

COMPARED VERSION
COMMITTEE SUBSTITUTE TO ORIGINAL ORDINANCE

COMMITTEE SUBSTITUTE ORDINANCE NO. 220403

Accepting the recommendations of the Tax Increment Financing Commission as to the Southpointe Tax Increment Financing Plan; and approving the Southpointe Tax Increment Financing Plan as modified; and approving additional tax increment financing within the Redevelopment Project and authorizing the Director of Finance to enter into one or more agreements in furtherance of such purpose; and directing the Clerk to send a copy of this ordinance to Jackson County.

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

WHEREAS the Southpointe Tax Increment Financing Plan (the "Original Redevelopment Plan") was proposed to the Commission; and

WHEREAS, the Commission has been duly constituted and its members appointed; and, after all proper notice was given, the Commission met in public hearing regarding the Original Redevelopment Plan on March 28, 2022, at which time, after receiving the comments of all interested persons and taxing districts, closed said public hearing and approved Resolution No. 3-18-22 and 3-19-22 ("Resolutions") recommending to the City Council acceptance of certain findings related to the Original Redevelopment Plan, the approval of the Original Redevelopment Plan and the designation of the Redevelopment Area described by the Original Redevelopment Plan and the redevelopment project area for the Redevelopment Project described therein ("Redevelopment Project Area"); and

~~WHEREAS, Resolution No. 3-19-22 stated that the Commission's recommendations to the City Council for the acceptance of certain findings related to the Original Redevelopment Plan, the approval of the Original Redevelopment Plan and the designation of the Redevelopment Project Area, were dependent on staff receiving evidence of the commitment to finance the redevelopment project costs described therein, as contemplated by the Source of Funds described the TIF Plan; and~~

~~WHEREAS, at this time, the TIF Commission has not provided certification that it has received final proof of the commitment to finance the redevelopment project costs described~~

~~therein, as contemplated by the Source of Funds described the TIF Plan, but such final proof is believed to be forthcoming; and~~

WHEREAS, the Additional Modifications do not enlarge the exterior boundaries of the Redevelopment Area, and do not affect the general land uses established in the Original Redevelopment Plan or change the nature of the Redevelopment Project, and notice of such amendments was duly given as required by the TIF Act; and

WHEREAS, the Original Redevelopment Plan, as so amended by the Additional Modifications (the “Redevelopment Plan” or “Plan”) provides for the construction of approximately 113,800 square feet of office space over approximately 42,200 square feet of retail space, an approximately 76,200 square foot hotel, with approximately 114 rooms and 114 surface parking spaces, approximately 308,100 gross square feet of residential space and a surface parking lot to support the same (the “Project Improvements”), together with the construction or reconstruction of such other public infrastructure improvements such as signage, signaling, sidewalks, storm drainage facilities, utility relocation and upgrades, curbs, and such other related public infrastructure improvements that support and enhance the Project Improvements (the “Public Improvements”); and

WHEREAS the Redevelopment Area described by the Plan is generally bounded by 59th Street on the north, 63rd Street on the south, Bruce R. Watkins Highway on the east and Brooklyn Avenue on the west, all in Jackson County, Kansas City, Missouri; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the recommendations of the Commission concerning the Redevelopment Plan as set forth in the Resolutions are hereby accepted and the Redevelopment Plan, including the Additional Modifications, a copy of which is attached hereto, is hereby approved, ~~contingent on City and Commission staff providing sufficient evidence of the commitment to finance the redevelopment project costs described therein, as contemplated by the Source of Funds described the TIF Plan.~~

Section 2. That all terms used in this ordinance, not otherwise defined herein, shall be construed as defined in Section 99.800 to 99.865 of the Revised Statutes of Missouri, as amended (the “Act”).

