

<p style="text-align: center;"><b>CITY OF MISSION</b></p> <p style="text-align: center;"><b>ACTION ITEM SUMMARY</b></p> <p style="text-align: center;"><i>Community Development Department</i></p>	<p>Item Number:</p> <p>Date: July 20, 2005</p> <p>From: Martin Rivarola</p>
<p><b>SUBJECT:</b></p> <p>City Council Policy 106 – Tax Increment Financing</p>	
<p><b>DETAILS:</b></p> <p>On September 10, 2003, the City Council approved Council Policy 106 on the use of Tax Increment Financing as an economic development tool within the City of Mission.</p> <p>Staff has had a series of meetings with Katie Logan and Pete Heaven, Lathrop and Gage, to study potential needed revisions to the referenced Council Policy.</p> <p>At this time, Staff would like to recommend the following amendments to Council Policy No. 106:</p> <ul style="list-style-type: none"> <li>➤ 1.04.A.C.1. (3) - Clarification that “all or any portion of” the increased franchise fees and city sales tax may be used to finance permissible expenses of the TIF District.</li> <li>➤ 1.04.E.1. - Addition of the following criteria for considering granting of TIF: “(e) promote reduction of quantity of stormwater runoff and improvement of water quality from private development”</li> <li>➤ 1.04.E.2. - Minimum capital investment necessary to qualify for tax increment financing be \$2,000,000.00 (current policy requires only \$1,000,000).</li> <li>➤ 1.05.B. - Developer must be responsible for payment of fees for additional services (City Attorney and TIF Counsel) incurred by city, in the evaluation of the TIF Application. Amendments in this section (1.05.B.) further clarify that reimbursement for services shall occur pursuant to a funding agreement.</li> <li>➤ Other minor “clean up” revisions.</li> </ul>	
<p><b>RECOMMENDATION:</b></p> <p>Recommend Approval of TIF Council Policy Revisions, as attached.</p>	
<p><b>Amount Requested:</b> NA</p>	
<p><b>Line Item Code &amp; Description:</b> NA</p>	
<p><b>Available Budget:</b> NA</p>	

**CITY OF MISSION**  
**CITY COUNCIL POLICY MANUAL**

---

**POLICY NO. 106**

**TAX INCREMENT FINANCING POLICY**

---

**1.01 OBJECTIVES**

The purpose of this Policy is to establish the official position and procedures of the City of Mission, Kansas, for considering applications for Tax Increment Financing ("TIF") used for economic development and redevelopment purposes in accordance with the provisions of K.S.A. 12-1770 et. seq.

**1.02 SCOPE**

The City recognizes that the proper use of Tax Increment Financing can promote, stimulate and develop the general and economic welfare of and quality of life in the City. The City is committed to the high quality and balanced growth and development of the community; to preserving the City's unique character and distinctive atmosphere; and to revitalizing and redeveloping areas of the City. Although the City does not encourage the practice of subsidizing private business with public funds, insofar as the City's objectives are substantially advanced by the expansion of the tax base and enhancement of the local economy, the City will consider, on a case-by-case basis, the approval of TIF projects where, but for the availability of TIF, such projects would not be economically viable. It is the policy of the City that any decision regarding the approval of TIF projects will be made in accordance with the guidelines, criteria, and procedures outlined in this Policy. Nothing herein shall imply or suggest that the City be under any obligation to approve a TIF Project for any applicant.

### 1.03 DEFINITIONS

For the purpose of this Policy, the words or phrases as used in either the Kansas Constitution, applicable State statutes, or this Policy shall have meaning or be construed as follows:

***Applicant.*** The individual or business and its officers, employees, and agents requesting approval of the TIF Project.

***Associated therewith:*** As used with respect to tangible personal property shall mean being located within, upon, or adjacent to buildings or added improvements to buildings.

***Blighted Area:*** An area of real property qualifying as such, in the opinion of the Governing Body, pursuant to K.S.A. 12-1771.

