

**SECOND AMENDMENT TO THE  
12<sup>TH</sup> & WYANDOTTE  
TAX INCREMENT FINANCING PLAN  
KANSAS CITY, MISSOURI**

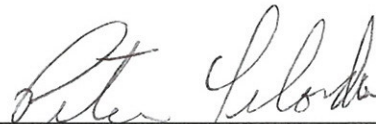
TIF Commission Approval:

May 10, 2006                      5-11-06  
Date                                      Resolution No.

City Council Approval:

June 8, 2006                      060609  
Date                                      Ordinance No.

Attached herewith is a true and correct copy of the 2<sup>nd</sup> Amendment to the 12<sup>th</sup> Wyandotte TIF Plan that was approved by the Tax Increment Financing Commission of Kansas City, Missouri, by Resolution No. 5-11-06, at a public hearing that was duly noticed and held on May 10, 2006

  
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Chairman

\*\*The Second Amendment Ordinance Request attached the wrong budget version (Comparison v. Actual). The Third Amendment simply submitted the correct version; no actual changes were made.

**SECOND AMENDMENT  
TO THE  
12<sup>TH</sup> & WYANDOTTE  
TAX INCREMENT FINANCING PLAN**

**I. INTRODUCTION**

The Second Amendment to the 12<sup>th</sup> & Wyandotte Tax Increment Financing Plan (the "Second Amendment") shall amend the 12<sup>th</sup> & Wyandotte Redevelopment Plan as approved by the Ordinance No. 921351 on December 10, 1992 and the First Amendment to 12<sup>th</sup> & Wyandotte Redevelopment Plan by Ordinance No. 060100 on February 2, 2006. The Second Amendment provides for revision of the budget items for Redevelopment Project Costs. To the extent the Plan varies with the Second Amendment, said Plan shall be amended and superseded thereby.

**II. PLAN TEXT AMENDMENTS**

In accordance with this Second Amendment, the Plan shall be amended as follows:

**Amendment No. : 1**

**The first paragraph of Section II of the Plan, "Estimated Redevelopment Project Costs" shall be supplemented with the following language:**

In addition to the above stated estimated redevelopment costs, estimated costs shall be increased to include the estimated costs of Project 4. Estimated redevelopment costs of Project 4, are projected to be \$34,043,780.00 over the 23-year life of the Project 4. Project 4 is a "pay as you go" project that will not utilize bond financing. Approximately \$11,891,010.00 in Redevelopment Project Costs for Project 4 are eligible to be reimbursed from TIF revenues or other revenues as may be appropriated by the City of Kansas City, Missouri.

**Amendment No. : 2**

**Section III of the Plan, "Anticipated Sources of Funds" shall be supplemented with the following language:**

The foregoing provisions of this Section III of the Plan refer only to Projects 1, 2 and 3 of the Plan. The remainder of this Section III refers to Project 4 of the Plan. Anticipated sources and amounts of funds to pay Redevelopment Project Costs for Project 4, the Aladdin Hotel, and amounts to be available from those sources are shown on Exhibit 5B. The expected source of funds to be used to reimburse eligible expenses for Project 4, the Aladdin Hotel, include Payments in Lieu of Taxes and Economic Activity Tax proceeds, including a portion of the sales tax revenues collected on gross receipts from the charges for rooms in the Aladdin

Hotel. Project 4 will not be reimbursed from the Convention and Tourism tax revenues.

The total Payment in Lieu of Taxes (“PILOTS”) generated by Project 4, the Aladdin Hotel, over the duration of the Project is estimated to be \$9,942,996, as detailed in Exhibit 6B.

The total Economic Activity Taxes (EATs) generated by Project 4, the Aladdin Hotel, over the duration of the Project is estimated to be \$1,105,807, as detailed in Exhibit 6B.

