

**SECOND AMENDMENT TO
THE SUMMIT
TAX INCREMENT FINANCING PLAN
KANSAS CITY, MISSOURI**

September 8, 2001

CERTIFICATION:

We hereby certify that this is a true and correct copy of the Plan approved by the Tax Increment Financing Commission of Kansas City, MO, on September 12, 2001.

Dale Glendon
Chairman

12/6/01
Date

Laura Whitener
Assistant Director

9/12/01
Date

ADDENDUM

- Exhibit 2** **Site Plans**
- Exhibit 4** **Estimated Redevelopment Project Costs**
- Exhibit 5** **Anticipated Sources of Funds**
- Exhibit 7** **Developer's Proposal**
- Exhibit 9** **Estimated Redevelopment Schedule**
- Exhibit 17** **Developers' Affidavits**
- Exhibit 18** **Evidence of Commitments for Financing**
- Exhibit 19** **Covenant**

SECOND AMENDMENT
TO THE
SUMMIT TAX INCREMENT FINANCING PLAN

I. Introduction

This Second Amendment to the Summit Tax Increment Financing Plan (the "Second Amendment") is intended to amend the Summit Tax Increment Financing Plan as approved by Committee Substitute for Ordinance No. 951016 on August 31, 1995 and the First Amendment to the Summit Tax Increment Financing Plan as approved by Ordinance No. 001035 on August 10, 2000 (collectively referred to herein as the "Plan"). The Second Amendment solely provides for amendment of the scope of work to be performed under Projects 8, 9 and 9A of the Plan. The Second Amendment does not alter the original exterior boundaries of the Plan nor does it alter the original land uses provided for under the Plan. Amendment of Projects 8, 9 and 9A are necessary to adequately remedy the conditions qualifying the Redevelopment Area as a Conservation Area. Projects 8, 9 and 9A are amended as follows:

Project 8 (Pershing Building/Adjacent Surface Parking Lot)

Project 8 of the Plan is hereby amended to provide for the deletion the parking garage in its entirety (phases 1 and 2) containing between 100 and 400 parking spaces and the replacement of such parking garage with surface parking to serve the Pershing Building. The Pershing Building will be remodeled to provide for a restaurant with an outdoor dining terrace on the first floor and office space in the remainder of the building. The surface parking replacing the parking garage will serve the general public, the restaurant, the office uses, and visitors to Penn Valley Park. The Board of Parks and Recreation Commission of Kansas City, Missouri owns the property on which the surface parking will be constructed.

Project 9 (Hotel)

Project 9 of the Plan is hereby amended to provide for the relocation of the parkland improvements to Project 9A.

Project 9A (Surface Parking Lot or Parking Structure/Parkland Improvements)

Project 9A is hereby amended to provide for construction of parkland improvements, a surface parking lot and to allow for construction of a two-level parking structure. The two-level parking structure may be constructed at the sole option of the developer in the event that replacement parking is needed due to construction of Project 9 (hotel). A portion of the property located within Project 9A is owned by the Board of Parks and Recreation Commission of Kansas City, Missouri. No portion of the two-level parking structure will be constructed on property owned by the Board of Parks and Recreation Commission.

To the extent the Plan varies with the Second 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. Plan Text Amendments

Amendment No. 1 Section II.

The first two sentences of Section II of the Plan are hereby deleted and replaced in their entirety as follows:

Estimated redevelopment project costs for the projects contemplated under the Plan are projected to be approximately \$32,144,258 over the life of the Plan. The Plan proposes that approximately \$10,311,350 in redevelopment project costs be reimbursable from the Special Allocation Fund.

III. Plan Exhibit Amendments

Amendment No. 2 Exhibit 2

The site plan contained at Exhibit 2 of the Plan is hereby supplemented by site plans for Projects 8, 9 and 9A attached hereto.

Amendment No. 3 Exhibit 4

Exhibit 4 of the Plan, Estimated Redevelopment Project Costs, is hereby supplemented with the amended costs for Projects 8, 9 and 9A as attached hereto.

Amendment No. 4 Exhibit 5

Exhibit 5 of the Plan, Anticipated Sources of Funds, is hereby supplemented with the amended anticipated sources of funds for Projects 8, 9 and 9A as attached hereto.

Amendment No. 5 Exhibit 7

Exhibit 7 of the Plan, Developer's Proposal, is hereby supplemented with the amended Developers' Proposal for Projects 8, 9 and 9A as attached hereto.

Amendment No. 6 Exhibit 9

Exhibit 9 of the Plan, Estimated Redevelopment Schedule, is hereby supplemented with amended information for Projects 8, 9 and 9A as attached hereto.