***City:*** The City of Mission, Kansas, and its Governing Body.

***Conservation Area:*** An area of real property qualifying as such, in the opinion of the Governing Body, pursuant to K.S.A. 12-1771.

***Feasibility Study:*** A comprehensive study, prepared as required under K.S.A. 12-1771, which shows the benefits derived from the TIF Project will exceed the costs and the income therefrom will be sufficient to pay for the Project.

***Redevelopment Plan:*** A description of a TIF Project, which includes the requirements of K.S.A. 12-1772.

***TIF District:*** An area determined to be a redevelopment district by the Governing Body pursuant to the requirements of K.S.A. 12-1771.

***TIF Project:*** The improvements to real property for which Tax Increment Financing has been approved.

***Tax Increment:*** The difference between the amount of *ad valorem* property taxes assessed against the TIF District prior to completion of the TIF Project and the amount of *ad valorem* property taxes assessed against the TIF District after completion of the TIF Project. For example, if the taxes assessed prior to completion of the TIF Project

were \$5,000, and the taxes assessed after completion of the TIF Project were \$50,000 annually, the "tax increment" would be \$45,000.

#### **1.04 PROVISIONS**

##### **A. Legal Authority**

Pursuant to K.S.A. 12-1771, the City may create TIF Districts in blighted areas, conservation areas, and enterprise zones created pursuant to K.S.A. 12-17,110. Certain costs of improvements within the TIF District may be reimbursed to the developer or paid through the issuance of special obligation bonds or full faith and credit bonds. Funds to pay the reimbursement or to retire the bonds are generated by the tax increment and other sources that may be pledged by the City. This authority is discretionary and the City may provide for Tax Increment Financing in an amount and for purposes more restrictive than that authorized by statute.

No privately owned property shall be acquired and redeveloped under the provisions of the Act if the Johnson County Board of County Commissioners or the Board of Education levying taxes on property proposed to be included in the TIF District determines that the proposed TIF District will have an adverse effect on such county or school district.

##### **B. Eligible TIF Expenses**

The Act specifies permissible TIF expenses, including:

- a. acquisition of property within the TIF Project area;
- b. payment of relocation assistance;
- c. site preparation;
- d. sanitary and storm sewers and lift stations;
- e. drainage conduits, channels and levees;
- f. street grading, paving, graveling, macadamizing, curbing,

- guttering and surfacing;
- g. street lighting fixtures, connection and facilities;
- h. underground gas, water, heating, and electrical services and connections located within the public right-of-way;
- i. sidewalks and pedestrian underpasses or overpasses;
- j. drives and driveway approaches located within the public right-of-way
- k. water mains and extensions;
- l. plazas and arcades;
- m. parking facilities;
- n. landscaping and plantings; fountains, shelters, benches, sculptures, lighting, decorations and similar amenities; and
- o. related expenses to redevelop and finance the Redevelopment Project.

The costs of construction of buildings or other structures to be privately owned are not eligible TIF expenses.

## **C. Bond Authority**

The City may use proceeds of special obligation bonds or full faith and credit tax increment bonds to finance the undertaking of a redevelopment project, as provided in K.S.A. 12-1774. The maximum maturity of any such special obligation bonds or full faith and credit tax increment bonds shall be twenty (20) years. The City may also issue industrial revenue bonds or private activity bonds to benefit a developer located within a TIF District.

### **1. Special Obligation Bonds**

The City may issue special obligation bonds to finance permissible expenses of the TIF District. Such bonds shall be payable, both as to principal and interest: (1) from property tax increments allocated to, and

paid into a special fund of the City; (2) from revenues of the City derived from or held in connection with the undertaking and carrying out of any Project; (3) from private sources, contributions or other financial assistance from the state or federal government; (4) from all or any portion of the increased franchise fees and city sales tax, or (5) from any combination of these methods.

