

THIRD AMENDMENT TO THE BANNISTER & WORNALL TAX INCREMENT FINANCING PLAN

KANSAS CITY, MISSOURI

TIF COMMISSION APPROVAL:

N/A

DATE:

RESOLUTION No.

CITY COUNCIL APPROVAL:

10/26/23

DATE:

230885

ORDINANCE No.

THIRD AMENDMENT
TO THE
BANNISTER AND WORNALL TAX INCREMENT FINANCING PLAN

I. Introduction

The Third Amendment to the Bannister and Wornall Tax Increment Financing Plan (the “Third Amendment”) shall amend the Bannister and Wornall Tax Increment Financing Plan, as approved by Ordinance No. 140372, and as subsequently amended by the First Amendment, as approved by Ordinance No. 180019 and the Second Amendment, as approved by Ordinance No. 229068 to the (collectively, referred to herein as the “Plan”).

The Third Amendment to the Plan modifies the (a) Estimated Budget of Redevelopment Projects, (b) Sources of Funds described by the Plan and (c) exhibits to the Plan with such other conforming changes that are in furtherance of the forgoing modifications.

II. Specific Amendments

The Bannister and Wornall Plan shall be amended as follows:

Amendment No. 1: Section I of the Plan, entitled “Introduction and Summary of Plan,” shall be deleted in its entirety and replaced with the following:

I. INTRODUCTION AND SUMMARY OF PLAN

The Bannister & Wornall Tax Increment Financing Plan (the “Plan”) contemplates the construction of an office campus to be completed in two phases within an area generally bounded by Ward Parkway on the north, Wornall Road on the east, Bannister Road (95th Street) on the south, and the Ward Parkway Office Park South subdivision on the west in Kansas City, Jackson County, Missouri.

The development contemplated by the Plan will include the demolition of an approximately 75,000 square foot existing structure located at 9400 Wornall Road, construction of approximately 471,467 square feet of office space, to be undertaken in two phases, along with approximately 340 surface parking spaces, an approximately 1,583 space parking garage, and all necessary infrastructure to support such improvements, including site preparation, utility construction and relocation, curbs, sidewalks, aesthetic improvements, landscaping and other improvements.

The development within and around the Redevelopment Area anticipated under this Plan is in the public interest because it will result in increased employment within the City and will enhance the tax base of the City. The Redevelopment Area is marked by a variety of physical and economic deficiencies, including aging and deteriorating improvements, functionally obsolete improvements, various safety concerns and excessive vacancy and economic underutilization, which contribute to the area’s position today as an economic and social liability. The Blight Study attached as Exhibit 10 to this Plan documents the blighting factors and conditions within the Redevelopment Area and confirms that the Redevelopment Area is a Blighted Area as defined in the Act. With the demolition of the existing structures and the development that will be achieved through the construction of the

Project Improvements and Public Improvements, the Redevelopment Area will be developed to its highest and best use and blight can be eliminated.

The estimated Redevelopment Project Costs to implement the Plan are approximately \$232,648,159 which include approximately \$42,734,678 in Reimbursable Project Costs to be reimbursed from TIF Revenue (as hereafter defined). The Reimbursable Project Costs consist of costs related to land acquisition, site improvements, parking and tenant improvements and are more particularly identified on Exhibit 5A, attached to this Plan. The Plan contemplates reimbursement of Reimbursable Project Costs on a “pay as you go” basis to ensure that no risk is assumed by any Taxing District.

The total initial equalized assessed valuation of the Redevelopment Area according to current records at the Jackson County Assessor’s Office is approximately \$2,645,558. The current combined ad valorem property tax levy is projected to be \$11.1765 per \$100 assessed valuation. The 2013 annual ad valorem tax revenue from the Redevelopment Area is approximately \$505, which is a boulevard tax, as the property was tax exempt since it was a religious facility. Following the completion of all Project Improvements (as hereafter defined), it is estimated that the assessed value of the property will increase to approximately \$18,833,884.

