

**REDEVELOPMENT PROJECT PLAN FOR PROJECT AREA 2
(SOUTH)**

WOODSIDE VILLAGE REDEVELOPMENT DISTRICT

SUBMITTED PURSUANT TO

K.S.A. 12-1770 *et seq.*, as amended

This Redevelopment Project Plan was prepared in consultation with the consultants of the City of Westwood, Kansas and the City Planning Commission, based upon development proposals by Tanner & White Properties, Inc.

October 13, 2016

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I. INTRODUCTION

Pursuant to the Kansas Tax Increment Financing Act, K.S.A. 12-770, *et. seq.*, as amended (“**TIF Act**”), Kansas municipalities are authorized to establish a redevelopment district and Tax Increment Financing (“**TIF**”) redevelopment project plans for property within their jurisdiction. Redevelopment districts may be created based upon certain findings by the municipality, including property within a proposed district containing factors of a conservation area as defined by the Act.

On September 13, 2011, the City of Westwood, Kansas (the “**City**”), after conducting a duly noticed public hearing, found that a conservation area exists on the property located between the East Boundary of the current Woodside Tennis and Racquet Club on the East, the North Property Line of Residences Located along W. 47th Terrace on the South, Rainbow Boulevard on the West and the Johnson County, Kansas / Wyandotte County, Kansas line on the North within the City. Based in part upon said finding, the City created a redevelopment district encompassing the subject property (the “**District**”).

The TIF Act requires that the Redevelopment Project Plan be created in consultation with the City. As part of that consultation, the Planning Commission must make a finding as to whether the development components of the Redevelopment Project Plan are consistent with the intent of the City of Westwood, Kansas’ Comprehensive Plan.¹

City Ordinance No. 923 approved and adopted a Redevelopment Project Plan for the District on December 20, 2011 (“**2011 Redevelopment Project Plan**”). The 2011 Redevelopment Project Plan governed Redevelopment Project Area 1 (North) (“**Redevelopment Project 1 (North)**”) and Redevelopment Project Area 2 (South) (“**Redevelopment Project 2 (South)**”) (herein also referred to as the “**Redevelopment Project Area**”). The 2011 Redevelopment Project Plan was terminated in 2013 and a new redevelopment project plan was adopted in lieu thereof (“**2013 Redevelopment Project Plan**”).

This new 2016 Redevelopment Project Plan (“**Redevelopment Plan 2 (South)**”) terminates a portion of the 2013 Redevelopment Project Plan by terminating and removing the provisions relative to Redevelopment Project 2 (South). The balance of the 2013 Redevelopment Project Plan will remain in place and unchanged regarding Redevelopment Project 1 (North), which encompasses the clubhouse, tennis courts, pools, approximately 91 residential units, approximately 20,152 gross square feet of mixed-use commercial retail, and construction of improvements on behalf of the City as specified on Exhibit A, which are currently under construction, and this new Redevelopment Plan 2 (South) will govern Redevelopment Project 2 (South), which encompasses the project South of 47th Place.

¹ This Redevelopment Plan 2 (South) (as defined herein) has been submitted to the Planning Commission for the purposes of eliciting a finding from the Planning Commission that the development components hereof are consistent with the City’s Comprehensive Plan. Subsequent to such finding, certain terms and provisions of this Redevelopment Plan 2 (South) may be subject to revision so long as no such revisions are “substantial changes” as defined by Section 12-1770a.(t) of the TIF Act.

This Redevelopment Plan 2 (South) is presented to the City for its consideration and approval, with the 20-year term of the Redevelopment Plan 2 (South) to commence upon City approval of Redevelopment Plan 2 (South). See the Explanation of Substantial Project Changes and Cost Increases on Exhibit B hereto. The previously commenced 20-year term of the remaining balance of the 2013 Redevelopment Project Plan shall be unaffected by the removal and termination of the provisions related to Redevelopment Project 2 (South) and this new Redevelopment Project Plan 2(South). As more fully described at Section III herein, Redevelopment Plan 2 (South) envisions the remediation of conservation factors within the District, including removal of certain existing structures on site and the development of improvements in and to Redevelopment Project 2 (South).

Redevelopment Project 2 (South)

- Approximately 244 residential and/or commercial/office units, including, but not limited to, live/work units, condominium units, and/or apartment units, along with associated peripheral uses and area, including, but not limited to, lobbies, offices, parking lots, and parking garages.
- Approximately 16,300 square feet of mixed-use commercial retail.
- Construction of public improvements on behalf of the City, which public improvements are more specifically set forth on Exhibit A hereto.

Importantly, this description of uses, and the buildings the Developer plans to construct for such uses, is not meant to be inflexible. This Redevelopment Plan 2 (South) contemplates reasonable variations from the descriptions above, subject to the terms and conditions of the Woodside Village Redevelopment Agreement between the City and Developer and all amendments thereto (collectively, as amended, the “**Redevelopment Agreement**”), generally allowing for mixed-use commercial, office, and residential uses. In 2011, the City revised the City’s Zoning Code as it relates to the redevelopment of the Redevelopment Project Area to allow rental multi-family residential units as well as other aspects of the projects.

As shown herein, and subject always to the terms and conditions of the Redevelopment Agreement, this Redevelopment Plan 2 (South) proposes to finance Reimbursable Project Costs (as defined in Section III.D.1 below) by capturing 100% of the allowable ad valorem tax increment for the full term in which the Redevelopment Plan 2 (South) is in place, as well as four-tenths (4/10) of the City’s local sales tax increment generated within the Redevelopment Project 2 (South) for the full term in which the Redevelopment Plan 2 (South) is in place, which currently equates to four-tenths of one percent (0.4%) of all retail sales within Redevelopment Project 2 (South) over the base sales tax produced in the year prior to the approval of the District. As of the year prior to the approval of the District, the base sales within the Redevelopment Project 2 (South) were approximately \$0, and as such, 0.4% of any and all sales in excess of such base will be useable to finance the Reimbursable Project Costs.

