

COMPARED VERSION
NEW ORDINANCE TO CODE BOOKS

ORDINANCE NO. 251058

Directing the City Manager to undertake certain actions to ensure economic development projects in Kansas City promote equitable economic development, align with City policy priorities, achieve efficiency in the economic development process, and effectively evaluate performance; directing the City Manager to request the input and participation from economic development agencies; directing the City Manager to incorporate public feedback and engagement opportunities prior to the final policy recommendations; directing the City Auditor to conduct a comprehensive review of City economic development entities to ensure policy alignment; repealing Chapter 74, Code of Ordinances, by enacting a new Chapter 74 entitled “Economic Development Incentive Policies and Procedures Code;” and repealing Second Committee Substitute for Ordinance No. 160383, as Amended, Ordinance No. 190563, Second Committee Substitute for Ordinance No. 200497, as Amended, Committee Substitute for Resolution No. 140861, and Second Committee Substitute for Ordinance No. 211025.

WHEREAS, on October 25, 2012, the City Council adopted Committee Substitute for Resolution No. 120836 expressing its support for the AdvanceKC Strategic Plan and the related underlying planning process; and

WHEREAS, the City Council then passed Ordinance No. 120966 adopting the AdvanceKC Strategic Plan as the Economic Development Strategic Plan for the City of Kansas City and directing the City Manager to proceed with supporting the planning and development of the implementation phase of the project; and

WHEREAS, the implementation phase began with the April 11, 2013, adoption of Committee Substitute for Resolution No. 130274 which provided a single point of entry for development projects through the Economic Development Corporation of Kansas City Missouri (the “EDC”); and

WHEREAS, the process continued on February 20, 2014, when the Council passed Committee Substitute for Ordinance No. 140031, which adopts the Economic Development and Incentives Policy; and

WHEREAS, a sound economic development and incentive policy must identify objectives supported by the City Council, which evolve and adapt over time, to provide clarity to developers and businesses seeking incentives, stakeholders impacted by economic development policy decisions, and policy guidance to staff responsible for advancing economic development projects; and

WHEREAS, Section 807 of the City Charter provides that the City Council shall enact policies that reflect best practices for, among other things, the use of economic incentives; and

WHEREAS, the Citywide Business Plan's goal for Inclusive Growth and Development aims to strategically and intentionally support development in a comprehensive manner that respects the needs of neighborhoods throughout Kansas City, to grow the economy through inclusion by developing strategies focused on areas traditionally underserved by economic development and redevelopment efforts, and to make it easier to operate businesses within the City by creating a more efficient, solutions-oriented environment; and

WHEREAS, on March 28, 2024, the City Council authorized the City Manager to enter into a contract with Angelou Economics for the creation of an updated economic development strategic plan; and

WHEREAS, in late 2024 and early 2025, Angelou Economics conducted a series of roundtable focus groups to gather insight from the Council as well as a broad section of community stakeholders for the preparation of the strategic plan; and

WHEREAS, Angelou Economics has provided extensive recommendations (the "AE Report"), a copy of which is attached hereto, to the Council on best practices and strategic goals to achieve equitable economic development, create an efficient and transparent process, provide accountability and transparency and effectively evaluate performance; and

WHEREAS, the Council desires to begin the implementation process of certain recommended strategic goals and provide a timetable for implementation; and

WHEREAS, it is anticipated that additional strategic goals recommended by Angelou Economics will be implemented in the future; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. The City Manager is directed to consider the best practices, including those in the AE Report, in order to undertake the following actions to ensure economic development projects in Kansas City promote equitable economic development, align with City policy priorities, achieve efficiency in the economic development process, and effectively evaluate performance:

- A. **INCENTIVES.** The City Manager is directed to re-evaluate and recommend revisions to current incentive policies and prioritize economic equity, that include the following actions and to report back with recommendations within 6 – 9 months:
 - 1. Develop a new Community Benefits Scorecard structured around clear public priorities and transparent scoring and make recommendation as to how such a scorecard will be utilized in evaluating economic development projects;
 - 2. Develop and make recommendations for a tiered incentive policy that incorporates (a) location-based metrics (e.g., development nodes) and (b) targeted industries;

3. Develop and make recommendations to incorporate community benefit requirements into development agreements; and,

In carrying out these actions, the City Manager shall consider, among other things:

- a. areas of legacy disinvestment to target for revitalization;
- b. communities in distressed or disinvested areas to determine the types of attractions and amenities that best meet their needs;
- c. communities with critical gaps in a citywide plan independent of the Area Plan update process; and,
- d. how current city development incentives align with the city's hazard mitigation and resiliency goals.

B. EFFICIENCY AND TRANSPARENCY. The City Manager is further directed to conduct the following actions to create a development process that is transparent, efficient, and responsive and report back with recommendations within 9 months:

1. Inventory current incentive tracking systems;
2. Design and build a public-facing portal integrated with city data, parcel-based map of available incentives to support efficient site selection and community-informed investment;
3. Develop an incentive toolbox by compiling and categorizing all incentive programs, defining each tool's purpose, eligibility, benefits, performance metrics, and timelines;
4. Evaluate the feasibility of creating a self-permitting program as referenced in the AE Report and make recommendations;
5. Create policies that engage and support neighborhood-based organizations in proactive economic development; and,
6. Develop and implement a plan to identify anchor institutions throughout the community in collaboration with community-based partners to support economic development and capital funding decisions.

C. EVALUATION AND ACCOUNTABILITY. The City Manager is further directed to conduct the following actions to ensure economic development in Kansas City produces the results that reflect the values and priorities of the City and report back with recommendations within 9-12 months:

1. Establish comprehensive, standardized data collection for current incentive-supported projects and development activities;
2. Develop a policy to require ongoing performance reporting from developers and city agencies as part of incentive agreements;
3. Create publicly accessible dashboards for economic development data; and,
4. Develop and implement a plan to evaluate economic development projects, including in comparison to other municipalities by identifying a set of peer and aspirational cities with similar demographics, economic profile, and strategic goals.

D. **LAND USE.** The City Manager is further directed to conduct the following actions to generate revenue and promote city policy goals through strategic land use and report back with recommendations within 12-18 months:

1. Develop a plan for how city-owned parcels might be assembled and made ready for economic development and redevelopment projects;
2. Develop a plan to activate use of city-owned land by promoting event programming to generate revenue and strengthen the local, creative economy;
3. Incorporate Kansas City Playbook recommendations into economic development policies; and,
4. Develop a plan for how the City will anticipate and address future transit needs, including with respect to freight and last mile connectivity, so that the City is prepared to meet those needs on expedited timeframes.

Section 2. That the City Manager is directed to request the input and participation from the Economic Development Agencies, including Port KC, in performing the tasks assigned to him by this Ordinance, and to consider the same in formulating his recommendations to the City Council.

Section 3. That the City Manager is further directed to incorporate public feedback and engagement opportunities prior to the final policy recommendations being submitted to the City Council.

Section 4. That the City Auditor is directed to conduct a comprehensive review of City Economic Development Agencies to ensure policy alignment.

Section 5. That Chapter 74, Code of Ordinances is hereby repealed and replaced with a new Chapter 74 to read as follows.

CHAPTER 74. KANSAS CITY

ARTICLE I. GENERAL

Sec. 74-1. Title.

This Chapter shall be known as Economic Development Incentive Policies and Procedures Code.

Sec. 74-2. Statement of general policy. Reserved.

Sec. 74-3. Definitions.

The following definitions shall apply in this Chapter, unless the applicable article or section provides for more specific or different definitions:

Chapter 100 means Chapter 100 of the Revised Statutes of Missouri.

Chapter 353 means Chapter 353 of the Revised Statutes of Missouri.

City means the City of Kansas City, Missouri.

City incentives means economic incentives granted by the city or any city incentive agency in the nature of the capture and redirection, abatement, or exemption of taxes or the issuance of bonds or grants by the city or other city backed financing.

City incentive agency means any economic development agency created by the city, including the IDA, LCRA, PIEA, Port, and the land clearance redevelopment authority of Kansas City, Missouri ("LCRA"), the planned industrial expansion authority of Kansas City, Missouri ("PIEA"), the port authority of Kansas City Missouri, the Clay County KC TIF Commission, and the Kansas City TIF Commission.

Clay County KC TIF Commissions means the tax increment financing commissions created by code section 74-54(b).

East Side Investment Zone means all areas within the geographic boundaries depicted in Exhibit A to Second Committee Substitute for Ordinance No. 170962, As Further Amended.

EDC means the Economic Development Corporation of Kansas City.

IDA means the Industrial Development Authority of Kansas City, Missouri.

Kansas City TIF Commissions means the tax increment financing commissions created by code section 74-54(a).

LCRA means the Land Clearance Redevelopment Authority of Kansas City, Missouri.

PIEA means the Planned Industrial Expansion Authority of Kansas City, Missouri.

Port means the Port Authority of Kansas City, Missouri.

Sec. 74-4. Outside Agencies.

(a) That the EDC shall make recommendations on economic development projects to the city council for the capture and redirection, or abatement or exemption of real property taxes on the basis of the following:

- (1) The EDC shall have evaluated the project using the AdvanceKC Scorecard for the purposes of determining the extent to which the project aligns with the City Council's priorities as set forth therein.
- (2) The EDC shall have prepared, or caused a third party to prepare, a financial return analysis for the purposes of comparing the leveraged and unleveraged internal rate of return to determine whether and to what extent the project warrants public assistance consistent with incentivizing the project to an appropriate market benchmark. That analysis shall specifically include a review of the project's economic viability were the real property tax incentives limited to that which is provided herein.

(b) The City and any economic development agency created by the City shall complete the initial review of any application for economic development incentives within eight weeks of receipt of a completed application and necessary supporting documentation.

Section 74-5. AdvanceKC.

(a) The City has adopted the AdvanceKC Strategic Plan, an AdvanceKC Process, and created an AdvanceKC Scorecard to evaluate incentive projects against Council priorities to ensure positive economic growth for our community and responsible fiscal stewardship of public resources.

(b) All AdvanceKC plans, processes, and scorecard are to be implemented in a manner consistent with the following:

- (1) Make economic development equitable/inclusive;
- (2) Make economic development more effective for small scale and incremental neighborhood and community developers and development;
- (3) Ensure that projects eligible for incentives fulfill an adopted economic development policy goal and create desired community outcomes;
- (4) Ensure economic development tools are accessible to developers and businesses of all sizes without the need for legal representation;
- (5) Ensure that projects are evaluated based on a consistent set of criteria that is appropriate for the type of development being proposed;
- (6) Make the process and review of economic development applications/proposals transparent and accountable;
- (7) Ensure that applications and approvals are considered in a timely manner;

- (8) Provide relevant and reliable project information to encourage strategic investment of resources;
- (9) Focus incentives on projects that address economic inequities or where there is a historic lack of investment activity, which is inhibiting economic growth of the surrounding neighborhood or the City overall; and
- (10) Ensure that the positions of any contributing taxing districts are considered for all projects seeking incentives

(c) The EDC shall have evaluated the project using the AdvanceKC Scorecard for the purposes of determining the extent to which the project aligns with the City Council's priorities as set forth in this section. Projects shall comply with these General Requirements:

- (1) Projects should support the City Council's priorities for economic development, align with the Citywide Business Plan, the City's Comprehensive Plan, the City's Capital Improvements Plan, the AdvanceKC Purpose and Value Statement, and adhere to the appropriate State of Missouri statute(s) to be eligible for City incentives.
- (2) Projects should strengthen the economy of the City of Kansas City, preserve and enhance the local tax base, and provide opportunities for increased income and income equality for residents, especially in areas of high unemployment and underemployment through sustainable and equitable place-based development and redevelopment, business attraction, expansion and retention and entrepreneurial support activities.

Sec. 74-6. Maximum Incentives.

(a) The following conditions shall apply to all applicable incentivized development projects in the City:

- (1) TIF Commission. That, in the absence of Extraordinary Qualifications, as hereinafter defined, the City Council shall not approve any redevelopment plan providing for, with respect to payments in lieu of taxes ("PILOTS") pursuant to Section 99.845.1(2)(a), RSMo, the redirection of such sums in an amount that would exceed seventy percent (70%) of the PILOTS captured by the special allocation fund for a term of up to ten (10) years and thirty percent (30%) for up to five (5) additional years. The City Council shall accomplish the same by excluding from any pledge of funds in and to be deposited in the special allocation fund an amount equal to thirty percent (30%) of the PILOTS for years one through ten and seventy (70%) for years eleven through fifteen, and shall, to the extent permitted by law, annually surplus such sums for distribution by the applicable county collector in accordance with Section 99.850.1, RSMo.

- (2) PIEA. That, in the absence of Extraordinary Qualifications, as hereinafter defined, the City Council shall not grant its approval to any plan, or substantial modification thereto, recommended by the PIEA unless such plan shall provide for not greater than a seventy percent (70%) abatement of real property taxes for up to ten (10) years and thirty percent (30%) for up to five (5) additional years, and which taxes shall, for the entire term, be measured by the assessed valuation thereof, inclusive of any improvements, as assessed by the applicable county assessor. The inclusion of such a term shall be regarded as a substantial element of any plan so approved and shall be incorporated as a material term of any applicable contract.
- (3) LCRA. That, in the absence of Extraordinary Qualifications, as hereinafter defined, the City Council shall not grant its approval to any redevelopment plan, urban renewal plan, or substantial modification thereto, recommended by the LCRA unless such plan shall provide for not greater than a seventy percent (70%) abatement of real or personal property taxes for the duration of the public incentives, and which taxes shall, for the entire term, be measured by the assessed valuation thereof, inclusive of any improvements, as assessed by the applicable county assessor. The inclusion of such a term shall be regarded as a substantial element of any plan so approved and shall be incorporated as a material term of any applicable contract.
- (4) Chapter 353. That, in the absence of Extraordinary Qualifications, as hereinafter defined, the City Council shall not its approval to any development plan or substantial modification thereto recommended by the Kansas City Chapter 353 Advisory Board, unless such plan shall provide for not greater than a seventy percent (70%) abatement of real or personal property taxes for up to ten years and thirty percent (30%) for up to five additional years, and which taxes shall, for the entire term, be measured by the assessed valuation thereof, inclusive of any improvements, as assessed by the applicable county assessor. The inclusion of such a term shall be regarded as a substantial element of any plan so approved and shall be incorporated as a material term of any applicable contract.
- (5) Chapter 100. That the City Council reaffirms its policies as established by Committee Substitute for Resolution No. 041033. In the absence of Extraordinary Qualifications, as hereinafter defined, any leaseback structure pursuant to the provisions of Sections 100.010 through 100.200, RSMo, shall ensure that the lessee thereunder be contractually obligated to tender payments in lieu of taxes in an amount not less than fifty percent (50%) of the amount of real property taxes that would have been due and payable but for the public ownership of the real property for the duration of the public incentives, and which taxes shall, for the entire term, be measured by the assessed valuation thereof, inclusive of any improvements, as assessed by the applicable county assessor. Such requirement shall be incorporated as a material term of any applicable contract.
- (6) EEZ. That, in the absence of Extraordinary Qualifications, as hereinafter defined, the City Council shall not grant its approval to any plan, or substantial modification

thereto, recommended by an Enhanced Enterprise Zone board unless such plan shall provide for not greater than a seventy percent (70%) abatement of the value of improvements for up to ten (10) years and thirty percent (30%) for up to five additional years. The inclusion of such a term shall be regarded as a substantial element of any plan so approved and shall be incorporated as a material term of any applicable contract.

(b) That in the event any provision of subdivision (a) of this section is deemed unenforceable by reason that it conflicts with a provision of state law providing for a differing level of abatement for all or any portion of the term of the public incentives, or providing that the assessed valuation be determined by some other measure than is set forth therein, then the LCRA, PIEA or City, as applicable, shall, to the maximum extent permitted by law, contractually require payments in lieu of taxes structured to achieve the objectives of this ordinance, such payments to be distributed pro rata to the affected taxing jurisdictions. Such requirement shall be included within the body of the redevelopment plan, urban renewal plan, plan, or development plan, as applicable, and shall be regarded as a substantial element of any plan so approved.

(c) Extraordinary Qualifications. Notwithstanding the foregoing provisions of this ordinance, the City Council and any economic development agency created by the City shall retain the discretion to authorize the abatement, redirection or exemption, in whole or in part, of ad valorem real property taxes to the full extent authorized by any provision of law. The City Council shall give particular consideration to the following exception to the above policies ("Extraordinary Qualifications") in determining whether to authorize any abatement/exemption structure, or approve any development plan providing for incentives to be conveyed on a project-specific basis at any level other than what has been provided for herein. Any economic development agency created by the City shall only grant an exception to this policy if the Project meets an extraordinary qualifications. The Extraordinary Qualifications are:

- (1) Projects located in a severely distressed census tract that has continuously maintained such status for not less than ten (10) years immediately prior to the effective date of the request; or
- (2) Projects that support affordable housing and extremely affordable housing by meeting the requirements of Section 74-11.
- (3) Projects that connect residents living in continuously distressed census tracts to new employment opportunities by:
 - (i) providing at least 100 new entry-level jobs to Kansas City with an annual salary of at least \$32,000, or \$42,000 inclusive of wages and benefits; and
 - (ii) Incorporating options for mass public transportation or locating in an established high-frequency transit corridor.
- (4) Projects that involve the renovation or rehabilitation of a building that has been designated by a government entity as a local or national historic landmark or contributes to a historic district, or projects that have filed an application with the

National Park Service to be placed on the National Register of Historic Places, in which case the exclusion would be subject to such designation being approved.

