

GENERAL Ordinance Fact Sheet

Brief Title: _____ **Approval Deadline** _____

Reason: _____

Authorizing an application to the Missouri Development Finance Board for the preliminary authorization of state tax credits in the amount not to exceed \$1,000,000.00 to support an expansion for the Grooming Project; and authorizing the City Manager' Office to execute a tax credit agreement with the Missouri Development Finance Board in connection with the tax credits

Approving the City Manager to file an application for contribution tax credits in the amount not to exceed \$1,000,000.00 with the Missouri Development Finance Board for financing an expansion for the Grooming Project through the State's Tax Credit for Contribution Program.

If the City's application is approved, this resolution will authorize the City Manager to execute a tax credit agreement in connection with the issuances of state tax credits.

Details

Reason for Legislation

Approving the City Manager to file an application for contribution tax credits in the amount not to exceed \$1,000,000.00 with the Missouri Development Finance Board for financing and expansion project for the Grooming Project through the State's Tax Credit for Contribution Program. If the City's application is approved, this resolution will authorize the City Manager to execute a tax credit agreement in connection with the issuances of state tax credits.

These MDFB tax credits will help leverage over \$5 million dollars in funding to rehabilitate a vacant building located at 5805 Troost, which will provide expanded capacity for their workforce training programs.

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 Grooming Project provides training to students for career opportunities in the pet grooming industry targeted to homeless single mothers with children as a pathway out of poverty and homelessness. Their current facility is located at 5829 Troost, Kansas City, MO, in the 5th Council District. This project is requesting tax credits to double capacity for pet care services and the number of graduates from their workforce training program. This project is anticipated to create up to 15 new permanent jobs at an average salary of \$40,000 and approximately 36 temporary construction jobs at an average salary of \$40,000.

Construction of this Project, estimated to require \$5,000,000.00 of investment, is to commence in early 2022 and has a target completion date of December 2022, contingent on remaining fundraising

The Grooming Project is in its 6th year of operations and has seen the need for its services far outpace its capacities on both the student service front and the grooming service front. Specifically, The Grooming Project is on pace to receive more than 300 applications from prospective students this year.

Positions/Recommendations

Sponsor	Parks-Shaw, Barnes
Programs, Departments, or Groups Affected	City Manager's Office, Finance Department
Applicants / Proponents	Applicant City Department City Manager's Office,
Opponents	Other Groups or Individuals None
Staff Recommendation	<input checked="" type="checkbox"/> For <input type="checkbox"/> Against Reason Against
Board or Commission Recommendation	By <input checked="" 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

Assisting people in transitioning from reliance on public support programs to self-sufficiency via earned wages has a profound economic impact on the community. From an earning and taxation standpoint, EPEC's graduates earned almost \$2 million in wages in 2020.

Recommendation

This resolution will authorize the City Manager to file an application for contribution tax credits in the amount not to exceed \$1,000,000.00 with the Missouri Development Finance Board for financing an expansion for the Grooming Project through the State's Tax Credit for Contribution Program. This Resolution only provides support from the City for MDFB to consider the application but does not obligate the City to any funding commitments.

If the City's application is approved, this resolution will authorize the City Manager to execute a tax credit agreement in connection with the issuances of state tax credits.

Financing/Incentive Package

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	None. These are state tax credits.
Fund Source(s) and Appropriation Account Codes	
Is this Ordinance or Resolution Good for the Children	

Applicable Dates:

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Reviewed by:

Reference Numbers