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DOWNTOWN REDEVELOPMENT: A FEASIBILITY ANALYSIS OF
ENHANCED RELOCATION SERVICES IN MANHATTAN, KANSAS

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CHAPTER 1
INTRODUCTION

This report is a step toward developing a method of assessing the impact of business relocation caused by redevelopment. It represents only a small portion of the total amount of research which needs to be done to determine all of the costs and benefits of redevelopment. In particular, this study examines the loss of city tax revenues attributable to businesses that fail after relocation, or that choose to accept a cash settlement rather than relocate at a new location within the city. This study then proposes an evaluation method which can be used to justify a certain level of city-sponsored relocation assistance, in order to minimize the potential loss of the tax revenue caused by forced relocation.

This report used the proposed Manhattan, Kansas Downtown Redevelopment project as a case study to illustrate the method developed within the report. While it is suggested that there is little question that the new Manhattan mall will generate, at least temporarily, more tax revenue than the businesses it will displace, the question remains as to how much additional revenue can be generated by increasing the number of businesses that are otherwise expected to survive the redevelopment and relocation, or otherwise choose an in lieu payment over relocation.

This study is intended to be a "first cut" at determining potential hidden costs encountered by the city in relocating small downtown businesses. It was found that in the Manhattan case study that there was a significant amount of revenue which could be saved by enhancing

current relocation assistance efforts. The potential impact was found by determining the amount of revenue that the displaced businesses represented. This was done by choosing an expected failure rate and then calculating the tax dollars the failing business would represent. A factor which hampered this strategy was the lack of a method to determine the proportion of retail volume lost by the failing businesses which would be taken over by other businesses in the city's taxing district. But it is felt that this has been compensated by the use of conservative assumptions.

Precise programs are not outlined due to recommendations of relocation officials in Boston¹ and Portland.² It was the relocation officers' collective opinion that relocation assistance programs are best structured by closely working with individual businessmen being relocated to determine what strategy will be most effective according to individual business needs.

CHAPTER 2

BACKGROUND

The city of Manhattan is currently undertaking a downtown redevelopment project to revitalize a portion of its central business district (CBD). The Manhattan CBD is defined as a 44 block area bounded by Osage Street on the North, U.S. Highway 24 and the Manhattan levee system on the east, El Paso Street on the south and Sixth Street on the west. (see Appendix 1, page 5, map 2.)

Like Manhattan, CBD's across the country have lost much of their commercial vitality over the past thirty years. In the early 19th century the majority of a city's functions occurred in the CBD, including government, transportation and shipping, industry, retailing, and residential activities. Together, these activities made the downtown a viable place for the businesses, their employees and their customers. Further, because the predominant mode of transportation was walking, schools, retail stores, and factories chose to locate close to residences, a condensed and a cohesive downtown was formed.

The development of the horse powered street car in the early 20th century made it possible for people who sought increased space and quiet to live farther away from the downtown. In turn, the CBD became more specialized. On the one hand, industries that required a large amount of land could move outside the CBD where land prices were less expensive and where new pools of working men were located. On the other hand, retailing businesses became more specialized and complex as their trade area expanded in volume and area. Government banks and other related

insititutions also grew in prominence downtown. Later, public transportation system also made it possible for people to live yet farther away from downtown as well as from their place of employment.

In response to the Depression, mortgage insurance programs such as the Federal Housing Administration and the and the Veterans Administration subsidized a boom in suburban housing. This coupled with federal support for highway construction further dampened the utility of downtown as a center of certain functions, namely retailing. These programs also weakened the viability of mass transit systems by diffusing the population and thus placed the CBD in an inferior position. People began to enjoy a high level of both financial and physical mobility that they had never before known. Trucks allowed industry to locate away from established transportation lines. Retail development followed the population to the suburbs with services, hotels and entertainment close behind; further, the outdated design and capacity of the CBD could not accommodate the increased number of automobiles. The exodus from the CBD aided by these and other factors had a severe impact on retailing and related businesses, and they began to falter. The public sector is not only concerned about the reduced level of retailing and related services downtown, but also with the loss of tax dollars when these businesses fail.

To halt or at least slow the deterioration of downtown areas, city governments often decide to undertake downtown redevelopment projects. These are typically partnerships between the public and the private sector, where the private sector is formally linked together in a

variety of legal ways.

These redevelopment efforts have been encouraged by the Federal Urban Development Action Grants (UDAG), which provides a city with the financial support needed to pursue a redevelopment project. UDAG has, in fact, set aside ten million dollars to Manhattan for its downtown mall redevelopment effort.

For its part, the City of Manhattan will use its power of eminent domain to assemble the necessary land for the project. In general, the eminent domain process requires that the land owners and occupants of a redevelopment area relinquish their property or business to the City, for which they will receive just compensation for their loss. The City, however, must comply with the Uniform Relocation Act, which establishes a consistent set of guidelines for relocation and compensation. In order to meet these requirements, the City of Manhattan will provide six general types of services to businesses pending displacement. (For further details see Appendix C, page 20.) These services and the general sequence with which they will be provided can be summarized in the following way from the Manhattan Relocation Plan:

1. Relocation Interview Replacement Needs. When conducting a "Pre-Relocation Interview Meeting", the relocation staff will determine the replacement business needs of the occupant. This interview will also determine the nature of the business being displaced and the real property which it occupies, its location criteria, building and space requirements, and other factors. Based on this information gathered during this stage, he will then begin work on referring replacement property to the occupant.

2. Referral of Replacement Business Property. Referrals of replacement business property will be made by the relocation staff to businesses wishing to relocate, but only after the property has been acquired (except in such cases where the relocation staff has been requested and authorized to do so prior to acquisition), and provided that referrals will be limited to the extent practical to that replacement property which can be purchased or rented within the financial capability of the business.

For their part, the relocation staff will establish working relationships with local realtors and property managers, and through them make referrals available to the occupants. In addition, the relocation staff will encourage self-referrals directly from the owners of available replacement property. After matching the characteristics of the replacement property with identified replacement needs of the acquired property, the relocation staff will then provide such services as may be necessary in the preparation of letters, purchase contracts, mortgage financing, and other activities necessary for the displaced party to secure possession of the replacement property.

3. Certification of Moving Inventory. After securing possession of a replacement site, the business occupant will be required to notify the relocation office of his approximate moving date, at least thirty days prior to the moving date. Upon receiving this notice, the relocation staff will then meet with the occupant and inspect the site and prepare a certified inventory of all the personal property which is to be moved. Additional inventories will be prepared for personal property not to be

removed as well as substitutions in the replacement site. The final inventory will then be prepared and presented to the occupant. Relocation staff will use the inventory to obtain the appropriate number of moving bids/estimates from commercial moving companies. When receiving the certified inventory, the occupant will also be informed about self-move relocation policies.

In the case of a business that does not want to relocate and, therefore, cease operating as a business, the relocation staff will secure the appropriate accounting documents to compute a fixed payment in-lieu of a payment for actual moving and related expenses. This computation, with supporting documentation, will then be submitted to the City for approval with payment made after the relocation staff has notified the City that the occupant has terminated his present business.

4. Moving Bids and Estimates. All other considerations being equal, the relocation staff will recommend to the City that the lowest cost mover be selected to make the move. Upon approval from the City, the relocation staff will then refer the authorized mover to the occupant and provide, as necessary, aid in securing credit for the move. In the event of a self-move, the City will make a payment to the displaced party after the move has been completed in an amount not to exceed the lowest bid for that move.

5. Monitoring Move to Replacement Site. The relocation staff will monitor each business move to assure that all property on the certified inventory is properly detached, moved and reinstalled. Based on this monitoring, a certification will be issued by the relocation staff

approving payment by the City to the mover. In addition, during this monitoring period, the relocation staff will provide general assistance to the occupant for eligible payment of direct losses of personal property and substitutions for replaced personal property. This assistance will include help in the conduct of sales for direct loss of personal property and the computation of payments for substitutions of personal property at the replacement site.

Upon the movement of disposal of personal property from the acquired property, the relocation staff will then notify the City that the property is then vacant and ready for subsequent site demolition and clearance.

6. Preparation of Relocation Claim. After moving into the replacement business site, the relocation staff will visit the site and begin providing assistance to the occupant in his filing of relocation payment claims. Upon preparation of these claims and the assembling of supporting documentation, the relocation staff will submit the claims to the City for subsequent approval and payment. All payments will be made by the City to the concerned claimant or mover. Upon completion of payment, the relocation staff will then close the case and file and make arrangements for its retention for a period of three years after the project has been completed.

Studies show that, even with the level of compensation proposed by the City, significant numbers of businesses will decide not to relocate, and others that do relocate often fail at their new locations. For example, a study by Saperstein³ in 1969 investigated the impact of

relocation on businesses displaced by the "Elmwood 1" project in Detroit. The study found that 50 of the businesses which were relocated failed to survive. These businesses were similar to those being displaced in the Manhattan redevelopment project, since both involve businesses that were paying low rent, had a low number of employees, and were having to move to space which rented for about twice the amount that they were currently paying. Through informal interviews with businessmen in the Manhattan redevelopment area, this researcher found that approximately 60% of the Manhattan businesses had 5 or fewer employees and that rental costs would shift from the range of 1.5-2 dollars per square foot to 6-8 dollars per square foot. This increase in rent obviously places the relocating businesses under severe stress, and the mere prospect of paying the increased rent may cause a large number of businesses to sell out instead of relocate. Another study, conducted by Zimmer in 1964⁴ of a Providence, Rhode Island urban renewal project, found that the majority of businesses which failed after relocation were small businesses with typically 2 to 3 employees. In his study it was found that slightly over one-third of the relocated businesses failed.

How successful these relocation efforts are in helping displaced businesses stay in business will have a direct bearing on how much additional tax revenue the City can secure. But, how successful will Manhattan be in this regard? Interviews with the Portland Development Commission⁵ and the Boston Redevelopment Agency, revealed that, to their knowledge, no serious work has been done on quantifying the failure rates of relocated businesses. However, Portland, where state

regulations require a higher level of relocation assistance than is provided for in the Uniform Relocation Assistance Act, (and more than Manhattan's has chosen to follow), thus giving businesses a higher incentive to relocate. It has found that typically 20% of the displaced businesses decide to sell out rather than to relocate. Therefore, with this information in mind, it would seem that assuming a total failure rate of one third could be justifiable. In Manhattan's case this could mean that out of the 80 businesses being displaced 16 would not relocate, and 10 would fail after relocation for a total loss of 26 businesses potentially -- assuming the failure rates of 20 years ago are still valid today. Using this assumption, it is possible to begin estimating the impact that the relocation of business will have on city revenues.

The purpose of this study is to estimate the net present value of the reduction in the city's cash flow. This will be done considering failure rates of 20, 33 and 50% of the displaced businesses. Recommendations will then be made based upon the findings. In general, any strategy for enhancing relocation assistance is a cost that should be applied to the overall cost of the redevelopment project. On the other hand, any tax revenue that the city could have continued to receive if a displaced business were to be properly supported, during and after relocation, but fails to collect, is also a cost. While both these costs may not be significant compared to the potential tax revenue generated by the redevelopment project, it would seem foolish for the city to ignore the potential for reducing the social and financial impact of redevelopment while at the same time generating additional tax revenues.

CHAPTER 3
METHODOLOGY

While this researcher does not dispute that the Manhattan Mall could possibly generate more tax revenue than the businesses it will displace, the question remains as to how much tax revenue can be saved if many of the displaced businesses can be successfully relocated under an enhanced relocation program than might survive under the apparent relocation plan. To this date, according to both the Portland⁵ and Boston⁶ development departments, there is no research that evaluates the effectiveness of enhanced relocation assistance in this regard. However, both agencies felt that enhanced relocation assistance can be effective if properly designed. This topic will be further discussed in the recommendations section.

To effectively evaluate the financial impact that failing businesses have on the City, it is useful to use the Net Present Value method. By determining the present value of the stream of tax revenues generated by businesses that are saved from termination by an enhanced relocation program, it is possible to compare the cost of enhanced relocation with the benefits of saving these businesses in current dollars. The period of analysis for this study will be 20 years. This provides an idea of what the impact of losing a business will be over time.

The interest rate chosen was 8% since this is the typical rate that a municipality would receive if it invested the revenues received in tax exempt government bonds.

For this study the proportion of displaced businesses which do not continue business after the redevelopment project will be considered the failure rate.

An inflation rate of 4% was used for this study. This was obtained by averaging the inflation rates for past years.

The premise of this report is that if the net present value of additional tax revenues exceeds the present value of enhanced relocation, then the city would be better off by pursuing an enhancement effort. Since businesses are assessed generally three kinds of taxes including property, sales, and franchise, this evaluation will be done in three parts, respectively.

Property Tax

For the purpose of this report, property tax reduction will only cover business property and not improvement taxes. This is due to the difficulty of determining the variation between the property tax differential of a displaced business at its present location, and that same business at a new location. Depending on the surrounding circumstances, the assessment of this property could fluctuate at a widely varying rate, or possibly remain the same. The present value of the business property tax was determined by multiplying the assessed valuation of the displaced businesses by the city's share of the county's mil levey. This however, does not account for inflation of the mil levey which through an interview with the county appraiser was determined to be 1.5% annually⁷ (based on past data from Riley County). (See Table 1, page 16.)

Sales Tax

Sales tax receipts are a major part of the displaced businesses' financial contribution to the city. Due to the confidential nature of sales tax receipts, however, it was necessary to use an averaging technique to determine the volume of taxable retail sale done by the displaced businesses. This was achieved by examining similar businesses in the region, and it appears that in this region the annual dollar volume of these types of businesses is approximately \$51.40 per sq. ft.⁸

What must also be determined, however, is the indirect loss of sales tax revenue brought about by displaced workers leaving the taxing district or receiving unemployed in the area. In other words, the multiplier effect and displaced businesses must be accounted for. The multiplier is the amount of money which is recirculated through a city's economy due to a business transaction with support businesses and the money which that business employees spend on taxable items. By using this type of multiplier, it is possible to consider the payments made by the original business to the businesses which serve them. For this report, the multiplier coefficient value will be 1.764, based on a recent study of Western Kansas.⁹ In other words, for every dollar that passes through one of the displaced businesses, 1.764 dollars is recirculated in the community through supporting businesses. From previous studies, it seems that 25 percent of that money is expended on taxable items; 1.5 percent of this amount then represents tax payments to the city. Again, as with business property tax, the original figure does not reflect the present dollar value of the potential loss to the

Franchise Tax

In Manhattan, there is a franchise tax on cable TV, Kansas Power and Light, and Southwestern Bell and other utilities in exchange for their use of public right-of-ways. The amount is based on the utility charges assessed in the community. An interview with Mr. Hayen, the Manhattan City financial Manager, determined that an assumption of \$100/month would be a safe estimate for the approximately 80 businesses that are located in the redevelopment area. This represents an annual payment of \$8,000 per month, or \$96,000 per year. Thus, using the failure assumptions with the tax of 3.5 percent yields a potential annual loss. Since it is difficult to speculate on future energy prices, they will be held constant to determine the present value of this annual payment. The present value will be estimated using the previous assumption of an 8 percent return and a borrowing rate of 8 percent. (See Table 3)

Calculations

Estimate Business Property Tax in Redevelopment area

Assessed Value of Business Property	\$482,917
x Mill Levey	117.66/\$1000
<hr/>	
Total to County	\$ 56,820 Annually
x 25% (City's Share)	\$ 14,205 Annually

Total for Various Failure Rates

<u>1/5</u>	<u>1/3</u>	<u>1/2</u>
\$2,841	\$4,735	\$7,102

Table 1: Present Value of Business Property Tax

<u>Year</u>	<u>Mill Levey Increase</u>	<u>Interest Rate</u>	<u>Value</u>
1	(1.015) ¹⁹	(1.08) ¹	1.433
2	(1.015) ¹⁸	(1.08) ²	1.523
3	(1.015) ¹⁷	(1.08) ³	1.623
4	(1.015) ¹⁶	(1.08) ⁴	1.726
5	(1.015) ¹⁵	(1.08) ⁵	1.837
6	(1.015) ¹⁴	(1.08) ⁶	1.955
7	(1.015) ¹³	(1.08) ⁷	2.080
8	(1.015) ¹²	(1.08) ⁸	2.213
9	(1.015) ¹¹	(1.08) ⁹	2.355
10	(1.015) ¹⁰	(1.08) ¹⁰	2.506
11	(1.015) ⁹	(1.08) ¹¹	2.666
12	(1.015) ⁸	(1.08) ¹²	2.837
13	(1.015) ⁷	(1.08) ¹³	3.018
14	(1.015) ⁶	(1.08) ¹⁴	3.212
15	(1.015) ⁵	(1.08) ¹⁵	3.417
16	(1.015) ⁴	(1.08) ¹⁶	3.636
17	(1.015) ³	(1.08) ¹⁷	3.869
18	(1.015) ²	(1.08) ¹⁸	4.117
19	(1.015) ¹	(1.08) ¹⁹	4.380
20	---	(1.08) ²⁰	4.661
			<hr/> 55.066

$$\text{Discount Rate} = \frac{1}{(1.08)^{20}} = .215$$

$$\text{Present Value Multiplier} = .215 * 55.066 = 11.839$$

Present Value for Various Failure Rates

1/5	1/3	1/2
\$33,635	\$56,058	\$184,081

Estimate Sales Tax

Square Footage of Retail Rental Space	31,060	Sq. Ft.
Sq. Ft. Vol. for Neighborhood Shopping Centers Lower Decile (Midwest)	51.40/Sq. Ft.	
<u>Total Sales Volume</u>	<u>\$1,596,484</u>	
City's Share 1.5%		<u>.015</u>
		23,947

Table 2: Future Value of Sales Tax Dollar

<u>Year</u>	<u>Inflation Rate</u>	<u>Interest Rate</u>	<u>Value</u>
1		(1.08) ²⁰	4.661
2	(1.04) ¹	(1.08) ¹⁹	4.888
3	(1.04) ²	(1.08) ¹⁸	4.322
4	(1.04) ³	(1.08) ¹⁷	4.162
5	(1.04) ⁴	(1.08) ¹⁶	4.007
6	(1.04) ⁵	(1.08) ¹⁵	3.859
7	(1.04) ⁶	(1.08) ¹⁴	3.716
8	(1.04) ⁷	(1.08) ¹³	3.579
9	(1.04) ⁸	(1.08) ¹²	3.446
10	(1.04) ⁹	(1.08) ¹¹	3.319
11	(1.04) ¹⁰	(1.08) ¹⁰	3.196
12	(1.04) ¹¹	(1.08) ⁹	3.077
13	(1.04) ¹²	(1.08) ⁸	2.963
14	(1.04) ¹³	(1.08) ⁷	2.854
15	(1.04) ¹⁴	(1.08) ⁶	2.748
16	(1.04) ¹⁵	(1.08) ⁵	2.646
17	(1.04) ¹⁶	(1.08) ⁴	2.548
18	(1.04) ¹⁷	(1.08) ³	2.454
19	(1.04) ¹⁸	(1.08) ²	2.363
20	(1.04) ¹⁹	(1.08) ¹	2.275
			<u>67.083</u>

Discount Rate = $\frac{1}{(1.08)^{20}} = .215$

Present dollar value = $.215 * 67.083 = 14.423$

Present Value for Various Failure Rates

<u>1/5</u>	<u>1/3</u>	<u>1/2</u>
\$69,078	\$115,118	\$172,694

Multiplier Effect

Sales Volume	\$1,596,484
x Output Multiplier	<u>1,764</u>
Total	\$2,816,198

<u>Proportion Recirculated</u>	.25
Total Recirculated	\$704,049 Annually

City's Share .015

Total Payment \$ 10,560 Annually

Present Value for Various Failure Rates

<u>1/5</u>	<u>1/3</u>	<u>1/2</u>
\$30,463	\$ 50,721	\$ 76,159

Franchise Tax

Estimates Bills	96,000
Percentage Tax	<u>.035</u>
Total	<u>3,360</u>

Table 3: Present Value of Franchise Tax

<u>Year</u>	<u>Return</u>	<u>Value</u>
1	(1.08) ²⁰	4.661
2	(1.08) ¹⁹	4.316
3	(1.08) ¹⁸	3.996
4	(1.08) ¹⁷	3.700
5	(1.08) ¹⁶	3.426
6	(1.08) ¹⁵	3.172
7	(1.08) ¹⁴	2.937
8	(1.08) ¹³	2.720
9	(1.08) ¹²	2.581
10	(1.08) ¹¹	2.332
11	(1.08) ¹⁰	2.159
12	(1.08) ⁹	1.999
13	(1.08) ⁸	1.851
14	(1.08) ⁷	1.714
15	(1.08) ⁶	1.587
16	(1.08) ⁵	1.469
17	(1.08) ⁴	1.360
18	(1.08) ³	1.260
19	(1.08) ²	1.166
20	(1.08) ¹	<u>1.080</u>
		49.486

$$\text{Discount Rate} = \frac{1}{(1.08)^{20}} = .215$$

$$\text{Present Value Multiplier } 49.486 \times .215 = 10.639$$

Present Value of Various Failure Rates

1/5	1/3	1/2
\$ 7,150	\$ 11,916	\$17,875

Table 4: Potential Annual Tax Loss (Dollars)

Tax	Failure Rate		
	20%	33%	50%
Business Property	33,635	56,058	84,081
Sales (Initial)	69,078	115,118	172,694
Sales (Recirculated)	30,463	50,721	76,159
Franchise	7,150	11,916	17,875
Total	140,326	233,813	350,809

CHAPTER 4

RESULTS AND RECOMMENDATIONS

This chapter will address what revenue is potentially at stake for the City of Manhattan. This researcher will consider the one-third failure rate to be the most reasonable. Considering the data generated in this study, the City is faced with a choice of ignoring a potential revenue loss of \$233,800 or making an effort to implement some type of enhanced relocation services.

This researcher's inquiry shows literature addressing the issue of business relocation is somewhat thin. One source that was located was called Special Report 192, Relocation and Real Property Acquisition, which is the conference proceedings held in 1981 by the Federal Highway Commission.¹⁰ The majority of the conference members, which consisted of relocation officials, felt that additional help should be given to relocated businesses. The officials felt that under current regulations "it is possible to "take" a person's home, but it must be well paid for, yet it is still possible to take a person's livelihood (i.e., business), while he or she receives little payment." Several suggestions were made at the conference:

- 1) In relocating a business, a replacement facility should be required before the business is forced to move;
- 2) The business must have been acquired as a going concern;
- 3) Loans, with substantial reduction in the interest rate, would be very helpful;

- 4) The in-lieu-of payment should be increased; and
- 5) The interests and aid of the relocation assistant specialists should be expanded.

Of the five suggestions, the last three received the most emphasis, with the loan provision favored by the majority.

It can be seen from the large dollar amount, which the potentially failing businesses represent, that even a minimal effort, or minimum enhancement of relocation assistance, could be cost effective. Thirty three percent of the potentially failing businesses is approximately 26 businesses. To save only one of those businesses would potentially mean a savings of \$10,216 to the city. Table 5 (following) shows the dollar amount saved for different enhancement levels. It would seem that effectively increasing the level of assistance to displaced businesses is not only beneficial from a socially responsible perspective, but from a financial viewpoint as well.

Based on the information in Table 5, a wide variety of options become available for enhancing relocation services. This researcher recommends spending a minimum of \$50,000 on enhancement of services. With this level of investment, the City would need to lower the number of potentially failing businesses by 5 or 20%. Considering the current economic situation, this enhancement seems quite reasonable.

Table 5: Present Value of Businesses Saved (Dollars)

Businesses Saved	Present Dollar Value
1	10,216
2	20,432
3	30,648
4	40,864
5	51,080
10	102,160
20	204,320

Some options previously mentioned were low interest loan programs increased in-lieu-of payments, and expanded interests of relocation specialists.

Low Interest Loans--To lower the failure rate of the relocated businesses, it may be effective to implement a low interest loan program. This program would be available only to the businesses being displaced and would carry requirements to assure that the businesses receiving the funds would relocate within the city. Another stipulation would be that the business would have to remain active for a specified period of time or suffer some sort of penalty.

A crucial part of the program would be its marketing. It would be necessary to work with the businesses so that they are fully aware of the options open to them. Obviously if this is not done well, people will not fully take advantage of the program and it will be ineffective.

Increased in-Lieu-of Payments--These payments are subject to an agreement which must be performed. Such requirements might be that the

business remains in the city, and/or that business people would perform certain collective activities to improve their business prospects as well as those around them. An example might be requiring attendance and participation in a local business association which worked on marketing strategies to improve the viability of their businesses. Another example might be required participation in a market study which more effectively determined market needs so that a better consumer/business relationship could occur. Yet another possibility might be mandatory participation in an effort to establish local buying groups so that small businesses could increase their buying power and offer better prices to the public.

Expanded Interest of Relocation Specialists--This option has many possibilities. The city could expand its relocation assistance to include business counseling, collective bargaining, and development project packaging. This action would give relocated business multiple options to better their position so that their chances of survival.

In talking with people from the Boston Redevelopment Agency¹¹ and the Portland Development Commission,¹² a general concensus was established that by offering these increased services the failure rate of relocated businesses could be reduced.

In an interview with Stan Jones of the Portland Development Commission,¹³ he noted that in Oregon there is a state law which requires a higher level of compensation than is specified by the Uniform Relocation Act. It was found that a major problem with all relocation strategies is the attitude of the businessmen being relocated. If there

is not a close working relationship between city officials and the businessmen being relocated, a program has little chance for success. It is crucial for the people being displaced to feel that they have an advocate, that the relocation officers are working for them, not against them.

Typically, the types of businesses which are relocated are single proprietorships with a small number of employees. The owners are not interested in being burdened with a high level of indebtedness and sometimes do not realize the value of cooperative efforts. Often these people are not experienced with group bargaining situations, and feel a high degree of frustration when having to make a collective decision with a large number of people.¹⁴ This behavior presents a substantial challenge to the city that wishes to enhance the degree of support that these businesses receive due to relocation.

There are efforts underway to increase relocation benefits at the national level, but this action can not be counted on. The legislation would increase the maximum in-lieu-of payment from \$10,000 to \$20,000. This is the amount that a business may receive rather than payment for moving expenses. Other programs which have been discussed in the Portland area are rent subsidies and special rehabilitation projects to house relocated businesses. As of yet, there is no quantitative data addressing the success of these or any other program, nor the cost of operating them. According to both the Boston and Portland Agency, to the best of their knowledge, none of this data exists, while both agree there is a need for it.

CHAPTER 5

CONCLUSION

A variety of options are open to the City of Manhattan to lessen the impact of redevelopment on displaced businesses. The crucial factor is that it be done in close collaboration with the existing businesses. The largest barrier to success seems to be the lack of coordinated human relations. From this author's experience, the City of Manhattan has been traditionally weak in this area, especially in the area of downtown redevelopment. It is the recommendation of this study that the City of Manhattan undertake some type of enhanced relocation assistance program. The program should be developed by working closely with the businesses being displaced so that the program will be seen by the businessmen as offering help rather than telling them what to do. Again, the most crucial point, no matter what the program, is that it is administered in a manner which is not offensive to the people operating the businesses being relocated.

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FOOTNOTES

¹Daly, T. Boston Redevelopment Agency. Telephone interview, 18 March 1985.

²Jones, S., Portland Development Commission. Telephone interview, 1 April 1985.

³Fattaey, Abe. Impact of Redevelopment in Manhattan. A report for Dr. H. Mariampolaski, Kansas State University, 1980.

⁴Ibid.

⁵Jones, 1985.

⁶Daly, 1985.

⁷Schmitt, Riley County Assessor. Telephone interview, 20 March 1985.

⁸Urban Land Institute. Dollars and Cents of Shopping Centers: 1981. Urban Land Institute, 1981.

⁹Emerson, Jarvin, Kansas State University, 1985.

¹⁰Transportation Research Board. Special Report 192: Relocation and Real Property Acquisition. Washington, D.C.: National Academy of Sciences, 1981.

¹¹Daly, 1985.

¹²Jones, 1985.

¹³Ibid.

¹⁴Ibid.

APPENDIX A

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CENTRAL BUSINESS DISTRICT REDEVELOPMENT PLAN

INTRODUCTION

The continued stability and vitality of Manhattan's Central Business District (CBD) as the regional center for business, governmental, institutional and cultural activities for the City and region is endangered by blight, deterioration and obsolescence. Recognizing this danger, and considering the importance of this area to the image and long-term, physical, economic and social well-being of the community, the City Commission of the City of Manhattan has initiated a program of redevelopment action in the Central Business District.

