

**LICENSE TAX REVIEW COMMITTEE
ACTION LETTER
CITY OF LEE'S SUMMIT**

Monday, November 13, 2017
5:30 p.m.

Present at the Meeting –

*George Binger
Mike Weisenborn
Michael Park
Stacy Lombardo
Heping Zhan
Cynda Rader
Chairman Faith

*Dena Mezger
Darlene Pickett
Ryan Elam
Victoria Stanton
Karl Blumenhorst
Glen Jones*

All members were present.

1. CALL TO ORDER:

Chairman Faith called the meeting to order at 5:35 p.m.

2. PUBLIC COMMENTS: None

3. BUSINESS:

A PowerPoint by Mr. Binger, Deputy Director of Public Works/City Engineer, showing the license tax background and current status. This is the original city ordinance was first adopted in March 1998, it has been amended three times for adjustments in rates. Mr. Binger explains what this tax is and the purpose behind it. The license tax administrator is the Director of Finance or a representative. Compared to other cities, the fee we charge is on the lower end. This is a report of residential building permits and we have reached our peak for the current year. From last year to this year, our permits increased.

The Annual Report of Revenue, Permits and Projects was presented in PowerPoint, as well as the City's current calendar year rates were projected. This meeting was moved from Spring in order to help on the forecast fees and planning cycle. Chairman Faith asked how do we forecast. Heping Zhan, Assistant Director of Planning and Special Projects, explains these projections and how building permits are tracked every year. He explains how many of these are residential, how many are multi-family plots, and platted ground currently. Mr. Binger also discusses a bar graph showing retail, office and industrial building permits. Question was asked how does the City collect an excise tax for QuikTrip when they demolish and then rebuild. Michael Park, City Traffic Engineer, addressed the excise tax.

Mr. Binger next presented a revenue report. The Fund balance report was presented, showing a current balance of \$3 and a half million, and then for 2018 it will be over \$4 million. Projection through 2022 was discussed without construction or spending money for improvements. Projects eligible for license tax funding should be limited to those identified in the City's Thoroughfare Master Plan. They support economic activity among several sites, not sole benefit for single development.

Completed projects were shown in the PowerPoint, as well as Staff Recommendations for 2017. The purpose is to show a use for funds in order to comply with Hancock Amendment. Examples of potential future projects for consideration were discussed, one being Browning Street: Oldham Parkway to Hamblen Road. Michael Park discussed design and construction, redevelopment here in this area. More discussion ensued about this area.

Mr. Binger did make note that there is sufficient cash flow to fund the Browning project. The next project is NW Main Street from Chipman Rd. to Tudor Rd. Some clarification was made regarding the stretch of Main Street from NW Tudor Road to NW Commerce Dr.

Improvements in the CIP sales tax to fund improvements to Colbern Rd from Douglas to 350 highway over the next 15 years. Again, in the City's CIP there are plans to widen Pryor Road from Longview Road to MO 150. More discussion ensued about the City's Thoroughfare Master Plan.

On motion of Glen Jones, to start the design work immediately on SE Browning project and to raise the non-residential rate by 5% and leaving the residential rate where it is at, second by Cynda Rader, the Committee voted unanimously 4-0.

4. ROUNDTABLE:

Discussion ensued regarding commercial/industrial incentives and non-residential rates. Mr. Binger noted these will next go to City Council, and fees will go through the fee revision process. Other project areas to watch were noted by Mr. Binger.

5. NEXT MEETING:

6. ADJOURN:

Chairman Faith adjourned the meeting at 6:42 p.m.
