

## RESOLUTION NO. 120361

Recognizing that because of the economic downturn, Andrews McMeel Universal ("Redeveloper"), through no fault of its own, has not met employment levels as required in the Agreement for the Implementation of Projects 13 and 14 of the 1200 Main/South Loop Tax Increment Financing Plan (the "Redevelopment Agreement") entered into by the Tax Increment Financing Commission of Kansas City, Missouri ("Commission") and Redeveloper on August 13, 2008.

WHEREAS, the Council passed Committee Substitute for Ordinance No. 070950, as amended on October 11, 2007, and thereby approved the Sixth Amendment to the 1200 Main/South Loop Tax Increment Financing Plan respecting Projects 13 and 14 which provided for the renovation of approximately 84,271 square feet for the purpose of operating the Redeveloper's corporate headquarters; and

WHEREAS, in Section 7 of Committee Substitute for Ordinance No. 070950, as amended, the Council requested that the Commission require in its Redevelopment Agreement with the Redeveloper a "clawback" provision, which shall be invoked, in the event that certain employment levels at the Redeveloper's corporate headquarters were not met or maintained; and

WHEREAS, in Section 47.b. of the Redevelopment Agreement, the Redeveloper is required to maintain a minimum of 180 full-time employees at the Redeveloper's corporate headquarters at an annual average salary of \$68,000.00 per employee; and

WHEREAS, based on the required employment level and average salary requirement, Exhibit U to the Agreement set forth the anticipated Minimum Amount of Annual Earnings Tax to be produced as a result of the operation of the Redeveloper's corporate headquarters; and

WHEREAS, Exhibit W to the Agreement set out the amount of the clawback payment the Redeveloper was obligated to pay to the Commission during any one year for failure to generate and pay to the City the Minimum Amount of Annual Earnings Tax; and

WHEREAS, the Commission has certified the Redeveloper's completion of Project Areas 13 and 14 and the City issued a Certificate of Occupancy for the Redeveloper's corporate headquarters on February 13, 2009; and

WHEREAS, Redeveloper has relocated its headquarters to downtown Kansas City and otherwise complied with the Redevelopment Agreement; and

WHEREAS, as a result of the downturn in the economy, Redeveloper has downsized its number of employees, at no fault of the Redeveloper;

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WHEREAS, the Commission, subject to the agreement of the Council, has by resolution approved a contract amendment with a modified clawback schedule which is attached hereto as Exhibit A and incorporated herein by reference; and

WHEREAS, all of Redeveloper's employees are within downtown Kansas City, Missouri; and

WHEREAS, the Council appreciates Redeveloper's investment in downtown Kansas City, desires to retain Redeveloper in Kansas City and, therefore, desires to approve a new clawback schedule; NOW, THEREFORE,

BE IT RESOLVED BY THE COUNCIL OF KANSAS CITY:

That based upon the economic downturn and the lack of fault of Andrews McMeel Universal, the Council expresses its agreement and support of the modified clawback schedule and other related requirements in Section 47.b of the Redevelopment Agreement, in accordance with the attached schedule.

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