The Central Business District is a 44 block area bounded by Osage Street on the north, U.S. Highway 24 and the Manhattan levee system on the east, El Paso Street (Rock Island Railroad) on the south and Sixth Street on the west. (MAP 1)

The redevelopment of Manhattan's CBD was found to be "feasible, desirable, and in many ways essential to the well-being of residents of the entire city." This was the conclusion of a feasibility study conducted in 1979 for Manhattan by Briscoe, Maphis, Murray and Lamont, Inc., entitled, Downtown Manhattan-Yes!. That study considered in its recommendation, aspects which are important to the Manhattan experience, such as: improving the image and character of the CBD; enhancing the CBD as the focal point of the entire community; and maintaining Poyntz Avenue as the "main street" of Manhattan. In addition, key concepts which would encourage redevelopment were recommended. These included considerations for circulation; needs of the pedestrian; revitalization techniques; and the relationship between the downtown and the neighborhoods that surround it.

An analysis of existing conditions resulted in a finding that the 15 block study area in the Central Business District of the City of Manhattan, Kansas, meets the designation as a "blighted area". These findings were specifically made by the City Commission in Resolution No. 91680-D adopted on September 16, 1980.

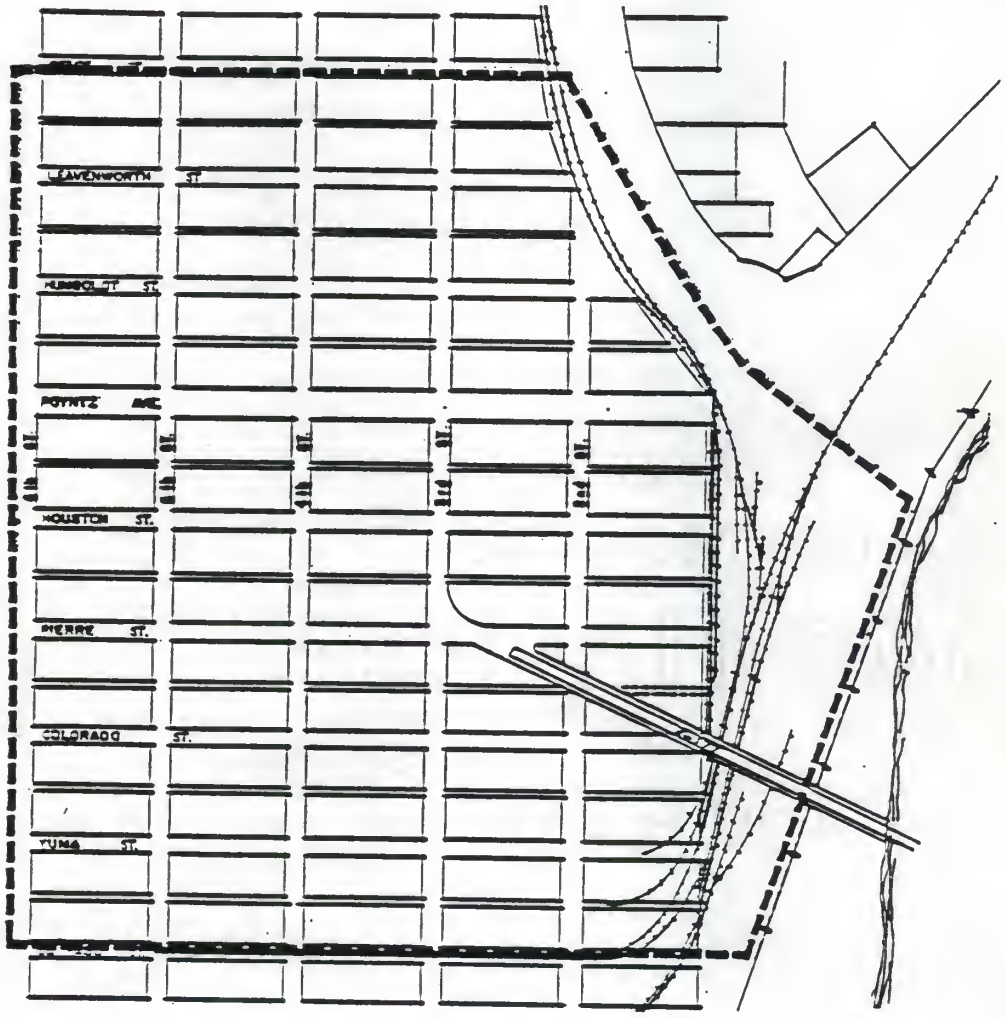
The data set out in the Eligibility Report clearly showed that the study area contains numerous factors that substantially impair or arrest the sound development and growth of the City, constitute an economic and social liability, and are a menace to the public health, safety and welfare.

The following is a summary of each of the criteria for determining eligibility for Tax Increment Financing and redevelopment. It should be noted that two of the criteria, (f) tax or special assessment delinquency exceeding the fair value of the land, and (g) defective or unusual conditions of title, were not covered in the report because they are inappropriate to this redevelopment area.

- (a) Substantial number of deteriorated or deteriorating structures; Of the 152 buildings in the study area, 6 (4%) are structurally sub-standard and 100 (66%) are deteriorated to either a minor or major degree.
- (b) Predominance of defective or inadequate street layout: In general, the Central Business District circulation system is hindered by one-way streets, ineffective intersections, inadequate parking, and poor pedestrian movement.

MAP 1

CENTRAL BUSINESS DISTRICT



- (c) Unsanitary or unsafe conditions: Surveys done in 9 of the 15 blocks show that a total of 119 unsanitary and unsafe conditions exist in the area. Of that total, four blocks display the greatest number of unsafe and unsanitary conditions (85%).
- (d) Deterioration of site improvements: All 15 blocks in the study area exhibit some degree of deterioration in site improvements. Four blocks which displayed the greatest problems were the 400 block on the north side of Poyntz and the 100, 200, and 300 blocks of Houston Street.
- (e) Diversity of ownership: The study area contains 152 structures on 146 parcels, which are under 140 separate ownerships. Such a large diversity of ownerships impairs the optimum development of the Central Business District and the City's economic growth.
- (h) Improper subdivision or obsolete platting or land uses: Of the 15 blocks under study, all but two exhibit conditions of improper subdivision or obsolete platting. Nonconforming and incompatible uses can be found on every block in the study area.
- (i) Existence of conditions which endanger life or property by fire and other causes: In the nine block area surveyed, all had buildings with fire hazards of varying degrees. Seven blocks had buildings with designs which would promote the spread of fire, four had buildings with exit violations, and four had buildings with firewall damage.
- (j) Conditions which create economic obsolescence: The Central Business District is not meeting the needs of the regional market. Existing retailing facilities are inadequate and obsolete. Parking and pedestrian circulation do not meet the shoppers' needs. This results in the loss of retail sales, sales tax revenues, jobs, and economic activity to the Manhattan community. Property values in the Central Business District have declined indicating economic obsolescence and a loss of tax base.

The redevelopment project area has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of the Redevelopment Plan. This redevelopment is designed to stimulate private investment through the public actions and commitments specified in this document.

In order to achieve the objectives of the Redevelopment Plan, the City of Manhattan will undertake the redevelopment project in accordance with this Plan.

In October, 1981, the City Commission adopted Resolution No. 100681-A indicating the City's intent to adopt the Redevelopment Plan, dated September, 1981. On December 13, 1983, the Commission adopted Ordinance No. 4102 adopting the Redevelopment Plan. This Plan has been amended since that time to reflect changes in the project scope and description.

GENERAL PROJECT DESCRIPTION

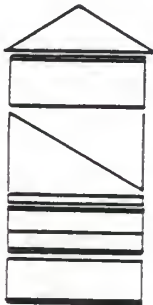
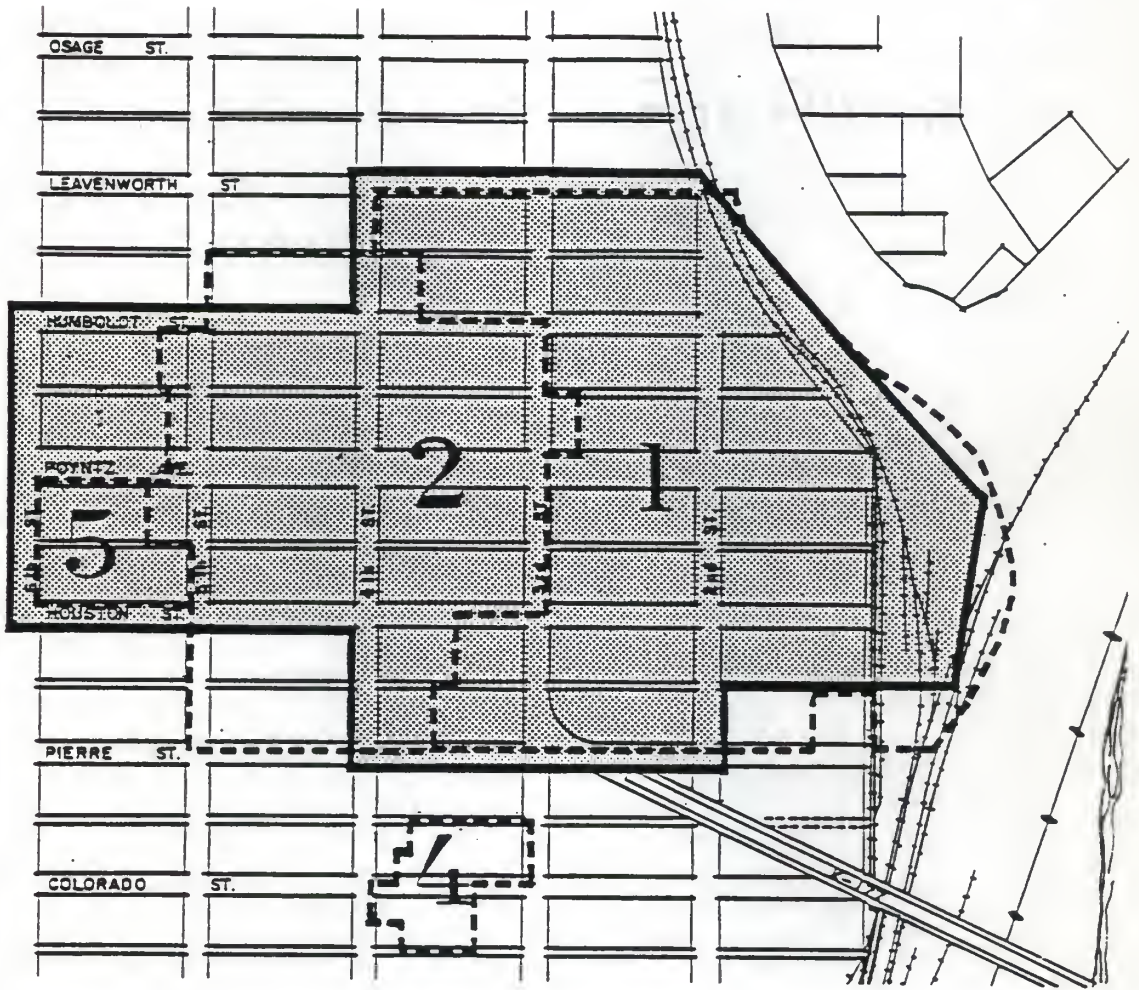
Project Area Boundary. Within the Central Business District exists the redevelopment project area composed of four subparts. (MAP 2)

- SITE 1 - Regional Shopping Mall. This includes an enclosed pedestrian mall and associated parking and will involve a total area of approximately 31 acres. The mall itself will occupy approximately 325,000 square feet of which 150,000 will be in two major department stores with the remainder in retail tenant space.
- SITE 2 - Conservation Area Rehabilitation. The rehabilitation of existing commercial structures in this retail area of the CBD will insure the physical stabilization of the core of the CBD. Local lending institutions have participated with the City in creating a Commercial Rehabilitation Loan Program through tax exempt bonds issued as a "loan to lenders" for the purpose of providing loan funds to building owners and businesses for rehabilitation of CBD commercial structures.
- SITE 4 - The service commercial development will consist of 50,000 square feet of commercial space for service commercial and automobile oriented businesses, providing a resource for relocation of displaced businesses from Transaction I. This Transaction is located on 2.3 acres of land on the north and south side of the 300 block of Colorado Street south of the Central Business District.
- SITE 5 - The Poyntz South Office Building will occupy a maximum of 69,000 square feet of leasable space and 180 parking spaces. This will be on approximately 2.24 acres located in the south side of the 500 block of Poyntz Avenue.

The use of Tax Increment Financing (TIF) necessitates the establishment of a Redevelopment Project Area in the Central Business District. This District encompasses that area in which TIF funds will be used as a part of the Central Business District redevelopment activities. It is approximately 15 blocks totalling 66.4 acres of land area bounded on the north by Leavenworth Street, on the east by the Union Pacific marshalling yards, on the south by Pierre Street, and on the west by Sixth Street. (MAP 3 - Redevelopment Project Area). The Redevelopment Project Area includes only Sites 1, 2, & 5 as Site 4 will not make use of Tax Increment funds.

MAP 2

SITE MAP



- 1 REGIONAL SHOPPING MALL
- 2 CONSERVATION AREA REHABILITATION
- 4 SOUTHSIDE SERVICE COMMERCIAL DEVELOPMENT
- 5 POYNTZ SOUTH OFFICE BUILDING
- SITE BOUNDARY
- ▨ REDEVELOPMENT PROJECT AREA

5

Existing Conditions. At present, land uses in the CBD include a mixture of retail, service, industrial and residential uses. (MAP 4 - Land Use Map - 1980). Industrial and automobile related uses dominate the east end of the area, while more intensive retail and service uses occupy the central portion of the CBD. Residential uses include single and multi-family structures in the project area and second floor apartments in commercial structures.

Buildings in the CBD range in age from relatively new to over 90 years old and are of various heights, construction types and designs. Results of a building condition survey done as a part of the Tax Increment Financing Eligibility Report are detailed in MAP 5 - Building Conditions - 1980.

OVERALL PROGRAM OBJECTIVES OF THE REDEVELOPMENT PLAN

The following objectives have been established to guide redevelopment and revitalization of the redevelopment project area. Achievement of these objectives will:

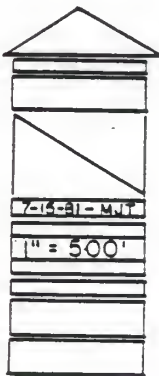
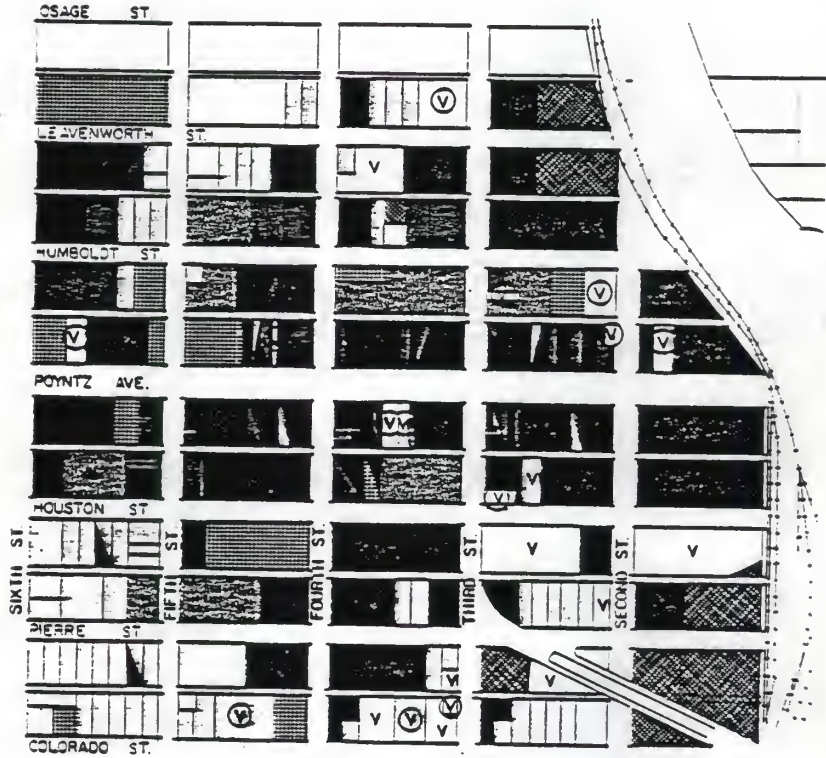
- reduce or eliminate conditions which qualified the redevelopment project area as a blighted area
- recapture escaping retail sales, thereby increasing the City's sales tax revenues and property tax base.

Redevelopment Objectives.

- a) Eliminate structurally substandard and obsolete buildings, blighting influences, unsafe conditions, and environmental deficiencies which detract from the functional unity, aesthetic appearance, and economic welfare of this important section of the city.
- b) Prevent the recurrence of blight and blighting conditions through public and private investments.
- c) Create an environment within the project area which will contribute to the health, safety, and general welfare of the city, and to preserve or enhance the value and development potential of properties adjacent to the redevelopment area.
- d) Strengthen the economic well-being of the redevelopment area and the City by increasing retail and service activities, taxable values, and job opportunities.
- e) Assemble land into parcels functionally adaptable for disposition and redevelopment in accordance with contemporary development needs and standards.
- f) Achieve development which is integrated both functionally and aesthetically with the remaining adjacent development.

MAP 4

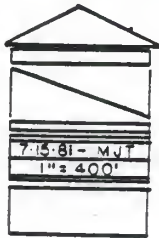
LAND USE



- RESIDENTIAL
- COMMERCIAL
- OFFICES
- INDUSTRIAL
- PUBLIC - SEMI PUBLIC
- PARKING
- MIXED USE
- VACANT LAND
- VACANT FLOOR SPACE
- AUTO RELATED

MAP 5

BUILDING CONDITIONS (1980)



SOUND
 MINOR DEFICIENT
 MAJOR DEFICIENT
 SUBSTANDARD
 SITE BOUNDARIES

- g) Redevelop the area for more intense retail/commercial use, including the creation of a modern retail environment, through renovation and facade improvements of some existing facilities, and provision of a restricted business office complex.
- h) Provide adequate off-street parking space in locations easily accessible from major thoroughfares.
- i) Improve the appearance of buildings, right-of-ways and open spaces, and encourage high standards of design.
- j) Provide sites for needed public improvements or facilities in proper relationship to the projected demand for such facilities and in accordance with accepted design criteria for such facilities.
- k) Preserve, wherever possible, historically or architecturally significant buildings and sites.

Design Objectives.

- a) Establish a pattern of land use activities arranged in compact, compatible groupings.
- b) Increase the efficiency of the existing Central Business District and strengthen the economic relationships there.
- c) Provide safe, efficient and attractive vehicular access to the project area from major regional highways, from neighborhoods throughout the city, communities throughout the region, and from other major centers of business and employment.
- d) Ensure safe and adequate vehicular and pedestrian circulation patterns and capacity serving the project area through:
 - the redesign and reconstruction of major streets where necessary.
 - the construction or reconstruction of sidewalks, walkways, street lights, traffic control devices, and other facilities as deemed necessary to contribute to pedestrian comfort and safety.
- e) Maintain a scale oriented to the pedestrian through urban design.
- f) Maintain Poyntz Avenue as Manhattan's "Main Street".
- g) Encourage coordinated development of parcels and structures in order to achieve efficient building design; multipurpose use of sites; unified off-street parking, trucking and service facilities; and internal pedestrian connections.
- h) Encourage the restoration and rehabilitation of storefronts and facades where appropriate.
- i) Provide for continuity of pedestrian activities through location and design of key facilities and public buildings.

GENERAL LAND USE PLAN

Land Use Map. The objectives and activities contained in this Plan conform with the Manhattan Central Business District Land Use Element. The Land Use Plan identifies the land use policy to be in effect upon adoption of this Plan. The land use activities and boundaries for this area (MAP 6) are based on various conditions including: existing land uses, building conditions, proposed redevelopment, proposed traffic circulation, and the relationships, both supporting and conflicting, between land use activities. Unless containment is indicated, the boundaries should be considered as schematic in nature. The land use categories within the project area are retail and restricted business.

Land use provisions and building requirements. The following land use provisions and building requirements are established for the redevelopment project area.

Permitted Uses:

Redevelopment Area:

This enclosed pedestrian mall will maintain Manhattan's position as a regional center. A broad range of compatible retail and service uses as listed in the C-4 Central Business District of the Manhattan Zoning Ordinance (No. 2650, as amended) are permitted.

Conservation Area:

Existing commercial development in the CBD will be maintained as a viable, and stable commercial area through rehabilitation and conservation efforts. Again, a broad range of compatible retail and service uses as detailed in the C-4 zoning district will be permitted.

Offices/Personal Services:

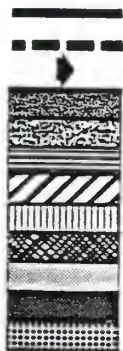
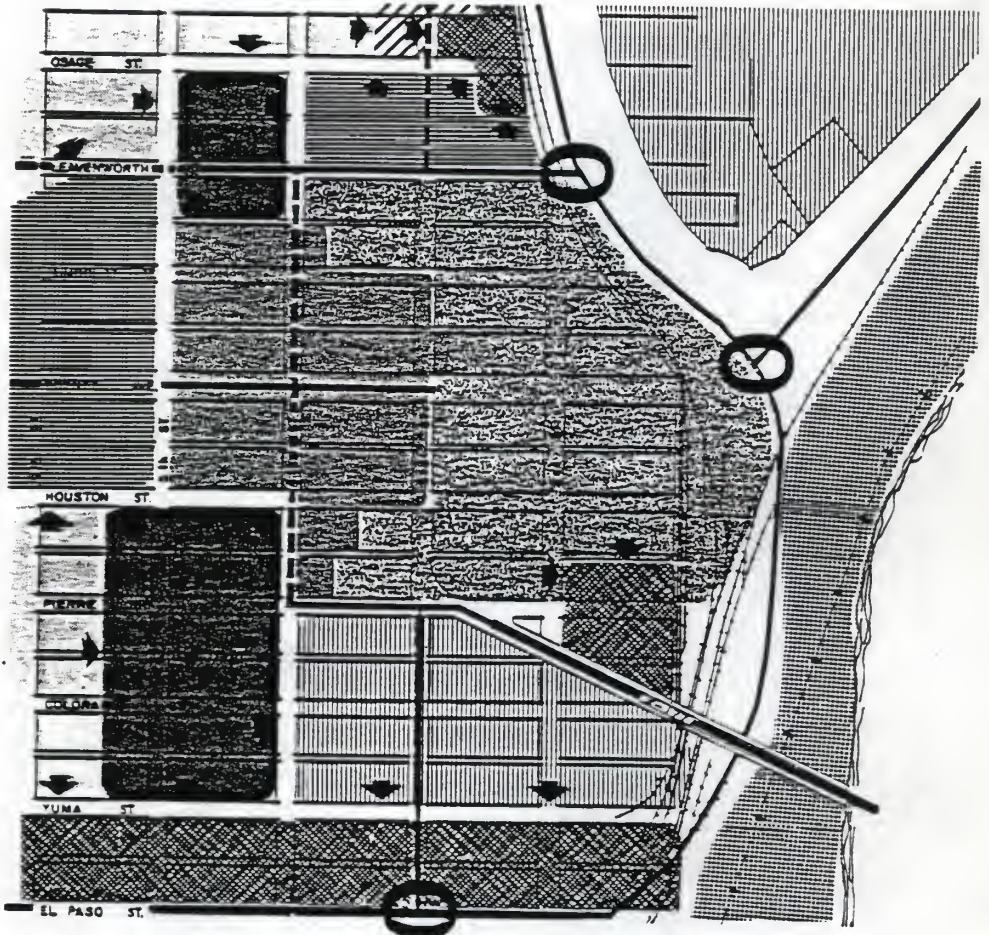
The office development will be designed to provide a restricted commercial alternative to the intense retail development to the east. Permitted uses will be those allowed by the C-4 zoning district, however, the type of development and cost of space will encourage non-retail uses, such as banks and financial institutions, and business and professional offices, etc.

Regulations and Controls:

Any land use regulations or controls applied to these areas will be the same as those contained in the Manhattan Zoning Ordinance (No. 2650, as amended).

MAP 6

LAND USE PLAN



- MAJOR ARTERIALS
- COLLECTOR STREETS
- CONTAINMENT
- DOWNTOWN CONSERVATION AREA
- MALL AREA
- OFFICES-PERSONAL SERVICES
- CONVENIENCE NEIGHBORHOOD SERVICES
- SERVICE COMMERCIAL
- LIGHT INDUSTRY-HEAVY COMMERCIAL
- RESIDENTIAL CONSERVATION AREA
- HIGH DENSITY RESIDENTIAL
- OPEN SPACES
- MAJOR INTERSECTION

GENERAL BUILDING REQUIREMENTS AND OBJECTIVES.

A set of design guidelines which are a local interpretation of the U.S. Secretary of Interior's Standards for Rehabilitation have been compiled as a part of the National Endowment for the Arts supported Downtown Design Demonstration Project. These design guidelines should be considered as a part of this Redevelopment Plan in addition to the following general requirements and objectives:

General Environment.

- Provide for new development which will compliment existing surrounding activities in use, scale, and quality of materials and services.
- To promote the pedestrianization of Poyntz Avenue.
- Provide for common facilities and encourage multi-purpose uses of sites and interrelationships in order that the entire area functions and appears as a compact and integrated center.

Open Space and Pedestrianways.

- Provide a comprehensive pedestrian circulation system to facilitate the movement of pedestrians within the major activity areas, and to facilitate movement between major generators, nearby parking facilities and the remainder of the CBD area.
- Provide appropriate streetscape elements to aid in defining the Poyntz Avenue corridor as a special place and a link to the CBD.

Building Heights and Massing.

- Provide for the massing of buildings and related open spaces in order to create a distinct and interesting area with internal focal points for identification and orientation for pedestrians and with external focal points that will lead to encourage interaction between the mall, the conservation area, the office building and the balance of the Central Business District.

Vehicular Access.

- Provide for an improved circulation system which will allow through traffic to bypass the CBD, eliminating congestion and delay and efficiently move shopping traffic through the Central Business District.

Parking.

- Provide parking for the Shopping Mall and office building as well as the entire Central Business District.
- Upgrade existing parking using consistent lighting, striping signage and landscaping. Screening will be provided to prevent glare from headlights and lighting fixtures from disturbing adjacent residential areas.

Off-Street Loading, Service and Emergency Facilities.

- Provide for consolidated off-street loading and service facilities. Access to be provided from public service alleys and connected appropriately with the street system.
- Provide for emergency access to all built-up portions of the redevelopment area.

Utilities.

- Provide for the abandonment, relocation, or reuse of utilities in the Mall Site, upgrading for more adequate storm drainage and fire protection in the Central Business District.

PROJECT COMPONENTS.

Site 1 - Regional Shopping Mall.

The overall concept of the Central Business District (CBD) regional center is to create an intensive retail activity center in the eastern portion of the CBD, which will become the focal point of community commercial activity. (MAP 7) The site plan shown in MAP 7 is conceptual in design. While the approximate location of the mall site is known, final site plans have not been completed and the exact configuration of the shopping center is unknown at this time.

The enclosed shopping mall and associated parking will involve a total area of approximately 31 acres. The mall itself will occupy approximately 325,000 square feet of which 150,000 will be in two major department stores with the remainder in retail tenant space. Additional space is available for development of a second phase, in which a third department store and retail tenant space will expand the center to a total of 400,000 square feet. It is anticipated that the impact of this development would encourage the revitalization of other CBD facilities.

Completion of this aspect of the plan will meet these objectives:

- *Encourage the development of a retail shopping complex in an enclosed mall in the CBD area with two department stores.
- *Promote the development of public facilities and activities in the CBD area.
- *Emphasize and add to the existing cluster of public and semi-public and government uses in the CBD.
- *Encourage the clustering of mixed use activities to promote multi-purpose trips to the CBD and to strengthen its image as an "action" place.
- *Promote activities in the CBD which will make it a seven-days-a-week, 16-hours-a-day center.
- *Relocate uses from the core of the CBD which are not compatible with pedestrians, local traffic, housing or retail facilities, i.e., warehousing, manufacturing, materials processing, automobile sales and service, generators of truck traffic, etc.
- *Maximize the utilization of the public and private investment already concentrated in the CBD.

