

(Published in the Topeka Metro News November 20, 2017)

**ORDINANCE NO. 20094**

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

WHEREAS, on June 26, 2017 the Governing Body established the Wheatfield Village Redevelopment District ("District") (Ordinance No. 20072); 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 July 17, 2017, 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. 501; and

WHEREAS, on August 8, 2017, the Governing Body passed Resolution No. 8939 calling a public hearing for consideration of the Project Plan to be held on September 12, 2017; and

WHEREAS, the Governing Body conducted a public hearing on September 12, 2017, in the City Council Chambers of City Hall, 214 E. 8<sup>th</sup> Street, at 6:00 p.m., as required by K.S.A. 12-1770 *et seq.*, as amended at which time public comment was entertained and considered; and

WHEREAS, the Governing Body thereafter continued the public hearing to October

3, 2017, at which time additional public comment was entertained and considered; and

WHEREAS, on October 3, 2017, the Governing Body thereafter continued the public hearing to November 14, 2017, at which time additional public comment was entertained and considered and thereafter the public hearing was then closed.

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. The Governing Body adopts the boundaries of the Project Area as described in Exhibit B and specifically incorporated herein.

Section 3. 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 4. 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 November 14, 2017.

CITY OF TOPEKA, KANSAS

\_\_\_\_\_  
Larry E. Wolgast, Mayor

ATTEST:

\_\_\_\_\_  
Brenda Younger, City Clerk

**EXHIBIT A**  
**TIF Project Plan**

**TAX INCREMENT FINANCING  
REDEVELOPMENT PROJECT PLAN  
(WHEATFIELD VILLAGE 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 29 Fairlawn, LLC (the “**Developer**”), developer of the Wheatfield Village Redevelopment Project (the “**Development**”), the City presents the following information as required by the TIF Act related to the project plan for the Development (“**Redevelopment Project Plan**”). Except as otherwise noted herein, the information included in this Redevelopment Project Plan was submitted by the Developer.

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## I. INTRODUCTION

The subject of this project plan, as defined by the TIF Act (as hereinafter defined) is the initial project area of the Wheatfield Village mixed-use development (the “**Development**”) located in the northwest corner of Southwest 29<sup>th</sup> Street and Fairlawn Road in Topeka, Kansas (the “**City**”). The Development will be constructed by 29 Fairlawn, LLC (the “**Developer**”), a special-purpose entity affiliated with Midwest Health, Inc. and led by its principals Jim Klausman and Floyd Eaton. The Development spans approximately 15 acres in total, including rights-of-way, and is planned to include approximately 13 acres of multi-family, restaurant, movie theater and hotel uses, plus infrastructure and site improvements. The Development is planned to transform a highly visible and long-deteriorating site bordering I-470 into a vibrant mixed-use setting currently unavailable 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 June 26, 2017, the City, after conducting a duly noticed public hearing, found that the property within the boundaries described in **Exhibit A-1** and depicted in **Exhibit A-2** hereto qualifies as a “conservation area” and is therefore an “eligible area” pursuant to the TIF Act. Based in part upon said finding, the City adopted Ordinance No. 20072 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. The boundaries of Redevelopment Project Area 1 are legally described in **Exhibit B-1** and generally depicted in **Exhibit B-2** attached hereto.

## II. THE PROJECT PLAN

### A. Description of the TIF District

The property comprising the TIF District consists of approximately 15 acres generally located in the northwest and northeast quadrants of Southwest 29<sup>th</sup> Street and Fairlawn Road within the City, plus right-of-way also included within the TIF District boundaries. A legal description and boundary map of the TIF District are attached hereto as **Exhibits A-1** and **A-2**, respectively.

## **B. Established TIF District**

Redevelopment Project Area 1 is located within an established TIF District approved by the City on June 26, 2017 pursuant to Ordinance No. 20072. 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 anticipated to include a mix of uses including retail, restaurant, and other commercial uses and residential uses with associated amenities, along with associated infrastructure including but not limited to structured and/or surface parking, landscaping, lighting, utilities, storm water improvements, sidewalks/walkways, streets/drives, ingress/egress improvements, green space, signalization 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 of commercial and residential uses including:

### *Residential*

A multi-story 150-180 unit, upscale, market rate apartment complex “wrapped” around a parking garage.

### *Movie Theater*

A seven to nine-screen, state-of-the-art movie theater with bar and food service.

### *Hotel*

A multi-story 70 to 90-room hotel with a national flag.

