

## Legislation Text

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**File #:** 2022-4628, **Version:** 1

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Review and Discussion of Economic Development Incentive Policy and incentives related to multi-family projects

Issue/Request:

Review and Discussion of Economic Development Incentive Policy and incentives related to multi-family projects

Key Issues:

At a prior City Council meeting, the Mayor and Council requested staff revisit the 2017 Multi-family market demand study and further requested to review the adopted Economic Development Incentive Policy with respect to the utilization of incentives toward multi-family development.

Attached to this packet is the current adopted Economic Development Incentive Policy as well as a process flow chart that will be reference during the presentation. Staff will be presenting how the policy is utilized when considering multi-family developments as well as the process used to consider incentive applications for multi-family projects. Mayor Pro Tem Lopez assigned the matter to the Community and Economic Development Committee (CEDC) for consideration.

Background:

Starting in 2014/2105 the City began utilizing "Chapter 100" incentives for the development and construction of multi-family housing. The "Chapter 100" incentive utilized for a majority of the multi-family projects entailed establishing 10-year fixed payment in lieu of taxes ("PILOTS") and providing for sales tax exemption on construction materials for the projects. Since the City began utilizing the Chapter 100 incentive for multi-family, there have been eight multi-family projects that have utilized the Chapter 100 structure in some form or another. Other incentive programs that have been used for residential projects on a more limited basis include Land Clearance for Redevelopment Authority (LCRA), Chapter 353 Redevelopment Plans, and Tax Increment Financing. Attached to this packet is a visual outlining the use of incentives for residential development within Lee's Summit.

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