

SEVENTH AMENDMENT TO THE LINWOOD SHOPPING CENTER TAX INCREMENT FINANCING PLAN

KANSAS CITY, MISSOURI

TIF COMMISSION APPROVAL:

DATE: **RESOLUTION NO.**

CITY COUNCIL APPROVAL:

DATE: **ORDINANCE NO.**

SUMMARY

The Linwood Shopping Center Tax Increment Financing Plan (the “Plan”) contemplates the construction of approximately 129,450 square feet of retail space, including a grocery store, parking and all necessary appurtenances and utilities to support such development (the “Project Improvements”) in an area generally bounded by 31st Street, between Olive Street and Prospect Avenue, and 30th Street, between Prospect Avenue and Montgall Avenue, on the north, Linwood Boulevard on the south, Montgall Avenue on the east, and Olive Street on the west, all in Kansas City, Jackson County, Missouri (the “Redevelopment Area”). The Seventh Amendment to the Plan (the “Seventh Amendment”) (1) eliminates Redevelopment Project Area 5, (2) modifies the Estimated Redevelopment Project Costs, (3) modifies the Sources of Funds, (4) eliminates the improvements related to Redevelopment Project 5, (5) eliminates the employment and constructions totals for Redevelopment Project 5, (6) modifies the Development Schedule, and (7) modifies certain exhibits to and sections of the Plan that are in furtherance of the foregoing.

I. Specific Amendments

The Plan shall be amended as follows:

Amendment No. 1: Delete Section I., entitled “Summary,” in its entirety and insert the following in lieu thereof:

SUMMARY

The Linwood Shopping Center Tax Increment Financing Plan (the “Plan” or “Redevelopment Plan”) provides for the construction of approximately 119,450 square feet of retail space, including a grocery store, parking and all necessary appurtenances and utilities to support such development (the “Project Improvements”) in an area generally bounded by 31st Street, between Olive Street and Prospect Avenue, and 30th Street, between Prospect Avenue and Montgall Avenue, on the north, Linwood Boulevard on the south, Montgall Avenue on the east, and Olive Street on the west, all in Kansas City, Jackson County, Missouri (the “Redevelopment Area”).

The Redevelopment Area is approximately 9.34 acres and it will consist of four (4) Redevelopment Project Areas, with Redevelopment Project 1 consisting of 38,000 square feet of retail space, Redevelopment Project 2 consisting of approximately 14,000 square feet of retail space and Redevelopment Project 3 consisting of approximately 12,000 square feet of retail space, Redevelopment Project 4 consisting of approximately 55,450 square feet of retail space.

The estimated Redevelopment Project Costs to implement the Project Improvements contemplated by the Plan are approximately \$26,971,598, of which \$26,121,598 is to be reimbursed from TIF Revenue, Additional City EATs, and Additional City Tax Revenue (as each is hereafter defined). The Reimbursable Project Costs are identified on Exhibit 4A and all supplements thereto, attached to this Plan.

The total initial equalized assessed valuation of Redevelopment Project Areas 1, 2 and 3, according to 2015 records at the Jackson County Assessor's Office, is approximately \$555,583 and the total initial equalized assessed valuation of Redevelopment Project Area 4, according to 2019 records at the Jackson County Assessor's Office, is approximately \$757,962. The current combined ad valorem property tax levy is projected to be \$7.9873 per \$100 assessed valuation in Jackson County. The 2019 annual ad valorem tax revenue generated within the Redevelopment Area was approximately 76,750. The total initial equalized assessed valuation of each Redevelopment Project Area will be determined prior to the time the Redevelopment Project Area is designated by Ordinance.

Pursuant to the Act, Tax Increment Financing provides that Economic Activity Taxes and Payment in Lieu of Taxes generated and collected within the Redevelopment Project Areas for a twenty-three (23) year period may be used to pay or reimburse Redevelopment Project Costs.

