



From City Council meeting . . . to the Business Council

Prepared by Rich Groves, Executive Director
North Kansas City Business Council
June 7, 2022

Note: As a reminder, the notes below represent topics that, in my judgement, might be of interest to the business community. It does not include everything that was on the agenda.

There are a lot of illustrations I copied and pasted from the YouTube presentations. You can see more details if you wish on the City's YouTube channel.

Work Session – 6:00 p.m.

Solid Waste Removal Contract

After a brief discussion the City Council concurred with proceeding to renew the contract after it expires September 30, 2022.

North Kansas City is unique among all neighboring communities by offering twice a week curbside trash collection.

NKC Solid Waste Services

Current Services Offered

- Two-day per week curbside trash collection,
- One-day per week curbside recycling collection *(no glass)*,
- Glass recycling bin at YMCA *(other recycling bins discontinued due to dumping issues at the site. Ripple Glass has a container at the YMCA site.)*,
- Up to five (5) bulky items picked up once per month,
- Yard waste picked up once per week,
- Christmas Tree disposal,
- Residential dumpster service available *(at resident costs)*,
- Snake Saturday trash services.

There was an interesting discussion about the relatively high proportion of so-called “recyclable” material that is actually rejected and sent to trash disposal instead of recycling. This is something that should be of interest to all of us who attempt to recycle when possible. Here are items that can cause rejection of an entire batch of recycled materials:

- Heavily soiled paper
- Wax coated paper
- Shredded paper
- Compostable materials
- Glass – can be recycled at a local “purple” glass recycling bin. One is located on Iron south of the YMCA.

Volunteer Commissions and Board Participation

Terms of service, intentional diversity and selection criteria of volunteers for City Boards and Commissions was the 2nd topic during this Work Session, inspired by a request by City Council representative Anthony Saper.

Regular Session – 7:00 p.m.

Agenda Topics

Funding Agreement for Chapter 100 for new 310,000 s.f. Tnemec building

Tnemec Company is proposing to build a very large building connecting to their current manufacturing plant on W 23rd Ave. This project will utilize space that requires mitigation due to decades of use for a former grain storage and grain milling operation and other industrial uses. The property has been off the tax roll for at least 25 years. The recommended use will add value to the City as well as provide support for continuity and growth for one of North Kansas City’s oldest and largest manufacturing facilities.

As usual, the City’s financing advisor Matt Webster presented a very comprehensive description of the financial implications of the project. He offered a recommendation for the City Council to approve this request. After other discussion the City Council approved proceeding with formal approval at a future City Council meeting. Here are some of the slides in his presentation.

Project Summary

- Tnemec is the largest privately owned coatings manufacturer in North America.
 - 200 employees (2021 NKC payroll = \$19,780,000)
 - Substantial property and sales taxes
 - Tnemec is out of space in their NKC campus
 - New 310,000 SF class A rear-loaded industrial building on an 18 acre site
 - \$31,600,000 construction budget
 - Upon completion: 101,000 SF for expanded Tnemec manufacturing
 - 209,000 SF of expansion space (to be leased until needed by Tnemec)
 - 36’ Interior clear height
 - On-site stormwater detention and new storm sewer lift station
 - Attached to existing Tnemec facility with finish floor of new building to match existing facility
-

Current Site Plan:

Tnemecc Headquarters
123 West 23rd Avenue



Proposed Site Plan:

PRELIMINARY SITE PLAN



STEEI

Financial Review - Abatement Request

- Former ADM site = 18.4 acres
 - 2021 property tax = \$66,874 (land only)
 - Requested abatement:
 - Years 1-10: 83%
 - Years 11-15: 44%
 - Abatement value: \$4.42 million (15 years)
 - PILOTs paid: \$1.94 million (15 years)
 - 25 year total: \$6.72 million (PILOTs and property tax paid)
 - No development: \$1.67 million (25 year total of taxes on land only)
 - 25 year total benefit for taxing jurisdictions with development: \$5.05 million
 - Sales tax abatement: \$755,000 (on construction materials)
-

