

Special Board Meeting Agenda

Tax Increment Financing Commission

City of Kansas City, Missouri

DATE: September 24, 2021
TIME: **1:00 p.m.**
PLACE: Economic Development Corporation Board Room
300 Wyandotte, Suite 400
Kansas City, MO 64105

Videoconference

- Do not delete or change any of the following text. -

Join meeting via Zoom

<https://us06web.zoom.us/j/84172340503?pwd=RzcxOCtuZzRiWmRoQVhUZEhGOVE1QT09>

Meeting ID: 841 7234 0503

Passcode: 629423

Dial by Phone: +1 312 626 6799

CLAY COUNTY/PLATTE RIII AGENDA ITEMS

PUBLIC HEARING – 1:00 PM

ROLL CALL

1. **Metro North Crossing TIF Plan – Third Amendment: Consideration of approval of the proposed Third Amendment to the Metro North Crossing Tax Increment Financing Plan, an amendment to Redevelopment Project Area 5 and the approval of Redevelopment Projects 6 and 7, and other matters related thereto. (Heather Brown) Exhibit 1**

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 Metro North Crossing Tax Increment Financing Plan (the “TIF Plan” or “Redevelopment Plan”), an amendment to Redevelopment Project Area 5 and the approval of Redevelopment Projects 6 and 7.

Redevelopment Plan Area: The redevelopment area described by the Plan is generally bound by 88th Street on the North, Wyandotte Street on the east, Barry Road on the south and US Highway 169/Summit Avenue on the west in Kansas City, Clay County, Missouri (the “Redevelopment Area”).

Development Program: The TIF Plan provides for the demolition of approximately 897,874 square feet of the existing Metro North Mall, with approximately 224,000 square feet of existing retail space to remain with some façade and parking improvements. Additionally, the Plan provides for approximately 898,651 square feet of new construction that will provide for retail, office, multi-family residential and hotel uses. The Public Improvements may consist of streetscape, signage, signaling, sidewalks, curbs and other related public infrastructure improvements that support and enhance the Project Improvements.

Notices: Staff delivered notice by certified mail on July 30, 2021 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 TIF Plan prior to the date of this hearing.

Staff prepared and published notices in *The Kansas City Star* on August 1, 2021 and August 15, 2021.

Staff prepared and delivered notices on September 13, 2021 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 Area, which shall be subjected to payments in lieu of taxes and economic activity taxes.

General Description of the Third Amendment to the Metro North Crossing TIF Plan: The Third Amendment to the TIF Plan provides for (a) modifications to the description of Redevelopment Project Area 5, as described by the Plan, (b) the inclusion of Redevelopment Projects 6 and 7 and Redevelopment Project Areas 6 and 7, (c) modifications to the general description of the Project Improvements described by the Plan, (d) modifications to the

Budget of Redevelopment Project Costs described by the Plan, (e) modifications to the Sources of Funds described by the Plan, (f) modifications to the Site Map attached to the Plan, (g) modifications to the estimated construction totals for each Redevelopment Project, (h) modifications to the estimated employment totals for each Redevelopment Project, (i) modifications to the development schedule attached to the Plan, and (j) modifications to the specific objectives set forth in the Plan.

Statutory Findings: It is Staff's recommendation that the Third Amendment to the Metro North Crossing TIF meets each of the required statutory findings identified by the TIF Act. Specifically:

- **Blighted Area:** The Third Amendment does not alter the City's previous finding that the Redevelopment Area, on the whole, is a Blighted Area.
- **Expectations for Development:** The Third Amendment does not alter the City's previous finding that the Redevelopment Area, on the whole, 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 tax increment financing.
- **Conforms to Comprehensive Plan of City:** The Third Amendment does not alter the City's previous finding that the Plan conforms to the City's comprehensive plan.
- **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.
- **Date to Retire Obligations:** In the event Obligations are issued to finance Redevelopment Project Costs, it is anticipated that such Obligations will be retired in less than twenty-three (23) years from the adoption of the Ordinance approving the last Redevelopment Project to be approved by the City Council from which TIF Revenue is utilized to pay principal and interest on such Obligations.
- **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.
- **Cost-Benefit Analysis:** The Third Amendment does not alter the previous cost-benefit analysis approved by the City, which assesses the economic impact of the Plan on each affected Taxing District and provides sufficient information to evaluate whether the Redevelopment Projects, as proposed by the Plan, are financially feasible.
- **Gambling Establishment:** The Third Amendment does not include the initial development or redevelopment of any gambling establishment as defined in the Act.

