

**Request for Ordinance/Resolution**

City of Kansas City, Missouri

Request for ☒ Ordinance☐ Resolution (Special Instructions Below)

To be entered by the City Clerk

Legislative Control No. <u>010361</u>	Date
Docketing Date <u>3/8/2001</u>	
Committee Assignment <u>023</u>	

Before using this form see Administrative Regulation 4-1, Procedures for Handling Ordinance Requests

Date <u>2-21-01</u>	Request Made By <u>Vicki L. Noteis, Director</u>	Department <u>City Planning & Development</u>
Desired Docketing Date <u>3-1-01</u>	If Emergency, Give Reason (See Sec. 15 of Charter)	
Emergency Measure Required? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<u>010361</u>	

Justification for Proposed Legislation

**TOWER PROPERTIES TIF PLAN
PROJECT 1**

This Ordinance provides for the approval and designation of Project I of the Tower Properties TIF Plan. TIF revenues (PILOTS and economic activity taxes) from this project will be used to reimburse costs associated with the construction of a parking garage located in Project I.

Resolution Special Instructions:			Date: <u>2-28-01</u>
Parchment Resolutions Required? Yes <input type="checkbox"/> Number _____ No <input type="checkbox"/> _____	Wish to Review and Approve this Ordinance prior to its introduction. Requestor Does <input type="checkbox"/> Does Not <input type="checkbox"/>	If this is a Resolution, does the Sponsor desire the adoption on the first reading? Yes <input type="checkbox"/> No <input type="checkbox"/>	<u>Vicki L. Noteis</u> Director's Signature

To be Used by the Finance Department

Budget and Systems Date: _____	Account Numbers and Appropriation Balances Checked Date: _____	Fund Availability Approved Date: _____
Division Head Signature	Supervisor of Accounts Signature	Director of Finance Signature
Distribution: White City Clerk Blue City Clerk Green City Manager Canary City Counselor Pink Finance Dept. Goldenrod Department	EXHIBIT ATTACHED: _____ EXHIBIT NOT ATTACHED: _____	Date: <u>3/6/01</u> <u>Richard R. Hall</u> City Manager's Signature

GENERAL

Ordinance Fact Sheet

Ordinance Number

Brief Title

Approval Deadline

Reason

**First Amendment to the
Tower Properties TIF Plan -
Project I**

Details

Specific Address

Project I is located on the northern portion of that block bound by 7th St. on the north, Main St. on the east, 8th St. on the south and Baltimore Ave. on the west.

Reason For Legislation

This Ordinance, if approved, provides for the approval and designation of Project I of the Tower Properties TIF Plan. TIF revenues from this project will be used to reimburse costs associated with the construction of a parking garage.

Discussion (explain all financial aspects of the proposed legislation, including future implications, any direct/indirect costs, specific account numbers, ordinance references, and budget page numbers.)

The Tower Properties TIF Plan was approved by the City Council November 27, 1995. The TIF Plan, as approved, provides for the construction of one million square feet of office space, the rehabilitation of the Federal Building located at 911 Walnut Street and the construction of approximately 2000 structured parking spaces, together with all necessary utilities and street improvements. The Plan contemplates the use of TIF revenues to construct the cost of construction of essential parking garages and streetscape improvements.

At its February 14, 2001, the TIF Commission approved the 2nd Amendment to the Tower Properties TIF Plan, including Project I. The proposed project will consist of the construction of a parking garage; provide for reimbursement of costs associated with the parking garage; and revisions to the redevelopment schedule.

Redevelopment Costs: Total project costs for Project I are estimated to be \$14,759,250 of which \$13,759,250 is requested for reimbursement.

Positions/Recommendations

Sponsor	Vicki Noteis, AIA, Director City Planning & Development
Programs, Departments, or Groups Affected	City Planning & Development Planned Industrial Expansion Authority
Applicants / Proponents	Applicant City Department City Planning & Development Other
Opponents	Groups or Individuals None Known Basis of opposition
Staff Recommendation	<input checked="" type="checkbox"/> For <input type="checkbox"/> Against Reason Against
Board or Commission Recommendation	By Tax Increment Financing Com. Resolution 2 - - 01 <input checked="" type="checkbox"/> For <input type="checkbox"/> Against <input type="checkbox"/> No action taken <input type="checkbox"/> For, with revisions or conditions (see details column for conditions)
Council Committee Actions	<input type="checkbox"/> Do pass <input type="checkbox"/> Do pass (as amended) <input type="checkbox"/> Committee Sub. <input type="checkbox"/> Without Recommendation <input type="checkbox"/> Hold <input type="checkbox"/> Do not pass

(Continued on reverse side)

Details

Projected TIF Revenues: The total estimated TIF revenue stream generated by Project I alone is estimated to be approximately \$7,168,023 over the life of the project. The estimated TIF revenues from Project I fall far short of the requested \$13 million in reimbursement for Project I. It is anticipated that if and when future commercial development occurs that the the Developer will return to the Commission and the City council to request TIF revenues from the future commercial redevelopment. The risk of any short fall in revenue stream lies with the redeveloper, **NOT** the City.

Finding of "But For": The Commission retained the professional services of Integra Nunnink to analyze the proposed Project I. The study states that without TIF, the interna rate of return is less than 4% at a 23-year hold. Even with TIF the IRR is less than 5.5%. A parking garage of this size and in this location should average approximately 11.4% per accepted industrial standards. Essentially, even with TIF, the IRR is far below the market-oriented IRR for such a parking garage.

Policy/Program Impact

Policy or Program Change	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes
Operational Impact Assessment	

Finances

Cost & Revenue Projections -- Including Indirect Costs	Total Redevelopment Costs for Project I are estimated to be \$14.76 million of which \$13.76 million would be reimbursed from new TIF revenues.
Financial Impact	
Fund Source (s) and Appropriation Account Codes	Funding Sources will be Private investment and TIF revenue stream.
Is this Ordinance or Resolution Good for the Children?	Yes. Proposed project will lead to the redevelopment of the Central Business District, creation of new jobs and the quality of life in the City of Kansas City.

Applicable Dates:

Approved by TIF Commission on February 14, 2001 by Resolution 2 - - 01

Fact Sheet Prepared by:

Laura Whitener, Assistant Director, Tax Increment Financing Commission

Reviewed by:

Reference Numbers