Special obligation bonds are not general obligations of the City, nor in any event shall they give rise to a charge against its general credit or taxing powers or is payable out of any funds or properties other than those sources set forth above. Should the annual increment fall short of the amount necessary to pay the principal and interest of the special obligation bonds issued under this Policy, the remaining amount payable is the responsibility of the applicant, not the City.

If a special obligation bond issued under this Policy is offered to the public, an investment grade rating must be assigned to the issue; if the bond is privately placed, it may be issued without a rating, but must be sold to an accredited investor as that term is defined by securities industry standards.

## **2. Industrial Revenue Bonds**

Industrial revenue bonds may be issued by the City pursuant to K.S.A. 12-1740 *et seq.* to benefit a developer within the TIF district. All state law benefits associated with such bonds shall be available, except that no *ad valorem* tax abatement shall be available.

## **D. Reimbursement Authority**

Pursuant to Attorney General Opinion 96-45, the tax increment can be used to reimburse a developer for eligible TIF expenses as opposed to issuing bonds;

this is the preferred method of granting TIF benefits. Under this method, the City agrees to reimburse the developer for eligible TIF expenses over a period of time not to exceed twenty (20) years with interest on the outstanding reimbursement amount. The reimbursement amount and interest is paid solely from all or a portion of the tax increment, and the developer takes the risk that the portion of the increment pledged for reimbursement will be insufficient to retire the eligible TIF expenses and interest.

**E. Amount of Tax Increment Financing Available.**

**1. Criteria**

The primary objectives of the City in granting TIF for economic development are: (a) promote, stimulate and develop the general and economic welfare of the state of Kansas and the City; (b) promote the general welfare of the citizens of Kansas and the City through assisting in the development, redevelopment, and revitalization of central business areas, blighted areas, conservation areas, and environmentally contaminated areas located within the City; (c) create new jobs and retain existing jobs; (d) expand the economic and tax base of the City; and (e) promote reduction of quantity of stormwater runoff and improvement of water quality from private development. The City recognizes that a simple system of determining the amount of TIF to be granted in order to reach these objectives may not always be equitable if applied uniformly to different kinds of redevelopment plans. As a result, in determining the actual amount and duration of TIF to be granted, the City shall consider the factors and criteria set forth in this Policy under the Analysis of Costs and Benefits, as well as the amount and duration of previous TIF Projects supported by the City.

**2. Capital Investment.**

To be considered for TIF, an individual or business should be making a minimum capital investment in the City of \$2,000,000.00. The term "capital investment" means the acquisition cost of land, buildings and tangible personal property constituting capital assets for accounting purposes. The minimum amount of capital investment required for TIF Projects, as provided herein, may be waived by the City based upon the unique nature of the project as determined by the Governing Body.

**F. Analysis of Costs and Benefits**

Prior to granting TIF, the City shall prepare, or direct to be prepared, a cost benefit analysis examining the costs and benefits to the public of the proposed TIF Plan. The Cost-Benefit Analysis shall be performed on a model approved by the City and shall be in addition to the Feasibility Study. The cost of preparing the Cost-Benefit Analysis shall be paid by the applicant. This cost will be in addition to the application fee required under this Policy. The City shall use the Cost-Benefit Analysis to assist in its decision-making process, but the results of the analysis will not be determinative or obligate the City to any course of action. The Cost-Benefit Analysis shall consider, but not be limited to, the following factors, as applicable:

1. The market value of the applicant's investment in real and personal property;
2. The property tax, sales tax, franchise fees, transient guest tax, and other tax and fee revenue that may result and directly benefit the City;
3. The number and average employee salary of full-time equivalent jobs that will be created;



