

Approved: 2-3-98
Date

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT.

The meeting was called to order by Chairman Bill Mason at 3:30 p.m. on January 26, 1998 in Room 423-S of the Capitol.

All members were present except: Barbara Allen (A)
Jerry Henry (E)
Annie Kuether (E)

Committee staff present: Lynne Holt, Legislative Research Department
Rena Jefferies, Revisor of Statutes
Rose Marie Glatt, Committee Secretary

Conferees appearing before the committee: Christopher K. McKenzie - League of Kansas Municipalities
Karen France - Kansas Association of Realtors
Art Brown - Midwest Lumbermens Association

Others attending: See attached list

Representative Long moved that the minutes of the January 22 meeting be approved. Representative Sharp seconded the motion and the motion carried.

HB 2590: **An act concerning housing development in rural cities and counties; providing for the creation of rural housing incentive districts in such cities and counties; amending K.S.A. 1997 Supp. 72-6431 and repealing the existing section.**

Lynne Holt reminded the committee that the HB 2590 is essentially the recommendation coming from the Joint Committee on Economic Development that met during the interim. She reviewed the concept of Tax Increment Financing. (Attachment 1)

Chairman Mason advised the committee that he had just received a fiscal note on HB2590. The director advised that there would be no fiscal or operational impact upon state government and association counties and both report that any fiscal impact related to this bill would occur at the local level.

Chris McKenzie, Executive Director of the League of Kansas Municipalities explained the concept underlying HB 2590. He drafted the bill and reviewed the provisions, point by point with the committee. (Attachment 2)

Karen France, Director, Governmental Affairs for the Kansas Association of Realtors
Ms. France spoke in support of the bill and presented three sets of testimonies and summarized their contents. Two members that actively worked on the bill, were unable to attend the hearing and requested that she present their testimonies. They are James L. (Butch) Hardman from Parsons and Delores Dalke from Hillsboro. (Attachment 3-4-5)

Representative Vickrey asked Chris McKenzie that if this was a special obligation bond and someone puts in the infrastructure and it doesn't take off how would those obligations be met?

Chris McKenzie stated there would be an obligation and the city would have a number of choices in that situation. He elaborated on various choices.

Representative Sharp commended all the hard work that has been done on the revisions. She spoke of seventeen TIF projects in the Kansas City area and the importance of this kind of funding in Wyandotte county.

Art Brown, Mid-America Lumbermens Association, representing the retail lumber and building material dealers, spoke in support of the bill. (Attachment 6)

There was general discussion regarding the bill.

Chairman Mason closed the hearing on HB 2590. He thanked Chris McKenzie for his hard work on the bill. He advised the committee to consider the questions and proposed amendments overnight. He proposed possible final action on the bill at tomorrow's committee meeting.

Meeting was adjourned at 4:37 p.m.

HOUSE ECONOMIC DEVELOPMENT COMMITTEE COMMITTEE GUEST LIST

DATE: 1-26-98

NAME	REPRESENTING
Rebecca Floyd	KDFA
Randy Speaker	KNOCH
Wanda Jean Smith	KMHA
Robert Carleton	NEK-CAP, INC.
Doug Farmer	DOB
Teddy ARON	Am INSTITUTE of ARCHITECTS
Eric Hosker	C. Fred Hosker
Karen France	Ks. Assn of REALTORS
Mike Miller	Ks Inc
Mark Baccellina	KDO @ HT
Carl Cheppin	Harris News
Tom Brown	Mrs. Tom Wintersmen
Janet Stubbs	KBIA
HAROLD STONES	US SEN. PAT ROBERTS
Roger Francko	Ks GOV Consulting
Suei Hysomaw	Penelope-Smith Co.

Tax Increment Financing*

SUMMARY: The Joint Committee on Economic Development recommends the introduction of legislation to apply tax increment financing to the development and renovation of housing in rural areas of Kansas experiencing housing shortages. Specifically, the proceeds of special obligation bonds could be used to finance certain public improvements in support of housing projects. The bonded indebtedness would be repaid from tax increments and other specified sources.

BACKGROUND

Statutory History. Tax increment financing (TIF) was initially enacted by the 1976 Legislature to aid in the redevelopment of blighted commercial areas of central cities. The law was subsequently amended to extend that application to: central business districts (1979); certain enterprise zones (1982); redevelopment districts (1989); environmental contamination areas (1991); conservation areas (1996); and major tourism areas (1993 for the Oz Theme Park and 1997 for other areas).

Definition and Purpose. TIF is a statutory procedure available to cities in Kansas to encourage the redevelopment of areas that are blighted, at risk of becoming blighted, or environmentally contaminated. Redevelopment is encouraged through cities sharing with developers some of the financial responsibility associated with the redevelopment project. Cities may coordinate with non-governmental developers to undertake redevelopment projects in central business districts and other areas that meet statutory criteria. Such projects may include acquisition of a site or sites and existing structures thereon, razing such structures, undertaking infrastructure improvements adjacent thereto, and related public parking areas.

Bonds. Financing is available from the proceeds of bonds issued by the city. Such bonds are primarily secured by the incremental increase in property valuation and increased county franchise fees and sales taxes within the redevelopment district (described below) as a result of the rehabilitation. However, these bonds, under certain circumstances, may be

general obligations of the city. The city may sell or lease property acquired for redevelopment purposes to developers, but may not (with limited statutory exceptions) finance with bonds the construction of or improvements to buildings or structures to be owned by developers.

Tax Increment/Method of Repayment. The primary source of repayment of the bonded indebtedness is the tax increment generated from the redevelopment project. The assessed valuation of all property in the redevelopment district is frozen for tax purposes for up to 20 years. Throughout the construction process and after the project is completed, the developer is required to pay property taxes based on the full value of the property and not just on the value that is frozen at the time the redevelopment district is established. The difference between the two—the improved property and the property prior to improvement—is known as the tax "increment." Tax increments are placed in a special fund until the project has been completed and the bonds have been repaid.

Redevelopment districts may capture tax revenues from cities, counties, and school districts. However, redevelopment districts established on or after July 1, 1997 may not capture any of the statewide school finance formula levy. A 1996 amendment to the TIF statutes allows cities to negotiate a pledge of only a portion of a tax increment to a redevelopment project and to dedicate other revenues, such as sales and franchise tax, to finance TIF projects.

Redevelopment Districts. A city is statutorily authorized to create a redevelopment district in accordance with certain statutorily prescribed procedures (outlined below). A redevelopment district must be located in:

1. an enterprise zone established prior to July 1, 1992, including areas added in the enterprise zone that are of statewide importance (tourism areas);
2. a blighted area that substantially impairs or arrests the sound development and growth of the municipality, or is a menace to the public health, safety, morals, or welfare in its present condition and use because of a majority of factors set forth in statute;
3. a conservation area that is an area in which 50 percent or more of the structures has an age of 35 years or more; this area is not yet

* H.B. 2590 accompanies this report.

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- blighted but may become blighted due to a number of factors set forth in statute;
4. an environmentally contaminated area within and outside of a city; or
 5. a major tourism area.

Procedure for Project Implementation.

Prior to undertaking a redevelopment project, the city should do the following:

- adopt a resolution stating it is considering creation of a redevelopment district;
- give notice that a redevelopment district will be established;
- hold hearings on the establishment of the proposed redevelopment district (the redevelopment effort may be impeded if a county or school district adopts a resolution within 30 days following the conclusion of the public hearing determining that the proposed district will have an adverse effect on the county or school district);
- pass a resolution making appropriate findings and pass an ordinance establishing the redevelopment district;
- develop a redevelopment plan for the redevelopment project area, including certain prescribed items;
- have the planning commission find that the redevelopment plan is consistent with the comprehensive general plan for development of the city;
- adopt a resolution and give notice that a redevelopment plan will be adopted;
- hold a hearing on the adoption of the redevelopment plan, to be passed by not less than a two-thirds vote of the governing body; and
- issue full faith and credit bonds or special obligation bonds to finance the redevelopment project. Full faith and credit bonds may not be used for projects of statewide importance (e.g., Oz Theme Park).

A city may proceed to acquire property within the redevelopment district by purchase or eminent domain (except for a district in a conservation area) and implement the redevelopment plan. (The background information in this section was extracted from *Overview of Tax Increment Financing in Kansas*, Memorandum to Joint Committee on Economic Development,

Joe Norton and Gary A. Anderson, September 16, 1997; *Economic Development Tools for Kansas Municipalities*, League of Kansas Municipalities, 1997; and *Reviewing Tax Increment Financing in Kansas, Part I: An Inventory*, Legislative Division of Post Audit, February 1997.)

COMMITTEE ACTIVITIES

Concerns with TIF. The Committee devoted a portion of its meeting in September to hearing several presentations on the statutory provisions for and implementation of TIF in Kansas and other states. Conferees included: Joe Norton and Gary Anderson, Gilmore and Bell; Sharon Patnode, Legislative Division of Post Audit; Butch Hardman, Hardman Real Estate (Parsons); Chris McKenzie, League of Kansas Municipalities; Art Brown, Mid-America Lumbermen's Association; Gary Carlson, Leavenworth Area Development Corporation; and Ernie Mosher, a lobbyist for the City of Topeka. The Committee also reviewed at a meeting in October legislation drafted by Mr. McKenzie at the request of several Committee members.

Concerns expressed by conferees include the following:

- There is presently no financing mechanism that can be used to encourage development of single-family middle and upper-middle priced housing in smaller communities in Kansas; TIF can only be used for specific regions of a city.
- The procedure for implementing TIF in Kansas is complex and consequently discourages use.
- TIF districts may no longer receive any of the additional incremental growth from the mandatory school levy; therefore, less revenue is available for future TIF projects than would have been the case prior to July 1, 1997.
- The veto afforded counties and school districts with respect to establishing redevelopment districts has the effect of discouraging use of TIF.
- Counties and school districts are not afforded the opportunity to veto individual TIF projects following establishment of the redevelopment district.

Proposals for Expanded Application of TIF.

In his presentation to the Committee, Mr. Hardman proposed the expansion of the TIF statutes to allow housing projects to be financed that:

- are presently on agricultural land, adjacent to the city, and not served by sewers;
- have limited water supply; and
- agree to be annexed to the city prior to any TIF funded infrastructure construction.

Mr. Mosher explained that TIF was not originally conceived as an economic development tool but rather as a means of revitalizing poor and deteriorated areas. He suggested that the Committee consider new legislation and not amend existing statutes if the intent is to encourage residential development in undeveloped areas outside cities.

Mr. McKenzie's proposed draft legislation had the intent of accommodating both Mr. Hardman's objective and Mr. Mosher's concern, as expressed in their presentations to the Committee in September. That legislation, known as the Kansas Rural Housing Incentive District Act, would apply TIF to the development and renovation of housing in areas of rural Kansas cities and counties experiencing housing shortages. Specifically, bond proceeds could be used to finance certain public improvements in support of housing projects.

An eligible city must have a population of less than 15,000 in a county with a population of less than 25,000. Cities or counties may designate rural housing incentive districts. The process used to establish such districts would be streamlined from the TIF process outlined above. The Secretary of Commerce and Housing would have to agree with the city or county that there is a shortage of quality housing warranting such financing. The city or county establishing the district would be authorized to issue special obligation bonds but not general obligation bonds, as authorized by existing TIF law. Moreover, the maximum maturity of the bonds would be 15 years, and not 20 years as

authorized by existing TIF law. The bond proceeds proposed in the draft legislation may be used for many of the same projects as bond proceeds for TIF projects; however, differences exist to reflect the specific infrastructure needs of housing projects. In contrast to existing TIF law, the draft legislation contains no provision for governing bodies to exercise eminent domain to implement a project. Property may only be purchased or otherwise acquired for that purpose.

CONCLUSIONS AND RECOMMENDATIONS

The Joint Committee on Economic Development recommended the introduction of legislation adopting, with several modifications, Mr. McKenzie's proposal for Kansas rural housing incentive districts, summarized above. The Committee notes that the recommended legislation should not amend existing TIF statutes because of the different objectives espoused by TIF (urban revitalization) and the proposed Kansas Rural Housing Incentive District Act (residential development in rural areas).

The Committee's modifications to Mr. McKenzie's proposal include increasing from 15,000 to 40,000 the population ceiling for a city to participate in the program, and from 25,000 to 60,000 the population ceiling for a county to participate in the program. This population ceiling would have the effect of excluding from financing eligibility the following counties: Johnson, Sedgwick, Reno, Leavenworth, Riley, Douglas, Wyandotte, and Shawnee.

In addition, the Committee recommends the bill require each city or county seeking designation of a rural housing incentive district to submit a housing needs assessment with other specified documentation to the Secretary of Commerce and Housing. Consistent with TIF law, the Committee's recommended bill would preclude school mill levy proceeds from repaying bonds issued to fund projects in rural housing incentive districts.



**League
of Kansas
Municipalities**

PUBLISHERS OF KANSAS GOVERNMENT JOURNAL 300 S.W. 8TH TOPEKA, KS 66603-3896 (785) 354-9565 FAX (785) 354-4186

TO: House Committee on Economic Development
FROM: Chris McKenzie, Executive Director
DATE: January 26, 1998
SUBJECT: HB 2590--Authorizing Rural Housing Incentive Districts

Thank you for the opportunity to appear before you today to explain the origins and contents of HB 2590 and to offer the League's conditional endorsement of this legislation. The League drafted much of this legislation last interim at the request of the Joint Committee on Economic Development which was investigating ways in which local units in rural areas of our state could provide financial incentives for new housing. At a meeting of the League's Finance and Taxation Committee last week the legislation was endorsed with the important caveat that the population thresholds it contains not be increased.

HB 2560 contains provisions that are similar in part to those found in K.S.A. 12-1770 *et seq.*, the Tax Increment Financing (TIF) Act. This important tool was designed originally to create financial incentives for the redevelopment of blighted areas of central business districts, and it has been used successfully for this purpose for a number of years (e.g., "Old Town" in downtown Wichita, Town Center Mall in downtown Manhattan, etc.).

In the 1990s legislation was enacted allowing cities to use TIF powers in areas that were designated as enterprise zones prior to July 1, 1992, areas designated as "environmental contamination areas," and most recently, areas designated as "conservation" areas. While the authority of cities to use TIF financing was undoubtedly expanded in the 1990s, there also can be no question that it is extremely difficult to use TIF financing to finance public improvements and land acquisition for a new residential subdivision unless the area was part of an enterprise zone before July 1, 1992.

Moreover, with few exceptions (mainly in Kansas City, KS in largely blighted areas), there has been extremely limited use of TIF to finance housing projects (7 of the 32 TIF projects since 1976), and cities have been reluctant to use their TIF powers even in parts of the city included in an enterprise zone. The fact of the matter is that with few exceptions our state and local policy has been not to provide property tax incentives for the construction of new residential units based on the assumption that the private market will fill this need and the taxes are affordable. In fact, new units typically require not only taxation at 11.5% of market value, but special assessments are typically required to finance infrastructure improvements. In many rural areas of our state this combination of factors has made use of TIF financing for new housing unavailable and infeasible.

HB 2590 is one response to this situation. It allows eligible cities and counties to use TIF type powers to finance the purchase of land and the installation of infrastructure improvements on such land through the issuance of special obligation bonds which are repayable from property tax increments

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President: Chris Cherches, City Manager, Wichita * **Vice President:** John R. Zutavern, Mayor, Abilene * **Past Presidents:** Donald L. Anderson, Mayor, Lindsborg * Ed Eilert, Mayor, Overland Park * Irene French, Mayor, Merriam * Frances Garcia, Mayor, Hutchinson * Ralph T. Goodnight, Mayor, Lakin * **Directors:** Carol Bloodworth, City Administrator, Cheney * Joan Bowman, Mayor, Lenexa * Delores Dalke, Mayor, Hillsboro * Tony Fiedler, Commissioner, McPherson * Rod Franz, Finance Director, Salina * Warren C. Hixson, Mayor, Colby * Don J. Knappenberger, City Attorney, St. John * Carol Marinovich, Mayor, Kansas City * Ralph Soelster, Mayor, Paxico * Joan Wagnon, Mayor, Topeka * Glen Welden, City Manager, Parsons * Ed Wiltse, Councilmember, Ulysses * **Executive Director:** Christopher K. McKenzie

received off of the improved property and other revenues provided for in New Sec. 8 (p. 5). While there are many similarities between the TIF Act and HB 2590, there are a number of differences as well, including:

- ▶ **Simpler Process.** The bill streamlines the process for creating a rural housing incentive district in comparison to the traditional TIF process.
- ▶ **KDOCH Certification.** The bill provides for approval of the creation of districts by the Secretary of KDOCH to assure there is a viable local housing need (See New Secs. 3 & 4). [No state approval is necessary with general TIF].
- ▶ **Only "Rural" Cities and Counties Eligible.** As written, 74 out of 105 counties (containing 25% of the total population of the state) and 553 out of 627 cities (containing 37% of the urban population of the state) are eligible to use this authority, with the certification of KDOCH, in order to focus on "rural" housing needs. [All cities & no counties may use TIF.]
- ▶ **Planning Commission Approval Not Required.** Under current TIF law, the planning commission must certify the TIF plan is compatible with the city comprehensive plan. This is not required, but the Planning Commission is required to be notified.
- ▶ **Eminent Domain.** A city or county must acquire the property for such projects voluntarily and not by eminent domain.
- ▶ **No General Obligation Bonds.** Only special obligation bonds, repayable from the dedicated sources of revenue outlined in new Section 8, may be used. Unlike TIF, no general obligation bonds, constituting a general debt of the city, may be used.
- ▶ **Public Improvements More Limited.** Unlike TIF, the city/county may not be used to construct (a) plazas and arcades, (b) parking facilities; (c) drives and driveway approaches; and (d) landscaping and plantings, fountains, shelters, benches, sculptures, lighting, decorations, and similar amenities.
- ▶ **Term of Bonds and Project.** Unlike the TIF law, this draft provides that the term of the bonds and the project shall be 15 years (rather than 20). This is a judgment call, but it is my recommendation to keep the term for housing projects shorter than for commercially related TIF projects in order to avoid overextending a city's credit.

In addition to the above differences, there are portions of the bill that increase the level of attention on the identity and types of assurances provided to the city or county by contract to secure the repayment of any bonds or other expenses (see New Sec. 5(a)(5) and (6) on page 3). In my judgment, this is one thing that is missing from the current TIF statute.

The policy question raised by HB 2590 is whether local units in "rural" areas of the state should be

authorized to use a tax increment financing type of tool to stimulate new housing development and substantial renovation projects. In many ways this is the same "but for" question local governing bodies and state officials must ask themselves whenever there is a request for a tax abatement from a business. In other words, would the development happen without the incentive?

I think it is important to emphasize that if this legislation is enacted it provides a valuable new tool to address a critical need in the "rural" areas of our state. How one defines "rural," however, is open to debate. I can say with a high degree of confidence that the officials on the League's Finance and Tax Committee from cities that are not defined as "rural" under this bill at present do not desire to have this authority. The reality is that they can already use TIF to spur redevelopment in blighted areas, conservation areas, and enterprise zones today. In most of these cities residential development is happening without a property tax incentive. In other words, we strongly urge you not to raise the population thresholds in the bill. In fact, the League's position in support of this bill is based on that proposition. If the threshold is raised, I suspect you will see me back as an opponent.

