

## Legislation Details (With Text)

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**File #:** BILL NO. 23-140      **Name:**

**Type:** Ordinance      **Status:** Passed

**File created:** 4/20/2023      **In control:** City Council - Regular Session

**On agenda:** 6/13/2023      **Final action:** 7/11/2023

**Title:** An Ordinance approving the Redevelopment Contract and the Lease Agreement between the City of Lee's Summit and Ellis Glen, LLC, to implement the Ellis Glen Land Clearance for Redevelopment Authority Redevelopment Plan.  
(Note: First read by Council on June 20, 2023.)

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Ordinance, 2. Exhibit A: Redevelopment Contract, 3. Exhibit B: Lease Agreement

Date	Ver.	Action By	Action	Result
7/11/2023	1	City Council - Regular Session	adopted and numbered	Pass
6/20/2023	1	City Council - Regular Session	advanced to second reading	Pass

An Ordinance approving the Redevelopment Contract and the Lease Agreement between the City of Lee's Summit and Ellis Glen, LLC, to implement the Ellis Glen Land Clearance for Redevelopment Authority Redevelopment Plan.  
(Note: First read by Council on June 20, 2023.)

Issue/Request:

Approval of contracts to implement the LCRA Redevelopment Plan that was approved in March 2023 for the Ellis Glen project.

Key Issues:

Approval of the Redevelopment Contract and Lease Agreement to implement the LCRA Redevelopment Plan to provide sales tax exemption on the purchase of construction materials and 75% real property tax abatement for a period of 25 years for the Ellis Glen development, as a reimbursement source for the redevelopment costs associated with the project.

Proposed City Council Motion:

I move for adoption of An Ordinance Approving the Redevelopment Contract and the Lease Agreement between the City of Lee's Summit and Ellis Glen, LLC, to Implement the Ellis Glen Land Clearance for Redevelopment Authority Redevelopment Plan.

Background:

On September 20, 2022, Developer made a conceptual incentive request to the City Council for the requested incentive package and received positive non-binding feedback from the Council.

On October 4, 2022, the City Council passed Ordinance No. 9514 which approved a rezoning from District RP-2 to District CBD, and a preliminary development plan for the proposed project.

On February 22, 2023, the LCRA Plan was presented to the LCRA Board of Commissioners, and the Board then passed Resolution 2023-1 which recommended approval of the LCRA Plan.

The Ellis Glen Land Clearance for Redevelopment Authority Redevelopment Plan was approved through the adoption of Ordinance No. 9643 on March 21, 2023. That ordinance was subject to the execution of a Redevelopment Contract and Lease Agreement to implement the Redevelopment Plan, and this ordinance will satisfy that condition.

The proposed development provides for the design, development, and construction of a single three-story mixed-use building with the surface parking lot located to the rear of the building. The first floor of the building will be approximately 8,000 square feet of commercial office space. Floors two and three will be a mix of studio, one-and-two-bedroom apartments and approximately 24,000 square feet, respectively, along with all associated onsite and offsite sitework and infrastructure, including utilities, stormwater management, street/drive and parking improvements, and landscaping.

To implement the LCRA Plan, the City will become the fee owner of the project through the life of the incentive period and lease the property to the Ellis Glen, LLC (the “Developer”). The Lease Agreement will accomplish this lease arrangement to implement the tax abatement incentive.

#### Impact/Analysis:

Some of the key features of the Redevelopment Contract and Lease Agreement are summarized as follows:

- Abatement Implementation: Developer will make a Payment In Lieu of Taxes (PILOT) each year during the life of the abatement period, which is 25 years. The PILOT will be 25% of the taxes that would otherwise be due and payable on the property. In order to provide an established level of PILOTs during the payment period, the Contract provides that the County’s valuation of the property will be used to measure the 25% PILOT while development is occurring.
- Redevelopment Schedule: Developer is required to comply with the schedule of development that is attached to the Contract. Developer may request up to a one-year extension of time to commence and/or complete the development. Such request for an extension may be granted by the City Manager. Failure to comply with the schedule, as extended by the City, allows the City to terminate the real property tax abatement.
- Lease Safeguards and Protections: A significant number of protections are built into the Lease, which are summarized in the attachment “LCRA Lease Protections.”
- Rental space: Developer may lease space to tenants and commercial users (office or retail space) in the normal course of renting such space without approval of the City.

#### Timeline:

Start: Construction of the project is expected to commence this year

Finish: Project is expected to be finished in 2024

David Bushek, Chief Counsel of Economic Development & Planning

Recommendation: The LCRA Board of Commissioners recommended approval of a contract to implement the LCRA Redevelopment Plan.