

**Memorandum of Understanding
between the City of Lee's Summit, the Missouri Office of
Administration and the Missouri State Highway Patrol**

This Memorandum of Understanding (**MOU** or **Agreement**) is made on this _____ day of March, 2020, between the City of Lee's Summit (**City**), the Missouri Office of Administration (**OA**), and the Missouri State Highway Patrol (**Patrol**) (collectively the **Parties**) in order to memorialize the Parties' intent to work together in furtherance of the real estate transactions and funding arrangements set forth more fully herein.

Whereas, the City wishes to improve the public safety and infrastructure of the area located near the Highway 291 North and Highway 50 Interchange (**Parcel A**);

Whereas, the state of Missouri, through OA, currently owns a significant portion of the property located at the Parcel A site and that said property is the current location of the Patrol's Troop A Headquarters;

Whereas, the Patrol's Troop A Headquarters is 52 years of age and is continually in need of significant updates and repairs;

Whereas, the State of Missouri owns a parcel of land near the interchange of Highway 291 and Interstate 470 (**Parcel B**) and that said location has historically been designed to host the Missouri Department of Transportation (**MoDOT**) Kansas City District headquarters and Troop A Headquarters;

Whereas, in the interest of public safety, improved infrastructure, and in order to provide improved services to citizens of Missouri, Parcel B provides an ideal location for a new Troop A Headquarters;

Whereas, the Parties agree that the relocation of Troop A Headquarters to Parcel B and the conveyance of Parcel A from the State of Missouri to the City is in the best interest of public safety, improved infrastructure, and better governance.

Now therefore, in consideration of the mutual covenants and agreements of the parties hereto, it is understood and agreed by the parties as follows:

Obligations and Duties

1. This Agreement is a summary of the key terms of a proposal to provide for real estate transactions and funding arrangements to:
 - a. facilitate the relocation of the Patrol's Troop A Headquarters from Parcel A and the City redevelop that property for private uses;
 - b. set forth the City's expectations regarding funding for improvements to the Highway 291 North and Highway 50 Interchange (the "**Interchange Improvements**");
 - c. set forth the City's expectations regarding funding for outer road improvements, particularly the re-alignment of Blue Parkway to enhance traffic safety (the "**Outer Road Improvements**"); and
 - d. facilitate the redevelopment of other properties in the selected TIF Redevelopment Area.
2. This Agreement is conditioned upon and subject to the City's City Council approval of each step necessary to implement the proposal as outlined below, and actions by State agencies to approve contracts and take related actions. The Parties acknowledge that certain actions described herein will require applications to and approvals by MoDOT, and this Agreement is intended to establish the Parties expectations to seek such approvals from MoDOT.
3. The City will prepare and process a tax increment financing plan ("**TIF Plan**") which has a redevelopment area that includes the parcel where the current Patrol is located at 504 SE Blue Parkway (the "**MSHP Property**") and other commercial properties adjacent to Highway 291 as identified by the City. The current TIF Plan Master Budget is set forth in **Exhibit A** which has been prepared by the City. The TIF Plan will include redevelopment project areas that are identified by the City that will produce TIF revenues to fund reimbursable project costs of the TIF Plan. **Exhibit B** is a depiction of the proposed TIF Redevelopment Area (red lines) and the potential TIF Redevelopment Project Area in which TIF collections would be activated (yellow lines).
4. The TIF Plan will provide that Patrol Relocation Costs (as defined below), which are set forth as TIF Reimbursable Project Costs in the Master Budget in **Exhibit A**, are a reimbursable project cost under the TIF Plan. The City will advance funds to pay for half of the Patrol Relocation Costs, as discussed below, and the City will receive reimbursement from TIF revenues for the Patrol Relocation Costs.

Through this process, the City will select a developer of record for the Patrol Property (the “**Developer**”) and execute a TIF contract with the Developer to facilitate the construction of commercial uses on the Patrol Property in order to generate TIF revenues to fund the Patrol Relocation Costs. The TIF Revenues generated by all TIF Redevelopment Projects will be used to reimburse the City for Patrol Relocation Costs, along with any other reimbursable project costs that are authorized by the City.

