

REVISED

Special Board Meeting Agenda
Tax Increment Financing Commission
City of Kansas City, Missouri

DATE: March 28, 2022
TIME: **2:00 p.m.**
PLACE: Economic Development Corporation Board Room
300 Wyandotte, Suite 400
Kansas City, MO 64105

Videoconference

Join meeting via Zoom

<https://us06web.zoom.us/j/88971428979?pwd=dXo2MGFIWng1dWtVQ0kyS1BUTINCdz09>

Meeting ID: 889 7142 8979

Passcode: 270917

Dial by Phone: +1 312 626 6799

JACKSON COUNTY/KCMO AGENDA ITEMS

PUBLIC HEARING – 2:00 PM

ROLL CALL

1. **SouthPointe at 63rd Street TIF Plan: Consideration of approval of the SouthPointe at 63rd Street Tax Increment Financing Plan, and other matters related thereto. (David Leader) 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 SouthPointe Tax Increment Financing Plan (the “Redevelopment Plan” or “Plan”) and the designation of the Redevelopment Area and the Redevelopment Project Areas described by the Redevelopment TIF Plan.

Redevelopment Plan Area: The Redevelopment Plan contemplates the construction of certain road and infrastructure improvements in an area generally bounded by 59th Street on the north, 63rd Street on the south, Bruce R. Watkins Highway on the east and Brooklyn Avenue on the west, all in Jackson County, Kansas City, Missouri.

Notices: Notices regarding the public hearing were sent to all affected taxing jurisdictions by certified mail on January 20, 2022. Notices were published in newspapers of general circulation of the proposed redevelopment, on January 20, 2022, February 23, 2022, and February 26, 2022.

Staff prepared and delivered notices by certified mail regarding the public hearing on January 23, 2022 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 subject to payments in lieu of taxes and economic activity taxes.

General Description of the SouthPointe TIF Plan: The Southpointe Tax Increment Financing Plan (the “Plan”) provides for the construction of approximately 113,800 square feet of office space over approximately 42,200 square feet of retail space, an approximately 76,200 square foot hotel, with approximately 114 rooms and 114 surface parking spaces, approximately 308,100 gross square feet of residential space and a surface parking lot to support the same (the “Project Improvements”), together with the construction or reconstruction of such other public infrastructure improvements such as signage, signaling, sidewalks, storm drainage facilities, utility relocation and upgrades, curbs, and such other related public infrastructure improvements that support and enhance the Project Improvements (collectively, the “Public Improvements”). By virtue of subsequent amendments to the Plan and separate Ordinances passed by the City Council, the Plan, pursuant to that certain Development Agreement, dated February 4, 2022, among the City of Kansas City, Missouri, UA KC Southpointe, LLC and the Commission, may include an additional three (3) redevelopment projects that may include approximately 56,176 square feet of office development, approximately 174,631 square feet of retail space and 65,080 square of entertainment space (the “Potential Project Improvements”).

Redevelopment Project Costs: The estimated Redevelopment Project Costs to implement the Project Improvements and Public Improvements is \$78,573,000, which includes approximately \$6,195,396 of

construction financing interest costs. Approximately \$20,654,933 of such Redevelopment Project Costs are eligible for reimbursement from PILOTs, EATs, and Additional EATs.

Projections and Application of Payments in Lieu of Taxes and Economic Activity Taxes:

The Redeveloper intends to seek benefits under The Planned Industrial Law which would exempt sales taxes on construction materials, along with exemptions on personal and real property taxes within the Redevelopment Area. The requested PIEA Benefits provide for 100% real property tax abatement for twenty-five (25) years on residential real property and personal property located within the Redevelopment Area. It is anticipated that no Payments in Lieu of Taxes generated from residential real property will be utilized to pay for any Reimbursable Project Costs.

The estimated total PILOTs generated from commercial real property within the Redevelopment Project Area and deposited into the Special Allocation Fund is approximately \$25,906,554 all of which may be used to reimburse eligible Redevelopment Project Costs, including interest certified by the Commission.

