

west augusta development feasibility

- **planning process**
- **methodology**
 - land use and development
 - infrastructure
 - economics
- **corridor build out**
 - land use
 - costs
 - feasibility
- **interim development**
 - land use
 - costs
 - feasibility
- **tool box**
- **discussion**

agenda

- **due diligence**
 - planning
 - infrastructure
 - economics / market

- **development foundation**
 - land use and development
 - infrastructure service and cost
 - community impact

- **implementation**
 - toolbox
 - adoption

process

- **land use and development**

- pattern of development
 - development demand

- **infrastructure**

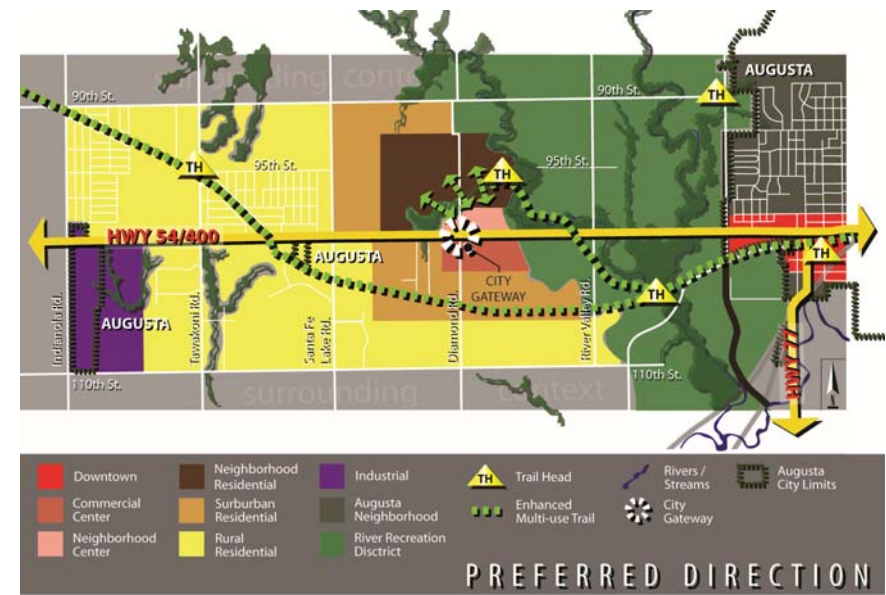
- service
 - transportation
 - utilities
 - costs