5. The parties agree that the estimated cost to relocate the Patrol Troop A Headquarters to a new location in Lee’s Summit (the “**New Patrol Facility**”) is approximately \$8.113 million (the “**Patrol Relocation Costs**”). If the TIF Plan is approved, the City will provide funding for half of the Patrol Relocation Costs from TIF sources and an additional two million dollars (\$2,000,000) from the City's general fund and such funds will be made available on a date to be mutually agreed by the parties. The other two million dollars (\$2,000,000) of the Patrol Relocation Costs would be provided by the Patrol, through an appropriation by the Missouri General Assembly. The parties acknowledge that City funds for the Patrol Relocation Costs must be made available to allow the OA to execute binding contracts for the design and construction of the New Highway Patrol Facility. This shall be considered "**Redevelopment Project #1**" in the TIF Plan.
6. The Patrol will arrange for the Commissioner of the OA to take appropriate actions to convey the Patrol Property (**Parcel A** on **Exhibit C**) to the City for the payment of a nominal amount by the City and other valuable consideration that will be provided through the obligations undertaken by the City under the MOU, including payment of the City Share (as defined below) for the road improvements. The Patrol Property will be conveyed to the City on a date that is mutually agreed by the parties promptly following the date that the Patrol vacates the Patrol Property. The Patrol shall vacate their existing property at only such time their new facility is constructed and ready for occupancy.
7. OA will provide design and construction services to facilitate a new Troop A. The design would commence on or around September 1, 2020 and would be completed on or around March 1, 2021. Construction of the new Troop A would commence on or around May 1, 2021 and be completed on or around August 1, 2022.
8. The Parties acknowledge that the property contemplated for Redevelopment Project #1 will require the City to enter into a contract for the transfer of State-owned property to the City, to assemble this with the Highway Patrol Property to then transfer the assembled parcels to the selected Developer for Redevelopment Project #1. The

- City will use good faith efforts in its application with MoDOT to facilitate the real estate transfer that is required to acquire such property and assemble the property that is contemplated for Redevelopment Project #1.
9. The City will make a Cost Share Application with MoDOT to fund the Interchange Improvements, which will include the Outer Road Improvements that would allow for the realignment of Blue Parkway to connect with Highway 291 at a point that is farther north than the current intersection, which will include sidewalks, stormwater improvements, a new signal and traffic and erosion control. The parties agree that the estimated cost of the Interchange Improvements is about \$18 million. The City's preliminary cost estimate of the Outer Road Improvements is approximately \$3 million. The City's portion of the Cost Share arrangement is expected to be approximately \$9 million (the "**City Share**"). The City's funding of City Share will be from funds identified by the City after City Staff presents this program in its entirety to the City Council. It is anticipated that, if the Cost Share Application is successful, construction of the Interchange Improvements and the Outer Road Improvements could commence in Spring 2023 and be completed approximately one year later. The City may seek to accelerate the construction of the eastern side of the Outer Road Improvements to 2022 to facilitate private redevelopment on the eastern side of Highway 291 North.
 10. The parties agree that the sequence of events set forth in **Exhibit D** are the anticipated steps in sequence that are necessary to carry out this Terms Sheet. The parties will work to establish a definitive timeline for these events as the MOU is prepared, with the goal of having a tentative timeline of events when the MOU is executed. The parties agree that **Exhibit E** sets forth the primary action items that each party must accomplish to fully implement this Terms Sheet and complete all transactions described herein.

General Provisions

11. **No promise of funding.** Other than as specifically set forth herein, this Agreement is not an obligation or commitment of funds, nor a basis for transfer of funds. Each party shall bear its own costs in relation to this Agreement. Expenditures by each party will be subject to applicable budgetary processes and to availability of funds pursuant to applicable laws, regulations, and policies. The parties expressly

acknowledge that this in no way implies that any appropriation, tender, or allocation of funds for such expenditures.

