

REVISED

Board Meeting Agenda
Tax Increment Financing Commission
City of Kansas City, Missouri

DATE: November 13, 2024
TIME: **9:30 a.m.**
PLACE: Economic Development Corporation Board Room, 4th Floor
300 Wyandotte
Kansas City, Missouri

Videoconference

<https://us06web.zoom.us/j/89120225749?pwd=cHc3OTlpMmFNK2pqZFIGdEROazlvdz09>

Meeting ID: 891 2022 5749

Passcode: 199445

By Telephone: +1 312 626 6799

PUBLIC HEARING AGENDA ITEMS

JACKSON COUNTY/KCMO

PUBLIC HEARING – 9:30 AM

ROLL CALL

1. **Union Hill TIF Plan – Fourth Amendment: Consideration of approval of the Fourth Amendment of the Union Hill TIF Plan, and others matters related thereto. (David Leader) Exhibit 1**

Purpose: The purpose of this hearing is to consider recommending to the City Council of Kansas City, Missouri the approval of (A) the proposed Fourth Amendment (the “Fourth Amendment”) to the Union Hill Tax Increment Financing Plan (the “Plan”), which provides for (1) certain modifications to the description of the Redevelopment Area, (2) certain modifications to the Site Maps, (3) certain modifications to the description of Public Improvements, (4) certain modifications to the Redevelopment Schedule, (5) certain modifications to the Estimated Redevelopment Project Costs, (6) certain modifications to the Sources of Funds, (7) all PILOTs to be declared surplus and distributed to the impacted Taxing Districts located within the Redevelopment Area in accordance with the Act at such time as the Special Allocation Fund has accumulated revenue in an amount equal to \$9,657,084 for the reimbursement of Reimbursable Project Costs, and (8) the inclusion of all conforming changes within the Exhibits to the Plan that are in furtherance of the foregoing modifications.

Boundaries of Redevelopment Plan Area: The Redevelopment Area, as described by the Fourth Amendment, is generally bounded by Union Cemetery on the north, Main Street on the west, E. 31st Street on the south and Forest Street on the east in Kansas City, Jackson County, Missouri.

Notices: Notices regarding the public hearing were sent to all affected taxing jurisdictions by certified mail on May 24, 2024. Notices were published in newspapers of general circulation of the proposed redevelopment, on June 10, 2024 and July 1, 2024.

Staff prepared and delivered notices by certified mail regarding the public hearing on June 28, 2024 to the person or persons in whose names the general taxes for the last preceding year were paid on each lot, block, tract or parcel of land located within the redevelopment project or plan area, which shall be subject to payments in lieu of taxes and economic activity taxes.

General Description of the Union Hill TIF Plan: The Union Hill Tax Increment Financing Plan (the “Plan”) provides for the redevelopment of portions of the Redevelopment Area, including construction of a 106 room motel on the southeast corner of East 30th and Main Streets, acquisition and removal of spot-zoned, dilapidated and obsolete apartment buildings and making available those sites for construction of single family detached homes, rehabilitation of existing single family homes, construction of market rate and affordable multi-family communities, creation of a Neighborhood Infrastructure Improvement Fund to make available loans and/or grants for existing owner-occupied homes and commercial

property owners, together with all necessary utilities and street improvements, the construction or reconstruction of public infrastructure improvements, including, but not limited to streetscape improvements, sidewalks, and any other required or desired infrastructure, that support and enhance the Project Improvements.

Redevelopment Project Costs: The estimated Redevelopment Project Costs to implement the improvements contemplated by the Plan, as amended by the proposed Fourth Amendment, is \$98,775,767. The Fourth Amendment proposes that \$10,957,090 of the Redevelopment Project Costs be reimbursed with certain Payments in Lieu of Taxes and Economic Activity Taxes generated and deposited in the Special Allocation Fund.

Projections and Application of Payments in Lieu of Taxes and Economic Activity Taxes: The total estimated Payments in Lieu of Taxes (“PILOTS”) generated during such time tax increment financing is authorized by ordinance is approximately \$15,373,711. Ninety percent (90%) of such PILOTS generated and collected will be used to pay eligible Reimbursable Project Costs and the remaining ten percent (10%) shall be declared surplus by the City Council of the City and thereafter distributed to the impacted Taxing Districts located within the Redevelopment Area; provided, however, and notwithstanding the foregoing, all PILOTS generated and collected after April 30, 2025 shall be declared surplus by the City Council of the City and thereafter distributed to the impacted Taxing Districts located within the Redevelopment Area.