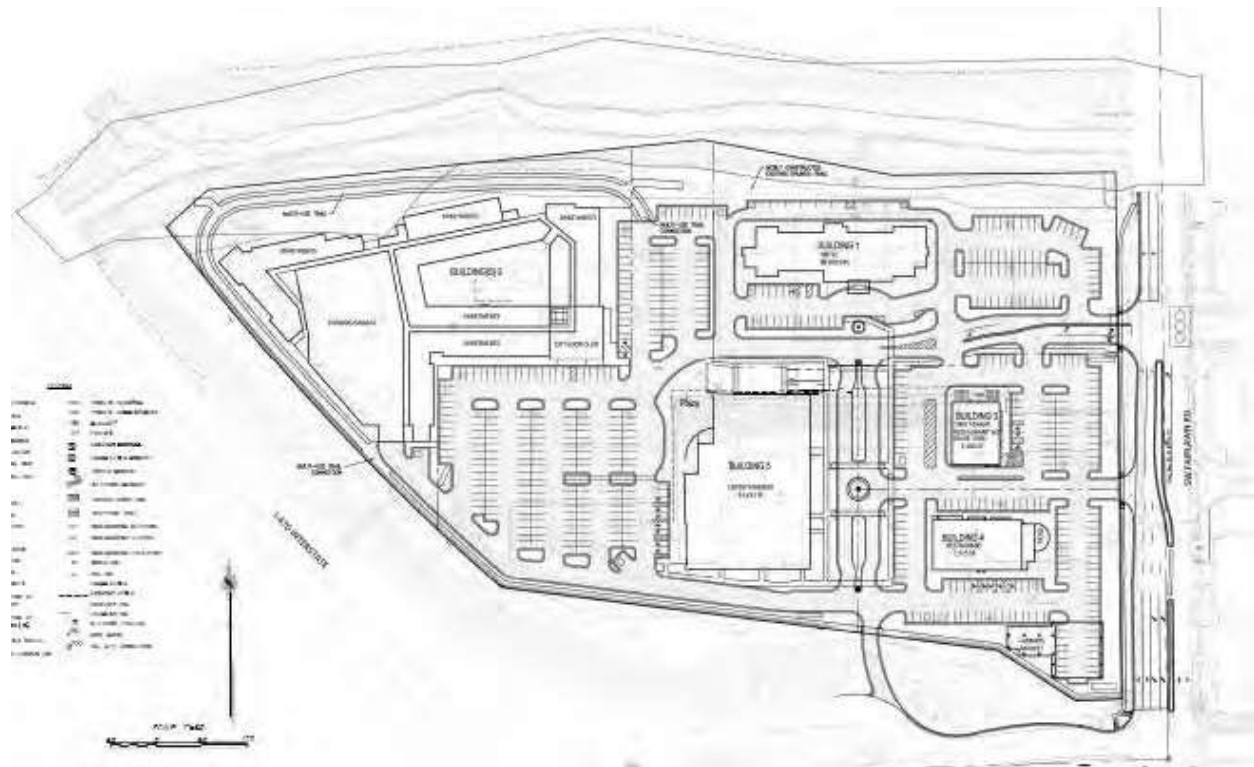
### *Restaurants*

A family dining restaurant at the southeast corner of the site and a fast food restaurant building with two tenants, and including one operating a drive-through window at east end of the site.

### *Related Costs*

Related costs include property acquisition, site preparation (including demolition of existing structures), the construction of infrastructure including a multi-story parking deck associated with the residential component and the development of open space at the southeast corner of the site which is anticipated to include a small “farmers’ market” concept.

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”) and to request that Shawnee County issue industrial revenue bonds (“IRBs”) for the purpose of providing the Project with a sales tax exemption on construction labor and materials.

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 and highly visible site fronting I-470, 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.

The Developer anticipates that redevelopment of the Redevelopment Project Area will attract visitation to the Project site from members of the City community and from visitors outside the City because of the location of the Redevelopment Project Area adjacent to a major interstate. As described in the Traffic Study prepared in connection with the Planned Unit Development plan for the Project, the Project will include construction of improvements to Fairlawn Road and Southwest 29<sup>th</sup> Street to service traffic generated by the Project (the “**Traffic Improvements**”). In connection with the proposed Traffic Improvements, the Developer and the City have requested a break in access from 29<sup>th</sup> Street to an on-ramp leading to I-470. The

Traffic Study describes the Traffic Improvements to 29<sup>th</sup> Street that will be constructed as part of the Project (a) in the event the break in access request is approved by the Federal Highway Administration and (b) in the event the break in access request is denied by the Federal Highway Administration. Although the scope of the Traffic Improvements to 29<sup>th</sup> Street differs depending upon whether the break in access request is approved or denied by the Kansas Department of Transportation and the Federal Highway Administration, the Traffic Study establishes that the scope of improvements in each circumstance adequately accounts for the traffic anticipated to be generated by the Project as quantified in the Traffic Study.