12. **Headings.** Item or section headings, if any, are for convenience only and are not to be used to interpret or define the provisions of this Agreement.
13. **Number and gender irrelevant.** Whenever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.
14. **Severability.** Nothing in this Agreement is intended to conflict with applicable law, regulation or directives. Accordingly, the provisions of this Agreement are severable and, in the event any provision of this Agreement is determined to be invalid, in whole or in part, such unenforceable or invalid provision shall not affect the legality, enforceability or validity of the rest of this Agreement.
15. **No private right.** This Agreement is between the State and Public Safety Agency. It does not create nor confer any right or benefit that is substantive or procedural, enforceable by any third party against the parties, or other officers, employees, agents, or associated personnel of the parties. Nothing in this Agreement is intended to restrict the authority of either party to act as provided by law, statute, or regulation, or to restrict any party from administering or enforcing any laws within its authority or jurisdiction.
16. **Issue Resolution.** Throughout the course of this Agreement, issues such as scope, interpretation of provisions, and other concerns may arise. Both parties agree to appoint their respective representative or other point of contact to work in good faith towards resolution.
17. **Entire Agreement.** This Agreement constitutes the entire Agreement between the parties with regard to the terms matters set forth herein. This Agreement may be modified upon the mutual written consent of the parties; however, any such changes must be in writing, duly signed by their authorized representatives. This Agreement, including any amendments, will be reviewed annually on or around the anniversary of its effective date. Failure to conduct an annual review of the Agreement will not nullify any part of the Agreement.

18. **Responsibility only for own actions.** To the extent governed by applicable state law, each party will be responsible for its own acts and results arising from those actions, and shall not be responsible for the acts of the other party and results arising from those actions.

19. **Assumption of risk and liability only for own actions.** Each party agrees, to the extent allowed by law, that it will assume all risk and liability to itself and its agents and employees for any cause of action resulting from any operations or conduct of its agents or employees under this MOU. Applicable state law shall govern each party's liabilities.

20. **No waiver of immunity.** Nothing in this agreement shall be construed as a waiver by the State of Missouri, Department of Public Safety, or Missouri State Highway Patrol of any applicable immunity, including sovereign immunity as enjoyed by the State under § 537.600 of the Revised Statutes of Missouri.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers on the date of the last signature below.

Missouri State Highway Patrol

[Public Safety Agency Here]

Eric T. Olson, Colonel
Superintendent

[Authorized Signer Here]
[Title of Auth. Signer Here]

Date: _____

Date: _____

Office of Administration

Sarah H. Steelman
Commissioner

City of Lee's Summit

Stephen Arbo
City Manager

Attest for the City:

Trisha Fowler Arcuri
City Clerk

Approved as to form for the City:

David Bushek
Chief Counsel of Economic Development and Planning

291 NORTH AND HIGHWAY 50 TAX INCREMENT FINANCING PLAN

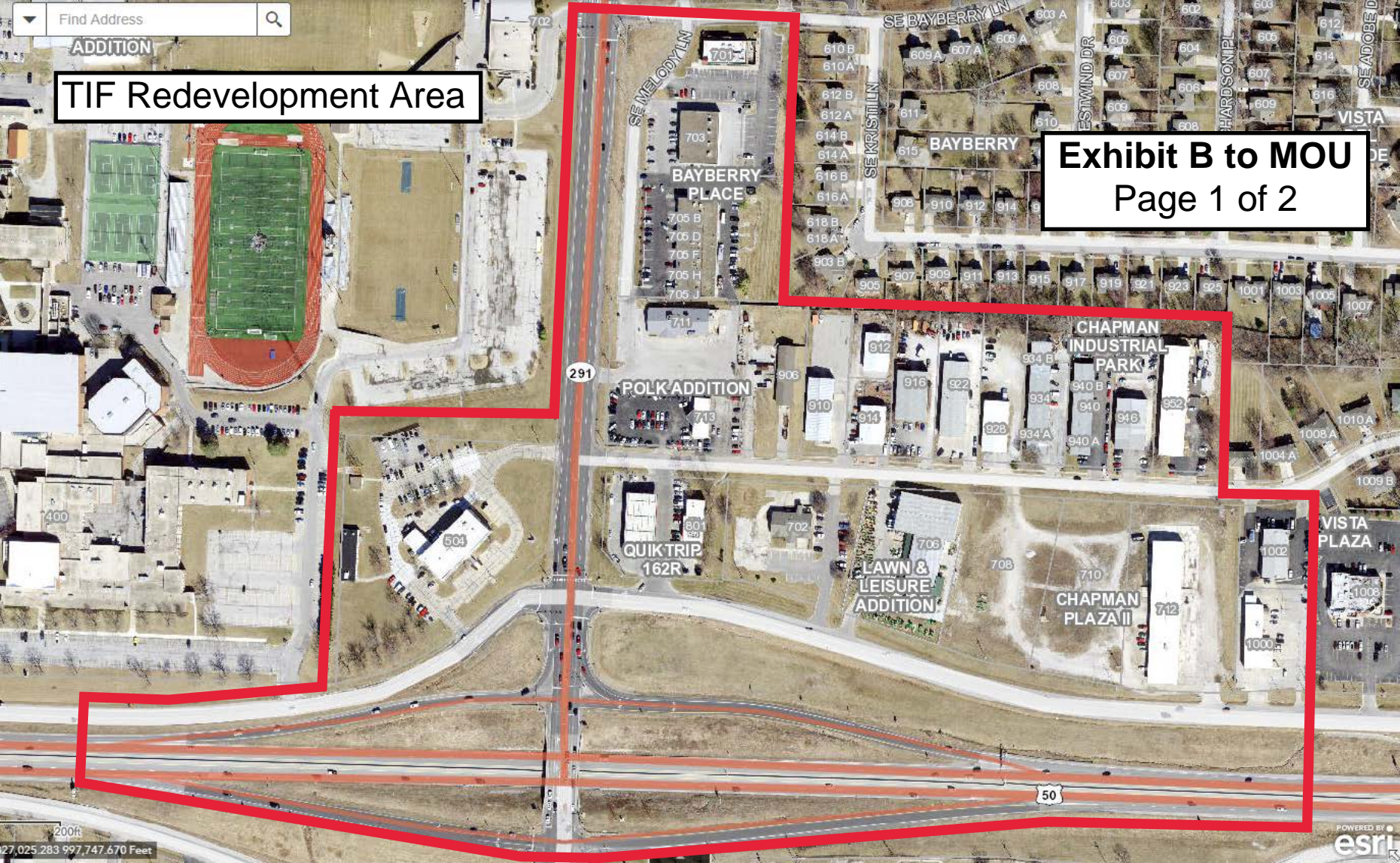
PROJECT BUDGET FOR ALL PUBLIC AND PRIVATE IMPROVEMENTS IN PROJECTS 1-4

	Total Project Cost	Funded by Users	Funded by City & TIF Reimbursable		Funded by State
			Direct Funding & TIF Reimbursable	Priority TIF Reimbursable	
Land Acquisition					
Project 1 - Highway Patrol Facility Property	\$2,000,000	(See Relocation Costs)			
Project 2 - QuikTrip	\$0				
Project 3 - Wendy's	\$504,250	\$504,250			
Project 3 - Sit Down Restaurant	\$800,000	\$800,000			
Sub-Total	\$3,304,250				
Demolition					
Project 1 - Highway Patrol Facility and roadways	\$300,000		\$300,000		
Relocation Costs					
Project 1 - Relocate Highway Patrol Facility	\$8,113,000	\$2,000,000		\$4,056,500	\$2,056,500
Site Development Costs					
Project 1 - Highway Patrol Facility Property	\$500,000	\$500,000			
Project 2 - QuikTrip	\$300,000	\$300,000			
Project 3 - Wendy's	\$300,000	\$300,000			
Sub-Total	\$1,100,000				
Public Improvements					
Outer Roads					
Blue Parkway Realignment - Eastern Phase	\$1,531,250				
Blue Parkway Realignment - Western Phase	\$1,426,250				
Subtotal	\$2,957,500		\$2,957,500		
Interchange					
291 North & Hwy 50 Interchange Reconstruction	\$18,000,000		\$9,000,000		\$9,000,000
Sub-Total	\$20,957,500				
Building Construction Costs					
Project 1 - Retail on Highway Patrol Property	\$3,810,000	\$3,810,000			
Project 2 - QuikTrip	\$1,710,000	\$1,710,000			
Project 3 - Wendy's	\$1,320,000	\$1,320,000			
Project 4 - Sit Down Restaurant (Tenant Finish)	\$200,000	\$200,000			
Sub-Total	\$7,040,000				
Professional Services and Soft Costs (15% of construction)					
Project 1 - Highway Patrol Facility Property	\$571,500	\$571,500			
Project 2 - QuikTrip	\$256,500	\$256,500			
Project 3 - Wendy's	\$198,000	\$198,000			
Sub-Total	\$1,026,000				
Financing Costs (5% during construction)	\$1,451,000	\$362,750	\$435,300	\$290,200	\$362,750
Contingency (10% of construction costs)					
Public Improvements	\$2,096,000		\$1,195,893		\$900,107
Private Developments	\$704,000	\$704,000			
Sub-Total	\$2,800,000				
Totals	\$44,091,750	\$13,537,000 30.7%	\$13,888,693 31.5%	\$4,346,700 9.9%	\$12,319,357 27.9%

