

**FOURTH AMENDMENT
GRAND BOULEVARD
TAX INCREMENT FINANCING PLAN
KANSAS CITY, MISSOURI**

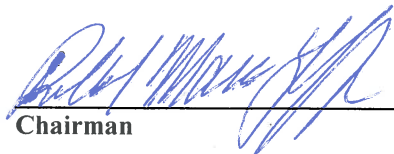
TIF Commission Consideration:

6/13/2012 6-17-12
Date Resolution No.

City Council Approval:

8/2/2012 120661
Date Ordinance No.

Attached herewith is a true and correct copy of the TIF Plan that was approved by the Tax Increment Financing Commission of Kansas City, Missouri by Resolution No. 6-17-12 on 6/13/2012.


Chairman

**FOURTH AMENDMENT
TO THE
GRAND BOULEVARD CORRIDOR
TAX INCREMENT FINANCING PLAN**

I. Introduction

The Fourth Amendment to the Grand Boulevard Corridor Tax Increment Financing Plan (the “**Fourth Amendment**”) shall amend the Grand Boulevard Corridor Redevelopment Plan as approved by Ordinance No. 961441 on November 29, 1996 (referred to herein as the “**Plan**”), and subsequently amended by the Ordinance No. 971516 on November 6, 1997 (referred to herein as the “**First Amendment**”), and subsequently amended by the Ordinance No. 21178 on October 3, 2002 (referred to herein as the “**Second Amendment**”), and subsequently amended by the Ordinance No. 040517 on May 13, 2004 (referred to herein as the “**Third Amendment**”).

The Fourth Amendment provides for (a) the removal of Redevelopment Projects C1, C2, D, E, F, G, H, I, J, K2 and L2 (the “**Removed Redevelopment Projects**”) as all the improvements contemplated in connection with such Removed Redevelopment Projects have been completed and all redevelopment project costs to be funded by tax increment financing generated by the Removed Redevelopment Projects have been paid and (b) certain other modifications to conform with existing Commission policies and procedures.

II. Specific Plan Text Amendments

The Grand Boulevard Corridor Tax Increment Financing Plan shall be amended as follows:

Amendment No. 1: Delete Section III. A, The Plan, in its entirety and replace the following in lieu thereof:

“The Grand Boulevard Corridor Tax Increment Financing Plan (the “Plan”) provides for the redevelopment of the existing 50,000 square foot Western Union Building for office and retail use, and the beautification of two surface parking lots within Redevelopment Project Areas K1 and L1. TIF revenues generated by Redevelopment Project Areas K1 and L1 will be used to reimburse costs of building renovation, streetscape enhancements and surface parking lot improvements.

The combination of these activities, in conjunction with the significant investment (a) on the part of UMB in connection with the construction of its Technology and Operations Center, construction of structured parking to support the Technology and Operations Center, construction of gateways to the Central Business District and the implementation of streetscape improvements called for in the City’s

Grand/Main Corridor Study and the Downtown 2000 Area Development Plan, and (b) on the part of the City in the form of the Power & Light District Redevelopment and the Civic Mall Redevelopment efforts, will assist in the ongoing revitalization of the Central Business District and will make downtown Kansas City a vibrant regional attraction for convention visitors, tourists and area residents.”

Amendment No. 2: Delete Section III. C, Project Improvements of the Plan the replace the following in lieu thereof:

“The Project Improvements will consist of approximately 12,000 square feet of renovated restaurant/retail space on the first floor of the Western Union Building and approximately 38,000 square feet of renovated office space, along with the beautification of two surface parking lots, as shown on Exhibit 2.”

Amendment No. 3: Delete Section III. D, Redevelopment Projects of the Plan and replace the following in lieu thereof:

Redevelopment Projects. The Project Improvements and other redevelopment activities will be undertaken pursuant to Redevelopment Projects K1 and L1 (the “Redevelopment Projects”), each of which will be separately approved by ordinance in conformance with the Act. Redevelopment Project Areas K1 and L1 are described on Exhibit 1B. Construction and employment information for each Redevelopment Project is set forth on Exhibits 4A and 4B.”

