



AGENDA

CITY COUNCIL WORKSHOP

7651 E. Central Park Ave, Bel Aire, KS

Video Available at belaireks.gov

June 14, 2022 6:35 PM



I. FINANCES

- [A.](#) 2023 Budget Development & Review
- B. Capital Improvements
- [C.](#) Land Bank Funds
- D. BIL Opportunities

II. DEVELOPMENT

- [A.](#) TIF Policy
- [B.](#) Lot Across from City Hall

III. OTHER?

- A. Future dates
 - a. Council Orientation - July?
 - b. Council Photos- June 21st

IV. DISMISS

Additional Attachments

- [A.](#) Manager's Report - June 14, 2022

Notice

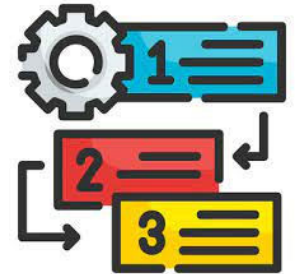
It is possible that sometime between 6:00 and 6:30 PM immediately prior to this meeting, during breaks, and directly after the meeting, a majority of the Governing Body may be present in the Council Chambers or the lobby of City Hall. No one is excluded from these areas during these times. Channel 7 rebroadcasts of this meeting are scheduled daily or can be streamed on YouTube. Please make sure all cell phones and other electronics are turned off and put away.



FY2023 Budget Workshop (June 2022)

Ted Henry
Director of Finance

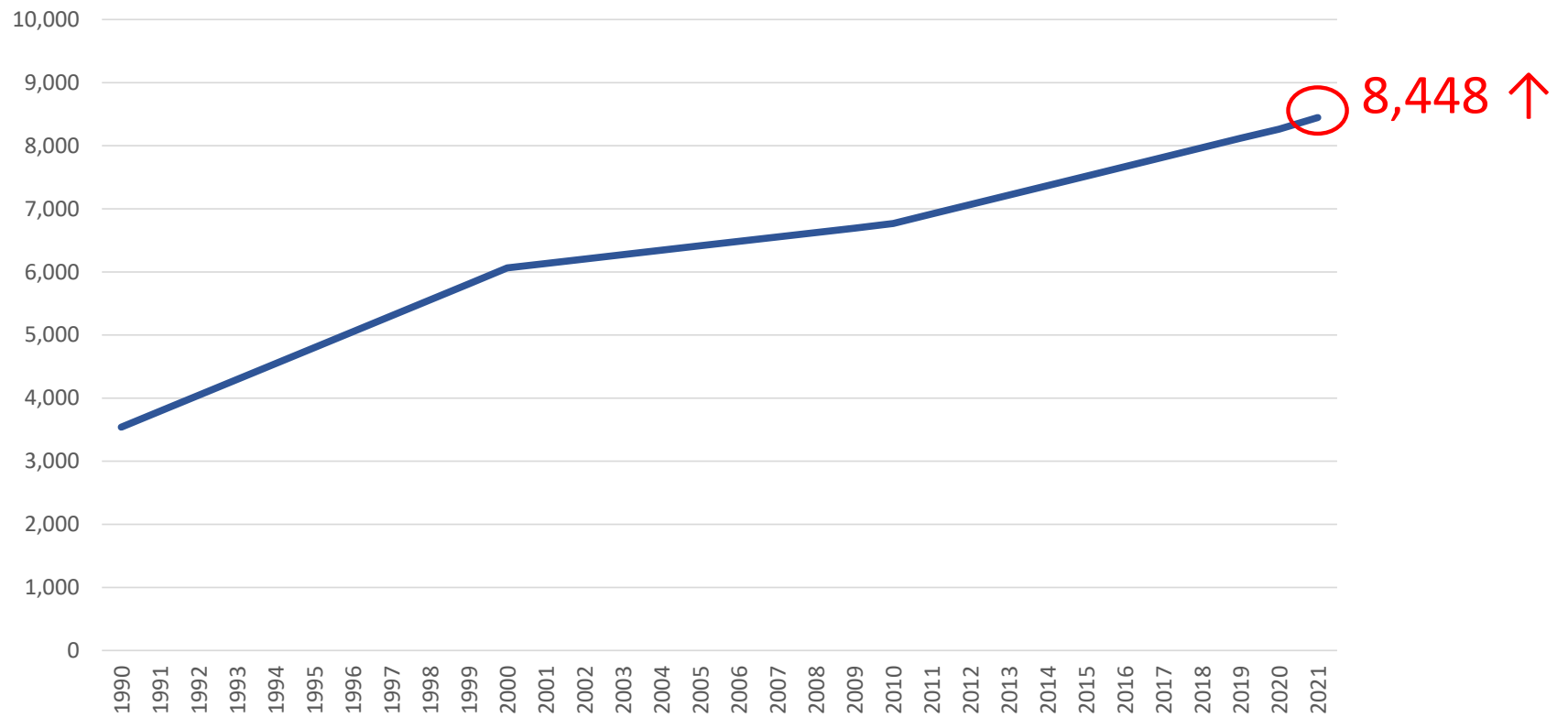
The Budget's Purpose



- The budget is more than an exercise to determine how much property tax should be levied.
- The budget is a **management tool** of the governing body.
- The budget **establishes priorities** for the coming year and outlines how those priorities will be realized.

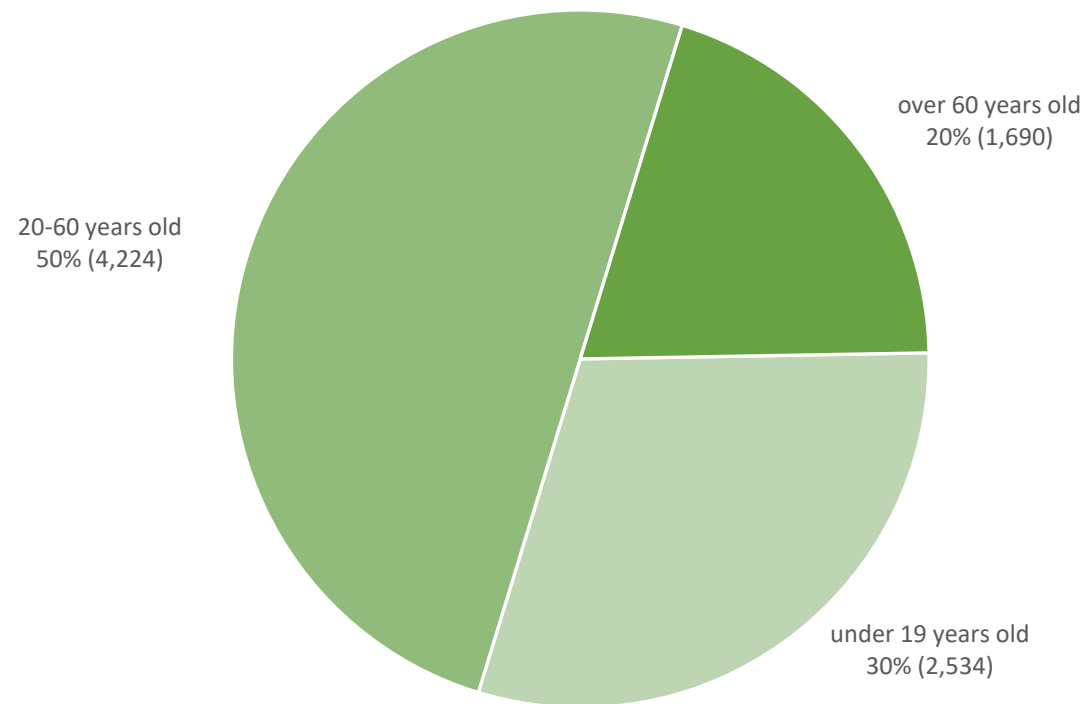
Population

(US Census Bureau)



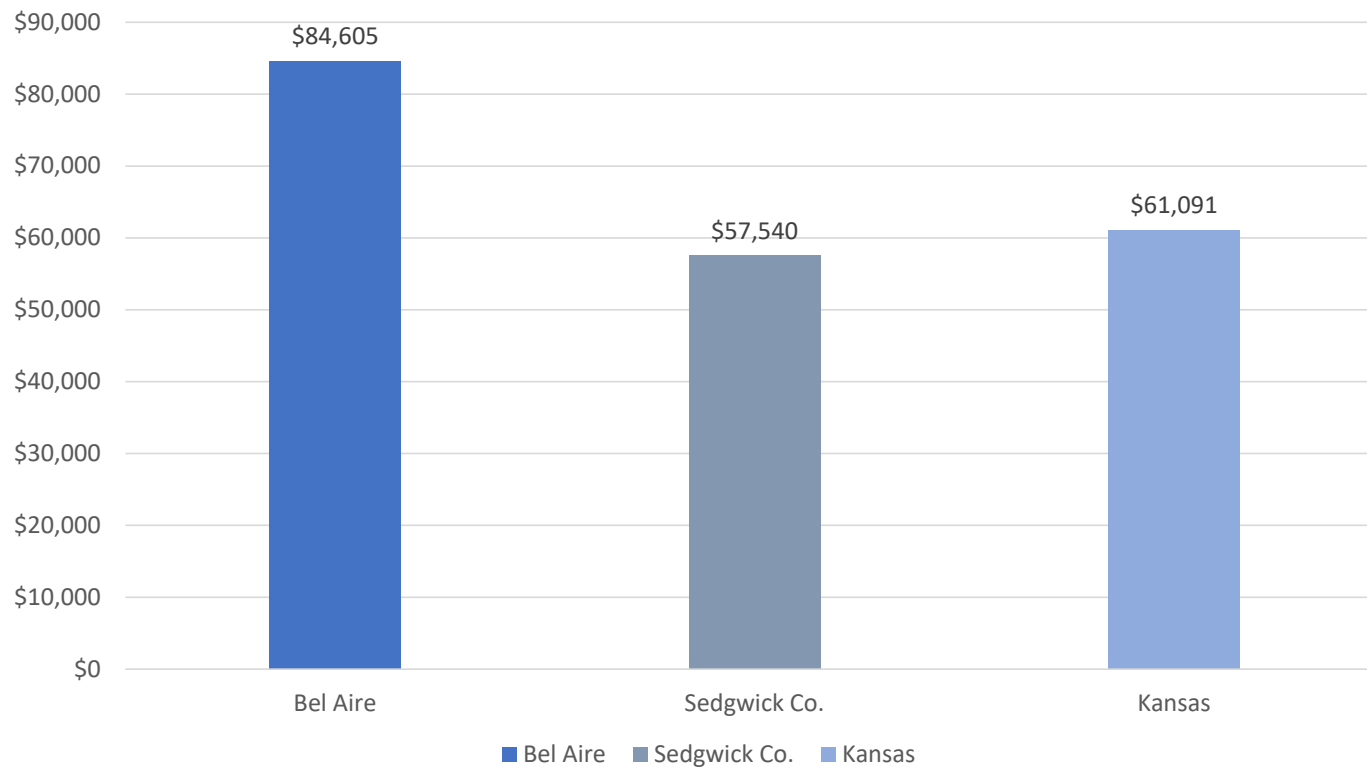
Population by Age

(US Census Bureau)



Median Household Income

(US Census Bureau)



Why Bel Aire?

- Safe
- Easy Commute (Proximity)
- Quiet with Open Spaces





- Police
- Municipal Courts



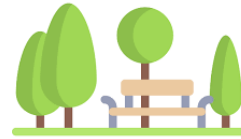
- Construction and maintenance of City Streets
- Street sweeping
- Snow and ice removal
- Right-of-Way mowing



- Water production and distribution
- Sewer treatment and removal
- Stormwater drainage management
- Trash and recycling



- Planning
- Civil Engineering
- Building Permits & Inspection
- Enforcement of Local Ordinances
- Professional Licenses



- Parks
- Recreational Facilities
- Adult Education Programs
- Festivals & Events
- Green Space



- Civic Engagement
- Public Square



- Administration
- Finance
- Legal



 = 14

Darrell



 = 11

Glen



 = 4

Mari



 = 5

Joe



 = 7

Deb

Me

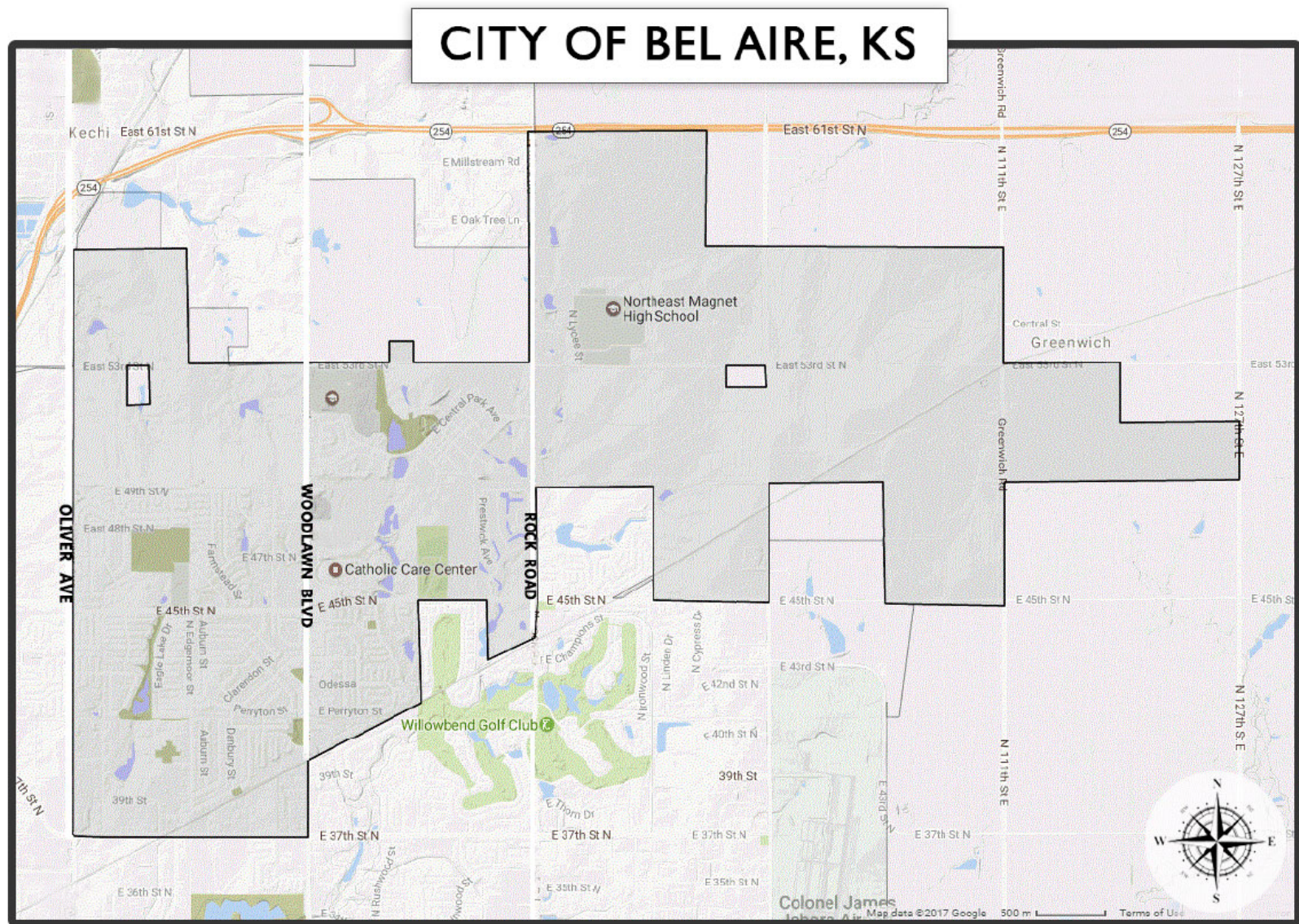








12





Fund Accounting



General Fund



Bond & Interest



Land Bank



PBC Fund



Street Fund



Capital
Improvement
(Non-Budgeted)



Equipment
Reserve
(Non-Budgeted)



Water Fund



Sewer Fund



Solid Waste



Storm Water

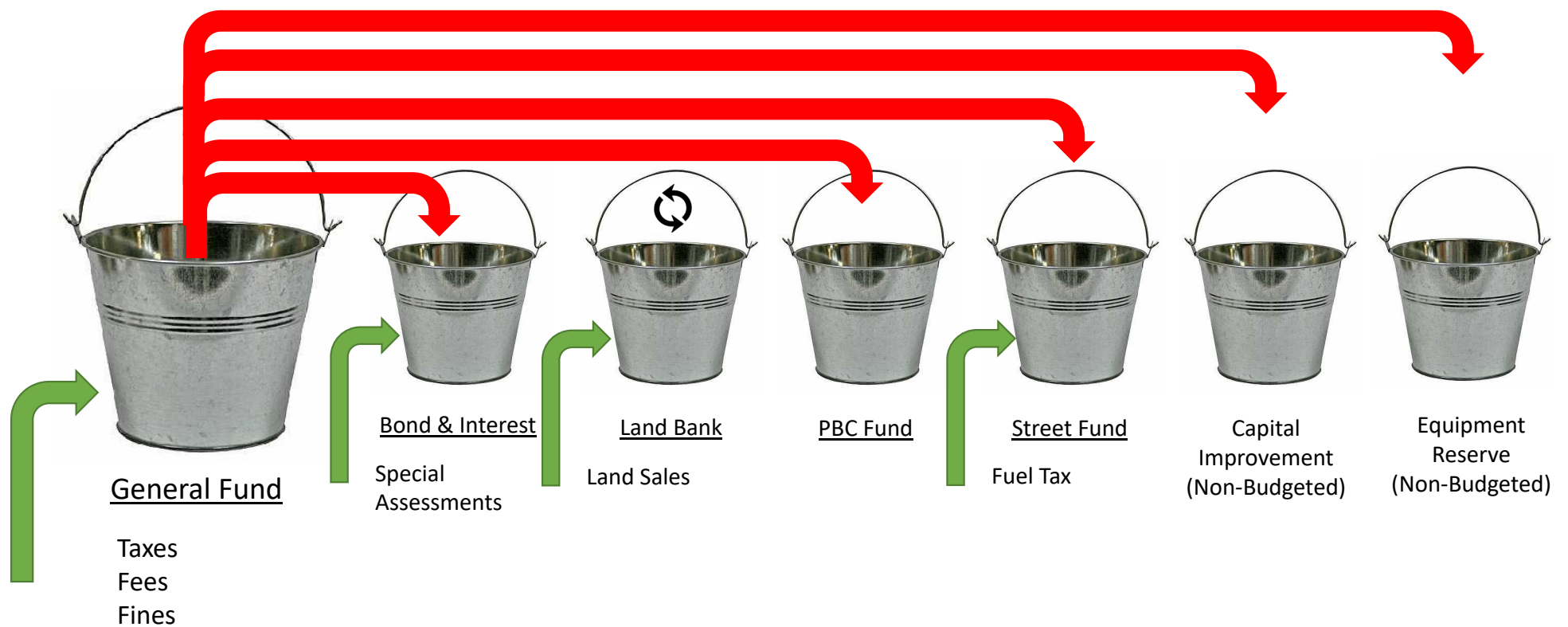
Fund Accounting



General Fund

- General Fund Revenue Budget
 - Property Taxes, Sales Taxes, Fees, Fines, and Grants
- Police Department Budget
- Municipal Court Budget
- Parks Department Budget
- Recreation Department Budget
- Administration Department Budget
- Planning and Zoning Department Budget
- Communications and HR Department Budget
- Land Development Budget
- Non-Departmental Budget
- City Council Budget
- Transfers Out

Fund Accounting



Analyzing and Managing Fiscal Risks

✓ What are the Risks?