It is estimated that the City will collect an additional \$3,416,620 in sales taxes on gross receipts from the charges on rooms in the Aladdin Hotel, and approximately \$2,540,000 of those revenues would be available to reimburse eligible expenses of Project 4.

Project 4 is expected to generate approximately \$10,789,324 in Convention & Tourism tax revenues, none of which will be used to reimburse eligible Redevelopment Costs of Project 4.

**Amendment No. 3:**

**Section V of the Plan, “Anticipated Type and Terms of Obligations” shall be supplemented with the following language:**

Project 4, the Aladdin Hotel, does not anticipate using bond money to finance the project. It is anticipated that the costs of Project 4 will be financed with approximate cash equity contribution of \$3,750,000 from the developer and a private loan in the amount of \$11,250,000. It is anticipated that the sources to repay the loan would include net operating revenues from the hotel, the reimbursements from Redevelopment Project Costs in the amount of \$11,891,010, plus interest, from TIF revenues and other City revenues, and proceeds from the sale of historical tax credits in the approximate amount of \$2,115,000.

**III. PLAN EXHIBIT AMENDMENTS:**

In accordance with this Second Amendment, the Plan shall be amended as follows:

**Amendment No. 1:** Delete Exhibit 4B of the Plan, entitled “Estimated Redevelopment Project Costs,” and insert Revised Exhibit 4B attached hereto, in its stead.

**Amendment No. 2:** Delete Exhibit 5B of the Plan, entitled “Sources of Funds,” and insert Revised Exhibit 5B attached hereto, in its stead.

# **Amendment No. 1**

Exhibit 4B: Estimated Redevelopment Project Costs

## HISTORIC ALADDIN HOTEL DOWNTOWN KC ESTIMATED REDEVELOPMENT PROJECT COSTS

DESCRIPTION	ESTIMATED TOTAL PROJECT COSTS	REIMBURSABLE PROJECT COSTS <sup>1</sup>	ADDITIONAL REIMBURSABLE AMOUNTS <sup>1</sup>	TOTAL REIMBURSABLE AMOUNTS <sup>1</sup>
<b>HOTEL PROJECT EXPENSES</b>				
<b>PROPERTY ACQUISITION EXPENSES</b>				
PURCHASE PRICE	\$ -	\$ -	\$ -	\$ -
ATTORNEY FEES	15,000.00	-	-	-
CLOSING COSTS	(26,841.00)	-	-	-
