Legislation Details (With Text)

File #:	BILL NO. 21-248	**Name:**	
Type:	Ordinance	**Status:**	Passed
File created:	10/12/2021	**In control:**	City Council - Regular Session
On agenda:	12/7/2021	**Final action:**	12/14/2021
Title:	An Ordinance approving the Cooperative Agreement between the City of Lee's Summit, Missouri, and the Lee's Summit R-7 School District for the 291 North and Highway 50 Interchange Project. (Note: First read by Council on December 7, 2021.)		
Sponsors:	Public Works Admin & Engineering		
Indexes:			
Code sections:			
Attachments:	1. Ordinance, 2. Exhibit A to Ordinance: Cooperative Agreement		

Date	Ver.	Action By	Action	Result
12/14/2021	1	City Council - Regular Session	adopted and numbered	Pass
12/7/2021	1	City Council - Regular Session	advanced to second reading	Pass

An Ordinance approving the Cooperative Agreement between the City of Lee's Summit, Missouri, and the Lee's Summit R-7 School District for the 291 North and Highway 50 Interchange Project.
(Note: First read by Council on December 7, 2021.)

Issue/Request:
An ordinance to approve a Cooperative Agreement with the Lee's Summit R-7 School District for the 291 North and Highway 50 Interchange Project (the "**Interchange Project**")

Council Motion:
I move for adoption of an Ordinance approving the Cooperative Agreement between the City of Lee's Summit, Missouri, and the Lee's Summit R-7 School District for the 291 North and Highway 50 Interchange Project.

Background:
On August 18, 2020, City staff made a presentation to the City Council regarding the 291 North and Highway 50 Interchange Project. That presentation focused on these goals:

- Enhance traffic safety & circulation
  - Reconstruct 291 North & 50 Interchange
  - Reconfigure Blue Parkway
- Move Missouri Highway Patrol ("**MHP**") Troop A facility to new location in City
- Redevelop Highway Patrol Property for commercial uses
- Redevelop QuikTrip & commercial sites
- Access is catalyst for additional redevelopment opportunities in the area

Staff explained that the parties involved with the project are:

- City of Lee's Summit
- Missouri Highway Patrol & Missouri Office of Administration
- Missouri Department of Transportation
- Lee's Summit R-7 School District
- Developer of Project #1 (current Missouri Highway Patrol Troop A facility)
- QuikTrip
- Other businesses in the Redevelopment Area

After the presentation on the August 18, 2020 agenda, the City Council held first reading of ordinances that would approve the 291 North and Highway 50 Tax Increment Financing Plan (the "**TIF Plan**") and four separate TIF Redevelopment Projects. The Council approved Ordinance No. 8945 on September 1, 2020 which approved the TIF Plan.

Following approval of the TIF Plan, City staff engaged in discussions with the Missouri Department of Transportation and the Missouri Highway Patrol to negotiate agreements to implement the Interchange Project. City staff also worked on negotiating an agreement with the Lee's Summit R-7 School District ("**LSR7** ") to arrange for the land transaction that will be necessary to construct the western leg of realigned Blue Parkway.

Additional detail about the Interchange Project as background for the two agreements on the agenda:

- The Missouri Highways and Transportation Commission (hereinafter "**Commission**") intends to replace the bridge on MO 291 Highway over U.S. 50 Highway and improve the paving, grading, drainage, signing, sidewalks and intersection of MO 291 Highway at U.S. 50 Highway and relocate and improve Blue Parkway as part of said improvement (hereinafter "**Project No. J4P3196**"). The scope of transportation improvements are referred to in the agreement (and hereinafter) as the "**Interchange Project**". The Interchange Project will be funded in a cost share between the City (about 45%) and Commission (about 55%), total estimate at $21.9M. The City shall be responsible for design, right-of-way/easement acquisition, and utility relocation. The Commission shall be responsible for construction and construction administration. The City's cost portion, approximately $9.9M of the Interchange Project will be reduced by all design, right-of-way/easement and utility relocation costs, approximately $4.6M, leaving a remainder to remit to Commission for construction and construction administration of approximately $5.3M.

- The Missouri Office of Administration intends to partner with the City and Commission in the relocation of Highway Patrol Troop A for Project No. J493196, referred to in the agreement (and hereinafter) as the "**Facility Project**", and the Interchange Project is contingent upon the Facility Project. The City is responsible for 100% of the cost associated with the Facility Project, total estimate at $8.1M.

- The City shall also approve a subsequent Relinquishment Agreement by and between the City and Commission as a condition of the agreement for the City taking ownership and maintenance of portions of Blue Parkway from Commission.

- The Commission and State Office of Administration as a condition of the agreement shall transfer ownership of excess property and rights-of-ways, including the existing Highway Patrol Troop A property, to the City. Such properties are included in the City initiated TIF and development plan for revenues to partly fund City contributions to Project No. J4P3196, that requires by this agreement a total City commitment of approximately $18M.

- The City intends to fund its commitment through a combination of TIF revenue, sale of land acquired from Commission and Office of Administration, value of negotiated agreement for rights-of-ways with LSR7, development agreement(s), Excise Tax, and Capital Improvement Sales Tax.

- A **Cost Share Agreement** between the City and the Commission is necessary for the payment arrangement and mutual covenants of Project No. J4P3196.

Impact / Analysis:

Cooperative Agreement - Under the Cooperative Agreement with the LSR7 School District, the City will undertake the following funding obligations:

- The City will transfer to the School District certain remnant land on the northern portion of the current MHP Troop A facility, which will be acquired from the state.
- The City will transfer the downtown parking lot located at 107 SE Douglas Street to the School District.
- The City will make a payment to the School District in the estimated amount of $149,000 for land to be acquired from the School District (High School Campus) for re-aligned Blue Parkway. The amount of this payment will be finally determined when the size of the parcel to be transferred is established as part of the road design process. The source of funds for this payment will be capital improvement sales tax funds or excise tax funds.

..Presenter
David Bushek, Chief Counsel for Economic Development and Planning
Michael Park, Director of Public Works

Staff recommends approval of the Agreement.