

Exhibit A
City of Kansas City, Missouri
Economic Development & Incentives Policy – 2021

In 2012-2014 the City Council adopted the AdvanceKC Strategic Plan, an AdvanceKC Process, and created an AdvanceKC Scorecard to evaluate incentive projects against Council priorities to ensure positive economic growth for our community and responsible fiscal stewardship of public resources.

In 2021, the City Council participated in interviews and surveys to gather information on current City Council economic development priorities for the purpose of updating their policies.

The following shall function as the City Council’s updated Economic Development and Incentives Policy. This policy represents a consensus of the City Council’ shared and current economic development priorities

These policies are intended to provide clarity to developers and businesses seeking incentives, stakeholders impacted by economic development policy decisions, and policy guidance to staff responsible for implementing the priorities of the City Council and should be used in evaluating the use of incentives on all City supported projects.

General Requirements:

Projects should support the City Council’s priorities for economic development, align with the Citywide Business Plan, the City’s Comprehensive Plan, the City’s Capital Improvements Plan, the AdvanceKC Purpose and Value Statement, and adhere to the appropriate State of Missouri statute(s) to be eligible for City incentives.

Projects should strengthen the economy of the City of Kansas City, preserve and enhance the local tax base, and provide opportunities for increased income and income equality for residents, especially in areas of high unemployment and underemployment through sustainable and equitable place-based development and redevelopment, business attraction, expansion and retention and entrepreneurial support activities.

The AdvanceKC process should strive to be efficient, scalable, and streamlined and establish reasonable limits on the use of incentives, only to the extent necessary to make publicly beneficial projects financially feasible, and targeted to the following priorities

2021 City Council Priorities

Economic Growth that results in:

- Increased Residential Population Density
- A Sufficient Pipeline of Trained/Skilled Workers with Equal Access to Quality Education
- An Economically and Demographically Diverse Community
- Increased Number of Thriving Local Business Enterprises
- Acceleration of Business Scalability and Innovation

- Increased Ability for KCMO Businesses to Compete Globally
- Efficient Utilization of Resources to Construct and Maintain Infrastructure
- Increased Economic Prosperity and Equal Opportunities to Advance for all KCMO Residents and Families
- Increases Digital Access and Functionality for KCMO Residents and Businesses in our Community
- Improved Public Health
- Net long-term gains in Gross City Product (GCP)

Creation of Quality Jobs that:

- Focus on jobs for Kansas City residents
- Focus on AdvanceKC Target Sectors, which shall be based on industries which are currently growing, capitalize on the existing strengths of the local workforce, and create opportunities to enhance our ability to develop, retain, and attract top caliber talent.
- Create opportunity for both entry level and highly skilled workers
- Provide wages that are both livable and competitive for their industry
- Are equally accessible to workers living throughout the city and minimize transportation costs and commute times for employees
- Provide increased opportunities for desirable employment for minorities and people of color

Development and Redevelopment that:

- Is Constructed with Safe, Sustainable, and High-Quality Building Materials
- Uses Environmentally and Socially Responsible Construction Methods
- Seeks to Preserve Historic Properties or Districts Where Possible
- Efficiently Utilizes Infrastructure Including Parking Assets
- Promotes Accessible and Affordable Multi-modal Transit Choices
- Focuses Investment in or In Proximity to Continuously Distressed Areas with disproportionate population losses, rates of unemployment, rates of poverty, and declining property values.
- Creates and Maintains a Balanced, Competitive and Equally Accessible Supply of Housing, Office, Industrial, Retail, and Hospitality Facilities Throughout the City

Residential Development and Redevelopment Projects that:

- Provide Diversified Housing Options to Serve the Needs of Kansas City Residents at All Income Levels, Stages of Life, and Need for Support
- Reduce or Eliminate Housing Cost Burdens for KCMO Residents
- Address Shortage in Supply of Housing Units for Moderate, Low, and Extremely Low-Income Residents
- Are in Proximity to Major Employment Centers and/or
- Are Located Within ¼ mile of a Transit Stop Which Serves Major Employment Centers

Commercial and Industrial Development and Redevelopment that:

- Prioritizes Development Where Accessible to Workers Near Existing Development Centers or Via Existing Transit Systems
- Prioritizes Opportunity for KCMO Residents
- Creates Net New Earnings Taxes for the City and the Region
- Promotes Ground Floor Uses
- Incorporates Transit Oriented Amenities Such as Electric Vehicle Charging Stations, Bike Racks, Transit Lanes, Transit Stops/Staging Facilities, Shared Parking, and/or Car Sharing.
- Minimizes the Construction of Parking Which Exceeds Current City Zoning Requirements and Ensures Maximum Utilization of Any Newly Constructed Facilities
- Ensures Competitive Pricing and Adequate Supply of Spaces and Facilities for Target Sector Industries and Small Businesses

Fiscally Responsible Projects that:

- Promote good stewardship of the City's resources
- Provide incentives for real estate projects only as necessary to fill the financial gap
- Support pay-as-you-go projects and discourage the use of City debt
- Encourage retail projects that result in capture of net new consumer spending versus substitution of spending from other markets within KCMO
- Limit the use of incentives to reasonable and appropriate project expenses which have a public benefit and are essential to the financial feasibility of projects
- Meet the "but for" test, either demographically, financially, or competitively
- Preserve existing tax base for all taxing jurisdictions impacted by the use of incentives
- Prohibit the Use of Earnings Tax Only Incentives
- Maximize private investment
- Are Continuously Monitored for Performance
- Prohibit incentives for certain business types including: the sale of package liquor or firearms where such sales comprise more than 30% of retail sales or the sales display area, pawn shops, short term loan establishments, gambling, blood/plasma centers, "adult-oriented" businesses, cigarette*/smoke shops and hookah lounges, scrap metal operations, tattoo/piercing parlors, and used car lots