

Legislation Details (With Text)

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Title:	Presentation - Streets of West Pryor Tax Increment Financing Plan		
Sponsors:			
Indexes:			
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Attachments:	1. City Council Report (12-18-18 meeting).pdf, 2. SWP CC Presentation.pdf, 3. SWP Presentation (City Slides) 12-18-18 v2.pdf, 4. Streets of West Pryor TIF Plan.pdf, 5. Financial Advisor Report - Streets of West Pryor FINAL.pdf, 6. TIFC Resolution (Signed).pdf, 7. DRAFT TIF Commission Meeting minutes 11-19-18.pdf, 8. Exhibit List 11-19-18 TIF Commission Hearing.pdf		

Date	Ver.	Action By	Action	Result
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Presentation - Streets of West Pryor Tax Increment Financing Plan

Issue/Request:

Presentation - Streets of West Pryor Tax Increment Financing Plan

Key Issues:

Streets of West Pryor, LLC (Developer) is proposing to develop approximately 73 acres along the west side of NW Pryor Road immediately south of Interstate I-470. The proposed development includes a mix of commercial uses, totaling 197,190 sq. ft. of retail, grocery store, sit-down restaurants, drive-thru restaurants, medical office, and hotel (105 rooms). Also proposed are two multi-family residential developments that include a 4-story, 165 unit age-restricted facility with associated amenities and a 4-story, 250 unit market rate apartment complex with retail/restaurant uses occupying a portion of the first floor. Also shown within the plan for conceptual purposes is a single-family, attached-villa style age restricted maintenance provided residential subdivision that is not considered part of the development plan approval at this time and will be pursued at a later time under a separate development application. Although the proposed Tax Increment Financing Plan (TIF) incorporates the residential aspects of the proposed development within the TIF Redevelopment Boundary, the Developer is not proposing to include the residential uses within a TIF Redevelopment Project Area(s) therefore TIF revenues will not be collected from the single-family residential or multi-family residential portions of the project.

Please see attached memorandum prepared by David Bushek which summarizes the economic development incentives requested for the proposed Streets of West Pryor mixed-use development project.

Proposed City Council Motion:

Presentation only - No motion necessary - if the Mayor and Council desire to approve the proposed TIF Plan, an ordinance has been placed on the December 18, 2018 Council agenda for consideration.

Background:

October/November of 2015 - City RFP for City owned property:

The City considered two submittals to a Request for Proposals (RFP) offering the City owned property for sale at the SW quadrant of the interchange at I-470 and Pryor Road. After consideration of the proposals, the City chose not to accept either of the offers/proposals and the City Council directed staff to prepare a mixed-use Conceptual Development Plan for the area along the west side of Pryor Rd. between I-470 and Chipman Rd.

January 21, 2016 - Concept 1:

City staff developed and presented "financially unrestricted" mixed-use Conceptual Development Plans to the City Council for feedback and direction. The conceptual plans were based on a set of goals for high quality development that provided all the elements of a desirable mixed-use environment. The Council requested staff to share the conceptual plans with the development community to obtain feedback and input on the feasibility and market support for the concepts. Staff consulted with various development community stakeholders to learn that the plans were attractive high-quality mixed-use concepts, however financing the concepts would be extremely challenging given the improvements and investments that would be necessary. Staff began working in concert with Christie Development, a property owner/developer who owned or controlled substantial acreage within the identified area and developed a new mixed-use Conceptual Development Plan that would reduce financial risk and potential public incentives while attempting to meet the desires and vision for the planned area to bring forward for consideration.

March 9, 2017 - Concept 2:

Staff prepared and presented an alternate City Conceptual Development Plan incorporating the proposed Christie Development proposal known as "Pryor Lakes" for the acreage under their ownership or control. This Conceptual Development Plan was then shared with the neighboring community to receive comments in an open house format. This plan was the City's Conceptual Development Plan that was brought forward to the Council for public hearings which included both the City initiated rezoning and the "Pryor Lakes" PDP application. City Council's feedback and direction was the new concept plan didn't appear to meet the City's desire for a vertical planned mixed-use development. Residents primarily voiced concerns regarding the proposed senior living product located along Lowenstein Drive adjacent to their homes, the potential traffic impact from the apartments and commercial development on the neighboring streets and overall impacts to Lowenstein Park. Ultimately the City Council rezoned only the 39 acres along Pryor Road to PMIX which did not include the proposed senior housing or a large portion of the property proposed for the apartment project. The Council once again requested staff to refine the Conceptual Development Plan and meet with the neighborhood for additional input.

April 28, 2017 - Property Owner meeting:

City staff invited the affected property owners of the 39 rezoned acres to a meeting to collaborate on preparing a new Conceptual Development Plan incorporating feedback from the Concept 2 plan. After receiving property owner feedback, staff further refined the plan and scheduled a meeting with adjacent and concerned residents in a neighborhood informational meeting.

