

Board Meeting Agenda

Tax Increment Financing Commission

City of Kansas City, Missouri

DATE: September 13, 2022
TIME: **9:30 a.m.**
PLACE: Economic Development Corporation Board Room, 4th Floor
300 Wyandotte
Kansas City, Missouri

Videoconference

<https://us06web.zoom.us/j/89120225749?pwd=cHc3OTlpMmFNK2pqZFIGdEROazlvdz09>

Meeting ID: 891 2022 5749

Passcode: 199445

By Telephone: +1 312 626 6799

PLATTE COUNTY/PLATTE RIII-PARK HILL AGENDA ITEMS

ROLL CALL

- 1. Consideration of acceptance of the Platte County/Platte RIII-Park Hill Commission Minutes, and other matters related thereto. (*La'Sherry Banks*) Exhibit 1**

Minutes of the August 9, 2022 Platte County/Platte RIII-Park Hill meeting are included for the Commission's review prior to the meeting.

Action recommended: ACCEPTANCE OF THE AUGUST 9, 2022 PLATTE COUNTY/PLATTE RIII-PARK HILL MINUTES AS PRESENTED.

- 2. Consent Agenda (Cost Certifications): Consideration of approval of the Cost Consent Agenda for Platte County/Platte RIII-Park Hill, and other matters related thereto. (*Gloria Garrison*) Exhibit 2**

The Consent Agenda items for September 2022 are included in the Commission's Board Packet for review prior to the meeting. The following items are included:

- Cost Certifications (**Exhibit 2**)

KCI TIF Plan: Consideration of certification of costs totaling \$668,510.66, and other matters related thereto. (*Gloria Garrison*)

Request from:	MD Management, Inc.
Total amount requested:	\$668,510.66
Use of funds:	Public Improvements, Engineering and Administrative Cost
Cost certifier:	Ralph Johnson
Questioned or disallowed costs:	None
EATs reporting requirement:	49% compliant for the current reporting period (1 st half 2022), 1 st half reports due 7-31-2022 (prior reporting cycle 92% 2nd half 2021).

Notes: Commission expenses, Street and Public Improvements Project 7D Old Tiffany Springs Road-soft costs. Street and Public Improvements Project 17 Line Creek Parkway-soft costs. Project 21 Northland Sports Complex Road Improvements, Sitework & Utilities, Miscellaneous Site Features, Contingency & Soft Costs.

Notes: A portion of this request will be paid from a bond draw—see schedule below.

	Bond Draw Portion- Project Fund	Bond Draw Portion-Admin Fund	Pay As You Go Portion	Total Certification
KCI Corridor				
MD Management Project 7D	\$ 3,493.07			\$ 3,493.07
MD Management Project 21	663,569.58			663,569.58
MD Management Project 7A ROW			75.00	75.00
MD Management Project 17			1,369.69	1,369.69
MD Management Interest		3.32		3.32
	\$ 667,062.65	\$ 3.32	\$ 1,444.69	\$ 668,510.66

Recommendation: Approval of certification of costs totaling \$668,510.66 and payment of related bond draws of \$667,062.65 and \$3.32. Reimbursement is subject to the issuance of a Certificate of Partial Completion.

Action recommended: APPROVAL OF THE COST CONSENT AGENDA FOR PLATTE COUNTY/PLATTE RIII-PARK HILL AND AUTHORIZE AND DIRECT THE CHAIR, VICE-CHAIR OR EXECUTIVE DIRECTOR TO EXECUTE A RESOLUTION APPROVING THE SAME.

PLATTE-CLAY COUNTY/PLATTE RIII AGENDA ITEMS

ROLL CALL

3. Consideration of acceptance of the Platte-Clay County/Platte RIII Commission Minutes, and other matters related thereto. (*La’Sherry Banks*) Exhibit 1

Minutes of the August 9, 2022 Platte-Clay County/Platte RIII meeting are included for the Commission’s review prior to the meeting.

Action recommended: ACCEPTANCE OF THE AUGUST 9, 2022 PLATTE-CLAY COUNTY/PLATTE RIII MINUTES AS PRESENTED.

4. Platte Purchase TIF Plan: Consideration of acceptance of the recommendations to the Platte Purchase TIF Plan Advisory Committee, and other matters related thereto. (*Heather Brown*)

The Platte Purchase TIF Plan Advisory Committee (the “Advisory Committee”) met on August 17, 2022 to consider funding for certain public infrastructure improvements contemplated by the Platte Purchase Development Plan (the “Platte Purchase TIF Plan”).

The Advisory Committee recommends that the Commission enter into (A) an amendment to the Redevelopment Agreement with MD Management, Inc., which shall provide (1) for the design and construction of an extension of Line Creek Parkway from the current terminus at the future NW 93rd Street north to NW 100th Street/NW Tiffany Springs Parkway (the “Phase 2 Line Creek Parkway Improvements”) and for the reimbursement of certain costs related thereto in an amount not to exceed \$4.5 MM and (2) the construction of a water main

along Line Creek Parkway from the current terminus at the future NW 93rd Street north to NW 100th Street/NW Tiffany Springs Parkway (the “Phase 2 Water Main Project”) and for the reimbursement of certain costs related thereto in an amount not to exceed \$842,000, (B) an amendment to the Reimbursement Prioritization Agreement to incorporate the reimbursement of such Phase 2 Line Creek Road Improvements and Phase 2 Water Main Project as Tranche 6, and (3) an assignment and Assumption Agreement with Ashlar Homes, LLC, which shall provide for MD Management, Inc.’s assignment and Ashlar Home’s assumption of MD Management, Inc.’s rights, duties and obligations under the Redevelopment Agreement, as amended, and the Reimbursement Prioritization Agreement, as amended, as each relates to the Phase 2 Line Creek Parkway Improvements and the Phase 2 Water Main Project.

Staff recommends acceptance and approval of the recommendations as presented above.

Action recommended: APPROVE THE RECOMMENDATIONS OF THE PLATTE PURCHASE DEVELOPMENT PLAN ADVISORY COMMITTEE.

5. Platte Purchase TIF Plan: Consideration of an Eighth Amendment to the Redevelopment Agreement between the TIF Commission and MD Management regarding certain improvements contemplated by the Platte Purchase TIF Plan and other matters related thereto. (Wesley Fields) Exhibit 5

On July 28, 2016, the City Council (the “Council”) of Kansas City, Missouri (the “City”), by way of Ordinance No. 160415, approved the Platte Purchase Development Plan, which has been amended from time to time by a series of ordinances passed by the Council (the “Plan”) for an area designated therein as the redevelopment area (the “Platte Purchase Redevelopment Area”).

