

Legislation Text

File #: BILL NO. 18-217, **Version:** 1

An Ordinance approving a Master Plan for Industrial Development Projects for the Streets of West Pryor Development. (NOTE: First Reading by Council on December 18, 2018)

Issue/Request:

An Ordinance approving a Master Plan for Industrial Development Projects for the Streets of West Pryor Development.

Key Issues:

Streets of West Pryor, LLC (Developer) is requesting the Master Plan for Industrial Development Projects (also referred to as Chapter 100) be considered and approved simultaneously with the other proposed economic development incentives requested for the proposed Streets of West Pryor mixed-use development.

The 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.

The requested Chapter 100 Plan as presented is anticipated to result in project cost savings (in the form of sales tax exemption on construction materials) of approximately \$6M. The proposed Plan would exempt sales tax on all aspects of the proposed mixed-use development (commercial and residential) and proposed to establish a fixed PILOT structure for the two multi-family projects for a ten year period. The fixed PILOT structure incorporates a 12-year abatement period in an amount equal to \$1,135 per door for completed units per year and provides that (1) during the construction period, such per-unit amount shall be prorated by the percentage of completion of the building in which the units are contained, and (2) an inflation rate of 2.5% shall be applied every five years after completion of construction. This structure would be applicable to both the age-restricted and market-rate multi-family apartment complexes that are proposed within the development. The Chapter 100 Plan also would authorize the issuance by the City of taxable industrial development revenue bonds in the aggregate principal amount of not to exceed \$179M in several series, to finance costs of two industrial development projects (approximately \$99,199,747 attributable to the commercial project(s) and \$79,359,798 attributable to the multi-family residential projects. Investments in the projects are planned to be made in the years 2019 through 2021.

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. Within the memorandum, an explanation is provided as to how the Chapter 100 Plan and the TIF Plan is structured to work together for the project (see "Ownership and Development Structure" section on page 3).

Proposed City Council Motion:

I move for adoption of an Ordinance approving a Master Plan for Industrial Development Projects for the Streets of West Pryor Development.

David Bushek, City of Lee's Summit Chief Counsel of Economic Development & Planning
Mark Dunning, Assistant City Manager

Recommendation:

Staff recommends approval of the ordinance