

## Legislation Text

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**File #:** BILL NO. 21-32, **Version:** 1

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An Ordinance Approving the Amended and Restated Cooperative Agreement among LBC Development Corporation, the City of Lee's Summit and the I-470 Community Improvement District (CID) to Facilitate the Dissolution and Termination of the Strother Interchange Transportation Development District And Update the Funding Obligations of the CID.

(Note: First read by Council on February 16, 2021. Passed by unanimous vote.)

Issue/Request:

This bill and the companion bill related to the Amended and Restated Strother Interchange TDD Agreement are both designed to facilitate dissolution and termination of the Strother Interchange TDD, which is scheduled to be fully dissolved in 2021.

Key Issues:

Dissolution of the Strother Interchange TDD, and amendment of related agreements to facilitate that dissolution and ensure the City receives the excess TDD revenues under the previously-approved Dissolution Agreement.

Proposed City Council Motion:

I move for adoption of an Ordinance Approving the Amended and Restated Cooperative Agreement among LBC Development Corporation, the City of Lee's Summit and the I-470 Community Improvement District (CID) to Facilitate the Dissolution and Termination of the Strother Interchange Transportation Development District And Update the Funding Obligations of the CID.

Background:

The City Council approved Ordinance No. 8970 on September 29, 2020, which authorized the execution of the Strother Interchange Transportation Development District (TDD) Dissolution Agreement (the "Dissolution Agreement"). The Dissolution Agreement was executed by the parties and is dated October 7, 2020. The Dissolution Agreement provided for the disbursement of excess TDD revenues between the City and MoDOT in proportion to those entities' maintenance responsibilities for the transportation improvements that were funded by the TDD.

There are two other cooperative agreements that need to be amended to unwind the prior relationship between the TDD and the I-470 Community Improvement District (CID), The CID was formed in connection with the private development generally bounded by Strother Road on the north, the State property fronting on Colburn Road on the south, Hagan Road on the west and I-470 on the east. Under the original CID Cooperative Agreement between the developer of the CID area, the City and the TDD, it was determined at that time that it was appropriate that any excess revenue not required to pay for CID Costs or bonds issued by the CID should be pledged to the TDD or City to assist in financing the Interchange Improvements which are located within the boundaries of the CID.

The CID did not make a contribution to the TDD. Given that the TDD is being dissolved this year, it is appropriate to (1) approve an amendment to the CID agreement to remove references to the TDD which is being dissolved and (2) amend the TDD agreement to eliminate any references to the CID's prior obligations to the TDD before that TDD is fully dissolved. Therefore, the amendments to the CID agreement will:

- State that the TDD has no obligations or rights under the agreement; and
- Update the list of CID improvements to match amendments to the I-470 TIF Plan as previously approved by the City Council.

The amendments to the TDD agreement will:

- Acknowledge that the CID has no rights or obligations under the agreement and remove the CID as a party; and
- State that the TDD surplus funds will be disbursed in accordance with the Dissolution Agreement and that the TDD will be fully dissolved in 2021 and the agreement will thereafter automatically terminate.

These two ordinances are effectively companion ordinances but the agreements need to be amended by separate ordinances since the CID and TDD are separate entities with different geographical areas.

Impact/Analysis:

This bill imposes no additional obligations or payment requirements on the City, This bill only amends the CID agreement to facilitate the items discussed above.

Timeline:

The TDD will be fully dissolved this year and this bill will facilitate that dissolution.

Other Information/Unique Characteristics:

This bill will facilitate the payment due to the City under the Dissolution Agreement.

David Bushek, Chief Counsel of Economic Development & Planning

Staff recommends approval of the bill.