

# **1601 SE HAMBLEN ROAD, LLC LCRA REDEVELOPMENT PLAN**

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**LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY  
OF THE CITY OF LEE'S SUMMIT, MISSOURI**

JANUARY 29, 2025



DATE: 1-17-2025

TIME: 11:40 am *SL*

1. **City's Previous Blight Finding**

In June of 2014, the City Council adopted Ordinance 7472, which determined that certain real property within the Missouri Highway 291 and US Highway 50 corridors was blighted and designated a land clearance for redevelopment authority urban renewal area, to be known as the "US 50 / M-291 Highway Urban Renewal Area." Ordinance 7472 is attached hereto as Exhibit 1.

2. **Purpose of this Redevelopment Plan**

This Redevelopment Plan has been prepared in accordance with the Land Clearance for Redevelopment Authority Act which is set forth in Sections 99.300 through 99.660 of the Revised Statutes of Missouri (the "LCRA Act") for the redevelopment of the property (the "Property") which is legally described on Exhibit 2 attached hereto and depicted on Exhibit 3 attached hereto. The Property is located within the "US 50 / M-291 Highway Urban Renewal Area." The purpose of this LCRA Redevelopment Plan is to:

- carry out the policy statement of the LCRA Act which is set forth in Section 99.310, RSMo, and more particularly to renovate, redevelop, and otherwise improve the Property to cure the blighted conditions which exist on the Property;
- provide Missouri sales and use tax exemption on construction materials; and
- provide real property tax abatement.

The mechanism to achieve these purposes is to establish public ownership during the construction of improvements on the Property and for the issuance of a certificate of qualification for real property tax abatement for ten (10) years after Project completion. Developer will receive and use a sales tax exemption certificate for the purchase of construction materials that are used in the construction of the Project improvements. This LCRA Redevelopment Plan satisfies the requirements of the LCRA Act, and the items set forth below follow and discuss the requirements of a "redevelopment plan" as defined in the LCRA Act.

3. **Description of the Project**

This LCRA Redevelopment Plan provides for the design, development, and construction of one (1) approximately 53,600 square feet industrial building, along with all associated onsite and offsite sitework and infrastructure, including, without limitation, utilities, stormwater management, street/drive and parking improvements, and landscaping, all of which will be located at 1601 SE Hamblen Rd in Lee's Summit, Missouri. The Property is legally described on Exhibit 2 attached hereto and depicted on Exhibit 3 attached hereto. The estimated cost of the Project (exclusive of land, financing, and other soft costs) is approximately \$5,500,000.

4. **Description of the Parties**

*The Developer and Affiliates.* 1601 SE Hamblen Road, LLC (the "Developer") is a limited liability company organized and existing under the laws of the State of Missouri. The benefitting companies will be the Developer and other affiliated entities of Developer (each an "Affiliate"). During the period of City ownership, the Developer or an Affiliate will lease the Property from the City pursuant to a lease agreement (the "Lease Agreement") that will be approved by the City Council.

*City of Lee's Summit, Missouri.* The City is a constitutional home rule charter city and municipal corporation organized and existing under the laws of the State of Missouri. The City will lease the Property to Developer or an Affiliate during the construction period pursuant to the Lease Agreement.

## 5. Power and Authority Under the LCRA Act

The LCRA and the City are authorized and empowered pursuant to Section 99.420, RSMo, and other provisions of the LCRA Act, to exercise the following powers which are relevant to this LCRA Redevelopment Plan:

- The LCRA may prepare redevelopment plans and recommend approval to City Council – “To prepare or cause to be prepared and recommend redevelopment plans and urban renewal plans to the governing body” (99.420(2))
- Acquire, buy, sell, mortgage and lease real estate and execute contracts for real estate – (4) “Within its area of operation, to purchase, lease, obtain options upon, acquire by gift, grant, bequest, devise, eminent domain or otherwise, any real or personal property or any interest therein, including fee simple absolute title, together with any improvements thereon, necessary or incidental to a land clearance project or urban renewal project \*\*\* to sell, lease, exchange, transfer, assign, subdivide, retain for its own use, mortgage, pledge, hypothecate or otherwise encumber or dispose of any real or personal property or any interest therein; to enter into contracts with redevelopers of property and with other public agencies containing covenants, restrictions and conditions regarding the use of such property for residential, commercial, industrial, recreational purposes or for public purposes in accordance with the redevelopment or urban renewal plan \*\*\* and to enter into any contracts necessary to effectuate the purposes of this law...” (99.420(4))
- Hold public hearings – “Acting through one or more commissioners or other persons designated by the authority, to conduct examinations and investigations and to hear testimony and take proof under oath at public or private hearings on any matter material for its information” (99.420(9))
- Spend public funds – “To make such expenditures as may be necessary to carry out the purposes of this law” (99.420(12))
- City Council can exercise all LCRA powers after delegation by LCRA – “To delegate to a municipality or other public body any of the powers or functions of the authority with respect to the planning or undertaking of a land clearance project or urban renewal project in the area in which the municipality or public body is authorized to act, and the municipality or public body is hereby authorized to carry out or perform such powers or functions for the authority” (99.420(13))
- Exercise general municipal powers to implement the redevelopment plan – The LCRA has “all the powers necessary or convenient to carry out and effectuate the purposes and provisions of this law” (Section 99.420, introductory clause) and may “exercise all powers or parts or combinations of powers necessary, convenient or appropriate to undertake and carry out land clearance, redevelopment and urban renewal plans and projects and all the powers herein granted.” (99.420(14))

Other grants of power and authority under the LCRA Act may become applicable to the implementation of this LCRA Redevelopment Plan. The LCRA Act defines “redevelopment plans” and “urban renewal plans” and the definition of these terms in Section 99.320, RSMo, each cross-reference the other definition. All of the procedural requirements and legal authority for each type of plan apply to LCRA redevelopment plans.



**6. Requirements of the LCRA Act**

Section 99.430, RSMo, requires that each LCRA redevelopment plan must contain certain data and information. This section sets forth the several statutory requirements for a redevelopment plan under the LCRA Act along with information to satisfy such requirements.

*Relationship to definite local objectives as to appropriate land uses, improved traffic, public transportation, public utilities, recreational and community facilities and other public improvements.*

Appropriate land uses. The Property's existing zoning designation is appropriate for the Project's intended uses. The Developer is currently working with City staff to formally submit any necessary applications for use of the Property as intended, which includes, a Preliminary Development Plan, Final Plat, Final Development Plan, and Building Permit. The Developer has had its Pre-Application meeting with the City, which occurred on October 29, 2024.

Recreational and community facilities and other public improvements. Pending further analysis by the City, the Project may require certain offsite public improvements, such as turn lanes.

*Boundaries of the land clearance or urban renewal project area, with a map showing the existing uses and condition of the real property therein*

See Exhibit 2 and Exhibit 3 attached hereto.

*A land use plan showing proposed uses of the area*

The Property will be used for industrial purposes, as well as ancillary purposes thereto. An aerial of the Property is attached hereto as Exhibit 3, and an initial site plan is attached hereto as Exhibit 4.

*Information showing the standards of population densities, land coverage and building intensities in the area after redevelopment or urban renewal*

An aerial of the Property is attached hereto as Exhibit 3, and an initial site plan is attached hereto as Exhibit 4.

*Statement of the proposed changes, if any, in zoning ordinances or maps, street layouts, street levels or grades, building codes and ordinances*

Not applicable.

*Statement as to the kind and number of additional public facilities or utilities which will be required in the area after redevelopment or urban renewal*

No additional public facilities or utilities, aside from utility upgrades necessary to serve the Project, if any, are determined necessary at this time during the predevelopment process. Provided that, pending further analysis from the City, the Project may require certain offsite public improvements, such as turn lanes, however, it is undetermined at this time.

*A schedule indicating the estimated length of time needed for completion of each phase of the plan*

The Project is anticipated to be completed in one (1) phase, with commencement anticipated in late 2025 and completion expected in 2027.

***Submission to the City’s planning agency for a determination as to whether the Redevelopment Plan is consistent with the Comprehensive Plan***

The Property’s existing zoning designation is appropriate for the Project’s intended uses. The Developer is currently working with City staff to formally submit any necessary applications for use of the Property as intended, which includes, a Preliminary Development Plan, Final Plat, Final Development Plan, and Building Permit. The Developer has had its Pre-Application meeting with the City, which occurred on October 29, 2024.