#### **D. Feasibility Study**

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



**CITY OF TOPEKA**  
**Wheatfield Village Redevelopment District**  
**Sources and Uses of Funds**

<b>SOURCES OF FUNDS</b>	<b>TOTAL</b>
Developer Loans	65,255,984
Developer Equity	27,966,850
<b>TOTAL SOURCES</b>	<b>93,222,834</b>
<b>USES OF FUNDS</b>	
Land Acquisition	2,375,000
Site Work Improvements	7,150,508
Fairlawn Improvements	736,233
29th Street Improvements	376,250
Site Monuments/Features	150,000
Multi-Family Building	31,680,000
Parking Deck/MF Building	5,940,000
Hotel	12,320,000
Fast Casual Restaurant	927,500
Coffee Shop	408,000
Sit Down Restaurant	1,585,625
Movie Theater	8,760,525
Design/Const Mgt	4,812,728
Legal/Lease Concessions	771,753
Site Permit/Fees	25,000
Construction Interest	9,789,320
Contingency	5,414,392
<b>TOTAL USES</b>	<b>93,222,834</b>

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 Developer may also benefit from a sales tax exemption on construction materials resulting from the IRB issue it has requested be issued by Shawnee County.

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.]

## EXHIBIT A-1

### TIF DISTRICT LEGAL DESCRIPTION

#### WHEATFIELD VILLAGE

Project 14-5195  
Revised June 21, 2017

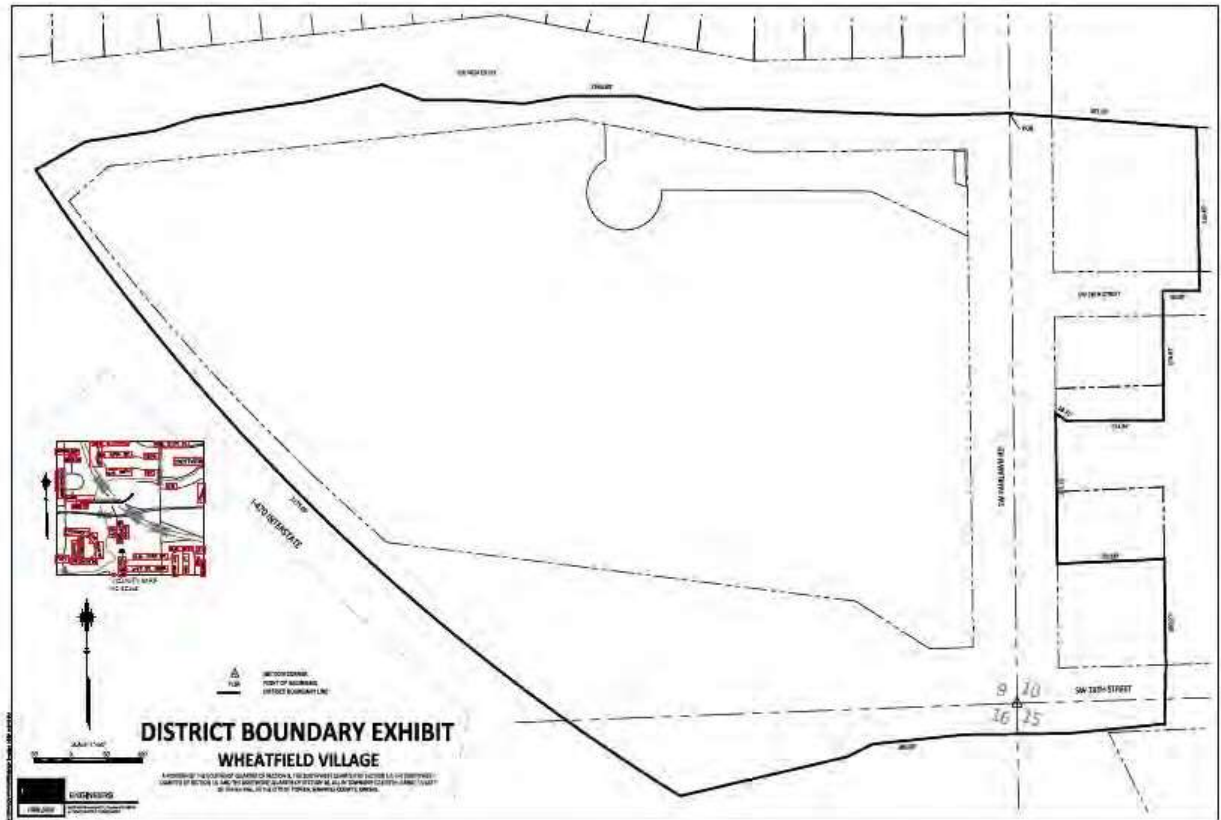
#### DISTRICT BOUNDARY

A portion on the Southeast Quarter of Section 9, the Southwest Quarter of Section 10, the Northwest Quarter of Section 15, and the Northeast Quarter of Section 16, all in Township 12 South, Range 15 East of the 6<sup>th</sup> P.M., in the City of Topeka, Shawnee County, Kansas described as follows:

Beginning at a point on the West line of said Southwest Quarter of Section 10 at a point 813.39 feet North of the Southwest corner of said Quarter Section, said point being on the extension of the North line of Shunga Plaza Subdivision and in the center of Shunga Creek; thence Southeasterly on the North line of said Shunga Plaza Subdivision a distance of 261.00 feet more or less, to a point 50-feet easterly of the West line of Lot 2, Block D of said Shunga Plaza Subdivision; thence South on a line parallel with and 50-feet easterly of the West line of said Lot 2, Block D a distance of 226.45 feet more or less, to the center of Southwest 28<sup>th</sup> Street as shown on the Plat of said Shunga Plaza Subdivision; thence West on the center of said Southwest 28<sup>th</sup> Street a distance of 50.08 feet, more or less to the East lines of Lots 5 and 6, Block B, Shunga Plaza Subdivision extended; thence South on the East lines of Lots 5 and 6, Block B of said Shunga Plaza Subdivision a distance of 174.97 feet more or less; thence West on the North line of Lot 2, Block A, Butler Plaza Subdivision No.2, a distance of 134.94 feet; thence Northwesterly, continuing on said North line a distance of 18.31 feet to the West line of said Lot 2; thence South on the West line of said Lot 2 and Lot 1, Block A and the extension thereof, said line also being the East Right of Way line of Southwest Fairlawn Road, a distance of 207.79 feet to the Northwest corner of Lot 1, Block A, Phillips 66 Subdivision No.2; thence East on the North line of said Lot 1, Block A Phillips 66 Subdivision No.2, a distance of 150.00 feet; thence South on the East line of said Lot 1, Block A, of Phillips 66 Subdivision No.2 and its extension thereof a distance of 180 feet more or less to the South curb line of Southwest 29<sup>th</sup> Street; thence Westerly and Southwesterly on said South curb line and its extension a distance of 680 feet more or less to a point 100 feet measured at right angles to the center of the west-bound lanes of Interstate-470; thence Northwesterly and Northerly along a line being parallel with of 100 feet Northeasterly of said center of the west-bound lanes, a distance of 1,275 feet more or less to the center of Shunga Creek; thence Easterly on the center of said Shunga Creek a distance of 1,380 feet more or less to the point of beginning.

## EXHIBIT A-2

### TIF DISTRICT BOUNDARY MAP



## EXHIBIT B-1

### PROJECT AREA 1 LEGAL DESCRIPTION



ENGINEERS

#### WHEATFIELD VILLAGE

Project 14-5195  
July 26, 2017

#### TIF PROJECT AREA 1 BOUNDARY

A portion on the Southeast Quarter of Section 9, the Southwest Quarter of Section 10, the Northwest Quarter of Section 15, and the Northeast Quarter of Section 16, all in Township 12 South, Range 15 East of the 6<sup>th</sup> P.M., in the City of Topeka, Shawnee County, Kansas described as follows:

Beginning at a point on the West line of said Southwest Quarter of Section 10, at a point 813.39 feet North of the Southwest corner of said Quarter Section, said point being on the extension of the North line of Shunga Plaza Subdivision and in the center of Shunga Creek; thence Southeasterly on the extension of the North line of said Shunga Plaza Subdivision to the East Right of Way line of Southwest Fairlawn Road; thence Southerly on said East Right of Way line to the intersection with the North Right of Way line of Southwest 29<sup>th</sup> Street; thence Easterly on the North Right of Way of Southwest 29<sup>th</sup> Street a distance of 150 feet more or less; thence Southerly to a point 20 feet South of the South curb line of Southwest 29<sup>th</sup> Street; thence Westerly and Southwesterly parallel with said South curb line and its extension a distance of 680 feet more or less to a point 100 feet measured at right angles to the center of the west-bound lanes of Interstate-470; thence Northwesterly and Northerly along a line being parallel with of 100 feet Northeasterly of said center of the west-bound lanes, a distance of 1,275 feet more or less to the center of Shunga Creek; thence Easterly on the center of said Shunga Creek a distance of 1,380 feet more or less to the point of beginning.

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2930 SW Woodside Drive | Topeka, KS 66614 | 785.272.4706 | 785.272.4736 fax

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## EXHIBIT B-2

### PROJECT AREA 1 BOUNDARY MAP