4. The expenditures that local government will need to make to provide streets and utilities, police and fire protection, and other services as a result of the TIF Project;
5. The expenditures for police and fire protection, recreation, street maintenance, social programs, etc., for the new residents associated with the TIF Project;
6. The expenditures for public capital investments (library, streets, etc.) for the new residents associated with the TIF Project;
7. The expenditures by the local school district(s) to provide the facilities and to educate the students of the new residents associated with the TIF Project;
8. Other public or private expenditures associated with attracting a new business;
9. The kinds of jobs created in relation to the types of skills available from the local labor market;
10. The degree to which the ultimate market for the applicant's business products and services is outside the community, recognizing that outside markets infuse "new money" to the local economy;
11. The potential of the applicant's business for future expansion and additional job creation;
12. The indirect costs and benefits the applicant's business may have by creating other new jobs and businesses, including the utilization of local products or other materials and substances in manufacturing;

13. The compatibility of the location of the applicant's business with land use and development plans of the City and the availability of existing infrastructure facilities and essential public services;
14. An evaluation of the applicant's current and projected financial strength and market viability.
15. The number and average employee salary of full-time equivalent jobs that will be retained in the City, community, or State as a result of the applicant's decision to locate or remain in the City; and
16. The value added, including intangible costs and benefits such as City reputation, congestion, environment, and quality of life to the City and community as a result of the unique nature of the applicant's business.

**G. Application Of "But-For" Principle**

All TIF applications shall be considered in light of the "but-for" principle, i.e., the TIF must make such a difference in the decision of the applicant that the Project would not be economically feasible but for the availability of TIF. The Governing Body does not encourage the subsidy of private businesses with public funds, the indirect consequence of TIF, unless some measurable public good results, as determined by the City, and the public subsidization can reasonably be expected to make a significant difference in achieving one or more objectives of the City.

**H. Unfair Competition**

In reviewing TIF proposals, the Governing Body shall consider whether or not such financing is likely to create an unfair advantage for the applicant over any existing competing business within the City.

**I. Distribution of *Ad Valorem* Taxes**

All tangible taxable property located within a TIF District shall be assessed and taxed for *ad valorem* tax purposes pursuant to law in the same manner that such property would be assessed and taxed if located outside such district, and all *ad valorem* taxes levied on such property shall be paid to and collected by the county treasurer in the same manner as other taxes are paid and collected.

Some or all of the increment in *ad valorem* property taxes resulting from a redevelopment district may be apportioned by the City to a special fund for the payment of the eligible TIF expenses of the TIF Project, including reimbursement or the payment of principal and interest on any special obligation bonds or full faith and credit tax increment bonds issued.

**J. Condemnation**

The use of condemnation, permitted under K.S.A. 12-1773, will be considered by the Governing Body only upon a finding that the applicant has attempted, in good faith, to acquire the property privately. In the event condemnation is approved by the Governing Body, the applicant shall be responsible for all costs associated with the proceedings, including court and litigation costs, attorney's fees and the final condemnation awards made.

**K. Waiver of Requirements**

The Governing Body reserves the right to grant or deny TIF for the development or redevelopment of a District under circumstances beyond the scope of this Policy, or to waive any procedural requirement. However, no such action or waiver shall be taken or made except upon a finding by the Governing Body that a compelling or imperative reason or emergency exists, and that such action or waiver is found and declared to be in the public interest. The Governing Body shall not waive any procedural requirement of State law.

**1.05 PROCEDURES**

The following basic procedures shall govern the approval of TIF Projects within the City. All requests for Tax Increment Financing shall be considered and acted upon in accordance with this Policy.

**A. Proposal**

The applicant shall apply for approval of a TIF Project by filing with the Public Works Department five (5) copies of a written proposal on a form provided by the Public Works Department. The proposal shall include, but is not limited to: (a) a proposed comprehensive plan that identifies all the proposed redevelopment project areas and that identifies in a general manner all of the buildings and facilities that are proposed to be constructed or improved in each redevelopment project area; (b) description and map of the proposed redevelopment district; (c) description of the proposal boundaries of the redevelopment district; (d) information regarding expected capital expenditure by the applicant; and (e) a proposal for development assistance. The Public Works Department shall retain one copy and distribute the remaining copies to: City Administrator, City Attorney, City Clerk and City Treasurer. The City will consider full and complete proposals, and additional information as may be requested by the Governing Body. Any inaccuracy, misstatement of or error in fact may render the proposal null and void and may be cause for the repeal of any development assistance rendered through the TIF statutes granted by the City in reliance upon said information.