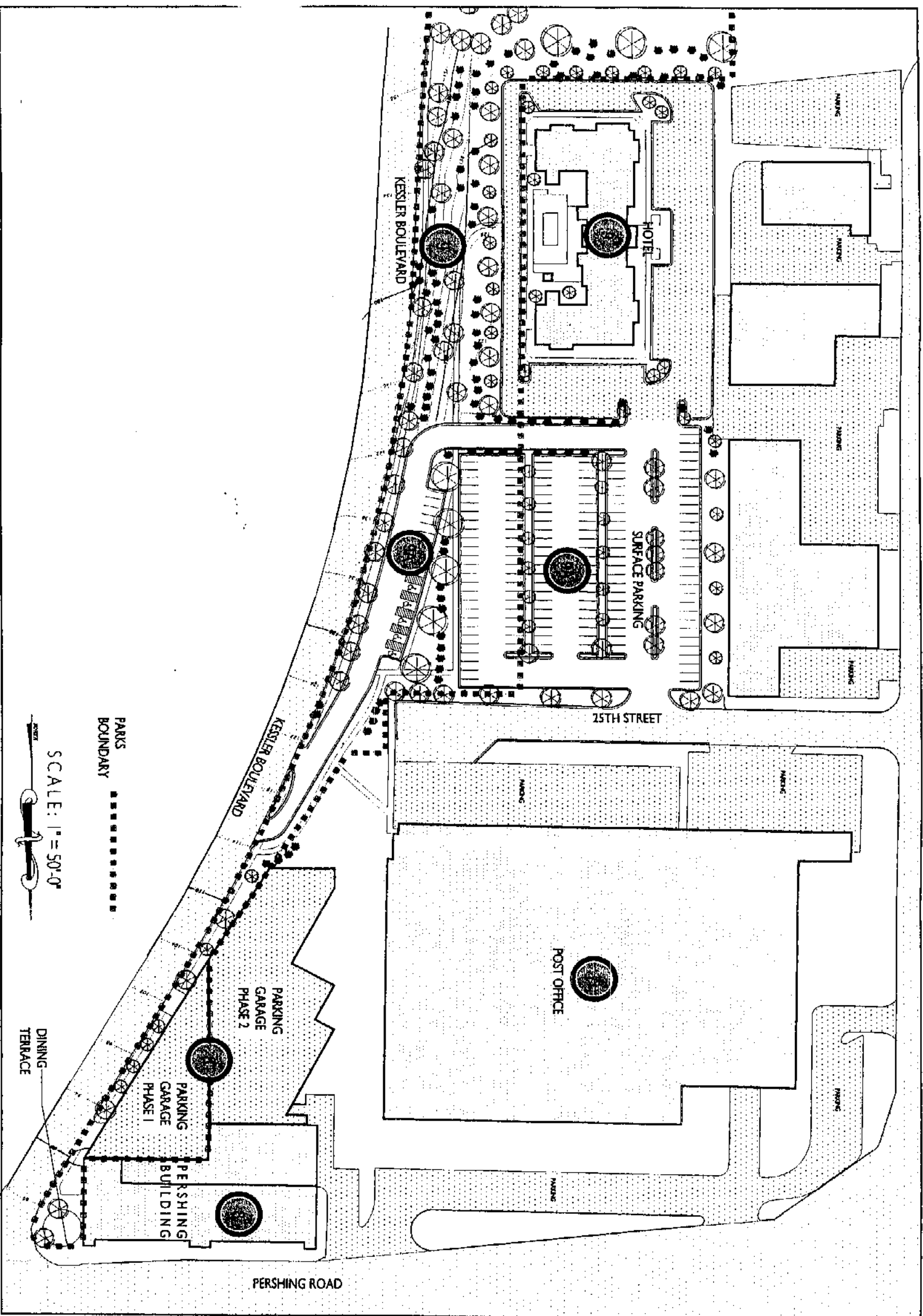
Amendment No. 7 Exhibit 17

An amended Exhibit 17 of the Plan, Developers' Affidavits, is attached hereto.

Amendment No. 8 Exhibit 18

An amended Exhibit 18 of the Plan, Evidence of Commitments for Financing, is attached hereto.

