

**SECOND AMENDMENT
TO
9TH & CENTRAL
TAX INCREMENT FINANCING PLAN**

KANSAS CITY, MISSOURI

TIF COMMISSION APPROVAL:

3/8/17	3-11-17
DATE	RESOLUTION No.

CITY COUNCIL APPROVAL:

6/15/17	170397
DATE	ORDINANCE No.

**SECOND AMENDMENT
TO THE
9TH & CENTRAL TAX INCREMENT FINANCING PLAN**

I. INTRODUCTION

The Second Amendment (“Second Amendment”) to the 9th & Central Tax Increment Financing Plan, as amended (the “Plan”) amends the Plan approved by Ordinances No. 130829 and No. 160556 by the City Council of Kansas City, Missouri. The Second Amendment amends the legal description and boundaries of the Redevelopment Plan Area and Redevelopment Project Area A by removing the surface parking lot at 205 W. 9th Street. The intent and substance of the Plan remains unchanged other than specifically referenced herein.

II. SPECIFIC AMENDMENTS

In accordance with the First Amendment, the Plan is amended as follows:

1. Section I. Summary – The section shall be deleted and a new section replaces it, as follows:

I. SUMMARY

The 9th & Central Tax Increment Financing Plan (the “Plan”) contemplates the rehabilitation of a historic hotel building located on a site in downtown Kansas City, Missouri that is generally bounded by W. 9th Street on the north, W. 10th Street on the south, Central Street on the west, and Wyandotte Street on the east in Kansas City, Jackson County, Missouri.

The development contemplated by the Plan will include a 120-room boutique hotel, an approximately 5,800 square foot restaurant and bar area, event space, and a contemporary art museum, along with all necessary infrastructure improvements.

The estimated Redevelopment Project Costs to implement the Plan are approximately \$89,660,771, which include approximately \$33,867,687 in Reimbursable Project Costs. This includes approximately \$11,696,432 in Reimbursable Project Costs to be reimbursed from TIF Revenue (as hereafter defined), approximately \$18,753,062 in Reimbursable Project Costs to be reimbursed from Super TIF Revenue (as hereafter defined) and approximately \$3,418,193 in Reimbursable Project Costs to be reimbursed from CID Revenues (as hereafter defined). The Reimbursable Project Costs are identified on Exhibit 5A, attached to this Plan.

The 2012 total initial equalized assessed valuation of the Redevelopment Area according to current records at the Jackson County Assessor's Office is approximately \$282,400. The 2012 combined ad valorem property tax levy was \$9.4278 per \$100 assessed valuation. The 2012 annual ad valorem tax revenue from the Redevelopment Area was approximately \$38,881. The total initial equalized assessed valuation of the Redevelopment Area according to 2013 records at the Jackson County Assessor's Office is approximately \$206,493. Following the completion of all Project Improvements (as hereafter defined), it is estimated that the assessed value of the property will increase to approximately \$3,725,021.

Pursuant to the Act, tax increment financing allows for the use of Payments in Lieu of Taxes and Economic Activity Taxes generated and collected within the Redevelopment Project Area for a twenty-three (23) year period to pay Reimbursable Project Costs. The estimated total Payments in Lieu of Taxes generated within the Redevelopment Project Area and available to pay Reimbursable Project Costs is approximately \$7,833,371 and the estimated Economic Activity Taxes generated within the Redevelopment Project Area and available to the pay Reimbursable Project Costs are approximately \$3,863,061.

It is anticipated that the Redeveloper will enter into a separate agreement with the Kansas City Public Library District (the "Library District") which shall provide that the Redeveloper will contribute annually to the Library District, on behalf of the Metropolitan Junior Colleges, Jackson County Community Mental Health Fund, and Jackson County Board of Services for Developmentally Disabled Districts (collectively, the "Impacted Districts"), fifty percent (50%) of the proportionate share of Payments in Lieu of Taxes that each of the Impacted Districts would have received had tax increment financing not been authorized by the City, which, in the aggregate, is estimated to be approximately \$456,117.

