

**SIXTH AMENDMENT  
TO THE  
UNIVERSAL FLOODWATER DETENTION  
TAX INCREMENT FINANCING PLAN**

---

**KANSAS CITY, MISSOURI**

**TIF COMMISSION APPROVAL:**

***N/A***

---

<b>DATE</b>	<b>RESOLUTION No.</b>
-------------	-----------------------

**CITY COUNCIL APPROVAL:**

**4/26/18**

**180281**

---

<b>DATE</b>	<b>ORDINANCE No.</b>
-------------	----------------------

**The Sixth Amendment  
To The  
Universal Floodwater Detention  
Tax Increment Financing Plan**

**I. INTRODUCTION**

The Sixth Amendment to the Universal Floodwater Detention Tax Increment Financing Plan (the “Sixth Amendment”) shall amend the Universal Floodwater Detention Tax Increment Financing Plan as approved by Committee Substitute for Ordinance No. 910047 on April 18, 1991, and amended by Ordinance No. 911507 of the City of Kansas City, Missouri (the “City”) on December 19, 1991 (the “First Amendment”), by Ordinance No. 000777 on July 20, 2000, (the “Second Amendment”), by Ordinance No. 100476 on July 1, 2010 (the “Third Amendment”), by Ordinance No. 130305 on April 18, 2013 (the “Fourth Amendment”) and by Committee Substitute for Ordinance No. 170773 on October 5, 2017 (“Fifth Amendment” and together with the Fourth Amendment, the Third Amendment, the Second Amendment, the First Amendment and the Universal Floodwater Detention Tax Increment Financing Plan, shall hereinafter be referred to as the “Plan”).

This Sixth Amendment provides for (a) a modification to the Budget of Redevelopment Project Costs and (b) modifications to the sources and uses. The intent of the Plan remains unchanged other than those changes specifically mentioned in this Sixth Amendment.

**II. SPECIFIC AMENDMENTS**

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

**A. Amendment No. 1:** Section VII B. of the Plan, entitled “Sources of Funds” shall be deleted and replaced with the following:

**B. Source of Funds**

Anticipated sources and amounts of funds to pay Redevelopment Project Costs and amounts to be available from those sources are shown on Exhibit 8. Calculations of expected PILOTS are based on current real property assessment formulas and current property tax rates, both of which are subject to change due to many factors, including statewide reassessment, the effects of real property classification for real property tax purposes, and the rollback in tax levies resulting from reassessment or classification. Furthermore, calculations are based on increases in assessments of 1.5% every year that can be expected to result from inflation with no levy increases, which would also increase PILOTS. The estimated PILOTS are set forth in Exhibit 9, attached hereto. If bonds are issued, bond proceeds will be deposited in a special construction fund for use in payment of Reimbursable Project Costs. If property is sold to the selected Developer, land disposition proceeds will be deposited in a special construction fund for use in payment of Reimbursable Project Costs.

1. Payments in Lieu of Taxes

a. Most Recent Accessed Valuation

The total initial equalized assessed valuation of the Redevelopment Area according to records at the Kansas City Assessor's Office is \$4,421,600. The current combined tax levy is projected to be \$9.839 (including 1987 M & M replacement and desegregation surcharge taxes) per \$100 assessed valuation on land and \$9.089 (including 1987 M & M replacement and desegregation surcharge taxes) per \$100 assessed value on improvements. The current annual tax revenue from the Redevelopment Area is \$1,800.78.

b. Anticipated Assessed Valuation and Payments in Lieu of Taxes

Upon completion of the Redevelopment Projects the assessed valuation of the Redevelopment Area is anticipated to be \$23,571,710. The increase in assessed valuation therefore is anticipated to be \$19,156,814. The increase by year is shown on Exhibit 9, as are the resulting Payments in Lieu of Taxes available to pay Reimbursable Project Costs. When complete, the Redevelopment Area will annually initially yield an estimated **\$830,000** in additional real property taxes.

The amount of PILOTS in excess of the funds deemed necessary by ordinance for the retirement of bonds, reserves, sinking funds, and redevelopment project costs, if any, will be declared as surplus and will be available for distribution to the various Taxing Districts in the Redevelopment Area in the manner provided by the Act.

It is anticipated that \$2,612,558 will be declared surplus in 2017, \$1,253,000 will be declared surplus in 2018, \$1,253,000 will be declared surplus in 2019 and \$1,290,590 will be declared surplus in 2020.