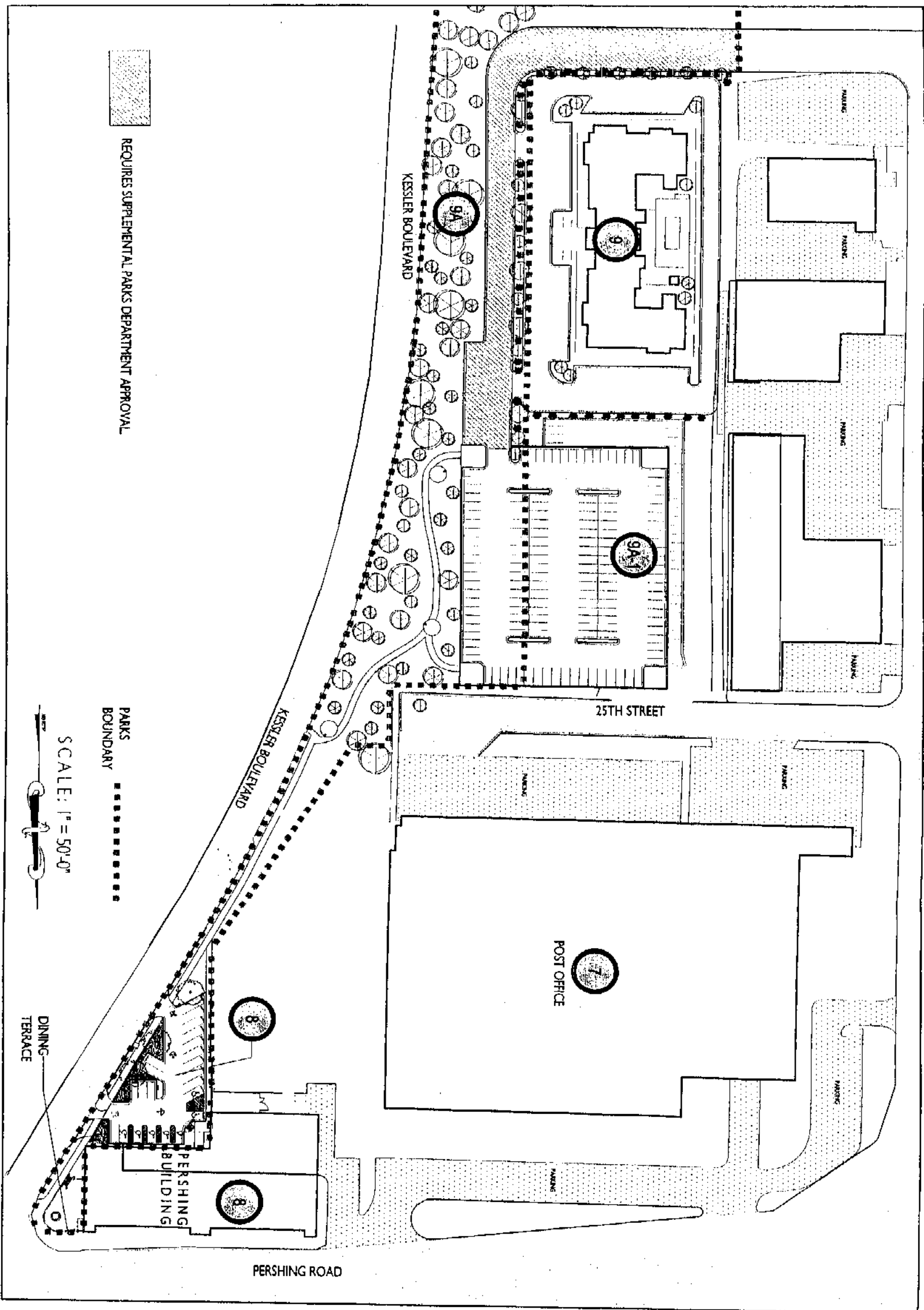
EXHIBIT 2
SITE PLANS



APPROVED TIF PLAN



- POST OFFICE PROPERTY**
- PERSHING BUILDING IMPROVEMENTS**
 - CONSTRUCT CENTER TOWER
 - TROMPE LOBEL FACADE
 - SPRINKLER / ADA
 - INTERIOR LOBBIES
 - LANDSCAPE / STREETSCAPE
 - EXTERIOR LIGHTING
 - SIGNAGE
 - NEW TENANT FINISHES
 - RENEW TENANT FINISHES
 - RESTAURANT FINISHES
 - EXTERIOR DINING TERRACE
- PARKING STRUCTURE**
 - PHASE ONE
 - 105 PARKING SPACES
 - LANDSCAPING
 - PHASE TWO
 - 295 ADDITIONAL PARKING SPACES FOR A TOTAL OF 400 PARKING SPACES
- HOTEL**
 - PARKING
 - LANDSCAPING
 - 25TH STREET ACCESS
- PARK IMPROVEMENTS**
 - PUBLIC SPACES, SIDEWALKS AND STAIRS
 - LANDSCAPING, CUTTING AND CLEARING
 - LIGHTING
 - BENCHES AND TRASH CONTAINERS
- SURFACE PARKING**
 - 169 PARKING SPACES
 - CONNECTION TO KESSLER AND 25TH STREET
 - LANDSCAPING
 - SIDEWALKS AND STAIRS
 - LIGHTING
- PARK IMPROVEMENTS**
 - PUBLIC SPACES, SIDEWALKS, STAIRS AND DRIVE
 - LANDSCAPING, CUTTING AND CLEARING
 - LIGHTING
 - BENCHES AND TRASH CONTAINERS