- (5) Projects that are industrial in nature and support manufacturing or serve as a distribution center.

(d) Determination of eligibility for Extraordinary Qualifications shall be made upon receipt by the City or any economic development agency created by the City including Port KC of an application or request for ad valorem real and personal property tax abatement, exemption or redirection.

(e) the City Manager shall annually update and publish maps indicating the locations of continuously distressed census tracts utilizing comparisons of American Community Standards 5-Year Estimates for the most recently published 5-Year range and the two prior but non-overlapping 5-Year ranges.

74-7. The Shared Success Fund

(a) The Shared Success Fund, as initially constituted by Ordinance No. 160383, shall be funded from certain payments in lieu of taxes distributed to and retained by the City, and which are derived from projects benefiting from tax abatements or tax redirections through an economic development agency or program (“Shared Success PILOTS”).

(b) The direction of any one-time revenues to the Shared Success Fund shall be deemed an appropriate use pursuant to Section 2-1970(g), Code of Ordinance.

(c) The Shared Success PILOTS shall be deposited to the Shared Success Fund and shall be appropriated at the direction of the City Council only to Shared Success Projects located within Shared Success Fund Eligible Areas. The City Council’s Planning, Zoning and Economic Development Committee shall make such recommendations to the City Council as it determines appropriate in consultation with such representatives as the City Manager and the Economic Development Corporation of Kansas City, Missouri may identify for such purposes.

(d) That the Shared Success Projects shall be located in a severely distressed census tract that has continuously maintained such status for not less than ten (10) years immediately prior to the effective date of the request meeting.

(e) the following limitations shall apply with respect to the Shared Success Fund:

- (1) In the event that the emergency reserve portion of the committed general fund balance shall fall below one month of general fund operating expenditures, then the Director of Finance shall be authorized, without further City Council action, to suspend the direction of Shared Success PILOTS to the Shared Success Fund until such time as such minimum fund balance shall have been restored.

- (3) In the event that the emergency reserve portion of the committed general fund balance shall fall below one month of general fund operating expenditures, then no one-time revenues shall be directed to the Shared Success Fund until such time as such minimum fund balance shall have been restored.
- (3) In the event that the City Council shall have adopted a budget that estimates and appropriates revenues which might otherwise be categorized as Shared Success PILOTS somewhere other than the Shared Success Fund, then only such portion of the actual revenues which exceeds the estimated revenues shall be directed to the Shared Success Fund.

Sec. 74-8.

Compliance with contracting program and workforce regulations.

All projects seeking city incentives shall comply with all City Code requirements, including but not limited to Chapter 3, Article IV, Contracting Program Requirements and Chapter 38, Civil Rights.

74-9. Revive the East Side.

(a) The Revive the East Side Initiative was first created by Second Committee Substitute for Ordinance No. 170962, As Amended.

(b) Any proposed economic development project located within the boundaries of the East Side Investment Zone and receiving a total job-based score as “Standard Impact” or “High Impact” under Section 74-5, shall not be subject to a financial return analysis required by Section 74-4. The EDC shall not require such an analysis as a condition of any AdvanceKC related process or procedure. However, the EDC may elect to require and prepare an in-house financial return analysis for any proposed economic development project if the EDC has cause to believe that one or more of the incentives authorized in this section should not be extended, or that the extension of the same might cause the proposed development project to be incentivized in excess of the appropriate market benchmark.

(c) The Reinvestment in Economic Growth Program (the “Reinvestment Program”) was established by Second Committee Substitute for Ordinance No. 170962, As Amended. The Reinvestment shall be governed as follows:

- (1) The following definitions shall apply for purposes of the Reinvestment Program
 - i. Allocable Earnings Tax shall mean, with respect to a given fiscal year (May 1 through April 30), an amount equal to not less than fifty percent (50%) nor more than one hundred percent (100%) of the incremental increase in the Earnings Tax over the fiscal year having expired immediately prior to the effective date of the applicable Reinvestment in Economic Growth Agreement which is due for work done or services performed or rendered for an Employer within the East Side Investment Zone by those employees

whose wages, or portions thereof, the Employer has been approved by the Missouri Department of Economic Development to claim as a federal tax credit under the federal Work Opportunity Tax Credit ("WOTC") program, or who were hired through the services of the Full Employment Council, Inc., in its capacity as the strategic workforce organization/fiscal agent for the Kansas City & Vicinity ("KCV") and Eastern Jackson County ("EJC") Local Workforce Development Boards, or who is currently attending or has graduated from a public high school located in the East Side Investment Zone or in lieu thereof has successfully obtained high school equivalency credentials through General Educational Development ("GED") or High School Equivalency Test ("HiSET") testing, or who is currently attending or has graduated from Metropolitan Community College ("MCC") with an associate's degree or technical certificate, or who is currently attending or has completed an educational certificate program.

- ii. Allocable Electrical Utility License Fees shall mean, with respect to a given fiscal year (May 1 through April 30), an amount equal to not less than fifty percent (50%) nor more than one hundred percent (100%) of the incremental increase in the Electrical Utility License Fees over that which was recouped by the electrical utility provider from an Energy-Intensive Business in the form of a franchise or city license fee with respect to a facility located within the East Side Investment Zone during the fiscal year having expired immediately prior to the effective date of the applicable Reinvestment in Economic Growth Agreement.
- iii. Earnings Tax shall mean the City's tax on earnings levied pursuant to Section 68- 382 of the Kansas City, Missouri Code of Ordinances, as the same may be amended, or any successor thereto.
- iv. Electrical Utility License Fees shall mean the City's license fees and emergency license taxes on the gross receipts of electrical utility providers levied pursuant to Sections 40-344 and 40-345 of the Kansas City, Missouri Code of Ordinances, as the same may be amended, or any successors thereto.
- v. Employer shall be an individual, corporation (including a corporation not for profit), partnership, governmental administration agency, arm, authority, board, body, branch, bureau, department, division, subdivision, section or unit, or any other entity, who or that employs one or more persons on a salary, wage, commission or other compensation basis within the East Side Investment Zone.
- vi. Energy-Intensive Business means a business within the East Side Investment Zone that uses significant quantities of electrical energy in the performance of its primary economic activities, which shall include information technology, including data centers containing electrical

equipment used in processing, storing, and transmitting digital information; and the bulk manufacturing of aluminum, chemicals, forest and paper products, metal casting, glass, petroleum refining, mining and steel.

vii. Reinvestment in Economic Growth Agreement shall mean a written agreement between the City and an Employer or Energy-Intensive Business with respect to the reinvestment of certain Allocable Earnings Tax and Allocable Electrical Utility License Fees, individually or collectively, for the purpose of promoting economic development within the East Side Investment Zone.

(2) Except as otherwise provides in this section, an Energy-Intensive Business or Employer proposing to expand its operations within the East Side Investment Zone and engaged with the EDC for purposes of identifying those incentives which might be available shall be eligible for consideration as a participant under this Reinvestment Program as the same is applicable to their respective operations. The EDC shall make its written recommendation to the City Manager with respect to such participants and the portion of the Allocable Electrical Utility License Fees and/or Allocable Earnings Tax that it recommends to be committed, and the City Manager shall thereafter be authorized to execute such Reinvestment in Economic Growth Agreement as he shall determine to be the City's best interest.

(3) Notwithstanding the provision of subsection 74-9 (c)(2), the following exceptions shall be applicable:

- i. No Employer or Energy- Intensive Business electing to compensate any employee at a rate less than fifteen dollars (\$15.00) per hour, exclusive of benefits, shall be eligible to receive any incentive under this Reinvestment Program.
- ii. No Employer or Energy- Intensive Business shall be eligible to receive any incentive under the Reinvestment Program if they are otherwise deemed ineligible for incentives under the provisions of Section 74-5, AdvanceKC.
- iii. No business located within the geographical boundaries of Kansas City, Missouri, as of the effective date of this ordinance and subsequently relocating to the East Side Investment Zone shall be eligible to receive any incentive under the Reinvestment Program unless the City Manager shall have designated the Employer of the Energy- Intensive Business as being the subject of an effort to retain the same.

(d) No individual or business located in the East Side Investment Zone and having received or directly benefitting from the capture and redirection, or abatement or exemption of taxes, within the ten (10) year period immediately preceding November 15, 2018, shall be eligible for any incentive hereunder.

(e) This section shall expire November 25, 2028.

74-10. Reserved.

Sec. 74-11. - Affordable housing set aside.

(a) The following definitions shall apply to this section:

Affordability offset value means the estimated financial gap between revenues from market-rate units and affordable units. This amount shall be calculated annually by the city manager's office, by adjusting the current estimated \$100,000.00, by an amount equal to any increase in the construction cost index for Kansas City published by the Engineering News Record.

Affordable housing means housing that a household having an income at or below 60 percent of the HUD MFI ("60% MFI") for all households within the Kansas City metropolitan area would be able to afford if they were to expend not more than 30 percent of such income for the mortgage or rent, including utilities

City incentives means economic incentives granted by the city or any economic development agency created by the city, including Port KC, in the nature of the capture and redirection, abatement, or exemption of taxes or the issuance of bonds or grants by the city or other city-backed financing.

Deeper levels of affordability means housing priced such that households at lower incomes than 60% MFI within the Kansas City metropolitan area would be able to afford it if they were to expend not more than 30 percent of such income for the mortgage or rent, including utilities

Sources of income means the lawful manner by which an individual supports themselves and their dependents, including tenant-based rental assistance.

(b) For all development projects primarily providing multi-family housing available for rent and including 12 or more residential units across all sites and phases of the development project that are seeking city incentives, at least 20 percent of the total residential units shall be affordable housing. The requirements of this section shall not apply to projects that benefit from no city incentive other than the reimbursement of costs of for public improvements eligible for reimbursement pursuant to section 99.825.3 RSMo that are located in a redevelopment plan for any redevelopment area that has been found by the city council to constitute an economic development area pursuant to RSMo. § 99.800 et seq.

(c) A project developer may make a payment to the city in lieu of the affordable housing unit provision in an amount equal to the affordability offset value multiplied by the number of units needed to meet the requirements of subsection (b). Such payment shall be deposited into the city's housing trust fund. For the purposes of calculating this payment, in any case where the number of units required by subsection (b) results in a number that is not a whole number, the number of units required shall be rounded down to the nearest whole number.

(d) That for purposes of this ordinance, affordable housing shall comply with the following criteria:

- (1) That all units qualifying as affordable housing shall be on the principal development project site and shall not be off site from the project.
- (2) That affordable housing units shall be mixed with, and not clustered together or segregated in any way, from market-rate units.
- (3) That all units qualifying as affordable housing shall either be at least one-bedroom units in size or be equal to or share the same size as at least 25 percent of units to be constructed on the project site.
- (4) That if the project development contains a phasing plan, the phasing plan shall provide for the development of affordable housing units concurrently with the market-rate units. No phasing plan shall provide that the affordable housing units built are the last units in a housing development.
- (5) That the quality and cost of in-unit finishes, systems, appliances, and square footage of all units deemed as affordable housing shall be comparable with that of the remaining units on the project site.
- (6) That the exterior appearance of affordable housing units shall be made similar to market-rate units by the provision of exterior building materials and finishes substantially the same in type and quality.
- (7) That the project developer must covenant with the city and successors in interest that the designated units remain affordable for a period of not less than the period of the incentive awarded.
- (8) That the project developer must covenant with the city and successors in interest that the appropriate number of units be rented to individuals or families whose household incomes are at or below 60% MFI, in accordance with subsection (b).
- (9) That the project developer must covenant with the City and successors in interest that the developer will not engage in any discriminatory housing practices as defined in section 38-105(d) of the city's Code of Ordinances, including discrimination based on lawful sources of income.
- (10) That the project developer must covenant with the city and successors in interest that developer will use a procedure deemed acceptable by the city to determine income eligibility of residents qualifying for the affordable housing units and that the city or its designee shall have the right to audit any such income verification procedure records. Any required determinations of income eligibility shall occur at the time an initial lease with the resident is entered into.

(e)The following shall be exempt from the requirements of this section:

- (1) Any project that has been awarded federal or state low-income housing tax credits from the Missouri Housing Development Commission; and
- (2) Any project that involves the renovation or rehabilitation of a building that has been designated by a government entity as a local or national historic landmark.

Sec. 74-12. Incentivized project construction timeline.

(a) The following definitions shall apply to this section:

City incentive agency means any economic development agency created by the city, including the industrial development authority of Kansas City, Missouri, the land clearance redevelopment authority of Kansas City, Missouri ("LCRA"), the planned industrial expansion authority of Kansas City, Missouri ("PIEA"), the port authority of Kansas City Missouri, and tax increment finance commissions for property in Kansas City, Missouri (the "TIF commission").

City incentives means economic incentives granted by the city or any city incentive agency in the nature of the capture and redirection, abatement, or exemption of taxes or the issuance of bonds or grants by the city or other city-backed financing.

Development commitment means any document committing the city or any city incentive agency to provide a city incentive, including development agreements, predevelopment agreements, redevelopment agreements, contribution agreements, and funding agreements, or any amendment to a development agreement, predevelopment agreement, redevelopment agreement, contribution agreements, funding agreement, or other document committing the city or any city incentive agency to provide a city incentive.

Incentive approval date means:

- (1) For a city incentive granted pursuant to RSMo 99.800 et seq. through the TIF commission, the date the redevelopment agreement is executed for the project.
- (2) For a city incentive granted pursuant to RSMo 100.300 et seq. through the PIEA, the date the tax abatement is approved by the PIEA board of commissioners.
- (3) For a city incentive granted pursuant to RSMo 99.300 et seq. through the LCRA, the date the tax abatement is approved by the LCRA board of commissioners.
- (4) For a city incentive granted pursuant to. RSMo 353.010 et seq., the date the tax abatement is approved by city council.
- (5) For a city incentive granted pursuant to RSMo 100.010 et seq., the date the plan for the project is approved by city council.

- (6) For enhanced enterprises zones abatement in excess of the statutory minimum provided in RSMo 135.950 et seq., the date the tax abatement is approved by city council.
- (7) For other city incentives, the date the incentive amount is approved by the final governing body required by statute or city ordinance to approve the applicable city incentive.

Incentive plan means any tax increment finance plan, urban renewal plan, urban redevelopment plan, redevelopment plan, industrial development plan, or any other similar plan required by statute for the grant of city incentives.

Incentivized project means any new construction or rehabilitation projects receiving city incentives valued at or above \$300,000.00.

Materially conflict means that a development commitment contains timelines for the substantial completion of the project that differ from those provided in this section in a manner that would cause the development commitment to be substantially impaired.

Substantial completion/substantially complete means the issuance of a certificate of occupancy or temporary certificate of occupancy for the project, whichever is issued first.

(b) All incentivized projects shall substantially complete construction within three years of the incentive approval date or the awarded incentive shall expire, unless the city council has specifically modified the time period for completion by ordinance or resolution. If more than 20 percent of the total residential units provided in a project qualify as affordable housing, as defined in section 74-11, and comply with the criteria in section 74-11(d), the timeline for substantial completion is extended from three years to five years.

(c) The requirements outlined in this section shall be included in all development commitments and incentive plans approved or executed by the city or any city incentive agency after May 31, 2023.

(d) For incentivized projects for which a development commitment has been fully executed but substantial completion has not occurred by May 31, 2023:

- (1) If the relevant development commitment or incentive plan does not materially conflict with the provisions of subsection (b), subsection (b) shall apply. If the incentive approval date is prior to June 1, 2021, the project must be substantially complete by June 1, 2024. If the incentive approval date is from June 1, 2021 to June 1, 2022, the project must be substantially complete by June 1, 2025.
- (2) If the relevant development commitment or incentive plan does materially conflict with the provisions of subsection (b), the relevant development commitment or incentive plan shall control, but if any modifications or amendments are made to

any such development commitment or incentive plan, the requirements of this section as outlined in (d)(1) shall apply.

(e) Every city incentive agency shall review each incentive plan five years after it is established and every five years thereafter to evaluate the performance of the plan and shall report to the city manager and council as to the status of the plan. Each report shall include the status of each project in the plan and a recommendation whether any projects that have not yet been approved should be removed from the plan.

Secs. 74-13—74.34. Reserved.

ARTICLE II. LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY.

Sec. 74-35. Land clearance for redevelopment authority.

