COMMITTEE SUBSTITUTE FOR ORDINANCE NO. 240647

Establishing Fund No. 3454, the Special Obligation Bond Series 2025B Projects Fund, in the records of the City of Kansas City; estimating revenue in the amount of $14,850,000.00 in the Special Obligation Bond Series 2025B Projects Fund, No. 3454; and appropriating the same in Fund 3454; authorizing a construction contract with Infrastructure Solutions, LLC, with a total value of $14,771,134.00 for the West Bottoms Phase I project (the "Project"); authorizing the City Manager to negotiate and execute a reimbursement agreement with the Planned Industrial Expansion Authority (PIEA) for reimbursement of design professional services associated with all phases of design of the West Bottoms Public Improvements Project; designating requisitioning authorities; declaring the intent of the City to reimburse itself from the bond proceeds for certain expenditures; authorizing the Director of Finance to close project accounts upon completion; and establishing this ordinance as having an accelerated effective date.
body

WHEREAS, on December 15, 2022, the City Council adopted Ordinance No. 221064, authorizing the City Manager to enter into a Predevelopment Agreement with West Bottoms - Propco Master, LLC, for the development of approximately 21.85 acres in the West Bottoms Area ("the Project"); and

WHEREAS, on March 24, 2024, the City Council adopted Ordinance No. 240256, approving the recommendations of the Tax Increment Financing Commission as to the West Bottoms Tax Increment Financing Plan, approving the City's contribution of additional EATs generated in the Plan Area, directing the Director of Finance to develop a finance plan, and authorizing the City Manager to enter into a Redevelopment Agreement with the Kansas City TIF Commission for the redevelopment of public infrastructure improvements, including, without limitation, sanitary and storm sewers, utilities, sidewalks, and any other required or desirable infrastructure (collectively the "Public Improvements") that will encourage the construction of approximately 108,000 square feet of office space, 108,300 square feet of retail space, 589 multifamily units which may include affordable units (the "Affordable Units"), and 40 hotel rooms; and

WHEREAS, on June 25, 2024, the General Services Department opened bids for Phase 1 infrastructure work in connection with the Project, which infrastructure includes new concrete pavement, curb, gutter, sidewalks, streetlighting, streetscapes, water main replacement, storm sewer separation, and Green Infrastructure for storm water detention and management ("the Phase 1a Public Improvements"); and

WHEREAS, Ordinance No. 240600 approved the First Amendment to the Plan which provides (1) modifications to the Budget of Redevelopment Project Costs, (2) modifications to the anticipated sources of funds, (3) modifications to the development schedule and (4) the inclusion of all conforming changes within the Exhibits to the Redevelopment Plan that are in furtherance of the foregoing modifications (the "First Amendment"); and

WHEREAS, Ordinance No. 240581 established the West Bottoms Central Community Improvement District ("CID"), the petition for which contemplates a 1% sales tax of which up to 90% of the CID sales tax will be pledged to fund the Project; and

WHEREAS, the City has developed a financial plan using a combination of revenues from the TIF Plan, CID District and Water Services Department to finance the costs of the Project; and

WHEREAS the City desires to estimate and appropriate $14,850,000.00 for the purpose of financing the Phase 1a Public Improvements and Professional Services; and

WHEREAS, the cost of the Phase 1a Public Improvements and Professional Services will be funded with Water Services Department funds and the issuance of special obligation bonds ("Bonds") in Spring 2025 and the payment of scheduled debt service payments on the bonds will be made by proceeds of economic activity taxes pursuant to the Tax Increment Financing Plan approved pursuant to Ordinance No. 240256, proceeds from Super-TIF revenues, proceeds of Community Improvement District sales taxes approved and annual appropriation of monies from general municipal revenues over a successive thirty (30) year period; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That Fund No. 3454 is hereby established as the Special Obligation Series 2025B Project Fund in the records of the City of Kansas City, Missouri.

Section 2. That the revenue in the following account of Fund No. 3454, the Special Obligation Series 2025B Project Fund, is hereby increased in the following amount:

AL-3454-120000-502360	Bond Proceeds	$14,850,000.00

Section 3. That the sum of $14,850,000.00 is hereby appropriated from the Unappropriated Fund Balance of Fund No. 3454, the Special Obligation Series 2025B Project Fund to the following account:

AL-3454-898014-B-89008979	West Bottoms Public Infrastructure	$11,080,361.03
AL-3454-107710-B-89008979	West Bottoms Public Infrastructure	3,600,000.00
AL-3454-122583-B-89008979	West Bottoms Public Infrastructure	169,638.97
	TOTAL	$14,850,000.00

Section 4. That the Director of Public Works is hereby authorized to execute, on behalf of the City, a construction contract in the amount of $14,771,134.00 with Infrastructure Solutions, LLC, for Project No. 89008979 West Bottoms Redevelopment Phase 1, a copy of which is on file with the Public Works Department, from funds hereby and previously appropriated to the follow accounts:

AL-3454-898014-B-89008979	West Bottoms Public Infrastructure	$10,206,961.03
25-8110-807769-B-81001030	West Bottoms Water and Sewer Main	2,650,000.00
AL-8081-807701-611060-80002524	West Bottoms Water and Sewer Main	1,914,172.97
	TOTAL	$14,771,134.00

Section 5. Authorizing the City Manager to negotiate and execute a reimbursement agreement with the PIEA for reimbursement of design professional services associated with all phases of design of the West Bottoms Infrastructure Project.

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Section 6. That the City Manager, subject to the execution of the agreement authorized Section 5 herein, is hereby authorized to expend funds in the amount of $3,600,000.00 for Project No. 89008979 West Bottoms Redevelopment Phase 1 from funds appropriated herein in Account No. AL-3454-107710-610300-89008979

Section 7. That the Director of Public Works is designated as requisitioning authority for Account No. AL-3454-898014-B-89008979.

Section 8. That the Director of Finance is hereby designated as requisitioning authority for Account No. AL-3454-122583-B-89008979.

Section 9. That the City Manager is hereby designated as requisitioning authority for Account No. AL-3454-107710-B-89008979.

Section 10. That the City Council hereby declares its official intent to reimburse itself for certain expenditures made within sixty (60) days prior to or on and after the date of this Ordinance with respect to appropriations in Section 3 ("Appropriation") with the proceeds of bonds expected to be issued by the City. The maximum principal amount of bonds expected to be issued for the Appropriation is not to exceed $14,850,000.00. This constitutes a declaration of official intent under Treasury Regulation 1.150-2.

Section 11. That the Director of Finance is hereby authorized to close project accounts, encumbrances and retainage related to the accounts in Section 3 and return the unspent portion to the fund balance from which it came upon the earliest of: (i) Project's completion; (ii) final maturity of financing, or (iii) five years after issuance.

Section 12. That this ordinance, relating to the design, repair, maintenance or construction of a public improvement, is recognized as an ordinance with an accelerated effective date as provided by Section 503(a)(3)(D) of the City Charter and shall take effect in accordance with Section 503 of the City Charter.

I hereby certify that there is a balance, otherwise unencumbered, to the credit of the appropriation to which the foregoing expenditure is to be charged, and a cash balance, otherwise unencumbered, in the treasury, to the credit of the fund from which payment is to be made, each sufficient to meet the obligation hereby incurred.

Authenticated as Passed

Quinton Lucas, Mayor

Marilyn Sanders, City Clerk

AUG 01 2024

Date Passed

Tammy L. Queen
Director of Finance

Approved as to form:

Emalea Black
Associate City Attorney