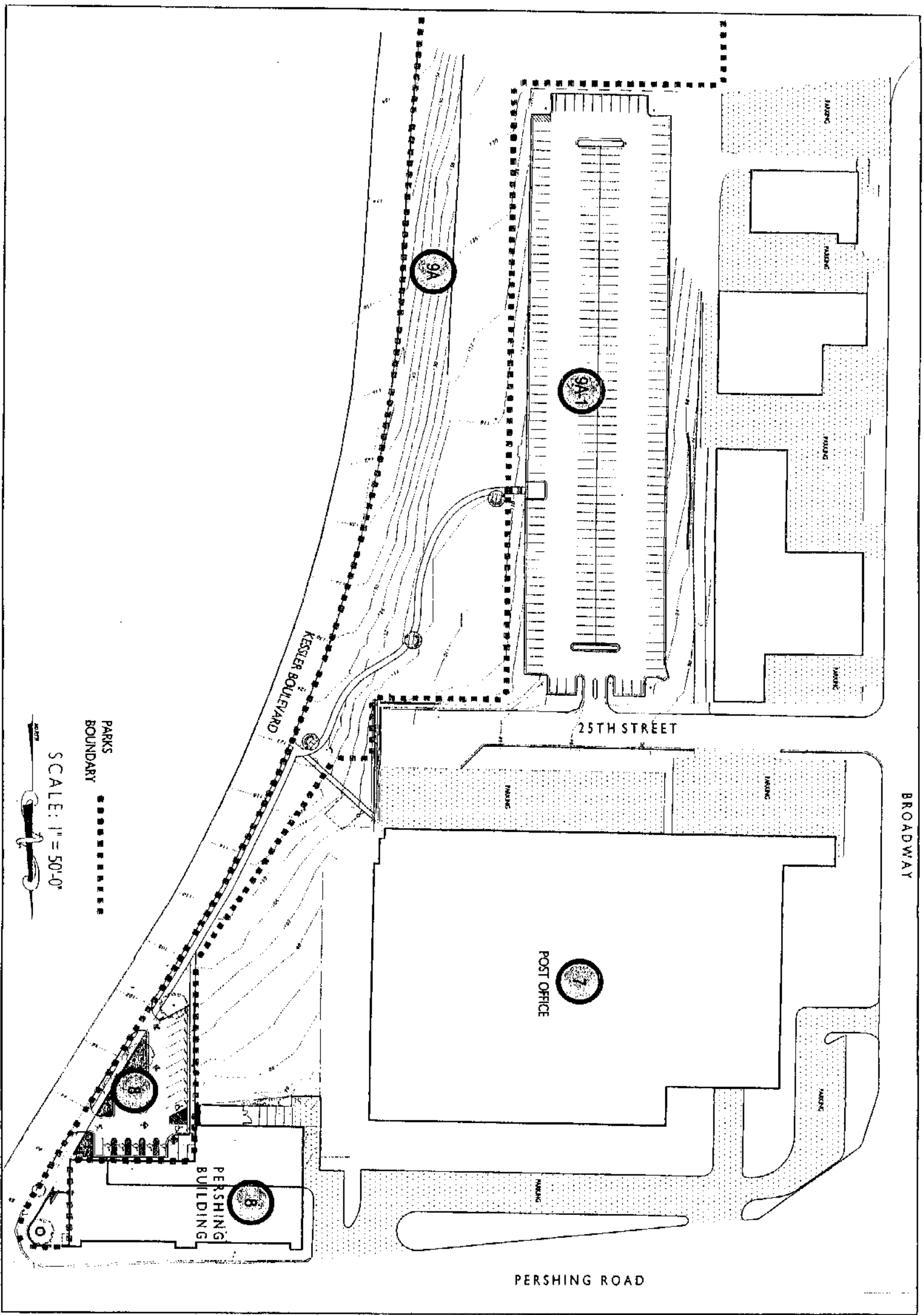
PROPOSED DEVELOPMENT PLAN WITH HOTEL

1	POST OFFICE PROPERTY
8	PERSHING BUILDING IMPROVEMENTS
9A	PARK IMPROVEMENTS
9A-1	TWO LEVEL PARKING STRUCTURE
9	TWO LEVEL PARKING STRUCTURE
8	SURFACE PARKING
9A	HOTEL
9A-1	PARKING TALLY *
9A-1	SURFACE PARKING
9A-1	TWO LEVEL PARKING STRUCTURE
9A-1	TOTAL PARKING

* Does not include hotel parking which will provide its own on site parking.



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 SHAW, HORTON & ASSOCIATES
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DEVELOPMENT PLAN WITHOUT HOTEL

8-17-01

7
POST OFFICE PROPERTY

8
PERSHING BUILDING IMPROVEMENTS

- CONSTRUCT CENTER TOWER
- TROMPE LOUIL FACADE
- SPRINKLER / ADA
- INTERIOR LOBBIES
- LANDSCAPE / STREETSCAPE
- EXTERIOR LIGHTING
- SIGNAGE
- NEW TENANT FINISHES
- RENEW TENANT FINISHES
- RESTAURANT FINISHES
- EXTERIOR DINING TERRACE

8
SURFACE PARKING

- 22 PARKING SPACES
- LANDSCAPING

9A
PARK IMPROVEMENTS

- PUBLIC SPACES, SIDEWALKS, STAIRS AND DRIVE
- LANDSCAPING, CUTTING AND CLEARING
- LIGHTING

9A-1
EXISTING SURFACE PARKING

- 169 PARKING SPACES
- CONNECTION TO KESSLER AND 25TH STREET
- LANDSCAPING
- SIDEWALKS AND STAIRS
- LIGHTING

PARKING TALLY

8
SURFACE PARKING

- 22 PARKING SPACES

9A-1
EXISTING SURFACE PARKING

- 169 PARKING SPACES

TOTAL PARKING

- 191 PARKING SPACES



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EXHIBIT 4

ESTIMATED REDEVELOPMENT PROJECT COSTS

PROJECTS 8, 9 and 9A

	TOTAL COSTS	TIF	DEVELOPER/PRIVATE	TOTAL TIF/PRIVATE
Relocation of Associated Press Satellites	0	0	0	0
Landscape/Streetscape	15,000	15,000	0	15,000
Exterior Lighting	0	0	0	0
Signage	5,000	5,000	0	5,000
New Tenant Finishes	1,060,000	0	1,060,000	1,060,000
