

THIRD AMENDMENT TO THE LINWOOD SHOPPING CENTER TAX INCREMENT FINANCING PLAN

KANSAS CITY, MISSOURI

TIF COMMISSION APPROVAL:

4/14/20	4-14-20
DATE	RESOLUTION No.

CITY COUNCIL APPROVAL:

6/25/20	200353
DATE	ORDINANCE No.

SUMMARY

The Linwood Shopping Center Tax Increment Financing Plan (the “Plan”) contemplates the construction of approximately 129,450 square feet of retail space, including a grocery store, parking and all necessary appurtenances and utilities to support such development (the “Project Improvements”) in an area generally bounded by 31st Street, between Olive Street and Prospect Avenue, and 30th Street, between Prospect Avenue and Montgall Avenue, on the north, Linwood Boulevard on the south, Montgall Avenue on the east, and Olive Street on the west, all in Kansas City, Jackson County, Missouri (the “Redevelopment Area”). The Third Amendment to the Plan (the “Third Amendment”) (1) modifies the boundaries of Redevelopment Project Area 4, (2) establishes a new Redevelopment Project Area 5, (3) modifies the Estimated Redevelopment project Costs related to Redevelopment Projects 4 and 5, (4) modifies the Sources of Funds for Redevelopment Projects 4 and 5, (5) modifies the employment and construction totals for Redevelopment Projects 4 and 5, (6) modifies the Development Schedule and (7) modifies certain exhibits to and sections of the Plan that are in furtherance of the foregoing.

I. Specific Amendments

The Plan shall be amended as follows:

Amendment No. 1: Delete Section I., entitled “Summary,” in its entirety and insert the following in lieu thereof:

SUMMARY

The Linwood Shopping Center Tax Increment Financing Plan (the “Plan” or “Redevelopment Plan”) provides for the construction of approximately 129,450 square feet of retail space, including a grocery store, parking and all necessary appurtenances and utilities to support such development (the “Project Improvements”) in an area generally bounded by 31st Street, between Olive Street and Prospect Avenue, and 30th Street, between Prospect Avenue and Montgall Avenue, on the north, Linwood Boulevard on the south, Montgall Avenue on the east, and Olive Street on the west, all in Kansas City, Jackson County, Missouri (the “Redevelopment Area”).

The Redevelopment Area is approximately 9.34 acres and it will consist of five (5) Redevelopment Project Areas, with Redevelopment Project 1 consisting of 38,000 square feet of retail space, Redevelopment Project 2 consisting of approximately 14,000 square feet of retail space, Redevelopment Project 3 consisting of approximately 12,000 square feet of retail space, Redevelopment Project 4 consisting of approximately 55,450 square feet of retail space and Redevelopment Project 5 consisting of approximately 10,000 square feet of retail space.

The estimated Redevelopment Project Costs to implement the Project Improvements contemplated by the Plan are approximately \$26,817,691, of which \$25,770,597 is to be reimbursed from TIF Revenue, Additional City EATs, and

Additional City Tax Revenue (as each is hereafter defined). The Reimbursable Project Costs are identified on Exhibit 4A and all supplements thereto, attached to this Plan.

The total initial equalized assessed valuation of Redevelopment Project Areas 1, 2 and 3, according to 2015 records at the Jackson County Assessor's Office, is approximately \$555,583, the total initial equalized assessed valuation of Redevelopment Project Area 4, according to 2019 records at the Jackson County Assessor's Office, is approximately \$757,962 and the total initial equalized assessed valuation of Redevelopment Project Area 5, according to 2019 records at the Jackson County Assessor's Office, is approximately \$67. The current combined ad valorem property tax levy is projected to be \$7.9873 per \$100 assessed valuation in Jackson County. The 2019 annual ad valorem tax revenue generated within the Redevelopment Area was approximately 76,750. The total initial equalized assessed valuation of each Redevelopment Project Area will be determined prior to the time the Redevelopment Project Area is designated by Ordinance.

Pursuant to the Act, Tax Increment Financing provides that Economic Activity Taxes and Payment in Lieu of Taxes generated and collected within the Redevelopment Project Areas for a twenty-three (23) year period may be used to pay or reimburse Redevelopment Project Costs.