LENDER POINTS	1,500.00	-	-	-
DUE DILIGENCE	57,250.00	-	-	-
TRAVEL	10,000.00	-	-	-
MISCELLANEOUS	-	-	-	-
<b>TOTAL PROPERTY ACQUISITION EXPENSES</b>	<b>\$ 56,909.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>CONSTRUCTION HARD COSTS</b>				
<b>EXTERIOR IMPROVEMENTS</b>				
EXTERIOR FAÇADE IMPROVEMENTS	\$ 115,500.00	\$ 110,000.00	\$ 100,000.00	\$ 210,000.00
ROOFING	25,250.00	(25,000.00)	-	(25,000.00)
UNDERGROUND WALKWAY TO PARKING GARAGE	(1,918.94)	(10,000.00)	-	(10,000.00)
<b>SUBTOTAL</b>	<b>\$ 138,831.06</b>	<b>\$ 75,000.00</b>	<b>\$ 100,000.00</b>	<b>\$ 175,000.00</b>
<b>HOTEL PUBLIC SPACE IMPROVEMENTS</b>				
HOTEL COMMON AREAS	\$ (32,592.50)	\$ (10,000.00)	\$ (20,000.00)	\$ (30,000.00)
ELEVATORS	(253,657.79)	-	25,000.00	25,000.00
MEETING ROOMS	(27,559.86)	-	-	-
PREFUNCTION SPACE IMPROVEMENTS	1,026.02	-	5,000.00	5,000.00
PUBLIC BATHROOMS	(32,555.23)	(20,000.00)	(15,000.00)	(35,000.00)
CORRIDOR SPACE	(187,666.55)	(60,000.00)	(50,000.00)	(110,000.00)
FRONT DESK	(11,047.20)	-	(10,000.00)	(10,000.00)
EXERCISE ROOM	792.36	-	-	-
LIBRARY	1,238.84	-	-	-
RESTAURANT IMPROVEMENTS	(156,860.30)	(50,000.00)	(25,000.00)	(75,000.00)
LOUNGE IMPROVEMENTS	(24,026.23)	(30,000.00)	-	(30,000.00)
<b>SUBTOTAL</b>	<b>\$ (722,908.46)</b>	<b>\$ (170,000.00)</b>	<b>\$ (90,000.00)</b>	<b>\$ (260,000.00)</b>
<b>ROOM UPGRADES</b>	<b>\$ (248,122.47)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>MECHANICAL &amp; LIFE SAFETY IMPROVEMENTS</b>				
ELECTRONIC LOCKS	\$ -	\$ -	\$ -	\$ -
MECHANICAL IMPROVEMENTS	8,051.25	-	(30,000.00)	(30,000.00)
ELECTRICAL (NEW LINE ITEM)	100,000.00	50,000.00	30,000.00	80,000.00
LIFE SAFETY	(84,740.00)	(50,000.00)	(30,000.00)	(80,000.00)
STAIRWELL	19,600.00	-	-	-
<b>SUBTOTAL</b>	<b>\$ 42,911.25</b>	<b>\$ -</b>	<b>\$ (30,000.00)</b>	<b>\$ (30,000.00)</b>
<b>OFFICE IMPROVEMENTS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>MISCELLANEOUS</b>				
IN-HOUSE LABOR & SUPERVISION	\$ -	\$ -	\$ -	\$ -
STORAGE & TRASH REMOVAL	-	-	-	-
<b>SUBTOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL CONSTRUCTION HARD COST</b>	<b>\$ (789,288.62)</b>	<b>\$ (95,000.00)</b>	<b>\$ (20,000.00)</b>	<b>\$ (115,000.00)</b>

