

## Legislation Text

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**File #:** BILL NO. 20-187, **Version:** 1

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An Ordinance Approving the Cooperative Agreement Among the City of Lee's Summit, Missouri, the Southside Plaza Community Improvement District and Brain Dev 3, LLC.

(Note: First reading by City Council on September 22, 2020. Passed by unanimous vote.)

Issue/Request:

Ordinance to approve the Cooperative Agreement for implementation of the Southside Plaza Community Improvement District

Key Issues:

This ordinance will approve the Southside Plaza CID Cooperative Agreement to provide for implementation of the CID.

Proposed City Council Motion:

I move for adoption of an Ordinance Approving the Cooperative Agreement Among the City of Lee's Summit, Missouri, the Southside Plaza Community Improvement District and Brain Dev 3, LLC

Background:

The memorandum from the Law Department that accompanied the public hearing for this CID, which is included again in this meeting packet, provides a full summary of the project and background.

The Petition provides for the reimbursement of approximately \$1.44 million in costs associated with public improvements that will serve Southside Plaza shopping center which is located on about 5.24 acres of property which is north of SW Blue Parkway, just east of Nichols Road.

The CID is approved to fund repairs and remodeling costs associated with improvements to the shopping center. The CID funding source would be a 1% sales and use tax which would provide reimbursement to developer or repayment of CID debt. The CID sales tax will be in effect until the developer has been reimbursed with interest, but the CID will not last longer than 27 years.

The cooperative agreement contains these 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.
- 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. This Agreement includes new provisions which provide express instructions regarding what items must be submitted by the Developer to prove up qualifying reimbursable costs.
- 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.

Impact/Analysis:

This District will impose a new 1% sales and use tax only within the boundaries of the project, and does not impose any financial burdens on the City. All costs incurred by the City to receive and distribute the sales tax will be funded as administrative costs of the District.

Timeline: Developer is moving forward with the redevelopment project in 2021.

David Bushek, Chief Counsel of Economic Development & Planning

Recommendation: Staff recommends approval of this Agreement.

Committee Recommendation: Not applicable; public hearing previously held by the City Council.