Renewal Tenant Finishes	165,000	0	165,000	165,000
Restaurant Tenant Finishes	750,000	0	750,000	750,000
Soft Costs				
Architects & Engineers	100,000	100,000	0	100,000
Park Improvement Costs				
Hard Costs				
Small Surface Parking Lot	375,000	375,000	0	375,000
Public Terrace	100,000	100,000	0	100,000
Sidewalks	35,000	35,000	0	35,000
Lighting	50,000	50,000	0	50,000
Cutting & Clearing	35,000	35,000	0	35,000
Landscaping	90,000	90,000	0	90,000
Soft Costs				
Architects & Engineers	30,000	30,000	0	30,000
South Lot Parking Improvement Costs 1				
Hard Costs				
Security	50,000	50,000	0	50,000
Fencing	20,000	20,000	0	20,000
Coating & Striping	35,000	35,000	0	35,000
Additional Surface Lot	400,000	400,000	0	400,000
Parking Deck Over Existing Lot 2	700,000	700,000	0	700,000
Soft Costs				
Architects & Engineers	25,000	25,000	0	25,000
General Project Soft Costs				
Consulting	0	0	0	0
Commissions	500,000	500,000	0	500,000

1 To be constructed upon commencement of development of hotel.

2 Does not include financing costs for reimbursable project costs to be funded at rate of 9% until developers are fully reimbursed.

EXHIBIT 5

A. ANTICIPATED SOURCES OF FUNDS, PROJECTS 8, 9 AND 9A

1.	Estimated Amount of Reimbursable Costs from TIF Revenues within proposed Redevelopment Project Areas	\$7,406,300
2.	Estimated Private Investment and other Sources within proposed Redevelopment Project Areas	<u>\$18,452,500</u>
	TOTAL	\$25,858,800

B. BONDS, PROJECTS 8, 9 AND 9A

The total estimated amount of PILOTS and Economic Activity Taxes over twenty-three years available to reimburse project costs is approximately \$17,678,736. The Commission may dedicate part or all of this amount to help support the issuance of bonds to defray the cost of the projects.

