

RESOLUTION NO. 191046

Directing the Acting City Manager to develop a policy on the use of Sales Tax Exemption on Construction Materials as an incentive for business development and/or site redevelopment projects.

WHEREAS, in conjunction with various incentive tools, the City currently has the statutory authority to convey a sales tax exemption on construction materials to businesses and/or developers undertaking economic development projects involving new construction, rehabilitation of structures and/or tenant improvements; and

WHEREAS, on January 25, 2018, the City Council adopted Ordinance No. 171031 which established a specific policy for the utilization of sales tax exemption on certain affordable housing projects; and

WHEREAS, the City Council desires to establish a broader policy to establish priorities and administrative guidelines for the utilization of sales tax exemption on construction materials as an economic development tool on other types of projects; NOW, THEREFORE,

BE IT RESOLVED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the Acting City Manager is directed to develop a policy on the use of Sales Tax Exemption on Construction Materials as an incentive for business development and/or site redevelopment projects.

Section 2. That the policy developed by the Acting City Manager pursuant to Section 1 shall consider targeting the following uses in addition to those authorized under Ordinance No. 171031 in conjunction with economic development efforts:

- (a) Preservation of an historic structure or district by a business or developer; and
- (b) Furtherance of the development of affordable housing units meeting the City's adopted policies on affordable housing; and
- (c) Within a designated Opportunity Zone; and
- (d) Within a census tract designated as severely or continuously distressed; and
- (e) Development of an operation or facility on behalf of a non-profit organization; and
- (f) Development of a building or structure which is proposed for construction on vacant or underutilized property or between existing buildings in an

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existing urban area, already connected at the site to public utilities (water, sewer, electricity, etc.), and located on land which has not most recently been zoned for agricultural land use, except in the case of a previously designated Urban Agricultural Zone; and

- (g) For business and redevelopment projects, when other economic tools are not sufficient to keep incentives at or below the cap established pursuant to Ordinance No. 160383

Section 3. That the Acting City Manager shall present a final recommended policy to City Council within 90 days of the adoption of this resolution.

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