Amendment No. 4: Delete Section III. E, Estimated Date of Completion of the Plan the following sentence of the paragraph:

“As set forth in the Redevelopment Schedule attached as Exhibit 5, construction of the Project Improvements in Redevelopment Project Areas K1 and L1 is expected to be completed in 2003.”

Amendment No. 5: Delete Section IV. A, Estimated Redevelopment Project Costs, in its entirety and replace the following in lieu thereof:

“Redevelopment Project Costs related to Project Improvements contemplated by the Redevelopment Projects K1 and L1 are estimated to be approximately \$7,788,675, of which an estimated \$4,245,274 will qualify as Reimbursable Project Costs.

The Commission has determined that certain planning and special services expenses of the Commission which are not direct project costs are nonetheless reasonable and necessary for the operation of the Commission and are incidental costs of the project. These incidental costs will be recovered by the Commission from the Special Allocation Fund in an amount not to exceed five percent (5%) of the Payments in Lieu of Taxes and Economic Activity Taxes paid annually into the fund.”

Amendment No. 6: Delete Section IV. B, Anticipated Sources of Funds, in its entirety and replace the following in lieu thereof:

“Anticipated sources and amount of funds to pay eligible Redevelopment Project Costs related to Project Improvements contemplated by Redevelopment Projects K1 and L1 are shown on Exhibit 7.”

Amendment No. 7: Delete Section IV. C, Payment in Lieu of Taxes, in its entirety and replace the following in lieu thereof:

“Calculations of expected proceeds of Payments in Lieu of Taxes are based on current real property assessment formulas and current property tax rates, both of which are subject to change due to many factors, including statewide reassessment, the effect of real property classification for real property tax purposes, and the rollback in tax levies resulting from reassessment or classification. Furthermore, it is assumed that assessed valuation will increase at a rate of 2% annually, with no levy increases.

The total anticipated Payments in Lieu of Taxes generated by Redevelopment Project Areas K1 and L1 are estimated to be \$1,970,012, as shown in detail on Exhibit 8. For Redevelopment Project Areas K1 and L1, it is assumed that the assessed valuation will increase at a rate of 1% every other year, with no levy increases.

The amount of Payments in Lieu of Taxes, if any, in excess of the funds deemed necessary by the City and Commission for implementation of this Plan, may be declared as surplus by the City. The declared surplus will be available for distribution to the various Taxing Districts located wholly or partially within Redevelopment Project Areas K1 and L1 in the manner provided by the Act.”

Amendment No. 8: Delete Section IV. F, Evidence of Commitments to Finance, in its entirety and replace the following in lieu thereof.

“The proposal submitted by Watkins Investment Group, LLC to implement Redevelopment Project Areas K1 and L1 of this Plan included a letter of interest from Missouri Bank to finance the Redevelopment Project Costs necessary to complete the improvements proposed. A copy of this letter is part of Exhibit 11 of the Second Amendment of this Plan.”

Amendment No. 9: Delete Section X, “BUT FOR TIF”, in its entirety and replace the following in lieu thereof:

“Because of the necessity to cure the conditions of blight, construction of Project Improvements within the Redevelopment Area will cost significantly more if they were being made on vacant ground. The physical conditions of the Redevelopment Area and its location downtown result in the development costs which are

prohibitive and result in the existing underdeveloped state of the Redevelopment Area. It has not been subject to growth and development through private enterprise.”

III. Plan Exhibit Amendments

Amendment No. 10: Delete Exhibit 1.B. of the Plan, entitled “Legal Descriptions – Redevelopment Project Areas,” and insert the revised Exhibit 1.B., attached hereto, in its stead.

Amendment No. 11: Delete Exhibit 2. of the Plan, entitled “Site Plan,” and insert the revised Exhibit 2, attached hereto, in its stead.

