

IN THE COUNTY LEGISLATURE OF JACKSON COUNTY, MISSOURI

A RESOLUTION authorizing the County Executive to execute the First Amendment to the Universal Floodwater Detention TIF Plan Cooperative Agreement with the City of Kansas City, Missouri, and the Tax Increment Financing (TIF) Commission of Kansas City, Missouri, related to the disbursement of surplus funds to the taxing jurisdictions within the County.

RESOLUTION NO. 19814, April 9, 2018

INTRODUCED BY Theresa Galvin, County Legislator

WHEREAS, by Resolution 19651, dated November 13, 2017, the Legislature did authorize the execution a Cooperative Agreement with the Kansas City, Missouri TIF Commission related to the Fifth Amendment to the Universal Floodwater Detention TIF Plan, in connection with certain infrastructure improvements within the TIF district; and,

WHEREAS, a special allocation fund was created in connection with the redevelopment project and there is a balance of funds in excess of the costs associated with the plan; and,

WHEREAS, the TIF Commission has determined that this surplus shall be distributed to non-city taxing jurisdictions affected by the plan in accordance with Missouri state law; and,

WHEREAS, the TIF Commission recommends the execution of the attached First Amendment to the Cooperative Agreement among the City of Kansas City, Missouri, the Kansas City TIF Commission, and the County related to the disbursement of surplus

funds to the taxing jurisdictions within the County; and,

WHEREAS, the Tax Incentive Unit recommends the approval of the First Amendment to the Cooperative Agreement to allow the second disbursement of funds; and,

WHEREAS, the County's expected share of the second disbursement will be \$103,892.02, which will be credited to the General Fund; and,

WHEREAS, the attached First Amendment to the Universal Floodwater Detention TIF Plan Cooperative Agreement is a suitable mechanism by which to implement the mutual understanding of the parties; and

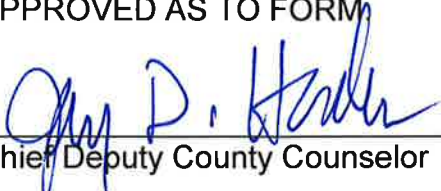
WHEREAS, the execution of this First Amendment is in the best interest of the health, safety and welfare of the citizens of Jackson County; now therefore,

BE IT RESOLVED by the County Legislature of Jackson County, Missouri, that the County Executive be and hereby is authorized to execute the attached First Amendment to the Universal Floodwater Detention TIF Plan Cooperative Agreement with the City of Kansas City, Missouri, and the TIF Commission of Kansas City, Missouri; and,

BE IT FURTHER RESOLVED that all County officials be and hereby are authorized to execute any and all documents and take any other actions necessary to give effect to this Resolution.

Effective Date: This Resolution shall be effective immediately upon its passage by a majority of the Legislature.

APPROVED AS TO FORM



Chief Deputy County Counselor



County Counselor

Certificate of Passage

I hereby certify that the attached resolution, Resolution No. 19814 of April 9, 2018, was duly passed on April 9, 2018 by the Jackson County Legislature. The votes thereon were as follows:

Yeas 8

Nays 0

Abstaining 0

Absent 1

4-9-18

Date



Mary Jo Spino, Clerk of Legislature

COMMITTEE SUBSTITUTE FOR ORDINANCE NO. 180214

Approving the First Amendment to the Cooperative Agreement among the City, the Tax Increment Financing Commission and the County of Jackson County, Missouri relating to the Fifth Amendment to the Universal Floodwater Tax Increment Financing Plan to accelerate the schedule for distribution of surplus to the affected taxing jurisdictions.

