

Legislation Text

File #: BILL NO. 18-07, **Version:** 1

AN ORDINANCE APPROVING AMENDMENT TO FIRST AMENDED AND RESTATED COOPERATIVE AGREEMENT TO FACILITATE INSTALLATION OF NEW STREETLIGHTS BY THE CITY OF LEE'S SUMMIT; AND AUTHORIZING FURTHER ACTIONS RELATED THERETO. (F&BC 1-8-18)

Proposed Council Motion:

FIRST MOTION: I move for second reading of AN ORDINANCE APPROVING AMENDMENT TO FIRST AMENDED AND RESTATED COOPERATIVE AGREEMENT TO FACILITATE INSTALLATION OF NEW STREETLIGHTS BY THE CITY OF LEE'S SUMMIT; AND AUTHORIZING FURTHER ACTIONS RELATED THERETO.

SECOND MOTION: I move for adoption of AN ORDINANCE APPROVING AMENDMENT TO FIRST AMENDED AND RESTATED COOPERATIVE AGREEMENT TO FACILITATE INSTALLATION OF NEW STREETLIGHTS BY THE CITY OF LEE'S SUMMIT; AND AUTHORIZING FURTHER ACTIONS RELATED THERETO.

Key Issues:

- Strother Interchange TDD funding provided for Street Lighting Replacement on Ralph Powell Road
- City's intends to replace private street lighting on behalf of the TDD with City street lighting using TDD Funds.
- City to assume ownership and maintenance of street lighting on Ralph Powell Road; and the TDD to absolve ownership of street lighting on Ralph Powell Road.
- Upon transfer of street lighting responsibility from TDD to City, the TDD has no remaining obligations or maintenance expenses; the TDD may be terminated.

Background:

The Strother Interchange Transportation Development District (TDD) was created in January, 2000. The TDD imposed a one-half percent (0.5%) sales tax ("TDD Sales Tax") as approved by the qualified voters within the TDD for purposes of financing the District's road improvement project. The TDD Sales Tax became effective on May 1, 2000 and has a term of 35 years from its effective date unless earlier terminated as permitted under the TDD Act.

The I-470 Community Improvement District (CID) was created in February, 2007 by City Council Ordinance No. 6340.

The TDD, the City, the CID, Atcheson, Haas, L.L.C., and Ralph Powell Road Development, L.L.C. entered into the

First Amended and Restated Cooperative Agreement dated March 8, 2007 (“Cooperative Agreement”) to establish their respective rights and obligations regarding the financing, design, and construction of the Public Road Improvements.

RPWC Holdings, LLC is the successor entity to (a) Atcheson, Haas, L.L.C., which was terminated by the Articles of Termination filed with the Missouri Secretary of State on December 30, 2014, and (b) Ralph Powell Road Development, L.L.C., which was terminated by the Articles of Termination filed with the Missouri Secretary of State on January 22, 2015.

The TDD issued bonds in 2001, 2004, and 2006 for the various road improvements and related costs. All bonds were redeemed and paid prior to stated maturity. The last of the outstanding bonds were redeemed in May, 2017.

The Public Road Improvements are complete and the TDD has no outstanding project financing obligations under the Cooperative Agreement or the First Amended and Restated Cooperative Agreement as they presently read.

As part of the Public Road Improvements, the TDD caused the installation of approximately 32 streetlights within the public right-of-way of Ralph Powell Road generally between Woods Chapel Road on the north and Strother Road on the south. The installed streetlights were not of material and/or standards consistent with the City’s owned and maintained inventory. Consequently, the streetlights have remained assets in private ownership, not the City’s, and the TDD has paid for, and continues to pay for, the operation and maintenance of the streetlights. The City has adopted and amended standards for streetlights subsequent to the TDD’s installation of the 32 streetlights along Ralph Powell Road. The TDD desires to transfer ownership and maintenance of said streetlights to City and now wishes to upgrade those streetlights to current City standards as a City imposed condition of ownership transfer.

The parties desire to amend the Cooperative Agreement to provide for (a) the expenditure of TDD Sales Tax revenue to fund a streetlight replacement project to be implemented by the City, and (b) the transfer of ownership and maintenance responsibilities for the streetlights and related improvements to be installed in connection with the streetlight replacement project to the City.

The amendment to the First Amended and Restated Cooperative Agreement must also be approved by the other parties to the Agreement, the Strother Interchange Transportation Development District board and the I-470 Community Improvement District board. The board of the Strother Interchange Development District approved the amendment by resolution on December 18, 2017. It is anticipated that the amendment will be improved by the CID within the next few weeks.

Impact/Analysis:

The estimated cost of the Streetlight Replacement Project is \$386,000 which will be paid by the City and then reimbursed from the Strother Interchange TDD. It is anticipated that the Strother Interchange TDD will then be terminated upon full reimbursement. The TDD is expected to generate approximately \$255,000 within 12 months and has an existing fund balance of approximately \$224,319. . The City will assume ownership and maintenance responsibilities for the streetlights.

Presenter: Bette Wordelman

Committee Recommendation: A motion was made by Alternate DeMoro, seconded by Vice Chair Edson that

this Ordinance be recommended for approval to the City Council. Motion passed 3 "Aye" (Councilmembers Binney, Edson and DeMoro) and 2 "Absent" (Councilmembers Mosby and Faith.)