EXHIBIT 7

DEVELOPERS' PROPOSAL

**PROPOSALS OF
PERSHING BUILDING, L.L.C.
AND
NEW PERSHING BUILDING, L.L.C.
FOR THE REDEVELOPMENT OF THE
PERSHING BUILDING AND PROPERTY WITHIN
THE SUMMIT TIF PLAN
September 4, 2001**

INTRODUCTION

Pershing Building, L.L.C. proposes development of a 118-room business hotel. Pershing Building, L.L.C. will develop a first class business suites hotel to service the surrounding business district, together with parking and appurtenances, as well as all necessary utility and street improvements.

New Pershing Building, L.L.C. proposes the redevelopment of the historic Pershing Building. Rehabilitation of the Pershing Building will consist of a quality destination restaurant with an outdoor dining terrace on the first floor and redevelopment of office space in the remainder of the building. New Pershing Building, L.L.C. will also provide parking and appurtenances, and necessary utilities and street improvements, including extensive parkland improvements.

PLAN APPLICATION FORM

1. APPLICANTS INFORMATION

(a) Applicants Names:

(i) **Pershing Building, L.L.C.**

(ii) **New Pershing Building, L.L.C.**

(b) Contact Person:

Dan Clothier will be the contact person for both Pershing Building, L.L.C. and New Pershing Building, L.L.C.

(c) Business Address:

225 N. Market St., Ste. 333, Wichita, KS 67202 (for both entities)

(d) Representative authorized to sign/execute for both Pershing Building, L.L.C. and New Pershing Building, L.L.C. documents:

John C. Tausche for both Pershing Building, L.L.C. and New Pershing Building, L.L.C.

(e) Address:

225 N. Market St., Ste. 333, Wichita, KS 67202 (for both entities)

(f) General Contractors:

Pershing Building (Project 8) Mid-America Contractors, Inc.

Parkland Improvements (Project 9A) Winn Center Construction Co., Inc.

Hotel (Project 9) the contractor for the hotel is unknown at this time.

(g) Previous Development Projects or Experience of the Organization:

See attached

2. LOCATION OF REDEVELOPMENT AREA

(a) General Boundaries:

The Summit TIF Plan Redevelopment Area exterior boundaries will not be changed.

(b) County: **Jackson** Council District: **Second**

(c) Please attach on a separate sheet of paper a Legal Description of the Redevelopment Area and a map indicating the location of the Redevelopment Area.

Remains unchanged.

3. DESCRIPTIVE SUMMARY OF PROJECTS

A. Pershing Building (Project 8) – New Pershing Building, L.L.C.

New Pershing Building, L.L.C. will be redeveloping the Pershing Building to provide for a restaurant with an outdoor dining terrace on the first floor and office space in the remainder of the building. A surface parking lot will also be constructed to serve the building and adjacent Penn Valley Park. New Pershing Building, L.L.C. believes that the potential exists for the Redevelopment Area to benefit from recent development in the surrounding area. New Pershing Building, L.L.C. also believes that the best and most economically viable use for the Pershing Building is the mixture of a specialty restaurant along with office space because the location has the potential to attract a strong mix of business travelers, tourists and residents.

B. Pershing Building Restaurant (Project 8) – New Pershing Building, L.L.C.

Peter Gruenauer will be the operator of the restaurant in the Pershing Building. The restaurant will be an upscale, European Brasserie, which will consist of 9,700 square feet of enclosed space and 1,150 square feet of outdoor terrace dining space. The acclaimed firm of Shaw Hofstra & Associates, Inc. will design the restaurant. The restaurant will cater to the business traveler and tourist, as well as visitors to Union Station.

C. Business Hotel (Project 9) – Pershing Building, L.L.C.

Pershing Building, L.L.C. will be developing an extended stay business hotel. The hotel will be franchised by national franchisee. Market analysis reveals that demand exists within the Redevelopment Area for hotel accommodations to serve extended stay, business guests.

D. Surface Parking or Parking Structure (Project 9A-1) – New Pershing Building, L.L.C.

New Pershing Building, L.L.C. will have the option to construct either surface or structured parking to serve the Pershing Building and adjacent Penn Valley Park. In the event that additional parking is necessary due to construction on Project 9, New Pershing Building, L.L.C. may elect at its sole option to construct a two-level parking structure.

