

Legislation Text

File #: BILL NO. 17-154, **Version:** 1

AN ORDINANCE APPROVING A LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY REDEVELOPMENT PROJECT, COLEMAN EQUIPMENT, PURSUANT TO THE PROVISIONS OF THE LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY LAW, SECTIONS 99.300 TO 99.660 RSMo.

(NOTE: First Reading - July 13, 2017.)

Issue/Request:

AN ORDINANCE APPROVING A LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY REDEVELOPMENT PROJECT, COLEMAN EQUIPMENT, PURSUANT TO THE PROVISIONS OF THE LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY LAW, SECTIONS 99.300 TO 99.660 RSMo.

Key Issues:

Coleman Equipment is pursuing a redevelopment project which entails 3 parcels addressed as 4101 NE Lakewood Way, inclusive of parcels 43-540-01-21-01-1-00-000, 43-54-01-21-01-3-00-000 and 43-54-01-22-02-0-00-000 as referenced in the attached site map. Coleman Equipment is requesting a 100% abatement on the incremental increase in value of the property for a 5 year period. The estimated annual property tax abatement is \$106,397.00 per year and over the 5 year period is estimated to be approximately \$531,985.00.

Proposed City Council Motion:

I move for adoption of AN ORDINANCE APPROVING A LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY REDEVELOPMENT PROJECT, COLEMAN EQUIPMENT, PURSUANT TO THE PROVISIONS OF THE LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY LAW, SECTIONS 99.300 TO 99.660 RSMo.

Background:

Coleman Equipment proposes to redevelop 12.8 acres of property currently owned Planned Mixed-Use (PMIX) with 6.71 acres of the site proposed for the Coleman Equipment development. The remaining acreage is proposed to be developed at a future date for other potential uses. Coleman Equipment proposes to construct a 14,000 sf facility (6,690 sf dealership & 5,500 sf service & repair area). The proposed development includes an outdoor equipment display area. The proposed project investment includes \$1,937,550 in building improvements and \$1,386,369 in site & utility improvements.

The requested abatement (100% for 5 years) is within the City's Economic Development Incentive Policy as the request is for 50% of the maximum abatement afforded through the LCRA incentive (100% for 10 years maximum).

Impact/Analysis:

Should the City Council approve the LCRA recommendation and adopt the attached ordinance, the estimated amount of the tax abatement over the 5 year period is approximately \$531,985.00.

Coleman Equipment is currently located in a neighboring community and is looking to relocate and expand its business within Lee's Summit. The relocation will result in 11 existing employees relocating to the new location with a potential increase of 11 new positions. 5 of the existing positions and 2 of the proposed new positions will be at or above the Jackson County average wage of around \$52,800.

Approximately 60% of sales is taxable, therefore sales tax revenue would be generated from the business.

Timeline:

Start: The project is scheduled to commence in the middle of August 2017

Finish: Proposed completion date for the project is mid-March 2018

Presenter:

Kevin Tubbesing, Principal & Broker, The Land Source representing Coleman Equipment

Donna Gordon, Land Clearance for Redevelopment Authority Chairman

Mark Dunning, Assistant City Manager

Committee Recommendation:

The Land Clearance for Redevelopment Authority voted 3 yes - 1 no (one commissioner absent) to recommend a 100% abatement on the incremental increase in value of the property over a 5 year period.