underutilized land that is anticipated to be developed into a mixed-use developer containing ground floor retail and office with residential and office development occurring on upper floors.*

### *Sitework and Infrastructure Improvements*

#### *Greenway/multi-modal path*

*The Project will include completion of a multi-modal path extending from McLean Boulevard on the east to Seneca Street on the west. This Greenway is part of a multi-modal plan extending further west within the Delano Neighborhood. This path will connect pathways along the Arkansas River to west Wichita.*

#### *Infrastructure*

*The Project anticipates road improvements will be made to McLean Boulevard to accommodate development of the stadium and the surrounding redevelopment that will occur. Improvements may be made to create a boulevard feel that slows traffic and allows conversion of McLean to a pedestrian venue for events.*

#### *Parking*

*Development of the area is anticipated to remove existing surface parking in and around the stadium as well as create additional parking demand. Parking structures will be constructed to accommodate parking demand. These parking structures are anticipated to be constructed on the north and/or south ends of the*

*project area.*

*The City of Wichita completed the legal steps necessary to establish the West Bank Redevelopment District pursuant to state laws (K.S.A. 12-1770 et seq.) in order to allow the use of tax increment financing ("TIF") to fund redevelopment projects including stadium construction, parking and infrastructure improvements and a multi-modal path. Upon adoption of this project plan, the City will have established its authority under state law to issue general obligation bonds to finance TIF-eligible improvements, which bonds will be repaid from the incremental increase in property taxes resulting from the redevelopment of the Project Area. Incremental tax revenue available after the payment of such bonds may be used to reimburse the City or pay for TIF-eligible project costs identified in this project plan not financed with bonds. The TIF-funded improvements consist of the following:*

- Stadium construction - The City will undertake the rehabilitation or construction of the stadium, at an estimated cost of \$14,000,000.*
- Greenway - The City will undertake design and construction of the greenway/multi-modal path at an estimated cost of \$1,500,000*
- Infrastructure - The City will design and construct infrastructure improvements within the project area at an estimated cost of \$1,500,000*
- Parking - The City will undertake parking improvements as described above at an estimated cost of \$8,000,000*
- Total TIF-funded costs (excluding financing costs) - \$25,000,000.*

The City has determined that the area that comprises the West Bank Redevelopment Area is eligible for Tax Increment Financing pursuant to K.S.A. 12-1770a.

*(g) "Eligible area" means a blighted area, conservation area, enterprise zone, intermodal transportation area, major tourism area or a major commercial entertainment and tourism area, bioscience development area or a building or buildings which are 65 years of age or older and any contiguous vacant or condemned lots.*

*(h) "Enterprise zone" means an area within a city that was designated as an enterprise zone prior to July 1, 1992, pursuant to K.S.A. 12-17,107 through 12-17,113, and amendments thereto, prior to its repeal and the conservation, development or redevelopment of the area is necessary to promote the general and economic welfare of such city*

A map provided by City staff outlines the boundaries of the Enterprise zones and the proposed redevelopment area is within the Enterprise zone designated area. The City expects the project plan, once filed, to encompass the entire area of the West Bank Redevelopment Area.



## Sources of Tax Increment Financing

The sources of TIF funds will come primarily from the sale and development of the “Catalyst Site.” This site, currently owned by the City of Wichita, is adjacent to the new Advanced Learning Library under construction. The 2017 market (appraised) value, as shown by the County Appraiser is approximately \$1.3 million. Other potential sources of increased valuation and incremental value for TIF funding may come from the sale of Metropolitan Baptist Church, appraised at \$4.1 million and new development along the multi modal pathway described above.

Assuming the development occurs as projected by the City, this shows the TIF revenues sufficient to support the bond payments.

