

AGENDA

CENTRAL CITY ECONOMIC DEVELOPMENT SALES TAX BOARD MEETING

A public meeting of the Central City Economic Development Sales Tax Board will take place on Tuesday, February 8, 2022 at 12:00 noon

Zoom Meeting: <https://zoom.us/j/94196295826>
Meeting ID: 941 9629 5826
Phone: (646) 558-8656 Passcode: 94196295826#

1. Call to Order
2. Public Comment
3. Approval of Minutes
4. Treasurer's Report
5. Consultant's Report
6. Policy Discussion
7. Administrative Services Update
8. Project Update
9. Other Business
10. Additional Business
 - There may be general discussion of matters related to the Central City Economic Development Sales Tax.
 - Pursuant to subsections (1) and (12) of Section 610.021 of the Revised Statutes of Missouri, there may be a closed session to discuss a) legal matters, litigation or privileged communications with attorneys; and/or b) sealed proposals and related documents or any documents related to a negotiated contract.

11. Adjourn

Any person with a disability desiring reasonable accommodation to attend this meeting should contact the City's 311 Action Center. Any person with a disability desiring reasonable accommodation to attend this meeting should contact the City's 311 Action Center.



FOR THE LATEST NEWS AND PROJECT INFO:
KCMO.GOV/CCED

Central City Economic Development Sales Tax Board Meeting
 Minutes from January 11, 2022 Board Meeting

Board Members Present	DJ Pierre, Chair Melissa Patterson Hazley, Vice Chair Kenneth Bacchus, Treasurer Makini King, Board Member Nia Richardson, Board Member
Consultants Present	Lelia Allen, HLDC Consulting
City of KCMO Staff Present	Shontrice Patillo, Housing and Community Development Department Katie Chandler, Law Department Eric Clevenger, Finance Department Emalea Black, Law Department Melissa Kozakiewicz, Office of the City Manager Jose Gonzalez, Office of the City Manager – Communications Chris Hernandez, Office of the City Manager – Communications
Community Members Present	Bill Kimble Adonica Worley

Call to Order:

Chair DJ Pierre called the meeting to order at 12:02pm.

Approval of Minutes: Board Member Richardson requested to amend the minutes to include questions she provided in writing. Vice Chair Hazley moved to approve the minutes subject to amendments by Ms. Richardson. Board Member Richardson seconded the motion.

Public Comment: Adonica Worley inquired about waiving the application fees for small developers. The Chair responded the board agreed to waive the fee for non-profit and neighborhood organizations only. Board member Bacchus reiterated this to be the board’s current position, but it could change in the future.

Treasurer’s Report: Eric Clevenger provided an overview of the financial statement. The revenues are 10% higher than budget projections. Mr. Bacchus moved to approve the report. The motion was seconded by Ms. King. The motion passed with a vote of 5-0.

Marketing & Communications: Chris Hernandez and Jose Gonzales presented options for the new logo. Vice Chair Hazley made the motion to adopt options 1 and 3 for the new logo. Mr. Bacchus seconded the motion which passed with a vote of 5-0.

Round IV RFP: Chair Pierre informed the board one developer submitted a request to extend the

deadline by one week. The board did not amend the date. Ms. Patillo reported 18 applications have been started through the online portal and one application has been submitted.

Consultant's Report – Administrative Services RFP: Ms. Allen with HLDC reported the consultants have been working to develop a plan to provide administrative services. HLDC will revise its presentation and budget to present at a future meeting.

Administrative Services Update: Board member Richardson submitted (attached) plan as an approach to administrative services. Pierre inquired about the status of hiring an additional city staff member for a CCED Internal person.