The Plan provides for public infrastructure improvements within and adjacent to the Redevelopment Area, including street improvements, traffic signalization, trails, sanitary sewer lines and related improvements to support commercial development (the “Public Improvements”).

On July 21, 2016, the TIF Commission and MD Management, Inc. entered into a Redevelopment Agreement, which has been amended seven times (the “Original Amended Redevelopment Agreement”) and which provides, in part, that MD Management, Inc. shall implement the Public Improvements in accordance with the Plan and the terms and conditions of the Redevelopment Agreement and which prioritizes the implementation Public Improvements and the reimbursement of costs related thereto within three separate tranches. Specifically, it provides that Tranche 1 Improvements shall implemented on an equal prioritized basis, but prior to Tranche 2 Public Improvements and that the Tranche 2 Improvements shall be implemented on an equal prioritized basis, but prior to Tranche 3 Improvements and that the TIF Commission, subject to the terms and conditions of the Redevelopment Agreement, shall reimburse MD Management, Inc. up to \$33,248,000 of the estimated Redevelopment Project Costs related to the Public Improvements.

On August 17, 2022, the Platte Purchase Advisory Committee convened and recommended, in part, that the Commission enter into (A) an amendment to the Redevelopment Agreement with MD Management, Inc., (1) for the design and construction of an extension of Line

Creek Parkway from the current terminus at the future NW 93rd Street north to NW 100th Street/NW Tiffany Springs Parkway (the “Phase 2 Line Creek Parkway Improvements”) and for the reimbursement of certain costs related thereto in an amount not to exceed \$4.5 MM, (2) for the construction of a water main along Line Creek Parkway from the current terminus at the future NW 93rd Street north to NW 100th Street/NW Tiffany Springs Parkway (the “Phase 2 Water Main Project”) and for the reimbursement of certain costs related thereto in an amount not to exceed \$842,000 and that such Phase 2 Line Creek Parkway Improvements and Phase 2 Water Main Project be characterized as a Tranche 1 Public Improvement.

Pursuant to the Platte Purchase Advisory Committee recommendations, attached to the Commission Board Packet as **Exhibit 5** is an Eighth Amendment to the Redevelopment Agreement, which reprioritizes the Public Improvements to include the Phase 2 Line Creek Parkway Improvements and Phase 2 Water Main Project as a Tranche 1 Public Improvement.

To the extent the Commission finds acceptable the terms of the Eighth Amendment to the Redevelopment Agreement, staff and legal counsel recommend approval, subject to modifications accepted by the Chair, Executive Director and legal counsel.

Action Recommended: APPROVAL OF THE EIGHTH AMENDMENT TO THE REDEVELOPMENT AGREEMENT BETWEEN THE TIF COMMISSION AND MD MANAGEMENT, INC. TO IMPLEMENT CERTAIN PUBLIC INFRASTRUCTURE IMPROVEMENTS CONTEMPLATED BY THE PLATTE PURCHASE DEVELOPMENT PLAN, IN A FORM SUBSTANTIALLY SIMILAR TO EXHIBIT 5 ATTACHED TO THE COMMISSION BOARD PACKET, SUBJECT TO MODIFICATIONS APPROVED BY THE CHAIR, EXECUTIVE DIRECTOR AND LEGAL COUNSEL

6. Platte Purchase TIF Plan: Consideration of a Second Amendment to the Reimbursement Prioritization Agreement among the TIF Commission, the City of Kansas City, Missouri, Hunt Midwest Real Estate Development, Inc. and MD Management, Inc. regarding the reimbursement of costs related to certain improvements contemplated by the Platte Purchase TIF Plan and other matters related thereto. (Wesley Fields) Exhibit 6

On July 28, 2016, the City Council (the “Council”) of Kansas City, Missouri (the “City”), by way of Ordinance No. 160415, approved the Platte Purchase Development Plan, which has been amended from time to time by a series of ordinances passed by the Council (the “TIF Plan”) for an area designated therein as the redevelopment area (the “Platte Purchase Redevelopment Area”).

The Plan provides, among other things, for the improvement of certain roadways within and adjacent to the Redevelopment Area, including (1) (a) the construction of a 6,900 linear foot sanitary sewer line extension near NW Tiffany Springs Road and Line Creek Parkway and south of MO-152 near N. Platte Purchase Drive, (b) the construction of NW Tiffany Springs Road from N. Platte Purchase Drive to Line Creek Parkway, (c) the construction of N. Platte Purchase Drive from MO-152 to Tiffany Springs Parkway (Phase 1) and (d) the construction of Line Creek Parkway, from Old Tiffany Springs Road to Tiffany Springs Parkway (collectively, the “Tranche 1 Improvements”), (2) the design and construction of a water line

along N. Platte Purchase Drive, beginning at NE 108th Street and continuing south to Platte Purchase Park entrance and including water and sewer lines within Platte Purchase Park (the “Tranche 2 Improvements (3) the construction of an Interchange at MO-152 and N. Platte Purchase Drive (the “Tranche 3 Improvements”), (4) the construction of 6100 linear feet of trails along Second Creek between Line Creek Parkway and NW 97th Street (the “Tranche 4 Improvements”), (5) the design and construction of improvements to N. Platte Purchase Drive, beginning at NE 108th Street and continuing south to NE 100th Street (the “Tranche 5 Improvements ”) and (6) the design and construction of an extension of Line Creek Parkway, between the current terminus at the future NW 93rd Street north to NW 100th Street/NW Tiffany Springs Parkway (the “Tranche 6 Improvements”, and together with the Tranche 1 Improvements, the Tranche 2 Improvements, the Tranche 3 Improvements, the Tranche 4 Improvements and the Tranche 5 Improvements the “Prioritized Improvements”).

The Commission, the City, MD Management, Inc. and the Hunt Midwest Real Estate Development, Inc. entered into a Reimbursement Prioritization Agreement, dated April 26, 2020, which was amended on June 9, 2022 and which provides, in part, that the Tranche 1 Improvements will be funded prior to the Tranche 2 Improvements, that the Tranche 2 Improvements will be funded prior to the Tranche 3 Improvements, that the Tranche 3 Improvements will be funded prior to the Tranche 4 Improvements, that the Tranche 4 Improvements will be funded prior to the Tranche 5 Improvements and that the Tranche 5 Improvements will be funded prior to the Tranche 6 Improvements.

On August 17, 2022, the Platte Purchase Advisory Committee convened and recommended, in part, that the Commission enter into an amendment to the Reimbursement Prioritization Agreement to revise the description of the Tranche 6 Improvements to include the extension of a water main along Line Creek Parkway, between the current terminus at the future NW 93rd Street north to NW 100th Street/NW Tiffany Springs Parkway (the “Phase 2 Water Main Project”) and to further provide that reimbursable costs related to the Phase 2 Water Main Project shall not exceed \$842,0000.