The total Economic Activity Tax (“EATS”) revenues estimated to be generated and collected during such time that tax increment financing is authorized by ordinance is approximately \$8,654,469 and such amount shall be made available, upon annual appropriation, to pay eligible Reimbursable Project Costs.

Anticipated Sources of Funds: The Redevelopment Project Projects are anticipated to be funded with (A) PILOTS and EATS in the amount of \$10,957,090, (B) subject to appropriation, contributions from the City in the amount of \$1,167,000 and (C) private debt and equity in the amount of \$86,651,677.

Initial Equalized Assessed Value: The total initial 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, according to tax records at the Jackson County Assessor’s Office at the time the Plan was approved by Ordinance, was approximately \$1,097,720 for land and approximately \$1,637,840 for improvements. Following the completion of improvements contemplated by the Plan, it is estimated that the assessed value of the real property within the Redevelopment Area will increase by the amount set forth on Exhibit 8 to the Plan.

Statutory Findings: It is Staff’s recommendation that the Fourth Amendment to the Union Hill Tax Increment Financing Plan meets each of the required statutory findings identified by the TIF Act. Specifically,

- **Conservation Area:** The Fourth Amendment to the Plan does not alter the Commission’s and City’s previous finding that the Redevelopment Area, on the whole, based upon the report attached to the Plan as Exhibit 12 and as supplemented by Exhibit 12A, is Conservation Area.

- **But-For Analysis:** The Fourth Amendment to the Plan does not alter the Commission’s and City’s previous finding, which is based upon the analysis set forth on Exhibit 9 and Exhibit 9A to the Plan, as amended by the Fourth Amendment, that the Redevelopment Area 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 tax increment financing.
- **Finding the Area Conforms to the City’s Comprehensive Plan:** The Redevelopment Plan, as amended by the Fourth Amendment, conforms to the City’s comprehensive development plan.
- **Redevelopment Schedule:** The Redevelopment Plan, as amended by the Fourth Amendment, provides that the estimated date of completion of any redevelopment project described by the Plan and the retirement of obligations incurred to finance redevelopment project costs identified by the Plan shall not occur later than twenty-three (23) years after such redevelopment project is approved by ordinance.
- **Relocation Plan:** The Redevelopment Plan, as amended by the Fourth Amendment, contains a relocation assistance plan. The Plan does not contemplate the relocation of any businesses or residents.
- **Gambling Establishment:** The Redevelopment Plan, as amended by the Fourth Amendment, does not include development or redevelopment of any gambling establishment.
- **Acquisition by Eminent Domain:** The Redevelopment Plan, as amended by the Fourth Amendment, does not contemplate that any property located within a Redevelopment Project Area will be acquired by eminent domain later than five (5) years from the adoption of the Ordinance approving such Redevelopment Project.
- **Date to Adopt Redevelopment Project:** The Redevelopment Plan, as amended by the Fourth Amendment, does not provide for the adoption of an Ordinance approving any Redevelopment Project later than ten (10) years from the adoption of the Plan.

Action recommended:

(1 OF 2) CLOSING THE PUBLIC HEARING.

(2 OF 2) APPROVAL OF THE FOURTH AMENDMENT TO THE UNION HILL TAX INCREMENT FINANCING PLAN AND FORWARD THE RECOMMENDATIONS TO THE CITY COUNCIL FOR APPROVAL.

ADMINISTRATIVE TIF COMMISSION AGENDA ITEMS

MINUTES

2. **Consideration of acceptance of Minutes of the following Administrative and Counties/School Districts and other matters related thereto. (La’Sherry Banks) Exhibit 2**

Minutes of October 9, 2024 meeting Minutes are included for the Commission’s review prior to the meeting.

Action recommended: ACCEPTANCE OF THE ADMINISTRATIVE COMMISSION AND RELATED COUNTIES/SCHOOL DISTRICTS MINUTES AS PRESENTED.

COST CONSENT ITEMS RELATED TO SPECIFIC TIF PLANS

3. **Cost Consent Agenda: Consideration of approval of the Cost Consent Agenda, and other matters related thereto. (Gloria Garrison) Exhibit 3**

The Cost Consent Agenda items for November 2024 are included in the Commission’s Board Packets for review prior to the meeting. The following items are included:

- Cost Certifications (**Exhibit 3**)

Parvin TIF Plan: Consideration of certification of costs totaling \$362,449 and other matters related thereto. (Gloria Garrison)

Request from:	Hunt Midwest
Total amount requested:	\$362,449
Use of funds:	Proj 4
Cost certifier:	Novak Birks
Questioned or disallowed costs:	None
EATs reporting requirement:	85% compliant for the current reporting period (1st Half 2024, reports are due 7-31-2024). 82% Compliant for the last reporting period

Notes: Pay Application #145 for costs related to construction costs, project management, construction period interest and TIF administration Project 4.