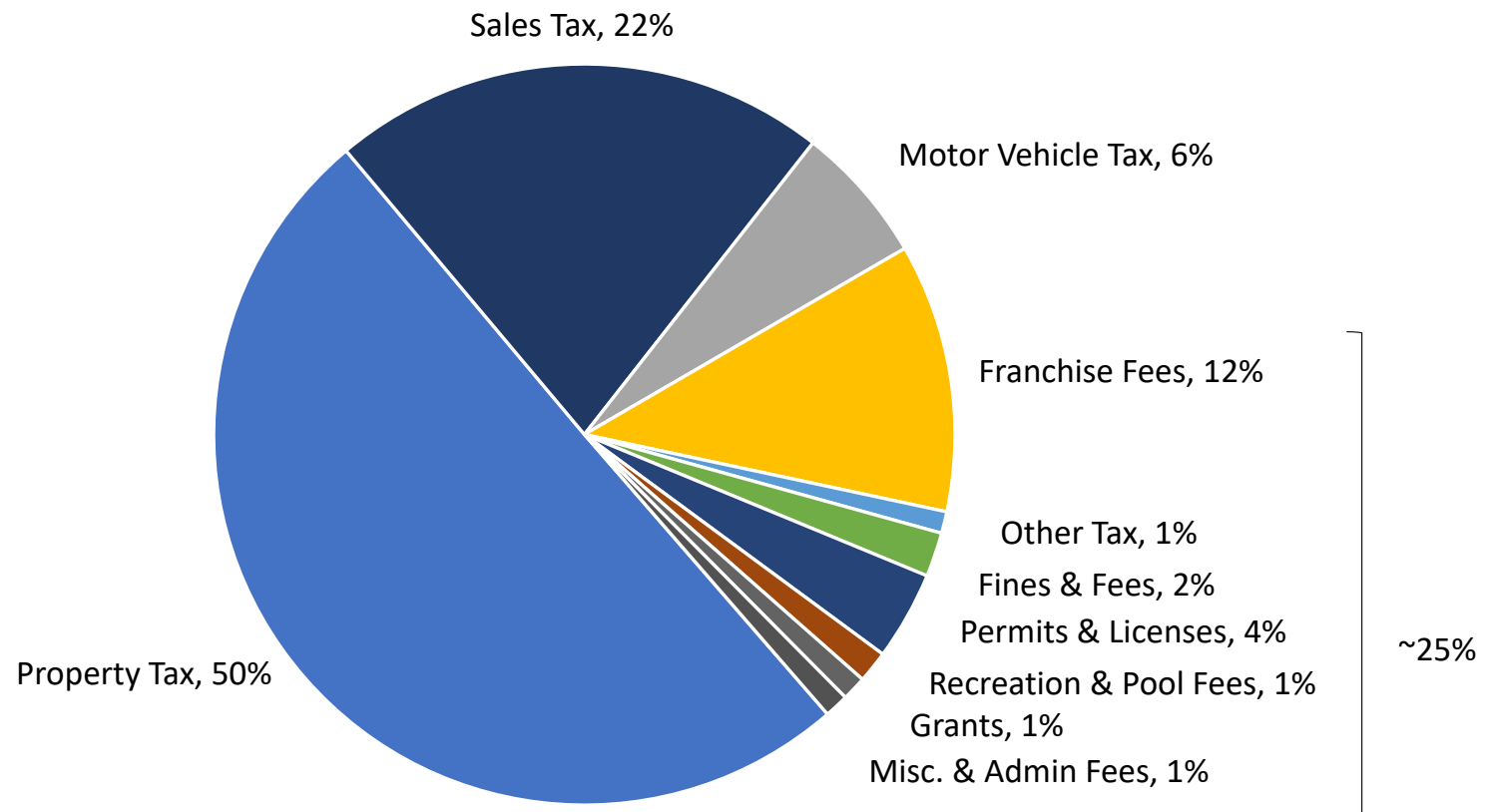
- Housing Market
 - Economic Recession
 - GO Bonds are guaranteed by the City's Taxing Authority
- Operational Expenses
 - Inflation (**new**)
 - Workforce shortage (**new**)



✓ How to Protect Against Risk?

- High Reserves in the General Fund
 - Current Policy Targets 30% of Revenues
 - S&P Rating
- One-Time Expenses (Pay-As-You-Go)

General Fund Revenues (by percentage)



Sales Tax Revenue (Example)

Receipt	
Purchase Price	\$ 100.00
Sales Tax (7.5%)	\$ 7.50
Total:	\$ 107.50

Receipt	
Purchase Price	\$ 105.00
Sales Tax (7.5%)	\$ 7.88
Total:	\$ 107.88

+\$0.33

Sales Tax Distribution:

- Kansas State Sales Tax Rate is 6.5%
- Sedgwick County Sales Tax Rate is 1.0% (Bel Aire receives a portion set by State law)
- Bel Aire Sales Tax Rate is 0.0%

Property Tax Revenue (Example)

2022	
Home Value	\$ 200,000
Assessment Value (x 11.5%)	\$ 23,000
Tax (x .04356 or 43.56 mills)	\$ 1,002

2023	
Home Value (+5%)	\$ 210,000
Assessment Value (x 11.5%)	\$ 24,150
Tax (x .04356 or 43.56 mills)	\$ 1,052

+\$10,000

+\$50

2022	
Vacant Lot Value	\$ 30,000
Assessment Value (x 11.5%)	3,450
Tax (x .04356 or 43.56 mills)	\$ 150

2023	
Home Value	\$ 210,000
Assessment Value (x 11.5%)	\$ 24,150
Tax (x .04356 or 43.56 mills)	\$ 1,052

+\$180,000

+\$902

Property Tax Revenue (City View Example)

2022	
Assessment Value	\$ 77,990,661
Tax (x .04356 or 43.56 mills)	\$ 3,397,663

2023	
Assessment Value (+9.7%)	\$ 85,535,877
Tax (x .04356 or 43.56 mills)	\$ 3,726,370

+\$ 328,707

REAL ESTATE PROPERTY TAX INFORMATION SHEET

Property Class	Class Code	2015 Assessed Value	2016 Assessed Value	Value Change	Percent Change
Agricultural (106.08)	A	3,144	3,444	300	9.5
TAX STATEMENT TOTAL		3,144	3,444	300	9.5

Taxing Authority	2015 Levy	2016 Levy	Levy Diff.	% Diff.	2015 Taxes	2016 Taxes	Dollar Change	% Diff.
0101 STATE	1.500	1.500			4.71	5.16	0.45	9.5
0201 COUNTY	29.383	29.393	0.010		92.39	101.22	8.83	9.5
0520 CITY OF BEL AIRE	46.246	45.726	-0.520	-1.1	145.40	157.48	12.08	8.3
0731 USD 375 BOND	22.799	21.141	-1.658	-7.2	71.68	72.81	1.13	1.5
0616 USD 375	22.822	21.498	-1.324	-5.8	71.75	74.04	2.29	3.1
0616 USD 375 SG*	20.000	20.000			62.88	68.88	6.00	9.5
1108 COUNTY FIRE DIST NO	18.371	18.414	0.043	0.2	57.76	63.42	5.66	9.7
1401 SOUTH CENTRAL KANSAS	1.132	1.253	0.121	10.6	3.56	4.32	0.76	21.3
1703 WHITEWATER RIVER WAT	1.432	1.368	-0.064	-4.4	4.50	4.71	0.21	4.6
STATEMENT TOTAL	163.685	160.293	-3.392	-2.0	514.63	552.04	37.41	7.2

City	County	Total City	State & County	College	School	Reg. Lib.	Fire Dist.	Total
El Dorado	Butler	58.194	34.266	15.262	62.625			170.347
Augusta	Butler	57.661	34.266	15.262	60.767			167.956
Andover	Butler	43.831	34.266	15.262	67.417			160.776
Valley Center	Sedgwick	54.848	30.870		65.584			151.302
Bel Aire	Sedgwick	43.565	30.870		52.514	1.229	17.817	145.995
Park City	Sedgwick	44.534	30.870		52.514		17.817	145.735
Derby	Sedgwick	47.417	30.870		67.116			145.403
Kechi	Sedgwick	37.766	30.870		52.514	1.229	17.817	140.196
Wichita	Sedgwick	32.758	30.870		52.514			116.142

Revenue Neutral Rate

- State law governs the timetable for budget preparation, publication, hearing, adoption, and certification.
- State passed SB13 and established a revenue neutral rate law.
- Revenue Neutral Rate = the Rate (Expressed in Mills) Needed to Collect the Same Dollar Amount of Property Tax as Last Taxing Year using this Tax Year's Valuation.

Property Tax Revenue (City View Example)

2022	
Assessment Value	\$ 77,990,661
Tax (x .04356 or 43.56 mills)	\$ 3,397,678

2023	
Assessment Value (+9.7%)	\$ 85,535,877
Tax (x .04356 or 43.56 mills)	\$ 3,726,370

+\$ 328,697

2022	
Assessment Value	\$ 77,990,661
Tax (x .04356 or 43.56 mills)	\$ 3,397,678

2023	
Assessment Value (+9.7%)	\$ 85,535,877
Tax (x .03972 or 39.72 mills)	\$ 3,397,678

+\$ 0





- Police
- Municipal Courts



- Construction and maintenance of City Streets
- Street sweeping
- Snow and ice removal
- Right-of-Way mowing



- Water production and distribution
- Sewer treatment and removal
- Stormwater drainage management
- Trash and recycling



- Planning
- Civil Engineering
- Building Permits & Inspection
- Enforcement of Local Ordinances
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- Parks
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- Adult Education Programs
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- Green Space



