

Legislation Details (With Text)

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| Title: | Presentation: Amendment to Cedar Creek Redevelopment Agreement and LCRA Redevelopment Plan for redevelopment at 1103 SW Oldham Parkway | | |
| Sponsors: | | | |
| Indexes: | | | |
| Code sections: | | | |
| Attachments: | 1. First Amendment to Redevelopment Agreement, 2. Redevelopment Agreement, 3. Ordinance 7472 (blight finding), 4. Ordinance 8973 CID Approval, 5. Ordinance 9042 Approve LCRA Plan, 6. CID Reimbursement Data, 7. LCRA Reimbursement Rates | | |

| Date | Ver. | Action By | Action | Result |
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Presentation: Amendment to Cedar Creek Redevelopment Agreement and LCRA Redevelopment Plan for redevelopment at 1103 SW Oldham Parkway

Issue/Request:

Amendment of the Redevelopment Agreement and LCRA Plan to authorize reimbursement of project costs associated with redevelopment of the former Pizza Hut site for a new restaurant. This is not a formal public hearing, but instead only a presentation to inform the City Council about the requested amendment to the reimbursement structure through the amended Redevelopment Agreement and amended LCRA Plan.

Key Issues:

Adjustment to reimbursement now that plans for redevelopment of the property at 1103 SW Oldham Parkway (former Pizza Hut site) is moving forward.

Proposed City Council Motion:

No motion as part of this presentation item; an ordinance is included on this agenda for Council action.

Background:

The Cedar Creek Community Improvement District (the "District") was formed on September 29, 2020, by the adoption of Ordinance No. 8973 in accordance with the Missouri Community Improvement District Act, Section 67.1401, et. seq., of the Revised Statutes of Missouri, as amended. This CID authorized reimbursement for redevelopment of the southern portion of the Cedar Creek shopping center (not including the Hy-Vee grocery store property) and the property at 1103 SW Oldham Parkway which is the former Pizza Hut site. This property was used for Covid testing during the Covid emergency period.

The Cedar Creek LCRA Redevelopment Plan (the "LCRA Plan") was approved by the City Council on January 5, 2021 through the adoption of Ordinance No. 9042. The LCRA Plan authorizes sales and use tax exemption on

the purchase of construction materials that will be used in the redevelopment project at the Cedar Creek shopping center and the property at 1103 SW Oldham Parkway.

The City, the District and Enterprises Cedar Creek, LLC (the “Developer”), executed the Redevelopment Agreement on February 17, 2021 to implement the incentives provided through the District and the LCRA Plan (the “Redevelopment Agreement”). The maximum amount of the incentives provided through these incentive tools was about \$1,499,000.

Developer has proposed a preliminary development plan (PDP) for redevelopment of the property located at 1103 SW Oldham Parkway, within the boundaries of the District, through demolition of the existing building and the construction of a new restaurant building and related improvements on the property. The PDP is currently being processed through the Development Services Department.

The Land Clearance for Redevelopment Authority (the “LCRA”) Board of Commissioners may approve modifications to the LCRA Plan pursuant to the authority granted in Section 99.430.1(10), RSMo. The LCRA Board of Commissioners has delegated all of its power and authority to implement the LCRA Plan to the City Council pursuant to LCRA Resolution 2020-1 which was approved on December 1, 2020. The City Council therefore has the authority to amend the LCRA Plan by ordinance.

Impact/Analysis:

Reimbursement data for the original redevelopment project:

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|-------------|-------------------------------|
| \$9.430,000 | Total project costs |
| \$1,499,000 | Approved reimbursement amount |
| 15.9% | Original reimbursement ratio |

Reimbursement data for the revised redevelopment project:

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|--------------|----------------------|
| \$10,630,000 | Total project costs |
| \$1,949,000 | Reimbursement amount |
| 18% | Reimbursement ratio |

The reimbursement ratio for these types of redevelopment projects has historically been roughly between 10% and 30%. The costs savings associated with the LCRA Plan is approximately the same at about 1% of total project costs.

Timeline:

If this amended reimbursement is approved, the real estate closing will occur promptly after the contract amendment is approved. The redevelopment work at the Shopping Center is projected to be completed in 2022. The Developer has not provided a timeline for construction of the new restaurant at 1103 SW Oldham Parkway, and the PDP application process is under way now.

Other Information/Unique Characteristics:

The amendment facilitates redevelopment of the former Pizza Hut property and adjusts the budget for the construction of a new restaurant at that property.

Curt Petersen, Polsinelli law firm
David Bushek, Chief Counsel of Economic Development & Planning
Mark Dunning, Assistant City Manager

Recommendation: Staff recommends approval of the requested amendments.

Committee Recommendation: The LCRA Board of Commissioners recommended approval of the original LCRA Plan. This amendment to the LCRA Plan did not require a new hearing before the LCRA Board and is only implementation of the original LCRA Plan.