

## ORDINANCE NO. 190563

Approving the establishment and adoption of a two-year pilot program authorizing 20 years of 100% real property tax abatement for qualified Enhanced Enterprise Zone ("EEZ") development projects, which are also located within designated Opportunity Zones and the East Side Investment Zone.

WHEREAS, pursuant to its authority under RSMO Sections 135.950-135.973, the City Council has designated certain areas as EEZ areas, such areas being priority areas where economic and physical blight might be addressed by clustering development and creating sustainable, living wage jobs, and has established a board for each EEZ. There are three EEZs in the City: Zone 1-City's Northland; Zone 2-Midtown to Richards-Gebaur Memorial Airport; and Zone 3-Midtown to East Kansas City; and

WHEREAS, pursuant to Ordinance No. 170962, the area denominated as the "East Side Investment Zone" is defined as including the area encompassed within the following geographical boundaries and which shall further include, with respect to its exterior boundaries, those parcels immediately adjacent to and abutting each side of the public right-of-way: An area generally enclosed by 4th Street on the north, 95th Street on the south, Troost Avenue on the west, and the City's corporate boundaries on the east, and those areas included within the Ruskin neighborhoods of south Kansas City; and

WHEREAS, to qualify for an EEZ incentive, a development project in the zone must result in the investment of no less than \$100,000.00, and create a minimum of two (2) new fulltime jobs, which pay an average annual wage at or above 80 percent of the county average; and

WHEREAS, if a development project meets the EEZ criteria, the project may administratively receive a standard 50% property tax abatement of the project improvements, for a period of 10 years, and any request for abatement exceeding 50% or for a period of more than 10 years ("Longer and Deeper Tax Abatement") requires a project review and analysis prepared by the Economic Development Corporation of Kansas City, Missouri (the "EDCKC") and final approval by the City Council; and

WHEREAS, portions of the EEZ are also located within Opportunity Zones, which are specific geographical areas in the City which were defined under the authority of the Federal Tax Cuts and Jobs Act and which are designed to attract long-term, private sector investment in low-income communities by offering investors substantial tax benefits; and

WHEREAS, in the City, Opportunity Zone tracts overlap with Zones 1, 2 and 3 of the EEZ geographical boundaries; and

WHEREAS, the City Council supports development which: Fosters wealth building for current residents through opportunities for home ownership, capacity building for minority businesses and emerging entrepreneurs and creation of livable wage

ORDINANCE NO. 190563

jobs; ensures authentic community collaboration through early and ongoing involvement of indigenous residents and the intentional alignment with plans developed by and with community stakeholders; supports sustainable, prosperous mixed-income communities through an equitable combination of market-rate and affordable housing, neighborhood-serving retail, revitalized neighborhoods, and jobs creation; and creates an environment where investors can achieve their investment objectives and support the community by working collaboratively with community stakeholders; and

WHEREAS, because Opportunity Zones are designated throughout the United States, competition for investors is fierce, and, in addition, the timeframe to attract private funds for investment into Opportunity Zones is quickly closing; and

WHEREAS, since the federal tax benefits to the investor are the same regardless of where funds are invested, many desire to commit financially to projects and businesses in Opportunity Zones which are most likely to positively impact communities and their residents, and spur additional economic recovery; and

WHEREAS, investors seek to achieve these objectives without undue delay;  
NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section I. That all EEZ projects seeking Longer and Deeper Tax Abatement shall first be presented to the EEZ Board for its hearing and recommendation to the City Council, except that Opportunity Zone projects located in both an EEZ Zone and an "East Side Investment Zone" may be administratively approved by the Executive Director of the EEZ for up to 100% tax abatement for up to 20 years ("OZ Administrative Approval"). This authorization for OZ Administrative Approval shall expire two (2) years from the effective date of this ordinance.

Section 2. That nothing herein shall be construed as limiting or otherwise waiving any requirements imposed under any applicable provision of federal or state law, as the same may be amended from time to time.

---

Approved as to form and legality:

---

Katherine Chandler  
Assistant City Attorney