

(Published in the Topeka Metro News July 29, 2019)

ORDINANCE NO. 20193

AN ORDINANCE introduced by City Manager Brent Trout adopting a Redevelopment Project Plan for the Sherwood Crossing Redevelopment District pursuant to K.S.A. 12-1770 *et seq.*, as amended.

WHEREAS, on March 19, 2019, the Governing Body established the Sherwood Crossing Redevelopment District ("District") (Ordinance No. 20176); and

WHEREAS, the City is now considering the adoption of a redevelopment Project Plan for the District (the "Project Plan"), which provides for the redevelopment of the Project Area within the District; and

WHEREAS, on June 17, 2019, the Planning Commission made a finding that the Project Plan is consistent with the intent of the City's comprehensive plan for the development of the City; and

WHEREAS, a copy of the Project Plan was delivered to the Board of County Commissioners of Shawnee County and to the Board of Education of Unified School District No. 437; and

WHEREAS, on June 18, 2019, the Governing Body passed Resolution No. 9122 calling a public hearing for consideration of the Project Plan to be held on July 23, 2019; and

WHEREAS, the Governing Body conducted a public hearing on July 23, 2019, in the City Council Chambers of City Hall, 214 E. 8th Street, at 6:00 p.m., as required by K.S.A. 12-1770 *et seq.*, as amended.

NOW, THEREFORE, BE IT ORDAINED BY GOVERNING BODY OF THE CITY OF TOPEKA, KANSAS:

Section 1. The Governing Body adopts the Project Plan which is attached hereto as Exhibit A and specifically incorporated herein.

Section 2. That any substantial changes as defined in K.S.A. 12-1770a, and amendments thereto, to the Project Plan shall be subject to a public hearing and publication of notice in accordance with K.S.A. 12-1770, *et seq.*, and amendments thereto.

Section 3. This Ordinance shall take effect and be in force from and after its passage and approval by a two-thirds (2/3) majority vote of the Governing Body, and publication in the official City newspaper.

PASSED and APPROVED by the Governing Body July 23, 2019.

CITY OF TOPEKA, KANSAS

ATTEST:

Michelle De La Isla, Mayor

Brenda Younger, City Clerk

Exhibit A

TIF Project Plan

TAX INCREMENT FINANCING

REDEVELOPMENT PROJECT PLAN (SHERWOOD CROSSING REDEVELOPMENT PROJECT)

The Tax Increment Financing Act, K.S.A. 12-1770, et seq., as amended (the “**TIF Act**”), permits the City of Topeka, Kansas (the “**City**”) to undertake one or more redevelopment projects within an established redevelopment district. In order to pursue such redevelopment projects, the City is obligated to create, in consultation with the City’s Planning Commission, a “project plan.”

At the request of 29th Street Partners, LLC (the “**Developer**”), developer of the Sherwood Crossing Redevelopment Project (the “**Development**”), the City presents the following information as required by the TIF Act related to the project plan for the Development (the “**Redevelopment Project Plan**”). Except as otherwise noted herein, the information included in this Redevelopment Project Plan was submitted by the Developer.

TABLE OF CONTENTS

I.	INTRODUCTION.....	1
II.	THE REDEVELOPMENT PROJECT PLAN.....	1
A)	Description of the TIF District and Project Area.....	1
B)	Established TIF District.....	2
C)	Redevelopment Project.....	2
D)	Feasibility Study.....	4
E)	Relocation Plan.....	5

I. INTRODUCTION

The subject of this project plan, as defined by the TIF Act (as hereinafter defined) is the initial project area of the Sherwood Crossing development (the “**Development**”) located in the northwest corner of Southwest 29th Street and Southwest Wanamaker Road in Topeka, Kansas (the “**City**”). The Development will be constructed by 29th Street Partners, LLC (the “**Developer**”), a special-purpose entity affiliated with Christie Development, LLC. The Development spans approximately 13.75 acres in total, including rights-of-way, and is planned to include retail, restaurant, and commercial uses, as well as the requisite infrastructure and site improvements. The Development is planned to transform a dilapidated shopping center and to increase economic activity at a site located along the Wanamaker corridor within the City.

Pursuant to the Kansas Tax Increment Financing Act, K.S.A. 12-1770 et seq., as amended (the “**TIF Act**”), Kansas municipalities are authorized to establish redevelopment districts and redevelopment project plans for property within their jurisdiction. Redevelopment districts may be created based upon certain findings by the municipality, including that property within a proposed district is an “eligible area” pursuant to the TIF Act.

On March 19, 2019, the City, after conducting a duly noticed public hearing, found that the property within the boundaries described in **Exhibit B** hereto qualifies as a “blighted area” and is therefore an “eligible area” pursuant to the TIF Act. Based in part upon said finding, the City adopted Ordinance No. 20176 creating a redevelopment district encompassing the subject property (the “**TIF District**”) and approving a plan for redevelopment of the TIF District established under K.S.A. 12-1771 and amendments thereto (the “**District Plan**”) as further described herein).

