



City of Kansas City, Missouri

Docket Memo

Ordinance/Resolution #: 240341

Submitted Department/Preparer: City Manager's Office

Revised 11/01/23

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

Approving an Industrial Development Plan for Americold Logistics LLC (together with its successors or assigns, the "Company") for an industrial development project consisting of the construction and equipping of an approximately 335,000 square feet cold storage production and distribution warehouse (the "Project") located upon land located at 3301 East 147th Street, Kansas City, MO 64147 in Kansas City, Missouri (the "Project Site"); authorizing and approving various agreements for the purpose of setting forth covenants, agreements and obligations of the City and Company; authorizing the issuance of taxable industrial revenue bonds in an amount not to exceed \$127,500,000.00; authorizing and approving other documents; and authorizing certain other actions in connection with the issuance of said bonds.

Discussion

The Project will create 187 jobs with an average wage of approximately \$63,578. Total investment will be approximately \$127.5 million with approximately \$90 million invested in construction and renovation and the remaining \$47.5 million invested in furniture, fixtures, machinery and equipment. The Company has been approved for Sales Tax Exemption on Personal Property by the Missouri Department of Economic Development, the cost of which personal property is included in the Ch. 100. The City has also offered 10 years, 50% abatement on Real Property and Personal Property and Sales Tax Exemption on Construction Materials.

The City has offered the issuance of a maximum of \$127.5 million of Chapter 100 bonds to fund the Project. The improvements to real property funded with the proceeds of the Bonds will be owned by the City and leased back to the Company pursuant to a Lease Agreement. The underlying real property will continue to be owned by Kansas City Southern Railway Co. and is not part of the Chapter 100 transaction.

The sales tax on construction materials exemption for the Project will be available for a construction period of 24 months for all construction materials included in the Project. EDC staff estimates total sales tax exemption on construction materials to be valued at \$4,081,000. The sales tax exemption on personal property purchases for the project is estimated by EDC staff to be approximately \$3,281,615. The personal property tax abatement for 10 years at 50% is estimated at a value of \$1,836,579. The real property tax abatement for 10 years at 50% is estimated at a value of \$10,011,740. These are estimates

and not a guarantee. The Company will be subject to operational/performance standards commensurate with the anticipated investment for this Project, which standards will be incorporated into the Lease.

Fiscal Impact

1. Is this legislation included in the adopted budget? ☐ Yes ☒ No
2. What is the funding source?
n/a
3. How does the legislation affect the current fiscal year?
n/a, chapter 100 bonds do not affect the city's credit.
4. Does the legislation have a fiscal impact in future fiscal years? Please notate the difference between one-time and recurring costs.
no
5. Does the legislation generate revenue, leverage outside funding, or deliver a return on investment?
Will generate revenue through new sales and property tax revenue

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) Click or tap here to enter text.

Citywide Business Plan (CWBP) Impact

1. View the [FY23 Citywide Business Plan](#)
2. Which CWBP goal is most impacted by this legislation?
Inclusive Growth and Development (Press tab after selecting.)
3. Which objectives are impacted by this legislation (select all that apply):

- ☒ Align the City's economic development strategies with the objectives of the City Council to ensure attention on areas traditionally underserved by economic development and redevelopment efforts.
- ☒ Ensure quality, lasting development of new growth.
- ☒ Increase and support local workforce development and minority, women, and locally owned businesses.
- ☒ Create a solutions-oriented culture to foster a more welcoming business environment.
- ☐ Leverage existing institutional assets to maintain and grow Kansas City's position as an economic hub in the Central United States.
- ☐

Prior Legislation

No prior legislation

Service Level Impacts

Click or tap here to provide a description of how this ordinance will impact service levels. List any related key performance indicators and impact.

Other Impacts

1. What will be the potential health impacts to any affected groups?

No known potential health impacts

2. How have those groups been engaged and involved in the development of this ordinance?

n/a

3. How does this legislation contribute to a sustainable Kansas City?

LEED certified. Provides Cold Storage on a cross-border inter-modal refrigerated logistics line, expanding market reach.

4. Does this legislation create or preserve new housing units?

No (Press tab after selecting)

Click or tap here to enter text.

Click or tap here to enter text.

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:

CREO'S review of relevant CUP's and LOI's will be completed prior to execution of the agreements authorized by this ordinance.

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)