

**TENTH AMENDMENT
TO
NORTH OAK
TAX INCREMENT FINANCING PLAN**

KANSAS CITY, MISSOURI

TIF COMMISSION APPROVAL:

1/10/18	1-4-18
DATE	RESOLUTION No.

CITY COUNCIL APPROVAL:

2/1/18	180053
DATE	ORDINANCE No.

**TENTH AMENDMENT
TO THE
NORTH OAK TAX INCREMENT FINANCING PLAN**

I. Introduction

The purpose of the Tenth Amendment to the North Oak Tax Increment Financing Plan (the “Tenth Amendment”) is to amend the North Oak Tax Increment Financing Plan as approved by the Ordinance No. 050104 on February 24, 2005, and as amended by the First Amendment, as approved by Ordinance No. 060534 on July 20, 2006, the Third Amendment, as approved by Ordinance No. 070996 on October 11, 2007, the Fourth Amendment, as approved by Ordinance No. 090832 on October 1, 2009, the Fifth Amendment, as approved by Ordinance No. 100083 on February 11, 2010, the Sixth Amendment, as approved by Ordinance No. 100705 on September 30, 2010, the Seventh Amendment, as approved by Ordinance No. 120172 on March 1, 2012, the Eighth Amendment, as approved by Ordinance No. 160670 on September 8, 2016 and the Ninth Amendment, as approved by Ordinance No. 170739 on October 5, 2017 (collectively, referred to herein as the “Plan”). The Second Amendment was withdrawn prior to the Commission’s consideration.

The proposed Tenth Amendment to the Plan (a) modifies the description of Project Improvements, (b) modifies the Estimated Budget of Redevelopment Projects, and (c) includes all conforming changes within the exhibits to the Plan that are in furtherance of the forgoing modifications.

II. Specific Amendments

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

Amendment No. 1: Section I of the Plan shall be modified to incorporate the definition of “Super TIF Revenue,” which shall read as follows:

“Super TIF Revenue,” the remaining fifty percent (50%) of the total additional revenue from taxes which are imposed by the City and which are generated by economic activities within the Redevelopment Project Areas over the amount of such taxes generated by economic activities within each Redevelopment Project Area in the calendar year prior to the adoption of the Ordinance designating such Redevelopment Project Area, while tax increment financing remains in effect, which are not captured pursuant to the Act, but which may accrue to the City for deposit in its General Fund and may be appropriated by the City to reimburse Reimbursable Project Costs.

Amendment No. 2: Delete the Section III.C. of the Plan entitled “Project Improvements” and insert the following paragraph in its place:

C. Project Improvements and Public Improvements.

Project Improvements

Project Area I: Improvements to the old Farmland Building located at 3301 North Oak Trafficway including improvements to the parking garage. Estimated construction and employment information is shown on Exhibit 4.

Project Area 2B: Development of approximately 30,000 square feet of retail space. Estimated construction and employment information is shown on Exhibit 4.

Project Areas 3 through 6: Development of 211,000 square feet of retail space. Estimated construction and employment information is shown on Exhibit 4.

Public Improvements

North Troost Trail: The North Troost Trail will be designed and constructed as a 10 foot wide and 6 inch thick concrete trail as shown on Exhibit 2A.

Former YMCA recreational facility/Gorman Park Pool: The former YMCA located at 1101 NE 47th Street, Kansas City, Missouri will be acquired by the City or its designee and used for such community purposes determined by the City. The building will be demolished and the pool will be renovated. A bathhouse will be constructed. The City may incorporate and implement additional amenities and improvements to service the community, provided the reimbursable redevelopment project costs related to such additional amenities and improvements do not exceed the budgeted amount set forth on Exhibit 5.

Neighborhood Housing and Infrastructure Program: A Neighborhood Housing and Infrastructure Program for the rehabilitation of single family homes within the Redevelopment Area shall be implemented in accordance with the Housing Guidelines set forth on Exhibit 14 and a façade and streetscape improvement program for businesses along North Oak Trafficway within the Redevelopment Area shall be implemented in cooperation with the City, the Commission and its designated housing administrator in accordance with the Façade and Site Improvement Program Guidelines set forth on Exhibit 13.

Design of Trails and Sidewalks: The design and construction of trails, sidewalks, and other public infrastructure around the Crestview and Briarcliff Schools to support walkability and safety.