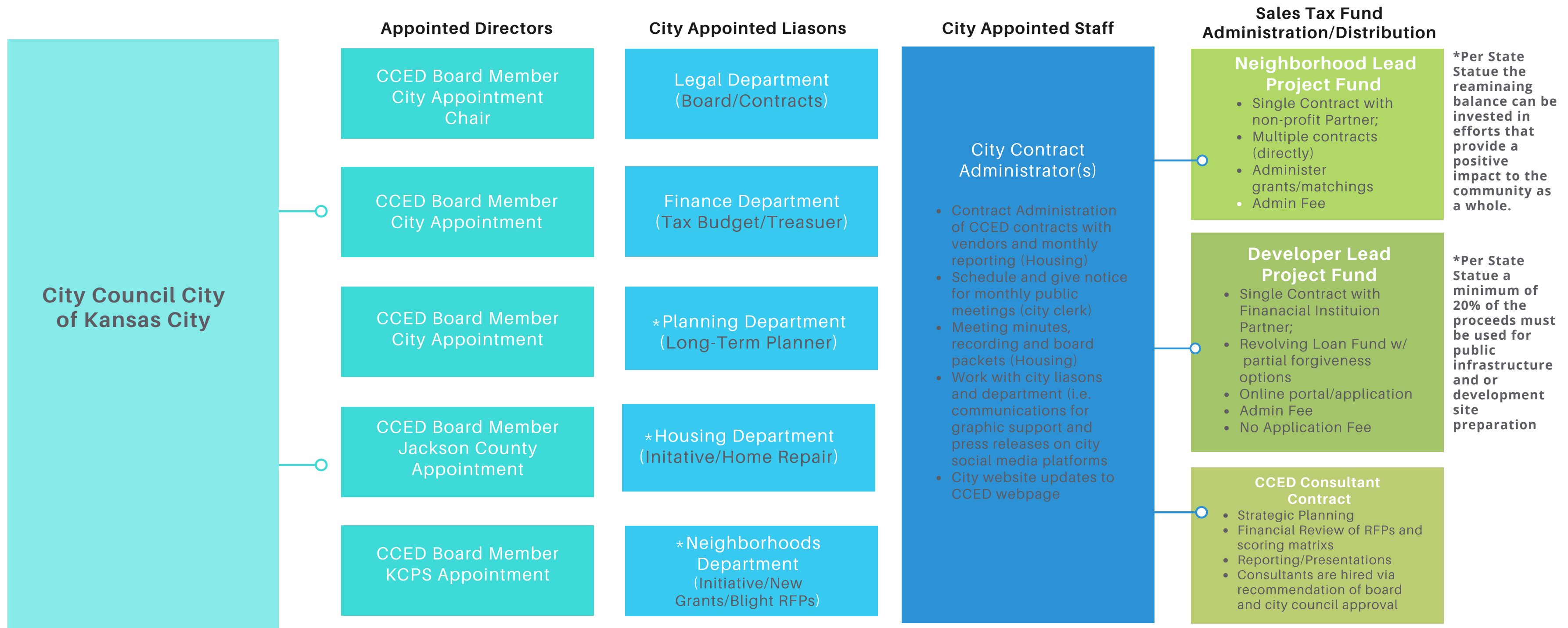
Other Business: There was no additional business.

Adjourn: The meeting adjourned at 12:45 pm following a motion by Mr. Bacchus and seconded by Ms. King. The motion passed by a vote of 5-0.

CENTRAL CITY ECON. DEV FUND

Administrative Approach

Per State Statute no more than 25% of revenue generated shall be used annually for administrative purposes, including staff and facility costs.



Per State Statute Title VI 67.1305

Per State Statute Title VI 67.1300 and 67.1303

*Per State Statute the remaining balance can be invested in efforts that provide a positive impact to the community as a whole.

*Per State Statute a minimum of 20% of the proceeds must be used for public infrastructure and or development site preparation

CCED Administrative Proposal

Per MO State Statue the board can allocate no more than 25% of the sales taxes fund for administrative costs. The following are various fund tactics that could help reduce the CCED administrative needs and outsidess concerns for funding distribution.

City Administrative Support to CCED

The following is an overview of current City administrative support and suggestions for internal City support to the Central City Sales Tax board and administration of funds. The City appoints department liaisons to support the functions of the CCED board and Fund. The City is currently in the process of hiring a new contract administrator for the CCED sales tax program.