Based on projections of real property values and sales within the District over the term of the TIF, it is estimated that, assuming an interest rate of 4.75%, the TIF will generate revenues (“**TIF Revenues**”) as follows: there will be approximately \$6,438,087 in present value TIF

Revenues (it is estimated that, when combined with CID, and the Club *Ad Valorem* Tax Increment, it will result in net bond proceeds of approximately \$6,258,730) generated by Redevelopment Project 2 (South)² and made available to reimburse Redevelopment Project 2 (South) Reimbursable Costs (plus financing and interest expenses).³ As permitted by the TIF Act, and subject to the terms of the Redevelopment Agreement, TIF Revenues generated by either of Redevelopment Project 1 (North) or Redevelopment Project 2 (South) may be utilized to pay for Reimbursable Project Costs incurred in connection with the other Redevelopment Project (for example, TIF Revenues generated by Redevelopment Project 1 (North) may be utilized for the reimbursement of Reimbursable Costs in connection with Redevelopment Project 2 (South), and vice versa).

A Community Improvement District (“CID”) pursuant to K.S.A. 12-6a26, *et seq.*, is also in place. The CID will include a 1.1% CID sales tax on all eligible sales within the District. Such CID is assumed in the Feasibility Study. All revenues generated by the CID sales tax will be available to reimburse any CID eligible project costs under the Kansas Community Improvement District Act, K.S.A. 12-6a26, *et seq.* (the “CID Act”), and will be in addition to the TIF Revenues available for reimbursement of Reimbursable Project Costs.

II. PROJECT DEVELOPMENT TEAM

- The City of Westwood, Kansas
- Tanner & White Properties, Inc. (“Developer”)⁴
- Lane4 Property Group, Inc.
- RED Brokerage
- Polsinelli PC, Real Estate Development Department
- Hufft Projects

III. REDEVELOPMENT PLAN 2 (SOUTH)

A) The Property

The property comprising the approved Redevelopment District consists of +/- 12 acres located between the East Boundary of the current Woodside Tennis and Racquet Club on the East, the North Property Line of Residences Located along W. 47th Terrace on the South, Rainbow Boulevard on the West and the Johnson County, Kansas / Wyandotte

² The *Ad Valorem* Tax Increment (as defined herein) from the Club Phase of the Project (“Club Phase”) may be made available to reimburse Redevelopment Project 2 (South) Reimbursable Costs.

³ TIF financing is subject to the Public Financing Cap as defined within the Redevelopment Agreement.

⁴ Nothing in this Redevelopment Plan shall prevent Redevelopment Project 2 (South) from being developed by separate special purpose entity developers different than those used for Redevelopment Project 1 (North), which developers shall be named in the Redevelopment Agreement.

County, Kansas line on the North within the City. Redevelopment Project 2 (South) is located within the Redevelopment District. (See legal descriptions of the Redevelopment District, and Redevelopment Project 2 (South), attached hereto as Exhibit C-1. A general depiction of Redevelopment Project 2 (South) is attached as Exhibit C-2).

B) Established Redevelopment District

The Property is within an established Redevelopment District approved by the City on September 13, 2011 pursuant to Ordinance No. 919. (See copy of Ordinance No. 919 attached hereto as Exhibit D). The approved District Plan contained within the Redevelopment District Ordinance provides, in pertinent part:

The District Plan shall be as follows: The buildings, facilities, and improvements to be constructed or improved in the Westwood Redevelopment District may be described in a general manner as consisting of some or all of the following uses, without limitation: tennis and racquet club, full-service fitness facility with associated amenities including but not limited to outdoor tennis courts and swimming pools, general retail, restaurants, specialty retail, office, multi-family residential, including but not limited to condominium and apartment units and live/work units, and all included associated site work, public and private infrastructure, utilities, storm water control, access, street improvements, landscaping, lighting, parking facilities (including parking garages), and other associated and appurtenant structures, facilities, and items allowable under K.S.A. 12-1770 *et seq.*

The proposed Redevelopment Plan 2 (South) is consistent with the stated purpose and intent of the approved Redevelopment District.

C) Redevelopment Project 2 (South) – Description and Overview

The Redevelopment Plan 2 (South) provides for the remediation of existing conservation area conditions followed by the construction of Redevelopment Project 2 (South), as set forth in Section I.

Developer and Belke Appraisal & Consulting Services each submitted reports to the City setting forth elements within the Redevelopment Project Area evidencing conservation factors, and the City, on September 13, 2011, pursuant to Ordinance No. 919, found that the Redevelopment Project Area was a conservation area, as defined in the TIF Act, based upon the following factors:

- Presence of dilapidated, obsolete, and deteriorating structures within the Redevelopment Project Area;
- Presence in the Redevelopment Project Area of overcrowding of structures and community facilities.

- Presence in the Redevelopment Project Area of inadequate utilities and infrastructure.
- Presence of structures below minimum code requirements.

As described above in Section I, Redevelopment Plan 2 (South) includes only Redevelopment Project 2 (South) (See proposed Site Plan and Development Plans attached hereto as Exhibit E).

D) Feasibility Study

As required by the Act, a study has been prepared to determine whether Redevelopment Project 2 (South)'s estimated benefits and tax increment revenues are expected to exceed or be sufficient to pay for its estimated costs. This effort involved utilization of consultants with experience and expertise in the actual design, development, financing, management, and leasing of projects of similar scope and nature. Further, outside resources were consulted to compare and verify cost and revenue projections⁵ including outside industry sources and actual taxing jurisdiction data where available. The Act requires the feasibility study to include:

(1)(A) A study which shows whether a redevelopment project's . . . benefits and tax increment revenue and other available revenues under K.S.A. 12-1774(a)(1), and amendments thereto, are expected to exceed or be sufficient to pay for the redevelopment . . . project costs; (*See Section III.D.1-2*)

(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), and amendments thereto. (*No effect*).

