

REQUEST FOR ORDINANCE
NEW YORK LIFE TIF PLAN
TWENTY YEAR PROGRESS REPORT

Redevelopment Plan Area: The Redevelopment Area is located on the northeast corner of Baltimore Avenue and 9th Street, generally bound on the north by 8th Street, on the east by Main Street on the south by 9th Street, and on the west by Baltimore Kansas City, Jackson County, Missouri.

The New York Life Tax Increment Financing Plan (öPlanö) was approved by the City Council's passage of Ordinance No. 050104 on November 21, 1994 and was subsequently amended by First Amendment on November 2, 1995 by Ordinance No. 951485.

Notices: Notices were published in the Kansas City Star, a newspaper of general circulation of the Ten Year Progress Report beginning on July 1, 2015 for four consecutive weeks.

Purpose:

Whereas, Section 99.865.3, RSMo, provides that five years after the establishment of a redevelopment plan and every five years thereafter, the Council shall hold a public hearing regarding those redevelopment plans and projects created pursuant to Sections 99.800 to 99.865 RSMo, for the purpose of determining if the plan/project is making satisfactory progress.

Plan Objective:

The New York Life Building TIF Plan called for the rehabilitation of the New York Life building as Project 1.

First Amendment: The First Amendment to the New York Life building proposed the construction of a 550+ parking garage (Project 2), and the future rehabilitation of the existing Merchants Bank/office building (Project 3). At the time, the Plan anticipated the creation of 700 jobs.

Current Status: All projects were completed in accordance with the TIF Plan objectives and a Certificate of Completion and Compliance for Project One and Project Two of the First Amendment to the New York Life Building TIF Plan was approved on January 12, 1997. By March 2000, Project Three was also completed.

Following the renovations, UtiliCorp United, Inc., a regional utility company, owned and occupied the building which they used as their corporate headquarters. In 2002, UtiliCorp subsequently changed its name to Aquila, Inc. to highlight the fact that the company was broader than a local utility company, as it was involved in energy marketing and had expanded to include international operations. Soon after that,

the company experienced financial difficulties and employee levels in the New York Life Building fell from the height of levels around 500 employees in 2002, to around 300 in 2008.

Aquila was purchased by Kansas City Power & Light Company (KCP&L) in 2008. KCP&L is a regulated utility with customers in Missouri and Kansas. The KCP&L Missouri service territory was contiguous to Aquila's territory which made it a logical acquisition. A portion of the Aquila staff was hired by KCP&L and relocated to the KCP&L headquarters at leased-offices at 1201 Walnut, also in downtown Kansas City, Missouri, growing their employee level at headquarters to about 650. KCP&L made the decision to sell the New York Life building. Due to excess office space in the downtown area and a failed sales contract, the New York Life building was actively marketed but remained vacant from late 2008 until the building was sold to the Diocese of Kansas City-St. Joseph (The Diocese) in October 2010.

KCP&L continues to file the semi-annual TIF-EATS filing based on the two tenants in the New York Life Building complex: The Diocese and Catholic Charities. Since these organizations are tax exempt, the majority of their utility services are not taxed, and they pay no income taxes or property taxes. Consequently, TIF-EATS refunds consist primarily of earnings taxes paid by employees in the building, and some minimal utility tax refunds, which amount to approximately \$40K annually. There are no TIF-Payments in Lieu of Tax (TIF-PILOT) refunds since these organizations pay no property taxes. At April 30, 2014, The Diocese and Catholic Charities employed 128 people as provided in the TIF Annual Report. In 2014, The Diocese sold the smaller of the two buildings, previously a bank, with a street address of 850 Main Street, to Catholic Charities.

While The Diocese and Catholic Charities organizations may not provide the sizable taxable revenues or employment levels as projected in the TIF Plan, they do impeccably maintain and preserve these historic buildings. These organizations have an appreciation of the New York Life buildings' historic value and plan to own and maintain these buildings for years to come. The shaded area shows the buildings:

Side note: In August 2009, KCP&L moved to their corporate headquarters from 1201 Walnut to their newly renovated lead-certified offices located at 1200 Main Street (One Kansas City Place), in downtown Kansas City, Missouri, and now employ approximately 500 people in that building.

TIF Staff Recommendation: Approval of the Ordinance