May 22, 2017 - Neighborhood Informational meeting - Concept 3:

City staff presented a 3rd version of the Conceptual Development Plan to the residents in attendance to receive feedback and input. This plan removed the senior housing product along Lowenstein Dr. and included a different multi-family product with an adjacent parking structure to serve the multi-family and some

adjacent commercial uses. Comments received from the residents continued to be related to concerns with the apartments and traffic.

August 17, 2017 - Concept 4:

West Pryor Village Conceptual Plan - Concept 4 was presented to the City Council at their work session on August 17, 2017. Concept 4 was produced after receiving comments from the residents on "Concept 3" and meeting with the development group resulting in a more refined Conceptual Development Plan. The refinements include a newer version of the multi-family product incorporating a structured parking interior to the dwelling units commonly referred to as a "Texas Wrap" or "Texas Donut". The plan provides for an altered traffic movement to achieve a more desirable layout in response to concerns related to traffic.

Staff felt this new Conceptual Development Plan would provide the desired mixed-use development envisioned for this area. The plan entailed a vertical mixed-use element and a walkable environment potentially anchored by a hotel at the northern end and large grocer or similar use at the southern end.

The City Council work session provided the opportunity to receive Council feedback and direction to proceed on to the formal public hearing process for consideration of the latest version of the Conceptual Development Plan for the Planned Mixed-Use zoning that was approved on March 9, 2017. Staff acknowledged the latest version of the Conceptual Development Plan went beyond the 39 acres the City Council approved for rezoning to Planned Mixed-Use but felt it beneficial to bring forward the plan to represent the potential of this area in a "master planned" approach. The additional acreage that would be necessary to be rezoned to Planned Mixed-Use would be considered through the preliminary development plan and rezoning application process to be submitted by the developer.

City Council authorized staff to proceed on to the Planning Commission for public hearing with this latest version of the proposed Conceptual Development Plan (Concept 4).

September 26, 2017 - Planning Commission Public Hearing

Concept 4 was considered by the Planning Commission at a public hearing held on September 26, 2017. Public comments received at the public hearing continued to include concerns relating to traffic on Lowenstein and Black Twig, apartments in general and questioned the need for more retail considering the difficulty big box retail is having at this time. Also voiced were concerns of having a single master developer for the entire area as well as concerns of having only a portion of the overall Plan developed. After considering the staff's request and the residents comments the Planning Commission voted to forward Concept 4 on to the City Council with a recommendation for approval.

October 19, 2017 - City Council Public Hearing on Conceptual Development Plan

City Council remanded the application back to the Planning Commission to present a proposal that remained within the boundaries of the 39 acres of property that was rezoned to PMIX for the project.

Since that time property ownership of the major portion of this area has changed and cooperation between property owners for a master development appear to be of potential. Given the cooperative efforts, staff has not actively pursued continued revisions to the City prepared Conceptual Development Plan that was remanded back to Planning Commission.

April 12, 2018 - City Council adopted Resolution 18-04 authorizing the City Manager to sign the application to

request approval of a Preliminary Development Plan for the potential development of the area of interest incorporating the City owned parcels within the preliminary development plan for the west side of Pryor Road.

September 6, 2018 - City Council adopted Ordinance No. 8446 approving a Funding Agreement for the proposed Streets of West Pryor development.

November 19, 2018 - Tax Increment Finance Commission held a public hearing and recommended approval of the TIF Plan.

Impact/Analysis:

The total project costs are estimated to be approximately \$178 million and the total amount of reimbursement that would be provided by the combined incentive package (TIF, Ch. 100, CID, TDD, and Hotel Sales Tax Rebate) is approximately \$36 million which represents approximately 20% of the total project costs. The TIF is anticipated to generate approximately \$19,655,272 in reimbursements which represents approximately 11% of total project costs.

Other Information/Unique Characteristics:

The Developer proposes to pursue the Streets of West Pryor development plan utilizing multiple economic development incentive tools including:

- 1) Tax Increment Financing
- 2) City Hotel Sales Tax Rebate (1% general sales tax)
- 3) Chapter 100 (sales tax exemption on construction materials and fixed PILOTS for multi-family apartments)
- 4) Community Improvement District (1% sales tax)
- 5) Transportation Development District (0.5% sales tax)

Matt Pennington, Drake Development, LLC & Streets of West Pryor, LLC

Jeff Haney, Haney Co. KC

David Bushek, City of Lee's Summit Chief Counsel of Economic Development & Planning

Mark Dunning, Assistant City Manager

Committee Recommendation:

The Tax Increment Finance Commission held a public hearing on November 19, 2018 and approved Resolution 2018-1 by a vote of 8-2 recommending the City Council:

- 1) make the required factual findings and approve the TIF Plan
- 2) designate the Redevelopment Area pursuant to the TIF Act
- 3) approve the single Redevelopment Project and activate the collection of tax increment financing revenues therein
- 4) designate Streets of West Pryor, LLC as the developer of record for the TIF Plan and the Redevelopment Project and enter into a tax increment financing contract with the developer for implementation of the TIF Plan.