- Civic Engagement
- Public Square

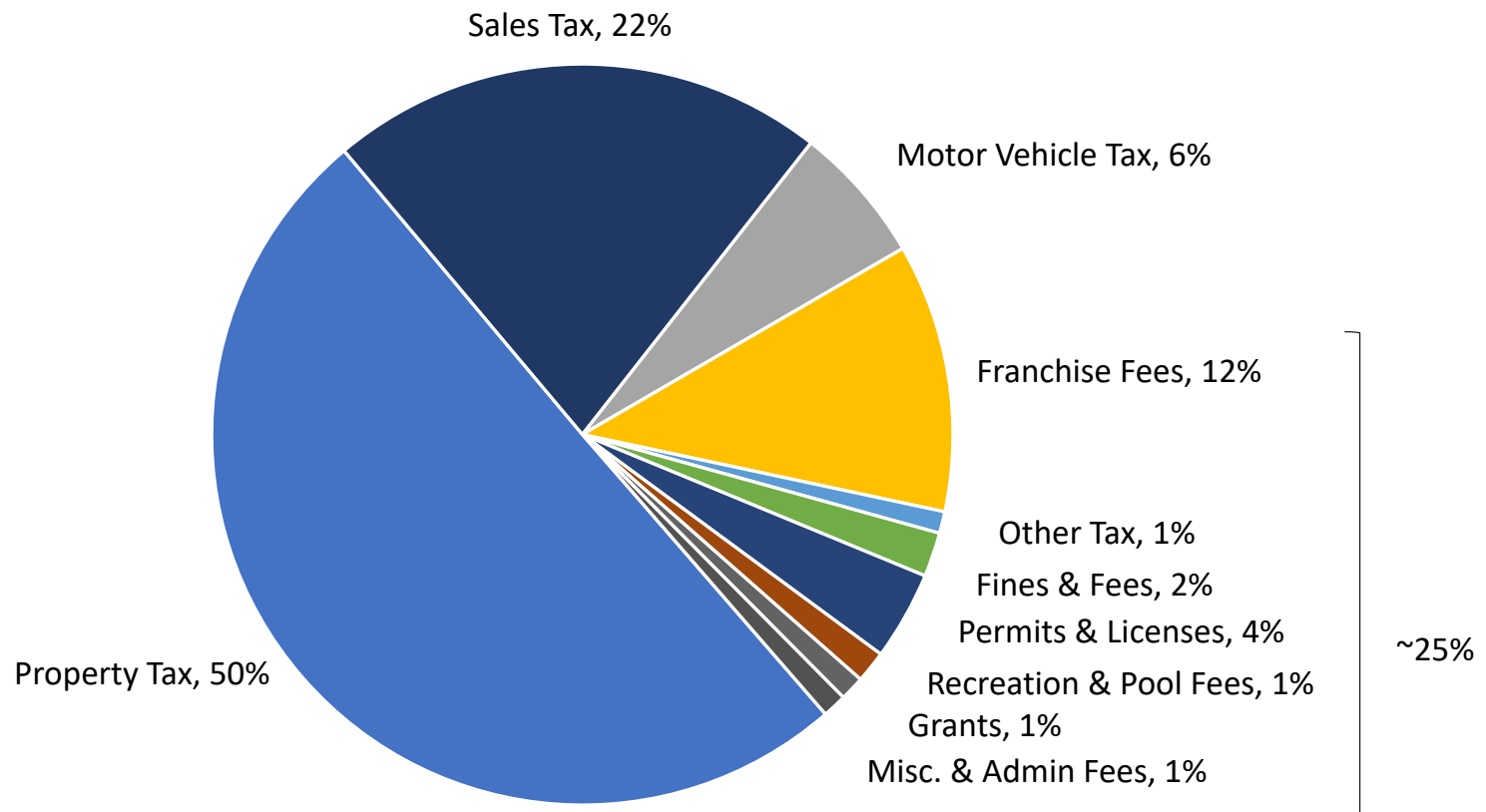


- Administration
- Finance
- Legal

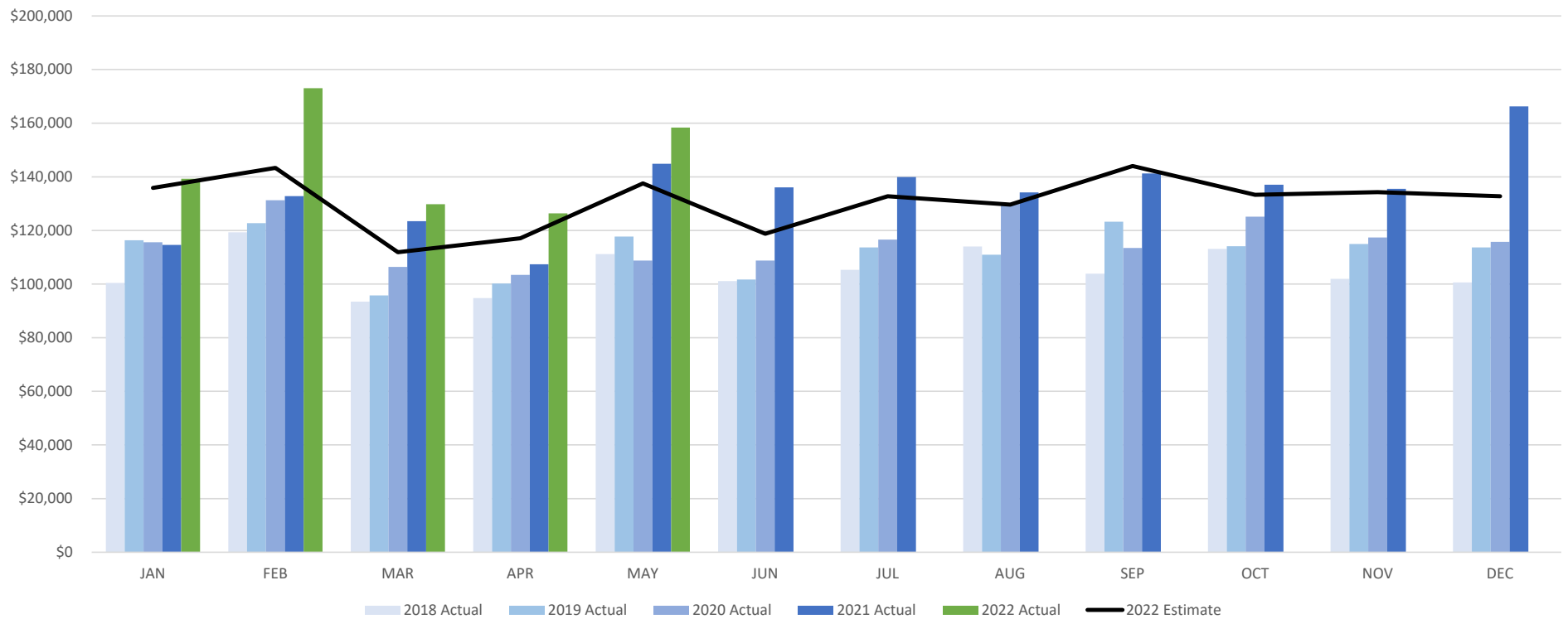
Revenue Neutral Rate (Steps to the Process)

- The revenue neutral rate cannot be exceeded without going through the process laid out in the legislation:
- (1) the taxing subdivision must give notice of its intent to exceed the revenue neutral rate. (July 20)
- **(new)** County Clerk will send a notice to each taxpayer at least 10 days in advance of the public hearing. (cost reimbursed by the State)
- (2) hold a revenue neutral rate hearing, (Aug 20 - Sept 20)
- (3) pass an ordinance or resolution to that effect before the adoption of the taxing subdivision's budget. **(new)** roll call vote. (Oct 1)

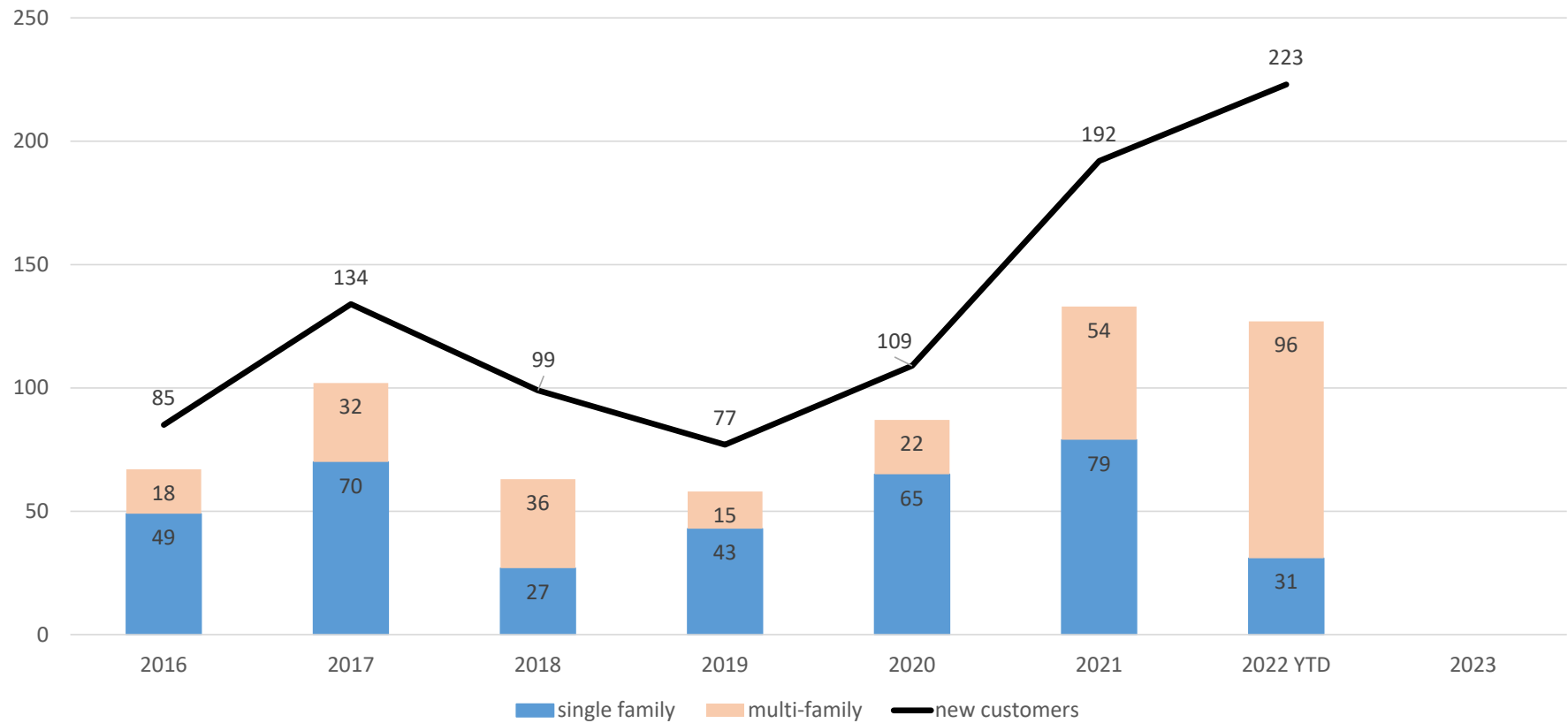
General Fund Revenues (by percentage)



