

SECOND AMENDMENT
TO
BANNISTER & I-435
TAX INCREMENT FINANCING PLAN

KANSAS CITY, MISSOURI

TIF Commission Consideration:

Not heard by TIFC

Date

Resolution No.

City Council Approval:

3/31/16

160221

Date

Ordinance No.

**SECOND AMENDMENT
TO THE
BANNISTER & I-435
TAX INCREMENT FINANCING PLAN**

I. Introduction

This Second Amendment to the Bannister & I-435 Tax Increment Financing Plan (the “Second Amendment”) modifies the Bannister & I-435 Tax Increment Financing Plan, as approved by Committee Substitute for Ordinance No. 130737, and as amended by Ordinance No. 140594 (referred to herein as the “Plan”) by (A) modifying the Redevelopment Schedule to allow for greater flexibility in the sequencing of the commencement and completion of the Project Improvements and Public Improvements located within and adjacent to the Redevelopment Project Areas and (B) clarifying the amount of the administrative fee that may be captured by the Commission or the City.

II. Specific Amendments

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

Amendment No. 1: Delete the first two paragraphs of Section IV.E, entitled “Estimated Date of Completion” and insert the following in its stead:

E. Estimated Dates of Completion. The estimated dates for the commencement of the construction of the Project Improvements and related Public Improvements within each Redevelopment Project Area, as modified by the Second Amendment, is set forth on **Exhibit 5B**, attached hereto, which is intended to permit greater flexibility in the sequencing of the Project Improvements and the related Public Improvements. The Redeveloper may alter the commencement and the completion of the Project Improvements and related Public Improvements located within and adjacent to each Redevelopment Project Area in the manner and to the degree described on **Exhibit 5B**. Notwithstanding anything herein to the contrary, the Redeveloper shall have completed all Project Improvements and Public Improvements contemplated by the Plan within each applicable Redevelopment Project Area prior to 23 years from the date such Redevelopment Project Area is approved by separate ordinance of the City Council, provided each Redevelopment Project Area is approved by separate ordinance before October 10, 2023

Amendment No. 2: Delete the second paragraph of Section V.A, entitled “Estimated Redevelopment Project Costs” and insert the following in its stead:

The Commission and City has each determined that certain planning and special services expenses of the Commission (“Administrative Expenses”), which are not

direct Redevelopment Project Costs, are nonetheless reasonable and necessary for the operation of the Commission and City, in connection with administering the Redevelopment Plan, and are incidental costs to the Redevelopment Plan. The incidental costs will be recovered by the Commission or City by collecting a percentage of the Payments in Lieu of Taxes and Economic Activity Taxes paid annually into the Special Allocation Fund, as such percentages are specifically set forth on Exhibit 5C, attached hereto.

Amendment No. 3: Delete **Exhibit 5B** to the Redevelopment Plan, entitled “Development Schedule” and replace it with **Exhibit 5B**, attached hereto.

Amendment No. 4: Incorporate within and attach to the Redevelopment Plan a new **Exhibit 5C**, entitled “Administrative Fee Schedule”, attached hereto.

EXHIBIT 5B

Redevelopment Schedule*

<u>Project Area</u>	<u>Commencement Date</u>	<u>Completion Date</u>
Project Area 1	2014	2017
Project Area 2	2015	2018
Project Area 3	2016	2019
Project Area 4	2017	2019
Project Area 5	2018	2020
Project Area 6	2019	2022
Project Area 7	2018	2021
Project Area 8	2018	2020
Project Area 9	2020	2022
Project Area 10	2018	2020
Project Area 11	2019	2021
Project Area 12	2020	2022
Project Area 13	2021	2023
Project Area 14	2022	2024
Project Area 15	2023	2025
Project Area 16	2023	2025

* The dates and Project Area sequencing set forth in the table above represent the Redeveloper's anticipated development phasing as of the date of this Second Amendment. The magnitude and scale of the Redevelopment Projects require flexibility in the Redevelopment Schedule.

The Redeveloper may alter and modify the Redevelopment Schedule, without an amendment to the Redevelopment Plan, provided that at the end of each calendar year listed in the table below, Redeveloper has commenced development of Project Improvements in at least the number of Redevelopment Project Areas set forth in the table below under the column entitled "Cumulative Number of Project Areas Commenced Prior to the End of the Calendar Year" opposite the calendar year in question, and Redeveloper is diligently proceeding toward completion of such Project Improvements.

