

COMPARED VERSION
COMMITTEE SUBSTITUTE TO ORIGINAL ORDINANCE

COMMITTEE SUBSTITUTE FOR ORDINANCE NO. 160776

Authorizing the City Manager to enter into a contract with the Council of Development Finance Agencies in an amount not to exceed \$350,000 to conduct a comprehensive analysis of the City of Kansas City's historic use of economic development incentives and the resulting impacts; and recognizing this ordinance as having an accelerated effective date.

WHEREAS, the City Council has directed the City Manager to develop a plan for the purposes of engaging a consultant to conduct a comprehensive study of economic development incentives, and the study is to take into consideration the City's economic development objectives as established by Advance KC; and

WHEREAS, being able to evaluate the overall use of incentives is an important part of understanding the City's overall financial outlook and will inform future economic development policy direction. It will also increase transparency and accountability by establishing a process and system to capture, maintain, and report historic and future economic development project data which is readily accessible to policy makers and the public. As early investments in revitalization mature over the next three to eight years, many of the City's projects will fully return to the tax rolls, providing additional resources to its taxing jurisdictions and making this an ideal time to evaluate the use of incentive tools; and

WHEREAS, in order to evaluate the impacts of incentive use, and determine outcomes, we need to understand when, where and how the City and other taxing jurisdictions will see, and have seen, the benefits of those early investments. A comprehensive evaluation of the City's historic use of incentives to-date is needed to provide a qualitative and quantitative assessment of the tools and inform future economic development incentive policy; and

WHEREAS, the City of Kansas City receives its statutory authority to convey economic incentives pursuant to multiple state statutes. These statutes include authorization to establish multiple statutory agencies whose authority may be direct or advisory to the City Council. These "Economic Development Agencies" responsibilities include oversight and administration of various economic development incentive programs for the purpose of conveying the benefits of certain tax exemptions, tax abatements, tax redirections, and/or direct financial support from the City for the purpose of economic development. These benefits are conveyed through a variety of different mechanisms including issuance of bonds, conveyance of title, direct contractual agreement or other approaches specific to the powers of each agency and the needs of individual projects; and

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WHEREAS, the City's Economic Development Agencies for the purpose of this study include - the Land Clearance for Redevelopment Authority (LCRA), the Tax Increment Financing Commission (TIF Commission), the Downtown Economic Stimulus Authority (DESA), the Enhanced Enterprise Zone Boards (EEZ), the Planned Industrial Expansion Authority (PIEA) and the Kansas City Chapter 353 Advisory Board (353 Board). Additionally, the City directly and via the Economic Development Corporation of Kansas City, the umbrella economic development agency for the City, have additional authority to convey certain economic incentive benefits authorized pursuant to other statutes including Chapters 68, 100 and 353, RSMo; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the City Manager is authorized to execute a contract with the Council of Development Finance Agencies in an amount not to exceed \$350,000.00 to conduct a comprehensive analysis of the City of Kansas City's historic use of economic development incentives and the resulting impacts. A copy of the contract is on file in the office of the City Manager and is hereby approved in substantial form.

Section 2. That the sum of \$350,000.00 is hereby appropriated from the Unappropriated Fund Balance in the Development Services Fund to the following account:

17-2210-101700-B	Economic Development Management	\$350,000.00
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Section 3. That this ordinance, appropriates money, and is recognized as an ordinance with an accelerated effective date as provided by Section 503(a)(3)(C) of the City Charter and shall take effect in accordance with Section 503, City Charter.

I hereby certify that there is a balance, otherwise unencumbered, to the credit of the appropriation to which the foregoing expenditure is to be charged, and a cash balance, otherwise unencumbered, in the treasury, to the credit of the fund from which payment is to be made, each sufficient to meet the obligation hereby incurred.

Randall J. Landes
Director of Finance

Approved as to form and legality:

Brian T. Rabineau
Assistant City Attorney