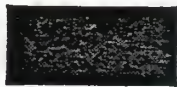
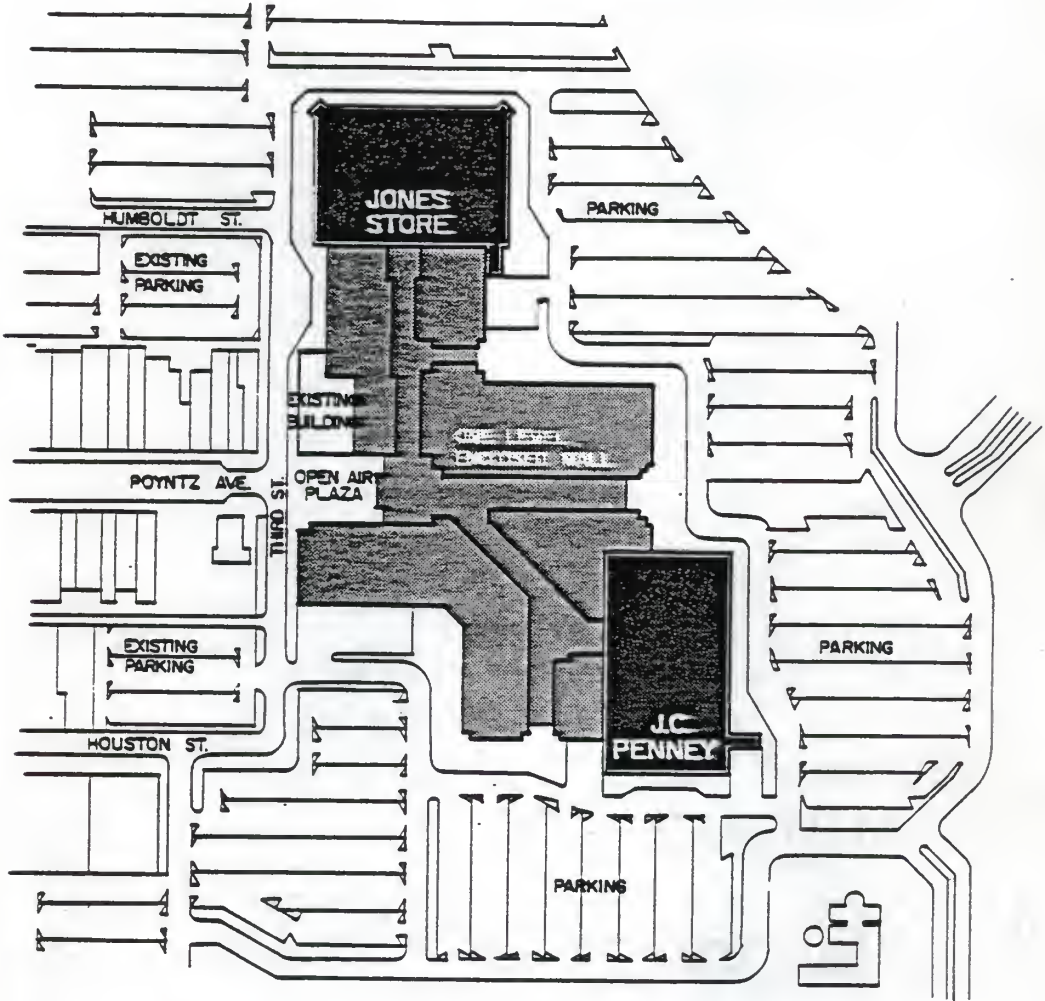
To meet these objectives the following steps will be taken:

PUBLIC STEPS:

- *acquisition of buildings, improvements, and land in the shopping mall site.
- *relocation of site occupants.
- *clearance of all existing improvements.

MAP 7

REGIONAL SHOPPING MALL



MAJOR DEPARTMENT STORES



RETAIL SHOPS

*site preparation.

*vacation of all streets and public right-of-ways within the site area.

*provision of certain off-site improvements needed to accommodate the development (Southern Arterial, drainage improvements, connection of Leavenworth to Tuttle Creek Boulevard for traffic routing, relocation of sewer and water mains).

*disposition of land through a long term lease for Shopping Mall construction.

*lease land for parking facilities to Redeveloper.

Other improvements in the Central Business District include relocation of the Union Pacific Railroad marshalling yards and development of a Southern Arterial across the south side of the city, routing heavy through-traffic around and improving shopper access into the Central Business District. These projects have been planned and discussed in the community for many years. They now become critical to the redevelopment project proposed in this Plan.

In addition, the City will develop a public plaza which will become a focal point between the existing retailing area and the Shopping Mall. Streetscape improvements and beautification activities will also be initiated in the four square block area immediately west of the Shopping Mall to help integrate the existing retailing area with the new development. (SITE 6)

The City will also monitor and guide the spin-off developments in a manner to achieve maximum integration of new development into the Central Business District. This spin-off development will be guided by the City's Land Use Plan for the Central Business District.

Site 2 - Conservation Area

The development of the new regional mall to the east end of the CBD presents two major challenges:

- 1) The new development must be physically integrated with the existing area of the city.
- 2) The general environment of the CBD must be enhanced in such a way as to preserve its unique character.

The direct physical improvement of the quality of the downtown environment--the landscaping the public "streetscape" and open spaces, the revitalization of storefronts and the design and programming of cultural and recreational activities in public spaces--will provide a positive shopping climate. Emphasis must be placed on improving the environment that exists between the two significant areas of development. This will not only create an integrated visual order between old and new, but, more importantly, revitalize and make a viable and active CBD shopping area for Manhattan.

These activities will focus design assistance essentially on a ten block area between the proposed mall site and Sixth Street. (MAP 8). This assistance was used to develop concepts in three areas of design:

- *streetscape design
- *facade improvements
- *cultural plaza design.

More specifically, the objectives to be met are:

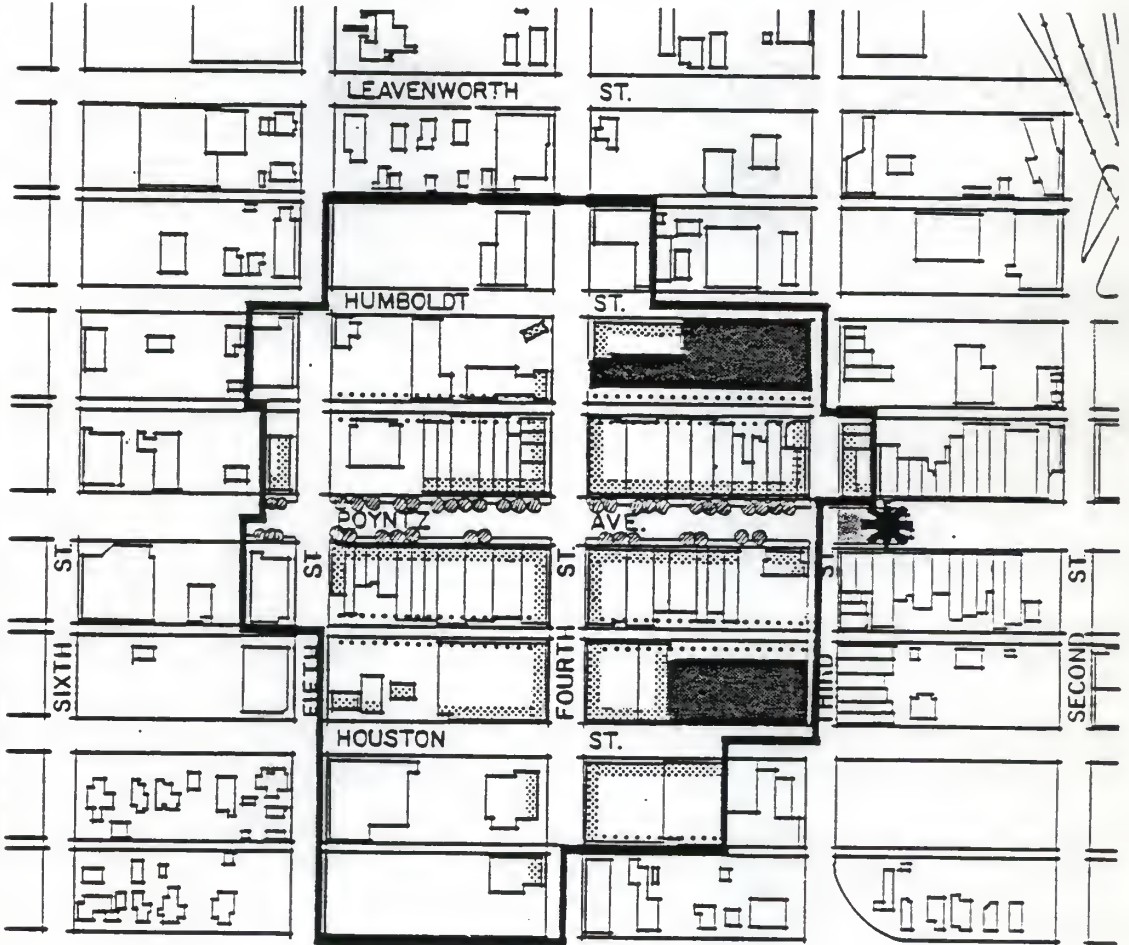
- *to apply detailed urban design criteria on a block-by-block basis.
- *to direct attention to a program of facade improvements and preservation.
- *to continue a design review process for development in the CBD.
- *to encourage adaptive reuse of buildings that are well located and structurally sound but lack a strong market for their original use.
- *to promote the understanding of Poyntz Avenue as the "main street" for Manhattan.
- *to encourage the revitalization of the buildings along Poyntz Avenue.
- *to develop an environment which invites and encourages both spontaneous and planned cultural and recreational opportunities.
- *to promote the "pedestrianization" of Poyntz Avenue.
- *to conserve, restore and revitalize the historical character of the buildings along Poyntz Avenue.
- *to provide an opportunity for public and private joint development efforts.
- *to reconfirm, strengthen and encourage new and rehabilitated housing in the residential neighborhoods to the west and north of the CBD.

In order to meet these objectives, the City will undertake the following activities:

- *Maintain a commercial rehabilitation loan program through local lending institutions using industrial revenue bonds as a "loan to lenders".
- *Apply design guidelines for required facade improvements developed through a Design Demonstration Project funded by the National Endowment for the Arts. The Design Guidelines will conform to the Secretary of Interior's guidelines for historic preservation.
- *Design and construct streetscape improvements from Third Street to Sixth Street along Poyntz Avenue and intervening side streets.
- *Develop a plaza design to include a sculpture funded through a grant from the National Endowment for the Arts, Art in Public Places Program.

MAP 8

CONSERVATION AREA REHABILITATION



- CONSERVATION AREA BOUNDARY
- BUILDING FACADE IMPROVEMENT
- ALLEY IMPROVEMENT
- LANDSCAPING
- PLAZA AREA
- ENVIRONMENTAL SCULPTURE
- PARKING LOT IMPROVEMENTS

*Develop parking facilities in the west end of the CBD in conjunction with SITE 5.

*Maintain an historic district to preserve the historic and cultural assets of the Conservation Area and provide tax incentives for historic preservation and rehabilitation of structures.

As a result of the design assistance being provided, the interest generated by the potential reality of a CBD regional Shopping Mall, and interest of the merchants located in this area, there will be many private investors involved in this area, working in concert with the City to improve the quality of the structures in this area. Each business and property owner will be investing private capital to rehabilitate their storefront consistent with the design guidelines. This approach is expected to unify the entire downtown district with the Shopping Mall and to exhibit a positive involvement in creating an exciting place to shop. Also, the rehabilitation of existing commercial structures in this retail area will insure the physical stability of the core of the CBD.

Site 5 - West End Office Complex

This activity is important to the overall concept of the CBD redevelopment for several reasons. It will improve the visual aspects of this entrance to the CBD. In addition, it will provide a significant activity center on the west end of the CBD to anchor the area and create a secondary activity center to attract people through the core of the CBD, thus, strengthening the conservation area.

This activity is composed of the construction of an office building of 69,000 square feet on the south side of the 500 block of Poyntz Avenue.

This activity addresses these objectives:

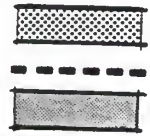
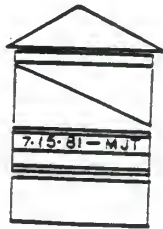
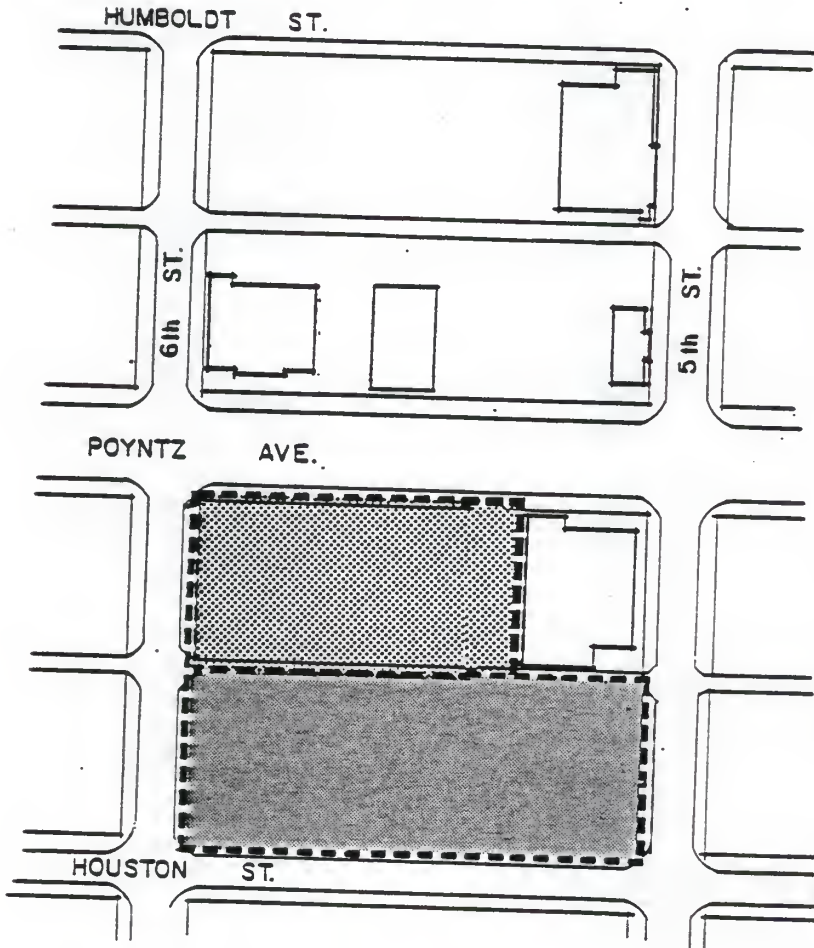
- *to bring more employees and shoppers into the downtown area during the day.
- *to create more parking space for overflow of commercial activities.
- *to create a visual anchor on the west end of the downtown district.

In order to meet these objectives the City will address these steps:

- *acquisition of three buildings on 103,500 square feet of land in the 500 block between Poyntz Avenue and Houston Street.

MAP 9

WEST END OFFICE COMPLEX



SITE FIVE
SITE BOUNDARY
WEST END PARKING

- *relocation of site occupants.
- *clearance of existing improvements.
- *site preparation.
- *disposition of 43,500 square feet of land for office building construction on a site south of Poyntz Avenue.
- *development of parking facilities on the south half of Site 5 through a benefit district.

These activities will contribute to the well-being of the Central Business District as a whole by providing a significant activity center in the west end of the CBD to draw people through the area and balance out the major retailing center to the east.

This office development will replace some existing structures and activities which are nonconforming in status under the City's Zoning Ordinance for this district and incompatible with the retailing activities in the Central Business District, and will upgrade the physical appearance of this half-block of Poyntz Avenue.

SUMMARY OF ECONOMIC FEASIBILITY

A feasibility study has been completed which includes the market feasibility of the two projects made by marketing consultants. The study also includes an evaluation of the costs and benefits of the project and demonstrates that the project generates sufficient income to retire the bonds needed to finance portions of this project.

The retail development analysis was completed for the Redeveloper of Site 1 by Melaniphy and Associates, Inc., of Chicago, Illinois. The purpose of the study was to determine the market feasibility of the mall proposed in this Plan. The report states that "...after a thorough examination of per capita retail expenditures in cities such as Topeka, Salina and Abilene, we found Manhattan's per capita expenditures were significantly lower than those in nearby cities. This difference was interpreted as resulting from the exportation of retail dollars from Manhattan to these other cities. Thus, the new mall and the existing downtown Manhattan stores are expected to substantially reduce consumer dollars that have been exported to other cities...." The total new mall with department stores is estimated to capture the following estimated annual retail sales:

1980	2 Department Stores	\$30,650,000
1985	3 Department Stores	\$54,750,000
1990	3 Department Stores	\$68,400,000

These estimates were made on data available prior to 1980 and would have to be adjusted to reflect a 1987 opening date estimated retail sales for a 2 Department Store Mall with an addition of 1 Department Store by 1990. This would likely result in the 1985 estimates being reduced to \$41,872,000 which still demonstrates the following general conclusions:

- *the market can support a regional center, which, once in place, will satisfy demand for the foreseeable future.
- *positive long range community and economic development goals can be attained which warrants public participation in this project.

The rehabilitation of the Conservation Area is an outgrowth of the concern that the citizens of Manhattan have for the maintenance of the Central Business District's importance as a regional center. In many ways, this rehabilitation program plays a key role in the revitalization project. A coherent, sympathetic treatment of the buildings and facades can help produce the attraction of the existing CBD and help both the consumer and merchant.

In order for persons to be eligible for loan funds, borrowers must conform to design guidelines established by the Downtown Design Project. In a special issue of Poyntz of Interest, a downtown redevelopment information bulletin, the benefits of building and facade revitalization were discussed. "It has been shown that one way in which the downtown can compete and improve its economic position is to market its inherent image as the town center, by capitalizing on a host of built-in advantages. Downtown Manhattan can, as many other cities have, recapture its position as a clearly identifiable and attractive place by uncovering, improving, restoring and maintaining its older commercial structures. Shoppers will know and recognize individual stores while appreciating the total image of downtown as the place to be in Manhattan."

The loan program and subsequent rehabilitation of buildings "is critical if the existing downtown is to remain competitive and able to take advantage of the attraction of the proposed regional mall facility." However, if the alternative to the CBD redevelopment, a suburban mall, occurs, the feasibility of this loan program will become marginal. The establishment of a regional shopping center on a suburban site would create a loss of businesses and investment in the CBD that would make this investment in building rehabilitation unfeasible.

In addition, an Office Development Analysis was completed by Financial Research Associates from St. Louis, Missouri, to determine the market feasibility of new office space at the west edge of the Central Business District (CBD) retail core. This analysis was undertaken based on the contention that a west end anchor was needed to counterbalance the proposed retail mall at the east end of the CBD. Site 5 is 43,500 square feet of land on the south side of the 500 block of Poyntz.

The consultant, Financial Research Associates, determined the optimal usage of the parcel, both in terms of overall market demand and how that usage would compliment the general plans for the redevelopment of the CBD. The study encompassed an analysis of the general market area and its characteristics, including demographic and socioeconomic characteristics of the market, commercial and residential development patterns, and the financial institution environment in Manhattan. The result was a recommendation of the highest and best land uses for the subject parcel.

The consultant recommended that the City develop the site in an office building use. "An office development constitutes the highest and best use" of the subject site. "The surrounding land uses and physical characteristics of the site are ideally suited for office development." In addition, the consultant conducted an analysis to estimate the amount of tenant space currently supplied. Their conclusion was that, . . .quality office space was in chronic short supply in Manhattan. Excess demand was actually between 14,000 and 40,000 square feet."

Throughout the analysis, assumptions related primarily to the patterns of commercial development in Manhattan were made by the consultant. "One of the key development trends was the assumed continued prominence of downtown and completion of the regional mall there. If plans for the downtown retail mall do not materialize, the Consultant firmly believes there will be a similarly sized mall established elsewhere in or near Manhattan. While such a development may not impact aggregate office demand in the region, it will certainly alter the attractiveness of downtown as the location of an office development and . . .seriously call into question the size and rate of return of the (office) project."

The analysis also supported general City objectives which, if fulfilled, would result in:

- *more employees and potential shoppers in the CBD during the day
- *the creation of more parking space for overflow of commercial activities
- *the creation of a visual and physical anchor on the west end of the CBD.

RELATIONSHIP TO LOCAL OBJECTIVES

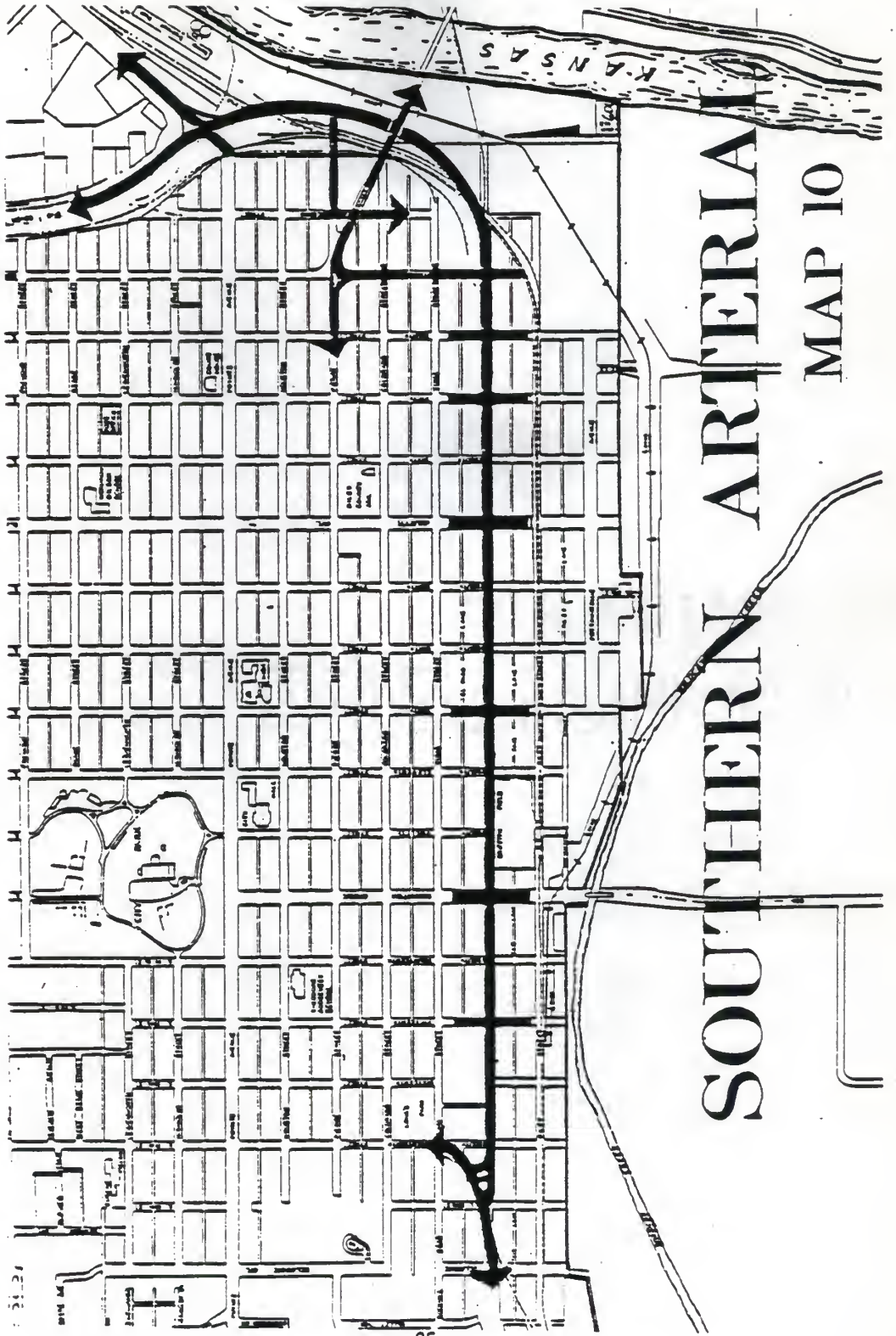
This Plan has been carefully tailored to conform to the following local objectives:

Appropriate Land Uses

The proposed land uses are in conformance with those in the Manhattan Land Use Plan, the Central Business District Land Use Plan, the Commercial Land Use Plan, and the Capital Improvements Program. The proposed uses are intensive retail, service commercial, and restricted business. All plans indicate the project area to be most suited for these uses. (MAP 6)

Traffic

Vacation of parts of some streets and alleys are called for in this plan. This would be necessary for the construction of the shopping mall and its parking. Modification to the circulation system serving the central area will be required as a result of proposed street vacations. Part of that modification includes establishment of a southern arterial along the present Rock Island Railroad right-of-way. (MAP 10) This would facilitate the movement of traffic into, within and out of the city's center. All one-way streets will become two-way to assure rapid dispersal of traffic and ease of circulation. In addition, an extensive program



SOUTHERN ARTERIAL

MAP 10

of capital improvements to upgrade traffic control and circulation and has been developed and programmed in the City's Capital Improvements Program.

Public Utilities

The Redevelopment Plan provides for abandonment, relocation and reuse of public utilities within the project area where necessary. These include relocation and upgrading of water mains, sanitary sewer, and storm sewer facilities. Existing utilities outside of the project area together with the planned additions within the area will provide adequate service to the project area upon redevelopment.

Preservation/Open Space

Plans have been developed for insuring the physical attractiveness of the Central Business District and to integrate the new development with the existing historically and culturally significant structures in the Central Business District. These plans include streetscape improvements for beautification, facade improvement design assistance, and plans for a public plaza to provide a focus to the downtown area. Creation of an historic preservation district to preserve historically and culturally significant structures and provide tax incentives for preservation of these structures, and the development of a commercial rehabilitation loan program to encourage, through lower interest loans, reinvestment in older significant structures, have been developed as part of a comprehensive program for the maintenance and preservation of the Central Business District.

Pedestrian Facilities

Objectives of this Redevelopment Plan provide for construction or reconstruction of sidewalks, pedestrianways and other facilities as deemed necessary to contribute to pedestrian comfort and safety, and for the provision of adequate and conveniently located off-street parking. Provision of these improvements and facilities will enhance the overall environment for pedestrians, shoppers and visitors in the project area, and provide the basis for similar and related improvements and facilities in other nearby and related areas.

Economic Development

It is anticipated that the redevelopment activities envisioned in the project will serve to arrest the decline of Manhattan's Central Business District and maintain its position as the regional shopping center for the Manhattan market area. The project is a comprehensive program of

improvements to facilitate the logical redevelopment and expansion of the City's commercial core area. The project includes a development which will assist in providing commercial space for the relocation of displaced businesses.

It is anticipated that additional spinoff private investment will occur as a result of the implementation of the Central Business District Redevelopment Plan. The redevelopment activities to be undertaken as a part of this project will have a catalytic effect upon the community's commercial core area allowing for the stabilization and preservation of this historically and culturally significant part of the city. In addition, the project is expected to generate 789 permanent and 644 construction jobs. The tax base of the CBD area will not only be stabilized but will be significantly increased as a result of the new development and rehabilitation to be undertaken in Manhattan's Central Business District.