End of Calendar Year	Cumulative Number of Project Improvements within the Project Areas Commenced Prior to the End of the Calendar Year
2014	1
2015	1
2016	1
2017	2
2018	2
2019	3
2020	4
2021	5

End of Calendar Year	Cumulative Number of Project Improvements within the Project Areas Commenced Prior to the End of the Calendar Year
2022	6
2023	7
2024	8
2025	9
2026	10
2027	11
2028	12
2029	13
2030	14
2031	15
2032	16

By way of example, the Redevelopment Schedule shall have been deemed satisfied at the end of calendar year 2019, so long as Redeveloper shall have commenced the development of Project Improvements within three (3) Redevelopment Project Areas as of December 31, 2019.

In addition, notwithstanding the dates and the Project Area sequencing set forth in this **Exhibit 5B** and anything herein to the contrary, Redeveloper may alter and modify the Redevelopment Schedule without an amendment to the Redevelopment Plan, so long as Redeveloper shall have commenced development of Project Improvements and be diligently working toward completion of the construction of such Project Improvements containing at least 300,000 square feet of Project Improvements (and any necessary Public Improvements related thereto) for calendar year 2015, and an additional 300,000 square feet of Project Improvements (and any necessary Public Improvements related thereto) for each calendar year thereafter. By way of example, if at the end of calendar year 2017, Redeveloper has commenced the development of 900,000 square feet of Project Improvements (and any necessary Public Improvements related thereto) (i.e., 300,000 square feet of Project Improvements (and any necessary Public Improvements related thereto) for calendar years 2015, 2016 and 2017, Redeveloper may alter and modify the Development Schedule without an amendment to the Redevelopment Plan.

Furthermore, notwithstanding anything to the contrary, once Redeveloper has constructed not less than one million five hundred thousand square feet (1,500,000) of Project Improvements (and any necessary Public Improvements related thereto), Redeveloper may thereafter alter and modify the Redevelopment Schedule without a further amendment to the Redevelopment Plan.

For purposes of this **Exhibit 5B**, Redeveloper shall be deemed to have commenced development of Project Improvements in a calendar year if, by the end of such calendar year, Redeveloper shall have commenced excavation for footings and foundations and shall have commenced the erection of buildings related to such Project Improvements and so long as Redeveloper thereafter shall diligently prosecute the construction of such Project Improvements to completion.

Notwithstanding anything herein to the contrary, the Redeveloper shall have completed all Project Improvements and Public Improvements contemplated by the Plan within each applicable Redevelopment Project Area prior to 23 years from the date such Redevelopment Project Area is approved by separate ordinance of the City Council, provided each Redevelopment Project Area is approved by separate ordinance before October 10, 2023.

EXHIBIT 5C

Administrative Fee Schedule

<p>The Commission or City shall retain from the Special Allocation Fund 5% of the first \$150,000,000 in Payments in Lieu of Taxes and Economic Activity Taxes (“TIF Revenue”) deposited into the Special Allocation Fund(s), provided, however, that the total Administrative Fees retained shall not exceed \$1,000,000 in any one calendar year.</p>

<p>The Commission or City shall retain from the Special Allocation Fund 4% of TIF Revenue on the second \$150,000,000 in TIF Revenue deposited into the Special Allocation Fund(s), (i.e., TIF Revenue in excess of \$150,000,000 and less than \$300,000,000 in aggregate), provided, however, that the total Administrative Fees retained shall not exceed \$1,000,000 in any one calendar year.</p>
--

<p>The Commission or City shall retain from the Special Allocation Fund 3% of the TIF Revenue in excess of \$300,000,000 in aggregate deposited into the Special Allocation Fund, provided, however, that the total Administrative Fees retained shall not exceed \$1,000,000 in any one calendar year.</p>

ORDINANCE NO. 160221

Approving the Second Amendment to the Bannister & I-435 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, 1986, as amended (the "Act"), 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, and Ordinance No. 100089, passed on January 28, 2010, Ordinance No. 130986, passed on December 19, 2013, and Committee Substitute for Ordinance No. 140823, as amended, passed on June 18, 2015, created and empowered the Tax Increment Financing Commission of Kansas City, Missouri (the "Commission"); and

