Date: March 9, 2018  
Time: 1:30 p.m.  
Location: Holliday Building, 620 SE Madison

Attendance  
Councilmembers Present: Tony Emerson, Karen Hiller, Jeff Coen.  
City Staff Present: Nickie Lee (Finance Director)

1) Call to Order  
Councilmember Emerson called the meeting to order.

2) Approval of Minutes  
Minutes from the October 12, 2017 meeting were approved by unanimous consent.

3) Appoint Committee Chair  
Councilmember Coen made a motion to nominate Councilmember Hiller as chair of committee. Councilmember Emerson seconded that nomination. No other nominations were brought to the floor. Councilmember Hiller accepted the nomination. The motion was voted on 3-0 to approve Councilmember Hiller as chairwoman to the 2018 Policy and Finance Committee.

4) Review Next Step in TIF Policy  
Nickie Lee inquired with the committee about their preference for reviewing the TIF policy may be moving forward with regard to any specific community members that committee members would like to invite to future meetings. A few businesses and contacts were listed. Councilmember Emerson suggested that we do send out those invitations and set up another meeting so that the committee could hear feedback.  
Councilmember Coen inquired as to how often this TIF policy is used. Councilmember Emerson noted that this would allow for the City to be proactive with promoting an area where a TIF could be used and possibly incentivize a developer to come forward. Councilmember Hiller and Nickie Lee noted that the hope of setting up hearings regarding this TIF policy
would be a positive step for the City to take with the goal to be for more developers to bring ideas to the table.

Councilmember Coen asked for clarification as to where the two current TIF projects are. Nickie Lee answered that College Hill at 17th and Washburn development as one as well as the Wheatfield Development at 29th and Fairlawn as being the other. There was a TIF district in Eastgate at 15th and Adams, however that district was dissolved in 2016 as it did not develop to what the full intent was.

Councilmember Hiller inquired about staff reaching out to the Greater Topeka Partnership, International Economic Development Council (IEDC), or other resources that may have been available for the current process and state of the art on TIFs. Nickie Lee confirmed that communication has been opened with the Greater Topeka Partnership and that they will be planning to attend the next committee meeting. City staff also looks at International City Managers Association (ICMA) and the Government Finance Officers Association (GFOA) to assess best practices in which City staff would be handling.

Councilmember Hiller noted that she had heard some recent comments from businesses about some potential disagreements or concerns with the TIF process as they currently understand it. Councilmember Hiller inquired with the other committee members as to if a need was felt to invite other developers or businesses that may have questions and comments to provide the City with in regard to the TIF process as a possible future applicant. The other committee members as well as staff felt it would be beneficial to invite contractors and developers as well as the Greater Topeka Partnership to attend the next Policy and Finance meeting. Nickie Lee noted that concerned individual citizens, as well as school districts, and Shawnee County residents would also be able to bring other perspectives to the conversation. Committee members agreed.

Councilmember Hiller inquired as to when the next meeting might need to be set. City Manager Trout noted that there might be one potential interest in a TIF applicant, and that a meeting by the end of March, 2018 would be a good time for the Policy and Finance Committee to meet.

A meeting of March 29, 2018 from 1:00-3:00pm with a location to be determined was scheduled.
5) Review Questions from Committee on Proposed TIF Policy

Councilmember Hiller asked Nickie Lee to walk through some of the TIF Policy issues.

Nickie Lee introduced some of the key parts of Topeka’s TIF Policy. There have been some challenges with trying to isolate certain aspect of other cities policies without having the full aspect of the policy to review. Nickie Lee encouraged committee members with specific questions regarding the current or any changes to the City of Topeka TIF Policy, to ask those questions and staff would be able to work to find the most complete answer. An advantage that having a new TIF Policy allows the City of Topeka to do, is to be specific and transparent to allow for consistency and directness that other cities who have more established policies may not allow for.

Nickie Lee began reviewing the proposed Resolution introduced by City Manager Brent Trout Establishing the City of Topeka’s Policy for Tax Increment Financing.

Section 1: General Policy Statement. 6) It shall be the policy of the City to give priority considerations to TIF applications that request only pay-as-you-go-financing. Nickie Lee thanked Councilmember Hiller for bringing this point to her attention. A key take away from this policy is that when the policy is reviewed, that specific expectation is noted up front.