Pursuant to the Act, tax increment financing allows for the use of fifty percent (50%) of Economic Activity Taxes and one hundred percent (100%) of Payment in Lieu of Taxes generated and collected within the Redevelopment Project Area for a twenty-three (23) year period to pay Reimbursable Project Costs. The estimated total Economic Activity Taxes generated within the Redevelopment Project Area and available to pay Reimbursable Project Costs is approximately \$43,498,962. It is anticipated the Redevelopment will receive Missouri Chapter 100 benefits in the form of 100% real property tax abatement for 15 years and 50% tax abatement for 10 years; therefore, no Payment in Lieu of Taxes will be redirected to pay for any Reimbursable Project Costs. Upon completion of the Plan and payment of all reimbursable Project Costs, TIF Revenue will be paid to the Taxing District in accordance with the Act.

Amendment No. 2: The following term defined under the Section entitled “Definitions” in Section I. of the Plan is hereby deleted in its entirety and replaced with the following:

Y. “Reimbursable Project Costs,” Forty-Two Million Seven Hundred Thirty-Four Thousand Six Hundred Seventy-Eight and no/100 Dollars (\$42,734,678) of the Redevelopment Project Costs, as specifically identified on Exhibit 5A, attached hereto.”

Amendment No. 3: Section IV.A. of the Plan, entitled “Estimated Redevelopment Project Costs,” shall be deleted in its entirety and replaced with the following paragraph:

A. Estimated Redevelopment Project Costs. The total cost to the Redeveloper to implement the Project Improvements and Public Improvements, which is described by Section IV.C. and IV.D, is estimated to be \$232,648,159, which is provided in detail on Exhibit 5A, attached hereto. The Redeveloper and third parties engaged by either the Redeveloper or the Commission will finance \$189,913,481 (approximately 82% of the total cost) through a combination of equity or debt financing. For the

remaining \$42,734,678 (approximately 18% of the total cost) of Reimbursable Project Costs, the Redeveloper is seeking financing through Obligations secured, at least in part, by Tax Increment Financing. The Reimbursable Project Costs are identified on Exhibit 5A, attached hereto.

The Commission has determined that certain planning and special services expenses of the Commission (“Administrative Expenses”), which are not direct Redevelopment Project Costs, are nonetheless reasonable and necessary for the operation of the Commission and are incidental costs to the Plan. The incidental costs will be recovered by the Commission from the Special Allocation Fund in an amount not to exceed 5% of the Payments in Lieu of Taxes and Economic Activity Taxes paid annually into the Special Allocation Fund”

Amendment No. 4: Delete Exhibit 5.A of the Plan entitled “Estimated Redevelopment Costs” in its entirety and replace it with Exhibit 5.A “Estimated Redevelopment Costs,” attached hereto.

Amendment No. 5: Delete Exhibit 7 of the Plan entitled “Sources of Funds” in its entirety and replace it with Exhibit 7 “Sources of Funds,” attached hereto.

Amendment No. 4

Exhibit 5.A

Estimated Redevelopment Project Costs

Exhibit 5A - ESTIMATED DEVELOPMENT COSTS

Summary - Redevelopment Project Areas A and B

SITE SUMMARY	
Site Area (SF)	727,016
Building Area (GSF)	471,467

DEVELOPMENT COSTS	Total Redevelopment Project Costs	\$/GSF	Developer's Costs	\$/GSF	TIF Reimbursable Expenses	\$/GSF
Land Acquisition	3,152,463	6.69	3,152,463	6.69	-	-
Vertical Building Construction	61,869,037	131.23	61,869,037	131.23	-	-
Parking Structure	23,925,569	50.75	10,375,316	22.01	13,550,253	28.74
Tenant Improvements	24,173,407	51.27	21,430,722	45.46	2,742,685	5.82
Onsite Improvements	8,259,530	17.52	1,326,011	2.81	6,933,519	14.71
Offsite Improvements	250,000	0.53	75,000	0.16	175,000	0.37
TIF Commission Fees	200,000	0.42	125,000	0.27	75,000	0.16
General Development Costs (City/Gov't Fees, Admin Costs, etc)	2,140,006	4.54	2,140,006	4.54	-	-
Design	7,077,847	15.01	7,077,847	15.01	-	-
Legal	370,000	0.78	370,000	0.78	-	-
Leasing Commissions	-	-	-	-	-	-
Interest Carry During Construction	1,283,512	2.72	1,283,512	2.72	-	-
Personal Property	-	-	-	-	-	-
Developer Fee	3,833,248	8.13	3,833,248	8.13	-	-
Hard Cost Contingency	2,838,939	6.02	2,838,939	6.02	-	-
Soft Cost Contingency	946,313	2.01	946,313	2.01	-	-
Total Development Costs	140,319,871	297.62	116,843,414	247.83	23,476,457	49.79
Percentage of Total Development Costs by Category	100.00%		83.27%		16.73%	
Permanent Financing/Interest Costs*	92,328,288	195.83	73,070,067	154.98	19,258,221	40.85
Total Development and Holding Costs	232,648,159	\$ 493.45	189,913,481	\$ 402.81	42,734,678	\$ 90.64