Financial Review - Development Budget

- Construction = \$31.6 million
- Land value= \$ 2.4 million
- PV of Incentives= \$ 3.7 million
- Incentives= 11% of project cost

Extraordinary Development Costs	Estimated Cost Range
Mitigation of existing environmental contamination	\$ 900,000 - \$1,500,000
Extraordinary subsurface excavation and site grading	2,000,000 - 2,400,000
Construct and operate a stormwater lift station	225,000 - 275,000
Structural premiums for connecting new & old buildings	540,000 - 660,000
Total	\$ 3,665,000 - \$4,835,000

ChamberMaster | Agenda/Meetings/Recordings | North Kansas City Agenda - 94de31 | Item_14.pdf | Council Meeting 6-7-22 - YouTube

https://www.youtube.com/watch?v=RQJ23NoCRBY

2022-6-7_TNEMEC Chap Council Presentation_FINAL.pdf - Adobe Acrobat Reader DC (64-bit)

Analysis of Abatement Request

- Tnemec is requesting less abatement than is allowed by City policy (15 year request compared to 25 year maximum abatement)
- City policy allows for the Council to approve an abatement schedule in light of "extraordinary qualifications." Tnemec has clearly identified such extraordinary qualifications
- "But - For" Test: - Tnemec's return analysis does not demonstrate above-market returns
- Tnemec has clearly stated the need for the incentive to proceed with the project
- Incentives are a modest percentage of the total development cost (11% compared to a City cap of 33%)
- The incentives compare favorably with other similar projects in the Kansas City metro
- The project will allow for the mitigation and remediation of long-standing environmental problems
- Absent the project, the tax values would likely decline and existing site conditions could deteriorate leading to greater costs in the future

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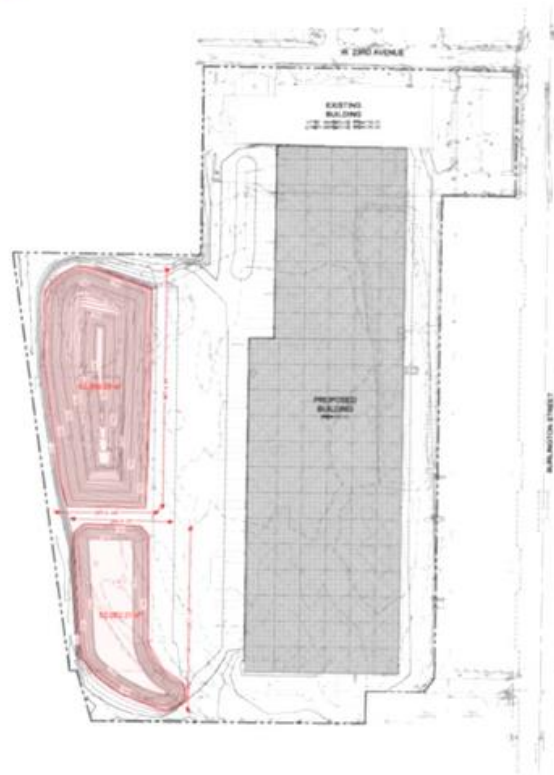
Next Steps

- Consider environmental review
- Formal notice of the Chapter 100 Plan
- Present plan to the school district
- Final Council consideration of the Chapter 100 Plan
- **Approval of Development Agreement with Tnemec**
- **Issue Chapter 100 Bonds**

Environmental Review

Property Status

- Enrolled in Missouri Department of Natural Resources (MDNR) Brownfields/Voluntary Cleanup Program
- Goal to achieve site closure based on installation of remedial cap
- Results would reduce the infiltration of water through impacted soils



Multi-County Regional Bike/Pedestrian Highway Barrier Removal Project

Community Development Director Xue Wood explained the request to participate in this study. There will be a cost of \$25,000 to participate in the study. Approved.