City Liaison Support

- Legal Department (Assigned)
- Finance Department (Assigned)
- Planning Department (Long-Term Planner Assigned)
- Housing Department
- Neighborhoods Department

Contract Administrator(s)

- Oversee and manage all CCED contracts; based on above would include
 - **Consultant Contract (s)**
 - **Non-Profit Contract for Special Projects Fund** (optional/suggested) or;
 - Individual contracts approved via Special Projects Fund/RFP by CCED Board/Council
 - **Financial Institution Contract for Revolving Loan Fund**
- Provide monthly reporting to board on contract status (expiration and execution); distribution of funds, and reporting of capital spend and revenue generation (revolving fund)
- Provide administrative support to board for monthly public meetings to include, board meeting packets, meeting minutes/recordings, public notices and reporting
- Work with city liaisons (i.e. communications for website updates and city clerk for public notices)
- Prepare materials for City council approval and presentation to council committee(s)

Developer Lead Project Fund (Revolving Loans):

In conjunction with a financial institution, provide loans to applicants for public infrastructure and/or development site preparation; Allocate a minimum of 20% of the annual actual/projected sales tax revenue to this fund to be administered to approved applicants. Suggest no less than 50% of funds should be allocated for distribution via revolving loan fund.

Administration:

- Funds can be administered through a partner financial institution (i.e. local bank or CDFI);
- The contract for this *Revolving Loan Fund* would be administered through City contract admin staff for funding disbursement and reporting of spending/loans;
- CCED Board would issue an RFP to select financial partner(s); anticipate partner to charge administrative fee to manage, disburse and collect fund revenue, and provide reporting back to board;

- CCED Board (along with its consultant and city contract admin staff) shall direct financial partner for loan terms and application; goal is to create accessible and inexpensive capital;
- Offer partial forgiveness/ 0% zero percent interest for project that meet community impact criteria; or the option could be for full-forgiveness for projects who demonstrate high community impact;
- Approved loan recipients could apply for the offer that upon board/city council approval; this may require a city council approved policy for board spending/approval discretion (i.e. city council policy allow CCED board to approve forgiveness- shorten the turn-around time for developer response);
- CCED Board would develop the “community impact” criteria (i.e. creation of quality jobs for residents; MWBE project participation of 50% or more; supporting local small businesses; quality housing options);
- No application fee required; lessen admin need to collect funds;
- CCED Board would decide annually the amount of sales tax collected to be allocated to the “revolving” fund;
- Require partner to provide online portal/application option and technical support

Benefits of this Approach:

- Lessens the need for internal administrative staff; city contract admin is managing a single contract and forgiveness requests upon receipt.
- Benefits the developer for project timing and execution; not waiting for an RFP or the slower internal city contract process as expressed by developers
- Revenue from the revolving fund can be reinvested to sustain CCED beyond its 2027 deadline; does not require another citywide vote or expensive campaign
- Potentially reduce additional funding request from developers

Administrative Cost Estimates: estimates 5-10% of total allocated funds

Timeline: 60-150 days – FY 22-23 (April/May 2022); before issuing Round 5 RFP

Neighborhood Lead Project Fund (Grants)

Utilize remaining funds not allocated to the Revolving or Administrative fund to be distributed via grants for neighborhood or area focused projects within the CCED boundaries. Funding should also be set-aside (suggest no less than 20%) to support a technical assistance program for CCED to assist neighborhood association and developers inside of CCED with accessing the both the grant and revolving funds.

Administration:

- CCED could issue rounds of RFPs for projects as it currently does. Grants could be administered via city contract administrator (option-1) or non-profit partners as an admin option-2 (i.e. CCED COVID SMB Relief Grants/Resident Relief Grants)
- CCED Board would issue an RFP to select non-profit partner(s); anticipate partner to charge administrative fee to manage, disburse and collect fund revenue and provide reporting back to board

- CCED Board (along with its consultant and city contract admin staff) shall direct non-profit partner for loan terms and application; goal is to create accessible and inexpensive capital;
- CCED Board would decide annually the amount of sales tax collected to be allocated to the neighborhood lead project fund
- The CCED board would follow its current process with its consultant to RFP, application and matrix scoring
- Recommendations would be made to council for approval
- No application fee required for neighborhood driven proposals per new policy

Benefits of this Approach:

- Lessens the need for internal administrative staff; city contract admin is managing a single contract and loan forgiveness requests upon receipt.
- Separates our developers and neighborhood project applicants from competing against one another in RFP Rounds as they have done in the past
- Allows opportunity for more neighborhood/community driven projects inside CCED and increasing engagement with the CCED board, the City, and City Council
- Funding should also be set-aside to support a technical assistance program for CCED to assist neighborhood association and developers inside of CCED with accessing the both the grant and revolving funds.
- Expand the Funds-Work with non-profit partner to match grant funds (501C3 Fiscal Agent) via private, philanthropic and other grant match funds
- Sustain the Funds through the revolving loan fund revenue; a portion of the revenue could be set aside to be invested into neighborhood projects
- Equity for neighborhoods and developers