**B. Proposal and Renewal Fees**

All proposals shall be accompanied by an application fee of \$1,000. This fee is in addition to other fees which may be required by the City, including fees for the issuance of tax exempt or taxable bonds, costs incurred for preparation of the Feasibility Study as required by K.S.A. 17-1771, costs associated with the Cost and Benefit Analysis required by the City and costs incurred, if any, for review

and work done by the City Attorney, TIF Counsel, City's Financial Advisor and Bond Counsel. Pursuant to a funding agreement, actual costs incurred for review shall be billed by the City Clerk for payment within thirty (30) days of the review process.

**C. Initial Review Procedure**

On receipt of the completed proposal and the required fee, the City Administrator shall determine whether the proposal is complete and sufficient for review. If the proposal is incomplete, the City Administrator shall immediately notify the applicant of the need for such changes or additions as deemed necessary. The matter shall then be referred to the City Attorney for a decision as to whether the proposed area of redevelopment meets the requirements of a redevelopment district, as described under K.S.A. 12-1771. The City Administrator shall notify the Finance Committee of the Governing Body, if the proposal is found complete and is for a purpose, which appears to be authorized by law.

**D. Review by Finance Committee**

The Finance Committee ("Committee") shall review requests and applications for TIF, evaluate the proposed TIF District and verify that redevelopment is necessary to promote the general and economic welfare of the City, gather and review such additional information as may be deemed necessary to determine if the applicant meets the objectives of this Policy, conduct preliminary discussions with the applicant, discuss terms of an agreement to be drafted by the City Attorney or his/her designee for Governing Body consideration and to recommend to the Governing Body whether the proposal should be favorably considered. In reviewing the information, the Committee may utilize the services of consultants, including but not limited to TIF Counsel, bond counsel and financial advisors. Committee records, including proposals submitted for

TIF, may be withheld from public disclosure as provided under the Kansas Open Records Act, but shall be available for public inspection when otherwise required by law.

**E. Governing Body Action**

**1. Reviewing and Establishing the TIF District**

Upon receiving the recommendation of the Committee, the Governing Body shall determine whether to reject the TIF proposal or to further consider the request. Upon a favorable vote for further consideration, the Governing Body shall take action to establish a TIF District, unless such District is already in existence. The Governing Body must conclude that redevelopment of the proposed area is necessary to promote the general and economic welfare of the City. If such a finding is made the Governing Body may adopt a resolution.

**a. TIF District Resolution**

The resolution shall state that the City is considering the establishment of a TIF District; additionally, it shall: (1) give notice that a public hearing will be held to consider the establishment of a redevelopment district and to fix the date, hour and place of such hearing; (2) describe the proposed boundaries of the redevelopment district; (3) describe a proposed comprehensive plan that identifies all of the proposed redevelopment project areas and that identifies in a general manner all of the buildings and facilities that are proposed to be constructed or improved in each development project area; (4) state that a description and map of the proposed redevelopment district are available for inspection at a time and place designated; and (5) state that the Governing Body will

consider findings necessary for the establishment of a redevelopment district.

No elected or appointed officer, employee or committee of the City, and no Chamber of Commerce, Board, Development Council, or other public or private body or individual, shall be authorized to speak for and commit the Governing Body to the provision of TIF, nor to the establishment of a TIF District. Such resolution shall be an expression of good faith intent, but shall not in any way bind the City to establishing a TIF District.

**b. Notice and Hearing**

No TIF District shall be established, nor TIF granted, by the City prior to notice and a public hearing as required by K.S.A. 12-1771. Upon request, the City Clerk shall provide any public agency with a copy of the proposal and a description and map of the proposed TIF District. The applicant or his/her designee is required, to attend the public hearing.

