

## **BILL NO. 19-88**

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AN ORDINANCE APPROVING THE 2<sup>nd</sup> AND DOUGLAS TAX INCREMENT FINANCING PLAN AND ESTABLISHING A REDEVELOPMENT AREA FOR THE PLAN.

WHEREAS, the City of Lee's Summit, Missouri (the "City") is a charter city and a political subdivision of the State of Missouri, duly created, organized and existing under and by virtue of the Constitution and laws of the State of Missouri; and,

WHEREAS, pursuant to the Real Property Tax Increment Financing Allocation Redevelopment Act, Sections 99.800 to 99.865 of the Revised Statutes of Missouri (the "TIF Act"), DTLS Apartments, LLC (the "Developer") submitted the 2<sup>nd</sup> and Douglas Tax Increment Financing Plan (the "TIF Plan") to the City; and,

WHEREAS, on February 27, 2019 after due notice in accordance with the Act, the Tax Increment Financing Commission ("TIF Commission") opened a public hearing, at which all interested persons and taxing districts affected by the TIF Plan were afforded an opportunity to make comments, file written objections, protests and be heard orally regarding adoption of the TIF Plan, and the TIF Commission continued the public hearing; and,

WHEREAS, on March 25, 2019, the TIF Commission took evidence and testimony in the continued public hearing and, having heard and considered the objections, protests, comments and other evidence adduced at the public hearing, closed the public hearing and voted 3-6-1 (with one abstention) recommends that the City Council should not approve the TIF Plan; and,

WHEREAS, on April 19, 2019, at a public meeting of the City Council, after the posting of proper notice of the consideration of this issue and after all parties in interest were provided the opportunity to be heard, the City Council considered the TIF Plan, the recommendation of the TIF Commission, the recommendations of City staff and consultants and considered the public objections, protests, comments and other evidence; and,

WHEREAS, having heard and considered the objections, protests, comments and other evidence adduced at the meeting, the evidence and testimony submitted at the TIF Commission public hearing, the recommendation of the TIF Commission and the recommendation of City staff, the City Council desires to approve the TIF Plan.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LEE'S SUMMIT, MISSOURI, as follows:

SECTION 1. The TIF Plan, a copy of which is on file in the Office of the City Clerk, is hereby approved and adopted. In the event of any conflict or inconsistency between the TIF Plan and this Ordinance, the provisions of this Ordinance shall control.

SECTION 2. The tract of land legally described in Exhibit A of this Ordinance is hereby designated as the Redevelopment Area.

SECTION 3. The City Council hereby finds that:

A. the TIF Plan sets forth in writing a general description of the program to be undertaken to accomplish its objectives, including the estimated redevelopment project

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costs, the anticipated sources of funds to pay the costs, evidence of the commitments to finance the initial project costs which are expected to be incurred, the anticipated type and term of the sources of funds to pay costs, the anticipated type and terms of the obligations to be issued, the most recent equalized assessed valuation of the property within the Redevelopment Area which is to be subjected to payments in lieu of taxes and economic activity taxes pursuant to Section 99.845, RSMo, an estimate as to the equalized assessed valuation after redevelopment, and the general land uses to apply in the Redevelopment Area;

B. The City Council found that the Redevelopment Area, as a parcel in the larger downtown area, is a blighted area pursuant to the Land Clearance for Redevelopment Act set forth in Sections 99.400 through 88.715, RSMo (“LCRA Act”), through the adoption of Ordinance No. 7228 on September 10, 2012. The definition of “blighted area” under the LCRA Act matches the definition of “blighted area” under the TIF Act and therefore the previous finding by the City Council satisfies the TIF Act requirement. The Council reaffirms the prior finding under the LCRA Act and hereby finds pursuant to the TIF Act that the Redevelopment Area is a blighted area, as such term is defined in Section 99.805(1), RSMo, for the reasons expressed in connection with the adoption of Ordinance No. 7228, and due to the presence of the following blighting factors as set forth in the Blight Study in Exhibit 5 of the TIF Plan, which includes:

- deterioration of site improvements due to structural aging and disrepair, structural damage, water penetration, basement flooding, exposed wiring, cracked and missing asphalt tiles in parking areas;
- economic underutilization due to the property not being used for its highest and best use and not generating adequate tax revenues, and due to the abandonment of the site for use by the current owner;
- retarding the provision of adequate housing accommodations; and
- the creation of an economic and social liability due to the site deterioration, economic underutilization, and lack of housing accommodations.

