

	<b>City of Lee's Summit Law Department Memorandum</b>	
	<b>To:</b>	Mayor and City Council
	<b>From:</b>	David Bushek, Chief Counsel of Economic Development & Planning
	<b>Date:</b>	June 16, 2021 Updated July 13, 2021 Updated August 17, 2021 ** <b>Updated September 15, 2021</b> **
<b>Re:</b>	Downtown Market Plaza – Status Report to City Council	

**Update – September 15, 2021**

This is a summary of the actions that have occurred since the July 2021 update to the City Council:

**Standing Bi-Weekly Work Meetings** – City staff has started scheduling a standing bi-weekly meeting to work on the overall Market Plaza project. This may become a standing weekly meeting as our work progresses. City staff met with Lane4 on September 2<sup>nd</sup> to discuss a wide variety of topics including preparation of the Redevelopment Plan, coordination with the City’s environmental engineers, possible retention of the Ice House, the City Council public hearing for the Redevelopment Plan, an update on the selection of the master architect, and the schedule for the remainder of the year. City staff and Lane4 will meet again on September 16, 2021 to continue our work on a variety of issues. We are tentatively planning to hold the public hearing for the Redevelopment Plan at a regularly scheduled City Council meeting in November.

**Discussions with State agencies** – City staff met with four representatives of the Missouri Department of Economic Development (DED) on August 31, 2021 to discuss possible state funding tools and their potential use with the Market Plaza project. Our primary focus was on the possible use of state tax increment financing and the Downtown Revitalization Preservation Program. City staff is also talking with the general legal counsel for the Missouri Development Finance Board (MDFB) regarding possible MDFB funding sources, including the Missouri Tax Credit for Contribution Program. City staff is evaluating the criteria associated with these funding tools and will continue to coordinate with DED, MDFB and other state agencies to investigate all possible funding sources.

**Master Architect Selection** – A selection team consisting of City staff, a Downtown CID director and representatives from of Lane4 interviewed four companies for the position of Master Architect for the overall Market Plaza project. All firms were highly qualified, and the selection team is still considering which firm to begin negotiations for a contract for the master architect work.

**Stakeholder Meetings** – City staff continues to coordinate with BRV to schedule stakeholder meetings and the previous targeted dates of September 16 and 17, 2021 are not going to work out well. The new identified potential date for stakeholder engagement is now October 25, 2021. As this becomes finalized, City staff is planning to broadcast the schedule across a wide variety of platforms to gain maximum attendance and participation.

**Chapter 353 Redevelopment Plan** – City staff has continued to work on the Redevelopment Plan that will be presented to the City Council. We have determined that the relevant state statutes governing the Redevelopment Plan do not provide much detail regarding what must be in the Plan, so we are evaluating what level of detail should be included in the Plan.

**Update – August 17, 2021**

This is a summary of the actions that have occurred since the July 2021 update:

**Master Architect Selection** – Lane 4 has issued an RFP to a select list of qualified firms to secure a master architect for the project. One City staff member and one representative from the Downtown CID are on the selection team with Lane4. The proposals will be evaluated by the selection team and interviews will be conducted at City Hall on August 31, 2021. This step will secure a master architect for the project, who will work closely with City staff, Lane4 and BRV provide overall design guidance for the project and potentially lead design efforts for the public components of the project.

**Stakeholder Meetings** – City staff has coordinated with BRV to tentatively target stakeholder meetings on Thursday and Friday, September 16 and 17, 2021. The City team has verified with the CID and other parties that these two days do not present conflicts with any significant community events. City staff will continue working with BRV to establish the focused topics for the multiple meetings envisioned meetings on these two days. The meeting topics will focus on the primary issues that should be of most interest to the various stakeholder groups. City staff is planning to broadcast the schedule for these meetings across a wide variety of platforms to gain maximum attendance and participation. One of the meetings will likely focus on participation by elected officials and Planning Commissioners.

