

COMMITTEE SUBSTITUTE FOR RESOLUTION NO. 110644

Expressing the Council's intent to accommodate redevelopment of that certain real property commonly known as "Valencia II" located between Pennsylvania Avenue and Broadway adjacent to the now-vacated 46th Terrace right-of-way, Kansas City, Jackson County, Missouri (the "Valencia II Property") for use as Class A office space.

WHEREAS, Ordinance No. 110194, as substituted and amended, passed by the Council originally on April 28, 2011, provided for rezoning an area of approximately 2.39 acres generally located on the east side of Broadway between W. 46th Terrace and W. 47th Street (the "Neptune Site") from Districts R-5 and C-3a2 to District C-3a2-p, approved a preliminary development plan for the Neptune Site, and established a conditional effective date for the rezoning conditioned on passage of an overlay district for the core of the Country Club Plaza (the "Neptune Site Rezoning Ordinance"); and

WHEREAS, Ordinance Nos. 110340 and 110341 which sought to establish the "Plaza Core Overlay District" to satisfy the condition required by Council in the Neptune Site Rezoning Ordinance ("Overlay Ordinances") were introduced to Council on April 28, 2011, and were referred to Plans, Zoning and Economic Development Committee; and

WHEREAS, on April 29, 2011, the Mayor vetoed the Neptune Site Rezoning Ordinance; and

WHEREAS, on May 5, 2011, the Council passed the Neptune Site Rezoning Ordinance over the Mayor's veto; and

WHEREAS, the City Clerk delivered Communication Nos. 110372 and 110373 to the Council on May 12, 2011, to inform the Council that the opponents of the Neptune Site Rezoning Ordinance generally known as "Save Our Plaza" submitted a Notice of Intent to File a Referendum Petition for the Neptune Site Rezoning Ordinance and on June 16, 2011, the City Clerk delivered Communication No. 110464 to the Council certifying that sufficient signatures had been collected and verified by the election authorities to submit the Neptune Site Rezoning Ordinance to a referendum vote; and

WHEREAS, on June 29, 2011, the Planning, Zoning and Economic Development Committee acted to hold the Overlay Ordinances off the agenda; and

WHEREAS, the record owner of the Neptune Site, Highwoods Properties, Inc. ("Highwoods") and the Save Our Plaza have continued to negotiate about the development of the Neptune Site and alternative locations on the Country Club Plaza suitable for Class A office development; and

WHEREAS, Highwoods owns the Valencia II Property which is currently zoned "R-0.5" and which is included within the boundaries of the Country Club Plaza Tax Increment Financing Plan ("TIF Plan"), as approved by the Council on April 17, 1997

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(Ordinance No. 970374), and which is further referred to in the TIF Plan as “Project 4 (Hotel)”; and

WHEREAS, Committee Substitute for Ordinance No. 970378, passed by the Council on March 22, 2007 approved and activated Project 4 (Hotel) of the TIF Plan as a Redevelopment Project; and

WHEREAS, Highwoods, Save Our Plaza and the Council all agree that it is desirable that sufficient Class A office space be made available in and around the Country Club Plaza to allow for Highwoods to negotiate to retain certain businesses already located within the City or to negotiate to attract businesses desiring to locate within the City; and

WHEREAS, Highwoods, Save Our Plaza and the Council have reached a mutual understanding relating to the proposed redevelopment (Case No. 14131-P-1) of the Neptune Site which the Council approved in the Neptune Site Rezoning Ordinance, but which remains subject to the Council’s repeal, and the proposed redevelopment of the Valencia II Property; and

WHEREAS, Highwoods will consent to the Council’s repeal of the Neptune Site Rezoning Ordinance and will withdraw its current application to rezone the Neptune Site (Case No. 14131-P-1), including its related application to establish the “Plaza Core Overlay District” (Case No. 14131-P-2) provided the Council (A) expresses its intent to allow for redevelopment of the Valencia II Property into Class A office space which will be of a similar character, including an approximate size of 200,000 square feet (measured as 200,000 square feet of “floor rentable area” as defined by ANSI/BOMA Z65.1-1996) and similar height, to that proposed for the Neptune Site, including the Council’s support for all necessary City approvals relating to use of the Valencia II Property as Class A office space, including but not limited to rezoning ordinances, area plan amendments, and TIF Plan amendments; (B) agrees that there is no requirement that the Plaza Core Overlay District be established, or any similar overlay district for the Country Club Plaza be established, as a condition for the Council’s support for rezoning the Valencia II Property or for amending the TIF Plan as discussed herein; and (C) agrees to take any action it may reasonably deem necessary to expedite the rezoning for the Valencia II Property and for amending the TIF Plan as discussed herein; NOW, THEREFORE

BE IT RESOLVED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the Council expresses its intent to support the redevelopment of the Valencia II Property into Class A office space of a similar character, including an approximate size of 200,000 square feet (measured as 200,000 square feet of “floor rentable area” as defined by ANSI/BOMA Z65.1-1996) and similar height, to that proposed for the Neptune Site, and to take such actions as will reasonably expedite the rezoning and TIF Plan amendment processes as may reasonably be necessary.

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Section 2. That the Council understands and anticipates that redevelopment of the Valencia II Property into Class A office space will include rezoning the Valencia II Property from its current R-0.5 zoning classification to a site-specific development plan zoning classification with City Council review and approval, such as UR, for a Class A office building of a similar character, including an approximate size of 200,000 square feet (measured as 200,000 square feet of “floor rentable area” as defined by ANSI/BOMA Z65.1-1996) and similar height, to that proposed for the Neptune Site.

Section 3. That the Council understands and anticipates that redevelopment of the Valencia II Property into Class A office space requires that the TIF Plan be amended to provide, among other things, for conversion of the anticipated use of TIF Plan Project 4 (Hotel) from hotel to Class A office and that the Council expresses its intent to support Highwoods’ application for amendment to the TIF Plan.

Section 4. That the Council acknowledges and agrees that, on September 28, 2006, it passed Ordinance No. 060979 and accepted the recommendations of the Tax Increment Financing Commission as to the Second Amendment to the TIF Plan (“Second Amendment”) which estimated reimbursable project costs for Project 4 (Hotel) as \$11,588,213.00. The Council hereby reaffirms its support of the previously-approved Project 4 (Hotel) budget, including the reimbursable project costs set forth in the Second Amendment.

Section 5. That the Council acknowledges and agrees that there is no requirement that the Plaza Core Overlay District be established, or that any similar overlay district for the Country Club Plaza be established, as a condition for the Council’s support for rezoning the Valencia II Property or for amending the TIF Plan as discussed herein.

Section 6. That the Council’s intentions stated in this Resolution are subject to its understanding that all normal design review, land use, set back and other requirements of UR zoning and Tax Increment Financing policies and procedures, shall be adhered to.

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