



Legislation Text

File #: 220563, Version: 1

ORDINANCE NO. 220563

Approving the Second Amendment to the Overlook Tax Contribution and Disbursement Agreement among the City, Tax Increment Financing Commission of Kansas City, Missouri, Oz Development, LLC, and Novak Birks, PC; Accepting the recommendation of the Central City Economic Development Tax Board for additional funding in the amount of \$150,000.00 for a total not to exceed amount of \$5,150,000.00, for an economic development project proposed by Community Builders of Kansas City for the purpose of site infrastructure for future office mixed use and residential development of a Class A Office and 155 residential units to be known as Overlook District located in Town Fork Creek neighborhood along Swope Parkway between Chestnut Avenue and College Avenue; estimating and appropriating \$150,000.00 from the Central City Economic Development Sales Tax Fund; and authorizing the Director of Housing to execute the Amendment.

WHEREAS, Section 67.1305 of the Revised Statutes of Missouri authorizes the City to impose a retail sales tax not to exceed one-half of one percent if the imposition of such a retail sales tax is submitted to, and then approved by, a majority of the votes cast; and

WHEREAS, on April 4, 2017, pursuant to authority granted by Section 67.1305, RSMo, a majority of Kansas City, Missouri voters approved a new 1/8 of one percent retail sales tax for funding economic development projects within the area bounded by 9th Street on the north, Gregory Boulevard on the south, Paseo Boulevard on the west and Indiana Avenue on the east; and

WHEREAS, as part of the first round of funding, Community Builders of Kansas City (“Developer”) submitted a proposal seeking \$5,000,000.00 of Central City Economic Development (“CCED”) sales tax funds for the construction of site infrastructure for future office mixed use and residential development of a Class A Office and 155 residential units to be known as Overlook District (the “Project”) generally located in Town Fork Creek neighborhood along Swope Parkway between Chestnut Avenue and College Avenue (the “Project Site”), all in Kansas City, Jackson County, Missouri; and

WHEREAS, the Council authorized a funding agreement with Community Builders of Kansas City for the above Project in the amount of \$5,000,000.00 with its passage of Ordinance No. 200996 on December 10, 2020; and

WHEREAS, Developer subsequently identified a need for additional funding due to increases in construction labor and construction materials; and

WHEREAS, at its June 22, 2022 meeting, the Central City Economic Development Sales Tax Board voted to approve a recommendation to the Council for additional funding for such costs associated with this Project from CCED sales tax funds in the amount of \$150,000.00; bringing the total funding for this Project to a total of \$5,150,000.00; and

WHEREAS, the Project serves a predominantly public municipal purpose because, without limitation, completion of the Project (i) enhances the tax base of the Project Site; (ii) retains and/or generates jobs; (iii) promotes economic development in the area of the City in which the Project Site is located, and promotes consideration of areas of the City that the City Council has determined to be blighted as a location for business operations; (iv) results in generation of tax revenues to the City from the conduct of business and other activities in the City that would not otherwise occur; (v) serves as a catalyst for additional investment in and further redevelopment and rehabilitation of the area of the City in which the Project site is located; and (vi) furthers the City's policy of encouraging economic stability and growth; and

WHEREAS, the City desires to encourage the Developer to carry out the Project for the purpose of realizing these predominantly public purposes by entering into an agreement to contribute certain revenues in an amount needed to cause the project to be undertaken and attract the necessary private investment; and

WHEREAS, the contributions contemplated by the funding agreement are limited to those which have been determined to be needed 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; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the CCED Board's recommendation that CCED sales tax revenues in an additional amount of \$150,000.00, not to exceed \$5,150,000.00, to be utilized for the costs associated with the construction of site infrastructure for future office mixed use and residential development of a Class A Office and 155 residential units to be known as Overlook District by Community Builders of Kansas City for its above-referenced Project is hereby accepted.

Section 2. That the appropriation in the following account of the Central City Economic Development Sales Tax Fund, Fund No. 2200, is hereby reduced by the following amount:

23-2200-552047-B	Contractual Services	\$150,000.00
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Section 3. That the following amount is hereby appropriated from the Unappropriated Fund Balance of the Central City Economic Development Sales Tax Fund, Fund No. 2200, to the following account:

23-2200-555998-B-57OVERLOOK	The Overlook	\$150,000.00
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Section 4. That the City Manager is hereby authorized to enter into an amended funding agreement with Community Builders of Kansas City for the costs associated with the above-referenced Project in a total amount not to exceed \$5,150,000.00, from funds previously appropriated in the Central City Economic Development Sales Tax Fund to Account No. 23-2200-555998-B-57OVERLOOK.

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 and legality:

Emalea Black
Associate City Attorney