(2) For a redevelopment project . . . financed by bonds payable from revenues described in K.S.A. 12-1774(a)(1)(D), and amendments thereto, the feasibility study must also include: (*Bonds are a possibility*)

(A) A statement of how the taxes obtained from the project will contribute significantly to the economic development of the jurisdiction in which the project is located; (*See Section III.D.5*)

(B) a statement concerning whether a portion of the local sales and use taxes are pledged to other uses and are unavailable as revenue for the redevelopment project. (*The .4% detailed in Section D(2) is not pledged to other uses or unavailable*).

(C) an anticipated principal and interest payment schedule on the bonds; (*See Exhibit G*) and

⁵ See Revenue Projections at Exhibit F.

(D) following approval of the redevelopment plan, the feasibility study shall be supplemented to include a copy of the minutes of the governing body meeting or meetings of any city whose bonding authority will be utilized in the project, evidencing that a redevelopment plan has been created, discussed, and adopted by the city in a regularly scheduled open public meeting.

The remaining specifics regarding the feasibility study includes:

1. Project Costs

The total estimated cost to complete Redevelopment Project 2 (South), including land acquisition, site development, building construction, soft costs, and all fees, is \$61,331,000. A breakdown of the estimated costs by category and the amount and basis for determination is set forth below.

ESTIMATED TOTAL COSTS

CATEGORY	PROJECT 2 AMOUNT
Land Acquisition	\$7,000,000
Sitework, Parking & Infrastructure Construction	\$10,000,000
Vertical Building Construction	\$37,369,179
Soft Costs	\$6,961,821
(TIF Eligible Soft Costs)	\$4,873,274
(Non-TIF Eligible Soft Costs)	\$2,088,547
TOTAL	\$61,331,000

Prior to final adoption of this Redevelopment Plan 2 (South), a final budget will be included in the Development Proforma and will be attached hereto as Exhibit H.

Pursuant to the TIF Act, only certain costs are eligible for TIF financing and reimbursement (“**Reimbursable Project Costs**”). This Redevelopment Plan 2 (South)

contemplates that only sitework, parking and infrastructure construction costs, and eligible soft costs, plus interest, shall be Reimbursable Project Costs hereunder. As such, the chart above indicates that approximately \$14,873,274 in acquisition, sitework, parking, and infrastructure construction costs, and eligible soft costs, shall be Reimbursable Project Costs in connection with Redevelopment Project 2 (South), plus interest, and shall be reimbursable from TIF Revenues, subject to any Public Financing Cap as may be set forth in the Redevelopment Agreement.⁶

Based on these estimates, the Reimbursable Project Costs for Redevelopment Project 2 (South) total \$14,873,274, while the present value of the TIF Revenues for Redevelopment Project 2 (South) is \$6,438,087 (it is estimated that, when combined with CID, and the Club *Ad Valorem* Tax Increment, it will result in net bond proceeds of approximately \$6,258,730), resulting in Reimbursable Project Costs exceeding TIF Revenues in connection with Redevelopment Project 2 (South) by \$8,435,187.

Subject to the Redevelopment Agreement and the Public Financing Cap stated therein, any amount of available CID proceeds will be in addition to any such TIF Revenues, and CID proceeds shall be reimbursable for any costs eligible pursuant to the CID Act.

It is anticipated that Developer will either be reimbursed under this Redevelopment Plan 2 (South) on a “pay-as-you-go” method or through bonds, or a combination of the two. Under this method, Developer will incur costs in connection with Redevelopment Project 2 (South), and in turn be reimbursed for Reimbursable Project Costs (plus interest) as TIF Revenues are generated and become available, subject always to any Public Financing Cap and the other terms and conditions set forth in the Redevelopment Agreement. As indicated, special obligations bonds may be issued by the City, at the City’s sole discretion, for the reimbursement of Reimbursable Project Costs, subject to any Public Financing Cap as set forth in the Redevelopment Agreement.

2. Project Revenues

The present value of TIF Revenues generated over the term of the TIF, as allowed by the TIF Act, for Redevelopment Project 2 (South) are estimated to be \$6,438,087.⁷ TIF Revenue projections are set forth in Exhibit I, attached hereto.

Pursuant to the TIF Act, TIF Revenues can be generated from two sources:

- a) *Ad Valorem* Tax Increment Revenues - The differential between the *ad valorem* taxes generated by real property within the TIF District as of the

⁶ As permitted by the TIF Act, and subject to the terms of the Redevelopment Agreement, TIF Revenues generated by either of Redevelopment Project 1 (North) or Redevelopment Project 2 (South) may be utilized to pay for Reimbursable Costs incurred in connection with the other Redevelopment Project (for example, TIF Revenues generated by Redevelopment Project 1 (North) may be utilized for the reimbursement of Reimbursable Costs in connection with Redevelopment Project 2 (South), and vice versa).

⁷ Subject to the Public Financing Cap stated within the Redevelopment Agreement between the Developer and the City for Redevelopment Projects 1 (North) and 2 (South). Numbers used herein are present value numbers and reflect that additional TIF revenues will be generated over the term of the TIF as set forth in the exhibits.

date the TIF District was established and future *ad valorem* taxes which will be generated after the redevelopment, (less *ad valorem* taxes not allowed to be captured pursuant to the Act) and

- b) Local Sales Tax Revenues - The retail sales dollar amount generated within the Project multiplied by the City's portion of the retail sales tax rate, which based on the location of the Project, is 1.00%. As mentioned previously, only 40% of the City's local sales tax revenues will be dedicated to reimbursement of the Project, which equates to a rate of 0.4% to be dedicated to Reimbursable Project Costs. The remaining 0.6% will be paid to the City.

