

COMMITTEE SUBSTITUTE FOR RESOLUTION NO. 121013

Expressing support for the use of sale-leasebacks by the Port Authority of Kansas City, Missouri, Land Clearance for Redevelopment Authority, and Planned Industrial Expansion Authority of Kansas City, Missouri, for the purposes of promoting economic development and eliminating and preventing blight.

WHEREAS, there are currently over 100 urban renewal areas and planned industrial expansion areas in the City of Kansas City, Missouri, many of which continue to be blighted; and

WHEREAS, blight arises in part from a lack of employment opportunities and deficient physical infrastructure; and

WHEREAS, the City of Kansas City, Missouri has lost jobs in leading job corridors that have a substantial economic impact on all areas within the City; and

WHEREAS, job creation in Kansas City's leading job corridors is necessary and incidental to economic development and the elimination of blight where it continues to exist; and

WHEREAS, local public incentives, including tax abatement, have become increasingly necessary to leverage Missouri state public incentives for expansion and recruitment projects, particularly the Missouri Quality Jobs program; and

WHEREAS, a mechanism for abating personal and real property taxes is beneficial in redeveloping distressed areas and leveraging state incentives that are critical to attracting, retaining and expanding quality jobs in Kansas City; and

WHEREAS, the Port Authority of Kansas City, Missouri ("PA"), Land Clearance for Redevelopment Authority ("LCRA"), and Planned Industrial Expansion Authority of Kansas City, Missouri ("PIEA"), each possess the statutory authority to act in a manner as to cause the abatement of such taxes through sale-leasebacks; and

WHEREAS, the City desires that the PA, LCRA and PIEA maximize state incentives to generate jobs in Kansas City's primary job corridors and stimulate redevelopment; and

WHEREAS, the City is currently in the process of planning for future jobs and opportunities through the proposed AdvanceKC initiative and the City will reevaluate

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this resolution as well as other City policies and procedures upon the adoption, if any, of the AdvanceKC initiative by the City Council; NOW, THEREFORE,

BE IT RESOLVED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the City calls upon the PA, LCRA and PIEA to utilize sale-leasebacks as necessary for projects and for target industries that have less than current Chapter 100 policy limitations, or are otherwise not cost effective by any other means, in order to leverage incentives being offered by the State of Missouri or create new jobs and tax revenues for the City of Kansas City, Missouri.

Section 2. That the City supports sale-leasebacks for projects and for target industries that have less than current Chapter 100 policy limitations that are structured in a way that ensures the relevant taxing jurisdictions receive, through a payment in lieu of taxes, an amount equal to fifty percent of the ad valorem property taxes that would otherwise be due them unless otherwise determined after consultation with the affected taxing jurisdictions.

Section 3. That the City opposes any such sale-leaseback arrangement that results in the relevant taxing jurisdictions receiving less than an amount equal to fifty percent of the ad valorem property taxes that would otherwise be due them unless the PA, LCRA or PIEA shall have consulted with the City and the other taxing jurisdictions prior to entering into such sale-leaseback and the City shall have determined that an extraordinary need exists.

Section 4. That the City supports redirecting all or a portion of its share of any payment in lieu of taxes related to such sale-leaseback arrangements, the amount of which shall be subject to City Council approval, for the purposes of covering the administrative costs actually incurred by such entity in connection with the applicable sale-leaseback.

Section 5. Subject to City Council approval, the value of all or any portion of the City's portion of PILOT payments may be captured by the PA, LCRA or PIEA, as applicable, and used for improved housing, infrastructure improvement, blight elimination, job creation, acquisition/assembly of property for economic development, or any other function within their statutory powers.

Section 6. That the City calls upon the affected redevelopment agencies, city staff and the staff of the Economic Development Corporation of Kansas City, Missouri to develop implementation procedures that will be submitted to the City Council for consideration within ninety days (90) days.

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Section 7. The implementation procedures for the new sale-leasebacks will be focused on target industries that have less than current Chapter 100 or job investment policy limitations and shall not be applicable projects that exceed those limitations.

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