

Legislation Text

File #: 2016-0770, **Version:** 1

Public Hearing - Plan for an Industrial Development Project for M150 Echelon Land Development LLC, for the Residences at Echelon Apartment Project

Issue/Request:

Public Hearing - Plan for an Industrial Development Project for M150 Echelon Land Development LLC, for the Residences at Echelon Apartment Project

Key Issues:

This is a Plan for an Industrial Development Project as required under Sections 100.010 to 100.200 RsMO (Chapter 100). The public hearing is conducted to consider the approval of the plan which is attached along with the cost benefit analysis. If approved, the ordinance approving the Lease Agreement, Bond Purchase Agreement, Indenture, and Performance Agreement is provided later on the December 15, 2016 agenda. Notice of the public hearing was sent to all affected taxing jurisdictions regarding the Plan.

The project consists of the design and construction of the Residences at Echelon, a 243-unit luxury apartment development with onsite amenities on approximately 12.6 acres 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 (PILOTS) 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.

Proposed City Council Motion:

I move to direct staff to present 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.

Background:

On November 3, 2016 the City Council approved a rezoning and preliminary development plan for The Residences at Echelon by a vote of 5 - 3. Also on November 3, 2016 a conceptual economic development incentive presentation was made and the City Council provided staff and the developer direction to proceed with preparing the Chapter 100 incentive request for formal consideration.

Timeline:

The project is expected to be constructed during 2017 and 2018.

Presenter: Evan Fitts, Polsinelli Law Firm, Developer's legal counsel and Rich Wood, Gillmore & Bell, P.C., City's Economic Development Counsel