

CITY OF INDEPENDENCE
CITY COUNCIL
REGULAR MEETING
January 2, 2024

The Independence City Council met for a Regular Meeting, January 2, 2024, at 6:01 p.m., in the Council Chambers, 111 E. Maple Street, Independence, Missouri.

INVOCATION

Stephen Ballentyne, Assistant Pastor for Mount Zion Restoration Branch Church.

ROLL CALL

Mayor Rory Rowland, Presiding Officer of the City Council, called the meeting to order. Upon roll call, the following members were present: Jared Fears, John Perkins, Brice Stewart, Bridget McCandless, Dan Hobart, and Mayor Rory Rowland. Absent – None.

PLEDGE OF ALLEGIANCE

CITIZENS REQUEST TO SPEAK

Mayor Rowland asked for a motion to suspend rules to allow non-residents to speak. Motion made by Hobart, seconded by Fears. Motion passed 6-0.

Chad McGregor spoke in opposition of Bill 23-121

Bob Sorenson spoke in opposition of Bill 23-121

Janet Conrow spoke in opposition of Bill 23-121

Jamie Franklin spoke in opposition of Bill 23-121

Mike Johann spoke in opposition of Bill 23-121

Stacey Howe spoke in opposition of Bill 23-121

Edward Nesbitt spoke in opposition of Bill 23-121

John Welcher spoke in opposition of Bill 23-121

Randall Pratt spoke in opposition of Bill 23-121

Nick Huff spoke in opposition of Bill 23-121

Ken Love spoke in opposition of Bill 23-121

Marla Kimzey spoke in opposition of Bill 23-121

Lois McDonald spoke in favor of Bill 23-121

Jason White spoke in favor of Bill 23-121

CONSENT AGENDA

Councilmember Hobart moved to approve the reports and recommendations of the City Manager. Seconded by Councilmember McCandless. Items pulled for special consideration:

24-700 Stewart

24-701 Stewart

Approval of Consent Agenda Items – Passed 6-0

24-700 – Minor amendment to Section 3 where it says after January 1, 2024 change to January 2, 2024. Motion by Stewart for amendment seconded by Hobart. Passes 6-0

Motion to approve 24-700 by Stewart, seconded by Hobart. Passed 6-0

24-701 – Council Rules and Procedure Section 5.2 Order of Study Sessions. The amendment that is being made, is that the order in which they will go in?

City Attorney Cover: The Council Rules discussion in November was about changing the order. The actual resolution has the revised order. The resolution has the order that was agreed upon.

Stewart moved for approval, seconded by Hobart. Passed 6-0

REGULAR AGENDA

24-702 - A resolution expressing the City Council's support for providing certain radio access to the Independence School District

McCandless to CM Walker – Give a short reason why we are requesting this resolution.

Independence is a prime site that hosts the communication of police, fire and ambulance activity in our city and surrounding cities.

- Some of the technology has changed to encrypted channels.
- Recently the agency that governs these operations has changed their policy that says only police, fire and ambulance services are allowed to have access to those encrypted channels.
- Independence School District had previously had access to those channels for advanced warning if an incident is occurring near a school or facility so they can take necessary precautions for the safety of students and staff.
- Under the new changes, the school will no longer have access to this information.
- This conveys the City's support for the school to have access

Fears to CM Walker – if this passes, would it be possible for them to go to the governing body and show their support for the school to have access?

Zach -Yes

Mayor Rowland – He believes it is appropriate for the school to have access to this. If the school is not aware of an emergency in the area, it would put the kids at risk. It is important to take action to have MARRS include the schools.

Passes 6-0

23-118 – 2R An ordinance approving the final plat for the Hub Shopping Center, in Independence, Missouri 2R

Mayor Rowland to CM Walker – please explain this

Shopping center at 23rd & 291

2023 Council approved redevelopment at that site

This is final plat that reflects the redevelopment of that property

Passes 6-0

23-119 – 2R An ordinance amending Section 13.01.005 of the City Code pertaining to park restroom security and loitering on park property 2R

McCandless – The current issue is that there are people who are sleeping on sidewalks or on picnic tables in parks. Councilmember McCandless asked City Manager Walker to explain this ordinance.