Ad Valorem Tax Increment Captured

According to the Johnson County Appraiser's Office, the 2011 assessed value for Redevelopment Project 2 (South) is \$284,075. This serves as the base value against which future Redevelopment Project 2 (South) values can be compared in order to determine the amount of *Ad Valorem* Tax Increment Revenues that will be generated by Redevelopment Project 2 (South).

There is very little history of mixed-use projects within the City, and as such, future valuation of Redevelopment Project 2 (South), upon completion, is difficult to ascertain. Developer estimates that Redevelopment Project 2 (South) will have an estimated assessed value of \$5,606,414. This conclusion is based on anticipated Project Costs and the valuation methodology historically utilized by the County Appraiser for like property.

Subject to the Redevelopment Agreement and the Public Financing Cap stated therein, this Redevelopment Plan 2 (South) proposes to finance Reimbursable Project Costs by capturing 100% of the allowable *ad valorem* tax increment for the entire term in which the Redevelopment Plan 2 (South) is in effect.

Sales Tax Revenues

Currently, \$0 in retail sales are generated in Redevelopment Project 2 (South). It is anticipated that upon completion of Redevelopment Project 2 (South), it will produce an annual retail sales volume of \$5,705,000. This estimate is based on:

- Recent versions of the *Dollar & Cents of Shopping Centers* published by the Urban Land Institute;
- Input from Lane4 Property Group and RED Brokerage, LLC, real estate professionals with extensive experience in planning, developing, and financing commercial developments similar to this development;
- Feedback from announced tenants of the Redevelopment Project Area; and

- Expertise from Polsinelli PC's Real Estate Development Department, whose experience with developing, financing, and entitling similar retail projects is extensive.

The sales tax rate within the Redevelopment Project Area totals 8.725%. Of this, 7.725% flows through to other jurisdictions, including the State of Kansas and Johnson County, Kansas, leaving 1.00% that flows to the City.

Again, currently, \$0 in retail sales are generated in Redevelopment Project 2 (South). It is proposed that first and foremost the base sales taxes of \$0 from the City's local 1.00% sales tax rate will flow through to the City. After the base sales taxes of \$0 flow through to the City, 0.6% of the City's 1.00% non-dedicated sales tax on incremental increases in sales within Redevelopment Project 2 (South) will flow through to the City. The remaining 0.4% of the City's 1.00% non-dedicated sales tax may be utilized to reimburse Reimbursable Project Costs. Thus, the development of Redevelopment Project 2 (South) is estimated to create annual incremental sales tax revenues of approximately \$22,820 (in year 2020 dollars), reimbursable to the Developer annually, commencing with the first year after completion of the Redevelopment Project 2 (South).

3. Tax Increment Revenues

Based on Redevelopment Project 2 (South)'s projected captured annual TIF Sales Tax Revenues and the captured annual Ad Valorem Tax Increment, as heretofore described, it is estimated that \$6,438,087 (plus interest), will be available to Redevelopment Project 2 (South), over the life of this Redevelopment Plan 2 (South).

4. Sufficiency of Tax Increment Revenues Compared to Projects Costs

The total of the Reimbursable Project Costs that can be financed under the Act are limited by the amount of TIF Revenues generated within Redevelopment Project 2 (South). Thus by operation, the TIF Revenues will always equal or exceed the amount of the Reimbursable Project Costs. Based on the Redevelopment Plan 2 (South)'s (1) Reimbursable Project Costs and (2) TIF Revenues, the revenues are expected to pay for the Reimbursable Project Costs as contemplated under the Act when supplemented by private debt, equity, the CID proceeds, and the Club Ad Valorem Tax Increment.

CATEGORY	PROJECT 2 AMOUNT
Net Present Value of TIF Revenue	\$6,438,087 ⁸
Equity	\$9,924,000
Debt (including CID, and Club <i>Ad Valorem</i> Tax Increment)	\$44,968,913
Estimated Redevelopment Project 2 (South) Costs	\$61,331,000

5. **Statutory Feasibility Statements**

Taxes obtained from Redevelopment Project 2 (South) will contribute significantly to the economic development of the City by providing City residents with new places to work, live, eat, and shop. In addition, Redevelopment Project 2 (South) will significantly increase the City's tax base. Redevelopment Project 2 (South) will also likely spur further redevelopment within the City, which will also increase the City's tax base. Further, no portion of the City's local sales and use taxes are pledged to other sources.

E) **CID**

A 1.1% CID sales tax on all eligible sales in the District is already in place. All of the proceeds of such CID sales tax 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 2 (South) portion of the District will create CID Proceeds (not including interest) in the net present value amount of \$697,657.

Importantly, any such CID proceeds will be in addition to any TIF Revenues and may be utilized to reimburse Developer for any costs eligible pursuant to the CID Act. The Redevelopment Agreement between the Developer and the City for Redevelopment Project 2 (South) will set forth the coordination of TIF and CID Revenues. It is anticipated that the reimbursement process for TIF and CID expenses will be combined with the caveat that use of TIF funds are more limited under State Law and that certain expenses may need to be segregated prior to reimbursement.

F) **Relocation Plan**

The Redevelopment Project 2 (South) parcel is set forth on Exhibit J.

