

**SECOND AMENDMENT TO THE
CHOUTEAU I-35
TAX INCREMENT FINANCING PLAN**



WE HEREBY CERTIFY THAT THIS IS A TRUE AND CORRECT COPY OF THE PLAN APPROVED BY THE TAX INCREMENT FINANCING COMMISSION OF KANSAS CITY, MO, ON DECEMBER 11, 2002.

Peter Yelozeda

CHAIRMAN

2/11/03

DATE

Laura Whitener

DIRECTOR

2/11/03

DATE

**SECOND AMENDMENT
TO THE
CHOUTEAU I-35
TAX INCREMENT FINANCING PLAN**

I. Introduction

The Second Amendment to the Chouteau I-35 Tax Increment Financing Plan (the "Second Amendment") shall amend the Chouteau I-35 Redevelopment Plan as approved by the Ordinance No. 980426 on April 23, 1998, and the First Amendment to Chouteau I-35 Redevelopment Plan by Ordinance No. 020784 on July 18, 2002 (collectively referred to herein as the "Plan"). The Second Amendment shall provide for the expansion of the boundaries as established in the Plan to include the properties in the Winnwood-Sunnybrook and the Chaumiere neighborhoods. The expansion would allow for the Tax Increment Financing revenues generated within the redevelopment area to contribute approximately \$1 million to facilitate grants and/or loans to residential property owners within the two neighborhoods for housing rehabilitation, repairs and improvements. The Tax Increment Financing funds would continue to be used for street improvements within the area. The intent of the Plan remains unchanged other than those changes specifically mentioned herein.

II. Specific Plan Text Amendments

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

Amendment No. 1: Section 1, Definitions

Add the following definition as Section 1.V.

"Conservation area", any improved area within the boundaries of a redevelopment area located within the territorial limits of a municipality in which fifty percent or more of the structures in the area have an age of thirty-five years or more. Such an area is not yet a blighted area but is detrimental to the public health, safety, morals, or welfare and may become a blighted area because of any one or more of the following factors: Dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; abandonment; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; and lack of community planning. A conservation area must meet at least three of the foregoing factors for projects approved on or after December 23, 1997.

Amendment No. 2: Section III.B., Redevelopment Area

Delete all of Subsection B of Section III of the Plan, and insert the following in its stead:

Redevelopment Area: The Redevelopment Area is described as an area generally bounded by North Antioch on the west, North Brighton on the east, I-35 on the North and North Parvin Road on the south, in Kansas City, Clay County, Missouri, as legally described in Exhibit 1A (the "Redevelopment Area").

Amendment No. 3: Section VII, "General Land Use"

Delete Section VII and insert the following, in lieu thereof,

The proposed general land use for the Redevelopment Area is commercial and residential. The site plan (Exhibit 2), designates the intended commercial land use categories as described in Exhibit 1B. The remainder of the redevelopment area as described by Exhibit 1BB will continue to retain its existing land uses. The Redevelopment Project shall be subject to the applicable provisions of the City's Zoning Ordinance as well as other codes and ordinances and amendments as may be adopted.

Amendment No. 4: Section IX, "Existing Conditions in the Redevelopment Area"

Add the following paragraph to Section IX of the Plan:

The Chouteau I-35 Housing Program Project Area meets the definition of a conservation area in accordance with the Missouri TIF Statute, Section 99.805(3). Attached as Exhibit 12A is a study documenting the existing conditions within the Redevelopment Area.

III. Plan Exhibit Amendments

Amendment No. 5: Delete Exhibit 1 A, entitled "Redevelopment Area" and insert the attached Exhibit 1A, entitled 'Entire Redevelopment Area Legal Description'.

Amendment No. 6: Add the attached Exhibit 1BB, entitled "Redevelopment Project Area," as a supplement to Exhibit 1B of the Plan.

Amendment No. 7: Add the attached Exhibit 1D, entitled "Chouteau I-35 Tax Increment Financing Area", as a supplement to Exhibit 1C of the Plan.

Amendment No. 8: Add the attached Exhibit 12A, entitled "Conservation Area Study", as a supplement to Exhibit 12 of the Plan.

Amendment No. 9: Add the attached Appendix 1, entitled "List of census blocks within the Redevelopment Area".