(a) *Findings.* The city council hereby finds that:

- (1) One or more blighted or insanitary areas, as defined in RSMo 99.320, exist in the city; and
- (2) The redevelopment of such areas is necessary in the interest of the public health, safety, morals or welfare of the residents of the city.

(b) *Approval.* Therefore, the city hereby authorizes and approves the exercise by the Land Clearance for Redevelopment Authority of Kansas City, Missouri, within the corporate limits of the city, of all of the powers, functions and duties of such an authority under and pursuant to the provisions of the Land Clearance for Redevelopment Authority Law, set out in RSMo 99.300—99.660, inclusive.

(c) *Contract authorized.* The director of public works is hereby authorized and directed to enter into a contract with such authority on behalf of the city, to the end that such authority shall take over, assume, continue and carry out all undertakings, obligations, rights, powers, plans and activities related to planned or existing land clearance projects.

Secs. 74-36—74-50. Reserved.

ARTICLE III. TAX INCREMENT FINANCING ORDINANCE

Sec. 74-51. Title of article.

This article shall be known as the tax increment financing ordinance.

Sec. 74-52. History of the commissions.

(a) The council hereby acknowledges that immediately subsequent to the Missouri General Assembly's 1997 Amendments to the Real Property Tax Increment Allocation Redevelopment Act, (the "Act") the tax increment financing commission of Kansas City, Missouri has been comprised of 11 persons for the purpose of convening public hearings in accordance with the Act and such membership has been as follows:

- (1) Six members have been appointed by the mayor, with the consent of the majority of the city council;
- (2) School districts in whose boundaries the redevelopment plan or redevelopment area is located have been notified in accordance with the Act and invited to appoint two representatives to serve as members of the commission;
- (3) The counties in whose boundaries the redevelopment plan or redevelopment area is located have been notified in accordance with the Act and invited to appoint two representatives to serve as members of the commission and such appointments shall be made by the county's chief elected official, with the consent of the majority of the governing body of such county;
- (4) All other districts levying ad valorem taxes within the area selected for a redevelopment project or the redevelopment area, excluding representatives of the city have been notified in accordance with the Act and invited to appoint, in any manner agreed upon by the affected districts, one representative to serve on the commission.

(b) In 2008, the Act was amended to provide for a 12-member commission in a county with a charter form of government and more than 250,000 but fewer than 300,000 inhabitants, to be comprised as follows:

- (1) Six members appointed either by the county executive or presiding commissioner;
- (2) Three members appointed by the cities, towns, or villages in the county which have tax increment financing districts in a manner in which the chief elected officials of such cities, towns, or villages agree;
- (3) Two members appointed by the school districts whose districts are included in the county in a manner in which the school boards agree;
- (4) One member appointed in the manner agreed upon by the ad valorem taxing districts within the area selected for a redevelopment project or the redevelopment area.

Sec. 74-53. Confirmation of the activities of the commission.

The council has previously confirmed the activities of the commission in establishing the composition of the commission following the 1997 amendments and affirmed that the school

district representatives, the county representatives and the taxing districts representative shall continue to serve on the commission for the purpose of conducting public hearings to consider for recommendation to the council approval of redevelopment plans and redevelopment projects, the designation of redevelopment areas within their specific jurisdictions, as well as all amendments thereto, and all other matters related to specific plans, projects, areas and amendments thereto, within their specific jurisdictions. The council has further confirmed that, prior to the date of the passage of Ordinance No. 100089, the terms of the school district representatives, county representatives and taxing districts representative have coincided with the commission's consideration of such redevelopment plans, redevelopment projects and redevelopment areas and terminated upon the city's final approval of a redevelopment plan, redevelopment project or designation of a redevelopment area.

Sec. 74-54. Establishment of the commissions.

(a) Kansas City TIF Commissions have and will consider for recommendation to the council approval of redevelopment plans and redevelopment projects, the designation of redevelopment areas, as well as all amendments to redevelopment plans, projects and the designation of redevelopment areas, within Kansas City and Jackson, Platte, or Cass County. The members appointed by the mayor to the Kansas City TIF Commissions will serve a term of four years. Members of the Kansas City TIF Commissions appointed by the mayor may give the school districts, the counties and the other taxing districts the option of either designating representatives to the Kansas City TIF Commission for a term of a period of time or designating the terms of their representative(s) to coincide with the commission's consideration of specific redevelopment plans, redevelopment projects and redevelopment areas within their specific jurisdictions, which terms shall then terminate upon the city's final approval of the corresponding redevelopment plan, redevelopment project or designation of a redevelopment area. Such county representatives, school district representatives and taxing districts representative will serve on the commission to consider amendments to a redevelopment plan, redevelopment project or designation of redevelopment area within their specific jurisdictions. The members of the Kansas City TIF Commissions shall be as follows:

- (1) Six members appointed by the mayor, with the consent of the majority of the city council;
- (2) Two members appointed by the school board(s) of the district(s) included within the redevelopment plan or redevelopment area;
- (3) Two members appointed by the chief elected official of the county in whose boundaries the redevelopment plan or redevelopment area is located with the consent of the majority of the governing body of such county;
- (4) One member appointed in the manner agreed upon by all other districts levying ad valorem taxes within the area selected for a redevelopment project or the redevelopment area.

(b) Clay County KC TIF Commissions will consider for recommendation to the council approval of redevelopment plans and redevelopment projects, the designation of redevelopment areas within their specific jurisdictions, as well as all amendments to redevelopment plans, projects and the designation of redevelopment areas, within Kansas City and Clay County. Members of the Clay County KC TIF Commissions, other than the members appointed by the county executive or presiding commissioner, shall serve for a term coinciding with the commission's consideration of the specific redevelopment plans, redevelopment projects and redevelopment area, which terms shall then terminate upon the Clay County KC TIF Commission's final recommendations to the city of the corresponding redevelopment plan, redevelopment project or designation of a redevelopment area. The members of the Clay County KC TIF Commissions shall be as follows:

- (1) Six members appointed by the county executive or presiding commissioner;
- (2) Three members appointed by the mayor;
- (3) Two members appointed by the school board(s) of the district(s) in the county;
- (4) One member appointed in the manner agreed up by all other districts levying ad valorem taxes within the area selected for a redevelopment project or the redevelopment area.

(c) If a proposed redevelopment plan, redevelopment project, or designation of a redevelopment area falls within the jurisdiction of the Clay County KC TIF Commission and the jurisdiction of the Kansas City TIF Commission, each commission shall consider the proposal and make an independent recommendation to the city council.

(d) The city does not approve the exercise of any powers by a Kansas City TIF Commission or a Clay County KC TIF Commission, except those required to make recommendations to the city council.

Sec. 74-55. Convening a Clay County KC TIF Commission.

Upon receiving a complete application for a TIF plan, project, or redevelopment area in Clay County and Kansas City, the TIF executive director, shall send notice by certified mail to the city, the county executive or presiding commissioner, the school districts whose boundaries include any portion of the proposed redevelopment area, and the other taxing districts whose boundaries include any portion of the proposed redevelopment area. If the county, school board, or other taxing district fails to provide the executive director with their designated appointees within 30 days of the mailing of the notice, or within 30 days of the expiration of the terms of a county appointed member, the remaining duly appointed members of the Clay County KC TIF Commission may exercise the full powers of the commission. The mayor may choose to provide the executive director with a standing list of those members that they appoint to all Clay County KC TIF Commissions or may appoint members upon notification by the executive director of the formation of a Clay County KC TIF Commission. The executive director will then provide notice of a meeting of a Clay County KC TIF Commission in the manner provided in the Act.

Sec. 74-56. Failure to appoint Kansas City TIF Commission members.

If any school district, county, or other taxing district fails to appoint members to a Kansas City TIF Commission within 30 days of receipt of written notice of a proposed redevelopment plan, redevelopment project, or designation of a redevelopment area, the remaining members may proceed to exercise the power of the commission.

Sec. 74-57. Reserved.

Sec. 74-58. Administrative commission.

(a) The council delegates all of the powers delegable under the Act, in particular the powers enumerated in RSMo 99.820.1, including but not limited to, the approval of agreements to implement redevelopment plans and redevelopment projects, certification of redevelopment project costs identified in tax increment financing plans, and processing the reimbursement of the same, for all plans and projects in Kansas City, Missouri, to the administrative commission, along with the authority to oversee those matters which do not relate to specific plans and projects. The administrative commission shall not consider recommendations to the council regarding redevelopment plans and redevelopment projects and the designation of redevelopment areas.

(b) The administrative commission shall meet regularly and shall adopt such rules and regulations for operation as shall enable it to maintain an orderly procedure for its business and to effectively and efficiently exercise the powers authorized by the statute and delegated to it by the council, including but not limited to, the adoption of bylaws.

(c) The administrative commission shall be comprised of:

- (1) The six representatives appointed by the city to the Kansas City TIF Commissions pursuant to Code section 74-54;
- (2) Two representatives of the counties in which the city is situated, selected in any manner agreed upon by the counties;
- (3) Two school district representatives of the school districts in which the city is situated, selected in any manner agreed upon by the affected school districts;
- (4) One taxing district representative of the other taxing districts in which the city is situated, selected in any manner agreed upon by the affected taxing districts.

(d) Notwithstanding anything to the contrary herein, any development agreement, however denominated, or amendment thereto, executed by the administrative commission, after the effective date of committee substitute for Ordinance No. 140823, shall contain therein a provision allowing the administrative commission to assign and the city to assume, at the city's sole election, in whole or in such parts as the city shall elect, the rights, duties, interests and obligations of the administrative commission thereunder, and the administrative commission shall execute such documentation as may reasonably be required for such purposes. The failure of any development

agreement, however denominated, to incorporate the requirements of this section or previously codified section 74-57 shall not preclude any assignment or assumption as the requirements of this section shall be deemed incorporated by operation of law and shall supplant any provision to the contrary.

Sec. 74-59. Records; reports.

The Kansas City TIF Commissions, Clay County KC TIF Commissions, and administrative commission shall keep records and minutes of its meetings and shall report annually to the council respecting its activities.

Sec. 74-60. Officers.

The Kansas City TIF Commissions, Clay County KC TIF Commissions, and administrative commission shall elect from its number a chair, vice chair, treasurer and secretary, each to serve for one-year terms or until their successors are elected.

Sec. 74-61. Alternate city representatives.

The mayor, with the consent of the majority of the city council, shall be empowered to appoint one or more alternate members to the Kansas City TIF Commissions who shall be designated as such (the "alternate city representatives") and who shall serve for a term of four years. Alternate city representatives to the Kansas City TIF Commissions may be sitting in the capacity of city members due to the absence of one or more city member from any meeting of the commission, and no action of a Kansas City TIF Commission shall be invalidated or called into question by virtue of the participation of such alternate city representatives in compliance with this section. In no event shall the city be represented by more than six persons in any matter pending before a Kansas City TIF Commission. In the event that the number of alternate city representatives attending any meeting of a Kansas City TIF Commission shall exceed the number of absent city representatives, then a simple majority of the city members in attendance shall determine which of the alternate city representatives shall serve in the capacity of city member for the duration of the meeting or until the absent city member shall be in attendance.

Sec. 74-62. Administrative costs.

The commission comprised of the city representatives and the county representatives, school district representatives, and taxing districts representative within their specific jurisdictions has, in accordance with RSMo 99.820.1(14), recommended to the city council that certain costs incurred by the city and other officials, including but not limited to such commission and the economic development corporation of the city, each of which provides services related to the administration of redevelopment projects, should be reimbursed in an amount equal to five percent of the payment in lieu of taxes ("PILOTS") and economic activity taxes ("EATS") paid into the special allocation fund (collectively, the "standard reimbursement"), and the city council hereby determines such charges to be necessary, reasonable and appropriate. The powers granted to such administrative commission as codified in section 74-57, Code of Ordinances, to enter into any development agreement with a developer for the implementation of any plan, project, or

amendment to either, shall be subject to and conditioned upon such redevelopment agreement including a term allowing for the standard reimbursement. Notwithstanding the foregoing, such administrative commission may, from time-to-time, recommend that a lesser amount is appropriate with regards to one or more specific projects, and the city council shall consider such recommendation and may determine, with respect to such one or more specific projects, that recoupment in an amount less than the standard reimbursement is appropriate, and in such event, the power granted to such administrative commission to enter into any development agreement with a developer for the implementation of any plan, project, or amendment to either, shall be subject to and conditioned upon such development agreement including a term allowing for such reduced reimbursement as the city council may have determined to approve by ordinance.

Sec. 74-63. Special allocation fund.

In the event that the city shall have received the funds residing within each special allocation fund established and existing pursuant to the terms of the Real Property Tax Increment Allocation Redevelopment Act as contemplated by Committee Substitute for Resolution No. 140826, then upon such occurrence, any special allocation fund established and existing pursuant to the terms of the Real Property Tax Increment Allocation Redevelopment Act shall thereafter be maintained solely by the city.

Secs. 74-64—74-69. Reserved.

ARTICLE IV. LAND BANK AGENCY

Sec. 74-70. Creation as a Separate Public Body

There is hereby established the Land Bank of Kansas City, Missouri (“land bank agency”) pursuant to the RSMo Sections 141.210 to 141.810 and Sections 141.980 to 141.1015 (“Land Tax Collection Law”). The land bank agency created pursuant to this Article IV shall be a public body corporate and politic, and shall have permanent and perpetual duration until terminated and dissolved in accordance with the provisions of RSMo Section 141.1012, and as set forth in Section 74-89.

Sec. 74-71. Purpose

(a) *Purpose to be Served.* The land bank agency shall manage, sell, transfer and dispose of interests in real estate owned by such land bank agency in accordance with this Chapter 74. The use of property conveyed by such land bank agency shall be for the purposes of creating: (i) opportunities for revitalization of deteriorating residential, retail and commercial neighborhoods, (ii) safe, decent and affordable housing for existing and future residents, (iii) retail and commercial areas on vacant or deteriorated properties within neighborhoods, (iv) the assemblage of property for future development in a manner consistent with the purposes of the City’s consolidated plans, particularly in any low to moderate income area designated by the City as a target area for revitalization, (v) creation or expansion of side yards with unimproved vacant lots in neighborhoods densely constructed for the benefit of abutting residences, (vi) space for use as

urban agriculture, community gardens, or other similar uses consistent with healthy eating by residents, including restoring ground through alternative vegetative cover to build-back the soil for future use for food production, (vii) public spaces and places for parks, green spaces and other public purposes and (viii) use as wildlife conservation areas; and otherwise returning land in a nonrevenue-generating, nontax-producing status, to beneficial uses through private (for-profit or non-profit), or public ownership, with such relative priority among these stated purposes as set forth in Section 74-80(e), as further considered and applied by the board of commissioners governing such land bank agency.

(b) *Limitations of Authority.* Such land bank agency shall not own any interest in real estate that is located wholly or partially outside the city. Such land bank agency shall not be authorized to sell more than five contiguous parcels to the same entity in the course of a year, provided however, the foregoing shall be construed not to limit the authority to acquire, maintain or convey property pursuant to:

- (1) the Urban Redevelopment Corporation Law under Chapter 353 of the Missouri Statutes;
- (2) the Planned Industrial Expansion Law under Chapter 100 of the Missouri Statutes;
- (3) Chapter 68 of the Missouri Statutes applicable to the creation and powers of a port authority; or
- (4) the Real Property Tax Increment Allocation Redevelopment Act, the Housing Authorities Law or the Land Clearance for Redevelopment Law, all under Chapter 99 of the Missouri Statutes.

Sec. 74-72. Beneficiaries

The beneficiaries of the land bank agency shall be the taxing authorities that held or owned tax bills against the respective parcels of real estate acquired by such land bank agency pursuant to various provisions of the Land Tax Collection Law, including a deemed sale under subsection 3 of Section 141.560, by deed from a land trust under subsection 1 of Section 141.984, or pursuant to a sale under subdivision (2) of subsection 2 of section 141.550 included in the judgment of the court, and their respective interests in each parcel of real estate shall be to the extent and in the proportion and according to the priorities determined by the court on the basis that the principal amount of their respective tax bills bore to the total principal amount of all of the tax bills described in the judgment. Such taxing authorities, other than the city, as beneficiaries are limited to the net proceeds as otherwise specified in subsections 74-81(a)(4) and 74-81(b)(5). This Section 74-72, does not create in any person, entity or taxing authority, by implication or otherwise, any direct or indirect benefit, obligation, duty, promise, right to be indemnified (such as contractually, legally, equitably or by implication) or any right to be subrogated to the city's rights, including the right of reimbursement of costs and expenses borne by the city on behalf of the land bank agency.

