

Legislation Details (With Text)

File #:	BILL NO. 18-118	Name:	
Type:	Ordinance	Status:	Passed
File created:	8/1/2018	In control:	City Council - Regular Session
On agenda:	8/9/2018	Final action:	8/23/2018
Title:	An Ordinance approving a plan for an Industrial Development Project for Summit Square Residence II, LLC; authorizing the City of Lee's Summit, Missouri to issue taxable Industrial Development Revenue Bonds in a principal amount not to exceed \$48,460,000; and authorizing certain documents and actions in connection therewith. (NOTE: First Reading by Council on August 9, 2018.)		

Sponsors:

Indexes:

Code sections:

Attachments: 1. Ordinance, 2. Plan and Cost Benefit Analysis, 3. Bond Purchase Agreement, 4. Performance Agreement, 5. Lease, 6. Trust Indenture, 7. Proposed Summit Square II project site map, 8. NorthPoint Presentation 6-28-18

Date	Ver.	Action By	Action	Result
8/23/2018	1	City Council - Regular Session	adopted	Pass
8/9/2018	1	City Council - Regular Session	advanced to second reading	Pass

An Ordinance approving a plan for an Industrial Development Project for Summit Square Residence II, LLC; authorizing the City of Lee's Summit, Missouri to issue taxable Industrial Development Revenue Bonds in a principal amount not to exceed \$48,460,000; and authorizing certain documents and actions in connection therewith.

(NOTE: First Reading by Council on August 9, 2018.)

Issue/Request:

An ordinance approving a plan for an Industrial Development Project for Summit Square Residence II, LLC; authorizing the City of Lee's Summit, Missouri to issue taxable Industrial Development Revenue Bonds in a principal amount not to exceed \$48,460,000; and authorizing certain documents and actions in connection therewith.

Key Issues:

NorthPoint Development is seeking approval of this "Chapter 100" incentive to develop the Summit Square II multi-family project located adjacent to the Summit Square I project and Summit Orchards proposed mixed use development. The proposed project includes the development of 326 multi-family market-rate apartments. The proposed incentive is similar to the previous four Chapter 100 project considered and approved by the City.

The ordinance would approve the following:

- * Plan for an Industrial Development Project
- * Authorizes the City to issue Industrial Development Revenue Bonds for the project in an amount not to exceed \$48,460,000
- * Authorizes the execution of a Trust Indenture, Bond Purchase Agreement, Lease Agreement and Performance Agreement between the City and the Company

Proposed City Council Motion:

I move for a adoption of an ordinance approving a plan for an Industrial Development Project for Summit Square Residence II, LLC; authorizing the City of Lee's Summit, Missouri to issue taxable Industrial Development Revenue Bonds in a principal amount not to exceed \$48,460,000; and authorizing certain documents and actions in connection therewith, I move for second reading.

Background:

On June 28, 2018 a conceptual economic development incentive presentation was made to the Mayor and City Council by NorthPoint Development seeking direction to proceed with preparing this Chapter 100 incentive request for the Summit Square II multi-family development. The Mayor and City Council directed NorthPoint and staff to proceed with preparing the incentive request and present to the Mayor and Council for formal consideration.

Other Information/Unique Characteristics:

In preparing these Chapter 100 incentive requests for multi-family development projects staff attempts to best estimate what the fixed PILOT payments would be such that the fixed PILOTS would be commensurate with what the real property tax revenue would be if the development were not subject to the Chapter 100 exemption. For comparison purposes staff has provided the following table comparing the previous four Chapter 100 multi-family developments that have been previously approved.

<u>Project:</u>	<u>PILOT (per unit)</u>
Residences @ New Longview	\$935
Summit Square I	\$935
Residences @ Echelon	\$993
Meridian @ View High	\$1,051
Summit Square II (proposed)	\$1,135

In May of 2016, the Preliminary Development Plan was approved for the Summit Orchards development within the existing Planned Mixed Use (PMIX) zoning district. The approved PDP allows for the proposed multi-family development, therefore the development application may be processed and reviewed as a Final Development Plan (FDP) and not be required to go through a PDP/public hearing process.

David Martin, Gilmore & Bell PC, Economic Development Counsel for City
Mark Dunning, Assistant City Manager
Brent Miles, NorthPoint Development

Staff recommends approval of the proposed ordinance.