

SECOND AMENDMENT TO THE 87th & HILLCREST ROAD TAX INCREMENT FINANCING PLAN

KANSAS CITY, MISSOURI

TIF COMMISSION APPROVAL:

 N/A
DATE: **RESOLUTION No.**

CITY COUNCIL APPROVAL:

 5/4/2023 230355
DATE: **ORDINANCE No.**

SECOND AMENDMENT

TO THE

87TH & HILLCREST TAX INCREMENT FINANCING PLAN

I. Introduction

The Second Amendment to 87th & Hillcrest Tax Increment Financing Plan (the “Second Amendment”) shall amend the 87th & Hillcrest Tax Increment Financing Plan, as approved by Ordinance No. 05212, and as subsequently amended by the First Amendment to the Plan, as approved by Ordinance No. 060708 (collectively, referred to herein as the “Plan”).

The Second Amendment to the Plan modifies the (a) Estimated Budget of Redevelopment Projects, (b) Sources Funds described by the Plan and (c) exhibits to the Plan with such other conforming changes that are in furtherance of the forgoing modifications.

II. Specific Amendments

The 87th & Hillcrest Road Tax Increment Financing Plan shall be amended as follows:

Amendment No. 1: The first two sentences of Section IV.A of the Plan, entitled “Estimated Redevelopment Project Costs,” shall be deleted in its entirety and replaced with the following:

VI. Estimated Redevelopment Project Costs. The total cost to Redeveloper to perform the Redevelopment Project is estimated to be approximately \$63,633,459 as set forth in detail on **Exhibit 5**. The Plan proposes that approximately \$28,919,817 in Redevelopment Project Costs be reimbursable from Payments in Lieu of Taxes and Economic Activity Taxes generated by the Redevelopment Project, as detailed on **Exhibit 6**. Based on those estimates, approximately 45% of the total Redevelopment Project Costs will be reimbursed through tax increment financing and the Redeveloper will fund the remaining costs of approximately \$34,711,642 or 55% through a combination of equity, third party funds and debt financing.

Amendment No. 2: Delete the first page of Exhibit 5 of the Plan entitled “Estimated Redevelopment Costs” in its entirety and replace it with the first page of Exhibit 5 “Estimated Redevelopment Costs,” attached hereto.

Amendment No. 3: Delete Exhibit 7 of the Plan entitled “Sources and Uses of Funds” in its entirety and replace it with Exhibit 7 “Sources of Funds,” attached hereto.

Amendment No. 2

Exhibit 5 (First Page)

Estimated Redevelopment Project Costs

DESCRIPTION	TIF REIMBURSABLE	MISC. SITE	BUILDING	UTILITY BUILDING	TOTALS
SITE WORK	\$7,823,645	\$219,590	\$591,765	\$55,320	\$8,690,320
BUILDING STRUCTURE	\$130,515	\$0	\$4,938,825	\$952,839	\$6,022,178
BUILDING FINISHES	\$0	\$0	\$1,570,890	\$66,588	\$1,637,478
EQUIPMENT	\$0	\$0	\$2,467,750	\$215,000	\$2,682,750
MECHANICAL/ELECTRICAL	\$1,232,673	\$60,130	\$4,518,703	\$395,901	\$6,207,407
SITE SIGNAGE (POLE & MONUMENT)	\$360,782	\$0	\$0	\$0	\$360,782
STREETSCAPE © 87TH STREET	\$120,261	\$0	\$0	\$0	\$120,261
SUBTOTAL:	\$9,667,876	\$279,720	\$14,087,933	\$1,685,648	\$25,721,177
Design Fees	\$823,705	\$13,986	\$704,397	\$84,282	\$1,626,370
Consultant Fees	\$75,000	\$0	\$0	\$0	\$75,000
Legal Fees	\$152,000	\$0	\$50,000	\$0	\$202,000
Land Purchase (25 acre site)	\$2,750,000	\$0	\$0	\$0	\$2,750,000
Land Purchase (12 acre option site)	\$0	\$0	\$0	\$0	\$0
TIF Commission Expenses	\$250,000	\$0	\$0	\$0	\$250,000
Certificate of Completion and Compliance	\$9,533	\$0	\$0	\$0	\$9,533
Finance Charges (Construction Loan)	\$2,334,013	\$0	\$1,335,687	\$0	\$3,669,700
Finance Charges (Permanent Loan)	\$12,859,690	\$0	\$16,469,989	\$0	\$29,329,679
TOTAL:	\$28,921,817	\$293,706	\$32,648,006	\$1,769,930	\$63,633,459