WHEREAS, on April 18, 1991, the City Council passed Committee Substitute for Ordinance No. 910047, as amended, approving the Universal Floodwater Detention Tax Increment Financing Plan (the "Plan") which authorized tax increment financing for redevelopment of an area bounded by Reynolds Avenue on the west, the south bank of the Missouri River on the north, Interstate 435 on the east and Front Street on the south (the "Redevelopment Area"); and

WHEREAS, the Plan has previously been amended four times by Ordinance Nos. 911507, 000777, 100476 and 130305; and

WHEREAS, the Fifth Amendment to the Plan (the "Fifth Amendment") was approved by the Council by passage of Committee Substitute for Ordinance No. 170773 on October 15, 2017; and

WHEREAS, among other things, the Fifth Amendment provides for the reimbursement of Redevelopment Project Costs related to the Public Improvements, which are estimated to be approximately \$6,900,000 (the "Fifth Amendment Costs"); and

WHEREAS, the Special Allocation Fund established in connection with the Plan (the "Special Allocation Fund") had, as of April 30, 2017, an existing balance of \$11,885,799 (the "SAF Balance"), which is comprised of payments in lieu of taxes ("PILOTS") and economic activity taxes ("EATS") generated and collected within the Redevelopment Project Areas; and

WHEREAS, the City, the Commission and the County of Jackson County, Missouri (the "County") entered into a Cooperative Agreement which provided for the contribution of the City's portion of existing funds deemed to be surplus, (approximately \$2,250,520), and an additional portion of its surplus funds generated thereafter, in an amount not in excess of \$1,361,704, to the County for distribution to each of the taxing districts affected by the Plan in a manner consistent with Section 99.820.1(12); and

WHEREAS, the amount of the SAF Balance in excess of the Fifth Amendment Costs as well as the City's portion of existing surplus funds, were deemed surplus and have been distributed by the Commission to the taxing jurisdictions, pursuant to the Cooperative Agreement; and

WHEREAS, subject to the collection and receipt of sufficient PILOTS and EATS, the additional portion of the City's surplus funds not in excess of \$1,361,704 are anticipated to be distributed to the taxing jurisdictions affected by the Plan in early 2018, following the first quarter's collections; and

WHEREAS, the City desires to distribute \$1,361,704 to the taxing jurisdictions immediately in order to allow the taxing jurisdictions to use their portions of the surplus for their immediate needs; and

WHEREAS, immediate distribution of \$1,361,704 requires an amendment to the Cooperative Agreement among the City, the Tax Increment Financing Commission and the County of Jackson County, Missouri; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 5. That the City Manager is authorized to enter into the First Amendment to the Cooperative Agreement with the Commission and County which is approved in such form as the City Manager shall determine to be appropriate for such purposes.

Approved as to form and legality:

Brian T. Rabineau
Assistant City Attorney

**FIRST AMENDMENT TO THE
UNIVERSAL FLOODWATER DETENTION TIF PLAN
COOPERATIVE AGREEMENT**

THIS FIRST AMENDMENT (this "Amendment"), which shall be effective on April _____, 2018, amends that certain Cooperative Agreement among the TAX INCREMENT FINANCING COMMISSION OF KANSAS CITY, MISSOURI (the "Commission"), THE CITY OF KANSAS CITY, MISSOURI (the "City") and THE COUNTY OF JACKSON COUNTY, MISSOURI (the "County") dated November 16, 2017 (the "Original Agreement") and which became effective on _____ (the "Effective Date") (capitalized terms used herein without definition shall have the meanings ascribed thereto in the Original Agreement).

RECITALS

A. Pursuant to the Real Property Tax Increment Financing Allocation Act, Section 99.100 RSMo. 1988, et seq., as amended ("Act"), on April 18, 1991, the City Council of Kansas City, Missouri (the "Council"), by way of Ordinance No. 910047, approved the Universal Floodwater Detention Tax Increment Financing Plan and designated the area described therein as a redevelopment area (the "Redevelopment Area");

B. The Universal Floodwater Detention Tax Increment Financing Plan was subsequently amended on December 19, 1991, by Ordinance No. 911507 (the "First Amendment"), on July 20, 2000, by Ordinance No. 000777 (the "Second Amendment"), on July 1, 2010, by Ordinance No. 100476 (the "Third Amendment"), on April 18, 2013, by Ordinance No. 130305 (the "Fourth Amendment") and on October 5, 2017, by Committee Substitute for Ordinance No. 170773 (the "Fifth Amendment") (collectively, the "Plan");

