

Legislation Text

File #: BILL NO. 20-189, **Version:** 1

An Ordinance Approving the Strother Interchange Transportation Development District Dissolution Agreement.

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

Issue/Request:

An Ordinance approving an Agreement for the Dissolution of the Strother Interchange Transportation Development District to provide the for the disbursement of excess funds of the District to the City and MoDOT.

Key Issues:

Approval of an Agreement to provide for the disbursement of excess revenues generated by the Strother Interchange TDD, which is in the process of being dissolved because the TDD has satisfied all of its obligations and repaid all of its debt.

Proposed City Council Motion:

I move for adoption of an Ordinance Approving A Dissolution Agreement for the Strother Interchange Transportation Development District.

Background:

The Strother Interchange Transportation Development District (the "District") was formed on January 21, 2000 for the purpose of funding road projects to serve the "Chapel Ridge" shopping area as well as surrounding development areas as noted below. The District imposed a sales tax for approximately 20 years to repay debt that were incurred by the District to fund the road projects. The District bonds have been fully repaid and the sales tax has been terminated.

The TDD was authorized by a 2000 Jackson County Circuit Court to fund the following improvements:

- (a) a new interchange at the intersection of I-470 and Strother Road;
- (b) realignment and reconstruction as necessary of Strother Road;
- (c) realignment and reconstruction as necessary of Independence Avenue;
- (d) realignment and reconstruction as necessary of Ralph Powell Road;
- (e) improvements to the intersection of Ralph Powell Road and Woods Chapel Road, including the addition of turn lanes, road widening, addition of retaining walls, traffic signal upgrades and other infrastructure improvements;
- (f) improvements to the intersection of Independence Avenue and Woods Chapel Road, including traffic signal upgrades and other infrastructure improvements;
- (g) design and construction of Independence Avenue between Woods Chapel Road and NE Dick Howser Drive as a collector road connecting to Lakewood Drive, including excavation, retaining walls, traffic signals, and other infrastructure improvements;
- (h) design and construction of Akin Drive, including infrastructure improvements within the right-of-way;

- (i) design and construction of Akin Boulevard, including infrastructure improvements within the right-of-way;
- (j) design and construction of additional lanes on I-470 from Woods Chapel Road to Colbern Road as may be required by MHTC for the construction of the interchange at I-470 and Strother Road; and
- (k) design and construction of a collector road, approximately two and one-half miles in length, located east of I-470 and connecting Woods Chapel Road on the north with Rice Road at Leinweber Road south of Strother Road and connecting to Colbern Road on the south as may be required by MHTC and the City for the construction of the interchange at I-470 and Strother Road.

The District has repaid all costs and debt associated with these improvements and is now ready for termination. The District is seeking a favorable report from the State Auditor to dissolve in accordance with the Missouri Transportation Development District Act, Sections 238.200 through 238.280 of the Revised Statutes of Missouri, as amended (the "TDD Act"). Upon termination of the District, the TDD Act requires the District to account for all remaining funds after all indebtedness and obligations have been satisfied and thereafter disburse all remaining funds to the local transportation authority (the City), and the Missouri Highways and Transportation Commission (the "MHTC") to expend the excess funds on local and state transportation network costs in the District.

The District funds are managed by the City's Finance Department. Legal counsel for the TDD indicated to the City in August 2020 that the amount of the excess funds is expected to be about \$170,000 (the "Excess Funds"). The amount of Excess Funds exists because the District could not give notice to the Department of Revenue (DOR) to stop collecting the sales tax until the District debt was fully repaid. It takes DOR a few months to terminate a TDD sales tax, which means the District unavoidably collected the sales tax for a period of time that exceeded the amount to repay the debt.

Under the Dissolution Agreement, the Excess Funds will be disbursed on a 60% City / 40% MHTC basis which will result in approximately the following payments:

City	\$102,000	60%
MHTC	\$68,000	40%

This formula for the split of the Excess Funds was calculated by MoDOT based on the approximate amount of lane miles in the state and local systems that were funded by the TDD, after accounting for extra costs associated with bridges in MoDOT right-of-way. This approach has been reviewed by the Public Works Department and City staff believes this arrangement is reasonable. A final accounting will determine the exact amount of the Excess Funds when those revenues are ready to be disbursed.

Impact/Analysis:

The City will receive approximately \$102,000 to spend on road improvements and upkeep in the original TDD district boundaries.

Timeline:

The Excess Funds will be disbursed when the TDD is nearing the completion of its wind-up process, which may be late this year or early 2021.

David Bushek, Chief Counsel of Economic Development & Planning

Staff recommends approval of this Agreement.