If the Chairman and Committee desire, I would be happy to walk you through the bill and discuss each of its sections. At this stage, we do have the following amendments to suggest:

- Page 2: Add the following sentence to paragraph (c) of New Sec. 4: "If the Secretary fails to agree with the findings, the secretary shall advise the governing body in writing of the specific reasons therefor.
- Page 9: The italicized language in lines 10 - 11 would exempt the tax increment produced from a rural housing incentive district from being distributed to the school district (as current law does for TIF districts established prior to 7/1/97. If this is not the intent of the Committee, this language should be removed.
- If possible, sections 1 through 11 should be made a part of K.S.A. 12-1770 *et seq.*, in order to take advantage of the literally hundreds of references to that act in tax levy statutes found throughout the statute books. This would avoid challenges in the future that this Act amends these tax levy statutes by implication.

RECOMMENDATION: With these possible amendments, the League recommends the Committee recommend the enactment of HB 2590.

Please let me know if you have any questions.

- ENCL. (1) Explanation and graphic representation of how tax increment financing works.
 (2) Inventory by Legislative Post Audit of Tax Increment Financing Projects in Kansas as of 9/16/97.
 (3) Listing of cities and counties eligible under HB 2590.

“Tax Increment” Pays for Public Improvements
(K.S.A. 12-1771)

Tax increment financing works because it allows part or all of the future growth in property tax revenue (i.e., the “tax increment”) resulting from a redevelopment district to be dedicated to paying the cost of a redevelopment project. K.S.A. 12-1771(h) provides for the collection and segregation of tax increment revenues in “...a special fund for the payment of the cost of the redevelopment project, including the payment of principal and interest on any special obligation bonds or full faith and credit tax increment bonds issued to finance such project pursuant to this act and may be pledged to the payment of principal and interest on such bonds.”

For the purposes of the TIF Act, the term “increment” means that amount of ad valorem taxes collected from real property located within the redevelopment district that is in excess of the amount which is produced from such property and attributable to the assessed valuation of such property prior to the date the redevelopment district was established, as determined under the provisions of K.S.A. 12-1775. The “tax increment” includes the incremental increase in property tax revenues from the county, city, unified school district (except for the uniform state mill levy for schools in redevelopment districts established after July 1, 1997) and any other taxing subdivision levying real property taxes, the territory or jurisdiction of which includes any currently existing or subsequently created redevelopment district.

The following demonstrates how the increment is generated:

<p>New Market Value After TIF Project Complete</p> <hr style="width: 50%; margin: 0 auto;"/> <p>Original Market Value Before TIF Project</p>	<p>X Assessment Rate =</p>	<p>New Assessed Value After TIF Project Complete</p> <hr style="width: 50%; margin: 0 auto;"/> <p>Original Assessed Value Before TIF Project</p>	<p>X Mill Rate =</p>	<p>New Taxes –The “Increment” After TIF Project Complete</p> <hr style="width: 50%; margin: 0 auto;"/> <p>Taxes to All Jurisdictions Before TIF</p>
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Source: *Economic Development Tools for Kansas Municipalities*, September, 1997, League of Kansas Municipalities.

Legislative Division of Post Audit

Performance Audit Report # 97-48.2

Tax Increment Financing in Kansas, Part II: Reviewing a Sample of Districts

APPENDIX A (Updated 9/16/97)

This appendix includes updated information provided by city officials for the majority of the 32 redevelopment districts in Kansas.

Information about the Redevelopment District			Information About the Projects					Information About the City-Provided Financing			Information About Property Value & Taxes Collected Through 8/97		
City	Date the redevelopment district was established	City officials said the land within the district had been designated as a/an:	Project name	Project description	Approximate size of development area	Current owner of property	Estimated total project cost	City officials plan to do the following work on this project:	City officials incurred the following debt to fund this work (through bond sale or other financing arrangement)	City officials said they decided to use tax increment financing for the project because:	The "frozen" base assessed value of the redevelopment district	The reported increase in property value (as of 1996)	Reported amount of additional taxes (increments) collected since district was created to pay off city debt for the project.
BROWN COUNTY													
Hiawatha	8/26/96	Blighted Area	Nachtigal	Housing Development	2.8 acres	Dave Nachtigal	\$785,000	Build streets and install utilities	No bonds issued yet.	Hiawatha is a small rural community that needs housing and tax increment financing made it possible to fund required public improvements	\$4,025	No increase in property value yet	None generated yet
JOHNSON COUNTY													
Lenexa	5/2/96	Enterprise Zone	Thompson Farm Preservation Project	Renovation of a historic home. A private developer has planned to build a commercial business adjacent to the historic farm property, but that development isn't included as part of the city's renovation of the farm.	2.3 acres for historic farmhouse and barn 83.5 acres for district	Lenexa	\$1,600,000	Renovate farm house, pay for architectural and engineering fees, surveying, and administrative, capitalized interest and legal costs for bonds.	\$605,000	Because of the high cost of renovation, the private sector was not willing to invest in the project. Without renovation, development in the surrounding area might have been deterred.	\$3,176,017	No increase in property value yet.	None collected yet.
Merriam	8/22/94	Enterprise Zone	Homestead Village	Construction of an extended-stay hotel.	5.2 acres	Securities Capital Group	\$4,250,000	Grade the project site, construct a retaining wall, and install storm sewers.	\$546,000 (The City will not issue a bond for this amount, but will repay the developer for site-related project costs.)	The site had been vacant for a number of years and was considered prohibitively expensive to develop. Developer asked for city's help in making site suitable for construction.	\$8,157,367	\$54,627	\$10,306
Merriam	3/27/95	Blighted Area	Merriam Town Center	Construction of a retail shopping center.	65 acres	Diversified Developers Incorporated	\$50,000,000	Acquire property for site, provide relocation assistance, and pay site development costs.	\$9,600,000	The developer was willing to assume risk if the increment was not adequate for bond repayment. The developer purchased the bonds when they were issued.	\$957,241	\$11,450	\$1,080

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Informa City	.l the Redevelopment District		Information About the Projects					Information About the City-Provided Financing			Information About Property V. Collected Through &/. :as		
	Date the redevelopment district was established	City officials said the land within the district had been designated as a/an:	Project name	Project description	Approximate size of development area	Current owner of property	Estimated total project cost	City officials plan to do the following work on this project:	City officials incurred the following debt to fund this work (through bond sale or other financing arrangement)	City officials said they decided to use tax increment financing for the project because:	The "frozen" base assessed value of the redevelopment district	The reported increase in property value (as of 1996)	Reported amount of additional taxes (increments) collected since district was created to pay off city debt for the project.
Olathe	3/7/95	Enterprise Zone	Strang Line Project/119th and I-35	Construction of a retail shopping center.	44 acres	Strang Line Development and Home Depot	\$4,057,200 (includes City portion and some developer financing)	Planned Uses: Acquire commercial buildings, relocate owners and tenants, demolish existing structures, grade project site, construct road, and pay for environmental and legal studies.	No bonds issued yet; however, City plans to issue about \$3,600,000 in bonds.	The area had fractured ownership, environmental contamination, problematic zoning, and limited access, which made development very expensive for a private developer.	\$835,663	\$85,000	\$12,446
Prairie Village	2/3/97	Conservation Area	Brighton Gardens	Construction of an assisted-living facility.	6 acres	Marriott Corp.	\$10,500,000	Assist developer in paying for property acquisition.	No bonds issued; City's share of project costs unknown.	The developer had lots of things to pay for and needed assistance from the City. Some of the developer's costs were for relocation allowance, environmental tests, demolition of 15 structures, and legal and environmental consultants.	County doesn't have this information available yet.	Not available	Not available
Roeland Park	5/11/91	Enterprise Zone	Project Area I - Old Downtown	Renovation of retail shopping area and construction of large retail store.	10 acres	Developer was Roeland Park Investment Group. Property is owned by Executive Hills Corp.	Not Available	Relocate water mains, sewer and utility lines, pay right-of-way costs, and acquire land.	\$500,000	The developer asked for the City's assistance, and other City funds weren't readily available.	\$583,952	\$1,316,718(a)	\$498,205
Roeland Park	1/29/92	Blighted Area	Project Area II - Park land	Construction of small city park adjacent to a McDonald's restaurant.	1/2 acre	City owns land. Land was bought from Goetlieb Trust which owns land in the remaining portion of the redevelopment district	Not Available	Acquire property for project site, pay for site improvements (sprinkler system and benches) and possibly provide park equipment, if it is not donated.	\$200,000	City officials decided tax increment financing was best means of financing small project.	\$14,929	\$183,692(a)(b)	\$32,090

(a) Full year values are from 1995

(b) City will use property tax increment from McDonald's to pay off bonds.

Information about the Redevelopment District			Information About the Projects					Information About the City-Provided Financing			Information About Property Value & Taxes Collected Through 8/97		
City	Date the redevelopment district was established	City officials said the land within the district had been designated as a/an:	Project name	Project description	Approximate size of development area	Current owner of property	Estimated total project cost	City officials plan to do the following work on this project:	City officials incurred the following debt to fund this work (through bond sale or other financing arrangement)	City officials said they decided to use tax increment financing for the project because:	The "frozen" base assessed value of the redevelopment district	The reported increase in property value (as of 1996)	Reported amount of additional taxes (increments) collected since district was created to pay off city debt for the project.
LEAVENWORTH COUNTY													
Leavenworth	1/8/91	Enterprise Zone	Wal-Mart	Construction of new Wal-Mart store	13 - 15 acres	Wal-Mart	\$5,200,000	Grade the project site so construction could occur.	\$1,205,000	The project site needed more grading, more than Wal-Mart was willing to finance. Wal-Mart said it would move to Lansing if this site couldn't be made ready for a new store.	No base value because property was tax exempt before development.	\$1,556,248	\$710,093
Leavenworth	5/21/96	Enterprise Zone	Downtown Redevelopment	Construction of new car dealership	2.5 acres	Henry Martens	\$1,170,000	The city used its power of eminent domain to condemn property which was traded to a developer for a similar-sized tract of land.	The City spent nearly \$120,000 to acquire property through condemnation. It then traded that property for a nearby property owned by this project's developer. The City will then use the property for another economic development project.	The city used the power of eminent domain allowed by the tax increment law to condemn property, which was traded to the developer of the car dealership.	Not applicable	Not applicable	Not applicable
RENO COUNTY													
Hutchinson	10/20/94	An environmental contaminated area	4th and Carey Remedial Investigation/ Feasibility Study	Feasibility study to determine property owners' level of responsibility for district's groundwater contamination	1,300 acres	Numerous	Not determined	Planned Uses for Phase II: Pay for remediation and containment clean up costs	The City will incur no cost for the feasibility study phase of the project because potentially responsible parties have agreed to contribute up to \$2 million to complete this phase.	The city needed to clean up a large area of contamination	\$9,143,635	There is no increase in value. (a)	\$377,444
<p>(a) An environmental tax increment district is created to enable a city to clean up an environmental problem and keep property values from dropping drastically. The amount of taxes captured as the environmental increment is determined each year through a city's budget process; however, the amount cannot exceed 20% of the tax revenues collected from the district in the base year (the year the district is established). This increment is deducted from the moneys generally available to the city, county, and school district(s).</p>													