REDEVELOPMENT ACTIVITIES

Land Acquisition. The City will acquire properties within three distinct sites in the CBD. Acquisition is required for the following purposes:

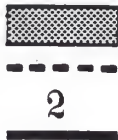
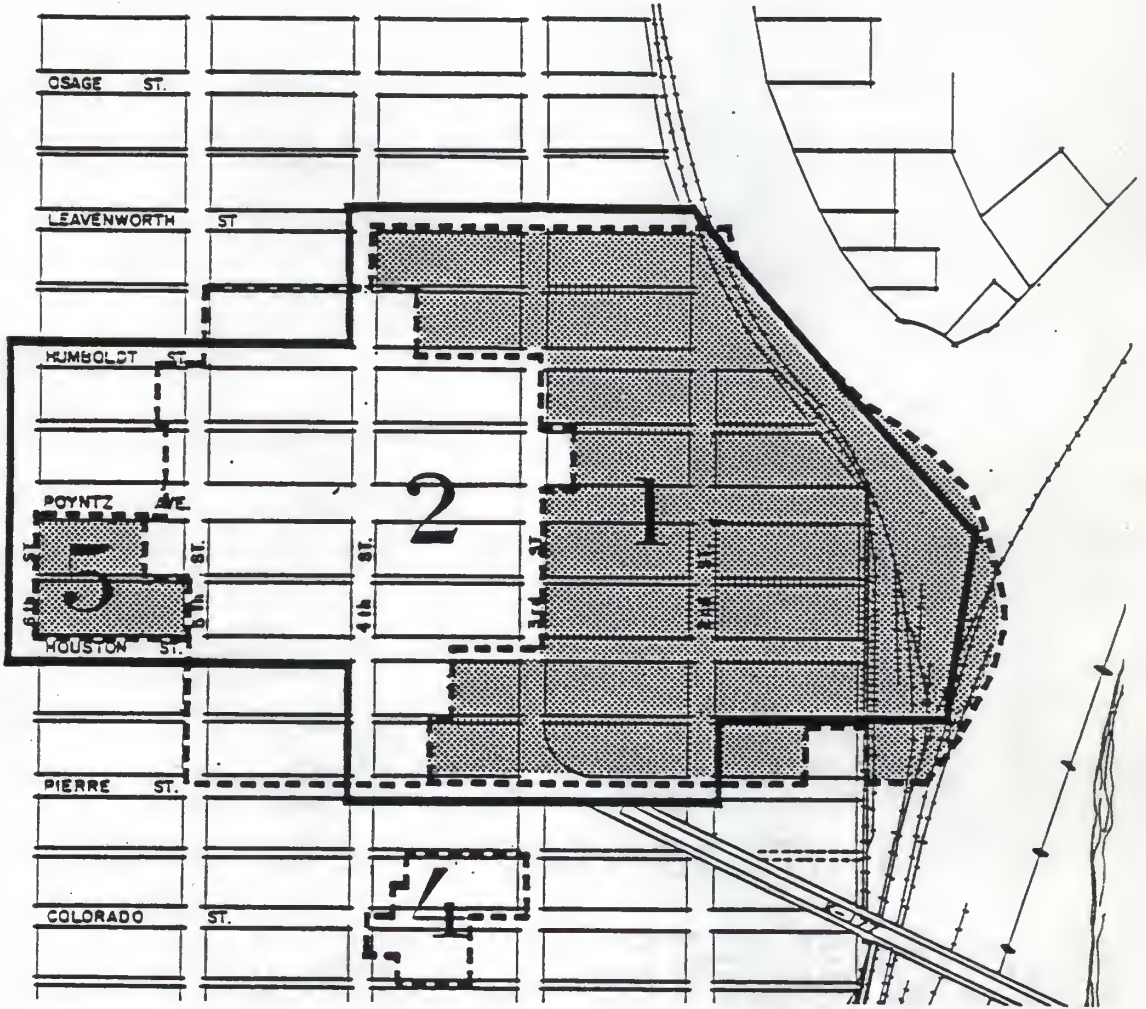
- to remove buildings which are structurally substandard.
- to remove buildings, other than those which are structurally substandard, in order to eliminate blighting influences upon the area. Such blighting influences include, but are not limited to incompatible use or land use relationships and obsolete buildings not suitable for improvement or conversion, and the existence of conditions which endanger life or property by fire or other causes.
- to clear basically sound as well as deficient buildings to the extent necessary to assemble land into a parcel of adequate size and shape to meet contemporary development needs and standards, and to allow new construction to meet the objectives of this Redevelopment Plan.

Acquisition will take place in Sites 1 and 5. Site 1 is made up of nine (9) blocks, approximately 85 separate ownerships of varying shapes and sizes. (MAP 11 - Acquisition Map). Acquisition activities will be financed under an Urban Development Action Grant (UDAG) through the Department of Housing and Urban Development. In addition, the City will take possession of the eastern portion of Site 1 after it has been abandoned by the Union Pacific Railroad Company. The site was granted to the railroad through an Ordinance dated December 4, 1865, and also allows for the property to revert back to the City if the site is no longer used by the Railroad.

Site 5 will require acquisition of an area made up of 4 ownerships (MAP 12 - Ownership Parcels). Acquisition in Site 5 will take place using Tax Increment Financing funds. Sites 2,4 and 6 will not require acquisition.

MAP 11

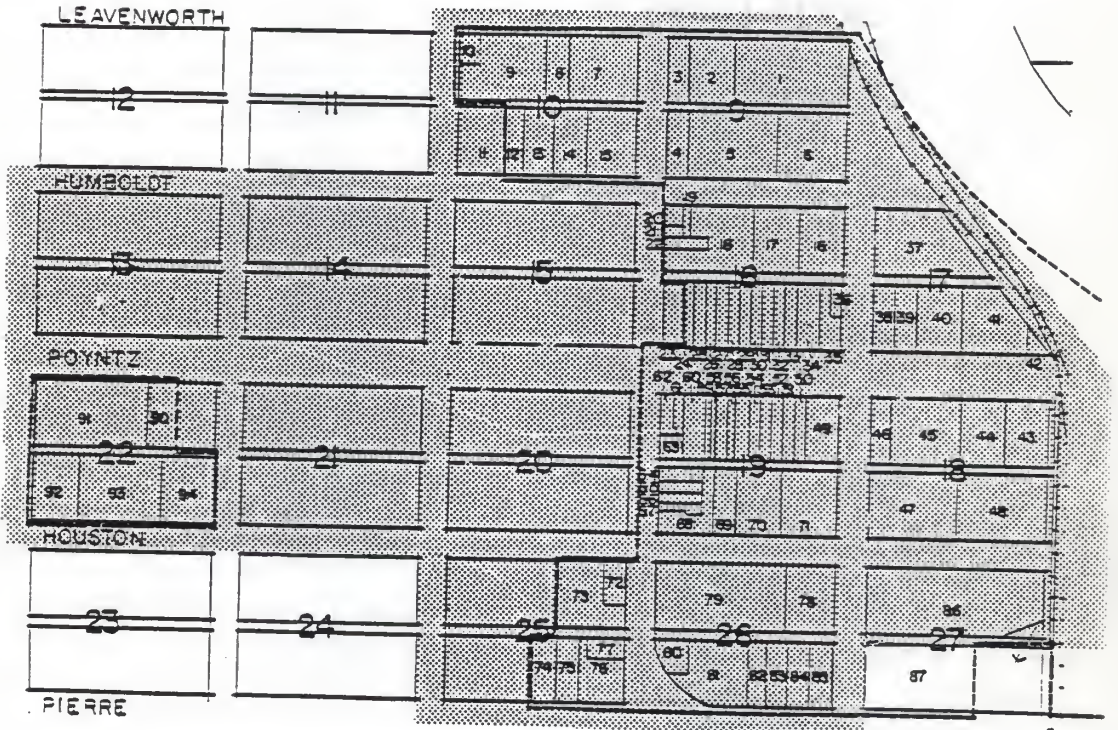
ACQUISITION MAP



PROPERTY TO BE ACQUIRED
 SITE BOUNDARY
 SITE NUMBER
 REDEVELOPMENT PROJECT
 BOUNDARY

MAP 12

OWNERSHIP PARCELS



13

33

REDEVELOPMENT PROJECT AREA
 BLOCK NUMBERS
 PARCEL NUMBER
 SITE BOUNDARY

Relocation. The City of Manhattan will provide for residents displaced by the project the opportunity of being relocated to accommodations which are decent, safe, sanitary and are within their financial means. Businesses will be relocated in accordance with a Relocation Plan prepared pursuant to K.S.A. 1979 Supp. 12-1777, and the Department of Housing and Urban Development, 24 CFR 42, Uniform Relocation and Real Property Acquisition Policies Act of 1970, as amended. The purpose of the Relocation Plan is to minimize injury and provide assistance to persons displaced from their homes and businesses as a result of carrying out this public project. The City of Manhattan has established the following objectives for implementing this Relocation Plan. These objectives assure:

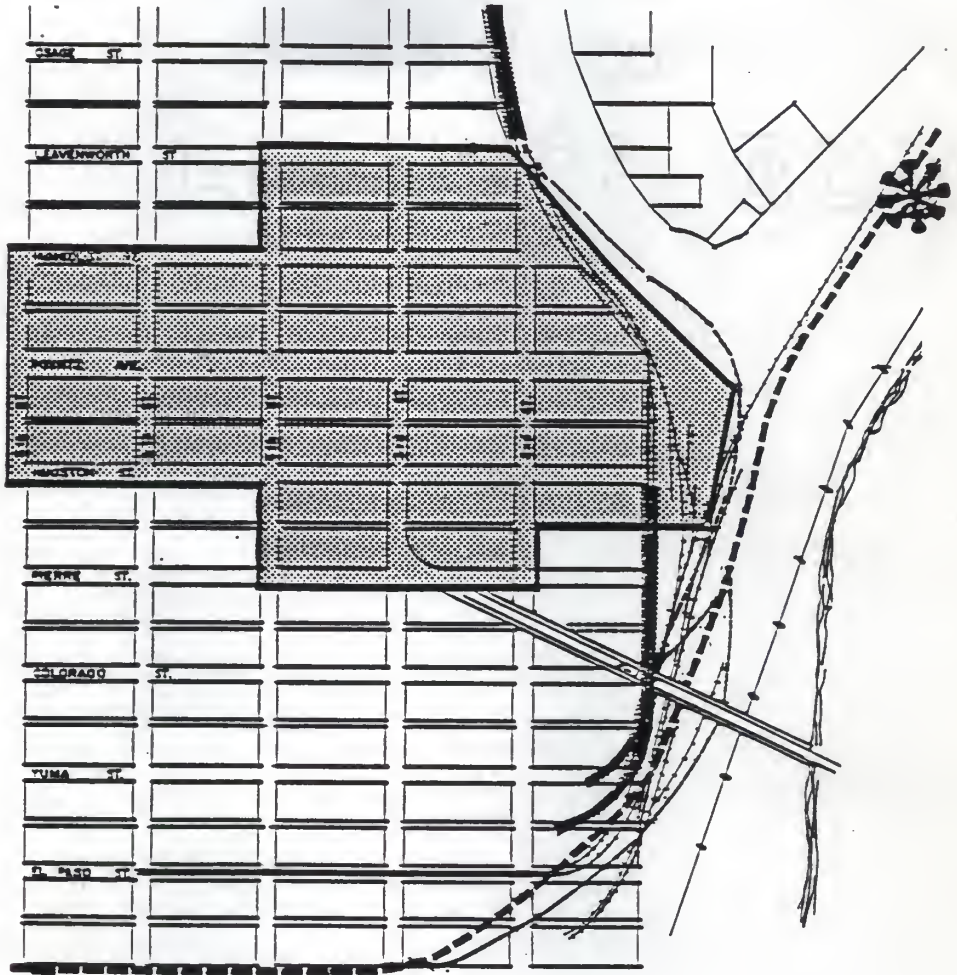
- 1) that each owner and renter will be adequately informed at the earliest possible date after acquisition is initiated about the redevelopment project and the relocation assistance and payments for which they may be eligible.
- 2) that owners and renters of residential property will be assisted in finding comparable decent, safe and sanitary replacement housing within their financial means in not less desirable neighborhoods, appropriate to their housing requirements and available to all regardless of race, color, religion, national origin, sex or source of income.
- 3) that owners of businesses will be assisted in finding suitable replacement locations for the continuation of their business operation.
- 4) that owners and renters of both residential and business property shall receive relocation payments in accordance with their respective state of eligibility.
- 5) that all displaced homeowners and tenants will be given a reasonable period of time to move, and that no one will be required to move unless decent, safe and sanitary housing is available.
- 6) that all displaced persons will be provided assistance in filing claims for their relocation benefits.
- 7) that all displaced persons will be fully informed of the relocation appeal procedures.
- 8) that all retailers relocated with proceeds from the sale of bonds as authorized by K.S.A. 12-1770 et.seq. will receive payment for damages sustained, by reason of the liquidation of inventories necessitated by the relocation.

The Relocation Plan identifies businesses and residents to be displaced by the project, and replacement resources available for displacees. The Plan also outlines relocation procedures which will be followed during the relocation phase of the CBD redevelopment project.

Relocation of businesses and residents within Site I will be funded through UDAG, however, the abandonment of the Union Pacific Railroad Railyards will require relocation of trackage to another site south of U.S. Highway 24. (MAP 13-Railroad Relocation). Railroad relocation costs will be funded under Tax

MAP 13

UNION PACIFIC RAILROAD RELOCATION



* LOCATION OF NEW YARDS
 - - - - - MAJOR TRACKS FOR REROUTING
 _____ MINOR TRACKS FOR REROUTING
 _____ EXISTING TRACKS TO REMAIN
 _____ TRACKS TO BE REMOVED
 [Stippled Box] REDEVELOPMENT PROJECT AREA

Increment Financing and UDAG Funds. In addition, relocation costs for businesses displaced by acquisition in Site 5 will also be covered under Tax Increment Financing. Sites 2 and 4 will not involve publicly assisted relocation.

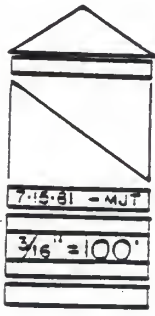
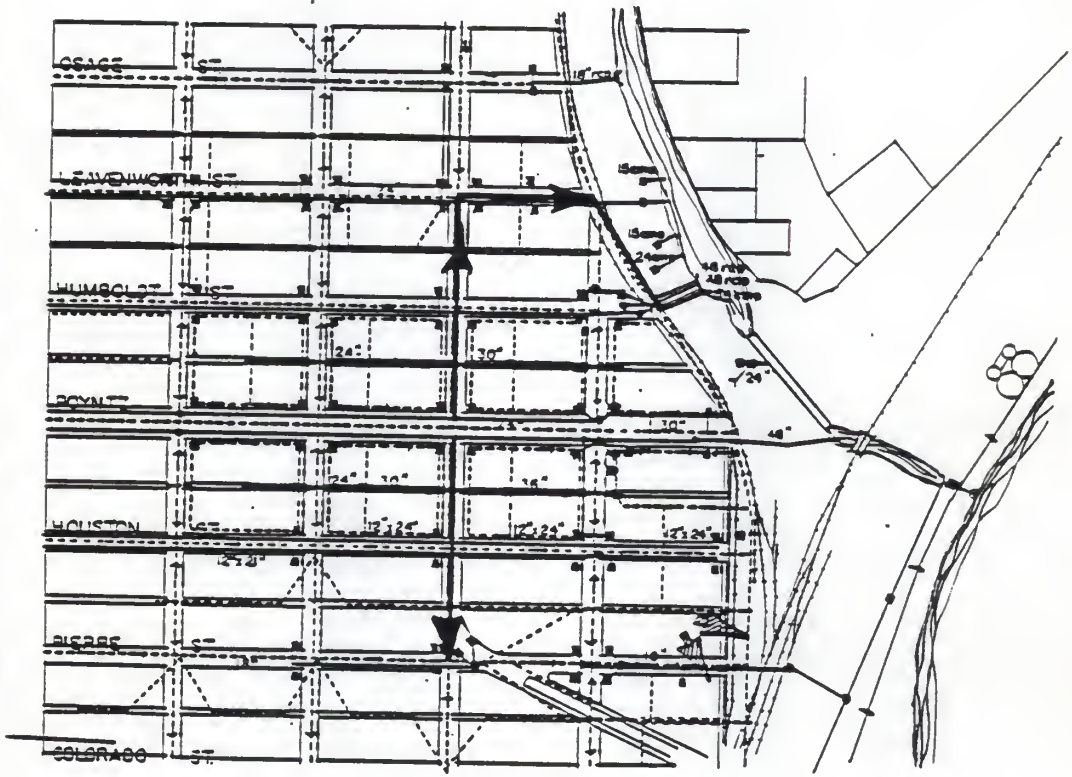
Demolition. As soon as possible, demolition contracts will be awarded to demolish buildings within the three sites. Demolition costs for Site 1 will be funded through UDAG, and costs for demolition of buildings on Site 5 will be covered under Tax Increment Financing and benefit district funds. Sites 2 and 4 will not require any publicly assisted demolition.

Site Improvements and Utilities. The project is located in a highly developed area of the CBD which is currently served by all necessary urban services and infrastructures such as streets, sewers, storm drains, water, gas and electricity. During the redevelopment effort, certain site and utility improvements are required to meet the objectives of this plan and to support the new land uses. The improvements include:

- a) Construction of parking lot in Site 1. Approximately 850,000 square feet of land area in Site 1 has been designated for this use and internal circulation.
- b) Abandonment and/or relocation of utilities within Site 1. MAPS 14, 15 and 16 designate the proposed utility relocation in the shopping mall site.
- c) Beautification and streetscape improvements. These activities have concentrated in three areas; 1) street, sidewalk, parking lot and alley improvements; 2) building facade rehabilitation; and 3) development of a public plaza. Street, sidewalk, public parking lot and alley improvements will involve:
 - (1) widening sidewalks to allow landscaping and pedestrian amenities to be added.
 - (2) redesigning crosswalks to allow safer, more convenient across street pedestrian movement.
 - (3) adding pedestrian scale lighting to make sidewalks, parking lots and alleys safer at night.
 - (4) landscaping public parking lots and providing safer, more convenient pedestrian movement through these areas.
 - (5) redesign of existing service, trash collection and surface areas of alleys to allow a safer and more convenient pedestrian and vehicular linkage from existing parking lots to the main shopping area downtown.
 - (6) coordination of design between all streetscape improvements and the design of the mall and plaza for a unified and cohesive image downtown.

MAP 14

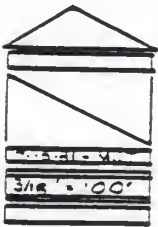
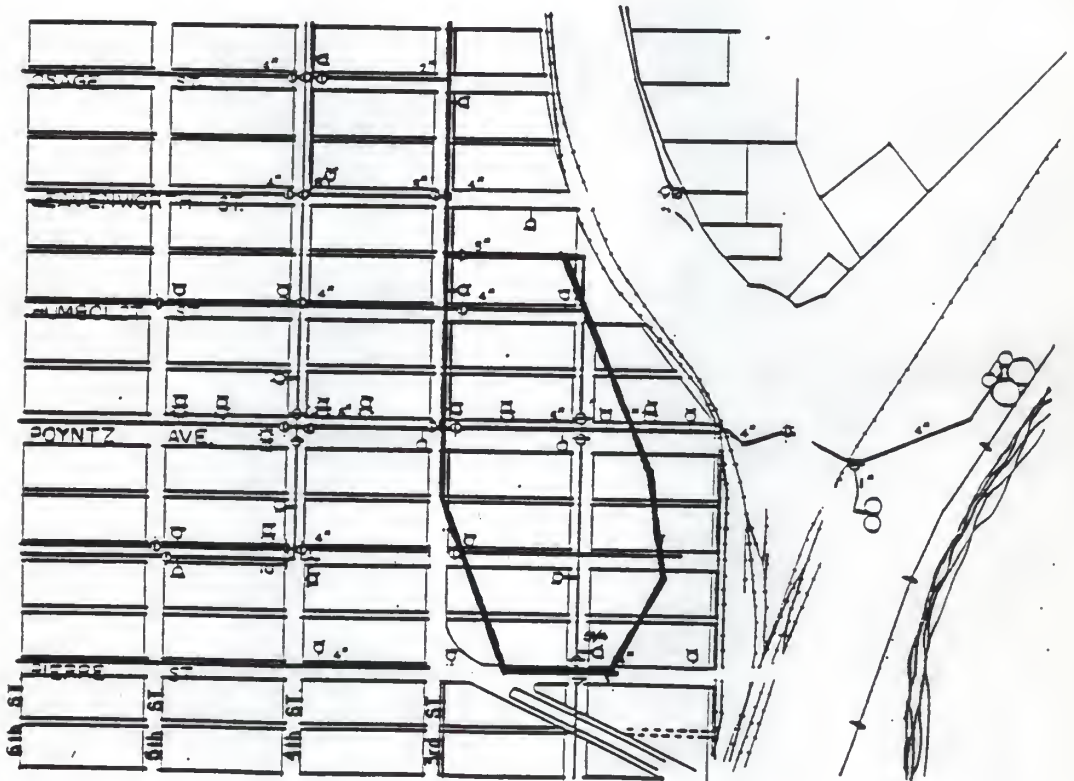
STORM SEWER RELOCATION








- INLET BOXES
- JUNCTION BOXES
- DIRECTION OF FLOW
- - - DRAINAGE REGIONS
- EXISTING STORM SEWER PIPE LINES
- PROPOSED STORM SEWER PIPE LINES
- ☞ DIRECTION OF DRAINAGE

MAP 15

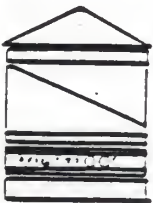
WATER RELOCATION



-  4 1/4" FIRE HYDRANT
-  5" FIRE HYDRANT
-  WATER VALVES
-  EXISTING WATER PIPE LINE
-  PROPOSED WATER PIPE LINE

MAP 16

SANITARY SEWER RELOCATION



- MANHOLES
- EXISTING SANT. SEWER PIPE LINE
- PROPOSED SANT. SEWER PIPE LINE

Building facade improvements will involve:

- (1) encouraging redesign of the existing building facades including signs that respect the original integrity of the building.
- (2) design of new or infill buildings that respect the given physical character of adjacent buildings and the downtown as a whole.

Plaza development will involve:

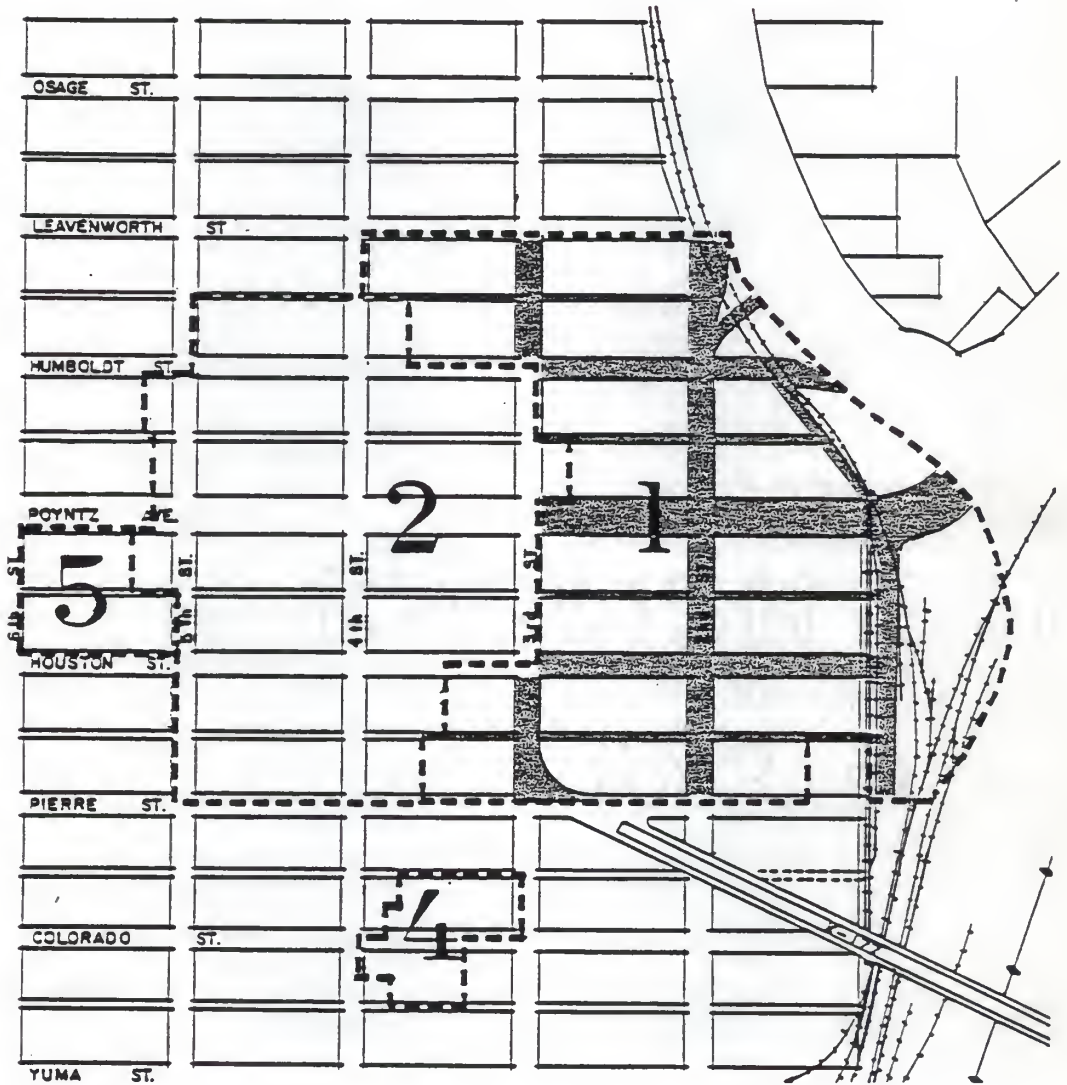
- (1) construction of a major exterior public plaza, located at the pedestrian entrance to the mall. Design of the plaza will physically integrate the mall with the existing architecture in the CBD.
 - (2) The plaza will be the site of an environmental sculpture, designed by the artist working with architects who will be designing the mall, street improvements, and existing building facade improvements. This sculpture will be funded by a grant from the National Endowment for the Arts, Art in Public Places Program.
- (d) Improvements to circulation in the CBD. A major concern of the City is the development of a Southern Arterial, which will effectively alleviate the through traffic problems which exist with the current circulation system. At present, two State Highways intersect in the CBD, creating a mixture of local and through traffic. It is anticipated that the construction of a Southern Arterial will reduce the congestion caused by this mixture by channeling through traffic around the CBD, leaving Poyntz and side streets available for localized shopping traffic. This strategy will not only relieve the problems of vehicular congestion, but will promote the "pedestrianization" of the Central Business District.

Vacation of Streets and Right-of-Ways. The Plan identifies the proposed vacations of streets needed to assemble land use parcels of adequate size and shape to meet contemporary development needs and standards, and to allow new construction. The proposed vacations are shown on MAP 17 - Proposed Street and Right-of-Way Vacation.

Agreements for Redevelopment. The developers will be required by contractual agreement to observe the requirements and general objectives of this plan. Contracts and the land lease documents will detail the provisions, standards, and criteria for achieving the objectives and requirements set forth in this plan. The City Commission will determine the developers' abilities to carryout proposals and projects and to conform to this plan. This may be through financial packaging, through negotiations where design objectives are determining factors, or by other means which, in the determination of the City Commission, will best assure the achievement of the development and design objectives of this plan. The contractual agreement of the development and design objectives of this plan. The contractual agreement will make provision for achieving the coordinated development and maintenance of common areas, service access, walks, utilities and driveways.

MAP 17

VACATION OF STREETS & RIGHT OF WAYS



STREETS & RIGHT-OF-WAYS
TO BE VACATED

2

TRANSACTION NUMBER



TRANSACTION BOUNDARY

The Redevelopment Agreement will provide that:

- 1) The lease of land is for the purpose of redevelopment and not for speculation.
- 2) The land will be built upon and improved in conformity with the objectives and the provisions of the Redevelopment Plan.
- 3) The development will be initiated within one year of the date the City initiates land acquisition (March 31, 1985), and completed within five years of adoption of this Redevelopment Plan (December 13, 1988).
- 4) The developers and successors or assigns agree that there will be no discrimination against any person or group of persons on account of race, color, creed, national origin, or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises therein conveyed, nor will the developers themselves or anyone claiming under or through them, establish or permit such practices of discrimination or segregation with reference to the selection, location, number, or occupancy of tenants, lessees, or sublessees in the premises therein conveyed.

Construction/Timetable

The City will pursue the timely construction of all public improvements outlined in this plan and act expeditiously toward the implementation of the objectives in it.

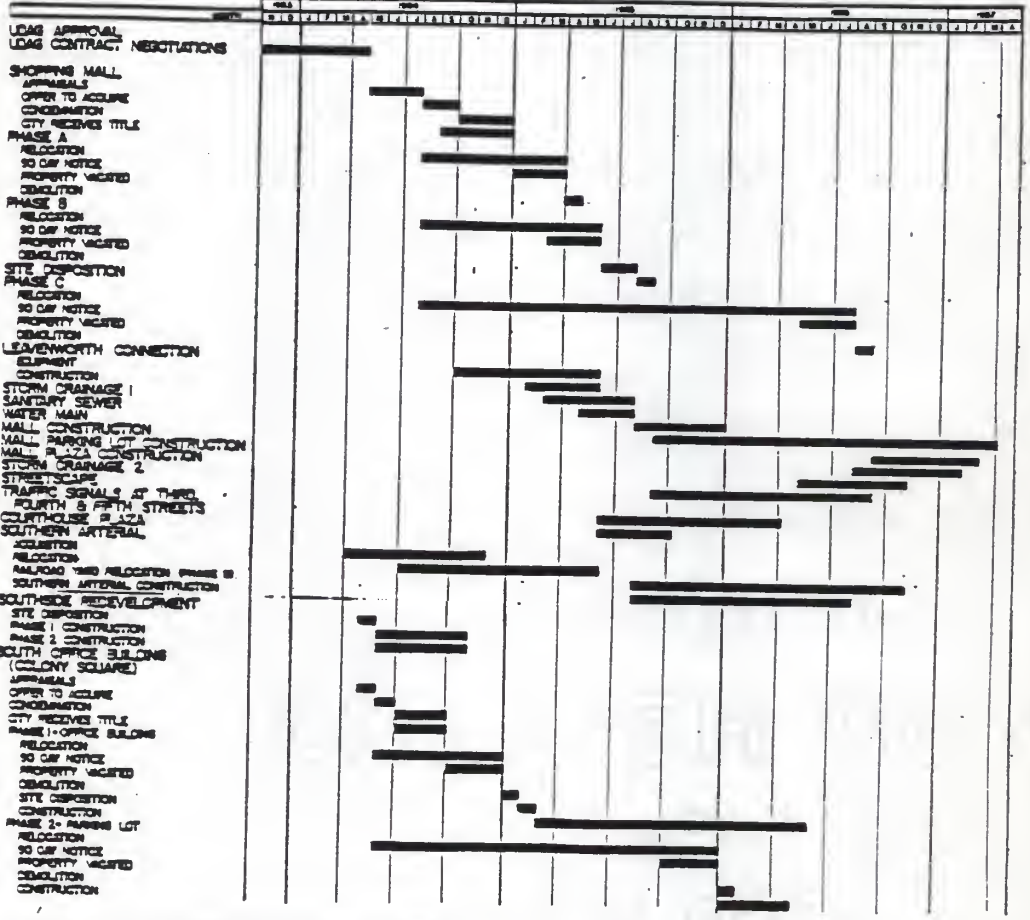
A timetable summarizing the project phases is shown in Exhibit B. This timetable meets the statutory requirements on scheduling of the development projects in K.S.A. 1980 Supp. 12-1771, as amended.