Developer, at this time, has a right to obtain in fee simple the Redevelopment Project 2 (South) parcel, pursuant to the Redevelopment Agreement. Developer has acquired these

⁸ This figure should not be construed as a cap on the amount of TIF being requested. The Public Financing Cap is dealt with in the Redevelopment Agreement.

contracts through negotiated arms-length transactions, thus, any funds required for relocation of property owners were included in the purchase price.

Certain persons and businesses currently may have leases that will be addressed by Developer before construction commences, and no further action with respect to those tenants is contemplated by this Redevelopment Plan 2 (South). Any persons, families or businesses with valid leases which extend past the anticipated construction dates will be offered relocation assistance pursuant to K.S.A 12-1777, K.S.A. 58-3508 and the requirements of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

IV. CONCLUSION

Based on the foregoing, this Redevelopment Plan 2 (South) proposes to utilize portions of both the ad valorem tax increment, and revenue from 0.4% out of the City's 1.00% sales tax which is generated by the Redevelopment Project 2 (South), to finance an estimated \$6,438,087 in Redevelopment Project 2 (South) Reimbursable Project Costs (not including interest) (which, again, is estimated that, when combined with CID, and the Club *Ad Valorem* Tax Increment, it will result in net bond proceeds of approximately \$6,258,730).⁹ The City and Developer hereby submit this Redevelopment Plan 2 (South) for public hearing and due consideration.

⁹ This figure should not be construed as a cap on the amount of TIF being requested. The Public Financing Cap is dealt with in the Redevelopment Agreement.

Exhibit A

Public Improvements

Traffic signal at the intersection of Rainbow Boulevard and W. 47th Place, the addition of a fourth leg to the intersection at 47th Avenue and Rainbow Boulevard, and adjustments to the signal at that intersection, as well as other improvements determined in consultation with Olsson Associates, as the same is further described in the Redevelopment Agreement.

Exhibit B

Explanation of Substantial Project Changes and Cost Increases

The Project has changed substantially since the 2011 Redevelopment Project Plan and 2013 Redevelopment Plan were approved by the Westwood City Council. Specifically, costs have increased significantly for all phases of the Project; the site plan was revised from small in-line retail to include a grocery store; the parking garage was reconfigured to be further from the surrounding neighbors' property lines and accommodate more parking; the amenities and quality were increased to meet market demand; TIF revenue is projected to come in years later than first projected due to delays; and the taxes increased dramatically. Each of these items is discussed in more detail below.

1. South Phase changes that led to cost increases:

- a. Based on changes to the site plan, general construction costs increased by 79% from the 2011 & 2013 Plans. Specifically, general construction costs increased from \$20,875,000 to \$37,369,179 (an increase of approximately \$16.5 million).
- b. Based on changes to the site plan, the costs for sitework, parking and infrastructure increased by 53% from the 2011 & 2013 Plans. Specifically, these costs increased from \$6,525,000 to \$10,000,000 (an increase of approximately \$3.475 million).
- c. The retail square footage was increased (there is no longer a pass-through between the retail buildings).
- d. The plan has been revised from solely small in-line retail to accommodate a grocery store.
- e. The courtyards between the residential buildings have been significantly enhanced to provide a better outdoor experience for the residents/visitors.

2. Club Phase changes that led to cost increases:

The cost of land acquisition increased substantially from \$0 to \$7,000,000.00; (Note - this amount represents part of the increase in the amount being invested in the Club.)

3. Parking Reconfiguration:

The amount of parking increased by 16%. Specifically, the total amount of parking spots increased from 473 spots to 550 spots (an increase of 77 spots). The parking garage was reconfigured to accommodate this additional parking, and to be farther away from the residential units. The stories of the parking garage and portions of the buildings also increased.

4. Increased Quality & Amenities to Meet Market Demand:

Thousands of residential units have come to the market since the 2013 Redevelopment Plan was approved. The addition of these units to the market forced us to increase the quality and amenities of the residential units to keep up with the market.

5. Timing:

- a. The 2013 Plan projected TIF revenue for the Residential and Retail component of Redevelopment Project Area 1 (North) to start coming in in 2015, and we are now projecting the sales tax increment revenue to come in in 2017, and the real estate tax increment to come in in 2016.
- b. The 2013 Plan projected development to begin at Redevelopment Project Area 2 (South) in 2016, and we are now projecting development to begin in 2017.
- c. The 2013 Plan projected TIF revenue for Redevelopment Project Area 2 (South) to start coming in in 2017, and we are now projecting the real estate tax increment revenue to come in in 2019, and the sales tax increment to come in in 2020.

6. Taxes:

- a. Projected taxes for the Residential and Retail components increased exponentially:
 - i. The projected taxes for the Residential component are \$2,388.24/unit, which represents an increase of 123% from the taxes in 2011 Plan, and an 86% increase from the taxes in 2013 Plan;
 - ii. The projected taxes for the Retail component are \$7.55/sq. ft., which represents an increase of 26% from the taxes in the 2011 and 2013 Plans.

Exhibit C-1

Legal Descriptions

Redevelopment District

Lots 1 and 2, WOODSIDE CLUB COMPLEX, a subdivision of land in the City of Westwood, Johnson County, Kansas

AND

Lots 1 and 2 of WOODSIDE VILLAGE NORTH, a subdivision of land in the City of Westwood, Johnson County, Kansas

AND

Any and all right-of-way adjacent thereto.

Redevelopment Project 2 (South)

Lot 2, WOODSIDE CLUB COMPLEX, a subdivision of land in the City of Westwood, Johnson County, Kansas

AND

Any and all right-of-way adjacent thereto.

Exhibit C-2

Depiction of Redevelopment Project 2 (South)



Exhibit D

Redevelopment District Ordinance No. O-79-09

See Attached on Following Page

ORDINANCE NO. 919

AN ORDINANCE MAKING FINDINGS AND ESTABLISHING A REDEVELOPMENT DISTRICT IN THE CITY OF WESTWOOD, KANSAS PURSUANT TO K.S.A. 12-1770 *ET SEQ.* AND AMENDMENTS THERETO.

