SECOND AMENDMENT TO THE LINWOOD SHOPPING CENTER TAX INCREMENT FINANCING PLAN

KANSAS CITY, MISSOURI

TIF COMMISSION APPROVAL:

\[\begin{array}{cc}
\text{N/A} && \\
\text{DATE} & \text{RESOLUTION NO.}
\end{array}\]

CITY COUNCIL APPROVAL:

\[\begin{array}{cc}
2/13/20 & 200063 \\
\text{DATE} & \text{ORDINANCE NO.}
\end{array}\]
SUMMARY

The Linwood Shopping Center Tax Increment Financing Plan (the “Plan”) contemplates
the construction of approximately 119,000 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 Second Amendment to the
Plan (the “Second Amendment”) (1) increases the amount of Reimbursable Project Costs, and
(2) modifies the Sources and Uses described by the Plan.

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 119,000
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
four (4) 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 and Redevelopment
Project 4 consisting of approximately 55,000 square feet of retail space.

The estimated Redevelopment Project Costs to implement the Project
Improvements contemplated by the Plan are approximately $26,717,691, 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, 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 and the total initial equalized assessed
valuation of Redevelopment Project Area 4, according to 2017 records at the
Jackson County Assessor’s Office, is approximately $494,957. The current combined ad valorem property tax levy is projected to be $7.9873 per $100 assessed valuation in Jackson County. The 2017 annual ad valorem tax revenue generated within the Redevelopment Area was approximately $69,627. 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. 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. 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.

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.

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 I. S., entitled “Reimbursable Project Costs,” in its entirety and insert the following in lieu thereof:

S. “Reimbursable Project Costs,” Twenty-Five Million Seven Hundred Seventy Thousand Five Hundred Ninety-Seven Dollars ($25,770,597) of the Redevelopment Project Costs, as specifically identified on Exhibit 4A, attached hereto.

**Amendment No. 3:** Insert the following Section I. X., entitled “Additional City Tax Revenue,” which shall state the following:

X. “Additional City Tax Revenue,” (1) a 1/8 percent economic development sales tax devoted to projects located within the area bounded by 9th Street on the north, Gregory Boulevard on the south, The Paseo on the west, and Indiana Avenue on the east, which, subject to appropriation, may be deposited, from time to time by the City in the Central City Economic Development Sales Tax Fund to reimburse Redevelopment Project Costs in an amount not excess of $2,389,146, as specifically identified on Exhibit 4A, attached hereto and (2) sales tax approved by the City’s Public Improvements Advisory Committee (PIAC) which, subject to appropriation, may be utilized to fund Redevelopment Project Costs in an amount not in excess of $502,000, as specifically identified on Exhibit 4A, attached hereto.

**Amendment No. 4:** Delete the first paragraph 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 $26,717,691 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. The Redevelopment Project Costs related to Project Improvements located within Redevelopment Projects 1, 2 and 3 will be funded with proceeds from bonds issued by the City (the “City Bonds”). The City Bonds will be secured by an annual appropriation pledge by the City. The TIF Revenue generated within Redevelopment Project Areas 1, 2 and 3 will be utilized to reimburse the City for all debt service payments made in connection with the City Bonds. Redevelopment Project Costs related to improvements located within Redevelopment Project 4 will be funded, on a pay as you go basis, from TIF Revenue, Additional City EATs, Additional City Tax Revenue, along with private debt and equity. The estimated Redevelopment Project Costs and costs eligible for reimbursement from the Special Allocation Fund are identified on Exhibit 4A.

**Amendment No. 5:** Insert the following Section IV. H., entitled “Additional City Tax Revenue,” which shall state the following:
H. **Additional City Tax Revenue.** The projected Additional City Tax Revenue to be collected by the City and, subject to appropriation, deposited in a separate account of the Special Allocation Fund is estimated to be approximately $2,891,146, as shown on Exhibit 5, attached hereto, all of which will be made available, upon appropriation, by the City, to pay eligible Reimbursable Project Costs related to Redevelopment Project 4, in accordance with a Redevelopment Agreement.