TIF Cash Flow Analysis							
	Value Year	Revenue Year	Projected Assessed Valuation	Base Year Assessed Valuation	Net Increment	TIF Cash Flow From Redev. Property	Net TIF Cash Flow
						\$ -	\$ -
						\$ -	
	2017	2018	\$ 3,682,254	\$ 3,682,254	\$ -	\$ -	\$ -
	2018	2019	\$ 3,753,804	\$ 3,682,254	\$ 71,550	\$ 6,847	\$ 6,847
	2019	2020	\$ 5,114,587	\$ 3,682,254	\$ 1,432,333	\$ 137,076	\$ 137,076
	2020	2021	\$ 11,407,426	\$ 3,682,254	\$ 7,725,171	\$ 739,307	\$ 739,307
	2021	2022	\$ 17,621,032	\$ 3,682,254	\$ 13,938,778	\$ 1,333,955	\$ 1,333,955
	2022	2023	\$ 20,422,458	\$ 3,682,254	\$ 16,740,204	\$ 1,602,054	\$ 1,602,054
	2023	2024	\$ 21,372,873	\$ 3,682,254	\$ 17,690,619	\$ 1,693,010	\$ 1,693,010
	2024	2025	\$ 22,518,259	\$ 3,682,254	\$ 18,836,005	\$ 1,802,625	\$ 1,802,625
	2025	2026	\$ 25,417,539	\$ 3,682,254	\$ 21,735,285	\$ 2,080,089	\$ 2,080,089
	2026	2027	\$ 26,859,556	\$ 3,682,254	\$ 23,177,302	\$ 2,218,091	\$ 2,218,091
	2027	2028	\$ 27,396,747	\$ 3,682,254	\$ 23,714,493	\$ 2,269,501	\$ 2,269,501
	2028	2029	\$ 27,944,682	\$ 3,682,254	\$ 24,262,428	\$ 2,321,939	\$ 2,321,939
	2029	2030	\$ 28,503,576	\$ 3,682,254	\$ 24,821,322	\$ 2,375,425	\$ 2,375,425
	2030	2031	\$ 29,073,647	\$ 3,682,254	\$ 25,391,393	\$ 2,429,982	\$ 2,429,982
	2031	2032	\$ 29,655,120	\$ 3,682,254	\$ 25,972,866	\$ 2,485,629	\$ 2,485,629
	2032	2033	\$ 30,248,223	\$ 3,682,254	\$ 26,565,969	\$ 2,542,390	\$ 2,542,390
	2033	2034	\$ 30,853,187	\$ 3,682,254	\$ 27,170,933	\$ 2,600,285	\$ 2,600,285
	2034	2035	\$ 31,470,251	\$ 3,682,254	\$ 27,787,997	\$ 2,659,339	\$ 2,659,339
	2035	2036	\$ 32,099,656	\$ 3,682,254	\$ 28,417,402	\$ 2,719,574	\$ 2,719,574
	2036	2037	\$ 32,741,649	\$ 3,682,254	\$ 29,059,395	\$ 2,781,013	\$ 2,781,013
Supportable Debt @		3.00%					<b>\$25,220,000</b>
Supportable Debt @		3.50%					<b>\$23,750,000</b>



The City commissioned a study from Development Strategies to assess the economic impact of the public funding within the River District, which encompasses the West Bank Redevelopment Area. A summary of the economic impacts of additional development in the area are:

- The project will generate substantial net new tax revenues over the 20-year STAR Bond period to the region and state.
- The project is an integral component of long-term redevelopment plans in the District and the greater Downtown Wichita.
- It will support additional development, visitor spending, and jobs.
  - \$35 to \$40 million in expenditures for the stadium project will support 425 jobs in Kansas during the construction period, or about 210 annually during the two-year construction period.
  - Approximately \$125 million in additional projects are anticipated to occur in the District over the next 10 to 15 years, which will support approximately 120 to 180 jobs each year in the state during the development period.
  - The proposed project and other planned district development will support a significant number of permanent jobs in the accommodation, food service, retail, and office sectors. In fact, the number of permanent jobs in the District is projected to increase from 230 to more than 800 at full build out, based on total square footage of development.
- The multi-sport stadium is anticipated to significantly increase visitation to the District and region.
  - The design of the stadium to accommodate multiple sports, as well as special events, will help to more than double visitation at the current stadium from approximately 220,000 visitors in 2015 to more than 460,000 when the stadium is complete and fully programmed.
  - The new museum and expanded retail and dining options are expected to add another 425,000 annual visitors to the project area.

## **ADVERSE EFFECT ANALYSIS**

Pursuant to County TIF Policy, if determined by the BOCC that the TIF district shall have adverse effect to the county, that shall be cause for disapproval of the TIF district. Following are the five criteria by which adverse effect is evaluated and the results of County analysis.

### **1. Potential loss of tax revenue would hinder effective future delivery of public services.**

There are 167 real property parcels with a 2017 assessed value within the district area of \$4,131,367. Assuming a mill levy of 29.400 mills, Sedgwick County's 2017 tax levy from real property will be approximately \$121,000. This would be constant throughout the life of the TIF.

Without a TIF district, and annual appreciation in the tax base of 2%, Sedgwick County will forego approximately \$500,000 over an assumed TIF lifespan of 20 years. The foregone tax revenues average

approximately \$26 thousand annually. Given the County's tax levy of over \$130 million the loss of revenue is di minimus.

