

Stanley Event Space

Request for extension of LCRA
abatement

City Council Presentation
January 14, 2020



LEE'S SUMMIT
MISSOURI



Yours Truly

Stanley Event Space (Aspen Room)



Before



After

LCRA & Stanley Project History

- Land Clearance for Redevelopment Authority (LCRA) reactivated in 2009.
- Stanley Event Space was 2nd LCRA application considered by the LCRA and City Council in 2012 (Licata's Flowers was first in 2009)
- Stanley Event Space PDP approved before downtown LCRA Urban Renewal Area expanded to include subject property

LCRA & Stanley Project History

- June 2012 – Stanley PDP approved
- August 2, 2012 – Public Hearing on expansion of downtown LCRA Urban Renewal Area
- August 6, 2012 – Stanley LCRA redevelopment application received
- September 6, 2012 – Ordinance approving downtown LCRA Urban Renewal Area approved.
- September 26, 2012 – LCRA recommended approval of 100% abatement for 5 years for Stanley redevelopment project.

LCRA & Stanley Project History

- October 18, 2012 – Council approved Stanley redevelopment project (100% abatement for 5 years)
- March 2013 – Downtown Design Standards adopted
- September 20, 2013 – Certificate of Occupancy issued
- February 26, 2014 – Certificate of Qualification for Tax Abatement issued
- February 2015 – Economic Development Incentive Policy adopted
- LCRA project evaluation tool did not exist

LCRA considerations for project

- Project was evaluated based on return on investment. Year 5 estimated a 15% return on investment (cash on cash analysis)
- Underutilized property
- Building façade upgrades
- Environmental conditions
- Stormwater infrastructure
- Attract visitors to downtown
- Sales and lodging tax generation
- Employment

Value of Abatement

Original approved (estimate 5 years at 100%)	\$178,460
Actual performance over 5 year period	\$128,200
Requesting	\$192,011

Estimates if abatement extension pursued:

Additional 1 year extension	\$170,321
Additional 2 year extension	\$212,456

New LCRA Policy provisions

- **Duration of Certificate of Qualification:** Starting in January 2020, the measurement of abatement for certificates of qualification shall be the “targeted amount approach,” meaning that abatement shall last until a stated dollar amount of tax abatement has been achieved and thereafter the property shall return to the tax rolls as fully taxable property, with the property owner making a payment in lieu of taxes in the final year of abatement to achieve the exact amount of approved abatement.
- **Amendments to Certificates of Qualification (prior to January 2020):** For certificates of qualification approved prior to January 2020, the original applicant may request to amend the incentive to apply the measurement of abatement as set forth in the prior bullet for the remainder of the abatement term.

Next Steps

- Mayor and Council direction on conceptual economic development incentive request – to extend abatement period
- If pursuing extension – LCRA would formally consider the request at their January 22, 2020 meeting and prepare recommendation to Mayor and Council
- February 2020 – LCRA recommendation brought back to Mayor and Council for formal consideration