Pursuant to the Platte Purchase Advisory Committee recommendations, attached to the Commission Board Packet as **Exhibit 6** is a Second Amendment to the Reimbursement Prioritization Agreement, which modifies the description of the Tranche 6 Improvements to include the Phase 2 Water Main Project.

To the extent the Commission finds acceptable the terms of the Second Amendment to the Reimbursement Prioritization Agreement, staff and legal counsel recommend approval, subject to modifications accepted by the Chair, Executive Director and legal counsel.

Action Recommended:

APPROVAL OF THE SECOND AMENDMENT TO THE REIMBURSEMENT PRIORITIZATION AGREEMENT AMONG THE TIF COMMISSION, THE CITY OF KANSAS CITY, MISSOURI, MD MANAGEMENT, INC. AND HUNT MIDWEST REAL ESTATE DEVELOPMENT, INC., TO PRIORITIZE THE REIMBURSEMENT OF COSTS RELATED TO CERTAIN PUBLIC INFRASTRUCTURE IMPROVEMENTS CONTEMPLATED BY THE PLATTE PURCHASE DEVELOPMENT PLAN, IN A FORM SUBSTANTIALLY SIMILAR TO EXHIBIT 6 ATTACHED TO THE COMMISSION BOARD PACKET, SUBJECT TO MODIFICATIONS APPROVED BY THE CHAIR, EXECUTIVE DIRECTOR AND LEGAL COUNSEL

CLAY COUNTY/PLATTE RIII AGENDA ITEMS

PUBLIC HEARING – 9:45 AM

ROLL CALL

7. **Metro North Crossing Project Area 5: Consideration of Approval of Tax Increment Financing for Redevelopment Project 5 of the Metro North Crossing TIF Plan.** *(David Leader)*

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 designation of Redevelopment Project Area 5 of the Metro North Crossing Tax Increment Financing Plan (the “TIF Plan” or “Redevelopment Plan”) and the authorization of tax increment financing therein.

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”).

Redevelopment Project Area 5: Redevelopment Project Area 5, as described by the Plan, is generally bound by NW Metro Drive and Project Area 4 on the North, N Wyandotte Street on the East, Project Areas 2, 6, and 7 on the South, and US HWY 169 on the West.

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. The improvements contemplated within Redevelopment Project Area 5 include the construction of approximately 488,600 square feet of retail, office, restaurant, hotel, and entertainment space.

Proposed Modifications to Redevelopment Project Area 5: The Third Amendment to the TIF Plan provides for certain modifications to the boundaries of Redevelopment Project Area 5 that was previously recommended to the City Council, pursuant to Resolution No. 7-24-21.

Staff to the Commission now desires to present and recommend to the Commission the approval and recommendation to the City Council of the designation of the modified boundaries of Redevelopment Project Area 5 and the authorization of tax increment financing therein.

Notices: Staff delivered notice by certified mail on July 26, 2022 to the taxing districts from which taxable property is included in the Redevelopment Project Area 5 and such notice contained an invitation to each such taxing district to submit comments to the TIF Commission concerning Redevelopment Project Area 5 of the TIF Plan prior to the date of this hearing.

Staff prepared and published notices in *The Kansas City Star* on August 14, 2022 and September 4, 2022.

Staff prepared and delivered notices on August 31, 2022 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 Redevelopment Project Area 5, which shall be subjected to payments in lieu of taxes and economic activity taxes.

It is staff's recommendation that Redevelopment Project Area 5, as modified by the Third Amendment to the TIF Plan, includes only those parcels of real property and improvements thereon directly and substantially benefitted by the proposed improvements contemplated by Redevelopment Project 5.

Recommendation: Staff recommends approval of the designation of Redevelopment Project Area 5, as modified by the Third Amendment to the Plan, and the authorization of tax increment financing therein.

Action recommended: **(1 of 2)** CLOSING THE PUBLIC HEARING.

(2 of 2) REAPPROVAL 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 OF TAX INCREMENT FINANCING FOR REDEVELOPMENT PROJECT AREA 5 OF THE METRO NORTH CROSSING TAX INCREMENT FINANCING PLAN.

ROLL CALL

8. Consideration of acceptance of the Clay County/Platte RIII Commission Minutes, and other matters related thereto. (*La'Sherry Banks*) Exhibit 8

Minutes of the May 10, 2022 Clay County/Platte RIII meeting are included for the Commission's review prior to the meeting.

Action recommended: ACCEPTANCE OF THE MAY 10, 2022 CLAY COUNTY/PLATTE RIII MINUTES AS PRESENTED.

9. Metro North Crossing TIF Plan: Consideration of Approval of the Certificate of Partial Completion and Compliance No. 4 in connection with Project Areas 1 – 5 within the Metro North Crossing TIF Plan, and other matters related thereto. (Sandra L. Rayford) Exhibit 9

This Certificate of Partial Completion and Compliance is issued to Metro North Crossing, LLC (the “Redeveloper”) in accordance with the Agreement (the “Redevelopment Agreement”), dated May 19, 2016 and amended on May 19, 2016, November 14, 2018, April 16, 2020 and April 15, 2022 between the Tax Increment Financing Commission of Kansas City, Missouri (the “Commission”) and Metro North Crossing, LLC. (the “Redeveloper”) for the implementation of certain improvements (the “Plan Improvements”) contemplated by the Metro North Crossing Tax Increment Financing Plan, as amended (the “TIF Plan”).

This Certificate of Partial Completion and Compliance is issued to the Redeveloper, in accordance with Section 20 of the Redevelopment Agreement for the implementation of a portion of the improvements contemplated by the TIF Plan that are described on Exhibit A, attached hereto (the “Partially Completed Improvements”), and identified by the TIF Plan and for which Redevelopment Project Costs through January 25, 2021 were submitted and certified, pursuant to the Bergan KDV, Ltd Independent Accountant’s Report, dated April 8, 2022 (the “Certification of Costs Report”) and Commission Resolution No. 5-13-22 (the “Certification of Costs Resolution”).

REDEVELOPMENT PROJECT COSTS:

	<u>Budget</u>	<u>Actual</u>
Total Cost of Project & Public Improvements	\$191,930,691	\$64,943,594
Eligible for Reimbursement Costs	\$146,767,567	\$50,007,138

The Redeveloper has complied with the Commission’s Certification of Costs and Reimbursement Policy, as amended from time to time, and together with the costs certified pursuant to the Certification of Costs Resolution, the Commission has certified all Redevelopment Project Costs incurred that are eligible for reimbursement that relate to implementation of the Partially Completed Improvements. Staff recommends approval of this Certificate of Partial Completion and Compliance.

