# Incentives for Core Area Development

The following is a detailed list of incentives for core area development offered by the City of Wichita. This comprehensive list includes infill-specific incentives as well as other incentives that are eligible for use in the core area. The incentives listed are applicable for developers and individual property owners (commercial and residential). Any dollar amount listed as available for incentive use is subject to change. Fund amounts available for use often fluctuate, and are not guaranteed available. For more information on a listed incentive or fund availability, contact the department representative listed.

**Department: Economic Development**
**Contact: Allen Bell 268-4524**

## 1. Industrial Revenue Bonds (IRB)

**Funding / Authority:**

- Resolution No. R-98-151 Pursuant to K.S.A. 12-1740 To 12-1749d

**Description:**

- Finance acquisition and construction of a broad variety of industrial, commercial and industrial properties.
- Governmental entity to act as the "Issuer" of the bonds that provide low-cost financing for qualified projects.
- Property and services acquired with the proceeds of IRBs are eligible for sales tax exemption. Sales tax exemption certificate must be obtained from the Kansas Department of Revenue prior to expenditure of bond proceeds.
- Income earned on all IRBs issued in Kansas is exempt from all State taxes except inheritance taxes. The income earned on IRBs issued for manufacturing facilities, facilities owned by 501(c) corporations, low-income multifamily housing projects, and single-family mortgages are also exempt from federal income taxation.

## 2. Tax Abatement (IRB)

**Funding / Authority:**

- Originally The Wichita Business Incentive Policy adopted by the City Council in May of 1991. Later revised April 21, 1998 and supplemented by the Wichita/Sedgwick County Economic Development Incentive Policy on November 16, 2004.
- Granted in connection with the issuance of IRBs

**Description:**

- Property taxes may be abated up to 10 years for new improvements to real property and for newly acquired items of personal property used by an eligible business in connection with an expansion or relocation of the business' operations in Wichita.
- Requires use of IRBs.
- Land and existing buildings are not generally eligible for property tax abatement. Existing buildings within the City of Wichita will only be considered for tax abatement if the building has been vacant for at least three years and is acquired by a party not related to the previous owner.

- The term of tax abatement on real property improvements under this Policy shall be an initial term of five years, plus an additional five years subject to review and approval of the City Council and/or Board of County Commissioners at the end of the initial term.
- Location Premium: Businesses in the City of Wichita shall be encouraged to locate and/or expand within special redevelopment areas of the City. To foster such action, businesses may receive additional recommended tax abatement equal to 20% for locating into special redevelopment areas.

## 3. EDX Abatement

**Funding / Authority:**

- Originally The Wichita Business Incentive Policy adopted by the City Council in May of 1991. Later revised April 21, 1998 and supplemented by the Wichita/Sedgwick County Economic Development Incentive Policy on November 16, 2004.
- Granted under Article 11 of the state constitution

**Description:**

- Limited to expanding manufacturing, research & development and warehouse & distribution businesses that create or retain jobs.
- Otherwise, same terms and conditions as IRB tax abatements.
- Does not require IRBs.

## 4. Tax Increment Financing (TIF)

**Funding / Authority:**

- State law allows cities to use TIF (K.S.A. 12-1770 *et seq.*), subject to possible veto by counties and school districts

**Description:**

- Redevelopment financing tool used to fund the costs of public infrastructure and other eligible improvements related to redevelopment of blighted or declining areas.
- The portion of taxes representing the "tax increment" is paid to the City to cover eligible redevelopment costs; the taxes based on the "base year" valuation goes to the City, County, School District and State, the same as all other property taxes.
- Uses increased taxes derived from redevelopment of property in a redevelopment district to pay for certain improvements in conjunction with the redevelopment project.
- Proceeds can only be used to pay eligible costs including: public infrastructure, land acquisition, demolition, relocation, streets, sidewalks, public parking, etc.