WHEREAS, the Commission having been duly constituted, its members appointed, and after all proper notice was given, met in public hearing on September 11, 2013, and, after receiving the comments of all interested persons and taxing districts, approved Resolution No. 9-12-13, recommending to the City Council the approval of the Bannister & I-435 Tax Increment Financing Plan (the "Plan"); and

WHEREAS, the City Council accepted the recommendations of the Commission by passage of Committee Substitute for Ordinance No. 130737, approving the Plan; and

WHEREAS, a First Amendment to the Plan (the "First Amendment") was approved by the City Council on August 14, 2014, by passage of Ordinance No. 140594; and

WHEREAS, a Second Amendment to the Plan (the "Second Amendment") has been proposed, which modifies the Redevelopment Schedule to allow for greater flexibility in the sequencing of the commencement and completion of the Project Improvements and Public Improvements located within and adjacent to the Redevelopment Project Areas and (B) sets out the amount of the administrative fee that may be captured by the Commission or the City; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the Second Amendment, a copy of which is attached hereto as Exhibit "A", is hereby approved.

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").

ORDINANCE NO. 160221

Section 3. That the Council hereby finds that:

- (a) Good cause has been shown for amendment of the Redevelopment Plan, and that the previous findings with respect to the Redevelopment Plan are not affected by the Second Amendment and apply equally to the Second Amendment;
- (b) The Second Amendment does not alter the Council's previous finding that the Redevelopment Area 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 Second Amendment does not alter the Council's previous finding that the Redevelopment Area conforms to the FOCUS Plan for the comprehensive development of the City as a whole;
- (d) The Second Amendment does not alter the Council's previous finding that 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 Second Amendment does not alter the Council's previous finding that 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 adoption of any ordinance approving a Redevelopment Project within the Redevelopment Area, as amended;
- (f) The Second Amendment does not alter the Council's previous finding that a plan has been developed for relocation assistance for businesses and residences;
- (g) The Second Amendment does not alter the Council's previous finding that a cost benefit analysis showing the economic impact of all projects 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 blight study has been completed and the findings of such study satisfy the requirements provided under subdivision (1) of Section 99.805, RSMo.

ORDINANCE NO. 160221

Section 4. That the Commission is authorized to issue obligations in one or more series of bonds secured by the Special Allocation Fund established in connection with the Bannister & I-435 Tax Increment Financing Plan to finance Redevelopment Project Costs within the Redevelopment Area, as amended, and subject to any constitutional limitations, to acquire by purchase, donation, lease or eminent domain, own, convey, lease, mortgage, or dispose of, land or other property, real or personal, or rights or interests therein, and grant or acquire licenses, easements and options with respect thereto, all in the manner and at such price the Commission determines, to enter into such contracts and take all such further actions as are reasonably necessary to achieve the objectives of the Bannister & I-435 Tax Increment Financing Plan, as amended, pursuant to the power delegated to it in Ordinance No. 54556, as amended by Committee Substitute for Ordinance No. 911076, as amended, and Ordinance No. 100089, Ordinance No. 130986 and Committee Substitute for Ordinance No. 140823, as amended. Any obligations issued to finance Redevelopment Project Costs shall contain a recital that they are issued pursuant to Sections 99.800 and 99.865, which recital shall be conclusive evidence of their validity and of the regularity of their issuance.

Section 5. That pursuant to the provisions of the Redevelopment Plan, as amended the City Council approves the pledge of all funds generated from Redevelopment Projects that are deposited into the Special Association Fund established in connection with the Bannister & I-435 Tax Increment Financing Plan to the payment of Redevelopment Project Costs within the Redevelopment Area, as amended, and authorizes the Commission to pledge such funds on its behalf.

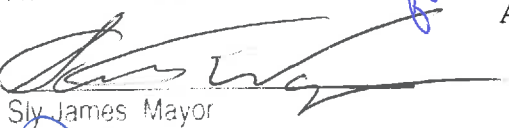
Approved as to form and legality:




Brian T. Rabineau
Assistant City Attorney



Authenticated as Passed


Sly James Mayor


Marilyn Sanders, City Clerk
MAR 31 2016

Date Passed