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## Memo

**To:** Mayor and Board of Aldermen  
Gary Edwards, City Administrator

**From:** Joe Lauber, City Special Economic Development Legal Counsel

**Date:** March 10, 2016

**Re:** Outline of Key Points of Cooperative Agreement among the City of Sedalia, the Galaxy West Community Improvement District, and STAR Acquisitions, Inc.

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### **Background:**

As required by the CID Petition and the TIF Contract (both to be considered for approval by the Board of Aldermen on March 21, 2016) the City Staff and Consultant team has negotiated a Cooperative Agreement among the City, the Galaxy West CID (the “CID”), and STAR Acquisitions, Inc. (the “Developer”).

### **Summary of Contents of Cooperative Agreement**

- **Parties (3):**
  - City of Sedalia
  - The Galaxy West Community Improvement District
  - STAR Acquisitions, Inc.
- **Purpose:** to establish each Party’s responsibilities with regard to the imposition, collection, administration and disbursement of CID sales tax revenues and operation of the District. The District’s primary role is to fund or assist in the funding of the CID Reimbursable Project Costs.
- **General Information**
  - **Term:** Sections 3.8 and 7.1
    - this Cooperative Agreement will be in place for the lifetime of the TIF Plan adopted by the Board of Aldermen on November 23, 2015, plus the earlier of:
      - The length of time needed to reimburse all CID Reimbursable Project Costs; or
      - 30 years following the date of the ordinance approving the Petition.

- **Accounting and Budgeting:**
  - The City will administer the sales tax on behalf of the CID (i.e., make sure the Districts funds are used in accordance with the TIF Contract and the Cooperative Agreement). Section 3.2
  - The City will receive an administrative fee in the amount of 1% of the annual total CID Sales Tax Revenue for City services performed in connection with the CID (this is a yearly fee). Section 3.3
  - City will keep the books and accounts for the CID revenues and maintain records regarding these activities on behalf of the Districts. Section 5.1
- **CID Sales Tax**
  - The CID Board will adopt a resolution, which, subject to qualified voter approval, imposes a CID sales tax of 1%. Section 3.1
  - The CID sales tax will be collected by DOR, as required in the CID Act. The DOR will be directed to deposit these revenues with the City as the agent of the Districts. Section 3.1
  - DOR is responsible for enforcing payment of the sales tax, but the District authorizes the City to carry out enforcement activities to the extent permitted by law if that becomes necessary. Section 3.5
  - The City will distribute the CID sales tax revenues in accordance with the “waterfall” provided in Section 3.6
    - First to cover the TIF-captured portion of the CID sales tax revenue (if the City has such revenue in such month);
    - Next to pay the City’s Administrative Fee
    - Next to cover CID operating costs and any associated Financing Costs;
    - Finally, to pay the approved CID Reimbursable Project Costs and related Financing Costs.
- **Projects:** (Defined at page 2)
  - The CID Project consists of construction of:
    - Water/Sanitary/Liftstation;
    - MoDOT Deceleration Lane; and
    - Stormwater/Detention
- **General Terms**
  - The remaining sections of the Cooperative Agreement primarily deal with generally standard contract obligations of the parties (e.g., annual budget, default, remedies on default, recording of the document, indemnification, insurance, approvals, etc.).