Another potential concern is the increase in activity within the area resulting in additional demand for County services. Without more than a conceptual design for the area, it is difficult to assess negative impacts on County service delivery. Increased entertainment options within the area could have positive effects on nearby County facilities, such as Exploration Place.

To determine the appropriateness of assuming a 2% growth rate without TIF & STAR Bond intervention; and the increased growth assumptions with these public investments, the following depicts assessed valuations from 2009 to 2016 for the West Bank, East Bank, County and City of Wichita. There has been somewhat more valuation growth in the Delano area than the City or County and more still within the East Bank during this time period. Since 2002, when the East Bank boundaries were changed, the area has experienced growth of about 250%. This growth assumption, without public funding, seems appropriate.

Assessed Valuation Comparison (Real Property)			
	2009	2016	% Increase
West Bank	3,813,129	4,131,367	8.35%
East Bank	14,863,047	16,276,820	9.51%
2002 - 2016	4,671,654	16,276,820	248.42%
County	3,768,386,327	4,072,266,235	8.06%
City of Wichita	2,875,134,262	3,092,206,735	7.55%



Value Year	Revenue Year	County Tax Levy	Total County Tax Levy - 2% Increase & No TIF	Foregone County Tax Levy w/TIF Participation
2017	2018	\$121,433.27	\$121,433.27	\$0.00
2018	2019	\$121,433.27	\$123,861.94	\$2,428.67
2019	2020	\$121,433.27	\$126,339.17	\$4,905.90
2020	2021	\$121,433.27	\$128,865.96	\$7,432.69
2021	2022	\$121,433.27	\$131,443.28	\$10,010.01
2022	2023	\$121,433.27	\$134,072.14	\$12,638.87
2023	2024	\$121,433.27	\$136,753.59	\$15,320.32
2024	2025	\$121,433.27	\$139,488.66	\$18,055.39
2025	2026	\$121,433.27	\$142,278.43	\$20,845.16
2026	2027	\$121,433.27	\$145,124.00	\$23,690.73
2027	2028	\$121,433.27	\$148,026.48	\$26,593.21
2028	2029	\$121,433.27	\$150,987.01	\$29,553.74
2029	2030	\$121,433.27	\$154,006.75	\$32,573.48
2030	2031	\$121,433.27	\$157,086.88	\$35,653.61
2031	2032	\$121,433.27	\$160,228.62	\$38,795.35
2032	2033	\$121,433.27	\$163,433.19	\$41,999.92
2033	2034	\$121,433.27	\$166,701.86	\$45,268.59
2034	2035	\$121,433.27	\$170,035.89	\$48,602.62
2035	2036	\$121,433.27	\$173,436.61	\$52,003.34
2036	2037	\$121,433.27	\$176,905.34	\$55,472.07
<b>TOTAL</b>		<b>\$2,428,665.40</b>	<b>\$2,950,509.07</b>	<b>\$521,843.67</b>

**2. Proposed project is economically feasible without county funding support.**

Construction costs for the multi sport stadium are estimated at \$35 – \$40 million. Star bonds are expected to fund up to \$20 million. An additional \$14 million is from TIF revenues. Additional TIF expenditures are estimated at \$11 million. The entire property tax levy within the area was \$400 thousand in 2016.

As stated earlier, the TIF funds will come primarily from the sale and development of the Catalyst Site which is expected to generate a \$50 million mixed use development. Additional development is projected over the next 10 – 15 years of \$125 million; according to the River District, Phase II STAR Bond Project Feasibility Study, prepared for the City, by Development Strategies, March 17, 2017. Cash flow requirements to repay TIF Bonds are sufficient with this level of development. Given the development assumptions, without TIF support from the County and USD 259, the incremental valuations would be insufficient to fund the expenditures proposed in the redevelopment plan.

The following shows increased City revenues if development occurs and there is no TIF support from the County or USD 259. In order for the City to proceed without a TIF, they will need to cover a shortfall in revenues necessary for bond repayment of approximately \$15 - \$16 million over 20 years.

