

Legislation Text

File #: 2016-0830, **Version:** 1

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

Issue/Request:

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

Key Issues:

This is the reconsideration of the previously proposed and presented Chapter 100 incentive considered by the City Council at the December 15, 2016 City Council meeting. The previously considered Plan included a fixed PILOT of \$935.00 per door, whereas this Plan reflects a fixed PILOT of \$1,051.00 as directed by the City Council during the December 15, 2016 meeting.

This is a Plan for an Industrial Development Project as required under Section 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 January 12, 2017 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:

2017-2018	\$ 20,421.00
2019-2021	\$255,393.00
2022-2026	\$261,778.00
2027-2028	\$268,322.00

The PILOT schedule is reflective of a per door rate of \$1,051 beginning in year 2019 as construction of the development will be occurring in 2017-2018 with completion scheduled for 2018. The per door rate of \$1,051 was established per direction given by the City Council at the December 15, 2016 City Council meeting where this matter was first introduced.

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. On December 15, 2016 the Council considered a plan establishing a fixed PILOT of \$935.00 per door and heard new information presented by City staff regarding the manner in which Jackson County is assessing multi-family developments and directed staff and the applicant to prepare a plan that reflects a per door fixed PILOT of \$1,051.00. the developer and staff have prepared the new Plan and cost benefit analysis to reflect this change in the fixed PILOT accordingly.

Timeline:

The project is expected to be constructed during 2017 and 2018 with completion occurring in 2018.

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