

REVISED: Redevelopment Project Financial Feasibility Study

75th Street and Quivira Road - Tax Increment Financing Project

City of Shawnee, Kansas

December 18, 2017

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Mission Statement

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1. Overview

Statutory Basis and Process

Sections 12-1770 through 12-1780 of the Kansas Statutes (“the Act”) provide a means for cities to finance public development and redevelopment costs with incremental real estate and sales taxes (“TIF”) and other revenues. The purpose of the Act is to “promote, stimulate and develop the general and economic welfare of the State of Kansas and its communities and to assist in the development and redevelopment of eligible areas within and without a city thereby promoting the general welfare of the citizens of this state...”

A city may exercise the powers conferred under the Act provided that the governing body of the city has adopted a resolution finding that the specific area sought to be developed or redeveloped is an “eligible area” under the Act. In addition, the city must find that the conservation, development or redevelopment of such an area is necessary to promote the general economic welfare of the city.

One or more redevelopment projects (the “Redevelopment Project” or “Project”) may be undertaken within each District. The Act requires all projects to be completed within 20 years from the date of the approval of a project plan, with the exception of environmental investigation and remediation projects which must be completed within 20 years from the date the City enters into a consent decree with the Kansas Department of Health and Environment or the U.S. Environmental Protection Agency.

For each redevelopment project undertaken within the District, a project plan (“the Project Plan”) must be prepared in consultation with the controlling Planning Commission. The Project Plan must include the following:

1. A summary or copy of the Financial Feasibility Study (this document).
2. A reference to the District Plan for the District.
3. A description and map of the area to be redeveloped.
4. The Relocation Assistance Plan.
5. A general description of all buildings and facilities proposed to be constructed or improved.
6. Any other information the City deems necessary to advise the general public of the intent of the Project Plan.

Application for TIF assistance has been made by MP Westbrooke North, LLC, (the “Developer”). The Redevelopment District (the “TIF or Redevelopment District”) is generally located at the northeast corner of West 75th Street and Quivira Road. A map of the Redevelopment District is attached hereto as **Exhibit I**.

The District Plan (the “District Plan”) for the Redevelopment District provides for the creation of a single project area (the “Project Area”) within the boundaries of the Redevelopment District.

Proposed for the Project Area is the development of the site into a mixed-use development consisting of retail, office and multi-family uses. The proposal contemplates the installation of necessary interior streets, sanitary sewer, storm water, and public utilities; along with private site work improvements including the construction of a structured parking facility. The mixed-use development is proposed to include approximately eleven commercial buildings containing a mix of retail and/or office uses over 108,500 square feet, and approximately five multi-family buildings containing approximately 530 units, plus associated amenities and infrastructure including structured and surface parking, street parking, garages, open courtyard space, town square, amphitheater, outdoor dining area, landscaping, lighting, utilities, storm water improvements, water features, sidewalks and walkways, streets and drives, and other infrastructure and amenity improvements.

On November 13, 2017, the governing body held a public hearing to receive comment regarding the establishment of the Redevelopment District (“the District,” see **Exhibit I**). Following the Public Hearing, the governing body adopted Ordinance No. 3201.

On December 18, 2017, the governing body is scheduled to consider an Ordinance adopting the TIF Project Plan and Development Agreement. The Project Plan for the District identifies the potential redevelopment project area located within the District and the suitability of the area for redevelopment (see below).

The Feasibility Study

The Financial Feasibility Study will show that: a) the Project’s benefits, tax increment revenue, and other available revenues under K.S.A. 12-1774(a)(1) are expected to exceed or be sufficient to pay for all Project costs as defined by K.S.A. 12-1773, including the payment of principal and interest of debt used to finance the redevelopment project; and b) the effect, if any, the redevelopment project costs will have on any outstanding special obligation bonds payable from the revenues described in K.S.A. 12-1774(a)(1)(D).

The City is currently considering the establishment of the Project Area (see **Exhibit I**). Establishment of the Project Area is being considered to reimburse the Developer for eligible costs associated with the redevelopment of the site. The Developer has requested the City provide Tax Increment Financing/Community Improvement District assistance through pay-as-you-go financing for eligible costs within the Project Area. The requested assistance would be provided solely by the TIF-eligible property and sales tax increment generated by the development within the Project Area and revenues from a Community Improvement District sales tax.

The Developer has requested City authorization to establish a Community Improvement District (CID) to assist in financing of eligible expenditures associated. The Developer is seeking CID assistance in the form of a 1.5% sales tax. The CID sales tax would remain in place for up to the maximum statutory term of 22-years.

