Legislation Details (With Text)

File #:	BILL NO. 22-241	**Name:**	
Type:	Ordinance	**Status:**	Passed
File created:	11/14/2022	**In control:**	City Council - Regular Session
On agenda:	12/6/2022	**Final action:**	12/13/2022
Title:	An Ordinance Approving a Plan for a Chapter 100 Project for the Town Centre Industrial Project. (Note: First read by City Council on December 6, 2022. Passed by unanimous vote.)		
Sponsors:			
Indexes:			
Code sections:			
Attachments:	1. Ordinance, 2. Exhibit A: Chapter 100 Plan		

Date	Ver.	Action By	Action	Result
12/13/2022	1	City Council - Regular Session	adopted and numbered	Pass
12/6/2022	1	City Council - Regular Session	advanced to second reading	Pass

An Ordinance Approving a Plan for a Chapter 100 Project for the Town Centre Industrial Project.
(Note: First read by City Council on December 6, 2022. Passed by unanimous vote.)

Issue/Request:
This is an ordinance to approve a Plan for an Industrial Development Project and Cost-Benefit Analysis for the Town Centre Industrial Project and authorizing the issuance by the City of its taxable industrial development revenue bonds in the aggregate principal amount of not to exceed $17,800,000 to finance costs of the industrial project for Independence Safety Storage North II, L.L.C., which is an affiliate of Ward Development. The Bonds will be issued pursuant to the provisions of Sections 100.010 to 100.200 of the Revised Statutes of Missouri, as amended, and Article VI, Section 27(b) of the Missouri Constitution, as amended (collectively, the "Act").

Motion:
I move for adoption of An Ordinance Approving a Plan for a Chapter 100 Project for the Town Centre Industrial Project.

Key Issues:
The Project to be financed by the Bonds is proposed to be one industrial building and related public improvements, anticipated to be 250,000 square feet, which will be used for warehousing, distribution, and /or manufacturing purposes. The Project will include the installation of a water main following the road along the northern portion of the Project Site (the "Public Improvements"). The Project will be constructed on approximately 22 acres bounded generally by NE Town Centre Boulevard to the north and west, NE Independence Avenue to the east and NE Town Centre Drive to the south, in Lee's Summit, Missouri, which acreage is referred to as the "Project Site."

Background:

In October 2022, the City Council heard a conceptual presentation about the incentive request presented by Developer. A majority of the City Council expressed an interest in considering the incentive request through the formal Chapter 100 process. The City Council did not vote or render any type of final or binding decision as part of the conceptual presentation.

Impact/Analysis:
The Project is expected to cost approximately $17.8 million, consisting of investments made in the years 2022 through 2023. The Project to be financed by the Bonds consists of one industrial buildings and related public improvements, anticipated to be 250,000 square feet to be used for warehousing, distribution, and/or manufacturing purposes.

PILOTs -
The Company will make payments in lieu of taxes ("PILOTS") for the Project as follows:

(1) during the project construction period, a PILOT calculated to represent 22% of the taxes that would otherwise be due on the partially completed Project improvements, but in no case less than $70,052 each year,

(2) in years 1 through 10 after project completion, a PILOT calculated to represent 22% of the taxes that would otherwise be due on the completed Project improvements, and

(3) in years 11 through 20 after project completion, a PILOT calculated to represent 50% of the taxes that would otherwise be due on the completed Project improvements.

The PILOT amounts may be fixed by agreement at the time of bond issuance, subject to adjustment at completion of the Project. The total PILOT payments are estimated in the Cost-Benefit Analysis.

The Project will include the installation of a water main following the road along the northern portion of the Project Site (the "Public Improvements"). In addition to the PILOTS, the Company will be required under the lease to pay special assessments calculated to pay a portion of the costs of the Public Improvements over time. Such special assessments will be paid to the City and used to reimburse costs incurred in the construction of the Public Improvements. The effective PILOTs, tax abatement and special assessments during the life of the Chapter 100 Plan are as follows:

Years 1-10:
75% Abatement
3% Public Improvements Assessment
22% PILOTs

Years 11-20:
50% Abatement
50% PILOTs

Timeline:
Start: 2022
Finish: 2023

Other Information/Unique Characteristics:
This is the third major industrial development for which the City is being requested to issue Chapter 100 bonds.

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David Bushek, Chief Counsel of Economic Development and Planning