Amendment No. 3: The first paragraph of Section IV.A. of the Plan entitled “Estimated Redevelopment Project Costs,” shall be deleted in its entirety and replaced with the following paragraph:

A. Estimated Redevelopment Project Costs. Redevelopment Project Costs are estimated to be approximately \$90,998,566 as set forth in detail on Exhibit 5. The Plan proposes that approximately \$23,272,134 in Redevelopment Project Costs be

reimbursable from Payments in Lieu of Taxes and Economic Activity Taxes and \$2,862,789 be reimbursable from Super TIF Revenues. The estimated Redevelopment Project Costs and costs eligible for reimbursement from the Payments in Lieu of Taxes, Economic Activity Taxes and Super TIF Revenue are identified on Exhibit 5, attached hereto.

Amendment No 4: Delete Exhibit 3 of the Plan entitled “Specific Objectives” in its entirety and replace it with Exhibit 3 “Specific Objectives,” attached hereto.

Amendment No. 5: Delete Exhibit 5 of the Plan entitled “Estimated Redevelopment Costs” in its entirety and replace it with Exhibit 5 “Estimated Redevelopment Costs,” attached hereto.

Amendment No. 6: Delete Exhibit 7 of the Plan entitled “Sources of Funds for All Estimated Redevelopment Project Costs” in its entirety and replace it with Exhibit 7 “Sources of Funds,” attached hereto.

Amendment No. 2

Exhibit 3

Specific Objectives

1. To eliminate adverse conditions which are detrimental to public health, safety, morals, or welfare in the Redevelopment Area and to eliminate and prevent the recurrence thereof for the betterment of the Redevelopment and the community at large;
2. To enhance the tax base of the City and the other Taxing Districts, encourage private investment in the surrounding area;
3. To increase employment opportunities;
4. To stimulate construction and development and generate tax revenues, which would not occur without Tax Increment Financing assistance;
5. To rehabilitate the old Farmland building;
6. To provide for the approximately 241,000 square feet of retail development;
7. To stabilize the North Oak Trafficway by addressing the infrastructure and issues facing the businesses along the Corridor;
8. To incorporate the desire to support walkable and safe areas by preparing designs for and completing the construction of sidewalks, trails and other public infrastructure;
9. To provide support for the rehabilitation of single family homes within the Redevelopment Area;
10. To encourage private investment of businesses by creating a façade and streetscape improvement program; and
11. To provide for the acquisition and demolition (as funds permit) of the former YMCA recreational site at 1101 NE 47th Street and the renovation of the adjoining pool, along with additional amenities and improvements undertaken by the City to service the community.