- **economics**

- tax revenue
 - other revenues
 - development feasibility

- **implementation**

- tool box



methodology

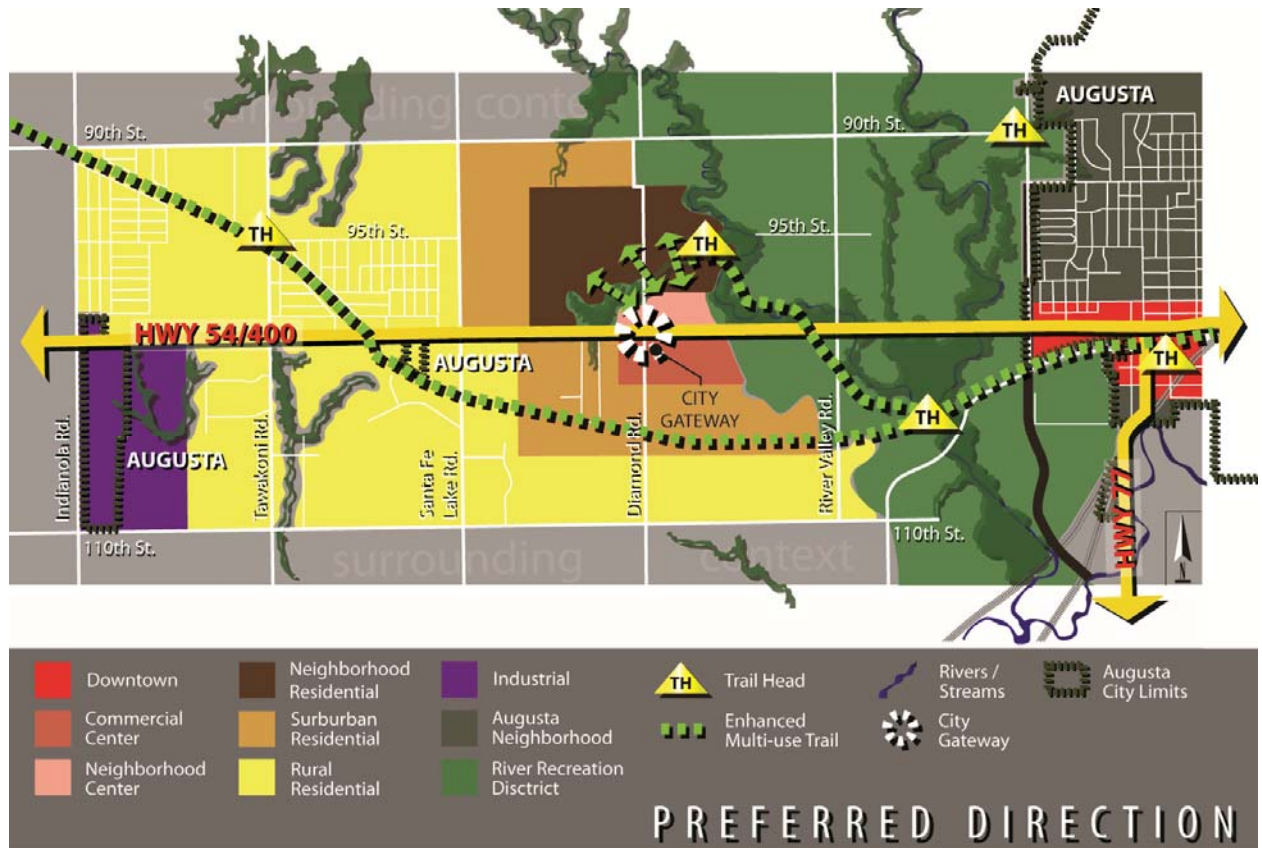
corridor build out

- **land use pattern**

- commercial
- industrial
- residential
- parks and open space

- **development demand**

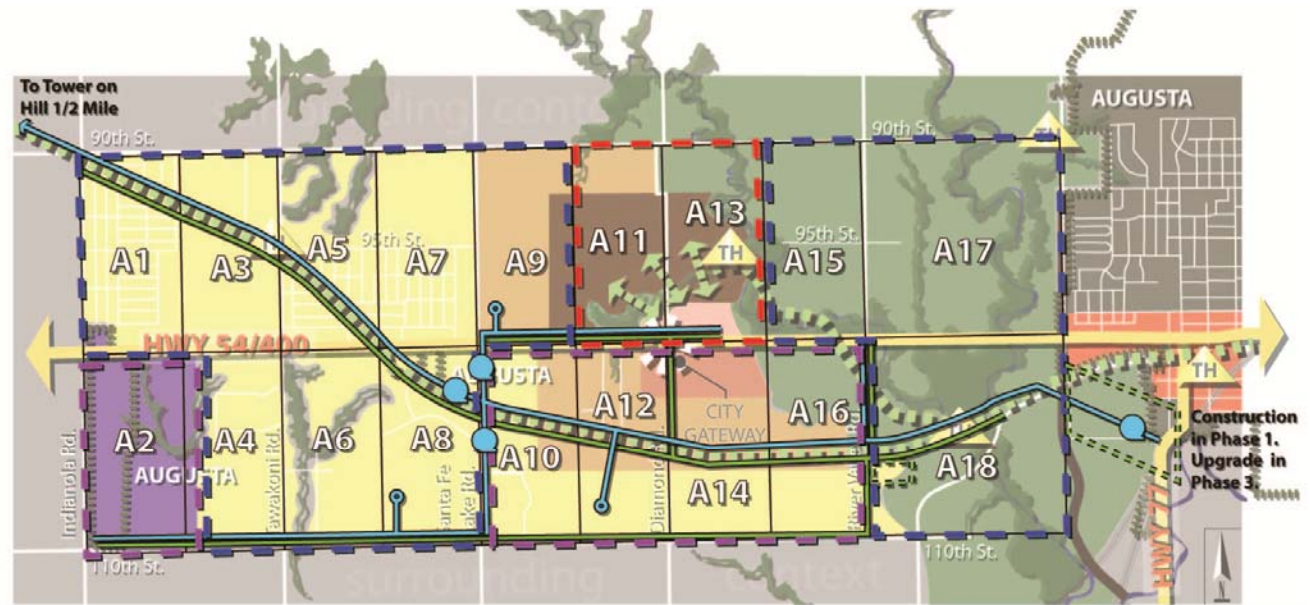
- commercial (447,000 sq. ft.)
- industrial (472,000 sq. ft.)
- residential (1,034 units)
- parks and open space