Additionally, Super TIF Revenue (as hereafter defined) will be utilized to pay Reimbursable Project Costs. The projected Super TIF Revenue collected by the City and transferred to the Commission for reimbursement of Reimbursable Project Costs is approximately \$18,753,062.

Additionally, CID Revenues (as hereafter defined) will be utilized to pay Reimbursable Project Costs. The projected CID Revenue collected by the CID and transferred to the Commission for reimbursement of Reimbursable Project Costs is approximately \$3,418,193.

Upon the reimbursement of all Reimbursable Project Costs, subject to Section 99.850 RSMO., the Taxing Districts will receive all surplus tax revenue generated within the Redevelopment Area.

2. Section IV. A. Redevelopment Plan– The first paragraph shall be deleted and a new revised paragraph replaces it, as follows:

The Redevelopment Plan contemplates the rehabilitation of an existing historic hotel building located at 219 W. 9th Street, into a 120 room boutique hotel, approximately 5,800 square foot restaurant and bar area, event space and a contemporary art museum that shall be open and free to the public, along with all necessary infrastructure within the Redevelopment Project Area described on Exhibit 1B, attached hereto.

3. Section IV. B. Redevelopment Area and Redevelopment Project Area– The first paragraph shall be deleted and a new revised paragraph replaces it, as follows:

The Redevelopment Area will consist of a single Redevelopment Project Area. The Redevelopment Project Area includes approximately one parcel that is approximately 0.46 acres located in Kansas City, Jackson County, Missouri (the “City”), as legally described on Exhibits 1A and 1C, attached hereto. The legal description of the Redevelopment Project Area is set forth on Exhibit I.B., attached hereto.

4. Section IV. C. The Project Improvements – The first paragraph shall be deleted and a new revised paragraph replaces it, as follows:

The Project Improvements will consist of the rehabilitation of an existing historic hotel building located at 219 W. 9th Street, into a 120 room boutique hotel, approximately 5,800 square foot restaurant and bar area, event space and a contemporary art museum that shall be open and free to the public, along with all necessary infrastructure. The Project Improvements and other redevelopment activities will be undertaken in furtherance of the objectives of the Plan. A Site Plan generally depicting the location of the Project Improvements and the Redevelopment Project Area is attached as Exhibit 2. Estimated construction and employment information for the Project Improvements is set forth on Exhibits 4A and 4B.

5. Section VI. Most Recent Equalized Assessed Valuation – The first paragraph shall be deleted and a new revised paragraph replaces it, as follows:

“The 2012 total initial equalized assessed valuation of the Redevelopment Area according to current records at the Jackson County Assessor’s Office is approximately \$282,400. The 2012 combined ad valorem property tax levy was \$9.4278 per \$100 assessed valuation. The 2012 annual ad valorem tax revenue from the Redevelopment Area was approximately \$38,881. The total initial equalized assessed valuation of the Redevelopment Area according to 2013 records at the Jackson County Assessor’s Office is approximately \$206,493.”

6. Section VIII. General Land Use – The first sentence shall be deleted and a new, revised sentence replaces it, as follows:

“The Redevelopment Plan identifies the existing hotel property to be rehabilitated through the use of historic tax credits.”

7. Exhibit 1A of the Plan, entitled “Legal Description – Redevelopment Area” is deleted and a new, revised exhibit, replaces it, as follows:

Legal Description:

Beginning at the intersection of the south right-of-way line of 9th Street and the east right-of-way line of Central Street; thence east along the south right-of-way line of 9th Street to the west line of the north - south alley lying between Central Street and Wyandotte Street; thence south along the west line of the north-south alley lying between Central Street and Wyandotte Street to the south lot line of Lot 18, Block 3, ASHBURNS ADDITION; thence west along the south lot line of Lot 18, Block 3, ASHBURNS ADDITION to the east right-of-way line of Central Street; thence north along the east right-of-way line of Central Street to the south right-of-way line of 9th Street, the point of beginning, all now included in and a part of Kansas City, Jackson County, Missouri.

Alternatively:

Legal: LOTS 18, 19, 20, 21 and 22, BLOCK 3, ASHBURNS ADDITION, a subdivision in Kansas City, Jackson County, Missouri.