Amendment No. 4

Exhibit 5

Estimated Redevelopment Project Costs

**North Oak Corridor TIF Plan
Tenth Amendment**

	Project Costs	TIF Reimbursable	STIF Reimbursable
Projects 1 & 2			
TIF Staff/Legal/Administrative Expenses ¹	\$ 350,000	\$ 350,000	
Survey Consulting Service	2,800	2,800	
Building Purchase/Rehabilitation/Tenant Improvements	17,000,000	1,980,000	
Furniture, Fixture and Equipment	13,000,000	-	
Infrastructure Improvements ²	3,944,800	3,944,800	
Streetscape Design	500,000	140,040	
Subtotal	\$ 34,797,600	\$ 6,417,540	
Projects 3-6			
Development Costs			
Land Costs			
Land	\$ 8,219,880	\$ 2,840,252	\$ -
Total Land Costs	\$ 8,219,880	\$ 2,840,252	\$ -
Hard Costs			
Anchor Retail Shell	\$ 8,100,000	\$ -	\$ -
Anchor Retail Building Upgrades	675,000	-	-
Anchor Retail Sitework	1,950,000	-	-
Junior Box Shell	1,540,000	-	-
Junior Box Façade Upgrades	173,582	173,582	-
Buildings Constructed on Pad Sites - Shell	7,500,000	-	-
Pad Site - Sitework/Landscaping	2,040,000	-	-
Site/Landscape (Continental Engineering Estimate)	4,962,594	3,078,979	-
Total Hard Costs	\$ 26,941,176	\$ 3,252,561	\$ -
Soft Costs			
Professional Services Fees	\$ 2,120,000	\$ -	\$ -
Financing Cost	6,496,599	6,496,599	-
Interest Carry	1,272,000	-	-
Points	232,000	-	-
Closing - Loan and Land	75,000	-	-
Development Fee	1,200,000	-	-
Preliminary Studies	25,000	-	-
Taxes During Construction	15,000	-	-
TIF Commission Fees	250,000	250,000	-
Investment Banking Fee (IRR C&P)	480,940	-	-
Contingency	2,300,000	304,500	-
Total Soft Costs	\$ 14,466,539	\$ 7,051,099	\$ -
Public Improvements			
Park Land Dedication	\$ 229,900	\$ 229,900	\$ -
Additional Vivion Road ROW	405,000	405,000	-
Wetland Mitigation	14,991	14,991	-
Replace Water Main at Oak & Vivion that Frequently Breaks	108,624	108,624	-
Replace Overhead Electric Lines with Underground Lines	106,442	106,442	-
Sidewalks along Vivion Road and North Oak	71,837	71,837	-
Ornamental Perimeter Lighting	153,419	153,419	-
Offsite Road Improvements	390,100	390,100	-
Extraordinary Cost of Runoff Detention	1,230,269	1,230,269	-
North Oak Corridor Housing & Infrastructure Program - ENCORE	1,000,000	1,000,000	-
North Troost Trail - Design and Construction	300,000	-	300,000
Gorman Park Pool Construction	1,355,000	-	1,355,000
Public Infrastructure (Roads, Sidewalks, Curbs, Sewar Lines)	469,381	-	469,381
YMCA - Costs of Acquisition and Demolition	278,408	-	278,408
Sidewalk (NE 45th Street and NE 45th Terrace)	100,000	-	100,000
Sidewalk (N. Holmes south of Greenfield to 42nd Street)	250,000	-	250,000
North Oak Façade and Site Program	110,000	-	110,000
Total Public Improvements Costs	\$ 6,573,371	\$ 3,710,582	\$ 2,862,789
Subtotal	\$ 66,200,966	\$ 16,854,494	\$ 2,862,789
TOTAL	\$ 90,998,566	\$ 23,272,134	\$ 2,862,789

ASSUMPTIONS:

In addition, 5% of the annual PILOTS and Economic Activity Taxes deposited in the Special Allocation Fund shall be retained by the TIF Commission or the City (as the case may be) to cover incidental expenses incurred by the TIF Commission and the City that relate to the be determined and allocated prior to allocation of any other reimbursable costs.

¹ This amount is an estimated total budget for plan and project administration expenses to be reimbursed to the selected consultant and the TIF Commission. The selected consultants will submit annually a budget for plan and project administration expenses which will be reviewed and approved by the TIF Commission.

² Yet to be determined. They will be based on the recommendations of the North Oak Corridor Land Use & Development Plan.

Amendment No. 5

Exhibit 7

Sources of Funds for All

Estimated Redevelopment Project Costs

1. Estimated Amount Reimbursable Costs from PILOTS and Economic Activity Taxes (EATS) and Super TIF Revenue	
Project Area 1 & 2B	\$6,417,640
<u>Project Areas 3 through 6</u>	<u>\$19,717,283</u>
TOTAL	\$26,134,923
2. Estimated Private Investment and other sources	
Project Area 1, 2 & 2B	\$28,379,960
<u>Project Areas 3 through 6</u>	<u>\$36,483,683</u>
TOTAL	\$64,863,643
Subtotal – Project Areas 1, 2 & 2B	\$34,797,600
<u>Subtotal – Project Areas 3 through 6</u>	<u>\$56,200,966</u>
TOTAL	\$90,998,566

For Project Areas 1, 2 and 2B, the total investment amount of PILOTS and EATS over twenty-three years available to reimburse Redevelopment Project Costs is \$10,389,850. The Commission may dedicate part or the entire amount to help support the issuance of bonds to defray the cost of the project.

For Project Areas 3 through 6, the total estimated amount of TIF Revenues available over twenty-three years to reimburse Redevelopment Project Costs in this Plan is approximately \$39,527,019 and an estimated \$9,828,278 from Super TIF Revenue. The Commission may dedicate part or the entire amount to help support the issuance of bonds to defray the cost of the project.

The Parks and Recreation Department of the City of Kansas City intends to obtain and contribute approximately \$900,000 to certain Public Improvements identified in the Budget of Redevelopment Project Costs.