The estimated Payments in Lieu of Taxes to be generated within the Redevelopment Project Areas is based on current real property assessment formulas and current and anticipated property tax rates, both of which are subject to change due to many factors, including reassessment, the effects of real property classification for real property tax purposes, and the rollback in tax levies resulting from reassessment or classification. The estimated total Payments in Lieu of Taxes generated within the Redevelopment Project Areas over the period tax increment financing shall be authorized is \$4,900,470. Those Payments in Lieu of Taxes are shown on Exhibit 5 and all supplements thereto. Any Payments in Lieu of Taxes that exceed the amount necessary for such reimbursement, subject to Section 99.850, shall be declared surplus and be available for distribution to the various Taxing Districts located partially or wholly within the Redevelopment Area in the manner provided by the Act.

The estimated Economic Activity Taxes to be generated within the Redevelopment Project Area, subject to appropriation by the City Council, which will be available to pay Reimbursable Project Costs, are approximately \$8,120,171. Those Economic Activity Taxes are shown on Exhibit 5 and all supplements thereto. Any Economic Activity Taxes that exceed the amount necessary for such reimbursement, subject to Section 99.850, shall be declared surplus and shall be available for distribution to various Taxing Districts located partially or wholly within the Redevelopment Area in the manner provided by the Act.

The estimated Additional City EATs, subject to appropriation by the City Council, which will be available to pay Reimbursable Project Costs, is approximately \$1,093,207, as more specifically set forth on Exhibit 5 and all supplements thereto.

The estimated Additional City Tax Revenue, subject to appropriation by the City, that will be available to pay Redevelopment Project Costs is approximately \$2,389,146, as more specifically set forth on Exhibit 5 and all supplements thereto.

Upon the reimbursement of all Reimbursable Project Costs, subject to Section 99.850, Tax Increment Financing will be terminated and the Taxing Districts (as hereafter defined), shall receive all taxes generated within the Redevelopment Project Areas.

Amendment No. 2: Delete Section III. A., entitled “Redevelopment Plan” in its entirety and insert the following in lieu thereof:

A. The Redevelopment Plan. The Linwood Shopping Center Tax Increment Financing Redevelopment Plan (the “Redevelopment Plan”) is to be developed by the City of Kansas City, Missouri, unless and until a private developer is so designated by the Commission. The Plan provides, in part, for the construction of approximately 38,000 square feet of retail space within Redevelopment Project Area 1, approximately 14,000 square feet of retail space within Redevelopment Project Area 2, approximately 12,000 square feet of retail space within Redevelopment Project Area 3, approximately 55,450 square feet of retail space within Redevelopment Project Area 4 and approximately 10,000 square feet of retail space in Redevelopment Project Area 5.

Amendment No. 3: Delete Section III. C., entitled “Project Improvements” in its entirety and insert the following in lieu thereof:

C. Project Improvements. Project Improvements will consist of the (i) demolition of the properties located in Redevelopment Project Area 1; construction of approximately 38,000 square feet of grocery store, and renovation of approximately 14,000 square feet of retail space in Redevelopment Project Area 2, 12,000 square feet of retail space in Redevelopment Project Area 3, 55,450, square feet of retail space in Redevelopment Project Area 4 and 10,000 square feet of retail space in Redevelopment Project Area 5, all accompanied by surface parking and landscaping; provided, however, Project Improvements shall not include the development, redevelopment, or renovation of any improvements that contemplates or permits the uses described on Exhibit 13. Estimated construction and employment information for the Redevelopment Projects are set forth on Exhibit 4.A.

Amendment No. 4: Delete the first sentence of Section IV. A., entitled "Estimated Redevelopment Project Costs," in its entirety and insert the following in lieu thereof:

A. Estimated Redevelopment Project Costs. The total cost to the Redeveloper(s) to implement Project Improvements is projected to be approximately \$26,817,691 as set forth in detail on Exhibit 4A. The Plan proposes that approximately \$25,770,597 in Redevelopment Project Costs be reimbursable from Payments in Lieu of Taxes, Economic Activity Taxes, and Additional City EATs and Additional City Tax Revenue, as detailed on Exhibit 4A.

Amendment No. 5 Amend Exhibit 1.B of the Plan, entitled "Legal Descriptions – Project Areas 1-4," by inserting Exhibit 1.B, entitled, "Legal Descriptions – Project Areas 1-5," attached hereto.