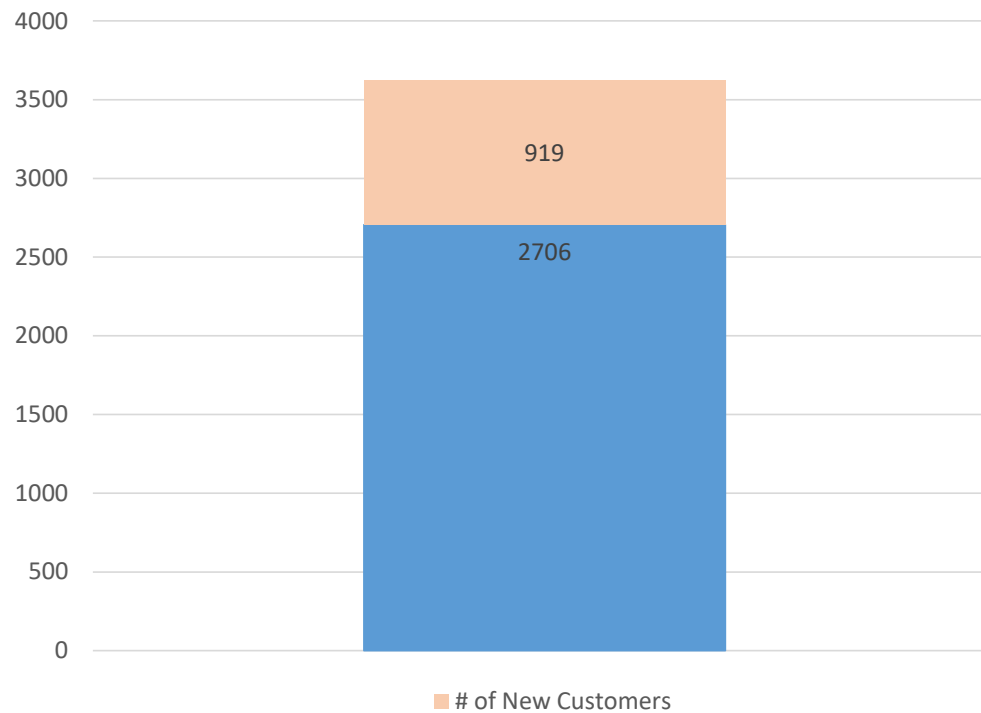
Sales Tax Revenue by Month



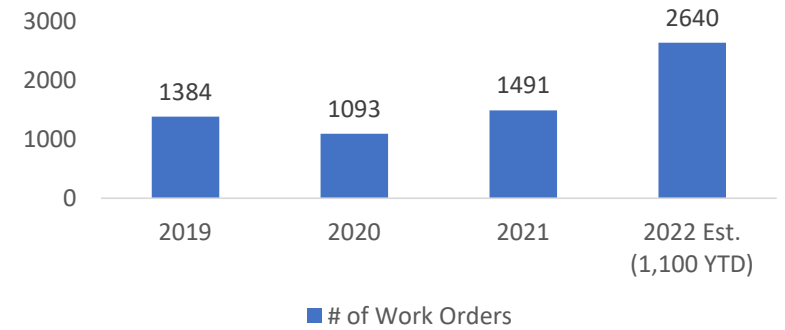
Permits Issues with # of New Customers



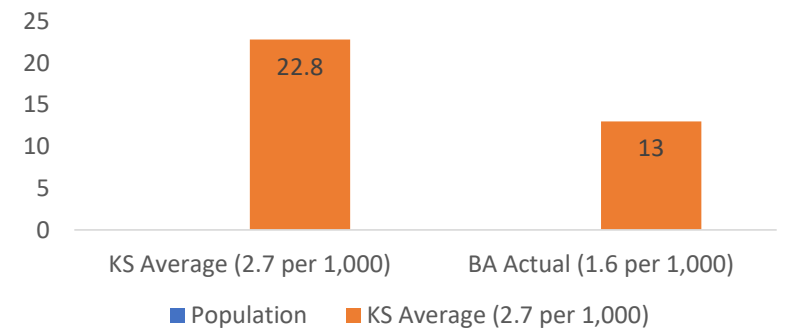
of New Customers (2016 – 2022)



of Work Orders



of Officers per Population



FY23 Budget Goals

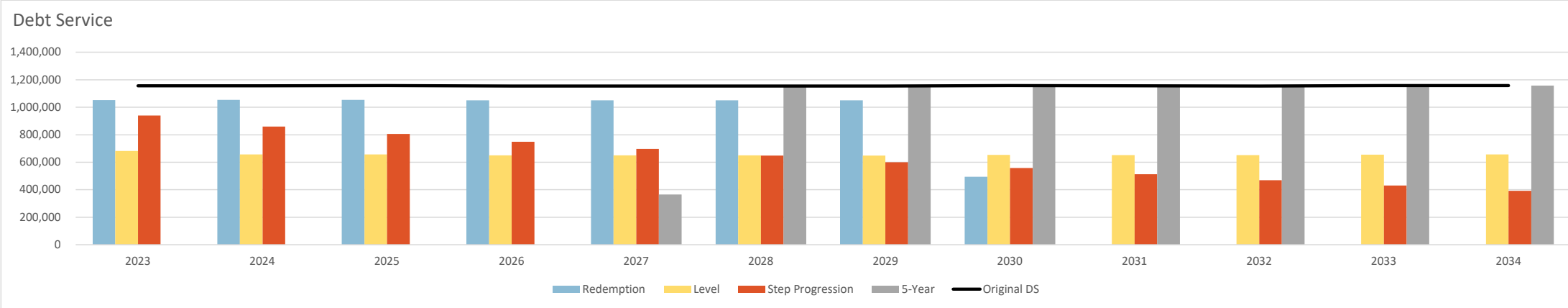
- **Property Tax Rate / Mill Levy**
 - *FY2021 adopted rate was 45.73*
 - *FY2022 adopted rate is 44.50 (-1.23 mills)*
 - ? *(final assessment) FY2022 was 43.565 (-2.165 mills)*
- **Fund Year 2 of our Street Improvement Plan?**
 - ? *\$790,000 for pay-as-you-go street improvements.*
- **Continue to Provide Quality Services**
 - ? *Add Utility Clerk, Public Works Operator, Police Officer.*
 - ? *Fund 2.5% step increase with performance bonus program.*
- **Sustain Financial Stability**
 - ? *Maintain at least 30% of revenues in reserves.*
 - ? *Leverage Land Sales to reduce General Fund burden*
- ? **Fund other Capital Improvements/ Projects**
 - ? *Major Street Improvements*
 - ? *Buildings, Parks, Other*



City of Bel Aire

Extraordinary Redemption Versus Proceeds Fund of the 2021 Bonds
Budgetary Debt Service Savings

Fiscal Year Ends 12/31	Original Bonds		\$5,000,000 Redemption		\$5,000,000 Proceeds Fund (Level)		\$5,000,000 Proceeds Fund (Step Progression)		\$5,000,000 Proceeds Fund (5-Yr DS Relief)	
	Debt Service	Savings	Debt Service	Savings	Debt Service	Savings	Debt Service	Savings	Debt Service	Savings
2023	1,155,160	-	1,051,750	103,410	682,641	472,519	939,883	215,277	0	1,155,160
2024	1,156,660	-	1,053,250	103,410	656,940	499,720	859,694	296,966	0	1,156,660
2025	1,157,760	-	1,054,350	103,410	656,285	501,475	805,953	351,807	0	1,157,760
2026	1,153,510	-	1,050,100	103,410	650,656	502,854	748,642	404,868	0	1,153,510
2027	1,153,910	-	1,050,500	103,410	650,054	503,856	697,761	456,149	366,194	787,716
2028	1,153,910	-	1,050,500	103,410	649,429	504,481	648,260	505,650	1,153,910	0
2029	1,153,510	-	1,050,100	103,410	648,781	504,729	600,139	553,371	1,153,510	0
2030	1,157,660	-	494,900	662,760	653,060	504,600	558,348	599,312	1,157,660	0
2031	1,156,360	-	-	1,156,360	652,265	504,095	512,887	643,473	1,156,360	0
2032	1,154,660	-	-	1,154,660	651,447	503,213	468,805	685,855	1,154,660	0
2033	1,156,950	-	-	1,156,950	654,996	501,954	430,494	726,456	1,156,950	0
2034	1,157,595	-	-	1,157,595	657,277	500,318	392,318	765,277	1,157,595	0
Total	13,867,645	-	7,855,450	6,012,195	7,863,832	6,003,813	7,663,183	6,204,462	8,456,839	5,410,806
			PV Savings (at 2%):	\$4,992,989	PV Savings (at 2%):	\$5,287,884	PV Savings (at 2%):	\$5,346,190	PV Savings (at 2%):	\$5,114,362



CITY OF BEL AIRE

TAX INCREMENT FINANCING POLICY

Adopted: November 2, 2009

Revised: 7/16/2012 & 5/17/2022

The City of Bel Aire, under the authority conferred by KSA 12-1770 et. seq., will consider the use of tax increment financing (TIF) to encourage and facilitate the development and/or redevelopment of areas within its corporate City limits or within its growth area.

Background:

The Kansas Legislature first authorized Tax Increment Financing in 1976 via K.S.A. 12-1770 et seq.. The act allows for the issuance of special obligation or full faith and credit tax increment bonds, or pay-as-you-go tax increment financing, for qualified development or redevelopment projects.

Tax Increment Financing allows for the increase in property tax revenues within the district to pay for eligible development project costs. The “tax increment” is the increase in property tax revenue resulting from the difference between the assessed valuation of the property in the district after development or redevelopment compared with the value at the time of establishment of the district (Base Year). The tax increment is used to pay for the eligible project costs while revenues attributable to the Base Year valuation continue to go to all taxing districts. TIF revenues may be used to pay principal and interest on City bonds issued to finance the eligible project costs or reimburse the developers for such costs on a “pay-as-you-go” basis.

Incentive Objectives:

The City will use tax increment financing to accomplish these major objectives:

- Eliminate blighted areas.
- Encourage redeveloped or development of underutilized commercial areas.
- Increase the city’s property tax base by providing high quality development.
- Encourage additional private development.
- Support development efforts that enhance urban features and amenities.
- Facilitate development on sites that otherwise development has little potential without use of TIF.

Projects intending to use tax increment financing must provide a public purpose statement to identify the public benefit served by the development. Alternatives, such as “pay-as-you-go” financing and reimbursing front-end public development costs with TIF revenues, are preferable to bond financing and are to be consider and used when appropriate. Only those public improvement costs directly associated with the proposed development plan or project should be financed through TIF. Eligible expenses defined pursuant to K.S.A. 12-770a(o) include:

- Property acquisition
- Relocation costs
- Site preparation, including demolition and environmental soil remediation
- Sanitary and storm sewers and lift stations
- Utility relocations and extensions

- Landscaping, lighting, paving, including parking lots
- Public streets
- Drainage conduits, channels and levees
- Plazas, parks and public gathering spaces
- Parking facilities include multi-level structures
- Costs associated with above uses, such as design and financing.