2. Economic Activity Taxes

Economic Activity Taxes will be made available, upon annual appropriation and collection, to pay Redevelopment Project Costs. The amount of Economic Activity Taxes in excess of the funds deemed necessary by ordinance for the retirement of bonds, reserves, sinking funds, and Redevelopment Project Costs, if any, will be declared as surplus and will available for distribution to the various taxing districts in the Redevelopment Area in the manner provided by the Act. It is anticipated that \$2,373,241 will be declared surplus in 2017, \$ 2,020,00 will be declared surplus in 2018, \$2,050,300 will be declared surplus in 2019 and \$2,081,056 will be declared surplus in 2020.

**B. Amendment No. 2:** Exhibits 7 to the Plan, entitled "Estimated Redevelopment Project Costs", shall be deleted in their entirety and replaced with Exhibit 7, attached hereto.

C. **Amendment No. 3:** Exhibit 8 to the Plan, entitled “Sources of Funds”, shall be deleted in its entirety and replaced with Exhibit 8, attached hereto.

### III. REQUIRED STATUTORY FINDINGS

With the approval of this Sixth Amendment, the Commission and the City Council shall have made, as required by the Act, the findings set forth below, based upon the record of the public hearing on the Sixth Amendment.

A. **Blighted Area.**

This Sixth Amendment does not alter the City’s previous finding that the Redevelopment Area, on the whole, is a Blighted area.

B. **Expectations for Development**

This Sixth Amendment does not alter the City’s previous finding that the Redevelopment Area, on the whole, 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.

C. **Conforms to Comprehensive Plan of City**

This Sixth Amendment does not alter the City’s previous finding that the Plan conforms to the City’s comprehensive plan.

D. **Date to Adopt Redevelopment Project**

This Sixth Amendment does not provide for the adoption of an Ordinance approving any Redevelopment Project later than ten (10) years from the adoption of the Plan.

E. **Date to Complete Redevelopment**

This Sixth Amendment does not alter estimated dates to complete the Redevelopment Projects, which each is scheduled to be completed not more than twenty-three (23) years from the adoption of any Ordinance approving the Redevelopment Project.

F. **Date to Retire Obligations**

In the event Obligations are issued to finance Redevelopment Project Costs, it is anticipated that such Obligations will be retired in less than twenty-three (23) years from the adoption of the Ordinance approving the last Redevelopment Project to be approved by the City Council from which TIF Revenue is utilized to pay principal and interest on such Obligations.

G. **Acquisition by Eminent Domain**

This Sixth Amendment does not contemplate that any property located within a Redevelopment Project Area will be acquired by eminent domain later than five (5) years from the adoption of the Ordinance approving such Redevelopment Project.

**H. Relocation Assistance**

This Sixth Amendment does not contemplate the relocation of any resident or business pursuant to the City's relocation policy.

**I. Cost-Benefit Analysis**

This Sixth Amendment does not alter the previous cost-benefit analysis approved by the City, which assesses the economic impact of the Plan on each affected Taxing District and provides sufficient information to evaluate whether the Redevelopment Projects, as proposed by the Plan, are financially feasible.

**J. Gambling Establishment**

This Sixth Amendment does not include the initial development or redevelopment of any gambling establishment as defined in the Act.