- People are sleeping in restrooms in city parks
- Park staff will show up to empty trash and clean facilities, and encounter those individuals
- Encounters are aggressive
- Puts staff in harms way
- Intended to discourage this behavior by placing in code they are not allowed to do this

McCandless – we should consider port-a-potties in some of these areas

Passes 6-0

23-120 – 2R An ordinance amending Section 5 of the City Code to create a new Article 21 pertaining to feeding operations on park property. *(This item addresses item 3.1.k in the 2023-2024 Independence Action Plan)* 2R

McCandless to CM Walker – some parks are on the borders of Independence. The intent is for folks to clean up after themselves after events?

Yes, that is the intent

Passes 6-0

23-121 – 2R An ordinance authorizing the City of Independence, Missouri to enter into a lease purchase transaction and authorizing certain documents and actions in connection therewith. 2R

McCandless:

Thanked residents for speaking about this

Her goals for this:

- to determine if it was financially reasonable
- does it address big cities that affect the city
- does it solve an issue
- does it advance strategic goals

Looked at financials

Asked CM Walker to clarify what the \$20M is for:

- Purchase of building \$9.15M
- Tenant improvement allowance \$8.6M
- Furniture, fixture and equipment \$500,000
- Design services \$500,000
- Demolition of current police Dept. \$300,000
- Relocation costs of \$200,000 - proactively
- Roof replacement of GEHA \$600,000
- Generator at GEHA \$500,000
- Fiber Construction at GEHA \$250,000
- IT infrastructure \$400,000
- Contingency and/or inflation fund \$1.056M
- Issuance cost \$125,000

What would the construction cost be if we built this building the way it is, same design etc? \$40M

Buying a building that is 20 yrs old where improvements have been made, what have we done to insure the building is in good condition?

Several different inspections have been done:

- Environmental assessment
- Structural inspection
- Mechanical inspection
- Plumbing inspection

Issues to address: CM Walker - Roof will need to be replaced. We will do it now so operations are not being disrupted and costs are cheaper than what they could be in the future.

Items that McCandless has considered:

- 5.18% interest is a good rate
- Bank is an excellent lender
- What is the impact on the general fund?
- We have made progress on a more stable budget
- We have a long history of deferred maintenance on the police dept.
- Remodeling is not doing anything to improve the structure of the building
- Cannot continue to do the easy thing of asking next council to deal with these issues

She toured building

- It is well designed
- Well maintained
- Carpet in good condition
- Bathrooms in good condition
- Walls in good condition
- Well-built training rooms

- This meets long-term investment goal of addressing issues instead of patch work fixes
- Necessary step to move forward for improvement down the line
- Citizens were concerned about empty buildings in the city
- Fiscally responsible use of City funds
- Long term approach to city challenges

She will be voting yes

Stewart:

- He is a big supporter of law enforcement
- He is a police officer and has been for 20 years
- He does not take this vote lightly
- Wants to get police out of the building but does not feel this is the right way to do to.
- Building is smaller and older; built in 1966
- Doing this in time when they struggle to find money for retirees' health insurance
- With a lease purchase, a future city council could decide to drop out of the purchase
- Prefer to go back to original idea of GO bond where they would only ask for enough money for the Police Department and Justice Center.
- We have not succeeded in getting the trust of the citizens when it comes to spending

Hobart:

To CM Walker – have you heard from anyone in the development community since our interest has been known in purchasing this building? What feedback have you gotten?

Yes – There is enthusiasm and excitement for this step

What value do you see in having offices at that location?

It is a step in moving toward having a Justice Center

It allows us to address the needs of the police department and still address other issues such as streets, sidewalks, curbs and many other issues.

Hobart:

- North Point deal - \$1Billion over 13 years - no TIF and no side deals
- No one employed and no one is getting paid
- Hub Shopping Center - \$14M - there is a TIF - no City guarantee, no side deals, no contracts
- Cargo Largo - \$60M - 400 jobs - no payments, no side deals, no money
- This deal is good
- Retirees will keep their insurance
- He is going to vote for it
- Will be good for city, will be good for police department, will be good for citizens

Fears:

to CM Walker – What is the dollar amount in what we've done so far for this purchase?

\$45,000 is the amount of the deposit that is non-refundable

Total amount of debt the city has incurred so far is about \$285,000, spent working on this project. If we don't fill up the building with city offices, could we lease out space? You said yes. We can only lease out 10% to for profit organizations. Is that accurate?

Yes – there is a cap on the amount of private use that can be leased out by a government entity.