land use and development

- infrastructure
 - transportation
 - utilities
 - water
 - wastewater
 - other

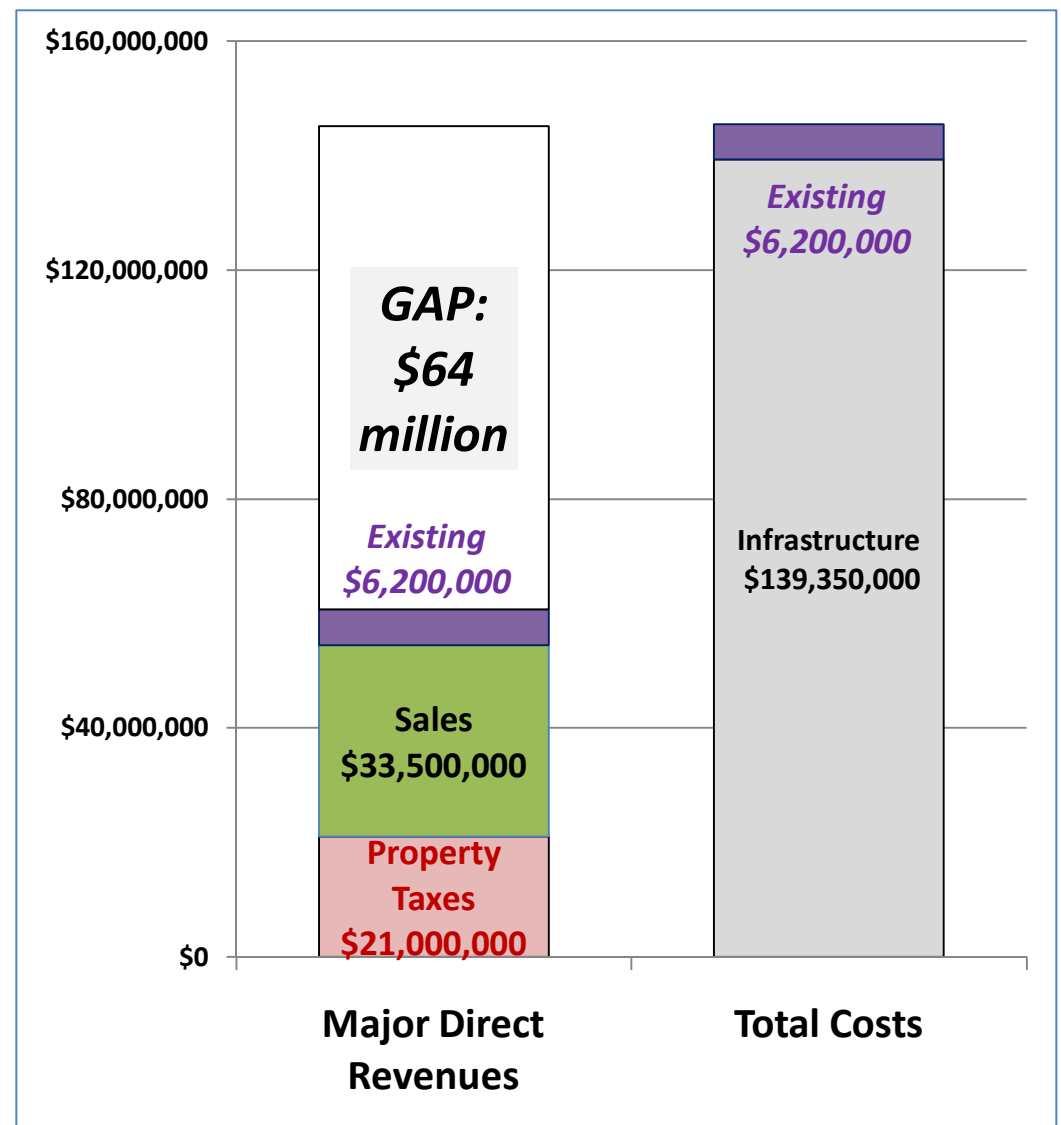
- cost
 - \$204 Million



infrastructure

- **preliminary financial feasibility**
(years 1-25)

- Est. \$64+ million shortfall resulting with city sales and city property tax collections over the 1st 25 years
- Also includes property and sales taxes from existing (annexed) businesses and residents needed for increased/expanded city services