ADDITION

TIF Redevelopment Area

Exhibit B to MOU Page 1 of 2



291

50

ADDITION

TIF Project Areas

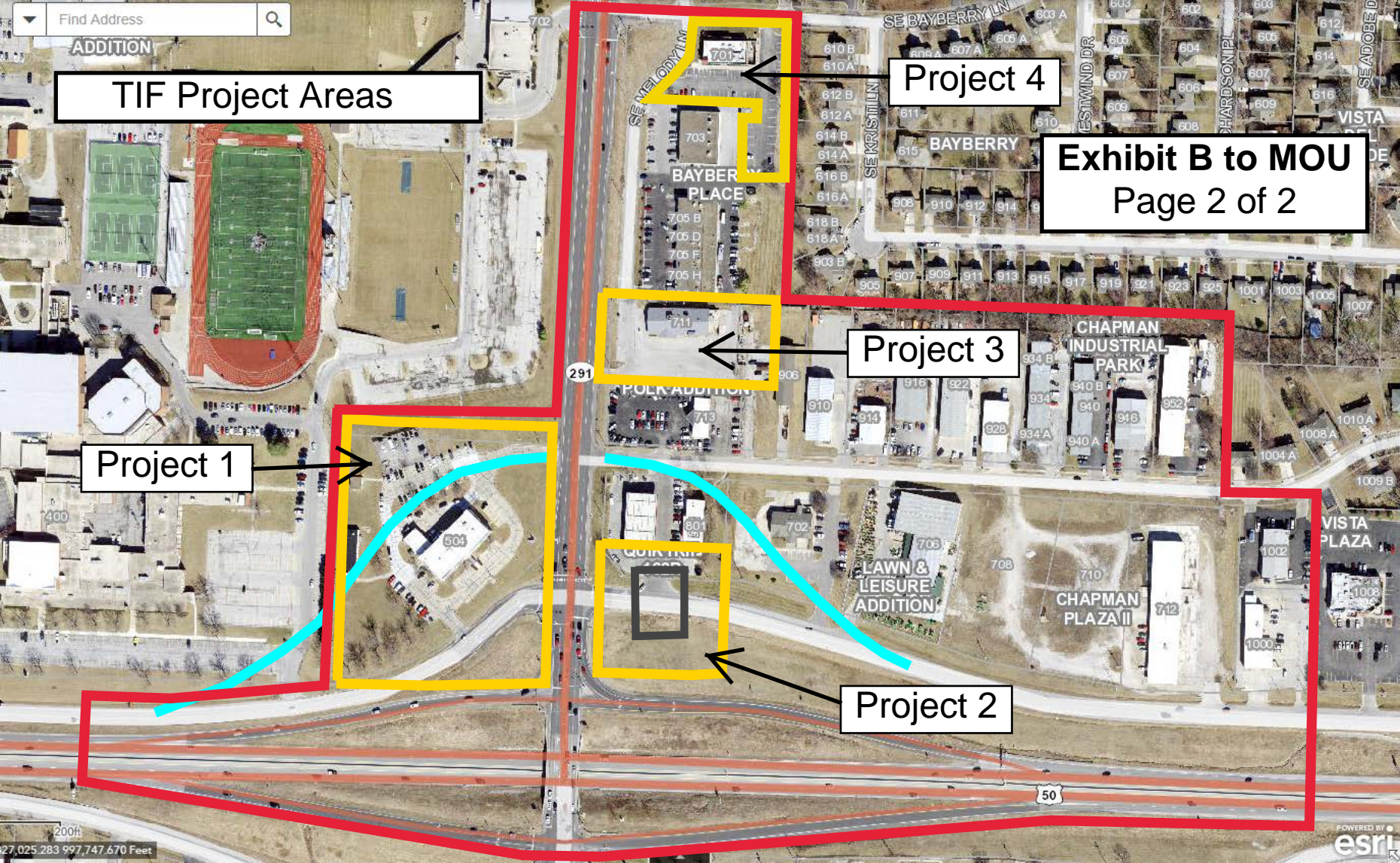
Exhibit B to MOU
Page 2 of 2

Project 1

Project 3

Project 4

Project 2



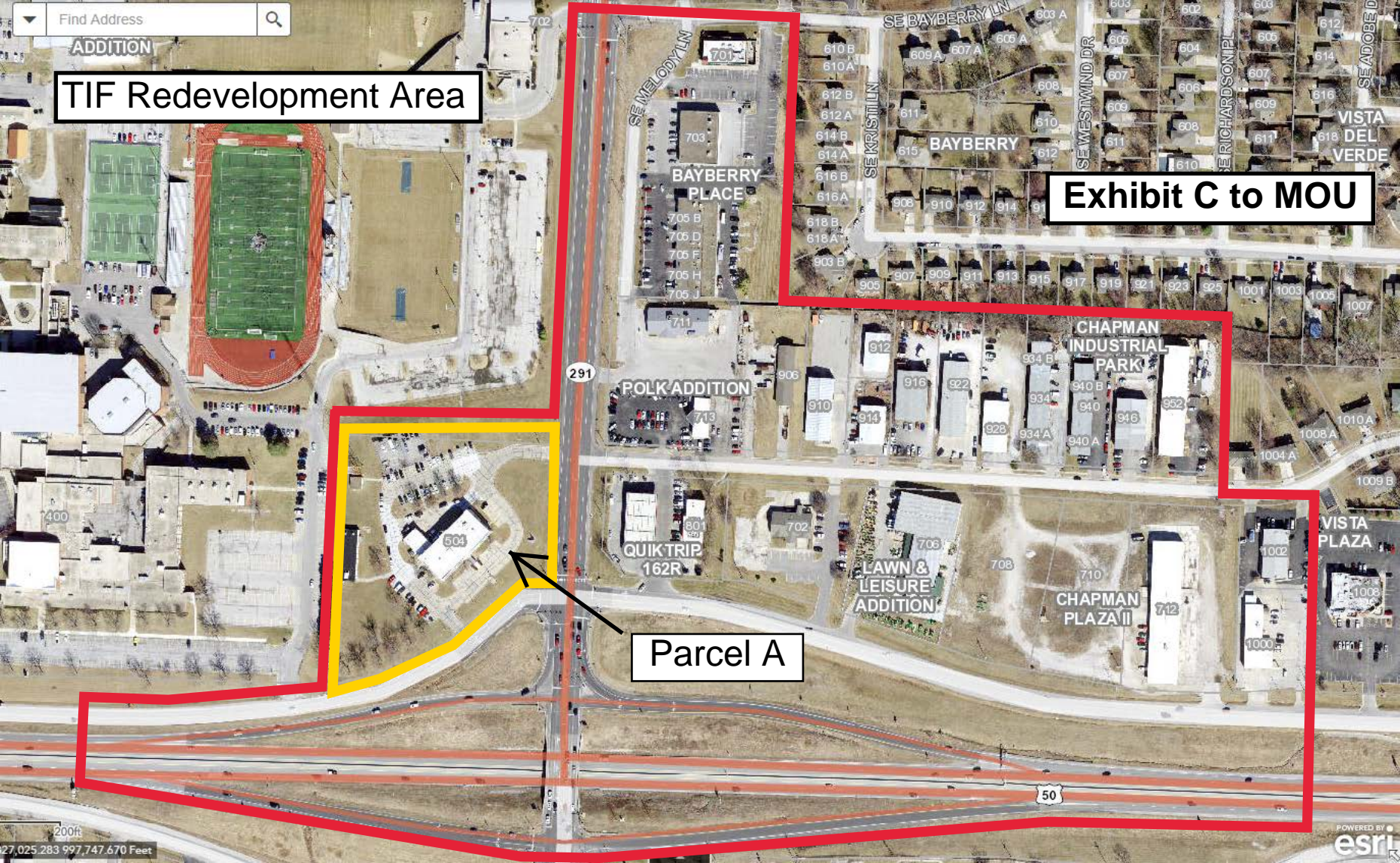
Find Address



TIF Redevelopment Area

Exhibit C to MOU

Parcel A



291

50

EXHIBIT D SEQUENCE OF EVENTS

This list of events are the steps in an approximate sequence that are necessary to complete the actions described in the MOU. The time required for each step may overlap with other steps. The Parties will work to establish a timeline for these events as the MOU is prepared, with the goal of having a tentative timeline of events with assigned target dates when the MOU is executed. The Parties acknowledge that this sequence establishes the expectation of the parties to achieve the goals set forth in the MOU, and further acknowledge that this sequence describes certain steps which must be approved by MoDOT and the Missouri Highways and Transportation Commission (MHTC) on behalf of MoDOT.

1. All parties approve and execute the MOU to memorialize the events described in this Terms Sheet.
2. City prepares the TIF Plan.
3. City approves the TIF Plan.
4. City approves TIF Redevelopment Project Ordinances at the appropriate times to activate the collection of TIF revenues (this will happen at multiple points in the process).
5. City executes a TIF contract with the selected Developer for Redevelopment Project 1.