This redevelopment project plan (the “**Redevelopment Project Plan**”) for the first redevelopment project area established within the TIF District (“**Redevelopment Project Area 1**”) is presented to the City for its consideration and approval, with the maximum twenty (20) year term of the Redevelopment Project Plan to commence upon the effective date as specified in the ordinance adopting this Redevelopment Project Plan.

II. THE PROJECT PLAN

A. Description of the TIF District

The property comprising the TIF District consists of approximately 13.75 acres generally located in the northwest quadrants of Southwest 29th Street and Southwest Wanamaker Road within the City, plus right-of-way also included within the TIF District boundaries.

B. Established TIF District

Redevelopment Project Area 1 is located within an established TIF District approved by the City on March 29, 2019 pursuant to Ordinance No. 20176. The approved District Plan contained within the Ordinance provides for certain redevelopment projects within the TIF District:

The District shall consist of one (1) or more redevelopment project areas, which are may include a mix of uses including retail, restaurant, and other commercial uses, along with associated infrastructure including but not limited to surface parking, landscaping, lighting, utilities, storm water improvements, sidewalks, walkways, streets/drives, ingress/egress improvements, green space, and other infrastructure improvements.

C. Redevelopment Project

This Project Plan proposes the use of tax increment financing revenues generated by Redevelopment Project Area 1 (“**TIF Revenues**”) to pay for or reimburse the costs of a redevelopment project as generally described in the District Plan (the “**Redevelopment Project**” or “**Project**”). Consistent with the approved District Plan, the following Redevelopment Project Plan for the Redevelopment Project is anticipated to include a mix or commercial (including restaurant and retail) uses including:

Restaurants

The Developer intends to fill existing vacant space and/or create additional building areas for sit down restaurants, fast casual restaurants, and/or fast food restaurants - that may include a drive through – within the Development. Actual restaurant uses will be based on market conditions and leasing/sales of the Development.