Amendment No. 6: Amend Exhibit 2.A of the Plan, entitled "Maps," by inserting Exhibit 2.A, entitled, "Maps," attached hereto.

Amendment No. 7: Amend Supplement to Exhibit 4.A of the Plan, entitled "Estimated Redevelopment Project Costs for Redevelopment Project 4," by deleting it in its entirety and replacing it with Supplement to Exhibit 4.A, entitled, "Estimated Redevelopment Project Costs for Redevelopment Projects 4 and 5," attached hereto.

Amendment No. 8 Amend Supplement to Exhibit 4.B of the Plan, entitled "Development Schedule for Redevelopment Project 4," by deleting it in its entirety and replacing it with Supplement to Exhibit 4.B, entitled, "Development Schedule for Redevelopment Projects 4 and 5," attached hereto.

Amendment No. 9: Amend Exhibit 4.C of the Plan, entitled "Construction Totals for Redevelopment Project 4," by deleting it in its entirety and replacing it with Exhibit 4.C, entitled, "Construction Totals for Redevelopment Projects 4 and 5," attached hereto.

Amendment No. 10: Amend Exhibit 4.D of the Plan, entitled "Employment Totals for Redevelopment Project 4," by deleting it in its entirety and replacing it with Exhibit 4.D, entitled, "Employment Totals for Redevelopment Projects 4 and 5," attached hereto.

Amendment No. 11: Amend Exhibit 6 of the Plan, entitled "Supplement to Sources and Uses of Funds," by inserting Exhibit 6, entitled, "Supplement to Source of Funds for Redevelopment Project 4 and 5," attached hereto.

EXHIBIT 1B

Legal Description of Redevelopment Project Areas 1-5

Project 1 – 3110 Prospect Mooney Place Tract V

Project 2 - 3110 Prospect Mooney Place Tract VI and VII

Project 3 - 3110 Prospect Mooney Place Tract IV

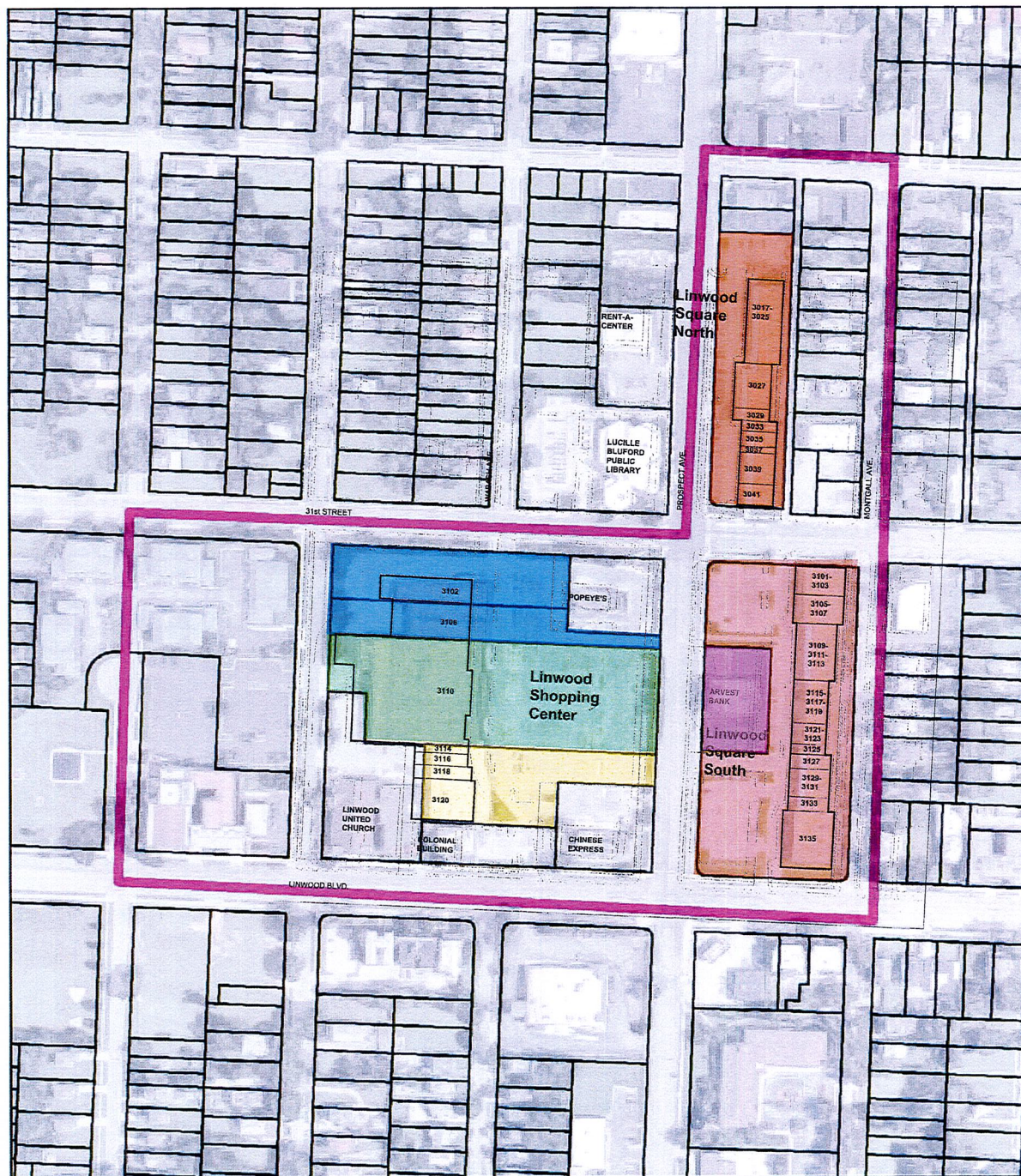
Project 4 – CDC-KC Linwood Square 1st Plat lot 1 and CDC-KC Linwood Square 2nd Plat, Lot 1