**Amendment No. 2**  
**Exhibit 7**

**Estimated Redevelopment Project Costs**

**Universal Floodwater Detention Plan - Sixth Amendment  
Exhibit 7**

**Estimated Redevelopment Project Costs**

	<b>Total Project Costs</b>	<b>Reimbursable Project Costs</b>	<b>Reimbursable From Other Public Sources</b>
TIF Commission Expenses	\$250,000	\$250,000	
<b>Public Improvements</b>			
Flood Control, Site Work, and Drainage Costs (not to exceed 10.6% OF Total)	11,117,810	11,117,810	
Storm Water Detention Facility Construction and Appurtenance Costs (316,000 Cubic	600,000	600,000	
Stormwater Improvements <sup>1</sup>			
Storm Sewer Improvements	5,500,000	5,500,000	
Pumpstation Improvements	2,650,000	1,800,000	
Localized Ponding Improvements	500,000	500,000	
Contingency	865,000	865,000	
<b>Total Stormwater Improvements</b>	<b>\$9,515,000</b>	<b>\$8,665,000</b>	
Engineering Platting, Surveying, Staking As Builts. etc.	1,737,500	1,737,500	
10% Contingency	358,524	358,524	
<b>15% for Engineering Platting, Surveying, Staking Asbuilts. Etc.</b>	<b>537,787</b>	<b>537,787</b>	
Curbs, Sidewalks, Pavement Repair - Universal Avenue	800,000	800,000	
Bicycle and Pedestrian Trail N. Chouteau Trafficway to Olive	1,526,000	500,000	
Acquisition and Demolition of former Ramada Hotel	1,500,000	1,500,000	
Front Street Improvements between N. Chouteau Trafficway and Universal Avenue	11,580,000	3,708,492	291,508
<b>TOTAL PUBLIC IMPROVEMENTS</b>	<b>\$39,272,621</b>	<b>\$29,525,113</b>	<b>\$291,508<sup>2</sup></b>
<b>K.C. Market Center</b>			
K.C. Market Center Acquisition Costs			
Land	500,000		
Building Shell	2,000,000		
<b>Subtotal Acquisition</b>	<b>\$2,500,000</b>		
Building Rehabilitation Costs			
KC Market Center			
Roof Replacement	175,000	175,000	
Street/Curb/Parking Repair	225,000	225,000	
Exterior Repair	750,000	750,000	
HVAC Repair (32 units @ \$134,000 each)	1,120,000	1,120,000	
Demolition and Interior Improvement (92,000 sf @ \$24 per sf)	2,300,000	2,300,000	
Interior Miscellaneous	246,000	246,000	
<b>Subtotal Building Rehabilitation</b>	<b>\$4,816,000</b>	<b>\$4,816,000</b>	
KC Market Center Soft Costs			
Interest/Finance Fees	250,000		
Architects	100,000		
Engineering	25,000		
Attorneys	100,000		
Miscellaneous	100,000		
<b>Subtotal Soft Costs</b>	<b>\$575,000</b>	<b>\$287,500</b>	
Estimated Reimbursable Costs For Project Implementation			
Legal	25,000	25,000	

**Universal Floodwater Detention Plan - Sixth Amendment  
Exhibit 7**

**Estimated Redevelopment Project Costs**

	Total Project Costs	Reimbursable Project Costs	Reimbursable From Other Public Sources
TIF Commission General Costs	25,000	25,000	
TIF Plan Implementation Costs	25,000	25,000	
<b>Total TIF Administrative Expenses for KC Market Center</b>	<b>\$75,000</b>	<b>\$75,000</b>	
 <b>Subtotal KC Market Center Project Costs</b>	 <b>\$7,966,000</b>	 <b>\$5,178,500</b>	
Contingency	398,300	258,925	
<b>TOTAL KC MARKET CENTER COSTS</b>	<b>\$8,364,300</b>	<b>\$5,437,425</b>	
 <b>Private Improvements</b>			
Cost for buildings shown based on all office/warehouse (2,800,000 Square Feet) @ \$40 per Square Foot.	104,885,000		
Note: Developer may build up to 3,300,000 square feet			
 Site improvements Including Parking Lot, Sidewalks, Landscaping, Sanitary Sewer, Gas, Electrical, R/W Seeding	16,256,000		
<b>TOTAL PRIVATE IMPROVEMENTS</b>	<b>\$121,141,000</b>		
 <b>TOTAL PROJECT COSTS</b>	 <b>\$169,027,921</b>	 <b>\$35,212,538</b>	 <b>\$291,508</b>

<sup>1</sup> City will contribute \$850,000 towards costs associated with Pump Station Improvements.

<sup>2</sup> City contributed \$291,508 it received from Taxing Districts, pursuant to the First Amendment to the Cooperative Agreement by and among the City, the Commission and the County of Jackson County, Missouri.



**Amendment No. 3  
Exhibit 8**

**Sources of Funds**

<b>EATs and PILOTs</b>	<b>\$35,212,538</b>
<b>City Contribution</b>	<b>8,797,508</b>
<b>Private Debt and Equity</b>	<b><u>125,867,875</u></b>
<b>Total</b>	<b>\$169,877,921</b>

ORDINANCE NO. 180281

Approving the Sixth Amendment to the Universal Floodwater Detention Tax Increment Financing Plan; and directing the City Clerk to transmit copies of this ordinance.

WHEREAS, on April 18, 1991, the City Council passed Committee Substitute for Ordinance No. 910047, as amended, approving the Universal Floodwater Detention Tax Increment Financing Plan (the "Plan") which authorized tax increment financing for redevelopment of an area bounded by Reynolds Avenue on the west, the south bank of the Missouri River on the north, Interstate 435 on the east and Front Street on the south (the "Redevelopment Area"); and

WHEREAS, the Plan has previously been amended five times by Ordinance Nos. 911507, 000777, 100476, 130305 and 170773; and

WHEREAS, among other things, the Fifth Amendment to the Plan (the "Fifth Amendment") provided for the reimbursement of Redevelopment Project Costs related to the Public Improvements, which are estimated to be approximately \$6,900,000 (the "Fifth Amendment Costs"); and

