



Legislation Text

File #: 230973, Version: 2

[COMMITTEE SUBSTITUTE FOR] ORDINANCE NO. 230973

Sponsor: Mayor Quinton Lucas and Councilmembers Andrea Bough and Johnathan Duncan

Repealing Committee Substitute for Ordinance No. 230468 that authorized the City Manager to enter into a Tax Redirection Agreement with Red Bridge Properties, Inc., and enacting a new ordinance that authorizes the City Manager to enter into a Tax Redirection Agreement with Red Bridge Properties, Inc., for the purpose of increasing access to grocery services and incentivizing job creation and investment in Kansas City; and waiving certain requirements of City Code Chapter 3.

WHEREAS, Kaw Fresh Market, LLC (the "Operator") has identified a site to provide grocery services in the Red Bridge Shopping Center of Kansas City, Missouri (the "Business Site") as the Red Bridge Farm Fresh Market (the "Project") to provide quality produce and affordable grocery services to Kansas City residents and visitors as a replacement to previously discontinued services at the Business Site; and

WHEREAS, the Business Site is owned by Red Bridge Properties, Inc. (the "Owner"); and

WHEREAS, the Operator anticipates entering into a long-term lease (15 years with options to extend) with the Owner for the Business Site, in which lease the Owner will provide to the Operator the assistance provided by the City herein; and

WHEREAS, the Operator anticipates the Project creating more than 80 new employees at an anticipated average income of \$15+ per hour; and

WHEREAS, the Project serves to ensure access to grocery services and incentivize job creation and investment in Kansas City by, without limitation, (i) providing grocery services in a highly residential area, (ii) prioritizing high quality produce and options to support a healthy diet, (iii) establishing or expanding Operator's economic presence in the City, (iv) promoting economic development in the area of the City which the Business Site is located, (v) generating tax revenues for the City from the conduct of business and other activities in the City that would not otherwise receive, (vi) catalyzing for additional investment in and further redevelopment and rehabilitation of the area of the City in which the Business Site is located, and (vii) furthering the City's policy of encouraging economic stability and growth; and

WHEREAS, the City therefore desires to encourage the Project for the purpose of realizing these public benefits by entering into an agreement to contribute certain revenues from City taxes generated by the Project in an amount needed to cause the Project to be undertaken; and

WHEREAS, the tax contributions contemplated by this Agreement are limited to those which have been determined necessary for the purpose of ensuring that the Project proceeds, and but for their contribution, the Project would not proceed, to the detriment of the public interest; and

WHEREAS, on June 8, 2023, Council passed Committee Substitute for Ordinance No. 230468 authorizing the City Manager to enter into a Tax Redirection Agreement with Red Bridge Properties, Inc. for the Project; and

WHEREAS, the Owner has informed the City that it will be impossible for the them to complete the Project and fully comply with the City's MBE/WBE, Prevailing Wage, Affirmative Action, and Quality Services Assurance Act; and

WHEREAS, the tax contributions contemplated by this Agreement are limited to reimbursement for cost purchasing equipment, including cases, refrigerators, décor package, cooking equipment, shelving, and self-checkout units, and will not be used for any labor or general construction costs; and

WHEREAS, the intended Operator of the Grocery Store is a for-profit small business that is at least 51 percent owned, managed, and independently controlled by one or more minorities, as provided in City Code Chapter 3; and

WHEREAS, based on the extenuating circumstances and the City Council now desires to repeal Committee Substitute for Ordinance No. 230468 and enact a new ordinance approving a development agreement that does not require full compliance with the City's MBE/WBE, Prevailing Wage, Affirmative Action, and Quality Services Assurance Act; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That Ordinance No. 230468 is hereby repealed.

Section 2. That the City Manager is hereby authorized to execute a Tax Redirection Agreement in an amount not to exceed \$1,375,000.00 over ten (10) years with Red Bridge Properties, Inc. The Tax Redirection Agreement shall provide that the redirection is subject to annual appropriation of funds by the City Council from a portion of the sales tax generated by taxable retail sales within the project at a rate of 1.25%.

Section 3. To the extent that the requirements are triggered by the Tax Redirection Agreement, Code §§ 3-401 - 3-409, Affirmative Action, are hereby partially waived such that only the Owner and not subcontractors or franchisees are required to refrain from unlawful discriminatory practice and to implement an affirmative action program, along with any corresponding reporting requirements for the Project.

Section 4. To the extent that the requirements are triggered by the Tax Redirection Agreement, Code §§ 3-421 - 3-469, Minority and Women's Business Enterprises, are hereby waived for purposes of the Project.

Section 5. To the extent that the requirements are triggered by the Tax Redirection Agreement, Code § 3-622, Prevailing Wage, is hereby waived for purposes of the Project.

Section 6. To the extent that the requirements are triggered by the Tax Redirection Agreement, Code § 3-66, Quality Services Assurance Act, is hereby waived for purposes of the Project.

Section 7. Nothing in this ordinance shall waive any Affirmative Action, Minority and Women's Business Enterprises, Prevailing Wage, or Quality Services Assurance Act requirement, or similar requirement, that may be made applicable as part of any other incentive or program other than the Tax Redirection Agreement.

Section 8. The Mayor, the City Manager, the Director of Finance and other officials, agents and employees of the City as required, are hereby authorized to take such further actions, and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this ordinance.

Approved as to form:

Emalea Black
Associate City Attorney