The TIF Plan is also accompanied by an affidavit which is set forth in Exhibit 9, signed by the Developer, attesting to the conditions of the Redevelopment Area which qualify the area as a blighted area;

C. the Redevelopment Area has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of tax increment financing. The TIF Plan is accompanied by an affidavit which is set forth in Exhibit 9, signed by the Developer, attesting to this statement;

D. the TIF Plan is in conformance with the Comprehensive Plan for the development of the City as a whole based on the following:

1. The Old Lee’s Summit Development Master Plan (February 2004) (the “Downtown Plan”) is the portion of the City’s comprehensive plan that sets forth

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land use recommendations and goals for the downtown area including the Redevelopment Area. The Redevelopment Area is designated as part of the "Downtown Core" (see Map III.2) under the Downtown Plan, but the parcel does not have a site-specific land use designation. The Downtown Plan indicates at page 48 that one of the City's goals for the Downtown Core is to encourage the market absorption of between 300 and 450 dwelling units, which could occur on several parcels in the Downtown Core. The TIF Plan is therefore in conformity with Downtown Plan as the City's Comprehensive Plan document for the Redevelopment Area.

2. The proposed land uses and building requirements in the Redevelopment Area are designed with the general purpose of accomplishing, in conformance with the Comprehensive Plan, a coordinated, adjusted and harmonious development of the community and its environs which, in accordance with present and future needs, will promote health, safety, morals, order, convenience, prosperity and the general welfare, as well as efficiency and economy in the process of development. The TIF Plan provides for adequate parking, the promotion of healthful and convenient distribution of population, the provision of adequate public facilities, the promotion of sound design and arrangement and the efficient expenditure of public funds, the prevention of the recurrence of unsanitary and unsafe dwelling accommodations, and blight clearance.

E. the TIF Plan contains both estimated dates of completion of the redevelopment projects and estimated dates for the retirement of obligations incurred to finance redevelopment project costs, and said dates are not more than twenty-three (23) years from the adoption of an ordinance approving tax increment financing within the Redevelopment Project Area;

F. the TIF Plan includes a Relocation Assistance Plan attached as Exhibit 8 to the TIF Plan;

G. the TIF Plan is accompanied by a Cost Benefit Analysis and other evidence and documentation from Developer showing the economic impact of the Plan on each taxing district and political subdivision, and that the proposed project is financially feasible, but only with TIF assistance, and the Plan and Redevelopment Project are financially feasible for the Developer only if TIF assistance is provided;

H. the TIF Plan does not include the initial development or redevelopment of any gambling establishment; and

I. the areas selected for the Redevelopment Project include only those parcels of real property and improvements thereon which will be directly and substantially benefited by the Redevelopment Project improvements.

SECTION 4. DTLS Apartments, LLC, is hereby designated as a developer of record for the TIF Plan.

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SECTION 5. Approval of the TIF Plan by this Ordinance is conditioned upon the developer of record entering into a redevelopment contract with the City upon terms acceptable to the City to carry out the goals and objectives of the TIF Plan. The City Manager and his designees are authorized and directed to negotiate a redevelopment contract with the developer of record to implement the TIF Plan. Failure of the developer of record to enter into such contract shall nullify and render void the approvals granted in this ordinance upon such declaration by the City Council.

SECTION 6. City officers and agents of the City are each hereby authorized and directed to take such action and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance.

SECTION 7. This Ordinance shall be in full force and effect from and after its passage, adoption, and approval by the Mayor.

PASSED by the City Council for the City of Lee's Summit, Missouri, this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
Mayor *William A. Baird*

ATTEST:

\_\_\_\_\_  
City Clerk *Trisha Fowler Arcuri*

APPROVED by the Mayor of said city this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
Mayor *William A. Baird*

ATTEST:

\_\_\_\_\_  
City Clerk *Trisha Fowler Arcuri*

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney *Brian W. Head*

EXHIBIT A

LEGAL DESCRIPTION OF REDEVELOPMENT AREA

TRACT 1:

TRACT A, REPLAT OF LOTS 1 THRU 9 AND 11 THRU 23, INCLUSIVE, BLOCK 4, TOWN OF STROTHER, A SUBDIVISION IN LEE'S SUMMIT, JACKSON COUNTY, MISSOURI.

TRACT 2:

THE WEST 130 FEET OF LOTS 11 AND 12, BLOCK 4, CITY OF LEE'S SUMMIT, FORMERLY THE TOWN OF STROTHER, A SUBDIVISION IN LEE'S SUMMIT, JACKSON COUNTY, MISSOURI.