

Legislation Details (With Text)

File #: 2018-2087 **Name:**
Type: Public Hearing - Legislative **Status:** Filed
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Title: Public Hearing - Summit Orchards Community Improvement District; Summit Orchards Partners LLC, applicant

Sponsors:

Indexes:

Code sections:

Attachments: 1. Summit Orchard CID (as filed with designated City Representative), 2. Gilmore Bell memorandum, 3. Summit Orchards Presentation, 4. Summit Orchards Budget for CID, 5. Site Plan

Date	Ver.	Action By	Action	Result
6/7/2018	1	City Council - Regular Session	received and filed	

Public Hearing - Summit Orchards Community Improvement District; Summit Orchards Partners LLC, applicant

Issue/Request:

Public Hearing - Summit Orchards Community Improvement District; Summit Orchards Partners LLC, applicant

Key Issues:

Summit Orchards Partners LLC is requesting the formation of a Community Improvement District (CID) for a proposed retail/restaurant development in an area known as Summit Orchards generally bound by Chipman Road to the south, Outerview and Ward Road on the west and Donovan Road on the east & north. Summit Orchards Partners LLC is requesting reimbursement for certain public improvements within the development including:

- * West bound Chipman Road right-in/right-out (public road)
- * Ward Road median adjustment(s) and right turn lane (public road)
- * Chipman Road entry/internal drive (private road for public use)
- * East/West internal drive and utility construction (private road for public use)
- * Outerview Road improvements (private road for public use)
- * North/South entry and internal drive from Donovan Road (private road for public use)
- * Site development and land reimbursement for approximately .33 acres of public use
- * Pylon signage, gateway features, public art, social space
- * Contingency, soft costs, legal fees, etc. related to the public improvements

Summit Orchards Partners LLC is requesting the creation of the Community Improvement District to impose a sales and use tax of up to 1% on all taxable retail sales within the boundaries for reimbursement of the public improvements and eligible costs.

See additional information provided in Gilmore & Bell's memorandum attached to this packet.

Proposed City Council Motion:

No motion necessary - an ordinance has been prepared for first reading should the Mayor and Council wish to approve the creation of the Summit Orchards Community Improvement District.

Background:

The preliminary development plan for this development was approved by the City Council by Ordinance No. 7885 on May 19, 2016.

A conceptual economic development incentive request to create the Summit Orchard CID was presented to the Mayor and Council on May 17, 2018 and direction was provided to the applicant and staff to formally prepare the request for consideration through first reading of the ordinance to approve the Funding Agreement for this CID project.

The attached memorandum from Gilmore & Bell provides a full summary of the project and background.

The Petition provides for an approximately \$49.5 million shopping center project on about 17 acres of property located at north of Chipman Road and to the east and west of Ward Road. The total requested CID reimbursement is about \$3.5 million, which is about 7.13% of the total project costs.

The CID is proposed to fund public improvements, including improvements in City rights-of-way and improvements that will be interior to the project. The CID funding source would be a 1% sales tax on new development in the project which would provide reimbursement to developer. The CID sales tax will be in effect until the developer has been reimbursed with interest, but the CID will not last longer than 25 years.

The Ordinance prepared for this matter provides that if a Cooperative Agreement is not entered into between the City and the District within 6 months, the Council can take action to nullify and render void the approval and formation of the CID.

Impact/Analysis:

If the CID is created an additional 1% sales tax will be imposed on all taxable retail sales within the boundaries until eligible costs are reimbursed. After reimbursement of the public improvements a reduced sales tax rate could be imposed in order to fund ongoing CID maintained public improvements such as the internal drives and public space within the development. The proposed maximum duration of the CID is 25 years.

Timeline:

The developer has indicated that construction of the project would begin this year if the CID is approved by the City.

Mark Dunning, Assistant City Manager
David Bushek, Gilmore & Bell, P.C. - City's Economic Development Counsel
Ferdinand Niemann IV, Summit Orchards Partners, LLC
David Christie, Summit Orchards Partners, LLC