Sec. 74-73. Governing Board

(a) *Composition.* The land bank agency shall be composed of a board of commissioners which shall consist of five members, all of whom shall be residents of the city. One commissioner shall be appointed by Jackson County, one commissioner shall be appointed by the school district that is wholly or partially located within the city and Jackson County and then has the largest population according to the last preceding federal decennial census, and the three remaining commissioners shall be appointed by the Mayor pursuant Section 209, Article II of the City Charter. The initial term of the commissioner appointed by Jackson County shall be one year, and thereafter each appointment by the County shall be for a period of four years. The initial term of the commissioner appointed by school district shall be two years, and thereafter each appointment by the school district shall be for a period of four years. The initial terms of the three commissioners appointed by the Mayor, shall be staggered, for one, two or three years, and thereafter four year terms. The purpose of such staggering of the initial terms is to provide ongoing continuity, with a majority of the board of commissioners remaining in office at any one time. Subsequent to the initial term of office of the commissioners, each term shall be for four years. Commissioners shall serve at the pleasure of each commissioner's appointing authority, and no cause need be stated for the removal of a commissioner. Commissioners shall serve without compensation. Any vacancy shall be filled by the same appointing authority that made the original appointment. Commissioners of the first board of a land bank agency shall be appointed within sixty days after the effective date of Ordinance No. 120779 establishing the land bank agency. If any appointing authority fails to make any appointment within the time the first appointments are required, or within sixty days after any term expires, then the appointment shall be made by the Mayor. Except as otherwise provided in subsection 2 of RSMo Section 141.720, the city or school district, as an appointing authority for this land bank agency, shall not be an appointing authority under RSMo Section 141.720 for the Land Trust of Jackson County ("Land Trust") upon completion of all transfers to the land bank agency from the Land Trust, or one year after the effective date of Ordinance No. 120779, whichever shall first occur.

(b) *Eligibility to Serve as Commissioner.* Notwithstanding any law to the contrary, any public officer shall be eligible to serve as a board commissioner and the acceptance of the appointment shall neither terminate nor impair such public office. For purposes of this section, "public officer" shall mean a person who is elected to a political subdivision office. Any political subdivision employee shall be eligible to serve as a board commissioner. All commissioners shall be at the time of appointment and remain throughout their term residents of the city, and shall resign their appointment effective immediately upon the loss of residency.

(c) *Officers.* The commissioners of the board shall select annually from among themselves a chair, a vice-chair, a treasurer, and such other officers as the board may determine, and shall establish their duties as may be regulated by rules adopted by the board.

(d) *Board Organization.* The board shall have the power to organize and reorganize the executive, administrative, clerical, and other divisions of the land bank agency and to fix the duties, powers, and compensation of all employees, agents, and consultants of the land bank agency. The board may cause the land bank agency to reimburse any commissioner for expenses actually incurred in the performance of duties on behalf of the land bank agency.

(e) *Board Meetings.* The board shall meet in regular session according to a schedule adopted by the board, and shall meet in special session as convened by the chairman or upon written notice signed by a majority of the commissioners. The presence of a majority of the board's total membership shall constitute a quorum to conduct business.

(f) *Voting requirements.* All actions of the board shall be approved by the affirmative vote of a majority of the commissioners of the board present and voting; provided, however, that no action of the board shall be authorized on the following matters unless approved by a roll call vote of a majority of the entire five member board:

- (1) the adoption of bylaws and other rules and regulations for conduct of the land bank agency's business;
- (2) the hiring or firing of any employee or contractor of the land bank agency, provided, however, that this function may, by majority vote, be delegated by the board to a specified officer or committee of the land bank agency, under such terms and conditions, and to the extent, that the board may specify;
- (3) the incurring of debt, including, without limitation, borrowing of money and the issuance of bonds, notes, or other obligations;
- (4) the adoption or amendment of the annual budget;
- (5) the sale of real property for a selling price that represents a consideration less than two-thirds of the appraised value of such property; and
- (6) the leasing, encumbrance, or alienation of real property, improvements, or personal property with a value of more than fifty thousand dollars.

Vote by proxy shall not be permitted. Any member may request a recorded vote on any resolution or action of the land bank agency.

(g) *Bond.* The board commissioners shall each furnish a surety bond, if such bond is not already covered by governmental surety bond, in a penal sum not to exceed twenty-five thousand dollars to be approved by the comptroller or director of finance of the city, issued by a surety company licensed to do business in this state, which bond shall be deposited with the county clerk of such county, and shall guarantee the faithful performance of such commissioner's duties under this Article IV and the Land Tax Collection Law. The bond may be written to cover all the commissioners. The payment of the premium, or the pro rata portion, for or other expense of such bond shall be borne by the appointing authority of such commissioner.

(h) *Oath.* Before entering upon the duties of office, each board commissioner shall take and subscribe to the following oath:

State of Missouri,)
) ss

City of)

I,, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of Missouri; that I will faithfully and impartially discharge my duties as a member of the Land Bank of Kansas City, Missouri; that I will according to my best knowledge and judgment, administer such tax delinquent and other lands held by the land bank according to the laws of the State of Missouri and for the benefit of the public bodies and the tax bill owners which I represent, so help me God.

.....

Subscribed and sworn to this ... day of ... , 20. .

My appointment expires:

.....

Notary Public

(i) *Non-liability.* Board Commissioners, individually or collectively, shall not be liable personally on the bonds or other obligations of the land bank agency, and the rights of creditors of the land bank agency shall be solely against the assets of such land bank agency. Notwithstanding the foregoing, the land bank agency may obtain such insurance it deems appropriate or prudent for itself, or the board commissioners or staff of the land bank agency in their official capacity with the land bank agency.

Sec. 74-74. Staffing and Intergovernmental Agreements.

A land bank agency may employ a secretary, an executive director, its own counsel and legal staff, and such technical experts, and such other agents and employees, permanent or temporary, as it may require, and may determine the qualifications and fix the compensation and benefits of such persons. The staff of the land bank agency shall be persons who have demonstrated special interest, experience or education in urban planning, community development, real estate, law, finance or related areas; provided, however, clerical, technical or other support staff need not have such demonstrated interest, experience or education. The board may delegate to officers and employees the authority to enter into and execute agreements, instruments of conveyance and all others related documents pertaining to the conveyance of property by the land bank agency. A land bank agency may also enter into contracts and agreements with political subdivisions for staffing services to be provided to the land bank agency by political subdivisions or agencies or departments thereof, or for a land bank agency to provide such staffing services to political subdivisions or agencies or departments thereof. Such an agreement may include, but are not limited to, contracts for the joint exercise of powers, contracts for ownership, management, development, and disposition of real property. A land bank agency may receive funding through grants and loans from political subdivisions, from the state, from the federal government, and from other public and private sources.

Sec. 74-75. Powers.

Subject to the other provisions of Article IV and all other applicable laws, including the Land Tax Collection Law, a land bank agency established under Ordinance No. 120779 shall have all powers necessary or appropriate to carry out and effectuate the purposes and provisions of the Land Tax Collection Law as they relate to this land bank agency, including the following powers:

- (1) to adopt, amend, and repeal bylaws for the regulation of its affairs and the conduct of its business;
- (2) to sue and be sued, in its own name, and plead and be impleaded in all civil actions, including, but not limited to, actions to clear title to property of the land bank agency;
- (3) to adopt a seal and to alter the same at pleasure;
- (4) to receive funds as grants from or to borrow from political subdivisions, the state, the federal government, or any other public or private sources;
- (5) to issue notes and other obligations according to the provisions of this chapter;
- (6) to procure insurance or guarantees from political subdivisions, the state, the federal government, or any other public or private sources, of the payment of any bond, note, loan, or other obligation, or portion thereof, incurred by the land bank agency, and to pay any fees or premiums in connection therewith;
- (7) to enter into contracts and other instruments necessary, incidental, or convenient to the performance of its duties and the exercise of its powers, including, but not limited to, agreements with other land bank agencies and with political subdivisions for the joint exercise of powers under the Land Tax Collection Law;
- (8) to enter into contracts and other instruments necessary, incidental, or convenient to the performance of functions by the land bank agency on behalf of political subdivisions, or agencies or departments of political subdivisions, or the performance by political subdivisions, or agencies or departments of political subdivisions, of functions on behalf of the land bank agency;
- (9) to make and execute contracts and other instruments necessary or convenient to the exercise of the powers of the land bank agency; and any contract or instrument when signed by the chair or vice-chair of the land bank agency, or by an authorized use of their facsimile signatures, and by the secretary or assistant secretary, or, treasurer or assistant treasurer of the land bank agency, or by an authorized use of their facsimile signatures, shall be held to have been properly executed for and on its behalf;
- (10) to procure insurance against losses in connection with the property, assets, or activities of the land bank agency;

- (11) to invest the money of the land bank agency, including amounts deposited in reserve or sinking funds, at the discretion of the board, in instruments, obligations, securities, or property determined proper by the board, and name and use depositories for its money;
- (12) to enter into contracts for the management of, the collection of rent from, or the sale of the property of the land bank agency;
- (13) to design, develop, construct, demolish, reconstruct, rehabilitate, renovate, relocate, equip, furnish, and otherwise improve real property or rights or interests in real property held by the land bank agency;
- (14) to fix, charge, and collect rents, fees, and charges for the use of the property of the land bank agency and for services provided by the land bank agency;
- (15) subject to the limitation set forth in Section 74-71, to acquire property, whether by purchase, exchange, gift, lease, or otherwise, to grant or acquire licenses and easements, and to sell, lease, grant an option with respect to, or otherwise dispose of, any property of the land bank agency;
- (16) subject to the limitation set forth in Section 74-71, to enter into partnership, joint ventures, and other collaborative relationships with political subdivisions and other public and private entities for the ownership, management, development, and disposition of real property;
- (17) to exercise control of such property as fully and completely as if it were a private property owner; and
- (18) subject to the other provisions of this chapter and all other applicable laws, to do all other things necessary or convenient to achieve the objectives and purposes of the land bank agency or other laws that relate to the purposes and responsibility of the land bank agency.

Sec. 74-76. Transfer of Land Trust Property.

As soon as possible, but no later than one year of the effective date of Ordinance No. 120779 title to any real property now held by the Land Trust, or hereafter acquired by such Land Trust, located wholly within the city shall be transferred by deed or deeds to the land bank agency. The land bank agency shall take all reasonable steps to facilitate the prompt transfer of such real property. The land bank agency shall continue to monitor the assets held by the Land Trust, and from time to time request any real property within the city held in the name of the Land Trust that was not previously transferred, even if the one year period has lapsed.

Sec. 74-77. Tax exempt status.

In accordance with RSMo Section 141.984.2, the income of a land bank agency shall be exempt from all taxation by the state and by any of its political subdivisions. Upon acquiring title to any real estate, a land bank agency shall immediately notify the county assessor and the collector of such ownership, and such real estate shall be exempt from all taxation during the land bank agency's ownership thereof, in the same manner and to the same extent as any other publicly owned real estate, and upon the sale or other disposition of any real estate held by it, such land bank agency shall immediately notify the county assessor and the collector of such change of ownership; provided however, that such tax exemption for improved and occupied real property held by such land bank agency as lessor pursuant to a ground lease shall terminate upon the first such occupancy, and such land bank agency shall immediately notify the county assessor and the collector of such occupancy.

Sec. 74-78. Property Acquisition.

(a) *Methods of Acquisition.* Subject to the limitation set forth in Section 74-71, and in addition to the properties acquired pursuant to Section 74-76, a land bank agency may acquire real property or interests in property by:

- (1) gift, devise, transfer, exchange, foreclosure, lease, purchase, or otherwise on terms and conditions and in a manner the land bank agency considers proper;
- (2) purchase contracts, lease purchase agreements, installment sales contracts, and land contracts, and may accept transfers from political subdivisions upon such terms and conditions as agreed to by the land bank agency and the political subdivision;
- (3) bidding on any parcel of real estate offered for sale at a sheriff's foreclosure sale held in accordance with RSMo Section 141.550 provided that if the bid is not a deemed bid under subsection 3 of Section 141.560, such parcel must be located within a low to moderate income area designated as a target area for revitalization by the city, which shall include, but are not limited to those areas designated under its consolidated plan submitted from time to time to the federal government; and
- (4) transfer from any political subdivision to the land bank agency of real property and interests in real property of the political subdivision on such terms and conditions and according to such procedures as determined by the political subdivision.

(b) *Confirmation Process for Competitive Bids.* Upon confirmation under RSMo Section 141.580 of a sheriff's foreclosure sale of a parcel of real estate to a land bank agency under subdivision (2) of subsection 2 of section 141.550, said land bank agency shall pay the amount of the land bank agency's bid that exceeds the amount of all tax bills included in the judgment, interest, penalties, attorney's fees and costs then due thereon. Such excess shall be applied and distributed in accordance with subsections 3 and 4 of Section 141.580, exclusive of subdivision (3) of subsection 3 thereof. Upon such confirmation by the court, the collector shall mark the tax bills included in the judgment as "canceled by sale to the land bank" and shall take credit for the full amount of such tax bills, including principal amount, interest, penalties, attorney's fees, and costs, on his books and in his statements with any other taxing authorities.

(c) *Title.* A land bank agency shall hold in its own name all real property acquired by such land bank agency irrespective of the identity of the transferor of such property.

Section 74-79. Property Maintenance.

To the extent of funds available, the land bank agency shall maintain all of its real property in accordance with the city ordinances. The city has had the burden of paying for the maintenance and demolition of properties held by the Land Trust, and there is much accumulated deferred maintenance on the properties previously held by the Land Trust. The land bank agency shall promptly evaluate the inventory as provided to it by the Land Trust, or pursuant to the sheriff's foreclosure sale under the Land Tax Collection Law, and develop priorities among those properties for demolition, repairing critical structural envelope elements, such as the roof, if the building is deemed salvageable, and secure the structures from entry to the extent possible.

Sec. 74-80. Sale or Other Disposition of Property

(a) *Public Review of Inventory.* The land bank agency shall maintain and make available for public review and inspection an inventory of all real property held by the land bank agency. This inventory shall be available on the land bank agency website and include at a minimum whether a parcel is available for sale, the address of the parcel if an address has been assigned, the parcel number, if no address has been assigned, and the year that a parcel entered the land bank agency's inventory. The land bank agency is encouraged to use photographs, location maps and other tools that will help the public identify the property, and may include links on its website to other sources for such information.

(b) *Policies for Disposition.* The land bank agency shall determine and set forth in policies and procedures of the board the general terms and conditions for consideration to be received by the land bank agency for the transfer of real property and interests in real property, which consideration may take the form of monetary payments and secured financial obligations, covenants, and conditions related to the present and future use of the property, contractual commitments of the transferee, and such other forms of consideration as determined by the board to be in the best interest of the land bank agency. Such policy shall include a provision that if a land bank agency owns more than five parcels of real property in a single city block and no written offer to purchase any of those properties has been submitted to the agency in the past twelve months, the land bank agency shall reduce its requested price for those properties and advertise the discount publicly; such publication may be on its website and printed lists available at its principal office.

(c) *Authority for Disposition or Pledge as Collateral.* Subject to the limitation set forth in Section 74-71 and subsection (e) below, the land bank agency may convey, exchange, sell, transfer, lease, grant, release and demise, pledge and hypothecate any and all interests in, upon or to property of the land bank agency.

(d) *Authority to Delegate.* The board may delegate to officers and employees the authority to enter into and execute agreements, instruments of conveyance and all others related documents pertaining to the conveyance of property by the land bank agency.

(e) *Priority.* Subject to subsection (f) of this section, the land bank agency shall determine a hierarchical priority ranking for the particular use of a parcel of real property conveyed by such land bank agency, and such priorities may, include, but are not limited to:

- (1) opportunities for revitalization of deteriorating residential, retail and commercial neighborhoods;
- (2) creation of safe, decent and affordable housing for existing and future residents;
- (3) creation of retail and commercial areas on vacant or deteriorated properties within neighborhoods; public spaces and places for parks, green spaces and other public purposes;
- (4) creation or expansion of side yards with unimproved vacant lots in neighborhoods densely constructed, for the benefit of abutting owner-occupied residences;
- (5) the assemblage of property for future development in a manner consistent with the purposes of the city's consolidated plans, particularly in low to moderate income area designated by the city as a target area for revitalization;
- (6) space for use as urban agriculture, community gardens, or other similar uses consistent with healthy eating by residents, including restoring ground through alternative vegetative cover to build-back the soil for future use for food production;
- (7) public spaces and places for parks, green spaces and other public purposes; and
- (8) wildlife conservation areas.