PROCEDURES FOR CHANGES IN THE APPROVED REDEVELOPMENT PLAN

Any substantial changes to the adopted plan will be subject to review at a public hearing. The hearing will be held only after notice of it has been given at least twice in the official City newspaper. The procedure will be in compliance with those described in K.S.A. 12-1772(e).

PROPOSED SCHEDULE FOR DOWNTOWN REDEVELOPMENT
 WASHINGTON, KANSAS

EXHIBIT 8



REVISED DECEMBER 14, 1983

SUMMARY OF FINANCIAL FEASIBILITY

The feasibility study for the redevelopment project described on page 22 includes an evaluation of benefits and costs to the community and indicates the revenues generated by this project will be sufficient to retire the special obligation bonds necessary to finance portions of this project.

Estimated Project Costs

The projected cost estimates for the various public improvements, land acquisition, relocation and demolition are outlined in Exhibit A, Central Business District Redevelopment Project Costs. These figures are in 1984 dollars. The total public costs for redevelopment of the Central Business District are \$25,036,000. The resources will come from the following sources:

Tax Increment Financing	\$ 4,282,000
Urban Development Action Grant	10,000,000
Benefit Districts	5,034,000
Revenue Bonds	2,620,000
State Passthrough Highway Funds	3,000,000
National Endowment for the Arts	100,000
	<u>\$25,036,000</u>

The feasibility of this Redevelopment Plan is dependent on the City getting Federal assistance through an Urban Development Action Grant (UDAG) for \$10,000,000. The City received preliminary approval of this grant for \$10,000,000 on October 28, 1983. The UDAG funds and the Tax Increment Financing bonds will be used for land acquisition, relocation, demolition and public improvements. The public expenditures will facilitate private development and investment as described in this plan in an amount estimated at \$27,400,000.

If this \$25,036,000 were financed by bonds paid off by taxes through an increase in the City mill levy, it would require 32.6 additional mills or a 111% increase in City property taxes. This would certainly be unbearable. Through the use of Federal funds, tax increment financing, special benefit districts (most of which include only the mall site), revenue bonds and other non-local public resources the City can redevelop the CBD with a maximum general obligation of \$1,474,750 for the City's share of benefit district improvements not financed by water utility mills or about a 7.8% increase in City property taxes. This redevelopment plan is feasible only through the use of tax increment financing and Federal assistance through the UDAG program.

Benefits

This redevelopment project will generate 789 new permanent jobs and 644 construction jobs. It will maintain Manhattan's Central Business District as the regional shopping center for a market which includes parts of 12 counties in north central Kansas having a 1980 population estimated at 180,837 people. The new shopping mall should recapture for the City nearly \$433,900 of revenue annually from the City and County sales tax. The increase in tax base

EXHIBIT A
 USE AND SOURCE STATEMENT
 PUBLIC IMPROVEMENTS
 CENTRAL BUSINESS DISTRICT
 REDEVELOPMENT PROJECT

<u>PROJECT</u>	<u>COST</u> (In Thousands)	<u>SOURCE</u>
Administration	\$ 517	UDAG
Land Acquisition		
-Mall -- 500,000 sq.ft.	3,600	UDAG
-Parking -- 850,000 sq.ft.	3,302	UDAG
-Poyntz Office Complex -- 37,750 sq.ft.	280	TIF
-Temporary Financing Costs	731	UDAG
Relocation		
-Mall	525	UDAG
-Parking	525	UDAG
-Poyntz Office Complex	17	TIF
Demolition		
-Mall	150	UDAG
-Parking	150	UDAG
-Poyntz Office Complex	10	TIF
Southern Arterial Acquisition & Relocation	1,000	Revenue Bonds
-Construction	4,620	Revenue Bonds/Federal
Railroad Relocation	3,500	TIF/UDAG
Streetscape	875	2/3 TIF/1/3 B.D.*
East Poyntz Entrance	100	100% B.D.
Plaza - 3rd and Poyntz Avenue	450	TIF/NEA
Downtown Mall Parking	2,575	75% BID/25% City
Leavenworth Connection w/Tuttle Creek Blvd.	221	10% B.D./90% City
Third Street Relocation	75	
Drainage - Phase I	519	10% B.D./90% City
Phase II	469	100% B.D.
Sanitary Sewer Relocation	224	100% B.D.
Water Main	211	76% B.D./24% City
West Poyntz Parking - 60,000 sq.ft. 180 spaces	<u>390</u>	75% B.D.*/25% City
TOTAL	\$ 25,036	

TIF =	Tax Increment Financing
UDAG =	Urban Development Action Grant
B.D. =	Benefit District
Revenue Bonds =	Gasoline Tax Funds
Federal *	Federal Economic Growth Funds (State KDOT Passthrough)
NEA =	National Endowment for the Arts

*THESE BENEFIT DISTRICTS DO NOT INCLUDE THE REDEVELOPER.

will be seven times greater than the existing tax base. It will preserve the existing tax base which has declined by 33% over the past 20 years at its present level for the three taxing units of government. The project will generate \$144,000 in additional tax base outside of the project area in the Central Business District which can be taxed by the three units of governments. In addition, the personal property tax base will be increased by approximately \$1,800,000 generating \$72,000 annually in tax revenue.

The regional shopping mall developer will lease the mall site and parking facilities from the City. This will generate in the first 10 years an annual stream of income from this recapture of the UDAG funds of \$169,000.

Various public improvements will make the CBD more attractive. Traffic improvements and the southern arterial will reduce congestion in the CBD and increase access across the south side of the city. Storm sewer improvements will reduce drainage problems. Water main improvements will upgrade the fire fighting capability in the CBD. The improvements would reduce the probability of storm water and fire damage to public and private property, resulting in untold savings.

There are many social, cultural and aesthetic benefits beyond these economic and fiscal considerations. Preservation of this historically and architecturally significant area of the community is of great value. Maintenance of the services to the community is important particularly to the concentration of elderly and low and moderate income families in the neighborhoods surrounding the CBD.

Analysis of Tax Increment

CBD Redevelopment Plan
Assessed Valuation for TI
City of Manhattan, Kansas
(in Thousands)

	Shopping Mall (I)	Colony Square (V)	Total
Projected Assessed Value	4900.00000	367.60000	5467.60
Existing Assessed Value	682.00000	69.63000	751.63
Tax Increment-Valuation	4218.00000	497.77000	4715.77
Tax Levy	.10833	.10833	.11
Tax Increment Revenue	456.93394	53.72342	510.86

The base or existing assessed valuation will be "frozen" at its present value and will continue to be taxed by the City, County and School Board for operating revenues. The difference between the base assessed valuation and the new assessed valuation resulting from the three development projects described in this plan is the increment which equals \$4,736,100. Applying the total mill levy rate to this tax base increment will give an annual revenue of \$513,060 which will be generated by the redevelopment projects.

Additional revenue generated by the UDAG recapture described above will be pledged to the special fund created under K.S.A. 1980 Supp. 12-7774, as amended, to retire the special obligation bonds which will finance some of the public improvements as shown in Exhibit A. This will be necessary for the first 7 to

10 years of the bond terms to cover the debt service before the projects are added to the tax rolls. If all these recaptured UDAG funds are not needed for the bond debt service, they can be used by the City for Community Development Block Grant eligible activities.

Tax Increment Financing Cash Flow Analysis

Exhibit C is a cash flow analysis for the tax increment financing proposed in this Plan. The assumptions of this analysis are described in more detail in the feasibility study.

This analysis assumes a 10% rate on a series of bonds issued as needed for the public improvements projects as described in this Plan. In addition, some of the bond proceeds will be used for bond reserve payments and capitalized interest in the first few years of the issue. The analysis also assumes a development schedule of both public and private improvements as shown in Exhibit B. This development schedule is the best estimate of the flow of both project costs and revenues within the 20 year statutory limitation on the reservation of the tax increment revenues.

The analysis in Exhibit C demonstrates that the income from the redevelopment project as described in this Plan and pledged to the special fund to be established as set forth in K.S.A. 1980 Supp. 12-1774 is sufficient to cover the debt service for the special obligation bonds shown in this analysis in the amount of \$5,000,000 to finance the proposed improvements in this Plan which are shown to be funded with tax increment financing.

It may be necessary to shift the financing for the improvements described in this Plan from one source of public funds to another. It is assumed by this Plan that such a shift would not constitute a significant change if the projects in this Plan can still be adequately funded in a timely manner and the projects financed through tax increment financing do not require more funds than shown to be feasibly generated in the analysis in Exhibit C.

GENERAL STATE
 FIRE RETIREMENT FUND
 BOND FUND

1061 154-0113
 DISCRETIONARY BOND FUND

DATE: 03/15/2011

Enter Bond Rate
 Enter Mortgage Constant
 Enter Surplus Interest Rate

.10
 4.47
 .00

Analysis
 Amortize All Projects
 Use Increment Financing
 Cash Flow Analysis
 (in thousands)

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Total	
Bond Proceeds	.00	1500.00	1500.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	5000.00
Accumulated Bond Proceeds	.00	1500.00	3000.00	3000.00	3000.00	3000.00	3000.00	3000.00	3000.00	3000.00	3000.00	3000.00	3000.00	3000.00	3000.00	3000.00	3000.00	3000.00	3000.00	3000.00	3000.00	5000.00
Disposition Proceeds	.00	250.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	250.00
Loan Proceeds	.00	.00	149.00	149.00	149.00	149.00	149.00	149.00	149.00	149.00	149.00	149.00	149.00	149.00	149.00	149.00	149.00	149.00	149.00	149.00	149.00	2981.00
Net Increment Revenues	.00	.00	40.44	209.66	416.59	510.84	510.84	510.84	510.84	510.84	510.84	510.84	510.84	510.84	510.84	510.84	510.84	510.84	510.84	510.84	510.84	8471.30
Cash Carry Over from Previous Year	.00	.00	543.00	631.00	572.40	574.00	542.00	449.44	405.95	252.39	905.74	1070.00	1240.45	1455.42	1692.22	1925.19	2197.49	2468.47	2740.19	3095.41		1770.19
Total Revenue	.00	1750.00	2111.44	1092.40	1217.99	1254.74	1222.44	1149.52	1432.25	1509.40	1750.44	1940.31	2152.30	2370.90	2622.53	2894.25	3165.43	3447.55	3792.17			4311.00
Project Costs	.00	1157.00	1125.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	4311.00
NET SERVICE																						
Cash Available for MS & Resery	.00	593.00	986.44	1092.40	1217.99	1254.74	1222.44	1149.52	1432.25	1509.40	1750.44	1940.31	2152.30	2370.90	2622.53	2894.25	3165.43	3447.55	3792.17			.00
Capitalized Interest	.00	.00	350.00	500.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	500.00
Total Debt Service	.00	.00	350.00	500.00	423.50	423.50	423.50	423.50	423.50	423.50	423.50	423.50	423.50	423.50	423.50	423.50	423.50	423.50	423.50	423.50	423.50	423.50
Reserve Forecasts	.00	50.00	50.00	75.00	75.00	150.00	200.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	600.00
Accumulated Reserve Forecasts	.00	50.00	100.00	175.00	250.00	400.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00
Revenue Needed for MS & Resery	.00	50.00	400.00	575.00	690.50	773.50	823.50	823.50	823.50	823.50	823.50	823.50	823.50	823.50	823.50	823.50	823.50	823.50	823.50	823.50	823.50	823.50
Unpaid from prior Balance	.00	.00	.00	5043.29	4925.30	4795.00	4551.11	4492.02	4344.23	4214.97	3997.42	3670.13	3400.03	3198.42	2798.40	2444.77	2054.02	1622.23	1145.10			.00
Annual Surplus	.00	543.00	500.44	517.40	519.49	491.24	399.14	524.02	442.31	808.75	946.10	1134.14	1314.01	1534.00	1755.40	1999.05	2266.75	2541.73	2814.05	3140.47		.00
Interest Income	.00	.00	47.44	54.92	55.40	61.54	70.59	79.93	90.00	100.97	112.70	125.29	139.81	153.34	170.31	186.44	207.92	229.86	251.35	275.52	2413.37	

APPENDIX B

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APPENDIX B
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MANHATTAN CENTRAL BUSINESS DISTRICT REDEVELOPMENT PLAN
COMPREHENSIVE FEASIBILITY STUDY

To maintain the stability and vitality of Manhattan's central business district (CBD) as the regional center for business, governmental, institutional and cultural activities for the city, the City is contemplating a redevelopment plan which will include three redevelopment projects to be constructed through the use of private investment, resulting in an increase in tax base in the central business district.

PROJECT DESCRIPTIONS

Project 1 - Regional Shopping Mall.

The overall concept of the central business district (CBD) regional center is to create an intensive retail activity center in the eastern portion of the CBD. The center would straddle Poyntz Avenue and become the focal point of community commercial activity (MAP 1). The site plan shown in MAP 1 is conceptual in design. The approximate location of the mall site is shown, however, final site plans have not been completed and the exact configuration of the shopping mall is unknown at this time.

The enclosed shopping mall and associated parking will involve a total area of approximately 31 acres. The mall itself will occupy approximately 325,000 square feet of which 150,000 will be in the two major department stores with remainder in retail tenant space. Additional space is available for development of a second phase, in which a third department store and retail tenant space will expand the center to a total of 400,000 square feet. It is anticipated that the impact of this development would encourage the revitalization of other CBD facilities. This project is estimated to require over \$27.4 million in private investment generating over \$5.8 million in property tax base.

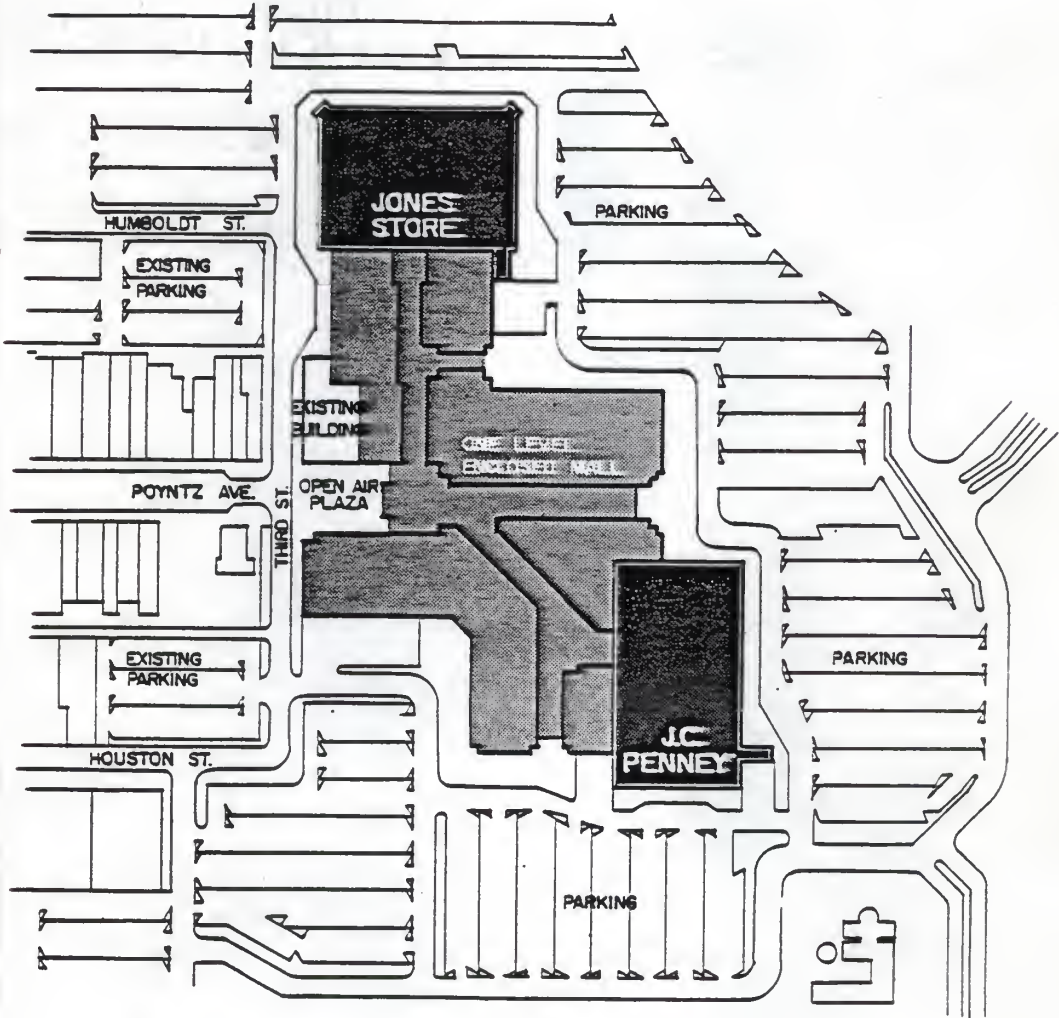
Other improvements in the central business district include relocation of the Union Pacific Railroad marshalling yards and development of a southern arterial across the south side of the city, routing heavy through-traffic around and improving shopper access into the central business district. These projects have been planned and discussed in the community for many years. They now become critical to the redevelopment project proposed in this plan.

In addition, the City will develop a public plaza which will become a focal point between the existing retailing area and the shopping mall. Additionally, streetscape improvements and beautification activities will be initiated in the four square block area immediately west of the shopping center to help integrate the existing retailing area and the shopping mall.

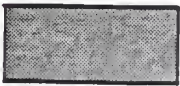
The City will also monitor and guide spin-off developments in a manner to achieve maximum integration of new development into the central business district. This spin-off development will be guided by the City's Land Use Plan for the Central Business District. This type of development could take the form of infill commercial development, more intensive residential development on the periphery of the CBD, and most importantly, rehabilitation of existing structures many of which add to the historic character of the area. All of this spin-off development would add to the property tax base but cannot be accurately estimated and therefore will not be included in the tax increment analysis.

MAP 1

REGIONAL SHOPPING MALL



MAJOR DEPARTMENT STORES



RETAIL SHOPS

Project 2 - Colony Square Office Complex

This project is important to the overall concept of the CBD redevelopment for several reasons. It will improve the visual aspects of this entrance to the CBD. In addition, it will provide a significant activity center on the west end of the CBD to anchor the area and create a secondary activity center to attract people through the core of the CBD, thus, strengthening the conservation area between the two activity centers.

This project is composed of the construction of a 69,000 square foot office building located on the south side of the 500 block of Poyntz (MAP 2). The project will generate a private investment of \$4,050,000 with an assessed valuation of \$567,600.

Purpose of Comprehensive Feasibility Study

This comprehensive feasibility study will describe the market feasibility for the three projects to be included in the redevelopment project area. In addition, the feasibility study will evaluate the benefits and costs of the projects to be proposed in the Redevelopment Plan and demonstrate that these benefits will exceed the costs, and that the income to the City generated by these projects will be sufficient to pay for the public improvements to be funded through tax increment financing as provided for in K.S.A. 12-1770 et.seq., as amended.

Market Feasibility

Two market analysis studies were made related to the Redevelopment Plan, one for the regional retailing center (SITE 1) and the other for office development (SITE 2). These two studies are briefly summarized here to indicate the market feasibility of the three projects in the CBD Redevelopment Plan.

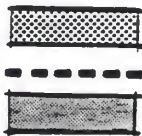
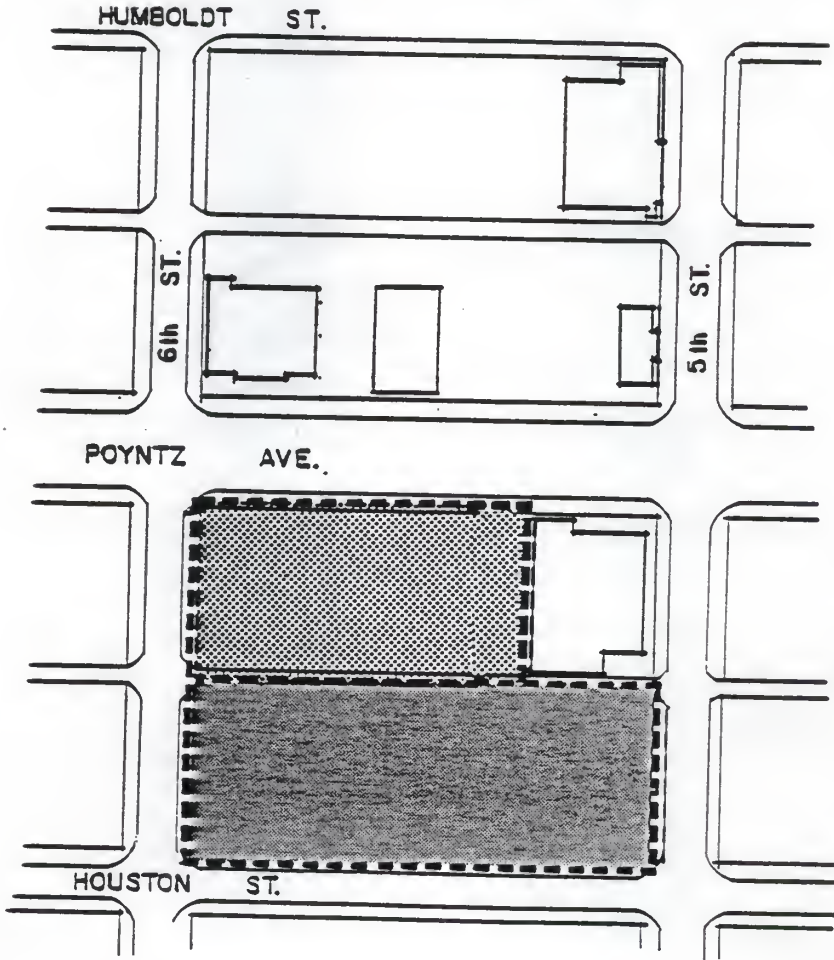
The retail development analysis was completed for the developer of Site 1 by Melaniphy and Associates, Inc., of Chicago, Illinois. The purpose of the study was to determine the market feasibility of the mall proposed in this Plan. The report states that "...after a thorough examination of per capita retail expenditures in cities such as Topeka, Salina and Abilene, we found Manhattan's per capita expenditures were significantly lower than those in nearby cities. This difference was interpreted as resulting from the exportation of retail dollars from Manhattan to these other cities. Thus, the new mall and the existing downtown Manhattan stores are expected to substantially reduce consumer dollars that have been exported to other cities, which will primarily be the result of the new mall." The total new mall with department stores is estimated to capture the following estimated annual retail sales:

1980	\$30,650,000
1985	\$54,750,000
1990	\$68,400,000

MAP 2

WEST END OFFICE COMPLEX

COLONY SQUARE



SITE TWO
SITE BOUNDARY
WEST END PARKING

The regional market area was described in the analysis extending the secondary market from east of Wamego on the east to west of Abilene on the west, from south of Council Grove on the south to just north of the Kansas-Nebraska border on the north. This market area covers parts of 12 counties in northcentral Kansas with an estimated 1980 population of over 180,000 people. From this analysis it can be easily concluded that the Manhattan market can support a regional center as proposed which will satisfy the regional retailing demand for the foreseeable future. (SEE MAP 3)

In addition, an Office Development Analysis was completed by Financial Research Associates from St. Louis, Missouri, to determine the market feasibility of two new office structures at the west edge of the central business district (CBD) retail core. This analysis was undertaken based on the contention that a west end anchor was needed to counterbalance the proposed retail mall at the east end of the CBD. Site 2 is 103,500 square feet of land on the south side of the 500 block of Poyntz Avenue.

The consultant, Financial Research Associates, determined the optimal usage of the site, both in terms of overall market demand and how that usage would compliment the general plans for the redevelopment of the CBD. The study encompassed an analysis of the general market area and its characteristics, including demographic and socioeconomic characteristics of the market, commercial and residential development patterns, and the financial institution environment in Manhattan. The result was a recommendation of the highest and best land uses for the subject parcel, Site 2.

The report states, "...the consultant recommends that the City develop the sites in an office building use..." "An office development constitutes the highest and best use of either subject site. The surrounding land uses and physical characteristics of the sites are ideally suited for office development". In addition, the consultant conducted an analysis to estimate the amount of tenant space currently supplied. Their conclusion was that, "...quality office space was in chronic short supply in Manhattan. Excess demand was actually between 14,000 and 40,000 square feet.

Throughout the analysis, assumptions related primarily to the patterns of commercial development in Manhattan were made by the consultant. "One of the key development trends was the assumed continued prominence of downtown and completion of the regional mall there. If plans for the downtown retail mall do not materialize, the Consultant firmly believes there will be a similarly sized mall established elsewhere in or near Manhattan. While such a development may not impact aggregate office demand in the region, it will certainly alter the attractiveness of downtown as the location of an office development and...seriously call into question the size and rate of return of the (office) project".

The analysis also supported general City objectives which, if fulfilled, would result in:

- *more employees and potential shoppers in the CBD during the day
- *the creation of more parking space for overflow of commercial activities
- *the creation of a visual and physical anchor on the west end of the CBD.