*Other sources may include contributions from Public Improvements Advisory Committee (PIAC), Kansas City Water Services, Platte County, Line Creek Regional Detention Development Contributions and Federal Grants

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Accepting the recommendations of the Tax Increment Financing Commission as to the Tenth Amendment to the North Oak Tax Increment Financing Plan; approving the Tenth Amendment to the North Oak Tax Increment Financing Plan; estimating and appropriating the sum of \$1,355,000.00 for the purpose of funding improvements to the Gorman Park Pool; and designating requisitioning authority.

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"), and Ordinance No. 545556 adopted on November 24, 1982, as amended by Committee Substitute for Ordinance No. 911076 adopted on August 29, 1991, by Ordinance No. 100089 adopted on January 28, 2010, by Ordinance No. 130986 adopted on December 19, 2013 and by Committee Substitute for Ordinance No. 140823 adopted on June 18, 2015 (collectively, the "Enabling Ordinances") the City Council of Kansas City, Missouri created the Tax Increment Financing Commission of Kansas City, Missouri (the "Commission"); and

WHEREAS, on February 24, 2005, the City Council of Kansas City, Missouri (the "Council") passed Committee Substitute for Ordinance No. 050104, which accepted the recommendations of the Commission and approved the North Oak Tax Increment Financing Plan (the "Redevelopment Plan") and designated the Redevelopment Area described therein to be a blighted area (the "Redevelopment Area"); and

WHEREAS, on July 20, 2006, the Council passed Committee Substitute for Ordinance No. 060534 approving the First Amendment to the North Oak Tax Increment Financing Plan, which provides for (A) the expansion of the Redevelopment Area by adding a 32 acre parcel for development into retail space and (B) a change in designation of the Redevelopment Area from a blighted area to a conservation area; and

WHEREAS, a second amendment to the Redevelopment Plan (the "Second Amendment") was presented to the Commission but was never approved; and

WHEREAS, on October 11, 2007, the Council passed Committee Substitute for Ordinance No. 070996 approving the Third Amendment to the Redevelopment Plan, which provides for expansion of the Redevelopment Area by including the east side of the 4200 block of North Oak Trafficway as Redevelopment Project 2B, which is to be developed into retail uses; and

WHEREAS, on October 1, 2009, the Council passed Committee Substitute for Ordinance No. 090832 approving the Fourth Amendment to the Redevelopment Plan, which provides for (A) the creation of a benefit area for the purposes of establishing a housing and infrastructure program and (B) revisions to the budget to include funding for design streetscape improvements; and

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WHEREAS, on February 11, 2010, the Council passed Ordinance No. 100083 approving the Fifth Amendment to the Redevelopment Plan, which provides for certain modifications to the Budget of Redevelopment Project Costs attached to the Redevelopment Plan; and

WHEREAS, on September 30, 2010, the Council passed Ordinance No. 100705 approving the Sixth Amendment to the Redevelopment Plan, which provides for certain modifications to the Budget of Redevelopment Project Costs attached to the Redevelopment Plan; and

WHEREAS, on March 1, 2012, the Council passed Ordinance No. 120172 approving the Seventh Amendment to the Redevelopment Plan, which provides for certain modifications to the Budget of Redevelopment Project Costs attached to the Redevelopment Plan; and

WHEREAS, on September 8, 2016, the Council passed Ordinance No. 160670 approving the Eighth Amendment to the Redevelopment Plan, which provides for certain modifications to the public improvements, Budget of Redevelopment Project Costs and creates the Neighborhood Infrastructure and Site Program; and

WHEREAS, on October 5, 2017, the Council passed Ordinance No. 170739 approving the Ninth Amendment to the Redevelopment Plan, which provides for the addition of guidelines for the North Oak Façade and Site Program; and

WHEREAS, a Tenth Amendment to the Redevelopment Plan (“Tenth Amendment”) was proposed to the Commission and the Commission, having been duly constituted and its members appointed, after proper notice was given, met in public hearing on January 10, 2018, and after receiving the comments of all interested persons and taxing districts, closed the public hearing, approved the Tenth Amendment to the Redevelopment Plan and recommended that the City Council do the same; and

WHEREAS, the Tenth Amendment to the Redevelopment Plan provides for (A) modifications to the description of the public improvements to be implemented pursuant to the Redevelopment Plan; (B) modifications to the Budget of Redevelopment Project Costs; (C) modifications to the Specific Objectives of the Redevelopment Plan to provide for the acquisition, rehabilitation and construction and equipping of a recreational facility and the construction of a sidewalk project and related public improvements; (D) modifications to the sources of funds to implement the public improvements contemplated by the Redevelopment Plan; and (E) the inclusion of all conforming changes within the Redevelopment Plan and Exhibits to the Redevelopment Plan that are in furtherance of the foregoing modifications; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

ORDINANCE NO. 180053

Section 1. That the recommendations of the Commission concerning the Tenth Amendment as set forth in Resolution 1-04-18, are hereby accepted and the Tenth Amendment is hereby approved and adopted as valid.