Excluded uses are costs related to building construction, except for multi-level public parking structures and other uses specifically authorized by statute.

Project Requirements:

- Tax Increment Financing will be only used as a final effort for funding.
- Projects should provide the highest possible private financing investment ratio. For TIF projects, ratio shall be 3 – 1.
- TIF projects and development agreements will be prepared in a way to not place additional ongoing financial burden on the City.
- The developer must provide adequate financial guarantees to ensure completion of the project, including but not limited to, assessment agreements, letters of credit and personal guaranties, etc.
- Developer shall adequately demonstrate, to the City's satisfaction, an ability to complete the proposed project based on past development experience, general reputation, and credit history. City may request, at the developers' expense, a third-party analysis of the developers capacity.
- An appropriate apportionment of the TIF proceeds should be used to pay for additional municipal facilities or public infrastructure beneficial to the TIF project. TIF funds will be prioritized for said improvements. The adequate portion will be negotiated per project.
- Construction will commence within one year of the City Council approval or development agreement will be void, unless extended by the City Council
- Any developer-controlled land will have deed restrictions placed to ensure any disposition of property cannot change without approval from the City.

Economic Analysis and Financial Requirements:

- All TIF projects will be analyzed to determine the need for financial assistance. TIF projects financed on a "pay-as-you-go" will be reviewed to determine the amount and level of assistance needed.
- Applicants will be required to provide City Staff with pro forma cash flow analysis and uses of funds in sufficient detail to demonstrate that reasonably available conventional debt and quality financial sources will not fund the entire cost of the project and still operate with reasonable market rate return on investment based on current market capitalization rates identified by a qualified third party.
- Financial Feasibility Analysis will be conducted by City staff to determine the capacity and need for TIF financing.
- Projects return on public investment will be reviewed by the Center for Economic Development and Business Research (CEDBR) fiscal impact model.

- TIF shall not be used to supplant cash equity. Developer cash equity contribution shall be at least 15%. Tax credits will be considered equity but a minimum 5% equity must be developer cash. Deferred developer fees will not be considered.
- Developer will be required to personally guarantee 100% of the TIF annual debt service payments on the City bonds issued to finance the TIF project costs. Letters of credit, bond insurance, pledged collateral or other acceptable forms of credit will be required as additional security obligation.
- Developer agrees not to protest the value assessed by the County Appraiser's Office during the life of the Project, unless actual values exceeded project values used in the TIF analyses by at least 150%
- Developer shall be able to demonstrate a market demand for a project. TIF shall not be used to support purely speculative projects. City may require a third-party market study when appropriate.
- Maximum term shall be 20 years.
- In cases where bond issuance is requested, the City's staff will work with developer to calculate how much revenue will be raised for the TIF district and the principal amount of bonds that can be issued based the tax revenue stream and a 1.3 debt service coverage ratio.
- The city will conduct a background check on all TIF applications and all partners. Applicants are required to [provide City staff with the personal and business information needed to carryout such a background check. Information for a background check will be treated as confidential information to the extend allowed by KORA.

Application Fee:

- \$5,000 – Non-Refundable
- \$2,500 for Amendments to TIF Districts – Non-Refundable

Project Application:

A developer interested in the use of Tax Increment Financing will prepare and submit a Project Application Packet to the City Manager, along with a \$5,000 application fee and \$10,000 deposit fee. An application will contain the following information:

- A preliminary plan that outlines the scope of the project.
- A description of the project including public purpose.
- Market study of the area that demonstrates the need and feasibility of the project.
- Listing of project milestones.
- Financial plan with costs, proposed funding sources and financial gap.
- Information regarding the proposed uses or changes of the land.
- Preliminary stie plan of the proposed project.
- Proposed changes to current land use and infrastructure.
- Any known environmental concerns.
- Visual depictions of the proposed project, renderings and elevations.
- Project team, names, affiliations, rolls of each team member and responsibilities.
- Other information that will provide the city with a better understanding of the proposed development.

Fees:

The City shall require a \$10,000 deposit. The deposit shall be applied toward staff time, expenses for any mailing or publications, interna / external legal counsel. This fee shall be replenished by the applicant at any time the fund drops below \$5,000. The applicant shall replenish the fund to \$10,000 level within 10 days of notice that it has dropped below the \$5,000. Failure to replenish the deposit may result in the City staff ceasing the processing of the project. Amendments to the TIF district require a \$2,500 deposit that will require replenishing if the funds drop below \$1,000.

TIF Creation Process:

The first step required in the TIF process shall be the adoption of a resolution by the City Council. This resolution shall provide for the following:

1. Notify the public that a hearing will be held to consider the establishment of a district. The notification shall fix the time and place of the hearing.
2. Describe the proposed boundaries of the district.
3. Describe the district plan and that such plan includes a map, both of which are available for inspection at a designated time and place (i.e. City Hall, M-F, 8-5).
4. State that the City Council will consider findings necessary for the establishment of a development district.

Upon the completion of the public hearing, the City Council may pass an ordinance which shall:

1. Make findings that the district proposed to be developed is an eligible area and the development or redevelopment of the area is necessary to promote the general and economic welfare of the City.
2. Contain the district plan as approved, which will identify all of the proposed development project areas and identify in general only, all of the buildings and facilities that are proposed to be constructed or improved.
3. Contain the legal description of the district, legally establish the district, and identify the boundaries of the district. No area shall be included within the boundaries of the final development district that were not included in the original, published notice.

Under KSA 12-1771(d), the City may not acquire any privately owned property subject to ad valorem taxes in the event either the school board or the county commission finds that the impact of the proposed TIF district will have an “adverse effect” on their respective governmental entities. In the event either the school board or the county commission adopts a resolution finding their entities will experience an adverse effect, the City Council shall adopt an ordinance within 30 days of receiving said resolution from either governing body terminating the TIF district.

Provided that neither the school board nor the county commission finds an adverse effect of the proposed TIF district on their operations, the city will proceed to the development of the project plan. The project plan shall be delivered to the county commissioners and the school board. The project plan shall include:

1. A summary of the feasibility study done as defined in KSA 12-1770(a), and amendments thereto, which will be an open record.
2. A reference to the district plan established under KSA 12-1771 that identifies the development project are that is set forth in the project plan being considered.
3. A description and map of the development area.
4. The relocation assistance plan required by KSA 12-1777.
5. A detailed description of the buildings and facilities proposed to be constructed or improved in such area.
6. Any other information the City Council deems necessary to advise the public of the intent of the project plan.

The Bel Aire Planning Commission shall review the project plan to ensure it is consistent with the City's comprehensive plan. Provided the project plan is consistent with the City's comprehensive plan, the City Council shall adopt a resolution stating that the City is considering the adoption of the project plan. This resolution shall:

1. Notify the public that a public hearing will be held to consider the adoption of the project plan and fix the time and place of the hearing.
2. Describe the boundaries of the development district, the date of the district's establishment, and the project's boundaries.
3. State the project plan, including a summary of the feasibility study, relocation assistance plan, and financial guarantees of the developer and a description and map of the area to be developed are available for inspection during regular office hours at City Hall.
4. Notify, if necessary, that the City intends to issue debt backed by the full faith and credit of the City.

The City may choose to issue special obligation bonds to pay for the improvements in the district, pledging a variety of revenue sources authorized by KSA 12-1774(a)(1). If the City Council elects not to issue full faith and credit bonds to finance the improvements in the district and instead elects to issue special obligation bonds, then such special obligation bonds shall not be general obligations of the City and shall not, in any event, give rise to a charge against its general credit or taxing powers, or be payable out of any funds or properties, other than those so pledged.

The City may also issue industrial revenue bonds in accordance with 12-1740 et. seq. and amendments thereto, as well as the City of Bel Aire's Industrial Revenue Bond policy. IRB's may be used for the purchase, construction, reconstruction, equipping, maintenance and repair of buildings and facilities within a development district established under 12-1770 et. seq.

Following this second public hearing, the City Council may adopt the project plan by ordinance. A two-thirds supermajority vote is required under KSA 12-1772(e). The project must be completed within 20 years from the adoption of this project plan.

Once the project plan is adopted, the City may begin acquiring property and transfer, sell or lease this property to a developer in accordance with the development project plan and under such other conditions as may be agreed upon.

Development Agreement:

The development agreement will outline general obligations of the City and Developer in regards to TIF project and identify any additional requirements specific to the project. The agreement shall include:

1. Expiration term based on size and scope of the project, which may be extended by the City Council.
2. Shall be void if construction does not commence within one year of the City Council approval, unless extended by the Council
3. Developer shall provide shortfall guarantees that obligates the developer to make up the difference any year that a TIF revenue is not sufficient to pay bond obligations.
4. Developer will agree to not protest the value assessed by the County appraisal during life of the project unless actual values exceed 150% of the values projected in the TIF analysis.
5. City obligations are condition upon final approval of the TIF and other city funding.
6. Satisfactory evidence to the City that developer has secured the loan commitment and any other courses of financing
7. City satisfaction with costs associated with the project in accordance with City plans, drawings and specifications.

Periodic Reporting:

For the duration of construction and development period, a progress report shall be provided by the Developer, on a regular basis as determined by the size and scope of the project, giving a status on the project TIF plan and existing development to date.

Amendment of TIF:

For any amendments to the TIF project plan or related development agreement, the developer shall pay an amendment fee of \$2,500. The city will require a \$5,000 deposit well as to pay city costs related to the amendment. The deposit shall be applied toward staff time, expenses for any mailing or publications, internal legal counsel and third party consultants.

Waiver of Guidelines:

Should the Council determine the terms of these guidelines are inappropriate to evaluate a particular TIF application, it may, by a majority vote, waive the binding effect of one or more of these guidelines in regards to that application.

**APPLICATION FOR TAX INCREMENT
FINANCING**

**CITY OF BEL AIRE, KANSAS
APPLICATION FOR TAX INCREMENT FINANCING
FOR ECONOMIC DEVELOPMENT PURPOSES**

The attached sheets, if any, are submitted as a part of this application.

