



File #: 251046

ORDINANCE NO. 251046

Authorizing the Manager of Procurement Services to execute a Central City Economic Development (CCED) funding agreement with Palestine Economic Development Corporation for construction of a 39-bed assisted living facility to be located at 35th Street and Prospect Avenue in Kansas City; and authorizing the Director of the Housing and Community Development Department to expend up to \$1,918,318.64 of previously appropriated Central City Economic Development Funds.

WHEREAS, Section 67.1305 of the Revised Statutes of Missouri authorizes the City to impose a retail sales tax not to exceed one-half of one percent if the imposition of such a retail sales tax is submitted to, and then approved by, a majority of votes cast; and

WHEREAS, on April 4, 2017, pursuant to authority granted by Section 67.1304, RSMo, a majority of Kansas City, Missouri voters approved a new 1/8 of one percent retail sales tax for funding economic development projects within the area bounded by 9th Street on the north, Gregory Boulevard on the south, Paseo Boulevard on the west and Indiana Avenue on the east; and

WHEREAS, the project serves a predominantly public municipal purpose because, without limitation, completion of the project (i) enhances the tax base of the Project Site; (ii) retains and generates jobs; (iii) promotes economic development in the area of the City in which the Project Site is located, and promotes consideration of areas of the City that the City Council has determined to be blighted as a location for business operations; (iv) results in generation of tax revenues to the City from the conduct of business and other activities in the City that would otherwise occur; (v) serves as a catalyst for additional investment in and further redevelopment and rehabilitation of the area of the City in which the Project Site is located; and (vi) furthers the City's policy of encouraging economic stability and growth; and

WHEREAS, the City desires to encourage the Developer to carry out the project for the purpose of realizing these predominantly public purposes by entering into an agreement to contribute certain revenues in an amount needed to cause the project to be undertaken and attract the necessary private investment; and

WHEREAS, on September 19, 2019, the City Council passed Ordinance No. 190650 which accepted the Board's recommendation to negotiate and execute a Funding Agreement with Palestine Economic Development Corporation in the amount of \$2,288,008.00 for the purpose of construction of a 39-bed assisted living facility and related costs.

WHEREAS, on April 11, 2024, the City Council passed Ordinance No. 240333 which accepted the Board's recommendation for additional funding in the amount of \$572,000.00 for the purpose of Phase II construction of a 39-bed assisted living facility and related cost expenses to be paid from funds appropriated in the Central City Economic Development Sales Tax fund; and

WHEREAS, the City contracted with the KCATA to administer funding of various predevelopment Project Activity that included cost design, permitting, and miscellaneous related costs; and

WHEREAS, KCATA has expended \$941,689.36 costs associated with Phase 1 Activities that included demolition of blighted structures, environmental remediation, acquisition and miscellaneous costs for Phase I; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the Manager of Procurement Services is authorized to execute a Central City Economic Development funding agreement with Palestine Economic Development Corporation using previously appropriated funds in the amount of \$1,918,318.64 from the Central City Economic Development Sales Tax Fund:

26-2200-555998-B-57190650	Palestine Economic Development	\$1,918,318.64
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Section 2. That the Director of Housing and Community Development is authorized to expend up to \$1,918,318.64 from the Central City Economic Development Sales Tax Fund.

Section 3. That this contract must comply with: the Missouri Prevailing Wage Law, the City's Contracting Program Requirements set out in Article IV, Chapter 3, Code of Ordinances (including, but not limited to, the provisions concerning affirmative action, Minority and Women's Business Enterprises and Small Local Business Enterprises program).

Section 4. The Funding Agreement shall prohibit the use of any CCED sales tax funding for the repayment of any preexisting debt or repayment for services or work performed to the execution of the funding agreement and must require the disclosure of total project sources and projected costs and periodic reporting of project progress.

The City has no financial obligation under both this Ordinance and Contract until the Manager of Procurement Services issues a purchase order which shall be signed by the City's Director of Finance certifying there is a balance, otherwise unencumbered, to the credit of the appropriation to which the expenditure is to be charged, and a cash balance, otherwise

unencumbered, in the treasury, to the credit of the fund from which payment will be made, each sufficient to meet the obligated incurred in the purchase order.

William Choi
William Choi
Interim Director of Finance

Approved as to form:



Authenticated as Passed

Quinton Lucas
Quinton Lucas, Mayor

Marilyn Sanders
Marilyn Sanders, City Clerk

DEC 18 2025

Date Passed

Joseph A. Guarino
Joseph A. Guarino
Senior Associate City Attorney