Further, the land bank agency shall adopt a policy specifying for which categories of priority uses parcels need not be listed for sale, and may make such determination on any particular parcel. The foregoing priority uses contemplate that land that is in a nonrevenue-generating, nontax-producing status, may be returned to use in private ownership, contingent upon the recipient's covenants to develop or renovate the property consistent with their plan incorporated into and a part of their accepted offer, which can include additional conditions imposed by the land bank agency, and the recipient's obligations to pay: 1) outstanding real property taxes for any property owned by the recipient, or entities in common control with recipient, within the city, including but not limited to property acquired from the land bank agency, 2) all installments of special assessment for public improvements then due and owing, 3) any outstanding special assessments or liens imposed by the city for municipal services and/or property maintenance violations, and 4) any unsatisfied fines or fees for property maintenance violations or previously issued administrative citations as issued by the city (collectively referred to as "financial obligations"). The land bank agency may request a waiver by the city of financial obligations on a particular parcel if not extinguished pursuant to the Land Tax Collection Law, and the recipient's obligation shall not extend to such waived financial obligation. Payments upon an ancillary parcel, defined I Section 74-87, shall be controlled by such Section. Such covenants and obligations may

be secured by a deed of trust or other collateral pledge, with the appropriateness of such pledge and length of that pledge, being a determination delegated to the land bank agency. The land bank agency's determination shall consider that the beneficiaries of its efforts are the city and the taxing authorities in accordance with Section 74-72. The length of the secured pledge shall be for no more than a period of three years, provided the length will be automatically extended upon the then owner's failure to develop or renovate the property, pay property taxes or other financial obligations to the city or maintain the property, with such extension being for whatever period necessary to exercise the land bank agency's rights under such deed of trust or other pledge of collateral. The land bank agency is empowered to exercise any and all rights under any deed of trust or pledge of collateral as security.

The city hereby delegates to the board of commissioners governing such land bank agency to determine as to a particular property for which there are competing requests for acquisition with different priority uses which use best serves the residents of the city, first, and then the taxing authorities. But in all events, such priorities shall be consistent with and no more restrictive than municipal planning and zoning ordinances.

(f) *Offers.*

- (1) *What Constitutes an Offer.* Subject to subsections (e) and (f) of this Section, a land bank agency will consider all written offers equal to or greater than fair market value to purchase real property held by the land bank agency. A written offer must be made on the forms available for that purpose from the land bank agency. Further, the land bank agency may adopt policies and procedures as to what constitutes an offer. An offer must state the proposed use for the property, and the land bank agency may consider as a part of the acceptance of such offer whether the proposed use is in compliance with the existing zoning designation and land use regulations of such property and is a use consistent with the priority for that particular parcel. Any transfer for a use that would require a change in the zoning classification, may be conditioned upon the land bank agency's receipt of a written statement from the city registered neighborhood association that it is in support of such changed use. Further, an offer must include at a minimum: a) a certified statement from the proposed purchaser, signed by at least one duly authorized individual officer if an entity, that the proposed purchaser, or the holder of a controlling interest therein, does not have any outstanding delinquent real property taxes for any property owned within the city, is current on all installments of special assessment for public improvements then due and owing, does not have any outstanding special assessments or liens imposed by the city for municipal services and/or property maintenance violations, and does not have any pending property maintenance violations or any unsatisfied fines for previously issued administrative citations as issued by the city, b) a list of all owners, officers, members or partners of an entity which is the proposed purchaser, with their primary residences, and c) for any proposed purchaser that is an entity the offer must include a designation of local agent, with a valid city issued business license, with a principal place of business in the city, authorized to accept on behalf of such entity notices of code violations or other service of process, which designation shall be deemed to remain in full force and effect until written notice to the contrary is provided to the land bank

agency, which shall be effective only if a subsequent local agent, similarly qualified, is named in such notice.

- (2) *Fair Market Value.* The land bank agency shall determine the fair market value by reasonable and cost-effective means, including, without limitation: 1) adopting the market value as determined by the Jackson County Assessor, 2) establishing a set value for unimproved vacant residentially zoned property generally in the same area, based on tiers of square footage and on market conditions for that property, to facilitate the use of such properties for priority uses (4) or (6) of subsection (e) of this Section, 3) relying upon land bank agency or city staff input, which may be based on appraisals or valuations obtained for whatever municipal purpose, or 4) real estate broker's sale price summary of other comparable properties. An appraisal, done by a licensed or certified appraiser pursuant to RSMo Chapter 339, holding a city issued business license, submitted by the person or entity with their offer, will be considered by the land bank agency, but is not determinative as to what constitutes a fair market value.
- (3) *Rejection of an Offer.* If a land bank agency rejects a written offer equal to or greater than fair market value, or does not respond to a written offer equal to or greater than fair market value within sixty days, the land bank agency's action shall be subject to judicial review under chapter 536 or any other applicable provision of law unless the basis for the land bank agency's rejection is that it has accepted another offer equal to or greater than fair market value for that property. Venue shall be in the circuit court of the Jackson County.

Sec. 74-81. Application of Sale Proceeds.

(a) When any parcel of real estate acquired by a land bank agency pursuant to a deemed sale under subsection 3 of RSMo Section 141.560, by deed from a land trust under subsection 1 of RSMo Section 141.984, or pursuant to a sale under subdivision (2) of subsection 2 of RSMo Section 141.550 is sold or otherwise disposed of by such land bank agency, the proceeds therefrom shall be applied and distributed in the following order:

- (1) to the payment of the expenses of sale;
- (2) to fulfill the requirements of the resolution, indenture or other financing documents adopted or entered into in connection with bonds, notes or other obligations of the land bank agency, to the extent that such requirements may apply with respect to such parcel of real estate;
- (3) the balance to be retained by the land bank agency to pay the salaries and other expenses of such land bank agency and of its employees as provided for in its annual budget, provided, however such budget shall be deemed to include: i) all expenses for the staffing and administrative support of the land bank agency provided by the city, and ii) the maintenance, repair and demolition of properties, as accounted for by the land bank agency in cooperation with the city, and the actual

costs thereof may exceed the funds budgeted, and all such actual expenses and costs borne by the city on behalf of the land bank agency shall be reimbursed first to the city and shall automatically be deemed a part of the budget for the purposes of this Section 74-81; and

- (4) any funds in excess of those necessary to meet the expenses of the annual budget of the land bank agency in any fiscal year [as set forth in subdivision (3) of subsection (a) of this section pursuant to which a budget is deemed to include the actual costs borne by the city on behalf of the land bank agency that shall be reimbursed first to the city] including a reasonable sum to carry over into the next fiscal year to assure that sufficient funds will be available to meet expenses for that next fiscal year, exclusive of net profit from the sale of ancillary parcels, shall be paid to the respective taxing authorities that, at the time of the distribution, are taxing the real property from which the proceeds are being distributed. The distributions shall be in proportion to the amounts of the taxes levied on the properties by the taxing authorities. Distribution shall be made on January first and July first of each year and at such other times as the board may determine.

(b) When any ancillary parcel, as defined in Section 74-87, is sold or otherwise disposed of by such land bank agency, the proceeds therefrom shall be applied and distributed in the following order:

- (1) to the payment of all land taxes and related charges then due on such parcel;
- (2) to the payment of the expenses of sale;
- (3) to fulfill the requirements of the resolution, indenture, or other financing documents adopted or entered into in connection with bonds, notes or other obligations of the land bank agency, to the extent that such requirements may apply with respect to such parcel of real estate;
- (4) the balance to be retained by the land bank agency to pay the salaries and other expenses of such land bank agency and of its employees as provided for in its annual budget as set forth in subdivision (3) of subsection (a) of this section, including the obligation to reimburse the city costs and expenses incurred on behalf of the land bank agency; and
- (5) any funds in excess of those necessary to meet the expenses of the annual budget of the land bank agency in any fiscal year and a reasonable sum to carry over into the next fiscal year to assure that sufficient funds will be available to meet expenses for that next fiscal year, shall be paid in accordance with subdivision (3) of subsection (a) of this section.

(c) Except as otherwise provided in subsections (a) and (b) of Section 74-81, a land bank agency may receive and retain payments for services rendered, for rents and leasehold payments received, for consideration for disposition of real and personal property, for proceeds of insurance

coverage for losses incurred, for income from investments, and for any other asset and activity lawfully permitted to a land bank agency under the Land Tax Collection Law.

(d) The land bank agency is encouraged to adopt and may revise from time to time a policy as to the percentage of an annual budget that shall be deemed reasonable to carry forward into the next fiscal year, with the understanding that upfront costs of demolition and substantial deferred maintenance on properties acquired from the Land Trust make it difficult to project such percentage in the initial years of operation of the land bank agency.

Sec. 74-82. Payments to Land Bank Agency Subsequent to Disposition.

If a land bank agency sells or otherwise disposes of a parcel of real estate held by it, any land taxes assessed against such parcel for the three tax years following such sale or disposition by such land bank agency that are collected by the collector in a calendar year and not refunded, less the fees provided under RSMo Section 52.260 and this Section and less the amounts to be deducted under RSMo Section 137.720, shall be distributed by the collector to such land bank agency no later than March 1 of the following calendar year; provided that land taxes impounded under RSMo Section 139.031 or otherwise paid under protest shall not be subject to distribution under this Section. Any amount required to be distributed to a land bank agency under this Section shall be subject to offset for amounts previously distributed to such land bank agency that were assessed, collected, or distributed in error. In addition to any other provisions of law related to collection fees, the collector shall collect on behalf of the county a fee of four percent of reserve period taxes collected and such fees collected shall be deposited in the county general fund.

Sec. 74-83. Budgets and audits.

The land bank agency shall prepare an annual budget, and the board shall review and approve a budget for the land bank agency proceeding each fiscal year, which will correspond to the fiscal year of the city. Accounts shall be established and disbursements of funds shall be in accordance with guidelines established by the board, consistent with the recommendations of the city's finance department. While under no obligation to do so, the city may contribute to the annual budget in such manner as approved by the city. Such contribution or the incurring of expenses by the city on behalf of the land bank agency, shall be reimbursed to the city from sale proceeds consistent with subsections 74-81(a)(3) and 74-81(b)(4). There shall be an annual audit of the affairs, accounts, expenses, and financial transactions of a land bank agency by certified public accountants as of April thirtieth of each year, which accountants shall be employed by the commissioners on or before March first of each year, and certified copies thereof shall be furnished to the appointing authorities described in section 74-73, and shall be available for public inspection at the office of the land bank agency. The cost of such audit shall be paid by the land bank agency, and copies shall be made available to the public within 30 days of the completion of the audit. In addition to the annual audit provided for in this subdivision, the state auditor and city auditor may conduct audits of the land bank agency at any time.

Sec 74-84. Authority to Issue Bonds and Other Forms of Indebtedness.

(a) A land bank agency shall have power to issue bonds, with approval of the city, for any of its corporate purposes, which bonds shall be special, limited obligations of the land bank agency, the principal of and interest on which shall be payable solely from the income and revenue derived from the sale, lease, or other disposition of the assets of the land bank agency, or such portion thereof as may be designated in the resolution, indenture, or other financing documents relating to the issuance of the bonds. In the discretion of the land bank agency, any of such bonds may be secured by a pledge of additional revenues, including grants, contributions, or guarantees from the state, the federal government, or any agency or instrumentality thereof, or by a mortgage or other security device covering all or part of the property from which the revenues so pledged may be derived.

(b) Bonds issued by a land bank agency shall not be deemed to be an indebtedness within the meaning of any constitutional or statutory limitation upon the incurring of indebtedness. The bonds shall not constitute a debt, liability, or obligation of the state or of any political subdivision thereof, except in accordance with subsection (d) of this section, or a pledge of the full faith and credit or the taxing power of the state or of any such political subdivision, and the bonds shall contain a recital to that effect. Neither the members of the board nor any person executing the bonds shall be liable personally on the bonds by reason of the issuance thereof.

(c) Bonds issued by a land bank agency shall be authorized by resolution of the board and shall be issued in such form, shall be in such denominations, shall bear interest at such rate or rates, shall mature on such dates and in such manner, shall be subject to redemption at such times and on such terms, and shall be executed by one or more members of the board, as provided in the resolution authorizing the issuance thereof or as set out in the indenture or other financing document authorized and approved by such resolution. The board may sell such bonds in such manner, either at public or at private sale, and for such price as it may determine to be in the best interests of the land bank agency.

(d) Any political subdivision may elect to guarantee, insure, or otherwise become primarily or secondarily obligated with respect to the bonds issued by a land bank agency subject, however, to the provisions of Missouri law applicable to the incurrence of indebtedness by such political subdivision. No political subdivision shall have any such obligation if it does not so elect.

(e) A land bank agency may from time to time, as authorized by resolution of the board, issue refunding bonds for the purpose of refunding, extending and unifying all or any part of its valid outstanding bonds. Such refunding bonds may be payable from any of the sources identified in subsections (a) and (d) of this section, and from the investment of any of the proceeds of the refunding bonds.

(f) The bonds issued by a land bank agency shall be negotiable instruments pursuant to the provisions of the uniform commercial code of the state of Missouri.

(g) Bonds issued pursuant to this section and all income or interest thereon shall be exempt from all state taxes, except estate and transfer taxes.

(h) A land bank agency shall have the power to issue temporary notes upon the same terms and subject to all provisions and restrictions applicable to bonds under this section. Such notes issued by a land bank agency may be refunded by notes or bonds authorized under this section.

Sec. 74-85. Open Meetings.

Except as otherwise provided under Missouri law, all board meetings shall be open to the public and the board shall cause minutes and a record to be kept of all its proceedings. The land bank agency shall be subject to the provisions of Chapter 610, Chapter 109, and any other applicable provisions of Missouri state law governing public records and public meetings.

Sec. 74-86. Conflicts of Interest and Ethics.

Neither the members of the board nor any salaried employee of a land bank agency shall receive any compensation, emolument, or other profit directly or indirectly from the rental, management, acquisition, sale, demolition, repair, rehabilitation, use, operation, ownership, or disposition of any lands held by such land bank agency other than the salaries, expenses, and emoluments provided for in this Article IV. Neither the members of the board nor any salaried employee of a land bank agency shall own, directly or indirectly, any legal or equitable interest in or to any lands held by such land bank agency. In accordance with RSMo Section 141.1000, a violation of this section is a felony, and any person found guilty of violating this section shall be sentenced to a term of imprisonment of not less than two nor more than five years. The board of a land bank agency shall adopt supplemental rules and regulations addressing potential conflicts of interest and ethical guidelines for members of the board and land bank agency employees, provided that such rules and regulations are not inconsistent with this Article IV or any other applicable law.

Sec. 74-87. Ancillary Parcels.

(a) *Definition.* An “ancillary parcel” shall mean a parcel of real estate acquired by the land bank agency other than: 1) pursuant to a deemed sale under subsection 3 of RSMo Section 141.560; 2) by deed from the Land Trust under Section 74-76; or 3) pursuant to a sale under subdivision (2) of subsection 2 of RSMo Section 141.550.

(b) *Application of Proceeds from Ancillary Parcels.* To the extent that a land bank agency receives payments or credits of any kind attributable to liens or claims for real property taxes owed to a taxing authority for an ancillary parcel, the land bank agency shall remit the full amount of the payments to the collector for distribution to the appropriate taxing authority in accordance with subsection 74-81(b)(1), unless a taxing authority has elected to contribute all or any portion of such taxes. Whenever any ancillary parcel is acquired by a land bank agency and it is encumbered by a lien or claim for real property taxes owed to a taxing authority, such taxing authority may elect to contribute to the land bank agency all or any portion of such taxes that are distributed to and received by such taxing authority.

Sec. 74-88. Quiet Title Action.

A land bank agency shall be authorized to file an action to quiet title pursuant to RSMo Section 527.150 as to any real property in which the land bank agency has an interest. For purposes of any and all such actions the land bank agency shall be deemed to be the holder of sufficient legal and equitable interests, and possessory rights, so as to qualify the land bank agency as adequate petitioner in such action.

(a) *Service of Petition.* Prior to the filing of an action to quiet title the land bank agency shall conduct an examination of title to determine the identity of any and all persons and entities possessing a claim or interest in or to the real property. Service of the petition to quiet title shall be provided to all such interested parties by the following methods:

- (1) registered or certified mail to such identity and address as reasonably ascertainable by an inspection of public records;
- (2) in the case of occupied real property by first class mail, addressed to "Occupant";
- (3) by posting a copy of the notice on the real property;
- (4) by publication in a newspaper of general circulation in the municipality in which the property is located; and
- (5) such other methods as the court may order.

(b) *Affidavit.* As part of the petition to quiet title the land bank agency shall file an affidavit identifying all parties potentially having an interest in the real property, and the form of notice provided.

(c) *Statutory Hearing.* In accordance with subsection 4 of RSMo Section 141.1009, the court shall schedule a hearing on the petition within ninety days following filing of the petition, and as to all matters upon which an answer was not filed by an interested party the court shall issue its final judgment within one hundred twenty days of the filing of the petition.

(d) *Consolidation of Parcels into Single Petition.* The land bank agency shall be authorized to join in a single petition to quiet title one or more parcels of real property.

Sec. 74-89. Dissolution.