Recommendation: Staff recommends approval of the Third Amendment to the Metro North TIF Plan.

Action recommended:

(1 of 5) CLOSING THE PUBLIC HEARING.

(2 of 5) APPROVAL OF THE PROPOSED THIRD AMENDMENT TO THE METRO NORTH CROSSING TAX INCREMENT FINANCING PLAN, AND FORWARDING THE RECOMMENDATIONS TO THE CITY COUNCIL FOR APPROVAL.

(3 of 5) APPROVAL OF THE AMENDMENT TO REDEVELOPMENT PROJECT AREA 5 TO THE METRO NORTH CROSSING TAX INCREMENT FINANCING PLAN, AND FORWARDING THE RECOMMENDATIONS TO THE CITY COUNCIL FOR APPROVAL.

(4 of 5) APPROVAL OF REDEVELOPMENT PROJECT AREA 6 TO THE METRO NORTH CROSSING TAX INCREMENT FINANCING PLAN, AND FORWARDING THE RECOMMENDATIONS TO THE CITY COUNCIL FOR APPROVAL.

(5 of 5) APPROVAL OF REDEVELOPMENT PROJECT AREA 7 TO THE METRO NORTH CROSSING TAX INCREMENT FINANCING PLAN, AND FORWARDING THE RECOMMENDATIONS TO THE CITY COUNCIL FOR APPROVAL.

2. Metro North Crossing TIF Plan: Consideration of the approval of a Redevelopment Agreement between the TIF Commission and Metro North Crossing, LLC, Inc. regarding the implementation of the improvements contemplated for the Metro North Crossing TIF Plan, and other matters related thereto. (Wesley Fields) Exhibit 2

On December 10, 2015, the City Council (the “Council”) of Kansas City, Missouri (the “City”), by way of Ordinance No. 151011, approved the Metro North Crossing Tax Increment Financing Plan, which has been amended twice by ordinances passed by the Council (the “TIF Plan”) for an area designated therein as the redevelopment area (the “Redevelopment Area”).

The TIF Plan provides for the demolition of approximately 896,874 square feet of the existing Metro North Mall and, in its place, the development of a substantially-sized courtyard/gathering area for community events, approximately 510,051 square feet of retail, restaurant, hotel and entertainment space, approximately 249 units of multi-family residential housing, approximately 85,000 square feet of office space, and approximately 3,383 parking spaces and public infrastructure improvements, which may consist of streetscape, signage, signaling, sidewalks and curbs and such other related public infrastructure improvements that support and enhance the improvements described above.

The Commission and Metro North Crossing, LC (the “Redeveloper”), on May 19, 2016, entered into an agreement, which provides for the implementation of the TIF Plan (the “Initial Agreement”). The Commission and the Redeveloper, on November 14, 2018, entered into the First Amendment to the Initial Agreement (the “First Amended Agreement”) to amend the Initial Agreement regarding (1) the definition of Participating Affiliates, (2) the Redevelopment Schedule, (3) the description of the Project Improvements and Public Improvements, and (4) the terms and conditions related to the certification and reimbursement of Reimbursable Project

Costs. The Commission and the Redeveloper, on April 16, 2020, entered into the Second Amendment to the Initial Agreement (the “Second Amended Agreement” and together with the First Amended Agreement and the Initial Agreement, the “Original Agreement”) to amend the Initial Agreement regarding (1) the amount of Reimbursable Project Costs, (2) the description of the Project Improvements and Public Improvements, (3) the Redevelopment Schedule and (4) application of City’s MBE/WBE Ordinance.