Section 3. ~~That, contingent on City and Commission staff receiving sufficient evidence of the commitment to finance the redevelopment project costs described therein, as contemplated by the Source of Funds described the TIF Plan;~~ That the following described area is hereby designated as a Redevelopment Area:

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All that part of the Northwest Quarter of Section 3 and Northeast Quarter of Section 4, Township 48, Range 33, including all that part of Lot 1, Summers Wharf, Lots 1 thru 6, inclusive, and Lots 18 thru 105, inclusive, Beachwood, Lots 1 thru 25, inclusive, Eastlake Addition, Lots 1 thru 22, inclusive, Millers Addition, Lots 69 thru 73, inclusive, Beaufort, and Lots 1 thru 15, inclusive, Jost Plaza, all in Kansas

City, Jackson County, Missouri, together with the rights-of-ways of Prospect Avenue, Wabash Avenue, Olive Street, Park Avenue, E. 61st Street and E. 62nd Street, all described as follows:

Beginning at the southerly most southeast corner of said Lot 1, Summers Wharf, said point being on the north right-of-way line of E. 63rd Street, 50 feet north of the centerline thereof; thence North $86^{\circ}58'41''$ West (plat: North $86^{\circ}49'02''$ West), along the north right-of-way line of said E. 63rd Street and its westerly prolongation, 50 feet north of and parallel with the centerline thereof, 295.91 feet to the west right-of-way line of Wabash Avenue, said point being on the east line of Lot 40 in said Beachwood; thence South $02^{\circ}15'37''$ West, along the east line of said Lot 40, 10.00 feet to the north right-of-way line said E. 63rd Street, 30.00 feet north of the south line of the Northeast Quarter of said Section 4; thence North $86^{\circ}58'41''$ West, along the north right-of-way line of said E. 63rd Street and its westerly prolongation thereof, 30.00 feet north of and parallel with the south line of said Northeast Quarter, 885.65 feet to the southeast corner of a tract of land for new right-of-way described by Document No. 1990-K-0930339, being the west 5 feet of the south 5 feet of Lot 99 in said Beachwood; thence North $02^{\circ}15'37''$ East, parallel with the west line of said Lot 99, 5.00 feet to the northeast corner of said tract of land; thence $86^{\circ}58'41''$ West, parallel with the north right-of-way line of said E. 63rd Street, 5.00 feet to the west line of said Lot 99, said point being on the east right-of-way line of Brooklyn Avenue; thence North $02^{\circ}15'37''$ East, along said east right-of-way line, 280.05 feet to the northwest corner of Lot 105 in said Beachwood; thence South $86^{\circ}58'41''$ East, along the north line of said lot, 137.64 feet to the northeast corner thereof, said point being the southwest corner of Lot 91 in said Beachwood; thence North $02^{\circ}15'37''$ East, along the west line of lots 91, 90, 89, 88, 87, 86, and 85 in said Beachwood, 280.04 feet to the northwest corner of said Lot 85, said point being on the south right-of-way line of E. 62nd Street; thence South $86^{\circ}58'41''$ East, along said south right-of-way line and its easterly prolongation thereof, 316.34 feet (plat: 316.09 feet) to the northeast corner of Lot 84 in said Beachwood; thence North $01^{\circ}56'58''$ East, 50.01 feet to the north right-of-way line of said e. 62nd street, said point being the southwest corner of Lot 15 in said Eastlake Addition; thence North $02^{\circ}15'30''$ East, along the west line of Lots 15 thru 25, inclusive, in said Eastlake Addition, 385.00 feet, to the northwest corner of said Lot 25; thence South $86^{\circ}58'41''$ East, along the north line of said lot, 146.79 feet to the northeast corner thereof, said point being on the west right-of-way line of Olive Street; thence South $86^{\circ}58'41''$ East, 51.15 feet to the east right-of-way line of said Olive Street, said point being the southwest corner of Lot 3 in said Eastlake Addition; thence in a northerly direction, along the east right-of-way line of said Olive Street, along a curve to the right with an initial tangent bearing of North $15^{\circ}36'49''$ East, having a radius of 700.00 feet through a central angle of $014^{\circ}13'02''$, an arc distance of 173.70 feet (plat: 172.64 feet) to the northwest corner of Lot 1 in said Eastlake Addition; thence South $87^{\circ}28'08''$ East, along the north line of said lot, 49.50 feet (plat: 50 feet) to the northeast corner thereof, said point being on the west line of Lot 22 in said Millers Addition; thence North $02^{\circ}15'37''$ East, along the west line of said lot, 16.45 feet to the northwest corner thereof;