C. The Fifth Amendment to the Plan contemplates (1) the construction of certain infrastructure improvements, including the following: improvements to Universal Avenue, between E. Front Street and Executive Drive, a bicycle and pedestrian trail between N. Chouteau Trafficway and Olive Street, the acquisition and demolition of a Ramada Inn and improvements to Front Street between N. Chouteau Trafficway and Universal Avenue (the "Fifth Amendment Public Improvements") and (2) the reimbursement of costs related thereto, which are estimated to be approximately \$6,900,000 (the "Fifth Amendment Costs"); and

D. At the time the Fifth Amendment to the Plan was approved, the Special Allocation Fund(s) established in connection with each Redevelopment Project described by the Plan (the "Special Allocation Fund") had, as of April 30, 2017, an existing balance of \$11,885,799 (the "SAF Balance"), which was comprised of payments in lieu of taxes ("PILOTS") and economic activity taxes ("EATS") generated and collected within the Redevelopment Area and the amount of SAF balance in excess of the Fifth Amendment Costs, was approximately \$4,985,799 (the "Existing Surplus Funds"), which was deemed surplus and was distributed to the taxing districts affected by the Plan in accordance with the Real Property Tax Increment Allocation Redevelopment Act (the "Act"); and

E. The Commission, the City and the County entered into the Original Agreement, which provides, inter alia, that (1) the Commission shall distribute the portion of the Existing Surplus Funds that would accrue to all the affecting tax districts, except the City (the “Non-City Existing Distributable Surplus Amount”), to Jackson County for distribution to the affecting Taxing Districts (the “Non-City Affected Taxing Districts”) and (2) the City shall distribute its portion of the Existing Surplus Funds (the “City’s Existing Distributable Surplus Amount”) to the County for distribution to the Non-City Affected Taxing Districts); and

F. The Original Agreement further provides that the City, upon deposit of additional payments in lieu of taxes and economic activity taxes into the Special Allocation Fund that are in excess of the Existing Surplus Funds (“Additional Surplus Funds”), if and when the City’s portion of such Additional Surplus Funds equals \$1,361,704 (the “City’s Distributable Share of Future Surplus Funds”), the City shall direct the Commission (i) to pay \$45,345 of the City’s Distributable Share of Future Surplus Funds to the County, (ii) to pay \$6,809 of the City’s Distributable Share of Future Surplus Funds to the County for distribution to the Zoological Taxing District and (iii) to pay \$1,309,551 of the City’s Distributable Share of Future Surplus Funds to the County for distribution to Non-City Taxing Districts in the same proportion as the most recent distribution by the County’s Collector to such Non-City Affected Taxing Districts of real property taxes for real property located in the Redevelopment Area described by the Plan; and

G. The City, pursuant to Ordinance No. _____ approved the Sixth Amendment to the Plan (the “Sixth Amendment”), which, inter alia, reduces the amount of Redevelopment Project Costs related to the Fifth Amendment Improvements by approximately \$291,508, so that the reimbursement of Redevelopment Project Costs related to the Fifth Amendment Improvements shall be \$6,608,492); and

H. The Commission, the City and the County desire to amend to the Original Agreement (1) to acknowledge that the Fifth Amendment Costs shall be reduced by \$291,508, (2) to provide that an additional \$291,508 as Additional Surplus shall be distributed to the Non-City Affected Taxing Districts in accordance with Section 99.820(12) RSMo., (3) to provide that the City’s Distributable Share of Future Surplus Funds shall be reduced by \$291,508 and (4) to provide for an acknowledgement and agreement that upon deposit of Additional Surplus in the Special Allocation Fund, if and when certain of the Non-City Taxing Districts’ portion of such Additional Surplus Funds equals \$291,508 (the “Non-City Distributable Share of Future Surplus Funds”), certain of the Non-City Taxing Districts hereby direct the Commission to pay the Non-City’s Distributable Share of Future Surplus Funds to the County for distribution to the City.