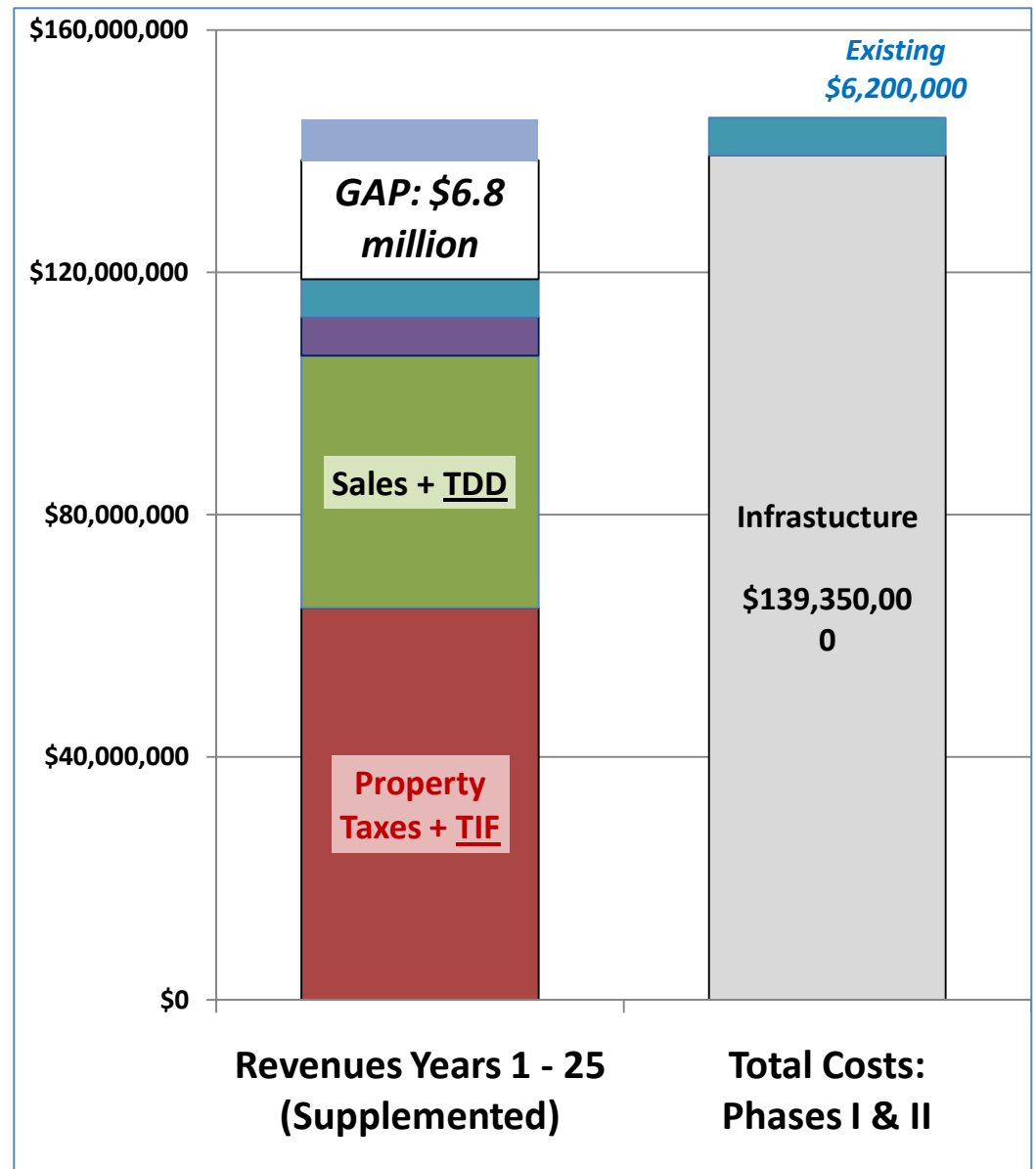


feasibility

■ bridging the gap

(years 1-25)

- with supplemental local, state and/or federal revenues . . .
- phases I and II financial shortfall reduced by \$58 million to \$6.8 million with the following funding tools:
 - a. TIF District(s) for retail and office = net \$43,000,000
 - b. TDD for transportation costs = \$8,073,000
 - c. Sewer capital fee = \$6,500,000
 - d. State & Federal Grants: KDOT, EDA, other? = \$__ million



gap

■ feasibility summary

1. Area is viable for Augusta to attract new and/or expanded commercial and industrial development in the future.
2. Upfront cost of water and wastewater improvements places largest financial burden on the city in the early years (Phase I).
3. Project financial feasibility must be enhanced with revenues above and beyond current city sales and property tax collections.
4. Overall development of area becomes more feasible in later years (Phases II and III) as infrastructure investment debt is paid off and new development expands Augusta's tax base.

