

COMMITTEE SUBSTITUTE FOR ORDINANCE NO. 200829

Accepting the recommendation of the Central City Economic Development Tax Board for additional funding in the amount of \$287,492.00, for a total not to exceed the amount of \$1,221,332.00, for an economic development project proposed by Ivanhoe Neighborhood Council for construction of senior cottages generally located in the 3800 block of Garfield; authorizing the City Manager to enter into a Funding Agreement for that purpose; directing the City Manager to provide a city planner to assist with the project; and directing the City Manager to conduct an audit of this project.

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, Paseo Boulevard on the west and Indiana Avenue on the east; and

WHEREAS, as part of the first round of funding, Ivanhoe Neighborhood Council (“Developer”) submitted a proposal seeking \$933,840.00 of Central City Economic Development (“CCED”) sales tax funds for a proposed project to construct eight one-story cottages for rent to low-income seniors, to be located in the 3800 block of Garfield (the “Project Site”), all in Kansas City, Jackson County, Missouri; and

WHEREAS, the Council authorized a funding agreement with Ivanhoe Neighborhood Council for the above Project in the amount of \$933,840.00 with its passage of Ordinance No. 190007 on January 24, 2019; and

WHEREAS, Developer subsequently identified a need for additional funding in order to assure that persons hired to do the rehabilitation work were paid wages provided for by the Missouri Prevailing Wage Law and that it could contract with certified Minority and Women Business Enterprises to complete the work; and

WHEREAS, at its April 13, 2020 meeting, the Central City Economic Development Sales Tax Board voted to approve a recommendation to the Council for additional funding for such costs associated with this Project from CCED sales tax funds in the amount of \$287,492.00; bringing the total funding for this Project to a total of \$1,221,332.00; 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

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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 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 ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the CCED Board's recommendation that CCED sales tax revenues in an additional amount not to exceed \$287,492.00 be utilized for the costs associated with the construction of senior cottages and related costs incurred by Ivanhoe Neighborhood Council for its above-referenced Project is hereby accepted.

Section 2. That the City Manager is hereby authorized to enter into an agreement with Ivanhoe Neighborhood Council for the costs associated with the construction of senior cottages for its above-referenced Project in an amount not to exceed \$1,221,332.00, which is attached hereto in substantial form, from funds previously appropriated to Account No. 21-2200-572047-B, the Central City Economic Development Sales Tax Fund.

Section 3. That the City Manager is hereby directed to provide a city planner to assist with the aforementioned project

Section 4. That the City Manager is hereby directed to conduct audits of the aforementioned project regarding services rendered and financial reporting of all project expenditures, including consulting fees.

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I hereby certify that there is a balance, otherwise unencumbered, to the credit of the appropriation to which the foregoing expenditure is to be charged, and a cash balance, otherwise unencumbered, in the treasury, to the credit of the fund from which payment is to be made, each sufficient to meet the obligation hereby incurred.

Tammy L. Queen
Director of Finance

Approved as to form and legality:

Joseph Guarino
Assistant City Attorney