The Property is identified within the City’s Comprehensive Plan as designated for “mixed-use.” The City has the Property included within a “Planned Industrial” zoning designation pursuant to Ordinance No. 6823 as listed on the City’s Interactive Zoning Map.

***A statement of the proposed method and estimated cost of the acquisition and preparation for redevelopment or urban renewal of the land clearance or urban renewal project area***

Developer purchased the Property.

***The estimated proceeds or revenues from its disposal to redevelopers***

The Property has been acquired by Developer and will be transferred for nominal consideration to the City for the Lease Agreement period. As a result, the LCRA and the City will not be disposing of the Property to other redevelopers.

***A statement of the proposed method of financing the project***

The Project is anticipated to be initially financed with private debt and equity.

***A statement of a feasible method proposed for the relocation of families to be displaced from the land clearance or urban renewal project area***

Not applicable to this Project.

**7. Statement of Financial Benefit/Estimated Costs and Benefits to City**

***Sales/Use Tax Exemption***

The total cost of the Project is estimated to be approximately \$5,500,000 (exclusive of land, financing, and other soft costs). Building materials purchased for the construction of the Project are expected to be exempt from sales and use tax pursuant to the provisions of Section 144.062, RSMo. The estimated sales tax exemption benefit that would be the result of this LCRA Redevelopment Plan is set forth below:

Est. Project Hard Costs	\$5,500,000
Est. Materials Portion	\$2,200,000
<b>Est. Sales/Use Tax Savings</b>	<b>\$134,090</b>

This financial benefit is approximately **2.44%** of the total estimated Project costs (exclusive of land, financing, and other soft costs).

The estimated cost to the City of the sales/use tax exemption is \$30,250, the details of which are set forth below.

Est. Construction Budget	\$	5,500,000
Est. Materials Percentage		40.00%
Est. Materials Cost	\$	2,200,000
Total Sales and Use Tax Rate		8.475%
<b>Est. Sales and Use Tax Savings</b>	<b>\$</b>	<b>134,090</b>

City Sales and Use Tax Rate	2.750%	(As of October 7, 2024)
County Sales Tax Rate	1.375%	
State Sales and Use Tax Rate	4.225%	
Zoo Sales Tax Rate	0.125%	
	8.475%	
Est. Allocation of Material Purchases:		
Lee's Summit	8.00%	
Missouri (outside Lee's Summit)^	50.00%	
Outside Missouri	42.00%	

Lee's Summit Sales Tax Savings	\$	4,840
Lee's Summit Use Tax Savings	\$	25,410
<b>Total Lee's Summit Sales and Use Tax</b>	<b>\$</b>	<b>30,250</b>
County Sales Tax Savings	\$	9,983
State Sales and Use Tax Savings	\$	92,950
Zoo Sales Tax Savings	\$	908
<b>Lee's Summit % of Total Savings</b>		<b>22.56%</b>

^50% of sales in MO outside City are assumed to be subject to County and Stadium Sales Tax



**Real Property Tax Abatement / Payments in Lieu of Taxes**

Real Property Tax Abatement / Payments in Lieu of Taxes.

The City will issue a certificate of qualification for real property tax abatement for ten (10) years after Project completion, during which time the Property will be exempt from real property taxes and Developer and any such Affiliate will make payments in lieu of taxes (“PILOTS”) for the Project as follows: In years 1 through 10 after completion of the Project, a PILOT calculated to represent 25% of the taxes that would otherwise be due on the completed Project’s improvements. The PILOT amounts may be fixed by agreement at the time of the issuance of the certificate of qualification. The anticipated total PILOT payments are set forth in the table below. The actual PILOT amounts may vary if Project implementation is materially different than the depiction on Exhibit 4 attached hereto. PILOT payments will be distributed to the taxing jurisdictions by or at the direction of the City.

As set forth in the table below, the total amount of PILOTS estimated to be collected by the City and distributed to itself and the eligible taxing jurisdictions total \$220,390.

