

# SEVENTH AMENDMENT TO THE LINWOOD SHOPPING CENTER TAX INCREMENT FINANCING PLAN

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KANSAS CITY, MISSOURI

## **TIF COMMISSION APPROVAL:**

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**DATE:** **RESOLUTION NO.**

## **CITY COUNCIL APPROVAL:**

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**DATE:** **ORDINANCE NO.**

## **SUMMARY**

The Linwood Shopping Center Tax Increment Financing Plan (the “Plan”) contemplates the construction of approximately 129,450 square feet of retail space, including a grocery store, parking and all necessary appurtenances and utilities to support such development (the “Project Improvements”) in an area generally bounded by 31<sup>st</sup> Street, between Olive Street and Prospect Avenue, and 30<sup>th</sup> Street, between Prospect Avenue and Montgall Avenue, on the north, Linwood Boulevard on the south, Montgall Avenue on the east, and Olive Street on the west, all in Kansas City, Jackson County, Missouri (the “Redevelopment Area”). The Seventh Amendment to the Plan (the “Seventh Amendment”) (1) eliminates Redevelopment Project Area 5, (2) modifies the Estimated Redevelopment Project Costs, (3) modifies the Sources of Funds, (4) eliminates the improvements related to Redevelopment Project 5, (5) eliminates the employment and constructions totals for Redevelopment Project 5, (6) modifies the Development Schedule, and (7) modifies certain exhibits to and sections of the Plan that are in furtherance of the foregoing.

### **I. Specific Amendments**

The Plan shall be amended as follows:

**Amendment No. 1:** Delete Section I., entitled “Summary,” in its entirety and insert the following in lieu thereof:

#### **SUMMARY**

The Linwood Shopping Center Tax Increment Financing Plan (the “Plan” or “Redevelopment Plan”) provides for the construction of approximately 119,450 square feet of retail space, including a grocery store, parking and all necessary appurtenances and utilities to support such development (the “Project Improvements”) in an area generally bounded by 31<sup>st</sup> Street, between Olive Street and Prospect Avenue, and 30<sup>th</sup> Street, between Prospect Avenue and Montgall Avenue, on the north, Linwood Boulevard on the south, Montgall Avenue on the east, and Olive Street on the west, all in Kansas City, Jackson County, Missouri (the “Redevelopment Area”).

The Redevelopment Area is approximately 9.34 acres and it will consist of four (4) Redevelopment Project Areas, with Redevelopment Project 1 consisting of 38,000 square feet of retail space, Redevelopment Project 2 consisting of approximately 14,000 square feet of retail space and Redevelopment Project 3 consisting of approximately 12,000 square feet of retail space, Redevelopment Project 4 consisting of approximately 55,450 square feet of retail space.

The estimated Redevelopment Project Costs to implement the Project Improvements contemplated by the Plan are approximately \$26,971,598, of which \$26,121,598 is to be reimbursed from TIF Revenue, Additional City EATs, and Additional City Tax Revenue (as each is hereafter defined). The Reimbursable Project Costs are identified on Exhibit 4A and all supplements thereto, attached to this Plan.

The total initial equalized assessed valuation of Redevelopment Project Areas 1, 2 and 3, according to 2015 records at the Jackson County Assessor's Office, is approximately \$555,583 and the total initial equalized assessed valuation of Redevelopment Project Area 4, according to 2019 records at the Jackson County Assessor's Office, is approximately \$757,962. The current combined ad valorem property tax levy is projected to be \$7.9873 per \$100 assessed valuation in Jackson County. The 2019 annual ad valorem tax revenue generated within the Redevelopment Area was approximately 76,750. The total initial equalized assessed valuation of each Redevelopment Project Area will be determined prior to the time the Redevelopment Project Area is designated by Ordinance.

Pursuant to the Act, Tax Increment Financing provides that Economic Activity Taxes and Payment in Lieu of Taxes generated and collected within the Redevelopment Project Areas for a twenty-three (23) year period may be used to pay or reimburse Redevelopment Project Costs.