thence South 86°58'41" East, along the north line of said lot, 128.97 feet to the northeast corner thereof, said point being on the west right-of-way line of Wabash Avenue; thence continuing South 86°58'41" East, 50.00 feet to the east right-of-way line of said Wabash Avenue, said point being the northwest corner of Lot 1 in said Millers Addition; thence South 86°58'41" East, along the north line of said lot, 128.97 feet to the northeast corner thereof, said point being 169 feet west of the east line of the Northeast Quarter of said Section 4; thence North 02°15'37" East, 169 feet west of and parallel with the east line of said Northeast Quarter, 380.84 feet to the northwest corner of a tract of land described by Document No. 1993-K-1106908; thence South 87°28'09" East, along the north line of said tract of land, 129.00 feet to the northeast corner thereof, said point being on the west right-of-way line of Prospect Avenue; thence South 02°15'37" West, along said west right-of-way line, 331.87 feet to the westerly prolongation of the north right-of-way line of E. 61st Street; thence South 86°43'02" East, along the north right-of-way line of said E. 61st Street, and its westerly prolongation thereof, 280.01 feet to the southeast corner of Lot 74 in said Beaufort, being the southeast corner of a tract of land described by Exhibit E40350 in Document No. 2006-E-0030540, said point being on the westerly right-of-way line of Missouri Route 71; thence along the westerly right-of-way line of said Missouri Route 71, the following courses and distances: South 02°15'37" West, 150.00 feet to the southeast corner of Lot 73 in said Beaufort, being the southeast corner of a tract of land described by Exhibit E40351 in said Document No. 2006-E-0030540, said point being 211.58 feet right of Centerline Sta. 355+55.67; thence South 02°15'37" West, 150.00 feet to a point 212.42 feet right of Centerline Sta. 357+07.08; thence South 07°09'08" West, 234.50 feet to a point 232.19 feet right of Centerline Sta. 359+41.67, said point being on the south line of Lot 69 in said Beaufort; thence North 86°43'02" West, along the south line of said Lot 69 and continuing along the westerly right-of-way line of said Missouri Route 71, 50.00 feet to the northeast corner of the west 10 feet of lot 28 in said Jost Plaza; thence South 02°15'37" West, 656.21 feet to the northeast corner of a tract of land for said Missouri Route 71 right-of-way by Document No. 1990-K-0914472; thence along the north line of said tract of land, being the westerly right-of-way line of said Missouri Route 71, the following courses and distances: South 74°14'22" West (deed: North 74°08'08" East), 45.75 feet; thence South 82°04'12" West (deed: North 81°57'58" East), 25.50 feet; thence North 86°37'12" West (deed: South 86°43'26" East), 61.39 feet to the east right-of-way line of Prospect Avenue; thence leaving the westerly right-of-way line of said Missouri Route 71, North 83°50'28" West, 80.19 feet to the northerly most southeast corner of said Lot 1, Summers Wharf, said point being the intersection of the west right-of-way line of said Prospect Avenue with the north right-of-way line of said E. 63rd Street; thence South 43°01'57" West (plat: South 43°51'23" West), along the north right-of-way line of said E. 63rd Street, 18.54 feet (plat: 18.46 feet) to the point of beginning, containing 31.897 acres, more or less.

Section 4. That in accordance with the recommendations of the Commission as set forth in the Resolutions, the Council hereby finds that:

(a) The Redevelopment Plan, together with the Additional Modifications contained therein, sets forth in writing a general description of the program to be undertaken to accomplish its objectives, including the estimated redevelopment project costs, the anticipated sources of funds to pay the costs, the anticipated type and term of the sources of funds to pay costs, the anticipated type and terms of the obligations to be issued, evidence of commitments to financing the redevelopment project costs, the most recent equalized assessed valuation of the property within the Redevelopment Area which is to be subjected to payments in lieu of taxes and economic activity taxes pursuant to Section 99.845, RSMo, an estimate as to the equalized assessed valuation after redevelopment, and the general land uses to apply in the Redevelopment Area;

~~(a)~~(b) The Redevelopment Area as a whole is a blighted area, as defined by the Act. A Blight Study undertaken by Belke Appraisal & Consulting Services, Inc., attached as Exhibit 11 to the Redevelopment Plan, provides evidence that defective or inadequate street layout, insanitary or unsafe conditions, deterioration of site improvements, improper subdivisions or obsolete platting, endanger by fire of other causes and the existence of conditions which endanger life by fire or other causes and is detrimental to the public health, safety, morals, or welfare are present in the Redevelopment Area;

