

GENERAL

Ordinance Fact Sheet

Brief Title:**Approval
Deadline**

Authorizing the City Manager to enter into a Tax Contribution Agreement, approving real property tax abatement for improvements on real property located in Downtown Kansas City, Missouri, within Enhanced Enterprise Zone 1, approving an Industrial Development Plan and authorizing and approving various agreements for the purpose of incentivizing job creation and investments in Kansas City

Reason:

Project Decoy has identified several sites within Kansas City's downtown to establish office space which is anticipated to create over 900 jobs for the City of Kansas City and which is expected to result in the redevelopment and/or rehabilitation of real property within the City. In conjunction with this business recruitment project the City has offered various incentives for the project.

Details**Reason for Legislation**

Authorizing the City Manager to enter into a Tax Contribution Agreement with Project Decoy for the purpose of incentivizing job creation and investments in Kansas City; approving real property tax abatement for improvements on real property located in Downtown Kansas City, Missouri, within Enhanced Enterprise Zone 1; approving an Industrial Development Plan for Project Decoy; authorizing and approving various agreements for the purpose of setting forth covenants, agreements and obligations of the City and Project Decoy; authorizing the issuance of taxable industrial revenue bonds; authorizing and approving certain other documents; authorizing certain other actions in connection with the issuance of said bonds; and directing the City Clerk to provide a copy of this Ordinance to the Director of the Missouri Department of Economic Development.

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.)

Project Decoy (Company) intends to sign a long term 15 Year lease for permanent office space located in downtown Kansas City, within Enhanced Enterprise Zone 1 at which it anticipates employing approximately 919 full-time employee plus an additional 120 full-time employees over 6 years with an anticipated average annual salary of \$166,377, which would generate a projected payroll of \$172,824,143 per year.

This investment by the Company will generate economic activities that will result in tax revenues to City including, without limitation, expenditures of funds to construct, rehabilitate, remodel or otherwise improve the Business Site; increase in employment resulting in net new payroll to the City; investments in equipment to render the Business Site suitable for Project's intended use; business operations with resulting consumption of goods, services and utilities; employee activity in being located at or traveling to and from the Business Site through retail purchases, and the consumption of goods and services and patronage of

Positions/Recommendations**Sponsor**

City Manager

**Programs,
Departments,
or Groups
Affected**

City Manager's Office, Finance Department

**Applicants /
Proponents****Applicant**
Project Leavitt**City Department****Other
Groups or Individuals**
Economic Development Corporation of
Kansas City, MO**Opponents****Staff
Recommendation**☒ For☐ Against**Reason Against****By**
**Economic Development Corporation of
Kansas City, MO****Board or
Commission
Recommendation**

N/A

☐ For ☐ Against ☐ No action taken☐ For, with revisions or conditions
(see details column for conditions)**Council
Committee Action**
☐ Do pass
☐ Do pass (as amended)
☐ Committee Sub.
☐ Without Recommendation
☐ Hold
☐ Do not pass

<p>restaurant, entertainment and other facilities in City</p> <p>This ordinance authorizes the City Manager, upon receipt of an executed lease from the Company to</p> <ol style="list-style-type: none"> 1. Execute a Tax Contribution Agreement which would contribute up to 50% of economic activity revenues generated by the Project over a 15 year period. 2. Approve real property tax abatement for improvements on real property located in downtown Kansas City, MO within Enhanced Enterprise Zone 1 at 75% of the value of the improvements for a period of 15 years. 3. Approve a Plan for Industrial Development under Chapter 100; authorize the City Manager to issue taxable Industrial Revenue Bonds in an amount not to exceed \$25 million for the purpose of conveying Sales Tax Exemption on Construction Materials for any new construction and/or rehab in conjunction with the project and providing funds for the construction and improvements to certain real and/or personal property in conjunction with the project, and execute various documents with the Company in connection with the issuance of said bonds relating to this project. <p>But for these contributions the project would not proceed.</p> <p><u>Recommendation</u></p> <p>Approval of this Ordinance, which would authorize the City Manager, and other officials, agents and employees of the City as required, to take such further actions, and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this ordinance.</p>

<p>Policy or Program Change</p> <p>Operational Impact Assessment</p> <p>Finances</p> <p>Costs & Revenue Projections - Including Indirect Costs</p> <p>Financial Impact</p> <p>Fund Source(s) and Appropriation Account Codes</p> <p>Is this Ordinance or Resolution Good for the Children</p>	<p><input checked="" type="checkbox"/> No <input type="checkbox"/> Yes</p>

Applicable Dates:

Prepared by: Kerrie Tyndall, City Manager's Office

Reviewed by:

Reference Numbers