

Legislation Details (With Text)

File #: BILL NO. 19-124
Name:
Type: Ordinance
Status: Passed
File created: 5/3/2019
In control: City Council - Regular Session
On agenda: 6/4/2019
Final action: 6/11/2019
Title: An Ordinance approving a Dissolution Agreement for the I-470 and 350 (Summit Woods) Transportation Development District.
 (Note: This was first read by Council on June 4, 2019 and passed by unanimous vote.)

Sponsors:

Indexes:

Code sections:

Attachments: 1. Ordinance, 2. TDD Dissolution Agreement, 3. State Audit Report

Date	Ver.	Action By	Action	Result
6/11/2019	1	City Council - Regular Session	adopted and numbered	Pass
6/4/2019	1	City Council - Regular Session	advanced to second reading	Pass

An Ordinance approving a Dissolution Agreement for the I-470 and 350 (Summit Woods) Transportation Development District.
 (Note: This was first read by Council on June 4, 2019 and passed by unanimous vote.)

Issue/Request:

An Ordinance approving an Agreement for the Dissolution of the Summit Woods Transportation Development District to provide the for the disbursement of excess funds of the District to the City and MoDOT.

Key Issues:

Approval of an Agreement to provide for the disbursement of excess revenues generated by the Summit Woods TDD, which is in the process of being dissolved because the TDD has satisfied all of its obligations and repaid all of its debt.

Proposed City Council Motion:

I move for adoption of an Ordinance approving a Dissolution Agreement for the I-470 and 350 (Summit Woods) Transportation Development District.

Background:

The I-470 and 350 Transportation Development District (the "District") was formed on March 16, 2001 for the purpose of funding road projects to serve the Summit Woods Crossing shopping center. The District imposed a sales tax for approximately 17 years to repay bonds that were issued by the District to fund the road projects. The District bonds have been fully repaid and the sales tax was terminated on December 31, 2019.

The District received a favorable report from the State Auditor in February 2019 to dissolve in accordance with the Missouri Transportation Development District Act, Sections 238.200 through 238.280 of the Revised

Statutes of Missouri, as amended (the "TDD Act"). Upon termination of the District, the TDD Act requires the District to account for all remaining funds after all indebtedness and obligations have been satisfied and thereafter disburse all remaining funds to the local transportation authority (the City), and the Missouri Highways and Transportation Commission (the "MHTC") to expend the excess funds on local and state transportation network costs in the vicinity of the District.

The District funds are managed by the City's Finance Department. The account contains approximately \$1,026,200 which will be treated as excess funds (the "Excess Funds") and disbursed to the City and the MHTC pursuant to a contract between the District, the City and the MHTC. The amount of Excess Funds is large because the District sales tax generated an average of about \$183,000 per months, and the District could not give notice to the Department of Revenue (DOR) to stop collecting the sales tax until the District bonds were fully repaid. The District bonds were fully repaid in October 2018 with the sales tax revenues collected through August 2018. It takes DOR a few months to terminate a TDD sales tax, which means the District unavoidably collected the sales tax for about an extra six months, which now must be treated as Excess Funds.

Under the Dissolution Agreement, the Excess Funds will be disbursed on a 70/30 approximately as follows:

MHTC	\$718,300	70%
City	\$307,900	30%

This formula for the split of the Excess Funds was calculated by MoDOT based on the approximate amount of lane miles in the state and local systems that were funded by the TDD. This approach has been reviewed by the Public Works Department and City staff believes this arrangement is reasonable. A final accounting will determine the exact amount of the Excess Funds when those revenues are ready to be disbursed.

Impact/Analysis:

The City will receive approximately \$307,860 to spend on road improvements and upkeep in the vicinity of the original road projects around the Summit Woods shopping center.

Timeline:

The Excess Funds will be disbursed when the Agreement is fully executed after City approval.

Other Information/Unique Characteristics:

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David Bushek, Chief Counsel of Economic Development & Planning

Recommendation: Staff recommends approval of this Ordinance and Agreement.

Committee Recommendation: [Enter Committee Recommendation text Here]