AMENDMENT NO. 5

EXHIBIT 1A: ENTIRE REDEVELOPMENT AREA LEGAL DESCRIPTION

LEGAL DESCRIPTION

CHOUTEAU I-35 REDEVELOPMENT AREA

All that part of Sections 5,6,7 and 8 of Township 50, Range 32 and Section 32 of Township 51, Range 32 in Kansas City, Clay County, Missouri, described as follows: Beginning at the intersection of the southerly ROW line of Interstate 35 and the westerly ROW line of North Brighton Avenue; thence southerly along the westerly line of North Brighton Avenue to the northerly ROW line of Parvin Road; thence westerly along the northerly ROW line of Parvin Road to the easterly ROW line of Antioch Road; thence northerly along the easterly ROW line of Antioch road to the southerly ROW line of Interstate 35; thence easterly along the southerly ROW line of Interstate 35 to the POB.

AMENDMENT NO. 6

**EXHIBIT 1BB: CHOUTEAU I-35 HOUSING PROJECT AREA LEGAL
DESCRIPTION**

CHOUTEAU I-35 HOUSING PROGRAM PROJECT AREA

All remaining tracts of land between I-35 on the north, North Brighton Avenue on the east, Parvin road on the south and North Antioch Road on the west, in Kansas City, Clay County, Missouri, but excluding tracts of land included in Redevelopment Project Areas 1, 2, 3 and the redevelopment areas of any other tax increment financing plan as that may be approved in the future.

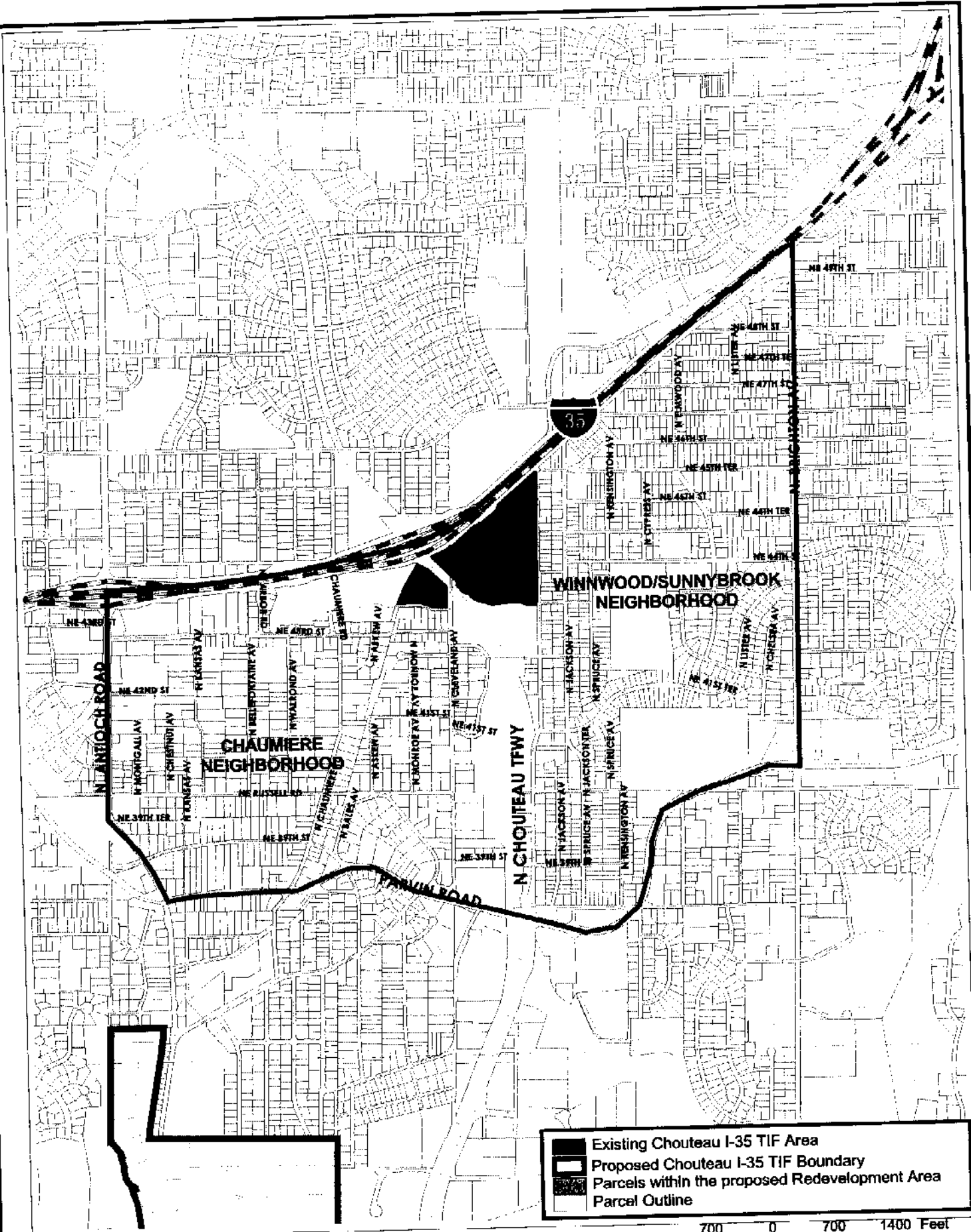


EXHIBIT 1D: Chouteau I-35 Tax Increment Financing Area

Prepared by the Economic Development Corporation of Kansas City, Missouri MP 12.02.02