AND

All of the north-south alley lying between Central Street and Wyandotte Street east of and adjacent to LOTS 18, 19, 20, 21 and 22, BLOCK 3, ASHBURNS ADDITION, a subdivision in Kansas City, Jackson County, Missouri.

8. Exhibit 1B of the Plan, entitled “Legal Description – Redevelopment Project Area” is deleted and a new, revised exhibit, replaces it, as follows:

Legal Description:

Beginning at the intersection of the south right-of-way line of 9th Street and the east right-of-way line of Central Street; thence east along the south right-of-way line of 9th Street to the west line of the north - south alley lying between Central Street and Wyandotte Street; thence south along the west line of the north-south alley lying between Central Street and Wyandotte Street to the south lot line of Lot 18, Block 3, ASHBURNS ADDITION; thence west along the south lot line of Lot 18, Block 3, ASHBURNS ADDITION to the east right-of-way line of Central Street; thence north along the east right-of-way line of Central Street to the south

right-of-way line of 9th Street, the point of beginning, all now included in and a part of Kansas City, Jackson County, Missouri.

Alternatively:

Legal: LOTS 18, 19, 20, 21 and 22, BLOCK 3, ASHBURNS ADDITION, a subdivision in Kansas City, Jackson County, Missouri.

AND

All of the north-south alley lying between Central Street and Wyandotte Street east of and adjacent to LOTS 18, 19, 20, 21 and 22, BLOCK 3, ASHBURNS ADDITION, a subdivision in Kansas City, Jackson County, Missouri.

9. Exhibit 1C of the Plan, entitled “Legal Description – Parcel Information” is deleted and a new, revised exhibit, replaces it, as follows:

9th & CENTRAL TIF PLAN PARCELS

Savoy Hotel

Parcel: 29-220-29-02-00-0-00-000 (219 W. 9th Street)

Legal Description:

Beginning at the intersection of the south right-of-way line of 9th Street and the east right-of-way line of Central Street; thence east along the south right-of-way line of 9th Street to the west line of the north-south alley lying between Central Street and Wyandotte Street; thence south along the west line of the north-south alley lying between Central Street and Wyandotte Street to the south lot line of Lot 18, Block 3, ASHBURNS ADDITION; thence west along the south lot line of Lot 18, Block 3, ASHBURNS ADDITION to the east right-of-way line of Central Street; thence north along the east right-of-way line of Central Street to the south right-of-way line of 9th Street, the point of beginning, all now included in and a part of Kansas City, Jackson County, Missouri.

Legal: LOTS 18, 19, 20, 21 and 22, BLOCK 3, ASHBURNS ADDITION, a subdivision in Kansas City, Jackson County, Missouri.

Alley

All of the north-south alley lying between Central Street and Wyandotte Street east of and adjacent to LOTS 18, 19, 20, 21 and 22, BLOCK 3, ASHBURNS ADDITION, a subdivision in Kansas City, Jackson County, Missouri.

10. Exhibit 2 of the Plan, entitled “Maps: Redevelopment Area” is deleted and a new, revised exhibit, replaces it, as follows:

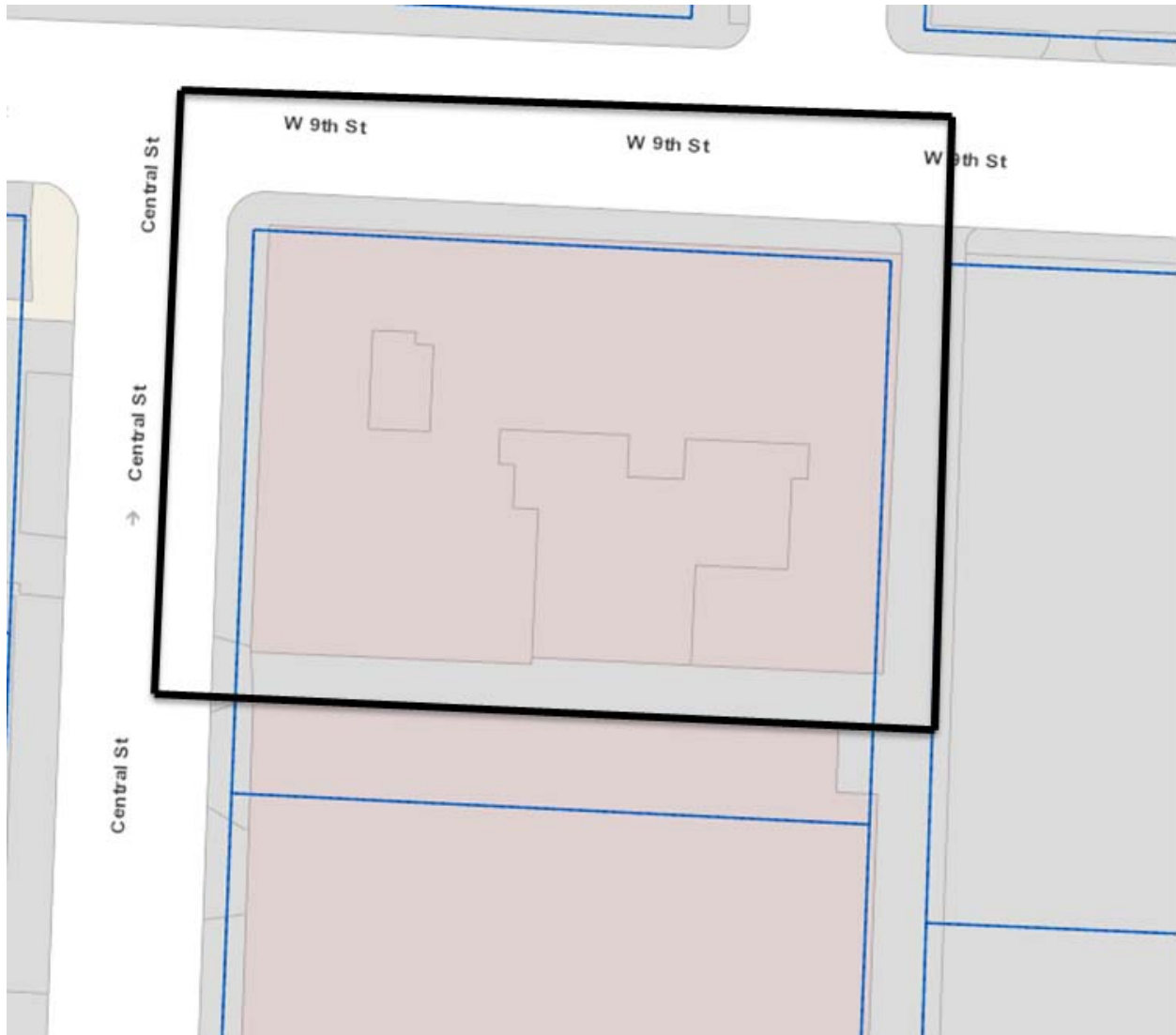


Exhibit 2 – Map Redevelopment Area and Project A

11. Exhibit 3 of the Plan, number 5, shall be changed to remove "parking and".
12. Exhibit 4A of the Plan, the row titled Number of Parking Spaces shall be changed to "0" to reflect no parking spaces are located within the Redevelopment Area.

ORDINANCE NO. 170397

Accepting the recommendations of the Tax Increment Financing Commission as to the Second Amendment to the 9th & Central Tax Increment Financing Plan; and approving the Second Amendment to the 9th & Central Tax Increment Financing Plan.

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 created the Tax Increment Financing Commission of Kansas City, Missouri (the "Commission"); and

WHEREAS, on November 26, 2013, the City Council passed Committee Substitute for Ordinance No. 130829, which accepted the recommendations of the Commission as to the 9th & Central Tax Increment Financing Plan (the "Redevelopment Plan") and designated the Redevelopment Area therein to be a blighted area; and

WHEREAS, on August 11, 2016, the Council approved Ordinance No. 160556, the First Amendment to the 9th & Central Tax Increment Financing Plan which provided for amended the redevelopment schedule; and

WHEREAS, the Second Amendment to the Redevelopment Plan entitled the Second Amendment to the 9th & Central Tax Increment Financing Plan (the "Second Amendment") was proposed to the Commission; and

