



Legislation Text

File #: 230438, **Version:** 1

ORDINANCE NO. 230438

Sponsor: Director of Housing and Community Development Department

Accepting the recommendation of the Central City Economic Development Tax Board for additional funding for a National Association of Construction Contractors economic development rehabilitation project of 100 homes generally located in and around the Town Fork Creek neighborhood; estimating and appropriating \$85,000.00 from the Central City Economic Development Sales Tax Fund; and authorizing the Director of Housing and Community Services 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, National Association of Construction Contractors Cooperation (“Developer”) submitted a proposal seeking \$215,000.00 of Central City Economic Development (“CCED”) sales tax funds for the purpose of incentivizing the rehabilitation of 100 homes (the “Project”) generally located in and around the Town Fork Creek neighborhood (the “Project Site”), all in Kansas City, Jackson County, Missouri; and

WHEREAS, the Council authorized a funding agreement with National Association of Construction Contractors Cooperation for the above Project in the amount of \$215,000.00 with its passage of Ordinance No. 190009 on January 24, 2019; and

WHEREAS, Developer subsequently identified a need for additional funding due to increases associated with obtaining clear title from properties being acquired from Land Bank; and

WHEREAS, at its August 9, 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 \$85,000.00, bringing the total funding for this Project to a total of \$300,000.00; 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 City Council approves the CCED Board recommendation of an \$85,000.00 contract amendment with the National Association of Construction Contractors Cooperation for its above-referenced Project, for a total not to exceed \$300,000.00.

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:

24-2200-552047-619080	Central City Sales Tax	\$85,000.00
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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:

24-2200-555998-B-57190009	National Association of Construction Contractors Cooperation	\$85,000.00
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Section 4. That the Director of Housing and Community Services is hereby authorized to enter into an amended funding agreement with National Association of Construction Contractors Cooperation for the costs associated with the above-referenced Project in an amount not to exceed \$300,000.00, from funds previously appropriated in the Central City Economic Development Sales Tax Fund to Account No. 24-2200-555998-B-57190009.

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:

Joseph A. Guarino
Senior Associate City Attorney