

REDEVELOPMENT AGREEMENT

FOR THE

CHAPTER 353 REDEVELOPMENT PLAN

FOR THE DOWNTOWN MARKET PLAZA REDEVELOPMENT AREA

BETWEEN

THE CITY OF LEE'S SUMMIT, MISSOURI

AND

THE LEE'S SUMMIT DOWNTOWN MARKET

PLAZA REDEVELOPMENT CORPORATION

September ____, 2022

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REDEVELOPMENT AGREEMENT

THIS REDEVELOPMENT AGREEMENT is made and entered into effective as of the _____ day of September, 2022 by and between the **CITY OF LEE'S SUMMIT, MISSOURI** ("City"), a Missouri municipal corporation, and **THE LEE'S SUMMIT DOWNTOWN MARKET PLAZA REDEVELOPMENT CORPORATION** ("Corporation"), a Missouri urban redevelopment corporation formed pursuant to Chapter 353 of the Revised Statutes of Missouri, (collectively the "**Parties**").

RECITALS

- A. The City Council of the City of Lee's Summit (the "**City**") has: (i) adopted Ordinance No. _____ on September 13, 2022, finding the Redevelopment Area to be blighted within the meaning of Section 353.020(2) of the Urban Redevelopment Corporations Law and approving the Redevelopment Plan and the Redevelopment Area; and (iii) determined that the revitalization and redevelopment provided for therein are necessary for the public welfare and is in the public interest, and that correction of the blighting conditions in the Redevelopment Area would stimulate redevelopment in the area.
- B. The Corporation, a corporation formed under The Urban Redevelopment Corporations Law and in good standing in the State of Missouri, has represented that it has the necessary expertise, skill and ability to carry out the commitments contained in this Agreement.
- C. The Corporation intends to facilitate revitalization of the Redevelopment Area by implementing the Redevelopment Plan under The Urban Redevelopment Corporation Law in order to encourage redevelopment.
- D. The City and the Corporation intend to cooperate to implement the Redevelopment Plan through this Agreement.

NOW, THEREFORE, for and in consideration of the foregoing Recitals and the promises, covenants and agreements contained herein, the Parties hereby agree as follows:

ARTICLE 1 INCORPORATED ITEMS; DEFINITIONS

1.01 Items Incorporated into this Agreement. Coordination with Redevelopment Plan. The provisions of Chapter 353 and the Redevelopment Plan are incorporated herein by reference and made a part of this Agreement. To the extent that any of the provisions of this Agreement shall conflict with any of the provisions of the Redevelopment Plan, the provisions of this Agreement shall control and govern.

1.02 Definitions. In addition to the terms defined elsewhere in this Agreement, the following capitalized words and terms shall have the following meanings:

"**Agreement**" means this Redevelopment Agreement.

“Applicable Laws and Requirements” means any applicable constitution, treaty, statute, rule, regulation, ordinance, order, directive, code, interpretation, judgment, decree, injunction, writ, determination, award, permit, license, authorization, requirement or decision of or agreement with or by any governmental entity.

“Articles of Agreement” means those Articles of Agreement that were filed with the Secretary of State on August 30, 2022 to create the Corporation.

“Authorizing Ordinance” means Ordinance No. ____ adopted by the City Council on September 13, 2022.

“Board of Directors” means the board of directors of the Corporation.

“CID” means the Downtown Lee’s Summit Community Improvement District

“City Staff” means employees of the City of Independence who, from time to time, are directed by the City to assist in implementation of the Redevelopment Plan, primarily from the Community Development Department.

“Developer” means the developer of record of the Redevelopment Plan who is engaged by contract with the City to implement the Redevelopment Plan, which is Lane4 Property Group, Inc., on the Effective Date.

“Effective Date” means the date written above on page 1 of this Agreement.

“Improvements” means the Public Improvements and the Private Improvements.

“Owner” means the owner of record of real property located within the Redevelopment Area.