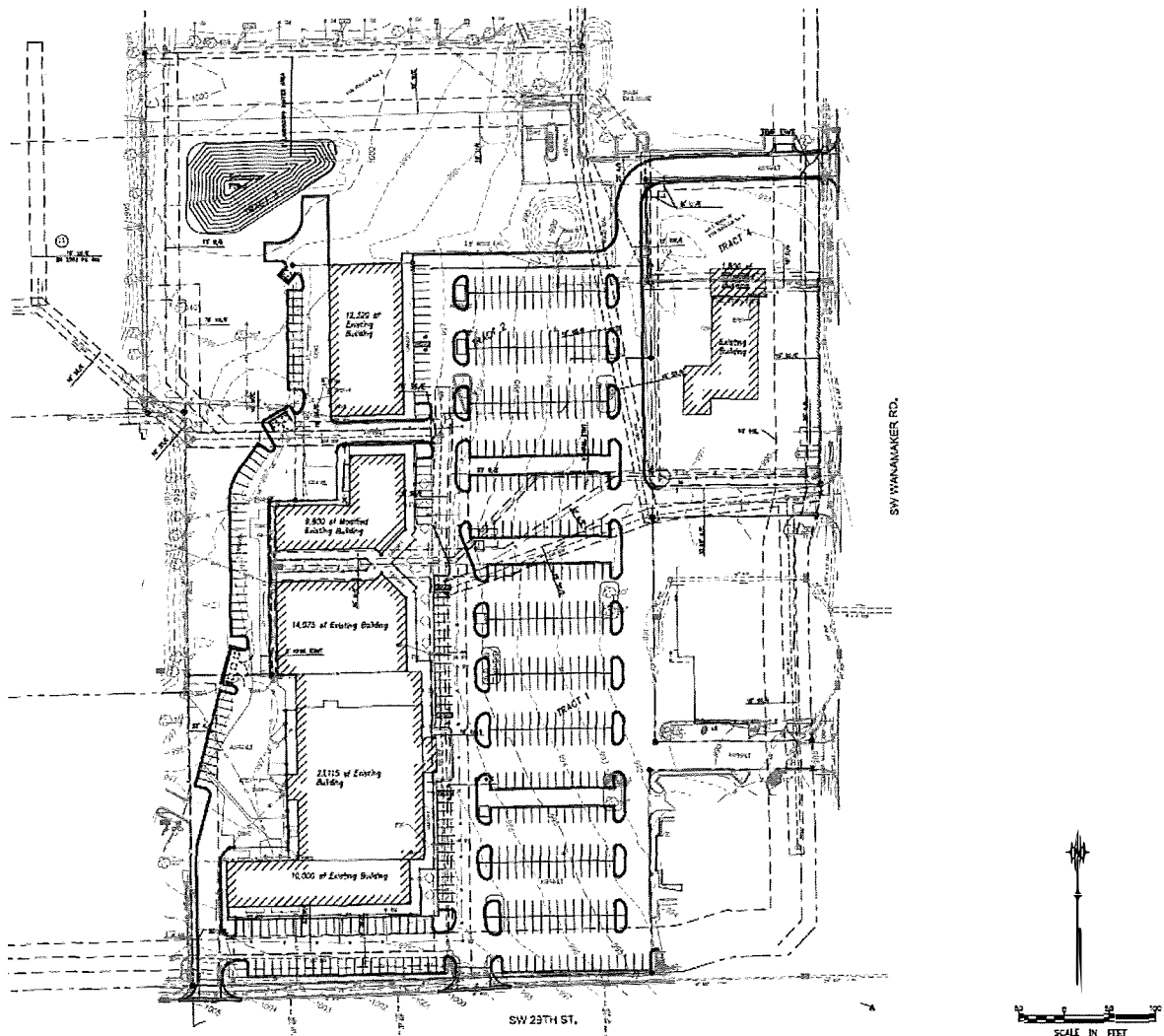
Retail

The Developer intends to fill existing vacant space and/or create additional building areas for retail uses, including a mix of national, regional, and local tenants. Actual retail uses will be based on market conditions and leasing/sales of the Development.

Related Costs

Related costs include property acquisition, site preparation (including demolition of existing structures), the construction of infrastructure, landscaping, building improvements, signage, and streetscape improvements.

The current site plan depicting the Development, which may be amended as approved by the City from time to time, is as follows:



In addition to TIF Revenue, the Developer plans separately to petition the City for the creation of a community improvement district ("CID").

The Developer expects that the Project contemplated in the Redevelopment Project Plan will produce a significant economic impact for the City by redeveloping a significantly deteriorated site at 29th and SW Wanamaker Road, remediating blighting conditions and economic obsolescence within Project site, enhancing existing businesses and attracting new businesses within the vicinity of the

Redevelopment Project Area, and spurring increased commerce, employment and general improvement within the Redevelopment Project Area.

D. Feasibility Study

The table below summarized the Project's expected sources and uses of funds:

Sherwood Crossing Sources and Uses (Initial Funding)			
Sources*		Percentage	
Developer Equity Phase I	\$ 3,063,125.69	17.22%	(25% equity for Phase I costs)
Developer Debt Phase I	\$9,189,377.08	51.65%	
Developer Equity Phase II	\$ 1,661,874.79	9.34%	(30% equity for Phase II)
Developer Debt Phase II	\$ 3,877,707.85	21.79%	
TIF/CID	\$ -	0.00%	(\$3,350,000 in future incentives pledged)
Other	\$ -	0.00%	
Total	\$ 17,792,085.41	100.00%	

Sherwood Crossing Sources and Uses (With Incentives)			
Sources*		Percentage	
Developer Equity Phase I	\$ 3,063,125.69	14.49%	
Developer Debt Phase I	\$ 9,189,377.08	43.46%	
Developer Equity Phase II	\$ 1,661,874.79	7.86%	
Developer Debt Phase II	\$ 3,877,707.85	18.34%	
TIF/CID	\$ 3,350,000.00	15.85%	(note that this will be a later reimbursor)
Other	\$ -	0.00%	
Total (including reimbursement)	\$ 21,142,085.41	100.00%	

Uses	
Project Costs Phase I**	\$12,252,502.77
Project Costs Phase II**	\$ 5,539,582.64
Total	\$17,792,085.41

The Developer requests a “pay-as-you-go” method for implementing the TIF. As a result, no TIF Revenues will be available to the Developer at financial close on the Project by virtue of the issuance of bonds. Instead, as the Project generates TIF Revenues, the City will reimburse the Developer for actual, eligible Project costs certified by the Developer to the City. The Developer expects reimbursements from the proceeds of the CID, if approved by the City, to work similarly.

The City’s obligation to reimburse the Developer for TIF-eligible Project costs will be detailed by a redevelopment agreement to be entered into by and between the City and the Developer concurrently with the Topeka City Council’s approval of this Redevelopment Project Plan.

The Developer represents that it is able to secure the private financing required to bridge the availability of TIF Revenues and CID proceeds and that it has the resources necessary to make the required equity contributions necessary to complete the Project, as shown in the sources and uses above. The Developer further represents that, based upon the advice of its architects, engineers and contractors, the construction costs projected for the Project are reasonable.

Based upon the foregoing, the Project’s benefits and TIF Revenues and other available revenues are expected to exceed or be sufficient to pay for the costs of the Project. Further, there are no special obligation bonds outstanding relying on revenues described K.S.A. 12-1774(a)(1)(D).

E. Relocation Plan

In the event the City acquires any real property within the Redevelopment Project Area in carrying out the provisions of the TIF Act, and that, as a result, any persons, families and businesses move from real property located in the Redevelopment Project Area or move personal property from real property located in the Redevelopment Project Area, a \$500 payment will be made to such persons, families and businesses as provided in the TIF Act. No persons or families reside in the TIF District and thus no such persons shall be displaced nor require suitable alternate housing. Any retailers, as defined in K.S.A. 79-3702, which are or have been located within the TIF District and which will move or have moved from the TIF District will or have moved on their own accord pursuant to arm’s-length transactions with the Developer and thus no payment of damages for liquidation of inventories shall be required to be made to such parties.

[No further text on this page.]