

RESOLUTION NO. R-14-41

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH THE MEADOWBROOK VILLAGE COMMUNITY IMPROVEMENT DISTRICT FOR ANNUAL OPERATIONS.

WHEREAS, on December 9, 2013, the Gladstone City Council adopted Ordinance No. 4.257 establishing the Meadowbrook Village Community Improvement District (“District”); and

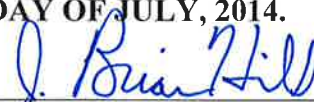
WHEREAS, Sections 67.1401 to 67.1571, RSMo. (the “CID Act”) requires the City of Gladstone (“City”) and the District to enter into a contract regarding the operation of the District, the imposition and collection of District Sales Tax and the reimbursement to the City for actual expenses incurred by the City related to establishment of the District; and

WHEREAS, the District has begun operations and has proposed a contract for execution with the City as required by state statute.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GLADSTONE, MISSOURI AS FOLLOWS:


THAT, the City Manager is hereby directed and authorized to execute a contract with the District for the operations of the district and for reimbursement to the City of the actual expenses incurred by the City related to establishment of the District.

INTRODUCED, READ, PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF GLADSTONE, MISSOURI THIS 14TH DAY OF JULY, 2014.



J. Brian Hill, Mayor

ATTEST:



Ruth E. Bocchino, City Clerk



P.O. Box 10719
GLADSTONE, MISSOURI 64188-0769

7010 North Holmes
GLADSTONE, MISSOURI 64118-2646

816-436-2200
816-436-2228 FAX

MEMORANDUM

TO: Kirk L. Davis, City Manager

FROM: Melinda Mehaffy, Economic Development Administrator *mm*

DATE: July 11, 2014

SUBJECT: Meadowbrook Village Shopping Center Community Improvement District

In August 2012, owners of Meadowbrook Village Shopping Center approached the City about forming a community improvement district in order to make improvements to the shopping center. A Community Improvement District (CID) is a commonly used financing tool to fund public improvements. The common components of a CID are:

- Separate legal entity, distinct and apart from the governing body,
- Either a political subdivision or a not-for-profit corporation,
- Created by City Ordinance,
- Formed by petition signed by property owners of the district,

The district includes only property owned by the Meadowbrook Village Shopping Center, LLC which includes the shopping center and Popeye's restaurant. The petition, which was approved in December 2013, allows for the addition of 1-percent sales tax within the district for fund improvements. The improvements will be for installation of a new façade and parapet, improvements to sidewalks and the creation of patio space, roofing and HVAC improvements.

The budget category summary is as follows:

Phase I	
Demolition	\$55,000
Storefront	\$107,655
Façade & Parapet	\$387,705
Sidewalk & Patio	\$74,500
Professional Fees (architect, engineer, legal)	\$75,000
General Construction Fee	\$160,772
Total Phase I Costs	\$923,632

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Phase II	
HVAC	\$288,000
Roof	\$660,000
Total Phase II Costs	\$948,000

Annual Administrative Costs	
Insurance	\$2,000
Legal	\$5,000

The additional sales tax will end at the earlier of the repayment of the debt, or in December 2028, fifteen years from the date the petition was approved by Council.

The district is a separate political subdivision governed by a board of directors. The initial board members have been set by the bylaws, however all subsequent board members shall be named by the Mayor, with the consent of the City Council. The City is entitled to appoint a board member to attend meetings of the board.

On July 1 the Meadowbrook Village Shopping Center Community Improvement District (CID) Board of Directors held their first board meeting. The board is comprised of five board members, Dan Osman, President; Beto Lopez, Secretary/Treasurer; Lindsey Quinn; Jim Stuart and Melinda Mehaffy, representing the City of Gladstone.

During the board meeting, the board approved a resolution authorizing the President of the CID to enter into a contract for services with the City of Gladstone. This resolution, while not providing any direct services, allows the City to acknowledge the creation of a new public entity within the City of Gladstone. The contract for services will also outline the reimbursement of expenses to the City, collection process for the district sales tax, and the general operating procedures.

Staff believes the improvements are needed to enhance the competitiveness of the shopping center and believes the improvements are needed for the safety of residents and shoppers of the center. Staff is requesting approval of a resolution authorizing the city manager to enter into a contract with Meadowbrook Village Shopping Center Community Improvement District. The district is in the process of conducting an election to approve their one-percent sales tax. Following the vote by ballot, the Director of the Department of Revenue is duly notified. Beginning the first day of the second calendar quarter after the Director of Revenue receives notice that the adoption of the CID Sales Tax, the tax collection begins. This calculates to a January 1, 2015 start date for the additional sales tax to begin in the shopping center.

