



Legislation Text

File #: 230657, Version: 2

[COMMITTEE SUBSTITUTE FOR] ORDINANCE NO. 230657

Sponsor: City Manager

Authorizing the City Manager to execute a real estate sale contract with Grayson Communities, LLC for the sale of surplus property located at 1531 Holmes Street; estimating revenue in the amount of \$400,000.00 for the sale of surplus property; and to negotiate and execute an equity participation agreement for future payments related to 1531 Holmes Street.

WHEREAS, the City of Kansas City, Missouri owns a parcel of property located at 1531 Holmes Street in Kansas City, Jackson County, Missouri (the “Property”); and

WHEREAS, the City Council adopted Ordinance No. 220254 on April 28, 2022, declaring this property surplus to the City’s needs and authorizing the sale of the Property subject to reserved easements and other rights;

WHEREAS, the City Council adopted Ordinance No. 220964 on November 3, 2022, authorizing the City Manager or his designee to negotiate and execute a development agreement and purchase option agreement with Grayson Capital, LLC (“Grayson Capital”) or its affiliates for the Property;

WHEREAS, the City and Grayson Capital entered into a Purchase Option Agreement for the Property dated November 30, 2022;

WHEREAS, Grayson Capital has exercised its option to purchase the Property and the City and Grayson Capital, through its affiliate Grayson Communities, LLC, now seek to enter into the real estate sale contract;

WHEREAS, the City and Grayson Capital have negotiated the real estate sale contract establishing pre-development benchmarks required to be completed prior to closing and a purchase price of \$400,000.00, plus future payments to the City between \$500,000.00 and \$2,100,000.00, depending on profits earned by Grayson Capital, that shall be made pursuant to an equity participation agreement between the City and Grayson Capital;

WHEREAS, Ordinance No. 220964 stated that the City Manager’s authority to execute the real estate sale contract is subject to the City Council passing further ordinances; NOW THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the City Manager or designee is hereby authorized to execute a real estate sale contract with Grayson Communities, LLC for the property located at 1531 Holmes Street. A copy of the real estate sale contract in substantial form is attached hereto and on file in the City Manager’s office.

Section 2. That revenue is estimated in the amount of \$400,000.00 in the following account:

24-2215-071600-485000	Sale of Property	\$400,000.00
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Section 3. That the City Manager or designee is hereby authorized to negotiate an equity participation agreement with Grayson Communities, LLC or its affiliates concerning future payments related to the property located at 1531 Holmes Street.

I hereby certify that there is a balance, otherwise unencumbered, to the credit of the appropriation to which the foregoing expenditure is to be charged, and a cash balance, otherwise unencumbered, in the treasury, to the credit of the fund from which payment is to be made, each sufficient to meet the obligation hereby incurred.

Tammy L. Queen
Director of Finance

Approved as to form:

Abigail Judah
Assistant City Attorney