

SECOND COMMITTEE SUBSTITUTE FOR RESOLUTION NO. 190644

Accepting the recommendation of the Central City Economic Development Tax Board to fund the economic development project proposed by UA KC EVE, LLC and 18th and Vine Redevelopment Corporation, generally located within the 2000 blocks of Woodland and Vine Streets in Kansas City, Jackson County, Missouri in the amount of \$1,205,231.00 and authorizing the City Manager to negotiate a Funding Agreement for that purpose.

WHEREAS, Section 67.1305 of the Revised Statutes of Missouri authorizes the City to impose a retail sales tax not to exceed one-half of one percent if the imposition of such a retail sales tax is submitted to, and then approved by, a majority of the votes cast; and

WHEREAS, on April 4, 2017, pursuant to authority granted by Section 67.1305, RSMo, a majority of Kansas City, Missouri voters approved a new 1/8 of one percent retail sales tax for funding economic development projects within the area bounded by 9th Street on the north, Gregory Boulevard on the south, Martin Luther King, Jr. Boulevard on the west and Indiana Avenue of the east; and

WHEREAS, a partnership of UA KC EVE, LLC, and the 18th and Vine Redevelopment Corporation (“Developer”) submitted a proposal seeking \$1,205,231.00 of Central City Economic Development (“CCED”) sales tax funds for costs associated with Phase 1 of Developer’s proposed Enterprise Village Ecosystem development which will include the renovation and redevelopment of the “Kansas City Castle” building and the construction of thirty-six (36) “net zero” carriage homes to be generally located within the 2000 blocks of Woodland and Vine Streets in Kansas City, Jackson County, Missouri (the Project”); and

WHEREAS, at its July 16, 2019 meeting, the Central City Economic Development Sales Tax Board voted to approve a recommendation to the Council for funding costs associated with this Project from CCED sales tax funds in the amount of \$1,205,231.00; 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/or 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; and (vi) furthers the City's policy of encouraging economic stability and growth; and

WHEREAS, the City desires to encourage the Developer to carry out the Project for the purpose of realizing these predominantly public purposes by entering into an

SECOND COMMITTEE SUBSTITUTE FOR RESOLUTION NO. 190644

agreement to contribute certain revenues in an amount needed to cause the Project to be undertaken and attract the necessary private investment; and

WHEREAS, the contributions contemplated by the funding agreement are limited to those which have been determined to be needed for the purpose of ensuring that the Project proceeds, and, but for their contribution, the Project would not proceed, to the detriment of the public interest; NOW, THEREFORE,

BE IT RESOLVED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the CCED Board's recommendation that CCED sales tax revenues in an amount not to exceed \$1,205,231.00 be utilized for associated costs incurred by the partnership of UA KC EVE, LLC and 18th and Vine Redevelopment Corporation for its proposed above-referenced Project is hereby accepted.

Section 2. That the City Manager is hereby authorized to enter into negotiations for a funding agreement with the partnership of UA KC EVE, LLC and 18th and Vine Redevelopment Corporation for costs associated with the above Project in an amount not to exceed \$1,205,231.00.

Section 3. That the City Manager is directed to provide a city planner to assist with the negotiations of the funding agreement in order to assure that the long range strategic planning for the area in which the project is to be located is appropriately accommodated and to negotiate a funding agreement that provides for compliance with any applicable provisions of the Missouri Prevailing Wage Law and any applicable provisions of the City's Contracting Program Requirements set out in Article IV, Chapter 3, Code of Ordinances, including, but not limited to, the provisions concerning affirmative action, Minority and Women's Business Enterprises and the Small Local Business Enterprises program. Further, the City Manager is directed to negotiate a funding agreement that prohibits the use of any CCED sales tax funding for the repayment of any preexisting debt or repayment for services or work performed prior to the execution of the funding agreement. In addition, the City Manager is directed to negotiate a funding agreement that requires the disclosure of total project funding sources and projected costs and periodic reporting of project progress.