

HUSCH BLACKWELL

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June 10, 2024

VIA EMAIL

Kansas City City Council
414 E. 12th Street
Kansas City, MO 64106

Re: **West Bottoms Central Community Improvement District**

Dear City Council:

The undersigned represents WEST BOTTOMS – PROPCO MASTER, LLC, a Delaware limited liability company (“**Petitioner**”), which is the majority owner of the property located generally South and West of the Union Pacific railroad tracks, North of 11th Street, and West of the KCT railroad tracks in the West Bottoms (the “**Property**”) in the City of Kansas City (the “**City**”), as more particularly described in the Petition for the Creation of a Community Improvement District. Petitioner intends to petition the City Council of Kansas City to hold a public hearing and adopt an ordinance to establish the West Bottoms Central Community Improvement District (the “**District**”). Pursuant to Section 74-303(c) of the Second Committee Substitute for Ordinance No. 210565, please accept this detailed letter addressing the District’s compliance with the City’s requirements to establish a community improvement district.

1. Alignment with City Goals & Benefits to the Community:

The Property, located in the West Bottoms area of Kansas City, has been blighted for decades. The area experienced a rapid decline in the mid-20th century due to catastrophic flooding and fires, and many of the factories and buildings were left abandoned. All blight factors existed before the Petitioner began acquiring the Property in 2021.

The District complies with the City’s KC Spirit Playbook Plan, adopted on April 20, 2023, by Resolution No. 230257, and the Industrial Development Plan for the Central Industrial District, adopted on April 7, 1978 by Ordinance No. 48892. The District is entirely within the West Bottoms TIF (the “**TIF**”) area, which was deemed to be a “blighted area”, as that term is used and

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defined in the CID Act, by that certain 2023 Blight Study by Belke Appraisal & Consulting Services, Inc..

Consistent with the abovementioned plans, the District is committed to remediating blight and funding community services. The District will provide security and fund public improvements by pledging at least fifty percent (50%) and up to ninety percent (90%) of the District's sale tax revenue to the TIF, for such improvements as new regional detention basins, new water mains, new sanitary sewers, and the reconstruction of streets, curbs, sidewalks, intersections, driveway and associated streetscape improvements. The District will prioritize the completion of exterior improvements and the aforementioned public improvements. The District anticipates less than twenty-five (25%) of the District revenue to fund the remediation of blighting conditions located on the interior of any private property located within the District. Consistent with that certain Predevelopment Agreement by and between the City of Kansas City and West Bottoms –PropCo Master, LLC, approved by City Council on December 15, 2022 in Ordinance No. 221064, the District will primarily utilize private funds to remediate the interior of any private property.

2. Existing CIDs:

There are no existing community improvement districts within the boundaries of the proposed District.

3. District's tax rate:

Below is a breakdown of the taxes imposed on the Property by the taxing jurisdictions. If the Petition is approved, the CID would levy a sales and use tax at a rate not to exceed one percent (1%) on all retail sales made in the District which are subject to taxation, except as prohibited by Section 67.1545, R.S.Mo. The proposed taxation rate aligns with other CIDs in the City. The below sales tax breakdown was provided by the City's Finance Department.

The City's current sales tax rates are as follows:

Taxing Entity	Tax Rate
State of Missouri	4.225%
City of Kansas City	3.250%
Jackson County	1.375%
Kansas City Main Street Rail TDD	1.000%
Kansas City Zoological District Jackson County	0.1250%
TOTAL:	9.975%

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The City's current sales tax rates are comparable to those of neighboring cities in Missouri, such as North Kansas City, Liberty, and Raytown, which sales tax rates are as follows:

Taxing Entity	Tax Rate
North Kansas City, Missouri	7.7250%
Liberty, Missouri	8.8500%
Raytown, Missouri	8.4750%

The above tax information was provided by the City's Finance Department.

4. **Term:**

If the Petition is approved, the District will continue to exist and function until the earlier of: (i) the full satisfaction and defeasance of all District obligations or (ii) the date which is twenty-seven (27) years from the date of the ordinance establishing the District. The owners of Property within the boundaries of the District shall have the right to petition the City Council to terminate the District at any time in accordance with the CID Act.

If you would like to discuss this matter further, please do not hesitate to contact me at my direct line which is included above. We look forward to working with the City on this exciting project.

Regards,

HUSCH BLACKWELL LLP



Charles G. Renner

cc:

Attachments: