

Legislation Details (With Text)

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Title: Public Hearing: Colbern Ridge Community Improvement District; Colbern-Rice Investments, LLC, applicant

Sponsors:

Indexes:

Code sections:

Attachments: 1. Staff Memo, 2. Exhibit List, 3. CID Petition, 4. Developer Presentation, 5. City Presentation, 6. Developer Modeling, 7. Columbia Capital Financial Analysis Report

Date	Ver.	Action By	Action	Result
6/6/2023	1	City Council - Regular Session	presented	

Public Hearing: Colbern Ridge Community Improvement District; Colbern-Rice Investments, LLC, applicant

Issue/Request:

This is a public hearing for the Colbern Ridge Community Improvement District (CID), which would provide reimbursement to Developer from a CID sales tax that would be imposed in the project area to be constructed by Colbern-Rice Investments, LLC (the "Developer") which is located at the Northeast corner of Rice Road and Colbern Road, in Lee's Summit, Missouri, totaling 41.4 acres.

The LCRA Plan provides for the construction of a mixed-use development consisting of approximately 136 apartment units; 220 senior-only multi-family units; approximately 28,500 square feet of medical office building space; and approximately 30,000 square feet of office, warehouse/office and other commercial uses, respectively, along with all associated onsite and offsite sitework and infrastructure, including utilities, stormwater management, street/drive and parking improvements, and landscaping.

The LCRA Plan will establish public ownership during the construction of improvements for Developer to receive and use a sales tax exemption certificate for the purchase of construction materials that are used in the construction of the Project, a property tax abatement at 50% for up to 25 years, a public improvements assessment in the amount the annual 50% property tax abatement. The LCRA Plan is accompanied by a Community Improvement District (CID) Petition which would impose a 1% CID sales tax for up to 27 years.

Key Issues:

Public hearing to consider the CID for the Colbern Ridge Project.

Background:

On June 6, 2023, Developer made a conceptual incentive request to the City Council for the requested incentive package and received positive non-binding feedback from the Council. The original request included a City sales tax revenue sharing component, but that part of the request has been replaced with this proposed

CID.

On or about May 15, 2023, Developer filed the LCRA Redevelopment Plan with the City Clerk. The Plan as filed eliminates the City sales tax sharing component. Instead, the Plan is accompanied by the companion CID which would impose a new sales and use tax to provide an additional source of reimbursement to Developer for the public improvements.

On May 24, 2023, the LCRA Plan was presented to the LCRA Board of Commissioners, and the Board then passed Resolution 2023-3 which recommended approval of the LCRA Plan.

A summary of the key data associated with Developer's request, the impact to the City, and other associated financial data are set forth in the attachments to this meeting packet.

Impact/Analysis:

The benefit of the sales tax exemption, real property tax abatement and new CID sales tax revenue to Developer is summarized in the memorandum from City staff and the presentation slides prepared by City staff.

Timeline:

Construction of the project is expected to commence this year.

Curt Petersen, Polsinelli Law Firm

Mike Atcheson, CEAH Real Estate Services (parent company) and Colbern-Rice Investments, LLC (proposed developer)

David Bushek, Chief Counsel of Economic Development and Planning

Ryan Elam, Assistant City Manager

Not applicable to the CID petition.