Action recommended: APPROVAL OF THE CERTIFICATE OF PARTIAL COMPLETION AND COMPLIANCE TO METRO NORTH CROSSING, LLC FOR THE PARTIALLY COMPLETED PROJECT IMPROVEMENTS AND DIRECT THE CHAIR, VICE-CHAIR OR EXECUTIVE DIRECTOR TO EXECUTE A RESOLUTION APPROVING THE SAME.

CLAY COUNTY/NKC AGENDA ITEMS

(Arlington, North Oak, Parvin)

ROLL CALL

10. Consideration of acceptance of the Clay County/NKC TIFC Minutes, and other matters related thereto. (La'Sherry Banks) Exhibit 10

Minutes of the July 12, 2022 Clay County/NKC meeting are included for the Commission's review prior to the meeting.

Action recommended: ACCEPTANCE OF THE JULY 12, 2022 CLAY COUNTY/NKC MINUTES AS PRESENTED.

11. Consent Agenda (Cost Certifications): Consideration of approval of the Cost Consent Agenda for Clay County/NKC, and other matters related thereto. (Gloria Garrison) Exhibit 11

The Consent Agenda items for September 2022 are included in the Commission's Board Packet for review prior to the meeting. The following items are included:

Cost Certifications (Exhibit 11)

Arlington Road Link TIF Plan: Consideration of certification of costs totaling \$418,345, and other matters related thereto. (Gloria Garrison)

Request from:	Hunt Midwest
Total amount requested:	\$418,345
Use of funds:	Street Improvements & Project Expenses
Cost certifier:	Novak Birks
Questioned or disallowed costs:	None
EATs reporting requirement:	66% compliant for the current reporting period (1st half 2022), 100% Compliant for the last reporting period (1st half 2021).

Notes: Street Improvement Project Cost (Project 7B), Engineering/Survey Costs, Project Management Expenses, GC Fees, TIF Administration Cost, and Construction Period Interest. Pay Application #30.

Recommendation: Approval of certification of costs totaling \$418,345.

Parvin Road TIF Plan: Consideration of certification of costs totaling \$450,201, and other matters related thereto. (Gloria Garrison)

Request from:	Hunt Midwest
Total amount requested:	\$450,201
Use of funds:	Construction, Road & Infrastructure Improvements.
Cost certifier:	Novak Birks

Questioned or disallowed costs: None
 EATs reporting requirement: 58% compliant for the current reporting period (1st half 2022), 100% Compliant for the last reporting period (1st half 2021).

Notes: Project Area 3A Expense includes Construction Period Interest. Project Area 4 Expenses include Professional Services, TIF Administration Expenses, Construction Period Interest and Financing Cost. Pay Application 131.

Recommendation: Approval of certification of costs totaling \$450,201.

North Oak TIF Plan: Consideration of bond draw totaling \$11,500.00 and other matters related thereto. (Gloria Garrison)

Request from: Northland Neighborhoods
 Total amount requested: \$11,500.00
 Use of funds: Administrative fees and Contractor reimbursement in connection with the Encore Housing Program.

North Oak TIF Plan	Bond Draw Portion	Project Funds Portion	Total
- Administrative Fee - Inv 83	1,500.00		1,500.00
- 1 Core Construction-Inv 1004 NE 43rd St	10,000.00	-	10,000.00
	<u>\$ 11,500.00</u>	<u>\$ -</u>	<u>\$ 11,500.00</u>

Notes: The draw is for \$1,500 Administrative Fees and \$10,000 subcontractor's reimbursement as part of the Encore Housing Program and payable from the project account of the bonds related to the North Oak TIF Plan. Bond Request #62.

Recommendation: Approval of a bond draw totaling \$11,500.00

North Oak TIF Plan: Consideration of bond draw totaling \$11,385.00, and other matters related thereto. (Gloria Garrison)

Request from: Northland Neighborhoods
 Total amount requested: \$11,385.00
 Use of funds: Administrative fees and Contractor reimbursement in connection with the Encore Housing Program.

North Oak TIF Plan	Bond Draw Portion	Project Funds Portion	Total
- Administrative Fee - Inv 82	1,485.00		1,485.00
- Home Performance Service - Inv 2719-82	9,900.00	-	9,900.00
	<u>\$ 11,385.00</u>	<u>\$ -</u>	<u>\$ 11,385.00</u>

Notes: The draw is for \$1,485.00 Administrative Fees and \$9,900.00 subcontractor's reimbursement as part of the Encore Housing Program and payable from the project account of the bonds related to the North Oak TIF Plan. Bond Request #63.

Recommendation: Approval of a bond draw totaling \$11,385.00

Action recommended: APPROVAL OF THE COST CONSENT AGENDA FOR CLAY COUNTY/NKC AND AUTHORIZE AND DIRECT THE CHAIR, VICE-CHAIR OR EXECUTIVE DIRECTOR TO EXECUTE A RESOLUTION APPROVING THE SAME.

12. North Oak TIF Plan: Consideration of a First Amendment to the Redevelopment Agreement between the City of Kansas City, Missouri and the TIF Commission related to the construction of improvements to Gorman Pool, and other matters related thereto. (Wesley Fields) Exhibit 12

On January 12, 2005, the Tax Increment Financing Commission of Kansas City, Missouri, (the "Commission") adopted Resolution 1-27-05 approving the North Oak Tax Increment Financing Plan and designating an area identified by the North Oak Tax Increment Financing Plan as a redevelopment area (the "Redevelopment Area"). On February 24, 2005, the City Council (the "Council") of the City of Kansas City, Missouri (the "City"), by Second Committee Substitute for Ordinance No. 050104, approved the North Oak Tax Increment Financing Plan. The Council subsequently approved several amendments to the North Oak Tax Increment Financing Plan. The North Oak Tax Increment Financing Plan, as amended, shall hereafter be referred to as the "TIF Plan".

The TIF Plan provides, among other things, for the design and construction of roadways and other public infrastructure within and adjacent to the Redevelopment Area including the construction of certain improvements related to the Gorman Park Pool located at 1101 NE 47th Street, Kansas City, Missouri, including the construction of a new bathhouse and chemical building, together with a pool lining, complete mechanical system for pool water treatment, fencing, water sewer, utilities, pool and parking lot lighting, pool desk replacement, sidewalk, accessible parking and miscellaneous site improvements (the "Gorman Pool Project Improvements").

The Commission, pursuant to that certain Financing Agreement, dated November 25, 2014, between the City and the Commission (the "Financing Agreement"), is obligated to expend the "Additional City EATS" (as defined in the Financing Agreement) for costs related to public infrastructure improvements contemplated by the TIF Plan, including certain costs related to the Gorman Pool Project Improvements.