What can we do to address that situation?

The more the city puts toward the agreement with cash, the more flexibility we have to lease to a private for-profit user. I would recommend that the Council direct them to put forth more cash to help push for more authority to lease to private users.

Same thing for the pad site – if we can sell that later, we would need to structure that to market and sell it, which it is currently worth about \$1.5M.

Fears moves to direct staff to explore alternatives to allow more than 10% of the building to be leased to outside for-profit organizations and to be able to structure the transaction in such a way that we could sell the pad site. This was seconded by Hobart.

McCandless questions - If they did that, it would require more earnest money or more down payment?

Yes, it would require more upfront cash

And that would require a second vote?

(Adam Norris responds) We would not reimburse ourselves for that portion of the cost. That direction would not change the financing documents, it would just change the amount they are allowed to use for the transaction. We would still borrow \$20M but we would pay cash for some of the work that needed to be done and to own more of the building.

McCandless to City Attorney Cover – GO bond must go to vote, correct? Yes

This does not have to go to a vote, correct? Yes

Cover: There is nothing about this transaction that requires it to go to a vote of the people.

Mayor Rowland: January 17th is closing date. Does he have the option to not sign the documents?

Cover: Motion he heard is to direct staff to look at this issue. One is not contingent on the other.

Stewart: If this is approved would this open us back up to negotiations? CM Walker: No

Motion passes 5-1 Stewart opposed (Fears motion)

Fears: Big decision, no one takes it lightly. Important to correct citizen comments.

- Not part of the GO bond; This is completely separate.
- Lease/purchase is commonly used by Government.
- Engineering reports that neither police building nor City Hall are repairable.
- Funds are not coming from excess IPL funds
- It is a quality building
- Biggest concern is the timing. Concerned about cost.
- We are able to address concerns of police department facility needs which are significant
- We can obtain building at fraction of new construction
- Create an opportunity to build Justice Center down the road
- Creates a savings for IPL rate payers
- Plan moves city forward in a positive direction

Initial concern about timing - how much more can we know in an additional few months and does that outweigh the cost of waiting since there are significant costs to cancel this deal?

What might we find out through the master developer that might change our mind?

Ultimately the police head quarters has to move and the plan of where they should move has been in place for several years.

This plan puts that in place and does so at a much cheaper rate than with a new construction.

Positives outweigh the negatives

He will be supporting this.

5 minute break at 8:08 p.m.

Back at 8:14 p.m.

Perkins: thanked everyone for their discussions and everyone who has been a part of this.

He has seen the conditions of police headquarters and believes the officers deserve better.

He has some reservations and concerns. He would like financing shrunk.

Will not be voting in favor for this piece.

Wants to work toward keeping everything in a more centralized location of Independence.

Mayor Rowland: Comments of citizens are taken very seriously.

Will tell/ask CM Walker the comments that he feels are most critical and important.

Bass Pro, Rockwood - is Mayor upset about those? Yes, that's why he ran for Mayor.

It appears as if we had to have an Executive Session and that it was rushed. Why?

Zach - Under MO State Statutes, there are different reasons the City can have closed meetings and one of those is for matters of real estate. There were executive sessions (plural) held because when the City is a known participant in a transaction, the costs escalate exponentially. In order to maintain discretion, it was essential that the city's anonymity remain intact until the price was negotiated.

What would it cost for us to issue a GO bond to get the same building for the same price? If we waited and did new construction and how much would it cost to finance that new construction?

Zach - The price that has been quoted to us to build a replica of that building in that location is about \$40M. That does not account for interest. Current interest is 5.18%, plus the costs of designers, consultants, etc. We are saving roughly \$22-23M doing it this way as opposed to waiting for a GO bond. Which would be a net loss for citizens. By building only the portions of the building not currently occupied by IUC, the cost would be estimated at \$78M savings in the overall police master plan. There will be 5 funds that will pay for the rent of this building. This is on the \$1.6M annual dept service payments.

- o General fund - \$528,000
- o Water - \$324,800
- o IPL - \$192,000
- o Sewer 139,200
- o Internal Service - \$416,000 (finance, accounting, payroll, purchasing)

Police Dept is currently paying \$295,000/year in utilities. Moving into the IUC, their utilities would be reduced to \$132,500.

