

COMMITTEE SUBSTITUTE FOR ORDINANCE NO. 110364, AS AMENDED

Accepting the recommendations of the Tax Increment Financing Commission as to the First Amendment to the Amended and Restated Three Trails District Tax Increment Financing Plan; approving the First Amendment to the Amended and Restated Three Trails District Tax Increment Financing Plan and authorizing the Redevelopment Projects contained therein; setting forth findings; authorizing the Commission to issue obligations to finance Redevelopment Project Costs; approving the pledge of all tax increment allocation financing generated within Redevelopment Project Areas described by the First Amendment to the Amended and Restated Three Trails District Tax Increment Financing Plan and deposited into the Special Allocation Fund established in connection with each such Redevelopment Project; authorizing the negotiation of a financing agreement with certain terms; and authorizing the submission of an application for state supplemental tax increment financing; repealing Section 7 of Committee Substitute for Ordinance No. 071297; and requiring certain conditions for the Redevelopment Agreement, including City Council acceptance prior to its execution.

WHEREAS, pursuant to the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865 of the Revised Statutes of Missouri, 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"Act"), the City Council of Kansas City, Missouri by Ordinance No. 54556 passed on November 24, 1982, and thereafter repealed and amended in certain respects by Committee Substitute for Ordinance No. 911076, as amended, passed on August 29, 1991, and Ordinance No. 100089, passed on January 28, 2010, created the Tax Increment Financing Commission of Kansas City, Missouri (the "Commission"); and

WHEREAS, on February 7, 2002, the City Council passed Committee Substitute for Ordinance No. 020119, which approved the Three Trails District Tax Increment Financing Plan, and was subsequently amended by the City Council with passage of Ordinance No. 020855 on July 25, 2002; and

WHEREAS, the Three Trails District Tax Increment Financing Plan, as amended, was amended and restated by the Amended and Restated Three Trails District Tax Increment Financing Plan ("Redevelopment Plan"), which was approved by the City Council with passage of Committee Substitute for Ordinance No. 071297 on December 13, 2007; and

WHEREAS, Committee Substitute for Ordinance No. 071297 contained a Section 7 which set out conditions that must be satisfied before Council would consider any amendments to the Redevelopment Plan; and

WHEREAS, these conditions are either no longer applicable or are better suited for inclusion in a Redevelopment Agreement; and

WHEREAS, the First Amendment to the Amended and Restated Three Trails District Tax Increment Financing Plan ("First Amendment") was proposed to the Commission; and

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WHEREAS, having been duly constituted and its members appointed, after all proper notice was given, the Commission met in public hearing and after receiving the comments of all interested persons and taxing districts with respect to the First Amendment, closed said public hearing on April 13, 2011, and adopted its Resolution No. 4-14-11 (the "Resolution") recommending to the City Council the approval of the First Amendment; and

WHEREAS, the First Amendment modifies the Redevelopment Plan to provide for mixed use retail, without a sports complex, mixed use office, and opportunities for future phases of development; and

WHEREAS, due to the unique nature of this Redevelopment Plan, it is incumbent upon all the parties that the City Council consent, by Resolution, to the terms of the Redevelopment Agreement prior to its execution; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the recommendations of the Commission concerning the First Amendment as set forth in Resolution No. 4-14-11, attached hereto as Exhibit "A", are hereby accepted and the First Amendment, a copy of which is attached hereto as Exhibit "B", is hereby approved and adopted as valid and the Redevelopment Projects contained therein are hereby authorized.

Section 2. That 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 (the "Act").

Section 3. That 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 City Council in Committee Substitute for Ordinance No. 020119, Ordinance No. 020855, and Committee Substitute for Ordinance No. 071297 with respect to the Redevelopment Plan are not affected by the First Amendment and apply equally to the First Amendment.
- (b) The Redevelopment Area as a whole is a blighted area, to wit:
 - (i) An old and obsolete platting of ownership, which makes it difficult to address the problems and needed improvements of the area in a comprehensive and efficient manner.
 - (ii) A significant decline in assessed value over the past ten years, with the prospect of sinking lower in the future, unless corrective measures are taken.

