

COMMITTEE SUBSTITUTE FOR ORDINANCE NO. 971719

Approving and designating Union Hill Redevelopment Project L of the Union Hill Increment Financing Plan as a Redevelopment Project and adopting tax increment financing therein; authorizing a cooperative agreement among the City, the Tax Increment Financing Commission, the Convention and Visitors Bureau and Union Hill Development Company in connection with the project costs for the Union Hill Tax Increment Financing Redevelopment Plan; and directing the City Clerk to file the agreement with the Secretary of State.

WHEREAS, the City Council of Kansas City, Missouri by Ordinance No. 54556, passed on November 24, 1982, and thereafter repealed and amended in certain respects by Committee Substitute for Ordinance No. 911076, as amended, passed on August 29, 1991, created the Tax Increment Financing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, on December 18, 1997, the City Council passed Committee Substitute for Ordinance No. 971698, as amended, which approved the Union Hill Tax Increment Financing Plan ("Redevelopment Plan") and designated the Redevelopment Area as a conservation area; and

WHEREAS, the Redevelopment Plan and ordinance contemplate the implementation of the Redevelopment Plan through 40 separate Redevelopment Projects and the adoption of tax increment financing in each of the areas selected for such Redevelopment Projects; and

WHEREAS, the Tax Increment Financing Commission of Kansas City, Missouri (the "Commission") has recommended the approval of the Union Hill Tax Increment Financing Redevelopment Plan (the "Redevelopment Plan") and the Council has accepted the recommendations of the Commission in regard to the Redevelopment Plan by the passage of Committee Substitute for Ordinance No. 971698, as amended; and

WHEREAS, the Council has determined that the Redevelopment Plan meets the Council's criteria set forth in Committee Substitute for Resolution No. 941748, as further amended, making it eligible for the annual appropriation of 100% of the total additional revenue from taxes, penalties and interest which are imposed by the City or taxing districts and which are generated by economic activities within the areas selected for the Redevelopment Projects (50% as set forth in the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865, RSMo and 50% to annually appropriated by the City) ("100% EATs"); and

WHEREAS, on March 25, 1999, the Council adopted Committee Substitute for Resolution No. 990404, as amended, establishing a policy to provide increased economic incentives to be used in tax increment financing redevelopment areas for public purposes associated with residential development in distressed areas of the City; and

WHEREAS, on March 25, 1999, the Council adopted Committee Substitute for Resolution No. 990405, supporting the use of the incentives outlined in Committee Substitute for

Resolution No. 990404 for the Union Hill Tax Increment Financing Redevelopment Area and directing the City Manager to work with economic development agencies to develop a plan for utilizing such incentives; and

WHEREAS, the Convention and Visitors Bureau of Greater Kansas City (the "Bureau") has supported the development of other hotel projects which were eligible for 100% EATs by assisting in the funding for debt service on the bonds issued for those other projects, and has agreed to assist in the funding for the plan for the project costs of the Redevelopment Plan (the "Improvements"); and

WHEREAS, the Commission has agreed to provide certain services in connection with the construction, completion and financing of the Improvements; and

WHEREAS, the Union Hill Development Company (the "Redeveloper") has agreed to construct or cause the construction and/or completion of the Improvements; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. 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 2. The area selected for Redevelopment Project L legally described as follows:

Dunveigh Heights all Lots 25 thru 29; Dunveigh Heights Lot 40; Dunveigh Heights Lot 41 south 10 feet Lot 42; north 15 feet Lot 42 all Lot 43 Dunveigh Heights; Lot 30 Dunveigh Heights; Lots 32 & 33 Dunveigh Heights, a subdivision in Kansas City, Jackson County, Missouri.

is approved and designated as Union Hill Redevelopment Project L (the "Redevelopment Project").

Section 3. Tax increment allocation financing is hereby adopted for taxable real property in the above described area selected for the Redevelopment Project. After the total equalized assessed valuation of the taxable real property in the Redevelopment Project exceeds the certified total initial equalized assessed valuation of the taxable real property in the Redevelopment Project, the ad valorem taxes, and payment in lieu of taxes, if any, arising from the levies upon the taxable real property in such project by taxing districts and tax rates determined in the manner provided in subsection 2 of Section 99.855 each year after the effective date of the ordinance until redevelopment costs have been paid shall be divided as follows:

1. That portion of taxes levied upon each taxable lot, block, tract, or parcel of real property which is attributable to the initial equalized assessed value of each such taxable lot, block, tract or parcel or real property in the area selected for the Redevelopment Project shall be allocated to and, when collected, shall be paid by the

Jackson County Collector and the City Treasurer to the respective affected taxing districts in the manner required by law in the absence of the adoption of tax increment allocation financing;

2. Payments in lieu of taxes attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property in the area selected for the Redevelopment Project over and above the initial equalized assessed value of each such unit of property shall be allocated to and, when collected, shall be paid to the City Treasurer who shall deposit such payment in lieu of taxes into a special fund called the "Special Allocation Fund" of the City for the purpose of paying Redevelopment Project Costs and obligations incurred in the payment thereof. Any payments in lieu of taxes which are not paid within 60 days of the due date will be deemed delinquent and assessed a penalty of 1% per month.

Section 4. In addition to the payments in lieu of taxes described in subsection 2 of Section 3 above, 50% of the total additional revenue from taxes which are imposed by the City or taxing districts, and which are generated by economic activities within the area selected for the Redevelopment Project over the amount of such taxes generated by economic activities within such area in the calendar year prior to the adoption of this ordinance, while tax increment financing remains in effect, but excluding taxes imposed on sales of charges for sleeping rooms paid by transient guests of hotels and motels, licenses, fees or special assessments and personal property taxes, other than payments in lieu of taxes, shall be allocated to, and paid by the collecting officer to the City Treasurer or other designated financial officer of the City, who shall deposit such funds in a separate segregated account within the Special Allocation Fund.

Section 5. That the Director of City Development is authorized to execute, on behalf of the City, a cooperative agreement among the Commission, the Bureau and the Redeveloper setting out the terms and conditions of City's contribution of the Additional EATs, the Bureau's contribution of a certain amount of its allocation of the hotel/motel tax, and the rights and obligations of the Commission and the Redeveloper, all in regard to the construction and/or completion and financing of the Improvements. The cooperative agreement is approved in substantial form as the attachment to this ordinance.

Section 6. That the City Clerk is directed to file the cooperative agreement with the Secretary of State upon receipt of the executed agreement from the parties.

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Approved as to form and legality:

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Assistant City Attorney