

ORDINANCE NO. 100136

Accepting the recommendations of the Tax Increment Financing Commission and approving the Twelfth Amendment to the 22nd & Main Tax Increment Financing Plan.

WHEREAS, pursuant to the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865 of the Revised Statutes of Missouri, 1986, as amended (the "Act"), the City Council of Kansas City, Missouri, by Ordinance No. 54556, passed on November 24, 1982, and thereafter repealed and amended in certain respects by Committee Substitute for Ordinance No. 911076, as amended, passed on August 29, 1991, created the Tax Increment Financing Commission of Kansas City, Missouri (the "Commission"); and

WHEREAS, the 22nd and Main Tax Increment Financing Plan was approved by Ordinance No. 980230 on March 19, 1998 ("the Plan"); and

WHEREAS, the First Amendment to the Plan was approved by Ordinance No. 991058, on August 26, 1999; and

WHEREAS, the Second Amendment to the Plan was approved by the Council by Ordinance No. 000751 on June 29, 2000; and

WHEREAS, the Third Amendment expanding the Redevelopment Area, adding Project 27, and adding information regarding Project 21, was approved by the Council by Ordinance No. 000780 on June 29, 2000; and

WHEREAS, the Fourth Amendment to the Plan adding Projects 19 and 24 (the redevelopment and rehabilitation of the Stuart Hall and Morr Transfer Buildings for office and retail use), was approved by the Council by Ordinance No. 001593 on December 14, 2000; and

WHEREAS, the Fifth Amendment has not been approved by the Council; and

WHEREAS, the Sixth Amendment to the Plan estimated project costs for Project 10 to accurately reflect project costs, was approved by the Council by Ordinance No. 040445 on May 27, 2004; and

WHEREAS, the Seventh Amendment to the Plan amended Project 19 to reflect the rehabilitation of the Stuart Hall Building, Project 24 and its budget to reflect the rehabilitation of the Morr Transfer building and construct a parking garage, Project 12 to reflect rehabilitation of the H.D. Lee building, Project 13 to reflect construction of a parking garage and modification of the District-wide Expenses-Public Purpose section of the Estimated Redevelopment project, and was approved by the Council by Ordinance No. 060916 on August 31, 2006; and

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WHEREAS, the Eighth Amendment deleted Project 20, revised the legal description of Project 21 and revised the estimated redevelopment projects for Project 21 to reflect the addition of the construction of a surface parking lot and directory signage, and was approved by Council by Ordinance No. 061286 on November 30, 2006; and

WHEREAS, the Ninth Amendment provided for (a) the creation of Project 28, (b) revision of the legal description to include Project 28, (c) the creation of estimated redevelopment project costs for Project 28, and (d) the revision of the estimated redevelopment project costs for Project 22 to update construction and related project costs, and was approved by Council by Committee Substitute for Ordinance No. 070229, As Amended on March 1, 2007; and

WHEREAS, the Tenth Amendment provided for the correction of budget line items in the Estimated Redevelopment Project Costs for Project 22 and made other revisions as necessary, and was approved by Council by Committee Substitute for Ordinance No. 070739, on July 19, 2007; and

WHEREAS, the Eleventh Amendment amended line items in the Estimated Redevelopment Project Costs of Project 10 and was approved by the Council by Ordinance No. 080841, on September 11, 2008; and

WHEREAS, the Thirteenth Amendment amended (1) eliminate Project 17, 2101 Central Avenue, as a separate project; (2) expand Project 18, 2107 Central Avenue, to include the property formerly in Project 17 and a surface parking lot at 2114 Wyandotte; (3) revise the project budget and reimbursables for the expanded Project 18; and (4) correct typographical and transposition errors recently discovered in the overall budget and was approved by the Council by Ordinance No. 090718, on August 13, 2009; and

WHEREAS, the Twelfth Amendment would (1) amend the legal description of Projects 13 and 14; (2) amend line items in the Estimated Redevelopment Projects Costs of Project 13; and (3) remove budget information for projects which can no longer be activated; and

WHEREAS, after all proper notice was given, the Commission met in public hearing and after receiving the comments of all interested parties and taxing districts affected, closed said public hearing on November 10, 2009, approved its Resolution No. 11-8009, recommending to the City Council that the Twelfth Amendment be approved; and

WHEREAS, the Twelfth Amendment is a comprehensive program intended to satisfy, reduce or eliminate those conditions, the existence of which qualified the Redevelopment Area as a conservation area, and to enhance the tax base within the Redevelopment Area through the implementation of a series of Redevelopment Projects and the adoption of tax increment financing in such Redevelopment Project Areas; NOW, THEREFORE,

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BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. The recommendations of the Commission concerning the Twelfth Amendment as set forth in the Resolutions attached hereto as Exhibit "A" are hereby accepted, and the Twelfth Amendment, a copy of which is attached hereto as Exhibit "B," is hereby approved and adopted as valid and the Redevelopment Project contained therein are hereby authorized.