2. General Description of Tax Increment

Tax increment financing for the Project Area will redirect both property and sales tax revenues. Upon establishment of a Redevelopment District, the total assessed valuation of all taxable real estate within the District is determined. This valuation is referred to as the District's "Base Year Assessed Valuation." Property taxes attributable to the District's Base Year Assessed Valuation are annually collected and distributed by the county treasurer to the appropriate city, county, school district and all other applicable taxing jurisdictions in the same manner as other property taxes.

As new development occurs within the Redevelopment District, the total assessed valuation of the District in any given year will presumably exceed its Base Year Assessed Valuation. The Ad Valorem property tax increment will be based on the capture of 100% of the real property taxes attributable to the increase in valuation above the Base Year Valuation, which will be utilized by the District to pay eligible project costs. All tax increment collected by the county and distributed to the city is deposited into a segregated fund established solely for that purpose.

Additionally, the TIF District intends to capture 100% of sales taxes generated by the City general 1.0% sales tax within the boundaries of the TIF District, in excess of the existing amount of \$35,000, as tax increment revenue. Currently, there are approximately \$3,500,000 in taxable sales generated within the Redevelopment District, resulting in \$35,000 in sales taxes applicable to the City's 1.0% sale tax; the increase in sales taxes above this amount will be redirected by TIF. The City will receive 100% of the growth in special purpose sales taxes generated with the Redevelopment Area and the County will receive 100% of its incremental growth in sales taxes.

Tax increment funds may only be used to pay for specified eligible project costs, including principal and interest on debt used, in whole or in part, to finance projects within a Redevelopment Project. Such debt includes notes, special obligation bonds, full faith and credit tax increment bonds, and other debt instruments. Tax increment also may be paid to a developer/owner over time as reimbursement for eligible costs incurred up-front. This payment mechanism is commonly referred to as pay-as-you-go financing and may include not only the principal amount of such costs but also all or a portion of the interest accrued thereon.

3. Project Description

The 75th Street and Quivira Road project (the “Project Area”) consists of 6 parcels of land located generally at the northeast corner of West 75th Street and Quivira Road to be combined into a mixed-use development. Four of the parcels are classified as commercial and have a statutory property classification rate of 25%. The two remaining parcels are classified as vacant and have a statutory property classification rate of 12.0%.

The Developer is proposing to demolish a significant portion of the existing structures and redevelop the site into a mixed-use development containing retail/office uses and multi-family housing. Specifically the development is proposed to include the development of ten new commercial buildings containing a mix of retail and/or office uses over 89,000 square feet, the redevelopment of an existing commercial building of 19,500 square feet, and the development of approximately five new multifamily buildings containing approximately 530 units. Additionally, the Developer will be undertaking street/intersection improvements, sanitary sewer, storm water, and public utility improvements necessary for the development of the site.

The total Base Year Assessed Valuation of the Project Area is \$1,178,595, based on the 2017 assessment for payment in 2017/2018 (see **Exhibit II** for individual parcel details).

Based on development plans provided by the Developer, the Project Area’s total fair market value (before inflation) upon completion in 2019 (assessed January 1, 2020) is estimated at \$116,462,980, resulting in a total assessed value of \$16,870,843. The Developer is projecting construction commencing in 2018 with approximately 50% of the project completed within 2018, and the project 100% completed within 2019 (assessed January 1, 2020). The property tax increment in any given year will be generated by 100% of the increase in Current Assessed Valuation over the Base Year Assessed Valuation (value as of January 1, 2017).

Based on projected sales activity by the Developer, the estimated total taxable sales are \$29,837,500 (before inflation), with sales taxes coming on-line over a two-year period starting in 2019. The Project Area is currently generating existing base sales of approximately \$3,500,000. The projected TIF Sales Tax revenue will be generated by the incremental increase in sales of \$26,337,500 over the exiting base level of sales.

4. Projected Revenues (Benefits)

Tax Increment Revenue

Base Assumptions

- Base Appraised value of \$4,827,230
- Base Assessed value of \$1,178,595
- Commercial Assessment Rate of 25% and Residential Assessment rate of 11.50% are assumed constant over term
- Post Development Appraised Value of \$116,462,980 (prior to inflation)
- Post Development Assessed Value of \$16,870,843
- Post Development Taxable Sales of \$29,837,500 (prior to inflation)
- Existing Taxable Sales of \$3,500,000
- Post Development Incremental Taxable Sales of \$26,337,500
- 2017/2018 Mill Rate Total 117.631, with TIF Eligible rate of 88.131 assumed constant over term; with 100% captured as Ad Valorem Property Tax Increment Revenue
- 1% City General Sales Tax Rate assumed constant, with 100% captured as Tax Increment Revenue
- 1.5% Community Improvement District Tax Rate assumed constant
- 2.0% Biennial market value inflation assumption
- 1.0% annual taxable sales inflation assumption

Increased Assessed Value

The City has the ability to use up to 100% of the statutorily available property tax increment generated by the Project Area based on its increase in Current Assessed Valuation over its Base Year Assessed Valuation, as is illustrated below at full assessment in 2018.