“Private Improvements” means those improvements which are constructed within the Redevelopment Area, which may include, but are not limited to, hotel and conference facilities; dining facilities, including, but not limited to, a food hall containing restaurants; mid and/or high-density multi-family residential housing; retail shopping and services; and/or office uses, along with other uses that may be approved by the City within the Redevelopment Area.

“Public Improvements” means those improvements that are itemized in **Exhibit A**, including all Infrastructure required to support the Project; some of which are located outside the Redevelopment Area but are necessary and beneficial to the Redevelopment Area and the Redevelopment Plan.

“Redevelopment Area” means all of the real property located within and comprising the Redevelopment Area as more particularly described in the Redevelopment Plan upon which Redevelopment Projects may be completed pursuant to this Agreement.

“Redevelopment Plan” means the plan for the Redevelopment Area approved by the City pursuant to the Authorizing Ordinance, as it may be amended, which is on file with the City Clerk.

“Redevelopment Project” means the rehabilitation, redevelopment, or construction of Improvements within a defined geographic area on real property within the Redevelopment Area, as approved by legislative action of the City Council.

“The Urban Redevelopment Corporations Law” means Chapter 353 of the Revised Statutes of Missouri, as amended.

ARTICLE 2 REDEVELOPMENT PLAN IMPLEMENTATION

2.01 General.

A. Redevelopment Projects. In accordance with the terms and conditions of the Redevelopment Plan and this Agreement, the Corporation, through coordination with the City and the Developer, shall clear blight or rehabilitate to eliminate the physical blight existing in the Redevelopment Area through the rehabilitation and redevelopment of specific parcels of real property located within the Redevelopment Area.

B. Administration of Redevelopment Plan. The Corporation and the City shall coordinate to implement and administer the Redevelopment Plan. As resources permit and as appropriated by the City, the City shall pay all administrative costs associated with the Corporation’s implementation of the Redevelopment Plan until such time as the City appropriates revenues generated by the Project to the Corporation for the purpose of paying for the administrative costs associated with operation of the Corporation. City Staff shall cooperate with and assist the Corporation with implementation of the Redevelopment Plan in accordance with this Agreement.

2.02 Board of Directors.

A. The Board of Directors of the Corporation shall be composed of five directors. The names of the initial Directors were set forth in the Articles of Agreement. The Board of Directors shall have the following representations:

- Three representatives of the City, with successors who are appointed in accordance with this Section;
- One representative of the CID, with successors who shall be appointed by the CID Board of Directors; and
- One representative of the Developer, with successors who shall be appointed by the Developer.

Except for the initial directors who were named in the Articles of Agreement, all successor City representatives shall be appointed by the Mayor with the consent of the City Council. The

directors shall each serve for an indefinite period of time, until a successor is appointed at the discretion of the City, the CID and the Developer.

B. The Board of Directors shall elect from its members a president, a vice president and a secretary. The Board of Directors may create such other positions as it deems necessary for the planning, design, engineering and construction of the Public Improvements and the operation, maintenance and management of the Public Improvements.

C. The Board of Directors is charged with implementing the Redevelopment Plan in accordance with the legislative directives of the City Council, and the operation, maintenance and management of the Public Improvements. The Corporation shall cooperate with Owners and tenants of the Private Improvements in the course of operating, maintaining and managing the Public Improvements, with the goal of integrating the public and private improvements and maximizing the public utility of the public spaces for the benefit of the citizens of Lee's Summit. The Corporation shall strive to integrate the activities, events and uses of the Public Improvements with the Private Improvements within the Redevelopment Area and with other properties in the downtown area of the City.

2.02 Advisory Committee.

A. The Corporation shall form an Advisory Committee, consisting of one or more members of the Board of Directors and any interested persons who are interested in the operations of the Public Improvements by the Corporation.

B. The Advisory Committee shall hold meetings according to a schedule established by the Corporation to gather input from interested persons about the design, construction and operation of the Public Improvements. The Advisory Committee may also be used as a forum to distribute information about the operation of the Public Improvements and schedule of events and activities that occur within the Redevelopment Area.

