

ORDINANCE NO. 180057

Authorizing the City Manager to execute the Thirteenth Amendment of Master Development Agreement and Fourth Amendment to City Parking Easement and Agreement with Kansas City Live, LLC, and any documents related thereto, for the purposes of providing certain financial incentives in connection with approximately 300 residential units to be constructed on Block 139 in the KC Live entertainment area; establishing the Special Obligation Series 2019A Bond Fund; estimating and appropriating revenues in the amount of \$17,500,000.00 in the Series 2019A Bond Fund; designating requisitioning authority; declaring the City's intent to reimburse itself from bond proceeds; and recognizing this ordinance as having an accelerated effective date.

WHEREAS, the City of Kansas City, Missouri (the "City") and Kansas City Live, LLC, (the "Developer") have entered into a Master Development Agreement dated April 27, 2004, which has been amended by the First Amendment to Development Agreement dated as of July 24, 2004, the Second Amendment to Development Agreement dated as of September 15, 2004, the Third Amendment of Development Agreement dated as of February 7, 2005, the Fourth Amendment of Development Agreement dated as of March 8, 2005, the Fifth Amendment of Development Agreement dated as of March 9, 2005, the Sixth Amendment of Master Development Agreement dated as of May 1, 2006, the Seventh Amendment of Master Development Agreement dated as of May 1, 2006, the Eighth Amendment of Master Development Agreement dated as of April 30, 2007, the Ninth Amendment of Master Development Agreement dated as of August 29, 2008, the Tenth Amendment of Master Development Agreement dated as of February 17, 2009, the Eleventh Amendment of Master Development Agreement dated as of August 22, 2012, and the Twelfth Amendment of Master Development Agreement dated as of June 3, 2015 (collectively, the "Master Development Agreement"); and

WHEREAS, the City and the Developer have entered into a City Parking Easement and Agreement dated July 20, 2006, which has been amended by the First Amendment to City Parking Easement and Agreement dated as of February 17, 2009, the Second Amendment to City Parking Easement and Agreement dated as of August 22, 2012, and the Third Amendment to City Parking and Easement Agreement dated as of June 3, 2015 (collectively, the "Parking Agreement"); and

WHEREAS, the Developer has determined that it can construct, subject to the receipt of certain incentives, approximately 300 residential units and the necessary parking for such units in the KC Live entertainment area by constructing a residential tower and parking garage on Block 139 (the "Project"); and

WHEREAS, one of the City's priorities continues to be the creation of additional downtown residential units since the addition of these residential units are critical to a vibrant downtown, and additional residents support other investments in the downtown area; and

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WHEREAS, the City and the Developer desire to amend the Master Development Agreement to provide certain financial incentives with regards to the Project; and

WHEREAS, the City previously provided, pursuant to the Twelfth Amendment of Master Development Agreement, incentives for the construction of the residential units and parking structure commonly referred to as Two Light, which is situated on Block 140; and

WHEREAS, the location and design of certain storm water infrastructure in relation to Two Light is such that the property necessitates additional infrastructure in the nature of a storm water detention facility, which facility is intended to be constructed on Block 139, in conjunction with the Project; and

WHEREAS, since the inception of the Power & Light District, the City has managed and operated, or caused to be managed and operated, the public parking structures located on Block 110 and Block 126 (collectively, the “District Garages”); and

WHEREAS, the City and the Developer believe that the operation of the District Garages, their utilization and economic development within the Power & Light District would be improved and furthered were the District Garages to be operated and maintained by the Developer utilizing the revenues generated therefrom; and

WHEREAS, such outcomes are consistent with the City’s objective, which is to increase the number of people residing, working and shopping in the Power & Light District so that revenues are generated and are available as a public payment source for the debt services on the District Garages; and

WHEREAS, the City and the Developer desire to amend the Parking Agreement for the purpose of modifying the City’s obligations thereunder with respect to the parking being constructed as part of the Project and the District Garages; and

WHEREAS, the City anticipates issuing bonds for the purpose of funding certain costs related to the construction of the Project; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the City Manager is hereby authorized to execute the “Thirteenth Amendment of Master Development Agreement” with Kansas City Live, LLC, for the purposes of providing certain financial incentives with regards to the construction of additional residential units and associated parking, and a storm water detention facility, all to be located on Block 139 in the KC Live entertainment area. The “Thirteenth Amendment of Master Development Agreement” is approved in substantial form to that attached hereto.

Section 2. That the City Manager is hereby authorized to execute the “Fourth Amendment to City Parking Easement and Agreement” with Kansas City Live, LLC, for

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the purposes of modifying the City’s obligations thereunder with respect to the parking to be constructed in support of the additional residential units to be constructed on Block 139 in the KC Live entertainment area, and transferring management and operational responsibilities for the Block 110 and Block 126 parking structures. The “Fourth Amendment to City Parking Easement and Agreement” is approved in substantial form to that attached hereto.

Section 3. That the City Manager is hereby authorized to take such further action, and execute such other documents, certificates and instruments, including any required agreements or documentation, as may be necessary or desirable to carry out and comply with the intent of this ordinance and to comply with and perform the duties of the City with respect to the “Thirteenth Amendment of Master Development Agreement” and to the “Fourth Amendment to City Parking Easement and Agreement.”

Section 4. That Fund No. 3439, the Special Obligation Series 2019A Bond Fund, is hereby established in the records of the City of Kansas City, Missouri.

Section 5. That the revenue in the following account of Fund No. 3439, the Special Obligation Series 2019A Bond Fund, is hereby estimated in the following amount:

AL-3439-120000-590000	Proceeds from Sale of Bonds	\$17,500,000.00
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Section 6. That the sum of \$17,500,000.00 is hereby appropriated from the Unappropriated Fund Balance of Fund No. 3439, the Special Obligation Series 2019A Bond Fund, to the following account:

AL-3439-648047- 10008047	Downtown Residential	\$17,500,000.00
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Section 7. That the City Manager is hereby designated as the requisitioning authority for Account No. AL-3439-648047- 10008047.

Section 8. That the City hereby declares its official intent to reimburse itself for certain expenditures made within sixty (60) days prior to or on or after the date of this ordinance with respect to the Three Light residential tower and garage (the Project) with the proceeds of bonds expected to be issued by the City. The maximum principal amount of bonds expected to be issued for the Project is not to exceed \$18,000,000.00. This constitutes a declaration of official intent under Treasury Regulation Section 1.150-2.

Section 9. That this ordinance, relating to the appropriation of money, is recognized as an ordinance with an accelerated effective date as provided by Section 503(a)(3)(C) of the City Charter and shall take effect in accordance with Section 503, City Charter.

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I hereby certify that there is a balance, otherwise unencumbered, to the credit of the appropriation to which the foregoing expenditure is to be charged, and a cash balance, otherwise unencumbered, in the treasury, to the credit of the fund from which payment is to be made, each sufficient to meet the obligation hereby incurred.

Randall J. Landes
Director of Finance

Approved as to form and legality:

Brian T. Rabineau
Assistant City Attorney