Amendment No. 12: Delete Exhibit 4.A. of the Plan, entitled “Construction Totals by Project Area,” and insert the revised Exhibit 4A, attached hereto, in its stead.

Amendment No. 13: Delete Exhibit 4.B. of the Plan, entitled “Employment Totals by Project Area,” and insert the revised Exhibit 4B, attached hereto, in its stead.

Amendment No. 14: Delete Exhibit 5. of the Plan, entitled “Estimated Development Schedule,” and insert the revised Exhibit 5, attached hereto, in its stead.

Amendment No. 15: Delete Exhibit 6. of the Plan, entitled “Estimated Redevelopment Project Costs,” and insert the revised Exhibit 6, attached hereto, in its stead.

Amendment No. 16: Delete Exhibit 7. of the Plan, entitled “Sources and Uses of Funds,” and insert the revised Exhibit 7, attached hereto, in its stead.

Amendment No. 17: Delete Exhibit 8. of the Plan, entitled “Estimated Annual Increases in Assessed Value and Resulting Payments in Lieu of Taxes and Projected Economic Activity Taxes Projects K1 and L1,” and insert the revised Exhibit 8, attached hereto, in its stead.

Amendment No. 18: Delete Exhibit 9. of the Plan, entitled “Evidence for But-For” and insert the revised Exhibit 9, attached hereto, in its stead.

Amendment No. 19: Delete Exhibit 11. of the Plan, entitled “Redeveloper Proposal” and insert the revised Exhibit 11, attached hereto, in its stead.

Amendment No. 9

Exhibit 1.B.

Legal Descriptions-Redevelopment Project Areas

Project K1:

The south 37 feet and 9 inches of Lot 4, and all of Lots 5 and 6, McDaniel's Addition to the City of Kansas (not Kansas City), in Jackson County, Missouri, except the portion theretofore taken in widening street, said premises being further therein described as a tract of ground in the Northeast corner of 7th and Walnut Streets in said city, extending a distance of 109.99 feet on Walnut Street, and a distance of 127 feet on 7th Street from Walnut Street Eastward to the alley, according to the recorded plat thereof and including to the centerline of all abutting streets and alleys.

Project L1:

Lot 11, 23 and 13, and the south 8 feet of Lot 14, Block 8, McDaniel's Addition, a subdivision in Kansas City, Jackson County, Missouri, except that part in streets and except that part of Lot 14 lying northerly of the encroachment line as described and shown on memorandum of agreement recorded under document No. A-688806, in book B-3841, at Page 349, and including to the centerline of all abutting streets and alleys;

And

All of Lots 15, 16, 167 and the south half of Lot 18, and that part of Lot 14 lying northerly of the encroachment line as described and shown on memorandum of agreement recorded under document No. A-688806, in Book B3461, as page 349, all being in Block 8, McDaniel's Addition, a subdivision in Kansas City, Jackson County, Missouri, and including to the centerline of all abutting streets and alleys.