**Chapter 353 Redevelopment Plan** – City staff has begun preparing the Redevelopment Plan that will be presented to the City Council for consideration in a public hearing. Initial issues that are being evaluated include the area that should be included in the redevelopment plan, whether any adjustments to the conceptual plan should be considered, treatment of the Ice House as part of the public hearing process, and ongoing negotiations with adjacent property owners. City staff is tentatively planning to schedule the public hearing on the redevelopment plan in November 2021, and this schedule will be finalized after the stakeholder meetings are completed.

**Other Financing Sources** – City staff is investigating other possible funding sources, including potential state funding sources. City staff may provide a conceptual presentation to the City Council when these options are developed, to evaluate which of these sources to pursue.

**Environmental Issues** – SCS Engineers, the City’s environmental engineers currently under contract, attended a Kansas City Brownfields Initiative Meeting on Friday July 23, 2021. City staff has scheduled a meeting with SCS on Friday, August 20, 2021, to learn more about the results of that meeting and the opportunity for the City to take advantage of Federal funding for brownfields clean-up work that will

occur in connection with the project. The scope of this work by SCS may be applied in other parts of the City, but our initial focus will be on the Downtown Market Plaza project.

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<b>Update – July 13, 2021</b>
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This is a summary of the actions that have occurred since the date of the first update on June 16, 2021:

**RFQ for Master Architect** – Lane4 has prepared a draft Request for Qualifications for a Master Architect for the overall project. The RFQ focuses on the four primary components of the project:

Conservatory: The City envisions a space that can be used for various events and programs, both publicly hosted and privately, on a rental basis. This space should be designed to be used separately or in conjunction with the Pavilion.

Permanent Farmers Market Pavilion: The new home of downtown Lee’s Summit’s popular farmers’ market. This will be a permanent pavilion that can host farmers markets and similar events for at least three seasons of the year. The focus of this facility may become four-season operations, depending upon the construction parameters after gathering community input.

Outdoor Performance & Festival Area: Moveable stage to be placed around Green Street and the City Hall Plaza, subject to availability of space.

Gateway/Courtyard: Public Space designed to welcome the public to the Market Pavilion and Conservatory.

The RFQ also lists the following as the primary private components:

- (1) Boutique Hotel
- (2) Multi-family
- (3) Office
- (4) Retail/Restaurant

The Master Architect will be responsible for implementing an overarching vision for the project, as well as providing architectural services for the four public components at the Project’s core, as described above.

A selection committee will review proposals from all respondents. Following such review, the committee may select up to three applicants to be interviewed. The Project Manager and key staff must be present for such interviews, which may be conducted virtually or in-person. Within a reasonable period after the last interview, the Committee will select the successful candidate. After this selection, the City and Developer teams will negotiate a contract upon mutually acceptable payment terms with the selected architect firm.

**Stakeholder Meetings** – City staff is working with BRV to establish a schedule of stakeholder meetings which are expected to start in late July or early August 2021.

**Project Budget** – Lane4 and City staff have prepared a budget format and have discussed various items as part of the budget. None of the budget items have been finalized and a draft project budget has not been created as a public record.

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**Original Message – June 16, 2021**

This memorandum is the first status report to the City Council following execution of the Development Structure Agreement between the City, Lane4 Property Group, Inc. (“Lane4”), and Biederman Redevelopment Ventures (“BRV”) on May 21, 2021. City staff has committed to providing a monthly status report to the City Council as the City’s work on the Downtown Market Plaza proceeds under the Development Structure Agreement. This memorandum summarizes the significant events that have been completed since execution of the Development Structure Agreement.

