

SECOND MOTION: I move for adoption of an Ordinance amending Sections 28-175, 28-176, 28-177, 28-179 and 28-181 of the Code of Ordinances of the City of Lee's Summit governing the License Tax on Building Contractors by deleting outdated or expired content and clarify applicable use of the I.T.E. Trip Generation Manual for traffic generation calculations based on land use categories.

Background:

City staff presented the FY2018 update to the License Tax Review Committee on November 29, 2018. This report presents the discussion and recommendations from the Committee. The discussion and data is based on information before the announcement by PRI to sell large parcels of land in Lee's Summit.

Current Status

- The License Tax is a fee for new development or re-development activity that increases traffic
- The City must spend funds received on transportation projects
- The License Tax Fund current balance is \$4.630 million
- Maximum rate approved by voters in 1997 was \$2,116 per residential unit
- Current rates are: \$1,088 per Residential unit;
\$1,000 per trip for Manufacturing/Industrial; \$750 per trip for Commercial
- Several sections of the ordinance adopted in 1997 and 2010 are outdated and confusing
- The ordinance does not clearly define how to calculate fees for some land uses

Projections

- The analysis and presentation occurred before the PRI announcement to release large tracts of land for sale
- Building permit activity reached a peak in 2016-18
- Future years will see declining License Tax revenues due to declining development activity
- \$9.699 million is the projected fund balance in 15 years

Committee Guidance

- Projects funded by the License Tax should be limited to projects identified in the City's Thoroughfare Master Plan (TFMP)
- Projects should exclude site specific projects such as adding a turn lane or signal required by one developer or landowner to complete a project
- Projects that remove impediments to future commercial or industrial development are the preferred use of this fund
- The License Tax funds should continue to manage cash flow so that projects are funded on a pay as you go basis

Actions

- Committee voted unanimously to program into the FY20 CIP NW Main Street to connect from NW Chipman to NW Commerce
- Committee voted unanimously to revise the ordinance to remove outdated sections and to clarify the calculation of fees for all types of development

Impact/Analysis:

There will be no change in fees. The changes in the ordinance are in response to frequent questions and should make the process less confusing.

George Binger III, P.E., Deputy Director of Public Works / City Engineer

City staff recommends approval.

The Public Works Committee voted unanimously 3-0 (Councilmember DeMoro "absent"), to recommend to City Council approval of an Ordinance amending Sections 28-175, 28-176, 28-177, 28-179 and 28-181 of the Code of Ordinances of the City of Lee's Summit governing the License Tax on Building Contractors by deleting outdated or expired content and clarify applicable use of the I.T.E. Trip Generation Manual for traffic generation calculations based on land use categories.