

**CITY OF EMPORIA, KANSAS**  
**REDEVELOPMENT DISTRICTS -**  
**TAX INCREMENT FINANCING, TRANSPORTATION**  
**DEVELOPMENT DISTRICT FINANCING**  
**HOME RULE SALES TAX INCENTIVE**



**Application Procedures and Application Form**

Approved  
\_\_\_\_\_, 2007 - Resolution No. \_\_\_\_\_

***Important Notice and Disclaimer***

The attached procedures, policies and forms have been prepared by the City of Emporia, Kansas (the "City") for the purpose of assisting private developers in the consideration of whether a Redevelopment District and Tax Increment Financing ("TIF"), Transportation Development District financing ("TDD") or Home Rule Sales Tax Incentives ("HRST"), for prospective projects is a realistic possibility. The authority to make the legislative findings and determinations necessary for the compliance with the TIF or TDD statutes and the City's policies is vested solely and only in the City Commission. Applicants are cautioned that the attached materials have been prepared primarily for informational purposes to inform applicants of the types of projects the City would consider for such assistance. The City reserves the right to reject any and all projects, even those which satisfy all of the attached criteria for the use of TIF, TDD or HRST assistance, for any reason whatsoever, without regard for the viability of the project. Furthermore, the City reserves the right to waive any non-conformance to the policies and approve any project the City deems favorable to the City.

## Overview of the Redevelopment (TIF) Process

**THE CITY'S POLICY STATEMENT ON REDEVELOPMENT DISTRICT/TIF, TDD AND HRST IS SET FORTH IN RESOLUTION NO. \_\_\_\_\_. *An applicant should read the policy statement resolution before preparing an application.* Copies are available in the City Clerk's office. The applicant and the City will undertake the following steps regarding an application:**

- 1. Pre-application meeting with City's TIF/TDD Committee and parties proposing project.**
- 2. An application is submitted by applicant to City. \***
- 3. The TIF/TDD Committee will review application and determine whether the application is complete and whether the proposed project is eligible under the City's policies and applicable laws.**
- 4. Within approximately 30 days after the filing of the application the City TIF/TDD Committee will review the application.**
- 5. Within approximately ninety (90) days of receiving a complete application, the TIF/TDD Committee will forward the application to the City Commission for consideration at a Commission study session, along with the current recommendations of the TIF/TDD Committee.**
- 6. The City conducts public hearings and undertakes other requirements as prescribed by state law and City policy. The applicant is required to prepare and arrange for publication and delivery of all notices required by to state law, and to provide the city with a copy of all notices and certifications of mailings or delivery of notices. All documents prepared by applicant shall be reviewed and approved by the City's counsel before publication or delivery.**
- 7. With respect to a TIF assistance application: the City Commission considers the preliminary redevelopment district plan, the creation of the redevelopment district and a Memorandum of Understanding with the applicant or party to be designated as the "developer" for the project. For TDD or HRST applications, the City Commission considers the petition requesting the TDD or the application requesting HRST and a Memorandum of Understanding with the applicant or party to be designated the "developer" for the project.**
- 8. For a TIF proposal, the applicant/developer prepares a Redevelopment Project Plan pursuant to state law and City policy requirements, including a traffic study if requested. For a TDD or HRST proposal, the applicant/developer prepares a petition (TDD) or application describing the project and the costs to be financed or reimbursed through TDD or HRST assistance, as required by state law and the City's policy. In each case, the applicant/developer is required to pay the costs of a comprehensive feasibility study and a separate marketing study for the proposed project and financing, as required by state law and the City's policy resolution. These studies must be prepared by an *independent* consultant selected or approved by the City.**
- 9. The TIF/TDD Committee reviews the document described in the preceding paragraph, including the feasibility studies and marketing studies, and submits the proposed plan to the City Commission with comments. \***