**Kick-Off Meeting**

On May 18, 2021, City staff, Lane4 and BRV held their initial meeting, in person with one videoconference participant, following execution of the Development Structure Agreement. The following issues were discussed at that meeting:

**Schedule of Stakeholder Meetings** – We discussed the plan to have BRV initiate the series of stakeholder meetings. The issues to be addressed include:

- Agenda for the meetings
- Who will lead these meetings
- Who will be invited
- Location
- Coordination with Downtown CID Board of Directors.
- Involvement of elected officials
- Involvement of Planning Commissioners and possible presentation at a Planning Commission meeting

**City Council Updates** –

- City staff plans to update the City Council on a monthly basis, as requested by the Finance Committee.
- The update will typically be provided at the last Council meeting of the month, as part of the “Staff Roundtable” agenda item.
- We may make a presentation to the City Council regarding Stakeholder Meetings and that process, to raise public awareness and actively seek input from stakeholders in the community.
- BRV and Lane4 involvement in monthly updates to City Council as needed

**Southwestern Bell Telephone Property (AT&T)** –

- Provided list of AT&T requirements to Lane4.
- Update on status of discussions with AT&T.

- Arrangements for redevelopment of western portion of AT&T property (employee parking lot)

#### **KC Comfort Properties LLC (SE corner) –**

- Update on status of discussions with property owner.
- Parking options for this property.

#### **Parking –**

- Parking arrangements and impact on discussions with adjacent property owners.
- Parking Concepts diagram from City Traffic Engineer.

#### **Demolition Issues –**

- Engage City’s environmental engineers (SCS Engineers) for evaluation during demolition, additional soils review for lead contamination levels.
- Available funding for environmental clean-up (escrow account from purchase of property by the City).
- Evaluation of the “Ice House” property.
- Timing of demolition.

#### **Draft Master Budget –**

- Preparation of draft budget.
- Work with Lane4 to gather their input and start filling out the budget.

#### **Ownership & Organizational Structure Generally –**

- Discussed City’s Ownership & Org Charts with Lane4.
- Will gather more input from Lane4 and BRV on these ownership arrangements and how this facilitates certain financing options.

#### **Financing Options –**

- Public financing tools and possible uses for the project.
- City financing options.
- Possible State incentives for downtown rehabilitation.
- Development of budget for individual users.

#### **Contributions, Advertising, Naming Rights –**

- Project guidelines for actively seeking contributions, advertising, naming rights, programs that encourage donations in exchange for some reward connected to the project.
- Determining if these should be public discussion points in the initial meetings with stakeholders.
- Discuss these items in connection with financing strategies and state financing options.
- Coordination with City’s Cultural Arts Manager.

**Private Users** –

- Lane4 thoughts on private land uses, and possible parties as tenants.
- Contacts with possible private users, possible bidding process depending upon public financing tools to be used.

**Master Architect** –

- Discussion about selection of master architect and the process to be used for this selection.

Following the kick-off meeting, City staff had further discussions with Lane4 to continue to make progress on several of the topics above. The City will receive a summary of the process used by Lane4 for the process of selecting a master architect for the project, and a draft of the request for qualifications to be used by Lane 4 for this process. City staff also provided some sample documents that have been used in another project to conduct further evaluation of the ownership and leasing arrangements contemplated by the City.

**Next Steps**

City staff anticipates that the following steps will be taken in the next month:

- **Master Architect** – City staff will evaluate the process proposed to be used by Lane4 for selection of the Master Architect, and will have further discussions with Lane4 to begin that process.
- **Schedule Stakeholder Meetings** – City staff will work in BRV to establish a schedule of stakeholder meetings which are expected to take place on July and August of 2021.
- **Solicit Input for Stakeholder Meetings** – The parties will discuss how to broadcast the schedule of stakeholder meetings to spread the word about these meetings and seek maximum participation from community participants.
- **Draft Budget** – Lane4 is evaluating the budget format prepared by City staff, and will start proposing various cost items to start filling out a draft budget. The parties will also start discussing an assignment of costs between the public and private sources for the project.
- **Ownership Structure** – City staff will have further discussions with Lane4 regarding the optimum ownership and leasing structure to maximize financing opportunities for the overall project.

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