Recommendation: Approval of certification of costs totaling \$362,449. Reimbursement is subject to the issuance of a Certificate of Completion.

Platte Purchase TIF Plan: Consideration of certification of costs totaling \$291,954.54 and other matters related thereto. (Gloria Garrison)

Request from: Ashlar Homes, LLC
Total amount requested: \$291,954.54
Use of funds: Line Creek Parkway Phase 2
Cost certifier: Ralph Johnson
Questioned or disallowed costs: None
EATs reporting requirement: 100% compliant for the current reporting period (1st Half 2024, reports are due 7-31-2024). 100% Compliant for the last reporting period

Notes: Certification Report 2017 - 67 for costs related to submission #6 Line Creek Parkway phase 2.

Recommendation: Approval of certification of costs totaling \$291,954.54. Reimbursement is subject to the issuance of a Certificate of Completion.

Action recommended: APPROVAL OF THE COST CONSENT AGENDA AND AUTHORIZE AND DIRECT THE CHAIR, VICE-CHAIR, OR EXECUTIVE DIRECTOR TO EXECUTE A RESOLUTION APPROVING THE SAME.

CERTIFICATES OF COMPLETION & COMPLIANCE RELATED TO SPECIFIC TIF PLANS

4. River Market TIF Plan: Consideration of Approval of a Certificate of Completion and Compliance in Connection with the River Market Community Improvement District’s Public Infrastructure Improvements within the River Market TIF Plan, and other matters related thereto. (Sandra L. Rayford) Exhibit 4

This Certificate of Completion and Compliance is issued to the River Market Community Improvement District (the “Redeveloper”), in accordance with Section 13 of that certain Cooperative Agreement, dated February 9, 2012 and amended on August 14, 2023, between the Tax Increment Financing Commission of Kansas City, Missouri and the Redeveloper (the “Agreement”) for the implementation of the design and construction of certain public infrastructure improvements, as more particularly described on Exhibit A, attached hereto (the “Completed Improvements”), and identified by the River Market Tax Increment Financing Plan, as amended (the “TIF Plan”) and for which Redevelopment Project Costs were submitted and certified, pursuant to the Ralph C. Johnson & Company, P.C. Independent Accountant’s Report (the “Certification of Costs Report”), dated December 5, 2023, and Commission Resolution No. 2-1-24 (the “Certification of Costs Resolution”).

	<u>Budget</u>	<u>Actual</u>
Total Public Improvements Costs	\$825,000	\$825,000
Public Improvement Costs Eligible for Reimbursement	\$825,000	\$825,000

The Redeveloper has complied with the Commission’s Certification Costs and Reimbursement Policy, as amended from time to time, and the Commission, pursuant to the Certification of Costs Resolution, has certified all Redevelopment Project Costs incurred that are eligible for reimbursement that relate to implementation of the Completed Improvements. Staff recommends approval of the Certificate of Completion and Compliance.

Action recommended: APPROVAL OF THE CERTIFICATE OF COMPLETION AND COMPLIANCE TO THE RIVER MARKET COMMUNITY IMPROVEMENT DISTRICT FOR COSTS RELATED TO CERTAIN PUBLIC INFRASTRUCTURE IMPROVEMENTS AND DIRECT THE CHAIR, VICE-CHAIR, OR EXECUTIVE DIRECTOR TO EXECUTE A RESOLUTION APPROVING THE SAME.

AGREEMENTS RELATED TO SPECIFIC TIF PLANS

5. Linwood Shopping Center TIF Plan. Consideration of an Acknowledgment of a Fourth Amended and Restated Absolute Assignment of Tax Increment Payments between Linwood Shopping Center Redevelopment Company, LLC and UMB Bank, N.A., in connection with the Linwood Shopping Center TIF Plan, and other matters related thereto. (Wesley Fields) Exhibit 5

On May 16, 2016, after receiving the comments of all interested persons and taxing districts, the Commission approved Resolution No. 5-27-16 recommending to the City Council the approval of the Linwood Shopping Center Tax Increment Financing Plan (the “Original Plan”) and the City Council approved the Original Plan on June 16, 2016, by Ordinance Number 160448, and did also designate the area described by the Plan as a redevelopment area (the “Redevelopment Area”). The Original Plan has been amended by a series of ordinances passed by the City Council (the Original Plan, as amended shall be referred to as the “Plan”).