Amendment No. 3

Exhibit 7

Sources and Uses of Funds

<u>SOURCE OF FUNDS:</u>	<u>TIF REIMBURSABLE</u>	<u>NON-TIF BUILDING & Other</u>	<u>TOTALS</u>
EQUITY		\$ 4,560,413	\$ 4,560,414
EQUITY – INTEREST REIMBURSEMENTS		\$ 16,469,989	\$ 16,469,989
TIF – INTEREST REIMBURSEMENTS	\$ 12,859,690		\$ 12,859,690
PRIVATE FINANCING		\$ 13,681,240	\$ 13,681,241
TIF FINANCING	\$ 16,062,127		\$ 16,062,127
TOTALS	\$ 28,921,817	\$ 34,711,642	\$ 63,633,459

<u>USE OF FUNDS:</u>			
SITE WORK	\$ 7,823,645	\$ 866,675	\$ 8,690,320
BUILDING STRUCTURE	\$ 130,515	\$ 5,891,664	\$ 6,022,179
BUILDING FINISHES	\$ -	\$ 1,637,478	\$ 1,637,478
EQUIPMENT	\$ -	\$ 2,682,750	\$ 2,682,750
MECHANICAL/ELECTRICAL	\$ 1,232,673	\$ 5,974,734	\$ 6,207,407
SITE SIGNAGE (POLE & MONUMENT)	\$ 360,782		\$ 360,782
STREETSCAPE @ 87TH STREET	\$ 120,261		\$ 120,261
DESIGN FEES	\$ 823,705	\$ 802,665	\$ 1,626,370
CONSULTANTS FEES	\$ 75,000		\$ 75,000
LEGAL FEES	\$ 152,000	\$ 50,000	\$ 202,000
LAND PURCHASE (25 acre site)	\$ 2,750,000		\$ 2,750,000
LAND PURCHASE (12 acre option site)	\$ -		\$ -
TIF COMMISSION EXPENSES	\$ 250,000		\$ 250,000
CERTIFICATE OF COMPLETION & COMPLIANCE	\$ 9,533		\$ 9,533
FINANCING COSTS – CONSTRUCTION	\$ 2,334,013	\$ 1,335,687	\$ 3,669,700
FINANCING COSTS – PERMANENT	\$ 12,859,690	\$ 16,469,989	\$ 29,329,679
TOTALS	\$ 28,921,817	\$ 34,711,642	\$ 63,633,459



File #: 230355

ORDINANCE NO. 230355

Approving the Second Amendment to the 87th & Hillcrest Tax Increment Financing Plan.

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 March 3, 2005, the City Council of Kansas City, Missouri (the “Council”) passed Ordinance 050212, which accepted the recommendations of the Commission and approved the 87th & Hillcrest Tax Increment Financing Plan (the “Redevelopment Plan”) and designated the Redevelopment Area described therein to be a blighted area (the “Redevelopment Area”); and

WHEREAS, the 87th & Hillcrest Tax Increment Financing Plan has since been amended one (1) time by Ordinance No. 060708; and

WHEREAS, on March 31, 2023, notice was given, as provided in Sections 99.825 and 99.830 of the Act, in connection with the Second Amendment to the Redevelopment Plan (the “Second Amendment”);

WHEREAS, the Second Amendment provides for modifications (a) to the Estimated Budget of Redevelopment Projects, (b) to the Sources Funds described by the Plan and (c) to the exhibits to the Plan with such other conforming changes that are in furtherance of the forgoing modifications and such modifications do not alter the exterior boundaries of the Redevelopment Area or enlarge the exterior boundary of any Redevelopment Project Area described by the Redevelopment Plan, affect the general land uses described by the Redevelopment Plan or change the nature of any Redevelopment Project described by the Redevelopment Plan; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. The Second Amendment, as attached hereto, 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 Ordinance Nos. 050212 and 060708 with respect to the Redevelopment Plan are not affected by the Second Amendment and apply equally to the Second Amendment;
- (b) The Redevelopment Area, as amended, is a blighted 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 Second Amendment;
- (c) The Redevelopment Plan, as amended by the Second Amendment, includes a detailed description of the factors that qualify the Redevelopment Area as a blighted area and an affidavit as required by Section 99.810.1(1), RSMo;
- (d) The Redevelopment Plan, as amended by the Second 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 Second 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 Second 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;
- (g) A plan has been developed for relocation assistance for businesses and residences;
- (h) The Second 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 Second 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.

Approved as to form:



Emalea Black
Associate City Attorney

Authenticated as Passed

[Signature]
for

Quintopoulos, Mayor

Marilyn Sanders, City Clerk

MAY 04 2023

Date Passed

