



LAND CLEARANCE FOR REDEVELOPMENT
AUTHORITY
LEE'S SUMMIT

July 20, 2022

3:00 p.m.

Meeting minutes

The July 20, 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 was absent.

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

Outside Parties: Curt Peterson with Polsinelli and Gary O'Dell, the Developer

1. Call to Order
Chairman Fruits called the meeting to order at 3:00 p.m. and stated Item. 6 was being removed from the agenda.
2. Approval of the September 22, 2021 Meeting Minutes
Commissioner White moved for approval of the September 22, 2021 meeting minutes, seconded by Commissioner Elliott. The September 22, 2021 meeting minutes were approved unanimously.
3. Approval of the June 22, 2022 Meeting Minutes
Commissioner Haynes moved for approval of the June 22, 2022 meeting minutes, seconded by Commissioner White. The June 22, 2022 meeting minutes were approved unanimously.
4. Public Hearing – LS Industrial LCRA Redevelopment Plan
Mr. Curt Peterson presented on behalf of the developer and introduced Mr. Gary O'Dell. He then provided an overview of the project which is located at the southeast corner of M-291 Highway and Bailey Road and consists of approximately 50 acres. The developer is proposing to build two industrial buildings of approximately 201,500 sf. and 393,120 sf., along with a surface lot for 103 trailer spaces. Mr. Peterson highlighted the \$1,700,000 public improvements this project would also provide to the area including a sanitary sewer main, water main and offsite public street improvements.

The estimated cost of the project is \$46,569,400 (excluding land). The developer is requesting reimbursement from two revenues sources which include Sales Tax Exemption on construction materials and Real Property Tax Abatement for 20 years.

The sales and use tax exemption benefit is estimated to be broken out as follows:

- *The estimated Sales and Use Tax Savings \$1,127,678*
- *The Total Lee's Summit Sales and Use Tax being \$256,132.*

- *Lee's Summit % of Total Savings 22.71%*

This financial benefit is approximately 2.42% of the total project costs.

Mr. Peterson then reviewed the information for the Real Property Tax Abatement/Payments in Lieu of Taxes; Public Improvements and provided the following information:

Property tax abatement:

Years 1 – 10

- *75% - Net tenant abatement*
- *20% - Approximate amount of Public Improvements Assessment imposed to reimburse public improvements*
- *5% - PILOT to taxing jurisdictions*

Years 11 – 20

- *50% - Net tenant abatement*
- *12% - Approximate amount of Public Improvements Assessment imposed to reimburse public improvements*
- *38% - PILOT to taxing jurisdictions*

He finished his presentation stating the annual real property taxes on this property is currently \$175 of which \$30 goes to the City.

However, if the Chapter 100 is approved (20 years)

- *Annual real property taxes are \$28,530 - \$966,000 (\$5,000 - \$166,000 to City),*
- *Total real property taxes: \$6.6 million (\$1.13 million to City) and the*
- *Excise taxes paid to City \$374,610*

***After 20-year Ch. 100 period, \$1.16 million annually (\$200,000 to City).*

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

5. *Resolution No. 2022-3 recommending approval of the LS Industrial LCRA Redevelopment Plan
Commissioner White moved for adoption of Resolution 2022-3 recommending the City Council approve the LS Industrial Redevelopment Plan and take other actions to implement the redevelopment plan, seconded by Commissioner Elliott.*
6. *Presentation and Discussion of LCRA proposal
(This Item was removed from the agenda.)*
7. *Roundtable
There were no roundtable topics or discussions.*
8. *Adjournment
After motion by Commissioner Haynes, seconded by Commissioner Elliott, the LCRA voted unanimously to adjourn the meeting. Chairman Fruits adjourned the meeting at 3:52 pm.*