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- (c) The Redevelopment Area has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of the Redevelopment Plan;
- (d) The Redevelopment Plan generally conforms to the Hickman Mills Area Plan and FOCUS, the comprehensive plan for the development of the City as a whole;
- (e) The area selected for each Redevelopment Project includes only those parcels of real property and improvements thereon which will be directly and substantially benefitted by the Redevelopment Project improvements;
- (f) The estimated dates of completion of the Redevelopment Projects and retirement of obligations incurred to finance Redevelopment Project Costs, have been stated in the Redevelopment Plan, and are not more than 23 years from the adoption of any ordinance approving any one of the Redevelopment Projects;
- (g) A plan has been developed for relocation assistance for businesses and residences;
- (h) A cost-benefit analysis showing the impact of the Redevelopment Plan on each taxing district at least partially within the boundaries of the Redevelopment Area has been prepared in accordance with the Act;
- (i) The Redevelopment Plan does not include the initial development or redevelopment of any gambling establishment;
- (j) A blight study has been completed and the findings of such study satisfy the requirements of subsection (1) of Section 99.805, RSMo.

Section 4. That the Commission is authorized to issue obligations in one or more series of bonds secured by any one or all of the Special Allocation Funds established in connection with each Redevelopment Project 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, as amended by Committee Substitute for Ordinance No. 911076, as amended, and Ordinance No. 100089. 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

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recital shall be conclusive evidence of their validity and of the regularity of their issuance.

Section 5. That pursuant to the provisions of the Redevelopment Plan, the City Council approves the pledge of all tax increment allocation financing generated within each of the Redevelopment Project Areas described by the First Amendment to the Amended and Restated Three Trails District Tax Increment Financing Plan that are deposited into the Special Allocation Fund established in connection with each such Redevelopment Project to the payment of Redevelopment Project Costs within the Redevelopment Area and authorizes the Commission to pledge such funds on its behalf.

Section 6. That in order to meet any conditions for state supplemental tax increment financing, the Council hereby agrees to consider committing, subject to annual appropriation and actual collection, in addition to the revenues available under the Act, the balance of the economic activity taxes generated in the Redevelopment Area that otherwise would be captured by the City to be used for repayment of Redevelopment Project Costs plus reasonable interest and financing costs as certified by the Commission. The City Manager is authorized to negotiate a financing agreement for presentation to the Council and other appropriate parties for approval.

Section 7. That the City Manager is authorized and directed to submit, on behalf of the City, an application for state funds for the First Amendment to Amended and Restated Three Trails District Tax Increment Financing Plan to the Missouri Department of Economic Development, pursuant to Sections 99.800 to 99.865, RSMo.

Section 8. That Section 7 of Committee Substitute for Ordinance No. 071297 is hereby repealed.

Section 9. That the powers granted to the Commission, by Ordinance No. 100089, and codified in Sections 74-51 to 74-60, Code of Ordinances, to enter into a Redevelopment Agreement with a Redeveloper for the implementation of the First Amendment to the Amended and Restated Three Trails District Tax Increment Financing Plan shall be subject to and conditioned upon City Council's acceptance, by resolution, of such Redevelopment Agreement. The Redevelopment Agreement shall contain the following provisions:

- (a) A neighborhood improvement and infrastructure plan;
- (b) A small business assistance plan;
- (c) A redevelopment schedule containing implementation dates of the following:
 - (i) Acquisition of essential redevelopment parcels;
 - (ii) Demolition of buildings which the Redeveloper does not plan to rehabilitate;

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- (iii) Clearance and leveling of the redevelopment site; and
- (iv) Redevelopment of selected sites along Bannister Road;
- (d) The City shall be a third party beneficiary to items (a) – (c) of this Section 9; and
- (e) No amendment to the Redevelopment Agreement that affects items (a) - (d) of this Section 9 shall be deemed effective unless and until the City, by resolution, consents to such amendment.

Approved as to form and legality:

Cecilia Abbott
Assistant City Attorney