

AN ORDINANCE APPROVING A SECOND AMENDMENT TO THE I-470 BUSINESS AND TECHNOLOGY TAX INCREMENT FINANCING PLAN AND A FIRST AMENDMENT TO TAX INCREMENT FINANCING CONTRACT.

WHEREAS, on July 27, 2006, the City Council approved the I-470 Business and Technology Tax Increment Financing Plan (the "**Redevelopment Plan**") through the adoption of Ordinance No. 6229, in accordance with the Real Property Tax Increment Allocation Redevelopment Act, sections 99.800 to 99.865 of the Revised Statutes of Missouri, as amended (the "**TIF Act**"); and,

WHEREAS, the City entered into a Tax Increment Financing Contract with Wilgate Development, L.L.C., dated March 8, 2007 (the "**TIF Contract**"); and,

WHEREAS, the obligations of Wilgate Development, L.L.C. under the Redevelopment Plan and TIF Contract were assigned to LBC Development Corp. pursuant to an Assignment Agreement approved by the City Council by Ordinance 6452, adopted July 19, 2007, which Assignment Agreement was executed on August 13, 2007; and,

WHEREAS, on December 3, 2015, the City Council approved a First Amendment to the Redevelopment Plan through the adoption of Ordinance No. 7757; and,

WHEREAS, the Redevelopment Area for the Redevelopment Plan, which contains approximately 95 acres, is generally located in Lee's Summit, Missouri, in an area south of Strother Road, west of I-470 and east of Lee's Summit Municipal Airport, and is legally described in the Redevelopment Plan; and,

WHEREAS, on February 9, 2017, the applicant, LBC Development Corp., submitted a proposed Second Amendment to the Redevelopment Plan (the "**Second Amendment**") which would provide for (i) revising the Redevelopment Project improvements to be constructed, (ii) deleting the definition of Eastern Collector Road, (iii) revising the definition of Public Road Improvements, (iv) deleting the definition of Strother Interchange TDD Project, (v) revising the amount of projected Redevelopment Project Costs, (vi) revising the amount of Reimbursable Project Costs that will be reimbursed, (vii) revising the project schedule, (viii) updating revenue projections, tax impact statements, cost-benefit analyses, and anticipated assessed valuation numbers, and (ix) making such other changes as are consistent with the foregoing, all as described in more detail in the Amendment; and,

WHEREAS, on February 15, 2017, the City mailed written notices of the scheduled TIF Commission public hearing to consider the Second Amendment to all taxing districts from which taxable property is included in the proposed Redevelopment Area, in compliance with Sections 99.825 and 99.830, RSMo; and,

WHEREAS, on March 8, 2017, the City published notice in the *Lee's Summit Journal* of the scheduled TIF Commission public hearing to consider the merits of the Second Amendment, in compliance with Section 99.830, RSMo; and,

WHEREAS, on March 22, 2017, the City mailed written notices of the scheduled TIF Commission public hearing to all persons in whose name the general taxes for the last

preceding year were paid on each lot, block, tract, or parcel of land lying within the Redevelopment Area, in compliance with Section 99.830, RSMo; and,

WHEREAS, on March 29, 2017, the City again published notice in the *Lee's Summit Journal* of the scheduled TIF Commission public hearing to consider the merits of the Second Amendment, in compliance with Section 99.830, RSMo; and,

WHEREAS, on March 31, 2017, notice of the TIF Commission meeting at which the public hearing will be held for consideration of the Second Amendment was posted in compliance with the Missouri Sunshine Law, Sections 610.010 to 610.225, RSMo, and the special notice requirements set forth in Section 67.2725, RSMo; and,

WHEREAS, a copy of the notice of the public hearing has been submitted to the Director of the Department of Economic Development, in compliance with Sections 99.825 and 99.830, RSMo.; and,

WHEREAS, on April 4, 2017, at 6:00 p.m., the TIF Commission held the public hearing to consider the Second Amendment, and after taking evidence and testimony, thereafter voted to adopt Resolution No. 2017-1 which recommends that the City Council approve the Second Amendment; and,

WHEREAS, the City Council, having heard and considered the objections, protests, comments, and other evidence adduced at a public meeting, the evidence and testimony submitted at the TIF Commission public hearing, and the recommendation of the TIF Commission, desires to approve the Second Amendment; and,