Grand Boulevard Corridor TIF Plan

Exhibit 6: Estimated Redevelopment Project Costs

	Consolidated		Proposed	
	Third Amendment	TIFC Reimbursable	Fourth Amendment	TIFC Reimbursable
Project Area C-1			C-1 - completed & reimbursed Deleted in Fourth Amendment	
Land Cost	\$ 2,937,274	\$ -		
Relocation Expense				
Operations Center				
Construction Costs	20,000,000	-		
Site Work	87,818	21,955		
Arch/Eng/Consult (site)	4,391	1,098		
Demolition	886,622	886,622		
Environmental Remediation	126,930	126,930		
Utility Relocation	258,886	258,886		
Arch/Eng/Consult (general)	1,562,389	520,796		
Tenant Finish Office	2,538,461	-		
Tenant Finish Comp	1,230,769	-		
Arch/Eng/Consult (finish)	61,538	-		
Streetscape Improvements				
1,360 LF	\$ 340,000	\$ 340,000		
Arch/Eng/Consult (streets)	17,000	17,000		
Structured Parking (750 spaces)				
Owner's Portion	\$ -	\$ -		
Reimburse Portion	-	5,016,000		
Total Per Space	6,072,000	-		
Subtotal Costs	\$ 36,124,078	\$ 7,189,287		
Time/Interest Factor	\$ 1,873,926	\$ 1,873,926		
Subtotal Project C-1 Costs	\$ 37,998,005	\$ 9,063,213		
Project Area C-2			C-2 - completed & reimbursed Deleted in Fourth Amendment	
Land Cost				
Relocation Expense	\$ 1,363,400	\$ -		
Operations Center				
Construction Costs	450,000	450,000		
Site Work	1,520,977	-		
Arch/Eng/Consult (site)	706,827	176,707		
Demolition	35,341	8,835		
Environmental Remediation	994,374	994,374		
Utility Relocation	182,666	182,666		
Arch/Eng/Consult (general)	32,849	32,849		
Tenant Finish Office	293,286	97,762		
Tenant Finish Comp	-	-		
Arch/Eng/Consult (finish)	-	-		
Streetscape Improvements				
1,360 LF	340,000	340,000		
Arch/Eng/Consult (streets)	17,000	17,000		
Structured Parking (750 spaces)				
Owner's Portion	-	2,346,500		
Reimburse Portion	2,840,500	-		
Total Per Space				
Subtotal Costs	\$ 8,777,220	\$ 4,646,693		
Time/Interest Factor	\$ 1,211,186	\$ 1,211,186		
Subtotal Project C-2 Costs	\$ 9,988,406	\$ 5,857,879		

Additional Phased Projects

Grand Boulevard Gateways

North	\$ 150,000	\$ 150,000
South	150,000	150,000
Arch/Eng/Consult (gateways)	15,000	15,000

Streetscapes (other than project C)

26,000 LF	5,200,000	5,200,000
Arch/Eng/Consult (streets)	260,000	260,000

1006 Grand Building (Rehab or Raze)

200,000 SF	5,000,000	1,250,000
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Prof/Nat. Bldgs. (Rehab or Raze)

200,000 SF	5,000,000	1,250,000
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Subtotal Additional Phased Project Costs

\$ 15,775,000	\$ 8,275,000
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Projects K1 & L1

Approval Fees

(\$.05 per square foot space @ 50,000,
\$100 per residential unit @ 120 units.)

\$ 2,500	\$ -	\$ 2,500	\$ -
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Western Union Building

Building/Land Acquisition	850,000	-	850,000	-
Building Improvements	2,728,462	1,791,614	2,728,462	1,791,614
Surface Parking Acquisition	738,804	-	738,804	-
Parking Lot Improvements	367,743	200,495	367,743	200,495
Miscellaneous and Contingency	150,000	-	150,000	-
Architectural/Engineering/Legal/Appraisal	175,000	175,000	175,000	175,000
Borin/Survey/Environmental	100,000	100,000	100,000	100,000
Permits/Fees/Insurance	15,000	15,000	15,000	15,000
Title/Recording	15,000	-	15,000	-
Inspections/Disbursements	5,000	5,000	5,000	5,000
TIF Commission Expenses	40,000	40,000	40,000	40,000
Leasing Fee	200,000	-	200,000	-
Interest Holdback	200,000	-	200,000	-
Real Estate Taxes	33,500	-	33,500	-
Developer Fee	250,000	-	250,000	-
Interest payments for certified cost	1,920,165	1,920,165	1,920,165	1,920,165

Total Project K1 & L1 Costs

\$ 7,791,174	\$ 4,247,274	\$ 7,791,174	\$ 4,247,274
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Total Project Costs

\$ 71,552,585	\$ 17,338,213	\$ 7,791,174	\$ 4,247,274
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Additional Phased Projects**Deleted by Fourth Amendment**