

Legislation Details (With Text)

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Title: Public Hearing - Redevelopment Plan for the Princeton Redevelopment Area pursuant to the Land Clearance for Redevelopment Authority Act.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit List 7-9-19, 2. Staff Report (7-9-19), 3. Lease Protections, 4. The Princeton Redevelopment Plan - June 19 2019, 5. Blight Study

| Date | Ver. | Action By | Action | Result |
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| 7/9/2019 | 1 | City Council - Regular Session | presented | |

Public Hearing - Redevelopment Plan for the Princeton Redevelopment Area pursuant to the Land Clearance for Redevelopment Authority Act.

Issue/Request:

Public Hearing for the Redevelopment Plan for the Princeton Redevelopment Area

Key Issues:

This is a public hearing as required by Section 99.430.1(8), RSMo to consider the proposed Redevelopment Plan for the Princeton Redevelopment Area pursuant to the Land Clearance for Redevelopment Authority Act. The proposed Redevelopment Area contains approximately 37 acres at the southeast quadrant of Ranson Road and Highway 50. The Redevelopment Plan will allow the applicant to receive sales tax exemption on the purchase of construction materials for a senior care facility that is proposed on the eastern 12 acres of the Redevelopment Area. This is estimated to provide about \$752,000 in savings on a \$35.5 million project, which is a 2.1% incentive.

Proposed City Council Motion:

No motion required as part of the public hearing. The Council may approve the Redevelopment Plan by ordinance.

Background:

The property is currently owned by Metcalf Bank and has remained in an undeveloped state despite the City's approval of the East US 50 Highway Corridor Tax Increment Financing Plan (the "TIF Plan") pursuant to the Real Property Tax Increment Redevelopment Act ("TIF Act") through the adoption of Ordinance No. 6551 on December 13, 2007. That ordinance included a finding that the property was blighted pursuant to the definition of "blighted area" in the TIF Act. The ability to activate the collection of TIF revenues pursuant to that TIF Plan has expired.

A 12-acre parcel is being purchased by Lee’s Summit Senior Community, LLC (the “**Developer**”), a single purpose entity managed by O’Reilly Development Company, LLC, based in Springfield, Missouri, on the south side of Highway 50 and west of Ranson Road. The City Council previously approved a preliminary development plan for this project through the adoption of Ordinance No. 8612 on April 9, 2019.

Developer has submitted the Redevelopment Plan for the Princeton Redevelopment area pursuant to the Land Clearance for Redevelopment Authority Act (“**LCRA Act**”) as set forth in Section 99.400 to 99.715 of the Revised Statutes of Missouri. The Redevelopment Project is proposed to consist of “The Princeton” which will contain approximately 153 units which will contain 91 independent living units, 44 assisted living units, and 18 memory care units. The project is projected to create 65 new jobs.

The proposed LCRA Redevelopment Area contains approximately 37 acres at the southeast quadrant of Ranson Road and Highway 50. Developer is purchasing the eastern approximately 12 acres, and this is the only Redevelopment Project that is the subject of this application.

The applicant is requesting a public incentive in the form of sales tax exemption on construction materials, as a method of offsetting the costs associated with building sewer improvements that will provide sewer service to the subject property and the remainder of the Redevelopment Area that is not being purchased by Developer. The incentive is estimated to provide about \$752,000 in savings on a \$35.5 million project, which is a 2.1% incentive.

The LCRA Board of Commissioners adopted Resolution 2019-2 on June 26, 2019, which:

- recommended that the City Council approve the Redevelopment Plan
- recommended that the Developer be designated as the developer of record for the Redevelopment Project
- recommended that the City Council approve a redevelopment contract to implement the Redevelopment Project
- approved a funding agreement for the project and
- delegated to the City all of the LCRA Board’s authority to implement the Redevelopment Plan.

Impact/Analysis:

The requested incentive will provide about \$752,000 in savings on a \$35.5 million project, which is about 2.1% of the total project costs. Most of the Developer’s construction materials are expected to be purchased outside of the City, and the projected lost sales tax revenues for the City is estimated to be about \$21,500 (see Redevelopment Plan Exhibit C, Tax Analysis of Project). The remaining about \$731,000 in lost sales tax revenues will affect other sales taxing jurisdictions (State, County and Zoo District).

Timeline:

Developer has indicated that it will purchase the 12-acre parcel and start the project this year.

Other Information/Unique Characteristics:

This is the first “stand alone” redevelopment plan that the Council will consider pursuant to the LCRA Act to provide sales tax exemption on the purchase of construction materials. The Council approved an LCRA Redevelopment Plan earlier this year for the downtown Cityscape apartments project, but the LCRA Plan was a companion to the TIF Plan that was also approved by the Council for that project. This incentive, through an LCRA Redevelopment Plan, is a streamlined approach to providing sales tax exemption as an economic

incentive.

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