FOURTH AMENDMENT TO THE HEART OF THE CITY NEIGHBORHOOD STABILIZATION TAX INCREMENT FINANCING PLAN

KANSAS CITY, MISSOURI

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FOURTH AMENDMENT
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HEART OF THE CITY NEIGHBORHOOD STABILIZATION
TAX INCREMENT FINANCING PLAN

I. Introduction

This Fourth Amendment to the Heart of the City Neighborhood Stabilization Tax Increment Financing Plan (the “Fourth Amendment”) modifies the Heart of the City Neighborhood Stabilization Tax Increment Financing Plan as approved by Ordinance No. 160979 and amended by Ordinance Nos. 170887, 180212, and 190828 (collectively, referred to herein as the “Plan”). The Fourth Amendment (i) establishes the parameters for the Commercial Façade and Improvements Program contemplated by the Plan and (ii) modifies the Exhibits attached to the Plan that are in furtherance of the above modification, as necessary.

To the extent the Plan varies with the Third Amendment, said Plan shall be amended and superseded thereby. Except for those specific amendments set forth herein, the Plan remains unchanged and shall remain in full force and effect.

II. Specific Amendments

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

Amendment No. 1. Exhibit 13, entitled “Heart of the City Neighborhood Stabilization TIF Plan Commercial Façade and Improvements Program” is hereby added, to read as follows:

EXHIBIT 13

Heart of the City Neighborhood Stabilization TIF Plan Commercial Façade and Improvements Program

III. Program Purpose

The purpose of the program is to remediate blighting conditions within the Redevelopment Area by utilizing Tax Increment Financing to fund the expansion or new construction of and/or exterior improvements to non-residential buildings.

IV. Eligible Improvements

Upon the recommendation of the Advisory Committee or City Council and sufficient evidence to suggest that without the use of Tax Increment Financing the Eligible Improvements (as hereafter defined) would not occur (the “But For Finding”), the Commission may utilize Tax Increment Financing to fund the following:

- Implementation of façade improvements or repairs to the exterior of non-residential buildings within the Redevelopment Area that are visible from the street,
• Removal of pole signs and/or the installation or repair of code compliant signage within the Redevelopment Area,
• Implementation of site work to improve storm water runoff and/or create green space within the Redevelopment Area,
• Demolition of non-residential buildings located within the Redevelopment Area that are visible from the street,
• Expansion and/or new construction of non-residential buildings located within the Redevelopment Area,
• Implementation of ADA compliance or accessibility measures to non-residential buildings located within the Redevelopment Area, and
• Implementation of such other improvements that are consistent with or in furtherance of the foregoing improvements as they may be recommended by the Advisory Committee or the City Council (collectively, the “Eligible Improvements”).

V. **Non-Eligible Improvements**

Without the consent of the City Council, the Commission shall not utilize Tax Increment Financing to fund the following:

• Installation or repair to pavement/parking lots,
• Installation or repair to roofs,
• Implementation of landscaping not related to other Eligible Improvements

VI. **Non-Eligible Businesses**

Notwithstanding anything herein to the contrary, this Commercial Façade and Improvements Program will not permit the utilization of Tax Increment Financing to fund improvements that are in support of the following business types:

Businesses for which the sale of package liquor, firearms, and/or tobacco products comprise more than 30% of retail sales or sales display area, pawn shops, short term loan establishments, gambling, blood/plasma centers, “adult-oriented” businesses, cigarette/smoke shops and hookah lounges, scrap metal operations, tattoo/piercing parlors, and used car lots.

VII. **Façade Improvement Assistance**

The Commission may utilize Tax Increment Financing to engage the services of an architect to assist applicants in designing façade improvements, and, to the extent such façade improvements constitute Eligible Improvements and the Commission has made a But For Finding, the Commission may make grants available for implementation of such façade improvements.

VIII. **Commercial Display Program Assistance**

The Commission may utilize Tax Increment Financing to engage the services of a commercial display professional to assist applicants in the design of upgraded storefronts and/or window
displays, particularly for retail businesses, and, to the extent such façade improvements constitute Eligible Improvements and the Commission has made a But For Finding, the Commission may make grants available for implementation of the work.

IX. Project Funding

The utilization of Tax Increment Financing for façade improvements that constitute Eligible Improvements will require a dollar for dollar match by the applicant, such that every dollar of Tax Increment Financing will require a dollar of private contribution from the applicant. No match will be required by the applicant for the commercial display program.

Eligible Improvements may receive no more than one half of the total funds allocated and available for the program in any fiscal year of the City.

Applicants may receive funds in more than one fiscal year of the City for the same Eligible Improvement.

X. Application Process

Applicant will complete an application on a form approved by the program administrator, who shall be selected by the Commission, and provide the following documentation:

- Evidence of Financing, to the extent a match is required
- Paid tax receipts for property listed on application
- List of all other properties owned in Kansas City and evidence that the applicant is current on property taxes
- Valid Kansas City Missouri Business License
- Proof of Liability Insurance in an amount determined by the program administrator
- Proof of Ownership
- Articles of Incorporation of Applicant, if applicable
- Current certificate of good standing from the Secretary of State of Applicant, if applicable
- Documentation requested by the program administrator to determine the improvements would not occur without the utilization of Tax Increment Financing.