Section 1: General Policy Statement. 3) The City will use care in the employment of TIF by thoroughly evaluating each proposed TIF redevelopment project to ensure that there is an appropriate balance between the benefits that will accrue from the approval of TIF and the corresponding costs, and that they are equitable to the City as a whole. This point allows for protection for the City but also encourages development. This point is carried throughout the policy.

Section 2: Policy Guidelines (TIF Districts). This section defines the differences between a project district and a project plan. Nickie Lee noted that other cities applauded Topeka’s inclusion of this section. Nickie Lee provided the example of the City of Lenexa’s City Center that was voted on as one TIF project district over ten years ago, however over time, separate project plans had come about making it difficult to establish the distinction
between the two. The hope with setting up this section in Topeka’s TIF policy is to make that distinction clear as well as to allow the Governing Body to be able to take the lead in developing a future district. Councilmember Emerson voiced concern in regard to the 60 day turnaround time for a redevelopment plan to be submitted. Often times, a plan may not be drawn up until it is known if the TIF will be granted. Nickie Lee noted that this time frame was based on best practices from around the state, however our policy can allow for more flexibility. The example of the Eastgate project was provided. The district was established and tax dollars began going toward funding that project and a project plan was never provided. That TIF district then had to be dissolved. Councilmember Emerson questioned if the funding would matter if there was not a base growth occurring. Nickie Lee confirmed and included that even if there is small growth such as was the case with the Eastgate district where some development was made which allowed for small increments of funding to be provided, that money would go toward those projects. The timeline is ideally meant to keep projects moving forward, however the Governing Body would be able to extend this time frame if they felt comfortable doing so. Councilmember Hiller provided a recent example where public hearing dates were set up prior to having a development plan for the Wheatfield TIF and that a lesson was learned to perhaps have a more reasonable plan penciled out with details being worked out between the various parties prior to setting public meeting dates which will allow for a smoother process.

Other points throughout the policy which speak to the funding agreement. Comments received by the City were generally supported by comments that the application amount and funding amount of $30,000 is standard for larger communities and projects.

Section 3: Policy Guidelines (TIF Project Plans). This section outlines more detail of the project plan, specifically the “But-For” analysis and sets out a percentage. In the proposed policy, a percentage of 20% is listed, however this is a policy decision that the Governing Body could review and decide to change. This section may be an important one that would take value from having a committee meeting with all parties to discuss if it would be seen as beneficial for all. Councilmember Emerson questioned the need for language in the section regarding pay-as-you-go and having a priority if projects were less than 20% of the costs that were expected to be paid from public incentives if there were only one or two potential applications a year. Nickie Lee explained that those definitions were semantics that would state
a preference without making the language seem definite. City Manager Trout also noted that as project applications come through, the pay-as-you-go method would likely yield a smoother process without as many red flags or stops occurring where other project applications without that method may take longer to vet. These factors would be more enthusiastically supported in prospective projects. It was noted that other projects would not necessarily be dismissed; however it states the preference up front.

Section 3 (2) Lays out the evidence that applicants need to include in their application. There have been some questions regarding the language in this section; however Nickie Lee noted that this is the information that other cities look for when reviewing TIF applications, the City of Topeka has just put those on paper so that the expectations are known up front.

Section 3 (3-7) are more preferences that express what the Governing Body might expect. These preferences will not close the door for reviewing other applications.

Section 4: Development Agreement. Nickie Lee explained that no specific comments or questions have been made on this section. This section gives clarity for the developer to understand what their performance expectations and consequences will be as well as what the reimbursements will be.

Section 5: Fees. There were no questions regarding the fees listed in the proposed policy. An application fee of $5,000 is on the lower end of what other cities require, and the deposit of $30,000 is right at par with other cities requirements.

Section 6: Design Criteria. There have been no questions on this section.

Section 7: Method of Financing. The goal would be for the project to pay for itself. Lines out specific information if there was a situation for requested financing or bonding.

Section 8: Authority of Governing Body. This is a general clause that allows the Governing Body to exercise flexibility when reviewing and accepting applications.

There were no other questions from committee members. Councilmember Hiller noted that through conversations with Nickie Lee, that some of the redundancies could possibly be cut when this information goes online. This is something that will be further reviewed by staff.
6) Other Items Before the Committee

Councilmember Coen would like to look at the City of Topeka’s residency requirement for employees. The committee will look further at this policy once work on the TIF Policy has been completed. Perhaps at a committee meeting in the Fall of 2018.

7) Adjournment

Meeting was adjourned.

The video of this meeting can be viewed at:
https://www.youtube.com/watch?v=jw5npxmbjXg