6. OA approves transfer of the Patrol Property to the City, subject to (a) funding of the Patrol Relocation Costs by the City and (b) the Patrol vacating the Patrol Property when the New Patrol Facility is constructed.
7. City files a Cost Share Application with MoDOT for the Interchange Improvements.
8. MHTC approves the Cost Share Application.
9. MHTC and the City execute the Cost Share Agreement for the Interchange Improvements and the Outer Road Improvements.
10. City makes funds available to pay for the Patrol Relocation Costs.
11. Office of Administration executes a contract for design and subsequent construction of the New Patrol Facility.
12. New Patrol Facility is designed and constructed.
13. Patrol vacates the existing Patrol Property and moves its operations to the New Patrol Facility.
14. City takes title to the existing Patrol Property and transfers this property to the Developer.
15. Developer constructs the commercial uses on the Patrol Property.

16. MHTC makes Cost Share funds available for its share of the Interchange Improvements and the Outer Road Improvements.
17. City deposits the City Share with MoDOT.
18. MoDOT executes a contract for design of the Interchange Improvements and the Outer Road Improvements.
19. MoDOT acquires any right-of-way needed for the Interchange Improvements and the Outer Road Improvements.
20. MoDOT executes a construction contract for the Interchange Improvements and the Outer Road Improvements.
21. The Interchange Improvements and Outer Road Improvements are constructed.
