

SECOND AMENDMENT TO THE PROSPECT NORTH TAX INCREMENT FINANCING PLAN

KANSAS CITY, MISSOURI

TIF COMMISSION APPROVAL:

10/8/2025

10-4-25

DATE:

RESOLUTION No.

CITY COUNCIL APPROVAL:

12/11/2025

251010

DATE:

ORDINANCE No.

SECOND AMENDMENT
TO THE
PROSPECT TAX INCREMENT FINANCING

I. Introduction

The Second Amendment to the Prospect North Tax Increment Financing Plan (the “First Amendment”) shall amend the Prospect North Tax Increment Financing Plan, as approved by Committee Substitute for Ordinance No. 991307, as amended, and as further amended by Ordinance No. 03119 and Ordinance No. 041005 (collectively, the “Plan”).

The Second Amendment to the Plan provides for (1) modifications to the Estimated Redevelopment Project Costs, (2) modifications to the Sources of Funds, and (3) the inclusion of all conforming changes within the Exhibits to the Plan that are in furtherance of the foregoing modifications.

II. Specific Amendments

The Plan shall be amended as follows:

Amendment No. 1: The following term defined under the Section entitled “Definitions” in Section I of the Plan is hereby deleted in its entirety and replaced with the following:

- D. “Economic Activity Taxes,” fifty percent (50%) of the total additional revenue from taxes which are imposed by the City and other Taxing Districts, and which are generated by economic activities within each Redevelopment Project Area, over the amount of such taxes generated by economic activities within such Ordinance designating such Redevelopment Project Area in the calendar year prior to the adoption of the Redevelopment Project by Ordinance, while tax increment financing remains in effect, but excluding personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant to Section 70.500 RSMo., taxes levied for the purpose of public transportation pursuant to Section 94.660 RSMo., taxes imposed on sales pursuant to subsection 2 of section 67.1712 for the purpose of operating and maintaining a metropolitan park and recreation district, licenses, fees or special assessments other than Payments In Lieu of taxes and penalties and interest thereon, any sales tax imposed by a county with a charter form of government and with more than six hundred thousand but fewer than seven hundred thousand inhabitants, for the purpose of sports stadium improvement or levied by such county under section 238.410 for the purpose of the county transit authority operating transportation facilities, taxes imposed on sales under and pursuant to section 67.700 or 650.399 for the purpose of emergency communication systems and such other taxes that may be excluded by State law from time to time, shall be allocated to, and paid by the local political subdivision collecting officer to the treasurer or other designated financial officer of the municipality, who shall deposit such funds in a separate segregated account within the special

allocation fund; provided, however, if the voters in a Taxing District vote to approve an increase in such Taxing District's sales tax or use tax, other than the renewal of an expiring sales or use tax, any additional revenues generated within an existing Redevelopment Project Area that are directly attributable to the newly voter-approved incremental increase in such taxing district's levy rate shall not be considered "Economic Activity Taxes", without the consent of such Taxing District. If a retail establishment relocates within one (1) year from one facility to another facility within the same county and the governing body of the municipality finds that the relocation is a direct beneficiary of tax increment financing, then for purposes of this definition the economic activity taxes generated by the retail establishment shall equal the total additional revenues from economic activity taxes which are imposed by a municipality or other taxing district over the amount of economic activity taxes generated by the retail establishment in the calendar year prior to its relocation to such redevelopment project area.

- H. "Payments in Lieu of Taxes," or "PILOTS" those estimated revenues from real property taxes generated within the Redevelopment Project Area which are to be used to reimburse the Redevelopment Project Costs identified by the Plan, which Taxing Districts would have received had the City not adopted tax increment allocation financing, and which result from levies made after the time of the adoption of tax increment allocation financing within the Redevelopment Project Area that is approved by Ordinance (but excluding the blind pension fund tax levied under the authority of Article III, Section 38(b) of the Missouri Constitution and the merchant's and manufacturer's inventory replacement tax levied under the authority of subsection 2 of Section 6 of the Missouri Constitution) and during the time the current equalized value of real property in the Redevelopment Project Area exceeds the Total Initial Equalized Assessed Value of real property in the Redevelopment Project Area, until the designation is terminated pursuant to the Act, provided however, if the voters in a Taxing District vote to approve an increase in such Taxing District's levy rate for ad valorem tax on real property, any additional revenues generated within the Redevelopment Project Area that are directly attributable to the newly voter-approved incremental increase in such Taxing District's levy rate shall not be considered Payments in Lieu of Taxes without the consent of such Taxing District. Revenues will be considered directly attributable to the newly voter-approved incremental increase to the extent that they are generated from the difference between the taxing district's actual levy rate currently imposed and the maximum voter-approved levy rate at the time that the Redevelopment Project was adopted.