E. Parkland Improvements (Project 9A) – New Pershing Building, L.L.C.

New Pershing Building, L.L.C. will construct improvements to parklands.

4. PROJECT DESCRIPTION

For each Project Area within the Redevelopment Area, please attach the following:

- (a) A map showing the boundaries of each Project Area within the Redevelopment Area:

See attached site plans, Exhibit 2.

- (b) Legal Descriptions of each Project Area:

Remains unchanged.

- (c) Current land use and zoning for each Project Area, and a map indicating such:

The existing land use and zoning will not be changed by the Second Amendment to the Summit TIF Plan.

- (d) Proposed land use and zoning for each Project Area, and a map indicating such:

See attached site plans, Exhibit 2.

- (e) Off site public improvements to be made in each Project Area (i.e. infrastructure, streetscaping, signalization, etc.):

N/A

- (f) A development schedule for the Plan, including when each Project Area will be developed:

See attached, Exhibit 9.

- (g) A list of any nationally or locally historical properties and/or districts within each Project Area (call Lisa Briscoe at the City Landmarks Commission, 274-2555, for information regarding local and national historical properties):

N/A

- (h) Design plans for each Project Area (including site plans and elevations):

See attached, Exhibit 2.

- (i) Evidence of the TIF Commission's statutory requirement of Blight, Conservation Area or Economic Development Area and "But For":

The qualification of the Redevelopment Area as a Conservation Area will not be amended by the Second Amendment to the Summit TIF Plan.

- (j) Developers' Affidavits attesting to redevelopment factors.

See attached, Exhibit 17.

5. **PROJECT BUDGET**

For each Project Area, please attach the following:

- (a) A complete development pro forma indicating total development costs by Project:

Remains unchanged.

- (b) An operating pro forma indicating expected revenue and expenses over a 10 year period:

Remains unchanged.

- (c) Amount and source of equity to be provided:

See attached, Exhibit 5.

- (d) Amount and terms of private financing:

See attached, Exhibit 18.

- (e) Name of Lender(s):

See attached, Exhibit 18.

- (f) A copy of the Developer's Loan Application provided to lender(s):

N/A

- (g) Evidence of commitment to provide funds from the lending institution (signed by the lender and noting conditions and contingencies, if any):

See attached, Exhibit 18.

- (h) Itemized sources and uses of any public assistance to be used:

See attached, Exhibit 4.

6. ECONOMIC IMPACT

For each Project Area, please provide the following:

- (a) Existing Economic Activity Taxes (EATS) (i.e., utilities, food & beverages, sales, hotel rooms, use, corporate profits, and individual earnings taxes):

Remains unchanged.

- (b) Anticipated EATS:

Remains unchanged.

- (c) Anticipated Payments in Lieu of Taxes (PILOTS), which are 100% of the revenues derived from an increase in assessed value:

Remains unchanged.

- (d) Cost Benefit Analysis

Remains unchanged.

7. CONTROL OF PROPERTY

- (a) If the Applicant owns the project site, indicate:

Date of purchase: **October 1, 1999.**

Mortgage(s): **Imperial Thrift**

Balance of existing Mortgage(s): **\$3,300,000**

Submit copies of promissory note(s), deed(s) of trust and deed(s) for each mortgage: **To be provided by Developers.**

- (b) If the Applicant has a contract or option to purchase the project site, indicate: **Developer entered into a Cooperative Agreement with the Parks and Recreation Commission of Kansas City, Missouri to construct surface parking to serve the Pershing Building and Penn Valley Park and to make parkland improvements.**

Date purchase/option contract signed: N/A

Closing/expiration date: N/A

Submit a copy of purchase/option contract(s). N/A

(c) If the Applicant will lease the project site, indicate:

Legal Name of Owner and Address:

N/A

(d) Owner of land upon completion of the Project:

New Pershing Building, L.L.C. will own the Pershing Building and the parking lot or parking structure to be located within Project 9A (also shown as 9A-1 on Exhibit 2). Pershing Building, L.L.C. will own the hotel. The Board of Parks and Recreation will continue to own existing parkland.

8. LAND ACQUISITION

For each project area, please provide the following:

(a) A map showing all parcels to be acquired:

N/A

(b) Addresses of all parcels to be acquired:

N/A

(c) Current owners of all parcels to be acquired:

N/A

(d) Is the use of eminent domain anticipated?

No.

9. TAX ABATEMENT

Remains unchanged.