**c. Establishing the TIF District**

Upon the conclusion of the public hearing and determination by Mission City Attorney that the proposed area complies with K.S.A. 17-1771, the Governing Body may establish the TIF District by ordinance. Any addition of area to the TIF District or any substantial change to the comprehensive plan shall be subject to the same procedure for public notice and hearing as is required for the establishment of the District.

**2. The Redevelopment Project**

The Governing Body and the Planning Commission will consider the redevelopment project as proposed. Together, they will prepare a redevelopment plan. The Planning Commission must determine that the Plan is consistent with the comprehensive general plan for the development of the City.

**a. Redevelopment Plan**

The redevelopment plan shall include: (1) a summary of the Feasibility Study; (2) a reference to the redevelopment district that identifies the redevelopment project area that is set forth in the comprehensive plan that is being considered; (3) a description and map of the area to be redeveloped; (4) the relocation assistance plan, as required by K.S.A. 17-7777; (5) a detailed description of the buildings and facilities proposed to be constructed or improved in such area; and (6) any other information the Governing Body deems necessary to advise the public of the intent of the Plan.

A copy of the redevelopment plan shall be delivered to the Johnson County Board of Commissioners and the Board of Education of any school district levying taxes on property within the proposed redevelopment project area. Upon a finding by the Planning Commission that the redevelopment plan is consistent with the comprehensive general plan for the development of the City, and determination by the Governing Body that said Plan shall be further considered, the Governing Body will or may adopt a resolution.



**b.    Redevelopment Plan Resolution**

The resolution shall state that the Governing Body is considering the adoption of the Plan. Such resolution shall: (1) give notice that a public hearing will be held to consider the adoption of the redevelopment plan and fix the date, hour and place of such public hearing; (2) describe the boundaries of the TIF District within which the redevelopment project will be located and the date of establishment of such a district; (3) describe the boundaries of the area proposed to be included within the TIF Project area; and (4) state that the redevelopment plan, including a summary of the Feasibility Study, relocation assistance plan and financial guarantees of the prospective developer and a description and map of the area to be redeveloped are available for inspection during regular office hours in the office of the City Clerk.

Where the Governing Body determines that it will or may issue full faith and credit tax increment bonds to finance the redevelopment project, in whole or in part, the resolution shall also include notice thereof.

The date fixed for the hearing shall be no less than 30 or more than 70 days following the date of the adoption of the resolution fixing the date of the hearing.

**3.    Hearing**

At the public hearing, a representative of the City shall present the City's proposed redevelopment plan. Following the presentation of the Plan, all interested persons shall be given an opportunity to be heard. The

Governing Body for good cause shown may recess such hearing to a time and date certain, which shall be fixed in the presence of persons in attendance at the hearing.

Following the public hearing, the Governing Body may adopt the redevelopment plan by ordinance passed upon a 2/3 vote. Any substantial changes to the Plan as adopted shall be subject to public hearing.

No full faith and credit bonds or special obligation bonds may be issued until the sixty- day protest period expires after the date of the public hearing.

**F. Acquisition of Land**

The City may proceed to acquire property within the TIF District by purchase or eminent domain (with 2/3 vote of the Governing Body) and implement the Plan.

However, the City may not exercise eminent domain in conservation areas.

**1.06 RESPONSIBILITY FOR ENFORCEMENT**

The City Administrator shall be responsible to the Governing Body for the enforcement of this Policy.

**REFERENCES**

K.S.A. 12-1770 through 12-1780; 12-17,110; and 12-1740.

**APPROVED BY THE GOVERNING BODY ON SEPTEMBER 10, 2003**

Governing Body  
City of Mission

Re: Tax Increment Financing

Ladies and Gentlemen:

The purpose of this letter is to summarize our discussions with City Staff relating to Tax Increment Financing (TIF) in the City of Mission. This letter addresses only the so called “standard” TIF, and does not discuss TIF for bioscience projects or “STAR Bond” projects, both of which have unique requirements.

