



City of Kansas City, Missouri

Docket Memo

Ordinance/Resolution 250546

Submitted Department/Preparer: Housing

Revised 6/10/24

Docket memos are required on all ordinances initiated by a Department Director. More information can be found in [Administrative Regulation \(AR\) 4-1](#).

Executive Summary

Authorizing the Manager of Procurement Services to execute a Central City Economic Development (CCED) funding agreement with Palestine Economic Development Corporation for construction of a 39-bed assisted living facility to be located at 35th Street and Prospect Avenue in Kansas; authorizing the Director of the Housing and Community Development Department to expend up to \$2,049,146.85 of previously appropriated Central City Economic Development Fund; That this contract must comply with the Missouri Prevailing Wage Law, the City's Contracting Program Requirements; and prohibiting the use of any CCED sales tax funding for the repayment of any preexisting debt or repayment for services or work performed to the execution of the funding agreement and must require the disclosure of total project sources and projected costs and periodic reporting of project progress.

Discussion

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 votes cast; and

On April 4, 2017, pursuant to authority granted by Section 67.1304, 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

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 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 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 furthers the City's policy of encouraging economic stability and growth.

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

On September 19, 2019, the City Council passed Ordinance No. 190650 which accepted the Board's recommendation to negotiate and execute a Funding Agreement with Palestine Economic Development Corporation in the amount of \$2,288,008 for the purpose of construction of a 39-bed assisted living facility and related costs expenses to be paid from funds previously appropriated to Account No. 26-2200-555998-B-57190650, the Central City Economic Development Sales Tax fund.

On April 11, 2024, the City Council passed Ordinance No. 240333 which accepted the Board's recommendation for additional funding in the amount of \$572,000 for the purpose of Phase II construction of a 39-bed assisted living facility and related costs expenses to be paid from funds appropriated in the Central City Economic Development Sales Tax fund

Previously appropriated funds from the Central City Economic Development Fund, in the amount of \$2,049,146.85 were unexpended prior to contract end date on or before December 31, 2023; and

The City contracted with the KCATA to administer funding of various predevelopment Project Activity that included cost design, permitting, and miscellaneous related costs; and

KCATA has expended costs associated with Phase 1 Activities that include demolition of blighted structures, environmental remediation, and miscellaneous costs for Phase I to include acquisition, and has completed its scope of work for Phase 1 of the Project; and

The Parties desire that the KCATA convey the Phase I properties to the Contractor, close out Phase I Funds, and transfer the remaining Phase I Funds to the City to fund the Project pursuant to Ordinance 190650

The Manager of Procurement Services is authorized to execute a Central City Economic Development funding agreement with Palestine Economic Development Corporation using previously appropriated funds in the amount of \$2,049,146.85 from the Central City Economic Development Sales Tax Fund:

The Director of Housing and Community Development is authorized to expend up to \$2,049,146.85 from the Central City Economic Development Sales Tax Fund

This contract must comply with: the Missouri Prevailing Wage Law, 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 Small Local Business Enterprises program).

The Funding Agreement shall prohibit the use of any CCED sales tax funding for the repayment of any preexisting debt or repayment for services or work performed to the execution of the funding agreement and must require the disclosure of total project sources and projected costs and periodic reporting of project progress.

Fiscal Impact

1. Is this legislation included in the adopted budget? ☐ Yes ☒ No
2. What is the funding source?
26-2200-555998-B-57190650
Central City Economic Development Fund
3. How does the legislation affect the current fiscal year?
There is no effect on the discal year
4. Does the legislation have a fiscal impact in future fiscal years? Please notate the difference between one-time and recurring costs.
There is no effect on future fiscal years
5. Does the legislation generate revenue, leverage outside funding, or deliver a return on investment?
No

Office of Management and Budget Review

(OMB Staff will complete this section.)

1. This legislation is supported by the general fund. ☐ Yes ☒ No
2. This fund has a structural imbalance. ☐ Yes ☒ No
3. Account string has been verified/confirmed. ☐ Yes ☒ No

Additional Discussion (if needed)

\$1,214,782 is available in 26-2200-555998-B-57190650 as of 6/10/2025. \$572,000 is not yet rolled forward into 26-2200-555998-B-57190650. The amount is confirmed to be rolled forward per ordinance 250277.

Citywide Business Plan (CWBP) Impact

1. View the [Adopted 2025-2029 Citywide Business Plan](#)
2. Which CWBP goal is most impacted by this legislation?
Housing and Healthy Communities (Press tab after selecting.)

3. Which objectives are impacted by this legislation (select all that apply):

- ☒ Utilize planning approaches in neighborhoods to reduce blight, ensure sustainable housing, and improve resident wellbeing and cultural diversity.
- ☒ Maintain and increase affordable housing supply to meet the demands of a diverse population.
- ☒ Address the various needs of the City's most vulnerable population by working to reduce disparities.
- ☒ Foster an inclusive environment and regional approach to spur innovative solutions to housing challenges.
- ☒ Ensure all residents have safe, accessible, quality housing by reducing barriers.
- ☐ Protect and promote healthy, active amenities such as parks and trails, play spaces, and green spaces.

Prior Legislation

Ordinance 190650 and 240333

Service Level Impacts

KCATA has expended costs associated with Phase 1 Activities that include demolition of blighted structures, environmental remediation, and miscellaneous costs for Phase I to include acquisition, and has completed its scope of work for Phase 1 of the Project.

The Parties desire that the KCATA convey the Phase I properties to the Contractor, close out Phase I Funds, and transfer the remaining Phase I Funds to the City to fund the Project pursuant to Ordinance 190650

Other Impacts

1. What will be the potential health impacts to any affected groups?
NA
2. How have those groups been engaged and involved in the development of this ordinance?
NA
3. How does this legislation contribute to a sustainable Kansas City?
(i) enhances the tax base of the Project Site; (ii) retains and 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 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

4. Does this legislation create or preserve new housing units?
Yes (Press tab after selecting)

Total Number of Units 39
Number of Affordable Units 39

5. Department staff certifies the submission of any application Affirmative Action Plans or Certificates of Compliance, Contractor Utilization Plans (CUPs), and Letters of Intent to Subcontract (LOIs) to CREO prior to, or simultaneously with, the legislation entry request in Legistar.

No - CREO's review is not applicable (Press tab after selecting)
Please provide reasoning why not:
NA

6. Does this legislation seek to approve a contract resulting from an Invitation for Bid?

No(Press tab after selecting)

[Click or tap here to enter text.](#)

7. Does this legislation seek to approve a contract resulting from a Request for Proposal/Qualification (RFP/Q)?
No(Press tab after selecting)