22. Any other proposed redevelopment may be approved as an additional TIF Redevelopment Project by the City. The resulting TIF revenues may be split between repayment of the City's portion of the Patrol Relocation Costs and site-specific redevelopment costs as deemed appropriate by the TIF Commission and City Council.

EXHIBIT E
LIST OF ACTION STEPS BY PARTY

City Actions

- Approve MOU
- Approve TIF Plan
- Select and enter into contract with developer of record for TIF Redevelopment Project 1 (assembled Patrol Property)
- Fund Patrol Relocation Costs (\$6,000,000 of total \$8,000,000 cost)
- Arrange for swap of land with QuikTrip
- Contract with QuikTrip to arrange for eastern phase of Blue Parkway Improvements and new QuikTrip store
- Submit Cost Share Application to MoDOT (which includes Outer Road Improvements)
- Execute Cost Share Contract with MoDOT
- Fund City Share for Cost Share Contract
- Make Applications to and receive approvals from MoDOT and MHTC

Missouri State Highway Patrol Actions

- Approve MOU
- Achieve OA approvals for actions listed below

OA Actions (for Patrol Property)

- Approve transfer of **Parcel A** to City for nominal consideration in exchange for the City to deposit \$2,000,000 in an escrow fund to be earmarked for the relocation of the Patrol.
- Arrange for design and construction of new Patrol Facility

QuikTrip

- Arrange for swap of land with City
- Complete construction of new store (and eastern phase of Blue Parkway Improvements, as arranged with City)