Project 5 – CDC-KC Linwood Square 1st Plat, Lot 2

EXHIBIT 2A

Site Plan

[See Attached]



Project 1



Project 2



Project 3



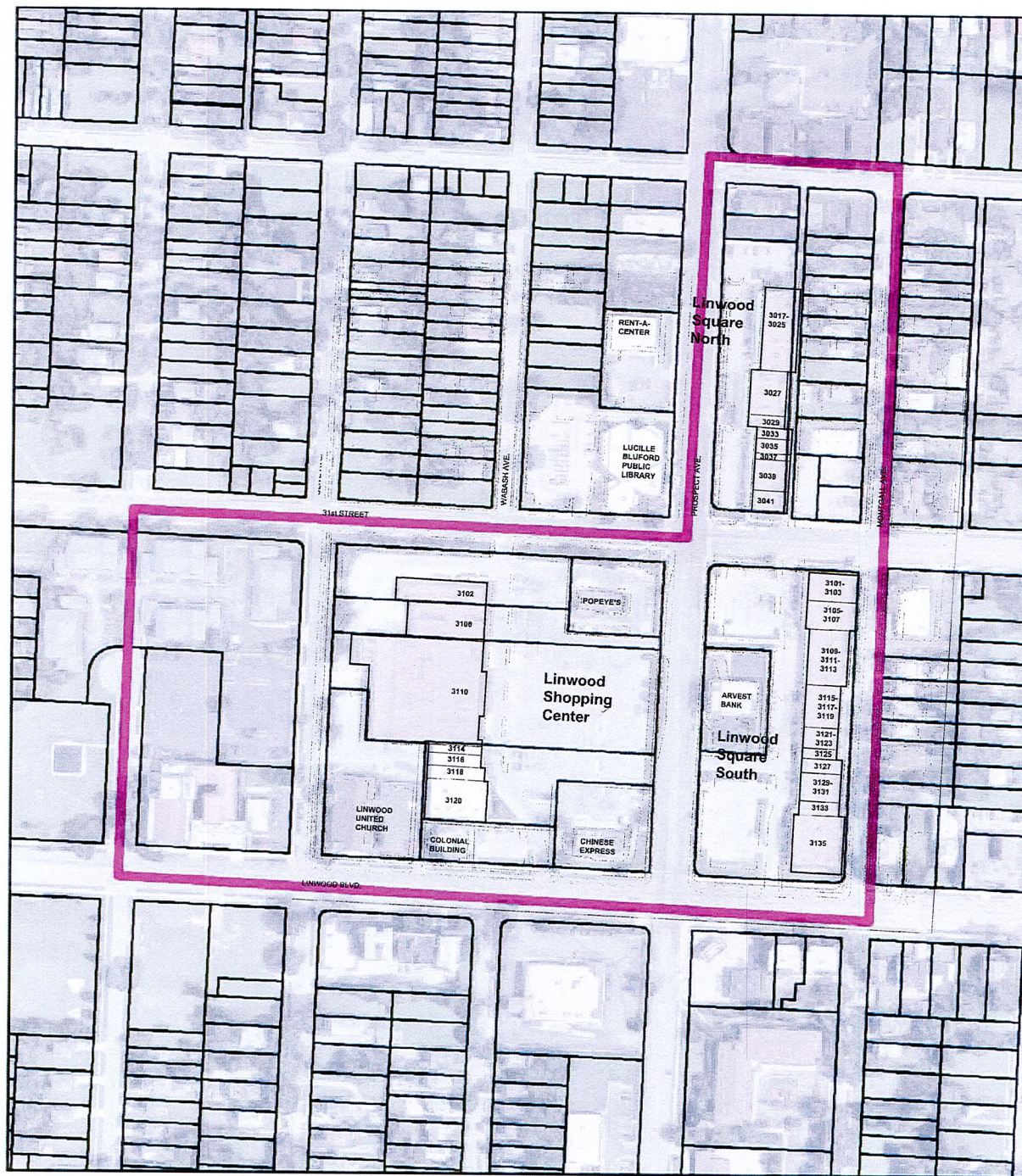
Project 4



Project 5



Linwood
TIF Boundry



Linwood
TIF Boundry

EXHIBIT 4A

Estimated Budget of Redevelopment Project Costs for Redevelopments Project 4 and 5

[See Attached]

Exhibit 4A

USES	Total Project Costs	Owner's Equity	PIAC Grant	Central City EDI	PACE Reimbursable	TIF Reimbursable	Super TIF Reimbursable
Existing Mortgage Payoff	\$ 1,044,230	\$ -	\$ -	\$ -	\$ -	1,044,230	
Hard Construction/General Contractor/Remodel	4,905,799	39,813	502,000	2,389,146	490,527	1,484,313	
Future Development	1,243,207	150,000	-	-	-		1,093,207
Tenant Improvements/TI Allowance	205,000	-	-	-		205,000	
Pre-Development Improvements	300,000	300,000					
Signage and Security	2,500	-	-	-		2,500	
Permanent Interest Costs	2,476,025	-	-	-		2,476,025	
Construction Interest Costs	110,000	-	-	-		110,000	
Construction Loan Escrow	116,754					116,754	
Legal Fees (including bank)	211,242	-	-	-		211,242	
Private Financing Costs	234,495	116,754	-	-		117,741	
Project Management/Owner's Rep	47,558	-	-	-		47,558	
Development Fee	238,806					238,806	
Architrectural/Design/MEP	263,715	-	-	-		263,715	
FF&E	2,500	-	-	-		2,500	