PROJECT YEAR	ABATEMENT YEAR	TOTAL BASE ASSESSED VALUE	TOTAL PROJECTED ASSESSED VALUE	PROJECTED REAL ESTATE TAX	ABATED REAL ESTATE TAX	PILOTS
0		\$1,910	\$1,910	\$164	\$0	\$0
1	1	\$1,910	\$964,800	\$83,023	\$62,267	\$20,756
2	2	\$1,910	\$964,800	\$83,023	\$62,267	\$20,756
3	3	\$1,910	\$993,744	\$85,514	\$64,135	\$21,378
4	4	\$1,910	\$993,744	\$85,514	\$64,135	\$21,378
5	5	\$1,910	\$1,023,556	\$88,079	\$66,059	\$22,020
6	6	\$1,910	\$1,023,556	\$88,079	\$66,059	\$22,020
7	7	\$1,910	\$1,054,263	\$90,721	\$68,041	\$22,680
8	8	\$1,910	\$1,054,263	\$90,721	\$68,041	\$22,680
9	9	\$1,910	\$1,085,891	\$93,443	\$70,082	\$23,361
10	10	\$1,910	\$1,085,891	\$93,443	\$70,082	\$23,361
<b>TOTALS</b>				<b>\$881,560</b>	<b>\$661,170</b>	<b>\$220,390</b>
<b>NET PRESENT VALUE @ 6%</b>				<b>\$644,399</b>	<b>\$483,299</b>	<b>\$161,100</b>

Notes:

- (1) Total 2023 mill levies: 8.6052
- (2) Total 2023 mill levies subject to abatement: 8.6052
- (3) The projected appraised value is assumed to increase biennially at the following rate: 3.00%
- (4) Years 1 - 10 Percentage abatement of the incremental taxes subject to abatement: 75.00%

EXHIBIT 1  
ORDINANCE NO. 7472

[SEE ATTACHED]



AN ORDINANCE DECLARING CERTAIN PROPERTY WITHIN THE CITY OF LEE'S SUMMIT, MISSOURI, TO BE BLIGHTED AND DESIGNATED AS A LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY URBAN RENEWAL AREA, TO BE KNOWN AS THE US 50 / M-291 HIGHWAY URBAN RENEWAL AREA, PURSUANT TO THE PROVISIONS OF THE LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY LAW.

WHEREAS, in 1961, City of Lee's Summit held a special election where the qualified voters voted in favor of accepting the provisions of §99.300 through §99.660 RSMo as amended, known and cited as the "Land Clearance for Redevelopment Authority Law" of the State of Missouri ("Law"); and,

WHEREAS, on September 1, 2009, the Mayor of Lee's Summit appointed members to reactivate the Land Clearance for Redevelopment Authority within Lee's Summit; and,

WHEREAS, after mailing invitations to all property owners within the area shown in Exhibit A as attached to this ordinance (the "Area") on November 13, 2013, the Land Clearance for Redevelopment Authority held a public information meeting to obtain feedback from affected property owners, and received positive feedback and interest from those in attendance; and,

WHEREAS, on April 23, 2014, the Land Clearance for Redevelopment Authority held a public meeting to consider the proposal to designate the Area as blighted and designate same as the US 50 / M-291 Highway Urban Renewal Area, and recommended the City Council find the Area blighted in accordance with the Law and approve said Urban Renewal Area; and,

WHEREAS, on May 1, 2014, the City Council held a public hearing at which all interested persons were afforded an opportunity to make comments, file written objections, and be heard orally; and,

WHEREAS, on May 1, 2014, the City Council having heard and considered the objections, protests, comments, and other evidence adduced at the public hearing, closed the public hearing and voted to direct City Staff to present an ordinance approving the designation of the Area as blighted and designating it as the US 50 / M-291 Highway Urban Renewal Area.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LEE'S SUMMIT, MISSOURI, as follows:

SECTION 1. That the City Council hereby finds that the Area described in Exhibit A, which is attached hereto and incorporated herein be referenced, is a blighted area under the provisions of the Law and has not been subject to growth and development due to the following factors:

- A. Predominance of defective or inadequate street layout
- B. Insanitary or unsafe conditions
- C. Deterioration of site improvements
- D. Improper subdivision or obsolete platting; and

- E. Existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals, or welfare in its present condition and use.

SECTION 2. That the Area described in Exhibit A shall be known as the "US 50 / M-291 Highway Urban Renewal Area".

SECTION 3. That this ordinance shall be in full force and effect from and after the date of its passage and adoption, and approval by the Mayor.

PASSED by the City Council of the City of Lee's Summit, Missouri, this 5<sup>th</sup> day of June, 2014.