- 10. The City Commission reviews and considers the applicable documents and any proposed agreements between the City and the applicant/developer at a Commission study session.**
  - 11. For TIF applications and TDD petitions, when applicable, the City conducts a public hearing on the plan or proposal and considers an Ordinance making necessary findings and approving Redevelopment Project Plan (TIF) or creating a district (TDD) or approving a HRST assistance plan, any agreements with the applicant/developer and the method of TIF, TDD or HRST financing to be used, e.g., issuance of bonds (TIF and TDD), reimbursement or otherwise as permitted by state law and the City's policy. \* The City reserves the right to conduct a public hearing on HRST applications.**
  - 12. Execution of Redevelopment Agreement between the City and applicant.**
- \* Application Fees Due

# Application Procedures

## 1. APPLICATION:

*Submission.* Copies of the City's policy resolution, the application form and statement of procedures are available from the City Clerk. Not less than 8 copies of a completed application should be submitted to the TIF/TDD Committee together with the required application fee. The completed application shall be submitted to City Manager, City of Emporia, 522 Mechanic, P.O. Box 928, Emporia, Kansas 66801.

*Application Fee.* Each application shall be accompanied with a non-refundable application fee made payable to the City of Emporia. The application fee will be used by the City to pay the costs incurred by the City in the review of the application. Bond Counsel and Financial Advisor fees are paid by the developer/applicant, and may be paid from bond proceeds, if necessary. The City has established a phased application fee as outlined below. Any amendments to an approved plan TIF Plan, TDD district or HRST plan will require a non-refundable reapplication fee as indicated below. The applicant may be required to pay additional costs such as outside consultant and attorney fees.

### TIF Application Fee

Initial application fee*	5%** or \$2,500 whichever is less
Redevelopment District Approval fee	15%** or \$7,500 whichever is less
Ordinance approving Redevelopment Project Plan and issuance of bonds	80%** or \$40,000 whichever is less
Maximum fee – due at a prescribed time (includes initial application fee)	\$50,000

\* To be paid with submission of application.

\*\* Portion of 1% of total TIF assistance requested.

Reapplication fees for substantial changes will be charged at the same rate as the schedules shown above.

### TDD/HRST Application Fee

Initial application fee*	5%** or \$2,500 whichever is less
TIF/TDD Committee preliminary approval fee	15%** or \$7,500 whichever is less

Ordinance approving creation of the Transportation Development District and issuance of bonds or approving HRST assistance	80%** or \$40,000 whichever is less
Maximum fee – due at a prescribed time (includes initial application fee)	\$50,000

- \* To be paid with submission of application.  
Portion of 1% of total TDD or HRST project to be
- \*\* financed

Reapplication fees for substantial changes will be charged at the same rate as the schedules shown above.

In addition to the fees listed above, for TIF projects, the applicant shall pay to the City an administrative service fee, as shown below, to cover the administration and other City costs for each approved TIF project. The administrative service fee shall be in addition to the application fee. Such service fee may be paid from tax increment generated from the project, bond proceeds or from a direct billing to the applicant. The payment method of the administrative service fee shall be determined on a case by case basis and only if tax increment is available.

**TIF ADMINISTRATIVE SERVICE FEE**

Property tax increment projects only	1% of the annual increment
Property tax, sales tax and other tax increment projects	2% of the annual increment

The City may waive or reduce the fees described above if it is found in the City’s best interest to do so.

*Preliminary Determination of Completeness.* After it is submitted an application will be reviewed to determine if it is complete. If the application is incomplete or if additional information is needed the applicant will be notified in writing that the application is not complete, and the reasons for so finding, referring to the specific criteria that the application does not satisfy, specifying additional information required, or any financial, legal, planning, and development concerns.

*Requests for Proposals.* The City may request proposals for projects. When the City receives an application that is not in response to a City request, the City may, at its option, publish notice in a newspaper of general circulation in the City or on the City’s website requesting proposals for development in the proposed project area.

