

ORDINANCE NO. 180842

Authorizing the City Manager to execute a Tax Contribution Agreement with Platform Ventures LLC for the purpose of incentivizing the redevelopment of the historic Hotel Muehlebach and Kansas City Club buildings and certain other properties.

WHEREAS, the historic Hotel Muehlebach and Kansas City Club buildings and other property associated with the project described hereafter are generally located on the block bounded by W. 13th Street on the south, Baltimore Avenue on the east, Wyandotte Avenue on the west and W. 12th Street on north, in Kansas City, Missouri (collectively, the "Project Site"); and

WHEREAS, the Developer has proposed to transform the Project Site, through a variety of economic partnerships, to (i) an approximately 100,000 square foot Class A office building; (ii) an approximately 144-room hotel; (iii) an approximately 190-unit residential apartment building; and (iv) a parking garage with approximately 400 parking spaces (collectively, the "Project"); and

WHEREAS, the Developer's proposal contemplates a financing package that includes a combination of private debt and equity, federal and state historic tax credits and certain property tax abatements through the LCRA; and

WHEREAS, the aforementioned public incentives are insufficient to produce the rate of return needed to attract the necessary private investment in the Project; and

WHEREAS, the Project serves a predominantly public municipal purpose because, without limitation, completion of the Project (i) enhances the tax base of the Project Site; (ii) retains and generates jobs; (iii) promotes economic development in the area of the City in which the Project Site is located, and promotes consideration of areas of the City that the City Council has determined to be blighted as a location for business operations; (iv) results in generation of tax revenues to the City from the conduct of business and other activities in the City that would not otherwise occur; (v) serves as a catalyst for additional investment in and further redevelopment and rehabilitation of the area of the City in which the Project Site is located; (vi) furthers the City's policy of encouraging economic stability and growth; (vii) adds needed hotel stock in the downtown loop; (viii) preserves historical buildings on the Project Site, and (ix) provides public parking in a strategic area of the City; and

WHEREAS, the City therefore desires to encourage the Developer to carry out the Project for the purpose of realizing these predominantly public purposes by entering into an agreement to contribute certain revenues from city taxes generated by the Project in an amount needed to cause the Project to be undertaken and attract the necessary private investment; and

WHEREAS, the tax contributions contemplated by this Agreement are limited to those which have been determined to be needed for the purpose of ensuring that the

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Project proceeds, and but for their contribution, the Project would not proceed, to the detriment of the public interest; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the City Manager is hereby authorized to execute a Sales Tax Contribution Agreement with Platform Ventures, LLC, in substantial form to that which is attached hereto.

Approved as to form and legality:

Brian T. Rabineau
Assistant City Attorney