City of Kansas City, Missouri

Docket Memo

Ordinance/Resolution #: 250498
Submitted Department/Preparer: Housing
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

Authorizing the Manager of Procurement Services to execute a Central City Economic Development (CCED) funding agreement with Linvista Flats Historic Colonnades for renovation of fourteen (14) residential units to be located at 1601-1603 Linwood Boulevard in Kansas City; Complying with the Missouri Prevailing Wage Law, the City's Contracting Program Requirements; Prohibiting the use of any CCED sales tax funding for the repayment of any preexisting debt or repayment for services or work performed to the execution of the funding agreement and must require the disclosure of total project sources and projected costs and periodic reporting of project progress; and authorizing the Director of the Housing and Community Development Department to expend up to $1,189,822 of previously appropriated Central City Economic Development Fund.

Discussion

WHEREAS, Section 67.1305 of the Revised Statuses of Missouri authorizes the City to impose a retail sales tax not to exceed one-half of one percent if the imposition of such a retail sales tax is submitted to, and then approved by, a majority of votes cast; and

WHEREAS, on April 4, 2017, pursuant to authority granted by Section 67.1304, RSMo, a majority of Kansas City, Missouri voters approved a new 1/8 of one percent retail sales tax for funding economic development projects within the area bounded by 9th Street on the north, Gregory Boulevard on the south, Paseo Boulevard on the west and Indiana Avenue on the east; and

WHEREAS, the project serves a predominantly public municipal purpose because, without limitation, completion of the project (i) enhances the tax base of the Project Site; (ii) retains and generates jobs; (iii) promotes economic development in the area of the City in which the Project Site is located, and promotes consideration of areas of the City that the City Council has determined to be blighted as a location for business operations; (iv) results in generation of tax revenues to the City from the conduct of business and other activities in the City that would otherwise occur; (v) serves as a catalyst for additional investment in and further redevelopment and rehabilitation of the area of the City in which the Project Site is located; and)vi) furthers the City's policy of encouraging economic stability and growth; and

WHEREAS, the City desires to encourage the Developer to carry out the project for the purpose of realizing these predominantly public purposes by entering into an agreement to contribute certain revenues in an amount needed to cause the project to be undertaken and attract the necessary private investment; and

WHEREAS, on August 15, 2024, the City Council passed Ordinance No. 240620 which accepted the Board's recommendation to negotiate and execute a Funding Agreement with Linvista Flats, LLC in the amount of $1,189,822 for the purpose of renovation of 14 residential units to be located at 1601-1603 Linwood Boulevard in Kansas City, expenses to be paid from funds previously appropriated to Account No. 25-2200-555998-619080-55LINVISTA, the Central City Economic Development Sales Tax fund.

WHEREAS, previously appropriated funds from the Central City Economic Development Fund, in the amount of $1,189,822 were unexpended; and

WHEREAS, November 2024, the residential building known as Linvista Flats Historic Colonnades, located 1603 Linwood Boulevard, was rendered uninhabitable as a result of significant fire damage; and

WHEREAS, the structural integrity of the building was compromised by the fire, resulting in a reduction of the total number of habitable residential units to eight (8); and

WHEREAS, this is ordinance is required due to the change of scope necessitated by the fire; NOW, THEREFORE,

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Fiscal Impact

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

2. What is the funding source?
   26-2200-555998-619080-55LINVISTA
   Central City Economic Development Fund

3. How does the legislation affect the current fiscal year?
   There is no effect on the discal year

4. Does the legislation have a fiscal impact in future fiscal years? Please notate the difference between one-time and recurring costs.
   There is no effect on future fiscal years

5. Does the legislation generate revenue, leverage outside funding, or deliver a return on investment?
   No

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)
$1,189,822 is not yet rolled forward into 26-2200-555998-619080-55LINVISTA. The amount is confirmed to be rolled forward per ordinance 250277.

Citywide Business Plan (CWBP) Impact

1. View the Adopted 2025-2029 Citywide Business Plan
2. Which CWBP goal is most impacted by this legislation?
   Housing and Healthy Communities (Press tab after selecting.)
3. Which objectives are impacted by this legislation (select all that apply):

   ☒ Utilize planning approaches in neighborhoods to reduce blight, ensure sustainable housing, and improve resident wellbeing and cultural diversity.
   ☒ Maintain and increase affordable housing supply to meet the demands of a diverse population.
   ☒ Address the various needs of the City's most vulnerable population by working to reduce disparities.
   ☒ Foster an inclusive environment and regional approach to spur innovative solutions to housing challenges.
   ☒ Ensure all residents have safe, accessible, quality housing by reducing barriers.
   ☐ Protect and promote healthy, active amenities such as parks and trails, play spaces, and green spaces.

Prior Legislation

Ordinance 240620

Service Level Impacts

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Other Impacts

1. What will be the potential health impacts to any affected groups?
   NA

2. How have those groups been engaged and involved in the development of this ordinance?
   NA

3. How does this legislation contribute to a sustainable Kansas City?
   (i) enhances the tax base of the Project Site; (ii) retains and generates jobs; (iii) promotes economic development in the area of the City in which the Project Site is located, and promotes consideration of areas of the City that the City Council has determined to be blighted as a location for business operations; (iv) results in generation of tax revenues to the City from the conduct of business and other activities in the City that would otherwise occur; (v) serves as a catalyst for additional investment in and further redevelopment and rehabilitation of the area of the City in which the Project Site is located; and)vi) furthers the City's policy of encouraging economic stability and growth

4. Does this legislation create or preserve new housing units?
   Yes (Press tab after selecting)

   Total Number of Units 8
   Number of Affordable Units 8

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:

NA

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)