

November 7, 2023 City Council Meeting

**Status of Requirements in the *Amended and Restated Development Agreement for the Paragon Star Project* to open the Athletic Fields and Sports Complex and Requirements of the First Amendment
Dated October 31, 2023**

Since January 2023, Paragon Star, LLC and the City Staff of the City of Lee’s Summit, Missouri (City) have used the format below to communicate regarding the above referenced requirements and their implementation.

Language quoted below is from Exhibit C of the Amended and Restated Development Agreement unless otherwise noted.

Interchange Phase 1 Improvements – “The Interchange Phase 1 Improvements shall be substantially complete prior to the issuance of any temporary or final certificates of occupancy for use of all Village Phase 1 development and the Sports Complex.”

MODOT advised the City and the I-470 Western Gateway TDD that the Temporary Use of the Sports Complex may be permitted prior to the completion of the Interchange Improvements. The Sports Complex is in use. See further information regarding the status of the Interchange Improvements in the First Amendment section below.

KCMO Improvements – “No temporary or final certificates of occupancy for use of the athletic fields, all structures within the Sports Complex or all structures in Village Phase 1 and Village Phase 2 shall be issued by the City until a certificate of substantial completion has been issued by the appropriate governmental jurisdiction for the KCMO Improvements.”

Status Notes:

The City of Lee’s Summit needs a letter from KCMO accepting sanitary and water for the section of View High Pkwy and View High Drive, and letter from KCMO accepting road improvements for View High Drive and View High Pkwy before Sports Complex opening.

<u>October 25, 2023</u>
Inspection Worksheet from KCMO. Final inspection of <u>storm and sanitary sewers</u> was completed. All testing was completed earlier and passed. All sewers were installed per plan and passed final inspection. 5-18-23.
Inspection Worksheet from KCMO. <u>North Parking Lot</u>. Passed 6-30-23.
Field Sign Off (FSO) KCMO <u>Water Main Extension</u> 100% July 3, 2023

Inspection Worksheet from KCMO. Street Final Inspection. All work done. Final passed. 7-28-23.

Inspection Worksheet from KCMO. Street Light/Signal Final. All work done. Final passed. 7-28-23.

Inspection Worksheet from KCMO. Site Disturbance Final Inspection. All work done. Final passed. 7-28-23

All above referenced Inspection Worksheets and FSO were timely provided to Mike Weisenborn as dated by Casey Williams, Fogel Anderson.

Developer Performance and Maintenance Bond for Street, Storm and Sanitary has been in place since 10-15-20. Still in place in the amount of \$1,115,461.12.

Paragon Star, Third Plat, Kansas City, Jackson County, Missouri – Fully executed by property owner and city officials. Filed of Record 10-26-23.

North Parking Lot Completed, including final passed inspection from KCMO 6-30-23

Water Main – “No temporary or final certificates of occupancy shall be issued by the City for use of the athletic fields, any structures within the Sports Complex, and any structures in Village Phase 1 and Village Phase 2 until a certificate of substantial completion has been issued for the Water Main.” Section 2.F provides: “The Developer will construct or cause the construction of all the Improvements according to the approved Plans.”

Status Notes:

Need to obtain an easement from property owner on Cedar Creek Lane to connect to water main, which is shown on the plans but has not been completed.

LSMO Waterline received a Certificate of Substantial Completion for the portion of the line constructed. The Cedar Creek Connection will be inspected separately and bonded separately. Need to check status of maintenance bond for completed portion. Escrow remains in place for cost of construction of Cedar Creek Connection under First Amendment. No substantive update at this time, though renewed reach out to homeowners’ association is planned. See additional comments under the First Amendment section below.

Internal Roads – “No temporary or final certificates of occupancy shall be issued for use of the athletic fields, any structures within the Sports Complex, and any structures in Village Phase 1 and Village Phase 2 until a certificate of substantial completion has been issued for all “Internal Roads” for the Development consisting of View High Parkway, Paragon Parkway, River Road,

and the two bridges over the Little Blue River, and all associated curbs, gutters, storm drainage, signage, striping.”

Status Notes:

View High Parkway (LSMO) – Substantial Completion was given on 9-22-2022

River Road (LSMO) – Substantial Completion was given on 9-22-2022

Exhibit C, Section 4. Internal Roads of the Agreement shall be deleted and replaced in the First Amendment to the Agreement with the following:

4. Internal Roads – No temporary or final certificates of occupancy shall be issued for any structures in Village Phase 1 and Village Phase 2 until a certificate substantial completion has been issued for all “Internal Roads” for the Development consisting of View High Parkway, Paragon Parkway, River Road and the two bridges over the Little Blue River, and all associated curbs, gutters, storm drainage, signage, and striping. No temporary or final certificates of occupancy shall be issued for use of the athletic fields and any structures within the Sports Complex, until a certificate of substantial completion has been issued for all “Internal Roads” except Paragon Parkway for which a certificate of substantial completion is not required for use of the athletic fields and any structures within the Sports Complex.

Sports Complex in Use. All internal roads are complete with substantial completion from LSMO and final inspection, passage, and maintenance bond in KCMO. Working on final task of acceptance of the roads by the applicable political subdivision for ownership and maintenance per the Cooperative Agreement by and between the LSMO, TDD, CID and Developer.