2.03 Acquisition of Property.

A. The City Council authorizes the Corporation to acquire property in accordance with the Urban Redevelopment Corporations Law, and in accordance with the legislative directives of the City Council.

B. To initiate tax abatement as authorized by legislative action of the City Council, the Corporation shall acquire title to property.

C. The Corporation shall own each Redevelopment Project for a brief period of time and then shall transfer the Redevelopment Project back to the Owner from which it acquired the Redevelopment Project.

2.04 Commencement of Tax Abatement. Upon the Corporation's receipt of a legally sufficient deed evidencing an Owner's transfer of property to the Corporation, the Corporation's transfer of the property back to the Owner, the Corporation shall issue a Certificate of Tax

Abatement in substantially the form attached hereto as **Exhibit B**. Tax Abatement commences on the day that the Corporation acquires title to property. The Corporation will file the Certificate of Tax Abatement with the Jackson County, Missouri, Director of Assessment.

ARTICLE 3 TAX ABATEMENT

3.01 Tax Abatement.

A. First Ten (10) Years. Subject to the provisions of this Agreement, Redevelopment Projects shall not be subject to assessment or payment of general ad valorem taxes imposed by the City, the State of Missouri, or any political subdivision thereof, for a period of ten (10) years after the date upon which Corporation acquires title to each Redevelopment Project (but only for so long as that Redevelopment Project is used in the accordance with the Redevelopment Plan), except to the extent and in the amount as may be imposed upon the real property during the first ten years measured solely by the amount of the assessed valuation of land, exclusive of improvements, during the calendar year preceding the calendar year during which Corporation acquired title to the Redevelopment Project.

B. Ensuing Fifteen (15) Years. For the next ensuing period of fifteen (15) years (commencing upon the expiration of the aforementioned initial ten (10) year period), ad valorem taxes upon a Redevelopment Project shall be measured by the assessed valuation thereof as determined by the Jackson County Assessor upon the basis of fifty percent (50%) of the true value of such real property, including improvements thereon, and such valuations shall not be increased above fifty percent (50%) of the true value of the Redevelopment Project from year to year during the fifteen (15) year period so long as the Redevelopment Project is used in accordance with this Agreement the Redevelopment Plan and Applicable Laws and Requirements.

C. Abatement contingent upon compliance with Redevelopment Plan. The tax relief provided in this Section shall be contingent upon the Owner's compliance with the Redevelopment Plan, this Agreement and all Applicable Laws and Requirements, and shall apply to general ad valorem taxes only and shall not be deemed or construed to exempt the Corporation or any Owner from special assessments, fees, charges or other taxes which may be imposed by the City or another governmental unit, including any special assessments imposed for a community improvement district as described in Section 3.02 below.

D. Expiration of Tax Abatement. Unless extended in accordance with a second redevelopment plan as provided in Section 3.02, upon the expiration of the entire twenty-five (25) year period of each separate Redevelopment Project, the real property comprising each Redevelopment Project shall be subject to assessment and payment of all ad valorem taxes based upon the full true value of such real property.

E. Payments In Lieu of Taxes. A tax abatement incentive that is approved by the City Council may include a requirement for an Owner to make Payments In Lieu of Taxes that achieves a level of tax abatement than is different than the amounts authorized by paragraphs A

and B of this Section. The legislative approval of the City Council shall control the Payments In Lieu of Taxes that are required for a particular real estate transaction involving the Corporation.

3.02 Expiration of Development Rights. Property within the Redevelopment Area shall be eligible to commence tax abatement pursuant to the Redevelopment Plan for a period of twenty (20) years the date upon which the City adopted the Authorizing Ordinance, unless such time period is extended by legislative action of the City Council. Any property within the Redevelopment Area that the Corporation has not acquired pursuant to the Redevelopment Plan within such time period shall not thereafter be eligible to participate in the tax abatement program established in the Redevelopment Plan.

