

Legislation Text

File #: BILL NO. 19-267, **Version:** 1

An Ordinance approving the Cooperative Agreement among the City of Lee's Summit, Missouri, the New Longview Community Improvement District and M-III Longview, LLC. (Note: First reading by Council on December 3, 2019.)

Issue/Request:

An Ordinance approving the Cooperative Agreement for the New Longview Community Improvement District to provide for implementation of the District.

Key Issues:

Implementation of the CID which has already been approved by the City Council.

Proposed City Council Motion:

I move for adoption of an Ordinance Approving the Cooperative Agreement among the City Of Lee's Summit, Missouri, the New Longview Community Improvement District and M-III Longview, LLC.

Background:

Developer M-III Longview, LLC ("Developer"), along with several other property owners in the Longview area, filed a Petition for the formation of a new CID in the Longview area which was approved by Ordinance No. 8557 on February 19, 2019. The City Council had previously approved two TIF plans (2003 and 2015) and a transportation development district (2003) in the Longview area.

The CID will impose a new 1% sales tax on the commercial retail businesses in the Longview area. The CID is planned to fund the following public improvements and associated soft costs in the combined total of about \$5.5M over the life of the CID:

- Activity Plaza west of the theater
- Traffic Signal at 3rd & Kessler and other street improvements
- Grading, Paving and Utilities for right-of-way and shared parking stalls
- Streetscape and Landscape improvements in right-of-way and common areas
- Structured Parking (160 spaces)
- Maintenance of the North Arch

Developer estimates that the CID will generate about \$250,000 per year by the year 2022 (increasing each year due to sales growth). Developer estimates that this will generate about \$9 million over the 30-year life of the District with a net present value of about \$4.2 million.

The cooperative agreement contains the following safeguards and protections for the City:

- The City Finance Department will receive the CID revenues from the Department of Revenue and

disburse the revenues pursuant to the terms of the agreement. The City will receive a portion of the CID revenues as reimbursement for this for this administrative work.

- The agreement requires the District to annually fund a maintenance fund to provide for a source of funds to provide for long term maintenance of the CID public improvements in the event that the Longview Business Owners Association or the CID fails to function properly and maintain the CID public improvements after they are constructed and placed into service.
- Reimbursable project costs which are incurred by the Developer or other private parties will be reviewed and approved by City staff and the District prior to reimbursement from District revenues.
- The CID will be a political subdivision of the state and must follow all applicable laws such as the Sunshine Law and annual budgeting laws.

The CID Sales Tax will go into effect on January 1, 2020. The CID sales tax will be in addition to the other sales taxes already in effect in the Longview area, which includes local sales taxes imposed by the City, County, Zoo District and the Longview TDD.

Impact/Analysis:

This CID will impose a new 1% sales tax that will be in addition to the existing sales taxes, which would create the following total sales tax rate in the Longview area:

4.225% - State
2.250% - City
1.250% - County
0.125% - Zoo District
1.000% - Longview TDD
1.000% - Longview CID
9.850% - Total

Timeline:

The CID has been formed and the CID sales tax will go into effect on January 1, 2020.

David Bushek, Chief Counsel of Economic Development & Planning

Staff recommends approval of the ordinance.