

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

Monday, November 29, 2018
4:30 p.m.

Present at the Meeting –

*George Binger
Mike Weisenborn
Michael Park
Lisa Azimi
Heping Zhan
Cynda Rader
Chairman Faith

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

All members were present.

1. CALL TO ORDER:

Committee members called the meeting to order at 4:37 p.m. Chairman Faith arrived late, so by consensus, committee members called meeting to order.

2. PUBLIC COMMENTS: None

3. BUSINESS:

A PowerPoint by Mr. Binger, Deputy Director of Public Works/City Engineer, was presented showing the license tax background and current status. This is the original city ordinance that was first adopted in March 1998, it has been amended four times for adjustments in rates. Mr. Binger explained the tax and the purpose behind it. The license tax administrator is the Director of Finance or a representative. The report of building permits showed construction activity reached a peak in 2017. From last year to this year, permits decreased.

The Annual Report of Revenue, permits and projects, current fund balance, and projected future fund balances were presented in the PowerPoint, as well as the City's current calendar year rates. Mr. Binger discussed the current tax rates which are relatively low compared to the KC Metro area. He next presented a graph of retail, office, and industrial permit projection for 2018 of 113,000 sq. ft. Heping Zhan, Assistant Director of Planning and Special Projects, explained projections and the tracking of building permits.

Completed projects were shown in the PowerPoint, as well as Staff Recommendations for 2018. The purpose is to show a use for funds in order to comply with Hancock Amendment. The Browning Street Project was reviewed, being the most recent project recommended by the committee and included in the CIP. Examples of potential future projects for consideration were discussed. The next project recommended is NW Main Street from Chipman Rd. to Tudor Rd. Some clarification was made regarding possible development to generate revenue from that area.

In the discussion of possible projects Glen Jones questioned which projects would have the highest return in the shortest amount of time. It was determined that the Main St project opens up the most ground to potentially include commercial activity. A second preference for projects would be something that opens up multi-family development. Michael Park discussed Pryor Rd North of 470 was the next greatest safety project on the example list.

Mr. Binger provided a City map with locations of all the example projects and gave a summary of

them. There was discussion on locations, the PRI property adjacent to and in between areas, and those that will most likely give higher return on investment through potential development. Preference was given to commercial and multi-family, as opposed to single family development. It was agreed upon to review from one year to the next and program the projects out a few years.

Glen Jones asked how the rate chart and trip generation has changed. Michael Park then mentioned trip generation manuals and how different businesses, such as banks, are experiencing less traffic. More people are working from home and travel is decreasing. There are new uses in trip generation manuals and they are dividing out more specific uses such as multi-family into high rise, low rise, etc.

Mr. Binger recommended showing a plan for the money and to amend the CIP to move projects forward. Guidance from the Committee was requested to consider projects in a five year plan. Two of the projects were specifically reviewed to utilize the funds. The projects mentioned were the Main Street project, being multi-family and commercial, and the traffic signal project on SE Hamblen at Bailey, which will help south development and address existing needs.

The Committee expressed concerns about the signal because it would not necessarily create new revenues by initiating development. The project was filling a need caused by previous development. City staff mentioned that other sources of revenue could be used for the signal project.

The current ordinance includes language that is outdated or confusing. Staff recommends modifying the ordinance to delete outdated or expired sections and address current trip generation options for basis of measure.

Chairman Faith made a motion to channel efforts to program Main Street Improvements Project into the FY2020 Capital Improvement plan for design and construction funded by the license tax. The motion was seconded by Karl Blumenhorst and it with a 4-0 vote.

Mr. Karl Blumenhorst made a motion to leave the license tax rates as status quo. Glen Jones seconded and the motion carried with a vote of 4-0.

Mr. Glen Jones made a motion to direct staff to change the ordinance language to delete outdated or expired sections to keep it current and calculate the trip generation based on the greater of available and applicable unit of measure in the trip generation manual. Ms. Cynda Rader seconded and the motion carried with a 4-0 vote.

4. ROUNDTABLE:

No items discussed.

5. NEXT MEETING:

6. ADJOURN:

Chairman Faith adjourned the meeting at 6:00 p.m.