Section 2. All terms used in this Ordinance shall be construed as defined in Sections 99.800 to 99.865 of the Revised Statutes of Missouri, as amended.

Section 3. In accordance with the recommendations of the Commission as set forth in the Resolution, the City Council hereby finds that:

a. Good cause has been shown for amendment of the Redevelopment Plan, and that the findings of the Council in Ordinance Nos. 980230, 991058, 000751, 000780, 001593, 040445, 060916, 061286, 070229, 070739, 080841 and 090718, with respect to the Redevelopment Plan are not affected by the Twelfth Amendment and apply equally to the Twelfth Amendment.

b. The Redevelopment Area qualifies as a Conservation Area as evidenced by the following factors:

The Redevelopment Area described in the Amendment has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be redeveloped without the adoption of the Amendment, all as certified to by proposed Redevelopers; all of the structures in the expanded area were constructed more than 35 years ago and conditions such as dilapidation, functionally obsolete structures, deterioration, substandard code compliance, excessive vacancies, excessive coverage and deleterious land use continue to exist.

c. The Twelfth Amendment conforms to the comprehensive plan for the development of the City as a whole.

d. The areas selected for the Redevelopment Project include only those parcels of real property and improvements thereon which will be directly and substantially benefited by the Redevelopment Project Improvements.

e. The estimated dates of completion of the Redevelopment Project and retirement of obligations incurred to finance Redevelopment Project Costs have been stated in the Amendment and are not more than 23 years from the adoption of any ordinance approving a Redevelopment Project within the Redevelopment Area.

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- f. The Twelfth Amendment includes a plan for relocation assistance for businesses and residences.
- g. A cost-benefit analysis showing the impact of the Amendment on each taxing district which is at least partially within the boundaries of the Redevelopment Area has been prepared in accordance with the Act.
- h. The Twelfth Amendment does not include the initial development or redevelopment of any gambling establishment.
- i. A blight study has been completed and the findings of such study satisfy the requirements provided under subdivision (1) of Section 99.805, RSMo.

Section 4. The Commission is authorized to issue obligations in one or more series of bonds secured by the 22nd & Main Tax Increment Plan Account of the Special Allocation Fund to finance Redevelopment Project Costs within the Redevelopment Area and, subject to any constitutional limitations, to acquire by purchase, donation, lease or eminent domain, own, convey, lease, mortgage, or dispose of land or other property, real or personal, or rights or interests therein, and grant or acquire licenses, easements and options with respect thereto, all in the manner and at such price the Commission determines, to enter into such contracts and take all such further actions as are reasonably necessary to achieve the objectives of the Redevelopment Plan pursuant to the power delegated to it in Ordinance No. 54556. Any obligations issued to finance Redevelopment Project Costs shall contain a recital that they are issued pursuant to Sections 99.800 to 99.865, which recital shall be conclusive evidence of their validity and of the regularity of their issuance.

Section 5. The City Council approves the pledge of all funds that are deposited into the 22nd & Main Tax Increment Financing Plan Account of the Special Allocation Fund to the payment of Redevelopment Project Costs within the Redevelopment Area and authorizes the Commission to pledge such funds on its behalf except as below stated.

Section 6. The Council has determined, after review of the Cost-Benefit Analysis attached to the Twelfth Amendment, that the reduction of payments in lieu of taxes generated within Project Area 18 (the "Project"), prior to the commencement of the construction of the Project Improvements, that would otherwise be made available to reimburse Redevelopment Project Costs, would not substantially alter the evidence relied upon by the Tax Increment Financing Commission to make its finding that the Project is financially feasible. The Council therefore requests that the Tax Increment Financing Commission include in the Redevelopment Agreement between the Commission and the Redeveloper for the area of Project 18 under the Thirteenth Amendment (the "Redevelopment Project Area") language that provides for, until commencement of construction of Project Improvements with a budget equal to or greater than \$3,500,000 for hard and soft costs (the "Initial Project Improvements"), the annual return through the Commission Special Allocation Fund within 45 days of receipt by the City Treasurer to the taxing jurisdictions in accordance with state statute of all payments in lieu of taxes

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attributable to the increase in the then current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property in the Redevelopment Project Area over and above the initial equalized assessed value of each such unit of property in the Redevelopment Project Area, and deposited by the City Treasurer in the Special Allocation Fund, subject to the following:

- a. Upon commencement of construction of the Initial Project Improvements the return to the taxing jurisdictions of such payments in lieu of taxes in the Special Allocation Fund shall cease, and such payments in lieu of taxes shall be used—for construction of the Project Improvements and other purposes in accordance with the Redevelopment Agreement; and

If commencement of construction of the Initial Project Improvements does not commence on or before the tenth anniversary of the approval of this Ordinance by the Council, the Redevelopment Agreement shall terminate.

Approved as to form and legality:

Heather A. Brown
Assistant City Attorney