WHEREAS, the Commission has been duly constituted and its members appointed; and, after all proper notice was given, the Commission met in public hearing and after receiving the comments of all interested persons and taxing districts, closed said public hearing on March 9, 2017, and adopted a resolution (the "Resolution") recommending that the City Council approve the Second Amendment; and

WHEREAS, the Second Amendment provides for the amendment of the boundaries of the Plan, amendment of the legal description, and related matters; and

WHEREAS, after the conclusion of the public hearing, certain modifications were made (1) to the Budget of Estimated Redevelopment Project Costs, as incorporated within the Redevelopment Plan, (2) to the Estimated Annual Increase in Assessed Value and Resulting Payments in Lieu of Taxes and Economic Activity Taxes, as incorporated within the Redevelopment Plan, and (3) to the Blight Study attached to the Redevelopment Plan (collectively, the "Modifications"); and

WHEREAS, the Modifications as to the Budget do not increase or decrease the total redevelopment project costs or the total redevelopment project costs reimbursable by tax increment financing; the Modifications to the Estimated Annual Increase in Assessed Value and Resulting Payments in Lieu of Taxes and Project Economic Activity Taxes do not affect the But-For Analysis incorporated within the Redevelopment Plan;

ORDINANCE NO. 170397

and the Modifications as to the Blight Study was a clarification that the removal of the parking lot from the Redevelopment Area does not affect the finding of blight; and

WHEREAS, the Modifications do not enlarge the exterior boundaries of the Redevelopment Area, and do not substantially affect the general land uses established in the Redevelopment Plan or substantially change the nature of the Redevelopment Project described by the Redevelopment Plan; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the recommendations of the Commission concerning the Second Amendment to the 9th & Central Tax Increment Financing Plan, as set forth in the Resolution attached hereto as Exhibit A, with the Modifications described above and as shown in Exhibit B, are hereby accepted and the Second Amendment, as amended, a copy of which is attached hereto as Exhibit B, is hereby approved and adopted as valid and the Redevelopment Project contained therein is hereby authorized.

Section 2. That all terms used in this ordinance, not otherwise defined herein, 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 the Council hereby finds that:

- (a) Good cause has been shown for amendment of the Redevelopment Plan, and that the findings of the Council in Ordinance Nos. 130829 and 160556 with respect to the Redevelopment Plan are not affected by the Second Amendment and apply equally to the Second Amendment;
- (b) The Redevelopment Area, as amended, is a blighted area, as a whole, and 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, as amended, and the Second Amendment;
- (c) The Redevelopment Plan, as amended, conforms to the comprehensive plan for the development of the City as a whole;
- (d) The areas selected for Redevelopment Projects include only those parcels of real property and improvements therein which will be directly and substantially benefited by the Redevelopment Project improvements;
- (e) The estimated dates of completion of the respective Redevelopment Projects and retirement of obligations incurred to finance Redevelopment Project Costs, have been stated in the Redevelopment Plan, as amended, and are not more than 23 years from the passage of any ordinance

ORDINANCE NO. 170397

approving a Redevelopment Project within the Redevelopment Area, as amended;

- (f) A plan has been developed for relocation assistance for businesses and residences;
- (g) A cost benefit analysis showing the impact of the Second Amendment on each taxing district which is at least partially within the boundaries of the Redevelopment Area has been prepared in accordance with the Act;
- (h) The Second Amendment does not include the initial development or redevelopment of any gambling establishment; and
- (i) A study has been completed and the findings of such study satisfy the requirements provided under Section 99.810.1, RSMo.

Section 4. That pursuant to the provisions of the Redevelopment Plan, as amended, the City Council approves the pledge of all funds generated from the Redevelopment Projects that are deposited into the 9th & Central Account of the Special Allocation Fund to the payment of Redevelopment Project Costs within the Redevelopment Area, as amended, and authorizes the Commission to pledge such funds on its behalf.

Approved as to form and legality:


Brian T. Rabineau
Assistant City Attorney



Authenticated as Passed


Sly James, Mayor


Marilyn Sanders, City Clerk

JUN 15 2017

Date Passed