On February 27, 2018, the City and the Commission entered into a Redevelopment Agreement (the "Redevelopment Agreement") to provide for the implementation of the Gorman Pool Project Improvements and the reimbursement of certain costs related thereto in an amount not in excess of \$1,355,000. On August 11, 2022, the City Council, by Ordinance No. 220665, approved the Twelfth Amendment to Plan, which provides, in part, for an increase of One Hundred Seventy-Five Thousand Dollars (\$175,000) in reimbursable

Redevelopment Project Projects related to the Gorman Pool Project Improvements (the “Twelfth Amendment Modifications”).

The City now desires to amend the Redevelopment Agreement to increase the amount of reimbursable project costs related to the Gorman Pool Project Improvements to \$1,530,000, as contemplated by the Twelfth Amendment Modifications.

The form of the First Amendment to the Redevelopment Agreement between the Commission and the City that provides for the City to construct the Gorman Pool Project Improvements and for the Commission to reimburse the City for costs related thereto that are not excess of \$1,530,000 is attached to the Commission Board Packet as **Exhibit 12**. It contains the Commission’s most recent policies and procedures. To the extent the Commission finds the terms acceptable of the First Amendment to the Redevelopment Agreement, staff and legal counsel recommend its approval, subject to modifications accepted by the Chair, Executive Director and Legal Counsel.

Action recommended: APPROVAL OF THE FIRST AMENDMENT TO THE REDEVELOPMENT AGREEMENT BETWEEN THE TIF COMMISSION AND THE CITY OF KANSAS CITY, MISSOURI TO IMPLEMENT THE GORMAN POOL PROJECT IMPROVEMENTS IN A FORM SUBSTANTIALLY SIMILAR TO EXHIBIT 12 ATTACHED TO THE COMMISSION BOARD PACKET, SUBJECT TO MODIFICATIONS APPROVED BY THE CHAIR, EXECUTIVE DIRECTOR, AND LEGAL COUNSEL

13. **North Oak TIF Plan: Consideration of a Second Amendment to the Redevelopment Agreement between the City of Kansas City, Missouri and the TIF Commission related to the construction of improvements to North Troost Trail, and other matters related thereto. (Wesley Fields) (Continuing until October 11, 2022)**
14. **Parvin Road TIF Plan: Consideration of the Approval of the Third Amendment to the Amended and Restated Redevelopment Agreement between the TIF Commission and Hunt Midwest Real Estate Development, Inc. in connection with the implementation of the Parvin Road TIF Plan (Wesley Fields) Exhibit 14**

On November 8, 2000, after receiving the comments of all interested persons and taxing districts, the Commission, by Resolution No. 11-13-00, recommended to the City Council (the “City Council”) of the City of Kansas City, Missouri the approval of the Parvin Road Tax Increment Financing Plan (the “Plan”) and the City Council did so on December 14, 2000, by Ordinance Number 001638, and did also designate the area described by the Plan as a redevelopment area (the “Redevelopment Area”). The Plan has been subsequently amended by a series of ordinances passed by the City Council (the “Parvin Road Tax Increment Financing Plan as amended shall hereinafter be referred to as the “Amended Plan”).

The Amended Plan provides for the construction of, or improvements to, certain roadways, curbing, traffic signals, storm sewers, water lines, utilities and related public infrastructure improvements to serve the Redevelopment Area (the “Public Improvements”).

On June 8, 2013, the TIF Commission and Hunt Midwest Real Estate Development, Inc. (“Hunt Midwest”) entered into an Amended and Restated Redevelopment Agreement (the

“Redevelopment Agreement”), which provides that Hunt Midwest shall implement the Public Improvements, in accordance with the terms and conditions set forth in the Redevelopment Agreement and the Commission, subject to the terms and conditions of the Redevelopment Agreement, shall reimburse Hunt Midwest from Payments in Lieu of Taxes and Economic Activity Taxes on deposit in its Special Allocation Fund(s) in an amount up to \$67,805,614.

On March 16, 2018, the Commission and the Hunt Midwest entered into a First Amendment to the Redevelopment Agreement to incorporate certain modification contemplated by the Tenth Amendment to the Amended Plan.

On July 22, 2021, the City Council passed Ordinance No. 210587, which approved the Twelfth Amendment to the Plan (the “Twelfth Amendment”). The Twelfth Amendment to the Plan provides for certain modifications to the Budget of Redevelopment Project Costs (“Twelfth Amendment Modifications”). On April 1, 2022, the Commission and the Hunt Midwest entered into a Second Amendment to the Redevelopment Agreement to incorporate the Twelfth Amendment Modifications.

On June 9, 2022, the City Council passed Ordinance No. 220483, which approved the Thirteenth Amendment to the Plan. The Thirteenth Amendment to the Plan provides for (1) modifications to the description of Project Improvements, (2) modifications to the Site Plan, (3) modifications to the Estimated Redevelopment Project Costs, (4) modifications to the Sources of Funds and (5) modifications to the Redevelopment Schedule (the “Thirteenth Amendment Modifications”).

Hunt Midwest now desires to amend the Redevelopment Agreement to incorporate the Thirteenth Amendment Modifications described above.

The Third Amendment to the Redevelopment Agreement, attached as **Exhibit 14** to the Commission Board Packet, has been prepared by legal counsel, reviewed by staff and it incorporates the Thirteenth Amendment Modifications described above. To the extent the Commission finds acceptable the terms of the Third Amendment to the Redevelopment Agreement, staff and legal counsel recommend approval, subject to modifications accepted by the Chair, Executive Director, and legal counsel.

Action recommended:

APPROVAL OF THE THIRD AMENDMENT TO THE REDEVELOPMENT AGREEMENT BETWEEN THE TIF COMMISSION AND HUNT MIDWEST REAL ESTATE DEVELOPMENT, INC. TO IMPLEMENT CERTAIN PUBLIC INFRASTRUCTURE IMPROVEMENTS CONTEMPLATED BY THE PARVIN ROAD TIF PLAN, IN A FORM SUBSTANTIALLY SIMILAR TO EXHIBIT 14 ATTACHED TO THE COMMISSION BOARD PACKET, SUBJECT TO MODIFICATIONS APPROVED BY THE CHAIR, EXECUTIVE DIRECTOR, AND LEGAL COUNSEL.

ADMINISTRATIVE TIF COMMISSION AGENDA ITEMS

ROLL CALL

15. **Consideration of acceptance of the Administrative TIFC Minutes, and other matters related thereto. (La'Sherry Banks) Exhibit 1**

Minutes of the August 9, 2022 Administrative TIFC meeting are included for the Commission's review prior to the meeting.

