



Longview Recreation Center Acquisition



Background

- Discussions with MCC regarding potential acquisition or partnership dating back more than 8 years
- Identified need for Community Center on west side of City/Park Board Priority
- 2018: Renewed discussions – MCC expressed interest in selling the facility.

Previous Similar Project

- Gamber Community Center – 2006
 - Senior Center identified in Legacy for Tomorrow and Beyond ¼ cent sales tax initiative
 - Sales tax funds not immediately available to Park Board for spending
- Inter-fund (GAP) Loan of \$3.25 million from the general fund.
- Four (4) year payback period
- No interest
- Repaid according to schedule using sales tax revenues

Real Estate Negotiation

- Appraised Value: \$4.3 million
 - Negotiated Price: \$4.1 million
 - Reductions for needed repairs and improvements
 - Inclusion of approx. 3 acres of vacant land to north for potential future use
 - Subject to Use and Operations Agreement – Additional consideration
- Subject to Covenants, Conditions and Restrictions
 - Future types of use of facility
 - Maintenance
- Subject to Use as Public Purpose for as long as property is owned by LSPR

Use and Operations Agreement

- 10 year agreement; 2 additional renewals of 5 years each (automatic)
- Provisions allow for continued use of facility at no cost to Longview Community College for volleyball, golf and cross country teams, as well as physical education classes
- Resident discounted memberships for students and employees of Longview Community College
- Dedicated space for coaches offices
- Temporary accommodations at other LSPR facilities for volleyball, golf and cross country teams during renovations – Fall 2018
- Non-compete agreement at facility for existing MCC programs

Financing

- 5 year inter-fund loan from the City of Lee's Summit
- \$4.1 million
 - Memorandum of Understanding outlines terms of repayment.
 - Repayment of foregone interest (currently 1.5-1.6%)
 - Payments to be made annually
- Parks Department Funds (approx. \$1.6 million) to be used for renovations to facility.
 - Renovations scheduled to take place from September 1 – October 30, 2018*.

*Goal to reopen facility November 1, 2018, pending construction schedule.

Park Board

- July 25, 2018
 - Directed Administrator of Parks and Recreation to seek inter-fund loan through the City of Lee's Summit
 - Approved Real Estate Agreement
 - Approved Use and Operations Agreement
- City of Lee's Summit Charter Article VIII
 - Section 8.2(b): Parks and Recreation Board has the power to acquire an interest in real property for parks and recreation purchases by purchase.

City Council Participation

- RSMo. 70.220.3 requires that any contract entered into between a municipality and another political subdivision be approved by the governing body of the municipality.
- 3 Approval Items
 - Inter-fund Loan – Memorandum of Understanding (Ordinance)
 - Real Estate Agreement (Ordinance)
 - Use and Operations Agreement (Ordinance)

Questions?