

City of Wichita
City Council Meeting
August 26, 2008

TO: Mayor and City Council

SUBJECT: Consider repeal of the Expansion of the Center City South Redevelopment District Ordinance (Tax Increment Financing) (Districts I & VI)

INITIATED BY: Office of Urban Development

AGENDA: New Business

Recommendation: Consider approving the Mayor's request for Declaration of Emergency, and placing a repealing ordinance on first and final reading.

Background: On May 8, 2007, the City Council established the Center City South Redevelopment District in downtown Wichita, in order to permit the use of tax increment financing ("TIF") to pay for certain eligible costs. The boundaries for the redevelopment district are First Street on the north, Broadway on the east, English on the south and Main Street on the west.

On July 1, 2008, the City Council adopted a resolution stating its intent to consider expanding the Center City South Redevelopment District. On August 5, 2008, the City Council held the public hearing required by statute, and on August 12, 2008 adopted ordinance 47-947 expanding the City Center South TIF district to an area similar to the Arena Neighborhood Redevelopment Plan Area.

Analysis: The Board of County Commissioners and the Board of Education for USD 259 have until September 5, 2008 to determine whether expansion of the district will have an adverse impact on them, effectively maintaining the current district size. If the County or School District rejects the proposed district, the tax increment financing district boundaries will not be expanded.

The County has made it known to City staff that it considers the public hearing held and the window of time available, given existing schedules, as insufficient to discuss and evaluate the actual use of tax increment financing in one or more redevelopment plans for the expanded Center City South Redevelopment District, but desires to enter into discussions of various concepts for funding of arena related improvements.

Repealing of the ordinance could remove the immediate time pressure from funding negotiations, as the time window for consideration of the district. This would also be accomplished by County action to veto the expansion of the district. Repeal may promote constructive collaboration with the County. The Construction Coordination Agreement reached on August 13, 2008 allocated responsibility between the County and City for the construction of infrastructure in the immediate vicinity of the Arena. That agreement did not address either the manner of funding or the timetable for completion of those improvements.

Financial Considerations: The expansion of a redevelopment district would facilitate the use of tax increment financing to pay the cost of public improvements constructed in conjunction with the

Intrust Bank Arena. Only if a project is approved, a redevelopment plan adopted, and the specific improvements authorized by Council action, would the tax increment revenues generated in the district will actually be utilized. Short of approval of such a district, funding for the infrastructure improvements would need to be re-determined, or the schedule for the same re-assessed. The City has announced its plan for TIF funding of these improvements from the outset of arena area planning, without expressed objection of the participants. and no alternate funding source has been identified.

Goal Impact: Economic Vitality and Affordable Living and Quality of Life. Redevelopment of blighted areas, and declining areas, are needed to avoid economic stagnation. Business prospects and workers seeking to relocate are attracted to a new city that takes care of its older sections.

Legal Considerations: The available resolution declaring an emergency and the repealing ordinance has been reviewed by the City's Law Department and approved as to form. The City and County cannot expand by agreement the window of time set by statute for consideration of the district.

Recommendation/Action: Take appropriate action.

Attachments: An available emergency resolution and repealing ordinance.

City of Wichita
City Council Meeting
August 12, 2008

TO: Mayor and City Council Members

SUBJECT: City/County Construction Coordination Agreement: Intrust Bank Arena Area Improvements (District I)

INITIATED BY: Department of Public Works

AGENDA: New Business

Recommendation: Approve the City/County Agreement and approve the design agreements.

Background: Street, drainage and railroad overpass improvements are needed to improve access and drainage in the area around the Intrust Bank Arena. An agreement has been prepared that defines the improvements and establishes a basis for City and County funding of the projects. Professional Engineering Consultants (PEC) is the County's consultant engineer for infrastructure improvements on and near the Arena site, including the design of limited improvements for Emporia, between Waterman and William and Topeka, from Kellogg to Waterman, and the full reconstruction of the Waterman and Washington intersection. PEC was also the City's consultant engineer for Waterman improvements south of the Arena. Agreements with PEC have been prepared for street and drainage improvements to three street sections near the Arena: Emporia, Waterman to William; Topeka, Kellogg to Waterman; and William, Emporia to Commerce. This section of William is immediately north of the Arena and will need to be improved prior to the facility opening, but is not included in the joint Construction Coordination agreement.

Analysis: The City/County agreement provides for the improvement of existing water and sewer facilities north of the Arena, reconstruction of the Washington and Waterman intersection and upgrades to the BNSF Railroad overpass at Waterman. In addition, it is proposed that the County's plan for limited reconstruction of a portion of both Emporia and Topeka be expanded to include reconstruction of the entire roadways, with the difference in cost funded by the City.

Financial Considerations: The total estimated cost is \$9,167,067 with \$3,897,009 paid by the City and \$5,270,058 paid by the County. Attached is a spreadsheet listing the individual project costs. PEC's design fees total \$149,000. The projects will be returned to the City Council at a future date for approval of construction funding, which is expected to come from the proposed TIF district for the area around the Arena. The funding source for the design agreements is the Waterman, Main to Washington project.

Goal Impact: The projects address the Efficient Infrastructure and Vibrant Downtown Goals by improving the area around the Intrust Bank Arena.

Legal Considerations: The Law Department has approved the City/County agreement and design agreements as to legal form.

Recommendation/Action: It is recommended that the City Council approve the City/County agreement, approve the design agreements, and authorize the necessary signatures.

Attachment: Agreements and spreadsheet.