The estimated Payments in Lieu of Taxes to be generated within the Redevelopment Project Areas is based on current real property assessment formulas and current and anticipated property tax rates, both of which are subject to change due to many factors, including reassessment, the effects of real property classification for real property tax purposes, and the rollback in tax levies resulting from reassessment or classification. The estimated total Payments in Lieu of Taxes generated within the Redevelopment Project Areas over the period tax increment financing shall be authorized is \$4,900,470. Those Payments in Lieu of Taxes are shown on Exhibit 5 and all supplements thereto. Any Payments in Lieu of Taxes that exceed the amount necessary for such reimbursement, subject to Section 99.850, shall be declared surplus and be available for distribution to the various Taxing Districts located partially or wholly within the Redevelopment Area in the manner provided by the Act.

The estimated Economic Activity Taxes to be generated within the Redevelopment Project Area, subject to appropriation by the City Council, which will be available to pay Reimbursable Project Costs, are approximately \$8,120,171. Those Economic Activity Taxes are shown on Exhibit 5 and all supplements thereto. Any Economic Activity Taxes that exceed the amount necessary for such reimbursement, subject to Section 99.850, shall be declared surplus and shall be available for distribution to various Taxing Districts located partially or wholly within the Redevelopment Area in the manner provided by the Act.

The estimated Additional City EATs, subject to appropriation by the City Council, which will be available to pay Reimbursable Project Costs, is approximately \$1,093,207, as more specifically set forth on Exhibit 5 and all supplements thereto.

The estimated Additional City Tax Revenue, subject to appropriation by the City, that will be available to pay Redevelopment Project Costs is approximately \$2,389,146, as more specifically set forth on Exhibit 5 and all supplements thereto.

Upon the reimbursement of all Reimbursable Project Costs, subject to Section 99.850, Tax Increment Financing will be terminated and the Taxing Districts (as hereafter defined), shall receive all taxes generated within the Redevelopment Project Areas.

**Amendment No. 2:** Delete Section III. A., entitled “Redevelopment Plan” in its entirety and insert the following in lieu thereof:

A. The Redevelopment Plan. The Linwood Shopping Center Tax Increment Financing Redevelopment Plan (the “Redevelopment Plan”) is to be developed by the City of Kansas City, Missouri, unless and until a private developer is so designated by the Commission. The Plan provides, in part, for the construction of approximately 38,000 square feet of retail space within Redevelopment Project Area 1, approximately 14,000 square feet of retail space within Redevelopment Project Area 2, approximately 12,000 square feet of retail space within Redevelopment Project Area 3 and approximately 55,450 square feet of retail space within Redevelopment Project Area 4.

**Amendment No. 3:** Delete Section III. C., entitled “Project Improvements” in its entirety and insert the following in lieu thereof:

C. Project Improvements. Project Improvements will consist of the (i) demolition of the properties located in Redevelopment Project Area 1; construction of approximately 38,000 square feet of grocery store, and renovation of approximately 14,000 square feet of retail space in Redevelopment Project Area 2, 12,000 square feet of retail space in Redevelopment Project Area 3 and 55,450, square feet of retail space in Redevelopment Project Area 4, all accompanied by surface parking and landscaping; provided, however, Project Improvements shall not include the development, redevelopment, or renovation of any improvements that contemplates or permits the uses described on Exhibit 13. Estimated construction and employment information for the Redevelopment Projects are set forth on Exhibit 4.A.

**Amendment No. 4:** Delete the first sentence of Section IV. A., entitled “Estimated Redevelopment Project Costs,” in its entirety and insert the following in lieu thereof:

A. Estimated Redevelopment Project Costs. The total cost to the Redeveloper(s) to implement Project Improvements is projected to be approximately \$26,971,598 as set forth in detail on Exhibit 4A. The Plan proposes that approximately \$26,121,598 in Redevelopment Project Costs be reimbursable from Payments in Lieu of Taxes, Economic Activity Taxes, and Additional City EATs and Additional City Tax Revenue, as detailed on Exhibit 4A.

**Amendment No. 5** Amend Exhibit 1.B of the Plan, entitled “Legal Descriptions – Project Areas 1-4,” by inserting Exhibit 1.B, entitled, “Legal Descriptions – Project Areas 1-4,” attached hereto.