<b>Cash Flow Analysis w/o TIF</b>					
	<b>Value Year</b>	<b>Revenue Year</b>	<b>Net TIF Cash Flow</b>	<b>Cash Flow w/o TIF</b>	<b>Cash Flow Shortage</b>
			\$ -		
	2017	2018	\$ -		
	2018	2019	\$ 6,847	\$ 2,290	\$ 4,558
	2019	2020	\$ 137,076	\$ 45,835	\$ 91,241
	2020	2021	\$ 739,307	\$ 247,205	\$ 492,101
	2021	2022	\$ 1,333,955	\$ 446,041	\$ 887,914
	2022	2023	\$ 1,602,054	\$ 535,687	\$ 1,066,368
	2023	2024	\$ 1,693,010	\$ 566,100	\$ 1,126,910
	2024	2025	\$ 1,802,625	\$ 602,752	\$ 1,199,872
	2025	2026	\$ 2,080,089	\$ 695,529	\$ 1,384,559
	2026	2027	\$ 2,218,091	\$ 741,674	\$ 1,476,417
	2027	2028	\$ 2,269,501	\$ 758,864	\$ 1,510,637
	2028	2029	\$ 2,321,939	\$ 776,398	\$ 1,545,541
	2029	2030	\$ 2,375,425	\$ 794,282	\$ 1,581,143
	2030	2031	\$ 2,429,982	\$ 812,525	\$ 1,617,457
	2031	2032	\$ 2,485,629	\$ 831,132	\$ 1,654,498
	2032	2033	\$ 2,542,390	\$ 850,111	\$ 1,692,279
	2033	2034	\$ 2,600,285	\$ 869,470	\$ 1,730,816
	2034	2035	\$ 2,659,339	\$ 889,216	\$ 1,770,123
	2035	2036	\$ 2,719,574	\$ 909,357	\$ 1,810,217
	2036	2037	\$ 2,781,013	\$ 929,901	\$ 1,851,113
Supportable Debt @		3.00%	<b>\$25,220,000</b>	<b>\$8,680,000</b>	<b>\$ 16,540,000</b>
Supportable Debt @		3.50%	<b>\$23,750,000</b>	<b>\$8,220,000</b>	<b>\$ 15,530,000</b>

The stadium is identified as the lynchpin that secures the development of the Catalyst Site and surrounding area. The stadium is also required to attract a minor league baseball team. The obverse seems to be true as well, that without a team there won't be the substantial investment in the stadium. Knowing that TIF funding is approved, allows the City the assurance of revenues for improvements when negotiating for a MiLB team or for the sale of the Catalyst Site.

Based on the information we have, there will be no project without approval of a TIF district.

The following spreadsheet depicts the level of County TIF support that will occur with the development with the increased valuation assumptions.

Value Year	Revenue Year	County Tax Levy to County	Total County Tax Levy w/ TIF	County TIF Participation
2017	2018	\$121,433.27	\$121,433.27	\$0.00
2018	2019	\$121,433.27	\$123,740.50	\$2,307.23
2019	2020	\$121,433.27	\$150,333.05	\$28,899.78
2020	2021	\$121,433.27	\$335,298.46	\$213,865.19
2021	2022	\$121,433.27	\$517,934.99	\$396,501.72
2022	2023	\$121,433.27	\$600,277.32	\$478,844.05
2023	2024	\$121,433.27	\$628,212.86	\$506,779.59
2024	2025	\$121,433.27	\$661,879.19	\$540,445.92
2025	2026	\$121,433.27	\$747,097.73	\$625,664.46
2026	2027	\$121,433.27	\$789,482.93	\$668,049.66
2027	2028	\$121,433.27	\$805,272.59	\$683,839.32
2028	2029	\$121,433.27	\$821,378.04	\$699,944.77
2029	2030	\$121,433.27	\$837,805.60	\$716,372.33
2030	2031	\$121,433.27	\$854,561.72	\$733,128.45
2031	2032	\$121,433.27	\$871,652.95	\$750,219.68
2032	2033	\$121,433.27	\$889,086.01	\$767,652.74
2033	2034	\$121,433.27	\$906,867.73	\$785,434.46
2034	2035	\$121,433.27	\$925,005.08	\$803,571.81
2035	2036	\$121,433.27	\$943,505.19	\$822,071.92
2036	2037	\$121,433.27	\$962,375.29	\$840,942.02
<b>TOTAL</b>		<b>\$2,428,665.40</b>	<b>\$13,493,200.50</b>	<b>\$11,064,535.10</b>

### 3. Proposed private equity funding is insufficient to effect default risk.

There is no private equity funding identified in the proposal. However there are some safeguards that reduce the County's risk.

- The majority of risk with a failed development will rest with the City. The City will issue general obligation bonds to fund the expenditures. TIF revenues that are insufficient to make debt payments will be covered by the City.
- To activate the TIF will require the City Council approve a project plan. This requires a 2/3 majority.
- County risk is limited to foregone tax revenues from "freezing" tax levies at current level.

The sale and development of the catalyst site is necessary to fund the public improvements. Without a taxable development, there will be insufficient revenues to fund the TIF bond payments. So, a private

developer will likely not see public subsidy in the form of tax exemptions. Creation of a TIF District does not affect the ability to levy special assessments for other infrastructure improvements if deemed necessary.