* All amounts to be reimbursed in connection with this permanent interest line item shall be subject to actual amounts of interest incurred by the developer and shall be subject to the limitation set forth in the Commission's Certification of Costs and Reimbursement Policy and Interest Policy.

Exhibit 5A - ESTIMATED DEVELOPMENT COSTS

Summary - Redevelopment Project Areas A and B

SITE SUMMARY	
Site Area (SF)	727,016
Building Area (GSF)	471,467

DEVELOPMENT COSTS	Total Redevelopment Project Costs	\$/GSF	Developer's Costs	\$/GSF	TIF Reimbursable Expenses	\$/GSF
Land Acquisition	3,152,463	6.69	3,152,463	6.69	-	-
Vertical Building Construction	61,869,037	131.23	61,869,037	131.23	-	-
Parking Structure	23,925,569	50.75	10,375,316	22.01	13,550,253	28.74
Tenant Improvements	24,173,407	51.27	21,430,722	45.46	2,742,685	5.82
Onsite Improvements	8,259,530	17.52	1,326,011	2.81	6,933,519	14.71
Offsite Improvements	250,000	0.53	75,000	0.16	175,000	0.37
TIF Commission Fees	200,000	0.42	125,000	0.27	75,000	0.16
General Development Costs (City/Gov't Fees, Admin Costs, etc)	2,140,006	4.54	2,140,006	4.54	-	-
Design	7,077,847	15.01	7,077,847	15.01	-	-
Legal	370,000	0.78	370,000	0.78	-	-
Leasing Commissions	-	-	-	-	-	-
Interest Carry During Construction	1,283,512	2.72	1,283,512	2.72	-	-
Personal Property	-	-	-	-	-	-
Developer Fee	3,833,248	8.13	3,833,248	8.13	-	-
Hard Cost Contingency	2,838,939	6.02	2,838,939	6.02	-	-
Soft Cost Contingency	946,313	2.01	946,313	2.01	-	-
Total Development Costs	140,319,871	297.62	116,843,414	247.83	23,476,457	49.79
Percentage of Total Development Costs by Category	100.00%		83.27%		16.73%	
Permanent Financing/Interest Costs*	92,328,288	195.83	73,070,067	154.98	19,258,221	40.85
Total Development and Holding Costs	232,648,159	\$ 493.45	189,913,481	\$ 402.81	42,734,678	\$ 90.64

* All amounts to be reimbursed in connection with this permanent interest line item shall be subject to actual amounts of interest incurred by the developer and shall be subject to the limitation set forth in the Commission's Certification of Costs and Reimbursement Policy and Interest Policy.