A G R E E M E N T

In consideration of the mutual promises, covenants and conditions set forth in this Amendment, the parties hereto mutually agree as follows:

1. **Amendment No. 1.** Section 3.01 of the Original Agreement is hereby amended by deleting Section 3.01 in its entirety and replacing it with the following:

3.01 City and Non-City Affected Taxing Districts Written Direction Regarding Additional Surplus Funds

(a) Subject approval of the Sixth Amendment to the Plan and the execution of this Agreement, including the written acknowledgement and agreement of the Non-City Affected Taxing Districts, the City agrees that upon deposit of additional payments in lieu of taxes and economic activity taxes into the Special Allocation Fund that are in excess of the Existing Surplus Funds, which shall include \$291,508 resulting from the reduction of the Fifth Amendment Costs (“**Additional Surplus Funds**”), if and when the City’s portion of such Additional Surplus Funds equals \$1,070,196 (the “**City’s Distributable Share of Future Surplus Funds**”), the City hereby directs the Commission (i) to pay \$45,345 of the City’s Distributable Share of Future Surplus Funds to the County, (ii) to pay \$6,809 of the City’s Distributable Share of Future Surplus Funds to the County for distribution to the Zoological Taxing District and (iii) to pay \$1,018,043 of the City’s Distributable Share of Future Surplus Funds to the County for distribution to Non-City Taxing Districts in the same proportion as the most recent distribution by the County’s Collector to such Non-City Affected Taxing Districts of real property taxes for real property located in the Redevelopment Area described by the Plan.

(b) Subject approval of the Sixth Amendment to the Plan and the execution of this Agreement, including the written acknowledgement and agreement of certain of the Non-City Affected Taxing Districts, the City agrees that upon deposit of additional payments in lieu of taxes into the Special Allocation Fund that are in excess of the Existing Surplus Funds (“**Additional Surplus Funds**”), if and when the Non-City Affected Tax Districts portion of such Additional Surplus Funds equals \$291,508 (excluding the that portion of economic activity taxes attributable to the Zoological Taxing District and the County) (the “**Non-City’s Distributable PILOT Share of Future Surplus Funds** ”), certain of the Non-City Affected Taxing Districts, which are acknowledged and agreed to the terms hereof, hereby direct the Commission to pay the Non-City’s Distributable PILOT Share of Future Surplus Funds to the County for distribution to City, which shall be used to complete the Fifth Amendment Improvements.

(c) The City agrees that upon the payment of the City’s Distributable Share of Future Surplus Funds, the payment of the Non-City’s Distributable PILOT Share of Future Surplus Funds and the reimbursement of the Fifth Amendment Costs, which have been certified, together with any additional administrative costs necessary to provide for the termination of the Plan and each Redevelopment Project described therein, to introduce an Ordinance to dissolve the Special Allocation Fund and to terminate the designation of each Redevelopment Project Area described by the Plan.

2. Amendment No. 2. Section 4.01 of the Original Agreement is hereby amended by deleting Section 4.01 in its entirety and replacing it with the following:

4.01 Distribution of Surplus Funds.

(a) Within thirty (30) days of the County's receipt of the Non-City Existing Distributable Surplus Amount, the County shall distribute \$2,735,278, together with any Additional Surplus Funds generated prior to the date of distribution, including \$291,508 resulting from the Sixth Amendment to the Plan, to the Non-City Affected Taxing Districts in the same proportion as the most recent distribution by the County's Collector to such Non-City Affected Taxing Districts of real property taxes for real property located in the Redevelopment Area, less all amounts unavailable for distribution due to protest or challenge. Notwithstanding the estimates set forth in **Section 2.01(a)**, the County shall have the sole discretion to determine the amount and proper distribution from the County to the Non-City Affected Taxing Districts of the Non-City Existing Distributable Surplus Amount or any portion thereof received by the County.

(b) Within thirty (30) days of the County's receipt of the City's Existing Distributable Surplus Amount, the County shall distribute \$2,250,520 to the Non-City Affected Taxing Districts in the same proportion as the most recent distribution by the County's Collector to such Non-City Affected Taxing Districts of real property taxes for real property located in the Redevelopment Area described by the Plan, less all amounts unavailable for distribution due to protest or challenge. The County shall have the sole discretion to determine the amount and proper distribution from the County to the Non-City Affected Taxing Districts of the City's Existing Distributable Surplus Amount or any portion thereof received by the County.