10. PLEASE SUBMIT EVIDENCE OF COMPLIANCE TO THE AFFIRMATIVE ACTION POLICY

Developers will comply with the Affirmative Action Policy that is part of the existing Summit TIF Plan.

11. **CONTINGENCIES**

This Proposal is contingent upon the following:

- A. **Approval of the Second Amendment to the Summit Tax Increment Financing Plan and the funding of the TIF Reimbursable Project costs.**
- B. **The selection of Pershing Building, L.L.C. as the Developer of Project 9 and the selection of New Pershing Building, L.L.C. as the Developer of Projects 8 and 9A.**
- C. **Approval by the City of Kansas City, Missouri of development plans and construction plans as necessary and the issuance of building permits.**
- D. **The existence of a market demand and the ability to complete the redevelopment project at an economically feasible and competitive cost.**
- E. **The ability of Pershing Building, L.L.C. and New Pershing Building, L.L.C. to secure financing sufficient to complete Projects 8, 9 and 9A.**
- F. **The negotiation of Redevelopment Contracts in form and substance satisfactory to the Developers.**

EXHIBIT 9

ESTIMATED REDEVELOPMENT SCHEDULE

	<u>COMMENCE</u>	<u>COMPLETE</u>
<u>PROJECT 8</u>		
<u>Pershing Building</u>		
Acquisition	Property has already been acquired.	
Blight Removal	September 2001	January 2002
Construction	September 2001	January 2002
<u>Surface Parking</u>		
Acquisition	N/A	January 2002
Blight Removal	October 2001	January 2002
Construction	October 2001	January 2002
<u>PROJECT 9</u>		
<u>Hotel</u>		
Acquisition	Property has already been acquired.	
Blight Removal	January 2005	January 2007
Construction	January 2005	January 2007
<u>PROJECT 9A</u>		
<u>Surface Parking</u>		
Acquisition	Property has already been acquired.	
Blight Removal	October 2001	October 2002
Construction	October 2001	October 2002

Two-Level Parking Structure

Acquisition	Property has already been acquired.	
Blight Removal	December 2004	Dec. 2006
Construction	December 2004	Dec. 2006

Parkland Improvements

Acquisition	Owned by the Board of Parks and Recreation.	
Blight Removal	September 2001	Dec. 2006
Construction	September 2001	Dec. 2006

EXHIBIT 17

DEVELOPER'S AFFIDAVIT

STATE OF KANSAS)
)
COUNTY OF SEDGWICK)

I, John C. Tausche, Manager of Pershing Building, L.L.C., being first duly sworn, state and depose upon oath as follows:

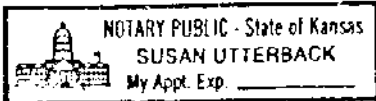
1. A detailed description of the factors that qualify the Redevelopment Area identified in the Second Amendment to the Summit Tax Increment Financing Plan is contained in the Summit Tax Increment Financing Plan. The Redevelopment Area qualifies as a Conservation Area as contained in the Summit Tax Increment Financing Plan. The conditions therein reported are accurate and describe the current state of the Redevelopment Area.
2. The Redevelopment Area qualifies as a Conservation Area as identified in the Summit Tax Increment Financing Plan.
3. The Redevelopment Area 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 tax increment financing.
4. Based on the above factors, it is my opinion that the Redevelopment Area qualifies as a Conservation Area, it has not been subject to growth and development through investment by private enterprise, and the cost of curing the existing conditions is not economically viable if fully borne by private developers. And will not be reasonably anticipated to be developed without the adoption of tax increment financing.

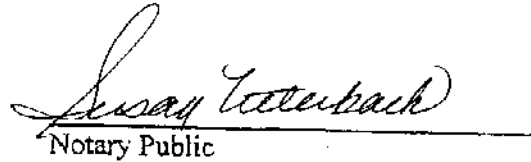
The above statements are true and accurate assessments to the best of my knowledge, information and belief.

Further, affiant sayeth not.


JOHN C. TAUSCHE, MANAGER

Subscribed and sworn to before me, a Notary Public, this 31st day of August, 2001.




Notary Public

My Commission expires:

9/17/02

EXHIBIT 18

EVIDENCE OF COMMITMENT FOR FINANCING

EXHIBIT 19

COVENANT

All property located within Project 9 shall solely be used as a surface parking lot or as a hotel in accordance with the terms of the TIF Plan. Any other use of the property shall be subject to the consent and approval of the TIF Commission. This restriction shall be a covenant running with the land and shall not be affected by any such sale or disposition. Any purchaser of property in Project 9 shall acquire title subject to this obligation insofar as it pertains to the property so acquired.