corridor build out

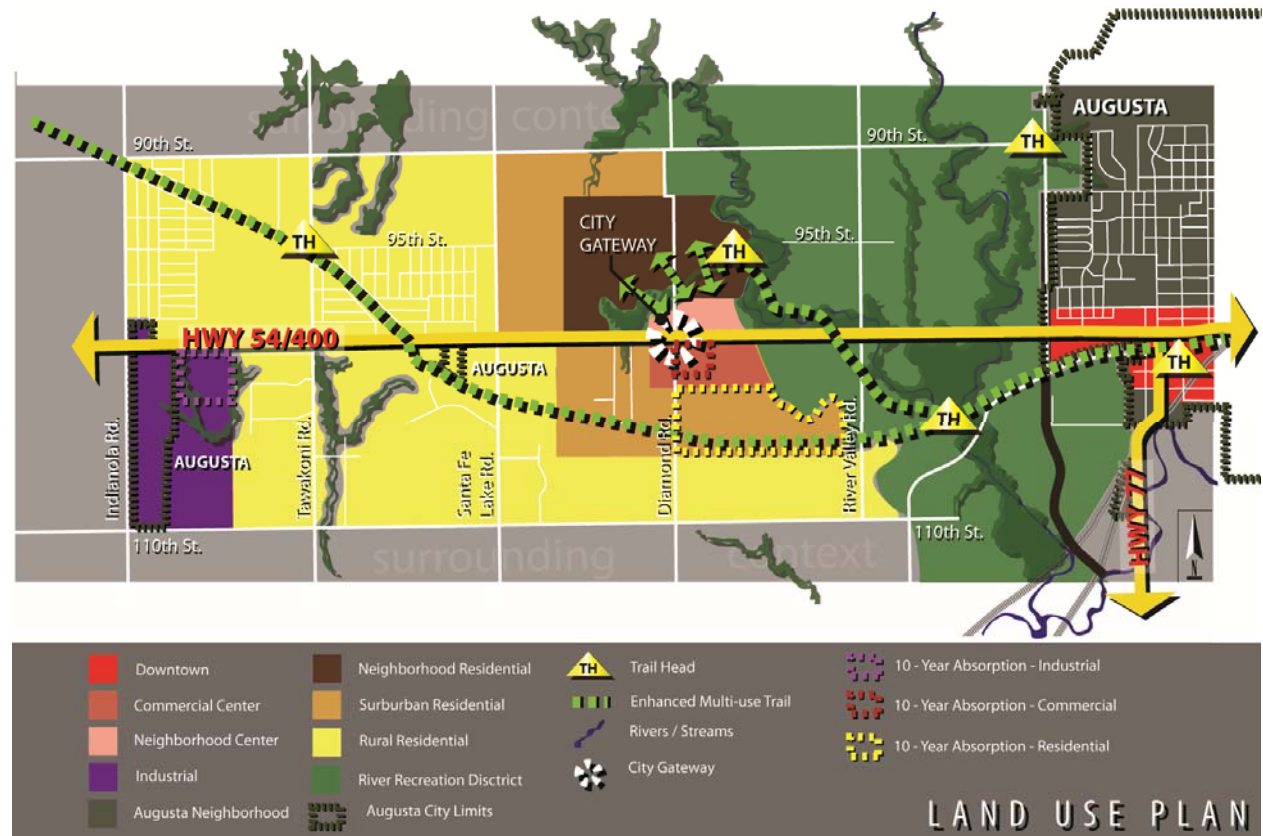
interim development

- **land use pattern**

- commercial
- industrial
- residential
- parks and open space

- **development demand**

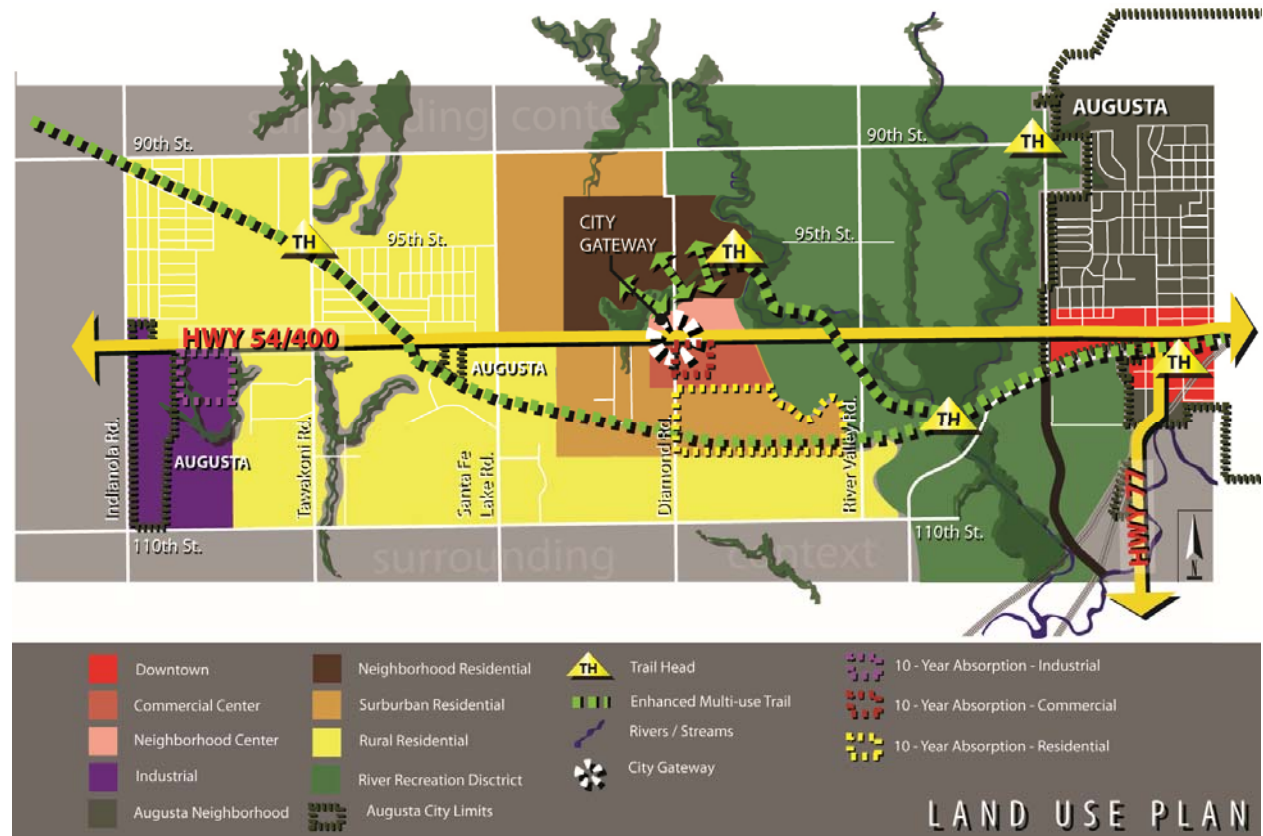
- commercial (250,000 sq. ft.)
- industrial (135,000 sq. ft.)
- residential (500 units)
- parks and open space



land use and development

- **development demand**

- **commercial**
 - 250,000 sq. ft.
 - retail and office
- **industrial**
 - 135,000 sq.ft.
- **residential**
 - 500 units
- **parks and open space**
 - large acreage
 - facilities



land use and development

- **jobs**
 - industrial development
 - commercial development
 - residential development
- **target industry**
 - advanced composites / plastics
 - aviation and aerospace
 - manufacturing