WHEREAS, in order to insure that the Redevelopment Plan, as amended by the Second Amendment, is consistent with the TIF Contract, the City Council also hereby determines that it is in the best interests of the City to enter into a First Amendment to Tax Increment Financing Contract with the LBC Development Corp. in substantially the form attached hereto.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LEE'S SUMMIT, MISSOURI, as follows:

SECTION 1. That the City Council hereby re-affirms the findings previously made by the Council pursuant to Section 99.810, RSMo, through the adoption of Ordinance No. 6229 on July 27, 2006 regarding the Redevelopment Plan and the Redevelopment Area as a whole, including that the Redevelopment Area has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of tax increment financing.

SECTION 2. That the Second Amendment, a copy of which is attached hereto as **Exhibit A**, is hereby approved and adopted.


SECTION 3. That the First Amendment to Tax Increment Financing Contract is hereby approved in substantially the form attached hereto as **Exhibit B** and the City Manager is authorized to execute the First Amendment to Tax Increment Financing Contract on behalf of

the City.

SECTION 4. That City officers and agents of the City are each hereby authorized and directed to take such action and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance.

SECTION 5. That this Ordinance shall be in full force and effect from and after its passage, adoption, and approval by the Mayor.

PASSED by the City Council of the City of Lee's Summit, Missouri, this 4th day of May, 2017.



Mayor Randall L. Rhoads

ATTEST:



City Clerk Denise R. Chisum

APPROVED by the Mayor of said City this 11th day of May, 2017.



Mayor Randall L. Rhoads

ATTEST:



City Clerk Denise R. Chisum

APPROVED AS TO FORM:



City Attorney Brian W. Head

EXHIBIT A

SECOND AMENDMENT TO REDEVELOPMENT PLAN

EXHIBIT B

FIRST AMENDMENT TO TIF CONTRACT

FIRST AMENDMENT TO TAX INCREMENT FINANCING CONTRACT

THIS FIRST AMENDMENT (the "First Amendment"), entered into on the 23rd day of MAY, 2017, amends the I-470 Business and Technology Tax Increment Financing Contract by and between the CITY OF LEE'S SUMMIT, MISSOURI ("City") and the LBC DEVELOPMENT CORP. ("Developer"), dated March 8, 2007 (the "Original TIF Contract"). Capitalized terms used herein without definition shall have the meanings ascribed thereto in the Original TIF Contract.

RECITALS

A. The First Amendment removed one tract, containing approximately 34 acres, reducing the Redevelopment Area from 125 acres to 95 acres.

B. The parties now desire to conform the TIF Contract to the Second Amendment to the TIF Plan.

NOW, THEREFORE, for and in consideration of the promises, covenants and agreements contained herein, the City and the District do hereby agree as follows:

1. Article I, Section L, entitled "Developer" is hereby amended by deleting said Article I, Section L, in its entirety and replacing it with the following:

L. "Developer", Wilgate Development, L.L.C., its successors and assigns, subject, however, to the provisions of Article X hereof. The obligations of the Original Developer under the Original Plan were assigned to LBC Development Corp. pursuant to the Assignment Agreement approved by the City by Ordinance 6452, adopted July 19, 2007. The Assignment Agreement was executed between the Original Developer and the Developer on August 13, 2007.

2. Article I, Section N, of the Original Agreement, entitled "Eastern Collector Road", is hereby amended by deleting said Article I, Section N, in its entirety.

3. Article I, Section T, of the Original Agreement, entitled "Minimum Investment Standards", is hereby amended by deleting said Article I, Section T, in its entirety and replacing it with the following:

T. "Minimum Investment Standards", Expectations contained within the Redevelopment Plan and which state that: (a) the total assessed value of real property within the Redevelopment Area upon completion of the Redevelopment Project will be approximately \$22,526,295; (b) the Redevelopment Project will consist of 503,925 square feet of office and warehouse space, approximately 64,500 square feet of general retail, 13,150 square feet of restaurant space, a 42,250 square foot hotel and a 45,250 square foot retail strip center; and (c) the creation of 138 new jobs.