The estimated Payments in Lieu of Taxes to be generated within the Redevelopment Project Areas is based on current real property assessment formulas and current and anticipated property tax rates, both of which are subject to change due to many factors, including reassessment, the effects of real property classification for real property tax purposes, and the rollback in tax levies resulting from reassessment or classification. The estimated total Payments in Lieu of Taxes generated within the Redevelopment Project Areas over the period tax increment financing shall be authorized is \$4,900,470. Those Payments in Lieu of Taxes are shown on Exhibit 5 and all supplements thereto. Any Payments in Lieu of Taxes that exceed the amount necessary for such reimbursement, subject to Section 99.850, shall be declared surplus and be available for distribution to the various Taxing Districts located partially or wholly within the Redevelopment Area in the manner provided by the Act.

The estimated Economic Activity Taxes to be generated within the Redevelopment Project Area, subject to appropriation by the City Council, which will be available to pay Reimbursable Project Costs, are approximately \$8,120,171. Those Economic Activity Taxes are shown on Exhibit 5 and all supplements thereto. Any Economic Activity Taxes that exceed the amount necessary for such reimbursement, subject to Section 99.850, shall be declared surplus and shall be available for distribution to various Taxing Districts located partially or wholly within the Redevelopment Area in the manner provided by the Act.

The estimated Additional City EATs, subject to appropriation by the City Council, which will be available to pay Reimbursable Project Costs, is approximately \$1,093,207, as more specifically set forth on Exhibit 5 and all supplements thereto.

The estimated Additional City Tax Revenue, subject to appropriation by the City, that will be available to pay Redevelopment Project Costs is approximately \$2,389,146, as more specifically set forth on Exhibit 5 and all supplements thereto.

Upon the reimbursement of all Reimbursable Project Costs, subject to Section 99.850, Tax Increment Financing will be terminated and the Taxing Districts (as hereafter defined), shall receive all taxes generated within the Redevelopment Project Areas.

Amendment No. 2: Delete Section III. A., entitled “Redevelopment Plan” in its entirety and insert the following in lieu thereof:

A. The Redevelopment Plan. The Linwood Shopping Center Tax Increment Financing Redevelopment Plan (the “Redevelopment Plan”) is to be developed by the City of Kansas City, Missouri, unless and until a private developer is so designated by the Commission. The Plan provides, in part, for the construction of approximately 38,000 square feet of retail space within Redevelopment Project Area 1, approximately 14,000 square feet of retail space within Redevelopment Project Area 2, approximately 12,000 square feet of retail space within Redevelopment Project Area 3 and approximately 55,450 square feet of retail space within Redevelopment Project Area 4.

Amendment No. 3: Delete Section III. C., entitled “Project Improvements” in its entirety and insert the following in lieu thereof:

C. Project Improvements. Project Improvements will consist of the (i) demolition of the properties located in Redevelopment Project Area 1; construction of approximately 38,000 square feet of grocery store, and renovation of approximately 14,000 square feet of retail space in Redevelopment Project Area 2, 12,000 square feet of retail space in Redevelopment Project Area 3 and 55,450, square feet of retail space in Redevelopment Project Area 4, all accompanied by surface parking and landscaping; provided, however, Project Improvements shall not include the development, redevelopment, or renovation of any improvements that contemplates or permits the uses described on Exhibit 13. Estimated construction and employment information for the Redevelopment Projects are set forth on Exhibit 4.A.

Amendment No. 4: Delete the first sentence of Section IV. A., entitled “Estimated Redevelopment Project Costs,” in its entirety and insert the following in lieu thereof:

A. Estimated Redevelopment Project Costs. The total cost to the Redeveloper(s) to implement Project Improvements is projected to be approximately \$26,971,598 as set forth in detail on Exhibit 4A. The Plan proposes that approximately \$26,121,598 in Redevelopment Project Costs be reimbursable from Payments in Lieu of Taxes, Economic Activity Taxes, and Additional City EATs and Additional City Tax Revenue, as detailed on Exhibit 4A.

Amendment No. 5 Amend Exhibit 1.B of the Plan, entitled “Legal Descriptions – Project Areas 1-4,” by inserting Exhibit 1.B, entitled, “Legal Descriptions – Project Areas 1-4,” attached hereto.

