



# LEE'S SUMMIT

LAW DEPARTMENT  
OFFICE OF THE CITY ATTORNEY

May 11, 2020

TO: City Council

FROM: David Bushek, Chief Counsel of Economic Development & Planning

RE: Summary of the Southside Plaza Community Improvement District

## Project and CID Summary

- The proposed project area covers about 5.24 acres of property located north SW Blue Parkway which contains the Southside Shopping Center. The Blight Study which is attached to the Petition (PDF page 26 of the Petition document) shows 33% vacancy in the shopping center, and this list of tenants:

Property: Southside Plaza  
Address: 828 Southwest Blue Parkway

Suite	Use	Tenant	Square Feet	SF %
400 Nichols	Retail	The A List Salon	975	1.79%
402 Nichols	Retail	Vapor Up	593	1.09%
404 Nichols	Retail	Econ-0-Wash	1,479	2.72%
712 Blue Pkwy	Retail	Back Home, Inc.	3,695	6.80%
806 Blue Pkwy	Retail	Knapp Physical Therapy LLC	6,593	12.12%
818-820 Blue Pkwy	Retail	Vacant	2,472	4.55%
822-826 Blue Pkwy	Retail	Larue, Ramon & Tammy	6,030	11.09%
828 Blue Pkwy	Retail	Advanced Footcare Center	1,620	2.98%
834 Blue Pkwy	Retail	Jumpin Catfish	6,136	11.28%
836 Blue Pkwy	Retail	Beyond Exchange	3,955	7.27%
838 Blue Pkwy	Retail	Vacant	5,153	9.48%
840 Blue Pkwy	Retail	Vacant	9,559	17.58%
846 Blue Pkwy	Retail	Jason Key Insurance Agency	872	1.60%
848 Blue Pkwy	Retail	Golden Paws Grooming	1,094	2.01%
852 Blue Pkwy	Retail	Anna's Nails	1,024	1.88%
856 Blue Pkwy	Retail	Asia Massage	907	1.67%
858 Blue Pkwy	Retail	Vacant	770	1.42%
862 Blue Pkwy	Retail	Skratch bakery	1,451	2.67%
<b>Total</b>			<b>54,378</b>	<b>100.00%</b>

Vacant	17,954	33%
Occupied	36,424	67%
<b>Total</b>	<b>54,378</b>	

- The proposed maximum duration of the CID is 27 years, or a shorter period of time if the CID debt obligations are repaid earlier.

- The applicant is requesting a blight finding for the purpose of expending CID revenues on repair and renovation of private improvements to the shopping center and parking areas.
- Developer’s proposed budget and reimbursable categories:

Item	Total Cost	CID Eligible Cost
<b>Land Acquisition</b>	\$3,250,000	\$0.00
<b>Building Improvements</b>		
Façade Improvements	\$1,047,570	\$1,047,570
Roof Replacement	\$150,000	\$150,000
HVAC Update	\$50,000	\$25,000
Rear entry doors and garage doors	\$29,000	\$29,000
TI and Capital Improvements	\$99,970	\$0.00
<b>Site Improvements</b>		
Retaining Wall - Tiebacks	\$35,700	\$35,700
Parking Lot	\$86,850	\$86,850
Stormwater Drainage	\$60,000	\$60,000
Concrete Improvements	\$5,259	\$5,259
<b>Total</b>	<b>\$4,814,349</b>	<b>\$1,439,379</b>
		<b>29.89%</b>

- The cooperative agreement will contain terms, conditions and safeguards for the City with respect to the funding of private CID improvements which are not dedicated to the City.

### CID Operations

- The District will be a separate political subdivision of the state, not a department of the City.
- The District will be governed by a 5-member Board of Directors. Initial directors are named in the petition and successor directors will be appointed by the Mayor with the consent of the City Council.
- The initial term of each director is either 2 or 4 years, as established by the initial appointments. Successors serve 4 year terms.
- Qualifications of a Director:
  - At least 18 years old
  - Resident of Missouri for at least 1 year prior to taking office
  - Business owner or property owner in the district, or a representative of a business owner or property owner in the district

- One of the five director seats will be permanently controlled by the City, with a City staff member appointed to the City seat.

### **Project Financing**

- Developer provides the initial financing for all project costs through private lending or debt issued by the CID.
- The CID may issue debt or incur loans after City approval of the terms and conditions of such financing.
- The CID will serve as a reimbursement source for designated project costs, as discussed below.

### **CID Funding**

- The District proposes a sales tax of up to one percent (1.0%).
- An election must occur for the sales tax to be imposed. The election occurs after the District is formed. The qualified voters in the election will be the property owners within the CID area. A majority of those property owners that cast ballots must approve the sales tax. The sales tax can be imposed in 1/8% increments, up to the maximum of 1%.
- The CID will serve as a reimbursement source for designated project costs as set forth above, or as the source of funds to repay CID debt.

### **CID Reimbursable Costs**

The maximum amount of reimbursement will be about \$1.44 million, plus interest as provided in the cooperative agreement between the City and the CID.