The Plan provides for the renovation of approximately 55,000 square feet of retail space and related infrastructure improvements within Redevelopment Project Area 4 of the Plan (“Project Area 4”), including parking and landscaping improvement (the “Project 4 Improvements”) along with certain blight remediation activities located within the portion of the Redevelopment Area that is south of 31st Street, north of Linwood Boulevard, west of Prospect, and east of Olive Street (“Blight Remediation”).

On March 19, 2019, the Commission and Linwood Shopping Center Redevelopment Company, LLC (the “Redeveloper”) entered into an Amended and Restated Redevelopment Agreement, which provides, inter alia, for the implementation of the Project 4 Improvements and the Blight Remediation, which Amended and Restated Redevelopment Agreement has been amended four times (the “Amended Redevelopment Agreement”).

On September 26, 2019, the Redeveloper became indebted to UMB Bank, NA. (the “Lender”) under the terms of a Construction Loan Agreement, dated September 26, 2019 (as hereafter modified, amended or restated, the “Loan Agreement”), and those certain Promissory Notes, each dated September 26, 2019, in the aggregate principal amount of \$4,000,000, plus interest, charges and allowances (as hereafter modified, amended or restated, collectively, the

“Loan” or the “Notes”) (the Note, the Loan Agreement and all other documents and instruments now or at any time hereafter evidencing and/or securing all present and future indebtedness of Borrower to Lender are hereinafter collectively referred to as the “Loan Documents”).

As a condition to the consummation of the Loan Documents, the Lender required that the Redeveloper enter into an Absolute Assignment Agreement of Tax Increment Payments, which provides that the Redeveloper shall absolutely assign to the Lender (and grant the Lender a security interest in) all of the Redeveloper’s right, title and interest in and to certain PILOTS and EATS generated within Project Area 4 of the Plan (the “TIF Revenue”) and such additional earnings taxes, utility taxes and the capital improvements portion of sales taxes generated by Redevelopment Project Area 4 of the Plan, which are not subject to capture, in accordance with the TIF Act, and that would otherwise be deposited into the City’s general fund (the “Additional City EATs”).

The Loan Documents were modified on March 23, 2021 (the “First Loan Modification Agreement”), on November 24, 2021 (the “Second Loan Modification Agreement”), on October 15, 2022 (the “Third Modification”), and on March 29, 2023 (the “Fourth Modification”). The Lender and the Redeveloper desire to further amend the Loan Documents to adjust the “Extended Maturity Date”, as more specifically set forth in the Fifth Loan Modification Agreement (the “Fifth Loan Modification Agreement” and together with the First Loan Modification Agreement, the Second Loan Modification Agreement, the Third Loan Modification Agreement and the Fourth Loan Modification Agreement, shall be referred to as the “Loan Modification Agreements”).

As a condition to the execution of the Fifth Loan Modifications Agreement, the Lender has required that the Redeveloper (i) grant Lender a security interest in and to the right to receive and control such TIF Revenue and Additional City EATs that Borrower is entitled to receive under the Amended Redevelopment Agreement and that certain Tax Contribution and Disbursement Agreement, dated September 26, 2019, as amended, among the TIF Commission, the Redeveloper, the City, and Cochran Head Vick & Co., P.C., as the TIF Commission’s designated cost certifier, and First American Title Insurance Company, as escrow agent (the “Tax Contribution and Disbursement Agreement”) in an amount not to exceed the “Secured Obligations” (as that term is defined by the Loan Modification Agreements, including the Fifth Loan Modification Agreement) upon disbursement of such TIF Revenue and Additional EATs by the TIF Commission; (ii) execute and deliver a copy of a Fourth Amended and Restated Absolute Assignment of Tax Increment Payments to the TIF Commission; (iii) take such steps as may be necessary to evidence and perfect the assignment of (and first priority security interest in) such TIF Revenue and Additional City EATs to Lender in applicable public records and any other means necessary; and (iv) direct the TIF Commission to forward all TIF Revenue and Additional City EATs to Lender pursuant to the terms of the Fourth Amended and Restated Absolute Assignment of Tax Increment Payments.

