



CITY OF TOPEKA

Planning & Development Department
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To: Senate Committee on Assessment and Taxation

From: Rhiannon Friedman, City of Topeka Planning and Development Department

Date: February 14, 2024

Re: Testimony in Opposition of SB 468

I would like to thank Chairwoman Tyson and the Committee for allowing the City of Topeka the opportunity to provide opposition testimony on SB 468.

This bill would prohibit cities that grant tax increment financing and other property tax exemptions from exceeding their revenue neutral rate for property tax purposes. The City of Topeka utilizes both tax increment financing (TIF) districts and Industrial Revenue Bonds (IRBs) as strategic and important economic development tools. Tax increment financing law allows cities to create redevelopment districts for environmental cleanup, major economic projects, projects with statewide economic impact and, its original intention, to redevelop blighted areas of the city. We currently have 6 TIF districts throughout the City that have been vital in redeveloping areas of town that were previously distressed, for example, Wheatfield Village went from an blighted area of vacant retail to a thriving development that includes restaurants, a movie theater, a hotel, and an apartment complex. We are currently in the process of redeveloping South Topeka Blvd. and the TIF incentive tool is playing a key component to incentivize and promote redevelopment.

Cities are granted authority to issue IRBs for a wide range of uses including facilities for agriculture, commercial, hospital, industrial, natural resources, recreational development and manufacturing. Before agreeing to issue an IRB, the City looks at various factors such as if the project will add to the diversification of the local economy, whether it will expand the type of job skills available to the job market, whether the granting of an IRB will give the company an unfair advantage over other firms already in the local market, whether it fits within our land use plan, and whether the applicant will agree to payment in lieu of taxes.

Using the economic development tools serve very different purposes than exceeding the RNR which is about tax transparency to public. There are times the City of Topeka will have to exceed the RNR to provide essential services, operations, and ensure strategic local economic growth. Our governing bodies are elected to balance important choices in these matters according to the best interest of the community they are elected to serve. We urge you to let them and not pass out SB 468.

Thank you for your time and consideration on this important issue.