## 5. Neighborhood Revitalization Area (NRA) Tax Rebate Program

**Funding / Authority:**

- City of Wichita
- State law (K.S.A. 12-17,114 *et seq.*)
- Interlocal Cooperation Agreements between City of Wichita, Sedgwick County and U.S.D. 259

**Description:**

- Receive up to 95% five-year rebate on the increased taxes actually paid, as result of new construction or rehab projects in NRA.
- Requires a minimum investment of $10,000 in the rehab or construction project.

- Available for: Non-resident property owners or owner/occupants; Single-family dwellings; Multi-family dwellings; Commercial/industrial properties.
- Tax rebates apply to increased taxes actually paid on the improved value of a property and do not apply to existing property taxes.

## 6. Façade Improvement Program

**Funding / Authority:**

- City of Wichita
- Combination of special assessments (roughly 75%) and general obligation (roughly 25%) funding, however, can vary from project to project

**Description:**

- Enhance visual aesthetics of downtown area via owners or tenants renovating or restoring building facades.
- Very low cost loan financing that may include a forgiveness provision for a portion of the loan.
- Minimum façade improvement project size is $50,000 and borrower is expected to match City's financing package with other funding.
- For non high-rise buildings (less than four stories) or façade projects $500,000 or less, City assistance includes forgivable loan up to 25% of the façade improvement cost, if the owner maintains the facade.
- Maximum assistance (forgivable loan) is $10,000 for one facade. Up to $30,000 is available for a corner building with two visible facades on street right-of-way.

## 7. Special Assessment Financing for Asbestos and Lead Paint Management

**Funding / Authority:**

- State of Kansas, House Bill 2923 (1996)
- City of Wichita

**Description:**

- Allows special assessment financing to pay for abatement of asbestos and lead paint in privately owned commercial buildings.
- Allows for affordable means for building owners to deal with the hazardous materials so their existence does not impede redevelopment of Wichita buildings.
- City pays for abatement of the hazardous materials up front, and property owner repays costs over a 15-year period in annual or semi-annual payments.

## 8. Community Improvement District (CID)

**Funding/Authority:**

- State of Kansas, House Bill 2324 (2009)
- City of Wichita

**Description:**

- Allows developers to petition the City to establish CIDs for commercial, industrial or mixed-use projects.

- CIDs may impose up to a 2% special sales tax on retail sales or special assessment taxes on real property for up to 22 years.
- Special tax revenue can be used to pay for a wide range of capital costs and certain on-going operating costs, either through pay-as-you-go financing or special obligation (revenue) bonds.

## Department: Historic Preservation
## Contact: Kathy Morgan 268-4392

### 1. Historic Preservation Tax Credits (on rehabilitation)

- Tax credit is taken off income taxes owed to state or federal government.
- Building must be listed on the Kansas State or National Register of Historic Places or be a 'contributor' to a state or nationally listed historic district (Old Town is listed on the National *and* State Registers)

**Funding / Authority:**
- State of Kansas

**Available to:**
- Any type of ownership: personal, commercial, non-profit. Building may be income producing.

**Description:**
- Tax credit is equal to 25% of qualified rehabilitation expenses (expenses must exceed $5,000).
- No cap on project expenses or limit to number of times to apply and receive credit.
- Property must be listed in the Kansas Register of Historic Places and work approved by the Kansas State Historic Preservation Office before work begins.

**Funding / Authority:**
- Federal Government

**Available to:**
- Commercial entities. Building must be income producing (business, hotel, etc.) *Private residences do not qualify.*

**Description:**
- Credit is equal to 20% of qualified substantial rehabilitation expenses.
- Property must be listed in the Kansas Register of Historic Places and work approved by the Kansas State Historic Preservation Office before work begins.
- Projects approved for Federal tax credits may automatically receive state tax credits as well.

### 2. Historic Revolving Loan Program

**Funding / Authority:**
- City of Wichita
- CDBG funded, revolving balance

**Available to:**
- Intended loan use: residential property (loan applicant must be owner of the property or purchasing on a valid land sale contract)

**Description:**

- Financial assistance for the preservation, restoration, and rehabilitation of historically and architecturally significant structures located within the City of Wichita.
- Property must be designated and listed in the local, state, or national historic register, or be a contributing structure in a residential district.
- Any qualifying property must additionally be within an area designated as "slum and blighted," or pose a situation of "spot blight."
- Loan amount up to $25,000 (not based on income level) for listed property.
- Property located within the 1919 city limits and determined eligible for listing in the local, state or national register may qualify for a loan amount up to $5,000 (not based on income level).

