

COMMITTEE SUBSTITUTE FOR ORDINANCE NO. 120099

Amending Ordinance No. 120040, As Amended by repealing Sections 1 and 2 and enacting in its place new Sections 1 and 2; and approving and authorizing the Director of City Development to enter into a subgrant agreement with Ivanhome, a Missouri non-profit corporation, in the amount of \$378,128.00 to fund authorized abatement activities at the Horace Mann School building located at 2008 E. 39th Street, Kansas City, Missouri.

WHEREAS, the City Council of Kansas City, Missouri passed Ordinance No. 120040, As Amended on January 19, 2012; and

WHEREAS, the amount called for in the contract authorized by Ordinance No. 120040, As Amended, includes funds that are necessary to fund a subgrant agreement with Ivanhome to provide assistance for authorized abatement activities at the Horace Mann School; and

WHEREAS, amending Ordinance No. 120040, As Amended, will resolve a funding conflict between Ordinance No. 120040, As Amended, and this ordinance and will further the purposes of the EPA grants discussed below; and

WHEREAS, the Kansas City Brownfield Revolving Loan Fund (Kansas City BRLF) program has been established by the City of Kansas City, Missouri (City), and the U.S. Environmental Protection Agency (EPA) has awarded the City an ARRA Revolving Loan Fund grant in the amount of \$560,000.00, and a Revolving Loan Fund grant in the amount of \$1,526,267.00; and

WHEREAS, the primary objective of the Kansas City BRLF program is to provide alternative financing through low-interest loans and subgrants to fund cleanup actions on brownfield sites in the City that will lead to successful redevelopments and ancillary social and economic benefits to affected communities; and

WHEREAS, on December 19, 2011, the Brownfields Commission recommended approval of the application of Ivanhome, a Missouri non-profit corporation, and owner of Horace Mann School, at 2008 E. 39th Street, for a subgrant of Kansas City RLF funds to abate asbestos and remove debris for the purpose of demolition or renovation to enable the establishment of affordable housing units for low-income residents in Kansas City, Missouri; and

WHEREAS, following fire damage in December 2011, a structural inspection was conducted at the Horace Mann School and concluded that abatement and debris removal could be conducted safely and the building is presently fenced and boarded; and

WHEREAS, EPA has confirmed that the federal requirements for subgrant recipient and borrower eligibility, site eligibility, and the use of funds for the Ivanhome's affordable housing project are met; and

COMMITTEE SUBSTITUTE FOR ORDINANCE NO. 120099

WHEREAS, the Brownfields Commission (Commission) has developed criteria for the evaluation of brownfield projects, has considered the Ivanhome's project in light of these criteria, and found that Ivanhome has presented evidence that subgrant assistance is reasonable, necessary and justified and that, upon completion of the abatement activities, blight removal, environmental and social benefits to the affected community will be realized; and

WHEREAS, the City, the Commission, EPA and Ivanhome have worked together and agree that before this subgrant agreement is executed certain additional pre-contractual requirements must be met and that the subgrant agreement will be funded only upon satisfactory confirmation that such additional pre-contractual requirements have been met; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That Ordinance No. 120040, As Amended, is hereby amended by repealing Sections 1 and 2 and enacting new Sections 1 and 2 in its place to read as follows:

Section 1. That the Director of the Department of City Development is hereby authorized to execute an agreement not to exceed \$572,789.00 with the Economic Development Loan Corporation to administer the Kansas City Brownfields Revolving Loan Fund Program. A copy of the agreement, in substantial form, is attached hereto and is hereby approved.

Section 2. That the Director of the Department of City Development is authorized to expend up to the sum of \$572,789.00 from funds previously appropriated to Account No. 12-2550-645020, to satisfy the cost of this agreement.

Section 2. That the application of Ivanhome to the City for a subgrant from the ARRA Revolving Loan Fund Grant, Federal Cooperative Agreement No. 2B-97708801, in the amount of up to \$114,994.00, and a subgrant from the Brownfields Revolving Loan Fund Grant, Federal Cooperative Agreement No. BF-97700901, in the amount of up to \$263,134.00, for asbestos abatement, debris removal and stabilization of third floor walls is hereby approved, provided that prior to entering into any subgrant agreement or providing any subgrant funds, the following pre-contractual requirements are undertaken and are confirmed in writing to the City, within 120 days of the effective date of this Ordinance:

- (a) EPA approve a waiver of the \$200,000.00 per project limit on subgrant assistance; and

COMMITTEE SUBSTITUTE FOR ORDINANCE NO. 120099

- (b) Ivanhome shall commit insurance claim proceeds, or in the City's discretion, adequate substitute funding to satisfy the required 20% cost share for Kansas City BRLF subgrants including any other brownfield assistance or grants previously provided to Ivanhome for the Horace Mann School; and
- (c) Ivanhome meets all other eligibility requirements, for Kansas City BRLF assistance, whether imposed by the City or EPA.

Section 3. That upon satisfaction of the pre-contractual requirements in Section 2 above, the Director of City Development is hereby authorized to enter into a subgrant agreement with Ivanhome to subgrant funds from the Kansas City BRLF in a total amount not to exceed \$378,128.00 for the abatement and removal of debris from Horace Mann School, from funds previously appropriated to the following accounts:

12-2550-645020-B-G64BRLFST	ARRA Brownfields Grant	\$114,994.00
12-2550-645020-B-G64BRLF	EPA Brownfields Grant	<u>263,134.00</u>
	TOTAL	\$378,128.00

A copy of the agreement, in substantial form, is on file with the office of the Director of City Development.

---

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.

---

Randall J. Landes  
Director of Finance

Approved as to form and legality:

---

Matthew Gigliotti  
Assistant City Attorney