



City of Olathe

Legislation Details (With Text)

File #: G19-954

Type: Council Consent **Status:** Passed

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Title: Consideration of a Second Amendment to Development Agreement with Ridgeview Equities, LLC and OSC, LLC.

Sponsors: Ron Shaver

Indexes:

Code sections:

Attachments: 1. A: Development Agreement, 2. B: Amendment to Development Agreement, 3. C: Letter requesting 2nd Amendment to Development Agreement, 4. D: Second Amendment to Development Agreement OSC & Ridgeview signed 7.10.2019

Date	Ver.	Action By	Action	Result
8/20/2019	1	City Council	approved	

DEPARTMENT: Legal

STAFF CONTACT: Ron Shaver

SUBJECT: Consideration of a Second Amendment to Development Agreement with Ridgeview Equities, LLC and OSC, LLC.

ITEM DESCRIPTION:

Consideration of a Second Amendment to Development Agreement with Ridgeview Equities, LLC and OSC, LLC.

SUMMARY:

On August 1, 2017, the City Council approved a development agreement with Ridgeview Equities, LLC (“Ridgeview”) ([Attachment A](#)) for development of a soccer complex and associated commercial and retail development at the southwest corner of K-10 Highway and Ridgeview Road. Ridgeview subsequently assigned its rights and interests in the Soccer Complex to OSC, LLC (“OSC”). The total investment in the Project was originally estimated at \$51,000,000, of which approximately \$28,250,000 was to be invested in the Soccer Complex and \$22,750,000 was to be invested in the new commercial and hotel developments and associated infrastructure. On December 19, 2017, the City Council approved an amendment to the development agreement with Ridgeview and OSC ([Attachment B](#)) adjusting the TIF and CID reimbursement caps, adjusting the TIF term, revising the permissible hotel flags, and amending the project schedule.

On June 4, 2019, the City received a letter sent on behalf of Ridgeview and OSC ([Attachment C](#)) requesting a 2nd amendment to the development agreement to increase the total CID and TIF reimbursements for the project by \$1,000,000 due to increased infrastructure costs (improvements to the 105th and 106th Street and Ridgeview Road intersections) and land acquisition costs to relocate a public trail on the south side of 106th Street. Ridgeview and OSC now estimate that the total project costs are approximately \$76.8 million, of which approximately \$31,000,000 will be invested in the Soccer Complex and \$45,800,000 is to be invested in the new commercial and hotel developments and associated infrastructure.

City staff, in coordination with Ridgeview and OSC, has prepared a Second Amendment to the

Development Agreement (Attachment D). The amendment accomplishes the following:

- 1) Amends the CID Cost Cap from \$4 million to \$4.5 million, the Redevelopment Project Cost Cap from \$12.5 million to \$13.5 million and the TIF Cap from \$8.5 million to \$9 million. Also amends the TIF Term from 15 to 20 years (beginning April 1, 2018) or until the TIF Cap is achieved, whichever occurs first.
- 2) Amends the Project Schedule to change development of the retail pads (Lots 2, 3 and 4) from an August 1, 2019 completion to a December 1, 2020 completion, hotel construction from August 1, 2019 to August 1, 2021, and Family Leisure Lot 9 pads from November 1, 2019 to November 1, 2021.
- 3) Amends Section 3.2 (Incentive Package) to change the estimated value of the CID, TIF and IRB package from \$14,215,380 to \$15,215,380, and adjusts the TIF portion from \$8 million to \$9 million.

FINANCIAL IMPACT:

The Project is anticipated to create a significant positive economic impact due to increased hotel room nights from stay-and-play tournaments at the soccer complex.

ACTION NEEDED:

Approve the Second Amendment to Development Agreement with Ridgeview Equities, LLC and OSC, LLC.

ATTACHMENT(S):

A: Development Agreement

B: Amendment to Development Agreement

C: Letter Requesting 2nd Amendment to Development Agreement

D: 2nd Amendment to Development Agreement