

Legislation Text

File #: BILL NO. 21-38, **Version:** 1

An Ordinance Approving the Memorandum of Understanding for Water Services to the Woodlawn Estates Development Between the City of Lee's Summit, Lake Lotawana and the Lake Lotawana Community Improvement District.

(Note: First reading by Council on February 23, 2021. Passed by unanimous vote.)

Issue/Request:

Approval of a Memorandum of Understanding (MOU) with Lake Lotawana and the Lake Lotawana Community Improvement District (CID) to establish the terms and conditions under which Lee's Summit will provide water service to the Woodlawn Estates development in Lake Lotawana located generally to the south and west of the intersection of State Highways 50 and 7.

Key Issues:

Provision of water service by Lee's Summit to the Woodlawn Estates development to carry out the Development Agreement for the Woodlawn Estates that was executed on December 10, 2020.

Proposed City Council Motion:

I move for adoption of an Ordinance Approving the Memorandum of Understanding for Water Services to the Woodlawn Estates Development Between the City of Lee's Summit, Lake Lotawana and the Lake Lotawana Community Improvement District.

Background:

In 1976 the City of Lee's Summit and Water District #14 entered into a 28 year lease and contract. This contract expired in July of 2004, at which time the District advised the City of their intent to execute the contract provisions that stipulates the District will transfer their assets to the City and that the district be dissolved. In order to allow time for the district and the city to determine the best process to execute these provisions a 6 month extension was approved by both the City and the District in July of 2004. Since that time, both the City and the District have agreed the best process will be to merge the water systems, in accordance with state statutes, of the district and the city into one system owned and operated by the City of Lee's Summit.

On November 16, 2007 in the case of *Lone Summit Development Group, Inc. and Lone Summit Bank v. Public Water Supply District #14*, Case No. 516-CV35184 removed approximately 147 acres located at the Southwest corner of the intersection of highways 50 & 7 from the District. Removing this area created a gap within the water service area.

In March of 2020, Woods Custom Homes, LLC ("Developer") approached the City about providing service to approximately 103 Acres of the ground which was detached in the lawsuit. At that time Woods Custom Homes was negotiating with both Lee's Summit and Public Water Supply District 15 (PWSD 15) to possibly serve this area.

In an effort to capture this service area and provide the logical system improvements that are needed, LSWU negotiated with Developer to achieve a development agreement. On November 17, 2020, the City Council approved Ordinance No. 9006 which approved the "Development Agreement for a Development at Fifty and Seven State Highways" between Developer and the City of Lee's Summit. The Development Agreement was executed on December 20, 2020. That Agreement generally provides for the terms and conditions under which the Developer elected to receive water service the City of Lee's Summit pursuant to the circuit court order issued in 2007, and also provides that Lee's Summit would accept certain Water Line Improvements that are to be constructed to serve the project.

That Development Agreement also establishes the standards that are applicable to construction of the Water Line Improvements, which will be constructed in two phases. These improvements include Phase 1, which includes 3000 ft. of 12 inch water main and Phase 2, which includes 2800 ft. of 12 inch water main. Phase 1 is required to be completed prior to development of the residentially zoned lots and Phase 2 is required prior to development of the commercially zoned lots.

Impact/Analysis:

Construction of the proposed water line improvements provides the most efficient manner to loop the existing water improvements located along Highway 50 to the existing improvements located on Herring Rd. In addition, construction of these improvements provides a connection to an existing crossing located under Highway 50.

The MOU carries out the terms and conditions of the Development Agreement among Lee's Summit, Lake Lotawana and the Lake Lotawana CID. The MOU provides that Lee's Summit will provide all Water Services to the Development in accordance with all applicable Lee's Summit City Code requirements and other adopted policies and procedures in Lee's Summit. Lee's Summit will follow its normal rules and procedures for the Water Service, as if the Development were located within the corporate limits of the City of Lee's Summit, notwithstanding that the Development is located within Lake Lotawana. All services to be provided by Lee's Summit shall be at the direction of the Lee's Summit Water Department.

Timeline:

Start: Developer is constructing the improvements.

Finish: The water line improvements should be completed this year.

Other Information/Unique Characteristics:

Lake Lotawana and the Lake Lotawana CID have approved the MOU for execution.

David Bushek, Chief Counsel of Economic Development & Planning

Staff recommends approval of the ordinance.