

Legislation Text

File #: BILL NO. 17-199, **Version:** 1

AN ORDINANCE APPROVING THE FIRST AMENDMENT TO THE REDEVELOPMENT AGREEMENT AMONG THE CITY OF LEE'S SUMMIT, THE JOHN KNOX VILLAGE REDEVELOPMENT CORPORATION AND JOHN KNOX VILLAGE FOR THE 2015 JOHN KNOX VILLAGE CHAPTER 353 DEVELOPMENT PLAN.

(NOTE: First reading - City Council - August 24, 2017.)

Issue/Request:

This ordinance will approve an amendment to the Redevelopment Agreement for the 2015 John Knox Village Chapter 353 Redevelopment Plan to resolve a couple of implementation issues that have arisen between John Knox Village and Jackson County as John Knox Village has attempted to implement the tax abatement authorized by the 2015 Development Plan.

Key Issues:

1. Clarify the date on which tax abatement begins for a parcel that is transferred to the 353 Redevelopment Corporation. The intention was to have tax abatement start immediately when property is transferred to the Corporation. The Council Packet form dated July 30, 2015, associated with the original 2015 Plan approval, stated that the intention was for tax abatement to commence when a parcel is transferred to the corporation, and not in the next year. The tax impact statements and cost benefit analysis prepared for the Plan supports this conclusion.

However, the County has taken the position, based on their interpretation of certain language in the Agreement, that tax abatement should not start until the year after the year during which property is transferred to the Corporation. The County's interpretation of this provision in the Agreement could have a substantial negative affect on the economics of the tax abatement arrangement for John Knox Village. The First Amendment will more clearly implement the original intention of the 2015 Plan. The County has agreed that the language in the First Amendment will clarify the issue and allow tax abatement to start as intended by the City and John Knox Village.

2. Clarify the Agreement to make more clear that tax abatement provided to John Knox Village under the 2004 Chapter 353 Plan is not to be counted toward the tax benefits that are derived from the 2015 Chapter 353 Plan. This amendment to the Agreement is only to more clearly implement the original intention of the 2015 Plan. The County has also agreed that this language will clarify the issue and allow for proper implementation.

Proposed City Council Motion:

I move for adoption of AN ORDINANCE APPROVING THE FIRST AMENDMENT TO THE REDEVELOPMENT AGREEMENT AMONG THE CITY OF LEE'S SUMMIT, THE JOHN KNOX VILLAGE REDEVELOPMENT CORPORATION AND JOHN KNOX VILLAGE FOR THE 2015 JOHN KNOX VILLAGE CHAPTER 353 DEVELOPMENT PLAN

Background:

On August 6, 2015, the City Council adopted Ordinance No. 7678 approving the John Knox Village Chapter 353 Development Plan and directing the City to enter into a Redevelopment Agreement among the City of Lees Summit, the John Knox Village Redevelopment Corporation and John Knox Village, which agreement was thereafter executed by the parties and is dated August 6, 2015.

Impact/Analysis:

The amendments to the agreement present no impact to the City and simply carry out the original intention of the Council's 2015 Plan approval.

Timeline:

The John Knox Village campus improvements that are described in the 2015 Plan are currently being constructed and the original timeline is not affected by this action.

Presenter: David Bushek for the City

Recommendation: Staff recommends approval.