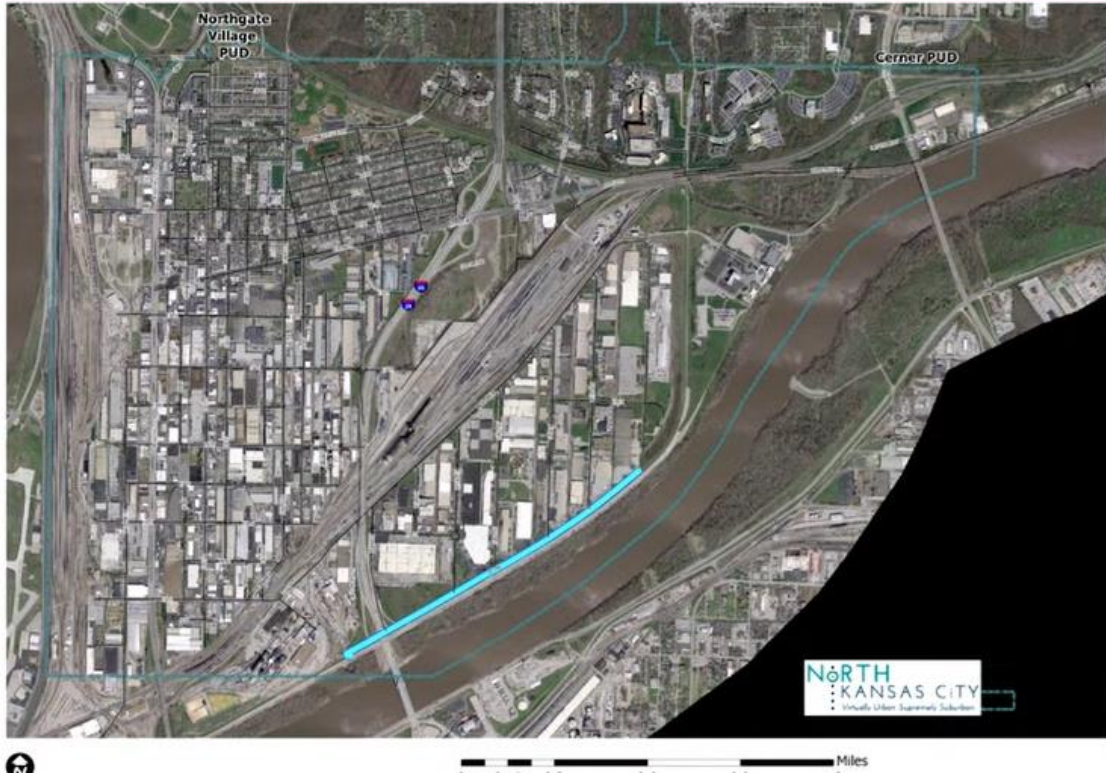
#15. Multi-County Regional Bike/Pedestrian Highway Barrier Removal Project – Missouri River Trail Connector

Multi-County Regional Bike/Ped Highway Barrier Removal Project
(Missouri River Trail Connector)



Approval was given to authorize a feasibility study for a recreational trail along the levee.

#16. Feasibility Study for Recreational Trail on Levee Planning Sustainable Places Grant



Water Treatment Plant Update

Approval was given to allow contingency costs to authorized up to the previous maximum estimate of \$1,375,425.

Downtown Streetscape Tree Update

Since approval of the Downtown Streetscape project there has been reconsideration of the decision to try to retain any of the trees that seem to be healthy enough. Staff is recommending amending the project budget to enable removal and replacement of all the trees.

Staff Comments

Community Development Director Xue Wood announced that the annual Community Development report is available on the City's website. <https://www.nkc.org/government/community-development>

The full agenda for this meeting with links to critical documents is available on the City's website www.nkc.org under the heading of Agendas and Minutes. As always, additional details about City Council agenda topics are often available as attachments on the City's website www.nkc.org and later as <https://www.youtube.com/watch?v=Z-6WpmTG2Ss> part of the approved minutes.

