

Legislation Details (With Text)

File #: BILL NO. 17-261
Name:
Type: Ordinance
Status: Agenda Ready
File created: 11/28/2017
In control: City Council - Regular Session
On agenda: 12/7/2017
Final action:
Title: AN ORDINANCE AUTHORIZING THE ISSUANCE OF SPECIAL OBLIGATION TAX INCREMENT AND SPECIAL DISTRICT REFUNDING AND IMPROVEMENT BONDS (SUMMIT FAIR PROJECT), SERIES 2017 OF THE CITY OF LEE'S SUMMIT, MISSOURI, AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE BONDS.
 (Note: First Reading by City Council on December 7, 2017.)

Sponsors:

Indexes:

Code sections:

Attachments: 1. Ordinance

Date	Ver.	Action By	Action	Result
12/14/2017	1	City Council - Regular Session	adopted and numbered	Pass
12/7/2017	1	City Council - Regular Session	advanced to second reading	Pass

AN ORDINANCE AUTHORIZING THE ISSUANCE OF SPECIAL OBLIGATION TAX INCREMENT AND SPECIAL DISTRICT REFUNDING AND IMPROVEMENT BONDS (SUMMIT FAIR PROJECT), SERIES 2017 OF THE CITY OF LEE'S SUMMIT, MISSOURI, AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE BONDS.
 (Note: First Reading by City Council on December 7, 2017.)

COUNCIL MOTION: I move for adoption of AN ORDINANCE AUTHORIZING THE ISSUANCE OF SPECIAL OBLIGATION TAX INCREMENT AND SPECIAL DISTRICT REFUNDING AND IMPROVEMENT BONDS (SUMMIT FAIR PROJECT), SERIES 2017 OF THE CITY OF LEE'S SUMMIT, MISSOURI, AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE BONDS.

The City has:

- (a) approved a plan for redevelopment known as the "Lee's Summit East Amended and Restated Tax Increment Financing Plan" (as amended, the "Redevelopment Plan") for certain areas described therein, including an area designated and described in the Redevelopment Plan as "Project Area 1" and "Project Area 5" (together, the "Redevelopment Area"),
- (b) designated the Redevelopment Area, along with other property described in the Redevelopment Plan, as a "blighted area" within the meaning of the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865, inclusive, of the Revised Statutes of Missouri, as amended (the "TIF Act"),
- (c) approved projects and adopted tax increment financing for Project Area 1 and Project Area 5, and (d) designated RED Lee's Summit East, LLC, a Missouri limited liability company (the "Developer"), as the developer to implement the Redevelopment Plan with respect to the Redevelopment Area.

On May 27, 2008, the City and the Developer entered into an Amended and Restated Tax Increment Financing Contract (as amended, the “Redevelopment Agreement”), which provides for the funding and financing of certain Reimbursable Project Costs

On April 17, 2008, the City Council, by adoption of Ordinance No. 6619, established the Summit Fair Community Improvement District, a community improvement district and political subdivision of the State of Missouri (the “CID”) for the purpose of providing funding through the imposition of a sales tax and special assessments for a portion of the Reimbursable Project Costs that are eligible to be funded with revenues of the CID.

In order to provide financing for certain Reimbursable Project Costs, the City has issued the City of Lee’s Summit, Missouri Tax Increment Revenue Bonds (Summit Fair Project), Series 2011 (the “Series 2011 Bonds”), in the original principal amount of \$22,300,000.

It has been determined that it is in the best interest of the City to issue its Special Obligation Tax Increment and Special District Refunding and Improvement Bonds (Summit Fair Project), Series 2017 (the “Series 2017 Bonds”) for the purpose of (a) financing additional Reimbursable Project Costs relating to the Redevelopment Plan, (b) advance refunding the outstanding principal amount of the Series 2011 Bonds (the “Refunded Bonds”), (c) funding a debt service reserve deposit for the Series 2017 Bonds, and (d) paying the costs of issuance of the Series 2017 Bonds and the incidental costs of refunding the Refunded Bonds.

The Series 2017 Bonds are being issued by the City of Lee’s Summit, Missouri (the “City”), pursuant to a Trust Indenture dated as of December 1, 2017 by and between the City and the Trustee (the “Indenture”). The Series 2017 Bonds are limited obligations of the City, payable solely from Pledged Revenues and other moneys pledged thereto (as described herein). The application of Economic Activity Tax Revenues (as described herein) to the payment of the Series 2017 Bonds, as described herein, is subject to annual appropriation by the City. The application of Area Z CID Sales Tax Revenues (as described herein) to the payment of the Series 2017 Bonds is subject to annual appropriation by the Summit Fair Community Improvement District (the “CID”).

THE SERIES 2017 BONDS DO NOT CONSTITUTE A GENERAL OBLIGATION OF THE CITY OR THE CID AND DO NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY, THE CID, THE STATE OF MISSOURI (THE “STATE”) OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL, CHARTER OR STATUTORY PROVISION OR LIMITATION. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWERS OF THE CITY, THE CID, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2017 BONDS. THE ISSUANCE OF THE SERIES 2017 BONDS SHALL NOT, DIRECTLY, INDIRECTLY OR CONTINGENTLY, OBLIGATE THE CITY, THE CID, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY ANY FORM OF TAXATION THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT.

Recommendation: Staff Recommends approval of the Ordinance Approving the issuance of the Series 2017 Bonds

Conrad E. Lamb, Finance Director

Committee Recommendation: This item was placed on the December 4, 2017 Finance & Budget Agenda for approval by City Council of the same week, therefor the recommendation was not available at the time of this Agenda.