TIF Commission Administrative Costs	300,000					300,000	
Contingency	221,445	-	-	-		221,445	
Total	\$ 11,923,276	\$ 606,567	\$ 502,000	\$ 2,389,146	\$ 490,527	\$ 6,841,829	1,093,207

EXHIBIT 4B

Development Schedule for Redevelopments Project 4 and 5

Event	Date of Completion
City and Agency Approvals	Summer 2019
Financial Closing	September 2019
Project Design Completion	September 2019
Begin Construction	October 2019
Anticipated Project Completion	June 2020

EXHIBIT 4C

Construction Totals for Redevelopments Project 4 and 5

	New Construction	Existing Structures to REMAIN as is	Existing Structures to be REHABBED	Total	Existing Structures to be DEMOLISHED
Office SF	0	0	0	0	9,000
Retail SF	0	0	65,450	65,450	0
Institutional SF	0	0	0	0	0
Industrial SF	0	0	0	0	0
Residential SF	0	0	0	0	0
Total Square Feet	0	0	65,450	65,450	9,000
Number of Dwelling Units	0	0	0	0	0
Number of Motel Rooms	0	0	0	0	0
Number of Parking Spaces	0	0	0	0	0

EXHIBIT 4D

Employment Totals for Redevelopments Project 4 and 5

Permanent jobs to be CREATED IN Kansas City	9
Permanent jobs to be RELOCATED TO Kansas City	0
Permanent jobs to be RETAINED IN Kansas City	28
TOTAL	37
Anticipated Annual Payroll	\$5,061,768
Estimated number of construction workers to be hired during construction phase	9
Estimated payroll in construction phases	\$2,530,884

