

Legislation Text

File #: BILL NO. 17-40, **Version:** 1

AN ORDINANCE APPROVING A LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY REDEVELOPMENT PROJECT, COWORK LEE'S SUMMIT PROJECT, PURSUANT TO THE PROVISIONS OF THE LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY LAW, SECTIONS 99.300 TO 99.660 RSMo.

Issue/Request:

AN ORDINANCE APPROVING A LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY REDEVELOPMENT PROJECT, COWORK LEE'S SUMMIT PROJECT, PURSUANT TO THE PROVISIONS OF THE LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY LAW, SECTIONS 99.300 TO 99.660 RSMo.

Key Issues:

If approved, the attached ordinance would authorize a Land Clearance for Redevelopment (LCRA) redevelopment project - real property tax abatement for a single parcel located at 210 SW Market Street. The property is located within the Downtown LCRA Urban Renewal Area and would entail the redevelopment of the vacant downtown post office into a shared co-work use with accessory uses.

The ordinance would authorize real property tax abatement of the parcel addressed as 210 SW Market St. (100% of increment and 50% of base valuation) subject to the execution of a development agreement that will be presented at a later date which will outline the structure in which the abatement will occur (Payment in Lieu of Tax) and set forth performance measures for the project. Execution of a development agreement is required prior to activation of any abatement of real property taxes for the project and would be brought before the City Council for approval.

If the ordinance is adopted, and after execution of the development agreement, the annual estimated real property tax abatement is \$25,512 while new revenues flowing to taxing jurisdictions through a Payment in Lieu of Tax (PILOT) is estimated to be \$10,500 annually. The abatement and PILOT would be in place for an 8 year period.

Proposed City Council Motion:

First motion: AN ORDINANCE APPROVING A LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY REDEVELOPMENT PROJECT, COWORK LEE'S SUMMIT PROJECT, PURSUANT TO THE PROVISIONS OF THE LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY LAW, SECTIONS 99.300 TO 99.660 RSMo. - I move for second reading.

Second motion: AN ORDINANCE APPROVING A LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY REDEVELOPMENT PROJECT, COWORK LEE'S SUMMIT PROJECT, PURSUANT TO THE PROVISIONS OF THE LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY LAW, SECTIONS 99.300 TO 99.660 RSMo. - I move for adoption.

Background:

December 8, 2016 - the City Council adopted Ordinance #8038 approving Cowork-Lee's Summit Preliminary Development Plan. The location of the redevelopment project is within the existing Downtown LCRA Urban Renewal Area known as "Project No. MO-R-47 Lee's Summit, Missouri" Urban Renewal Area.

January 5, 2017 - SF003, LLC presented a conceptual economic incentive request to the City Council in accordance with the adopted Economic Development Incentive Policy and received direction from the City Council to proceed with the request through the LCRA process.

January 25, 2017 - the LCRA considered the Cowork - Lee's Summit LCRA redevelopment project application and recommended approval of the project to the City Council with conditions.

Impact/Analysis:

Should the City Council approve the LCRA recommendation of real property tax abatement for the proposed project, the estimated amount of the tax abatement over the 8 year period is approximately \$204,096.

Committee Recommendation: At the January 25, 2017 meeting, the LCRA voted unanimously by vote of 3-0 (two members absent) to recommend a 100% abatement on the incremental increase in value of the property and a 50% reduction in the base real property tax for 210 SW Market Street for an 8 year period with conditions that the minimum level of investment be certified, a benchmark be created to evaluate job creation, and reconsidering the approved incentive should the use of the property change during the 8 year abatement period.