Amendment No. 2: The first sentence of Section IV.A. of the Plan, entitled "Estimated Redevelopment Project Costs," shall be deleted in its entirety and replaced with the following paragraph:

- A. Estimated Redevelopment Plan Costs. Redevelopment Project Costs are estimated to be approximately \$129,751,999, of which \$27,425,570 may be reimbursed with PILOTS and EATS or proceeds from Obligations, financed, in part, with PILOTS and EATS.

Amendment No. 3: Delete Exhibit 6 of the Plan entitled “Estimated Redevelopment Project Costs” in its entirety and replace it with Exhibit 6, entitled “Estimated Redevelopment Project Costs,” attached hereto.

Amendment No. 4: Delete Exhibit 7 of the Plan entitled “Sources of Funds for All Estimated Redevelopment Project Costs” in its entirety and replace it with Exhibit 7, entitled “Sources of Funds for All Estimated Redevelopment Project Costs,” attached hereto.

Amendment No. 6

Exhibit 6

ESTIMATED REDEVELOPMENT PROJECT COSTS

**Prospect North Tax Increment Financing Plan
Estimated Project Costs**

	Second Amendment	Total Reimbursable	TIFC Reimbursable Series 2001 Bonds	TIFC Reimbursable Add'l Bonds	TIFC Reimbursable Other
Commission Expenses					
Estimated Reimbursable Costs for Plan Approval					
Legal	\$ 15,000	\$ 15,000	\$ 9,000	\$ 6,000	\$ -
Agenda	1,000	1,000	600	400	-
Staff Time	20,000	20,000	12,000	8,000	-
Miscellaneous	5,000	5,000	3,000	2,000	-
Final Development Plan Approval Fees	-	-	-	-	-
(\$.05 per sq. ft. @280,000 sq. ft., \$50 per dwelling unit)	-	-	-	-	-
Commercial (\$___per s.f.)	13,715	13,715	-	-	13,715
Residential (\$100 per dwelling unit @ approx. 207 units)	20,700	20,700	-	-	20,700
Plan and Project Administration and Developer/Consultant/ TIF Commission Expenses	-	-	-	-	-
(including expenses for affirmative action admin., TIFC staff time)	138,000	138,000	82,800	55,200	-
Subtotal Commission Expenses	\$ 213,415	\$ 213,415	\$ 107,400	\$ 71,600	\$ 34,415
Project Development Costs					
Private Improvements					
Commercial - 274,370 s.f. Retail/Office (approx.)	\$ 48,473,894	\$ -	\$ -	\$ -	\$ -
Single Family Residential - 207 Units (approx.)	36,694,416	-	-	-	-
Total Private Improvements	\$ 85,168,310	\$ -	\$ -	\$ -	\$ -
Public Road Improvements					
Roadwork					
Agnes Road (from Gladstone/K.C. Limit to 83rd St.)	\$ 1,789,309	\$ 1,789,309	\$ 1,789,309	\$ -	\$ -
Maple Woods Parkway (from M-1 Highway to Agnes)	4,412,826	3,598,207	2,463,207	1,135,000	-
Maple Woods Parkway (from Agnes to Barry Rd.)	5,837,583	5,837,583	491,723	5,345,860	-
Agnes Bridge Improvements	3,400,000	3,400,000	-	-	3,400,000
R.O.W. Acquisition (for Maple Woods & Barry Rd. Intersection)	400,000	400,000	-	-	400,000
Subtotal Roadwork	\$ 15,839,718	\$ 15,025,099	\$ 4,744,239	\$ 6,480,860	\$ 3,800,000
Other					
Acquisition, Relocation & Clearance	\$ 1,585,000	\$ 1,585,000	\$ 1,585,000	\$ -	\$ -
Landscaping, Street Upgrades (82nd Street)	500,000	500,000	500,000	-	-
Stormwater Retention	400,000	400,000	400,000	-	-
Contingency	350,000	350,000	251,875	98,125	-
Engineering Fees	397,000	397,000	273,275	123,725	-
Surveying Fees	165,000	165,000	155,000	10,000	-
Construction Management	853,371	853,371	732,611	120,760	-
Subtotal Other	\$ 4,250,371	\$ 4,250,371	\$ 3,897,761	\$ 352,610	\$ -
Total Public Road Improvements	\$ 20,090,089	\$ 19,275,470	\$ 8,642,000	\$ 6,833,470	\$ 3,800,000
Legal & Financing Costs					
Legal Fees	\$ 250,000	\$ 250,000	\$ 93,512	\$ 156,488	\$ -
Interest and Financing Costs-Interim Loan	210,000	210,000	200,000	10,000	-
Financial Advisor	413,722	413,722	135,644	278,078	-
Total Legal & Financing Costs	\$ 873,722	\$ 873,722	\$ 429,156	\$ 444,566	\$ -
Subtotal Project Development Costs	\$ 106,132,121	\$ 20,149,192	\$ 9,071,156	\$ 7,278,036	\$ 3,800,000
Additional Bond Financing costs					
Series 2001 Bonds	\$ 2,062,963	\$ 2,062,963	\$ 2,062,963	\$ -	\$ -
Additional Bonds	4,065,000	4,065,000	-	4,065,000	-
City Contributions to Debt Service on Series 2001 Bonds and Series 2010 Bonds1	17,278,500	935,000	-	-	935,000
Subtotal Bond Financing	\$ 23,406,463	\$ 7,062,963	\$ 2,062,963	\$ 4,065,000	\$ 935,000
TOTAL PROJECT COSTS	\$ 129,751,999	\$ 27,425,570	\$ 11,241,519	\$ 11,414,636	\$ 4,769,415

Amendment No. 7

Exhibit 7

SOURCES OF FUNDS FOR ALL ESTIMATED REDEVELOPMENT PROJECT COSTS

SOURCES OF FUNDS:	
Private Debt and Equity	\$102,326,429
Payments in Lieu of Taxes and Economic Activity Taxes	\$27,425,570
Total Sources	\$129,751,999



File #: 251010

ORDINANCE NO. 251010

Approving the Second Amendment to the Prospect North Tax Increment Financing Plan; and authorizing the City Manager to enter into a Reimbursement Agreement between City of Kansas City and the TIF Commission

WHEREAS, pursuant to the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865 of the Revised Statutes of Missouri, as amended (the “Act”), the City Council of Kansas City, Missouri (the “City Council”) by Ordinance No. 54556 passed on November 24, 1982, and thereafter amended in certain respects by Committee Substitute for Ordinance No. 911076, as amended, passed on August 29, 1991, Ordinance No. 100089, as amended, passed on January 28, 2010, and Ordinance No. 130986, passed on December 19, 2013, Committee Substitute for Ordinance No. 140823, as amended on, June 18, 2015, Committee Substitute for Ordinance No. 230524, passed on June 22, 2023, and by Committee Substitute for Ordinance No. 240045 on March 21, 2024 created commissions constituted pursuant to Section 99.820.2 (the “Kansas City TIF Commission”) and Section 99.820.3 of the Act (the “Clay County KC TIF Commission”); and

WHEREAS, the City created the Administrative TIF Commission and has delegated all powers delegable under the Act, in particular powers enumerated in Section 99.820.1 RSMo., in connection with administering tax increment financing plans and projects to the Administrative TIF Commission, as provided in Code § 74-58; and

WHEREAS, on March 23, 2000, the City Council passed Committee Substitute for Ordinance No. 991307, as amended, which accepted the recommendations of the then applicable Kansas City TIF Commission and approved the Prospect North Tax Increment Financing Plan (the “Redevelopment Plan”) and designated the Redevelopment Area described therein to be a blighted area (the “Redevelopment Area”); and

WHEREAS, the Redevelopment Plan was amended by Ordinance No. 031191 on February 19, 2004, which was then amended by Ordinance No. 041005 on September 16, 2004; and

WHEREAS, a Second Amendment to the Redevelopment Plan (“Second Amendment”) was proposed to the Clay County KC TIF Commission, and the Clay County KC TIF Commission, having been duly constituted and its members appointed, after proper notice was given, met in a public hearing on October 8, 2025, and after it received comments of all interested persons and taxing districts, (i) closed the public hearing, (ii) approved the Second Amendment and (iii) recommended that the City Council approve the Second Amendment; and

WHEREAS, the Second Amendment (A) modifies the Estimated Redevelopment Project Costs, (B) modifies the Sources of Funds, and (C) modifies certain exhibits to and sections of the Plan that are in furtherance of the foregoing; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. The Second Amendment is hereby approved and adopted as valid.