EXHIBIT 12A (Attach to Exhibit 12)

CONSERVATION AREA STUDY

CHOUTEAU I-35 TIF DISTRICT

NORTH: I-35

SOUTH: PARVIN ROAD

EAST: N. BRIGHTON AVENUE

WEST: N. ANTIOCH ROAD

EFFECTIVE DATE OF THE

CONSERVATION STUDY:

NOVEMBER 8, 2002

TABLE OF CONTENTS

EXECUTIVE SUMMARY.....	3
GENERAL INFORMATION.....	4
Identification of the Study Area.....	
Purpose of the Study.....	
PHOTOGRAPHS.....	5
CONSERVATION AREA ANALYSIS.....	9

EXECUTIVE SUMMARY

CHOUTEAU I-35 TIF DISTRICT	
Location	Area bounded by N. Brighton on the east, N. Antioch on the west, I-35 on the north and Parvin Road on the south.
Effective date of the Conservation Study	November 8, 2002
Date of the Report	November 19, 2002
Conservation Area Criteria	
1) 50% or more of the structures are 35 years or older	The median year structure built for all the census tracts within the study area is before 1967.
2) Potential for blight	<ul style="list-style-type: none"> • Evidence of dilapidation of improvements • Illegal off-street parking on grass • Vacant properties in deterioration • Accumulation of trash on streets • Lack of sidewalks, curbs and gutters

GENERAL INFORMATION

Identification of Study Area

The study area is approximately 775 acres located in the Clay County, Kansas City area. Its boundaries are I-35 on the north, North Brighton Avenue on the east, Parvin Road on the south and North Antioch Road on the west. There are some parcels within these boundaries that are included in the Redevelopment Project areas 1 through 4 and, as such, are not part of the study area known as the Chouteau I-35 TIF District.

Purpose of the Study

The purpose of this conservation area study is to analyze the area and determine if the area is a conservation area as defined under the Missouri TIF Statute, Section 99.805(3).

Photographs



1. 3404 NE 43rd St.- Deterioration of the garage roof.



2. 4120-24 N. Winn Road- Vacant structure



3. 4119 NE 43rd Ter- Deterioration of the garage



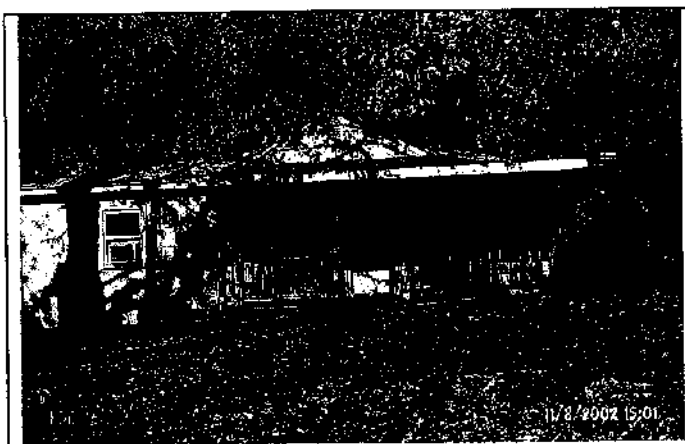
4. 4125 N. Winn Rd- Deterioration of driveway.



