

# Revenue into residences

## City Council will vote on tax district today

BY DAN VOORHIS  
The Wichita Eagle

**D**owntown redevelopment can still be a tough sell. That's why the Wichita City Council will vote today on a tax mechanism that could make possible the Minnesota Guys' big downtown condominium project and a new parking garage.

The developers say they need city help in converting Exchange Place and the Michigan Building at Market and Douglas.

Today's vote would establish a tax increment financing district that would encompass six blocks bounded by Broadway, First, Main and English.

A tax increment financing district, called a TIF district, assigns increased tax revenue from property improvements to cover the cost of special projects in the district. A final vote on whether to use the tax money for the condo/parking garage project itself will come in a few months.

The council supported the concept of a TIF district on a 4-1 vote last month, with former Mayor Carlos Mayans voting against it.

"It's the kind of development that we want and need downtown," said City Council member Sharon Fearey. "The TIF is a financial-gap-filling tool that is often used to get these projects going."

The ultimate intention is that the TIF would pay for two linked projects:

- Buying the Lerner Building at 212 E. Douglas and the vacant lots next door, and building a three-story, 300-space public parking garage on them.

- Buying Exchange Place and the Michigan Building at Broadway and Douglas and selling them to the Minnesota Guys for a nominal sum. Exchange Place and the Michigan

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Sharon Fearey,  
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Exchange Place, at Douglas and Market, would be in the tax increment financing district if the City Council approves the tax mechanism today. The Minnesota Guys want to develop the property into condominiums. Dave Williams/File photo

Building will then become the developers' collateral as they seek bank financing to convert the two buildings into 92 or so condominiums.

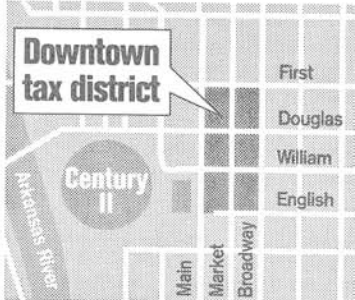
If the district is approved today, city economic director Allen Bell said he will do his own analysis of the deal to make sure that the promised cash flow from the condominium project is enough to cover the interest and principal on the bonds used to buy the property and build the parking garage.

The city is on the hook if the tax

revenue doesn't come in as strongly as projected, Bell said. But the city will require the developers to make up any difference if the cash flow falls short, he said.

Michael Elzufon, the Minnesota developer who is leading the Exchange Place project, said he hopes to get his financing in place this summer and start work in August or September.

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