**Amendment No. 6:** Amend Exhibit 2.A of the Plan, entitled “Maps,” by inserting Exhibit 2.A, entitled, “Maps,” attached hereto.

**Amendment No. 7:** Amend Supplement to Exhibit 4.A of the Plan, entitled “Estimated Redevelopment Project Costs for Redevelopment Project 4,” by deleting it in its entirety and replacing it with Supplement to Exhibit 4.A, entitled, “Estimated Redevelopment Project Costs for Redevelopment Project 4,” attached hereto.

**Amendment No. 8** Amend Supplement to Exhibit 4.B of the Plan, entitled “Development Schedule for Redevelopment Project 4,” by deleting it in its entirety and replacing it with Supplement to Exhibit 4.B, entitled, “Development Schedule for Redevelopment Project 4,” attached hereto.

**Amendment No. 9:** Amend Exhibit 4.C of the Plan, entitled “Construction Totals for Redevelopment Project 4 and Redevelopment Project 5,” by deleting it in its entirety and replacing it with Exhibit 4.C, entitled, “Construction Totals for Redevelopment Project 4,” attached hereto.

**Amendment No. 10:** Amend Exhibit 4.D of the Plan, entitled “Employment Totals for Redevelopment Project 4 and Redevelopment Project 5,” by deleting it in its entirety and replacing it with Exhibit 4.D, entitled, “Employment Totals for Redevelopment Project 4,” attached hereto.

**Amendment No. 11:** Amend Exhibit 6 of the Plan, entitled “Supplement to Sources and Uses of Funds,” by inserting Exhibit 6, entitled, “Supplement to Source of Funds for Redevelopment Project 4,” attached hereto.

**Amendment No. 12:** Amend Exhibit 13 of the Plan, entitled “Prohibited Uses,” by inserting Exhibit 13, entitled, “Prohibited Uses,” attached hereto.

## **EXHIBIT 1B**

### **Legal Description of Redevelopment Project Areas 1-4**

Project 1 – 3110 Prospect Mooney Place Tract V

Project 2 - 3110 Prospect Mooney Place Tract VI and VII

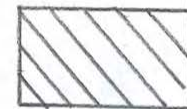
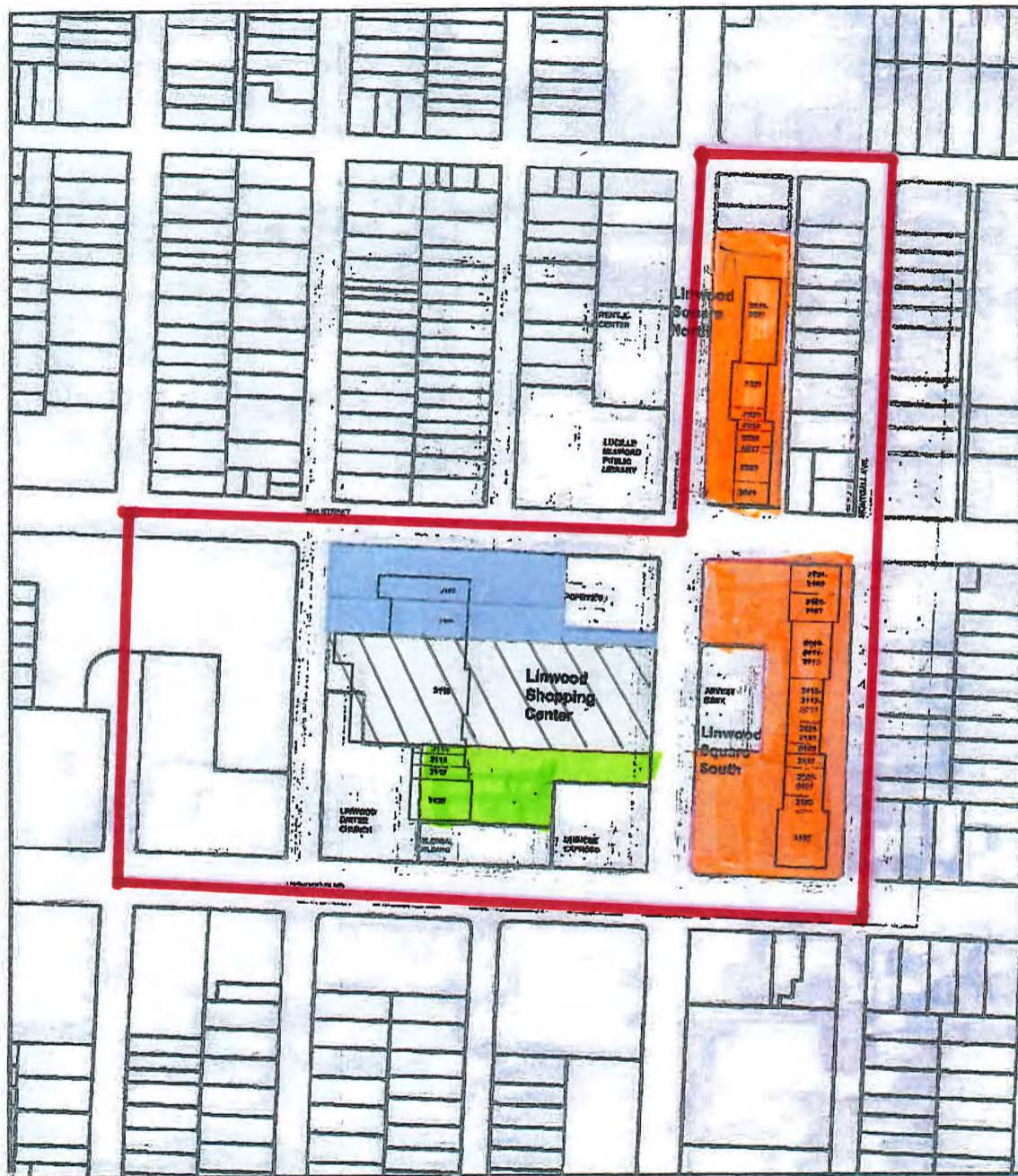
Project 3 - 3110 Prospect Mooney Place Tract IV