TIF is a statutory economic development tool which authorizes the “capture” of any combination of (a) incremental ad valorem property taxes, and (b) all or a portion of (i) increased revenues franchise fees collected from businesses using the public right of way within a “Redevelopment District” and (ii) the City’s local sales tax generated within a “Redevelopment District.” The “captured taxes” are used to pay for redevelopment project costs authorized by the TIF Act. Eligible costs are reimbursed either directly, on a pay-as-you-go basis, from the “captured taxes” held in a separate fund by the City (subject to annual appropriation in the case of the City’s local sales tax), or from the proceeds of special obligation bonds issued by the City and secured and repaid from a pledge of the captured taxes.

We recently met with City Staff to discuss TIF generally. Among the items we recommended was the identification of targeted TIF areas in order to encourage redevelopment activities in those areas. The targeted areas would be identified as potential redevelopment districts in a supplement to the Comprehensive Plan.

We have reviewed and commented on Policy No. 106, Tax Increment Financing Policy, adopted in 2003. We have recommended that the policy include a requirement that a private developer initiating discussions for TIF with the City enter into a separate funding agreement pursuant to which the City is reimbursed costs and expenses incurred by the City in connection with TIF proceedings. We note that the TIF Act authorized the City to “capture” any combination of (i) all or a portion of ad valorem property tax increments and (ii) all or a portion of the City’s local sales tax. The policy primarily addresses the ad valorem property tax increment. We have also recommended that the Governing Body consider whether the policy should more specifically address the extent to which the City will consider making captured sales taxes available and what portion of both categories of the “captured taxes” are available under varying circumstances.

The following is a summary of the steps and procedures attendant to the use of TIF by the City.

Step 1. Redevelopment District Formed. Redevelopment Districts are created by the Governing Body, either on its own initiative or in response to a request from a private developer.

- The redevelopment district boundaries are determined and general description of the redevelopment district plan, identifying in a general manner all of the buildings and facilities proposed in each redevelopment project area within the Redevelopment District is prepared by City Staff (in conjunction with private developer if applicable).
- The Governing Body adopts a resolution of intent to consider establishing a Redevelopment District at a public hearing.
- Notice of the resolution, the area to be included within the Redevelopment District, and Redevelopment District Plan is published, and mailed to the Board of County Commissioners, the Shawnee Mission School District Board of Education, each owner and occupant of land within the proposed Redevelopment District.
- The Governing Body holds a public hearing at which it must determine and find that the redevelopment area is either a blighted area or a conservation area. If approved the Governing Body adopts an Ordinance establishing the Redevelopment District and approving the Redevelopment District Plan.

- A 30 day protest period follows in which the Board of County Commissioners or the Shawnee Mission Board of Education may adopt a resolution finding that the Redevelopment District will have an adverse economic impact on the county or school district. If this occurs, the Governing Body must terminate the Redevelopment District.

Step 2. Redevelopment Project Plan(s) Approved. After the Redevelopment District is established, the Redevelopment District Plan can be implemented as a single project or in stages. For each stage, a project area within the Redevelopment District is identified and the specific project to be completed in that area is identified.

- For each stage, a Redevelopment Project Plan is prepared in consultation with the Planning Commission, to include (a) feasibility study, (b) any relocation plans, and (c) detailed description of buildings and facilities proposed to be constructed or improved. A copy of the plan is delivered to the Board of County Commissioners and the Board of Education.
- The Planning Commission must find that the Redevelopment Project Plan is consistent with the intent of the Comprehensive Plan.
- The Governing Body adopts a resolution of intent to consider approving the Redevelopment Project Plan at a public hearing.
- Notice of the resolution, including area to be included within the Redevelopment Project Plan, is published and mailed to the Board of County Commissioners, the Shawnee Mission School District Board of Education, each owner and occupant of land within the proposed Redevelopment Project Plan area. The notice states that the Redevelopment Project Plan is on file with the City Clerk and available for public inspection.
- The Governing Body holds a public hearing. Two-thirds (2/3) vote required for approval of a Redevelopment Project Plan.