Action recommended: ACCEPTANCE OF THE AUGUST 9, 2022 ADMINISTRATIVE TIFC MINUTES AS PRESENTED.

16. **Economic Activity Taxes: Consideration of acceptance of the Economic Activity Taxes Report, and other matters related thereto. (Gloria Garrison) Exhibit 16**

The most current Economic Activity Taxes Report is included for the Commission's review prior to the meeting:

- EATs Report

Action recommended: NONE; INFORMATION ONLY

17. **Affirmative Action and Contract Compliance Subcommittee Reports: Consideration of acceptance of the Affirmative Action and Contract Compliance Reports, and other matters related thereto. (Sandra L. Rayford) Exhibit 17**

The Affirmative Action/Contract Compliance Committee met on Monday, August 15, 2022. Included with your board packet is a copy of the MBE/WBE Compliance Report for expenditure activity through July 31, 2022 which was reviewed by the Committee. During the review, it was noted that one of the Developer has failed to provide the Civil Rights and Equal Opportunity (CREO), the MBE/WBE Department overseeing the goal setting and approval of Contractor Utilization Plans which identify the Minority and Women Business Enterprises working on the projects with a Professional Services Contractor Utilization Plan (CUP). This particular project has been performing the rehabilitation of their project and has recently submitted costs incurred for reimbursement. The Commissioners were concerned that a Developer should be in full compliance with the Redevelopment Agreement's provision to submit CUPs for Professional and Construction Services prior to incurring costs. The Committee motioned and approved the recommendation to the full Commission that no Developer shall have their certified costs approved by the Commission until they have submitted to the Civil Rights and Equal Opportunity Department (CREO) both the Professional and Construction Services Contractor Utilization Plan.

Additionally, the Committee discussed the possibility of not waiving costs for certification that are not certified within the 18-month TIF Policy due to a failure to comply with the submission of CUPs to CREO.

Action recommended: NONE, INFORMATION ONLY

18. **Governance, Finance and Audit Subcommittee: Consideration of acceptance of the Governance, Finance and Audit Reports, and other matters related thereto. (Tammy Queen) Exhibit 18**

The Governance, Finance and Audit Subcommittee met on August 29, 2022 to consider the following item:

- Monthly Financials as prepared by Hood & Associates
(Michael Keenen of Hood & Associates)

Action recommended: ACCEPTANCE OF THE FINANCIAL REPORT

19. **Neighborhood & Housing Subcommittee: Consideration of the Neighborhood & Housing Report, and other matters related thereto. (Ryana Parks-Shaw) Exhibit 19**

The most current Housing Report is included for the Commission's review prior to the meeting.

Action recommended: NONE; INFORMATION ONLY.

20. **Administrative: Consideration of the Chair's Report, and other matters related thereto. (Chair Canady)**

Action recommended: NONE; INFORMATION ONLY.

21. **Administrative: Consideration of the Executive Director's Report, and other matters related thereto. (Heather Brown)**

Action recommended: NONE; INFORMATION ONLY.

JACKSON COUNTY/KCMO AGENDA ITEMS

ROLL CALL

22. **Consideration of acceptance of the Jackson County/KCMO TIFC Minutes, and other matters related thereto. (La'Sherry Banks) Exhibit 1**

Minutes of the August 9, 2022 Jackson County/KCMO meeting are included for the Commission's review prior to the meeting.

Action recommended: ACCEPTANCE OF THE AUGUST 9, 2022 JACKSON COUNTY/KCMO MINUTES AS PRESENTED.

23. **Consent Agenda (Cost Certifications): Consideration of approval of the Cost Consent Agenda for Jackson County/KCMO, and other matters related thereto. (Gloria Garrison) Exhibit 23**

The Consent Agenda items for September 2022 are included in the Commission's Board Packet for review prior to the meeting. The following items are included:

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- Cost Certifications (**Exhibit 23**)

Pershing Road TIF Plan: Consideration of certification of costs totaling \$6,107,848.99, and other matters related thereto. (Gloria Garrison) Exhibit 23

Request from:	Pershing Road Development Company
Total amount requested:	\$6,107,848.99
Use of funds:	Cost of Carry Interest on Construction Cost
Cost certifier:	Ralph C. Johnson
Questioned or disallowed costs:	None
EATs reporting requirement:	0% Compliant for current reporting period (1 st half 2022) reports not due until 7-31-2022, prior reporting cycle 100% (2nd half 2021).

Notes: Cost of Carry Interest on Construction Cost within the Plan, per the 5th Amendment to the plan.

Recommendation: Approval of certification of costs totaling \$6,107,848.99.

Action recommended: APPROVAL OF CERTIFICATION OF COSTS TOTALING \$6,107,848.99 IN CONNECTION WITH THE PERSHING ROAD TIF PLAN AND AUTHORIZE AND DIRECT THE CHAIR, VICE-CHAIR OR EXECUTIVE DIRECTOR TO EXECUTE A RESOLUTION APPROVING THE SAME.

24. Pershing TIF Plan: Consideration of the Approval of an Acknowledgment and Consent of an Assignment of TIF Revenue, in connection with the implementation of the Pershing Road TIF Plan (Wesley Fields) Exhibit 24

On March 12, 2003 the Commission adopted Resolution 03-06-03, approving the Pershing Road Redevelopment Tax Increment Financing Plan and recommending the same to the City Council of Kansas City, Missouri (the “Council”) for approval. On April 3, 2003, the Council, by Ordinance No. 030401, as amended by Second Committee Substitute for Ordinance No. 030674 on June 12, 2003, approved the Pershing Road Redevelopment Tax Increment Financing Plan. The Pershing Road Tax Increment Financing Plan has been amended, from time to time, by a series of Ordinances passed by the Council. The Pershing Road Tax Increment Financing Plan, as amended, shall hereafter be referred to as the “TIF Plan”.

The TIF Plan provides, in part, for the redevelopment of the Post Office, the construction of office space for the IRS Campus, the construction of a parking garage for public use adjacent to the Union Station, the construction of a pedestrian bridge between Union Station and the Freight house District, site improvements, streetscape, park development, retail development, as well as all necessary appurtenances and utilities (collectively, the “Plan Improvements”). On May 14, 2004, the Commission and Pershing Road Development Company, LLC (the “Redeveloper”) entered into an Amended and Restated Redevelopment Agreement for the implementation of the Plan Improvements.

