

guideline of 50% for 10 years; or 100% for 5 years.

Proposed City Council Motion:

If in favor of proceeding with the proposal: I move to authorize the applicant and staff to proceed with the preparation of a Land Clearance for Redevelopment Authority Redevelopment Project Application in accordance with the adopted Economic Development Incentive Policy and Land Clearance for Redevelopment Authority procedures and processes.

Background:

On December 8, 2016, the City Council adopted Ordinance #8038, approving the Cowork - Lee's Summit Preliminary Development Plan. The location of the property is located within the existing Downtown LCRA Urban Renewal Area known as "Project No. MO R-47 Lee's Summit, Missouri" Urban Renewal Area.

Impact/Analysis:

Staff has prepared a rough estimate on the real property tax increment that could be anticipated after the property purchase and investment/redevelopment of the property.

210 SW Market Street parcel:

The base property tax liability with no improvements is estimated to be \$18,035 annually. SF003, LLC is requesting a 50% abatement in establishing the base property tax liability for this parcel. Assuming a \$950,000 investment, the estimated annual property tax increase (increment) is approximately \$13,393. SF003 is requesting 100% abatement on this property tax increment for a period of 10 years. The total requested annual abatement would therefore be \$22,410.50 and over a ten year period would be \$224,105.

211 SW Jefferson Street parcel:

The base property tax liability with no improvement is estimated to be \$2,615 annually. As the proposed improvements to this parcel are related to parking lot and site improvements (no proposed building or structures) - there is no noticeable increment to potentially abate through the LCRA process.

Under these assumptions (if the request were to be approved) - approximately \$11,632.50 in property tax revenue would begin to flow through to the respective taxing jurisdictions while \$22,410.50 would be abated on an annual basis for a 10 year period.

Other Information/Unique Characteristics:

Should the Council wish to proceed with a LCRA Redevelopment Project Application, SF003 LLC would be required to submit a formal LCRA application and application fee. The application would first be considered by the LCRA, who would make a recommendation to the City Council on the proposal. The City Council would then formally consider the application along with the recommendation provided by the LCRA.

Presenter: Ben Rao, SF003, LLC - applicant & Mark Dunning, Assistant City Manager, Development Services and Communications.