

Legislation Text

File #: BILL NO. 19-266, **Version:** 1

An Ordinance approving the Second Amendment to the Cooperative Agreement among the City of Lee's Summit, Missouri, The New Longview Transportation Development District and M-III Longview, LLC. (Note: First reading by Council on December 3, 2019. Passed by unanimous vote.)

Issue/Request:

An Ordinance to approve an amendment to the TDD Cooperative Agreement to update the provisions relating the payment of operating costs and distribution of sales tax revenues to account for the new revenue sharing arrangements between the TDD and Hawthorn Bank, and to allow for an extension of the TDD sales tax and adjustment of the TDD boundaries to reflect the planned commercial areas of Longview.

Key Issues:

This Ordinance will approve an amendment to the Cooperative Agreement for the reasons stated above.

Proposed City Council Motion:

I move for adoption of an Ordinance Approving The Second Amendment to the Cooperative Agreement among the City of Lee's Summit, Missouri, The New Longview Transportation Development District and M-III Longview, LLC.

Background:

The Lee's Summit, Missouri, New Longview Transportation Development District (the "TDD" or "District") was formed on July 31, 2003 through an order entered by the Jackson County Circuit Court. The TDD imposes a 1% sales tax throughout the boundaries of the TDD area (generally including all of the commercial areas in Longview). The TDD revenues are used to fund the operating costs of the District and then for two primary purposes:

- (1) half of the revenues are captured in the Special Allocation Fund of the two Longview TIF Plans and then used for the historic preservation purposes of those TIF Plans, and
- (2) repay a loan incurred by the former developer of the Longview area (Gale Communities, Inc.) which was used to fund road improvements.

The sales tax is set to expire on December 31, 2025. The City Council passed Resolution 19-03 on February 5, 2019 which supported an extension of the sales tax for an additional 23 years, with a new expiration date of December 31, 2048.

Impact/Analysis:

This request presents no direct impact to City revenues. This Second Amendment will allow the TDD to fund operating costs under the new arrangements between the TDD, the Developer and Hawthorn Bank, and allow

for the extension of the TDD sales tax and adjustment of the TDD boundaries to reflect the actual and expected commercial areas in Longview.

David Bushek, Chief Counsel of Economic Development & Planning

Corey Walker, M-III Longview, LLC

Brian Engel, Rouse Frets Law Firm

Staff recommends approval of the ordinance.