  
\_\_\_\_\_  
Mayor Randall L. Rhoads

ATTEST:

  
\_\_\_\_\_  
City Clerk Denise R. Chisum


APPROVED by the Mayor of said city this 12<sup>th</sup> day of June, 2014.

  
\_\_\_\_\_  
Mayor Randall L. Rhoads

ATTEST:

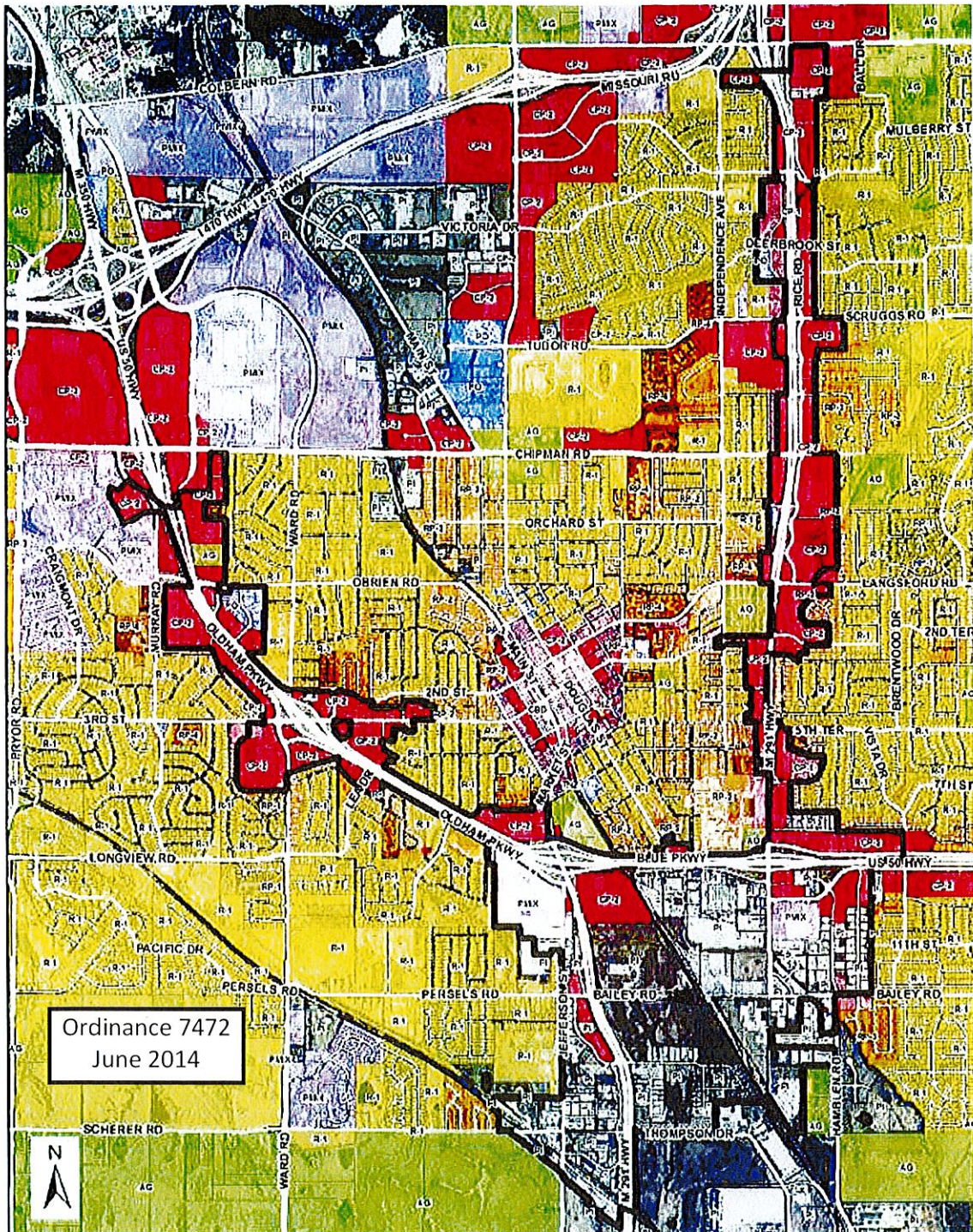
  
\_\_\_\_\_  
City Clerk Denise R. Chisum

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Deputy City Attorney John L. Mautino