5. 4413 N Winn Rd



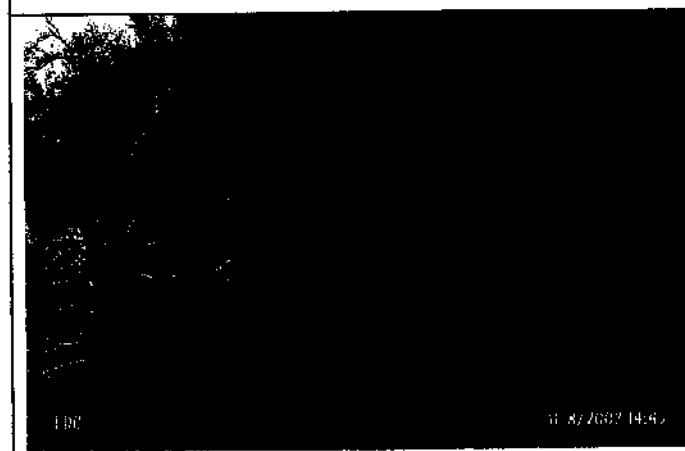
6. 4407 NE 45th Ter



7. 4508 NE 46th Ter



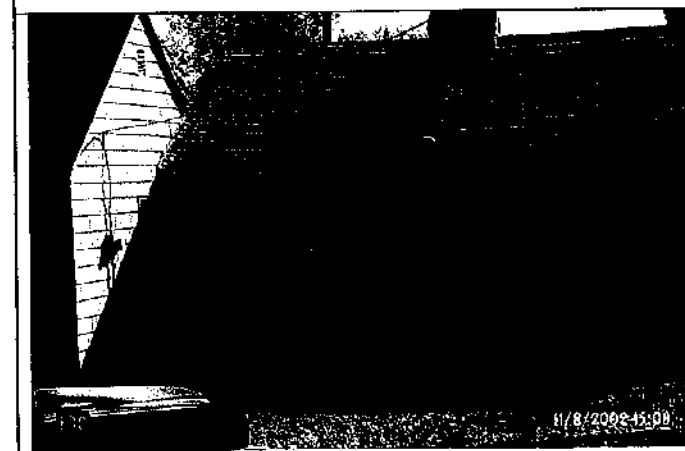
8. 4604 NE 46th St



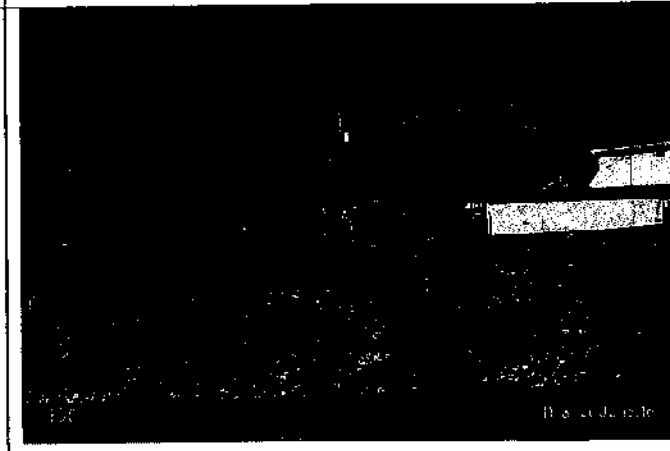
9. 4805 NE 48th St



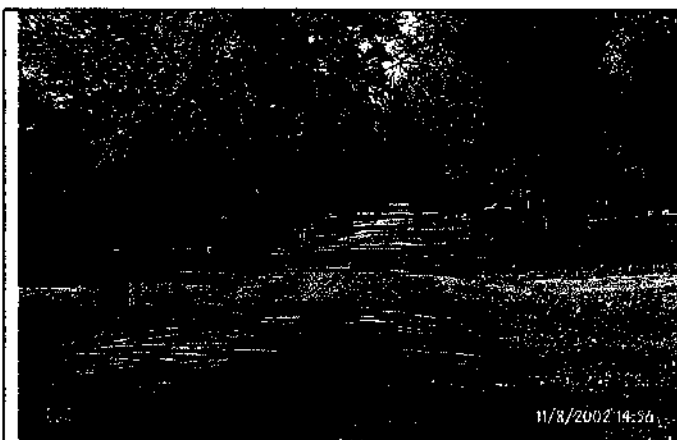
10. 4645 NE 47th St



11. 4815 NE 48th St



12. Basket Ball court



13. Looking west on 46th Terrace- no sidewalks, curbs or gutters.



14. Evidence of trash

CONSERVATION AREA ANALYSIS

CONSERVATION AREA

DEFINED

Section 99.805(3) R.S.MO of Missouri's Tax Increment Financing Statute defines a "Conservation Area" as follows:

Any improved area within the boundaries of a redevelopment area located within the territorial limits of a municipality in which fifty percent or more of the structures in the area have an age of thirty-five years or more. Such an area is not yet a blighted area but is detrimental to the public health, safety, morals, or welfare and may become a blighted area because of any one or more of the following factors: Dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; abandonment; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; and lack of community planning. A conservation area must meet at least three of the foregoing factors for projects approved on or after December 23, 1997.

The elements of the TIF Statute provide the basis for determining whether the Redevelopment Area constitutes a conservation area. The definition is comprised of two primary issues: (1) The 35 year age threshold for 50% or more of the structures within the Redevelopment Area, and (2) the area's detriment to the public health, safety, morals, or welfare due to its potential for blight, as exhibited by one or more of the potentially blighting factors listed in the preceding paragraph. Throughout this report we will refer to the study area photographs included on pages 5 through 8.