The Redeveloper has presented a Third Amendment to the TIF Plan for the Commission and the City Council to consider. The Third Amendment to the Plan provides for (a) modifications to the description of Redevelopment Project Area 5, as described by the TIF Plan, (b) the inclusion of Redevelopment Projects 6 and 7 and Redevelopment Project Areas 6 and 7, (c) modifications to the general description of the Project Improvements described by the TIF Plan, (d) modifications to the Budget of Redevelopment Project Costs described by the TIF Plan, (e) modifications to the Sources of Funds described by the TIF Plan, (f) modifications to the Site Map attached to the TIF Plan, and (g) modifications to the development schedule attached to the TIF Plan (the “Third Amendment Modifications”).

The Redeveloper desires to enter into a Third Amendment Original Agreement in a form substantially similar to **Exhibit 2** attached to the Commission Board Packet, which shall incorporate the Third Amendment Modifications.

The Third Amendment to the Original Agreement, attached to the Commission Board Packet as **Exhibit 2**, has been prepared by legal counsel and it contains the Commission’s most recent policies and procedures. To the extent the Commission finds acceptable the terms of the Third Amendment to the Original Agreement, staff and legal counsel recommend approval, subject to modifications accepted by the Chair, Executive Director and legal counsel and subject to City Council’s approval of the proposed Third Amendment to the TIF Plan.

Action recommended:

APPROVAL OF THE THIRD AMENDMENT REDEVELOPMENT AGREEMENT BETWEEN METRO NORTH CROSSING, LLC AND THE TAX INCREMENT FINANCING COMMISSION OF KANSAS CITY, MISSOURI FOR THE IMPLEMENTATION OF THE METRO NORTH CROSSING TAX INCREMENT FINANCING PLAN, SUBJECT TO ANY MODIFICATIONS APPROVED BY THE CHAIR, THE EXECUTIVE DIRECTOR AND LEGAL COUNSEL; PROVIDED, HOWEVER, THE COMMISSION SHALL NOT EXECUTE AND DELIVER THE REDEVELOPMENT AGREEMENT UNTIL THE CITY COUNCIL APPROVES THE THIRD AMENDMENT TO THE METRO NORTH CROSSING PLAN.

PLATTE-CLAY COUNTY/PLATTE RIII AGENDA ITEMS

3. **Platte Purchase Development Plan: Consideration of Approval of the Certificate of Partial Completion and Compliance No. 8 in connection with the Platte Purchase Redevelopment Plan, and other matters related thereto. (Sandra Rayford) Exhibit 3**

This Certificate of Partial Completion is issued to the Redeveloper in accordance with Section 19 of the Redevelopment Agreement for all such requirements and obligations in connection

with the construction of a portion of certain Public Infrastructure Improvements described on **Exhibit B** and **Exhibit C**, attached hereto (the “Partially Completed Public Improvements”). The Partially Completed Improvements consist of 3/4/7A/10, NW, TSR. M152 & N Platte Purchase Interchange, N Platte Purchase, Line Creek Parkway, sanitary sewer of the Platte Purchase Tax Increment Financing Plan.

PLATTE PURCHASE DEVELOPMENT PLAN:

	<u>Budget</u>	<u>Actual to Date</u>
Total Cost of Public Improvements	\$14,382,000	\$13,182,977
Redevelopment Project Costs Eligible for Reimbursement	\$14,382,000	\$13,182,977
Reimbursable Commission Plan Expenses	\$ 650,000	\$ 367,634
Reimbursable Redeveloper Legal Fees	\$ 600,000	\$ 497,527
Construction Period Interest	\$ 500,000	\$ 103,426

Redeveloper’s Report: The Redeveloper has provided satisfactory compliance documentation related to the Partially Completed Improvements.

Cost Certification: All costs to date have been certified by the Commission.

Compliance with Policies: The Redeveloper satisfactorily complied with the policies attached to and incorporated within the Redevelopment Agreement, including the Commission’s Work Force Policy and Ordinance No. 180535, as further amended (the “MBE/WBE Ordinance”).

Funding Agreement Compliance: The Redeveloper is in compliance with the Funding Agreement dated June 30, 2016.

Staff recommends approval of the Certificate of Partial Completion and Compliance.