2-8

Informa- City	at the Redevelopment District		Information About the Projects					Information About the City-Provided Financing			Information About Property V Collected Through &		
	Date the redvelop- ment district was established	City officials said the land within the district had been designated as a/an:	Project name	Project description	Approximate size of development area	Current owner of property	Estimated total project cost	City officials plan to do the following work on this project:	City officials incurred the following debt to fund this work (through bond sale or other financing arrangement)	City officials said they decided to use tax increment financing for the project because:	The "frozen" base assessed value of the redvelop- ment district	The reported increase in property value (as of 1996)	Reported amount of additional taxes (increments) collected since district was created to pay off city debt for the project.
RILEY COUNTY													
Manhattan	1983	Blighted Area	Downtown Redevelopment/ Town Center Mall and Colony Square Office Complex	Construction of Colony Square Office Project, construction of downtown mall, and streetscape improvements.	15 square block area	Many owners	\$56,000,000	Acquire land for the Colony Square Office Park project, relocate private businesses, pay for streetscape improvements, and construct a public plaza and acquire property and relocate occupants of the Town Center Mall site.	\$9,270,000	The city needed to leverage federal Urban Development Action Grant funds.	\$2,688,648	\$6,644,541	\$7,073,000
SEDGWICK COUNTY													
Wichita	1993	Blighted area	Old Town Redevelopment Project	Downtown shopping and restaurant area with farm and art market	8 square block area	Several owners	\$11,000,000	Build streets, parking facility, boardwalks, and install street lights.	\$1,000,000 (This is an estimate. The City hasn't sold bonds yet.)	The city needed to raise funds for public/private economic development package	\$1,061,871	Because the City hasn't finalized the project plan, the increased assessed value hasn't been calculated yet. Once the plan is finalized and bonds sold, the tax increment will begin to be collected.	\$80,816 (est. for 1997)
Wichita	1995	Blighted area	East Bank	Hotel complex	less than one square mile	Hyatt Regency hotel	\$30,000,000	Construct a 500- car parking garage, a public park, and make street improvements.	About \$6,000,000	The city needed to collect funds for public/private economic development package	Unknown	Because the City hasn't finalized the project plan, the increased assessed value hasn't been calculated yet. Once the plan is finalized and bonds sold, the tax increment will begin to be collected.	None

6-9

2-9

Information about the Redevelopment District			Information About the Projects					Information About the City-Provided Financing			Information About Property Value & Taxes Collected Through 8/97		
City	Date the redevelopment district was established	City officials said the land within the district had been designated as a/an:	Project name	Project description	Approximate size of development area	Current owner of property	Estimated total project cost	City officials plan to do the following work on this project:	City officials incurred the following debt to fund this work (through bond sale or other financing arrangement)	City officials said they decided to use tax increment financing for the project because:	The "frozen" base assessed value of the redevelopment district	The reported increase in property value (as of 1996)	Reported amount of additional taxes (increments) collected since district was created to pay off city debt for the project.
Wichita	1995	Blighted area	21st & Grove	Strip mall, branch bank, Cessna training facility	less than one square mile	Several owners	\$17,000,000	Acquire and prepare project site for Cessna training facility.	\$700,000	The city needed to raise city funds for public/private economic development in an area of the City with a long history of blight	Unknown	Because the City hasn't finalized the project plan, the increased assessed value hasn't been calculated yet. Once the plan is finalized and bonds sold, the tax increment will begin to be collected.	None
Wichita	1996	Environmentally contaminated area	North Industrial Corridor	Clean up groundwater contamination	More than six square miles	Several owners	Not to exceed \$22,140,738	Study the costs of groundwater contamination clean-up and provide remediation.	Unknown at this time	The city needed to clean up a large area of contamination	Unknown	There is no increase in value. (a)	\$440,000 collected so far to be used for environmental contamination study and remediation.
Wichita	1996	Blighted area	West Bank	Development of land adjacent to City ice rink	10 acres	None yet	\$17,000,000	Pay for site preparation and development costs.	\$600,000	The city needed to raise City funds for public/private economic development.	Unknown	Because the City hasn't finalized the project plan, the increased assessed value hasn't been calculated yet. Once the plan is finalized and bonds sold, the tax increment will begin to be collected.	
Wichita	1991	Environmentally Contaminated Area	Gilbert/Mosley	Clean up groundwater contamination	More than four square miles	Several owners	Not to exceed \$22,575,000	Study the costs of groundwater contamination clean-up and provide remediation.	Unknown at this time	The city needed to clean up a large area of contamination	Unknown	There is no increase in value. (a)	\$1,458,384 collected so far to be used for study and environmental remediation

(a) An environmental tax increment district is created to enable a city to clean up an environmental problem and keep property values from dropping drastically. The amount of taxes captured as the environmental increment is determined each year through a city's budget process; however, the amount cannot exceed 20% of the tax revenues collected from the district in the base year (the year the district is established). This increment is deducted from the moneys generally available to the city, county, and school district(s).

2-10

11-2

Information About the Redevelopment District		Information About the Projects						Information About the City-Provided Financing			Information About Property Taxes Collected Through 8/31/98		
City	Date the redevelopment district was established	City officials said the land within the district had been designated as a/an:	Project name	Project description	Approximate size of development area	Current owner of property	Estimated total project cost	City officials plan to do the following work on this project:	City officials incurred the following debt to fund this work (through bond sale or other financing arrangement)	City officials said they decided to use tax increment financing for the project because:	The "frozen" base assessed value of the redevelopment district	The reported increase in property value (as of 1996)	Reported amount of additional taxes (increments) collected since district was created to pay off city debt for the project.
SHAWNEE COUNTY													
	1990	This district doesn't have a project, so no increment is being collected.	Water Tower Place										
Topeka Topeka	3/1/83	Enterprise Zone	Central Business District Gateway (Santa Fe Building Site)	Construction of new office building	3.315 acres	Santa Fe Railroad	\$5,086,464	Acquire properties, relocate occupants, demolish existing structures, prepare project site, reconstruct streets and provide utilities and drainage easements	n/a	Because tax increment financing was convenient and in the public interest.	Unknown	Unknown	Short term bonds were paid off in 1989 by Santa Fe.
WYANDOTTE COUNTY													
Kansas City	8/15/91	Blighted Area	Pala Vista	Construction of residential housing.	5.8 acres	Bud Townsend and Frank Rueter: Construction Management Company, Inc.	\$2,250,000	Acquire project site, demolish existing structures, install utilities, grade and prepare project site, and construct streets.	\$335,000 of self financing by City	The developer wouldn't have done the project without tax increment financing.	\$37,821	\$223,738	\$106,247
Kansas City	8/12/92	Enterprise Zone	I-635 Industrial Park	Development of industrial park.	38.6 acres	D.L. Sandifer: Sandifer Leasing, Inc.	\$1,819,274	Install sewers and water main and construct streets.	\$529,274	The developer wouldn't have done the project without tax increment financing.	\$77,076	\$271,933	\$81,392
Kansas City	11/9/94	Blighted Area	Mt Zion	Renovation of Existing Apartments and Residential Subdivision	37.9 acres	Mt. Zion Economic Development Foundation and Gateway Housing L.P.	\$9,050,000	Planned Uses: Acquire project site, demolish existing structures, prepare project site, and make public infrastructure improvements.	Not Issued Yet	The developer wouldn't have done the project without tax increment financing.	\$216,959	No known increase yet	First increment will be collected in 1997.
Kansas City	11/9/94	Enterprise Zone	Gateway Gardens	Office Building leased to Environmental Protection Agency and provide residential housing.	4.2 acres	Koll Realty	\$31,000,000	Planned Uses: Demolish existing structures and make proposed public improvements.	Not Issued Yet	The developer wouldn't have done the project without tax increment financing.	\$36,583	No known increase yet	First increment will be collected in 1997.