ISSUE 1: IMPROVEMENT AGE

To qualify as a conservation area, at least 50% of the improvements within the study area should be at least 35 years or more, which in this case would imply that 50% of the improvements should have been built in or before 1967. The following table, obtained from Census 2000 data, indicates that the median year for the structures built within the census tracts in the study area is prior to 1967. The census defines the median year structure built as follows:

Median year structure built. Median year structure built divides the distribution into two equal parts: one-half of the cases falling below the median year structure built and one-half above the median. Median year structure built is computed on the basis of a standard distribution (see the "Standard Distributions" section under "Derived Measures"). Median year structure built is rounded to the nearest whole number. Median age of housing can be obtained by subtracting median year structure built from 2000. For example, if the median year structure built is 1967, the median age of housing in that area is 33 years (2000 minus 1967). (For more information on medians, see "Derived Measures.")

H35 * . MEDIAN YEAR STRUCTURE BUILT

	Block Group 1, Census Tract 205	Block Group 1, Census Tract 206.02**	Block Group 2, Census Tract 206.03**	Block Group 4, Census Tract 206.04	Block Group 5, Census Tract 206.04
Median year structure built	1958	1958	1964	1959	1963

U.S. Census Bureau
Census 2000

* All the census tracts are located in Clay County, Missouri.

** Only certain blocks within the block groups were included. Refer to Appendix ___ for a list of blocks included.

ISSUE 2: POTENTIAL BLIGHTING FACTORS

The conservation area is intended to preempt the deterioration of an area into blight in citing the potential of blight that may be exhibited by one or a combination of the 14 factors. The following is a discussion of each of the building improvements and the site improvements relative to the relevant factors observed.

FACTOR 1: DILAPIDATION

Evidence of dilapidation was evidenced throughout the study area. Significant examples of dilapidation of building improvements are represented by Photographs 1,3 and 5 through 11. Examples of dilapidation of site improvements and infrastructure are represented by Photographs 4 and 12.

FACTOR 2: OBSOLESCENCE

Functional obsolescence is a loss in value caused by a design problem viewed by today's standards. Common examples are outdated building components or materials, an inefficient floor plan, mechanical inadequacies, or an over-improvement for the present use. Photograph 3 shows the need to upgrade the garage.

FACTOR 3: DETERIORATION

This factor is intended to address the level of the maintenance of the improvements, and is difficult to segregate from the conclusions under Factor 1 and Factor 13. This potential blighting factor is best posed to the building improvements that are still utilized, thus not yet dilapidated.

FACTOR 4: ILLEGAL USE OF INDIVIDUAL STRUCTURES

Photograph 13 indicates off-site parking on grass. The windshield survey also indicated junk cars parked in the backyard.

FACTOR 5: EXCESSIVE VACANCIES

Photographs 2,3 and 8 indicate vacant properties that are in deterioration.

FACTOR 6: DEPRECIATION OF PHYSICAL MAINTENANCE

Photographs 1-11 show the depreciation of physical maintenance.

**APPENDIX 1: LIST OF CENSUS BLOCKS
WITHIN THE REDEVELOPMENT AREA**

- 1) Census Tract 205, Block Group 1
- 2) Census Tract 206.04, Block Group 4 and Block Group 5
- 3) Census Tract 206.02, Block Group 1, Blocks 1002 through 1011
- 4) Census Tract 206.03, Block Group 2, Blocks 2015 through 2017

MEDIAN STRUCTURE BUILT BY TENURE

	Block Group 1, Census Tract 205, Clay County, Missouri	Block Group 1, Census Tract 206.02, Clay County, Missouri	Block Group 2, Census Tract 206.03, Clay County, Missouri	Block Group 4, Census Tract 206.04, Clay County, Missouri	Block Group 5, Census Tract 206.04, Clay County, Missouri
Total:	718	326	502	523	404
Built 1999 to March 2000	0	0	32	0	7
Built 1995 to 1998	12	0	20	7	33
Built 1990 to 1994	5	0	20	12	32
Built 1980 to 1989	31	13	33	72	0
Built 1970 to 1979	136	30	50	54	37
Built 1960 to 1969	153	90	156	96	135
Built 1950 to 1959	88	134	98	167	131
Built 1940 to 1949	132	39	57	64	29
Built 1939 or earlier	161	20	36	51	0
Total -A	534	283	347	378	295
% Of total	74.4%	86.8%	69.1%	72.3%	73.0%

Source: US Census Bureau
Census 2000

Only certain blocks are included