Specifically, the Lender is requesting that the Redeveloper (i) grant the Lender the right to receive and control such TIF Revenue and Additional City EATs that the Redeveloper is entitled to receive under the Amended Redevelopment Agreement and the Tax Contribution and Disbursement Agreement, in an amount up to the Redeveloper’s obligations under the Loan Documents, upon disbursement of such TIF Revenue and Additional City EATs by the TIF Commission; (ii) execute and deliver a copy of Fourth Amended and Restated Absolute

Assignment of Tax Increment Payments, in the form attached as **Exhibit 5** to the TIF Commission Board Packet, to the TIF Commission; (iii) take such steps as may be reasonably necessary to evidence and perfect the assignment of (and first priority security interest in) such TIF Revenue and Additional City EATs to the Lender in applicable public records and any other means necessary; and (iv) direct the TIF Commission to forward all TIF Revenue and Additional City EATs to the Lender for application to the Redeveloper's obligations under the Loan Documents.

To the extent the TIF Commission finds the terms of the Fourth Amended and Restated Absolute Assignment Agreement, as set forth on **Exhibit 5** to be acceptable, staff is recommending that the TIF Commission approve the form of the Fourth Amended and Restated Absolute Assignment of Tax Increment Payments between the Redeveloper and UMB Bank, which is attached to the Board Packet as **Exhibit 5** and upon receipt of a fully-executed copy of such Fourth Amended and Restated Absolute Assignment of Tax Increment Payments, execute and deliver the Acknowledgment (Exhibit A to the Second Amended and Restated Absolute Assignment) to the Redeveloper and UMB Bank.

Action recommended: APPROVAL OF THE FORM OF FOURTH AMENDED AND RESTATED ABSOLUTE ASSIGNMENT OF TAX INCREMENT PAYMENTS BETWEEN LINWOOD SHOPPING CENTER REDEVELOPMENT COMPANY, LLC AND UMB BANK, N. A. AND AUTHORIZE THE CHAIR OR EXECUTIVE DIRECTOR TO EXECUTE AND DELIVER THE ACKNOWLEDGEMENT TO LINWOOD SHOPPING CENTER REDEVELOPMENT COMPANY, LLC AND UMB BANK, N.A., UPON THE COMMISSION'S RECEIPT OF A FULLY-EXECUTED FOURTH AMENDED AND RESTATED ABSOLUTE ASSIGNMENT OF TAX INCREMENT PAYMENTS, IN A FORM SUBSTANTIALLY SIMILAR TO **EXHIBIT 5** ATTACHED TO THE COMMISSION BOARD PACKET, SUBJECT TO MODIFICATIONS APPROVED BY THE CHAIR, EXECUTIVE DIRECTOR AND LEGAL COUNSEL.

ADMINISTRATIVE MATTERS NOT RELATED TO SPECIFIC PLANS

6. Economic Activity Taxes: Consideration of the Economic Activity Taxes Report, and other matters related thereto. Exhibit 6

Action recommended: NONE; INFORMATION ONLY.

7. Affirmative Action and Contract Compliance Subcommittee Reports: Consideration of acceptance of the Affirmative Action Reports and Contract Compliance Reports, and other matters related thereto. (Sandra L. Rayford)

The Affirmative Action/Contract Compliance Committee due to a lack of quorum. We have not received a report from the Civil Rights and Equal Opportunity Department.

Action recommended: NONE; INFORMATION ONLY.

8. **Governance, Finance and Audit Subcommittee: Consideration of Governance, Finance and Audit Reports, and other matters related thereto. (Tammy Queen) Exhibit 8**

Monthly Financials prepared by Hood & Associates (Michael Keenan)

Selection of Legal Counsel

Action recommended: ACCEPTANCE OF THE FINANCIAL REPORT.

9. **Neighborhood & Housing Subcommittee Report: Consideration of the Neighborhood & Housing Report, and other matters related thereto. Exhibit 9**

Action recommended: NONE; INFORMATION ONLY.

10. **Chair's Report: Consideration of the Chair's Report, and other matters related thereto.**

Action recommended: NONE; INFORMATION ONLY.

11. **Administrative: Consideration of the Executive Director's Report, and other matters related thereto.**

Action recommended: NONE; INFORMATION ONLY.

EXECUTIVE SESSION

12. **Consideration of legal matters, real estate matters, sealed bids or proposals, or confidential communications between the Commission pursuant to Section 610.021(1), (2), (12), or (17), RSMo, respectively. (Chair Canady)**

RESUME BUSINESS SESSION

13. **Adjournment**

**high-performance work system
technology
organizational structure
people
processes
all work together**