File #: 250040

RESOLUTION NO. 250040

Directing the City Manager to develop a policy surrounding the use of surplus tax increment financing (TIF) revenue available from terminated or expired TIF redevelopment project areas; and directing the City Manager to report back to Council within sixty (60) days.

WHEREAS, pursuant to the TIF Act, up to 50% of incremental Economic Activity Taxes (TIF EATs) and 100% of Payments in Lieu of Taxes (TIF PILOTs) (TIF Revenues) can be collected to be used to reimburse certified redevelopment project costs; and

WHEREAS, the TIF Revenues can be collected for up to 23 years after the adoption of an ordinance approving TIF for a redevelopment project area; and

WHEREAS, tax increment financing for a redevelopment project area may also be terminated at such time when all reimbursable project costs have been reimbursed; and

WHEREAS, at such time that a redevelopment project area is either expired or terminated, the redevelopment project area may have remaining funds within the Special Allocation Fund which shall be surplused and returned to the taxing districts; and

WHEREAS, pursuant to Second Committee Substitute for Ordinance No. 160383, As Amended, PILOTs distributed to and retained by the City shall be deposited into the Shared Success Fund, unless otherwise budgeted, or subject to the remaining limitations included in Section 15 therein; and

WHEREAS, Ordinance No. 240323, As Amended, authorized a contract with Angelou Economics for the creation of a comprehensive economic development policy and strategic plan and Ordinance No. 240696 expressed the intent of the City Council to incorporate equitable economic development strategies in the comprehensive economic development policy; and

WHEREAS, the City has a suite of financial policies codified in Chapter 2, Article XIV, Code of Ordinances, which offer policy direction to staff and the City Council desires to consider formulation of a policy to treat surplus TIF revenue in a consistent manner; NOW, THEREFORE,

BE IT RESOLVED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the City Manager is hereby directed to develop a policy to be codified in the suite of City financial policies to govern the use of surplus TIF Revenues available from

terminated or expiring TIF redevelopment project areas. Such policy shall include, but not be limited to the following:

- An outline of the procedure for the estimation and appropriation of surplus TIF revenue.
- Surplus revenue shall be appropriated such that it is identifiable by TIF Plan and shall be carried forward each fiscal year until fully expended or reallocated to another use by ordinance.
- When possible, the use of surplus TIF revenue shall be consistent with the purpose or in close proximity of the expiring TIF Plan, and there must be demonstrated need for the funding.
- The TIF Commission shall semi-annually review TIF Plans with excess funds in its Special Allocation Fund as well as TIF plans that have met its objectives; and provide a list, with accompanying recommendations, to terminate redevelopment project areas and/or surplus funds.
- Provisions to ensure that surplus TIF revenues are deposited directly into the General Fund should fund balance be below policy limits as outlined in Section 2-1954, Code of Ordinances entitled Fund Balance and Reserve Policy.
- Use of surplus TIF revenue shall comply with Section 2-1970, Code of Ordinances, entitled Revenue Policy.

Section 2. That the City Manager is hereby directed to provide a draft of the Surplus TIF Revenue Policy to the City Council for consideration within 60 days from the date of this resolution. In developing the draft Policy, the City Manager is directed to consult with Angelou Economics for consistency in the preparation of the draft Equitable Economic Development Policy.

Authenticated as Passed

Quinton Lucas, Mayor

Marilyn Sanders, City Clerk

JAN 30 2025

Date Passed