



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

**June 22, 2022**  
**3:00 p.m.**  
***Meeting minutes***

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The June 22, 2022 Land Clearance for Redevelopment Authority meeting was held in person and via Zoom teleconferencing.

In attendance were the following:

LCRA: Chairman Gary Fruits, Vice-Chairman Todd Haynes, Mark White and Andrew Elliott were present.

Secretary Shelley Kneuvean arrived at 3:50 p.m.

City Staff: Ryan Elam, Development Services Director; David Bushek, Chief Counsel of Economic Development and Planning; and Julie Pryor, Exec. Assistant

Outside Parties: Christine Bushyhead and Bill Brown, Paragon Star  
Curt Pederson and Brian Smith, Gold Crown Properties

1. Call to Order  
*Chairman Fruits called the meeting to order at 3:05 pm.*
2. Election of officers  
*The LCRA conducted elections and the following were unanimously approved by the commission and will continue to serve through 2022:*
  - *Chairman – Gary Fruits*
  - *Vice-Chairman – Todd Haynes*
  - *Secretary – Shelly Kneuvean*
3. Public Hearing – Paragon Star Village Garage, LCRA Redevelopment Plan  
*Christine Bushyhead, with Paragon Star, presented an overview of the Paragon Star project and reviewed the construction progress to date. She stated they are requesting reimbursement from two revenues sources for the parking garage – Sales Tax Exemption on construction materials and Real Property Tax Abatement for 25 years.*

*The sales tax exemption would require public ownership of the property during the construction of improvements on the property and for the developer to use a sales tax exemption certificate for the purchase of the construction materials. Once constructed the City would maintain public ownership and lease the project to the developer for twenty-five years to facilitate the ad valorem real property tax exemption for the project.*

*Ms. Bushyhead also reviewed the Sales Tax Exemption Analysis stating the total project cost is \$10.5 million and the estimated sales and use tax savings would be \$218,660.40, making the financial benefit of all sales and use taxes is approximately 2.08% of the total project costs. The Lee's Summit sales and use tax financial benefit is approximately 0.51% of the total project costs and the total savings for Lee's Summit would be 24.72%.*

*She further explained there is no impact to the Real Property Tax Taxing Districts in light of the TIF Plan and this request would benefit the City and developer for Internal Revenue Code (IRC) Requirements for tax- exempt bond financing.*

*Also, there is a short term benefit to the developer for real property tax exemption, however, the developer bears the risk that the TIF revenue collection of over the life of the TIF may be short for reimbursement in the amount of the projected real property tax exemption.*

*David Bushek, Chief Counsel of Economic Development and Planning, entered into the record Exhibits 1-9 and stated this project meets the three factual findings required: blight, necessity and conformance with the comprehensive plan.*

*(Commissioner Elliott left the meeting sometime during the presentation and Commissioner Kneuvean joined the meeting at 3:50 p.m.)*

*Mr. Bushek stated If the LCRA passes the resolution, it would then go to the City Council for approval.*

*After the presentations, the LCRA Commissioners asked questions of the applicant and staff, then Chairman Fruits asked for a motion from the Commissioners.*

4. Resolution No. 2022-1 recommending approval of the Paragon Star Village Garage LCRA Redevelopment Plan

*Commissioner Haynes moved for adoption of Resolution 2022-1 recommending the City Council approve the Paragon Star Village Garage LCRA Redevelopment Plan and take other actions to implement the redevelopment plan, seconded by Commissioner White.*

*A vote was taken and the motion passed unanimously.*

5. Public Hearing – Paragon Star Apartments LCRA Redevelopment Plan

*Curt Pederson, presented on behalf of the developers Altus Equity and Brian Smith with Gold Crown Properties, Inc. in a joint venture.*

*Mr. Pederson stated this project is in the Paragon Star Village and is a 380-luxury multi-family apartment complex comprised of 83% studio and one-bedroom units with commercial space on the first floor of the buildings. However, it does not include the parking garage and the project is dependent on the parking garage for the apartments and the commercial space.*

*The developer is requesting help to redevelop the property to improve the blighted conditions and provide sales tax exemption on construction materials while maintaining property tax benefits for the City and other taxing jurisdictions during the construction period.*

*The mechanism to achieve these purposes is to establish public ownership during the construction of improvements on the property and for the 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*

*The total cost of the Project is estimated to be approximately \$72,800,000 (exclusive of permanent financing costs). Building materials purchased for the construction of the project are expected to be exempt from Missouri sales and use. The sales and use tax exemption benefit that would be the result of this LCRA Redevelopment Plan is estimated to be broken out as follows:*

- *The estimated Sales and Use Tax Savings \$1,261,597*
- *The Total Lee's Summit Sales and Use Tax being \$264,688.*
- *Lee's Summit % of Total Savings 20.98%*

*This financial benefit is approximately 1.73% of the total project costs*

*After the presentation, the LCRA Commissioners asked questions of the applicants and staff, then Chairman Fruits asked for a motion from the Commissioners.*

6. Resolution No. 2022-2 recommending approval of the Paragon Star Apartments LCRA Redevelopment Plan

*Commissioner White moved for adoption of Resolution 2022-1 recommending the City Council approve the Paragon Star Apartments LCRA Redevelopment Plan and take other actions to implement the redevelopment plan, seconded by Commissioner Haynes.*

*A vote was taken and the motion passed unanimously.*

7. Roundtable  
*Staff mentioned the need for an LCRA meeting next month and asked what dates worked best for the Commissioners. After discussion, it was agreed the next meeting would be Wednesday, July 20 at 3:00 p.m.*

8. Adjournment  
*After motion by Commissioner White, seconded by Commissioner Kneuvean, the LCRA voted unanimously to adjourn the meeting. Chairman Fruits adjourned the meeting at 4:15 pm.*