Project 4 – CDC-KC Linwood Square 1<sup>st</sup> Plat lot 1 and CDC-KC Linwood Square 2<sup>nd</sup> Plat, Lot 1

**EXHIBIT 2A**

**Site Plan**

[See Attached]



Project 1



Project 2



Project 3



Project 4



Linwood  
TIF Boundry



**EXHIBIT 4A**

**Estimated Budget of Redevelopment Project Costs for Redevelopment Project 4**

[See Attached]

## Exhibit 4A

| USES   | Total Project Costs  | Owner's Equity    | PIAC Grant        | Central City EDI    | PACE Reimbursable | TIF Reimbursable    | Super TIF Reimbursable |
|--|----------------------|-------------------|-------------------|---------------------|-------------------|---------------------|------------------------|
| Existing Mortgage Payoff                     | \$ 1,044,230         | \$ -              | \$ -              | \$ -                | \$ -              | 1,044,230           |                        |
| Hard Construction/General Contractor/Remodel | 5,002,837            | 39,813            | 502,000           | 2,139,970           | 490,527           | 1,830,527           |                        |
| Future Development                           | 1,093,207            |                   | -                 | -                   | -                 |                     | 1,093,207              |
| Tenant Improvements/TI Allowance             | 205,000              | -                 | -                 | 27,432              |                   | 177,568             |                        |
| Pre-Development Improvements                 | 300,000              | 300,000           |                   |                     |                   |                     |                        |
| Signage and Security                         | 2,500                | -                 | -                 | -                   |                   | 2,500               |                        |
| Permanent Interest Costs                     | 2,476,025            | -                 | -                 | -                   |                   | 2,476,025           |                        |
| Construction Interest Costs                  | 110,000              | -                 | -                 | -                   |                   | 110,000             |                        |
| Construction Loan Escrow                     | 116,754              |                   |                   |                     |                   | 116,754             |                        |
| Legal Fees (including bank)                  | 211,242              | -                 | -                 |                     |                   | 211,242             |                        |
| Private Financing Costs                      | 244,495              | 116,754           | -                 | -                   |                   | 127,741             |                        |
| Project Management/Owner's Rep               | 55,058               | -                 | -                 | 19,024              |                   | 36,034              |                        |
| Development Fee                              | 238,806              |                   |                   | 62,485              |                   | 176,321             |                        |
| Architrectural/Design/MEP                    | 263,715              | -                 | -                 | 92,589              |                   | 171,126             |                        |
| FF&E   | 2,500                | -                 | -                 | -                   |                   | 2,500               |                        |
| TIF Commission Administrative Costs          | 333,000              |                   |                   | 11,181              |                   | 321,819             |                        |
| Contingency                                  | 424,907              | -                 | -                 | 36,464              |                   | 388,443             |                        |
| <b>Total</b>                                 | <b>\$ 12,124,277</b> | <b>\$ 456,567</b> | <b>\$ 502,000</b> | <b>\$ 2,389,146</b> | <b>\$ 490,527</b> | <b>\$ 7,192,830</b> | <b>1,093,207</b>       |