Section 2. That all terms used in this ordinance, not otherwise defined herein, shall be construed as defined in Sections 99.800 to 99.865 of the Revised Statutes of Missouri, as amended (the "Act").

Section 3. That the Council hereby finds that:

- (a) The findings of the Council in Committee Substitute for Ordinance Nos. 050104, 060534, 070996, and 090832, Ordinance No. 100083, Ordinance No. 100705, Ordinance No. 120172, Ordinance No. 160670 and Ordinance No. 170739 with respect to the Redevelopment Plan are not affected by the Tenth Amendment and apply equally to the Tenth Amendment;
- (b) The Redevelopment Area, as amended, is a conservation area, as a whole, 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 Redevelopment Plan, as amended, by the Tenth Amendment;
- (c) The Redevelopment Plan, as amended by the Tenth Amendment, includes a detailed description of the factors that qualify the Redevelopment Area as a conservation area and an affidavit as required by Section 99.810.1(1), RSMo;
- (d) The Redevelopment Plan, as amended by the Tenth Amendment, conforms to the comprehensive plan for the development of the City as a whole;
- (e) The areas selected for Redevelopment Projects described by the Redevelopment Plan, as amended by the Tenth Amendment, include only those parcels of real property and improvements therein which will be directly and substantially benefited by the Redevelopment Project improvements;
- (f) The estimated dates of completion of the respective Redevelopment Projects and retirement of obligations incurred to finance Redevelopment Project Costs, have been stated in the Redevelopment Plan, as amended by the Tenth Amendment, and are not more than 23 years from the passage of any ordinance approving each applicable Redevelopment Project authorized by the Redevelopment Plan and located within the Redevelopment Area, as amended;

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- (g) A plan has been developed for relocation assistance for businesses and residences;
- (h) The Tenth Amendment does not alter the cost benefit analysis attached to the Redevelopment Plan showing the impact of the Redevelopment Plan, as amended, on each taxing district which is at least partially within the boundaries of the Redevelopment Area has been prepared in accordance with the Act;
- (i) The Tenth Amendment 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 provided under Section 99.810.1, RSMo.

Section 4. That the Commission is authorized to issue obligations in one or more series of bonds secured by the Special Allocation Fund(s) established in connection with each Redevelopment Project described by the Redevelopment Plan to finance Redevelopment Project Costs 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 undertake all such further actions as are reasonably necessary to achieve the objectives of the Redevelopment Plan, as amended, pursuant to the power delegated to it in the Enabling Ordinances. Any obligations issued to finance Redevelopment Project Costs shall contain a recital that they are issued pursuant to Sections 99.800 through 99.865, RSMo, 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 Redevelopment Plan, as amended, the Council approves the pledge of all payments in lieu of taxes and economic activity taxes generated within Redevelopment Projects that are deposited into the Special Allocation Fund(s) established in connection with each Redevelopment Project described by the Redevelopment Plan to the payment of Redevelopment Project Costs, and authorizes the Commission to pledge such funds on its behalf.

Section 6. That the revenue in the following account in the Capital Improvements Fund is hereby estimated in the following amount:

18-3090-700001-485380-70175501	Reimbursement from TIF Commission	\$1,355,000.00
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Section 7. That the sum of \$1,355,000.00 is hereby appropriated from the Un-appropriated Fund Balance of the Capital Improvements Fund to the following account in the Capital Improvements Fund:

18-3090-708091-611060-70175501	Vivian Road Aquatics	\$1,355,000.00
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Section 8. That the Director of Parks and Recreation is hereby designated as requisitioning authority for Account No. 18-3090-708091.

I hereby certify that there is a balance, otherwise unencumbered, to the credit of the appropriation to which the foregoing expenditure is to be charged, and a cash balance, otherwise unencumbered, in the treasury, to the credit of the fund from which payment is to be made, each sufficient to meet the obligation hereby incurred.

Randall J. Landes
Director of Finance

Approved as to form and legality:

Brian T. Rabineau
Assistant City Attorney