# Attachment A



**US 50 / M-291 Highway Urban Renewal Area**



EXHIBIT 2

LEGAL DESCRIPTION OF THE PROPERTY

The South Half of the Northwest Quarter of Section 16, Township 47, Range 31, in Lee's Summit, Jackson County, Missouri. Subject to any part thereof in public roads.  
EXCEPT that part thereof now platted as NEWBERRY THIRD PLAT, LOTS 165 THRU 201 & LOTS 250 THRU 253 & TRACT A recorded as Document No. 2001I0084709; as NEWBERRY FOURTH PLAT recorded as Document No. 2002I0053930; as NEWBERRY FIFTH PLAT recorded as Document No. 2003I0032952; and as NEWBERRY LANDINGS FIRST PLAT recorded as Document No. 2007E0001884.

EXHIBIT 3  
DEPICTION OF THE PROPERTY

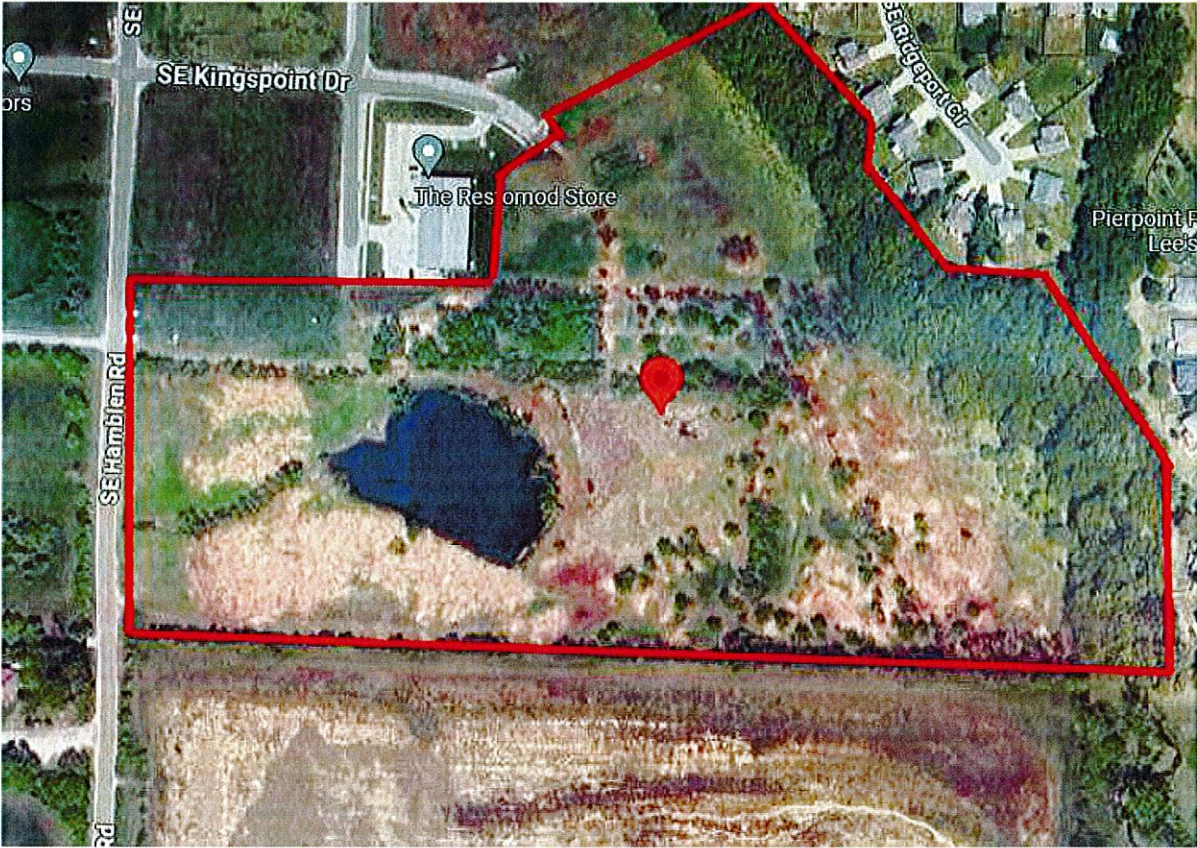


EXHIBIT 4  
SITE PLAN