DESCRIPTION	ESTIMATED TOTAL PROJECT COSTS	REIMBURSABLE PROJECT COSTS <sup>1</sup>	ADDITIONAL REIMBURSABLE AMOUNTS <sup>1</sup>	TOTAL REIMBURSABLE AMOUNTS <sup>1</sup>
<b>CONSTRUCTION SOFT COSTS</b>				
FURNITURE FIXTURES AND EQUIPMENT (FF&E)	\$ 1,199,524.07	\$ -	\$ -	\$ -
ARCHITECT/ENGINEERING/CONSULTANTS FEES & EXP	\$ 4,000.00	\$ 50,000.00	\$ 20,000.00	\$ 70,000.00
<b>MISCELLANEOUS EXPENSES</b>				
SIGNAGE	\$ 35,905.90	\$ -	\$ -	\$ -
OFFICE IMPROVEMENTS FF&E	17,718.91	-	-	-
BACK OF THE HOUSE IMPROVEMENTS	(12,470.00)	-	-	-
TRAVEL	3,300.00	-	-	-
FRANCHISE FEES & MARKETING	(1,500.00)	-	-	-
TELEPHONE & COMPUTER SYSTEMS	-	-	-	-
SUPPLIES	0.00	-	-	-
<b>SUBTOTAL</b>	<b>\$ 42,954.81</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>SUBTOTAL CONSTRUCTION SOFT COSTS</b>	<b>\$ 1,246,478.88</b>	<b>\$ 50,000.00</b>	<b>\$ 20,000.00</b>	<b>\$ 70,000.00</b>
GENERAL CONTRACTOR OVERHEAD & PROFIT	\$ 18,649.16	\$ -	\$ -	\$ -
CONTINGENCY	\$ (194,184.40)	\$ 95,000.00	\$ -	\$ 95,000.00
CONSTRUCTION MANAGEMENT FEES 5%	\$ 14,158.40	\$ -	\$ -	\$ -
<b>TOTAL CONSTRUCTION HARD &amp; SOFT COSTS</b>	<b>\$ 295,813.42</b>	<b>\$ 50,000.00</b>	<b>\$ -</b>	<b>\$ 50,000.00</b>
<b>PROJECT SOFT COSTS</b>				
BUILDERS RISK INSURANCE	\$ -	\$ -	\$ -	\$ -
UTILITIES FOR CONSTRUCTION USE	-	-	-	-
LEGAL, CONSULTANTS & OTHER PROF. FEES & EXP	164,292.83	-	-	-
CAPITALIZED INTEREST	7,211.00	-	-	-
DEVELOPMENT FEES	101,200.00	-	-	-
HISTORICAL TAX CREDIT EXPENSES	(37,280.00)	-	-	-
PRE OPENING EXPENSES	325,053.00	-	-	-
CONTINGENCY	(154,253.60)	(50,000.00)	-	(50,000.00)
<b>SUBTOTAL</b>	<b>\$ 406,223.23</b>	<b>\$ (50,000.00)</b>	<b>\$ -</b>	<b>\$ (50,000.00)</b>
<b>TOTAL HOTEL PROJECT COSTS</b>	<b>\$ 758,945.65</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TIF COMMISSION FEES &amp; EXPENSES</b>				
LEGAL FEES & EXPENSES	\$ -	\$ -	\$ -	\$ -
COST CERTIFICATION (Cost Certifier, Project Engineer & TIF Staff Fees & Exp)	-	-	-	-
APPLICATION FEES	-	-	-	-
COMPLETION CERTIFICATE FEES \$.05 Per sqft	-	-	-	-
ADMIN/STAFF FEES & EXPENSES	-	-	-	-
MISCELLANEOUS & CONTINGENCY	25,000.00	25,000.00	-	25,000.00
<b>Total TIF Commission Fees &amp; Expenses</b>	<b>\$ 25,000.00</b>	<b>\$ 25,000.00</b>	<b>\$ -</b>	<b>\$ 25,000.00</b>
<b>TOTAL REDEVELOPMENT PROJECT COSTS b/f Interest</b>	<b>\$ 783,945.65</b>	<b>\$ 25,000.00</b>	<b>\$ -</b>	<b>\$ 25,000.00</b>
<b>INTEREST (Loan Amount 11,857,000 @ 7% for 22 yr amt)</b>	<b>\$ 18,259,780.00</b>	<b>\$ 5,669,510.00</b>	<b>\$ 1,540,000.00</b>	<b>\$ 7,209,510.00</b>
<b>TOTAL REDEVELOPMENT PROJECT COSTS</b>	<b>\$ 19,043,725.65</b>	<b>\$ 5,694,510.00</b>	<b>\$ 1,540,000.00</b>	<b>\$ 7,234,510.00</b>

## **Amendment No. 2**

Exhibit 5B: Sources and Uses of Funds, Project 4

## EXHIBIT 5B

### THE ALADDIN HOTEL PROJECT SOURCES AND USES OF FUNDS

doc# 64232

#### SOURCES

Cash Equity	\$	3,750,000
Private Loan	\$	<u>12,034,000</u>
Total Sources	\$	15,784,000

#### USES

Acquisition	\$	5,426,800
Project Renovation	\$	10,245,700
TIF Commission Costs	\$	111,500
Total Uses	\$	15,784,000

#### SOURCES TO REPAY PRIVATE LOAN

Historic Tax Credits	\$	2,115,000
TIF Revenues <sup>1</sup>	\$	3,681,500
Add'l City Revenues <sup>1</sup>	\$	1,500,000
Net Operating Revenues <sup>1</sup>	\$	4,478,500
Total Private Loan	\$	12,034,000

<sup>1</sup> Plus Interest