The land bank agency may be dissolved as a public body corporate and politic not less than sixty calendar days after an ordinance or resolution for such dissolution is enacted by the city. Not less than sixty calendar days advance written notice of consideration of such an ordinance or resolution of dissolution shall be given to the members of the board of the land bank agency, shall be published in a local newspaper of general circulation within such municipality, and shall be sent by certified mail to each trustee of any outstanding bonds of the land bank agency. No land bank agency shall be dissolved while there remains outstanding any bonds, notes, or other

obligations of the land bank agency unless such bonds, notes, or other obligations are paid or defeased pursuant to the resolution, indenture or other financing document under which such bonds, notes, or other obligations were issued prior to or simultaneously with such dissolution. Upon dissolution of a land bank agency pursuant to this section, all real property, personal property, and other assets of the land bank agency shall be transferred by appropriate written instrument to and shall become the assets of the municipality that established the land bank agency. Such municipality shall act expeditiously to return such real property to the tax rolls and shall market and sell such real property using an open, public method that ensures the best possible prices are realized while ensuring such real property is returned to a suitable, productive use for the betterment of the neighborhoods in which such real property is located. Any such real property that was acquired by the dissolved land bank agency pursuant to a deemed sale under subsection 3 of RSMo Section 141.560, by deed from a land trust under subsection 1 of Section 74-76, or pursuant to a sale under subdivision (2) of subsection 2 of RSMo Section 141.550 shall be held by such municipality in trust for the tax bill owners and taxing authorities having an interest in any tax liens which were foreclosed, as their interests may appear in the judgment of foreclosure, and upon the sale or other disposition of any such property by such municipality, the proceeds therefrom shall be applied and distributed in the following order:

- (1) to the payment of the expenses of sale;
- (2) to the reasonable costs incurred by such municipality in maintaining and marketing such property; and
- (3) the balance shall be paid to the respective taxing authorities that, at the time of the distribution, are taxing the real property from which the proceeds are being distributed.

Sec. 74-90. Limitation of Powers.

A land bank agency shall neither possess nor exercise the power of eminent domain. A land bank agency shall not have the power to tax.

Sec. 74-91. Interpretation of Ordinance and Severability of Provisions.

All powers granted to the land bank agency under Ordinance No. 120779 shall be interpreted broadly to effectuate the intent and purposes of such Ordinance, and not to serve as a limitation of powers. The invalidity of any clause, sentence, paragraph, subdivision, section, or portion thereof, shall not affect the validity of the remaining provisions of the Ordinance.

Sec. 74-92 – 74-99. Reserved.

ARTICLE V.
RECLAMATION OF BLIGHTED, SUBSTANDARD OR INSANITARY AREAS

Sec. 74-100. Title of article.

This article shall be known as the Reclamation of Blighted, Substandard or Insanitary Areas Process ordinance.

Sec. 74-101. Authority.

This article is adopted pursuant to the powers granted and limitations imposed by Section 21, Article VI, MO. Const., RSMo Chapter 523, the City Charter and Kansas City's Home Rule Authority.

Sec. 74-102. Power.

The City may reclaim blighted, substandard or insanitary property by condemnation, negotiation and purchase, or donation, for clearance, replanning, reconstruction, redevelopment and rehabilitation, in accord with Section 21, Article VI, of the Missouri Constitution.

Sec. 74-103. Purposes.

This article is adopted for the purposes of:

- (1) Protecting and promoting the public health, safety and general welfare;
- (2) Enhancing the quality of life of the residents of the City of Kansas City, Missouri;
- (3) Maintaining economically vibrant and visually attractive residential, business and commercial areas;
- (4) Retaining and expanding the city's employment base;
- (5) Conserving property values; and
- (6) Accommodating orderly and beneficial development.

Sec. 104. Compliance required.

(a) Any eminent domain action filed pursuant to the authority of Section 21, Article VI, MO. Const., and/or this article will be in accord with RSMo. Chapter 523 and Rule 86 of the Missouri Rules of Civil Procedure, each as may be amended.

(b) If property acquired pursuant to this article is to be sold or divested, the divestment will be in accord with any applicable administrative regulation and City Charter provision.

Sec. 105. Severability.

If any portion of this article is held to be invalid, that portion is deemed severed from the other provisions and the remainder of this article shall be valid.

Sec. 74-106 – 74-199. Reserved

**ARTICLE VI.
URBAN AGRICULTURAL ZONE**

Sec. 74-200. Title of article.

This article shall be known as the Urban Agricultural Zone ordinance.

Sec. 74-201. Definitions.

(a) The following words, terms and phrases, when used in this Article, shall have the meaning ascribed to them in this section, except where the context clearly indicates a different meaning:

- (1) *Agricultural products* – an agricultural, horticultural, viticultural, or vegetable product, growing of grapes that will be processed into wine, bees, honey, fish or other aquacultural product, planting seed, livestock, a livestock product, a forestry product, poultry or a poultry product, either in its natural or processed stated, that has been produced, processed or otherwise had value added to it in Missouri.
- (2) *Blighted area* – an area of the City which the City Council determines that by reason of age, obsolescence, inadequate, or outmoded design or physical deterioration has become an economic and social liability, and that such conditions are conducive to ill health, transmission of disease, crime or inability to pay reasonable taxes.
- (3) *Director* – the Director of City Development or his designee appointed for purposes of performing any obligation assigned to the director by this Article.
- (4) *Grower UAZ* – a UAZ that is (1) a qualifying small business approved by the Missouri Department of Agriculture, unless otherwise exempted as provided in Section 74-208 of this Article, and (2) engaged in growing produce; producing value added agricultural products; raising laying hens (not to exceed 50); raising broiler chickens (not to exceed 650); raising cattle, calves, sheep, swine, ratite birds including but not limited to ostrich and emu, llamas, alpaca, buffalo, elk documented as obtained from a legal source and not from the wild, goats, or rabbits raised in confinement for human consumption (not to exceed 30 collectively); or raising aquatic products as defined by Section 277.024, RSMo (no limit).

- (5) *Locally grown* – an agricultural product that was grown or raised in one or more of the following counties as dictated by the county in which the UAZ is located:

Jackson County, MO UAZ: Jackson County, MO; Clay County, MO; Ray County, MO; Lafayette County, MO; Johnson County, MO; Cass County, MO; Wyandotte County, KS; and Johnson County, KS.

Platte County, MO UAZ: Platte County, MO; Buchanan County, MO; Clinton County, MO; Clay County, MO; Wyandotte County, KS; Leavenworth County, KS; and Atchison County, KS.

Clay County, MO UAZ: Clay County, MO; Platte County, MO; Clinton County, MO; Ray County, MO; Jackson County, MO; and Wyandotte County, KS.

Cass County, MO UAZ: Cass County, MO; Jackson County, MO; Johnson County, MO; Henry County, MO; Bates County, MO; Miami County, KS; and Johnson County, KS.

- (6) *Mobile unit* – a motor vehicle as defined in Section 301.010, RSMo.
- (7) *Processing UAZ* – a UAZ that (1) meets federal and state processing laws and standards, (2) is a qualifying small business approved by the Missouri Department of Agriculture, and that (3) processes, for human consumption, any one or more of the following and which shall have been located in the State of Missouri or within 250 miles of the Processing UAZ for not less than ninety (90) consecutive calendar days or the entirety of its life, whichever is shorter, immediately preceding harvesting or slaughter: Produce or any domesticated bird intended for human consumption, cattle, calves, sheep, swine, ratite birds including but not limited to ostrich and emu, aquatic products as defined by Section 277.024, RSMo, llamas, alpaca, buffalo, elk documented as obtained from a legal source and not from the wild, goats, or rabbits raised in confinement for human consumption.
- (8) *Qualifying small business* – a business meeting the smallest size standard applicable to any financial assistance program as established by 13 CFR 121.201.
- (9) *UAZ Act* – Section 262.900, RSMo, as the same may be amended from time to time.
- (10) *UAZ eligible area* – any area located wholly within the corporate boundaries of the City of Kansas City, Missouri.
- (11) *Underutilized urban parcel* – a parcel of land that has been:
- a. vacant or had less than thirty-five percent (35%) of the real property and improvements thereon, if any, utilized to their highest and best use for at least three (3) continuous years; or

- b. a lot owned by the City and which the City has identified as being available for urban agriculture use; or
 - c. an economically obsolescent, outdated or failing parcel of land, and which is either:
 - i. Located in a census tract or within one mile of a census tract having a poverty rate of twenty percent (20%) or greater or a median family income at or below eighty percent (80%) of the Kansas City Metropolitan Statistical Area's median family income as measured by the most recent American Community Survey; or
 - ii. Located in a census tract in which at least five hundred (500) persons or thirty-three percent (33%) of the population live more than one mile from a supermarket or large grocery store as measured by the most recent American Community Survey.
- (12) *Urban agricultural zone (UAZ)* – an area containing one or more Grower UAZs, Processing UAZs, Vending UAZs, or any combination thereof.
- (13) *Value added agricultural products* – any product or products that are the result of:
- a. Using an agricultural product grown in Missouri to produce a meat or dairy product, intended for human consumption, in Missouri;
 - b. A change in the physical state or form of the original agricultural product;
 - c. An agricultural product grown in Missouri which has had its value enhanced by special production methods such as organically grown products; or
 - d. A physical segregation of a commodity or agricultural product grown in Missouri that enhances its value such as identity preserved marketing systems.
- (14) *Vending UAZ* – a UAZ that (1) is able to accept food stamps under the provisions of the Supplemental Nutrition Assistance Program as a form of payment, (2) is a qualifying small business approved by the Missouri Department of Agriculture for a UAZ vendor license, and that (3) sells no less than seventy-five percent (75%) locally grown produce, locally grown value added agricultural products, or locally grown edible portion or part of any domesticated bird intended for human consumption, cattle, calves, sheep, swine, ratite birds including but not limited to ostrich and emu, aquatic products as defined by Section 277.024, RSMo, llamas, alpaca, buffalo, elk documented as obtained from a legal source and not from the wild, goats, or rabbits raised in confinement for human consumption.

Section 74-202. Location of UAZ

A UAZ shall fall, in whole or in part, within the UAZ eligible area and include one or more underutilized urban parcels within its boundaries.

Sec. 74-203. Application.

(a) The application to establish a UAZ shall be in such form as the Director may elect to require, but shall include, at a minimum, the following:

- (1) An identification of the type(s) of UAZ the applicant is seeking to establish.
- (2) An identification of the specific agricultural products that the applicant seeks to grow, process or vend.
- (3) The number of jobs anticipated to be created.
- (4) The duration of the ad valorem tax abatement being requested.
- (5) Verification of Missouri Department of Agriculture approval, if applicable.
- (6) Confirmation that the applicant currently possesses the ability to control the site through ownership or leasehold interest.
- (7) A business plan containing sufficient information to enable a meaningful consideration of the proposed UAZ's viability.
- (8) Such financial records as may be required for purposes of establishing that the applicant is a qualifying small business and has a viable plan of financing the implementation of the UAZ.
- (9) Identification of the site improvements the applicant proposes to make and a timeline for the same.
- (10) Identification of those factors that the applicant reasonably believes support a determination of blight and substantiating documentation demonstrating the presence of such factors;
- (11) Written consent of the owners of all the real property included within the proposed UAZ; and
- (12) If the applicant is proposing to establish a Vendor UAZ, documentation that the applicant currently possesses a UAZ vendor license and the ability to accept food stamps under the provisions of the Supplemental Nutrition Assistance Program as a form of payment in selling products to consumers.

- (13) An identification of the objectives the proposed UAZ seeks to further, which shall include one or more of the following: redeveloping or reusing idle and/or blighted urban properties, promoting innovation in agriculture and sustainable land use practices, eliminating food deserts, creating urban agriculture employment opportunities, expanding local agriculture-related business, engaging in community outreach to promote healthier lifestyles and safe and organic gardening practices, and improving access to locally grown, processed and marketed healthy foods.

(b) The City or such entity as the City may elect to contract with for purposes of assisting it in matters of economic development shall review the application, determine its sufficiency and apprise the applicant of any changes that are required as a condition of its further processing or approval.

Sec. 74-204. Joint applications permissible.

One or more businesses may submit a joint application to establish a UAZ that is proposed to include more than one specific type of UAZ. The application shall identify each business by reference to a specific type of UAZ. The sufficiency of the application shall be separately determined with regard to each specific type of UAZ.

Sec. 74-205. Mixed-use UAZ.

(a) A UAZ shall not be required to include more than one specific type of UAZ for approval. Notwithstanding the foregoing, a business may elect to apply for designation as more than one specific type of UAZ, and the requirements applicable to the specific type of UAZ shall be applied in determining which designations, if any, may be approved. The sufficiency of the application shall be separately determined with regard to each specific type of UAZ.

(b) The non-existence or denial of status as a specific type of UAZ shall not impair a business in its lawful operation. For purposes of illustration only, and without limitation, a business approved as a Grower UAZ but otherwise not seeking approval or qualified to be approved as a Processing UAZ or Vending UAZ shall not be precluded from lawfully processing or selling its agricultural products.

Sec. 74-206. Prioritization of Grower UAZs; excluded activities.

(a) The City encourages the use of Grower UAZs in a manner that primarily supports the expanded availability of healthy foods intended for human consumption. Uses which would result in the production of non-edible agricultural products may be permitted but shall be subjected to increased scrutiny consistent with the objectives of this Article and may receive a shorter term of ad valorem property tax abatement, if approved.

(b) The following uses shall be excluded within any Grower UAZ:

- (1) The raising of fish or livestock not intended for human consumption.

Sec. 74-207. Seventy-five percent locally grown; Vending UAZs.

(a) Not less than seventy-five percent (75%) of the agricultural products sold by a Vending UAZ shall be locally grown.

(b) Value added agricultural products shall be regarded as being locally grown only if not less than seventy-five percent (75%) of any components therein were locally grown.

(c) For purposes of determining whether the seventy-five percent (75%) threshold has been satisfied, sales shall be measured by the volume or weight of the agricultural products sold consistent with industry standards.

Sec. 74-208. Small business; Missouri Department of Agriculture approval.

Notwithstanding Section 74-201(a)(4) of this Article, a Grower UAZ shall not be required to be a small business approved by the Missouri Department of Agriculture provided the UAZ includes one or more Processing UAZs or Vending UAZs, each of which satisfies such requirements.

Sec. 74-209. Blight required.

(a) No UAZ shall be established unless the area included therein is a blighted area.

(b) The existence of blighting factors shall be verifiable and substantiated by either a blight study provided by a third party or by other data sufficient for such purposes. Existing blight declarations under any other provision of law or blight studies related thereto may be utilized for such purposes to the extent a predominance of the blighting factors identified therein continue to exist.

(c) The determination of blight may be made at any time prior to receipt of an application to establish a UAZ or contemporaneous with the ordinance establishing the urban agricultural zone board provided for by Section 74-210 of this Article.

Sec. 74-210. Establishment of UAZ board; hearing.

(a) If an application is determined to be eligible for UAZ designation under the provision of this Article and the UAZ Act, then the Director shall introduce an ordinance to establish an urban agricultural zone board. If blight has not yet been determined, such ordinance shall also include provisions for making such determination.

(b) Upon approval of the ordinance, the urban agricultural zone board shall be deemed established and its members shall be appointed in such manner and for such terms as provided by the UAZ Act.

(c) The urban agricultural zone board shall fix a time and place for public hearing and notify each taxing jurisdiction located wholly or partially within the boundaries of the proposed

UAZ. The board shall send, by certified mail, a notice of such hearing to all taxing districts and political subdivisions in the area to be affected and shall publish notice of such hearing in a newspaper of general circulation in the area to be affected by the designation at least twenty days prior to the hearing but not more than thirty days prior to the hearing. Such notice shall state the time, location, date and purpose of the hearing. At the public hearing any interested person or affected taxing district may file with the board written objections to, or comments on, and may be heard orally in respect to, any issues embodied in the notice. The board shall hear and consider all protests, objections, comments, and other evidence presented at the hearing. The hearing may be continued to another date without further notice other than a motion to be entered upon the minutes fixing the time and place of the subsequent hearing.

Sec. 74-211. Ordinance designating UAZ.

(a) An ordinance designating a UAZ shall not be introduced or considered until the public hearing shall have concluded and the urban agricultural zone board shall have made its recommendation. The City Council shall, if it deems designation of the UAZ advisable, adopt an ordinance providing for such designation. The ordinance shall specify the maximum duration of the tax abatement. If the real property upon which the UAZ will be located is leased, the term of the tax abatement shall not extend beyond the term of the lease as the same may be amended. In no event shall the period of tax abatement exceed twenty-five (25) years.

(b) The City Council shall have the discretion to deny or approve such designation with such term of abatement as it shall deem proper notwithstanding the recommendation of the urban agricultural zone board.

Sec. 74-212. Tax Incentives.

The portion of real property used as a UAZ designated by the City Council shall not be subject to assessment or payment of ad valorem taxes on real property for such period of time as was specified by the ordinance provided for by Section 74-211 of this Article, except to such extent and in such amount as may be imposed upon such real property during such period, as was determined by the assessor of the county in which such real property is located, in an amount not greater than the amount of taxes due and payable thereon during the calendar year preceding the calendar year during which the UAZ was designated.

Sec. 74-213. Water Incentives; Grower UAZs.

A business within any Grower UAZ shall pay such water rates and costs as would otherwise be applicable to such business, provided however that the Director of Water Services may, subject to the availability of funds for such purposes, establish and administer, or cause to be administered, a program whereby a business within a Grower UAZ may apply for and, if approved, receive funds that may be applied by such business to offset any amounts otherwise due.

