COMPARED VERSION
COMMITTEE SUBSTITUTE TO ORIGINAL ORDINANCE

COMMITTEE SUBSTITUTE FOR ORDINANCE NO. 260748

Authorizing the City Manager to execute a Development Agreement ("Development Agreement") and other definitive agreements that reflect the terms outlined in the Agreement with the Kansas City Current its affiliates, successors, assigns, and designees ("Developer") for the design and construction of infrastructure projects predominately in the Berkley Riverfront Park area, including the expansion of CPKC Stadium and the development of a mixed-use district, transient parking structures, and other core infrastructure (the "Project"); authorizing the City Manager to take such actions necessary to pursue a redevelopment plan for State Supplemental Tax Increment Financing, and/or a development plan, or expanded development pursuant to Missouri Downtown and Rural Economic Stimulus Act; authorizing the City Manager to enter into a one or more financing agreements for total funding not to exceed $185,000,000.00, subject to the terms outlined in the Development Agreement, including cashflow shortfall coverage guarantees from the Developer; authorizing the City Manager to execute intergovernmental cooperative agreements with the State of Missouri and related entities and city agencies; authorizing the execution of additional agreements as necessary to comply with the directives of this ordinance; appropriating $150,000.00 from the Unappropriated Fund Balance of the Development Services Fund for the purpose of conducting a third-party financial feasibility study; and recognizing this ordinance as having an accelerated effective date.

WHEREAS, the City Council remains committed to continuing good faith negotiations with the Developer for the Project, as previously stated in Ordinance No. 260565; and

WHEREAS, the City Council has determined that the Project is a public benefit to the City and the State of Missouri; and

WHEREAS, pursuant to Ordinance No. 260565, the City Council's interest in maintaining oversight and final approval authority over the agreements related to the Project is satisfied through the adoption of this Ordinance and the delegation of authority set forth in this Ordinance; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the City Manager, Director of Finance and other officials, agents and employees of the City as required are hereby authorized and directed to execute the Development Agreement, as attached in substantial form, ; applications to the State of Missouri ("State") for financing either through Tax Increment Allocation Redevelopment Act pursuant to Sections 99.800 et seq. RSMo. ("TIF Act") and/or the Missouri Downtown and Rural Economic Stimulus Act ("MODESA") and associated definitive documents following approval of the Plans, as applicable; MDFB Tax Credit application; and other ancillary agreements with the Kansas City Current organization and its affiliates, developers, city incentive agencies, State of Missouri agencies, and other relevant parties for the development of the Project.

Section 2. That the City Manager is hereby authorized to (i) review eligibility criteria and, as applicable, submit an application to the State for a State Supplemental Tax Increment Financing redevelopment plan ("State TIF Plan") and execute State TIF Plan definitive agreements with the State, the Developer and governmental agencies, as applicable, including but not limited to a redevelopment agreement and tax contribution agreement in accordance with the terms in the Development Agreement, following approval of and subject to the TIF Plan; and (ii) submit an application to the State along with the Missouri Downtown Economic Development Authority of Kansas City, Missouri ("MODESA Authority") for a development financing plan ("MODESA Plan") pursuant to MODESA, and execute MODESA definitive agreements with the State, the Developer and governmental agencies, as applicable, including but not limited to a redevelopment agreement and tax contribution agreement in accordance with the terms in the Development Agreement, provided that the Developer is selected as a developer and the MODESA Plan is approved by City Council, pursuant to the applicable laws,.

