



## THIRD PARTY FINANCIAL ANALYSIS PROCESS

### PURPOSE

The City of Wichita Downtown Development Incentives Policy requires an evaluation of the creditworthiness of the developer, development entity, key project partners, and guarantors. The evaluation will be conducted by [Springsted](#), a public sector financial advisor under contract with the City of Wichita to perform an independent financial analysis of the developer, development entity, key project partners, and guarantors.

### PROCESS

A completed application for Downtown Development Incentives, as described in the [Public-Private Partnership Criteria](#), must be submitted to the City of Wichita. The completed application must include payment of the fee for the independent financial analysis according to the following schedule:

<u>Number Developers/Partners/Guarantors</u>	<u>Fee</u>
One	\$4,000
Two	\$5,800
Three	\$7,600
More than three	\$8,000

Upon receipt of the completed application and fee payment, the City of Wichita will authorize Springsted to provide the applicant a Confidentiality Agreement that enables Springsted to receive and review the applicant's confidential financial information. Springsted will provide an independent evaluation to the City of Wichita regarding the applicant's financial capacity to complete the proposed project without revealing the applicant's confidential financial information.

Upon execution of the Confidentiality Agreement, the applicant will provide Springsted with the following confidential financial information for each developer, development entity, key project partners, and guarantors:

- Ownership structure in flowchart format identifying percentage of ownership(s) and contact information for the organization(s) and/or individual(s) financially responsible for completion of the proposed project
- Credit history report
- Current (last quarter) balance sheets and income statements
- Past three years of audited (if available) year-end financial statements (minimum of balance sheets and income statements). If the development entity is newly created, and therefore has no historical information, the historical financial information should be provided for the members or entities of the development entity.
- Current financial information and past three years of personal income tax returns
- Disclosures (if any) regarding:
  - Defaults on real estate obligations
  - Legal suits or actions
  - Bankruptcy
  - Recorded judgments

Springsted will share the results of the independent financial analysis with the applicant prior to submitting the evaluation to the City of Wichita. To the extent that the applicant objects to components of the analysis that Springsted considers material to the evaluation of the creditworthiness of the developer and necessary for the City of Wichita to make a decision regarding the proposed project, Springsted will consult with the City of Wichita on how to proceed.



### DOWNTOWN DESIGN RESOURCE CENTER

507 E. Douglas  
Wichita, KS 67202  
316.264.6005  
[www.downtownwichita.org](http://www.downtownwichita.org)



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