Resolution

To Mayor Hill, City Manager Davis, and the Gladstone City Council:

The bylaws of the Meadowbrook Shopping Center CID call for the appointment of a board President to serve for a one year term. The President has, among other things, the authority to sign documents on behalf of the CID.

On July 1, 2014 a meeting of the board of directors of the CID was called. In a unanimous vote, I was elected board president for the 2014-2015 term. The minutes of the board secretary will confirm this information.

This letter serves as notice that I am able to represent the CID and have the authority to sign the corresponding contract between Meadowbrook Village CID and The City of Gladstone, MO.

Sincerely,

A handwritten signature in cursive script, appearing to read "Dan Osman", followed by a long horizontal flourish.

Dan Osman
4606 E 113th Terr
KCMO, 64137

**COMMUNITY IMPROVEMENT DISTRICT CONTRACT
BETWEEN THE MEADOWBROOK VILLAGE CID AND
THE CITY OF GLADSTONE, MISSOURI**

NOW ON THIS 4th day of August, 2014, comes the Meadowbrook Village Community Improvement District (hereinafter "CID") and the City of Gladstone, Missouri (hereinafter "City") pursuant to state statute for purposes necessary or convenient to the exercise of the CID's duties pursuant to sections 67.1401 to 67.1571. RSMo (the "Act").

WHEREAS, the CID petitioned the City to establish a Community Improvement District pursuant to the Act; and

WHEREAS, on the 9th day of December, 2013, the City's City Council passed Ordinance 4.257 thereby establishing the Meadowbrook Village Community Improvement District; and

WHEREAS, the CID and City desire to enter into a contract regarding the operation of the District, the imposition and collection of District Sales Tax and the reimbursement to the City for actual expenses incurred by the City related to establishment of the CID and expenses incurred by the City for the annual review of CID budgets and reports required to be submitted to the City.

NOW, THEREFORE, the CID and the City hereby agree as follows:

I. OPERATIONS OF THE DISTRICT

By-Laws. CID shall prepare and submit By-Laws to the City for approval; and

Audit. CID shall fund and perform an annual audit by an auditor approved by the City; and

Statutory Compliance. CID shall operate in compliance with all state statutes applicable to community improvement districts; and

Approvals. CID shall obtain the written approval of the City, which shall not be unreasonably withheld or delayed, for all contracts, amendments to contracts, or written contractual obligation entered into by CID; and

Annual Budget. CID shall annually submit its proposed budget to the City for review and approval in the time required by section 67.1471 of the Act prior to adoption of the budget by CID; and

Legal Counsel. CID shall hire legal counsel acceptable to the City to assist in the operation and administration of the district; and

Sales Tax Revenues. CID shall provide for the receipt from the Missouri Department of Revenue and distribution of District Sales Tax revenues in accordance with the District's approved sales tax; and

Annual Meeting. CID shall hold an annual meeting and adopt an annual budget no later than 30 days prior to the first day of each fiscal year; and

Fiscal Year. CID shall adopt a fiscal year and report the term of said fiscal year to the City; and

Obligations of the CID. CID must conform all district obligations to the requirements of section 67.1491 of the Act; and

5 Year Plan. CID shall adhere to the initial Five Year Plan and shall annually update the Five Year Plan so that such plan describes the improvements that the CID will make and the estimated costs of such improvements for the next succeeding five-year period; and

Amendments to 5 Year Plan. CID shall obtain prior written City approval before amending the Five Year Plan and before approving each annual update to the Five Year Plan; and

Reimbursement of City Expenses. CID shall annually pay to the City an amount equal to one and one-half percent of the revenues generated by the district sales tax to reimburse the City for the expenses incurred in reviewing annual budgets and reports of the district; and

II. AUTHORIZED DISTRICT SALES TAX

The CID is authorized by ordinance to seek a one percent (1%) sales tax upon approval by the qualified voters of the CID to assist in the funding of improvements to the CID. CID shall not seek any other tax or special assessment of any kind to fund improvements to the CID.

III. CITY EXPENSES TO ESTABLISH CID

The City has incurred the following expenses in establishing the existence of the CID:

Attorney Fees \$5,842.50

Publication Costs \$6,832.80

CID agrees to repay these amounts from the District Sales Tax revenues upon receipt of same. This CID obligation shall take priority over any other CID obligation and be repaid before any other expenditure of CID sales tax revenue.

IV. TERM OF EXISTENCE


The maximum length of time for the existence of the CID is the earlier to occur of (i) fifteen (15) years from the date of the ordinance approving the petition or (ii) the payment in full of all costs of the Improvements.

This contract is executed in duplicate by the parties hereto on the day and year first above written.


MEADOWBROOK VILLAGE CID

CITY OF GLADSTONE, MISSOURI


By: _____


By: Kirk L. Davis, City Manager

ATTEST


By: Ruth Bocchino, City Clerk