

GENERAL

Ordinance Fact Sheet

220232

Brief Title:

Approving an Industrial Development Plan and authorizing the issuance of Industrial Revenue Bonds in an amount not to exceed \$35.8 million for a project located at 1221 Baltimore Avenue

Reason: To redevelop the real property as described for Midland Residential, LLC, located at 1221 Baltimore Ave

Details

Positions / Recommendations

<p>Reason for Legislation</p> <p>The project will consist of redeveloping 1221 Baltimore Ave into a multifamily residential building with approximately 133 residential units. Bonds will be issued in one or more series of taxable Chapter 100 industrial development revenue bonds not to exceed \$35.8 million.</p>		<p>Sponsor(s)</p>						
<p>Discussion</p> <p>Midland Residential, LLC is seeking approval of an Industrial Development Plan which will authorize a sales tax exemption on construction materials during the construction period, and the issuance of taxable industrial development revenue bonds in a maximum aggregate principal amount not to exceed \$35.8 million to facilitate financing of the project.</p> <p>The Project and the Project Site are part of a larger, comprehensive development plan for certain portions of the downtown Kansas City, Missouri area which is governed by that certain Master Development Agreement dated April 27, 2004 by and between the City and Kansas City Live, LLC ("KC Live"), as amended thirteen times, and as may further be amended.</p> <p>The Company is requesting a sales tax exemption on construction materials for the construction period (as contemplated in the Master Development Agreement), which is less than the standard abatement stated in the City's Chapter 100 Policy. To the extent there exists any conflict between the terms and provisions of this Plan and the terms and provisions of the Master Development Agreement with respect to the Project, the terms and provisions of the Master Development Agreement shall control.</p>	<p>Programs, Departments, or Groups Affected</p> <p>City of Kansas City, Missouri, Jackson County, Missouri, Jackson County Mental Health, Development Disabilities Fund, State of Missouri, Kansas City Public Schools, State Blind Pension Fund, Kansas City Public Library, Kansas City Zoological District, and the Metropolitan Community College.</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Applicants/Proponents</td> <td>Applicant Midland Residential, LLC</td> </tr> <tr> <td></td> <td>City Department</td> </tr> <tr> <td></td> <td>Other</td> </tr> </table>	Applicants/Proponents	Applicant Midland Residential, LLC		City Department		Other
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Policy / Program Impact

<p>The Company is to make annual payments in lieu of taxes ("PILOTS") to the City as agreed upon in the Master Development Agreement and the PIEA Contract.</p> <p>Sales tax exemption on construction materials will be available for the construction period for all construction materials included in the Project. EDC staff estimates total sales tax exemption to be \$1,311,482. The City's portion of the total estimated sales tax exemption is approximately \$481,576 in the event the materials are purchased within city limits.</p> <p>The Company will be subject to operational/performance standards pursuant to the Master Development Agreement and the PIEA Contract.</p>		<p>Policy or Program Change</p>	<p><input checked="" type="checkbox"/> No <input type="checkbox"/> Yes</p> <p>This project is contemplated under the Master Development Agreement between the City and Kansas City Live, LLC.</p>
		<p>Operational Impact Assessment</p>	
	<p>Finances</p>		
		<p>Cost and Revenue Projections</p>	<p>Cost of Legislation</p> <p>Chapter 100 Bond issuances are considered "conduit debt" of the City solely repaid by Fidelity Security Life Insurance Company, Inc. The bond issue will not count against the city's debt capacity and will only appear on the City's financial statements as a footnote. Payment of principal and interest is payable solely out of certain payments derived by the City from the lease.</p>
		<p>Fund Sources</p>	<p>Chapter 100 Bonds</p>

Applicable Dates: Neighborhood Planning and Development Committee: 3/23/2022

Fact Sheet Prepared By:

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Reviewed By:

Reference Numbers