Kansas Target Industry	Primary Market Area	Augusta Position
Advanced Composites and Plastics	South Central Kansas	TARGET as a part and partner with the Greater Wichita Economic Development effort
Animal Health	Johnson County to Manhattan corridor along I-70 and K-10 Highway	Not Suitable – Cluster centered from Manhattan to Kansas City (Animal Health Corridor) offering existing workers and better suited educational skills
Aviation and Aerospace	Wichita Metropolitan Area	TARGET building on existing Augusta and Wichita MSA related employers
Biosciences	Johnson County to Manhattan corridor along I-70 and K-10 Highway	Not Suitable – Cluster centered in Johnson and Douglas County region with existing workers and more suited educational skills
Manufacturing	Statewide	TARGET – Workforce skills and wage rates in Butler County combined with size and access to larger regional labor pool
Transportation and Logistics	Greater Kansas City region; I-35 and I-70 corridors	Low Suitability – Augusta’s distance from I-35 is less suitable than competing Butler and Sedgwick County business parks

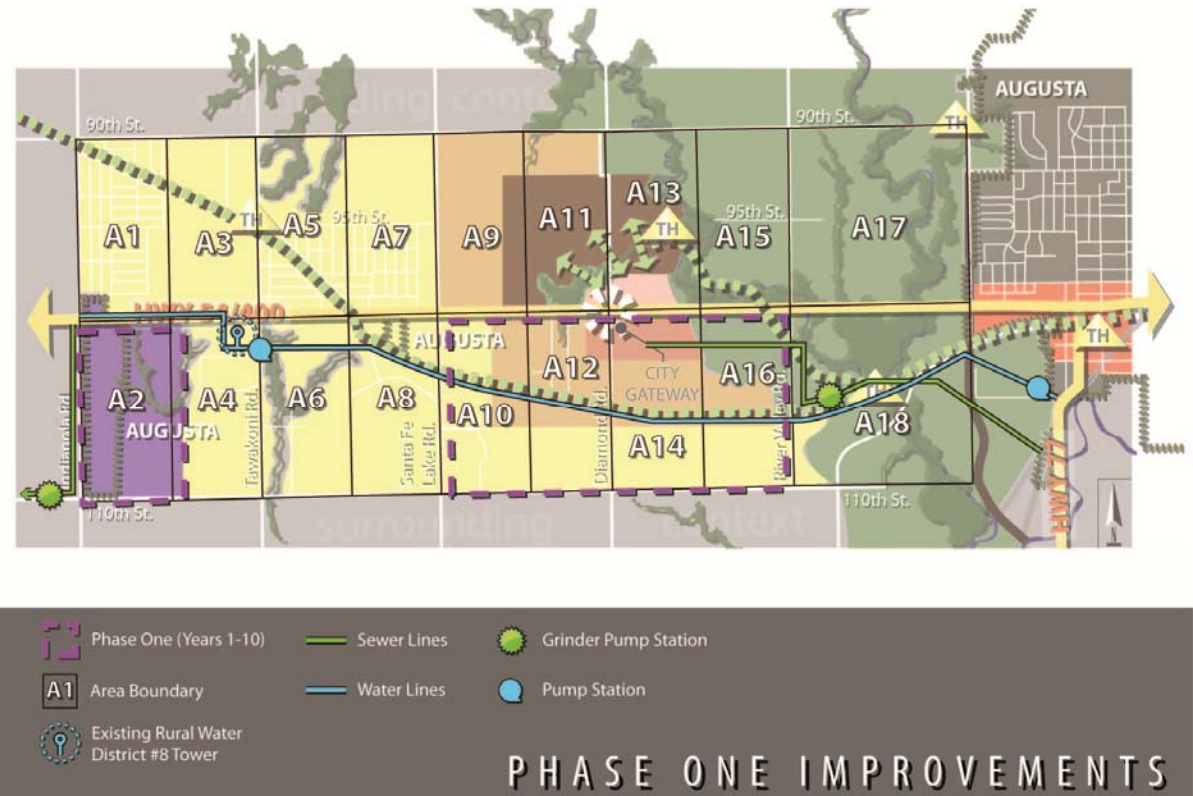
land use and development

- **services**

- transportation
- utilities
 - water
 - wastewater

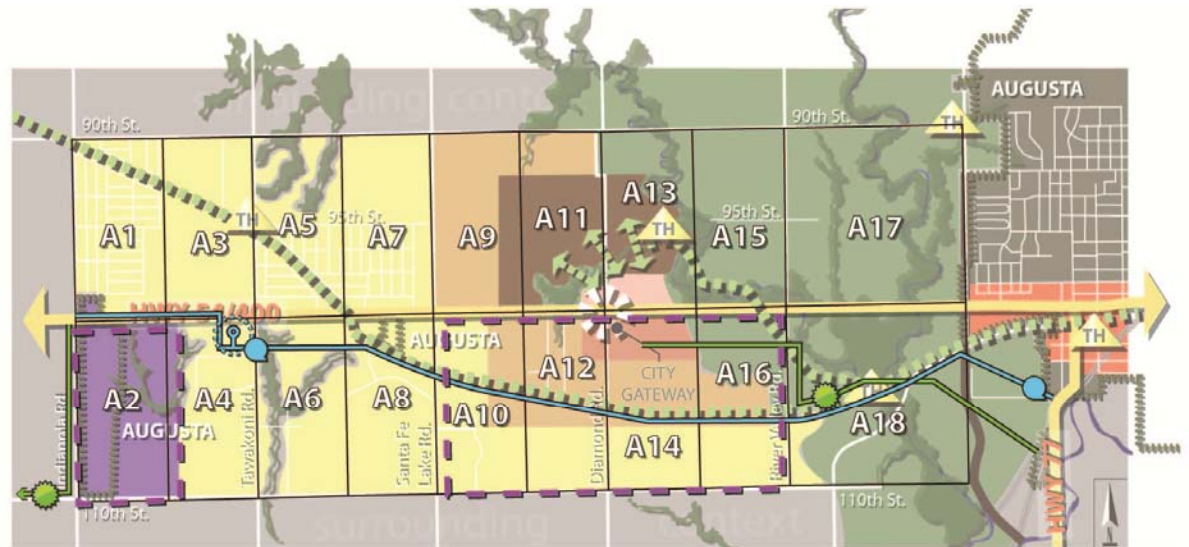
- **assumptions**

- City of Augusta water to serve development in the corridor.
- City of Augusta sewer to serve commercial and residential development at Diamond Road.
- City of **Andover** sewer to serve industrial development at airport.



infrastructure

Phase 1 Improvement Costs	
	Cost
Transportation	\$ 12,375,000
Utilities	\$ 12,928,125
Water	\$ 6,768,750
Wastewater	\$ 6,159,375
Total	\$ 25,303,125



costs

■ Preliminary feasibility analysis

(years 1-10)

<u>Revenues</u>	Phases Ia , Ib / Years 1 - 10	Comments:
New property taxes	\$ 3,830,310	Includes residential, retail, office and industrial
New sales taxes	\$ 4,237,152	From new retail development
Annexed Sales & Property Taxes; Other Revenues	\$ 354,180	From newly annexed properties and existing area businesses
Water District Contribution	\$ 2,594,688	33% share of water improvements
<u>PLUS: Sewer Capital Fee</u>	\$ 167,000	<i>Added sewer fee per unit and per 1,000 sq. feet of non-residential</i>
<u>Trans. Dev. District</u>	<u>\$ 216,000</u>	<i>0.5% new sales tax for transportation improvements</i>
TOTAL REVENUES	\$11,399,330	
<u>Expenses</u>		
Construction Cost of Infrastructure	\$ 29,098,594	Includes 15% for financing costs; assumes 100% cost incurred by city
<u>Added City Services</u>	<u>\$ 267,900</u>	<u>General government services</u>
Net Total	(\$17,967,164)	NOT FEASIBLE IF VIEWED OVER 1st 10 YEARS ONLY