MAP 3

MANHATTAN MARKET AREA

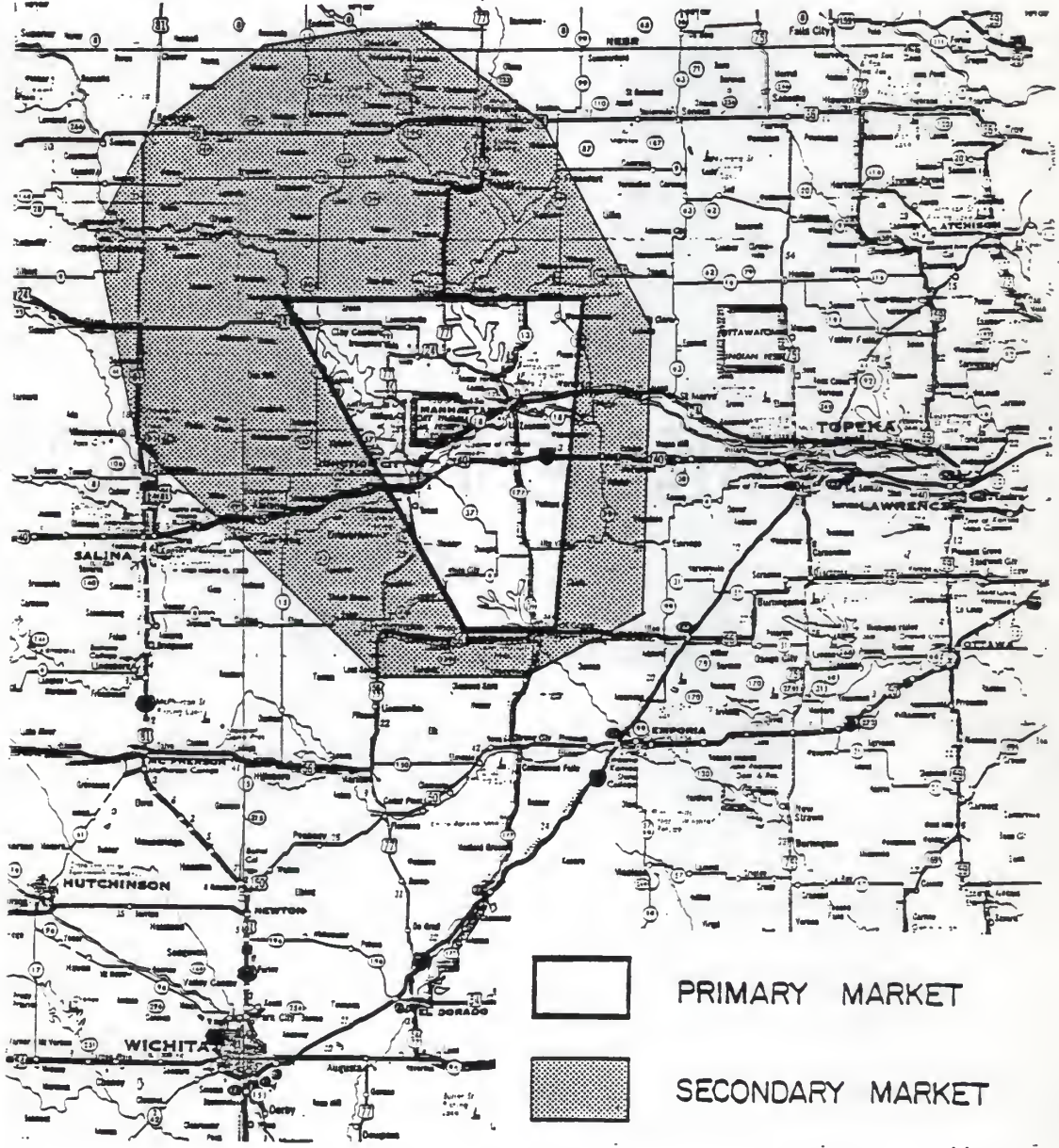


EXHIBIT A
USE AND SOURCE STATEMENT
PUBLIC IMPROVEMENTS
CENTRAL BUSINESS DISTRICT
REDEVELOPMENT PROJECT

<u>PROJECT</u>	<u>COST</u> (In Thousands)	<u>SOURCE</u>
Administration	\$ 517	UDAG
Land Acquisition		
-Mall -- 500,000 sq.ft.	3,600	UDAG
-Parking -- 850,000 sq.ft.	3,302	UDAG
-Poyntz Office Complex -- 37,750 sq.ft.	280	TIF
-Temporary Financing Costs	731	UDAG
Relocation		
-Mall	525	UDAG
-Parking	525	UDAG
-Poyntz Office Complex	17	TIF
Demolition		
-Mall	150	UDAG
-Parking	150	UDAG
-Poyntz Office Complex	10	TIF
Southern Arterial Acquisition & Relocation	1,000	Revenue Bonds
-Construction	4,620	Revenue Bonds/Federal
Railroad Relocation	3,500	TIF/UDAG
Streetscape	875	2/3 TIF/1/3 B.D.*
East Poyntz Entrance	100	100% B.D.
Plaza - 3rd and Poyntz Avenue	450	TIF/NEA
Downtown Mall Parking	2,575	75% BID/25% City
Leavenworth Connection w/Tuttle Creek Blvd.	221	10% B.D./90% City
Third Street Relocation	75	
Drainage - Phase I	519	10% B.D./90% City
Phase II	469	100% B.D.
Sanitary Sewer Relocation	224	100% B.D.
Water Main	211	76% B.D./24% City
West Poyntz Parking - 60,000 sq.ft. - 180 spaces	<u>390</u>	75% B.D.*/25% City
TOTAL	\$25,036	

TIF = Tax Increment Financing
UDAG = Urban Development Action Grant
B.D. = Benefit District
Revenue Bonds = Gasoline Tax Funds
Federal = Federal Economic Growth Funds (State KDOT Passthrough)
NEA = National Endowment for the Arts

*THESE BENEFIT DISTRICTS DO NOT INCLUDE THE REDEVELOPER.

Estimated Project Costs.

The projected cost estimates for the various public improvements, land acquisition, relocation and demolition are outlined in Exhibit 1, Central Business District Redevelopment Project Costs. These figures are in 1984 dollars. The total public costs for redevelopment of the central business district are \$25,036,000. The resources will come from the following sources:

Tax Increment Financing	\$ 4,282,000
Urban Development Action Grant	10,000,000
Benefit Districts	5,034,000
Revenue Bonds	2,620,000
State Passthrough Highway Funds	3,000,000
National Endowment for the Arts	<u>100,000</u>
TOTAL	\$25,036,000

The tax increment financing is proposed to cover the following project costs:

Office Site Land Acquisition, Relocation and Demolition	\$ 307,000
Streetscape Improvements on Poyntz	625,000
Public Plaza	350,000
Union Pacific Railroad Relocation (partial funding)	<u>3,000,000</u>
TOTAL PROJECT COSTS	\$ 4,282,000

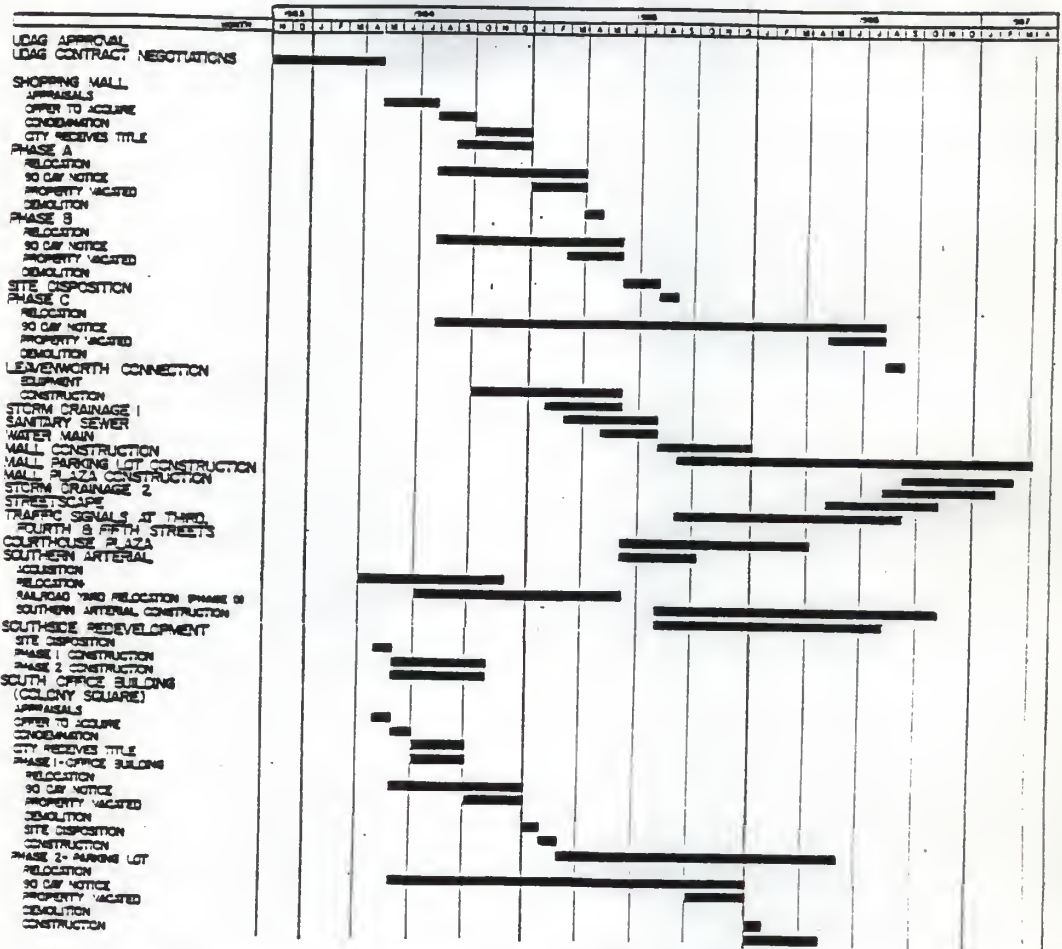
In addition to these project costs, the tax increment bonds will have to capitalize some of the interest payments and bond reserve costs in the first few years until the tax increment revenue is generated as the projects come on the tax rolls. This amount is shown in Exhibit C.

The feasibility of this Redevelopment Plan is dependent on the City getting Federal assistance through an Urban Development Action Grant (UDAG) for \$10,000,000. The UDAG funds and the tax increment financing bonds will be used for land acquisition, relocation, demolition and public improvements which will facilitate private development and investment as described in this plan in an amount estimated at \$27,400,000.

The Urban Development Action Grant program requires that firm financing commitments for private investment and commitments of private developers to make that investment be provided as a condition for final approval of funding. These commitments have been provided to the City. Prior to the expenditure of funds for the Central Business District redevelopment project, contractual agreements must be executed specifying this private investment and obligating the developers to acquire or lease the sites for these projects from the City. These disposition proceeds will be in the form of a cash payment in the case of the office project, and in the form of lease payments and participation in cash flow for the mall site.

PROPOSED SCHEDULE FOR DOWNTOWN REDEVELOPMENT
MANHATTAN, KANSAS

EXHIBIT B



REVISED DECEMBER 14, 1983

This feasibility study assumes the cost estimates in Exhibit A to be adequate. It is also assumed that the project costs will be incurred as shown in the construction timetable in Exhibit B and the Quarterly Cash Flow Analysis in Exhibit D.

Impact of Project Costs

If the \$25,036,000 total public costs in the redevelopment project were financed by bonds to be paid off by property taxes through an increase in the City mill levy, it would require 32.6 additional mills, or an 111% increase in City property taxes. Such an increase in property taxes would not be acceptable. Through the use of federal funds, the proposed tax increment financing, special benefit districts, most of which will include only the mall site, revenue bonds and other non-local public resources as described in Exhibit A, the City can redevelop the CBD at a more acceptable local obligation. The maximum general obligation based on the financing package in Exhibit 1 would be \$1,474,740 for the City's share of benefit districts not financed by water utility revenues.

<u>BENEFIT DISTRICTS</u>			
<u>PROJECT</u>	<u>B.O. SHARE</u>	<u>CITY SHARE</u>	<u>TOTAL</u>
Downtown Mall Parking	\$1,931.25	\$643.75	\$2,575
East Poyntz Entrance	100.0	-0-	\$100
Third Street Relocation	7.5	67.5	75
Leavenworth Connection w/ Tuttle Creek Boulevard	22.1	198.9	221
Drainage - Phase I	51.9	467.1	519
- Phase II	469.0	-0-	469
Sanitary Sewer Relocation	224.0	-0-	224
Water Main Loop	160.4	50.6	211
SUBTOTAL	\$2,966.15*	\$1,427.85	\$4,394
West Poyntz Parking	292.5	97.5	390
Streetscape Improvements	250.0	-0-	250
TOTALS	\$3,508.65	\$1,525.35	\$5,034

*The property in these benefit districts includes only the Mall Shopping Facility Site leased to the Redeveloper.

The debt service against these obligations would require a maximum additional property tax levy of 2.3 mills or about 7.8% increase in City property taxes. This analysis of the impacts of costs of the redevelopment project on local property taxes should indicate that the Redevelopment Plan is feasible only through the use of tax increment financing and federal assistance through the Urban Development Action Grant program.

Benefits

This redevelopment project will generate 789 new permanent jobs and 644 construction jobs. It will maintain Manhattan's Central Business District as the regional shopping center for a market which includes parts of 12 counties in north central Kansas having a 1980 population estimated at 180,837 people. The new shopping mall should recapture

nearly \$433,900 of revenue annually from the City and County sales tax. The increase in tax base will be seven times greater than the existing tax base. It will preserve the existing tax base which has declined by 33% over the past 20 years at its present level for the three taxing units of government. The project will generate \$144,000 in additional tax base outside of the project area in the central business district which can be taxed by the three units of government. In addition, the personal property tax base will be increased by approximately \$1,800,000 generating \$72,000 annually in tax revenue.

This redevelopment project will enable the City to generate public funds needed to upgrade the streets, sidewalks, traffic signals, and curbs and gutters in the CBD. As was demonstrated in the Eligibility Report prepared in June, 1980, the public facilities in the area are in need of rebuilding. This will solve many of the traffic problems in the CBD. These improvements would also make the area more appealing to shoppers, tourists, prospective students and industry looking for an attractive place to shop, work and live. This could generate additional economic activity of benefit to the entire community.

This redevelopment project will generate additional public funds through tax increment financing which will allow development of a southern arterial street across the south side of the city. This street project, which has been studied and planned for by the City over 17 years, will greatly improve access to the CBD, the Industrial Park and various public facilities. It will provide a connecting link in the State highway system by carrying both K-18 and K-177 traffic. It will complete a loop of arterial streets which connect the City's traffic system. It will remove heavy traffic from Yuma Street, a residential street which has realized an increase in traffic from about 2,000 vehicles per day 20 years ago, to over 8,000 vehicles per day in 1980, a 400% increase while the city's population has increased by only 50% in the same 20 year period.

The public improvements described in the Redevelopment Plan will upgrade existing facilities which have become obsolete or inadequate to meet the demands of a modern retailing center. The drainage improvements will increase the capacity of the storm sewer system helping to reduce the probability of storm water damage to property in this flat area of the city. The water main improvements will increase the capacity of the water distribution system for much of the CBD. This will upgrade the City's fire fighting capability in this high fire flow rated area. This could have a positive impact on fire insurance rates helping to decrease premium costs to businesses.

There are many social, cultural and aesthetic benefits beyond these economic and fiscal considerations. Preservation of this historically and culturally significant area of the community is of great value. Maintenance of the services to the community is important particularly to the concentration of elderly and low and moderate income families in the neighborhoods surrounding the CBD.

It is difficult to place a dollar value on many of the benefits outlined in this analysis. The maximum local obligation assumed by this analysis was \$1,474,750. In addition to this, locally generated tax funds through the tax increment financing of \$4,282,000 plus financing costs for the tax increment bonds of \$850,000 and the revenue bonds of \$2,600,000 bring the total public investment to \$7,732,000. The actual cash benefits to the city of Manhattan based on the property tax revenues generated through tax increment financing, sales tax revenues, the recapture of UDAG funds through lease payments, and additional personal property taxes amounts to \$1,328,900 annually. If a 10% cost of financing is assumed for the public investment of almost \$8 million, and this financing cost is deducted from the annual revenues generated by the redevelopment project, the net public revenues would be \$389,223 annually. These revenues will give the City a rate of return on the local public investment of about 5% annually. While this rate of return would

not be acceptable in the private sector, considering the public benefits which cannot be given an estimated value, a return of this magnitude should be considered quite acceptable in the public sector.

Analysis of Tax Increment Revenues

Assessed Valuation for TI City of Manhattan, Kansas (in Thousands)			
	Shopping Mall (I)	Colony Square (V)	Total
Projected Assessed Value	4900.00000	567.60000	5467.60
Existing Assessed Value	682.00000	67.83000	751.83
Tax Increment-Valuation	4218.00000	497.77000	4715.77
Tax Levy	.10833	.10833	.11
Tax Increment Revenue	456.93594	53.92342	510.86

Additional revenue generated by the UDAG recapture in the form of land lease payments for the land leased by the Developer will be pledged to the special fund created under K.S.A. 12-1774 to retire the special obligation bonds which will finance some of the public improvements as shown in Exhibit A. This will be necessary for the first 7-10 years of the bond terms to cover the debt service before the projects are added to the tax rolls.

After the City acquires Site 2, it will dispose of the property to the two office project developers at its reuse value which has been estimated to be \$435,000 for the site. These disposition proceeds will be pledged to the special obligation bond fund.

Tax Increment Financing Cash Flow Analysis

Exhibit C is a cash flow analysis for the tax increment financing bonds which will be necessary for funding some of the public improvements. This analysis assumes a 10% interest rate on a series of bonds issued as needed for the public improvement projects to be funded through tax increment financing. The schedule for issuing these bonds is based on the construction timetable in Exhibit B. In addition, some of the bond proceeds will be used for bond reserve payments and capitalized interest in the first few years of the issue due to a cash flow problem during the development phase when the projects are not yet generating tax increment revenues.

Exhibit C indicates that a bond of \$3,500,000 will be issued in 1985 (Year 2) for land acquisition, relocation and demolition in the Colony Square Office project

and railroad relocation. A bond of \$1,500,000 will be issued to finance \$500,000 in cost for the Union Pacific Railroad relocation, and \$350,000 for the public plaza to be located at Third and Poyntz Avenue, and \$625,000 in streetscape improvements.

TIF Revenue Cash Flow Analysis
City of Manhattan, Kansas
(in thousands)

Year in Progress Schedule	1984	1985	1986	1987	1988	1989
Shopping Mall (I)	.00	.00	57.12	251.31	422.67	456.94
Colony Square Office (V)	.00	.00	11.32	38.29	53.92	53.92
Subtotal	.00	.00	68.44	289.60	476.59	510.86
Land Lease Payments - Mall	.00	.00	.00	169.00	169.00	169.00
TOTAL	.00	.00	68.44	458.60	645.59	679.86

The table above indicates the schedule for receiving revenues from the project. This is based on the construction timetable in Exhibit B which indicates when the developers would acquire the sites from the City and when construction would proceed and projects placed on property tax rolls.

The analysis in Exhibit C demonstrates that the income from the redevelopment project as proposed in the Redevelopment Plan and pledged to the special fund to be established as set forth in K.S.A. 1980 Supp. 1774, as amended, is sufficient to cover the debt service for the special obligation bonds shown in this analysis in the amount totalling \$5,000,000 to finance the proposed improvements to be funded with tax increment financing and the capitalized interest costs.

EXHIBIT C

USF&AW SEC. 1 15, 111
 FILE DEFINITION 1 11, CASH-FLOW
 DATA FILE 1 05, 211C

DATE: 03/12/11
 1181 12140133
 BIRSLIGHT BIR.GWY

Enter Bond Rate: .10
 Enter Maturity Constant: 1.247
 Enter Surplus Interest Factor: .08

11 Analysts
 Hamilton Hall Project
 for Incremental Financing
 Cash Flow Analysis
 11a Issues/11

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Total		
BOND FINANCING & RESERVES																							
Bond Proceeds	.00	3500.00	1500.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	5600.00	
Accumulated Bond Proceeds	.00	3500.00	5000.00	5000.00	5000.00	5000.00	5000.00	5000.00	5000.00	5000.00	5000.00	5000.00	5000.00	5000.00	5000.00	5000.00	5000.00	5000.00	5000.00	5000.00	5000.00	5000.00	.60
Disposition Dividends	.00	250.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	250.00
Coste Payments	.00	.00	.00	149.00	149.00	149.00	149.00	149.00	149.00	149.00	149.00	149.00	149.00	149.00	149.00	149.00	149.00	149.00	149.00	149.00	149.00	149.00	2981.00
Tax Incremental Benefits	.00	.00	.00	48.44	289.40	474.59	510.84	510.84	510.84	510.84	510.84	510.84	510.84	510.84	510.84	510.84	510.84	510.84	510.84	510.84	510.84	510.84	510.84
Cash Carry Over from Previous Year	.00	.00	543.00	431.00	574.00	574.00	542.00	449.44	405.95	752.39	905.74	1070.80	1240.45	1455.42	1682.72	1925.79	2187.49	2448.67	2770.78	3097.41	3400.00	3400.00	3400.00
Total Revenue	.00	3750.00	2111.44	1097.40	1217.99	1254.74	1272.44	1149.52	1285.81	1432.25	1599.48	1759.44	1940.31	2152.38	2378.98	2622.55	2884.25	3145.43	3447.55	3792.17	4234.04	4234.04	4234.04
Fixed Costs	.00	3157.00	1125.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
1681 SERVICE																							
Cash Available for RS & Reserve	.00	593.00	986.44	1097.40	1217.99	1254.74	1272.44	1149.52	1285.81	1432.25	1599.48	1759.44	1940.31	2152.38	2378.98	2622.55	2884.25	3145.43	3447.55	3792.17	4234.04	4234.04	4234.04
Capitalized Interest	.00	.00	350.00	500.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
Total Debt Service	.00	.00	350.00	500.00	423.50	423.50	423.50	423.50	423.50	423.50	423.50	423.50	423.50	423.50	423.50	423.50	423.50	423.50	423.50	423.50	423.50	423.50	423.50
Reserve Payments	.00	50.00	50.00	75.00	75.00	150.00	200.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
Accumulated Reserve Payment	.00	50.00	100.00	175.00	250.00	400.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00
Revenue Needed for RS & Reserve	.00	50.00	86.00	375.00	498.50	773.50	813.50	423.50	423.50	423.50	423.50	423.50	423.50	423.50	423.50	423.50	423.50	423.50	423.50	423.50	423.50	423.50	423.50
Unpaid Principal Balance	.00	.00	.00	5043.29	4925.38	4975.08	4551.11	4492.02	4316.23	4124.97	3911.72	3670.13	3406.03	3118.42	2796.43	2446.77	2064.02	1627.23	1145.10	.00	.00	.00	.00
Annual Surplus	.00	543.00	580.44	517.40	519.49	401.24	379.16	524.02	642.31	808.75	974.19	1135.16	1316.81	1520.68	1755.40	1977.65	2200.75	2541.53	2844.05	3168.47	3511.30	3866.00	4234.04
Interest Income	.00	.00	47.44	54.92	35.40	41.56	70.50	77.93	90.00	100.97	112.10	125.29	138.81	153.14	170.31	180.44	201.92	228.86	254.35	275.52	293.37	313.37	3400.00

EXHIBIT D

GF-READ SPEC I 115.114
 FILE DEFINITION I BARRRY.C.F10M
 DATA FILE I DR.26CA

DATE I 03/12/30

1101 13121137
 DIRECTORY I DIR.DARY

PAGE I 1

Quarterly
 Noncollateral Mkt
 Investment Package
 Quarterly Cash Flow Analysis
 (in thousands)

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 5	Quarter 6	Quarter 7	Quarter 8	Quarter 9	Quarter 10	Quarter 11	Quarter 12	Quarter 13	Quarter 14	Quarter 15	Quarter 16	Total
Investment I Shipping Mall																	
SOURCES																	
UNW	.00	.00	.00	.00	.00	275.00	600.00	4285.50	3721.20	75.00	125.00	.00	.00	.00	.00	.00	9087.70
Egley-Fernal City/JF Realty	.00	80.00	110.84	120.84	170.84	222.84	.00	.00	.00	.00	.00	.00	2400.44	2400.44	.00	.00	3746.44
Industrial Revenue Bonds	.00	.00	.00	.00	.00	.00	2591.75	2524.31	2594.31	2594.31	2444.31	2587.31	3477.31	1804.42	.00	.00	18750.00
J. P. Fryer's Dept/Store Finance	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	500.00	500.00	.00	.00	1000.00
Temporary Make-Public	.00	.00	105.00	3700.00	2502.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	7387.00
Total Source	.00	80.00	215.84	3860.84	3422.84	415.84	427.84	453.53	2671.31	2771.31	2771.31	2587.31	4177.31	4005.09	.00	.00	37411.35
USES - PUBLIC																	
Blitz Appraisal	.00	.00	105.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	105.00
Blitz Acquisition	.00	.00	3400.00	3302.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	6702.00
Revolving	.00	.00	100.00	200.00	250.00	200.00	100.00	75.00	75.00	75.00	50.00	.00	.00	.00	.00	.00	800.00
Resilience	.00	.00	.00	.00	25.00	200.00	200.00	.00	.00	.00	75.00	.00	.00	.00	.00	.00	300.00
Temporary Make Payments	.00	.00	.00	.00	.00	.00	4185.50	3652.20	.00	.00	.00	.00	.00	.00	.00	.00	8037.70
Total Public Uses	.00	.00	105.00	3700.00	2502.00	275.00	600.00	4285.50	3721.20	75.00	125.00	.00	.00	.00	.00	.00	14374.70
USES - PRIVATE																	
Total Construction Costs	.00	.00	.00	.00	.00	.00	.00	1742.23	1742.23	1742.23	1742.23	1742.23	1742.23	1742.23	.00	.00	12335.40
General Conditions-AS	.00	.00	.00	.00	.00	.00	.00	185.71	185.71	185.71	185.71	185.71	185.71	185.71	.00	.00	740.14
Construction Manager Fees-AS	.00	.00	.00	.00	.00	.00	.00	74.72	74.72	74.72	74.72	74.72	74.72	74.72	.00	.00	523.03
Construction Contingency-TR	.00	.00	.00	.00	.00	.00	.00	135.99	135.99	135.99	135.99	135.99	135.99	135.99	.00	.00	551.91
Architectural & Engineering Costs-SS	.00	.00	80.84	80.84	80.84	80.84	80.84	80.84	80.84	80.84	80.84	80.84	80.84	80.84	.00	.00	727.53
Fishing & Travel Allowance	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	941.00	941.00	.00	.00	2023.00
Leasing Costs	.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	.00	.00	472.00
Pre-opening and Opening	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	40.00	40.00	.00	.00	120.00
Fencing Costs	.00	.00	.00	.00	.00	.00	70.00	347.24	347.24	347.24	347.24	347.24	347.24	347.24	.00	.00	2233.44
Legal Costs etc.	.00	.00	.00	50.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	150.00
Insurance	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	50.00	.00	.00	50.00
Janitorial	.00	.00	.00	.00	.00	.00	25.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	25.00
High-Cleanse	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	50.00	.00	.00	50.00
High-Empirical and Fishing	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	75.00	.00	.00	75.00
Local Coordination and	.00	.00	.00	.00	.00	.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	.00	.00	500.00
Developmental Management Costs	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	500.00	500.00	.00	.00	1000.00
Total Private Investment	.00	80.00	110.84	120.84	170.84	222.84	2591.75	2524.31	2574.31	2574.31	2444.31	2587.31	4177.31	4005.09	.00	.00	23014.45
Consulting Private Investment	.00	80.00	190.84	251.67	422.51	413.35	844.19	3457.93	5784.26	6390.26	11224.91	14814.24	19011.56	23014.65	23014.65	23014.65	23014.65

PAGE 2

Quarterly

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 5	Quarter 6	Quarter 7	Quarter 8	Quarter 9	Quarter 10	Quarter 11	Quarter 12	Quarter 13	Quarter 14	Quarter 15	Quarter 16
PUBLIC IMPROVEMENTS																
BRIDGES - PUBLIC IMPROVEMENTS																
LEAS	.00	.00	48.72	48.72	48.72	48.72	48.72	48.72	.00	.00	500.00	.00	.00	.00	.00	.00
Highway Revenue Bonds	.00	500.00	500.00	200.00	.00	.00	300.00	300.00	300.00	1000.00	.00	.00	.00	.00	.00	.00
National Endowment for the Arts Grant	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	100.00	.00	.00	.00	.00	.00
Los Angeles Financing Bonds	.00	.00	.00	.00	.00	.00	500.00	500.00	1250.00	1250.00	425.00	.00	.00	.00	.00	.00
Bonelli District-Bonifera Share	.00	.00	.00	.00	.00	.00	250.00	250.00	.00	.00	.00	.00	.00	.00	.00	.00
Bonelli District City Share	.00	.00	.00	.00	.00	448.90	197.18	26.00	14.44	.00	.00	.00	389.38	321.88	.00	.00
Bonelli District-Developer Share	.00	.00	.00	.00	.00	52.18	245.90	114.00	44.34	.00	249.00	200.00	971.13	945.43	.00	.00
Federal Highway Funds	.00	.00	.00	.00	.00	.00	.00	1000.00	1000.00	.00	1000.00	.00	.00	.00	.00	.00
Total Public Sources	.00	500.00	548.72	248.72	48.72	589.72	811.72	2248.72	2411.00	3250.00	2394.00	450.00	1342.50	1287.50	.00	.00
LEAS - PUBLIC IMPROVEMENTS																
Sanborn Aerial Acquisition and Relocation	.00	500.00	500.00	200.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
Leavenworth Connection	.00	.00	.00	.00	.00	271.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
Redford Ward Relocation	.00	.00	.00	.00	.00	.00	500.00	500.00	1000.00	1000.00	1000.00	.00	.00	.00	.00	.00
Sanborn Relocation	.00	.00	.00	.00	.00	.00	300.00	300.00	1000.00	1000.00	1000.00	.00	.00	.00	.00	.00
State Relocation - Phase I	.00	.00	.00	.00	.00	219.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
Streetscape Improvements	.00	.00	.00	.00	.00	.00	250.00	250.00	250.00	250.00	125.00	.00	.00	.00	.00	.00
Sanitary Sewer Relocation	.00	.00	.00	.00	.00	.00	221.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
Phase 3rd and Forest	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	450.00	.00	.00	.00	.00
Water Main Improvements	.00	.00	.00	.00	.00	.00	150.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
State Relocation - Phase II	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	249.00	200.00	.00	.00	.00	.00
Mail Parking Lot	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	1287.50	1287.50	.00	.00	.00
Third Street Relocation	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	75.00	.00	.00	.00
Administrative Costs	.00	.00	48.72	45.72	48.72	48.72	48.72	48.72	.00	.00	.00	.00	.00	.00	.00	.00
Total these Public Improvements	.00	500.00	548.72	248.72	48.72	589.72	811.72	2248.72	2411.00	3250.00	2394.00	450.00	1342.50	1287.50	.00	.00
Transactions V early 1981 with City of Los Angeles																
City of Los Angeles - J V Office	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
SOURCES - PUBLIC IMPROVEMENTS																
Los Angeles Financing Bonds	.00	.00	.00	300.00	27.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
Bonelli District - City Share	.00	.00	.00	.00	.00	.00	.00	.00	42.50	35.00	.00	.00	.00	.00	.00	.00
Bonelli District - Developer Share	.00	.00	.00	.00	.00	.00	.00	.00	187.50	105.00	.00	.00	.00	.00	.00	.00
Total Public Sources	.00	.00	.00	300.00	27.00	.00	.00	.00	250.00	140.00	.00	.00	.00	.00	.00	.00
SOURCES - OTHER SOURCES																
Colony Square J V Office	.00	.00	.00	.00	.00	1010.00	740.00	740.00	740.00	740.00	.00	.00	.00	.00	.00	.00
Colony Square J V Office	.00	.00	.00	47.50	47.50	47.50	47.50	47.50	47.50	47.50	.00	.00	.00	.00	.00	.00
Total Sources - Colony Square, J V Office	.00	.00	.00	47.50	47.50	1017.50	827.50	827.50	827.50	827.50	.00	.00	.00	.00	.00	.00
Total Sources Public/Private	.00	.00	.00	447.50	94.50	1017.50	827.50	827.50	1677.50	900.00	.00	.00	.00	.00	.00	.00