### 3. Historic Deferred Loan Program

**Funding / Authority:**

- City of Wichita
- CDBG funded, revolving balance

**Available to:**

- Owner occupied single family residences located within the 1919 city limits of Wichita.

**Description:**

- Must meet 80% median income guidelines, and not qualify for monthly installment loans due to credit problems or do not possess the ability to repay a loan.
- Borrower will not be required to repay the amount loaned during the borrower's lifetime as long as the borrower remains the owner and residential occupant of the property.

## Department: Office of Central Inspection
## Contact: Kurt Schroeder 268-4460

### Permit Fee Waiver

**Funding / Authority:**

- City of Wichita

**Description:**

- OCI will waive building permit fees on new residential (one & two family) construction and remodeling over $10,000 in designated NRAs.

## Department: Water Utilities
## Contact: Don Kirkland 268-4127

### 1. Redevelopment Infill Waiver and/or Modification Consideration

**Funding / Authority:**

- City of Wichita

**Description:**

- Waiver and/or modification of fees for payment in absence of special assessments for properties exhibiting some or all of the following characteristics:
    1) Inclusion within the corporate limits of the City of Wichita prior to 1970
    2) Potential public benefits relating to the redevelopment or infill of urban properties
    3) Absence or inclusion of adjoining properties in a benefit district at time of development
    4) Potential overriding public benefits: preservation of public health through provision of a public water supply in cases of groundwater contamination, which may accrue to application of the fees in particular situations
- Primarily intended for residential property.
- Must apply for and be approved for program.

## 2. Water/Sewer Tap and Plant Equity Fee Waiver

**Funding / Authority:**

- City of Wichita

**Description:**

- These fees are waived for new single-family construction projects undertaken within the boundaries of City's designated NRAs.

## Department: Housing and Community Services
## Contact: Mark Stanberry (HOME) 462-3734

## 1. HOME 80 for First Time Homebuyers

**Funding / Authority:**

- City of Wichita
- HOME Investment Partnership Program (HOME) funds

**Available to:**

- Homebuyers

**Description:**

- Financial assistance for down payments and closing costs for eligible homebuyers purchasing new or existing homes in the City's Redevelopment Incentives and Local Investment Areas.
- Assistance is also available to assist first time homebuyers with property improvements to extend the value of existing home purchases.

## 2. Housing Development Loan Program

**Funding / Authority:**

- City of Wichita

- HOME funds

**Available to:**

- Developers

**Description:**

- HOME Investment Partnerships funds are available for the development of affordable residential housing in the City's Redevelopment Incentives and Local Investment Areas.
- Projects include new construction or rehabilitation of single family, owner occupied properties
- HOME funds are provided in the form of interest-bearing loans or advances, non-interest-bearing loans or advances, deferred payment loans, and other subsidies consistent with the purpose of the HOME program.

## 3. Housing Tax Credits (HTC)

**Funding / Authority:**

- State of Kansas/Federal Tax Reform Act of 1986; Revenue Reconciliation Act of 1993

**Contact:**

- Fred Bentley, Director
  Rental Housing Division
  Kansas Housing Resources Corporation
  611 S. Kansas Ave., Suite 300
  Topeka, KS 66603-3803

**Description:**

- Indirect federal subsidy used to finance the construction and rehabilitation of low-income affordable rental housing.
- Program can provide as much as 55% to 65% of the total development cost, which reduces the amount of debt financing and allows lower rents.
- Eligible costs include construction costs, financing expenses, developer fees and other project-related soft costs.
- HTC-designated apartment units are rent-restricted, and must be affordable to individuals/families with incomes below 60% and 50% of median income, depending on the income targeting strategy chosen by the developer.
- State compliance period is 30 years.
- 4% Housing Tax Credits are combined with Industrial Revenue Bonds.
- City Council Resolution of Support required for Housing Tax Credit applications.

