

Legislation Text

File #: BILL NO. 22-81, **Version:** 1

An Ordinance Approving an Abatement Agreement for the MAR Building Solutions Land Clearance for Redevelopment Authority Redevelopment Project.

(NOTE: Read by Council on April 26, 2022. Passed by unanimous vote with 1 abstention.)

Issue/Request:

An Ordinance Approving an Abatement Agreement for the MAR Building Solutions Land Clearance for Redevelopment Authority Redevelopment Project.

Key Issues:

In September of 2018, City Council adopted Ordinance No. 8461 approving a Land Clearance for Redevelopment Authority (LCRA) redevelopment project for MAR Building Solutions. The redevelopment project entailed constructing a new facility for MAR Building Solutions to relocate within the City of Lee's Summit. The LCRA recommended and the Council approved the redevelopment project with a condition that a development agreement (or abatement agreement) be approved and executed prior to the Certificate of Qualification for Tax Abatement is issued to allow for real property tax abatement for the project. The LCRA recommended and the City Council approved 100% real property tax abatement on the incremental increase in value for the project for a period of 5 years.

Staff has prepared the abatement agreement and MAR Building Solutions has signed the agreement, therefore the abatement agreement is being presented for consideration and approval by the Mayor and City Council. The abatement agreement contains conditions by which the performance measures for minimum level of investment, job creation benchmarking and reporting, and change of use of the property shall be maintained while the abatement period is in effect.

The abatement agreement is structured as an agreement between the LCRA and MAR Building Solutions, however the ordinance adopting the abatement agreement is a matter that is considered by the Mayor and City Council. Once the ordinance is approved and adopted, the LCRA will execute the abatement agreement, and then subsequently be able to issue the Certificate of Qualification for Tax Abatement to implement the actual abatement with Jackson County.

Proposed City Council Motion:

An Ordinance Approving an Abatement Agreement for the MAR Building Solutions Land Clearance for Redevelopment Authority Redevelopment Project - I move for adoption.

Background:

The MAR Building Solutions redevelopment project has been completed and a Certificate of Occupancy issued for the project. As the first year of tax abatement was scheduled to occur in 2020, City staff will work with MAR Building Solutions and the Jackson County Assessor's office to initiate the tax abatement as was contemplated when the project was approved.

Mark Dunning, Assistant City Manager
David Bushek, Chief Counsel of Economic Development and Planning

Staff recommends approval of the ordinance.