



From City Council meeting . . . to the Business Council

Prepared by Rich Groves, Executive Director  
North Kansas City Business Council  
October 18, 2022

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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.

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## **Work Session – 6:00 p.m.**

### **Legalization of Golf Carts**

This work session was dedicated to a discussion about legalizing the use of golf carts in North Kansas City following a presentation by City Administrator Mike Nichols with additional comments by Police Chief Kevin Freeman and a listing of requirements they think would be appropriate.

This is a topic City Councilman Wes Graves has been lobbying to discuss for several months. He was the one who was most outspoken in favor of allowing legal use of golf carts. He pointed out that other communities allow use of golf carts with very few limitations. He noted that some residents, North Kansas City High School and some businesses already use them even though it is technically illegal to operate in North Kansas City. He pointed out a number of advantages that he believes they would allow. Some of the other City Council representatives pointed out some disadvantages. Police Chief Freeman pointed out many reasons why use of golf carts would pose a traffic danger.

The result of the discussion was a willingness for City staff to develop a proposal with specific language for the City Council to review at a future City Council meeting.

## **Regular Session – 7:00 p.m.**

### **Agenda Topics**

#### **NOCIX Chapter 100 Funding Agreement for 1530 Swift**

Business Council Board member Brooks Brown and his attorney Spencer Thompson made a presentation describing their request for a funding agreement including a Chapter 100 incentive to fund part of the cost of the redevelopment of their building at 1530 Swift into data center space. Another Business Council Board member, architect Kathy Warman, is also part of this project team. A related business managed by Brooks Brown and his partners, KC Fiber, manages the liNKCity fiber optic network for the City and donates 100% of the bandwidth utilized by the entire North Kansas City School District including 36 school sites.

The building at 1530 Swift was constructed by National Bellas Hess in 1951 as an expansion of the warehouse facility for the Bellas Hess mail-order business. The property sat vacant for many years prior to the current ownership in 2013.

NOCIX proposes to redevelop the property as a data center capable of handling the most secure and sensitive data of government agencies and private industry at a very high level requiring extremely sophisticated systems and other equipment. The project calls for the complete redevelopment of the interior of the approximately 151,000 square feet of existing outdated and run-down warehouse space and will also include upgrades to the exterior façade of the building resulting in an updated and enhanced exterior presence and improved “curb appeal” consistent with the City’s streetscape goals.

Specifically, NOCIX is seeking real estate tax abatement of 75% for 10 years and 37.5% for 5 years and sales tax exemption on the construction materials used in the project. The requested incentive conforms to the City’s Economic Development Incentive Policy guidelines, which provide for a maximum incentive of 75% for the first ten years and 37.5% for the next fifteen years. The total requested incentive period of 15 years is less than the 25-year maximum abatement period allowed by the City policy.

## PROJECT TEAM

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OWNER	NOCIX, LLC
DEVELOPER	NOCIX, LLC
ARCHITECT	Warman Architects
TIER CERTIFICATION ENGINEER	Telios, Inc.
FUNDING	Central Bank of the Midwest
LEGAL	Thomson, LLC
CITY	North Kansas City



## HISTORY

- Wholesale Internet formed on 9-9-99
- Started Operations in NKC in 2009
- Moved all operations to NKC in 2012
- Merged with Datashack in 2014 to form NOCIX
- Largest datacenter provider in the Kansas City area

## ANNUAL TAX PAYMENTS

- 2020 Property Taxes: \$63,957.59

## CORPORATE STEWARDSHIP

- Member of NKC Business Council
- Board Seat on NKC Business Council Board
- Provides all bandwidth for the NKC School District free of charge



### OPERATIONAL CHALLENGES

- Demand for Datacenter Space is rising exponentially, especially in tier 3 markets (KC)
- NOCIX currently has over 100 businesses on our waiting list for space
- Content providers are pushing into smaller markets and need space to grow

### SITE CHALLENGES

- Building is 151,000 Sq Ft
- 80 years old
- 2000 liner feet of windows to be replaced and asbestos caulking remediated
- All mechanical systems are obsolete (Electrical, HVAC, Plumbing, Fire Suppression, etc.)
- Structural components not up to modern specifications
- 73,000 Sq Ft of roof to replace
- Lack of parking makes site difficult to retrofit and utilize

### BUILDING HIGHLIGHTS

- 146,000 Sq Ft of Tier 3 and 4 Datacenter Space
- 8,000 Sq Ft of class A office space
- 32,000 Sq Ft exterior remodel
- 5 additional jobs paying minimum of \$95,000/yr

### BY THE END OF YEAR ONE:

- Only tier certified datacenter space in the state of Missouri
- Only the second Tier 4 certified colocation facility in the United States
- Largest single building network density in North America

The 1<sup>st</sup> year investment will be \$12 million. The full build out will be \$120 million.



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## PROJECT BENEFITS

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- REPURPOSES A VERY LARGE, OBSOLETE AND UNATTRACTIVE BUILDING INTO A STATE OF THE ART FACILITY.
- ENHANCES NKC BROADBAND AND NKC SCHOOLS NETWORK BY BRINGING MORE CONTENT PROVIDERS CLOSER TO RESIDENTS AND BUSINESSES.
- INCREASES THE NUMBER OF CUSTOMERS COMING IN FROM OUT OF TOWN TO SERVICE THEIR COLOCATED EQUIPMENT. THESE CUSTOMERS STAY IN NKC HOTELS, EAT AT NKC RESTAURANTS, ETC.
- ENHANCES THE AESTHETIC OF 16TH AND SWIFT AS DESIRED IN THE CITY'S STRATEGIC PLAN.
- ELEVATES NKC'S REPUTATION AS ONE OF THE MOST TECHNOLOGICALLY ADVANCED CITIES IN THE WORLD.
- ADDS AN APPEALING AESTHETIC TO A POTENTIAL NEW STREETCAR EXPANSION.



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The proposed action was approved unanimously by City Council.

### Staff Comments

Police Chief Freeman explained there is a new information portal from the police department. He would welcome any feedback about it. See below for a display of choices. Here is the link to that page:

<https://www.nkc.org/government/police>



The full agenda for this meeting with links to critical documents is available on the City's website [www.nkc.org](http://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](http://www.nkc.org) and later as <https://www.youtube.com/watch?v=Z-6WpmTG2Ss> part of the approved minutes.