

## COMMITTEE SUBSTITUTE FOR ORDINANCE NO. 190524

Accepting the recommendations of the Tax Increment Financing Commission; approving the First Amendment to the Linwood Shopping Center Tax Increment Financing Plan; and directing the City Clerk to transmit copies of this ordinance.

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"), the City Council of Kansas City, Missouri (the "Council") by Ordinance No. 54556 passed on November 24, 1982, and thereafter repealed and amended in certain respects by Committee Substitute for Ordinance No. 911076, as amended, passed on August 29, 1991, Ordinance No. 100089, passed on January 28, 2010, Ordinance No. 130986, passed on December 19, 2013, and Committee Substitute for Ordinance No. 140823, as amended, passed on June 18, 2015 (the "Authorizing Ordinances") created the Tax Increment Financing Commission of Kansas City, Missouri (the "Commission"); and

WHEREAS, on June 16, 2016, the Council passed Ordinance No. 160448, which accepted the recommendations of the Commission as to the Linwood Shopping Center Tax Increment Financing Plan (the "Redevelopment Plan" or "Plan"), approved the Redevelopment Plan as a comprehensive effort intended to reduce or eliminate blight and enhance the tax base within the Redevelopment Area ("Redevelopment Area") described by the Plan through the implementation of certain improvements ("Project Improvements") within redevelopment projects described by the Plan ("Redevelopment Projects"); and

WHEREAS, the First Amendment to the Plan (the "First Amendment") was proposed to the Commission which (a) provides for the expansion of the Redevelopment Area described by the Plan and incorporates the addition of a new Redevelopment Project Area 4; (b) provides for modifications to the Project Improvements described by the Plan; (c) modifies the Budget of Redevelopment Project Costs; (d) modifies the estimated amount of Payments in Lieu of Taxes and Economic Activity Taxes identified by the Plan; (e) modifies the most recent equalized assessed value of the Redevelopment Area; (f) modifies the estimated equalized assessed value after the completion of the Project Improvements; (g) incorporates the employment totals and construction totals for the Project Improvements contemplated Redevelopment Project Area 4; (h) modifies the Sources and Uses described by the Plan; (i) modifies the Cost Benefit Analysis described by the Plan; (j) modifies the "But-For" analysis described by the Plan; and (k) provides for the inclusion of Redevelopment Project 4; and

WHEREAS, the Commission and Linwood Shopping Center Redevelopment Corporation, LLC, a Missouri limited liability company (the "Redeveloper"), will enter into an agreement (the "Redevelopment Agreement"), which shall provide, inter alia, for the implementation of the Project Improvements and for the reimbursement of certain redevelopment project, as identified by the Plan, that have been incurred by the Redeveloper and certified, pursuant to the Redevelopment Agreement, by the Commission (the "Certified Costs") and after all proper notices were given, the Commission, which has been duly constituted, convened a public hearing on April 10, 2019, to consider, inter alia, the first Amendment and, after receiving comments from all interested persons and taxing districts with respect to the First Amendment, the Commission closed the public hearing

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and passed Resolution No. 4-20-19, which includes a recommendation for the Council to approve the First Amendment; and

WHEREAS, after the conclusion of the public hearing conducted by the Commission, Linwood Shopping Center Redevelopment Company, LLC, the proponent of the of the First Amendment (the “Proponent”), desires to modify the First Amendment by (1) increasing the Budget of Redevelopment Project Costs, (2) modifying the Sources to provide for additional tax contributions by the City, and (3) incorporating additional blight remediation within the Redevelopment Area described by the First Amendment (collectively, the “Additional Modifications”); and

WHEREAS, the proposed Additional Modifications do not alter the exterior boundaries of the Redevelopment Area described by the First Amendment or any Redevelopment Project Area described by the First Amendment, affect the general land uses described by the First Amendment or change the nature of any Redevelopment Project described by the First Amendment; and

WHEREAS, the Council desires to approve First Amendment recommended by the Commission, along with Additional Modifications proposed by the Proponent, which includes the City’s agreement to provide additional tax contributions for the purpose of paying certain Redevelopment Project Costs identified by the First Amendment, as modified by the Additional Modifications, provided, however, the City’s payment of such additional tax contributions shall be (1) subject to annual appropriation and collection of the total additional revenues from taxes which are imposed by the City and generated by economic activities within the Redevelopment Area described by the First Amendment, which are not subject to capture, in accordance with the Act, and would otherwise be deposited into the City’s general municipal funds, (2) used for the payment of certain Development Projects Costs identified by the Budget of Redevelopment Project Costs incorporated within the First Amendment, as modified by the Additional Modifications, and that relate to certain blight remediation within the portion of the Redevelopment Area (as described by the First Amendment) that is located south of 31st Street, north of Linwood Boulevard, west of Prospect, and east of Olive Street; and (3) not in excess of \$1,093,207.00; and