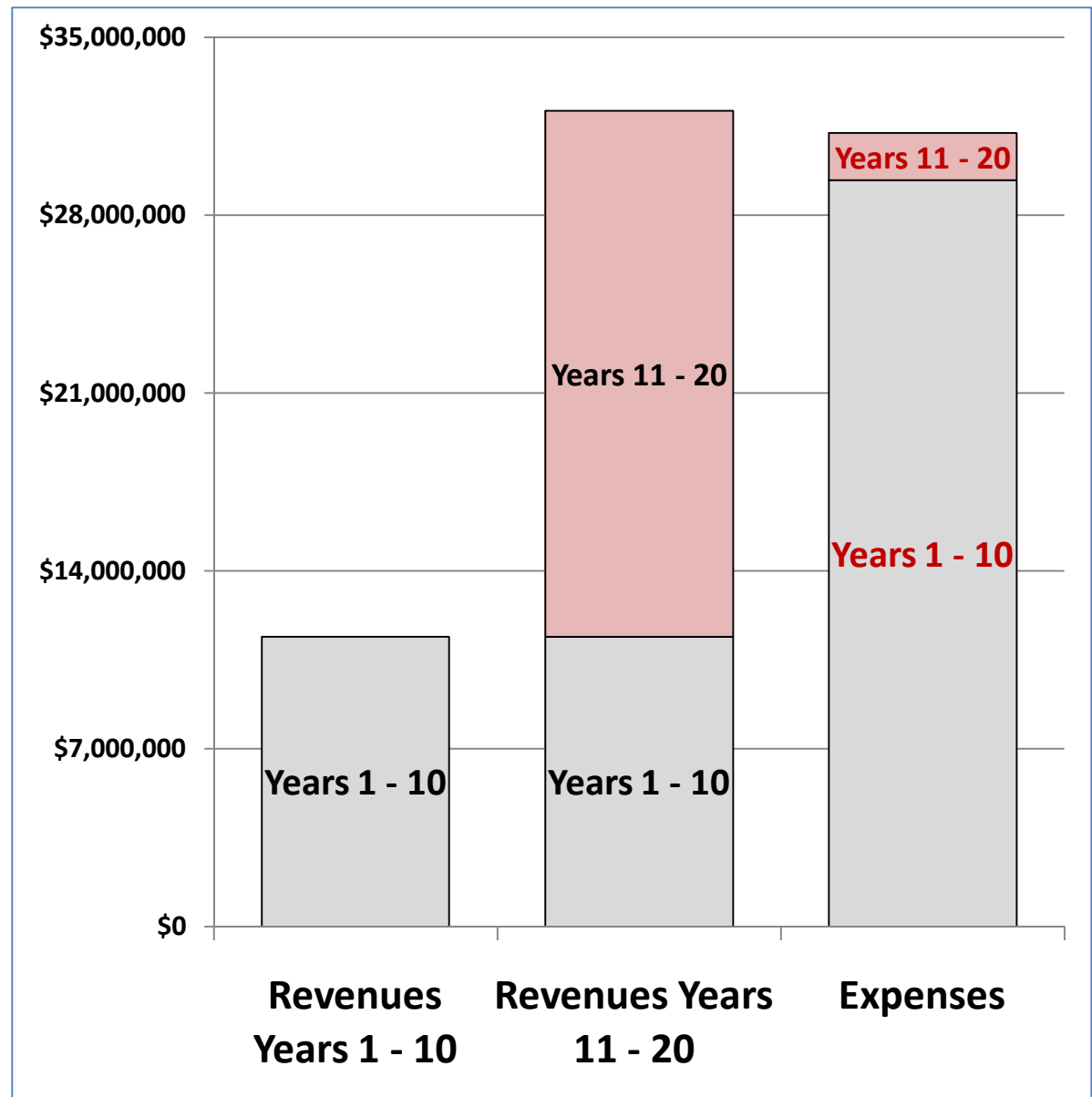
Project Financial Feasibility

*Years 1 – 10,
Years 1 - 20*

- Est. \$18 million shortfall over the first 10 years

BUT ...

- Project becomes feasible with 10 years of new development revenues collected for 20 years (includes 33% contribution for water improvement costs from Water District(s) and new 0.5% TDD on retail sales in the annexed area



feasibility

■ Preliminary feasibility analysis

(years 1-20)

<u>Revenues</u>	Phases I , II / Years 1 - 10	Years 11 - 20	Total Years 1 – 20
New property taxes	\$ 3,830,310	\$ 8,212,461	\$12,042,771
New sales taxes	\$ 4,237,152	\$ 9,455,290	\$13,692,441
Annexed Sales & Property Taxes; Other Revenues	\$ 354,180	\$ 1,946,580	\$ 2,300,760
Water District(s) Contribution	\$ 2,594,688	\$0	\$ 2,594,688
PLUS: Sewer Capital Fee	\$ 167,000	\$0	\$ 167,000
<u>Trans. Dev. District</u>	<u>\$ 216,000</u>	<u>\$ 1,100,000</u>	<u>\$ 1,316,000</u>
TOTAL REVENUES	\$11,399,330	\$20,714,331	\$32,113,661
<u>Expenses</u>			
Construction Cost of Infrastructure (+15%)	\$29,098,594		\$29,098,594
<u>Added City Services</u>	<u>\$ 267,900</u>	<u>\$ 1,860,300</u>	<u>\$ 2,128,200</u>
Net Total	(\$17,967,164)	\$18,854,031	\$ 886,866

■ feasibility analysis conclusions

1. Area is viable for Augusta to attract new and/or expanded commercial and industrial development in the future.
2. Upfront cost of transportation, water and wastewater improvements places financial burden on the city in the first 10 years (Phase 1a and 1b) – but improvements will last more than 20 years.
3. Therefore, project financially feasible with:
 - a. 33% cost of water improvements from Water District(s);
 - b. 0.5% Transportation Development District and
 - c. Revenues from new development over first 10 years (Phases 1a and 1b) with 20 years of revenues.

feasibility summary

tool box

- **topics**
 - land use and development
 - infrastructure
 - economics

- **implementation**
 - action
 - policy / action / strategy
 - responsibility
