

Legislation Text

File #: BILL NO. 21-73, **Version:** 1

An Ordinance Approving the Cooperative Agreement Between the City of Lee's Summit, Missouri, and the Downtown Lee's Summit Community Improvement District for the Downtown Market Center Project.

(Note: First reading by Council on April 20, 2021. Passed by unanimous vote.)

Issue/Request:

An ordinance to approve a Cooperative Agreement with the Downtown Lee's Summit Community Improvement District (the "CID" or the "District").

Key Issues:

Approval of the Cooperative Agreement with the District will create the formal arrangement between the City and the District for the funding of the "Farmer's Market Pavilion" which is one of the key public structures that is expected to be constructed within the larger Downtown Market Center project. The Downtown Market Center project is expected to cause redevelopment of the area bounded by 2nd Street to the north, 3rd Street to the south, Green Street on the west and Johnson Street on the east, and extending across Green Street into the area that currently serves as the Civic Plaza for City Hall.

The Cooperative Agreement establishes the right, duties and obligations of the City and the District regarding programming, design, funding and construction of the Farmer's Market Pavilion. The Farmer's Market Pavilion is envisioned to be one of the key public components of the overall Downtown Market Center, and the District has requested that the District's funding be limited to the Farmer's Market Pavilion.

The Cooperative Agreement establishes the following levels of funding by the District for the Farmer's Market Pavilion:

- \$120,000 to be expended for schematic design, engineering, and construction documents for the Farmer's Market Pavilion, and development of the opinion of probable cost;
- \$4,000,000 toward construction costs, payable over a 20-year period as follows:
 - \$750,000 as an initial contribution from currently available CID funds;
 - \$162,500 per year for 20 years.

The Cooperative Agreement include the following conditions for the funding described above:

- The District Board will have final design approval of the Farmer's Market Pavilion and related opinion of probable costs;
- The District Board shall be involved in the Farmer's Market Pavilion bidding process, and the City and CID shall agree on the award to the successful bidder, and the construction contract with the successful

bidder shall include the requirement that any change orders be approved by the City and the CID;

- No CID contributed funds shall be used to finance storm water improvements, or any elements of the broader Downtown Market Center Project;
- The CID shall have the opportunity to review and approve on an annual basis the overall annual programming plan of the Farmer's Market Pavilion
- During the time period of the CID financing there shall be placed on the real property of the Farmer's Market Pavilion a restrictive use covenant for a farmer's market and multi-use public space only use unless otherwise authorized by the City and the CID Board.

The Cooperative Agreement provides that programming shall include priority scheduling for use of the Farmer's Market Pavilion by Downtown Lee's Summit Main Street (DLSMS) for the Farmer's Market operation as the anchor user, and reservation of the Farmer's Market Pavilion for the DLSMS Downtown Days event. Other regular and special events will be scheduled as agreed by the City and the CID in the regular programming of the Farmer's Market Pavilion.

The Cooperative Agreement provides that the City will own the land and improvements for the Farmer's Market Pavilion. The Agreement also provides for certain language to be included in all leases and sales contracts for property in the project area which provides actual notice that the CID sales tax is in effect and the lessees and purchasers will not object to or protest the CID sales tax.

Proposed City Council Motion:

I move for adoption of An Ordinance Approving the Cooperative Agreement Between the City of Lee's Summit, Missouri, and the Downtown Lee's Summit Community Improvement District for the Downtown Market Center Project.

Background:

This Cooperative Agreement formally terminates the Memorandum of Understanding dated April 25, 2016 between the City, the District and Downtown Lee's Summit Main Street regarding the mutual arrangements for site selection, preliminary funding, acquisition of property, and design and construction of a project that was limited to a farmer's market pavilion and multi-use event space.

Impact/Analysis:

This Cooperative Agreement establishes the District's level of funding for the Farmer's Market Pavilion and the rights of the CID in the process of design, engineering and construction of that facility. This Agreement does not commit the City to any particular level of funding for the Farmer's Market Pavilion or any other components of the larger Downtown Market Center project.

Timeline:

Start: Discussion for programming and design of the Farmer's Market Center is expected to start in mid-May if the companion Development Structure Agreement is also approved by the City Council.

Finish: This Agreement will be in effect for at least 20 years based on the District funding levels described in the Agreement.

Mark Dunning, Assistant City Manager
David Bushek, Chief Counsel of Economic Development and Planning

Recommendation: Staff recommends approval of the ordinance.

Committee Recommendation: Not applicable