WHEREAS, pursuant to K.S.A. 12-1770 *et seq.*, as amended (the "Act"), the City of Westwood, Kansas (the "City"), is authorized to assist in the development and redevelopment of eligible areas within and without the City in order to promote, stimulate and develop the general economic welfare of the State of Kansas and its communities; and

WHEREAS, pursuant to the Act, the City adopted Resolution No. 20-2011 (the "Resolution") on July 14, 2011, finding and determining it desirable to encourage the development and redevelopment of certain real property within the City and generally located at the Northeast and Southeast corners of Rainbow Boulevard and West 47th Place within the City and to consider the establishment of a redevelopment district at such location (the "Redevelopment District"); and

WHEREAS, the Resolution provided for a notice of a public hearing considering the establishment of the Redevelopment District to be given in accordance with the Act and that said public hearing would be held on August 24, 2011; and

WHEREAS, notice of the public hearing was duly given in accordance with the Act; and

WHEREAS, the public hearing was held and was opened on August 24, 2011 and continued to September 13, 2011 and the public hearing was re-opened and closed on September 13, 2011; and

WHEREAS, an area that is determined by the governing body of a city to be a "conservation area" as described in K.S.A. 12-1770a(d) is eligible to be considered for the financing of redevelopment projects pursuant to the Act; and

WHEREAS, the Governing Body of the City has received and reviewed a conservation area study related to the proposed Redevelopment District;

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF WESTWOOD, KANSAS AS FOLLOWS:

Section 1. The Governing Body of the City hereby finds and determines that the area of the Redevelopment District is a "conservation area" as defined in K.S.A. 12-1770a(d). The legal description of the Redevelopment District is set forth on **Exhibit A** attached hereto and incorporated herein by reference.

Section 2. The Governing Body of the City hereby finds and determines that the Redevelopment District proposed to be developed is an "eligible area" as defined by the Act.

Section 3. The Governing Body of the City hereby finds and determines that the conservation, development or redevelopment of the Redevelopment District is necessary to promote the general and economic welfare of the City.

Section 4. The district plan for the Redevelopment District is attached hereto as **Exhibit B** and incorporated herein by reference.

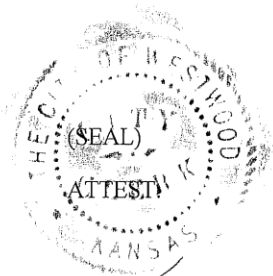
Section 5. The Redevelopment District is within the boundaries approved by the Resolution and published in the notice of the public hearing.

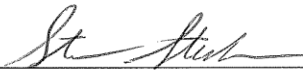
Section 6. Pursuant to the Act, the Redevelopment District is hereby established.

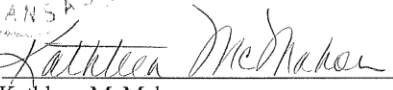
Section 7. This ordinance shall take effect and be in full force from and after its passage by the Governing Body of the City and publication in the official City newspaper.

THIS ORDINANCE is hereby passed by the Governing Body of the City of Westwood, Kansas this 13th day of September, 2011.

CITY OF WESTWOOD, KANSAS



By: 
Steve Stubbers, Mayor

By: 
Kathleen McMahon,
City Clerk

APPROVED AS TO FORM ONLY:

By: 
Ryan Denk, City Attorney

By: 
Todd LaSala, Special Counsel

Exhibit E

Proposed Site Plan and Development Plans for Redevelopment Project 2 (South)