Sec. 74-214. Sales taxes.

Local sales taxes received from the sale of any agricultural product within the boundaries of a UAZ or from a mobile unit associated with a Vending UAZ and transacting the sale within the City's corporate limits shall be directed, deposited and utilized in accordance with the UAZ Act.

Sec. 74-215. Annual reporting.

(a) Those businesses within a UAZ shall submit an annual report to the Director no later than May 1 of each calendar year. The report shall be in such form as the businesses within the UAZ may elect to submit, but shall contain sufficient information to enable the Director to determine whether the businesses within the UAZ complied with the requirements imposed on them by this Article and the UAZ Act and whether they continue to maintain eligibility under the standards applicable to their specific type of UAZ. The failure to submit an annual report within sixty (60) calendar days of its due date shall constitute grounds to terminate a UAZ, in whole or in part.

(b) The receipt and acceptance of an annual report shall not act as a waiver by City of any violation of this Article or the UAZ Act nor shall it preclude the City from enforcing any clawback, terminating a UAZ, or taking any other action permitted under law with regard to a UAZ.

Sec. 74-216. Clawback.

If the Director determines that any business has violated the provisions of this Article or the UAZ Act in such a manner as to render the real property ineligible for the ad valorem property tax abatement, the City shall be entitled to recoup from the business the entirety of the ad valorem property taxes that would have otherwise been due and payable but for their abatement. Any sums collected shall be distributed pro rata to the relevant taxing jurisdictions. This provision shall not be construed in manner that would limit any other lawful remedies otherwise available to City.

Sec. 74-217. Ongoing review.

(a) The Director shall review the operations within a UAZ no less than once every five years commencing with the designation of a UAZ, or with such additional frequency as the Director may elect to require. Those businesses within the UAZ shall make their records available within ten (10) days of written notice.

(b) The Director shall have the right to conduct on-site inspections of any business within the UAZ during regular business hours for purposes of reviewing its compliance with this Article and the UAZ Act.

Sec. 74-218. Termination.

The designation as a UAZ and the benefits flowing therefrom shall expire at such time specified in the ordinance designating the UAZ, which period shall not exceed twenty-five (25)

years. Notwithstanding the foregoing, the City Council may, by ordinance, dissolve the UAZ, in whole or in part, at any point in time if it determines that the UAZ, or any portion thereof, is not in compliance with the requirements of the UAZ Act or the provisions of this Article, or is otherwise no longer in the City's best interests. The approval of a UAZ shall not create any legally cognizable interest in the continuation of a UAZ or any portion thereof.

Sec. 74-219. Laws applicable.

A UAZ shall comply with all federal, state and local laws applicable to the business activities engaged in by the UAZ. Nothing in this Article shall be construed as waiving or otherwise modifying any requirement imposed by any other provision of law.

Sec. 74-220. Severability.

If any portion of this Article is held to be invalid, that portion is deemed severed from the other provisions and the remainder of this Article shall be valid.

**ARTICLE VII.
COMMUNITY IMPROVEMENT DISTRICTS**

Sec. 74-301. Generally.

(a) *Purpose.* A community improvement district ("CID") is a separate legal entity, either a political subdivision or not-for-profit corporation, which is established to pay for public improvements or private projects through a sales and use tax, special assessment, or real property tax.

(b) *Application.* The provisions contained in this article are in addition to any requirements contained in the Community Improvement District Act, RSMo 67.1401 to 67.1571.

Sec. 74-302. Requirements to establish a CID.

(a) *Petition.* The petition shall:

- (1) Inform the property owners of the right to initiate a petition to terminate the proposed CID as provided by RSMo 67.1481.
- (2) Provide that the city auditor shall have the right to examine or audit the records of the CID and shall require that the CID make such records available to the city auditor within ten days after a written request for the same is made.
- (3) Estimate the revenue to be used for benefits to the public and describe such benefits.

(b) *Term.* CIDs shall be limited to a term of 20 years. However, if the petition provides that sales tax revenue will be used to repay debt issued to fund capital improvements, blight removal, or both, the term may be up to 27 years.

(c) *Blight determination.* Any CID requesting a finding of blight or relying on a prior determination of blight for the purposes of exercising the additional powers under RSMo 67.1461.2 shall submit with its petition:

- (1) A blight study, outlining the blighting factors and conditions, which blight study shall have been completed no more than five years prior to the date upon which the petition is submitted to the city clerk, and which shall identify, to the extent reasonably deemed possible by the consultant doing the blight study, the owner(s) of the property at such time as the blighting factors and conditions might reasonably have been determined to first occur and remain unabated;
- (2) Information on the maintenance of the property including, among other things, any capital maintenance outlays, during the five years preceding the submission of the petition;
- (3) Either
 - (i) Official documentation notarized by the county wherein the CID is proposed to be located, denoting the total assessed valuation of each parcel located within the proposed CID for each of the five immediately preceding tax years;
 - (ii) Documentation denoting the total assessed valuation of each parcel located within the proposed CID for each of the five immediately preceding tax years, accompanied by:
 - a. A notarized affidavit attesting to the date and source of such documentation; and
 - b. Evidence demonstrating that reasonable efforts were made to obtain the official notarized documentation required under subsection (i), and that the county declined or failed to provide such notarization;
- (4) A construction budget, with respect to any proposed physical improvements, that is structured to address and remediate the cited blighting factors and conditions identified in the submitted blight study. Such budget shall specify which expenditures are associated with exterior improvements, public improvements, or other improvements; and
- (5) A time schedule clearly setting forth timelines for commencement and completion of remediation of cited blighting factors or conditions.

(d) *City manager execution.* The city manager shall not execute any petition on behalf of the city as a property owner seeking to establish a CID unless authorized by the city council.

(e) *Cooperative agreement.* Each CID shall enter into a cooperative agreement with the city that addresses, among other things, requirements of this article and state statute. If the CID is established as a political subdivision and takes title to any real property, whether by purchase, gift, grant, bequest, devise or otherwise, the agreement shall address, or shall be amended to address, whether and to what extent the CID shall be required to make payments in lieu of taxes.

Sec. 74-303. Criteria for review for establishment of a CID.

(a) Prior to approving a petition to establish a CID, city council shall consider, among other things:

- (1) Alignment with city goals expressed in the city's comprehensive plan, area plans, and economic development policies;
- (2) Benefits to the community with preference for petitions that allocate at least ten percent of the CID's total projected sales tax revenues toward community benefits and services, including blight remediation;
- (3) Whether there are any existing CIDs within the boundaries of the proposed CID and if such existing CIDs support the establishment of the proposed CID as evidenced by a letter or similar evidence of support;
- (4) The current tax rate and a breakdown of taxes being imposed within the proposed CID boundaries, how the proposed overall tax rate compares to neighboring cities in Missouri, and any impact on the city's ability to impose additional taxes. Such information shall be provided by the finance department; and
- (5) Whether a shorter term is desirable based upon the nature of improvements and services and the projected budget.

(b) Prior to approving a petition to establish a CID with the additional powers under RSMo 67.1461.2, related to blighted areas, city council shall consider, among other things:

- (1) Whether the completion of exterior improvements and public improvements is prioritized above all other improvements;
- (2) Whether any petitioner was the owner of property within the proposed CID boundaries at such time as the blighting factors and conditions might reasonably have been determined to first occur and remain unabated. For purposes of this provision, any current property owner sharing one or more common partners, members, directors or officers with the property owner(s) identified as being responsible for the blighting factors and conditions shall be deemed the same owner(s); and

- (3) Whether more than 25 percent of the costs of remediation of blighting conditions located on the interior of any private property shall be funded by public revenues.

(c) Prior to the public hearing to establish a proposed CID, petitioners or their representatives shall provide a detailed letter or memorandum to city council addressing the criteria contained in this section and city staff shall review submitted materials to verify their satisfaction of the requirements set forth in this article.

Sec. 74-304. Reporting requirements.

(a) Annual reports and proposed annual budgets submitted to the City as required by Section 67.1471, RSMo., shall, among other things, provide a detailed breakdown of the CID revenue used or to be used toward public infrastructure improvements, exterior improvements, interior improvements, and other improvements and services.

- (1) Annual reports shall also include the name, term start and expiration dates, and contact information of each current board member to be entered into the City's board and commissions electronic database.
- (2) Annual reports shall also include a copy of any bylaws adopted during the applicable fiscal year, including revisions to existing bylaws.

(b) The City Clerk shall notify the City Council by communications to be included on the City Council's agenda each time a CID files its proposed annual budget and annual report with the City Clerk.

(c) City staff shall submit to the City Council, or through one of its committees, on or around November 1 of each year a report indicating the degree of compliance of all CIDs related to their submission of proposed annual budgets and annual reports within the time limits required by Section 67.1471, RSMo., whether the work performed conformed to previously submitted budgets, and whether the CID adhered to the terms of its cooperative agreement with the City. At the time of this report's presentation, a representative of each CID will be given the opportunity to provide a brief report on its activities.

Sec. 74-305. Costs and fines.

(a) *Costs.*

- (1) *Annual reimbursement.* Within 30 days of the receipt of an invoice from the City, each CID shall reimburse the City for the reasonable and actual expenses incurred by the City to:
 - a. Review budgets and reports of the CID required to be submitted to the City annually and report to City Council regarding such review.
 - b. Review and approve the petition of a CID.

- c. Review and approve the amended petition of an existing CID.

(2) *Annual reimbursement amount.*

- a. For a CID established pursuant to this article, the initial reimbursement amount shall be no less than \$1,000.00 nor exceed \$1,500.00 except, however, no reimbursement amount shall exceed one and one-half percent (1.5%) of the revenues collected by the CID in the preceding year.
- b. For a CID whose reimbursement amount is only for review of annual submissions, the reimbursement amount shall be no less than \$500.00 nor exceed \$1,000.00 except, however, no reimbursement amount shall exceed one and one-half percent (1.5%) of the revenues collected by the CID in the preceding year.
- c. For an existing CID that amends its petition, the initial reimbursement amount after such amendment shall be no less than \$750.00 nor exceed \$1,250.00 except, however, no reimbursement amount shall exceed one and one-half percent (1.5%) of the revenues collected by the CID in the preceding year.

(3) *Termination hearing notices.* A CID that petitions to terminate prior to the expiration of its term shall reimburse the City for the costs incurred for the publishing and mailing of the notices for the public hearing required by Section 67.1481, RSMo.

(b) *Fines.* Any CID that fails to submit its proposed annual budgets and annual reports within the timeframe required by Section 67.1471, RSMo., shall be subject to a fine of \$1,000 for every thirty (30) days delinquent, up to a maximum total fine of \$3,000.

(1) *Administrative citation.*

- a. Upon a violation, the City Manager or their designee may issue an administrative citation that includes the name of the CIDs a description of the violation, the amount of the fine, and notice of the appeal process.
- b. A CID must request an administrative hearing to appeal an administrative citation within 20 days of the issuance of said administrative citation.
- c. Payment of the administrative citation shall be made within 20 days unless a hearing is requested within the 20-day period.

(2) *Administrative hearing.*

- a. The City Manager or their designee shall designate a hearing officer to hear appeals of the administrative citation.
- b. The hearing shall occur pursuant to rules prescribed by the City Manager or their designee.
- c. After considering all the testimony and evidence submitted at the hearing, the hearing officer shall issue a written decision to uphold or cancel the administrative citation with reasons for such action. The decision of the hearing officer shall be final without any further right of administrative appeal other than as provided in chapter 536, RSMo.

(c) Ineligibility. Any CID with unpaid costs or fines pursuant to this section may be deemed by the City Manager or their designee to be ineligible to:

- (1) Amend its petition, including the extension of its term; and
- (2) Enter into new City contracts.

Section 74-306 -74-349. Reserved.

ARTICLE VIII. CHAPTER 353.

Section 74-350. Title of Article.

This article shall be known as the Chapter 353 Ordinance.

Sec. 74-351. Kansas City Chapter 353 Advisory Board.

(a) The city council hereby establishes the Kansas City Chapter 353 Advisory Board which board shall consist of five members. The members thereof shall be appointed by the mayor from those persons serving as commissioners of the Land Clearance for Redevelopment Authority of Kansas City, Missouri. If one or more of the commissioners is unable or unwilling to serve such that that Kansas City Chapter 353 Advisory Board shall have less than five members at any point in time, then the mayor shall appoint such other persons as he shall determine proper for the purpose of filling the vacancies. Any member drawn from the commissioners of the Land Clearance for Redevelopment Authority shall serve a term that is congruent with his or her term on the Land Clearance for Redevelopment Authority. All other members shall serve for a term of three years or until his or her successor shall have been appointed.

(b) The Kansas City Chapter 353 Advisory Board shall function as provided for in these sections 74-350 through 74-399 with regard to any development plan or amendment to any development plan submitted after the effective date of this section. Those development plans or amendments to development plans approved by the city council prior to the effective date of this section shall continue to be governed as provided for by the provisions of Chapter 74 in effect at

the time such development plan or amendment thereto was approved by ordinance, which provisions shall be retained on file with the Director of City Development and the City Clerk and shall be deemed incorporated herein by reference.

Section 74-352. Definitions.

The terms used in these sections 74-350 through 74-399 shall be defined as provided in section 353.020, RSMo. as amended.

Sec. 74-353. Application for approval of development plan; amendments.

(a) Any urban redevelopment corporation proposing a development plan shall simultaneously submit the following documents, together with the required filing fee, to the Kansas City Chapter 353 Advisory Board:

- (1) Blight study, which study shall exclude consideration of any condition caused by the urban redevelopment corporation;
- (2) Development plan;
- (3) Tax impact analysis to each political subdivision within the area encompassed by the development plan;
- (4) Certification that the urban redevelopment corporation has given written notice of the development plan and a copy of the tax impact analysis to each political subdivision within the area encompassed by the development plan;
- (5) Certification that the urban redevelopment corporation has given written notice to each person or entity having any recorded property interest and to each occupant and business in the project area at the address of such occupant or business within the area encompassed by the development plan;
- (6) Certification that the urban redevelopment corporation will pay, or cause to be paid, prevailing wages as established by Sections 290.210 to 290.340, RSMo, provided however that the payment of prevailing wages shall not be required for the construction or rehabilitation of single-family housing, attached or detached, which will be owner-occupied after the completion of the construction or rehabilitation;
- (7) Certification that the urban redevelopment corporation will comply, and cause its contractors to comply, with the requirements of City's minority and women's business enterprise program as contained within sections 3-421 to 3-469 of this Code, and construction employment program as contained within sections 3-501 to 3-525 of this Code, as the same may be amended and recodified from time-to-time;
- (8) Budget and sufficient financial information to enable the Kansas City Chapter 353 Advisory Committee to determine whether the development plan being proposed

would be economically viable without the assistance being requested and the amount of financial assistance needed, if any, to fill any gap in financing and make the development financially feasible; and

- (9) Any other documentation that may be required by the board.

(b) Any urban redevelopment corporation proposing an amendment to a previously approved development plan shall submit those documents required by subsection (a) hereof as are relevant to the proposed amendment, together with the required filing fee, to the Kansas City Chapter 353 Advisory Board.

(c) Each document required to be submitted to the Kansas City Chapter 353 Advisory Board shall be submitted in such format and contain such information as may be required by the board. The board shall develop a list of the items to be contained in a development plan but such plan shall include, at a minimum, the following:

- (1) Legal description. The plan shall contain a legal description of the development area by metes and bounds or other definite designation.
- (2) Stages of project. The plan shall contain a statement of the various stages, if more than one is intended, by which the development is proposed to be constructed or undertaken, and the approximate time limit for the commencement and completion of each stage, together with a description of the real property to be included in each stage so as to reasonably identify the various stages. The statement shall also set forth a time schedule clearly setting forth reasonable times for commencement and completion of:
 - a. Acquisition of properties.
 - b. Demolition of buildings.
 - c. New construction or building renovation.
- (3) Property to be demolished. The plan shall contain a statement of existing buildings or improvements in the development area to be demolished immediately, if any, and the approximate period of time during which demolition, if any, of each such building or improvement is to take place.
- (4) Property not to be demolished. The plan shall contain a statement of existing buildings or improvements in the development area not to be demolished immediately, if any, and the approximate period of time during which demolition, if any, of each such building or improvement is to take place.
- (5) Building renovation. The plan shall contain a statement of the proposed improvements, if any, to each building not to be demolished immediately, any

proposed repairs or alterations to such buildings, and the approximate period of time during which such improvements, repairs or alterations are to be made.