Project Area		
Projected Total Fair Market Value <u>(1/1/2020)</u>	<u>Class/Rate</u>	Projected Total Assessed Value <u>(1/1/2020)</u>
\$25,760,000	CU/25.00%	\$6,440,000
\$90,702,980	RES/11.50%	\$10,430,843
\$0	EQ/0.0%	0
Original Assessed Value		<u>(\$1,178,585)</u>
Increased Assessed Value		\$15,692,248

The Developer estimates that the Total Assessed Value of the Project will increase at approximately 2.0% biennially over the life of the Project Area.

Exhibit II (Assumptions Report) details many of the assumptions used in the projection of values and tax increments for the Project Area. Column 6 in **Exhibit III** (Projected Property and Sales Tax Increment & CID Revenues) shows the projected Increased Assessed Valuation of the Project Area over its maximum duration.

Property Tax Rates

In order to determine the amount of tax increment generated by the Project Area in any given year, the Increased Assessed Value must be multiplied by the sum of the tax rates for all TIF-applicable tax authorities for that year. For taxes levied in 2017 and payable in 2017/2018, this total TIF-applicable rate is 88.131 mills. We assume this rate remains fixed throughout the term of the District.

<u>Jurisdiction</u>	<u>TIF Eligible Mill Rate* (2017/2018)</u>
City of Shawnee	26.614
Johnson County	19.318
Jo Co Library	3.921
Jo Co Parks & Recreation	3.112
Jo Co Community College	9.503
512 Shawnee Mission S/D	<u>25.663</u>
Total	88.131

** The TIF Eligible Mill Rate does not include the State of Kansas 1.500 rate and the Shawnee Mission School District tax rate does not include the general 20.00 mills collected by the State & the 8.0 Capital Outlay mills collected by the School District; as these are not TIF Eligible.*

Projected Property Tax Increment

The projected tax increment generated, based on a 100% capture, for the Project Area over a 20-year period is shown in column 7 of **Exhibit III** (Projected Property and Sales Tax Increment & CID Revenues). If the Project Area is approved by the City and effective as of December 27, 2017, it would be eligible to receive increment in 2018/2019 through the first-half 2037/2038 collection. The tax increment projections are based on the Base Year assessed valuation, the 100% capture of increased assessed valuations, and tax rates as previously discussed. It is assumed in all years of the forecast that 100% of property taxes are paid when due. Additionally, it assumed for purposes of estimating the property tax increment, that the Developer/owner will pay 100% of the annual property taxes with their first-half payment in December 2037, in order to ensure a final year of 100% property tax TIF. The total property tax increments projected for the Project Area are \$27,926,840.

Projected Sales Tax Increment

The Project Area is also eligible to receive sales tax generated within the District. The City currently levies a 1.00% general sales tax and the Developer is requesting the City collect 100% of all City general sales taxes generated within the boundaries of the TIF District, in excess of existing levels, as sales

tax increment available to pay for redevelopment project costs. The Developer is projecting taxable sales coming on-line over a two year period starting in 2019. The Developer is projecting sales will increase 1.0% annually. The Project Area currently generates sales taxes of \$3,500,000, which will be the existing base sales within the Project Area. The total level of taxable sales projected by the Developer following completion is \$29,837,500; resulting in an incremental increase of taxable sales of \$26,337,500 on which the sales tax TIF revenue will be generated. The total projected sales tax revenue captured as TIF over the term of the Project Area is \$5,310,054 (see column 10 of Exhibit III - Projected Property and Sales Tax Increment & CID Revenues for further details).

The combined property tax and sales tax increment generated by the Project Area over the 20-year period starting from approval is estimated to be \$33,236,895.

Projected CID Revenues

The Developer is requesting the establishment of a Community Improvement District (CID) with boundaries coterminous to the Project Area. The Developer is proposing that the CID impose a 1.5% sales tax within the District to pay for eligible improvements associated with the development. The revenue projected from the 1.5% CID sales tax is estimated at \$10,359,154 over the maximum 22-year collection period (see column 12 of Exhibit III - Projected Property and Sales Tax Increment & CID Revenues for further details). The CID would collect sales taxes on all statutorily eligible sales generated within its boundaries.

Developer Revenue

The Developer anticipates they will fund the total development cost of \$113,169,886 from a mix of private equity and debt. The Developer will be responsible for funding 100% of the reimbursable TIF and CID expenses upfront, prior to being reimbursed over time on a pay-as-you-go basis.

City Administration

The projections currently include a 0.5% city administrative fee being applied to both the projected property and sales tax increment revenues. The projections shown in Exhibit III are the revenues net of this administrative fee. Additionally, the CID sales tax projections include a 0.5% city administrative fee and a 2.0% state administrative fee.

