

Legislation Text

File #: BILL NO. 17-61, **Version:** 1

AN ORDINANCE APPROVING THE COOPERATIVE AGREEMENT BETWEEN THE CITY OF LEE'S SUMMIT, THE I-470 AND VIEW HIGH COMMUNITY IMPROVEMENT DISTRICT AND PARAGON STAR, LLC.

Issue/Request:

AN ORDINANCE APPROVING THE COOPERATIVE AGREEMENT BETWEEN THE CITY OF LEE'S SUMMIT, THE I-470 AND VIEW HIGH COMMUNITY IMPROVEMENT DISTRICT AND PARAGON STAR, LLC.

Key Issues:

This ordinance will approve a cooperative agreement between the City, the I-470 and View High CID and Paragon Star, LLC, as the developer of the sports and entertainment complex.

This agreement is the "implementation agreement" that provides for the terms and conditions under which the CID will impose the CID sales tax, collect the sales tax revenues and expend the revenues for the project. This agreement is consistent with all of the prior approvals granted by the Council for the Paragon Star project and is an implementation step for the CID operations.

The CID Sales Tax revenues will be remitted from the Department of Revenue to the City Finance Department, which will disburse the revenues in accordance with flow of funds set forth in the agreement while any obligations are outstanding. The five-member CID Board of Directors is composed of three Paragon Star representatives and two City representatives.

This agreement provides that the CID will own the sports complex and Paragon Star will provide the management and operation services for the Sports Complex. The CID and Paragon Star will enter into a separate operating and management agreement that will provide for the specific terms and conditions under which the sports complex will operate.

The Agreement establishes the flow of funds for the CID Sales Tax, which is the initial and primary source of funds for the CID. Generally, the CID Sales Tax will fund the operations of the CID as an entity (legal costs, accounting costs, other professional services for operation of the CID), will service a portion of the debt that is issued to finance the sports complex construction, and will fund a portion of the costs associated with the maintenance of the public improvements that are funded by the CID and the TIF Plan. The other primary source of funds for the CID will be the "Sports Complex Operating Revenues" which will be all revenues generated by the project that are not attributable to the CID Sales Tax. At the present time, the Developer is funding the costs associated with the operation of the CID and the initial expenses that are being incurred by the CID for site work, and these costs will be reimbursable from the CID Sales Tax Revenues.

Proposed City Council Motion:

First Motion: AN ORDINANCE APPROVING THE COOPERATIVE AGREEMENT BETWEEN THE CITY OF LEE'S SUMMIT, THE I-470 AND VIEW HIGH COMMUNITY IMPROVEMENT DISTRICT AND PARAGON STAR, LLC. - I move for second reading.

Second Motion: AN ORDINANCE APPROVING THE COOPERATIVE AGREEMENT BETWEEN THE CITY OF LEE'S SUMMIT, THE I-470 AND VIEW HIGH COMMUNITY IMPROVEMENT DISTRICT AND PARAGON STAR, LLC. - I move for adoption

Background:

The City Council approved the CID on December 3, 2015 and approved the I-470 and View High TIF Plan (the "TIF Plan") on March 10, 2016. The implementation of the CID will work in concert with the TIF Plan to generate revenues to fund the sports complex, as previously discussed with the Council.

Other Information/Unique Characteristics:

The CID is operational and the CID sales tax has been imposed. The CID has taken a number of steps to provide for the initial clearing and grading of the site.

Presenter:

David Bushek, Gilmore & Bell P.C. - City's Economic Development Counsel

Recommendation:

Staff recommends adoption of the ordinance.