City of Kansas City, Missouri

Docket Memo

Ordinance/Resolution #: 250040
Submitted Department/Preparer: Finance
Revised 6/10/24

Docket memos are required on all ordinances initiated by a Department Director. More information can be found in Administrative Regulation (AR) 4-1.

Executive Summary

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.

Discussion

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. The TIF Revenues can be collected for up to 23 years after the adoption of an ordinance approving TIF for a redevelopment project area. TIF for a redevelopment project area may also be terminated at such time when all reimbursable project costs have been reimbursed. At such time that a redevelopment project area is either expired or terminated, the redevelopment project area may have remaining funds within the TIF Special Allocation Fund, which shall be surplused and returned to the taxing districts. Amended Ordinance No. 240323 authorized a contract with Angelou Economics for the creation of a comprehensive economic development policy and strategic plan to incorporate equitable economic development strategies in the comprehensive economic development policy. 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 will have an outline of the procedure for the estimation, appropriation, and any carryforward of unspent funds year to year of surplus TIF revenue. 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.

Fiscal Impact

1. Is this legislation included in the adopted budget? ☐ Yes ☒ No

2. What is the funding source?
   This resolution does not require a funding source. This ordinance simply directs the City Manager to develop policies surrounding the use of surplus TIF revenue that are available from terminated or expired TIF redevelopment project aeas.

3. How does the legislation affect the current fiscal year?
   This resolution does not affect the current fiscal year. If anything, the accompanying legislation that will come from this would look to carryforward unspent funds year-to-year of surplus TIF revenues.

4. Does the legislation have a fiscal impact in future fiscal years? Please notate the difference between one-time and recurring costs.
   This resolution does not have any fiscal impact on future fiscal years.

5. Does the legislation generate revenue, leverage outside funding, or deliver a return on investment?
   The deliverable from this resolution would help guide the use of surplus TIF revenues, but would not generate revenue, leverage outside funding, or devlier a return on investment.

Office of Management and Budget Review
(OMB Staff will complete this section.)

1. This legislation is supported by the general fund. ☐ Yes ☒ No

2. This fund has a structural imbalance. ☐ Yes ☒ No

3. Account string has been verified/confirmed. ☐ Yes ☒ No

Additional Discussion (if needed)
Click or tap here to enter text.

Citywide Business Plan (CWBP) Impact

1. View the Adopted 2025-2029 Citywide Business Plan

2. Which CWBP goal is most impacted by this legislation?

Finance and Governance (Press tab after selecting.)

3. Which objectives are impacted by this legislation (select all that apply):

   ☒ Ensure the resiliency of a responsive, representative, engaged, and transparent City government.
   ☐ Engage in workforce planning including employee recruitment, development, retention, and engagement.
   ☐ Foster a solutions-oriented, welcoming culture for employees and City Partners.
   ☐
   ☐
   ☐

Prior Legislation

Ordinance No. 240323 – contract with Angelou Economics for the creation of a comprehensive economic development policy and strategic plan.

Service Level Impacts

This resolution will directs the City Manager to develop policies surrounding the use of surplus TIF revenue that are available from terminated or expired TIF redevelopment project aeas. Providing a clear policy for both staff and elected officials with appropriate uses for these surplus revenues and how best to use them moving forward.

Other Impacts

1. What will be the potential health impacts to any affected groups?
   N/A

2. How have those groups been engaged and involved in the development of this ordinance?
   Groups would have been engaged and involved during discussions with Angelou Economics for the creation of a comprehensive economic development policy and strategic plan.

3. How does this legislation contribute to a sustainable Kansas City?
   This resolution and it's deliverables will help guide the City on how to use surplus TIF revenues in the most equitable and consistent way possible.

4. Does this legislation create or preserve new housing units?
   No (Press tab after selecting)

   Click or tap here to enter text.
   Click or tap here to enter text.

5. Department staff certifies the submission of any application Affirmative Action Plans or Certificates of Compliance, Contractor Utilization Plans (CUPs), and Letters of Intent to Subcontract (LOIs) to CREO prior to, or simultaneously with, the legislation entry request in Legistar.

   No - CREO's review is not applicable (Press tab after selecting)
   Please provide reasoning why not:
   Click or tap here to enter text.

6. Does this legislation seek to approve a contract resulting from an Invitation for Bid?

   No(Press tab after selecting)

   Click or tap here to enter text.

7. Does this legislation seek to approve a contract resulting from a Request for Proposal/Qualification (RFP/Q)?
   No(Press tab after selecting)