Projected City Benefit – Non-Captured Sales Tax Revenue

The proposed development will generate new taxable sales, which will result in the City realizing increased sales tax revenues generated by the special sales taxes for Pavement, Parks & Pipes, and Public Safety. The total non-TIF sales tax revenue generated as a result of the project is \$1,458,635 over the 20-year term of our analysis. For purposes of estimating this anticipated benefit we have assumed the Pavement and the Parks & Pipes sales taxes will both sunset at the end of their terms in 2025.

5. Projected Expenditures (Costs)

The Developer is seeking total reimbursement for TIF project costs in an agreed upon principal amount of \$21,500,000 on a pay-as-you-go basis. The Developer will finance these Project Area costs and request reimbursement from TIF revenue, including interest expenses. The Developer is seeking reimbursement for interest expenses incurred on the TIF principal amount based on the rate actually incurred up to a maximum interest rate of 5.0%. The total amount of interest expense reimbursed to the Developer for the TIF expenses will be dependent on the actual level of interest incurred and therefore is unknown at this time. In the event that TIF revenue is insufficient to fund the full \$21,000,000 in principal amount and interest expense, the Developer will be required to fund the difference through a capital contribution.

The City is considering the Developer's request to execute a Redevelopment Agreement outlining a pledge of 100% of the statutorily available property tax increment generated by the Project Area, and 100% of the generated City 1.0% general sales tax increment, up to an amount necessary to reimburse the Developer for \$21,500,000 of construction costs, plus interest expense. The pledge will continue until taxes levied in 2037 and collected in 2038, the Project Area's required termination date.

Additionally, the Developer is requesting the creation of a Community Improvement District (CID) applying a special sales tax of 1.5%. The Developer is seeking the reimbursement of CID eligible expenditures in an amount of \$10,359,154 on a pay-as-you-go basis. The Developer will finance these eligible costs and request reimbursement from CID revenue. The Developer's interest cost on CID eligible expenditures will not be reimbursable.

The projected total TIF and CID eligible expenses to be funded include a combined principal amount of \$31,859,154, plus actual interest expenses reimbursed on the TIF principal amount.

6. Conclusions

The Act requires that the Financial Feasibility Study demonstrate that a Project's benefits and other available revenues are expected to equal or exceed all Project costs. The project benefits can be described in two forms: a) the amount of total revenues and other contributions received over the 20 year term of the Project; and b) the amount of project costs which can be financed by the revenues received over the applicable term. This second category represents the amount of indebtedness supported by the future revenues plus the other financial contributions.

