

Background:

On July 12, 2018, Cityscape Residential presented a conceptual economic development incentive request to the Mayor and City Council and received feedback to proceed with preparing the proposed development plan and incentive request to bring forward for formal consideration. At that time, the proposal was to utilize Tax Increment Financing (TIF) for the redevelopment project which included removing all of the existing buildings from the site for redevelopment. On July 26, 2018, the Mayor and Council adopted Ordinance No. 8431 approving a Funding Agreement for the project. Since the July 2018 considerations, Cityscape has explored the proposed project further and is now considering repurposing the 1922 church sanctuary to incorporate the building within the development for uses related to the multi-family project.

The proposed redevelopment project entails removal of the existing buildings on the site with the potential exception of the 1922 church sanctuary building and constructing approximately 274 market-rate luxury multi-family dwelling units with amenities and structured parking. The proposed redevelopment project is envisioned to be a 4 story multi-family development with elevators served by structured parking situated within the development (commonly referred to as a "wrap") where the structured parking will be designed such that entry into each floor level may be accommodated from the parking structure. The proposed parking structure is envisioned to serve only the proposed multi-family project and not serve as general public parking.

The proposed redevelopment is estimated to be a \$53.1mm redevelopment project and the developer is seeking public incentives to assist with the cost to design and construct the estimated \$8.3mm structured parking aspect of the redevelopment project. The developer is seeking public incentives through Tax Increment Financing (TIF) whereby the real property tax increment created by the redevelopment project may be captured and redirected to assist with funding the structured parking component or other identified and approved reimbursable costs associated with the redevelopment project. In addition to the TIF, the developer is seeking a Chapter 100 incentive to provide for a sales tax exemption on construction materials for the project.

As the property is currently tax exempt under the Church's ownership, the base assessed value by which the property tax increment will be measured will not be established at zero. Should the developer acquire the property, the property would become taxable and the 2018 assessment for the property reflects a \$1,003,436 assessed value which would establish the base for the TIF. Should the developer close on the property and with an assessed value of \$1,003,436 approximately \$101,932 in real estate taxes would begin flowing to the various taxing jurisdictions due to the sale of the property.

Timeline:

Start: 2019

Finish: 2022

Other Information/Unique Characteristics:

The 2004 Downtown Master Plan identifies within the Preferred Framework Plan the potential market absorption of 300 - 450 dwelling units within the downtown core through the year 2020. The Preferred Framework Plan suggests an "increase in the housing stock to include rental and for-sale multi-family, medium to high-density single family and townhome units, and entry level projects where infill opportunities or underutilized lands exist."

Within the Unified Development Ordinance (UDO) residential development proposed within the downtown

core or the Old Lee's Summit Area (bound by Chipman Road to the north, US 50 Hwy on the west and south, and M-291 North on the east) is required to provide adequate parking for the development. In other words, on-street and other available public parking may not be considered for meeting the parking demand(s) for the proposed development. Therefore in attempting to bring more residential density to the downtown core or the Old Lee's Summit Area, in order to provide adequate parking for residential density, structured parking is being considered which comes at a considerably higher cost than does a surface parking lot.

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