



City of Kansas City, Missouri

Docket Memo

Ordinance/Resolution #: 240455

Submitted Department/Preparer: Finance

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 negotiate and execute a development agreement with Swope Health Services or an affiliated entity for the property located at 5900 Swope Parkway, in Kansas City, Missouri, estimating revenue from the sale of property and appropriating funds to defease outstanding bonds; appropriating \$2,500,000.00 from the unappropriated fund balance of the Health Levy as a contribution toward redevelopment of the site; authorizing the Director of Finance to execute an escrow agreement and related documents; approving the selection of Kutak Rock LLP and Hardwick Law Firm as defeasance counsel for this matter; and directing the City Manager to identify additional funding sources for up to \$2,500,000.00 to be for utilized for the redevelopment of the site.

Discussion

This legislation authorizes the sale and redevelopment of City property located at 5900 Swope Parkway. The property was declared as surplus property in March of 2023 and a subsequent Request for Proposal was issued for the sale and redevelopment of the site. This legislation is the result of that RFP process. This legislation also provides for the defeasement of bonds associated with the property, subject to sufficient proceeds from the sale. Additionally, this legislation appropriates \$2.5 million from the Health Levy Fund as a contribution toward redevelopment that will include additional office space for Health Department staff and a directive to identify another \$2.5 million for the project from various sources.

Fiscal Impact

1. Is this legislation included in the adopted budget? ☐ Yes ☒ No
2. What is the funding source?
Unappropriated fund balance of the General Fund and the Health Levy Fund, sale of the property
3. How does the legislation affect the current fiscal year?

This legislation authorizes the sale of City property at 5900 Swope Parkway and estimates the revenue for the sale, as well as appropriates funding for the defeasement of Bonds and redevelopment of the property for use.

4. Does the legislation have a fiscal impact in future fiscal years? Please notate the difference between one-time and recurring costs.
Potential for obligation in the current fiscal year or a future fiscal year, as directed by Section 9. Funding source is unknown.
5. Does the legislation generate revenue, leverage outside funding, or deliver a return on investment?
There will be revenue generated from the sale of the Property.

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)

General Fund unappropriated fund balance use is offset by revenue generated from the sale of the property, obligation is subject to sufficient proceeds from the sale.

Health Levy Fund has Unappropriated Fund Balance available to support the proposed amount. The Unreserved Fund Balance of the Health Levy Fund is \$14.3 million, as of 5/20/24.

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

230144 - Declaring certain real property surplus to the City's needs; and authorizing the Director of General Services to offer the sale of the property located at 5900 Swope Parkway, Kansas City, Jackson County, Missouri, so it may be offered for sale via the City's public request for proposal process in accordance with City regulations, and execute related documents to complete the transfer of the real property while reserving easements, as necessary, for any existing City owned sewer, storm water, and water line infrastructure on the said property

Service Level Impacts

No service level impacts are anticipated.

Other Impacts

1. What will be the potential health impacts to any affected groups?
N/A
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?
N/A
4. Does this legislation create or preserve new housing units?
No (Press tab after selecting)

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:

N/A

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

No(Press tab after selecting)

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

No(Press tab after selecting)