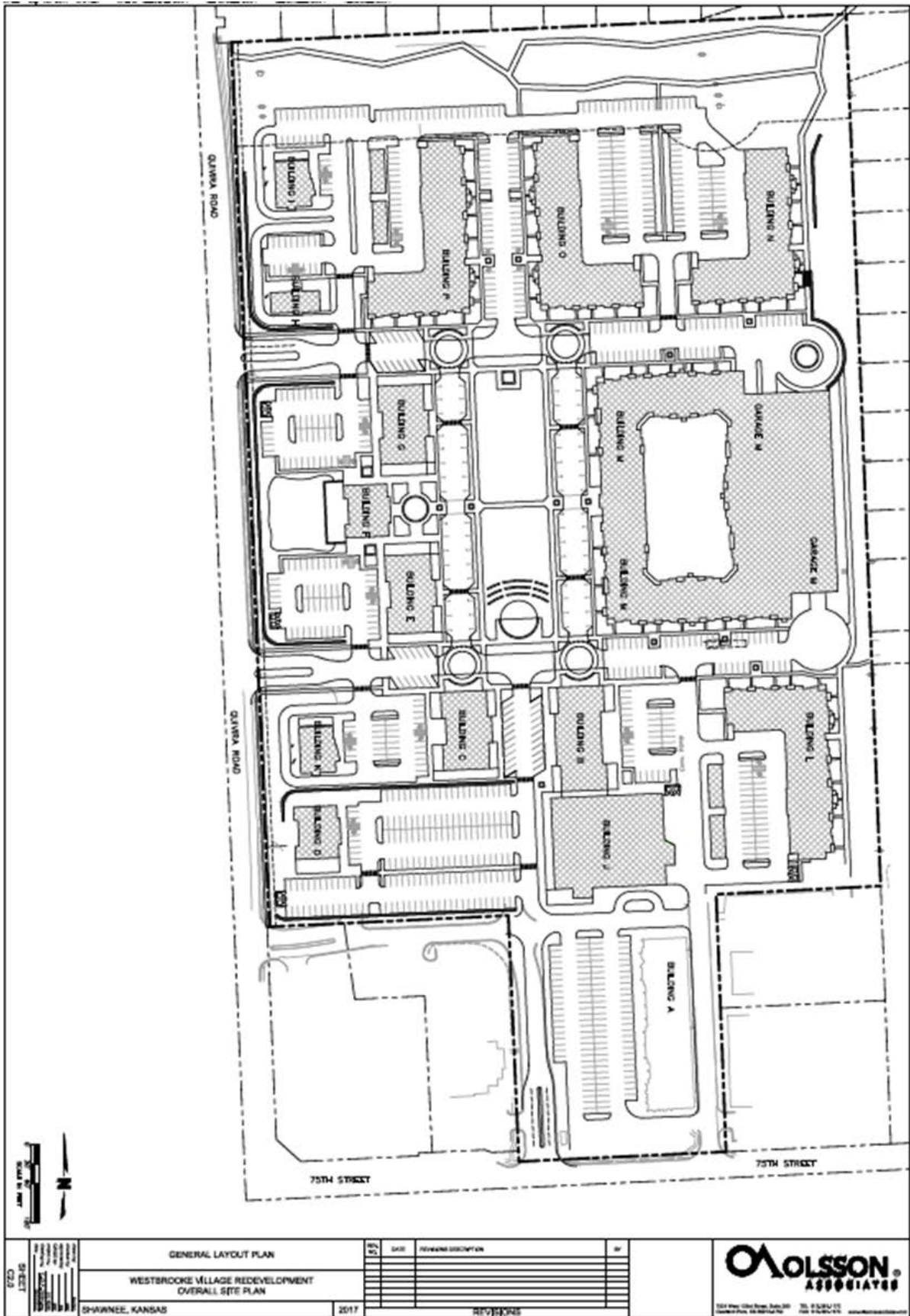
The Project Plan identifies estimated TIF Redevelopment Project Costs of \$113,169,886, of which \$21,500,000 (plus interest on reimbursable costs and reimbursement of certain City fees and expenses) are requested for reimbursement with TIF revenues. The estimated TIF revenues projected to be generated by the TIF District over its term total \$33,236,895, which has a net present value of \$19,550,552 at 5.0% interest. As the Developer will only be reimbursed for interest expenses as incurred, and based on the actual interest rate up to a maximum of 5%, it is unknown if the projected TIF revenue will be capable of reimbursing the \$21,500,000 principal amount, plus actual interest expenses. In the event that TIF revenue is insufficient to fund the maximum authorized amount, an additional Developer contribution would be required to offset the difference.

The estimated CID revenues projected to be generated by the CID over its term total \$10,359,154, which is equal to the CID reimbursable amount of \$10,359,154.

The total Project Area Costs requested to be funded from public sources are \$31,859,154, plus actual eligible interest costs over the statutory period. The combined estimate of TIF and CID Project Area Revenues is \$43,596,048. Given the assumptions and representations of various parties to the process, this feasibility study concludes that the Project Area benefits, which include projected TIF and CID revenue, along with a Developer capital contribution if necessary, will be sufficient to pay the Project Area costs.

The Act also requires a determination of the effect the redevelopment project will have on any outstanding bonds supported by local transient guest and local sales and use taxes. The proposed Project Area does currently generate existing sales taxes, however these existing sales taxes will continue to be collected for general purposes at their current level, and therefore the Project Area does not affect outstanding obligations.

EXHIBIT I
MAP OF PROPOSED REDEVELOPMENT
DISTRICT & PROJECT AREA



GENERAL LAYOUT PLAN		DATE	REVISION DESCRIPTION	BY
WESTBROOK VILLAGE REDEVELOPMENT OVERALL SITE PLAN		2017		

MOLSSON ASSOCIATES

301 W. 12th Street, Suite 200 | Shawnee, Kansas 66201
 Phone: 785.928.8222 | Fax: 785.928.8223

EXHIBIT II
TIF DISTRICT AND REDEVELOPMENT
PROJECT AREA ASSUMPTIONS

Exhibit II – Page 1 of 4

City of Shawnee, Kansas
Redevelopment Tax Increment Financing District
75th Street and Quivira Road
Base Developer Revenue Projections

Original Assessed Value (1/1/17)	1,178,595	
<u>2017/18 Mill Rates</u>	<u>Total</u>	<u>TIF Applicable</u>
State of Kansas	1.500	0.000
Johnson County	19.318	19.318
Jo Co Library	3.921	3.921
Jo Co Park & Recreation	3.112	3.112
Jo Co Community College	9.503	9.503
City of Shawnee	26.614	26.614
512 Shawnee Mission S/D	26.223	18.223
512 Shawnee Mission S/D-Gen	20.000	0.000
512 Shawnee Mission S/D-Bond	7.440	7.440
Total	117.631	88.131
	<i>Assume fixed rate</i>	
Property TIF Inflation Rate:	2.00%	Biennially
Sales Tax Inflation Rate:	1.00%	