TABLE 3

Quarterly

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 5	Quarter 6	Quarter 7	Quarter 8	Quarter 9	Quarter 10	Quarter 11	Quarter 12	Quarter 13	Quarter 14	Quarter 15	Quarter 16	Total
USPS-PUBLIC-COLONY GND OFFICE																	
West Payco Parking Lot	.00	.00	.00	.00	.00	.00	.00	.00	250.00	140.00	.00	.00	.00	.00	.00	.00	390.00
Office Bldg Acquisition	.00	.00	300.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	300.00
Office Bldg Relocation & Resettlement	.00	.00	.00	27.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	27.00
Total Public Inves-	.00	.00	300.00	27.00	.00	.00	.00	.00	250.00	140.00	.00	.00	.00	.00	.00	.00	717.00
USPS-PRIVATE-COLONY SURNAME JV																	
Lead Purchase Office Bldg	.00	.00	.00	.00	250.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	250.00
Construction Costs-Office	.00	.00	.00	740.00	240.00	240.00	240.00	740.00	740.00	740.00	.00	.00	.00	.00	.00	.00	3000.00
Development Fees-Office	.00	.00	.00	87.50	87.50	87.50	87.50	87.50	87.50	.00	.00	.00	.00	.00	.00	.00	405.00
Total Investment-Colony Office	.00	.00	.00	87.50	87.50	87.50	87.50	87.50	87.50	740.00	.00	.00	.00	.00	.00	.00	485.00
Conservative Investment-Office	.00	.00	87.50	135.00	127.50	204.00	2847.50	3495.00	485.00	485.00	485.00	485.00	485.00	485.00	485.00	485.00	485.00
Transaction JV (Service Commercial Center)																	
GEORGE-PRIVILE																	
Curlic-Boness IRAs	.00	.00	640.00	352.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	1200.00
Curlic-Boness Equity	.00	.00	42.50	21.50	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	134.00
Total Sources- Curlic-Boness	.00	.00	700.50	423.50	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	1334.00
USPS-PRIVATE- CURTIS BOWMAN																	
Lead Purchase Commercial Bldg	.00	.00	87.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	87.00
Construction Costs	.00	.00	541.00	541.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	1122.00
Development Fees-Curtis-Boness	.00	.00	42.50	42.50	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	125.00
Total Investment-Curtis-Boness	.00	.00	710.50	623.50	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	1334.00
Conservative Investment/C-B	.00	.00	710.50	1334.00	1334.00	1334.00	1334.00	1334.00	1334.00	1334.00	1334.00	1334.00	1334.00	1334.00	1334.00	1334.00	1334.00
BRADLEY-BOWMAN RECEIVABLES																	
Total USMG- Summary	.00	.00	48.72	66.72	46.72	440.72	484.72	484.72	3727.20	75.00	625.00	.00	.00	.00	.00	.00	10000.00
USMG- Consulative Inlets	.00	.00	48.72	131.43	204.15	549.87	1016.50	1372.80	7360.00	9175.00	10000.00	10000.00	10000.00	10000.00	10000.00	10000.00	10000.00
Total Private Investment (All Private Projects)	.00	.00	80.00	821.34	851.84	1086.34	1050.34	3419.25	3353.81	3354.33	2444.33	2587.33	4191.33	6005.87	.00	.00	28895.45
Consulative Inlet Private Investment	.00	.00	80.00	991.34	1753.17	1941.51	3189.85	7059.43	11013.26	13487.58	17015.91	20403.24	24800.54	28895.45	28895.45	28895.45	28895.45
USMG Leverage Ratio	.00	.00	13.12	12.76	9.42	5.00	6.16	6.13	2.45	2.21	2.54	2.54	2.59	2.60	2.60	2.60	2.60

USMG Leverage Ratio assumes that the FC/EP IRAs are treated as private investment when they are drawn down in Quarter 9.

APPENDIX C

F. Relocation Assistance to Residents

- 1) Relocation Interview for Replacement Needs
- 2) Negotiation Meeting
- 3) Referral to Replacement Housing
- 4) Inspection of Replacement Housing
- 5) Moving Assistance
- 6) Preparation of Relocation Claims

V. APPEALS

- A. Basis of Appeals
- B. Appeal Procedures

VI. PROPERTY MANAGEMENT AND EVICTION POLICY

- A. Eviction
- B. Grievance Procedure

VII. ASSURANCE OF REPLACEMENT HOUSING

MANHATTAN RELOCATION ASSISTANCE PLAN

I. INTRODUCTION

This is the Relocation Assistance Plan of the City of Manhattan, Kansas, for the Central Business District Redevelopment Project. The City of Manhattan, in carrying out a public project, has established relocation guidelines to insure fair, consistent and equitable treatment of all owners and tenants of real property within the acquisition areas.

The Relocation Assistance Plan has been prepared in accordance with the provisions of the Kansas Tax Increment Redevelopment Law, K.S.A. 1979 Supp. 12-1777, and the Department of Housing and Urban Development, 24 CFR 42, "Uniform Relocation and Real Property Acquisition Policies Act of 1970", as amended.

A. BACKGROUND

The Manhattan Central Business District Redevelopment Project is an outgrowth of public and private concern to revitalize the Central Business District (CBD) and to maintain its importance as a regional shopping center, thus, promoting the social and economic welfare of its citizens. In order to accomplish this goal, the City intends to acquire and subsequently redevelop three distinct sites within the Central Business District.

The first site will consist of a nine block area located within the eastern area of the Central Business District. The primary means for revitalizing this area will be through the development of a regional shopping mall with adjacent parking. This 325,000 square foot facility will maintain the CBD's position as a regional center by providing needed retail space for two major department stores and attracting other retail businesses. The second site is located at the west end of the CBD and will require partial acquisition of a one block area. Revitalization of this area will be achieved through the development of an office building with associated parking. This redevelopment is designed to generate employment and create an activity center which will act as an anchor in the west end of the CBD. (MAP 1).

The acquisition of these Central Business District properties will cause the displacement of both residential and business occupants. Accordingly, in compliance with the State of Kansas Tax Increment Redevelopment Act and Federal relocation requirements, the City has prepared this Relocation Assistance Plan prior to the commencement of any property acquisition.

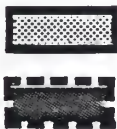
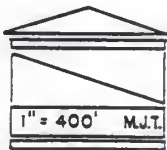
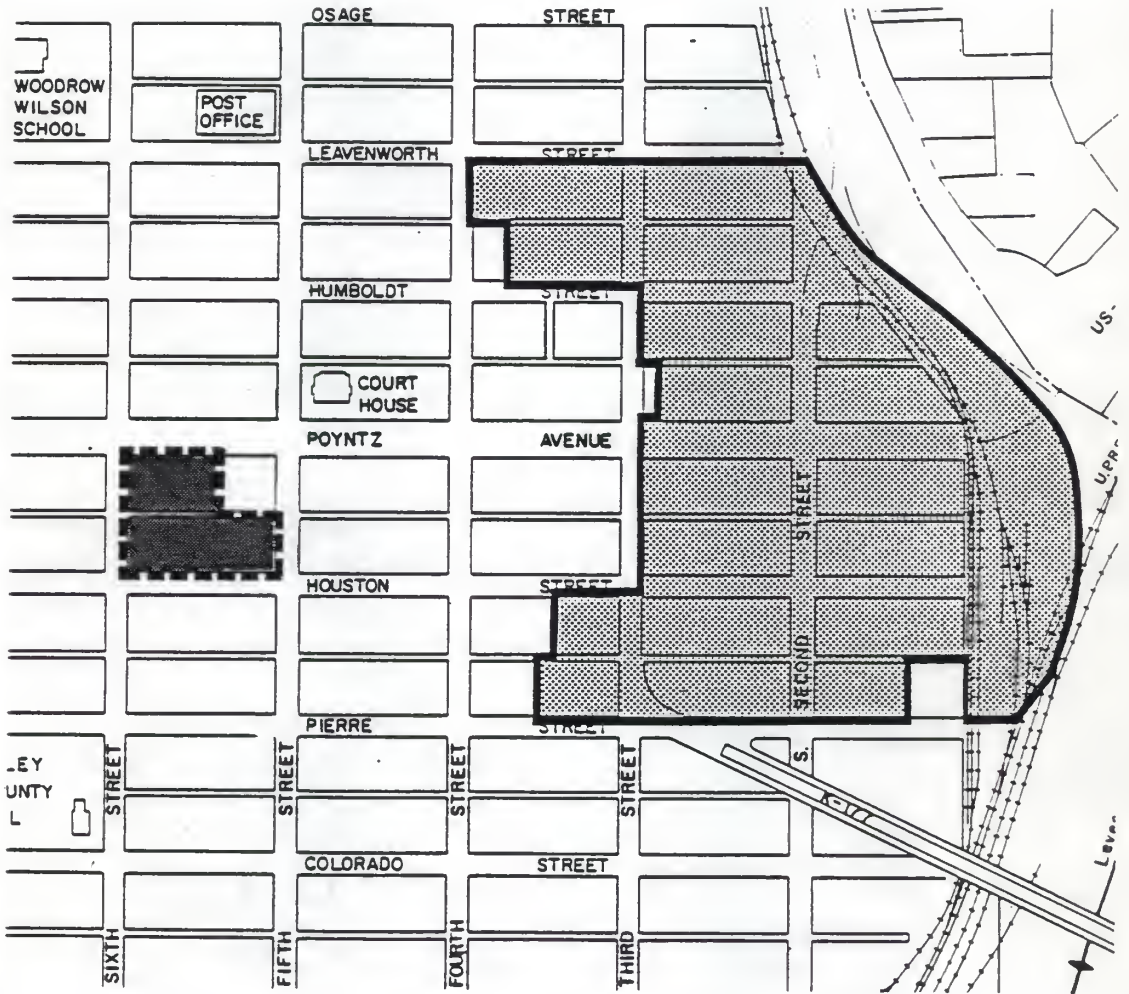
B. OBJECTIVES OF THE RELOCATION ASSISTANCE PLAN

The purpose of the Relocation Assistance Plan is to minimize injury and provide assistance to persons displaced from their homes and businesses as a result of carrying out this public project. The City of Manhattan has established the following objectives for implementing its relocation plan. These objectives assure:

- 1) That each owner and renter will be adequately informed at the earliest possible date about the redevelopment project and the

MAP 1

SITE MAP



PRINCIPAL REDEVELOPMENT AREA

SECONDARY REDEVELOPMENT AREA

relocation assistance and payments for which they may be eligible.

- 2) That owners and renters of residential property will be assisted in finding comparable decent, safe and sanitary replacement housing within their financial means in not less desirable neighborhoods, appropriate to their housing requirements and available to all regardless of race, color, religion, national origin, sex or source of income.
- 3) That owners of businesses will be assisted in finding suitable replacement locations for the continuation of their business operation.
- 4) That owners and renters of both residential and business property shall receive relocation payments in accordance with their respective state of eligibility.
- 5) That all displaced homeowners and tenants will be given a reasonable period of time to move, and that no one will be required to move unless decent, safe and sanitary housing is available.
- 6) That all displaced persons will be provided assistance in filing claims for their relocation benefits.
- 7) That all displaced persons will be fully informed of the relocation appeal procedures.
- 8) That all retailers relocated with proceeds from the sale of bonds as authorized by K.S.A. 12-1770 et.seq., will receive payment for damages sustained, by reason of the liquidation of inventories necessitated by relocation.

C. DEVELOPMENT OF THE PLAN

Primary data for the Relocation Assistance Plan has been collected through field surveys conducted by the Manhattan Planning Department. Additional information for the relocation plan was obtained from:

The City of Manhattan: Community Development Department
 Housing Rehabilitation Department
 Codes Inspection Department
 Fire Department

Consultants: Trkla, Pettigrew, Allen and Payne; Chicago, Illinois.

II. ACQUISITION SITE DESCRIPTION

Acquisition for the Central Business District Redevelopment Project will take place in three sites. These consist of the principal redevelopment area, for the development of a regional shopping mall, and a secondary redevelopment areas, for the development of an office building.

A. PROJECT BOUNDARIES

The principal redevelopment area of the project is located in the eastern portion of the CBD. Generally, it is bounded on the north by Leavenworth Street, on the east by the Manhattan levee system, on the south by Pierre Street and on the west by Fourth Street. The legal description of the site is as follows:

Parts of lots 1, 2, and 3, and all of Lots 4, 5, 6, 7, 8, Part of lots 9 and 10, and all of lots 11, 12, 13, 16, 17, 18, 19, 20, 21, 22, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178 in Ward 2 in the City of Manhattan, Riley County, Kansas; 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, Part of 151, Part of 152, 329, 330, 331, 332, 333, 334, 337, 338, 339, in Ward 1 in the City of Manhattan, Riley County, Kansas. (MAP 2)

In addition, a portion of land just east of the primary redevelopment area will revert to the City after its abandonment by the Union Pacific Railroad Company. The site was granted to the railroad through an Ordinance dated December 4, 1865, and also allows for the property to revert to the City if the site is no longer used by the Union Pacific Railroad.

The secondary redevelopment areas for the project are located in the western portion of the CBD. Generally, the areas are in the 500 block of Poyntz Avenue, bounded by Humboldt Street on the north and Houston Street on the south. The following lots are included:

Lots 585, 586, 587, 589, 590, 591, 592, 596, 597, 598, 599, 600 and the west 40' of Lot 595 all in Ward 1 in the City of Manhattan, Riley, County, Kansas.

B. AREA TO BE ACQUIRED

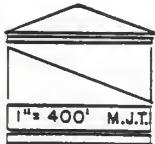
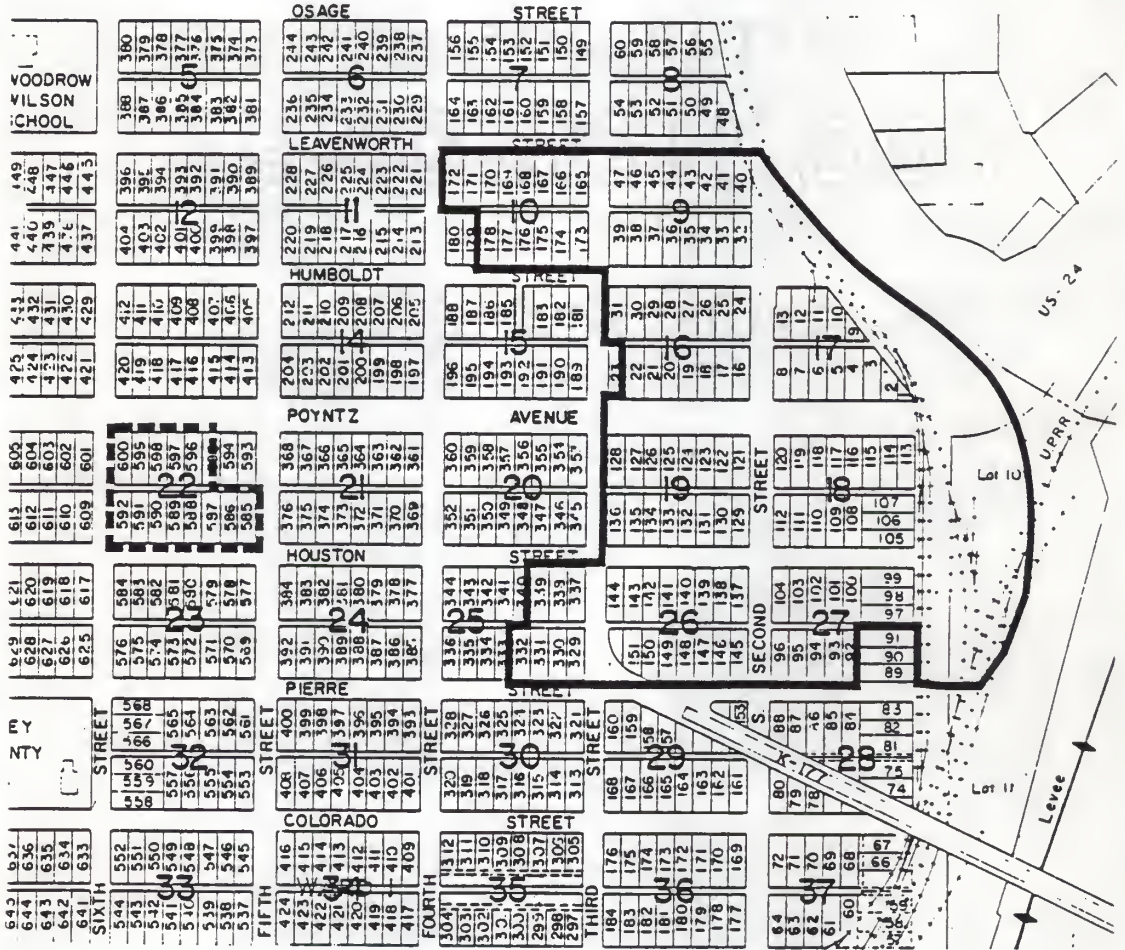
Through public and private sources, the City will acquire approximately 23+ acres of occupied or vacant land. Acquisition of this land will be acquired in whole, fee simple. Relocation will occur in phases in order to provide adequate assistance to individual businesses and residents and to insure that each relocatee is moved to a replacement location in the most timely and efficient manner with the least disruption.

C. STRUCTURAL DESCRIPTION

The acquisition sites consist of 82 structures, 79 in the principal redevelopment area and 3 in the secondary redevelopment areas. A total of 103 owners and tenants will be relocated from these structures.

MAP 2

REDEVELOPMENT AREAS



— PRINCIPAL REDEVELOPMENT AREA BOUNDARY

---- SECONDARY REDEVELOPMENT AREA BOUNDARY

Structures located within the redevelopment areas range from relatively new to 90 years of age. Over the years many of these structures have been deteriorating due to lack of interior and exterior improvements, however, some have been renovated and maintained in operative condition to meet building code standards. Most of the establishments provide retail sales, auto parts and service, and professional services to the Manhattan community. Of the 74 businesses in the principal redevelopment area, 47 are tenant occupied and 26 are owner occupied. Within the secondary redevelopment area, 5 are tenant occupied, and none are owner occupied. Structures in the acquisition areas vary in floor size, height and use.

D. PROPOSED DEVELOPMENT PLAN

After implementation of the Relocation Assistance Plan and clearance of the acquisition site, construction will begin on the development of: (1) a climate-controlled shopping mall; (2) one office building; and (3) associated parking space for each redevelopment area.

The Central Business District Redevelopment Plan projects the occupancy of a minimum of two major department stores in the mall shopping area with a variety of smaller new and local businesses. Space for restricted businesses and financial institutions is projected for the office building.

E. LISTS OF PROPERTIES TO BE ACQUIRED

The following lists are those properties to be acquired in both the principal and secondary redevelopment areas. The business names may change prior to acquisition, but this is a complete listing of the locations to be acquired. These lists will be updated prior to distribution of the Notice of Intent to Acquire.

PRINCIPAL REDEVELOPMENT AREA

RELOCATION AREA #9

- 1) Textile Services, Inc.
200 Humboldt
One story masonry building with approximately 13,600 sq.ft. of commercial space used as a linen rental service. Owner occupied.
- 2) Humboldt Square:
 - *Kitchens Plus
208 Humboldt
Included in a one story concrete block structure with approximately 3,000 sq.ft. of retail space. Tenant occupied.
 - *Rentway
200 block Humboldt
Included in a one story concrete block structure with approximately 2075 sq.ft. of retail space. Tenant occupied.
 - *Lords and Ladys
210 Humboldt
Single story concrete block structure with 1440 sq.ft. of space. Tenant occupied.
 - *Dancers, Inc.
210a Humboldt
Secondary level structure with approximately 2250 sq.ft. of space. Tenant occupied.
 - *Borck Brothers
220 N. 3rd
Included in a one story concrete block structure with approximately 2000 sq.ft. of retail space. Tenant occupied.
- 3) Warehouse
2nd and Leavenworth
Single story corrugated tin structure with approximately 6620 sq.ft. of storage space. Tenant occupied.
- 4) Tidy Car Wash
behind 218 N. 3rd
Concrete block and steel frame structure approximately 1650 sq.ft. in area. Tenant occupied.
- 5) McDougals
220 N. 3rd
Single story masonry structure approximately 2275 sq.ft. of space used as a dining and eating establishment. Tenant occupied.
- 6) Rooks Recreation Club
216 N. 3rd
Single story masonry structure approximately 3575 sq.ft. of space used as a recreational game center. Owner occupied.

PRINCIPAL REDEVELOPMENT AREA

RELOCATION AREA #10

- 1) Union National Motor Bank
3rd and Humboldt
Single story masonry building with approximately 1000 sq.ft. of space. Owner occupied.
- 2) Kansas Department of Social
and Rehabilitation Services
312 Humboldt
Single story masonry structure with approximately 11,700 sq.ft. of space used for office and class-room facilities. Tenant occupied.
- 3) Coder Welding Shop
316 Humboldt
Single story masonry building with approximately 1990 sq.ft. of commercial space. Owner occupied.
- 4) 318 Humboldt
Two story wood structure with approximately 1380 sq.ft. of living space. Owner occupied.
- 5) 320 Humboldt
Two story wood structure. Multi-family with approximately 2041 sq.ft. of living space. Tenant occupied. 4 units.
- 6) Klepper Oil Company #2
223 N. 3rd
Single story masonry and steel structure with approximately 2100 sq.ft. of space used for the servicing and repair of automobiles. Owner occupied.
- 7) Ekhart's Motor Inn
313 Leavenworth
Single-story masonry structure with approximately 4400 sq.ft. of space. Owner occupied.
- 8) 222 N. 4th Street
Two story wood structure. Multi-family residence with approximately 2408 sq.ft. of living space. Tenant occupied. 4 units.

PRINCIPAL REDEVELOPMENT AREA

RELOCATION AREA #16

- 1) Manhattan Chiropractic
200 Poyntz Avenue
Single story masonry structure used as a medical office with approximately 1500 sq.ft. of space. Owner occupied.
- 2) Sherwin-Williams Paint
204 Poyntz
1-1/2 story masonry structure with approximately 6,122 sq.ft. of space. Tenant occupied.
- 3) American Red Cross
206-208 Poyntz
Single story wood frame structure with approximately 1512 sq.ft. of space used to provide classroom facilities. Tenant occupied non-profit organization.
- 4) Manhattan Keyboard Center
210 Poyntz
Single story masonry building with approximately 3,000 sq.ft. of commercial and storage space. Tenant occupied.
- 5) Boyd Appliance
212 Poyntz
Two story masonry structure. Approximately 3,000 sq.ft. of commercial and storage space on first floor. Tenant occupied.
- 6) 212 1/2 Poyntz
Tenant occupied apartment on second floor level.
- 7) Vacant
214 Poyntz
Two story masonry building with approximately 4500 sq.ft.
- 8) Vacant
216 Poyntz
Two story masonry structure with approximately 2,000 sq.ft. of first floor space
- 9) Downtown Cafe
218 Poyntz
Two story masonry structure with approximately 2,000 sq.ft. on first floor used as a dining facility. Owner occupied.
- 10) 218 1/2 Poyntz
Second floor apartment space. Owner occupied with approximately 1250 sq.ft. of living space.
- 11) Cross Reference Book Store
220 Poyntz
Single story structure with approximately 2,000 sq.ft. of floor space used as retail sales. Tenant occupied.
- 12) Art Craft Printing
222 Poyntz
Single story masonry structure with approximately 1,800 sq.ft. of commercial space. Tenant occupied.

RELOCATION AREA #16 (Continued)

- 13) Williams Appliance Service, Inc.
224 Poyntz
Single story structure with approximately 2,500 sq.ft. used as home appliance sales and repair service. Owner occupied.
- 14) Standard Plumbing, Inc.
226 Poyntz
Single story masonry structure with approximately 2,500 sq.ft. of space. Owner occupied.
- 15) B & L Thrift Shop
107-109 N. 2nd
One story masonry building with approximately 1800 sq.ft. of space. Tenant occupied.
- 16) CETA
2nd and Humboldt
Two story masonry and wood structure with approximately 5390 sq.ft. of space. Tenant occupied.
- 17) VFW
215 Humboldt
Single story cement block structure with approximately 6,550 sq.ft. of space. Owner occupied.
- 18) Chiropractic Center
122 N. 3rd
One story masonry building with approximately 1200 sq.ft. of space used as medical offices. Owner occupied.
- 19) Lab Television & Radio
118 N. 3rd
Two story structure of masonry construction having approximately 798 sq.ft. of retail space. Owner occupied.
- 20) Paint & Frame Shoppe
114 N. 3rd
Single story masonry structure with approximately 2600 square feet of space. Tenant occupied.
- 21) 120 N. Third
Second floor apartment structure above retail store with approximately 900 sq.ft. of space. Tenant occupied.
- 22) 118a N. 3rd
Second floor apartment structure above retail store with approximately 900 sq.ft. of space. Tenant occupied.

PRINCIPAL REDEVELOPMENT AREA

RELOCATION AREA #17

- 1) Baily Moving & Storage Company
110 Poyntz
Three story brick structure, approximately 50,000 sq.ft. of floor area. Owner occupied.
- 2) Big A Auto Parts
116 Poyntz
Single story brick structure with basement. Approximately 5,000 sq.ft. of commercial space. Tenant occupied.
- 3) Vacant
126 Poyntz
Single story brick building with approximately 5,000 sq.ft. of space. Used for storage by Bird Music.
- 4) Richards Auto Parts
130 Poyntz
Two story brick building with approximately 5,000 sq.ft. of commercial space. Tenant occupied.
- 5) Jack's Body Shop
111 Humboldt Street
Single story masonry building with approximately 1600 sq.ft. of space. Tenant occupied.

PRINCIPAL REDEVELOPMENT AREA

RELOCATION AREA #18

- 1) Bird Music Distributor, Inc. Two story masonry building with approximately 33,530 sq.ft. of space used in distributing vending machines and music supplies. Owner occupied.
- 2) S & B Oil Company
117 Poyntz Single story concrete block structure on 15,000 sq.ft. of land area, used as a service station. Owner occupied.
- 3) Frank E. Jacobson, Broker
119 Poyntz Single story masonry building with approximately 7,500 sq.ft. of floor space. Broker located only in office; rest of building used for storage. Owner occupied.
- 4) Westgate Auto Repair
121 Poyntz Single story masonry building with approximately 8000 sq.ft. of space used for automobile repair. Tenant occupied.
- 5) Wildcat Exteriors
121 A Poyntz Uses 1000 sq.ft. in same building as above.
- 6) Dick Edwards Ford
123 S. 2nd Two story masonry structure with approximately 23,000 sq.ft. of commercial space. Tenant occupied.
- 7) Manhattan Wrecker Service
110 Houston Single story masonry structure with approximately 100 sq.ft. of space. Tenant occupied.