Section 3. That the City Manager, Director of Finance and other officials, agents and employees of the City as required are authorized to negotiate and execute one or more financing agreements in which the City pledges, or causes to be pledged, any redirected revenues pursuant to the transactions contemplated in Section 2 to support financings that fund the Project. City will agree to include as part of its annual budget submission to the City Council, an annual appropriation pledge of debt service on a maximum of $185,000,000.00 in debt to be issued by a third party or otherwise obtained by the Developer, subject to the following:

1. The City's appropriation backstop will not, by itself, result in a downgrade of the City's credit rating from its level immediately prior to the issuance of the debt contemplated herein; and

2. A third-party financial feasibility study, commissioned by the City, must reflect that the project has at least 1.10x coverage of average annual debt service on the debt contemplated herein secured by the City's annual appropriation guaranty; and

3. Evidence, satisfactory to the City's Director of Finance, of the existence of a renewable letter of credit from a bank equal to 1.10x average annual debt service on debt contemplated herein secured by the City's annual appropriation guaranty, which is designed to protect the City in the event of a cashflow shortfall ("Letter of Credit"); and

4. Evidence, satisfactory to the City's Director of Finance, of a special assessment or other mechanism available in the event the Letter of Credit is not sufficient for the City to recover any cashflow shortage on debt contemplated herein secured by the City's annual appropriation guaranty.

Section 4. That the City Manager, Director of Finance and other officials, agents and employees of the City as required are authorized and directed to take actions and execute agreements related to the other obligations for the Project as outlined in the Development Agreement, including designing and constructing certain Lydia Avenue infrastructure;

modification of stormwater detention for temporary surface parking; apply for tax credits and other credit enhancement with the Missouri Development Finance Board ("MDFB") and/or such other State agency as may be determined by the State; and such other City actions, approvals, or agreements as may be identified in or reasonably necessary to carry out the terms of the Development Agreement and the intent of this Ordinance.

Section 5. That the City Council reaffirms that the City Manager, Director of Finance and other officials, agents and employees of the City as required, are authorized and directed to take such further action, and negotiate and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance and to carry out, comply with and perform the duties of the City with respect to the Development Agreement and other Project related agreements, filing an MDFB Tax Credit application, processing applications related to the adoption of a TIF Plan, and/or MODESA Plan, application to the State for redirection of State revenues pursuant to the TIF Act and/or MODESA following Council approval of said Plan or Plans, including but not limited to the acceptance of deeds and/or other property interests for the Project and the negotiation and execution agreements necessary to carry out the same. The City Manager is further authorized to execute such consents, estoppels, subordination agreements, non-disturbance agreements, and other similar instruments as may be reasonably requested by Developer's lenders, investors, or financing parties in connection with the financing of the Project, provided that such agreements are determined by the City Manager to be in the best interests of the City.

Section 6. That the Development Agreement and other agreements entered into pursuant to this Ordinance may be amended or be supplemented by other additional agreements consistent with the terms outlined in the Agreement or this Ordinance, provided that any additional agreement that materially deviates from the terms outlined in the Development Agreement or obligations requiring further Council action shall be subject to review and approval of City Council. For purposes of this Section 6, changes to scheduling or timing, updates to exhibits or ancillary documentation, administrative or technical modifications, and adjustments that remain within the financial parameters set forth in the Development Agreement or this Ordinance shall not constitute a material deviation.

Section 7. That the sum of $150,000.00 is hereby appropriated from the Unappropriated Fund Balance of the Development Services Fund, Fund No. 2210, to the following account for the purpose of conducting a third-party financial feasibility study, economic advisory services, financial advisory services, bond advisory services, legal services and others as may be required in furtherance of the objectives of this ordinance:

27-2210-107522-B-10KCCURRENTCurrent

Landing $150,000.00

Section 8. That the Development Agreement entered into pursuant to this Ordinance shall include considerations for workers during the project construction and the operations of the expanded stadium following completion of the project.

Section 9. That the Development Agreement entered into pursuant to this Ordinance shall include as a minimum project element the construction of a Riverfront Trail extending from Current Landing to Riverfront Park located at 1700 Monroe Ave. The Riverfront Trail shall be constructed in coordination with the City of Kansas City, the Board of Parks and Recreation Commissioners", and Port KC with funding to be identified in a future financing agreement.

Section 10. That this ordinance is recognized as having an accelerated effective date pursuant to Section 503(a)(3)(C) of the City Charter in that it appropriates funds and shall take effect in accordance with that section.

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.

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Brenton Siverly
Director of Finance

Approved as to form:

_____
Emalea Kohler
Associate City Attorney