

Woodside Village Project

The economic development tools utilized for the Woodside Village Development project in Westwood, Kansas:

- Tax Increment Financing (TIF)
- Community Improvement District (CID)
- Caps on Public Reimbursements
- Industrial Revenue Bonds (IRB)
- Release of City Owned South Property
- Revised Woodside Club Lease

Tax Increment Financing (TIF)

The Woodside Village TIF was established with the passage of Ordinance No. 919 on September 13, 2011. Total estimated project cost is \$65,152,500. The TIF includes the capture of 100% of the incremental Real Property Taxes and 40% of the incremental Sales Taxes above a based amount sales tax amount collected from within the TIF District for up to 20 years. Only site work, parking, and infrastructure construction costs, plus interest, shall be Reimbursable Project Costs.

TIF Project Plan

An initial project plan for the Woodside Village TIF was approved with passage of Ordinance No. 923 on December 20, 2011. The approval of that initial project plan in 2011 started the 20-year term for capture of the tax increment. A revised TIF Project Plan was approved on October 10, 2013 No. 940.

The adoption of a revised project plan restarted the 20-year TIF term for the project. The revised project plan reflects a change the ability to issue tax-exempt TIF and CID bonds rather than "PAYGO". The revised 2013 project plan also reflects a revised number of total apartment units and other modifications to the total retail floor areas that were shown on the approved Final Development Plan presented and considered by both the Planning Commission and City Council. The revised project plan approved in 2013 established a new (higher) base sales tax collection level than was included in the 2011 project plan.

Sales Tax Base Amount

The approved TIF Plan includes the capture sales tax revenues that is in excess of the amount captured when the TIF Plan was approved in July of 2013. First and foremost a base amount of sales taxes of \$49,187.87 from the City's local 1.00% sales tax rate will flow through to the City's General Fund. After that base sales tax amount is captured annually, then 0.6% of the City's 1.00% sales tax on incremental increases in sales within the Redevelopment Project Area will flow through to the City's General Fund. The remaining 0.4% of the City's 1.00% non-dedicated sales tax may be utilized to reimburse TIF reimbursable project costs.

Community Improvement District (CID)

A Community Improvement District (CID) area was established with the passage of Ordinance No. 924 on December 20, 2001. A 1.1% CID sales tax on all eligible sales within the District will be implemented. The CID for the Woodside Village project will not go into effect until the next fiscal quarter following "substantial completion" of the first phase of the project (this has not yet been implemented). All of the proceeds of the CID sales tax amount will be available to reimburse Project Costs to the full extent possible under the CID act. It is estimated that CID Revenues generated in the Redevelopment Project Area will create CID Proceeds (not including interest) in the amount of \$2,637,696.

Caps on Reimbursements

Pursuant to Section 4.4(a) of the Redevelopment Agreement, there is an overall cap of **\$22,000,000** on the Public Incentive Revenues that the Developer can be reimbursed from the TIF and CID.

The cap is comprised of \$3,100,000 for the Club phase, \$7,673,000 for the North Phase, and \$11,227,000 for the South Phase. The reimbursement of TIF and CID funds is contingent on the vertical construction on the particular phases. For example, if the Developer begins the Club and the North Phase together, the Cap at that point would be limited to \$10,773,000.

Industrial Revenue Bonds (IRB)

The City has issued Industrial Revenue Bonds (IRB) for the purpose of providing the Developer an exemption on sales taxes for construction materials for the Project per Resolution No.42-2013 approved on November 14, 2013. These IRBs do not provide property tax abatements on the project.

Ordinance No. 951 was approved on August 14, 2014 to authorize the issuance of taxable Industrial Revenue Bonds (IRB) in an aggregate principal amount not to exceed \$9,000,000, which provides a source of funding for the purpose to construct the first phase of the Woodside Village project.

Release of City Owned South Property

Once the Woodside Club expansion phase and the North phase of the project is completed and the developer meets all of the other conditions described in the Redevelopment Agreement, the City agrees to convey the 4.8 acre South Property to the Developer and to release it from the Lease with the City. Also, if the Developer does not complete the South Phase part of the Project within 3 years, the City has a right to take the Property back because it retains a so-called "Reversionary Interest".

The Club expansion phase includes the renovation of the existing clubhouse and the addition of approximately 37,000 square feet of additional clubhouse space and a structure to enclose at least 4 tennis courts and improvements to the pools, decks and related outdoor facilities.

Revised Woodside Club Lease

The original lease for the Woodside Club's use of the City owned land had a flat rental rate of \$20,000 a month, or \$240,000 a year over the life of the 55-year lease. The renegotiated lease done with the TIF district for the Woodside Village project includes an inflation factor to increase the club's lease payments going forward.

Twenty-four (24) months following the commencement of construction of the Club expansion, rent shall increase in the sum of \$12,500.00 per year to the yearly rental rate of \$252,500.00. Then every five (5) years there shall be an increase in the sum of \$10,000 until the end of the lease term.

Lease Year	Monthly Rent Payment	Yearly Rent Payment
1-5	\$21,041.66	\$252,500
6-10	\$21,875.00	\$262,500
11-15	\$22,708.33	\$272,500
16-20	\$23,541.66	\$282,500
21-25	\$24,375.00	\$292,500
26-30	\$25,208.33	\$302,500
31-35	\$26,041.66	\$312,500
36-40	\$26,875.00	\$322,500
41-45	\$27,708.33	\$332,500
46-50	\$28,541.66	\$342,500
51-55	\$29,375.00	\$352,500
56-60	\$30,208.33	\$362,500