

Legislation Text

File #: BILL NO. 16-274, **Version:** 1

AN ORDINANCE APPROVING A PLAN FOR AN INDUSTRIAL DEVELOPMENT PROJECT FOR M150 ECHELON LAND DEVELOPMENT, 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 (RESIDENCES AT ECHELON PROJECT), SERIES 2017, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$27,000,000 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.

Issue/Request:

AN ORDINANCE APPROVING A PLAN FOR AN INDUSTRIAL DEVELOPMENT PROJECT FOR M150 ECHELON LAND DEVELOPMENT, 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 (RESIDENCES AT ECHELON PROJECT), SERIES 2017, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$27,000,000 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.

Key Issues:

This ordinance will approve a Plan for an industrial development project by M150 Echelon Land Development, LLC (the "Company") as the developer of a luxury apartment complex (the "Project"), authorize the City to issue Chapter 100 bonds in a principal amount not to exceed \$27,000,000 to finance the costs of the Project, authorize and approve the Bond Purchase Agreement, Lease, and Performance Agreement between the City and the Company, and authorize and approve the Indenture between the City and BOKF, N.A. (the "Trustee").

Proposed City Council Motion:

First Motion: AN ORDINANCE APPROVING A PLAN FOR AN INDUSTRIAL DEVELOPMENT PROJECT FOR M150 ECHELON LAND DEVELOPMENT, 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 (RESIDENCES AT ECHELON PROJECT), SERIES 2017, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$27,000,000 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. I move for second reading.

Second Motion: AN ORDINANCE APPROVING A PLAN FOR AN INDUSTRIAL DEVELOPMENT PROJECT FOR M150 ECHELON LAND DEVELOPMENT, 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 (RESIDENCES AT ECHELON PROJECT), SERIES 2017, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$27,000,000 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. I move for adoption.

Background:

The project consists of the design and construction of the Residences at Echelon, a 243-unit luxury apartment complex at the northwest corner of 291 and 150 Highways. The Company will receive tax abatement under Chapter 100 on the real property included in the project. However, the Company will make fixed Payments in Lieu of Taxes in accordance with the following schedule:

2017	\$ 20,421.00
2018	\$ 113,602.50
2019-21	\$ 227,205.00
2022-26	\$ 232,794.00
2027-28	\$ 238,626.00

The PILOT schedule was set based on a per unit tax that is equivalent to what was approved for the Residences at Longview and Summit Square projects. The Company and City staff will provide additional information regarding the PILOT schedule during Council presentations.

It is also anticipated that the construction materials used to construct the Project will be exempt from state and local sales taxes.

Timeline:

The Project is expected to be constructed during the years 2017 and 2018.