

Legislation Text

File #: 2018-2196, **Version:** 1

Public Hearing for a Plan for an Industrial Development Project for Summit Residence II, LLC for the Summit Square II multi-family development project.

Issue/Request:

Public Hearing for a Plan for an Industrial Development Project for Summit Residence II, LLC for the Summit Square II multi-family development project.

Key Issues:

This is a Plan for an Industrial Development Project under Sections 100.010 to 100.200 of the Revised Statutes of Missouri. This agenda item concerns the public hearing for the consideration and approval of the Plan, which is attached together with the associated cost-benefit analysis. The Lease Agreement, Bonds and other documents related to this Project are included within the ordinance agenda item later in the August 9th meeting agenda. All affected taxing jurisdictions were provided with notice of this public hearing in accordance with state statute.

The proposed project submitted by Summit Residence II, LLC (Company) entails the construction of a 326 unit market-rate multi-family housing development consisting of approximately 5 buildings along with associated amenities including site work, infrastructure and parking. The project is estimated to cost approximately \$48,460,000 and the Company proposes that the City purchase the Project through the issuance of taxable industrial development revenue bonds. This would provide real property tax exemption for 12 years for the Project. During this 12 year period, the Company would be required to submit Payments in Lieu of Taxes (PILOTS) in the amounts specified on page 3 of the Plan (attached to this packet).

The Plan also calls for the City to lease the Project to the Company pursuant to the terms of the proposed lease agreement which is included within the ordinance adopting the Plan. The ordinance is included later on the August 9th agenda. The lease payments collectively would equal the principal and interest on the revenue bonds. The lease would continue until the bonds are paid off, at which point the Company may purchase the Project. The bonds will be payable solely from the revenues derived by the City from the lease. The bonds will not be an indebtedness or general obligation, debt or liability to the City.

Proposed City Council Motion:

No motion necessary - if the Mayor and Council are in favor of approving the project, an ordinance has been placed later on the agenda for first reading.

Background:

On June 28, 2018 a conceptual economic development incentive presentation was made to the Mayor and City Council by NorthPoint Development seeking direction to proceed with preparing this Chapter 100 incentive request for the Summit Square II multi-family development. The Mayor and City Council directed NorthPoint and staff to proceed with preparing the incentive request and present to the Mayor and Council

for formal consideration.

Other Information/Unique Characteristics:

In preparing these Chapter 100 incentive requests for multi-family development projects staff attempts to best estimate what the fixed PILOT payments would be such that the fixed PILOTS would be commensurate with what the real property tax revenue would be if the development were not subject to the Chapter 100 exemption. For comparison purposes staff has provided the following table comparing the previous four Chapter 100 multi-family developments that have been previously approved.

<u>Project:</u>	<u>PILOT (per unit)</u>
Residences @ New Longview	\$935
Summit Square I	\$935
Residences @ Echelon	\$993
Meridian @ View High	\$1,051
Summit Square II (proposed)	\$1,135

In May of 2016, the Preliminary Development Plan was approved for the Summit Orchards development within the existing Planned Mixed Use (PMIX) zoning district. The approved PDP allows for the proposed multi-family development, therefore the development application may be processed and reviewed as a Final Development Plan (FDP) and not be required to go through a PDP/public hearing process.

Presenter:

David Martin, Gilmore & Bell PC, Economic Development Counsel for City
Mark Dunning, Assistant City Manager
Brent Miles, NorthPoint Development

Recommendation:

Staff recommends approval of the Plan