FINAL SITE PLAN



Exhibit F

Project Revenues

PARCEL #2 - RESIDENTIAL AND RETAIL (SOUTH OF 47TH PLACE) - PROJECT AREA 2											
Calendar Year	TIF Year	CID Year	Base Assessed Value	Base Sales	Projected Assessed Value	Projected Sales	Real Estate Tax Increment	Sales Tax Increment	CID *	Total	Club Real Estate Tax Increment
2016											\$ 11,370
2017	1	1	\$ 284,075	\$ -	\$ 284,075	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,935
2018	2	2	\$ 284,075	\$ -	\$ 284,075	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,154
2019	3	3	\$ 284,075	\$ -	\$ 981,000	\$ -	\$ 72,761	\$ -	\$ -	\$ 72,761	\$ 179,418
2020	4	4	\$ 284,075	\$ -	\$ 3,000,000	\$ 5,705,000	\$ 283,551	\$ 22,820	\$ 62,755	\$ 369,126	\$ 183,748
2021	5	5	\$ 284,075	\$ -	\$ 5,606,414	\$ 5,876,150	\$ 555,668	\$ 23,505	\$ 64,638	\$ 643,810	\$ 188,163
2022	6	6	\$ 284,075	\$ -	\$ 5,718,542	\$ 6,052,435	\$ 567,375	\$ 24,210	\$ 66,577	\$ 658,161	\$ 192,668
2023	7	7	\$ 284,075	\$ -	\$ 5,832,913	\$ 6,234,008	\$ 579,315	\$ 24,936	\$ 68,574	\$ 672,825	\$ 197,262
2024	8	8	\$ 284,075	\$ -	\$ 5,949,571	\$ 6,421,028	\$ 591,495	\$ 25,684	\$ 70,631	\$ 687,810	\$ 201,948
2025	9	9	\$ 284,075	\$ -	\$ 6,068,563	\$ 6,613,659	\$ 603,918	\$ 26,455	\$ 72,750	\$ 703,123	\$ 206,728
2026	10	10	\$ 284,075	\$ -	\$ 6,189,934	\$ 6,812,068	\$ 616,589	\$ 27,248	\$ 74,933	\$ 718,770	\$ 211,603
2027	11	11	\$ 284,075	\$ -	\$ 6,313,733	\$ 7,016,430	\$ 629,514	\$ 28,066	\$ 77,181	\$ 734,761	\$ 216,576
2028	12	12	\$ 284,075	\$ -	\$ 6,440,007	\$ 7,226,923	\$ 642,698	\$ 28,908	\$ 79,496	\$ 751,102	\$ 221,648
2029	13	13	\$ 284,075	\$ -	\$ 6,568,807	\$ 7,443,731	\$ 656,145	\$ 29,775	\$ 81,881	\$ 767,801	\$ 226,822
2030	14	14	\$ 284,075	\$ -	\$ 6,700,184	\$ 7,667,043	\$ 669,861	\$ 30,668	\$ 84,337	\$ 784,867	\$ 232,099
2031	15	15	\$ 284,075	\$ -	\$ 6,834,187	\$ 7,897,054	\$ 683,851	\$ 31,588	\$ 86,868	\$ 802,307	\$ 237,482
2032	16	16	\$ 284,075	\$ -	\$ 6,970,871	\$ 8,133,966	\$ 698,122	\$ 32,536	\$ 89,474	\$ 820,131	\$ 242,973
2033	17	17	\$ 284,075	\$ -	\$ 7,110,288	\$ 8,377,985	\$ 712,677	\$ 33,512	\$ 92,158	\$ 838,347	\$ 248,573
2034	18	18	\$ 284,075	\$ -	\$ 7,252,494	\$ 8,629,324	\$ 727,524	\$ 34,517	\$ 94,923	\$ 856,964	\$ -
2035	19	19	\$ 284,075	\$ -	\$ 7,397,544	\$ 8,888,204	\$ 742,668	\$ 35,553	\$ 97,770	\$ 875,991	\$ -
2036	20	20	\$ 284,075	\$ -	\$ 7,545,495	\$ 9,154,850	\$ 758,114	\$ 36,619	\$ 100,703	\$ 895,437	\$ -
2037		21	\$ -	\$ -	\$ -	\$ 9,429,496	\$ -	\$ -	\$ 103,724	\$ 103,724	\$ -
2038		22	\$ -	\$ -	\$ -	\$ 9,712,381	\$ -	\$ -	\$ 106,836	\$ 106,836	\$ -
	NPV @		4.75%				\$ 6,155,539	\$ 282,548	\$ 697,657	\$ 7,135,744	\$ 2,123,260
	Coverage:		120%				\$ 5,129,616	\$ 235,457	\$ 581,381	\$ 5,946,453	\$ 1,769,383
	COI & DSRF:		12%				\$ 4,514,062	\$ 207,202	\$ 511,615	\$ 5,232,879	\$ 1,557,057
	2015 Mill Rate Subject to TIF:				104.4030						
	Sales Tax Subject to TIF:				0.40%						
	CID Sales Tax Rate:				1.1%						
	Annual Increase in Assessed Value:				2%						
	Annual Increase in Sales:				3%						
	*CID NPV @				6.5%						

Exhibit G

Bond Payments

City of Westwood, Kansas

Special Obligation Bonds - Taxable CID
(Woodside Village South Project)
Proj 2, Parcel 2 CID

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
03/01/2016	-	-	-	-
03/01/2017	-	-	30,506.67	30,506.67
03/01/2017	-	-	22,880.00	22,880.00
03/01/2018	-	-	22,880.00	22,880.00
03/01/2018	-	-	22,880.00	22,880.00
03/01/2019	-	-	22,880.00	22,880.00
03/01/2019	-	-	22,880.00	22,880.00
03/01/2020	-	-	22,880.00	22,880.00
03/01/2020	7,000.00	5.500%	22,880.00	29,880.00
03/01/2021	-	-	22,687.50	22,687.50
03/01/2021	9,000.00	5.500%	22,687.50	31,687.50
03/01/2022	-	-	22,440.00	22,440.00
03/01/2022	11,000.00	5.500%	22,440.00	33,440.00
03/01/2023	-	-	22,137.50	22,137.50
03/01/2023	13,000.00	5.500%	22,137.50	35,137.50
03/01/2024	-	-	21,780.00	21,780.00
03/01/2024	15,000.00	5.500%	21,780.00	36,780.00
03/01/2025	-	-	21,367.50	21,367.50
03/01/2025	18,000.00	5.500%	21,367.50	39,367.50
03/01/2026	-	-	20,872.50	20,872.50
03/01/2026	21,000.00	5.500%	20,872.50	41,872.50
03/01/2027	-	-	20,235.00	20,235.00
03/01/2027	24,000.00	5.500%	20,235.00	44,235.00
03/01/2028	-	-	19,635.00	19,635.00
03/01/2028	27,000.00	5.500%	19,635.00	46,635.00
03/01/2029	-	-	18,892.50	18,892.50
03/01/2029	30,000.00	5.500%	18,892.50	48,892.50
03/01/2030	-	-	18,067.50	18,067.50
03/01/2030	34,000.00	5.500%	18,067.50	52,067.50
03/01/2031	-	-	17,132.50	17,132.50
03/01/2031	38,000.00	5.500%	17,132.50	55,132.50
03/01/2032	-	-	16,087.50	16,087.50
03/01/2032	42,000.00	7.500%	16,087.50	58,087.50
03/01/2033	-	-	14,512.50	14,512.50
03/01/2033	48,000.00	7.500%	14,512.50	62,512.50
03/01/2034	-	-	12,712.50	12,712.50
03/01/2034	54,000.00	7.500%	12,712.50	66,712.50
03/01/2035	-	-	10,687.50	10,687.50
03/01/2035	60,000.00	7.500%	10,687.50	70,687.50
03/01/2036	-	-	8,437.50	8,437.50
03/01/2036	67,000.00	7.500%	8,437.50	75,437.50
03/01/2037	-	-	5,325.00	5,325.00
03/01/2037	75,000.00	7.500%	5,325.00	80,325.00
03/01/2038	-	-	3,112.50	3,112.50
03/01/2038	83,000.00	7.500%	3,112.50	86,112.50
Total	\$676,000.00	-	\$784,231.67	\$1,460,231.67