11-2

Information about the Redevelopment District			Information About the Projects					Information About the City-Provided Financing			Information About Property Value & Taxes Collected Through 8/97		
City	Date the redevelopment district was established	City officials said the land within the district had been designated as a/an:	Project name	Project description	Approximate size of development area	Current owner of property	Estimated total project cost	City officials plan to do the following work on this project:	City officials incurred the following debt to fund this work (through bond sale or other financing arrangement)	City officials said they decided to use tax increment financing for the project because:	The "frozen" base assessed value of the redevelopment district	The reported increase in property value (as of 1996)	Reported amount of additional taxes (increments) collected since district was created to pay off city debt for the project.
Kansas City	12/7/95	Enterprise Zone	East Armourdale	Warehouse Facility	10 acres	Bill Wilhite: Prime Investment Company	\$2,500,000	Planned Uses: Acquire project site, demolish existing structures, and clear and prepare project site.	Not Issued Yet	The developer wouldn't have done the project without tax increment financing.	No assessed value.	No known increase yet	First increment will be collected in 1997.
Kansas City	1/10/96	Enterprise Zone	East Kansas Avenue/ Armourdale	Industrial Park	2 acres	Jim Thompson: Thompson Pet Pasta	\$825,000	Acquire project site and demolish existing structures.	Not Issued Yet	The developer wouldn't have done the project without tax increment financing.	\$22,480	No known increase yet	First increment will be collected in 1997.
Kansas City	6/26/96	Enterprise Zone	Freeway Corporate Center	Office and Industrial Park	31.67 acres	D.L. Sandifer: Sandifer Leasing, Inc.	\$23,280,000	Planned Uses: Make public infrastructure improvements and prepare project site.	Not Issued Yet	The developer wouldn't have done the project without tax increment financing.	\$690,725	No known increase yet	First increment will be collected in 1997.
Kansas City	2/21/96	Enterprise Zone	Meadowlark	Apartments, Office, and Warehouse	55.6 acres	Welsh Companies	\$29,050,000	Planned Uses: Acquire project site and grade and prepare site.	Not Issued Yet	The developer wouldn't have done the project without tax increment financing.	\$17,347	No known increase yet	First increment will be collected in 1997.
Kansas City	12/7/95	Blighted Area	Mt Camel	New Housing Development	40 acres	Mt. Camel Redevelopment Corporation	Private construction costs = \$3,584,000 Public costs = To be determined	Planned Use: Make public infrastructure improvements.	Temporary Notes = \$250,000	The project area didn't lend itself to successful marketing of infill housing.	\$81,094	No known increase yet	None
Kansas City	10/5/95	Blighted Area	Turtle Hill	Combination of rehabilitation of existing homes and new infill housing	79 acres	City Vision in conjunction with Turtle Hill	Private construction costs = \$5,813,000 Public costs = To be determined	Planned Use: Make public infrastructure improvements.	None at this time	The developer wouldn't have done the project without tax increment financing.	\$572,579	No known increase yet	None
Kansas City	2/12/97	Enterprise Zone	Woodland	Industrial Development	19.1 Acres	K.C. Peterbilt	\$2,500,000	Acquisition and site preparation	Not Issued Yet	The developer wouldn't have done the project without tax increment financing.	\$10,188	No known increase yet	None
Kansas City	District in place, but City didn't have exact date at time of this report.	Blighted Area	All America City Infill Redevelopment District	New Housing Subdivision	50.5 acres	Kansas City and Community Builder of Kansas City, Missouri.	\$8,500,000	Planned Uses: Acquire project site, relocate owners and residents, demolish existing structures and make public infrastructure improvements.	None at this time	The developer wouldn't have done the project without tax increment financing.	Unknown	No known increase yet	None

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The following tables list Counties and Cities
QUALIFYING UNDER
HB 2590

Total Qualifying Counties:	83
Total Qualifying Cities:	553

Below are Counties qualifying under HB 2590
because their population is less than 25,000

County:	Population:
ALLEN COUNTY	14794
ANDERSON COUNTY	7905
ATCHISON COUNTY	16755
BARBER COUNTY	5609
BOURBON COUNTY	14863
BROWN COUNTY	11031
CHASE COUNTY	2917
CHAUTAUQUA COUNTY	4372
CHEROKEE COUNTY	22054
CHEYENNE COUNTY	3266
CLARK COUNTY	2409
CLAY COUNTY	9266
CLOUD COUNTY	10516
COFFEY COUNTY	8651
COMANCHE COUNTY	2151
DECATUR COUNTY	3586
DICKINSON COUNTY	19726
DONIPHAN COUNTY	7625
EDWARDS COUNTY	3557
ELK COUNTY	3332
ELLSWORTH COUNTY	6459
FRANKLIN COUNTY	23208
GOVE COUNTY	3162
GRAHAM COUNTY	3390
GRANT COUNTY	7676
GRAY COUNTY	5380
GREELEY COUNTY	1803
GREENWOOD COUNTY	7995
HAMILTON COUNTY	2311
HARPER COUNTY	6694
HASKELL COUNTY	3994
HODGEMAN	2242
JACKSON COUNTY	11634
JEFFERSON COUNTY	16822
JEWELL COUNTY	3943
KEARNY COUNTY	4139
KINGMAN COUNTY	8469
KIOWA COUNTY	3605

LABETTE COUNTY	23149
LANE COUNTY	2322
LINCOLN COUNTY	3454
LINN COUNTY	8571
LOGAN COUNTY	3145
MARION COUNTY	13077
MARSHALL COUNTY	11271
MEADE COUNTY	4289
MIAMI COUNTY	24722
MITCHELL COUNTY	7080
MORRIS COUNTY	6321
MORTON COUNTY	3399
NEMAHA COUNTY	10443
NEOSHO COUNTY	16967
NESS COUNTY	3840
NORTON COUNTY	5744
OSAGE COUNTY	16325
OSBORNE COUNTY	4695
OTTAWA COUNTY	5635
PAWNEE COUNTY	7721
PHILLIPS COUNTY	6362
POTTAWATOMIE COUNTY	17407
PRATT COUNTY	9605
RAWLINS COUNTY	3299
REPUBLIC COUNTY	6240
RICE COUNTY	10321
ROOKS COUNTY	5936
RUSH COUNTY	3566
RUSSELL COUNTY	7668
SCOTT COUNTY	5157
SEWARD COUNTY	19123
SHERIDAN COUNTY	2826
SHERMAN COUNTY	6886
SMITH COUNTY	4806
STAFFORD COUNTY	5232
STANTON COUNTY	2299
STEVENS COUNTY	5177
THOMAS COUNTY	8341
TREGO COUNTY	3470
WABAUNSEE COUNTY	6638
WALLACE COUNTY	1816
WASHINGTON COUNTY	6810
WICHITA COUNTY	2886
WILSON COUNTY	10314
WOODSON COUNTY	4020

Below are Cities
qualifying under HB
2590 because their
population is less
than 40,000 and are
in Counties of less
than 60,000

City:	Popu- lation:
ABILENE	6727
ADMIRE	193
AGENDA	76
AGRA	366
ALBERT	222
ALDEN	176
ALEXANDER	67
ALLEN	225
ALMA	872
ALMENA	384
ALTA VISTA	464
ALTAMONT	1032
ALTON	118
ALTOONA	457
AMERICUS	936
ANDOVER	4991
ANTHONY	2376
ARCADIA	313
ARGONIA	591
ARKANSAS CITY	12480
ARMA	1545
ASHLAND	984
ASSARIA	402
ATCHISON	10638
ATHOL	67
ATLANTA	246
ATTICA	630
ATWOOD	1342
AUGUSTA	8439
AURORA	93
AXTELL	379
BARNARD	146
BARNES	167
BARTLETT	97
BASSETT	21
BAXTER SPRINGS	4365
BAZINE	373
BEATTIE	222

BELLE PLAINE	1730
BELLEVILLE	2361
BELOIT	4052
BELPRE	123
BELVUE	228
BENEDICT	101
BENNINGTON	590
BENTON	724
BERN	192
BEVERLY	122
BIRD CITY	529
BISON	239
BLUE MOUND	225
BLUE RAPIDS	1135
BLUFF CITY	50
BOGUE	142
BREWSTER	288
BRONSON	313
BROOKVILLE	229
BROWNELL	39
BUCKLIN	734
BUFFALO	319
BUNKER HILL	120
BURDEN	574
BURDETT	227
BURLINGAME	1115
BURLINGTON	2903
BURNS	289
BURR OAK	270
BURRTON	974
BUSHONG	56
BUSHTON	325
BYERS	47
CALDWELL	1350
CAMBRIDGE	57
CANEY	2084
CANTON	862
CARBONDALE	1667
CARLTON	39
CASSODAY	120
CAWKER CITY	576
CEDAR	22
CEDAR POINT	36
CEDAR VALE	704
CENTRALIA	420
CHANUTE	9498
CHAPMAN	1290

CHASE	520
CHAUTAUQUA	129
CHEROKEE	713
CHERRYVALE	2471
CHETOPA	1243
CIMARRON	1715
CIRCLEVILLE	146
CLAFLIN	675
CLAY CENTER	4786
CLAYTON	88
CLIFTON	556
CLIMAX	65
CLYDE	731
COATS	123
COFFEYVILLE	12191
COLBY	5625
COLDWATER	852
COLLYER	118
COLONY	387
COLUMBUS	3367
CONCORDIA	5897
CONWAY	1408
SPRINGS COOLIDGE	88
COPELAND	276
CORNING	140
COTTONWOOD FALLS	798
COUNCIL GROVE	2278
COURTLAND	327
COYVILLE	75
CUBA	228
CULLISON	119
CULVER	169
CUNNINGHAM	534
DAMAR	103
DANVILLE	54
DEARING	407
DEERFIELD	710
DELIA	135
DELPHOS	488
DENISON	246
DENTON	149
DEXTER	366
DIGHTON	1342
DODGE CITY	22033
DORRANCE	202
DOUGLASS	1839

DOWNS	1043
DRESDEN	59
DUNLAP	67
DURHAM	109
DWIGHT	383
EARLTON	68
EDMOND	34
EDNA	436
EFFINGHAM	571
EL DORADO	12032
ELBING	171
ELGIN	102
ELK CITY	335
ELK FALLS	124
ELKHART	2265
ELLINWOOD	2226
ELLIS	1828
ELLSWORTH	2827
ELMDALE	91
ELSMORE	86
ELWOOD	810
EMMETT	187
EMPORIA	25522
ENGLEWOOD	94
ENSIGN	202
ENTERPRISE	961
ERIE	1278
ESBON	152
ESKRIDGE	530
EUREKA	2884
EVEREST	268
FAIRVIEW	269
FALL RIVER	137
FLORENCE	626
FONTANA	136
FORD	257
FORMOSO	95
FORT SCOTT	8086
FOWLER	548
FRANKFORT	916
FREDERICK	17
FREDONIA	2583
FREEMONT	10
FRONTENAC	2793
FULTON	189
GALATIA	45
GALENA	3376