## 2. STAFF REVIEW:

Review of the Application will be conducted by the City's TIF/TDD Committee, consisting of the City Manager, City Attorney, other city staff or consultants appointed by the City Manager, including representatives of the Regional Development Association of East Central Kansas, the Chamber of Commerce, the City's Financial Advisor and the City's Bond Counsel. Initial review time will be approximately 30 days from the date the completed application is submitted to the City. More or less time may be required for some applications. Applications that are determined to be complete and in conformance with the City's policy will be forwarded to the City Commission for consideration. The TIF/TDD Committee will notify an applicant when an application is forwarded to the city Commission for consideration or action. The TIF/TDD committee may request meetings with the applicant/developer representatives to discuss the application.

Applications that are incomplete or do not conform to the City's policy will not be forwarded to the City Commission. Applicants will be notified of the determination that the application will not be forwarded and should be modified before being considered in the future.

## 3. CONSIDERATION:

The TIF/TDD Committee will forward the application and preliminary plans for TIF, TDD or HRST projects to the City Commission. The recommendation of the TIF/TDD Committee may be approved, denied, or amended by the City Commission.

The City Commission may desire to hold one or more study sessions before any public hearing is held. During this period the applicant may be required to submit additional information as requested and/or appear before the City Commission to present information regarding the application.

The City Commission makes all findings and determinations required by the TIF or TDD statutes and the City's policies. The City Commission creates the redevelopment district or TDD, approves the redevelopment project plan, approves any agreements with the developer of the project and approves the method of financing.

The City Commission will conduct public hearings on the proposed project, as required by state law or City policy. The applicant/developer prepares the redevelopment project plan or the TDD petition as required by state law and City policy. This plan must include including a traffic study, if requested and a comprehensive feasibility study and marketing study for the project and the proposed financing. The cost of all such studies shall be paid by the applicant. The feasibility study and marketing study must be prepared by an independent consultant selected or approved by the City. **For this purpose "independent" shall mean having no interest, direct or indirect, in the applicant/developer or any related party to the applicant/developer, in the City or its governing body, and in the case of an individual, not being a member of, officer or employee of the developer/applicant, or a related party to the developer/applicant, of the City or its governing body, and in the case of a firm, not having a partner, director, member, officer or employee who is member, officer, partner, officer, employee of the applicant/developer or the City.** Other required studies, including a traffic study if necessary, should be prepared by a professional consultant having a favorable reputation for the preparation of such studies. The studies shall be submitted to the City in a timely manner for review by staff well before any City Commission meetings or study sessions to consider them. The City's consideration of any applications will take into account the City's policies as stated in Resolution No. \_\_\_\_\_.

The City Commission reviews and discusses the proposed project, the redevelopment or transportation development district, the project plan and related matters at Commission study sessions.

At regular meetings, the City Commission will conduct public hearings, consider resolutions and ordinances making necessary findings and approving the project, the redevelopment or transportation development district, the redevelopment project plan and the method of financing to be employed.

#### **4. DEVELOPER RESPONSIBILITIES:**

The applicant/developer is responsible for the preparation and submission of an application that conforms with the City's policies, state law, this document and requests from the TIF/TDD Committee. The applicant/developer is responsible for all costs described here and in the City's policy resolution as applicant/developer responsibilities, including, but not limited to, application and administration fees, costs of publications, mailings, certifications, delivery, and preparation of notices, the costs of the feasibility studies, marketing studies and other professional studies described here and in the City's policy resolution or required by statute, the fees and expenses of the City's Financial Advisor and Bond Counsel for services and time expended on an application and financing and the fees and expenses of other professional consultants employed by the City in connection with the application and project. The applicant/developer shall reimburse the City and/or the City's consultants for any out-of-pocket expense to the City or such consultants associated with the application and the implementation of the project. Out of pocket expenses shall include travel expense, copies, telephone, postage, delivery charges and other similar expenses related to the application, the project and financing.