**EXHIBIT 4B**

**Development Schedule for Redevelopment Project 4**

| <b>Event</b>                   | <b>Date of Completion</b> |
|--------------------------------|---------------------------|
| City and Agency Approvals      | Summer 2019               |
| Financial Closing              | September 2019            |
| Project Design Completion      | September 2019            |
| Begin Construction             | October 2019              |
| Anticipated Project Completion | June 2020                 |

## EXHIBIT 4C

### Construction Totals for Redevelopment Project 4

|                          | New Construction | Existing Structures to REMAIN as is | Existing Structures to be REHABBED | Total  | Existing Structures to be DEMOLISHED |
|--------------------------|------------------|-------------------------------------|------------------------------------|--------|--------------------------------------|
| Office SF                | 0                | 0                                   | 0                                  | 0      | 0                                    |
| Retail SF                | 0                | 0                                   | 55,450                             | 55,450 | 0                                    |
| Institutional SF         | 0                | 0                                   | 0                                  | 0      | 0                                    |
| Industrial SF            | 0                | 0                                   | 0                                  | 0      | 0                                    |
| Residential SF           | 0                | 0                                   | 0                                  | 0      | 0                                    |
| Total Square Feet        | 0                | 0                                   | 55,450                             | 55,450 | 0                                    |
|                          |                  |                                     |                                    |        |                                      |
| Number of Dwelling Units | 0                | 0                                   | 0                                  | 0      | 0                                    |
| Number of Motel Rooms    | 0                | 0                                   | 0                                  | 0      | 0                                    |
| Number of Parking Spaces | 0                | 0                                   | 0                                  | 0      | 0                                    |

## **EXHIBIT 4D**

### **Employment Totals for Redevelopment Project 4**

|  |             |
|--|-------------|
| Permanent jobs to be CREATED IN Kansas City                                    | 9           |
| Permanent jobs to be RELOCATED TO Kansas City                                  | 0           |
| Permanent jobs to be RETAINED IN Kansas City                                   | 28          |
| TOTAL  | 37          |
| Anticipated Annual Payroll   | \$5,061,768 |
| Estimated number of construction workers to be hired during construction phase | 9           |
| Estimated payroll in construction phases                                       | \$2,530,884 |

## EXHIBIT 6

### Supplement to Sources and Uses Redevelopment Project 4

| SOURCES  |                     |
|--|---------------------|
| Sources of Funds   |                     |
| <b>Private Sources:</b>                                    |                     |
| Developer/Owner's Equity                                   | \$456,567           |
| PACE Financing   | \$490,527           |
| <b>Total Private Sources</b>                               | <b>\$947,094</b>    |
| <b>Public Financing Sources (Pay-As-You-Go Estimates):</b> |                     |
| Estimated TIF  | \$7,192,830         |
| Estimated Super TIF  | \$1,093,207         |
| PIAC Grant   | \$502,000           |
| Central City EDI   | \$2,389,146         |
| <b>Total Estimated Public Sources</b>                      | <b>\$11,177,183</b> |
| <b>Total Sources</b>                                       | <b>\$12,124,277</b> |