Part I. Applicant Identification

Name of Applicant firm: _____

Contact Person (Name and Title): _____

Address: _____
Street or P.O. Box

City State Zip

Telephone Number: _____

Names and percent of ownership of all principal owners and officers of the Applicant
Firm: _____

If applicant is a tenant, identify property owner(s):

Name(s): _____

Mailing Address: _____
Street or P.O. Box

City State Zip

Telephone Number: _____

Part II. Property Identification

List only property for which will be include in the TIF district.

- Land. Attach legal description of property and plat showing location of buildings, added improvements to buildings, or both.
- Building(s). Attach description.
- Added improvements to buildings. Attach description and estimated cost.
- Tangible personal property. Attach list of each item with identifying nomenclature and cost. Proof of purchase after August 5, 1986 must be provided for each item on list.

Part III. Business Information

Type of business organization:
(i.e. corporation, subsidiary, partnership, sole proprietorship, etc.)

Date and place business organized or incorporated:

Name and parent company, if applicable:

Type of business:

Line or lines or products manufactured or research and development conducted, or goods or commodities stored in buildings, for which tax exemption is requested.

Percentage of building occupied by applicant business qualifying for tax abatement: %

List principal competition of the business within the City.

Name and location of firms:

Describe nature of competition:

Business is... (Please check one) ☐ New ☐ Existing

Part V. Description of Public Benefits

Please attach a narrative description, of not to exceed two pages of the public benefits which you believe will occur if the requested exemption is granted.

Part VI - Financial Responsibility

Attach a description of the businesses’ financial situation. This may include a financial statement, audit and other relevant information to assess the stability of the business. Indicate whether there is any pending or threatening litigation affecting the viability of the business.

Part VII. Certification of Applicant

I, _____, hereby certify that the foregoing attached information is true and correct to the best of my knowledge.

Further, it is understood that additional information may be requested by the City to assist the Governing Body in its consideration of this matter.

Date_____Signed _____

Name

Title

Part VIII. Acknowledgment of Receipt

Receipt of \$5,000.00 fee is hereby acknowledged:

Date: _____ City Manager:_____

PROJECT APPLICATION (CITY OF BEL AIRE, KS)

Name of Corporation/Partnership

Date of Request

Address

Primary Contact

Address

Phone

Fax

E-mail

A. APPLICANT INFORMATION

B. Name and addresses of all persons or corporations who would be obligated as either applicant or personal guarantors of subsidy:

Name:

Address:

Name:

Address:

Name:

Address:

C. Name and addresses of the principal officers and directors of the applicant:

Name:

Address:

Name:

Address:

Name:

Address:

D. Applicant's Attorney

Name

Phone Number

E. Applicant's Financial Advisor

Name

Phone Number

F. Applicant's Accountant

Name

Phone Number

G. Requested Subsidy:

Category:	Source/Type/Description:	Requested Amount
Tax Increment Financing		\$
Tax Abatement		\$
Industrial Revenue Bonds		\$
Other – Land Write-Down		\$
Other – Special Assessments		\$
Other – Public Improvements		\$
TOTAL REQUEST		\$

H. Complete Project Sources and Uses:
Sources:

Private Bank Loan	\$
Private Equity	\$
State/Local Loan/Grant Funds	\$
Tax Increment/Tax Abatement	\$
Other (specify_____)	\$
Total Sources:	\$

Uses:

Land Acquisition	\$
Building Construction/Reconstruction	\$
Machinery/Equipment	\$
Site Improvements	\$
Installation of Public Utilities	\$
Parking Improvements	\$
Legal/Financial Costs	\$
Surveying/Platting/Permitting	\$
Other (specify_____)	\$
Total Uses:	\$

I. Use of Subsidy:

Amount requested for purchase of land:	\$
Amount requested for building:	\$
Amount requested for equipment:	\$
Amount requested for site improvements:	\$
Amount requested for public utilities:	\$
Working capital:	\$
Other (specify):_____	\$

TOTAL REQUEST \$

J. Project Details:

1. Include the following project details on a separate sheet:
- # of housing units, type of housing units, size of housing units, etc

breakdown of commercial square footage, i.e., office, retail, manufacturing, industrial, hospitality, entertainment, etc

cost per square footage of construction of each type of housing unit and each type of commercial use

commencement and completion for each project component, include site improvements and public infrastructure

dates for sale or lease of units, occupancy start, and full occupancy, etc

estimated appraised value of project when complete, separated by use

describe how the property will be subdivided by uses

estimated taxable sales per s.f. of retail, hospitality, etc.

2. Name and address of Contractor

Name and address of Architect:

3. What type of equipment will be financed, if any?

4. If the applicant will be in direct competition with local firms,

(a) name of firms:

(b) describe nature of the competition:

K. Project Operations:

1. Provide the following operating assumptions on a separate sheet:

- For property to be leased, provide the estimated lease rates by type, lease type, lease term, etc. (separate commercial uses from residential uses)
- For property to be sold, provide the estimated gross sales price (and per unit or per s.f. measure) and cost of sales (separate commercial from residential uses)
- Include detail of annual operating expenditures, separate commercial from residential uses
- Prepare pro-forma statements through ten (10) years of operation beginning from initial construction, including revenue projections, operating expense projections, and a debt amortization schedule. Include hypothetical sale in the 10th year.
- Prepare pro-forma statements with and without the requested subsidy

L. Subsidy Analysis:

1. Detail the need for the subsidy, the benefit to the applicant of the subsidy _____

2. Has additional financing, whether internally generated or through other loans, been arranged? (If yes, explain on an attached sheet) _____

3. Has the applicant investigated conventional financing? What are the proposed terms? _____

M. Proposed Location/Timing of Construction:

1. Location of the project: _____

2. What percentage of the building will be occupied by the applicant? _____

3. Is the project properly zoned? _____

4. If a zoning change is pending, cite application number and present status. If application has not been made, briefly describe what change will be needed and plans for submitting application: _____

5. If unusual demands for water or sewer services or police or fire protection will be made, specify the demands: _____

N. Ownership and Management:

1. Describe the development company, ownership, affiliated/partner companies (identify membership entities):

2. What portion of the project is being financed from other affiliate or partner funds?

\$

Please Explain

3. Will portions of the project be sold to other entities? If so, please explain

4. Describe all threatened or pending/outstanding litigation and legal claims or regulatory issues:

Disclosure items:

Has the applicant or any affiliated party defaulted on a real estate obligation?

Has the applicant or any affiliated party declared bankruptcy?

Has the applicant or any affiliated party had judgments recorded against them?

If the answer is yes to any of the above, please explain.

O. Job Creation Detail:

Type of Job	No. of this Type	Average Annual Wage
Professional		
Technical		
Clerical		
General Labor		
Other: (specify_____)		
What is the total Annual Payroll?		

P. Financial Capacity:

1. Provide copies of applicant's financial statements (balance sheets and income statements) for the past three years certified as correct by the owner or an authorized officer (or audited) and current (year to date)
2. Provide current (year to date) and three years historical financial statements (balance sheets and income statements) for the affiliated/partner entities, to demonstrate financial capacity
3. Provide last three years income tax returns for development principals, if applicable.
4. Audited financials are required, and if not available, provide an explanation.
5. Letter from the primary lender(s) stating the amount of conventional financing available for the project

Q. References and Relevant Experience:

1. Provide names and locations of recent comparable projects
2. Provide private, public, and non-profit sector references from comparable projects. Please include names of government contacts with which the developer worked, if applicable.
3. Include three relevant experiences.

I, _____, hereby certify that the foregoing attached information is true and correct to the best of my knowledge.

Further, it is understood that additional information may be requested by the City to assist the Governing Body in its consideration of this matter. A non-refundable application fee of \$5,000.00 will be paid upon submission of application.

Date_____Signed _____

Name

Title

Receipt is hereby acknowledged:

Date: _____

City Manager:_____

Adopted this _____ day of _____, 2022 by the Bel Aire City Council.

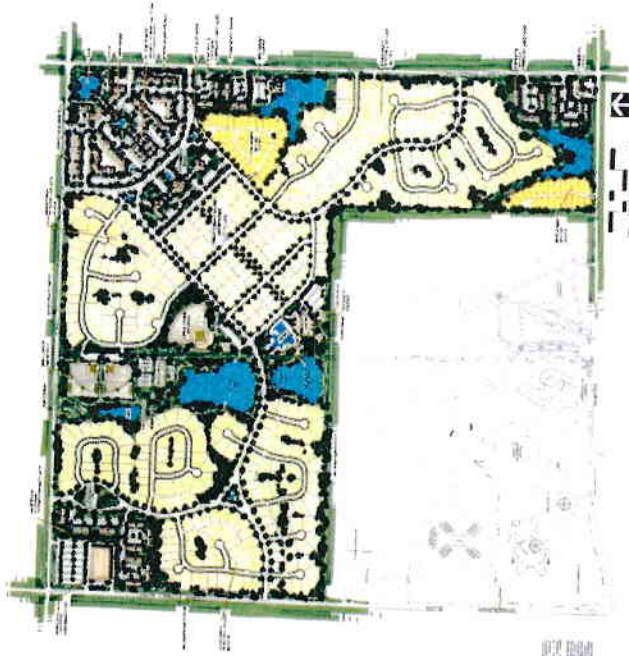
Jim Benage, Mayor

ATTEST:

