

# GENERAL

## Resolution Fact Sheet

**Brief Title**

**Approval  
Deadline**

Establishing a policy regarding the financial return analyses for the development project contemplated by UA KC Southpointe, LLC at 63rd and Prospect.

**Details**

**Reason for Legislation**

To facilitate development of high-quality retail and residential uses in a continuously distressed census tract.

**Discussion**

*(Including relationship to other Council actions)*

Pursuant to Second Committee Substitute for Ordinance 160383

- the EDC is required to prepare or cause to be prepared “a financial return analysis for the purpose of comparing the leveraged and unleveraged internal rate of return to determine whether and to what extent the project warrants public assistance consistent with incentivizing the project to an appropriate market benchmark. That analysis shall specifically include a review of the project’s economic viability were the real property tax incentives limited to that which is provided herein”

Pursuant to Second Committee Substitute for Ordinance 200497, the City Council established a cap on incentives for TIF, PIEA, LCRA, EEZ, and CH 353 at 70% for the first 10 Years and 30% for up to 5 Additional Years.

Pursuant to both Second Committee Substitute for Ordinance 160383 and Second Committee Substitute for Ordinance 200497 the City Council also stated its intention to give particular consideration for incentives to projects that meet certain “Extraordinary Qualifications” including projects that are located in continuously distressed census tracts.

Pursuant to Second Committee Substitute for Ordinance No. 170962 as Further Amended, the City Council stated:

that the City as a whole will not fully realize its economic potential until all areas of the City begin to realize the benefits that economic

**210850**

Resolution Number

**Reason**

To facilitate development of high-quality retail and residential uses in a continuously distressed census tract.

**Positions / Responsibilities**

<b>Sponsor</b>	Parks-Shaw Barnes
<b>Programs, Departments, or Groups Affected</b>	City Planning City Manager’s Office 5 <sup>th</sup> Council District
<b>Applicants / Proponents</b>	<i>Applicant</i>  <i>City Department</i> <i>Other</i>
<b>Opponents</b>	<i>Groups or Individuals</i>  <i>Basis of opposition</i>
<b>Staff Recommendation</b>	<input checked="" type="checkbox"/> <i>For</i>  <input type="checkbox"/> <i>Against</i>  <i>Reason Against</i>
	<i>By</i>  <input checked="" type="checkbox"/> <i>For</i> <input type="checkbox"/> <i>Against</i> <input type="checkbox"/> <i>No action taken</i> <input type="checkbox"/> <i>For, with revisions or conditions</i> <i>(see details column for conditions)</i>
<b>Council Committee Actions</b>	<input type="checkbox"/> <i>Do Pass</i> <input type="checkbox"/> <i>Do Pass (as amended)</i> <input type="checkbox"/> <i>Committee Sub.</i> <input type="checkbox"/> <i>Without Recommendation</i> <input type="checkbox"/> <i>Hold</i> <input type="checkbox"/> <i>Do Not Pass</i>

development brings, particularly to communities most directly impacted”, and directed that any proposed project located within the boundaries of the East Side Investment Zone and receiving a total job-based score categorized as Standard Impact or High Impact under the Job Based Project Evaluation shall not be subjected to a financial return analysis.

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**Details**

The proposed Urban America multiphase redevelopment is located in both a continuously distressed census tract and the East Side Investment Zone but is not a Jobs-Based project, and as such is still subject to the requirement for a financial analysis as part of the AdvanceKC process.

This Ordinance would:

Provide a waiver of the Council’s requirement of a financial returns analysis for the initial phase of the project.

Provide that the project would be eligible for up to 25 years of tax abatement without a financial analysis for up to 10 Years at 100% and an additional 15 Years at 50%, but that any incentives sought above this level or for subsequent phases of the project, would be subject to a financial analysis.

**Is it good for the children?** Yes.

**Policy / Program Impact**

<b>Policy or Program Change</b>	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes
	Waiver of Council Policy for the Initial Phase of the Project
<b>Operational Impact Assessment</b>	

**Finances**

<b>Cost &amp; Revenue</b>	
	<i>Increase/Decrease in Revenue Expected Annually</i>
<b>Fund Sources</b>	

*(Use this space for further discussion, if necessary)*

**Applicable Dates:**

**Fact Sheet Prepared by:**

Kerrie Tyndall, Assistant City Manager

**Reviewed by:**