

FOURTEENTH AMENDMENT TO THE NORTH OAK TAX INCREMENT FINANCING PLAN

KANSAS CITY, MISSOURI

TIF COMMISSION APPROVAL:

DATE: **RESOLUTION No.**

CITY COUNCIL APPROVAL:

DATE: **ORDINANCE No.**

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

I. Introduction

The purpose of the Fourteenth Amendment to the North Oak Tax Increment Financing Plan (the “Fourteenth 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, the Ninth Amendment, as approved by Ordinance No. 170739 on October 5, 2017; the Tenth Amendment, as approved by Ordinance No. 180053 on February 1, 2018; the Eleventh Amendment, as approved by Ordinance No. 190925 on August 27, 2020; the Twelfth Amendment, as approved by Ordinance No. 220665 on August 11, 2022; and the Thirteenth Amendment, as approved by Ordinance No. 230212 on March 9, 2023 (collectively, referred to herein as the “Plan”). The Second Amendment was withdrawn prior to the Commission’s consideration.

The proposed Fourteenth Amendment to the Plan (a) modifies Façade and Site Improvement Guidelines, (b) modifies the Budget of Redevelopment Project Costs, (c) modifies the Sources of Funds and (d) modifies certain exhibits to and sections of the Plan that are in furtherance of the foregoing.

II. Specific Amendments

In accordance with this Fourteenth Amendment to the Plan shall be amended as follows:

Amendment No. 1: 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 \$92,403,566 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 4,267,789 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. 2: The first paragraph of Section V. of the Plan entitled “Most Recent Equalized Assessed Valuation,” shall be deleted in its entirety and replaced with the following:

“The total initial equalized assessed valuation of the Redevelopment Area according to 2004 records at the Clay County Assessor’s Office was approximately \$6,905,371 and, as of the 2023 records at the Clay County Assessor’s Office, the assessed value is approximately \$15,159,990.00. The combined ad valorem property tax levy for improvements is projected to be \$9.43 per \$100 assessed valuation.”

Amendment No. 3: Deletion of Exhibit 5 to the Plan “Estimated Redevelopment project Costs” and the insertion of a new Exhibit 5 “Estimated Redevelopment Project Costs”.

Amendment No. 4: Deletion of Exhibit 7 to the Plan “Sources of Funds for All Estimated Redevelopment Project Costs” and the insertion of a new Exhibit 7 “Sources of Funds for All Estimated Redevelopment Project Costs”.

Amendment No. 5: Deletion of Exhibit 13 to the Plan “The Façade and Site Improvement Program Guidelines, as amended” and the insertion of a new Exhibit 13 “The North Oak Development Program”.

Amendment No. 3

Exhibit 5

Estimated Redevelopment Project Costs

[See Attached]

**North Oak Corridor TIF Plan
Fourteenth 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	-	-	
Streetscape Design	500,000	140,040	
Subtotal	\$ 30,852,800	\$ 2,472,840	
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	430,000		430,000
Gorman Park Pool Construction	1,530,000		1,530,000
Public Infrastructure (Roads, Sidewalks, Curbs, Sewer Lines)	919,381		919,381
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)	450,000		450,000
Intersection at NE 48th Street and NE Vivion Road	350,000		350,000
The North Oak Development Program	4,154,800	3,944,800	210,000
Total Public Improvements Costs	\$ 11,923,171	\$ 7,655,382	\$ 4,267,789
Subtotal	\$ 61,550,766	\$ 20,799,294	\$ 4,267,789
TOTAL	\$ 92,403,566	\$ 23,272,134	\$ 4,267,789

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.

Amendment No. 4

Exhibit 7

Sources of Funds for All

Estimated Redevelopment Project Costs

1. Estimated Amount Reimbursable Costs funded with PILOTS and Economic Activity Taxes (EATS)

Project Area 1 & 2	\$2,472,840
Project Areas 3 through 6	\$13,143,912
<u>Public Improvements</u>	<u>\$7,655,382</u>
TOTAL	\$23,272,134

2. Estimated Reimbursable Costs funded with STIF

Project Area 1 & 2	\$0
Project Areas 3 through 6	\$0
<u>Public Improvements</u>	<u>\$4,267,789</u>
TOTAL	\$4,267,789

2. Estimated Reimbursable Costs funded with Private Debt/Equity and other sources

Project Area 1 & 2	\$28,379,960
Project Areas 3 through 6	\$35,483,683
<u>Public Improvements</u>	<u>\$0</u>
TOTAL	\$64,863,643

Amendment No. 5

Exhibit 13

The North Oak Development Program

Title, Definition and Purpose

The title, “North Oak Façade and Site Program,” will hereby become known as “the North Oak Development Program” (the Program). The Program’s purpose is to promote investment and improvements to commercial and residential properties on North Oak Trafficway between 32nd Ave on the south and NE 46th St on the north. This area was identified in the North Oak TIF Plan as one with a high concentration of blighted buildings, under-utilized and undeveloped parcels. The purpose of the Program is to incentivize investments that will improve the aesthetic appeal of the North Oak corridor by attracting new development to enhance the local community and those who live or work within it.