GALESBURG	170
GALVA	677
GARDEN CITY	24902
GARFIELD	245
GARNETT	3252
GAS CITY	589
GAYLORD	147
GEM	106
GENESE0	386
GEUDA SPRINGS	205
GIRARD	2756
GLADE	72
GLASCO	545
GLEN ELDER	444
GOESSEL	541
GOFF	157
GOODLAND	5034
GORHAM	285
GOVE CITY	99
GRAINFIELD	334
GRANDVIEW	1372
GREAT BEND	15144
GREELEY	393
GREEN	154
GREENLEAF	330
GREENSBURG	1747
GRENOLA	244
GRIDLEY	337
GRINNELL	343
GYPSUM	367
HADDAM	179
HALSTEAD	2159
HAMILTON	355
HAMLIN	44
HANOVER	654
HANSTON	318
HARDTNER	195
HARPER	1627
HARRIS	38
HARTFORD	504
HARVEYVILLE	259
HAVANA	86
HAVENSVILLE	142
HAVILAND	625
HAYS	18632
HAZELTON	85
HEPLER	117

HERINGTON	2643
HERNDON	160
HESSTON	3078
HIAWATHA	3550
HIGHLAND	951
HILL CITY	1768
HILLSBORO	2680
HOISINGTON	3246
HOLCOMB	1823
HOLLENBERG	26
HOLTON	3253
HOLYROOD	472
HOPE	420
HORACE	173
HORTON	1847
HOWARD	852
HOXIE	1279
HOYT	517
HUDSON	152
HUGOTON	3240
HUMBOLDT	2211
HUNNEWELL	90
HUNTER	99
HURON	73
INDEPENDENC	9909
INGALLS	306
INMAN	1072
IOLA	6336
ISABEL	99
IUKA	169
JAMESTOWN	328
JENNINGS	167
JETMORE	892
JEWELL	488
JOHNSON CITY	1326
JUNCTION CITY	20380
KANOPOLIS	614
KANORADO	281
KENSINGTON	468
KINCAID	193
KINGMAN	3302
KINSLEY	1785
KIOWA	1129
KIRWIN	250
KISMET	410
LABETTE	75
LACROSSE	1384

LACYGNE	1219
LAHARPE	718
LAKIN	2156
LANCASTER	314
LANE	304
LARNED	4474
LATHAM	203
LATIMER	19
LEBANON	369
LEBO	908
LEHIGH	203
LENORA	335
LEON	738
LEONA	35
LEOTI	1802
LEROY	545
LEWIS	376
LIBERAL	16949
LIBERTY	133
LIEBENTHAL	112
LINCOLN	1274
LINCOLNVILLE	192
LINDSBORG	3272
LINN	396
LITTLE RIVER	536
LOGAN	578
LONE ELM	32
LONG ISLAND	164
LONGFORD	68
LONGTON	380
LORRAINE	138
LOST SPRINGS	80
LOUISBURG	2499
LOUISVILLE	244
LUCAS	444
LURAY	233
LYNDON	1065
LYONS	3494
MACKSVILLE	516
MADISON	876
MAHASKA	130
MANCHESTER	84
MANKATO	977
MANTER	181
MAPLE HILL	400
MAPLETON	100
MARION	1977

MARQUETTE	550
MARYSVILLE	3275
MATFIELD	30
MAYETTA	271
MAYFIELD	118
McCRACKEN	207
McCUNE	425
McDONALD	178
McFARLAND	265
McLOUTH	883
McPHERSON	12937
MEADE	1545
MEDICINE	2305
MELVERN	438
MENLO	51
MERIDEN	719
MILAN	110
MILDRED	45
MILFORD	672
MILTONVALE	470
WEST MINERAL	240
MINNEAPOLIS	1940
MINNEOLA	750
MOLINE	478
MONTEZUMA	745
MORAN	511
MORGANVILLE	185
MORLAND	248
MORRILL	292
MORROWVILLE	161
MOSCOW	262
MOUND CITY	806
MOUND VALLEY	404
MOUNDRIDGE	1568
MULBERRY	530
MULLINVILLE	283
MULVANE	5101
MUNDEN	137
MUSCOTAH	161
NARKA	107
NASHVILLE	120
NATOMA	356
NEODESHA	2817
NEOSHO	147
NEOSHO	235
NESS CITY	1638
NETAWAKA	156

NEW ALBANY	60	PLAINS	955	SCHGENCHEN	161	UNIONTOWN	301
NEW CAMBRIA	163	PLAINVILLE	2192	SCOTT CITY	3731	UTICA	195
NEW STRAWN	476	PLEASANTON	1298	SCOTTSVILLE	26	VALLEY FALLS	1285
NEWTON	17011	POMONA	1107	SCRANTON	722	VERMILLION	106
NIOTAZE	99	PORTIS	126	SEDAN	1286	VICTORIA	1211
NORCATUR	161	POTWIN	481	SEDGWICK	1624	VINING	56
NORTH	1284	POWHATTAN	103	SELDEN	218	VIRGIL	86
NORTON	2906	PRAIRIE VIEW	101	SENECA	1991	WAKEENEY	2016
NORTONVILLE	670	PRATT	6701	SEVERANCE	91	WAKEFIELD	1040
NORWICH	489	PRESCOTT	284	SEVERY	354	WALDO	48
OAK HILL	12	PRESTON	173	SEWARD	59	WALDRON	17
OAKLEY	2106	PRINCETON	425	SHARON	229	WALLACE	74
OBERLIN	1977	PROTECTION	579	SHARON	871	WALNUT	188
OFFERLE	198	QUENEMO	429	SIMPSON	104	WALTON	284
OKETO	115	QUINTER	935	SMITH CENTER	1956	WAMEGO	4435
OLIVET	70	RADIUM	45	SMOLAN	214	WASHINGTON	1277
OLMITZ	141	RAMONA	110	SOLDIER	120	WATERVILLE	561
OLPE	482	RANDALL	83	SOLOMON	1035	WATHENA	1130
OLSBURG	207	RANSOM	381	SOUTH HAVEN	394	WAVERLY	710
ONAGA	861	RANTOUL	262	SPEARVILLE	754	WEBBER	39
ONEIDA	85	RAYMOND	117	SPEED	65	WEIR	775
OSAGE CITY	2720	READING	309	SPIVEY	89	WELLINGTON	8575
OSAWATOMIE	4758	REDFIELD	132	SPRING HILL	2487	WELLSVILLE	1838
OSBORNE	1744	REPUBLIC	170	STAFFORD	1326	WESTMORELA	639
OSKALOOSA	1122	RESERVE	90	STARK	85	WESTPHALIA	149
OSWEGO	1927	REXFORD	183	STERLING	2248	WETMORE	306
OTIS	339	RICHFIELD	47	STOCKTON	1503	WHEATON	111
OTTAWA	11419	RICHMOND	573	STRONG CITY	633	WHITE CITY	529
OVERBROOK	948	ROBINSON	285	SUBLETTE	1423	WHITE CLOUD	253
OXFORD	1194	ROLLA	379	SUMMERFIELD	160	WHITewater	701
OZAWKIE	478	ROSE HILL	2986	SUN CITY	99	WHITING	189
PALCO	268	ROSELAND	88	SUSANK	60	WILLARD	106
PALMER	123	ROZEL	191	SYLVAN	274	WILLIAMSBUR	305
PAOLA	5527	RUSH CENTER	148	SYRACUSE	1541	WILLIS	85
PARADISE	49	RUSSELL	4760	TAMPA	95	WILMORE	74
PARK	144	RUSSELL	28	TESCOTT	343	WILSEY	149
PARKER	275	SABETHA	2354	THAYER	455	WILSON	816
PARKERVILLE	27	ST FRANCIS	1442	TIMKEN	72	WINCHESTER	609
PARSONS	11473	ST GEORGE	465	TIPTON	251	WINDOM	115
PAWNEE ROCK	352	ST JOHN	1335	TORONTO	321	WINFIELD	12090
PAXICO	177	ST MARYS	1884	TOWANDA	1431	WINONA	193
PEABODY	1371	ST PAUL	679	TREECE	180	WOODBINE	191
PENALOSA	19	SATANTA	1196	TRIBUNE	917	WOODSTON	117
PERRY	882	SAVONBURG	108	TROY	1049	YATES	1737
PERU	227	SAWYER	142	TYRO	232	CENTER	
PHILLIPSBURG	2711	SCAMMON	467	UDALL	820	ZENDA	95
PITTSBURG	18483	SCANDIA	405	ULYSSES	5859	ZURICH	150

The following tables list Counties and Cities NOT QUALIFYING under HB 2590

Total Non-qualifying Counties: 22

Total Non-qualifying Cities: 74

Below are Counties not qualifying under HB 2590 because their population exceeds 25,000

County:	Population:
BARTON COUNTY	28897
BUTLER COUNTY	55736
COWLEY COUNTY	37240
CRAWFORD COUNTY	36333
DOUGLAS COUNTY	88032
ELLIS COUNTY	26651
FINNEY COUNTY	34726
FORD COUNTY	28477
GEARY COUNTY	31099
HARVEY COUNTY	31727
JOHNSON COUNTY	392272
LEAVENWORTH COUNTY	68853
LYON COUNTY	34704
MCPHERSON COUNTY	28101
MONTGOMERY COUNTY	37706
RENO COUNTY	62551
RILEY COUNTY	73119
SALINE COUNTY	51434
SEDGWICK COUNTY	420037
SHAWNEE COUNTY	165122
SUMNER COUNTY	26436
WYANDOTTE COUNTY	155072

Below are Cities not qualifying under HB 2590 because their population exceeds 40,000, or because they are in Counties with populations greater than 60,000

City:	Population:	County Location:
ABBYVILLE	170	Reno
ANDALE	638	Sedgwick
ARLINGTON	486	Reno
AUBURN	953	Shawnee
BALDWIN CITY	3654	Douglas
BASEHOR	1766	Leavenworth
BEL AIRE	4602	Sedgwick
BENTLEY	411	Sedgwick
BONNER SPRINGS	7118	Johnson & Wyandotte