WHEREAS, the Special Allocation Fund established in connection with the Plan (the "Special Allocation Fund") had, as of April 30, 2017, an existing balance of \$11,885,799 (the "SAF Balance"), which is comprised of payments in lieu of taxes ("PILOTS") and economic activity taxes ("EATS") generated and collected within the Redevelopment Project Areas; and

WHEREAS, the City, the Commission and the County of Jackson County, Missouri (the "County") entered into a Cooperative Agreement which provided for the contribution of the City's portion of existing funds deemed to be surplus, (approximately \$2,250,520), and an additional portion of its surplus funds generated thereafter, in an amount not in excess of \$1,361,704, to the County for distribution to each of the taxing districts affected by the Plan in a manner consistent with Section 99.820.1(12); and

WHEREAS, the amount of the SAF Balance in excess of the Fifth Amendment Costs as well as the City's portion of existing surplus funds, were deemed surplus and have been distributed by the Commission to the taxing jurisdictions, pursuant to the Cooperative Agreement; and

WHEREAS, subject to the collection and receipt of sufficient PILOTS and EATS, the additional portion of the City's surplus funds not in excess of \$1,361,704 are anticipated to be distributed to the taxing jurisdictions affected by the Plan in early 2018, following the first quarter's collections; and

WHEREAS, the City desires to distribute \$1,361,704 to the taxing jurisdictions immediately in order to allow the taxing jurisdictions to use their portions of the surplus for their immediate needs; and

WHEREAS, the First Amendment to the Cooperative Agreement provided for the immediate distribution of \$1,361,704; and

ORDINANCE NO. 180281

WHEREAS, a sixth amendment to the Plan ("Sixth Amendment") is required to modify the Budget of Redevelopment Project Costs, and Sources and Uses in accordance with the First Amendment to the Cooperative Agreement; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. The Sixth Amendment, attached hereto as Exhibit A, is hereby approved.

Section 2. All terms used in this ordinance shall be construed as defined in Sections 99.800 to 99.865 of the Revised Statutes of Missouri, as amended (the "Act").

Section 3. The City Council hereby finds that:

- (a) The Redevelopment Plan Area, as modified by the Sixth Amendment, as a whole and each Redevelopment Project Area are blighted as evidenced by the flooding problems, deterioration and underutilization of buildings and other blighting influences.
- (b) The Redevelopment Plan, as modified by the Sixth Amendment, does not alter the City's previous finding that the Redevelopment Area, on the whole, 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.
- (c) The Redevelopment Plan, as modified by the Sixth Amendment, does not alter the City's previous finding that the Plan conforms to the City's comprehensive plan.
- (d) The Redevelopment Plan, as modified by the Sixth Amendment, does not provide for the adoption of an Ordinance approving any Redevelopment Project later than ten (10) years from the adoption of the Plan.
- (e) The Redevelopment Plan, as modified by the Sixth Amendment, does not alter estimated dates to complete the Redevelopment Projects, which each is scheduled to be completed not more than twenty-three (23) years from the adoption of any Ordinance approving the Redevelopment Project.
- (f) In the event Obligations are issued to finance Redevelopment Project Costs, it is anticipated that such Obligations will be retired in less than twenty-three (23) years from the adoption of the Ordinance approving the last Redevelopment Project to be approved by the City Council from which payments in lieu of taxes and economic activity taxes are utilized to pay principal and interest on such Obligations.
- (g) The Redevelopment Plan, as modified by the Sixth Amendment, does not contemplate that any property located within a Redevelopment Project Area will be acquired by eminent domain later than five (5) years from the adoption of the Ordinance approving such Redevelopment Project.

ORDINANCE NO. 180281

- (h) The Redevelopment Plan, as modified by the Sixth Amendment, does not contemplate the relocation of any resident or business pursuant to the City's relocation policy.
- (i) The Redevelopment Plan, as modified by the Sixth Amendment, does not alter the previous cost-benefit analysis approved by the City, which assesses the economic impact of the Plan on each affected Taxing District and provides sufficient information to evaluate whether the Redevelopment Projects, as proposed by the Plan, are financially feasible.
- (j) The Redevelopment Plan, as modified by the Sixth Amendment, does not include the initial development or redevelopment of any gambling establishment as defined in the Act.

Section 4. The Commission is authorized to issue obligations in one or more series of bonds secured by the Universal Floodwater Detention TIF Account of the Special Allocation Fund to finance Redevelopment Project Costs within the Redevelopment Plan 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 1990 Redevelopment Plan pursuant to the power delegated to it in Ordinance No. 54556. 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 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:

  
Brian T. Rabineau  
Assistant City Attorney

Authenticated as Passed

  
Sly James, Mayor

  
Marilyn Sanders, City Clerk

APR 26 2018

Date Passed

