



CITY OF LANSING
Council Chambers
800 1st Terrace
Lansing, KS 66043

COUNCIL AGENDA
Special Meeting
Thursday, September 26, 2019
6:45 P.M.

WELCOME TO YOUR CITY COUNCIL MEETING

Regular meetings are held on the first and third Thursday of each month at 7 pm and are televised on Cable Television Channel 2 on Monday 7 pm, Tuesday 10 am & 7 pm, Friday 5 pm, Saturday 1 pm and Sunday 7 pm.

Any person wishing to address the City Council, simply proceed to the microphone in front of the dais after the agenda item has been introduced and wait to be recognized by the Mayor. When called upon, please begin by stating your name and address. A time designated "Audience Participation" is listed on the agenda for any matter that does not appear on this agenda. The Mayor will call for audience participation. Please be aware that the city council and staff may not have had advance notice of your topic and that the city council may not be able to provide a decision at the meeting. If you require any special assistance, please notify the City Clerk prior to the meeting.

Call To Order

Roll Call

NEW BUSINESS:

Council Consideration of Agenda Items:

1. Resolution No. B-7-2019 – Assignment and Assumption of the Development Agreement for Implementation of the 555 N. Main Street Community Improvement District

Adjournment

AGENDA ITEM

TO: Tim Vandall, City Administrator *P*
FROM: Matthew R. Schmitz, Director, Community & Economic Development *MRS*
DATE: Sept. 26, 2019
SUBJECT: Resolution No. B-7-2019 – Assignment and Assumption of the Development Agreement for Implementation of the 555 N. Main Street Community Improvement District in the City of Lansing, Kansas

Explanation: The current owner of Speedway Chrysler Dodge Jeep, Inc., Dan Ladd, is in the process of selling the dealership to a new owner, Doug Kinney. As part of this transaction, the new developer wishes to keep the Community Improvement District (CID) intact. According to the original agreement, the CID can be assigned to a new owner, so long as the parties agree to the transaction. The attached Assignment and Assumption Agreement will reassign the development agreement to the new owner, and the Resolution is necessary for the Governing Body to assign the development agreement to the new owner.

Policy Considerations: None.

Action: Approve Resolution No. B-7-2019 authorizing the assignment and assumption of the development agreement for implementation of the 555 N. Main Street Community Improvement District in the City of Lansing, Kansas.

AGENDA ITEM #

|

RESOLUTION NO. B-7-2019

A RESOLUTION AUTHORIZING THE ASSIGNMENT AND ASSUMPTION OF THAT CERTAIN DEVELOPMENT AGREEMENT FOR IMPLEMENTATION OF THE 555 N. MAIN STREET COMMUNITY IMPROVEMENT DISTRICT IN THE CITY OF LANSING, KANSAS.

WHEREAS, K.S.A. 12-6a26 *et seq.* (the “Act”) authorizes the governing body of any city or county to create community improvement districts to finance projects within such defined area of the city or county and to levy a community improvement district sales tax upon property within the district to finance projects; and

WHEREAS, on September 21, 2017, the governing body of the City of Lansing (the “City”) adopted Ordinance No. 989 establishing the 555 N. Main Street Community Improvement District (the “District”) under the Act and approving the imposition of a community improvement district sales tax (the “CID Sales Tax”) in order to pay the costs of projects as described therein (the “Projects”); and

WHEREAS, Ordinance No. 989 also approved the Development Agreement (the “Development Agreement”) between the City and Speedway Chrysler Dodge Jeep, Inc., a Kansas corporation (the “Original Developer”), in connection with the District and the Projects; and

WHEREAS, the Original Developer intends to sell to CDJ Automotive, LLC, a Missouri limited liability company, DBA Speedway of Lansing Chrysler Dodge Jeep Ram (the “New Developer”) the real property located at 555 N. Main Street, Lansing, Kansas, together with certain assets of the Original Developer, with such sale to close on or about October 1, 2019 (the “Asset Sale”); and

WHEREAS, in connection with the Asset Sale, the Original Developer has requested that the City approve assignment of the Original Developer’s rights and obligations under the Development Agreement to the New Developer and New Developer has agreed to assume all of Original Developer’s rights and obligations under the Development Agreement; and

WHEREAS, the City desires to approve that certain Assignment and Assumption of Development Agreement for Implementation of the 555 N. Main Street Community Improvement District among the City, the Original Developer and the New Developer (the “Assignment and Assumption Agreement”).

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF LANSING, KANSAS:

SECTION 1. Assignment and Assumption Agreement. The Assignment and Assumption Agreement in substantially the form presented to the Governing Body of the City is hereby approved and the Mayor and City Clerk are hereby authorized to execute and deliver the Assignment and Assumption Agreement.