(c) Within thirty (30) days of the County's receipt of City's Distributable Share of Future Surplus Funds, the County (i) shall pay \$6,809 of the City's Distributable Share of Future Surplus Funds to the Zoological Taxing District and shall pay \$1,018,043 to Non-City Taxing Districts in the same proportion as the most recent distribution by the County's Collector to such Non-City Affected Taxing Districts of real property taxes for real property located in the Redevelopment Area described by the Plan.

(d) Within thirty (30) days of the County's receipt of Non-City's Distributable PILOT Share of Future Surplus Funds, the County shall the Non-City's Distributable PILOT Share of Future Surplus Funds to the City, which shall be used to complete the Fifth Amendment Improvements.

3. Miscellaneous. Except as amended hereby, the Original Agreement remains in full force and effect. This Amendment may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

**SIGNATURE PAGE TO FIRST AMENDMENT TO THE
UNIVERSAL FLOODWATER DETENTION TIF PLAN
COOPERATIVE AGREEMENT**

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date set forth in the first paragraph hereof.

**TAX INCREMENT FINANCING
COMMISSION OF KANSAS CITY,
MISSOURI**

ATTEST:

Heather A. Brown, Secretary

By: _____
Cynthia M. Circo, Chair

Approved as to form:

Counsel to the Commission

STATE OF MISSOURI)
) ss.
COUNTY OF JACKSON)

On this ____ day of _____, 2018, before me, a Notary Public in and for said State, personally appeared Cynthia M. Circo, Chairman of the Tax Increment Financing Commission of Kansas City, Missouri, who is personally known to me to be the same person who executed, as such official, the within instrument on behalf of said Commission and such person duly acknowledged to me that he executed the same for the purposes therein stated, and that the execution of the same was the free act and deed of said Commission.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year above written.

Notary Public

My Commission Expires:

**SIGNATURE PAGE TO FIRST AMENDMENT TO THE
UNIVERSAL FLOODWATER DETENTION TIF PLAN
COOPERATIVE AGREEMENT**

CITY OF KANSAS CITY, MISSOURI

ATTEST: By: _____
Troy Schulte, City Manager

Name: _____
Title: City Clerk

Approved as to form and legality:

By: _____
Brian T. Rabineau, Assistant City Attorney

STATE OF MISSOURI)
) ss.
COUNTY OF JACKSON)

On this ____ day of _____, 2017, before me, a Notary Public in and for the state and county aforesaid, appeared Troy Schulte, to me personally known, and who being by me duly sworn, did say that he is the City Manager of the City of Kansas City, Missouri, and, as such official, executed the within instrument on behalf of the City of Kansas City, Missouri, and such person duly acknowledged the execution of the same to be the act and deed of the City of Kansas City, Missouri.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal in my office the day and year last above written.

Signature of Notary Public

My Commission Expires:

JACKSON COUNTY, MISSOURI

ATTEST:

By: _____
Frank White Jr., Jackson County Executive

Mary Jo Spino, Clerk of the Legislature

Approved as to form:

By: _____
W. Stephen Nixon

STATE OF MISSOURI)
) ss.
COUNTY OF JACKSON)

On this ____ day of _____, 2017, before me, a Notary Public in and for the state and county aforesaid, appeared Frank White, Jr., to me personally known, and who being by me duly sworn, did say that he is the Executive of Jackson County, Missouri, and, as such official, executed the within instrument on behalf of Jackson County, Missouri, and such person duly acknowledged the execution of the same to be the act and deed of Jackson County, Missouri.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal in my office the day and year last above written.

Signature of Notary Public

My Commission Expires:

ACKNOWLEDGEMENT AND AGREEMENT

I Bruce A. Eddy, on behalf of the each of the following ad valorem taxing districts:

Jackson County Community Mental Health Fund
Metropolitan Community Colleges of Greater Kansas City
Jackson County Board of Services For the Developmentally Disabled
Missouri Pension Fund For the Blind
Kansas City Library District
M&M Replacement Tax

for whom I have been elected to represent in connection with the Universal Floodwater Detention Tax Increment Financing Plan and for whom I have been duly authorized to execute this Acknowledgement and Agreement to the First Amendment to the Universal Floodwater Detention TIF Plan Cooperative Agreement, I hereby, on behalf of such affected ad valorem taxing districts acknowledge and agree to the terms contained therein.

By: _____
Bruce A. Eddy