Summary - Redevelopment Project Area A

SITE SUMMARY	
Site Area (SF)	727,016
Building Area (GSF)	321,467

DEVELOPMENT COSTS	Total Project Costs	\$/GSF	Developer's Costs	\$/GSF	TIF Reimbursable Expenses	\$/GSF
Land Acquisition	3,152,463	9.81	3,152,463	9.81	-	-
Vertical Building Construction	42,668,823	132.73	42,668,823	132.73	-	-
Parking Structure	11,256,660	35.02	939,402	2.92	10,317,258	32.09
Tenant Improvements	16,629,304	51.73	14,479,130	45.04	2,150,174	6.69
Onsite Improvements*	6,521,540	20.29	1,045,524	3.25	5,476,016	17.03
Offsite Improvements	250,000	0.78	75,000	0.23	175,000	0.54
TIF Commission Fees	100,000	0.31	50,000	0.16	50,000	0.16
General Development Costs (City/Gov't Fees, Admin Costs, etc)	1,316,892	4.10	1,316,892	4.10	-	-
Design	4,601,953	14.32	4,601,953	14.32	-	-
Legal	235,000	0.73	235,000	0.73	-	-
Leasing Commissions	-	-	-	-	-	-
Interest Carry During Construction	896,299	2.79	896,299	2.79	-	-
Personal Property	-	-	-	-	-	-
Developer Fee	2,411,003	7.50	2,411,003	7.50	-	-
Hard Cost Contingency	1,848,052	5.75	1,848,052	5.75	-	-
Soft Cost Contingency	616,018	1.92	616,018	1.92	-	-
Total Development Costs	92,504,007	\$287.78	74,335,559	231.25	18,168,448	56.51
Percentage of Total Development Costs by Category	100.00%		80.36%		19.64%	
Permanent Financing/Interest Costs **	57,370,923	178.47	42,279,926	131.52	15,090,997	46.94
Total Development and Holding Costs	149,874,930	\$466.25	116,615,485	\$ 362.77	33,259,445	\$ 103.45
Percentage of Total Development and Holding Costs by Category	100.00%		77.81%		22.19%	

* TIF reimbursable expenses for onsite improvements shall not include costs associated with the surface parking located on Project Area B.

** All amounts to be reimbursed in connection with this permanent interest line item shall be subject to actual amounts of interest incurred by the developer and shall be subject to the limitation set forth in the Commission's Certification of Costs and Reimbursement Policy and Interest Policy.

Summary - Redevelopment Project Area A

SITE SUMMARY	
Site Area (SF)	727,016
Building Area (GSF)	321,467

DEVELOPMENT COSTS	Total Project Costs	\$/GSF	Developer's Costs	\$/GSF	TIF Reimbursable Expenses	\$/GSF
Land Acquisition	3,152,463	9.81	3,152,463	9.81	-	-
Vertical Building Construction	42,668,823	132.73	42,668,823	132.73	-	-
Parking Structure	11,256,660	35.02	939,402	2.92	10,317,258	32.09
Tenant Improvements	16,629,304	51.73	14,479,130	45.04	2,150,174	6.69
Onsite Improvements*	6,521,540	20.29	1,045,524	3.25	5,476,016	17.03
Offsite Improvements	250,000	0.78	75,000	0.23	175,000	0.54
TIF Commission Fees	100,000	0.31	50,000	0.16	50,000	0.16
General Development Costs (City/Gov't Fees, Admin Costs, etc)	1,316,892	4.10	1,316,892	4.10	-	-
Design	4,601,953	14.32	4,601,953	14.32	-	-
Legal	235,000	0.73	235,000	0.73	-	-
Leasing Commissions	-	-	-	-	-	-
Interest Carry During Construction	896,299	2.79	896,299	2.79	-	-
Personal Property	-	-	-	-	-	-
Developer Fee	2,411,003	7.50	2,411,003	7.50	-	-
Hard Cost Contingency	1,848,052	5.75	1,848,052	5.75	-	-
Soft Cost Contingency	616,018	1.92	616,018	1.92	-	-
Total Development Costs	92,504,007	\$287.78	74,335,559	231.25	18,168,448	56.51
Percentage of Total Development Costs by Category	100.00%		80.36%		19.64%	
Permanent Financing/Interest Costs **	57,370,923	178.47	42,279,926	131.52	15,090,997	46.94
Total Development and Holding Costs	149,874,930	\$466.25	116,615,485	\$ 362.77	33,259,445	\$ 103.45
Percentage of Total Development and Holding Costs by Category	100.00%		77.81%		22.19%	

* TIF reimbursable expenses for onsite improvements shall not include costs associated with the surface parking located on Project Area B.

** All amounts to be reimbursed in connection with this permanent interest line item shall be subject to actual amounts of interest incurred by the developer and shall be subject to the limitation set forth in the Commission's Certification of Costs and Reimbursement Policy and Interest Policy.