BUHLER	1381	Reno
CHENEY	2033	Sedgwick
CLEARWATER	2165	Sedgwick
COLWICH	1134	Sedgwick
COUNTRYSIDE	342	Johnson
DERBY	16588	Sedgwick
DESOTO	2475	Johnson
EASTBOROUGH	885	Sedgwick
EASTON	448	Leavenworth
EDGERTON	1383	Johnson
EDWARDSVILLE	3554	Wyandotte
EUDORA	3818	Douglas
FAIRWAY	4124	Johnson
GARDEN PLAIN	916	Sedgwick
GARDNER	4277	Johnson
GODDARD	1864	Sedgwick
HAVEN	1252	Reno
HAYSVILLE	8561	Sedgwick
HUTCHINSON	39770	Reno
KANSAS CITY	144266	Wyandotte
KECHI	827	Sedgwick
LAKE QUIVIRA	1049	Johnson &
LANGDON	66	Reno
LANSING	7967	Leavenworth
LAWRENCE	71721	Douglas
LEAVENWORTH	42250	Leavenworth
LEAWOOD	24852	Johnson
LECOMPTON	832	Douglas
LENEXA	36990	Johnson
LEONARDVILLE	401	Riley
LINWOOD	470	Leavenworth
MANHATTAN	43836	Pottawatomie & Riley
MAIZE	1666	Sedgwick
MERRIAM	13095	Johnson
MISSION	9145	Johnson
MISSION HILLS	3633	Johnson
MISSION WOODS	158	Johnson
MOUNT HOPE	1092	Sedgwick
NICKERSON	1164	Reno
OGDEN	1299	Riley
OLATHE	72455	Johnson
OVERLAND PARK	125225	Johnson
PARK CITY	5375	Sedgwick
PARTRIDGE	240	Reno
PLEVNA	124	Reno
PRAIRIE VILLAGE	23056	Johnson
PRETTY PRAIRIE	658	Reno

RANDOLPH	146	Riley
RILEY	871	Riley
ROELAND PARK	7530	Johnson
ROSSVILLE	1032	Shawnee
SALINA	44167	Saline
SHAWNEE	40471	Johnson
SILVER LAKE	1456	Shawnee
SOUTH HUTCHINSON	2355	Reno
SYLVIA	317	Reno
TONGANOXIE	3100	Leavenworth
TOPEKA	120645	Shawnee
TURON	480	Reno
VALLEY CENTER	3942	Sedgwick
VIOLA	192	Sedgwick
WESTWOOD	1793	Johnson
WESTWOOD HILLS	424	Johnson
WICHITA	310238	Sedgwick
WILLOWBROOK	93	Reno



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TO: HOUSE ECONOMIC DEVELOPMENT COMMITTEE
FROM: KAREN FRANCE, DIRECTOR, GOVERNMENTAL AFFAIRS
RE: KANSAS RURAL HOUSING INCENTIVE DISTRICT ACT, HB 2590
DATE: JANUARY 26, 1998

Thank you for the opportunity to testify today. On behalf of the Kansas Association of REALTORS®, I come today to ask for your support of extending tax increment financing to the development of and renovation of housing in rural areas of Kansas experiencing housing shortages. We were in support of HB 2179 in the 1997 Session and in other similar legislation in previous years. We believe the legislation presented in HB 2590 is a workable compromise which answers many of the questions raised when this issue has gone to the full House of Representatives for debate.

Our membership of over 6,500 members represents a major segment of our state's economy. Studies performed by the NATIONAL ASSOCIATION OF REALTORS® show that home ownership contributes to community responsibility, civic stability and family well being. It is still the American Dream to own a home.

Oftentimes, the legislature considers proposals which are geared towards providing "affordable" housing. We ask you to keep in mind that affordable housing means different things to different people--clean apartments, first homes, move up homes.

One key component of affordable housing is availability. We believe the ability for rural communities to utilize TIF financing for building the infrastructure for new residential construction could be one of the "missing links" for spurring the development of new homes in communities where development is not occurring. If you create mechanisms for building at all levels of the housing spectrum, you leave room for people to move up within that spectrum. Individuals who are in their first home move up to their next home, presumably a larger one which costs more. They leave behind their first home for someone else to have a first home, instead of renting a house or apartment. The family who moves into their first home opens up the rental apartment or home for another family to move into. This is how the housing market flows.

A key example of how government can help facilitate this market flow is this Rural Housing Incentive District proposal before you. By fine tuning the TIF statutes, you can set up an excellent mechanism for encouraging rural cities and counties to become active partners in developing housing at all levels. It can be done by creating new property tax dollars over time and without using additional state or local tax dollars to do so. In the communities which are struggling to spur housing development this method for financing infrastructure is very attractive to all parties involved.

You have heard several times on this topic from one of our members, Butch Hardman, from Parsons. Due to a serious illness in his family, he is regrettably unable to be here and I have his written testimony for you. The Mayors of Liberal and Hillsboro have testified in favor of these proposals because they believe they could be used in their communities. They were both very torn that they would be unable to be here and I have written remarks from them as well.

Chris McKenzie has worked very hard on this, far above and beyond the call of duty. He can provide you with more details on how these projects could work. Over 200 persons from the public and private sector attended our Housing Development Symposium in Hutchinson in June of 1996. That program was a joint project of the League of Kansas Municipalities, the Kansas Association of REALTORS® and the Kansas Department of Commerce and Housing. The overwhelming response to the concept of having this legislative change was positive. It may not be used by every community, but for many communities it is that missing link in the chain of homeownership. We ask for your support of that opportunity.

Thank you again for the opportunity to testify. We commend you for your study of housing issues and stand ready to assist you in any way you might need us.

House Economic Development
1-26-98
ATTACHMENT 3

HARDMAN 3106 MAIN
REAL ESTATE, INC. PARSONS, KANSAS 67357
 PHONE (316) 421-9220
 FAX (316) 421-0038



January 26, 1998

Rep. Bill Mason, Chairman
 House Economic Development Committee
 300 SW 10th, Room 446 North
 Topeka, KS 66612-1504

Re: Rural Housing Incentive Districts

Dear Representative Mason,

I apologize for being unable to present my testimony in person. My mother is very ill, and I do not feel easy leaving town. However, I still feel strongly about the need for the Rural Housing Incentive Districts as presented in HB 2590 and I hope my absence is not interpreted to indicate any waning enthusiasm for this proposal which I have worked so hard on for so many years. I commend you and your committee's endurance as we fine tune this proposal into something that is acceptable to the entire legislature.

I believe the Rural Housing Incentive District legislation before you, if enacted, will help to spur housing construction throughout Kansas. We are facing in Parsons, not unlike many, many communities across Kansas a shortage of family housing for sale to those seeking middle to upper middle priced houses.

The single family mortgage revenue bond programs serve their very specific purpose to persuade people who have not owned a residence in the prior three years to buy a house. Such restrictions, including household income and house price limits are not helping communities fill the housing needs of those who cannot meet the requirements of the SFMRB financing.

In looking at the Kansas tax increment finance (TIF) law as a way to "make something happen" it has become very apparent the current law limits the use of such a tool to blighted areas and pre-July 1992 designated enterprise zones. TIF does not currently allow such financing to be used to develop re-develop areas which are unable to meet the blight test set forth in the law.

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House Economic Development
 1-26-98
 ATTACHMENT 4

It is my belief and that of others who are now joining me in this effort that home building can be measurably boosted across Kansas if the community can use the incentive provided by TIF to finance such public infrastructure as sewer, water lines, roads, street lighting, traffic signals, etc.

The bill before you provides sufficient "safety valves" to prevent abuse:

1. The Secretary of Commerce and Housing would have to agree there is a shortage of quality housing warranting such financing.
2. The city or county would be authorized to issue special obligation bonds, not general obligation bonds as is allowed under a regular TIF.
3. The longest maturity of the bonds would be 15 years, rather than 20 years as under regular TIFs.
4. Contrasted to the regular TIF law, this bill does not give eminent domain authority, the property can only be purchased or otherwise acquired for the purpose.
5. The city, county and school district each have veto authority over a proposed project.
6. School mill levy proceeds are precluded from being used to repay bonds issued for these improvement districts.

Briefly, this is the way TIF works: in the area to be developed, money for streets and other infrastructure needs is raised with special obligation bonds on a 10 or 15 year term. When houses are built and bought, the tax the homeowner would pay in property taxes instead goes to pay off the special obligation bond.

I ask you and your colleagues to once again, join me in supporting this legislation. The State of Kansas is not negatively impacted by the amendment and all of the controls remain with the community's units of government. It is strongly believed that the availability of single family housing, regardless of price, remains the principal obstacle for cities to overcome if they are to be successful in creating and attracting employment. This bill will give communities an even change of winning the battle for jobs and tax base that are our life blood.

Suitable sites for single family housing are invariably not found in the developed areas of a community but more often on the outskirts. This amendment will allow a community to "partner" in a way, with builders in an effort to reduce, to a small extent, the cost of stretching water and sewer lines and building roads.

Our region must appropriately address housing issues if we are to continue the successful economic rebirth we have experienced over the past few years. Housing issues continue to rank as one of the biggest reasons we, at times, are not able to lure new, or grow existing businesses and opportunities these businesses create for the

citizenry of our area. The proposed bill will create a better opportunity to solve the housing issue. I feel that your support is critical for the long term well-being of our area.

Your support would be very much appreciated by myself and others concerned about our ability to successfully continue the advancement and in the quality of life in our region over the past several years.

Thank you!

Sincerely

A handwritten signature in cursive script that reads "James L. Hardman".

James L. (Butch) Hardman, JR., GRI, CRS



116 North Main St. • Hillsboro, KS 67063 316/947-2321 • FAX 316/947-5616
 206 East Main St. • Marlon, KS 66861 316/382-8871 • FAX 316/382-8871

January 26, 1998

TO: HOUSE ECONOMIC DEVELOPMENT COMMITTEE

RE: RURAL HOUSING INCENTIVE DISTRICTS

I regret being unable to present this in person, as I have in the past. Please let me introduce myself. I am a Realtor as well as the Mayor of Hillsboro. I am here to seek your support for HB 2590.