EXHIBIT 6

Supplement to Sources and Uses Redevelopment Projects 4 and 5

SOURCES	
Sources of Funds	
Private Sources:	
Developer/Owner's Equity	\$606,567
PACE Financing	\$490,527
Total Private Sources	\$1,097,094
Public Financing Sources (Pay-As-You-Go Estimates):	
Estimated TIF	\$6,841,829
Estimated Super TIF	\$1,093,207
PIAC Grant	\$502,000
Central City EDI	\$2,389,146
Total Estimated Public Sources	\$10,826,182
Total Sources	\$11,923,276

COMMITTEE SUBSTITUTE FOR ORDINANCE NO. 200353

Approving the Third Amendment to the Linwood Shopping Center Tax Increment Financing Plan; directing the Tax Increment Financing Commission to enter into a Redevelopment Agreement with Linwood Shopping Center Redevelopment Company, LLC with certain requirements; 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, as amended (the "Act"), the City Council of Kansas City, Missouri (the "Council") 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, Ordinance No. 130986, passed on December 19, 2013, and Committee Substitute for Ordinance No. 140823, as amended, passed on June 18, 2015 (the "Authorizing Ordinances") created the Tax Increment Financing Commission of Kansas City, Missouri (the "Commission"); and

WHEREAS, on June 16, 2016, the Council passed Ordinance No. 160448, which accepted the recommendations of the Commission as to the Linwood Shopping Center Tax Increment Financing Plan (the "Redevelopment Plan" or "Plan"), approved the Redevelopment Plan as a comprehensive effort intended to reduce or eliminate blight and enhance the tax base within the Redevelopment Area described by the Plan ("Redevelopment Area") through the implementation of certain improvements (the "Project Improvements") within redevelopment projects described by the Plan ("Redevelopment Projects"); and

WHEREAS, the First Amendment to the Plan (the "First Amendment"), which (a) provides for the expansion of the Redevelopment Area described by the Plan and incorporates the addition of a new Redevelopment Project Area 4; (b) provides for modifications to the Project Improvements described by the Plan; (c) modifies the Budget of Redevelopment Project Costs; (d) modifies the estimated amount of Payments in Lieu of Taxes and Economic Activity Taxes identified by the Plan; (e) modifies the most recent equalized assessed value of the Redevelopment Area; (f) modifies the estimated equalized assessed value after the completion of the Project Improvements; (g) incorporates the employment totals and construction totals for the Project Improvements contemplated Redevelopment Project Area 4; (h) modifies the Sources and Uses described by the Plan; (i) modifies the Cost Benefit Analysis described by the Plan; (j) modifies the "But-For" analysis described by the Plan; and (k) provides for the inclusion of Redevelopment Project 4 was approved by the Council by Committee Substitute for Ordinance No. 190524, passed on July 11, 2019; and

WHEREAS, the Second Amendment to the Plan (the "Second Amendment"), which provides for (1) certain modifications to the Budget Redevelopment Project Costs identified by the Plan, (2) certain modifications to the Sources of Funds for all estimated Redevelopment Project Costs identified by the Plan and (3) the inclusion of all conforming

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changes within the Exhibits to the Plan that are in furtherance of the foregoing modifications was approved by the Council by Committee Substitute for Ordinance No. 200063, passed on February 13, 2020; and

WHEREAS, the Third Amendment to the Plan (the "Third Amendment") (1) modifies the boundaries of Redevelopment Project Area 4, (2) establishes a new Redevelopment Project Area 5, (3) modifies the Estimated Redevelopment Project Costs related to Redevelopment Projects 4 and 5, (4) modifies the Sources of Funds for Redevelopment Projects 4 and 5, (5) modifies the employment and construction totals for Redevelopment Projects 4 and 5, (6) modifies the Development Schedule and (7) modifies certain exhibits to and sections of the Plan that are in furtherance of the foregoing; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the Third Amendment to the Linwood Shopping Center Tax Increment Financing Plan, a copy of which is attached to this Ordinance, is hereby approved.

Section 2. That all terms used in this Ordinance, not otherwise defined herein, shall be construed as defined in the Act.