The estimated total Economic Activity Taxes generated within the Redevelopment Project Area and deposited into the Special Allocation Fund and, upon annual appropriation or upon being budgeted and transferred by the City Council, available to pay Reimbursable Project Costs, is approximately \$15,053,079 all of which may be used to reimburse eligible Redevelopment Project Costs, including interest certified by the Commission.

Anticipated Sources of Funds and Evidence of Commitments to Finance: It anticipated that \$20,654,933 of redevelopment project costs will be reimbursed with PILOTs, EATs and Additional EATs, \$322,215 of redevelopment project costs will be reimbursed from public improvement advisory sales taxes, \$2,543,337 of redevelopment project costs will be exempt, pursuant to the PIEA Benefits and \$55,052,515 of redevelopment project costs will be financed with private equity and debt. Developer has submitted evidence of financing commitments for such private equity and debt.

Initial Equalized Assessed Value: The total initial equalized assessed valuation of the Redevelopment Area, according to 2021 tax records at the Jackson County Assessor's Office, is approximately \$809,771. The current combined ad valorem property tax levy is projected to be \$8.0368 per \$100 assessed valuation. Following the completion of the Project Improvements, it is estimated that the assessed value of the real property within the Redevelopment Area will increase to approximately \$23,076,888.

Statutory Findings: It is Staff's recommendation that the SouthPointe Tax Increment Financing Plan meets each of the required statutory findings identified by the TIF Act Statute. Specifically,

- **Blighted Area:** The Plan Redevelopment Area, on the whole, based upon the report attached to the Plan, is a blighted area 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 tax increment financing.
- **But-For Analysis:** Affidavit signed by City Manager, Brian Platt.
- **Cost-Benefit Analysis:** Staff has prepared a cost-benefit analysis showing the economic impact of the plan on each taxing district which is at least partially within the

boundaries of the redevelopment area. The analysis shall show the impact on the economy if the project is not built, and is built pursuant to the redevelopment plan under consideration. The cost-benefit analysis shall include a fiscal impact study on every affected political subdivision, and sufficient information from the developer for the commission to evaluate whether the project as proposed is financially feasible. The analysis is attached to the Plan as **Exhibit 9**

- **Finding the Area Conforms to the City’s Comprehensive Plan:** The Redevelopment Plan conforms to the City’s FOCUS Plan and the applicable Area Plan.
- **Redevelopment Schedule:** The Redevelopment Plan provides 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 Redevelopment Plan contains a relocation assistance plan. The Plan does not contemplate the relocation of any businesses or residents.
- **Gambling Establishment:** The Redevelopment Plan does not include the development or redevelopment of any gambling establishment.
- **Acquisition by Eminent Domain:** The Redevelopment Plan 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 Redevelopment Plan 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 3) CLOSING THE PUBLIC HEARING.

(2 of 3) APPROVAL OF THE SOUTHPOINTE AT 63RD STREET TAX INCREMENT FINANCING PLAN, AND FORWARD THE RECOMMENDATIONS TO THE CITY COUNCIL FOR APPROVAL.

(3 of 3) APPROVAL OF THE DESIGNATION OF THE REDEVELOPMENT AREA AND REDEVELOPMENT PROJECT AREA, AND FORWARDING THE RECOMMENDATIONS TO THE CITY COUNCIL FOR APPROVAL.

2. Consideration of acceptance of the Jackson County/KCMO TIFC Minutes, and other matters related thereto. (La’Sherry Banks) Exhibit 2

Minutes of the March 8, 2022 Jackson County/KCMO meeting are included for the Commission’s review prior to the meeting.

Action recommended: ACCEPTANCE OF THE MARCH 8, 2022 JACKSON COUNTY/KCMO MINUTES AS PRESENTED.

3. Discussion of Bannister I-435 TIF Plan

Action recommended: NONE; INFORMATION ONLY.

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**

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