ARTICLE 4 GENERAL PROVISIONS

4.01 Default and Remedies. It shall constitute a “Corporation Event of Default” if Corporation fails to timely perform, in material respects, any obligation or covenant of Corporation under this Agreement, and such failure is not cured to the City’s reasonable satisfaction within thirty (30) days after the City gives Corporation written notice thereof, or if it cannot reasonably be cured within thirty (30) days, Corporation is not diligently proceeding to cure same. Upon the occurrence of a Corporation Event of Default, the City may take any available action to cure the event of default. Upon termination of this Agreement pursuant to this Section, a notice of termination shall be filed with the Recorder of Deeds of Jackson County, and the real property included in the Redevelopment Area shall from that date be subject to assessment and payment of all ad valorem taxes based on the true full value of such real property.

4.02 Earnings Limitation on Redevelopment Project. The net earnings of Corporation (and/or any successor owner) from the implementation of the Redevelopment Plan shall be limited in accordance with the applicable provisions of The Urban Redevelopment Corporations Law.

4.03 Financial and Annual Reports. The Corporation shall cause to be prepared, within one hundred twenty (120) days after the end of the Corporation’s fiscal year, a detailed financial report for the preceding year for the Redevelopment Projects. Said financial reports shall disclose: (i) the earnings of Corporation derived from the Redevelopment Projects, (ii) the disposition of any net earnings in excess of those permitted by Section 4.02 above, (iii) the interest rate on income debentures, bonds, notes or other evidences of debt of Corporation, (iv) the cost to Corporation of the Redevelopment Projects, and (v) the income and expenses of Corporation derived from or attributable to the Redevelopment Projects. City Staff shall coordinate with the Corporation in the preparation of all financial and annual reports.

4.04 Accounting Practices. The Corporation shall establish and maintain depreciation, obsolescence, and other reserves, and surplus and other accounts, including a reserve for the payment of taxes, according to recognized standard accounting practices. The Corporation shall follow the City’s procedures and policies with respect to accounting practices.

4.05 Modifications; Successors and Assigns. The terms, conditions and provisions of this Agreement and of the Redevelopment Plan shall not be modified or amended except by mutual

agreement in writing between the City and Corporation. This Agreement shall be binding upon and shall inure to the benefit of the Corporation and its successors and assigns. The Parties have specifically contemplated that the Corporation will assign certain rights, duties and obligations under this Agreement to each Owner.

4.06 Term of Agreement. This Agreement shall remain in full force and effect for so long as any real property in the Redevelopment Area is being used for the Project. Notwithstanding anything herein to the contrary, any liability of Corporation to the City accruing prior to the termination of this Agreement and remaining unsatisfied at the time of such termination, shall continue and remain actionable beyond such date of termination.

4.07 Excusable Delay. Notwithstanding anything to the contrary contained herein, in the Redevelopment Plan or in the Authorizing Ordinance, the time periods provided for herein shall be extended by the number of days of delay caused by actions or events beyond the control of the Parties, including acts of God, labor disputes, strikes, lockouts, civil disorder, war, lack of issuance of any permits and/or legal authorization by the governmental entity, shortage or delay in the shipment of material or fuel, governmental action, fire, unusually adverse weather conditions, wet soil conditions, unavoidable casualties, litigation involving the exercise of the power of eminent domain or the designation of the Redevelopment Area as blighted, or by any other cause which the City Manager or his or her designee determines may justify the delay.

4.08 Representatives Not Personally Liable. No elected or appointed official, agent, employee or representative of the City shall be personally liable to Corporation in the event of any default or breach by any party under this Agreement, or for any amount which may become due to any party or on any obligations under the terms of this Agreement.

4.09 Indemnification and Hold Harmless. The indemnification and covenants contained in this Section shall survive expiration or earlier termination of this Agreement.

