City of Kansas City, Missouri

Docket Memo

Ordinance/Resolution #: 260838
Submitted Department/Preparer: Law
Revised 01/30/25

Docket memos are required on all ordinances initiated by a Department Director. More information can be found in Administrative Regulation (AR) 4-1.

Executive Summary

Approving the settlement of the City's affirmative claims against Hyundai Motor America, Inc. and Kia America, Inc. in the litigation styled City of Kansas City v. Hyundai Motor America, Inc., et al., Case No. 4:23-CV-00399-HFS (W.D. Mo.), consolidated in In re: Kia Hyundai Vehicle Theft Marketing, Sales Practices, and Products Liability Litigation, Case No. 8:22-ML-3052-JVS-(KESx) (C.D. Cal.); authorizing the City Attorney to execute a Settlement and Release Agreement on behalf of the City; and providing that the settlement terms remain confidential until the agreement is fully executed by all parties; and directing the City Manager to deposit settlement proceeds to the Violence Prevention Fund.

Discussion

The City of Kansas City is a plaintiff in the litigation styled City of Kansas City v. Hyundai Motor America, Inc., et al., Case No. 4:23-CV-00399-HFS (W.D. Mo.). In the Litigation the City asserts affirmative claims against Hyundai Motor America, Inc. and Kia America, Inc. (the Defendants) arising from the alleged distribution and sale of vehicles unreasonably susceptible to theft, and the recovery sought by the City is a matter in which the City is concerned as a creditor rather than a payment owed by the City. The City and the Defendants, together with the other governmental-entity plaintiffs, have negotiated a proposed nationwide Settlement and Release Agreement (the "Settlement Agreement") that would resolve the Litigation and provide for a monetary recovery to the City. The specific terms of the Settlement Agreement, including the amount of the City's recovery, are set forth in confidential addenda and remain a confidential settlement communication until the Settlement Agreement has been executed by all parties.

Fiscal Impact

1. Is this legislation included in the adopted budget? ☐ Yes ☒ No

2. What is the funding source?
   Violence Prevention Fund; Fund No. 2000

3. How does the legislation affect the current fiscal year?
   It authorizes the City to accept settlement revenue in the Violence Prevention Fund.

4. Does the legislation have a fiscal impact in future fiscal years? Please notate the difference between one-time and recurring costs.
   The settlement terms remain confidential.

5. Does the legislation generate revenue, leverage outside funding, or deliver a return on investment?
   Yes, it generates revenue through a settlement paid to the City.

Office of Management and Budget Review
(OMB Staff will complete this section.)

1. This legislation is supported by the general fund. ☐ Yes ☒ No

2. This fund has a structural imbalance. ☒ Yes ☐ No

3. Account string has been verified/confirmed. ☒ Yes ☐ No

Additional Discussion (if needed)
None

Citywide Business Plan (CWBP) Impact

1. View the Adopted 2025-2029 Citywide Business Plan

2. Which CWBP goal is most impacted by this legislation?
   Finance and Governance (Press tab after selecting.)

3. Which objectives are impacted by this legislation (select all that apply):

   ☒ Ensure City Government is responsive, representative, engaged, and transparent; particularly when faced with unforeseen challenges.

- ☐ Operate an efficient City government workforce through effective employee recruitment, development, retention, and engagement.
- ☐ Present a realistic view of financial indicators for improved communications on impact to the City.
- ☐
- ☐
- ☐

Prior Legislation

260224

Service Level Impacts

N/A

Staff Recommendation

Law

Select One: ☒ Sponsored
☐ Directive: Res/Ord # Click to enter Res/Ord. No.

Select One: ☒ Recommend
☐ Do Not Recommend
☐ Not Applicable

Click or tap here to provide reasoning.

Other Impacts

1. What will be the potential health impacts to any affected groups?
   N/A

2. How have those groups been engaged and involved in the development of this ordinance?
   N/A

3. How does this legislation contribute to a sustainable Kansas City?

N/A

4. Does this legislation create or preserve new housing units?
   No (Press tab after selecting)

   Click or tap here to enter text.
   Click or tap here to enter text.

5. Department staff certifies the submission of any application Affirmative Action Plans or Certificates of Compliance, Contractor Utilization Plans (CUPs), and Letters of Intent to Subcontract (LOIs) to CREO prior to, or simultaneously with, the legislation entry request in Legistar.

   No - CREO's review is not applicable (Press tab after selecting)
   Please provide reasoning why not:
   Click or tap here to enter text.

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

   No(Press tab after selecting)

   Click or tap here to enter text.

7. Does this legislation seek to approve a contract resulting from a Request for Proposal/Qualification (RFP/Q)?
   No(Press tab after selecting)