SECTION 2. Effective Date. This Resolution shall take effect and be in full force from and after its passage by the Governing Body of the City.

ADOPTED by the Governing Body on this 26th day of September, 2019.

CITY OF LANSING, KANSAS

By: _____
Mayor

[SEAL]

ATTEST:

City Clerk

**ASSIGNMENT AND ASSUMPTION OF
DEVELOPMENT AGREEMENT
FOR IMPLEMENTATION OF THE 555 N. MAIN STREET
COMMUNITY IMPROVEMENT DISTRICT**

This Assignment and Assumption (the “Assignment”) of that certain Development Agreement for Implementation of the 555 N. Main Street Community Improvement District (the “Agreement”) is entered into among the City of Lansing, Kansas, a municipal corporation (the “City”) and Speedway Chrysler Dodge Jeep, Inc., a Kansas corporation (the “Original Developer”) and CDJ Automotive, LLC, a Missouri limited liability company, DBA Speedway of Lansing Chrysler Dodge Jeep Ram (the “New Developer”) (collectively referred to as the “Parties”) and is dated and effective as of the date executed by both Parties. In consideration of the mutual covenants and agreements contained herein, the Parties agree as follows:

Section 1. Purpose; Assignment and Assumption.

The Original Developer intends to sell to the New Developer the real property located at 555 N. Main Street, Lansing, Kansas, together with certain assets of the Original Developer, with such sale to close on or about October 1, 2019 (the “Asset Sale”).

In connection with the Asset Sale, the Original Developer has requested that the City approve assignment of the Original Developer’s rights and obligations under the Agreement to the New Developer and New Developer has agreed to assume all of Original Developer’s rights and obligations under the Agreement.

Original Developer hereby assigns to New Developer all of Original Developer’s rights and obligations under the Agreement. Unless otherwise expressly provided in this Assignment, New Developer hereby accepts such assignment, and assumes all of Original Developer’s rights and obligations under the Agreement.

Section 2. Representations of New Developer. The New Developer is a limited liability company duly organized and existing under the laws of the State of Missouri. Throughout the term of the Agreement, New Developer agrees to maintain its status as a limited liability company, in good standing and authorized to do business in the State of Kansas. The principal office and mailing office of the New Developer is 555 N. Main Street, Lansing, Kansas 66043, Attention: Douglas A. Kinney, and all notices to be provided under the Agreement may be sent to such address.

Section 3. Project Costs.

Original Developer has previously certified Project Costs in the amount of \$144,661.44, and such costs have been fully reimbursed by the City in accordance with the Agreement. Thus, the total Reimbursable Project Costs remaining to be reimbursed to New Developer under the Agreement is \$4,167,338.56.

Section 4. CID Sales Tax; Affirmative Consent to Disclosure.

New Developer affirmatively consents to the release by the City of aggregate sales tax revenues generated within the District through the term of the Agreement and confirms that the City's release to any third party of information related to revenues deposited in the Fund shall not violate K.S.A. 79-3657.

Section 5. Reimbursement.

Original Developer hereby confirms that all reimbursement due to the Original Developer under the Agreement have been paid and City has no further liability to Original Developer under the Agreement.

City confirms that all conditions precedent to reimbursement, related to stormwater runoff mitigation, have been satisfied.

Section 6. Default.

Section 9 of the Agreement is hereby amended as follows:

Section 9. Default.

A default shall have occurred under this Agreement upon any of the following events:

(A) Developer ceases business operations within the District under a franchise agreement with a nationally recognized automobile manufacturer for a period in excess of 60 consecutive days.

(B) The failure or delay by either of the Parties to this Agreement to perform any term or provision of this Agreement required of such party.

Section 7. Entire Agreement.

This Assignment is executed in duplicate originals, each of which shall be considered an original. This Assignment supersedes all negotiations or previous agreements between the Parties or their predecessors in interest with respect to all of any part of the subject matter of this Assignment.

Section 8. Severability.

The invalidity or inability to enforce any one or more phrases, sentences, clauses or sections of this Assignment shall not affect the validity or enforceability of the remaining portions of this Assignment.

[Remainder of page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on September 26, 2019 and represent that the individuals executing this Agreement on behalf of the Parties have the express authority to do so.

CITY OF LANSING, KANSAS

Mayor

Attest:

City Clerk

SPEEDWAY CHRYSLER DODGE JEEP, INC.

By: _____
Name: Daniel Ladd
Title: _____

CDJ AUTOMOTIVE, LLC

By: _____
Name: Douglas A. Kinney
Title: _____