

Legislation Text

File #: BILL NO. 16-164, **Version:** 2

AN ORDINANCE AUTHORIZING THE DELIVERY OF CERTAIN ASSIGNMENT, AMENDMENT AND OTHER DOCUMENTS RELATED TO THE CITY'S TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BONDS (RESIDENCES AT NEW LONGVIEW PROJECT), SERIES 2014, TO RECOGNIZE THE SALE OF THE PROJECT AND THE RELATED ASSIGNMENT OF THE BONDS AND CERTAIN BOND DOCUMENTS AND TO MAKE OTHER CONFORMING MODIFICATIONS TO THE BOND DOCUMENTS.

Key Issues:

This ordinance is being presented as Residences at New Longview, LLC (NorthPoint Development) ("Residences") is in the process of selling the Residences at New Longview Project to JVM Residences Apartments, LLC and the sale of the property is subject to the approval and consent of the City as the project was financed in part through the issuance of the City's Taxable Industrial Development Revenue Bonds, Series 2014, pursuant to Section 100.010 to 100.200 of the Revised Statutes of Missouri (Chapter 100). In order for the sale of the project to occur, and with JVM Residences Apartments, LLC desiring to assume all rights, benefits, privileges and obligations under the Chapter 100 Bonds and the related Bond documents, adoption of the attached Ordinance is necessary.

JVM Residences Apartments, LLC is not requesting any material modifications or changes to the previously approved Chapter 100 Plan or the various related documents executed by the City and Residences.

Proposed City Council Motion:

I move for second reading of AN ORDINANCE AUTHORIZING THE DELIVERY OF CERTAIN ASSIGNMENT, AMENDMENT AND OTHER DOCUMENTS RELATED TO THE CITY'S TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BONDS (RESIDENCES AT NEW LONGVIEW PROJECT), SERIES 2014, TO RECOGNIZE THE SALE OF THE PROJECT AND THE RELATED ASSIGNMENT OF THE BONDS AND CERTAIN BOND DOCUMENTS AND TO MAKE OTHER CONFORMING MODIFICATIONS TO THE BOND DOCUMENTS.

I move for adoption of AN ORDINANCE AUTHORIZING THE DELIVERY OF CERTAIN ASSIGNMENT, AMENDMENT AND OTHER DOCUMENTS RELATED TO THE CITY'S TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BONDS (RESIDENCES AT NEW LONGVIEW PROJECT), SERIES 2014, TO RECOGNIZE THE SALE OF THE PROJECT AND THE RELATED ASSIGNMENT OF THE BONDS AND CERTAIN BOND DOCUMENTS AND TO MAKE OTHER CONFORMING MODIFICATIONS TO THE BOND DOCUMENTS.

Background:

In April of 2014 Residences delivered a "Chapter 100 Plan", which was approved by the City, related to the construction of a four-story apartment buildings (309 dwelling units) and a central Clubhouse/leasing Facility along with various amenities and overall site development. The overall project estimate was \$35,000,000 and is near completion. In accordance with the "Chapter 100 Plan", the City acquired the project, issued its taxable industrial development revenue bonds (the "Bonds") and leased the project back to Residences pursuant to the terms of a Lease Agreement. The Bonds are payable solely from the revenues derived by the City from the Lease Agreement and are not an indebtedness or general obligation, debt or liability to the City.

In accordance with the "Chapter 100 Plan" real property tax abatement is provided for 11 years, however during this period, Residences is required to submit payments in lieu of taxes (PILOTS) in amounts specified in the plan, which PILOTS are in an amount equal to 100% of the estimated real property taxes that would have otherwise been received over the term of the 11 year period. These payments referred to as "fixed PILOTS" which brings a level of certainty to the amount of property tax receipts that will be realized from the development over this period of time. After the 11 year period, the property will be conveyed back to Residences and placed back on the tax rolls making it subject to assessment by Jackson County.

Presenter: Rich Wood, Gilmore & Bell, P.C., City's Economic Development Counsel, NorthPopint Development and City Staff will be present to provide an overview of the request and answer questions.

Recommendation: Staff recommends approval of the ordinance.