Summary - Redevelopment Project Area B

SITE SUMMARY	
Site Area (SF)	727,016
Building Area (GSF)	150,000

DEVELOPMENT COSTS	Total Project Costs	\$/GSF	Developer's Costs	\$/GSF	TIF Reimbursable Expenses	\$/GSF
Land Acquisition	-	-	-	-	-	-
Vertical Building Construction	19,200,214	128.00	19,200,214	128.00	-	-
Parking Structure	12,668,909	84.46	9,435,914	62.91	3,232,995	21.55
Tenant Improvements	7,544,103	50.29	6,951,592	46.34	592,511	3.95
Onsite Improvements	1,737,990	11.59	280,487	1.87	1,457,503	9.72
Offsite Improvements	-	-	-	-	-	-
TIF Commission Fees	100,000	0.67	75,000	0.50	25,000	0.17
General Development Costs (City/Gov't Fees, Admin Costs, etc)	823,114	5.49	823,114	5.49	-	-
Design	2,475,894	16.51	2,475,894	16.51	-	-
Legal	135,000	0.90	135,000	0.90	-	-
Leasing Commissions	-	-	-	-	-	-
Interest Carry During Construction	387,213	2.58	387,213	2.58	-	-
Personal Property	-	-	-	-	-	-
Developer Fee	1,422,245	9.48	1,422,245	9.48	-	-
Hard Cost Contingency	990,887	6.61	990,887	6.61	-	-
Soft Cost Contingency	330,295	2.20	330,295	2.20	-	-
Total Development Costs	47,815,864	318.78	42,507,855	283.39	5,308,009	35.39
Percentage of Total Development Costs by Category	100.00%		88.90%		11.10%	
Permanent Financing/Interest Costs*	34,957,365	233.05	30,790,141	205.27	4,167,224	27.78
Total Development and Holding Costs	82,773,229	551.83	73,297,996	488.66	9,475,233	63.17
Percentage of Total Development and Holding Costs by Category	100.00%		88.55%		11.45%	

* All amounts to be reimbursed in connection with this permanent interest line item shall be subject to actual amounts of interest incurred by the developer and shall be subject to the limitation set forth in the Commission's Certification of Costs and Reimbursement Policy and Interest Policy.

Amendment No. 5

Exhibit 7

EXHIBIT 7

SOURCES AND USES OF FUNDS FOR ALL ESTIMATED REDEVELOPMENT PROJECT COSTS

Developer Equity and/or Debt	\$189,913,481
Amount of Reimbursable Costs from Economic Activity Taxes	\$42,734,678
TOTAL	\$232,648,159

BONDS

The total estimated amount of Economic Activity Taxes that are captured under the TIF Act, over twenty-three years for Redevelopment Project Areas A and B, which are available to fund Reimburse Redevelopment Project Costs and Administrative Costs per the Act is approximately \$42,734,678. The Commission may dedicate part or these entire amounts to finance Reimbursable Project Costs.



Legislation Text

File #: 230885

ORDINANCE NO. 230885

Approving the Third Amendment to the Bannister & Wornall Tax Increment Financing Plan.

WHEREAS, pursuant to the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865 of the Revised Statutes of Missouri, as amended (the "Act"), the City Council of Kansas City, Missouri (the "City Council") by Ordinance No. 54556 passed on November 24, 1982, and thereafter amended in certain respects by Committee Substitute for Ordinance No. 911076, as amended, passed on August 29, 1991, Ordinance No. 100089, as amended, passed on January 28, 2010, and Ordinance No. 130986, passed on December 19, 2013, Committee Substitute for Ordinance No. 140823, as amended on, June 18, 201 and Committee Substitute for Ordinance No. 230524, passed on June 22, 20235, created the Tax Increment Financing Commission of Kansas City, Missouri (the "Commission"); and

WHEREAS, on May 14, 2014, the City Council of Kansas City, Missouri (the "Council") passed Ordinance No. 140372, which accepted the recommendations of the Commission and approved the Bannister & Wornall Tax Increment Financing Plan (the "Original Plan") and designated the Redevelopment Area described therein to be a blighted area (the "Redevelopment Area"); and

WHEREAS, on January 25, 2018, the Council passed Ordinance No. 180019 approving the First Amendment to the Bannister & Wornall Tax Increment Financing Plan (the "First Amendment"), which provides for certain modifications to the Redevelopment Schedule for the implementation of Redevelopment Project B, as described by the Plan ; and

