



# City of Kansas City, Missouri

## Docket Memo

Ordinance/Resolution #: 231018

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

Authorizing the City Manager to enter into a Tax Redirection Agreement with Monte Rosa, LLC for the reimbursement of certain expenses related to the construction of a mixed-use project at 14<sup>th</sup> and Wyandotte.

### Discussion

This ordinance would authorize the City Manager to approve a tax redirection agreement not exceeding \$19,565,889.00 in value, and require substantial completion of the project by June 1, 2028. Project will include an approximately 27 story, 690,000 square foot mixed use building containing approximately 240 market rate residential units, 60 affordable housing units, 200 hotel rooms, and a 358 space parking garage.

### Fiscal Impact

1. Is this legislation included in the adopted budget?  Yes  No
2. What is the funding source?  
Net new taxes generated by the project from the City's capital improvements tax, public safety tax, convention & tourism taxes, earnings tax on employee wages, and utility gross receipts taxes.
3. How does the legislation affect the current fiscal year?  
There is no fiscal impact in the current fiscal year. The tax redirection will not begin until the hotel construction is complete, which is anticipated to be by June 1, 2028.
4. Does the legislation have a fiscal impact in future fiscal years? Please notate the difference between one-time and recurring costs.  
Portions of the net new economic activity taxes generated by the project will be redirected to reimburse project costs for 20 years following the opening of the

hotel. Based on the maximum redirection amount of \$19,565,889 and 20 year redirection term, the average annual redirection is \$978,294.

5. Does the legislation generate revenue, leverage outside funding, or deliver a return on investment?

The incentives are required for the project to move forward. The project will be funded with \$59M of private equity and \$137.8M of debt.

**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)**

Unknown- no agreement was provided with details of this transaction.

**Citywide Business Plan (CWBP) Impact**

- 1. View the [FY23 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

N/A

## Service Level Impacts

N/A

## Other Impacts

1. What will be the potential health impacts to any affected groups?  
Unknown- no agreement was provided with details of this transaction.
2. How have those groups been engaged and involved in the development of this ordinance?  
Unknown- no agreement was provided with details of this transaction.
3. How does this legislation contribute to a sustainable Kansas City?  
The project facilitates the development of affordable housing units in the City's downtown. The project enhances the City's ability to market itself and compete for conventions by adding 200 hotel rooms in close proximity to the City's Convention Center. The project is a dense mixed-use development, including development of 690,000 sq. ft. on 1.06 acres.
4. Does this legislation create or preserve new housing units?  
Yes (Press tab after selecting)  
  
Total Number of Units 300 units  
Number of Affordable Units 60 units
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:  
Project incentives are a precondition for the project to move forward.

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

No(Press tab after selecting)

Unknown- no agreement was provided with details of this transaction.

7. Does this legislation seek to approve a contract resulting from a Request for Proposal/Qualification (RFP/Q)?

No(Press tab after selecting)

Unknown- no agreement was provided with details of this transaction.