File #: 260706, **Version:** 2

[COMMITTEE SUBSTITUTE FOR] ORDINANCE NO. 260706

Sponsor: Councilmember Melissa Robinson
COMMITTEE SUBSTITUTE

Authorizing the City Manager to execute an amendment to the Community Investment Agreement with Community Builders of Kansas City, a Missouri Nonprofit Corporation, and an amendment to the corresponding Escrow Agreement to provide for a one-time release of $525,000.00 to pay the cost of City infrastructure supportive of the Overlook Tax Increment Financing Redevelopment Area and the Offices at Overlook Planned Industrial Expansion Authority General Development Plan Area.

Finance Committee recommends "Advance and Do Pass as a Committee Substitute."

WHEREAS, since the early 1930s, the East Side of Kansas City, Missouri, has suffered from blight and economic disinvestment; and

WHEREAS, for decades, the City Council of Kansas City, Missouri, has adopted policies and approved resolutions and ordinances intended to support, prioritize and incentivize East Side development and redevelopment, to confront and ameliorate such substantial, longstanding economic disinvestment and blight conditions; and

WHEREAS, in support of its longstanding commitment to the City's East Side, on March 21, 2024, the City, pursuant to Committee Substitute for Ordinance No. 230977, authorized a Community Investment Agreement (the "Community Investment Agreement") with Community Builders of Kansas City,; and

WHEREAS, the Community Investment Agreement contemplates, among other things, the City's deposit of an annual contribution to a restricted escrow account (the "Escrow"), to be maintained at a balance of $1,600,000.00, with the City's annual contribution being the difference between $1,600,000.00 and the actual balance and not to exceed $1,600,000.00, to be used by Community Builders to satisfy debt service obligations related to the Offices at Overlook; and

WHEREAS, the City deposited $1,600,000.00 into the Escrow on June 30, 2025; and

WHEREAS, Community Builders is nearing completion of the Offices at Overlook in accordance with the Overlook Tax Increment Financing Plan and the Offices at Overlook Planned Industrial Expansion Authority General Development Plan; and

WHEREAS, Project costs related to the relocation and reconstruction of a City sanitary sewer line, in the amount of $525,000.00 (the "City Infrastructure Cost"), remain outstanding; and

WHEREAS, the City and Community Builders desire to amend the Community Investment Agreement solely to allow the City Infrastructure Cost to be paid from monies on deposit in the Escrow established and authorized by the Community Investment Agreement; and

WHEREAS, the amendment of the Community Investment Agreement to provide for the payment of the City Infrastructure Cost is reasonable and in furtherance of a substantial public purpose; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the City Manager is authorized to negotiate and execute an amendment to the Community Investment Agreement with Community Builders and an amendment to the corresponding Escrow Agreement to authorize the one-time release of an amount not to exceed $525,000.00 from the Escrow to Community Builders, to be used solely by Community Builders to pay the City Infrastructure Cost. The amendments to the Community Investment Agreement and the Escrow Agreement shall be in a form reasonably acceptable to the City Manager.

Approved as to form:

Abigail Judah
Associate City Attorney

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