A. Corporation hereby agrees that, anything to the contrary herein notwithstanding, it will defend, indemnify and hold harmless the City, its governing body members, officers, agents, servants and employees against any and all claims, demands, actions, causes of action, loss, damage, injury, liability and/or expense (including attorneys' fees and court costs) resulting from, arising out of, or in any way connected with the negligence or intentional misconduct of the Corporation.

B. The City and its governing body members, officers, agents, servants and employees shall not be liable for any damage or injury to the persons or property of and Owner or the Corporation or its officers, agents, servants or employees or any other person related to or in connection with the construction of a Redevelopment Project.

4.10 Notice. Whenever written notice is called for herein to be given or is otherwise given pursuant hereto, it shall be personally delivered or sent by U.S. Mail, addressed as follows:

if to the City:

City Manager, City of Lee's Summit
220 SE Green Street
Lee's Summit, Missouri 64063

with a copy to:

City Attorney, City of Lee's Summit
220 SE Green Street
Lee's Summit, Missouri 64063

if to Corporation:

President, Lee's Summit Downtown Market Plaza Redevelopment
Corporation
220 SE Green Street
Lee's Summit, Missouri 64063

All notices sent by mail shall be deemed given on the day of deposit in the mail. A change of designated officer or address may be made by a party by providing written notice of such request to the other party.

4.11 Severability. The provisions of this Agreement shall be deemed severable. In the event that any provision of this Agreement is found by a court of competent jurisdiction to be invalid, the remaining provisions of this Agreement shall remain valid.

4.12 Headings. The headings and captions of this Agreement are for convenience and reference only, and in no way define, limit, or describe the scope or intent of this Agreement or any provision hereof.

4.13 Recording of Agreement. This Agreement shall be recorded in the real property records of Jackson County, Missouri, and the rights and obligations set forth herein shall be a covenant running with the land in the Redevelopment area throughout the term of this Agreement.

4.14 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Missouri without giving effect to any choice or conflict of law provision or rule (whether of the State of Missouri or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Missouri.

4.15 Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties have set their hands and seals the day and year first above written.

CITY:

ATTEST:

CITY OF LEE’S SUMMIT, MISSOURI

Trisha Fowler Arcuri, City Clerk

Mark Dunning, City Manager

Approved as to form:

David Bushek, Chief Counsel of
Economic Development & Planning

STATE OF MISSOURI)
) SS.
COUNTY OF JACKSON)

BE IT REMEMBERED, that on this ____ day of September, 2022, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came Mark Dunning, City Manager of the City of Lee’s Summit, Missouri, a City duly incorporated and existing under and by virtue of the laws of the State of Missouri, who is personally known to me to be the same person who executed, as such official, the within instrument on behalf of and with the authority of said City, and such person duly acknowledged the execution of the same to be the free act and deed of said City.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year last above written.

Notary Public

My Commission Expires:

CORPORATION:

LEE'S SUMMIT DOWNTOWN MARKET
PLAZA REDEVELOPMENT CORPORATION

_____, President

STATE OF MISSOURI)
) SS.
COUNTY OF JACKSON)

BE IT REMEMBERED, that on this ____ day of September, 2022, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came _____, President of the Lee's Summit Downtown Market Plaza Redevelopment Corporation, an urban redevelopment corporation incorporated and existing under and by virtue of the laws of the State of Missouri, who is personally known to me to be the same person who executed, as such official, the within instrument on behalf of and with the authority of said Corporation, and such person duly acknowledged the execution of the same to be the free act and deed of said Corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year last above written.

Notary Public

My Commission Expires:

EXHIBIT A

PUBLIC IMPROVEMENTS

The Public Improvements are anticipated to include the following components, subject to final approval of the Budget by the City Council acting by ordinance in its legislative capacity:

- Civic Plaza
- Clock Tower
- Art Features
- Market Plaza
- Conservatory / Event Space
- Green & Johnson Streetscape Features
- Pedestrian Areas
- Interior Parking Stalls
- Performance Stage
- Water Feature
- Overhead Canopy
- Entry Arch & Signage
- Parking field and possible parking structure
- All Infrastructure