Section 3. That the Council finds that:

- (a) Good cause has been shown for the Third Amendment to the Plan, and that the findings of the City Council in Ordinance No. 160448, Committee Substitute for Ordinance 190524 and Committee Substitute for Ordinance No. 200063, with respect to the Redevelopment Plan, except as expressly indicated below, are not affected by the Second Amendment to the Plan and apply equally to the Third Amendment to the Plan;
- (b) The Redevelopment Area is a blighted area evidenced by aging and deteriorating site improvements, excessive vacancy, obsolete platting and other blighting conditions stated within the Redevelopment Act in Section 99.805(1) RSMo;
- (c) The Redevelopment Area has not been subject to growth and development through private enterprise and would not reasonably be anticipated to be developed without the adoption of tax increment financing, as contemplated the Redevelopment Plan;
- (d) The Redevelopment Plan, as amended by the Third Amendment and each Redevelopment Project described therein, conform to the comprehensive plan for the development of the City as a whole;

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- (e) The areas identified by the Redevelopment Projects include only those parcels of real property and improvements which will be directly and substantially benefited by the Project improvements described by the Third Amendment;
- (f) The estimated dates of completion of the respective Redevelopment Projects and the retirement of any obligations incurred to finance Redevelopment Project Costs have been stated in the Redevelopment Plan and are not more than 23 years from the passage of any ordinance approving a Redevelopment Project authorized by the Plan;
- (g) A plan has been developed for relocation assistance for businesses and residences located within the Redevelopment Area;
- (h) A cost-benefit analysis showing the impact of the implementation of the Plan on each taxing district at least partially within the boundaries of the Redeveloped Area has been prepared in accordance with the Act;
- (i) The Third Amendment to the Plan does not include the initial development or redevelopment of any gambling establishment; and
- (j) A study has been completed and the findings of such study satisfy the requirements set out in subdivision (1) of Section 99.810, RSMo.

Section 4. That the Council hereby directs the Commission to enter into a Redevelopment Agreement, or an amendment thereto ("Agreement"), with Linwood Shopping Center Redevelopment Company, LLC (the "Redeveloper"), which shall provide:

1. For the implementation of the improvements contemplated by the Third Amendment to the Redevelopment Plan, provided however, such Agreement shall provide that all certified Redevelopment Project Costs identified for the redevelopment of Project Area 5 shall be withheld until the Redeveloper has:
 - (a) demonstrated, to the reasonable satisfaction of the Commission, that it cannot obtain a reasonable economic return on or that no market exists for 3121 Prospect (the "Property") in its present condition or after rehabilitation; and
 - (b) provided evidence to the Commission that it has used commercially reasonable efforts to obtain a commitment from a prospective tenant or buyer to lease or purchase the Property and use the Property for the sale of food and beverage services or otherwise in accordance with the UR plan and TIF Plan. This evidence may consist of:

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- a. advertisements or solicitations for a tenant or buyer and responses received; or
 - b. demonstration of reasonableness of terms offered by the Redeveloper to prospective tenants or buyers; or
 - c. information from third parties regarding feasibility of rehabilitation of the Property as opposed to demolition; and/or other relevant information and/or documentation; and
2. The Redeveloper shall not demolish the Property, currently owned by Arvest Bank, until the Commission provides written notice to the Redeveloper that the Commission is satisfied with the Redeveloper's efforts to rehabilitate the Property; and
3. In the event that the Redeveloper is unable to obtain control of the Property within 5 years of the date of the Agreement, the Commission shall release any certified costs to the Redeveloper which would otherwise be due.

Section 5. That the Council directs the City Manager to provide, at no cost to the Redeveloper, reasonable technical assistance from existing City resources, as determined by the City Manager, to the Redeveloper in order to assist in determining the feasibility of rehabilitation. The City will provide the Redeveloper such technical assistance within 60 days of the Redeveloper's request. If the Redeveloper believes that it is not feasible to rehabilitate the Property, the Redeveloper may proceed with providing such evidence of its commercially reasonable efforts, as described in Section 4 above.

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



Authenticated as Passed

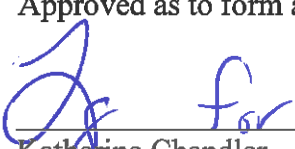

Quinton Lucas, Mayor


Marilyn Sanders, City Clerk

JUN 25 2020

Date Passed

Approved as to form and legality:


Katherine Chandler
Assistant City Attorney