

New York Life TIF Plan
Twenty -Year TIF Progress Report

TIF Plan: New York Life TIF Plan

Developer: Kansas City Power & Light Company

Date Approved by TIFC: October 12, 1994

Date approved by City Council: November 21, 1994 **Ordinance:** 050104

Date Amended:

First Amendment: November 2,1995 **Ordinance:** 951485

General Location: 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, in Kansas City, Jackson County, Missouri.

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.

History: The original plan called for the acquisition and rehabilitation for commercial use of the New York Life Building. The building was built in 1988 for use as the regional headquarters for the New York Life Insurance Company. It consists of two 10-story arms linked together by a 12-story tower. It was the first building in Kansas City to have a substantial steel interior skeleton and was the tallest building in Kansas City at the time of its construction. Consequently, the building is on the National Register of Historic Places and the rehabilitation was required to comply with the Secretary of the Interior's Guidelines.

The New York Life Building redevelopment area is located in the Central Business District on the southwest quarter of the block bound by 8th Street on the north, Main Street on the east, 9th Street on the south and Baltimore Avenue on the West.

The main objective of this project was the rehabilitation of an historic Kansas City building which had been vacant for some time and had significantly deteriorated due to exposure to the elements, two previous failed attempts at rehabilitation, vandalism and occupation by animals and homeless people.

An area approximately 10 feet wide, the entire width of the east wing was left exposed by the uncompleted renovation efforts, during which the roof was removed and only 60% of the east wing reroofed.

Although on the cutting edge of technology when it was built in 1888, that technology had become obsolete. The building did not meet code requirements for sprinklers, alarms and communication systems, smoke control systems, elevators and plumbing. The building also failed to meet requirements related to seismic activities and the Americans with Disabilities Act.

Accordingly the general objectives of the project plan included eliminating these blighting conditions and prevention of their recurrence, increasing business and employment opportunities in Kansas City; enhancement of the tax base by inducing development of the area to its highest and best use; benefiting taxing districts and encouraging private investment in surrounding areas, and providing additional parking necessary for the buildings within the redevelopment area.

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.

The Tax Increment Financing Commission staff recommends that satisfactory progress has been made with the implementation of this TIF Plan.

TIF Financing: **Pay As You Go**

Area Designation: **Blight**
 Conservation
 Economic Development

TIF Plan Information	Plan
Number of Project Areas	3
Total Project Budget Per Plan	\$31,254,120
Total TIF Eligible Costs per Budget	\$16,516,500
Number of Jobs for All Projects to Date	128
EATS Received Since Inception	\$3,759,776.78
PILOTS Received Since Inception	\$4,927,396.41
Total Costs Certified	\$17,057,133.88
Total Disbursed	\$8,107,601.54
Initial Assessed Value	\$1,084,630
Current Assessed Value	\$4,714,496

TIF Projects Approved by Ordinance	Date Approved	Ordinance
Project 1	February 16, 1995	941544
Project 2	March 3, 1996	951486
Project 3	April 6, 2000	951487

Project	TIF Plan Time Table	Actual Completion Date
Project 1	1996	December 1996
Project 2	1996	December 1996
Project 3	2000	March 2000