Pursuant to the financing of the property located at 333 West Pershing Road, Kansas City, Missouri (the “Property”) and within the Redevelopment Area described by the TIF Plan, by UMB Bank, N.A., as trustee of the Internal Revenue Service Campus (Kansas City, MO) CTL Pass-Through Trust (“Trustee”), the Redeveloper has assigned to the Trustee the right to receive payment of all amounts, including TIF Revenue (as defined in the Redevelopment Agreement) that the Redeveloper is entitled to receive from the Commission under the Redevelopment Agreement (collectively, the “TIF Payments”), and the Redeveloper desires to direct that all such payments and other sums the Redeveloper is entitled to receive from the Commission under the Redevelopment Agreement shall be paid directly to the Trustee, until such time as the indebtedness related to such financing has been paid in full.

Attached to the Board Packet as **Exhibit 24**, is a Letter of Direction from the Trustee, which provides, in part, that the Redeveloper directs the Commission to pay all amounts due and owing to the Redeveloper, pursuant to the Redevelopment Agreement, to an account owned and maintained by the Trustee that is identified on Exhibit A thereto, until such time as the Trustee notifies the Commission that all indebtedness referenced above is paid in full.

Staff and legal counsel to the TIF Commission have reviewed the Letter of Direction and the Acknowledgement and Consent attached thereto and, upon the Commission’s receipt of a fully-executed Letter of Direction, recommend that the Commission execute the Acknowledgement and Consent and forward the same to the Redeveloper and the Trustee.

Action recommended:

APPROVAL OF THE ACKNOWLEDGMENT AND CONSENT TO THE LETTER OF DIRECTION AS BETWEEN PERSHING ROAD DEVELOPMENT COMPANY, LLC AND UMB BANK, N.A., IN CONNECTION WITH THE IMPLEMENTATION OF THE PERSHING ROAD TAX INCREMENT FINANCING PLAN, IN A FORM SUBSTANTIALLY SIMILAR TO **EXHIBIT 24** ATTACHED TO THE COMMISSION BOARD PACKET, SUBJECT TO MODIFICATIONS APPROVED BY THE CHAIR, EXECUTIVE DIRECTOR AND LEGAL COUNSEL AND SUBJECT TO THE COMMISSION’S RECEIPT OF A FULLY-EXECUTED LETTER OF DIRECTION

EXECUTIVE SESSION

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

RESUME BUSINESS SESSION

JACKSON COUNTY/CENTER AGENDA ITEMS

(Bannister & Wornall)

ROLL CALL

26. Consideration of acceptance of the Jackson County/Center TIFC Minutes, and other matters related thereto. (La’Sherry Banks) Exhibit 26

Minutes of the March 9, 2022 Jackson County/Center meeting are included for the Commission’s review prior to the meeting.

Action recommended: ACCEPTANCE OF THE MARCH 9, 2022 JACKSON COUNTY/CENTER MINUTES AS PRESENTED.

27. Bannister & Wornall TIF Plan: Consideration of the Approval of an Acknowledgement and Consent to the Amended and Restated Earnings Tax Contribution and Retention Agreement, in connection with the implementation of the Bannister & Wornall TIF Plan (Wesley Fields) Exhibit 27

On April 22, 2014, after receiving the comments of all interested persons and taxing districts, the Commission, by Resolution No. 4-18-14, recommended to the City Council (the “City Council”) of the City of Kansas City, Missouri the approval of the Bannister & Wornall Tax Increment Financing Plan (the “Original Plan”). On July 21, 2016, the City Council, by Committee Substitute for Ordinance No. 140372, approved the Original Plan, pursuant to the authority granted the City Council by the Act (the “Original Plan”), and did also designate the area described by the Original Plan as a redevelopment area (the “Redevelopment Area”). The Original Plan was amended by the City Council by its passage of Ordinance No. 180019.

The Original Plan, as amended (the “Amended Plan”), provides for 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 “Project Improvements”).

On October 8, 2014, the TIF Commission and Burns & McDonnell Engineering Company, Inc. (“Burns & McDonnell”) entered into a Redevelopment Agreement, which was subsequently amended March 6, 2018 (the “Redevelopment Agreement”) and which provides, in part, that Burns & McDonnell shall implement the Project Improvements in accordance with the Amended Plan and the terms and conditions of the Redevelopment Agreement and that the TIF Commission, subject to the terms and conditions of the Redevelopment Agreement, shall reimburse Burns & McDonnell up to \$41,904,356 of the estimated Redevelopment Project Costs related to the Project Improvements from Payments in Lieu of Taxes and Economic Activity Taxes (“EATS” 0 generated within the Redevelopment Area.

Burns & McDonnell and its affiliates currently have operations and employees located within the City, and for the calendar year 2013; the total payroll for employees of the Company and its Affiliates located within the City is \$290,400,000 (the “Payroll Base Amount”); and the tax collected by the City pursuant to Section 68-382 of the Code of Ordinances of Kansas City, Missouri, or any amendment or successor provision thereto (the “Earnings Tax”) for calendar year 2013 with respect to the Payroll Base Amount is \$2,904,000 (the “Minimum Earnings Tax Base Amount”). On October 8, 2014, the City and Burns & McDonnell

Engineering Company, Inc. (“Burns & McDonnell”) entered into an Earnings Tax Contribution and Retention Agreement, which was subsequently amended March 6, 2018 (the “Earnings Tax Agreement”), to confirm the disposition and handling of the EATS in the event that during the time in which tax increment financing is in effect the amount of Earnings Tax retained by the City after the deposit of EATS into the Special Allocation Fund pursuant to the Plan is less than the Minimum Earnings Tax Base Amount.

Prior to the adoption of tax increment financing for Redevelopment Project Area B, as described by the Amended Plan (“Project B”), Burns & McDonnell proceeded to occupy and place into service the improvements located in Project B, and as a result, the amount of EATS generated within Project B and available to the Commission to reimburse Reimbursable Project Costs (as defined in the TIF Agreement) is less than anticipated and projected at the time the Plan was approved (the “Anticipated EATS Shortfall”). The City and Burns & McDonnell intend to enter into an Amended and Restated Earnings Tax Agreement (the “Amended Earnings Tax Agreement”) to address the Anticipated EATS Shortfall and such Amended Earnings Tax Agreement shall provide, in part, that the City shall contribute to the Commission 50% of the Earnings Tax generated within Project B that is in excess of a base amount of \$0 (“Project B Earnings Tax Payments”) and the City and Burns & McDonnell desire that the Commission utilize such Project B Earnings Tax Payments to reimburse eligible Redevelopment Project Costs identified by the Amended Plan, pursuant to the terms and conditions of the Redevelopment Agreement.

Staff and Legal and reviewed the Amended and Restated Earnings Tax Agreement attached to the Board Packet as **Exhibit 27**, and upon receipt of a fully executed Amended and Restated Earnings Tax Contribution and Retention Agreement, staff and counsel recommend execution of the Acknowledgment and Consent attached thereto.