Step 3. Redevelopment Agreement. Concurrent with or following the approval of a Redevelopment Project Plan, the City and a private Developer enter into a Redevelopment Agreement governing their respective rights and obligations. Among the provisions included in the Redevelopment Agreement are:

- Developer is obligated to implement and complete the Redevelopment Project Plan in accordance with an agreed schedule.
- Specification of the approved TIF (may be all or a portion of (i) local City sales tax and/or (ii) incremental ad valorem property taxes) and method of reimbursement (bonds or pay-as-you-go).
- Cap on amount of eligible project costs available for reimbursement.
- Developer reimbursement of City of fees and expenses.

#### Miscellaneous.

- The maximum duration for each Redevelopment Project Plan area within a Redevelopment District is 20 years from the date of approval of the Redevelopment Project Plan.
- TIF bonds are typically “special obligation bonds” payable solely from the captured taxes approved by the City. (Full faith and credit TIF bonds are authorized with special general public approval requirements).
- Project costs eligible for reimbursement include land acquisition, relocation assistance, site preparation costs, drainage improvements, street improvements, utility improvements within public right-of-way, sidewalks, water mains, plazas and arcades, parking facilities, landscaping, and related expenses to redevelop and finance the redevelopment project.
- Project costs ineligible for reimbursement include costs incurred in connection with the construction of buildings or structures to be owned by or leased to a developer.
- TIF Redevelopment Districts and Transportation Development Districts may be concurrent. The TDD creates an additional sales tax (of up to 1%) within the TDD which is “captured” and dedicated to pay for certain TDD eligible expenses.

- With 2/3s approval, the Governing Body may authorize the use of eminent domain to acquire property located within a “blighted area” Redevelopment District. Eminent domain is not available in a “conservation area” Redevelopment District.
- “Blighted Area” means (a) an area in which a majority of the property is within the 100 year floodplain, (b) an environmentally contaminated area, or (c) an area in which the majority of the following factors are present: (i) substantial number of deteriorating structures, (ii) predominance of defective or inadequate street layout, (iii) unsanitary or unsafe conditions, (iv) deteriorated site improvements, (v) tax delinquencies in excess of fair market value of property, (vi) defective property titles, (vii) improper or obsolete platting or land uses, (viii) conditions which endanger life or property by fire or other causes, or (ix) conditions which create economic obsolescence.
- “Conservation Area” means an improved area comprising 15% or less of the land area within the City in which 50% or more of the structures have an age of 35 years or more, and which may become blighted due to the existence of at least two of the following factors: (i) dilapidated, obsolete or deteriorated structures, (ii) illegal uses of structure, (iii) structures below minimum code, (iv) abandoned buildings, (v) excessive vacancies, (vi) overcrowding of structure, or (vii) inadequate utilities and infrastructure.
- TIF proceedings can generally be completed within 90 days. A sample TIF timeline follows:

August 10 (regular action item Governing Body Meeting)	Resolution of Intent to Consider Redevelopment District at public hearing (30 – 70 days)
September 14 (regular action item Governing Body Meeting)	Hearing, adopt Ordinance establishing Redevelopment District
	Protest Period Begins
	Resolution of Intent to consider approval of Redevelopment Project Plan at public hearing (30 – 70 days)
October 14	Protest period expires
October 17 (regular Planning Commission Meeting)	Planning Commission finding that the Redevelopment Project Plan is consistent with the intent of the Comprehensive Plan
November 9 (regular action item Governing Body Meeting) [note that by special meeting this action can be taken any time after October 17]	Hearing, adopt Ordinance approving Redevelopment Project Plan. Redevelopment Agreement may also be approved at this meeting if has been negotiated