Over the last 8 years the City has spent \$2.56M out of the general fund on emergency repairs. \$320,000 (annually) There is \$46,000 that needs to be accounted for to make this transaction work. Utility costs of the GEHA building are about the same.

If costs came back higher, how would we pay for it? Would have to figure out what we need and what we can give up.

We are voting on the financing portion of this building, correct? We don't have a signed lease agreement at this time because the Council has not approved it.

We are not rehabbing the entire building, correct? We need to have a good functional payment system, some IT and safety upgrades, roof needs to be replaced and generator purchased.

Can we have bus services? Across the street from City Hall is the transit city hub. We will still have utility boxes here for people to drop off their payments.

What was asking price? \$10.5M we negotiated down to \$9.15M

Provisions for roof replacement? Yes

Needs for inspections mechanical, electrical and plumbing? Yes, as well as structural, elevator and phase 1 environmental.

Using IPL funds is a Charter violation - Using IPL funds for an IPL purpose which is what a portion of this building would be is compliant with the Charter.

CM Walker - We are also going to have accommodations to collect IPL payments at the IUC even if the building becomes the police are using it.

Seller disclosure? Those documents are a part of this transaction. Those documents are closed until the deal is done. The deal has to be closed before it can become an open document.

Will Webster Bank get a license to do business in this City? If they are required to, yes they will.

Is this being done as the first step in addressing the police needs? It is the factor of this conversation.

In your opinion, why do you see this is a good decision as opposed to staying with the status quo?

- IPL will have a net savings of \$6M.
- There are needs from an infrastructure standpoint,
- It gives us the ability to address our police needs with a high-quality facility.
- Takes off the board the \$78M for the Police Master Plan that has been recommended

Teams that have studied police needs have recommended we will need 145,000 sq. ft. over the next 100 years. Back in 2018, it was estimated that construction would cost \$37.5M for that project. Because of inflation it is now a \$120M project based on what Grain Valley and Lenexa, who are in the process of building their justice centers now, are paying. We can put that difference, which is \$78M toward other needs within the City.

Mayor wants to assure that staff layoffs are not necessary to do this. Their salaries and benefits are not in jeopardy with this.

No further discussion

Passes 4-2 (Perkins and Stewart voted no)

FIRST READINGS:

24-001 1R An ordinance declaring two tracts of land, hereinafter designated as 23-01 and 23-01, as surplus property; and authorizing the disposition of said property in accordance with Chapter 20 of the City Code. 1R

24-002 1R An ordinance finding, determining and declaring the necessity of acquiring temporary construction and grading easements, general utility easements, and Right of Way, for the Valley View Parkway Extension Project (Project No. 512001); authorizing the negotiation and eminent domain proceedings if necessary; approving the plans and specifications for the project; authorizing the use of experts as needed; authorizing and directing the execution of documents and the payment of funds to property owners or others holding property rights, in conjunction with the project. 1R

COUNCILMEMBER COMMENTS:

Perkins: Thank you to Deputy City Manager, Adam Norris as this is his last meeting. Thank you for your work and expertise.

Fears: Wishes Adam the best on his new endeavors. Wants everyone to go out and see new field house at Fort Osage High School.

McCandless: Appreciation for IPD for letting her do a ride-along. Appreciation to Adam and best on his endeavors. He will be missed.

Hobart: Blue Ridge Blvd bridge is open. Ramp to I-70 is not. Adam started 5 and a half years ago. Hobart has genuinely enjoyed working with Adam. Northpoint has high praise for him. Wished him the best of luck

Mayor Rowland - Best regards to Adam Norris. Wished everyone a happy 2024.

City Manager Zach Walker: Next Mondays Study Session will feature a report from the City Charter Review Committee. They will be presenting recommendations to the City Council.

A couple of important legal wins for the City. One was a class action lawsuit against the City that asserted the City was overcharging citizens for utility service and not following the Charter regarding utility reserve funds. The case went to the Court of Appeals who found in favor of the City.

There is a Judge from Cass County who has been appointed to hear the City's suit against Jackson County regarding the 2023 tax assessment process. The case had a hearing a few weeks ago in Cass County on a motion to dismiss. The Judge ruled in favor of the City. The hearing will be held this Friday.

Thanked Adam for his time. He is a fierce defender of the public service.

Meeting adjourned 8:49 p.m.



Presiding Officer of the City Council
of the City of Independence, Missouri

ATTEST:



City Clerk

