

10:00 A.M. PUBLIC HEARING

Downtown Library TIF Plan – Third Amendment: Consideration of approval of the Third Amendment of the Downtown Library TIF Plan, and other matters related thereto. (Bob Long) Exhibit [REDACTED]

Purpose: The purpose of this hearing is for the TIF Commission to consider recommending to the City Council of Kansas City, Missouri approval of the Third Amendment to the Downtown Library Tax Increment Financing Plan (the "Plan").

The Plan was approved by the City Council's passage of Ordinance 021400. The Plan was subsequently amended by the City Council's passage of Ordinance No. 040196 on March 4, 2004 and Ordinance 051526 on January 12, 2006. The Plan provides for the construction of a parking garage, streetscape improvements and the creation of a neighborhood improvement program fund that would provide challenge grants to projects along the streetscape corridors.

Redevelopment Area: The Redevelopment Area, as amended, is generally bound by E. 9th Street on the north, E. 12th Street on the south, Wyandotte Street on the west, and Main Street on the east (the "Redevelopment Area"), all in Kansas City, Jackson County, Missouri.

Notices: In accordance with Section 99.830 of the Revised Statutes of Missouri, staff prepared and delivered all required notices of this hearing. Staff delivered notice by certified mail on October 24, 2014 to the taxing districts from which taxable property is included in the redevelopment area and such notice contained an invitation to each such taxing district to submit comments to the TIF Commission concerning the Third Amendment to the Downtown Library prior to the date of this hearing. Staff prepared and published notices in *The PULSE* on November 10, 2014 and December 1, 2014, in *The CALL* and November 14, 2014 and December 5, 2014, and in the *Kansas City Hispanic News* on November 13, 2014 and December 4, 2014. Staff prepared and delivered notices on December 1, 2014 by certified mail 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 subjected to payments in lieu of taxes and economic activity taxes. All Notices have been provided as required.

Modifications Proposed by the Third Amendment to the Downtown Library TIF Plan:

Public Infrastructure Improvements. The Third Amendment provides for the construction of specific public infrastructure improvements, which include the addition of street furniture, landscaping, pedestrian alley beautification, street trees, pedestrian lighting, curbs, sidewalks, fire hydrants and such other streetscape improvements more

specifically outlined in the Third Amendment. The specific improvements are identified by Section III.C. of the Third Amendment.

Redevelopment Schedule. The Third Amendment provides that certain public infrastructure improvements will commence in 2015 and shall be substantially complete by 2019. The modified Redevelopment Schedule is set forth on Exhibit 5B to the Third Amendment.

Modifications to the Plan Budget of Redevelopment Project Costs. The Third Amendment provides for a decrease in the Budget of reimbursable Redevelopment Project Costs by \$4,508,337 for costs that relate to certain public infrastructure improvements and the parking garage and an increase by \$753,319 for costs that relate to neighborhood improvements. Such changes result in the total Budget of reimbursable Redevelopment Project Costs being reduced by \$10,820,907. The specific modifications to the Budget of Redevelopment Project Costs are set forth on Exhibit 5A to the Third Amendment.

Modification to the Sources and Uses. The Third Amendment provides for modifications in the Sources and Uses. Specifically, beginning in 2014, only Economic Activity Taxes will be captured and utilized fund improvements contemplated by the Plan. Additionally, the proposed Developer of the Third Amendment intends to enter into a Contribution Agreement with Jackson County which shall provide that the Developer shall contribute to Jackson County for distribution to all affected taxing districts an amount of reimbursable project costs it has or will receive that is equal to 10% of the PILOTS collected within Redevelopment Projects 1 and 2 through 2013. The specific modifications to the Sources and Uses are set forth on Exhibit 7 to the Third Amendment.

Modification to the But-For Analysis. The Third Amendment incorporates an addendum to the But-For Analysis to support the Commission's finding that the specific public infrastructure improvements contemplated by the Third Amendment would not occur through investment by private enterprise and would not reasonably be anticipated to occur without the adoption of tax increment financing.

Modification to Cost Benefit Analysis. The Third Amendment modifies the Cost Benefit Analysis to reflect the impact on each affected taxing district.

Statutory Findings: It is Staff's recommendation that, except as identified in this agenda item, the Third Amendment does not alter the previous required statutory findings made by the TIF Commission. Specifically:

- **Economic Development Area:** The Third Amendment does not alter the Commission's and City's previous finding that the Redevelopment Area on the whole is a Conservation Area and has not been subject to growth and the additional public infrastructure improvements contemplated by the Third Amendment would not occur through investment by private

enterprise and would not reasonably be anticipated to occur without the adoption of tax increment financing. This amendment would not change these findings.

- **Cost Benefit Analysis:** The Third Amendment incorporates a modified the fiscal impact analysis on each of the taxing districts.
- **Area Conforms to the City’s Comprehensive Plan:** The changes contemplated by the Third Amendment are of a nature that they do not alter the TIF Commission’s and City’s previous finding that the Downtown Library TIF Plan conforms with the City’s FOCUS Plan and the Greater Downtown Area Plan.
- **Redevelopment Schedule:** The Third Amendment does not alter the Commission’s and City’s finding that the estimated date of completion of any redevelopment project described by the Plan and 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 changes contemplated by the Third Amendment are of a nature that they do not alter the previous relocation assistance plan that is a part of the Downtown Library TIF Plan. The Third Amendment does not contemplate the relocation of any businesses or residents.
- **Gambling Establishment:** The Third Amendment does not include development or redevelopment of any gambling establishment.
- **Acquisition by Eminent Domain:** The Third 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 Third 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 THIRD AMENDMENT OF THE
DOWNTOWN LIBRARY TIF PLAN AND FORWARDING TO CITY
COUNCIL FOR APPROVAL.