**4. Costs to county government are greater than benefits to county government.**

This depicts tax revenues to the County assuming the redevelopment district is fully built out, and TIF funding expires in 20 years.

Value Year	Revenue Year	County Tax Levy	Total County Tax Levy - 2% Increase & No TIF	Change in County Levy TIF vs No TIF	County TIF Participation
2037	2038	\$981,622.80	\$180,443.45	\$801,179.35	N/A
2038	2039	\$1,001,255.25	\$184,052.32	\$817,202.94	N/A
2039	2040	\$1,021,280.36	\$187,733.36	\$833,546.99	N/A
2040	2041	\$1,041,705.96	\$191,488.03	\$850,217.93	N/A
2041	2042	\$1,062,540.08	\$195,317.79	\$867,222.29	N/A
2042	2043	\$1,083,790.88	\$199,224.15	\$884,566.74	N/A
2043	2044	\$1,105,466.70	\$203,208.63	\$902,258.07	N/A
2044	2045	\$1,127,576.04	\$207,272.80	\$920,303.24	N/A
2045	2046	\$1,150,127.56	\$211,418.26	\$938,709.30	N/A
2046	2047	\$1,173,130.11	\$215,646.62	\$957,483.49	N/A
2047	2048	\$1,196,592.71	\$219,959.55	\$976,633.16	N/A
2048	2049	\$1,220,524.56	\$224,358.75	\$996,165.82	N/A
2049	2050	\$1,244,935.06	\$228,845.92	\$1,016,089.14	N/A

Decision points to consider:

- County foregoes \$500,000 in tax over 20 years by “freezing” current tax base vs. experiencing 2% growth.
- County foregoes \$11,000,000 over 20 years in increased revenues if all proposed development occurs without TIF support.
  - Assumes development and valuation growth will occur without TIF
- County foregoes \$500,000 in tax over 20 years with TIF and has a one year “payback” in year 21 with a tax levy of \$981 thousand vs. \$180 thousand.
- Does the TIF induced growth consist of all “new” or “additional” growth? If not, then to the extent it is believed to be development that offsets development that would otherwise occur in this, or another area within the County, the County needlessly contributes to the TIF. County contributions to TIF are projected to exceed \$11 million over a 20 year TIF lifespan.



**5. Sufficient data or notification was not provided for county staff to adequately review the proposal for a TIF district.**

There are ten items which are considered minimum data requirements for County evaluation of proposed TIF districts.

1. A legal description of the real estate forming the boundaries of the proposed TIF district and a map depicting the existing parcels of real estate;
2. The existing assessed valuation of the real estate in the proposed district, listing the land and building values separately;
3. A list of names and addresses of the owners of record of real estate within the district;
4. The existing zoning classifications and district boundaries and the existing and proposed land uses within the area;
5. A detailed description of the proposed projects for which the TIF district is to be created;
6. A market feasibility assessment showing whether the marketplace needs and will support the planned project;
7. A project pro forma showing detailed sources and uses of project funding and identifying the shortfall between anticipated private funding and project costs;
8. A tax increment funding analysis showing how the public funding will be provided for the proposed project and detailing planned yearly sources and uses of tax increment revenue;
9. Evidence that the anticipated private funding can be acquired, such as a letter of intent from a financial institution;
10. Description of plans for improving or expanding municipal services within the TIF district including, but not limited to, buildings and facilities, sanitary and storm sewers and lift stations, drainage conduits, channels and levies, refuse collection, road and street maintenance, street lighting and fixtures, underground gas, water, heating, and electrical services and connections in the right-of-way, sidewalks and pedestrian underpasses and overpasses, drives and driveway approaches within the right-of-way, water mains and extensions, plazas and arcades, parking facilities, landscaping and plantings, fountains, shelters, benches, sculptures, lighting, decorations, and similar amenities;

Data was provided for items 1 – 8 and has been utilized in this analysis. Due to the fact that a private developer has not been identified for the catalyst site construction, it isn't possible to have information for #9. The items in #10 are not typically included with a district plan, but may be in a project plan which would be filed prior to the activation of the TIF.

## **Summary**

This TIF proposal differs from previous TIFs, in that we typically see a private developer seeking the TIF in order to provide infrastructure or other public improvements to stimulate an already identified private development. In this case, the private development is conceptual, a developer has not been identified and publicly owned real estate is being offered for sale for commercial use. This would put currently tax exempt property on the tax rolls and increase the tax base.

As part of the downtown development strategy, and more specifically, the River District development, the City proposes to use the majority of public funds generated through increased sales and property taxes within the West Bank area to pay for the identified public improvements to serve as a catalyst in attracting the commercial development.