PRINCIPAL REDEVELOPMENT AREA

RELOCATION AREA #19

- 1) Dick Edwards Rent-a-Car
201 Poyntz
Single story masonry structure containing approximately 1125 sq.ft. of commercial space. Tenant occupied.
- 2) Goodson Auto Trim
207 Poyntz
Two story masonry building with approximately 4220 sq.ft. of retail space. Owner occupied.
- 3) Cowboy Palace
209 Poyntz
Two story masonry building with approximately 3,300 sq.ft. of space used as a private club. Tenant occupied.
- 4) B & L Vacuum Company
211 Poyntz
Two story masonry building with approximately 2,500 sq.ft. of retail space on first floor. Tenant occupied.
- 5) Cary Company, Inc.
213 Poyntz
Two story masonry building with 2,200 sq.ft. of commercial space. Owner occupied.
- 6) Vacant
213 A Poyntz
Upper level apartment of a masonry structure with 1,200 sq.ft. of living space. Tenant occupied.
- 7) Farrell TV and Electronics
215 Poyntz
Two story masonry structure with approximately 3,000 sq.ft. of retail space on first floor. Owner occupied.
- 8) Bassett's Bicycles
217 Poyntz
Single story masonry building with approximately 2,040 sq.ft. of floor space used for bicycle sales and repair. Owner occupied.
- 9) Newell's Barber Shop
219 ½ Poyntz
Single story masonry building containing approximately 900 sq.ft. of commercial space. Owner occupied.
- 10) Lady Foot Shoes
221 Poyntz
Single story masonry structure with a half basement. Approximately 1,000 sq.ft. of retail space. Tenant occupied.
- 11) Vacant
221 ½ Poyntz
Single story masonry building with 960 sq.ft. of commercial space. Vacant.
- 12) Hayes House of Music
223 Poyntz
Single story masonry building with approximately 1,620 sq.ft. of commercial space. Owner occupied.
- 13) Swanson's Bakery
225 Poyntz
Three story masonry structure with approximately 2,780 sq.ft. of commercial space used on first floor. Tenant occupied.
- 14) McManis Typesetting
227 Poyntz
Two story masonry structure with approximately 2,205 sq.ft. of commercial space used on first floor. Tenant occupied.
- 15) Manhattan Computer Co.
227 ½ Poyntz
2nd floor of above building. 2,000 sq.ft. of space used for computer sales and service. Tenant occupied.

RELOCATION AREA #19 (Continued)

- 16) Wilson Realty Two story masonry structure with approximately 1,000 sq.ft. of commercial space. Tenant occupied.
- 17) Joan Marshall Chiropractor
229 a Poyntz Masonry building with approximately 2,920 sq.ft. of floor area. Tenant occupied.
- 18) 229 ½ Poyntz Upper level of masonry building with approximately 1,500 sq.ft. of living space in 3 apartments. Tenant occupied.
- 19) Vacant
231 Poyntz Two story masonry structure with approximately 5,610 sq.ft. of commercial and storage space. Vacant (burned 1983).
- 20) Joann's Tailoring
107 S. Third Street One story masonry structure with approximately 800 sq.ft. of commercial space. Tenant occupied.
- 21) Mel's Tavern
113 S. Third Street Two story masonry structure with approximately 2,100 sq.ft. of space used on first floor. Tenant occupied.
- 22) Mel's Alley
113 S. Third Street Single story masonry structure with approximately 2,100 sq.ft. of commercial space used on first floor. Tenant occupied
- 23) Bob's Glass Shop
115 S. Third Street Single story masonry building with approximately 2,400 sq.ft. of commercial space. Owner occupied.
- 24) Bigbee Welding and Wrought
Iron Shop
117 S. Third Street Single story masonry building with approximately 2,000 sq.ft. of retail space. Tenant occupied.
- 25) White's Auto Electric
119 S. Third Street Single story masonry structure containing approximately 2,320 sq.ft. of commercial space. Owner occupied.
- 26) Regulator Time Company
121 S. Third Street Single story masonry structure with approximately 1,500 sq.ft. of commercial space. Tenant occupied.
- 27) Ole Mike's Shooters
123 S. Third Street Two story masonry structure with approximately 2,000 sq.ft. of space used on first floor. Tenant occupied.
- 27A) Private Art Studio
123-A S. Third Street 2nd floor space used for private art studio.
- 28) Custom Auto Trim
226 Houston Single story stone structure with approximately 1,050 sq.ft. of commercial space. Tenant occupied.
- 29) Dick Edwards Ford
214 Houston Single story masonry structure with approximately 2,170 sq.ft. of retail space used for auto repair. Tenant occupied.

PRINCIPAL REDEVELOPMENT AREA

RELOCATION AREA #25

- 1) Oppy's Standard Station
301 Houston
Single story masonry building with approximately 1488 sq.ft. of commercial space. Tenant occupied.
- 2) Waterbed World
305 Houston
Single story masonry building with approximately 2500 sq.ft. of commercial space. Tenant occupied.
- 3) Ceramic Hide Away
305 Houston
Tenant occupied business in same building as (2).
- 4) The Garage Door Place
305 Houston
Tenant occupied business in same building as (2).
- 5) B & B Glass Shop
208 S. Third Street
Single story brick structure with 2500 sq.ft. of retail space. Tenant occupied.
- 6) Import Car Parts
220 S. Third Street
Single story masonry building with approximately 1500 sq.ft. of commercial space. Tenant occupied.
- 7) 308 Pierre
Two story multi-family wood structure with approximately 2400 sq.ft. of living space. Tenant occupied. 3 units.
- 8) 312 Pierre
Two story multi-family wood structure with approximately 2400 sq.ft. of living space. Tenant occupied. 3 units.

PRINCIPAL REDEVELOPMENT AREA

RELOCATION AREA #26

- 1) Vacant
230 Pierre
Single story masonry building with approximately 2,500 sq.ft. of commercial space. Tenant occupied.
- 2) 222 Pierre
Single story wood structure with approximately 818 sq.ft. of living space. Tenant occupied.
- 3) 216 Pierre
Two story multi-family structure with approximately 2,118 sq.ft. of living space. Tenant occupied. 5 units.

PRINCIPAL REDEVELOPMENT AREA

RELOCATION AREA #27

- 1) Farmers Cooperative Association

Single story masonry building with approximately 5,000 square feet of commercial and storage space. Owner occupied.

SECONDARY REDEVELOPMENT AREA

RELOCATION AREA #22

- 1) Murdock Chevrolet
529 Poyntz
Single story masonry building with approximately 20,250 sq.ft. of commercial space.
- 2) Gillett Barber Shop
112 S. Fifth Street
Single story brick structure with approximately 1,000 sq.ft. of commercial space. Tenant occupied.
- 3) Columbian Securities Corp.
114 S. Fifth Street
Single story structure with approximately 500 sq.ft. of office space. Tenant occupied.
- 4) Soupene Wheel Alignment
Service
114 S. Fifth Street
Single story brck structure with approximately 2,500 sq.ft. of commercial space. Tenant occupied.
- 5) Ray Weese Motors, Inc.
120 S. Fifth Street
Single story brick structure with approximately 3,000 sq. ft. of commercial space. Tenant occupied.
- 6) Murdock Chevrolet (parking lot)
522 Houston
Approximately 26,250 sq.ft. of parking space.

III. REPLACEMENT RESOURCES

The Manhattan Relocation Assistance Plan assures that all business and residential displacees will receive assistance in relocating to replacement locations. Detailed surveys will be conducted by the Relocation Staff and the Manhattan Planning Department to identify replacement resources. These surveys will encompass the geographic boundaries of Manhattan and locations within the Manhattan market area.

Although limited sites will be available to all displaced businesses and residents in the Central Business District area, assistance will be given to provide them with every possible means of remaining in the downtown area.

A. AVAILABLE REPLACEMENT BUSINESS SPACE

Advantages of remaining in the Central Business District include: appropriate business zoning, favorable market exposure and nearness of clients, proximity of auto parking, location of banks and other support facilities, nearness of shopping for residents, accessibility to downtown employment, and services. However, constraints on replacement space downtown will necessitate relocation outside the redevelopment area.

Preliminary surveys indicate that there is more than adequate vacant land available for commercial replacement locations. The larger commercially zoned vacant acreages are listed as follows:

C-1, Restricted Business	--	30.2 acres
C-2, Neighborhood Shopping	--	32.9 acres
C-5, Service Commercial	--	43.3 acres
I-2, Industrial Park	--	269.0 acres
I-3, Light Industrial	--	11.5 acres

At present, the City of Manhattan is working with developers to build additional space for commercial and light industrial activities. Options will be obtained from developers to develop City land adjacent to U.S. Highway 24, a main transportation route leading to and from Manhattan.

Property has been purchased as part of the Community Development Land Acquisition Program in order to eliminate deteriorated and dilapidated residential structures south of the Central Business District. A developer has been selected to construct a 50,000 square foot building on City owned property to provide additional business relocation space.

Due to the amount of automobile sales located downtown, sites for related activities such as sales, service, purchase and retail of auto parts is proposed for relocation to the west of the City in a specialty center or auto plaza concept.

B. AVAILABLE RESIDENTIAL SPACE

Within the project area there are seven apartments over retail businesses and seven residential structures. The residential units within the redevelopment

area are predominately tenant occupied. Replacement housing for these occupants will be provided. Manhattan has traditionally contained an abundant supply of vacant rental spaces, and although the market has tightened recently, these few tenants can be relocated, making use of existing units. The Manhattan realtors' multi-listing service has contained over 300 homes for the past year. A number of these units may be available to residential displacees desiring to purchase a home.

C. FINANCIAL ASSISTANCE FOR REPLACEMENT BUSINESS SPACE

Under certain circumstances the City will make financial mechanisms available to assist in the development of replacement business locations. These mechanisms may include the use of Industrial Revenue Bonds for commercial or industrial redevelopment. Small Business Administration loans may also be available. In addition assistance may become available through the Small Cities Development Block Grant Program.

IV. RELOCATION ASSISTANCE PLAN AND PROCEDURES

This section describes relocation assistance services which the City of Manhattan will make available to all eligible business and residential occupants who will be displaced by acquisitions for the Central Business District Redevelopment Project. These services will be made available in accordance with the State of Kansas, K.S.A. 1979 Supp. 12-1777, and the Department of Housing and Urban Development 24 CFR Part 42, Subpart C, Section 42.211.

A. ESTABLISHMENT OF RELOCATION OFFICE

The City will establish and maintain a relocation office through which all relocation assistance services will be provided to the concerned business and residential displacees. The address, phone number and hours of the office will be widely publicized. Office hours will be maintained at times convenient for the displacees.

The Office will house the relocation assistance staff and secretarial services. It will, in addition, provide information sources for the displacees, such as maps, zoning requirements, transportation facilities and school locations, information about special government housing and small business programs, referrals to realtors, property managers, government and social service agencies, information about relocation payments and procedures for preparing payment claims, listings of commercial movers and third party agencies, information regarding relocation grievance procedures, and other similar sources of information.

B. RELOCATION STAFF

The City will enter into a contract with a qualified relocation contractor for the provision of relocation assistance services. The contract relocation staff will be responsible for providing relocation assistance to residential and business displacees, including: identification of displacees' replacement needs,

referrals to replacement resources, assistance in the preparation of claims, maintenance of relocation records, processing of grievances and all other associated assistance services.

The contractor's relocation staff will be housed in the City's relocation office. The staff will report to the City through the Department of Community Development. The staff will prepare relocation claims, but all subsequent approval and payment of these claims will be processed independently by the City. The contractor and its field staff will have no present nor future interests in the property being acquired or in any replacement property.

C. RECORDS AND REPORTS

The contractor's relocation staff will be responsible for establishing and maintaining all relocation records, including a separate relocation case file for each displacee. This case file shall include the requirements identified in HUD 24 CFR Part 42, Section 42.225. In addition, the relocation staff will maintain a reporting system to the City officials regarding future, present and completed relocation workloads. Records will be made available to State and HUD officials on request. The records will otherwise be kept confidential. Upon completion of each relocation, the associated case file will be turned over to the City for retention for a period of at least three years after the project has been completed.

D. GENERAL INFORMATION AND NOTICES

The contractor's relocation staff will be responsible for preparing and distributing all general relocation information and, in addition, all occupant notices required either by statute or regulation.

General information regarding relocation assistance and payments will be made available through mass media sources including, as appropriate, newspapers, radio and television, fliers and booklets, posters and other similar avenues of information. In addition, relocation staff will be available to provide general information to displacees in the relocation office.

Specific information regarding State and Federal relocation policies, eligibility, assistance services and payments will be provided to each occupant at the time certain notices are delivered by the relocation staff to the occupant. The sequence in which these notices and associated relocation information will be provided is as follows:

- 1) Pre-Relocation Interview. Prior to the start of acquisition activities, relocation staff will meet personally with each residential and business occupant pending displacement. In this meeting, the occupant will be formally informed about the future redevelopment project and that his/her property will be acquired for this project. In addition, each occupant will receive a copy of one of three relocation pamphlets published by the Department of Housing and Urban Development, with an explanation of appropriate sections of this booklet. Further, the occupant in this meeting will be requested to provide information about their respective housing or business facilities, replacement needs and preferences, and allied information helpful in the provision of relocation assistance services.

- 2) Notice of Displacement. The City will issue a Notice of Displacement to each owner and tenant of record pending displacement not later than thirty days after the initiation of acquisition negotiations. This notice will inform each occupant of the effective date of eligibility for relocation payments, a general description of the payments and estimated dollar amounts for which the occupant may be eligible. When providing the notice of displacement, the relocation staff will also personally explain relocation policies, eligibility, how amounts were established, filing of payment claims, etc.
- 3) Ninety-Day Notice. After the City has secured title to each parcel, the relocation staff will serve a ninety-day notice to all non-residential occupants remaining upon the parcel and also to those who have personal property upon it. This ninety-day notice will serve to inform each concerned person, at least ninety days in advance, of the last day the person can occupy the parcel, or contain a statement indicating that the occupant will be given further written notice indicating at least thirty days in advance, the specific date by which he must vacate. Residential tenants and owners will be given the ninety-day notice to vacate after they have been given a reasonable choice of opportunities to relocate to a comparable replacement dwelling.

Upon receiving this notice, the relocation staff will then commence providing relocation assistance services to the person receiving this notice. These services are more fully described in subsequent paragraphs within this section.

E. RELOCATION ASSISTANCE TO BUSINESSES

The relocation staff will provide six general types of services to businesses pending displacement. These services and the general sequence with which they will be provided can be described as follows:

- 1) Relocation Interview for Replacement Needs. When conducting the previously discussed "Pre-Relocation Interview Meeting", the relocation staff will start discussion with the occupant to identify his/her replacement business needs. Based upon an interview questionnaire this identification will include a description of the nature of the business being displaced and the real property which it occupies. Further analysis, also based on this questionnaire, includes future location, structure and operating requirements of the replacement business site. Based on these sources of data and knowledge of the occupant's ownership/rental tenure, work then will begin on referring replacement property to the occupant.
- 2) Referral of Replacement Business Property. Referrals of replacement business property will be made by the relocation staff to businesses intending to relocate, subject to the following types of conditions: In general, referrals will be made after the property has been acquired, except in such cases where the relocation staff has been requested and authorized to do so prior to acquisition. Further referrals will be limited to the extent practical to that replacement property which can be purchased or rented within the financial capability of the business.

The referrals will be of two types: The relocation staff will establish working relationships with local realtors and property managers, and through them make referrals available to the occupants. In addition, the relocation staff will encourage self-referrals directly from the owners of available replacement property. Matching the characteristics of the replacement property with identified replacement needs of the acquired property, the relocation staff may provide such services as may be necessary in the preparation of letters, purchase contracts, mortgage financing, and other activities necessary for the displacee to secure possession of the replacement property.

- 3) Certification of Moving Inventory. After securing possession of a replacement site, the business occupant will be required to notify the relocation office of his approximate moving date. Occupants will notify this office at least thirty days prior to the moving date. Upon receiving this notice, the relocation staff will then meet with the occupant and inspect the site and prepare a certified inventory of all the personal property which is to be moved. Additional inventories will also be prepared for personal property not to be removed as well as substitutions in the replacement site. This inventory will then be prepared and presented to the occupant. Relocation staff will use the inventory to obtain the appropriate number of moving bids/estimates from commercial moving companies. When receiving the certified inventory, the occupant will also be informed about self-move relocation policies.

In the case of a business which does not intend to relocate and will cease operating as a business, the relocation staff will secure the appropriate accounting documents to compute a fixed payment in lieu of a payment for actual moving and related expenses. This computation, with supporting documentation, will then be submitted to the City for approval with payment made after the relocation staff has notified the City that the occupant has terminated his present business.

- 4) Moving Bids and Estimates. All other considerations being equal, the relocation staff will recommend to the City that the lowest cost mover be selected to make the move. Upon approval from the City, the relocation staff then shall refer the authorized mover to the occupant and provide, as necessary, aid in securing credit for the move. In the event of a self move, the City will make a payment to the displacee after the move has been completed in an amount not to exceed the lowest bid for that move.
- 5) Monitoring Move to Replacement Site. The relocation staff will monitor each business move to assure that all personal property on the certified inventory is properly detached, moved and reinstalled. Based on such monitoring, a certification shall be issued by the relocation staff approving payment by the City to the mover. In addition, during this monitoring period, the relocation staff shall provide general assistance to the occupant for eligible payment of direct losses of personal property and substitutions for replaced personal property. Such assistance will include help in the conduct of sales for direct loss of personal property and the computation of payments for substitutions of personal property at the replacement site.

Upon the movement or disposal of personal property from the acquired property, the relocation staff shall then notify the City that the property is now vacant and ready for subsequent site demolition and clearance.

- 6) Preparation of Relocation Claim. After moving into the replacement business site, the relocation staff will then visit the site and begin providing assistance to the occupant in his filing of relocation payment claims. Upon preparation of these claims and the assembling of supporting documentation the relocation staff will then submit the claims to the City for subsequent approval and payment. All payments will be made by the City to the concerned claimant or mover. Upon completion of payment, the relocation staff will then close the case file and make arrangements for its retention for a period of three years after the project has been completed.

F. RELOCATION ASSISTANCE TO RESIDENTIAL OCCUPANTS

The relocation staff will provide six general types of direct services to residential occupants pending displacement. These services and the general sequence in which they will be provided can be described as follows:

- 1) Relocation Interview for Replacement Needs. When conducting the previously discussed "Pre-Relocation Interview", the relocation staff will interview each residential occupant to identify his/her replacement housing needs and preferences. Based upon an interview questionnaire, this identification will include a description of the occupants' present housing, household characteristics and replacement housing requirements. Following this interview and based upon information developed from it, the relocation staff will then identify, within a reasonable distance from the displacement area, the available comparable replacement housing. After so identified, the relocation staff will inspect this housing to assure that it meets, or is capable of meeting, decent, safe and sanitary housing standards.
- 2) Negotiation Meeting. At the start of acquisition negotiations, or in the case of tenants within thirty days after this start, the occupant will receive a Notice of Displacement. This notice will be provided by the relocation staff to the occupant in a personal meeting or by certified mail. The notice will establish the date of eligibility for relocation payments, the type of payments for which the occupant will be eligible, and it will also provide, per occupant eligibility, the upper limits for replacement housing payments and also the dollar amount for a fixed schedule moving payment. When providing this notice the relocation staff will further inform the occupant about the relocation policies and payments procedures.
- 3) Referral to Replacement Housing. After his/her dwelling has been acquired, the relocation staff will begin planning with the occupant methods that will be used to secure replacement property. Two general methods will be used. The first and primary method will be through established private realtors or, if qualified, through Public Housing

and governmental agencies. The second method will be direct referrals made to the relocation staff by owners of replacement property, newspaper advertisements and other available sources such as lending institutions. Upon receiving knowledge of replacement housing, the relocation staff will then match it against known occupant replacement needs. After replacement housing has been identified, a "Ninety-Day Moving Notice" will be issued to the occupant.

- 4) Inspection of Replacement Housing. The relocation staff and/or the City Building Inspection Department will inspect each available replacement house before referral of its availability will be made to the appropriate occupant. This inspection will be conducted to assure that all housing meets decent, safe and sanitary housing standards. Only those houses will be referred to occupants which, upon inspection, meet these housing standards. In addition, housing secured by the occupant will be inspected prior to the preparation of any replacement housing payment. The relocation staff will then assist the occupant as may be necessary to secure a lease or purchase contract, financing of the replacement unit, and in matters pertaining to settlement. If it is noted that a hardship exists, i.e., money to meet security deposit requirements, the relocation staff will authorize payment prior to the occupants' actual move.
- 5) Moving Assistance. Occupants have the option of moving either on a fixed schedule or actual cost basis. If moving on a fixed schedule basis, the relocation staff will inspect and confirm the number of rooms of furniture being moved. This confirmation will then be submitted to the City as part of the documentation to support this type of moving claim payment.

For occupants moving on an actual cost basis, either by commercial mover or on a self-move basis, the relocation staff will secure acceptable estimates prior to the move. These estimates will then be reviewed by the relocation staff and the lowest cost estimate, all other factors being equal, will be recommended to the City as the maximum approved moving payment. Upon receipt of this approval, the relocation staff will then so inform the occupant, and in the case of a commercial move, seek to arrange credit with the selected mover.

- 6) Preparation of Relocation Claim. After the occupant has moved to his replacement dwelling, unless otherwise noted, the relocation staff will then assist in the preparation of both moving and replacement housing claims. These claims, along with supporting documentation, will then be submitted to the City for approval and payment. Payment will be made directly from the City to the occupant unless otherwise provided. Upon completion of payment, the relocation staff will then close the case file and make arrangements for its retention for a period of three years after the project has been completed.

V. APPEALS

A. BASIS FOR APPEALS

A person may file an appeal in any case in which he believes that the City has:

- 1) Failed to properly determine his eligibility for, or the amount of, a relocation payment under this relocation plan or the Federal (HUD) relocation assistance act. .
- 2) Failed to provide appropriate housing referrals, to properly inspect the replacement dwelling or required the occupant to move from the acquired structure without having been given a reasonable choice of opportunities to relocate to a comparable replacement dwelling.

B. APPEAL PROCEDURES

Each business and residential occupant will be informed that if they have a grievance regarding the above, they may avail themselves of the following procedures:

Step 1: They may appeal, orally or in writing, to the Department of Community Development, City Hall, 11th and Poyntz Avenue, Manhattan. Appeals of decisions or actions listed in Part A above should generally be filed within six (6) months of such action. Should any HUD funding be involved in the relocation project, the person will be informed of their right to appeal any decision granting less than full relief to the appropriate HUD office, generally within 30 days. If no HUD funding is used for the project requiring the relocation, the person will be notified of their right to judicial review.

Step 2: Should the project requiring the person to relocate be assisted with HUD funds, the person may appeal the City's decision, in writing, to the appropriate HUD office. HUD will review the person's claim and respond within thirty (30) days of receiving all materials and correspondence necessary to review the appeal. Should less than full relief be granted, the person will be informed of their right to judicial review.

Step 3: Nothing in this Plan or any local ordinance shall preclude a person from seeking judicial review of his appeal on its merits after exhausting the administrative remedies listed above.

VI. PROPERTY MANAGEMENT AND EVICTION POLICY

Temporary property management will be carried out by the City of Manhattan for the Central Business District Redevelopment Project according to the following policies:

-Upon acquisition, a use and occupancy agreement will be executed between the parties and such agreement will define the conditions of occupancy and areas of responsibility.

-Charges for continued occupancy in the structure will be adjusted and shall not exceed the lesser of:

*economic rent based on acquisition appraisals or "comparable" rents

*for residential occupants, ability to pay as defined in relocation guidelines (25% of adjusted gross income).

-Upon acquisition, the agency will assume responsibility for maintenance of buildings in accordance with local and state codes.

-Occupants in lawful possession shall be given at least 90 days written notice terminating occupancy.

A. EVICITION

-Eviction will be used only as a last resort.

-Eviction does not affect the eligibility of the evicted displaced person for relocation payments.

-Eviction will be undertaken only for one or more of the following reasons:

*The failure to pay rent, except those cases where the failure to pay rent is based upon the failure to keep the premises in habitable condition.

*Maintenance of a nuisance or use of premise for illegal purposes.

*A material breach of rental agreement.

*For residential occupants, refusal to accept one of a reasonable number of offers for accommodations meeting approved decent, safe and sanitary relocation standards, in areas not generally less desirable in regard to public utilities, public and commercial facilities, at rents or prices within the financial means of the families and individuals, reasonably accessible to their places of employment and functionally equivalent to the acquired dwelling.

*The eviction is required by state or local law and cannot be prevented.

*For business occupants, the eviction is required in order to maintain redevelopment schedule.

B. GRIEVANCE PROCEDURE

If a displacee has a grievance regarding the property management and eviction policy, he may appeal, orally or in writing, to the Department of Community Development, City Hall, 11th and Poyntz Avenue, Manhattan. Upon receipt, this Agency will review the appeal and respond expeditiously and in writing its decision.

VII. ASSURANCE OF REPLACEMENT HOUSING

The City of Manhattan, Department of Community Development, for the Central Business District Redevelopment Project herein assures:

That within a reasonable time prior to displacement, there will be available to the extent that may reasonably be accomplished housing meeting the standards established by the U.S. Department of Housing and Urban Development for decent, safe and sanitary dwellings. The housing, so far as practicable, shall be:

- 1) functionally equivalent to and substantially the same as the acquired dwellings with respect to the number of rooms and area of living space;
- 2) demonstrated to be available to all persons regardless of race, color, religion, sex or national origin;
- 3) in an area not subjected to unreasonable environmental hazards and in an area not less desirable than that of the acquired dwelling with respect to public utilities and public and commercial facilities;
- 4) reasonably accessible to places of employment;
- 5) available at a rental or purchase price within the ability to pay of the displaced person. This will be determined as twenty-five percent (25%) of the monthly gross income of all adult members of the household, including supplemental income payments received from public agencies.
- 6) actually available to the displaced person on the private market.

A decent, safe and sanitary dwelling is one which meets the following minimum requirements:

- 1) meets applicable local housing and occupancy codes;
- 2) is structurally sound, clean, weathertight and in good repair;
- 3) has an adequate and safe electrical wiring system for lighting and other electrical services;
- 4) meets the requirements of the HUD lead-base paint regulations (24 CFR, Part 35) issued under the Lead-Base Paint Poisoning Prevention Act (42 U.S.C. 4831 et.seq.).
- 5) in the case of a physically handicapped person, is free of any pertinent architectural barriers. To the extent that standards prescribed by the American National Standards Institute, Inc., in publication ANSI A117.1-1961 (R 1971), are pertinent, this provision will be considered met if it meets those standards;
- 6) has heating as required by climatic conditions;

- 7) has (or, if not a housekeeping unit, has access to) a separate well-lighted and ventilated bathroom, affording privacy to the user, that contains a sink and bathtub or shower stall, properly connected to hot and cold water, and a flush toilet, all in good working and properly connected to a sewage drainage system;
- 8) has habitable sleeping area that is adequately ventilated and sufficient to accommodate the occupants;
- 9) in the case of a housekeeping dwelling, has (i) a kitchen area that contains a fully usable sink, properly connected to potable hot and cold water and to a sewage drainage system, and adequate space and utility service connections for a stove and refrigerator, and (ii) adequate living area.
- 10) Section 8 Housing - Any existing replacement dwelling, where tenant is assisted under the Section 8 housing assistance payments program (See 24 CFR 42.61(c)) and which is found to meet the Section 8 housing quality standards described in 24 CFR 882.109 shall be considered to be a decent, safe and sanitary dwelling under the regulations in this part.

DOWNTOWN REDEVELOPMENT: A FEASIBILITY ANALYSIS
OF ENHANCED RELOCATION SERVICES IN MANHATTAN, KANSAS

by

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B. Arch., Kansas State University, 1983

AN ABSTRACT OF A MASTER'S REPORT

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ABSTRACT

The city of Manhattan, Kansas is currently in the process of executing a downtown redevelopment project. In recent years downtown redevelopment projects have become a popular method of attempting to revitalize less active areas of the urban fabric. As in Manhattan, cities undertake these projects in a partnership with a developer so that they can effectively utilize the developers expertise. This partnership also allows the city to exercise its police power so that suitable parcels of land can be assembled through the use of eminent domain.

The eminent domain process is a procedure which the city can use to take land for a public purpose through the use of the condemnation process. While this is at times a useful and necessary process there are negative impacts. One of these impacts is that it forces the relocation of businessmen in the redevelopment area. Often these businesses are paying rent that is lower than can be found in any other area of the city. These businesses are not typically operating under a wide profit margin so that a significant increase in expenses can prove to be disastrous.

Past research has shown that approximately one third of the businesses displaced in these types of projects can

be expected to fail. This failure represents a real cost to the city in lost sales, property, and franchise taxes. The city also loses money which would be recirculated through these businesses and spent elsewhere in the city.

This study estimates the losses to the city due to the failure of these displaced businesses and found it to be substantial. It is recommended that the city offer a level of relocation assistance above that which is required by law. Through various interviews it was found that a crucial element in the success of these assistance programs is that the displaced businesses see relocation officials as their advocates. It is therefore suggested that the city work closely with the displaced businesses incorporating their suggestions into a program which is of maximum utility.