 - Comments

- **funding sources**
 - local
 - state
 - federal

ACTION	POLICY / ACTION / STRATEGY	RESPONSIBILITY	COMMENTS
LAND USE AND DEVELOPMENT			
<i>Annexation</i>	<ul style="list-style-type: none"> • Consider annexation of urban levels of development at the time of development proposal / rezoning. • Require development at urban intensities to consent to annexation. 	<ul style="list-style-type: none"> • City / County 	<ul style="list-style-type: none"> • Look at logical pieces to annex that may be larger than proposed development.
<i>Zoning Changes</i>	<ul style="list-style-type: none"> • Consider zoning changes with proposed development plan. • Require an annexation agreement with zoning changes. 	<ul style="list-style-type: none"> • City 	<ul style="list-style-type: none"> • Approve zoning changes that are in conformance with the land use plan defined herein.
<i>Right-of-way</i>	<ul style="list-style-type: none"> • Secure additional right-of-way through dedication as development occurs for new and upgraded arterial and connector streets. 	<ul style="list-style-type: none"> • City / County / State (KDOT) 	<ul style="list-style-type: none"> • Investigate different deferral arrangements for the construction of streets in which continuous rights-of-way are not available.
<i>Development Standards</i>	<ul style="list-style-type: none"> • Ensure an efficient pattern and use of infrastructure in West Augusta and along the US 54/400 Corridor. • Prepare development standards that guide the pattern of development within the corridor. 	<ul style="list-style-type: none"> • City 	
<i>Design Guidelines</i>	<ul style="list-style-type: none"> • Ensure a higher standard of development within the US 54/400 Corridor. • Proactively prepare corridor design guidelines to create an aesthetically pleasing west entry to Augusta. 	<ul style="list-style-type: none"> • City 	

tool box



discussion

- **final plan report**

next steps

west augusta development feasibility