Action recommended:

APPROVAL OF THE CERTIFICATE OF PARTIAL COMPLETION AND COMPLIANCE TO MD MANAGEMENT, INC. FOR THE COMPLETION AND COMPLIANCE OF THE PARTIALLY COMPLETED PUBLIC IMPROVEMENTS AND DIRECT THE CHAIR, VICE-CHAIR OR EXECUTIVE DIRECTOR TO EXECUTE A RESOLUTION APPROVING THE SAME.

JACKSON COUNTY/KCMO AGENDA ITEMS

4. The Kansas City Convention Center Headquarters Hotel Tax Increment Financing Plan: Consideration of approval of the Certificate of Completion and Compliance in connection with the Kansas City Convention Center Headquarters Hotel TIF Plan and other matters related thereto. (Sandra L. Rayford) Exhibit 4

This Certificate of Completion and Compliance is issued to KC Hotel Property Owner, LLC (the “Redeveloper”) in accordance with the Agreement, dated January 18, 2018, among the Tax Increment Financing Commission of Kansas City, Missouri (the “Commission”), the Land Clearance for Redevelopment Authority of Kansas City, Missouri (the “Authority”) and KC Hotel Property Owner, LLC, (the “Redeveloper”), as may be further modified, amended or restated from time to time (the “Redevelopment Agreement”), for the implementation of certain Project Improvements and Public Improvements described by The Kansas City Convention Headquarters Hotel Tax Increment Financing Plan (the “TIF Plan”). This Certificate of Completion and Compliance acknowledges and confirms the Redeveloper has satisfied the requirements and obligations set forth in the Redevelopment Agreement in connection with the completion of the Project Improvements and Public Improvements described by the Redevelopment Agreement.

This Certificate of Completion and Compliance does not waive or modify any rights or obligations the Redeveloper or the Commission has or may have under the Funding Agreement, dated January 18, 2018, between the Commission and the Redeveloper or the Redevelopment Agreement, including any obligation the Redeveloper may have to provide reports required by the Redevelopment Agreement and any obligation the Commission may have under the Redevelopment Agreement, including the obligation to reimburse unpaid certified Redevelopment Project Costs.

The Project Improvements include:

“Hotel Improvements” which include a convention center headquarters hotel, which shall contain approximately 800 guest rooms, approximately 20,300 square feet of retail, restaurant, bar, and lounge areas (including a 6,000 square foot third-party restaurant space), approximately 5,100 square feet of meeting rooms, and approximately 10,465 square feet of recreational facilities and related on-site improvements.

“Parking/Meeting Space Improvements” which include approximately 79,000 square feet of meeting space (including pre-function space) and a parking structure accommodating approximately 469 spaces and related on-site improvements.

The Public Improvements include:

A connection constructed between the Hotel Improvements and Bartle Hall Convention Center (the “Connector”), sidewalks, streetscape, and any other public improvements required to support the Project Improvements or desired by the City and the Redeveloper to support the Project Improvements.

The Redeveloper has complied with the Cost Certification and Payment Procedures, attached as Exhibit U to the Redevelopment Agreement and the Commission has certified all Redevelopment Project Costs incurred in connection with the implementation of Project Improvements and Public Improvements that were identified in the final Cost Certification issued by Cochran Head Vick & Co., P.C., PA on January 1, 2021.

To date, the Redeveloper is in compliance with all provisions of the Redevelopment Agreement, including, but not limited to, the policies incorporated therein. Staff recommends approval of the Certificate of Completion and Compliance.

Action recommended:

APPROVAL OF THE CERTIFICATE OF COMPLETION AND COMPLIANCE TO KANSAS CITY CONVENTION CENTER HEADQUARTERS HOTEL. FOR THE COMPLETION AND COMPLIANCE OF KANSAS CITY CONVENTION CENTER HEADQUARTERS HOTEL TIF PLAN AND AUTHORIZE AND DIRECT THE CHAIR, VICE-CHAIR OR EXECUTIVE DIRECTOR TO EXECUTE A RESOLUTION APPROVING THE SAME.

EXECUTIVE SESSION

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

RESUME BUSINESS SESSION

5. **Adjournment**

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