WHEREAS, on November 3, 2022, the Council passed Ordinance No. 229068 approving the Second Amendment to the Bannister & Wornall Tax Increment Financing Plan (the "Second Amendment", and together with the First Amendment and the Original Plan, the "Plan" or "Redevelopment Plan"), which provides for certain modifications to the (a) Estimated Budget of Redevelopment Projects and (b) Sources Funds described by the Plan; and

WHEREAS, the Third Amendment to the Redevelopment Plan modifies the Estimated Redevelopment Project Costs and the Source of Funds described therein and such changes do not alter the exterior boundaries of the Redevelopment Area or enlarge the exterior boundary of any Redevelopment Project Area described by the Redevelopment Plan, affect the general land uses described by the Redevelopment Plan or change the nature of any Redevelopment Project described by the Redevelopment Plan; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. The Third Amendment, as attached hereto, is hereby approved and adopted as valid.

Section 2. That all terms used in this ordinance, not otherwise defined herein, shall be construed as defined in Sections 99.800 to 99.865 of the Revised Statutes of Missouri, as amended (the "Act").

Section 3. That the Council hereby finds that:

- (a) The findings of the Council in Ordinance Nos. 140372, 180019 and 229068 with respect to the Plan are not affected by the Third Amendment and apply equally to the Third Amendment;
- (b) The Redevelopment Area, as amended, is a Blighted area, as a whole, and has 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 the Redevelopment Plan, as amended, by the Third Amendment;
- (c) The Redevelopment Plan, as amended by the Third Amendment, includes a detailed description of the factors that qualify the Redevelopment Area as a conservation area and an affidavit as required by Section 99.810.1(1), RSMo;
- (d) The Redevelopment Plan, as amended by the Third Amendment, conforms to the comprehensive plan for the development of the City as a whole;
- (e) The areas selected for Redevelopment Projects described by the Redevelopment Plan, as amended by the Third Amendment, include only those parcels of real property and improvements therein which will be directly and substantially benefited by the Redevelopment Project improvements;
- (f) The estimated dates of completion of the respective Redevelopment Projects and retirement of obligations incurred to finance Redevelopment Project Costs, have been stated in the Redevelopment Plan, as amended by the Third Amendment, and are not more than 23 years from the passage of any ordinance approving each applicable Redevelopment Project authorized by the Redevelopment Plan and located within the Redevelopment Area, as amended;
- (g) A plan has been developed for relocation assistance for businesses and residences;
- (h) The Third Amendment does not alter the cost benefit analysis attached to the Redevelopment Plan showing the impact of the Redevelopment Plan, as amended, on each taxing district which is at least partially within the boundaries of the Redevelopment Area has been prepared in accordance with the Act;

- (i) The Third Amendment does not include the initial development or redevelopment of any gambling establishment; and
- (j) A study has been completed and the findings of such study satisfy the requirements provided under Section 99.810.1, RSMo.

Section 4. That the Commission is authorized to issue obligations in one or more series of bonds secured by the Special Allocation Fund(s) established in connection with each Redevelopment Project described by the Redevelopment Plan to finance Redevelopment Project Costs and subject to any constitutional limitations, to acquire by purchase, donation, lease or eminent domain, own, convey, lease, mortgage, or dispose of, land or other property, real or personal, or rights or interests therein, and grant or acquire licenses, easements and options with respect thereto, all in the manner and at such price the Commission determines, to enter into such contracts and undertake all such further actions as are reasonably necessary to achieve the objectives of the Redevelopment Plan, as amended, pursuant to the power delegated to it in the Enabling Ordinances. Any obligations issued to finance Redevelopment Project Costs shall contain a recital that they are issued pursuant to Sections 99.800 through 99.865, RSMo., which recital shall be conclusive evidence of their validity and of the regularity of their issuance.

Section 5. That pursuant to the provisions of the Redevelopment Plan, the Council approves the pledge of all payments in lieu of taxes and economic activity taxes generated within Redevelopment Projects that are deposited into the Special Allocation Fund(s) established in connection with each Redevelopment Project described by the Redevelopment Plan to the payment of Redevelopment Project Costs, and authorizes the Commission to pledge such funds on its behalf.

Approved as to form:



Emalea Black
Associate City Attorney



Authenticated as Passed



Quinton Jones, Mayor



Marilyn Sanders, City Clerk

OCT 26 2023

Date Passed