## Department: Office of Environmental Health
## Contacts: Joe Pajor 268-4664, Don Henry 268-8340

### Permit Fee Waiver

**Funding / Authority:**

- City of Wichita

**Description:**

- Waiver of septic system and water well permit fees for residential areas without public services that need private systems; located within the NRA.

## Department: Finance
## Contact: Catherine Gilley 268-4143

### 1. Special Assessment Hardship Deferral Program

**Funding / Authority:**

- City of Wichita, Office of Debt Management

**Description:**

- Low-income property owners may be eligible for special assessment payment deferral.
- Deferrals are eligible for use on single-family residences located anywhere within City limits.
- Available only for property owners who reside on the property assessed; parcel cannot exceed two acres in size, and must be a single building site.
- Annual principal and interest on the assessments must be in excess of one percent of owner's annual income and appraised value of the home of applicant cannot exceed the current median home value for existing homes.
- Hardship deferrals are reviewed annually for eligibility, thus property owners must re-apply each year deferment is sought.
- Hardship deferrals can be granted indefinitely and do not have to run concurrently.
- Special assessments are considered outstanding debt until all obligations are met, and if the property is sold, all special assessments (principal and interest) become due and payable.
- An applicant who meets the eligibility requirements for deferral will be required to pay the cost of the filing and subsequent release of the lien. The fee for such filing and release shall be determined by the Register of Deeds and is subject to change.
- No deferrals are granted for properties with delinquent taxes.

### 2. Special Assessment Agricultural Deferral Program for Undeveloped Land

**Funding / Authority:**

- City of Wichita, Office of Debt Management

**Description:**

- The property must be in excess of 2 ½ acres.

- The property must not be platted.
- The property must be undeveloped.
- The property must have a population of less than one family per acre.
- The property must not be served by the improvement during the deferral period.
- The owner or an entity having 5% or greater ownership cannot sign the public improvement petition.
- The deferral period will not exceed 15 years and will end if the property is platted.
- An applicant who meets the eligibility requirements for deferral will be required to pay the cost of the filing and subsequent release of the lien. The fee for such filing and release shall be determined by the Register of Deeds and is subject to change.
- No deferrals are granted for properties with delinquent taxes.

## 3. Special Assessment Storm Water Drainage Deferral Program

**Funding / Authority:**

- City of Wichita, Office of Debt Management

**Description:**

- The property must be platted.
- The property must not be served by street pavement (public or private).
- The property eligible for storm water drainage deferral must not exceed fifty percent (in either size and/or lot count) of the benefit district.
- A letter of credit in the amount of 35% of the storm water drainage project cost must be provided per the requirements of the City of Wichita and, for a benefit district utilizing storm water drainage deferral, the release of the letter of credit shall end the deferral period.
- If or when street pavement, either publically or privately funded, is approved for any lot within the benefit district for which the storm water sewer assessment is deferred, the development deferral for all lots will expire. Approval of streets will be defined as awarding of the contract for publically constructed streets, or the final plan approval for private street improvements.
- An applicant who meets the eligibility requirements for deferral will be required to pay the cost of the filing and subsequent release of the lien. The fee for such filing and release shall be determined by the Register of Deeds and is subject to change.
- No deferrals are granted for properties with delinquent taxes.

