

GENERAL

Ordinance Fact Sheet

Brief Title: _____ **Approval Deadline** _____

Authorizing the City Manager to enter into a Tax Redirection Agreement with Penn Seven, LLC for the purpose of incentivizing job creation and investments in Kansas City.

Reason: _____

The USDA has signed a lease for permanent office space located at 805 Pennsylvania, which is managed by Penn Seven LLC and which is anticipated to create up to 568 net new jobs for the City of Kansas City. In conjunction with this business recruitment project the City has offered to redirect certain taxes as part of an Operations Cost Reduction Program for the project.

Details

Reason for Legislation

Authorizing the City Manager to enter into a Tax Contribution Agreement with Project Leavitt for the purpose of incentivizing job creation and investments in Kansas City

Discussion (explain all financial aspects of the proposed legislation, including future implications, any direct/indirect costs, specific account numbers, ordinance references, and budget page numbers.)

The USDA has signed a 15 Year lease for permanent office space located at 805 Pennsylvania (Business Site) at which it anticipates employing approximately 568 net new full-time employees, with an anticipated average annual salary of \$117,000.00, which would generate a projected payroll of \$66,456,000.00 per year.

This investment by the USDA will generate economic activities that will result in tax revenues to City including, without limitation, expenditures of funds to construct, rehabilitate, remodel or otherwise improve the Business Site; increase in employment resulting in net new payroll to the City; investments in equipment to render the Business Site suitable for Project’s intended use; business operations with resulting consumption of goods, services and utilities; employee activity in being located at or traveling to and from the Business Site through retail purchases, and the consumption of goods and services and patronage of restaurant, entertainment and other facilities in City.

This ordinance authorizes the City Manager to enter into a Tax Contribution Agreement for the purpose of realizing these predominantly public purposes which would contribute up to 75% of economic activity revenues generated by the Project over a 15 year period. The maximum amount of taxes to be redirected for this program shall be \$1,620,000 and no more than \$108,000 annually.

But for these contributions the project would not proceed.

Positions/Recommendations

Sponsor	City Manager
Programs, Departments, or Groups Affected	City Manager's Office, Finance Department
Applicants / Proponents	Applicant Project Leavitt
Opponents	City Department Other Groups or Individuals Economic Development Corporation of Kansas City, MO
Staff Recommendation	<input checked="" type="checkbox"/> For <input type="checkbox"/> Against Reason Against
Board or Commission Recommendation	By Economic Development Corporation of Kansas City, MO N/A <input type="checkbox"/> For <input type="checkbox"/> Against <input type="checkbox"/> No action taken <input type="checkbox"/> For, with revisions or conditions (see details column for conditions)
Council Committee Action	<input type="checkbox"/> Do pass <input type="checkbox"/> Do pass (as amended) <input type="checkbox"/> Committee Sub. <input type="checkbox"/> Without Recommendation <input type="checkbox"/> Hold <input type="checkbox"/> Do not pass

Recommendation
 Approval of this Ordinance, which would authorize the City Manager, and other officials, agents and employees of the City as required, to take such further actions, and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this ordinance.

Policy or Program Change	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes
Operational Impact Assessment	
Finances	
Costs & Revenue Projections - Including Indirect Costs	
Financial Impact	
Fund Source(s) and Appropriation Account Codes	
Is this Ordinance or Resolution Good for the Children	

Applicable Dates:

Prepared by: Kerrie Tyndall, City Manager's Office

Reviewed by:

Reference Numbers