4. Article IV, Section I.D of the Original Agreement, entitled "Distribution of Surplus to Taxing Districts", is hereby amended by deleting said Article IV, Section I.D, in its entirety and replacing it with the following:

D. Distribution of Surplus to Taxing Districts. Subject to financial considerations, it is the intent of the parties that all Reimbursable Project Costs be paid as soon as possible. After all incurred Reimbursable Project Costs have been paid, then on

December 31 of each year until the Redevelopment Plan is terminated, the funds remaining in the Payment in Lieu of Taxes Account and the Economic Activity Taxes Account, if any, shall be disbursed to the Taxing Districts in accordance with the Act, which payment shall be subject to City's authority to maintain reasonable reserves and Reimbursable Project Costs in future years, as City shall determine to be appropriate.

5. Article VII, Section 4 of the Original Agreement, entitled "Certificate of Compliance", is hereby amended by deleting said Article VII, Section 4 in its entirety and replacing it with the following:

4. Certificate of Compliance. Upon the completion of the Redevelopment Project, the Developer shall submit a report certifying that the Redevelopment Project and all required Public Project Improvements have been completed in accordance with the Redevelopment Plan and that the Developer is in compliance with all other provisions of this Contract. The Developer shall, as part of its report, submit its certificate setting forth: (a) the total cost of completing the Redevelopment Project and Public Project Improvements; (b) Redevelopment Project Costs incurred which are eligible for reimbursement pursuant to the Redevelopment Plan or which have been paid for with the proceeds of Obligations; and (c) the Private Funds used to complete the Redevelopment Project, which may include capitalized interest to the extent actually paid to unrelated third parties during construction, but not during any "lease-up" period. The City may conduct an investigation, and if the City determines that the Redevelopment Project has been completed in accordance with the provisions of the Redevelopment Plan, as evidenced by certificates of occupancy where appropriate and other required governmental approvals, and that all of Developer's duties pursuant to this Contract have been performed then it shall issue a Certificate of Completion and Compliance and certify that the Developer has fully discharged its obligations under the Redevelopment Plan and this Contract.

The certification by the City shall be conclusive determination of the satisfaction and termination of the covenants in this Contract, with respect to the obligations of the Developer to complete the Redevelopment Project and the public Project Improvements within the dates for the beginning and completion thereof, but shall not prevent the City from action in the event of any subsequent default by the Developer in the performance of any of its other obligations under this Contract.

Such certificate issued by the City shall contain a description of the real property affected thereby and shall be in such form as will enable it to be accepted for recording in the Office of the Recorder of Deeds.

6. Article VIII, Section 4.D of the Original Agreement, entitled "Strother Interchange TDD", is hereby amended by deleting said Article VIII Section 4.D, in its entirety.

7. Article XV, Section 1 of the Original Agreement, entitled "Notices", is hereby amended by deleting said Article XV, Section 1, in its entirety and replacing it with the following:

1. Notice. Any notice required by this Contract shall be deemed to be given if it is mailed by United States registered mail, postage prepaid, and addressed as hereinafter specified.

Any notice to the City shall be addressed to:

City Attorney
City Hall
220 SE Green Street
Lee's Summit, Missouri 64063

Notices to Developer shall be addressed to:

Jay Burchfield
302 Campusview Drive, Suite 211
Columbia, Missouri 65201

With a copy to:

William B. Moore, Esq.
White Goss, a Professional Corporation
4510 Belleview Avenue, Suite 300
Kansas City, Missouri 64111

8. The Original TIF Contract is hereby amended by deleting **Exhibit D** in its entirety and replacing it with the **Exhibit D** attached hereto.

9. The Original TIF Contract is hereby amended by deleting **Exhibit E** in its entirety and replacing it with the **Exhibit E** attached hereto.

10. The Original TIF Contract is hereby amended by deleting **Exhibit F** in its entirety and replacing it with the **Exhibit F** attached hereto.

11. The Original TIF Contract is hereby amended by deleting **Exhibit G** in its entirety and replacing it with the **Exhibit G** attached hereto.

12. Except as amended hereby, the Original TIF Contract remains in full force and effect.

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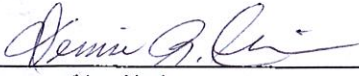
IN WITNESS WHEREOF, the parties have set their hands and seals the day and year first above written.