As you may be aware, Hillsboro has been one of the outstanding small cities in our state in economic development. Our reputation in attracting and promoting industrial development has been an example to other smaller cities across the state. Recently, the service sector has followed the industrial growth to help create a complete city. However with this success comes a major problem: HOUSING. Approximately two years ago a survey was done with interesting results. Hillsboro, with less than 3,000 residents has 2,000 jobs available. The survey asked how many employees lived in Hillsboro, only one half of all employees are living in Hillsboro. Why? Lack of suitable housing.

The high cost of providing streets and sewers makes it impossible for many middle income families to purchase a home in a newly developed subdivision. Not only must they pay *ad valorem* taxes, but they must also pay "Special Assessments", often adds an additional \$75-80 per month to the housing costs of young, working middle class families. This equates to an additional income of \$300 per month to qualify for a mortgage. Three hundred dollars per month is approximately \$1.75 per hour for a working person.

If available, TIFs could be used to solve the housing shortage. I believe this is a tool that should be given to local government to use, if necessary, to meet the housing demands. Local government units should be given the tools they need to solve their community needs.

I believe the bill before you represents a true balancing of the interests and concerns raised about this kind of legislation in the past. After the passage of this legislation, some cities will choose not to use the Rural Housing Incentive Districts, but please make it available to the communities that recognize the need and through feasibility studies find that it is the solution to their needs.

I apologize, again, for not presenting this in person. Thank you for allowing me to express my concern for the future of housing in Kansas.

Respectfully submitted,

Delores Dalke
 Delores Dalke



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 Attachment 5



MID-AMERICA LUMBERMENS ASSOCIATION

TESTIMONY FOR THE HOUSE ECONOMIC DEVELOPMENT COMMITTEE

H. B. 2590: CREATION OF THE RURAL HOUSING INCENTIVE DISTRICT ACT

January 26, 1998

Room 423-S

Mister Chairman, members of the Committee. My name is Art Brown. I stand before you today representing the retail lumber and building material dealers through the Mid-America Lumbermens Association as a supporter for the implementation of this act.

I have testified before this Committee before in support of such a concept. To our rural membership, this item is agenda item number one for the 1998 Legislative session. Possibly Mister Chairman, as the old saying goes, the third time may be the charm. Let's hope this third attempt succeeds and provides the mechanism necessary to meet the needs of our rural communities as it relates to thier housing needs.

As a reminder of what happened in the 1997 session, the "TIF" bill that was passed out of this Committee on a unanimous vote was defeated on the floor of the House on two separate occasions. It was the only blemish on what was otherwise a very good Legislative session for our membership.

I'm not going to re-invent the wheel in reliving last years floor debate on this issue, rather I would like to point out some features of the bill that should assure a better chance of passage in this session.

To begin with, lets look at the first page of the bill. We would support the numbers

*HOUSE ECONOMIC DEVELOPMENT
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pg 2-Testimony on HB 2590-House Eco. Devo. Comm. 1/26-98

for the population requirements for both the City and the County. We would have no objection to an upward revision of the County number shown on line 25, but would leave it to the wisdom of the Committee to make that determination. Because of these population limits, only the States true rural areas receive the benefits of this bill.

All we ask of the Legislature is to let these Communities make their own determination of their housing needs. This message seemed to get lost in last years floor debate. I call the Committee's attention to lines 34-41 of page 4 of the bill. The oversight of those three entities, the board of education, the governing body of any city located within three miles of the proposed district and the board of county commissioners should ease concerns over nervous Legislators about granting this authority to their local units.

Unlike last years "TIF" bill, property is acquired in a voluntary manner, not by eminent domain such as "TIF" allows. (Copy of the relocation assistance payment Statute 12-1777 attached.) Also, there is a 15 year life on Special Obligation Bonds that will be made payable as outlined on lines 20 through 38 of the bill in page 5. The "TIF" proposal had 20 year General Obligation Bonds which gave the governing entity a greater exposure to debt.

I also call the Committees attention to lines 19 to 29 on page 4 which outline the criteria for the housing needs assessment conducted by the governing body within its community, the results of which must be published in the official newspaper of the city or county. The approval of this proposal by the Secretary of KSOC&H is also required along with public hearings. What we are saying is that this issue is not going to "sneak up," on anybody.

pg 3-Testimony on HB 2590-House Eco. Devo. Committee 1/26/98

Every attempt is being made in this bill to communicate to the citizens in communities that are studying this issue as to what exactly is going on, the financing aspect of this proposal, what the impact to them will be, and that they will have a chance to express their views at a public hearing. That sounds like Democracy in action to us. We hope you feel the same way.

I would close with some thoughts for you to consider. This is not A BUSINESS ISSUE, RATHER IT IS A COMMUNITY ISSUE! This is a bi-partisan issue. I am not going through the alphabet soup of communities as I did last year that have built new retail building material facilities, or improved the ones they have. You know who these people are if you live in such a community, and you have an idea of the size of investment they have made to their business.

I can assure you, they had no intention of making this investment with the idea the people in their communities would run to Lowe's, Sutherlands, Builders Square and the like, knowing that money spent there leaves Kansas every day. Their investment is in their community, with the dollars being spent with them staying in that same community. In almost all cases, these folks are good community citizens, and they want to see their community grow. No matter which side of the aisle you sit on the floor of the House, you want to see your community grow if you are impacted by this bill. Our urban members in Johnson County, Sedgwick county and other urban areas have signed off on this bill, realizing it is a good bill for Kansas, and that spending the money with companies with a commitment to Kansas as well as being headquartered in Kansas is good for the entire State.

I cannot speak to the agenda of the other proponents, but I can assure you we will

do our part to try and "get it right" this time and educate your colleagues on the importance and the merits of this Legislation. We hope as a Committee you can do your part, and pass this bill out of Committee favorably, and that this bill, with your help, receives favorable treatment both in your caucuses and on the House Floor.

I thank you for your time in presenting our memberships viewpoint on this issue, and would stand for your questions or comments.

L. 1979, ch. 1988, ch. 78,

Constitution. State ex rel. Schneider v. City of Topeka, 227 K. 115, 117, 123, 605 P.2d 556.

12-1777. Relocation assistance plan. Before any redevelopment project shall be initiated under this act a relocation assistance plan shall be approved by the governing body proposing to undertake the project. Such relocation assistance plan shall:

(a) Provide for relocation payments to be made to persons, families and businesses who move from real property or who move personal property from real property as a result of the acquisition of the real property by the city in carrying out the provisions of this act;

(b) provide that no persons or families residing in the redevelopment district shall be displaced unless and until there is a suitable housing unit available and ready for occupancy by such displaced person or family at rents within their ability to pay. Such housing units shall be suitable to the needs of such displaced persons or families and must be a decent, safe, sanitary and otherwise standard dwelling; and

(c) provide for the payment of any damages sustained by a retailer, as defined by K.S.A. 79-3702, and amendments thereto, by reason of the liquidation of inventories necessitated by relocation.

History: L. 1976, ch. 69, § 8; L. 1988, ch. 78, § 8; Jan. 1, 1989.

12-1778. Object of taxes levied within redevelopment district. Notwithstanding any other provision of law, it is hereby stated that it is an object of all ad valorem taxes levied by or for the benefit of any city, county or school district of the state on taxable tangible real property located within any redevelopment district created pursuant to this act, that such taxes may be applied and allocated to and when collected paid into a special fund of a city pursuant to the procedures and limitations of this act to pay the cost of a project including principal of and interest on special obligation bonds or full faith and credit tax increment bonds issued by such city to finance, in whole or in part, such redevelopment project.

History: L. 1976, ch. 69, § 9; L. 1982, ch. 75, § 11; L. 1984, ch. 74, § 7; L. 1988, ch. 78, § 9; Jan. 1, 1989.

12-1779. Issuance of industrial revenue bonds in redevelopment district. Industrial revenue bonds may be issued under the authority of K.S.A. 12-1740 *et seq.*, and amendments thereto, for the purchase, construction, reconstruction, equipping, maintenance and

repair of buildings and facilities within a redevelopment district established under the provisions of this act.

History: L. 1976, ch. 69, § 10; L. 1980, ch. 68, § 4; L. 1988, ch. 78, § 10; Jan. 1, 1989.

12-1780. Severability. If any provision of this act or the application thereof to any persons or circumstances is held invalid, such invalidity shall not affect other provisions or application of the act which can be given effect without the invalid provisions or application and to this end the provisions of this act are declared to be severable.

History: L. 1976, ch. 69, § 11; July 1.

BUSINESS IMPROVEMENT DISTRICTS

12-1781. Citation of act. This act shall be known and may be cited as the business improvement district act.

History: L. 1981, ch. 61, § 1; July 1.

12-1782. Business improvement districts; definitions. As used in this act:

(a) "Services" means governmental functions, programs, activities, facilities improvements and other services which a city is authorized to perform or provide.

(b) "Business" means a fixed place of business where one or more persons are employed or engaged in the purchase, sale, provision or manufacturing of commodities, products or services. The ownership of real estate which is unoccupied and which is held for investment purposes, for sale or lease, shall be considered a business. All property owned or used exclusively for state, county, municipal, literary, educational, scientific, religious, benevolent and charitable purposes shall be excluded from the provisions of this act.

History: L. 1981, ch. 61, § 2; July 1.

12-1783. Same; authorization; purpose. The governing body of any city may, in accordance with the procedures and subject to the limitations of this act, establish one or more business improvement districts within the city and provide for the administration and financing of additional and extended services to businesses within such districts. It is the general intent of this act to provide for the administration and financing of continuing programs of services within such districts and nothing herein shall be construed as prohibiting the establishment of benefit districts to finance local capital improvements under the general improvement and assessment law or any other laws of this state.