Administrative cost estimates: estimates 5-10% of total allocated funds

Timeline: Start with Round 5 RFP FY22-23

Administrative Support

The above approach can be supported by one or more of the following administrative roles, outside of the City Contract Administrator role. The following are suggested but not required to administer funding or provide reporting and administrative to CCED Board. With the above suggested approach, the remaining administrative needs can be support through our existing/new consultant. The administrative approach should be used as a foundation for understanding the outside administrative needs that can be supported by the current consultant.

- **Fund Development Manager**-work with board and partners to identify outside funding via grants, private and philanthropic to match the remaining CCED funds to sustain the program beyond 2027 sunshine date.
- **Community Liaison**- works internally with neighborhood associations and groups located within the CCED Boundaries to engage the board in supporting neighborhood driven projects.
- ***Board Administrator**- oversee and coordinates the monthly board meeting, and any special meetings, in terms of schedule, public notice, meeting minutes, board packets, meeting agenda, project updates, etc. *These duties are currently being performed by City Staff.

- **Executive Administrator/Director**- oversees or performs similar duties of board admin, provides monthly reporting, works with consultants and assists board with neighborhood driven projects. Support board with developer lead fund and provide reporting to board alongside financial partner.

Central City Economic Development Sales Tax Fund #2200
Comparison of Revenues, Expenditures
and Change in Fund Balance
As of January 31, 2022