**CITY OF EMPORIA, KANSAS**  
**APPLICATION FOR TAX INCREMENT FINANCING (“TIF”);**  
**TRANSPORATION DEVELOPMENT DISTRICT FINANCING**  
**(“TDD”) OR HOME RULE SALES TAX INCENTIVES (“HRST”)**

APPLICANT: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

PHONE #: \_\_\_\_\_

FAX #: \_\_\_\_\_

E-MAIL ADDRESS: \_\_\_\_\_

CONTACT PERSON: \_\_\_\_\_

PROJECT NAME: \_\_\_\_\_

**Application Format: On a separate sheet(s) of paper please answer the following questions. *Please type each question prior to the applicable response.***

- (1) In no more than three pages provide relevant information on the applicant’s background and related development or redevelopment experience. Include resumes of key individuals assigned to the project as well as other projects completed including location and contact persons.
- (2) Identify all consultants employed by the applicant involved or proposed to be involved in the project noting relevant experience on similar projects (*e.g.*, civil engineer, land use planner, applicant’s legal counsel, applicant’s financial advisor).
- (3) Affirm that the applicant/developer has reviewed the City’s policy resolution (Resolution No. \_\_\_\_\_) and describe the proposed project and the nature of assistance requested (TIF, TDD or some combination thereof) and how such project fits under the City’s policy resolution. Describe the size and scope and phasing of the proposed project. Specifically outline the types of development, including residential, if any, to be included in the project.
- (4) Define the boundaries of the proposed TIF district, TDD district or HRST assistance area by address and locator number(s). Include a map of the area.
- (5) Identify the affected property that is currently in the control of the applicant by ownership or option to purchase. If the affected property is controlled by an option by purchase, provide the option expiration date.
- (6) Is the property currently zoned for the proposed use? If not, what zoning change will be required?
- (7) Will the proposed project result in the relocation or razing of residential, commercial or industrial facilities? If so, discuss the nature of any anticipated demolitions or relocations.

- (8) State the need and justification for requested assistance. Explain how the applicant intends to demonstrate that “but for” the requested assistance the project is not feasible and will not be completed. Substantiate that other alternative methods of financing have been thoroughly explored and why the requested assistance is necessary.
- (9) For TIF applications, describe and discuss the condition(s) that would qualify a proposed redevelopment district as an “eligible area” under the Kansas TIF statutes, either as a “blighted area” or “conservation area,” or “qualified enterprise zone” as defined by the Kansas TIF statutes.
- (10) Identify sources, amounts, and status of all funding available to complete the project, including equity contributions, debt financing, the requested assistance and other sources. State whether the applicant intends to privately finance construction of the project and reimburse costs with the requested assistance after the project is substantially complete (required by the City in the case of HRST assistance and preferred in TIF and TDD transactions) or will the requested assistance be used to pay costs a portion of construction costs? If bonds are proposed to be issued (TIF and TDD), will the bonds be privately placed or publicly sold? Please list the sources and amounts of funding for the project in the following table format.

<u>Financial Resource</u>	<u>Amount</u>	<u>Term</u>	<u>Status</u>	<u>Contact Person</u>	<u>Contact Telephone #</u>
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- (11) Provide an outline of the costs associated with the development of the proposed project(s) and related parcel or parcels located within the affected district or area. Identify the costs the developer/applicant proposes to finance with the requested assistance and the proposed payback term (provide a debt service schedule showing rates and assumptions).
- (12) In one page or less, discuss and document information used to describe the market and financial feasibility of each element of the proposed project. If a formal feasibility, marketing or comparable studies are available, attach such reports as an appendix to this application.
- (13) On a revenue worksheet estimate the incremental property taxes and economic activity taxes to be generated by the project, including underlying assumptions and identify the amounts of such revenue to be applied to pay or reimburse project costs.
- (14) Provide an estimate of the market value of all fixtures and equipment to be used by all owners or tenants of the proposed project that will be taxed as personal property.
- (15) Identify any proposed tenants of the project. Have leases been negotiated or signed? What type of lease is contemplated?
- (16) Who will own the developed property? If property will be owned by the applicant, indicate how long the applicant intends to retain ownership.
- (17) Describe the net economic (including net increases in property tax and other economic activity taxes) and “quality of life” benefits of the proposed project to the City.
- (18) Attach a letter from a financial institution indicating that the applicant has sufficient financial resources to obtain the private financing for the project.