## 4. Extended Special Assessment Financing Program

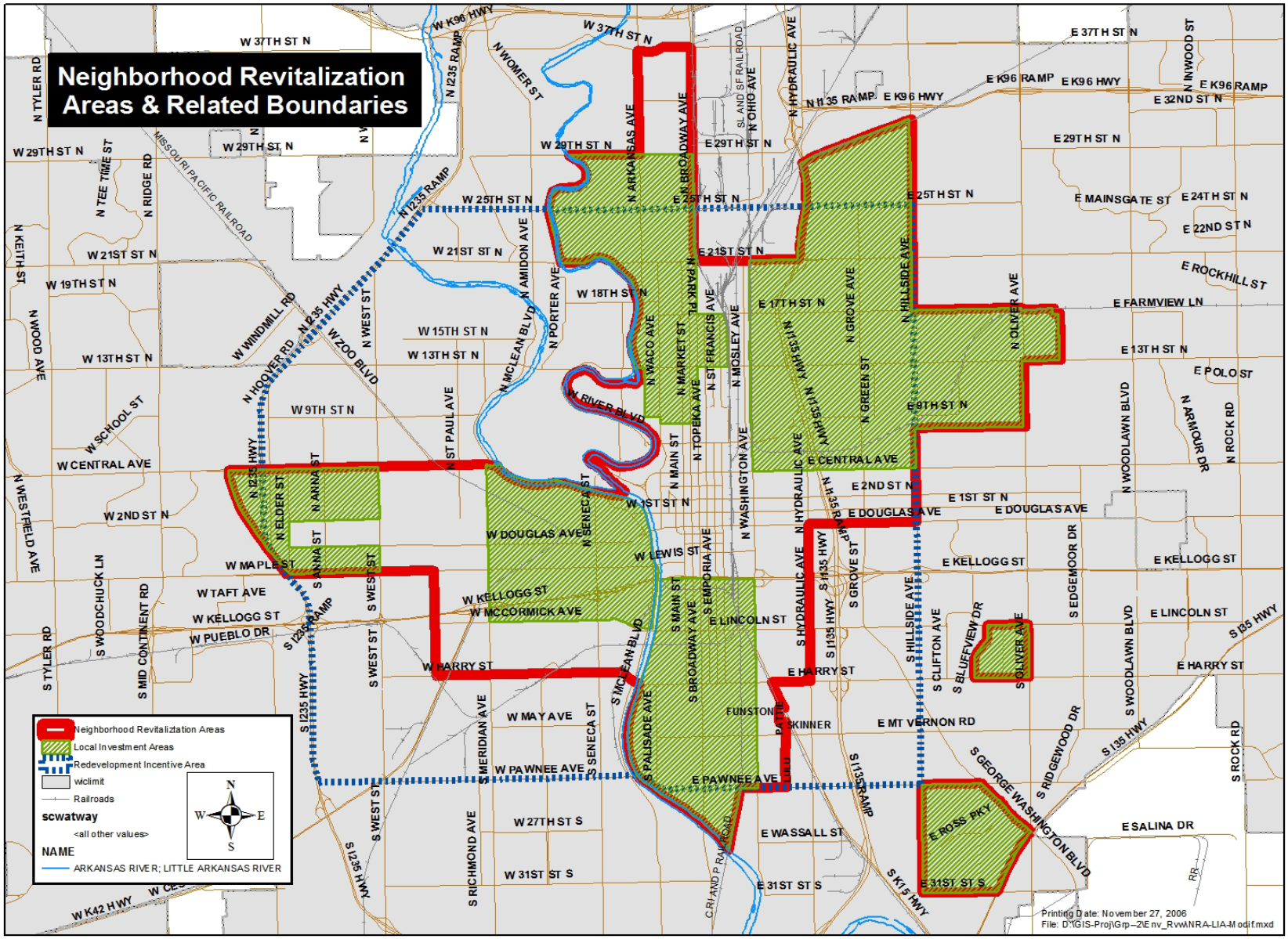
**Funding / Authority:**

- City of Wichita

**Description:**

- Existing residential neighborhoods without municipal services are automatically eligible for 20-year special assessment financing with approval of City Engineer.
- Extended 20-year special assessments (as opposed to 15-year) on case-by-case basis for residential developments with high development costs; however developer or agent must submit request ahead of time.

- All 20-year special assessment projects are referred to the Extended Special Assessment Committee for its information and/or action.


Neighborhood Revitalization Areas & Related Boundaries
Neighborhood Revitaliztation Areas
Local Investment Areas
Redevelopment Incentive Area
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