

Legislation Text

File #: 2016-0196, **Version:** 2

Presentation & Discussion - Land Clearance for Redevelopment Authority (LCRA) application & request, Minsky's Pizza, 1251 NE Rice Road

Issue/Request:

Mr. Parker, Owner and Operator of Minsky's Pizza is requesting the City Council consider allowing building permit(s) to be issued prior to his LCRA application being fully considered and approved.

Key Issues:

Mr. Steve Parker, Owner and Operator of Minsky's Pizza submitted a LCRA redevelopment project application for consideration and processing on May 2, 2016. Mr. Parker is requesting a 100% abatement for 5 years for the redevelopment of the former Tanners" building located at 1251 NE Rice Road. Although this request does not require a conceptual presentation to the Mayor and Council per the Economic Development Incentive Policy (level of abatement requested is at or below the incentive guideline that requires a conceptual presentation), Mr. Parker is ready to obtain demolition and building permits at this time. Mr. Parker is requesting Council consideration to allow permits to be obtained prior to the LCRA redevelopment project being formally and fully considered by the LCRA and City Council.

Proposed City Council Motion:

Should the Council find it acceptable to allow building permit(s) prior to full consideration of the LCRA application: Council may direct staff to issue the building permits while the LCRA application is processed.

Background:

Assistant City Manager Mark Dunning has been in discussion with Mr. Steve Parker (owner/operator) of Minsky's Pizza since early February 2016 regarding the potential relocation of the restaurant from the current location in the Valle Vista Shopping Center to the former Tanners building located at 1251 NE Rice Road. Mr. Parker inquired about the use of LCRA as he was performing due diligence and considering purchase of the property. Mr. Dunning shared with Mr. Parker the property was located within an existing LCRA Urban Renewal Area and briefly explained to him how the redevelopment tool is utilized.

Subsequent to the February discussion, on March 17, 2016 Conrad Lamb and Mark Dunning met with Mr. Parker to review information regarding the potential purchase of the property, proposed investment and in more detail explained the overall LCRA process with him. Unbeknown to staff at the time, Mr. Parker was under the impression he should not submit a LCRA application until such time that he closed on the property and became the property owner. Subsequent to that meeting, Mr. Parker moved very quickly through the design process in hiring a design professional, submittal of building permit plans and closed on the property. Mr. Parker was unclear that submission of the LCRA application should ideally accompany the redevelopment plans or be submitted prior to submission of the redevelopment plans so that the economic incentive and development review processes run concurrently. At this time, the redevelopment plans/building permit for the project have now been approved and are pending issuance to begin the renovation work.

After having learned of the status of the permit application, on May 2, 2016 staff communicated to Mr. Parker that if he

intended on pursuing LCRA - issuance of the permit could jeopardize the consideration of an LCRA application/request as the City's Economic Development Policy contains a provision which states "The City Council will not consider or grant incentives for projects that have received any type of building permit excluding the land disturbance permit." On May 2, 2015, Mr. Dunning further explained the Economic Development Policy provisions with Mr. Parker and he shared his misunderstanding of how the processes (development and incentives) work together. Mr. Dunning immediately sent Mr. Parker an LCRA application and he quickly substantially completed the LCRA application and faxed it back to staff on May 2, 2016. In discussion with Mr. Parker - he explained his full intent on making application to the LCRA for consideration for the redevelopment project.

On May 4, 2016, Conrad Lamb and Mark Dunning met with Mr. Parker to calculate the very preliminary estimate of the property tax abatement that could be realized if a 100% abatement over a 5 year period was approved (see attached).

At this time Mr. Parker's building contractor is ready to begin work on the redevelopment, however Mr. Parker does not want to jeopardize the potential abatement that may be realized by obtaining any building permits.