	Actual FY 2019-20	Actual FY 2020-21	Adopted FY 2021-22	Projected Activity FY 2021-22	Activity to Date ¹ FY 2021-22	Actuals to Date ² FY 2021-22
Beginning Fund Balance	\$ 14,729,572	\$ 19,978,759	\$ 3,276,611	\$ 24,781,743	\$ 24,781,743	\$ 24,781,743
Reserve for Encumbrances	-	401,273	-	3,510,209	3,510,209	3,510,209
Rollforward of encumbrances to FY 2022	-	(3,510,209)	-	-	-	-
Total Fund Balance	14,729,572	16,869,822	3,276,611	28,291,953	28,291,953	28,291,953
Revenues						
Sales Tax	10,720,388	9,353,764	9,855,000	9,855,000	8,457,863	8,457,863
Miscellaneous Income	6,028	57,357	56,000	56,000	2,024	2,024
Total Revenues	\$10,726,416	\$9,411,121	\$9,911,000	\$9,911,000	\$8,459,886	\$8,459,886
Expenses						
Wages	49,492	61,488	59,808	59,808	59,808	43,706
Benefits-Insurance-Health-FICA	13,984	19,640	22,090	22,021	22,021	16,421
Pension	6,396	9,986	9,763	9,832	9,832	8,532
Employee charged-in	-	7,689	-	-	-	544
Salary and Wages Subtotal	69,872	98,803	91,661	91,661	91,661	69,203
Training/Meeting Exp.	2,408	1,138	-	-	-	-
Catering/Food	303	-	-	-	-	-
Printing / Office Supplies/Advertisements	533	273	500	500	500	367
Meeting and Other Related Expenses Subtotal	3,244	1,411	500	500	500	367
Community Builders of Kansas City (Round 1)	627,785	-	-	-	-	-
Emanuel Family & Child Development (Round 1)	725,000	-	-	-	-	-
Linwood Shopping Square (Round 1)	2,389,149	-	-	-	-	-
Ivanhoe Neighborhood Council (Round 1)	-	-	-	933,840	933,840	933,840
MACPEN Enterprise (Round 1)	1,000,000	-	-	-	-	-
National Assoc of Construction Cooperatives (Round 1)	-	-	-	215,000	215,000	215,000
Neighbors United (Round 1)	-	139,927	-	66,024	66,024	66,024
Round 1 Funding Subtotal:	4,741,934	139,927	-	1,214,864	1,214,864	1,214,864
Urban America Southpointe, LLC (Round 2 Recommendation)	-	-	-	500,000	500,000	500,000
Urban America – KC EVE, LLC (Round 2 Recommendation)	-	-	-	1,205,231	1,205,231	-
KC Town Hall (Round 2 Recommendation)	-	-	-	490,539	490,539	-
Palestine Economic Dev. Corp. (Round 2 Recommendation)	-	-	-	2,288,008	2,288,008	2,288,008
Urban Neighborhood Initiative (Round 2 Recommendation)	-	-	-	250,000	250,000	250,000
Oak Park Neighborhood Association (Round 2 Recommendation)	-	-	-	2,800,000	2,800,000	2,800,000
Linwood Gardens (Round 2 Recommendation)	-	-	-	1,150,000	1,150,000	1,150,000
Prospect Summit Duplexes (Round 2 Recommendation)	-	-	-	1,900,000	1,900,000	-
Neighbors United Supplemental (Round 2 Recommendation)	-	-	-	107,853	107,853	107,853
Round 2 Funding Subtotal:	-	-	-	10,691,631	10,691,631	7,095,861
Conrad Wright Media Building (Round 3 Recommendation)	-	-	-	200,000	200,000	200,000
CELT (Round 3 Recommendation)	-	-	-	432,354	282,354	-
Parade Park Homes (Round 3 Recommendation)	-	-	-	905,000	905,000	-
One Nine Vine (Round 3 Recommendation)	-	-	-	3,960,000	3,960,000	-
Jazz Hill Homes (Round 3 Recommendation)	-	-	-	3,974,296	3,974,296	3,974,296
The Overlook (Round 3 Recommendation)	-	-	-	5,000,000	5,000,000	5,000,000
Santa Fe (Round 3 Recommendation)	-	-	-	610,000	610,000	610,000
Round 3 Funding Subtotal:	-	-	-	15,081,650	14,931,650	9,784,296
Small Business Stabilization (Covid-19 Recommendation)	-	500,000	-	-	-	-
Essential Services Program (Covid-19 Recommendation)	-	500,000	-	-	-	-
Covid-19 Funding Subtotal:	-	1,000,000	-	-	-	-
Ivanhoe Neighborhood Council (Supplemental Funding)	-	-	-	287,492	287,492	287,492
Emanuel Family & Child Development (Supplemental Funding)	-	-	-	500,000	500,000	500,000
Supplemental Funding Subtotal:	-	-	-	787,492	787,492	787,492
Projects Recommended for Funding Subtotal	4,741,934	1,139,927	-	27,775,637	27,625,637	18,882,513
Dean & Dunn Consultant Services (2nd Year)	101,520	89,728	-	-	-	-
Harrison-Lee Consultant Services (2nd Year)	159,386	169,331	-	364,000	364,000	364,000
Consulting Services Subtotal	260,906	259,059	-	364,000	364,000	364,000
Contractual Services	-	-	9,271,091	9,271,091	9,271,091	-
Total Expenditures	5,075,956	1,499,199	9,363,252	37,502,889	37,352,889	19,316,083
Surplus (Deficit)	5,650,460	7,911,922	547,748	(27,591,889)	(28,893,003)	(10,856,197)
Total Ending Fund Balance	\$ 20,380,031	\$ 24,781,743	\$ 3,824,359	\$ 700,063	\$ (601,051)	\$ 17,435,755

Footnotes:

1. Reflects actual FY 22 collected revenues and city appropriations within the city's financial system.
2. Reflects actual FY 22 collected revenues, expenditures and encumbrances in the city's financial system.

