

BILL NO. _____

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING A CONTRACT WITH MISSOURI CITY ACQUISITION, LLC, FOR THE MISSOURI CITY POWER PLANT SALE, DEMOLITION AND REMEDIATION PROJECT, IN AN AMOUNT NOT TO EXCEED \$9,765,000.00; AND MAKING THE NECESSARY APPROPRIATIONS.

WHEREAS, the City of Independence owns a 1950's vintage 38 megawatt twin unit coal-fired steam electric generating station, known as the Missouri City Power Plant, that was acquired from Northwest Electric Cooperative in 1979 after an extensive fire; and,

WHEREAS, the plant was returned to operation in 1982 after undergoing substantial repairs; and,

WHEREAS, on July 21, 2014, City Council passed Resolution 5933 that mandated the end of energy production at the Missouri City Power Plant by January 31, 2016; and,

WHEREAS, the Power & Light Department ceased electricity production at the Missouri City Power Plant on September 19, 2015; and,

WHEREAS, on July 19, 2016, City Council directed the City Manager to issue a Request for Qualifications (RFQ) for the Missouri City Power Plant, specifically decommissioning the power plant and repurposing the property; and,

WHEREAS, the aforementioned RFQ resulted in proposals that provided a model for sale of the property that includes the release from all environmental claims, obligations, requirements and liabilities as part of the power plant demolition and remediation, as well as repurposing the property; and,

WHEREAS, it was determined that Environmental Operations, Inc. submitted the best overall qualifications for this RFQ; and,

WHEREAS, on February 21, 2017, a Request for Proposal (RFP) titled "Missouri City Power Plant Divestiture Services" was issued which called for the submission of proposals from qualified vendors concerning the assumption of ownership and associated liability of the Missouri City Power Plant, the demolition of the Plant, and the restoration of the Plant Site; and,

WHEREAS, on June 14, 2017, staff, legal counsel, and engineering consulting services concluded negotiations with Environmental Operations, Inc. resulting in an agreement for the Sale, Demolition and Remediation of Missouri City Power Plant for a fair and reasonable not-to-exceed price of \$9,765,000.00; and,

WHEREAS, ownership of the Missouri City Power Plant site shall be transferred to a Special Purpose Entity designated by Environmental Operations, Inc. and known as Missouri City Acquisition, LLC, and therefore the contract for the proposal submitted by Environmental Operations, Inc. will be in the name of Missouri City Acquisition, LLC; and,

WHEREAS, funding for this project was not included in the Power & Light Department's 2017-2018 fiscal year capital budget appropriations; and,

WHEREAS, the City Council deems it advisable and in the best interest of the City to appropriate funds and enter into an agreement with Missouri City Acquisition, LLC.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI, AS FOLLOWS:

SECTION 1. That the City Manager of the City of Independence, Missouri, is hereby authorized and directed to execute for and on behalf of said City a contract with Missouri City Acquisition, LLC' for the Sale, Demolition and Remediation of the Missouri City Power Plant for a sum not-to-exceed Nine Million Seven Hundred Sixty-Five Thousand and NO/100 Dollars (\$9,765,000.00), in a form substantially similar to the copy attached hereto, incorporated by reference thereto, and made a part hereof as though fully set out herein.

SECTION 2. That the City Manager or his designee is further authorized to amend the Schedule of Values (Exhibit D to the contract) in accordance with an approved site-specific Missouri Department of Natural Resources Risk Management Plan.

SECTION 3. That appropriations are hereby increased in the amount of \$9,765,000.00 in the Power & Light Fund Capital Budget for the Missouri City Power Plant Divestiture Services Project from the available cash reserves.

PASSED THIS _____ DAY OF _____, 2017, BY THE CITY COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI.

ATTEST:

City Clerk

APPROVED - FORM AND LEGALITY:

City Counselor

REVIEWED BY:

City Manager

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

I hereby certify that there is a balance, otherwise unencumbered, to the credit of the appropriation to which the foregoing expenditure is to be charged, and a cash balance, otherwise unencumbered, in the treasury, to the credit of the fund from payment is to be made, sufficient which to meet the obligation incurred.

Source is: P&L Capital Project Budget

Director of Finance
City of Independence, Missouri