CITY:

CITY OF LEE'S SUMMIT, MISSOURI

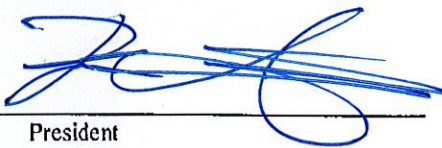
By: 
City Manager

ATTEST:


City Clerk

DEVELOPER:

LBC DEVELOPMENT CORP.

By: 
President

Notary for City of Lee's Summit

STATE OF MISSOURI)
)
COUNTY OF JACKSON) ss.

BE IT REMEMBERED, that on this 1 day of June, 2017, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came Stephen A. Arbo, the City Manager of the City of Lee's Summit, Missouri, a City duly incorporated and existing under and by virtue of the laws of the State of Missouri, who is personally known to me to be the same person who executed, as such official, the within instrument on behalf of and with the authority of said City, and such person duly acknowledged the execution of the same to be the act and deed of said City.

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

Donna L. Lee
NOTARY PUBLIC

My Commission Expires: 02/09/21

[SEAL]



DONNA L. LEE
My Commission Expires
February 9, 2021
Jackson County
Commission #17588841

Notary for LBC Development Corp.

STATE OF MISSOURI)
)
COUNTY OF Boone) ss.

BE IT REMEMBERED, that on this 23rd day of MAY, 2017, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came the President of LBC Development Corp. a Missouri corporation, who is personally known to me to be the same person who executed the within instrument on behalf of said corporation, and such person duly acknowledged the execution of the same to be the act and deed of said corporation.

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

Megan Miller
NOTARY PUBLIC

My Commission Expires: 8-2-2020

[SEAL]

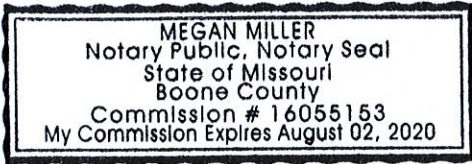


EXHIBIT D
IMPROVEMENTS

The mixed use commercial development to be constructed within the Redevelopment Area which is anticipated to consist of 503,925 square feet of office and warehouse space, approximately 64,500 square feet of general retail development, 13,150 square feet of restaurant development, a 42,250 square-foot hotel and a 45,250 square-foot retail strip center.

EXHIBIT E

PUBLIC PROJECT IMPROVEMENTS

Public Project Improvements include the following traffic improvements and on-site improvements to be constructed within the City by the Developer:

1. Signalization at the intersection of Colbern Road and Town Centre Boulevard;
2. Turn lanes at Colbern Road and Town Centre Boulevard;
3. Construction of a raised median at Colbern Road and Independence Avenue;
4. Other traffic improvements which the City may designate as development in and around the Redevelopment Area proceeds; and
5. The internal streets and utilities, storm water improvements and wetlands mitigation included in the Redevelopment Project Costs as part of the "Redevelopment Project Improvements" and "Professional Services" costs as shown on Exhibit 4 to the Redevelopment Plan.

EXHIBIT F
DEVELOPMENT SCHEDULE

Redevelopment Project

1

Completion Date

2022

EXHIBIT G
REDEVELOPMENT PROJECT COST BUDGET

DESCRIPTION	REDEVELOPMENT COSTS	REIMBURSABLE PROJECT COSTS
<i>Redevelopment Project Improvements</i>		
Storm Sewer & Stormwater Retention	\$ 2,001,300	\$ 2,001,300
Wetlands Mitigation	160,000	160,000
Internal Streets & Utilities	1,497,491	1,497,491
Phase I Construction	19,854,325	-
Phase II Construction	41,581,500	-
<i>Subtotal</i>	<i>\$ 65,094,616</i>	<i>\$ 3,658,791</i>
<i>Professional Services</i>		
Engineering & Architectural	\$ 614,358	\$ -
Legal	206,973	206,973
City's Legal Services	14,000	14,000
<i>Subtotal</i>	<i>\$ 835,331</i>	<i>\$ 220,973.00</i>
<i>Public Road Improvements</i>		
Signalization at Colbert and Town Centre	\$ 150,000	\$ 150,000
Turn Lanes at Colbert and Town Centre	60,000	60,000
Raised Median at Colbert and Independence	12,000	12,000
<i>Subtotal</i>	<i>\$ 222,000</i>	<i>\$ 222,000</i>
TOTAL	\$ 66,151,947	\$ 4,101,764