



Legislation Text

File #: 250290, Version: 3

[COMMITTEE SUBSTITUTE FOR] ORDINANCE NO. 250290, AS AMENDED

Sponsor: Councilmember Melissa Robinson

COMMITTEE SUBSTITUTE

Authorizing the Manager of Procurement Services to execute a Central City Economic Development (CCED) funding agreement with Santa Fe Area Council for the continued rehabilitation of existing homes previously approved by council; authorizing the Director of Housing and Community Development Department to execute this contract in the amount of \$454,754.19 funded from previously expended city funds on account with a disbursement agent in the amounts of \$273,437.74 of Central City Economic Development Fund dollars and \$181,316.85 of Maintenance Reserve Fund dollars; and waiving MBE/WBE goals pursuant to Section 3-437.

WHEREAS, Section 67.1305 of the Revised Statutes 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 December 17, 2020, the City Council passed Ordinance No. 200997 which accepted the Board's recommendation to negotiate and execute a Funding Agreement with Santa Fe Neighborhood Council in the amount of \$610,000.00 for the purpose of rehabilitation of existing homes including administrative fees and liaison expenses to be paid from funds previously appropriated to Account No. 21-2200-578998-B-57Fe, the Central City Economic Development Sales Tax fund; and

WHEREAS, on May 6, 2021, the City Council passed Ordinance No. 210379 which: (1) authorized the

Santa Fe Neighborhood Council's housing rehabilitation program using \$300,000.00 of Maintenance Reserve Corporation Funds to support eligible rehabilitation expenses for low-to-moderate income homeowners in the Santa Fe Neighborhood and (2) authorized the Director of Neighborhoods and Housing Services Department to enter into a contract with Santa Fe Neighborhood Council (in partnership with Arvest Bank) using funds previously appropriated to Account No. AL-6930-572127-B, the Maintenance Reserve Fund; and

WHEREAS, previously disbursed funds from the Central City Economic Development Fund, in the amount of \$273,437.74, and Maintenance Reserve Fund, in the amount of \$181,316.85, remained on account with a disbursement agent as of the contract end date of December 17, 2023.; and

WHEREAS, the unique rehab grant with the following challenges, including City-staff turnover at the beginning of the project that made adherence to city processes and rules more difficult, and challenges with securing a general contractor; and

WHEREAS, the rehabilitation of ten houses has been completed, with five more houses yet to be completed; and

WHEREAS, the new contract will allow for \$40,000.00, of the remaining Maintenance Reserve Fund balance on account with the disbursement agent, to be used for support program management rather than an inspector budget line item; and

WHEREAS, contract expiration necessitates the execution of a new funding agreement for use of remaining dollars; and

WHEREAS, Santa Fe Area Council made a good faith effort to satisfy the City's MBE/WBE goal requirements of its previous contract and will continue to do so through the hiring of a new subcontractor despite a Council waiver; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the recommendation of the Central City Economic Development Board issued on February 11, 2025, to enter into this contract and funding agreement for the rehabilitation of existing homes is hereby accepted.

Section 2. That the Manager of Procurement Services is authorized to execute a funding agreement with Santa Fe Area Council funded from previously expended but remaining city funds on account with a disbursement agent in the amounts of \$273,437.74 from the Central City Economic Development Sales Tax Fund and \$181,316.85 from the Maintenance Reserve Fund.

Section 3. That the Director of Housing and Community Development is authorized to expend up to \$454,754.19 held by the disbursement agent with \$273,437.74 provided from the Central City Economic Development Sales Tax Fund and \$181,316.85 from the Maintenance Reserve Fund on this contract.

Section 4. That this contract must comply, when applicable, with the City's Contracting Program Requirements set out in Article IV, Chapter 3, Code of Ordinances, (including, but not limited to, the provisions concerning affirmative action).

Section 5. That the Funding Agreement shall prohibit the use of any CCED sales tax funding for the

repayment of any preexisting debt or repayment for services or work performed prior to the execution of the funding agreement and must require the disclosure of total project funding sources and projected costs and periodic reporting of project progress.

Section 6. That the Council hereby waives MBE/WBE goals pursuant to Section 3-437 but strongly encourages that good faith efforts be made to secure MBE/WBE participation through the use of a new subcontractor.

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.

Tammy L. Queen
Director of Finance

Approved as to form:

Joseph A. Guarino
Senior Associate City Attorney