Action recommended: APPROVAL OF THE EXECUTION AND DELIVERY OF THE ACKNOWLEDGMENT AND CONSENT TO THE AMENDED AND RESTATED EARNINGS TAX CONTRIBUTION AND RETENTION AGREEMENT BETWEEN THE CITY OF KANSAS CITY, MISSOURI AND BURNS & MCDONNELL ENGINEERING COMPANY, INC., IN CONNECTION WITH THE IMPLEMENTATION OF THE BANNISTER & WORNALL TAX INCREMENT FINANCING PLAN, IN A FORM SUBSTANTIALLY SIMILAR TO EXHIBIT 27 ATTACHED TO THE COMMISSION BOARD PACKET, SUBJECT TO MODIFICATIONS APPROVED BY THE CHAIR, EXECUTIVE DIRECTOR AND LEGAL COUNSEL AND SUBJECT TO THE COMMISSION’S RECEIPT OF THE FULLY-EXECUTED AMENDED AND RESTATED EARNINGS TAX CONTRIBUTION AND RETENTION AGREEMENT.

28. Bannister & Wornall TIF Plan: Consideration of the Approval of the Second Amendment to the Redevelopment Agreement between the TIF Commission and Burns & McDonnell Engineering Company, Inc., in connection with the implementation of the Bannister & Wornall TIF Plan (*Wesley Fields*) Exhibit 28

On April 22, 2014, after receiving the comments of all interested persons and taxing districts, the Commission, by Resolution No. 4-18-14, recommended to the City Council (the “City Council”) of the City of Kansas City, Missouri the approval of the Bannister & Wornall Tax

Increment Financing Plan (the “Original Plan”). On July 21, 2016, the City Council, by Committee Substitute for Ordinance No. 140372, approved the Original Plan, pursuant to the authority granted the City Council by the Act (the “Original Plan”), and did also designate the area described by the Original Plan as a redevelopment area (the “Redevelopment Area”). The Original Plan was amended by the City Council by its passage of Ordinance No. 180019.

The Original Plan, as amended (the “Amended Plan”), provides for 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 “Project Improvements”).

On October 8, 2014, the TIF Commission and Burns & McDonnell Engineering Company, Inc. (“Burns & McDonnell”) entered into a Redevelopment Agreement, which was subsequently amended March 6, 2018 (the “Redevelopment Agreement”) and which provides, in part, that Burns & McDonnell shall implement the Project Improvements in accordance with the Amended Plan and the terms and conditions of the Redevelopment Agreement and that the TIF Commission, subject to the terms and conditions of the Redevelopment Agreement, shall reimburse Burns & McDonnell \$41,904,356 of the estimated Redevelopment Project Costs related to the Project Improvements from Payments in Lieu of Taxes and Economic Activity Taxes (“EATS”) generated within the Redevelopment Area.

Burns & McDonnell and its affiliates currently have operations and employees located within the City, and for the calendar year 2013; the total payroll for employees of the Company and its Affiliates located within the City is \$290,400,000 (the “Payroll Base Amount”); and the tax collected by the City pursuant to Section 68-382 of the Code of Ordinances of Kansas City, Missouri, or any amendment or successor provision thereto (the “Earnings Tax”) for calendar year 2013 with respect to the Payroll Base Amount is \$2,904,000 (the “Minimum Earnings Tax Base Amount”). On October 8, 2014, the City and Burns & McDonnell Engineering Company, Inc. (“Burns & McDonnell”) entered into an Earnings Tax Contribution and Retention Agreement, which was subsequently amended March 6, 2018 (the “Earnings Tax Agreement”), to confirm the disposition and handling of the EATS in the event that during the time in which tax increment financing is in effect the amount of Earnings Tax retained by the City after the deposit of EATS into the Special Allocation Fund pursuant to the Plan is less than the Minimum Earnings Tax Base Amount.

Prior to the adoption of tax increment financing for Redevelopment Project Area B, as described by the Amended Plan (“Project B”), Burns & McDonnell proceeded to occupy and place into service the improvements located in Project B, and as a result, the amount of EATS generated within Project B and available to the Commission to reimburse Reimbursable Project Costs (as defined in the TIF Agreement) is less than anticipated and projected at the time the Plan was approved (the “Anticipated EATS Shortfall”). The City and Burns & McDonnell intend to enter into an Amended and Restated Earnings Tax Agreement (the “Amended Earnings Tax Agreement”) to address the Anticipated EATS Shortfall and such Amended Earnings Tax Agreement shall provide, in part, that the City shall contribute to the Commission 50% of the Earnings Tax generated within Project B that is in excess of a base

amount of \$0 (“Project B Earnings Tax Payments”) and the City and Burns & McDonnell desire that the Commission utilize such Project B Earnings Tax Payments to reimburse eligible Redevelopment Project Costs identified by the Amended Plan, pursuant to the terms and conditions of the Redevelopment Agreement.

Upon the execution of an Amended and Restated Earning Tax Agreement, the City and Burns & McDonnell desire that the Commission and the Burns & McDonnell enter into a Second Amendment to the Redevelopment Agreement, which shall provide, in part, that the Commission, upon receipt, of Project B Earnings Tax Payment, utilize such Project B Earnings Tax Payments in the same way it uses to EATS, to reimburse eligible Redevelopment Project Costs identified by the Amended Plan, subject to the terms and conditions of the Redevelopment Agreement, as amended by the Second Amendment.

Staff and legal counsel have prepared the Second Amendment to the Redevelopment Agreement attached to the Board Packet as **Exhibit 28**, and upon receipt of a fully executed Amended and Restated Earnings Tax Contribution and Retention Agreement, staff and counsel recommend approval and execution of the Second Amendment to the Redevelopment Agreement.

Action recommended:

APPROVAL OF THE SECOND AMENDMENT TO THE REDEVELOPMENT AGREEMENT BETWEEN THE TIF COMMISSION AND BURNS & MCDONNELL ENGINEERING COMPANY, INC., IN CONNECTION WITH THE IMPLEMENTATION OF THE BANNISTER & WORNALL TAX INCREMENT FINANCING PLAN, IN A FORM SUBSTANTIALLY SIMILAR TO EXHIBIT 28 ATTACHED TO THE COMMISSION BOARD PACKET, SUBJECT TO MODIFICATIONS APPROVED BY THE CHAIR, EXECUTIVE DIRECTOR AND LEGAL COUNSEL AND SUBJECT TO THE COMMISSION’S RECEIPT OF A FULLY-EXECUTED AMENDED AND RESTATED EARNINGS TAX CONTRIBUTION AND RETENTION AGREEMENT.

29. Adjournment

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