

Legislation Details (With Text)

File #: BILL NO. 17-15
Name:
Type: Other Business - Ordinance
Status: Passed
File created: 12/20/2016
In control: City Council - Regular Session
On agenda: 1/12/2017
Final action: 1/12/2017
Title: 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.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Ordinance, 2. Bond Purchase Agreement, 3. Indenture, 4. Lease, 5. Performance Agreement

Date	Ver.	Action By	Action	Result
1/12/2017	1	City Council - Regular Session	adopted and numbered	Pass

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.

Issue/Request:

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.

Key Issues:

This ordinance will approve a Plan for an industrial development project by M150 Echelon Land Development, LLC (the "Company") as the developer of a luxury apartment complex (the "Project"), authorize the City to issue Chapter 100 bonds in a principal amount not to exceed \$27,000,000 to finance the costs of the Project,

authorize and approve the Bond Purchase Agreement, Lease, and Performance Agreement between the City and the Company, and authorize and approve the indenture between the City and BOKS, N.S. (the "Trustee").

Proposed City Council Motion:

First Motion: 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 - I move for second reading.

Second Motion: 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 - I move for adoption.

Background:

The Project consists of the design and construction of the Residences at Echelon, a 243 unit luxury apartment complex 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.

Timeline:

The Project is expected to be constructed during 2017 -2018 with completion in 2018.