Section 2. That all terms used in this ordinance, not otherwise defined herein, shall be construed as defined in Sections 99.800 to 99.865 of the Revised Statutes of Missouri, as amended (the "Act").

Section 3. That the City Council hereby finds that good cause has been shown for the Second Amendment of the Plan and that the findings of the Council in Committee Substitute for Ordinance No. 991307, as amended, Ordinance No. 031191, and Ordinance No. 041005 except as expressly modified by the Second Amendment, are not affected by the Second Amendment and apply equally to the Second Amendment

Section 4. That the Council hereby finds that:

- a. The Second Amendment does not alter the previous finding of the Council in Ordinance No. 991307 that the Redevelopment Area as a whole is a blighted area, as defined in Section 99.805 of the Act, has not been subject to growth and development through investment by private enterprise, and would not reasonably be anticipated to be developed without the adoption of the Redevelopment Plan.
- b. The Redevelopment Plan, as amended by the Second Amendment, conforms to the comprehensive plan for the development of the City as a whole.
- c. The areas selected for Redevelopment Projects include only those parcels of real property and improvements thereon which will be directly and substantially benefited by the Redevelopment Project Improvements.
- d. The estimated dates of completion of the Redevelopment Projects and retirement of obligations incurred to finance Redevelopment Project Costs have been stated in the Redevelopment Plan, as amended by the Second Amendment, and are not more than 23 years from the passage of any ordinance approving a Redevelopment Project within the Redevelopment Area.
- e. The Redevelopment Plan, as amended by the Second Amendment, includes a plan for relocation assistance for businesses and residences.
- f. A cost-benefit analysis showing the impact of the Redevelopment Plan on each taxing district which is at least partially within the boundaries of the Redevelopment Area has been prepared in accordance with the Act.

- g. The Redevelopment Plan, as amended by the Second Amendment, does not include the initial development or redevelopment of any gambling establishment.
- h. A study has been completed and the findings of such study satisfy the requirements provided under Section 99.810, RSMo.

Section 5. That the Administrative TIF Commission is authorized to issue obligations in one or more series of bonds secured by Prospect North Tax Increment Financing Plan Account of the Special Allocation Fund to finance Redevelopment Project Costs identified by the Redevelopment Plan, as amended by the Second Amendment, and, subject to any constitutional limitations, to acquire by purchase, donation, lease or eminent domain, own, convey, lease, mortgage, or dispose of land or other property, real or personal, or rights or interests therein, and grant or acquire licenses, easements and options with respect thereto, all in the manner and at such price the Administrative TIF Commission determines, to enter into such contracts and take all such further actions as are reasonably necessary to achieve the objectives of the Redevelopment Plan, as amended by the Second Amendment. Any obligations issued to finance Redevelopment Project Costs shall contain a recital that they are issued pursuant to Sections 99.800 to 99.865 of the Act, which recital shall be conclusive evidence of their validity and of the regularity of their issuance.

Section 6. That pursuant to the provisions of the Redevelopment Plan, the City Council approves the pledge of all payments in lieu of taxes and economic activity taxes generated within Redevelopment Projects that are deposited into the Special Allocation Fund(s) established in connection with each Redevelopment Project described by the Redevelopment Plan to the payment of Redevelopment Project Costs identified by the Redevelopment Plan, as amended by the Second Amendment, and authorizes the Administrative TIF Commission to pledge such funds on its behalf.

Section 7. The City Manager is authorized to execute a Reimbursement Agreement between the City and the Administrative TIF Commission to provide for the reimbursement to the City of unreimbursed debt service payments made by the City in connection with the City's financing of public improvements constructed pursuant to the Redevelopment Plan, as amended. A copy of the Reimbursement Agreement is attached hereto in substantial form.



Authenticated as Passed

Quinton Lucas
Quinton Lucas, Mayor

Marilyn Sanders
Marilyn Sanders, City Clerk

DEC 11 2025

Date Passed

Approved as to form:

Emalea Kohler
Emalea Kohler
Associate City Attorney