Eligible Improvements (if constructed)

- Improvements to any existing exterior building components (in part or in whole) visible from North Oak Trafficway.
- The construction of any new exterior building components visible from North Oak Trafficway
- The installation of monument and building signage
- Site work related to Greening (creating a reduction in storm water runoff)
- Demolition, full or partial of any existing improvements
- Property evaluation expenses (studies or surveys needed to assess the opportunity)
- Design and Engineering expenses (architectural, civil or others)
- Legal and Financial expenses (associated with the acquisition and redevelopment of a potential improvement site)
- Public Infrastructure expenses (such as street, sidewalk, water, sewer, storm drainage, bus stops, pedestrian demarcations, amenity spaces or other public-serving expenses)
- Horizontal Improvements (curbs, sidewalks, hardscapes, site amenities, irrigation, site utilities, grading and site preparation)
- Removal of pole signs at no cost to property owner (up to \$7,500), calculated separately from any awarded funding.

Non-Eligible Improvements

- Exterior improvements not visible from the street
- Installation or repair to pavement/parking lots
- Installation or repair to roofs

- Implementation of landscaping not related to other Eligible Improvements

Funding

Funding is available only for Eligible Improvements and requires a dollar-for-dollar match from the applicant. Only applications approved by the Program's Oversight Committee will receive funding. Such applications may be submitted at any time prior to, during, or following the acquisition of a property by the property owner or prospective purchaser. Following the Committee's review, it will, at its sole discretion, inform the applicant of its willingness to fund the requested improvements (if any).

Requirements

Funding shall be conditioned upon compliance with City's Code of Ordinances, including Chapter 3, Article IV and Division 1 (Affirmative Action), Division 2 (Minority and Women's Business Enterprises), Division 3 (Construction Workforce), Division 4 (Small Local Businesses Enterprises) and Division 5 (Prevailing Wage). Each applicant is encouraged to familiarize themselves with the aforementioned requirements associated with City funding programs to ensure compliance.

Applicants will submit a completed application (attachment B) along with documentation showing all the following are current and/or paid:

- Paid Tax Receipts for past two years
- KCMO Business License
- Proof of Liability Insurance
- Proof of Ownership or a signed affidavit from the owner granting permission to perform the improvements
- Articles of Incorporation/Organization
- Certificate of Good Standing with the Secretary of State

All requirements are non-negotiable.

Non-Eligible Businesses

The Program will not provide funding to parcels containing Nuisance Businesses as defined by the City of Kansas City, Missouri Economic Development & Incentives Policy Exhibit A, Part C Paragraph 11. These businesses are listed below. The removal of pole signs will be the only eligible activity for such businesses.

Businesses for which the sale of package liquor, firearms and/or tobacco products comprise more than 30% of retail sales or sales display area, pawn shops, short term loan establishments, gambling, blood/plasma centers, "adult-oriented" business, cigarette/smoke/vaping shops and hookah lounges, scrap metal operations, tattoo/piercing parlors and used car lots.

Pole Signs

Pole sign removal will be funded without a match requirement up to \$7,500. If an improvement is proposed which includes the remove a pole sign and installation of new signage, then removal of the pole sign will be funded without a match up to \$7,500 and installation of new signage will require a one-to-one match. Funding requests made solely for pole sign removal must submit the following documentation along with a completed application:

- Proof of ownership or a signed affidavit from the owner granting permission to perform the improvements.

Activities included in the removal of pole signs are defined as:

- Removal of pole with or without sign
- Removal of base
- Termination of power supply
- Fill disturbed areas with materials matching the surrounding environment e.g. (filling with asphalt when pole sign base was surrounded by asphalt).
- Any related permits

Oversight Committee

The Program's Oversight Committee is comprised of no fewer than 5 and no more than 7 members, appointed by the North Oak TIF Advisory Committee. The sole purpose of the Oversight Committee is to review applications for eligibility under the Program's guidelines. Recommendations outside of the Program's guidelines will require majority approval from the North Oak TIF Advisory Committee. Any modifications to the Program's guidelines will need majority approval by the North Oak TIF Advisory Committee and ratification by the TIF Commission.

Agreement

Improvements shall require the applicant to enter into a development agreement with the Tax Increment Financing Commission.

Contractor Requirements

The following is required from all contractors paid through the Program:

- KCMO Business License
- Certificate of Insurance
- SAM.GOV registration without exclusions