- (6) New construction. The plan shall contain a statement of the type, number and character of each new residential, commercial and industrial building or other type of improvement to be erected or made.
- (7) Amenities. The plan shall contain a statement of those portions, if any, of the blighted area which shall be determined to be amenities to the project, including but not limited to permanent residential open space for recreation, streetscape, plaza areas and other similar visual effects.
- (8) Property for public agencies. The plan shall contain a statement of those portions, if any, of the blighted area which are proposed to be sold, donated, exchanged or leased to the board of education, public library board, art commission or other public agency and an outline of the terms of such proposed sale, donation, exchange or lease.
- (9) Zoning changes. The plan shall contain a statement of the proposed changes, if any, in zoning ordinances or maps, necessary or desirable for the redevelopment, and its protection against blighting influences.
- (10) Street changes. The plan shall contain a statement of the proposed changes, if any, in streets or street levels and alleys, any proposed street closings, and any changes which would have to be made to streets or alleys adjoining or near the redevelopment project, including the plan for financing these changes.
- (11) Dwelling accommodations. The plan shall contain a statement of the character of the existing dwelling accommodations, if any, in the blighted area, and the approximate number of occupants residing therein, together with the schedule of the rentals being paid by them, a schedule of the vacancies in such accommodations, if any, together with the rentals demanded therefor, and the names and addresses of occupants if the information is available.
- (12) Housing and business relocation. The plan shall contain a statement of the housing accommodations available in other locations in the city for those occupants who will be displaced by the redevelopment project. The development plan shall set forth a feasible plan for the relocation of all occupants and businesses and any other entities displaced, including adequate reimbursements for reasonable relocation cost.
- (13) Proposed housing. The plan shall contain a statement of the character, type and quality of construction, approximate number of units, approximate rentals and approximate date of availability of the proposed dwelling accommodations, if any, to be furnished during construction and upon completion of the redevelopment.

- (14) Financing. The plan shall contain a statement of the proposed method of financing the costs of the development plan. Included as a part of the financing statement shall be reasonable estimates on the costs of acquisition, demolition, construction and rehabilitation, if any. Further, the financing statement shall identify the amount of equity capital which shall be required and how that equity will be raised. Evidence shall also be submitted that the project is financially feasible based on a financial feasibility and marketability study satisfactory to the city. Further, evidence shall be submitted that sufficient funds are available, or will be available upon approval of the development plan, to provide for the cost of acquisition within the area and relocation benefits.
- (15) Management. The plan shall contain a statement of the names of the individuals who it is proposed will be active in or associated with the management of the redevelopment project during the period of at least one year from the date of the approval of the development plan, and the name and address of the registered agent for the corporation.
- (16) Property ownership. The plan shall contain a statement giving the legal description of the real property owned, or proposed to be purchased or to be acquired by eminent domain, and the reasons why acquisition by condemnation is proposed.
- (17) Eminent domain on behalf of proponents of plan. The plan shall contain a statement giving the legal description of the real property, if any, proposed to be purchased or acquired by eminent domain by the city in behalf of the proponents of the development plan or by any other body authorized to acquire by eminent domain, and the reasons why the aid of the city or other body is sought for that purpose.
- (18) Assignment of plan. Appropriate controls shall be provided over the right of assignment of the development to any other entity in order that the city council is assured that the intention and purpose of the redevelopment project will, in fact, be carried out.
- (19) Certificate of incorporation. The corporation shall include in its plan a copy of the certificate of incorporation from the secretary of state.
- (20) Affirmative action plan. The plan shall contain a program to encourage the participation of all individuals regardless of race, color, creed, sex or age in all aspects of the redevelopment project.
- (21) Other information. The development plan, and any application for amendment thereto, shall contain such other statements or exhibits as may be deemed relevant.

(d) The Kansas City Chapter 353 Advisory Board shall establish such filing fees as it shall determine proper for purposes of fulfilling its obligations hereunder. No document submitted without the required filing fee shall be accepted or considered by the board in making its recommendation to the city council.

Sec. 74-354. City Plan Commission review.

(a) In the event that a development plan or amendment thereto requires any changes to the zoning in effect for the area encompassed by the development plan, the urban redevelopment corporation shall submit a copy of the development plan or amendment to the City Plan Commission. The commission shall thereupon provide for a public hearing upon such development plan or amendment and cause notice of the hearing thereon to be given by at least one publication in the newspaper doing the city printing not less than ten days before the date of the hearing. All interested parties may be heard at such hearing. After such hearing, the City Plan Commission may make such other investigations as it deems proper, and thereafter submit a report on any such plans to the city council.

(b) Any public hearing required to be held before the City Plan Commission shall be held before any public hearing before the Kansas City Chapter 353 Advisory Board.

Sec. 74-355. Hearing; Notice; Recommendation.

(a) The Kansas City Chapter 353 Advisory Board shall provide for a public hearing upon a completed application for approval of a development plan or amendment and shall cause notice of such hearing thereon to be given by at least one publication in the newspaper doing the city printing not less than ten days before the date of the hearing. The board shall also distribute, or cause to be distributed, notice to each political subdivision within the area encompassed by the development plan or amendment. All interested parties may be heard at such hearing and may also elect to provide a response in writing. If more than one development plan or amendment is filed for all or any part of the same area, there shall be a public hearing on each plan or amendment. Notwithstanding the foregoing, no hearing shall be scheduled or held before by the board until such time as the City Plan Commission shall have made its recommendation to the city council for those development plans or amendments the implementation of which necessitates review by that body.

(b) The Kansas City Chapter 353 Advisory Board shall review the development plan or amendment and shall make a recommendation to the city council following the conclusion of the public hearing. In arriving at its recommendation, the board shall consider the blight study, the development plan and the type of development which is physically desirable for the area concerned. After fully considering the development plan or amendment, the board shall forthwith transmit its recommendation thereon to the city council.

Sec. 74-356. City Council consideration.

(a) The recommendation of the Kansas City Chapter 353 Advisory Board shall be filed with the Director of City Development, accompanied by an ordinance providing for the approval of the development plan or amendment. The ordinance shall thereafter be introduced and referred to a committee for a hearing thereon, in accordance with the Charter and the rules of the council relative to city ordinances. The city council may thereafter approve the development plan or amendment subject to such conditions, exceptions or restrictions as the council may deem to be in

the public interest, disapprove the development plan or amendment, or refer the matter back to the Kansas City Chapter 353 Advisory Board for further consideration.

(b) The approval of any development plan or amendment by the city council shall serve to:

- (1) Establish that the area included within a development plan as the same may be amended has been determined to be a blighted area the clearance, redevelopment, replanning, rehabilitation or reconstruction of which is necessary for the public convenience and necessity, and that implementation of the development plan as the same may be amended is necessary for the preservation of the public peace, property, health, safety, morals and welfare;
- (2) Authorize the Director of City Development to execute or amend a development agreement with the urban redevelopment corporation, which agreement shall grant to the urban redevelopment corporation the right and obligation to implement the development plan as the same may be amended in accordance with the terms of the development agreement. Notwithstanding any term of such development agreement to the contrary, the failure to acquire the fee interest and any lesser interest in the name of the urban redevelopment corporation or on behalf of the urban redevelopment corporation by a designated person within three years after the date specified in the development agreement between the city and the urban redevelopment corporation for each phase of the development plan shall result in an automatic loss of the development rights, including any tax abatement, and the development plan as the same may be amended and development agreement shall become null and void as to the respective and all subsequent phases.

Sec. 74-357. Tax agreements.

(a) In the course of considering any development plan or amendment for approval, the Kansas City Chapter 353 Advisory Board and the city council shall give particular recognition to any agreement, in writing, on behalf of the urban redevelopment corporation presenting such plan or amendment that, notwithstanding the provisions of the Missouri Redevelopment Corporations Law, it will make payments in lieu of real property taxes to the appropriate political subdivisions.

(b) Payments in lieu of taxes shall be distributed to all political subdivisions levying taxes on the area to be redeveloped on the same pro rata basis and in the same manner as the ad valorem real property tax revenues received by each taxing authority from such property in the year such payments are due.

(c) As part of the consideration of any development plan or amendment, there shall be a full report on any agreement for payments in lieu of taxes.

(d) If any urban redevelopment corporation, or its successors or assigns, fails to tender the payments in lieu of taxes to the appropriate political subdivision as required by any contract or amendment thereto, interest shall be due thereon at the same rate and in the same manner commencing on January 1 of the calendar year following the year in which payment is due. Any

action by the city to declare the redevelopment project in default or abandoned shall not release the urban redevelopment corporation, or its successors or assigns, from the liability under this subsection.

Sec. 74-358. Ongoing monitoring; tax exemption.

(a) The Kansas City Chapter 353 Advisory Board shall monitor the urban redevelopment corporation's compliance with the development agreement authorized by the city council and shall notify the Director of City Development in the event that there is cause to believe that the urban redevelopment corporation has failed to comply with such agreement, the development plan as the same may be amended, or the terms of any document submitted as part of its application to the board. The board may require such periodic reporting as it deems appropriate to enforce such obligation.

(b) The terms of any tax exemption which the urban redevelopment corporation may be entitled to and the duration thereof shall in no event exceed that which is authorized by section 353.110, RSMo as amended.

Sec. 74-359. Remedies for failure to follow development plan.

In the event that an urban redevelopment corporation fails to substantially comply with the development plan as the same may be amended within the time limits and in the manner for the completion of each phase thereof, or any development agreement entered into pursuant thereto, then the city council may terminate the development plan, including the tax exemption or tax abatement, and may require the repayment of the amount of taxes which would have been payable to the taxing jurisdictions. The city council also may, whether in addition to or in lieu of the foregoing, authorize the city attorney to commence such legal proceedings and request such relief, whether legal or equitable, as the city council may deem proper.

Sec. 74-360. Chapter 353, RSMo.

The provisions of the Urban Redevelopment Corporations Law, Sections 353.010--190, RSMo, as the same may be amended from time to time, are incorporated herein by reference and shall control to the extent of any inconsistency with any provision of this Chapter.

Sec. 74-361- Section 74-399. Reserved.

**ARTICLE IX.
CHAPTER 100 BONDS.**

Section 74-400. Title.

This article shall be known as the Chapter 100 Bond Ordinance.

Section 74-401. Policy.

Chapter 100 Bonds are designed as a financial incentive, primarily for business retention projects, to encourage new jobs and investment in Kansas City.

Section 74-402. Industrial Development Plan.

(a) For all proposed Chapter 100 Projects, a plan shall be submitted to the City Council, including:

- (1) statement identifying each property tax jurisdiction affected by such project, except property assessed by the state tax commission;
- (2) The most recent equalized assessed valuation of the real property and personal property included in the project, and an estimate as to the equalized assessed valuation of real property and personal property included in the project after the development.

(b) Statutory notice.

- (1) A cost benefit analysis of the project on each school district, county or city; and
- (2) Identification of any PILOTS expected to be made by any lessee of the project, and the disposition of any such payments by the City.

(c) Prior to the introduction of the plan with the council for approval, a community impact statement shall be performed. The community impact statement shall address the following issues:

- (1) the project's integration with the FOCUS development priority zones;
- (2) Cost-benefit of the project with respect to the expected revenue the project will generate, compared to the property taxes abated for the City and the other impacted taxing jurisdictions. The cost-benefit analysis shall include an estimate of the students likely to be generated by the project.
- (3) The project's projected use of affirmative action policies in construction and hiring.
- (4) a checklist of :
 - a. Substantial increase in job creation and/or retention of a substantial number of existing employees
 - b. real and personal property investment
 - c. average wages of present/future employees
 - d. capability to attract sales from outside the City

- e. financial strength of the business
- f. additional residents to the area
- g. potential for future expansion
- h. existing versus new business to the city
- i. general environmental impact on the area
- j. use of federal and state incentives for the project
- k. evidence of the need for the Chapter 100 bonds in recruitment projects
- l. evidence of support for the Chapter 100 bonds by the affected taxing jurisdictions.
- m. estimated impact to proximate businesses, or to businesses selling similar products or services located in the City.

(d) In accordance with section 100.059 RSMo, the City shall, not less than twenty (20) days before approving the plan for a project, provide written, certified mail, notice of the proposed project to the county in which the project is located, the school district in which the project is located and any other property taxing jurisdiction in which the project is located. Such notice shall state the date on which the City Council will first consider approval of the plan, and shall invite such school districts, counties or other taxing jurisdictions to submit comments. Such notice shall also include the following information:

- (1) A description of the project;
- (2) An estimate of the cost of the project;
- (3) A statement of the source of funds to be expended for the project;
- (4) A statement of the terms upon which the facilities to be provided by the project are to be leased or otherwise disposed of by the municipality.

Section 74-403- 74- 449. Reserved.

**ARTICLE X.
PLANNED INDUSTRIAL EXPANSION AUTHORITY**

Section 74-450. PIEA Created.

Pursuant to Section 100.320 RSMo. the City created The Planned Industrial Expansion Authority of Kansas City, Missouri on February 9, 1968, with Ordinance No. 34677.

Section 74-451. PIEA Board of Commissioners.

The PIEA shall be governed by a board of fifteen commissioners, appointed by the Mayor. A majority of the commissioners shall constitute a quorum of such board for the purpose of conducting business and exercising the powers of the authority and for all other purposes.

74-452 – 74-499. Reserved.

**ARTICLE XI.
ENHANCED ENTERPRISE ZONES**

Sec. 74-500. Title of Article.

This article shall be known as Enhanced Enterprise Zones.

74-501. Definition.

For purposes of this Article, the following words shall have the following meanings

- (1) Speculative Industrial or Warehouse Building means any newly constructed facility which is neither owner occupied nor built-to-suit, and which is eligible for and being marketed to one or more qualified business enterprises which are primarily of an industrial or warehouse character.
- (2) Initial Tax Abatement means a two year, 50% abatement of ad valorem tax on improvements consisting of a Speculative Industrial or Warehouse Building.
- (3) Longer Tax Abatement means 50% abatement of ad valorem tax on improvements consisting of a Speculative Industrial or Warehouse Building for the eight year period following the two year period described in subsection (2) above, provided that at the end of such two year period the Speculative Industrial or Warehouse Building is at least 20% occupied by an eligible business.
- (4) Eligible Business means a business occupying space within a Speculative Industrial or Warehouse Building and eligible for incentives under the Enhanced Enterprise Zone program pursuant to Section 135.950(9)(b), RSMo, as codified under Ordinance Nos. 051411, 051412, and 051413 of the City of Kansas City, Missouri. The determination of whether a business is eligible shall be limited solely to

Chapter 135, as codified, and in no event will the determination of eligibility require a certification under the Missouri Works Program.

- (5) Longer Deeper Abatement means a tax abatement longer than 10 years or exceeding 50%.
- (6) Opportunity Zone means an area in Kansas City, Missouri which has been designated an opportunity zone by the US Department of the Treasury.
- (7) EEZ Board
- (8) Eastside Investment Zone

74-502. Policy for use.

(a) All subsequent improvements to real property constructed in accordance with applicable City Codes and Ordinances, located within an Enhanced Enterprise Zone and eligible for incentives under the Enhanced Enterprise Zone program pursuant to Section 135.950(9)(b), RSMo, as codified under Section 74-453, shall become and remain exempt from assessment and payment of 50% of the ad valorem taxes of the City of Kansas City, Missouri for a period of ten (10) years upon application and approval. The determination of whether a business is eligible shall be limited solely to Chapter 135, as codified, and in no event will the determination of eligibility require a certification or receipt of tax credits under the Missouri Works Program.

(b) Projects seeking Longer and Deeper Tax Abatement shall first be presented to the EEZ Board for its hearing and recommendation to the City Council, except the Opportunity Zone projects located in both an EEZ Zone and an East Side Investment Zone may be administratively approved by the Executive Director of the EEZ for up to 100% tax abatement for up to 20 years (“OZ Administrative Approval”). This Authorization for OZ Administrative Approval shall expire July 18, 2021.

74-505. Eligible businesses.

The following types of businesses as eligible for state and local incentives under Senate Bill No. 1155 in Enhanced Enterprise Zone 1 NAICS Sector Name:

- (1) Construction (23)
- (2) Manufacturing (31-33)
- (3) Wholesale Trade (42)
- (4) Transportation & Warehousing (48-49)
- (5) Information (51)

- (6) Finance & Insurance (52)
- (7) Professional & Technical Services (54)
- (8) Enterprise Management (55)
- (9) Administrative, Support, Waste Management & Remediation Services (56)
- (10) Arts, Entertainment, and Recreation (71), not including gaming.
- (11) Other Services (81)
- (12) Real Estate, Rental & Leasing (53), not including Industry 531110, Lessors of Residential Buildings and Dwellings
- (13) Health Care & Social Assistance (62)

74.506 –74-549. Reserved.

**ARTICLE XII.
TAX REDIRECTION AGREEMENTS.**

Sec. 74-550. Title of Article.

This article shall be known as Tax Redirection Agreements.

74-551 –74-559. Reserved.

Section 6. That Second Committee Substitute for Ordinance No. 160383, as Amended, Ordinance No. 190563, Second Committee Substitute for Ordinance No. 200497, as Amended, Committee Substitute for Resolution No. 140861, and Second Committee Substitute for Ordinance No. 211025 are hereby repealed.

Approved as to form:

Emalea Kohler
Associate City Attorney