Exhibit II - Page 2 of 4

**City of Shawnee, Kansas
 Redevelopment Tax Increment Financing District
 75th Street and Quivira Road
 Base Developer Revenue Projections**

Address	Parcel ID	2017 Appraised			2017 Assessed			Class
		Land	Building	Total	Land	Building	Total	
7317 Quivira Road	QP86800000 OT01A	1,866,510	45,490	1,912,000	466,628	11,373	478,000	C
7311 Quivira Road	QP86800000 OT1A1	303,520	19,690	323,210	75,880	4,923	80,803	C
7353 Quivira Road	QP86800000 OT01B	659,680	240,320	900,000	164,920	60,080	225,000	C
7415 Quivira Road	QP86800000 0002	1,468,260	6,740	1,475,000	367,065	1,685	368,750	C
-	QP22000001 0004	124,630	-	124,630	14,956	-	14,956	V
-	QP22000001 0003	92,390	-	92,390	11,087	-	11,087	V
Estimated Assess 2017 Values		4,514,990	312,240	4,827,230	1,100,535	78,060	1,178,595	
(Base Year of Redevelopment TIF District)		Total Appraised Value			Total Assessed Value			

Exhibit II - Page 3 of 4

**Redevelopment Tax Increment Financing District
75th Street and Quivira Road
Base Developer Revenue Projections**

Property Tax Increment

Base and Current Values	<u>Appraised</u>	<u>Assessed</u>
Base - Assess January 1, 2017	\$4,827,230	\$1,178,595
Assessment Rate:	25.00%	11.50%

Project Components	<u>Commercial Buildings</u>	<u>Residential Buildings</u>
Estimated Square Footage	108,500	420,980
Estimated Appraised Value per SF/Unit ¹⁾	\$237	\$215
Total Appraised Value	\$25,760,000	\$90,702,980
Total Assessed Value	\$6,440,000	\$10,430,843

New Development Appraised ²⁾	<u>Commercial Buildings</u>	<u>Residential Buildings</u>
January 1, 2017	0%	0%
January 1, 2018	0%	0%
January 1, 2019	50%	50%
January 1, 2020	100%	100%

Estimated Appraised Value	<u>Commercial Buildings</u>	<u>Residential Buildings</u>	<u>Total Appraised Value</u>
January 1, 2017	\$0	\$0	\$0
January 1, 2018	\$0	\$0	\$0
January 1, 2019	\$12,880,000	\$45,351,490	\$58,231,490
January 1, 2020	\$25,760,000	\$90,702,980	\$116,462,980

Estimated Assessed Value	<u>Commercial Buildings</u>	<u>Residential Buildings</u>	<u>Total Assessed Value</u>
January 1, 2017	\$0	\$0	\$0
January 1, 2018	\$0	\$0	\$0
January 1, 2019	\$3,220,000	\$5,215,421	\$8,435,421
January 1, 2020	\$6,440,000	\$10,430,843	\$16,870,843

Tax Increment	Total	Original	100% Captured
	<u>Assessed</u>	<u>Assessed</u>	<u>Assessed</u>
Assess 2017/Distrib 2018	\$1,178,595	\$1,178,595	\$0
Assess 2018/Distrib 2019	\$1,178,595	\$1,178,595	\$0
Assess 2019/Distrib 2020	\$8,435,421	\$1,178,595	\$7,256,826
Assess 2020/Distrib 2021	\$16,870,843	\$1,178,595	\$15,692,248

NOTES:

1) For estimating the market value we have used the Developer's assumptions

2) We have used the Developer's assumption of a 2-year buildout. Percentages shown before inflationary increases start

Exhibit II - Page 4 of 4

Redevelopment Tax Increment Financing District

75th Street and Quivira Road

Base Developer Revenue Projections

Sales Tax Assumptions for Sales Tax Increment and Community Improvement District (CID) Sales Tax

Base Information

Existing Project Sales Taxes: \$0

City Sales Tax Rates	
<i>General</i>	1.000%
<i>Parks and Pipes</i>	0.125%
<i>Public Safety</i>	0.125%
<i>Pavement</i>	0.375%
Total Sales Tax Rates	1.625%
TIF Eligible Sales Tax	1.00%
CID Tax Rate	1.50%

Project Information

	TIF Taxable <u>Commercial Buildings</u>	CID Taxable <u>Commercial Buildings</u>
Estimated Sales ¹⁾	\$29,837,500	\$29,837,500
Base Existing Sales ²⁾	\$3,500,000	NA
Estimated Taxable Sales:	\$26,337,500	\$29,837,500
Estimated TIF Sales Tax Rate: ³⁾	1.00%	NA
Estimated CID Sales Tax Rate:	NA	1.50%
Estimated Annual TIF Sales Tax Collections: (at stabilized occupancy and sales)	\$263,375	NA
Estimated Annual CID Revenues: (at stabilized occupancy and sales)	NA	\$447,563