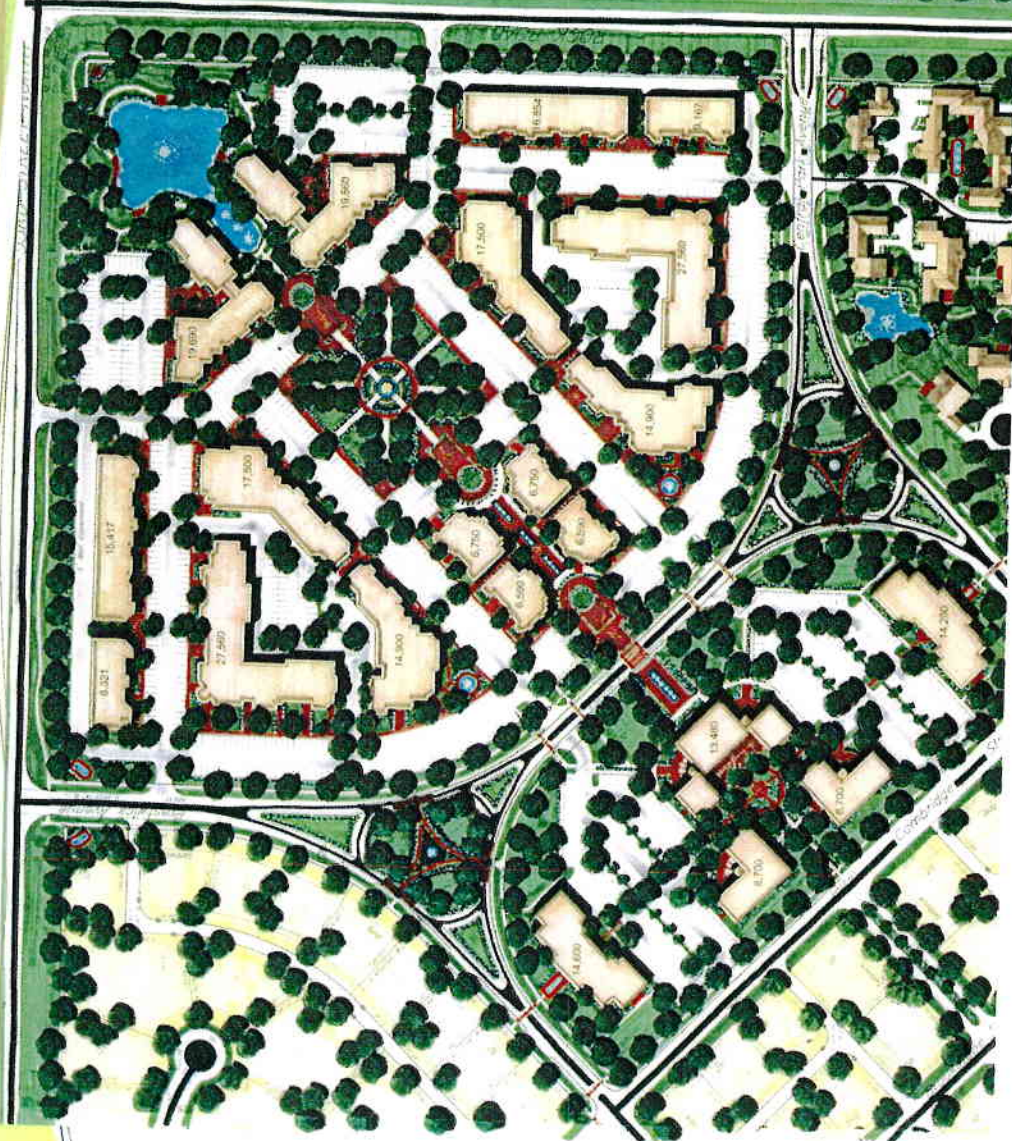
Melissa Krehbiel, City Clerk

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CITY OF BEL AIRE MASTER PLAN
CENTRAL PARK



January 3, 2019
Ty Lasher, City Manager
City of Bel Aire

RE: New Gathering Place/Community Park – Public Input

Attachments: Attachment 'A' Spreadsheet
Attachment 'B' Open-House Boards
Attachment 'C' Online Survey Results
Attachment 'D' Paper Surveys

Park Master Planning – Summary of Public Input Survey

The following is a summary of the public input gathered during December 2018. The data was collected during one open house (Christmas Open House), paper survey and online (SurveyMonkey) survey. The data has been broken down by survey type on the attached spreadsheet Attachment 'A'. Pertinent data from 2017 WSU Community Survey and 2017 open house has also been included as a reference.

Public Open House – 2018

During the annual Christmas Open-House the team setup four boards which showed the two conceptual park layouts and options for park features/amenities. People were asked to place dots on their preferences. It should be noted that several people voting included their children in this exercise. Photos of these boards are included as Attachment 'B' to this document for reference. There was a lot of support and excitement from participants but there was also some concern voiced over how the park would be financed and if that would impact taxes in the community.

Community Survey - 2018

An online survey was used to gather community input and preferences. This Survey Monkey was made available during the month of December and was publicized via the open house, City of Bel Aire website and social media accounts. A simplified survey was also made available in paper form. The online survey resulted in 218 responses and the paper survey resulted in an additional two responses for a total of 220 responses. This represents 2.9% of the overall population (7,761). Since the majority of quantifiable data available was derived from the online survey, only that data is represented below.

- 61.4% support for a new community gathering place/park
- 62.9% support for community events at new park
- 62.8% support for a splash-pad fountain
- 50.6% support for a new playground
- 66.8% support for public restrooms
- 65.3% support for walking paths
- 69% support for shade structures
- 39% support for memorial walkway

Community Survey completed by Wichita State University -2017

The following is a summary of the relevant parks and recreation portion of the community survey for comparison to the more recent 2018 survey.

- 59% of respondents approve of investing in large community park.
- 51.8% approve of adding a splash pad fountain to the community park.
- 63.3% approve of walking/bike paths in the community park.
- 62.3% felt Bel Aire should develop a park adjacent to "Downtown".

Survey Observations

During the open house there was a lot of support voiced for the park and excitement about a splash-pad fountain and community events. Most respondents during the open house had children as the open house happened during the Christmas Open House Event which may explain some of the differences in specific preferences identified. Many individuals were curious when the park would be completed. There were a few individuals that did voice concerns regarding how the park would be financed and how this may impact their taxes. This concern was again voiced on a few online surveys. Of the 27 written responses, 10 were critical of the park project (See Attachment 'C').

Conclusions

Overall, most respondents and participants are supportive of the proposed park project. Typical to this type of project, concerns are rarely about the project itself but are directed at how the project will be financed and paid for. As the project moves ahead, it would be advisable to educate the public on how the project is to be financed and if this will impact them individually by taxes. Also, the public should be educated about the financial burden of the vacant ground that currently exists and how investment in the park can stimulate the sale of City-owned property around the park for private development while adding a quality of life amenity to the City of Bel Aire.

Specifically, it appears that the public are most interested in the splash-pad fountain, shade structures, restroom and walking trail. Support for the playground is just over 50% and support for the memorial walk was at 39% making both elements marginally desirable. There was also good support for events at the park with markets being most popular overall.

Respectfully Submitted;

Jeffrey A. Best, PLA
Director of Landscape Architecture
LK Architecture



MANAGERS REPORT



DATE: June 10, 2022
TO: Mayor Benage and City Council
FROM: Ty Lasher, City Manager
RE: June 14, 2022 Workshop

2023 Budget Development & Review (Item IA):

Ted would like to start the 2023 budget process with a glimpse of what he is seeing for next year as well as five year projections relating to income, expenses and balances. This will be very high level but wanted the Governing Body to begin thinking about staff needs as well as Council goals for the 2023 fiscal year. Ted will present his information at the meeting so no report is included in the packet.

Capital Improvements (Item IB):

Each year there are capital needs to replace aging equipment, make upgrades or bring on new technologies. It is imperative that we also look years down the road at larger capital improvements such as new facilities to meet the growing needs of the organization and community. I will present some larger projects for Council to consider funding or looking to fund over the next several years.

Land Bank Funds (Item IC):

Councilmember Welch asked that additional discussion occur on Land Bank Funds and opportunities for those dollars. The Land Bank is a separate entity and as such those funds are not part of the city. However, the city transfers money to the Land Bank to cover land related expenses. Those payments can stop or change requiring the Land Bank to fund some of those expenses with cash on hand. Ted will present the finances of the Land Bank, cash on hand, as well as options for those funds. Depending on how the Land Bank spends their money directly impacts dollars available in the city's general fund.

BIL Opportunities (Item ID):

BIL, known as the Bipartisan Infrastructure Bill, was passed by the U.S. Congress in 2021. The bill provides \$973 billion between 2022 – 2026 with oversight between 7 federal agencies. The dollars are being distributed

through the states with Kansas receiving \$3.8 billion. Eligible projects for funding include water /sewer upgrades, internet expansion, roads and bridges, public transit, airports, rail, EV chargers, electrical power upgrades, cyber-attacks, and pollution. Obviously, Bel Aire has a number of projects that would fall under these criteria. We understand they are requiring “package” projects that benefit several groups. Mayor and I met with Sedgwick County to discuss their role. Sedgwick County has hired two staff members to monitor the BIL funds, look for other grant opportunities as well as assist in the application process where they benefit Sedgwick County governments. It is our understanding that Sedgwick County plans to take the lead on building projects to increase the ability of completing upgrades. Staff will be working with their team to ensure our projects are included. Discussion at the workshop is to identify projects we want included in BIL packages. In addition, should the need to match funding be required, how much are we willing to set aside for matching funds?

Lot Across From City Hall (Item IIA):

Councilmember Welch asked that discussion occur on the city’s intent for development for the lot across from City Hall. In 2002, the city hired an architectural firm to create a master plan for the development of Central Park which included the City Hall site, as well as a “downtown” to be located across from City Hall. In 2018, the city hired LK to gather public input on the desire for development of the lot across from City Hall. Those ideals changed from 2002 to what is included in your packet relating to that lot. As I work to find investors to take on such development based on the 2018 master plan, it is important that this Council is supporting that vision.

TIF Policy (Item IIA):

With interest gaining on the lot across from City Hall and Sedgwick County staff supporting the creation of a TIF district to improve that site for development, I have created a TIF policy that spells out what the developer requirements are to meet a TIF project. Discussion will center around the policy.

Future Dates – Council Orientation (Item IIIA):

With the recent appointment of Tyler and Emily as well as Greg being elected in November of 2021, we have three new Council members that are in a steep learning curve and not completely familiar with the City organization, staff, policies, processes, etc. In years past, we have scheduled a Council retreat. This has traditionally been held on a Saturday starting at around 8 am and ending around 1 pm. The goal is for council to learn about

each other, how to effectively work as a group, become familiar with each city department and set goals for the upcoming year. I was looking at July to schedule an orientation session so please review your calendars and let's determine if there is Saturday morning that works for everyone.

Council Photos (Item IIIB):

Emily and Tyler are both new and we need professional pictures taken for our website and other purposes. I have scheduled the photographer to be here before the council meeting on June 14th. Here is the proposed schedule:

- 6:00 pm – Photographer set up
- 6:15 pm – Emily Hamburg
- 6:30 pm – Tyler Dehn
- 6:45 pm – Group photo of Council
- 7:00 – 7:30 pm – Council shots during the meeting

Please review your schedule and let me know if this works for you. Also, if any other council member would like to update their photo, please let me know.