Central City Sales Tax Project Updates - February 7, 2022

Project	Summary	CCED Budget	Project Budget	Lvgd Ratio	Funds Disbursed	Funding Date (est)	Notes
Round 1							
Linwood Shopping Square	Renovation Retail Shopping Center	\$ 2,389,146	\$ 8,592,000	27.81%	\$ 2,389,146	-	Project Complete
MACPEN Enterprise	Construction of Child Care Center with Services - Kiddie Depot	\$ 1,000,000	\$ 3,249,750	30.77%	\$ 1,000,000	-	Project Complete
Community Builders of Kansas City	Renovation for Entrepreneur Space at 5008 Prospect	\$ 627,785	\$ 752,785	83.39%	\$ 627,785	-	Project Complete
Emmanuel Family & Child Development	Construction of Child care Center with Services	\$ 1,225,000	\$ 7,309,387	16.76%	\$ 725,000	28-Feb	Building Complete. Construction on Sound barrier outstanding.
Ivanhoe Neighborhood Council	Senior Cottages at 39th Street	\$ 1,221,332	\$ 2,174,632	56.16%	\$ 1,221,332	-	Construction Commenced. Amended and Restated Agreement returned.
National Association of Construction Coop	Rehabilitation of Homes throughout the District	\$ 215,000	\$ 10,000,000	2.15%	\$ -	1-May	Funding Agreement complete. Developer to identify properties.
Neighborhoods United	Rehabilitation of Homes for Disabled Veterans	\$ 313,804	\$ 627,608	50.00%	\$139,927	28-Feb	Construction complete. Conducting final inspection of properties
Round 2							
Project	Summary	CCED Funds	Project Budget	Lvgd Ratio	Funds Disbursed		Notes
Urban America Southpointe, LLC	Pre-development for housing development and parking @ 63rd & Prospect Ave	\$ 500,000	\$ 180,259,034	0.28%	\$ 500,000	-	Funding Agreement Complete. Fund transfer initiated.
Urban America – KC EVE, LLC	Redevelopment of Castle Building and construction of 36 homes @ 20th & Vine	\$ 1,205,231	\$ 21,947,664	5.49%	\$ -	1-May	Contract negotiations ongoing
KC Town Hall	Redevelopment of 36th & Indiana Ave into incubator and 3 housing units	\$ 490,539	\$ 680,169	72.12%	\$ -	28-Feb	Funding Agreement negotiated but not executed.
Urban Neighborhood Initiative	Infrastructure to construct 30 single-family home with Habitat for Humanity	\$ 250,000	\$ 1,731,600	14.44%	\$ 250,000	-	Amended & Restated Funding Agreement returned.

Oak Park Neighborhood Association	Development of 29 units of affordable housing at 38th Street and Prospect	\$ 2,800,000	\$ 8,183,550	34.21%	\$ 2,800,000	-	Funding Agreement Complete
Linwood Garden	32 housing units, kitchen, coffee shop and exterior shelter @ 32nd & Michigan	\$ 1,150,000	\$ 7,667,968	15.00%	\$ 402,138	-	Amended & Restated Funding Agreement returned.
Prospect Summit Duplexes	Construction of 23 townhomes at 22nd/23rd and Prospect Avenue.	\$ 1,900,000	\$ 5,653,625	33.61%	\$ -	28-Feb	Completing requirements for rezoning, PIEA, tax abatement, MHDC, syndicator and CCED.
Palestine Economic Dev. Corp	Construction of 39 unit assisted living facility at 35th Street and Prospect.	\$ 2,288,008	\$ 5,735,008	39.90%	\$ -	28-Feb	Project commenced

Round 3

Project	Summary	CCED Funds	Project Budget	Lvgd Ratio	Funds Disbursed		Notes
One Nine Vine	Construction of 80 units (30 1-bdrm, 50 2-bdrm, 14 affordable) and parking garage	\$ 3,960,000	\$ 18,133,565	21.84%	\$ -	28-Feb	Funds will transfer upon request from developer.
Conrad Wright Media Building	Rehabilitation of building for mixed-use office space and two apartments	\$ 200,000	\$ 600,000	33.33%	\$ 100,000	-	Project funded
38th Street Studio	Rehabilitation of building at 3841 Agnes for office space and 5 affordable apartments	\$ 282,354	\$ 641,714	44.00%	\$ -	1-May	Board approved Modification
The Overlook District	Site infrastructure for future 11 acre office / mixed-use development	\$ 5,000,000	\$ 23,283,520	21.47%	\$ 5,000,000	-	Project Commenced
Parade Park Homes	Infrastructure to construct 100 senior apartment units	\$ 905,000	\$ 3,244,533	27.89%	\$ -	-	Completing capital stack
Jazz Hill Apartments	Multi-Family rehabilitation of Jazz Hill Apartments - 197 affordable units	\$ 3,974,296	\$ 21,471,336	18.51%	\$ 3,212,056	-	Project Commenced
Santa Fe Homes	Home rehabilitation in Santa Fe Nhbd (\$50k maximum loan per home)	\$ 610,000	\$ 1,395,000	43.73%	\$ 610,000	-	Project Commenced
Total		\$36,481,791			\$22,189,440		



Funding Agreement Complete



Project Complete