(b) The Redevelopment Area 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;

(c) The Redevelopment Plan conforms with the City's current comprehensive plan (FOCUS Plan) and the Swope Area Plan. The Redevelopment Area and Redevelopment Project Areas shall be subject to the applicable provisions of the City's Zoning Ordinance as well as other codes and ordinances as may be amended from time to time;

(d) The area selected for the Redevelopment Projects includes only those parcels of real property and improvements thereon which will be directly and substantially benefited by the Project Improvements;

(e) The estimated date of completion of the Project Improvements within the areas described by the Redevelopment Projects and retirement of obligations incurred to finance Redevelopment Project Costs, have been stated in the Redevelopment Plan, and are not more than 23 years from the adoption of any ordinance approving a Redevelopment Project within the Redevelopment Area;

(f) A plan has been developed for relocation assistance for businesses and residences;

(g) A cost-benefit analysis showing the impact of the Redevelopment Plan on each taxing district at least partially within the boundaries of the Redevelopment Area has been prepared in accordance with the Act; and

- (h) The Redevelopment Plan does not include the initial development or redevelopment of any gambling establishment.

Section 5. ~~That, , contingent on City and Commission staff receiving sufficient evidence of the commitment to finance the redevelopment project costs described therein, as contemplated by the Source of Funds described the TIF Plan,~~ That the Commission is authorized to issue obligations in one or more series of bonds secured by the Southpointe Account of the Special Allocation Fund to finance Redevelopment Project Costs identified by the Redevelopment Plan 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 Redevelopment Plan pursuant to the power delegated to it by the Council. Any obligations issued to finance Redevelopment Project Costs shall contain a recital that they are issued pursuant to Sections 99.800 and 99.865, which recital shall be conclusive evidence of their validity and of the regularity of their issuance.

Section 6. That pursuant to the provisions of the Redevelopment Plan, the City Council approves the pledge of economic activity taxes and payments in lieu of taxes generated from the Redevelopment Projects that are deposited into the Southpointe Account of the Special Association Fund to the payment of Redevelopment Project Costs identified by the Redevelopment Plan and authorizes the Commission to pledge such funds on its behalf, ~~contingent on City and Commission staff receiving sufficient evidence of the commitment to finance the redevelopment project costs described therein, as contemplated by the Source of Funds described the TIF Plan.~~

Section 7. That the City Council hereby agrees to provide additional funding for payment of Certified 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 TIF Act, a defined portion of certain tax revenues realized by the City and generated in the Redevelopment Area that are not otherwise captured by the TIF Act as more particularly described in the Redevelopment Plan (the "Additional City EATS"), in an amount not to exceed \$17,534,804 payable over a period not to exceed twenty-three (23) years, ~~contingent on City and Commission staff receiving sufficient evidence of the commitment to finance the redevelopment project costs described therein, as contemplated by the Source of Funds described the TIF Plan.~~

Section 8. That the Director of Finance is authorized to enter into a Financing Agreement with the Commission for the purposes of contributing Additional City EATS to the Commission for the payment of certified redevelopment project costs identified by the Redevelopment Plan, ~~contingent on City and Commission staff receiving sufficient evidence of the commitment to finance the redevelopment project costs described therein, as contemplated by the Source of Funds described the TIF Plan.~~ The Financing Agreement is approved in substantial form to that which is attached hereto.

Section 9. That the City, pursuant to Resolution No. 210850, hereby waives the financial return analysis required by Section 2, Paragraph B, Second Committee Substitute for Ordinance No. 160383, As Amended, or any AdvanceKC related process or procedure with respect to its approval of the Redevelopment Plan, its contribution of the Additional City EATS, and its execution and delivery of the Financing Agreement.

Section 10. That the City Clerk shall send a copy of this ordinance to the County Clerk and County Executive of Jackson County, Missouri.

I hereby certify that there is a balance, otherwise unencumbered, to the credit of the appropriation to which the foregoing expenditure is to be charged, and a cash balance, otherwise unencumbered, in the treasury, to the credit of the fund from which payment is to be made, each sufficient to meet the obligation hereby incurred.

Tammy L. Queen
Director of Finance

Approved as to form and legality:

Emalea Black
Assistant City Attorney