

## Legislation Text

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**File #:** 2016-0240, **Version:** 2

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Public Hearing for a Plan for an Industrial Development Project for Summit Residence, LLC for the Summit Square Apartment Project

Issue/Request:

Public Hearing for a Plan for an Industrial Development Project for Summit Residence, LLC for the Summit Square Apartment Project

Key Issues:

This is a Plan for an Industrial Development Project under Sections 100.010 to 100.200 of the Revised Statutes of Missouri. This agenda items concerns the public hearing for the consideration and approval of the Plan, which is attached together with the associated cost-benefit analysis. the lease agreement, bonds and other documents related to this Project are included in the ordinance agenda item later in the May 19th agenda. All affected taxing jurisdictions were provided with notice of this public hearing.

The proposed project submitted by Summit Residence, LLC (Company) entails a 310 unit market rate multi-family housing development with amenities and associated site work and infrastructure for the approximate 15 acre site.

The project is estimated to cost approximately \$36,000,000 consisting of an investment in year 2016 in the amount of \$10,000,000 and an investment in year 2017 of \$26,000,000. The Company proposes that the City purchase the Project through the issuance of taxable industrial development revenue bonds. This would provide real property tax exemption for 11 years for the Project. During this 11 year period the Company would be required to submit payments in lieu of taxes in the amounts specified in Exhibit 4 of the Plan (attached).

The Plan also call for the City to lease the Project to the Company pursuant to the terms of the proposed lease agreement which is included with the ordinance approving the Plan. The ordinance is included later on the May 19th agenda. The lease payments collectively would equal the principal and interest on the revenue bonds. The lease would continue until the bonds are paid off, at which point the Company may purchase the Project.

The bonds will be payable solely from the revenues derived by the City from the lease. The bonds will not be an indebtedness or general obligation, debt or liability to the City.

Proposed City Council Motion:

I move to direct staff to present AN ORDINANCE APPROVING A PLAN FOR AN INDUSTRIAL DEVELOPMENT PROJECT FOR SUMMIT RESIDENCE, LLC, A MISSOURI LIMITED LIABILITY COMPANY, CONSISTING OF THE CONSTRUCTION AND IMPROVEMENT OF A COMMERCIAL FACILITY FOR THE COMPANY; AUTHORIZING THE CITY OF LEE'S SUMMIT, MISSOURI TO ISSUE ITS TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BONDS

(SUMMIT SQUARE APARTMENTS PROJECT), SERIES 2016, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$36,000,000 TO FINANCE THE COSTS OF SUCH PROJECT; AUTHORIZING AND APPROVING CERTAIN DOCUMENTS; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF THE BONDS.

Background:

On February 11, 2016 a Conceptual Presentation was made to the City Council by Northpoint Development, seeking direction to proceed with preparing a Chapter 100 incentive request for the market rate multi-family apartment complex proposed for the Summit Orchard development. City Council reached consensus to direct staff to proceed with the incentive request and development process to bring the project forward for consideration.

At the May 19th City Council meeting, the Council will consider the Preliminary Development Plan (PDP) for the Summit Orchard development. Should the PDP be approved, Northpoint Development would submit a Final Development Plan (FDP) for their Summit Square Apartment project which may be considered and approved administratively should all codes and standards be met, and no modifications or waiver be requested. At this time the FDP for the Summit Square Apartment project has not been submitted for review and approval.

Impact/Analysis:

See attached Plan and Cost Benefit Analysis

Timeline:

Start: \_\_\_\_

Finish: \_\_\_\_

Other Information/Unique Characteristics:

[Enter text here]

Presenter: Rich Wood, Gilmore & Bell, P.C., City's Economic Development Legal Counsel

Recommendation: Staff is recommending approval of the Plan

Committee Recommendation: [Enter Committee Recommendation text Here]