Sales Tax Collections:

	Estimated % <u>of Total</u>	Estimated <u>Taxable Sales</u>	TIF <u>Sales Tax</u>	CID <u>Sales Tax</u>
Taxes collected in 2017	0.00%	\$0	\$0	\$0
Taxes collected in 2018	0.00%	\$0	\$0	\$0
Taxes collected in 2019	50.00%	\$14,918,750	\$114,188	\$223,781
Taxes collected in 2020 ⁴⁾	100.00%	\$29,837,500	\$263,375	\$447,563

NOTES:

- 1) We have used the Developer's projections for estimated sales.
- 2) The base existing sales only apply to the TIF Sales Tax, and not the CID sales tax.
- 3) 100% of the City's 1% General Tax Rate is proposed to be captured as TIF.
- 4) We have assumed the sales revenue will come online over a 2-year period.

EXHIBIT III
PROJECTED PROPERTY AND SALES TAX INCREMENT
& CID REVENUES

**Redevelopment Tax Increment Financing District
75th Street and Quivira Road
Base Developer Revenue Projections
Projected Property and Sales Tax Increment & CID Revenues**

TIF Year (1)	Assess & Tax Levy Year (2)	Tax Distrib. Year (3)	Total Assessed (a) (4)	Original TIF Base Assessed Value (5)	(4) - (5) Incremental Assessed Value (6)	Projected Property Tax Increment (b) (7)	Projected Incremental Taxable Sales (c) (8)	Projected CID Taxable Sales (9)	Projected Sales Tax Increment (d) (10)	Projected Total Increment (11)	Projected CID Sales Tax Revenue (e) (12)
0	2017	2018	1,178,595	1,178,595	0	0	0	0	0	0	0
1	2018	2019	1,178,595	1,178,595	0	0	0	0	0	0	0
2	2019	2020	8,435,421	1,178,595	7,256,827	636,354	11,418,750	14,918,750	113,617	749,970	218,187
3	2020	2021	16,870,843	1,178,595	15,692,248	1,376,059	26,337,500	29,837,500	262,058	1,638,117	436,373
4	2021	2022	17,208,260	1,178,595	16,029,665	1,405,647	26,635,875	30,135,875	265,027	1,670,674	440,737
5	2022	2023	17,552,425	1,178,595	16,373,830	1,405,647	26,937,234	30,437,234	268,025	1,673,672	445,145
6	2023	2024	17,552,425	1,178,595	16,373,830	1,435,827	27,241,606	30,741,606	271,054	1,706,881	449,596
7	2024	2025	17,903,473	1,178,595	16,724,878	1,435,827	27,549,022	31,049,022	274,113	1,709,940	454,092
8	2025	2026	17,903,473	1,178,595	16,724,878	1,466,610	27,859,512	31,359,512	277,202	1,743,812	458,633
9	2026	2027	18,261,543	1,178,595	17,082,948	1,466,610	28,173,107	31,673,107	280,322	1,746,933	463,219
10	2027	2028	18,261,543	1,178,595	17,082,948	1,498,010	28,489,839	31,989,839	283,474	1,781,483	467,851
11	2028	2029	18,626,774	1,178,595	17,448,179	1,498,010	28,809,737	32,309,737	286,657	1,784,666	472,530
12	2029	2030	18,626,774	1,178,595	17,448,179	1,530,037	29,132,834	32,632,834	289,872	1,819,909	477,255
13	2030	2031	18,999,309	1,178,595	17,820,714	1,530,037	29,459,163	32,959,163	293,119	1,823,155	482,028
14	2031	2032	18,999,309	1,178,595	17,820,714	1,562,705	29,788,754	33,288,754	296,398	1,859,103	486,848
15	2032	2033	19,379,295	1,178,595	18,200,700	1,562,705	30,121,642	33,621,642	299,710	1,862,415	491,717
16	2033	2034	19,379,295	1,178,595	18,200,700	1,596,026	30,457,858	33,957,858	303,056	1,899,081	496,634
17	2034	2035	19,766,881	1,178,595	18,588,286	1,596,026	30,797,437	34,297,437	306,434	1,902,460	501,600
18	2035	2036	19,766,881	1,178,595	18,588,286	1,630,013	31,140,411	34,640,411	309,847	1,939,860	506,616
19	2036	2037	20,162,219	1,178,595	18,983,624	1,630,013	31,486,815	34,986,815	313,294	1,943,307	511,682
20	2037	2038	20,162,219	1,178,595	18,983,624	1,664,681	31,836,683	35,336,683	316,775	1,981,456	516,799
21	2038	2039	20,565,463	20,565,463	0	0	32,190,050	35,690,050	0	0	521,967
22	2039	2040	20,565,463	20,565,463	0	0	32,546,951	36,046,951	0	0	527,187
23	2040	2041	20,976,772	20,976,772	0	0	32,907,420	36,407,420	0	0	532,459
Totals					Gross Proceeds	\$27,926,840			\$5,310,054	\$33,236,895	\$10,359,154
					Net Present Value (f)	5.00%	\$16,430,684		\$3,119,868	\$19,550,552	\$6,001,613

(a) Assumes TIF Project value will be assessed according to a 2-year completion schedule. Assumes inflation starting annually at 1% starting in 2021.