City of Westwood, Kansas

Special Obligation Bonds - Tax Exempt TIF
(Woodside Village South Project)
Proj 2, Retail & Residential S of 47th Pl

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
03/01/2016	-	-	-	-
03/01/2017	-	-	234,693.33	234,693.33
03/01/2017	-	-	176,020.00	176,020.00
03/01/2018	-	-	176,020.00	176,020.00
03/01/2018	-	-	176,020.00	176,020.00
03/01/2019	-	-	176,020.00	176,020.00
03/01/2019	-	-	176,020.00	176,020.00
03/01/2020	-	-	176,020.00	176,020.00
03/01/2020	-	-	176,020.00	176,020.00
03/01/2021	-	-	176,020.00	176,020.00
03/01/2021	158,000.00	3.500%	176,020.00	334,020.00
03/01/2022	-	-	173,255.00	173,255.00
03/01/2022	302,000.00	3.500%	173,255.00	475,255.00
03/01/2023	-	-	167,970.00	167,970.00
03/01/2023	327,000.00	3.500%	167,970.00	494,970.00
03/01/2024	-	-	162,247.50	162,247.50
03/01/2024	353,000.00	3.500%	162,247.50	515,247.50
03/01/2025	-	-	156,070.00	156,070.00
03/01/2025	380,000.00	3.500%	156,070.00	536,070.00
03/01/2026	-	-	149,420.00	149,420.00
03/01/2026	408,000.00	3.500%	149,420.00	557,420.00
03/01/2027	-	-	142,280.00	142,280.00
03/01/2027	438,000.00	3.500%	142,280.00	580,280.00
03/01/2028	-	-	134,615.00	134,615.00
03/01/2028	469,000.00	3.500%	134,615.00	603,615.00
03/01/2029	-	-	126,407.50	126,407.50
03/01/2029	501,000.00	3.500%	126,407.50	627,407.50
03/01/2030	-	-	117,640.00	117,640.00
03/01/2030	535,000.00	3.500%	117,640.00	652,640.00
03/01/2031	-	-	108,277.50	108,277.50
03/01/2031	571,000.00	3.500%	108,277.50	679,277.50
03/01/2032	-	-	98,285.00	98,285.00
03/01/2032	608,000.00	5.500%	98,285.00	706,285.00
03/01/2033	-	-	81,565.00	81,565.00
03/01/2033	658,000.00	5.500%	81,565.00	739,565.00
03/01/2034	-	-	63,470.00	63,470.00
03/01/2034	712,000.00	5.500%	63,470.00	775,470.00
03/01/2035	-	-	43,890.00	43,890.00
03/01/2035	769,000.00	5.500%	43,890.00	812,890.00
03/01/2036	-	-	22,742.50	22,742.50
03/01/2036	827,000.00	5.500%	22,742.50	849,742.50
Total	\$8,016,000.00	-	\$5,315,143.33	\$13,331,143.33

Exhibit H

Budget

CATEGORY	PROJECT 2 AMOUNT
Land Acquisition	\$7,000,000
Sitework, Parking & Infrastructure Construction	\$10,000,000
Vertical Building Construction	\$37,369,179
Soft Costs	\$6,961,821
TIF Eligible Soft Costs	\$4,873,274
Non-TIF Eligible Soft Costs	\$2,088,547
TOTAL	\$61,331,000

Exhibit I

TIF Revenue Projections

REVISED EXHIBIT G			
TIF REVENUE PROJECTIONS - REDEVELOPMENT PROJECT 2 (SOUTH)			
Calendar Year	Project 2 (South) Ad Valorem Tax Increment	Project 2 (South) Sales Tax Increment	Total Project 2 (South)
2017	\$ -	\$ -	\$ -
2018	\$ -	\$ -	\$ -
2019	\$ 72,761	\$ -	\$ 72,761
2020	\$ 283,551	\$ 22,820	\$ 306,371
2021	\$ 555,668	\$ 23,505	\$ 579,173
2022	\$ 567,375	\$ 24,210	\$ 591,584
2023	\$ 579,315	\$ 24,936	\$ 604,251
2024	\$ 591,495	\$ 25,684	\$ 617,179
2025	\$ 603,918	\$ 26,455	\$ 630,373
2026	\$ 616,589	\$ 27,248	\$ 643,838
2027	\$ 629,514	\$ 28,066	\$ 657,580
2028	\$ 642,698	\$ 28,908	\$ 671,605
2029	\$ 656,145	\$ 29,775	\$ 685,920
2030	\$ 669,861	\$ 30,668	\$ 700,529
2031	\$ 683,851	\$ 31,588	\$ 715,440
2032	\$ 698,122	\$ 32,536	\$ 730,657
2033	\$ 712,677	\$ 33,512	\$ 746,189
2034	\$ 727,524	\$ 34,517	\$ 762,041
2035	\$ 742,668	\$ 35,553	\$ 778,220
2036	\$ 758,114	\$ 36,619	\$ 794,733
Present Value @	4.75%		\$ 6,438,087

Exhibit J

Property Control Map

<u>Map No.</u>	<u>Description</u>	<u>Parcel No.</u>	<u>Square Footage</u>
4	Woodside South	RP69500000 0002	208,216.8