## **Exhibit 13**

### **Prohibited Uses**

The list below of prohibited uses has been developed in order to prevent nuisance uses within the Redevelopment Project Area. This list will be periodically reviewed by the Commission and the City. The Commission as a public or quasi-public entity has an ongoing interest that future uses serve the best interests of the neighborhood and community. Unless prior written consent of the City is obtained, the Commission shall not allow any use within the Redevelopment Project Area for the following purposes:

1. Any bar being an establishment that is devoted to the serving of alcoholic beverages for consumption by guests on the premises and in which the serving of food is only incidental to the consumption of those beverages, including but not limited to, taverns, nightclubs, cocktail lounges, cabarets, and discotheque.
2. Indoor children's recreational facility.
3. Pawn shop.<sup>1/</sup>
4. Outdoor circus, carnival, or sporting event.
5. Outdoor meetings.
6. Auditorium, meeting hall, ballroom, or other place of assembly.
7. Unemployment agency, service, or commission.
8. Dance hall.
9. Car wash, car repair, or car rental agency.
10. Catering or banquet hall.
11. Place of religious worship.
12. Gas station.
13. Medical clinics or offices except those that would normally be found in a first-class shopping center such as, but not limited to, an optometrist's office.

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<sup>1/</sup> The Pawn Shop located at 3101 – 3103 Prospect Avenue, Kansas City, Missouri, 64105, may continue to operate under the current term of the Lease Agreement, dated November 1, 1994, but which shall terminate on February 1, 2020, at which time no pawn shops shall exist within the Redevelopment Project Area.

14. Gymnasium, health club, exercise, or dance studio.
15. Funeral establishment.
16. Bowling alley or skating rink.
17. Primarily pool or billiard establishment.
18. Shooting gallery or rifle range.
19. Off-track betting (provided that state sponsored lottery tickets shall not be prohibited).
20. Refinery.
21. Adult bookstore or facility selling or displaying pornographic books, literature, or videotapes (material shall be considered “adult” or “pornographic” for such purpose if the same are not available for sale or rental to children under 18 years old because they explicitly deal with or depict human sexuality) or a massage parlor, nude modeling studio or body painting artists establishment; provided such restriction shall not prohibit the operation of a bookstore, video rental/sale store or electronics store or other store selling or renting videos, DVDs or technological evolutions of such items as one typically found in a first class community shopping center, such as, by way of example, but not limitation, Barnes & Noble, Borders Books, Blockbuster Video, Hollywood Video, Best Buy and Circuit City.
22. Any residential use, including but not limited to living quarters, sleeping apartments, or lodging rooms.
23. Theater.
24. Second hand store, thrift store (e.g. Goodwill, Salvation Army), auction house, or flea market.
25. Video game or amusement arcade, except as an incidental part of another primary business.
26. Bingo or similar games of chance, but lottery tickets and other items commonly sold in retail establishments may be sold as an incidental part of business.
27. Smoking or vaporizing establishment where more than 30 percent of the volume of trade or business carried on is that of the blending of tobaccos, or the sale or use of tobaccos, pipes, cigars, e-cigarettes, vaporizers, or smokers’ sundries and smoking-related paraphernalia including that which is commonly known as a hookah lounge.
28. A store offering for sale or display drug paraphernalia.
29. A short term loan establishment which engages in providing money to customers on a temporary basis, such as loans secured by a post-dated check, paycheck or car title, or is registered as a lender under state or federal law. The classification does not include a state



or federally chartered bank, savings and loan association, credit union, or mortgage broker or originator. Further, this classification does not include establishments selling consumer goods, including consumables, where the loans or the cashing of checks or money orders are incidental to the main purpose of the business. This classification does include, but is not limited to, check cashing stores, payday loan stores, and car title loan stores.

30. A tattoo parlor or body piercing studio.
31. A store for the sale of packaged alcoholic beverages, whether wholesale or retail; provided, however, that sale of liquor by the drink shall be permitted.
32. A store for the sale, trade, manufacture, display or training for the use of guns, revolvers, air rifles or guns, pistols or firearms of any description, ammunition, hives, blackjacks, bows, arrows and crossbows or other weapons readily capable of lethal use.
33. Retailers or grocery stores selling food, household supplies and related grocery items and retailers of fruit markets and deep discount items.