

GENERAL

Ordinance Fact Sheet

200785

Ordinance Number

Brief Title

Authorizing the City Manager to enter into a Cooperative Agreement with the Kansas City Area Transportation Authority for the City's acquisition of the Country Club Right of Way; and recognizing an accelerated effective date.

Approval Deadline

Sept. 24, 2020

Reason

The Cooperative Agreement with the KCATA allows the City to acquire the entire CCRoW to better serve municipal purposes, yet preserve the current and future transportation needs served by the CCRoW. The existing Trolley Track Trail exists within the South Corridor. The CCRoW would serve as a greenway, accessing existing parks, but the CCRoW wouldn't be dedicated to the Parks System. Three operational departments (Public Works, Parks and Water Services) have municipal needs that impact and intersect with the CCRoW, and the City's acquisition will streamline those necessary projects.

Details

Reason for Legislation

The City funded the purchase of the Country Club Right of Way (CCRoW) for \$1.3 million. The CCRoW runs from 40th Street in South Westport to near 85th and Prospect. In 1981 the Kansas City Area Transportation Authority (KCATA) received title, and in return granted the City a 50-year Irrevocable Option to Purchase and Right of First Refusal (Option). The Option could be exercised by the payment of \$10.00. A portion of the CCRoW, north of E. 51st St., is needed for construction and implementation of Streetcar Extension improvements. Other portions, particularly in South Westport, and east of Mill Creek Park, are needed for storm water improvements to alleviate re-occurring flooding in that area. On November 27, 2019, the City exercised the Option to purchase the CCRoW to address those needs. Thereafter, the City Council passed Resolution No. 191049 on December 19, 2019, directing the City Manager to enter into discussions with the KCATA regarding the utilization of the CCRoW for municipal purposes, including the construction and operation of Streetcar Extension improvements needed north of E. 51st St. Those negotiations have concluded, and resulted in the proposed form of the Cooperative Agreement you are being asked to authorize by the passage of this Ordinance.

Initially, the City sought to acquire only the northerly portion (40th and Archibald to the north right of way line of 51st Street), but preserve the City's right to acquire the southerly portion (51st Street to 85th Street) at a later time. The KCATA has insisted that the City acquire the entire CCRoW, as there is more revenue generated in the North Corridor, than the South Corridor.

The Cooperative Agreement with the KCATA would have a current exercise of the entire CCRoW to better serve municipal purposes, yet preserve the current and future transportation needs served by the CCRoW. The existing Trolley Track Trail exists within the South Corridor, and the CCRoW would serve as a greenway, accessing existing parks, but the CCRoW wouldn't be dedicated to the Parks System.

Three operational departments (Public Works, Parks, and Water Services) have municipal needs that impact and intersect with the CCRoW, and the City's acquisition will streamline those necessary projects.

Positions/Recommendations

Sponsor	City Manager
Programs, Departments, or Groups Affected	Public Works, Parks and Recreation, Water Services, and General Service Departments
Applicants / Proponents	Applicant Collaboration of Office of City Manager, Public Works Department, KCATA, and Kansas City Streetcar Authority
Opponents	Groups or Individuals Basis of opposition
Staff Recommendation	<input checked="" type="checkbox"/> For <input type="checkbox"/> Against Reason Against
Board or Commission Recommendation	By <input type="checkbox"/> For <input type="checkbox"/> Against <input type="checkbox"/> No action taken <input type="checkbox"/> For, with revisions or conditions (see details column for conditions)
Council Committee Actions	<input type="checkbox"/> Do pass <input type="checkbox"/> Do pass (as amended) <input type="checkbox"/> Committee Sub. <input type="checkbox"/> Without Recommendation <input type="checkbox"/> Hold

Description of proposed Cooperative Agreement

The Cooperative Agreement with the KCATA would have a current exercise of the entire CCRoW, but in two stages, with the North Corridor being acquired within 60 days after the effective date of this Ordinance, to stay on the timeline for the submission of the Streetcar Extension Project to the FTA, with the acquisition of the remainder by December 31, 2020. More time is needed to complete the due diligence on the longer South Corridor portion.

A. The leases, easements and licenses along the CCRoW are being assigned by the KCATA to the City. Revenue from such agreements (mostly for parking areas) could be appropriated and allocated for maintenance, repair and operation of the CCRoW. Information provided by the KCATA shows an aggregate of \$169,033.04 of revenue for 2020, and an operating budget of \$231,185, which figures haven't been independently verified through the City's Finance Department. There will be ongoing maintenance costs, which may not be covered by sufficient revenue generated from the CCRoW leases, easements and licenses. The KCATA is agreeing to maintain the CCRoW for the remainder of this calendar year, but also keep the lease revenue for the calendar year.

B. The City is receiving the CCRoW through two Quit-Claim Deeds from the KCATA, one for the North Corridor, and the other for remainder, consisting of the South Corridor. The three parcels needed for improvements for the Streetcar Extension are within the North Corridor. The City intends to request those parcels be treated as "in-kind" contributions as a part of the federal funding process. The Jackson County determined market value of those parcels is substantial, slightly in excess of \$2,000,000. If the City is permitted by the FTA to treat these parcels as "in-kind" that will be financially beneficial.

C. The City will grant easements back to the KCATA for their existing improvements.

D. The Agreement provides for a process for obtaining estoppel certificates from the tenants along the CCRoW to confirm outstanding obligations, if any, and the date through which rent has been paid.

E. The Cooperative Agreement would honor the existing tri-party agreement between the KCATA, the City and the Mill Creek Park Association, but that Agreement may be modified at the City's election.

F. The City would be responsible for defending title to the CCRoW from adverse claims. There could be future costs to resolve boundary disputes, including survey work. Encroachments may occur in the future, even if the KCATA has advised us that they have only one pending boundary dispute that is in litigation. The due diligence being undertaken, and funded in part by the \$50,000, is in part to better position the City for any such adverse claims if they arise.

Policy/Program Impact

Policy or Program Change	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes
Operational Impact Assessment	

Finances

Cost & Revenue Projections -- Including Indirect Costs	\$50,000
Financial Impact	
Fund Source (s) and Appropriation Account Codes	21-2060-891000-B

Applicable Dates:

Four Pad Sites for Streetcar Extension Improvements need to be acquired by November 2020 submission to FTA for federal funding for the Streetcar Extension.

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Reference Numbers