XI. Contractor and vendor requirements

All vendors or contractors paid through the program will provide such documentation as required by the Program Administrator.

XII. Review of Applications

The Advisory Committee may make recommendations on all applications for assistance. Exceptions to or waivers of the program requirements may be granted by the Advisory Committee for transformational or otherwise extremely worthy projects. The Advisory Committee will make the final determination on all applications for assistance.
ORDINANCE NO. 190943

Approving the 4th Amendment to the Heart of the City Neighborhood Stabilization Tax Increment Financing Plan; and directing the City Clerk to transmit copies of this ordinance.

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, Ordinance No. 100089, passed on January 28, 2010, and Committee Substitute for Ordinance No. 140823, As Amended, passed on June 18, 2015, created the Tax Increment Financing Commission of Kansas City, Missouri (the “Commission”); and

WHEREAS, the City Council, by passage of Ordinance No. 160979, accepted the recommendations of the Commission, approved the Troost Avenue Tax Increment Financing Plan, as modified, and renamed the same to be known as the Heart of the City Neighborhood Stabilization Tax Increment Financing Plan (the “Plan”); and

WHEREAS, the First Amendment to the Plan (the “First Amendment”) was approved by the Council by Ordinance No. 170887, which established the guidelines of the Housing Program provided for by the Plan; and

WHEREAS, the Second Amendment to the Plan (the “Second Amendment”) was approved by the Council by Ordinance No. 180212, which provided for changes to the budget of redevelopment project costs and provided that the Advisory Committee may make recommendations as to the funding of improvements contemplated by the Housing Program and the Commercial Façade and Improvements Program provided for by the Plan; and

WHEREAS, the Third Amendment to the Plan (the “Third Amendment”), which modified the composition of the Advisory Committee to include a representative of the housing target area, was approved by the Council by Ordinance No. 190828; and

WHEREAS, the Council wishes to adopt the parameters for the Commercial Façade and Improvements Program so that available tax increment financing can be made available to fund improvements contemplated thereby, which parameters are included in the Fourth Amendment; NOW, THEREFORE

BE IT RESOLVED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the Council hereby approves the Fourth Amendment to the Plan, a copy of which is attached hereto.
Section 2. All terms used in this ordinance, not otherwise defined herein, shall be construed as defined in the Act.

Section 3. The Council hereby finds that:

(a) Good cause has been shown for amendment of the Plan, and that the findings of the Council in Ordinance No. 160979 with respect to the Plan are not affected by the Fourth Amendment and apply equally to the Fourth Amendment;

(b) The Redevelopment Area is a Conservation Area 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 Plan. A conservation study is attached to the Plan which includes a detailed description of the factors that qualify the Redevelopment Area as a Conservation Area, along with an affidavit, signed by the developer, attesting that the provisions of this subdivision have been met;

(c) The Plan, as amended, conforms to the comprehensive plan for the development of the City as a whole;

(d) The areas selected for the Redevelopment Project include only those parcels of real property and improvements therein which will be directly and substantially benefited by the improvements contemplated by the Redevelopment Project;

(e) The estimated dates of completion of the improvements contemplated by the Redevelopment Project and retirement of obligations incurred to finance Redevelopment Project Costs, have been stated in the Plan, as amended by the Fourth Amendment, and are not more than 23 years from the adoption of any ordinance approving a Redevelopment Project within the Redevelopment Area, provided that no ordinance approving a Redevelopment Project shall be adopted later than ten years from the adoption of the ordinance approving the Plan and provided that no property for a redevelopment project shall be acquired by eminent domain later than five years from the adoption of the ordinance approving the Redevelopment Project;

(f) A relocation assistance plan for businesses and residences is incorporated and made a part of the Plan;

(g) A cost-benefit analysis showing the economic impact of the Plan on each taxing district which is at least partially within the boundaries of the Redevelopment Area is attached to the Plan and the analysis demonstrates the impact on the economy if the Redevelopment Project is not built, and is built pursuant to the Plan under consideration and such analysis includes
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a fiscal impact study on every affected political subdivision, along with sufficient information from the developer for the Commission to evaluate whether the project, as proposed, is financially feasible; and

(h) The Plan, as amended by the Fourth Amendment, does not include the initial development or redevelopment of any gambling establishment.

Section 4. That the Commission is authorized to issue obligations in one or more series of bonds secured by the Heart of the City Neighborhood Stabilization Tax Increment Financing Plan Account ("Heart of the City TIF Account") of the Special Allocation Fund to finance Redevelopment Project Costs within the Redevelopment Area 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 Plan pursuant to the power delegated to it by the City. Any obligations issued to finance Redevelopment Project Costs shall contain a recital that they are issued pursuant to Sections 99.800 to 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 Plan, as amended by the Fourth Amendment, the City Council approves the pledge of all funds that are deposited into the Heart of the City TIF Account of the Special Allocation Fund to the payment of Redevelopment Project Costs identified by the Plan and permitted by the Act and authorizes the Commission to pledge such funds on its behalf.

Section 6. That the City Clerk shall transmit a copy of this ordinance to the County Clerk and County Executive of Jackson County, Missouri.

Approved as to form and legality:

Katherine Chandler
Senior Associate City Attorney

Authenticated as Passed
Quentin Lucas, Mayor

Marilyn Sanders, City Clerk
DEC 05 2019
Date Passed