

Legislation Text

File #: BILL NO. 23-244, **Version:** 1

An Ordinance approving a plan for a Chapter 100 Project for the Pryor Mixed-Use Project.
(Note: First read by Council on December 19, 2023.)

Issue/Request:

This is an ordinance to approve the Chapter 100 Plan for the Pryor Mixed-Use Project and authorizing the issuance by the City of its taxable industrial development revenue bonds in the aggregate principal amount of not to exceed \$65,000,000 to finance costs of the project to be constructed by the company Griffin Riley Investments, LLC (the “Developer”), as the Developer of the Pryor Mixed-Use Project. The Bonds will be issued pursuant to the provisions of Sections 100.010 to 100.200 of the Revised Statutes of Missouri, as amended, and Article VI, Section 27(b) of the Missouri Constitution, as amended (collectively, the “Act”).

Key Issues:

Developer is requesting that the City approve incentives through a Chapter 100 Plan to provide sales and use tax exemption on construction materials and a fixed schedule of payments in lieu of taxes (PILOTs) for 10 years for the residential portion of the project.

Motion:

I move for second reading of An Ordinance Approving a Plan for a Chapter 100 Project for the Pryor Mixed-Use Project.

Background:

At the October 24, 2023 Council meetings, the City Council heard a conceptual presentation about the incentive request presented by Developer. A majority of the City Council expressed an interest in considering the incentive request through the formal Chapter 100 process. The City Council did not vote or render any type of final or binding decision as part of the conceptual presentation.

The Project will be located at the Southeast quadrant of the intersection of Missouri 150 Highway and Southwest Pryor Road. The Project to be financed by the Bonds consists of a 253 unit apartment complex comprising 4 multi-story buildings (the “Apartment Buildings”), one of which will include approximately 21,000 square feet of commercial space on the first floor (the “Commercial Space”). The Apartment Buildings will include a mix of studios, one-bedroom, two-bedroom and three-bedroom units with approximately 561 parking spaces (approximately 126 of which will be located in attached and detached garages), a clubhouse, a swimming pool with a swim-up bar and grilling area, a sun deck complete with multiple outdoor game options, a dog park, and playground and an outdoor area with a pond, picnic shelter and walking trail. Additionally, improvements will be made to Missouri Highway 150 and Pryor Road and a new Osage Drive connector roadway will be built in connection with the Project, as well as stormwater improvements.

The Chapter 100 Plan has been requested to provide sales and use tax exemption on construction materials and fixed payments in lieu of taxes (PILOTs) starting at \$1,600 per unit pursuant to Chapter 100 of the Revised

Statutes of Missouri.

Impact/Analysis:

The Project is expected to cost approximately \$65,000,000. The investment is anticipated to be made in 2024, 2025 and 2026 as shown in the Cost-Benefit Analysis, although the actual years of investment may vary based on Project implementation. Under Article X, Section 6 of the Missouri Constitution and Section 137.100 of the Revised Statutes of Missouri, all property of any political subdivision is exempt from taxation. Under this Plan, the City intends to issue the Bonds in 2024.

The sources of funds to be expended for the Project will be the proceeds of the Bonds in a principal amount not to exceed \$65,000,000 to be issued by the City and purchased by the Company and, if needed, other available funds of the Company. The Bonds will be payable solely from the revenues derived by the City from the lease or other disposition of the Project. The Bonds will not be an indebtedness or general obligation, debt or liability of the City or the State of Missouri.

The Companies will make payments in lieu of taxes (“PILOTS”) for each component of the Project as follows:

- (1) prior to construction, the amount calculated to equal the taxes that would have been due on the unimproved land were it in private ownership,
- (2) during construction, an amount calculated from a starting point of \$1,600 dollars per door, with an inflation adjustment of 3.0% in each odd year starting with 2025, for units under construction, pro-rated by percentage of completion, and
- (3) from and after completion, for a period of 10 years, a fixed PILOT calculated from a starting point of \$1,600 dollars per door, with an inflation adjustment of 3.0% in each odd year starting with 2025

The total PILOT payments are estimated in the Cost-Benefit Analysis. The projected impact to the City for the real property tax exemption is summarized in the presentation materials that are included in the meeting packet.

Timeline:

If the Chapter 100 incentive is approved, the project is expected to begin in 2024 and the construction will last through 2027.

Curt Petersen, Polsinelli PC, law firm for Developer

Matt Tapp, Griffin Riley Investments, LLC

David Bushek, Chief Counsel of Economic Development and Planning