The City of Lee's Summit

Legislation Text

File #: 2021-4452, **Version:** 1

Public Hearing: Petition to Remove the Summit Place Property from the Summit Fair Community Improvement District

Issue/Request:
Request to remove from the Summit Fair Community Improvement District (CID or District) the property that was planned to become the Summit Place development project, and approve a document to terminate the Summit Place CID Agreement.

Key Issues:
Termination of the incentives that were previously approved for the Summit Place project, including removal of the Summit Place property from the TIF and CID incentive districts.

Background:
The Summit Fair Tax Increment Financing Plan (the "TIF Plan") was originally approved on August 24, 2006 for the Summit Fair shopping center project. The City Council approved the Amended and Restated TIF Plan (the "TIF Plan") on April 17, 2008 The Redevelopment Area of the TIF Plan was expanded on May 14, 2014 to include the property located to the northeast of the Summit Fair shopping center to include the property north of Ward Road that was planned for a project called "Summit Place." Summit Place was originally planned to include a Cabella's store and a Sam's Club store, along with other retail and commercial uses.

The City executed the Tax Increment Financing Contract with RED LSE, LLC on August 7, 2014 ("TIF Contract"). The TIF Contract includes certain land use restrictions that limit development of the property, including a list of restricted land uses and a prohibition against selling the property to a non-profit entity. TIF revenue collections for the Summit Place project area was activated on July 21, 2016.

The Summit Fair CID was also expanded on May 15, 2014 to include property in the Summit Place project. Today, the CID and the TIF Plan are active over the Summit Place property, even though the Summit Place project did not happen. In 2107, Cabella's was purchased by Bass Pro, which effectively blocked the Cabella's store from being constructed in Summit Place. Sam's Club followed by pulling out of the project, and thus the project was never constructed.

Townsend Summit, through subsidiary companies, owns the Summit Place property. Townsend would like to proceed with sales of the former Summit Place property, but is hindered by the TIF Contract restrictions discussed above. Townsend approach the City to request that the TIF Contract be terminated. RED Development, as the party to the TIF Contract with the City, is agreeable to this course of action. RED requested that, as part of the TIF termination, the CID should also be terminated on the Summit Place project area.

Based on these several requests, the action items associated with terminating all the incentives over the

Summit Place property are:
- Terminating the TIF Contract for Summit Place
- Terminating the TIF Redevelopment Projects 2A and 2B on the Summit Place property
- Terminating the CID over the Summit Place property
- Terminating the Summit Place CID Agreement

City staff has consulted with bond counsel and the actions described above for Summit Place will not have any impact on the outstanding Summit Fair TIF bonds that are currently outstanding.

Impact/Analysis:
The Finance Department has verified that there are no accumulated TIF or CID revenues for the Summit Place project, and so there are no incentive revenues to dispose. The requested actions have no effect on the City's collection of tax revenues and do not implicate the expenditure of any general fund revenues. The Summit Place property will fully return to the tax rolls when the TIF redevelopment projects are terminated.

Timeline:
The property will be removed from the TIF and CID areas and the related agreements will be terminated promptly in 2021 after the ordinances are approved by the City Council.

David Bushek, Chief Counsel for Economic Development and Planning
Steve Rich, Townsend Summit

Staff recommends approval of the requested actions to terminate the TIF and CID on the Summit Place property.