



Memorandum

Office of the Mayor

TO: City Council
FROM: Randall L. Rhoads, Mayor
SUBJECT: Veto of Bill 16-113
DATE: May 25, 2016

This is to advise that per the provisions in the City Charter, Section 4.4 (c) I have vetoed proposed Bill 16-113 with the following written statement of disapproval.

I am vetoing proposed Bill 16-113 for the following reasons:

- a) The City procured the 83 acres for investment of \$1,400,000. A recurring question has been what is the current value of property. An appraisal has not been done; however, the applicant has offered to give the City 2+/- acres for a fire station at their stated value of \$200,000. This equates to a value of \$100,000 per acre. Applying that rate to the 83 acres would result in a value of \$8,300,000 which is far in excess of what the City paid. The question is how realistic is that value of \$100,000 for an acre of land?
- b) As mentioned, the applicant has offered land for a new fire station. However, the cost to design, build, equip with fire protection equipment, ambulance, hire fire fighters, hire paramedics and/or EMTs and train those individuals are all additional costs that would be incurred by the City.
- c) It was agreed in the current agreement to have 150 quality jobs. This applicant has not agreed to meet this term.
- d) The City Council prides itself on being highly transparent. The challenges encountered in responding to numerous City requests for financial information did not enable the Council to make a transparent decision.
- e) It has been repeated numerous times that this project is extremely important and desirable to this applicant. Of the three presentations that the City Council has heard on this project, the applicant has never addressed the Council. This is a complex project. It is imperative that the City have a comfort level with the people we are dealing with. The absence of the applicant at our meetings leads me to wonder who the City will actually be dealing with.
- f) The applicant has attempted to create a sense of urgency regarding their desire to move forward. I do not share that sense of urgency. The only reason that I am aware of that seems to drive that urgency is a pending deadline of September 2016 where sole ownership of the property reverts to City. I contend that concern does not impose a sense of urgency on the City's part.
- g) All of members of the City Council want what is best for our City. However to present a project located in Hollywood to the City Council as a comparative project is very suspect. I submit that the demographic of Lee's Summit is markedly different than Hollywood.
- h) Granted the applicant has not requested any incentives at this time; however, I contend the difference between the current value of the land and what the City actually paid is a significant incentive. Further, I suspect that land value will further increase after the construction of the Highway 50/M291 South interchange is completed.
- i) This area is a main gateway to Lee's Summit from the south. Subsequently, the City Council recently imposed an administrative delay on this area (including the Adessa property and area northeast of the new interchange). The rationale for the administrative delay was to give

the City an opportunity to study this area and conceptualize what we would like to have developed in that area. This is a great opportunity for the new Council to give some direction on what would conceptually be desirable development in that area.

In conclusion, I contend that there are simply too many questions, concerns, and opportunities for me to get a comfort level on this project. This has led me to conclude that I must Veto Bill 16-113.

In accordance with City Charter paragraph 4.4 (c), "Ordinances or resolutions vetoed by the Mayor shall be considered at the next regular meeting of the Council, and the council may pass the ordinance or resolution over the veto by an affirmative vote of two-thirds of the entire Council." Vetoed Bill 16-113 will be placed on the June 2, 2016 City Council meeting agenda for your consideration.

I request that the City Council uphold my veto of Bill 16-113. I am confident that other developers will be interested in this choice piece of property at a future date, especially after the interchange of Highway 50 and M291 south is completed and the Council completes their analysis of the area.

C: City Manager
City Attorney
City Clerk