

COMPARED VERSION
COMMITTEE SUBSTITUTE TO ORIGINAL ORDINANCE

COMMITTEE SUBSTITUTE FOR ORDINANCE NO. 230316

Enacting a new Code of Ordinances Section 74-12, "Incentivized Project Construction Timelines;" and directing the City Manager to seek Council approval before granting certain extensions of time and to negotiate parallel requirements with other incentive agencies.

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WHEREAS, the City of Kansas City has seen redevelopment and blight remediation delayed by incentivized projects which receive incentive commitments but fail undertake the required blight remediation and development within a reasonable time period; and

WHEREAS, delayed incentivized projects contribute to the blight and disinvestment in the City, negatively impacting the values of other property, as well as the health, welfare, and safety of Kansas Citians; and

WHEREAS, approval of incentivized projects before the projects are shovel ready leads to unnecessary amendments and misuse of City and incentive agency staff time and resources; and

WHEREAS, delayed completion of incentive projects prevents the Council from making informed decisions about the necessity for and appropriateness of incentivized projects at the time of actual construction; and

WHEREAS, the Council wishes to ensure the efficient and effective use of incentives granted by the City and City-created incentive agencies; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That Chapter 74, "Kansas City Redevelopment Ordinance," is hereby amended by enacting a new section, 74-12, "Incentivized Project Construction Timelines," to read as follows:

Section 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 § 99.800 *et seq.* RSMo. through the TIF Commission, the date the ~~tax-increment-finance~~redevelopment agreement is ~~adopted by City Council~~executed for the project.
- (2) For a city incentive granted pursuant to § 100.300 *et seq.* RSMo. through the PIEA, the date the tax abatement is approved by the PIEA Board of Commissioners.
- (3) For a city incentive granted pursuant to § 99.300 *et seq.* RSMo. through the LCRA, the date the tax abatement is approved by the LCRA Board of Commissioners.
- (4) For a city incentive granted pursuant to § 353.010 *et seq.* RSMo., the date the tax abatement is approved by City Council.
- (5) For a city incentive granted pursuant to § 100.010 *et seq.* RSMo., 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 § 135.950 *et seq.* RSMo., 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 \$~~160~~300,000.

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% 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 3 years to 5 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.

Section 2. That notwithstanding any authority previously granted to the City Manager, the City Manager shall not approve any extension of time that would permit an incentivized project to reach substantial completion after the date provided in subsection (b) without City Council approval, unless seeking Council approval would violate a contract or law.

Section 3. That the City Manager is directed to negotiate with any other incentive agencies operating in the City but not bound by the requirements of this ordinance to encourage the adoption of parallel requirements.

Approved as to form:

Emalea Black
Associate City Attorney