



Legislation Details (With Text)

File #: 220233 **Version:** 1 **Name:**

Type: Ordinance **Status:** Reported to Council

File created: 3/9/2022 **In control:** Council

On agenda: 6/9/2022 **Final action:**

Title: Amending Section 68-449, Code of Ordinances, to provide parameters for the amendment of contracts for Central City Economic Development Sales Tax funds without City Council approval.

Sponsors: Melissa Robinson

Indexes:

Code sections:

Attachments: 1. 220233 No Fact Sheet, 2. 220233com, 3. 220233 Compared Version, 4. 220233 PowerPoint May 25.2022, 5. CCED Project Updates City Manager 5.25.2022

Date	Ver.	Action By	Action	Result
5/25/2022	1	Neighborhood Planning and Development Committee	Do Pass	Fail
5/25/2022	1	Neighborhood Planning and Development Committee	Hold off Agenda	Pass
5/25/2022	1	Neighborhood Planning and Development Committee	forwarded without recommendation	
4/20/2022	1	Neighborhood Planning and Development Committee	Hold on Agenda	
4/13/2022	1	Neighborhood Planning and Development Committee	Hold on Agenda	
3/30/2022	1	Neighborhood Planning and Development Committee	Hold on Agenda	
3/23/2022	1	Neighborhood Planning and Development Committee	Hold on Agenda	
3/10/2022	1	Council	referred	

ORDINANCE NO. 220233

Amending Section 68-449, Code of Ordinances, to provide parameters for the amendment of contracts for Central City Economic Development Sales Tax funds without City Council approval.

WHEREAS, Ordinance No. 160861 put before the voters the question of enacting an economic development sales tax devoted to projects located within the area bounded by 9th Street on the north, Gregory Boulevard on the south, The Paseo on the west, and Indiana Avenue on the east; and

WHEREAS, in a Special Election called on April 4, 2017, the voters of the City of Kansas City, Missouri approved Question 4 allowing the City of Kansas City to impose a sales tax of 1/8 percent to be used for funding economic development projects within the above defined area; and

WHEREAS, upon the voters' approval of Question 4, the imposition of this sales tax and the establishment of a Central City Economic Development ("CCED") Sales Tax Board responsible for analyzing and considering project proposals for the use of CCED sales tax revenues and providing the Council with its

recommendations regarding which projects to fund with CCED sales tax revenues were codified in Section 68-449, Code of Ordinances; and

WHEREAS, Section 68-449, Code of Ordinances was amended in 2019 by Ordinance. No. 190738; and

WHEREAS, the Council recognizes the need for contracts for the use of CCED sales tax funds to be flexible with an efficient process, while still ensuring accountability and appropriate use of funds, and wishes to set standards for the amending of contracts without city council approval; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That Section 68-449, Code of Ordinances, is hereby amended by repealing Section 68-449 and enacting a new subsection, to read as follows:

Sec. 68-449. Imposition of tax (Central City Economic Development Sales Tax 2017)

(a) *Sales tax enacted.* Pursuant to the authority granted by and subject to the provisions of section 67.1305, RSMo, a tax for the benefit of the city is hereby imposed upon all sellers for the privilege of engaging in the business of selling tangible personal property or rendering taxable services at retail to the extent and in the manner provided in sections 144.010 - 144.525 RSMo, and the rules and regulations of the director of revenue issued pursuant thereto. The rate of the tax shall be 1/8 percent on the receipts from the sale at retail of all tangible personal property or taxable services at retail within the city, if such property and such services are subject to taxation by the state under the provisions of section 144.010 - 144.525 RSMo. The tax shall become effective October 1, 2017, for a period of 10 years and shall apply to all sales made after September 30, 2017, and shall be collected as provided in section 67.1305, RSMo.

(b) *Use of sales tax - geographic limitations.* The sales tax authorized pursuant to this section shall be used for projects located in the area bounded by 9th Street on the north; Gregory Boulevard on the south; The Paseo on the west; and Indiana Avenue on the east.

(c) *Economic development tax board.* A five member economic development tax board shall be established with City representatives appointed by the Mayor and approved by the City Council pursuant to section 67.1305, RSMo. prior to the expenditure of any revenue received pursuant to this sales tax for the purpose of:

- (1) considering economic development plans, economic development projects, or designations of an economic development area;
- (2) holding public hearings and providing notice of any such hearings;
- (3) recommending to the City Council actions concerning the adoption of or amendment to economic development plans, economic development projects, or designations of an economic development area;
- (4) considering, as to each proposed project, the following criteria: (i) effect on the City's long-term strategic plans for the impacted community, (ii) economic impact, including impact on the tax base, (iii) compliance with the City's existing zoning and area plan, (iv) relevant demographic data, including, but not limited to, the current population and expected population growth or decline in the impacted community, (v) current neighborhood stabilization and potential

disruption of the neighborhood and (vi) environmental impacts; and

(5) performing other duties established by the City Council.

(d) *Exclusion of revenues.* When imposed within a special taxing district this economic development sales tax shall be excluded from the calculation of revenues available to such districts, and no revenues from this sales tax shall be used for the purposes of any such special taxing district unless recommended by the economic development tax board and approved by the governing body imposing the tax. A special taxing district includes, but is not limited to a tax increment financing district, neighborhood improvement district, or community improvement district.

(e) *Debt retirement.* No revenues generated from the sales tax authorized pursuant to this section shall be expended for the retirement of debt under previously authorized bonded indebtedness or to repay bonds not yet issued unless such expenditures are expressly authorized by ordinance or resolution adopted by the City Council. The appropriation of funds to the Central City Economic Development Sales Tax Fund shall not be deemed sufficient for purposes of granting the authorization required herein.

(f) *Assistance of strategic long-term planner.* Without utilization of revenues from this sales tax, the economic development tax board shall be provided an experienced long-term strategic planner to assist it in carrying out its responsibilities. In addition to other assigned responsibilities, the strategic long-term planner shall assist the economic development tax board with analyzing all of the criteria listed above in Subsection 68-449(c)(4), as well as with the preparation of a chronological timeline of activities related to the assessment of proposed projects, an evaluation presented in an easily understood format compiling relevant data regarding each proposed project's impacts on population growth or decline, economic impact, economic impact on the tax base, a detailed listing of the individual and business organizations working on the proposed project and a detailed compilation of resources related to the proposed project and any cross benefits to be derived from the proposed project.

(g) *Amendment of contracts.* Any contract entered into upon authorization by city council for use of revenues of this sales tax may subsequently be amended by written agreement signed by the director of housing and community development without further city council authorization, provided that the amendment has been considered and recommended by the economic development tax board, does not alter the amount of this sales tax contributed under the contract by more than ten percent, and does not substantively change the development project. The city council may by ordinance modify the threshold for amendment without council approval.

Approved as to form and legality:

Emalea Black
Assistant City Attorney