WHEREAS, after all proper notice was given, the Commission met in a public hearing and after receiving the comments of all interested persons and taxing districts with respect to the Redevelopment Plan, closed said public hearing on April 13, 2019; and adopted the First Amendment to the Plan recommending to City Council the adoption of the Plan; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the recommendations of the Commission concerning the First Amendment to the Linwood Shopping Center Tax Increment Financing Plan as set forth by Commission Resolution No. 4-20-19, along with the Additional Modifications that have been proposed by the Proponent, area hereby accepted and the First Amendment to the Linwood Shopping Center Tax Increment Financing Plan, as modified by the Additional Modifications, is approved.

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Section 2. That all terms used in this Ordinance, not otherwise defined herein, shall be construed as defined in the Act.

Section 3. That the following described area is hereby designated a Redevelopment Area:

Part of sections 15-49-33 and 16-49-33 in Jackson County Missouri: Beginning at the inter of the C/L of Prospect Ave and E 30th Street; thence east along the C/L to the inter of Montgall Avenue; thence south along the C/L to the inter of Linwood Boulevard; thence west along the C/L to the inter of Park Avenue; thence north along the C/L to the inter of E. 31st Street; thence east along C/L to the inter Prospect Avenue; thence north along the C/L to the POB.

Section 4. That the Council finds that:

- (a) Good cause has been shown for the First Amendment to the Plan, and that the findings of the City Council in Ordinance No. 160448 with respect to the Redevelopment Plan, except as expressly indicated below, are not affected by the First Amendment to the Plan and apply equally to the First Amendment to the Plan;
- (b) The Redevelopment Area, as amended by the First Amendment to the Plan, is a blighted area, evidenced by aging and deteriorating site improvements, excessive vacancy, obsolete platting and other blighting conditions stated within the Redevelopment Act in Section 99.805(1), RSMo;
- (c) The Redevelopment Area, as amended by the First Amendment to the Plan, has not been subject to growth and development through private enterprise and would not reasonably be anticipated to be developed without the adoption of tax increment financing, as contemplated by the Redevelopment Plan as amended by the First Amendment;
- (d) The Redevelopment Plan, as amended by the First Amendment to the Plan, and each Redevelopment Project described therein, conform to the comprehensive plan for the development of the City as a whole;
- (e) The areas identified by the First Amendment to the Plan as Redevelopment Projects include only those parcels of real property and improvements which will be directly and substantially benefited by the Project improvements described by the First Amendment;
- (f) The estimated dates of completion of the respective Redevelopment Projects described by the First Amendment and the retirement of any obligations incurred to finance Redevelopment Project Costs have been stated in the Redevelopment Plan, as amended by the First Amendment to the Plan, and are not more than 23 years from the passage of any ordinance

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approving a Redevelopment Project authorized by the Plan, as amended by the First Amendment;

- (g) A plan has been developed for relocation assistance for businesses and residences located within the Redevelopment Area, as amended by the First Amendment to the Plan;
- (h) A cost-benefit analysis showing the impact of the implementation of the First Amendment to the Plan on each taxing district at least partially within the boundaries of the Redeveloped Area has been prepared in accordance with the Act;
- (h) The First Amendment to the Plan does not include the initial development or redevelopment of any gambling establishment; and
- (i) A study has been completed and the findings of such study satisfy the requirements set out in subdivision (1) of Section 99.810, RSMo.

Section 5. That the Council hereby agrees to provide additional financing for certain redevelopment project costs identified by the TIF Plan, by committing, subject to annual appropriation and subject to actual collection, in addition to the revenues available under the Act, the balance of the taxes generated by economic activities within the Redevelopment Area, which are not subject to capture in accordance with the Act and would otherwise be deposited into the City's general municipal funds, or an amount equivalent thereto, to be used for repayment of certain Redevelopment Project Costs identified by the First Amendment.

Section 6. That the Director of Finance is authorized to enter into one or more agreements with the Commission and Redeveloper, or such combination of parties as shall be required for the purposes of providing for the additional financing described herein. Any such agreement shall be in such form as is approved by the Director of Finance.

Section 7. That the City Clerk shall send a copy of this ordinance to the County Clerk and County Executive of Jackson County, Missouri.



Authenticated as Passed

  
Sly James, Mayor

  
Marilyn Sanders, City Clerk

JUL 11 2019

Date Passed

Approved as to form and legality:

  
Galen P. Beaufort  
Assistant City Attorney