



Legislation Text

File #: 240823, Version: 1

ORDINANCE NO. 240823

Sponsor: Mayor Quinton Lucas

Waiving Code Section 74-12 for the Historic Northeast Lofts Tax Increment Financing Plan and authorizing the City Manager to enter into an amended Tax Contribution Agreement with the Kansas City TIF Commission and Historic Northeast Lofts LLC.

WHEREAS, The City Council initially approved the Historic Northeast Tax Increment Financing Plan (“The Plan”) by Ordinance No. 240258 on March 21, 2024, to encourage the development and improvement of the Plan Area, as defined in the Plan, through the construction of approximately 389 multi-family residential units, including 322 affordable housing units, retail space, and a daycare center and after school program space, (the “Project Improvements”) and the construction or reconstruction of public infrastructure improvements that support and enhance the Project Improvements (collectively, the “Public Improvements”); and

WHEREAS, the Plan further provides for the reimbursement of up to \$46,433,000.00 of certain costs described in the Plan from the redirection of Economic Activity Taxes generated in the Plan Area; and

WHEREAS, in Ordinance No. 240258, the City Council agreed to provide additional funding for payment of certain certified redevelopment project costs identified by the Plan, by committing a defined portion of certain tax revenues realized by the City and generated in the Plan Area that are not otherwise captured by the TIF Act (the “Additional City EATs”), in an amount not to exceed \$189,543,356.00, payable over a period not to exceed thirty (30) years; and

WHEREAS, Ordinance No. 230962 authorized the Director of the Housing and Community Development Department to expend up to \$1,575,000.00 from the Housing Trust Fund for the Affordable Housing Units (the “Housing Trust Fund Contribution”); and

WHEREAS, Ordinance No. 240258 also authorized the City Manager to enter into a Tax Contribution and Disbursement Agreement with respect to the redirection of the Additional City EATs and the Housing Trust Fund Contribution; and

WHEREAS, the development contemplated by the Plan and the Tax Contribution and Disbursement Agreement (the “Development”) is proceeding towards construction on an expedited timeline: and

WHEREAS, the Industrial Development Authority of Kansas City is in the process of issuing certain bonds for the financing of the Development, and it is anticipated that the bonds will be closed on or before September 30, 2024; and

WHEREAS, on April 13, 2023, Council approved Ordinance 230316, enacting Code §74-12, which provides default construction timelines for incentivized projects; and

WHEREAS, under Code § 74-12, the Development must be substantially complete within five years of the date of the Redevelopment Agreement and the TIF Commission; and

WHEREAS, in the project developer has reported that the application of the Code § 74-12, in the specific circumstances of the Plan, has become detrimental to the issuance of the bonds and the imminent construction of the Development; and

WHEREAS, the Council believes that the objectives of Code § 74-12, including the efficient and timely construction of incentivized projects, is, in the special case of the Plan and the Tax Contribution and Disbursement Agreement, is best achieved through the waiver of Code § 74-12; NOW THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the requirements of Code § 74-12, requiring the substantial completion of the construction projects funded by the Historic Northeast Tax Increment Financing Plan, the Additional City EATs, and Housing Trust Fund Contribution, by a date certain, is hereby waived. Any future incentives granted for the Plan Area may remain subject to Code § 74-12.

Section 2. That the City Manager is authorized to execute a revised Tax Contribution Agreement with the Commission and Historic Northeast Lofts LLC regarding the use and contribution of the Additional City EATs and Housing Trust Fund Contribution. A copy of the Tax Contribution Agreement is attached hereto in substantial form.

Approved as to form:

Emalea Black
Associate City Attorney