

Legislation Text

File #: 2022-5019, **Version:** 1

Public Hearing: Paragon Star Apartments LCRA Redevelopment Plan; Gold Crown Properties, Inc., applicant

Issue/Request:

This is a public hearing for the Paragon Star Apartments LCRA Redevelopment Plan, which would provide sales and use tax exemption on construction materials for the Apartments to be constructed for the project by Gold Crown Properties, Inc., and Altus Equity (collectively the "Developer").

Key Issues:

Public hearing to consider the LCRA Redevelopment Plan for the Apartments.

Background:

Paragon Star Incentive History

The City approved the original Paragon Star Tax Increment Financing (TIF) Plan through the adoption of Ordinance No. 7833 on March 10, 2016. The City approved the First Amendment to the TIF Plan through the adoption of Ordinance No. 8946 on September 8, 2020. The City and Paragon Star, LLC (the "Developer") executed the Amended and Restated TIF Contract on September 8, 2020 (the "TIF Contract").

The City Council has also approved other incentives for the Project. The City Council approved the I-470 and View High Community Improvement District ("CID") through the adoption of Ordinance No. 7762 on December 3, 2015. The City Council approved Paragon Star Neighborhood Improvement District ("NID") through the adoption of Ordinance No. 9234 on September 7, 2021 for the purpose of providing credit enhancement for the issuance of revenue bonds for the project. The City has adopted numerous other ordinances in connection with the incentives for the project, that are itemized in the attached ordinances and resolutions log for the project.

The Western Gateway Transportation Development District ("TDD") was approved by the Jackson County Circuit Court on May 24, 2018. The TDD issued the Transportation District Sales Tax Bonds in February 2019 in the total amount of approximately \$31,773,000 which are funding the road improvements, bridges and the interchange improvements.

New Incentive Request

Developer is requesting that the City approve an LCRA Redevelopment Plan for the purpose of provide sales and use tax exemption on the purchase of construction materials that are used to construct the apartments.

LCRA Proceedings

The LCRA Board of Commissioners held a public hearing on June 22, 2022 and adopted a resolution recommending approval of the Apartments LCRA Plan.

Impact/Analysis:

Gold Crown has calculated that the sales and use tax exemption request will result in a savings of approximately \$1,262,000 to the company. The impact to the City of Lee's Summit from this request is projected to be about \$265,000.

Timeline:

The Apartments construction is expected to commence this year.

Curt Petersen, Polsinelli Law Firm

Mark Dunning, Assistant City Manager

David Bushek, Chief Counsel of Economic Development and Planning

The LCRA Board of Commissioners approved a resolution that recommended approval of the Apartments LCRA Plan to the City Council.