The final Internal Road to be constructed is Paragon Parkway. See more detail in the First Amendment section below.

View High Drive – “No temporary or final certificates of occupancy shall be issued for use of the athletic fields, any structures within the Sports Complex, and any structures in Village Phase 1 and Village Phase 2 until the improvements to View High Drive have been constructed in accordance with engineering plans for construction that are approved by the City and Kansas City.”

Status Notes:

View High Drive – Substantial Completion was given on September 22, 2022.

The requirement for First Amendment purposes is “until the improvements to view High Drive have been constructed in accordance with engineering plans for construction that are approved by the City and Kansas City.” This requirement has been met. The View High Drive Road construction was permitted by LSMO after both cities approved the plans. Temporary Use may be permitted. Final Acceptance of the Improvement is a requirement for issuance of Final Use. Sports Complex in Use.

Parking Fields and Structures – “No temporary or final certificates of occupancy shall be issued by the City for use of the athletic fields and any structures within the Sports Complex, until a certificate of substantial completion has been issued for the Parking Fields which serve the Sports Complex.”

The requirement of substantial completion of the Parking Fields which serve the Sports Complex has been met for the south, west and north parking lots which allows Temporary Use of the Sports Complex. Working on final task of acceptance of the Parking Fields by the applicable political subdivision for ownership and maintenance per the Cooperative Agreement by and between the LSMO, TDD, CID and Developer.

Final Acceptance of the Improvement is a requirement for issuance of Final Use.

OTHER ISSUES:

Business License Tax on Building Contractors (Excise Tax)

Status Notes: Paragon Star LLC requested and the City of Lee’s Summit, Missouri approved a full credit for the Sports Complex. Completed

FDP - Secondary Access Road for Emergency Access

It was agreed that 98th Street would serve as a Secondary Access Road for Emergency Access in the Final Development Plan (FDP) and in the City of Kansas City, Missouri Special Use Permit granted to Paragon Star LLC (98th Street is located in Kansas City, Missouri). The portion of 98th Street that is located within the Paragon Star development is an all weather road that is not open to daily vehicular traffic but rather is limited to emergency and/or other limited vehicular use restrictions. Completed.

Pedestrian Trails

On February 16, 2022, Paragon Star, LLC entered into an Easement Agreement with Jackson County, Missouri to provide for all of the easement (temporary, construction and permanent) necessary to facilitate the construction of the future Little Blue Trace Trail, and provide in the interim 10 foot wide multi-use sidewalk for the use of the County’s Little Blue Trace patrons. The multi-use sidewalk is adjacent to View High Parkway and River Road. The Agreement was recorded with the Jackson County Recorder of Deeds February 17, 2022.

LSMO/KCMO Interconnection

An emergency interconnect between the KCMO and LSMO water systems was completed with the construction of View High Drive. View High Drive received LSMO substantial completion in September 2022. The interconnect was originally designed and installed

with a back flow preventer to prevent LSMO water from flowing to KCMO. Subsequently LSMO requested Paragon Star to install a water meter vault and meter as well for the connection. That vault and meter are installed. LSMO and KCMO are now working through implementation of operations pursuant to the terms of the KCMO-LSMO Water Agreement.

FIRST AMENDMENT TO AMENDED AND RESTATED DEVELOPMENT AGREEMENT

The First Amendment was executed on Tuesday, May 9, 2023. The First Amendment contained 2 new provisions: a Performance Bond related to the Interchange Improvements and an Escrow Agreement for the completion of the Sports Complex and Cedar Creek Connection.

The **PERFORMANCE BOND** was required to be provided in the amount of \$8,200,000 to cover the costs for the construction or completion of the Interchange Improvements and Paragon Parkway. The performance bond may be drawn upon in the event necessary easements for the Interchange Improvements have not been acquired or a condemnation award made for the necessary easements by December 31, 2023, or in the event the final plans for the Interchange Improvements are not completed by December 31, 2023. GBA is performing the final revisions to the construction and bid documents for the Interchange Improvements and the multi-use trail. MODOT has promised an expeditious review which keeps us on schedule for a bid letting before 12-31-2023.

Performance Bond No. SUR0006582 dated May 15, 2023

For the Sports Complex and the North Parking Lot, an **ESCROW AGREEMENT** for the establishment of an escrow fund in the amount of \$6,000,000 had been established. The North Parking Lot has been designated as completed. The Sports Complex is completed except for the punch list for Amerifence; and landscape to be installed in Spring of 2024.

In addition, funds were included in the same escrow account for the Cedar Creek Connection. Funds in the amount of \$50,000 were deposited into the escrow account. Those funds are still available in the Escrow Account balance. No funds have been advanced at this time for the water connection project.

The current balance in the Escrow Account is \$808,592.68. The outstanding invoices and Cedar Creek Connection cost will total approximately \$1,170,480.43. The difference of approximately \$361,887.75 will be paid by Paragon Star and has been the funding gap since the creation of the Escrow Account and not an unexpected cost.

Escrow Agreement dated May 19, 2023