



LAND CLEARANCE FOR REDEVELOPMENT  
AUTHORITY  
**LEE'S SUMMIT**

**May 24, 2023**  
**4:00 p.m.**  
**Action Letter**

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The May 24, 2023 Land Clearance for Redevelopment Authority meeting was held in person and via Zoom teleconferencing.

In attendance were the following:

LCRA: Vice Chair Mark White, Secretary Shelley Kneuvean, and Drew Reynolds were present.

City Staff: Ryan Elam, Assistant City Manager, David Bushek, Chief Counsel of Economic Development and Planning; Kim Brennan, Research Assistant and Paralegal; and Julie Pryor, Executive Assistant

Presenters:

Reinhart Food Services: Tami Gardner – Corp. Vice President Performance Food Group, Michelle Barbino – Sr. Analyst, Scott Cinquata – Pres. of Lee's Summit Facility, Daniel Kamm – Valbridge Property Advisors

Colbern Rice Investments: Curt Petersen, Polsinelli Law Firm, Mike Atcheson, CEAH Realtors

Columbia Capital: Jeff White- Financial Advisor

1. Call to Order  
*Vice Chairman White called the meeting to order at 4:19 p.m.*
2. Approval of the March 22, 2023 Action Letter  
*Commissioner Kneuvean moved for approval of the March 22, 2023 action letter, seconded by Commissioner Reynolds. The March 22, 2023 action letter was approved unanimously.*
3. Public Hearing – Reinhart Foodservice, LLC LCRA Redevelopment Plan  
The proposed Redevelopment Project area is located at 290 SE Thompson Drive, Lee's Summit, Missouri.

This LCRA Plan provides for the expansion of the existing facility which is currently approximately 120,000 square feet, to approximately 170,000 square feet. The facility expansion consists of a freezer, cooler, dry warehouse and new employee entrance and breakroom areas.

The LCRA Plan will establish public ownership during the construction of improvements for Developer to receive and use a sales tax exemption certificate for the purchase of construction materials that are used in the construction of the Project, and thereafter for a period of 10 years to facilitate real property tax abatement.

**Schedule:** Construction is planned to commence mid-2023 and be completed by Spring of 2025

Ms. Tami Gardner, with Performance Food Group, provided an overview of the company's history, proposed project, requested economic incentive and the value proposition for the City.

She explained this location is owned by their subsidiary Reinhart Foodservice, LLC and offers a "broadline" of foodservice products from mops and plates to menu items, serving over 175,000 customer locations. The current facility is at capacity and they are wanting to expand the facility to meet future growth. The total cost of the proposed project would be \$22,027,379.

The Developer is requesting the following incentives:

1. Sales and Use Tax Exemption on Construction Materials (estimated 40% of building costs)
2. Real and Personal Property Tax Abatement (75% abatement for 10 years)

Mr. David Bushek, Chief Counsel of Economic Development and Planning, entered into the record exhibits 1 – 7 and provided staff's summary of the project. He stated this is the same conceptual presentation presented to the City Council.

He reviewed the LCRA findings and broke down the incentives as follows:

• Sales and use tax exemption of 2% of cost of construction materials	= \$444,447
• Real property tax abatement of 4.5% of project costs	= \$989,185
• <u>Personal Property Abatement of .6% of project costs</u>	<u>= \$128,181</u>
Total Financial Benefit of 7.1% of project costs	= \$1,561,813

Mr. Bushek explained the City will own the Project improvements and lease such phases to the Developer for ten (10) years after completion, during which time the Property will be 75% exempt from real property taxes.

Following the presentations discussion ensued.

4. Resolution No. 2023-2 Recommending approval of Reinhart Foodservice LLC Redevelopment Plan

*Commissioner White moved for adoption of Resolution 2023-2 amending section 2. B. of the Resolution, subject to reducing the personal property tax abatement and adjusting the real property tax abatement in a manner that achieves the same economic benefits to the City and to the developer, seconded by Commissioner Kneuvean. The motion passed unanimously.*

5. Public Hearing – Colbern Ridge LCRA Redevelopment Plan

The proposed Redevelopment Project area is located at the Northeast corner of Rice Road and Colbern Road in Lee's Summit, Missouri, totaling 41.4 acres. The total cost of the proposed project would be \$83,000,000.

This LCRA Plan provides for the construction of a mixed-use development consisting of approximately 136 apartment units; 220 senior-only multi-family units; approximately 28,500 sq. ft. of medical office building space; and approximately 30,000 sq. ft. of office, warehouse/office and other commercial uses, respectively, along with all associated onsite and offsite sitework and infrastructure, including utilities, stormwater management, street/drive and parking improvements, and landscaping.

The LCRA Plan will establish public ownership during the construction of improvements for Developer to receive and use a sales tax exemption certificate for the purchase of construction

materials that are used in the construction of the Project, a property tax abatement at 50% for up to 25 years, a public improvements assessment in the amount the annual 50% property tax abatement, and a 1% community improvement district (CID) sales tax for up to 27 years.

**Schedule:** Construction is planned to commence in 2023, and developer’s intention is to complete all work by 2028.

Curt Petersen, with Polsinelli Law Firm, provided an overview of the project and introduced the developer, Mike Atcheson, CEAH Realtors Development Services. He reiterated this is a conceptual site plan. The C-Store site is confirmed and the other project in the works is a continuum care facility. He also reviewed the potential public infrastructure improvements that would need to be built for the project.

The Developer is requesting two LCRA benefits:

1. Property tax abatement + public improvement assessments
  - a. 50% “floating” abatement
  - b. 50% public improvements assessment
  - c. Bi actual abatement for taxpayer
  - d. Reimburses est. \$4MM in public improvement infrastructure costs (with interest) over up to 25 years
2. Sales Tax Exemption on Construction Materials

The Developer is also requesting Proposed Public Incentives of 1% CID Sales Tax (which is not part of the LCRA Plan.) This would reimburse the developer’s public infrastructure costs (estimated \$20,000 - \$30,000 per year).

Mr. David Bushek, Chief Counsel of Economic Development and Planning, entered into the record exhibits 1 – 11 and provided staff’s summary of the project.

He reviewed the LCRA findings and broke down the incentives as follows:

- Sales and use tax exemption of 2.9% of cost of construction materials = \$2,367,896
- Real property tax abatement and assessments of 4.6% = \$3,800,000
- Sales Tax of 1% Reimburse public improvements = \$200,000\*
- Total Financial Benefit of 7.7% of project costs = \$6,367,896

*\*not part of LCRA Plan (only City Council will consider)*

Mr. Jeff White, from Columbia Capital, provided a financial analysis of the project.

Following the presentations discussion ensued.

6. Resolution No. 2023-3 Recommending approval of the Colbern Ridge LCRA Redevelopment Plan

*Commissioner White moved for adoption of Resolution 2023-3 adding to subsection 2 of the Resolution, adding subsection D. requiring the developer to prepare a phased development plan that shows how the infrastructure improvements are going to be paid for with each phase of development, and adding subsection E. requiring the developer to revise the site plan to conform to the design principles of the Ignite Comprehensive plan on pages 111 – 115, seconded by Commissioner Kneuvean. The motion passed unanimously.*

7. Roundtable

*There was no roundtable discussion.*

8. Adjournment

*There being no other business, Vice Chair White adjourned the meeting at 7:10 pm.*