Amendment No. 6: Amend Exhibit 2.A of the Plan, entitled “Maps,” by inserting Exhibit 2.A, entitled, “Maps,” attached hereto.

Amendment No. 7: Amend Supplement to Exhibit 4.A of the Plan, entitled “Estimated Redevelopment Project Costs for Redevelopment Project 4,” by deleting it in its entirety and replacing it with Supplement to Exhibit 4.A, entitled, “Estimated Redevelopment Project Costs for Redevelopment Project 4,” attached hereto.

Amendment No. 8 Amend Supplement to Exhibit 4.B of the Plan, entitled “Development Schedule for Redevelopment Project 4,” by deleting it in its entirety and replacing it with Supplement to Exhibit 4.B, entitled, “Development Schedule for Redevelopment Project 4,” attached hereto.

Amendment No. 9: Amend Exhibit 4.C of the Plan, entitled “Construction Totals for Redevelopment Project 4 and Redevelopment Project 5,” by deleting it in its entirety and replacing it with Exhibit 4.C, entitled, “Construction Totals for Redevelopment Project 4,” attached hereto.

Amendment No. 10: Amend Exhibit 4.D of the Plan, entitled “Employment Totals for Redevelopment Project 4 and Redevelopment Project 5,” by deleting it in its entirety and replacing it with Exhibit 4.D, entitled, “Employment Totals for Redevelopment Project 4,” attached hereto.

Amendment No. 11: Amend Exhibit 6 of the Plan, entitled “Supplement to Sources and Uses of Funds,” by inserting Exhibit 6, entitled, “Supplement to Source of Funds for Redevelopment Project 4,” attached hereto.

EXHIBIT 1B

Legal Description of Redevelopment Project Areas 1-4

Project 1 – 3110 Prospect Mooney Place Tract V

Project 2 - 3110 Prospect Mooney Place Tract VI and VII

Project 3 - 3110 Prospect Mooney Place Tract IV

Project 4 – CDC-KC Linwood Square 1st Plat lot 1 and CDC-KC Linwood Square 2nd Plat, Lot 1

EXHIBIT 2A

Site Plan

[See Attached]

EXHIBIT 4A

Estimated Budget of Redevelopment Project Costs for Redevelopment Project 4

[See Attached]

EXHIBIT 4B

Development Schedule for Redevelopment Project 4

Event	Date of Completion
City and Agency Approvals	Summer 2019
Financial Closing	September 2019
Project Design Completion	September 2019
Begin Construction	October 2019
Anticipated Project Completion	June 2020

EXHIBIT 4C

Construction Totals for Redevelopment Project 4

	New Construction	Existing Structures to REMAIN as is	Existing Structures to be REHABBED	Total	Existing Structures to be DEMOLISHED
Office SF	0	0	0	0	0
Retail SF	0	0	55,450	55,450	0
Institutional SF	0	0	0	0	0
Industrial SF	0	0	0	0	0
Residential SF	0	0	0	0	0
Total Square Feet	0	0	55,450	55,450	0
Number of Dwelling Units	0	0	0	0	0
Number of Motel Rooms	0	0	0	0	0
Number of Parking Spaces	0	0	0	0	0

EXHIBIT 4D

Employment Totals for Redevelopment Project 4

Permanent jobs to be CREATED IN Kansas City	9
Permanent jobs to be RELOCATED TO Kansas City	0
Permanent jobs to be RETAINED IN Kansas City	28
TOTAL	37
Anticipated Annual Payroll	\$5,061,768
Estimated number of construction workers to be hired during construction phase	9
Estimated payroll in construction phases	\$2,530,884

EXHIBIT 6

Supplement to Sources and Uses Redevelopment Project 4

SOURCES	
Sources of Funds	
Private Sources:	
Developer/Owner's Equity	\$456,567
PACE Financing	\$490,527
Total Private Sources	\$947,094
Public Financing Sources (Pay-As-You-Go Estimates):	
Estimated TIF	\$7,192,830
Estimated Super TIF	\$1,093,207
PIAC Grant	\$502,000
Central City EDI	\$2,389,146
Total Estimated Public Sources	\$11,177,183
Total Sources	\$12,124,277