

# GENERAL

## Ordinance Fact Sheet

**Brief Title: J. Rieger Tax Reimbursement Agreement**

**Approval Deadline**

**Reason:**

Authorizing the City Manager to execute a sales tax reimbursement agreement for the purpose of blight removal near and around the J. Rieger & Co. Distillery expansion project, located at 2700 Guinotte Avenue.

J. Rieger & Co. Distillery, located at 2700 Guinotte Avenue, seeks funding to remediate blight, increase parking, create jobs, promote economic development, and improve infrastructure within the Electric Park neighborhood.

**Details**

**Reason for Legislation**

Authorizing the City Manager to execute a sales tax reimbursement agreement for the purpose of blight removal near and around the J. Rieger & Co. Distillery expansion project, located at 2700 Guinotte Avenue.

**Discussion (explain all financial aspects of the proposed legislation, including future implications, any direct/indirect costs, specific account numbers, ordinance references, and budget page numbers.)**

J. Rieger & Co. Distillery, located at 2700 Guinotte Avenue, seeks funding to remediate blight, increase parking, create jobs, promote economic development, and improve infrastructure within the Electric Park neighborhood.

This nationally-recognized Distillery will attract customers from outside of the Kansas City limits, and encourage spending not only within the Distillery but throughout the City. J. Rieger & Co. will serve as a flagship project marking reinvestment and the revitalization of the Electric Park neighborhood, and the Historic Northeast as a whole.

J. Rieger & Co. plan to expand their current 15,000 square foot facility into a 44,000 square foot facility, featuring new additions of production equipment, event space, historical exhibits, and catering space. This historical rehabilitation recently received approval from the Planned Industrial Expansion Authority for a 10 year, 100% tax abatement and a subsequent 50% abatement of real property for 15 years (Ordinance 180325).

The requested reimbursement agreement will serve to encourage investment within the Historic Northeast, and leverage J. Rieger & Co.'s \$14,600,000 investment into the Electric Park neighborhood.

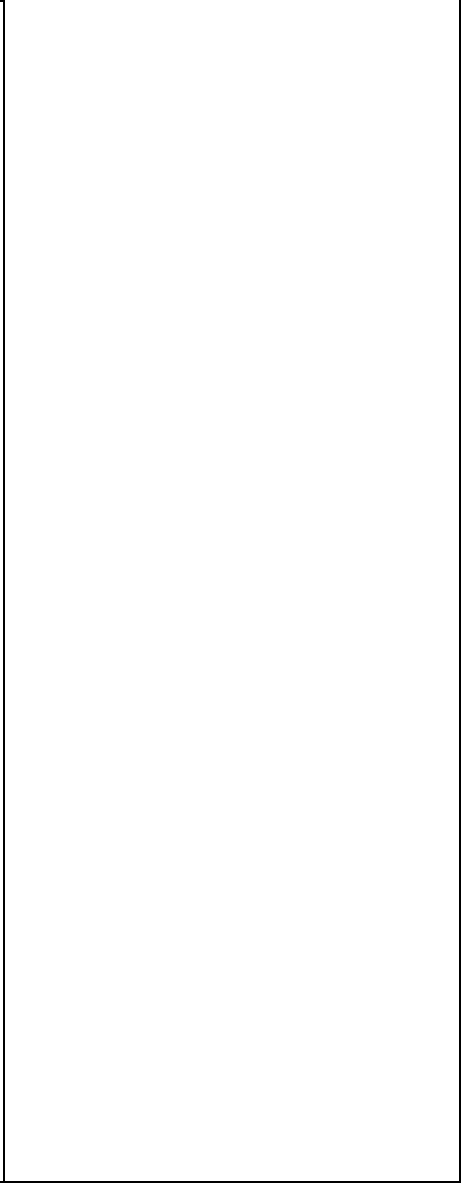
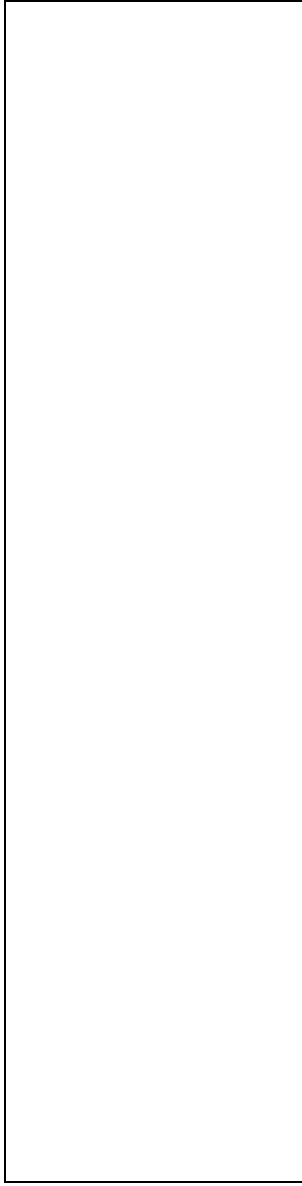
**Recommendation**

Authorize the City Manager to execute a sales tax reimbursement agreement for the purpose of blight removal

**Positions/Recommendations**

<b>Sponsor</b>	Fowler, Justus
<b>Programs, Departments, or Groups Affected</b>	City Manager's Office, City Planning & Development Department, Finance Department
<b>Applicants / Proponents</b>	<b>Applicant</b> <b>City Department</b> City Manager's Office, City Planning & Development Department, Finance Department
<b>Opponents</b>	<b>Other Groups or Individuals</b>
<b>Staff Recommendation</b>	<input checked="" type="checkbox"/> For <input type="checkbox"/> Against <b>Reason Against</b>
<b>Board or Commission Recommendation</b>	<b>By</b> <input type="checkbox"/> For <input type="checkbox"/> Against <input type="checkbox"/> No action taken <input type="checkbox"/> For, with revisions or conditions ( see details column for conditions)
<b>Council Committee Action</b>	<input type="checkbox"/> Do pass <input type="checkbox"/> Do pass (as amended) <input type="checkbox"/> Committee Sub. <input type="checkbox"/> Without Recommendation <input type="checkbox"/> Hold <input type="checkbox"/> Do not pass

near and around the J. Rieger & Co. Distillery expansion project, located at 2700 Guinotte Avenue.



**Financing/Incentive Package**

The sales tax reimbursement agreement shall not exceed One Million Four Hundred Fifty Thousand Dollars (\$1,450,000.00) (defined as the Reimbursement Amount).

This agreement will be for no longer than the Reimbursement Period, which means the period beginning on the first May 1, 2019 and ending upon the earlier to occur of (i) the date upon which the Developer has received Eligible Reimbursement Funds in an aggregate amount equal to the Reimbursement Amount, or (ii) twenty (20) years.

The Eligible Reimbursement Funds means an amount equal to two percent (2.00%) of the net new annual taxable sales and the one percent (1.00%) of payroll collected in Earnings Tax in Year 1, and one-and-a-half percent (1.50%) of the net new annual taxable sales along with the one percent (1.00%) of payroll collected in Earnings Tax in Years 2 – 20.

**Policy or Program Change**

No  Yes

**Operational Impact Assessment**

**Finances**

**Costs & Revenue Projections - Including Indirect Costs**

**Financial Impact**

**Fund Source(s) and Appropriation Account Codes**

**Is this Ordinance or Resolution Good for the Children**

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**Applicable Dates:**

**Prepared by:** James Ryan, City Manager's Office

**Reviewed by:**

**Reference Numbers**