(b) Assumes 100% collection of TIF eligible property taxes, minus 0.5% City Admin Fee. Since TIF expenditures are limited to 20 years from City approval of Project estimated to occur December 27, 2017, final collection would be first-half 2037 collection, distributed to City in January 2038. Assume 2016/2017 Mill Levy Rate held flat.

(c) Assumes sales come online over a 2-year period starting in 2019, and a 1.0% annual inflation assumption.

(d) Since TIF expenditures are limited to 20 years from City approval of Project estimated to occur December 27, 2017 final collection of sales taxes would be through December 26, 2037. Projections are net of City 0.5% Admin Fee.

(e) Assumes collection of 1.5% CID sales tax revenue for maximum term allowed, initiated in 2019 resulting in 22 years of collection assuming full collection of revenue in 2040.

CID revenue collections assume a City 0.5% Admin Fee and a 2.0% State Admin Fee.

(f) Assumes Net Present Value calculated starting from January 1, 2018.

EXHIBIT IV
PROJECTED CITY BENEFIT
NON-CAPTURED TAX REVENUE

**Redevelopment Tax Increment Financing District
75th Street and Quivira Road
Base Developer Revenue Projections
Projected City Benefit - Non-Captured Tax Revenue**

TIF Year	Assess & Tax Levy Year	Incremental Uncaptured Assessed Value	Projected Additional City Property Tax Revenue ^(A)	Projected Incremental Taxable Sales ^(B)	General Sales Tax Not Captured ^(C) 0.00%	Pavement Special Sales Taxes ^(D) 0.375%	Parks & Pipes Special Sales Taxes ^(E) 0.125%	Public Safety Special Sales Taxes ^(F) 0.125%	Total New Revenue Not Captured As Increment Not Captured
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
0	2017	0	0	0	0	0	0	0	0
1	2018	0	0	0	0	0	0	0	0
2	2019	0	0	11,418,750	0	42,820	14,273	14,273	71,367
3	2020	0	0	26,337,500	0	98,766	32,922	32,922	164,609
4	2021	0	0	26,635,875	0	99,885	33,295	33,295	166,474
5	2022	0	0	26,937,234	0	101,015	33,672	33,672	168,358
6	2023	0	0	27,241,606	0	102,156	34,052	34,052	170,260
7	2024	0	0	27,549,022	0	103,309	34,436	34,436	172,181
8	2025	0	0	27,859,512	0	26,118	34,824	34,824	95,767
9	2026	0	0	28,173,107	0	0	0	35,216	35,216
10	2027	0	0	28,489,839	0	0	0	35,612	35,612
11	2028	0	0	28,809,737	0	0	0	36,012	36,012
12	2029	0	0	29,132,834	0	0	0	36,416	36,416
13	2030	0	0	29,459,163	0	0	0	36,824	36,824
14	2031	0	0	29,788,754	0	0	0	37,236	37,236
15	2032	0	0	30,121,642	0	0	0	37,652	37,652
16	2033	0	0	30,457,858	0	0	0	38,072	38,072
17	2034	0	0	30,797,437	0	0	0	38,497	38,497
18	2035	0	0	31,140,411	0	0	0	38,926	38,926
19	2036	0	0	31,486,815	0	0	0	39,359	39,359
20	2037	0	0	31,836,683	0	0	0	39,796	39,796
Gross Proceeds			\$0	Gross Total	\$0	\$574,068	\$217,474	\$667,092	\$1,458,635
5.00%			\$0	5.0 % NPV Total	\$0	\$431,245	\$160,585	\$373,279	\$965,109

(A) No increase in additional City property tax is projected due to 100% of incremental increase being captured as TIF.

(B) Assumes sales come online over a 2-year period starting in 2019, and a 1.0% annual inflation assumption. Sales represent incremental growth over existing sales of \$3,500,000.

(C) No increase in additional City General Sales tax is projected due to 100% of general 1% sales tax rate captured as TIF.

(D) The sales taxes attributable to the Pavement special tax rate will not be captured as TIF, the special sales tax rate is approved from 4/1/2015 - 3/31/2025

(E) The Parks and Pipes sales tax is set to sunset at the end of 2025.

(F) Revenue generated by the new taxable sales attributable to the Public Safety sales tax, which does not have a sunset.