**Amendment No. 7:** Amend Exhibit 6 of the Plan, entitled “Sources and Uses of Funds,” by inserting Exhibit 6, entitled, “Supplement to Source of Funds for Redevelopment Project 4,” attached hereto.

**Amendment No. 8:** Amend Exhibit 10 of the Plan, entitled “Evidence of Financing Interest,” by inserting Exhibit 10, entitled, “Supplement 2 to Evidence of Financing Interest for Redevelopment Project 4,” attached hereto.
## Exhibit 4A

**Estimated Redevelopment Project Costs for Project 4**

<table>
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<tr>
<th>USES</th>
<th>Total Project Costs</th>
<th>Owner's Equity</th>
<th>PIAC Grant</th>
<th>Central City EDI</th>
<th>PACE Reimbursable</th>
<th>TIF Reimbursable</th>
<th>Super TIF Reimbursable</th>
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<td>Tenant Improvements/TI Allowance</td>
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<td><strong>$2,389,146</strong></td>
<td><strong>$490,527</strong></td>
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<td><strong>Total Sources</strong></td>
<td>$11,773,275</td>
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</tr>
</tbody>
</table>
COMMITTEE SUBSTITUTE FOR ORDINANCE NO. 200063

Approving the Second Amendment to the Linwood Shopping Center Tax Increment Financing Plan; authorizing an Amended and Restated Tax Contribution and Disbursement Agreement; 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) provided for the expansion of the Redevelopment Area described by the Plan and incorporated the addition of a new Redevelopment Project Area 4; (b) provided for modifications to the Project Improvements described by the Plan; (c) modified the Budget of Redevelopment Project Costs; (d) modified the estimated amount of Payments in Lieu of Taxes and Economic Activity Taxes identified by the Plan; (e) modified the most recent equalized assessed value of the Redevelopment Area; (f) modified the estimated equalized assessed value after the completion of the Project Improvements; (g) incorporated the employment totals and construction totals for the Project Improvements contemplated Redevelopment Project Area 4; (h) modified the Sources and Uses described by the Plan; (i) modified the Cost Benefit Analysis described by the Plan; (j) modified the “But-For” analysis described by the Plan; and (k) provided 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”) provides for (1) certain modifications to the Budget of 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 changes within the Exhibits to the Plan that are in furtherance of the foregoing modifications; and
COMMITTEE SUBSTITUTE FOR ORDINANCE NO. 200063

WHEREAS, the Second Amendment does not enlarge the exterior boundaries of the Redevelopment Area, and does not substantially affect the general land uses established in the Plan or substantially change the nature of the Redevelopment Projects described by the Plan; and

WHEREAS, in Ordinance 190524, Council also authorized an agreement for the purpose of providing for the additional financing contemplated by the First Amendment known as the Tax Contribution and Disbursement Agreement. NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the Second 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 Second Amendment to the Plan, and that the findings of the City Council in Ordinance No. 160448 and Committee Substitute for Ordinance 190524 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 Second Amendment to the Plan;

(b) The Redevelopment Area, as amended, 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, as amended, 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, and each Redevelopment Project described therein, conform to the comprehensive plan for the development of the City as a whole;

(e) The areas identified as Redevelopment Projects include only those parcels of real property and improvements which will be directly and substantially benefited by the Project Improvements;

(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,
as amended, 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, as amended, on each taxing district at least partially within the boundaries of the Redeveloped Area has been prepared in accordance with the Act;

(i) The Second 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. The Director of Finance is hereby authorized to enter into an Amended and Restated Tax Contribution and Disbursement Agreement to incorporate the increased amount of additional financing, as provided by the Second Amendment to the Linwood Shopping Center Tax Increment Financing Plan.

Section 5. That the City Clerk shall send a copy of this ordinance to the County Clerk and County Executive of Jackson County, Missouri.

Approved as to form and legality:

Quinton Lucas, Mayor
Marilyn Sanders, City Clerk
Approved as to form and legality:

Katherine Chandler
Assistant City Attorney