

Legislation Text

File #: 2019-2655, **Version:** 1

Presentation: Lee's Summit Senior Living Facility - Conceptual Economic Development Incentive Request, O'Reilly Development LLC, Applicant

Issue/Request:

Presentation: Lee's Summit Senior Living Facility - Conceptual Economic Development Incentive Request, O'Reilly Development LLC, Applicant

Key Issues:

In accordance with City's adopted Economic Development Incentive Policy, O'Reilly Development, LLC will present a conceptual incentive request for a proposed development of a 12 acre continuum of care senior living community consisting of memory care, assisted living, and independent living units. The proposed site is located at the SE quadrant of SE Ranson Rd. and SE Oldham Parkway which is currently zoned CP-2. The Preliminary Development Plan (PDP) and Special Use Permit (SUP) are scheduled for public hearing at the April 2, 2019 City Council meeting along with this conceptual economic development incentive request. The proposed development is within the US 50 Hwy. targeted planning area.

In order to develop the proposed site, offsite improvements will be necessary for sanitary sewer, water, and transportation infrastructure which is estimated by the developer to be \$1,775,825.00 broken out as follows:

- * Installation of water main from site to Ranson Rd: \$254,825.00
- * Sewer agreement with City (scope limited to the Project): \$321,000.00
- * Extension of Princeton Drive, a public roadway: \$150,000.00
- * Construction of public sewer improvements (outside the scope of the project): \$1,050,000.00

In order to help mitigate offsite public infrastructure costs, the applicant requests consideration of a Chapter 100 sales tax exemption on building construction materials. The applicant estimates the proposed cost savings to the project would be \$705,000.00 based on a cost for building construction materials in the amount of \$27,458,142.00.

The developer and operator anticipates the project will create approximately 65 new jobs with an average hourly pay rate of \$20.27 (\$42,161 annually) which includes highly skilled and licensed staff which will benefit the region's employment.

Targeted Outcomes identified within the City's Economic Development Incentive Policy that may relate to the project include:

- The development and maintenance of infrastructure
Development projects are encouraged to exhibit a public benefit through improvement, creation, or expansion of public infrastructure. In particular there is an interest for opportunities where the expansion of public infrastructure may create new economic development areas. This can include the development of bridges, streets, signals, stormwater facilities, removal of blight, water and sewer utilities.

- Attracts or retains targeted businesses

The City of Lee's Summit currently enjoys a residential base comprised of highly educated and highly skilled individuals. Creating employment opportunities that allow these individuals to advance their careers within the City of Lee's Summit is a priority. We seek employers that will leverage our existing strengths and workforce resources. We also seek economic sectors that have strong growth potential in the future. The City strives to be a regional hub that provides a fertile environment for the development of technology and healthcare industries, manufacturing, and entrepreneurship.

To be considered a targeted business, the business shall help create an environment where work opportunities exist to support family households. A quality life is a combination of good income, health, family, and leisure activities. These life experiences are more likely to occur when the workplace is in Lee's Summit. A common measurement of quality jobs is income. Indexes such as compensation that equals or exceeds the average pay for Jackson County, Missouri workers, is often used as a standard.

- Preserves or enhances residential developments

The City of Lee's Summit strives to provide a high quality of life for its residents. Residential development projects should provide an environment that attracts residents by incorporating quality design standards. We are seeking future residential communities that offer housing choices to attract next generations as well as supporting today's lifestyles. Residential developments that are incentivized should improve livability by enhancing the accessibility to needs and services. Careful consideration will be given to the impact on other taxing jurisdictions.

- Allows for business retention or expansion

Retaining our existing economic base is vital to providing reliable municipal services. The City of Lee's Summit seeks to promote an environment that will encourage growth and sustainability of the existing economic base. This can be accomplished through partnership opportunities with those looking to grow their business.

- Helps generate a positive community image

The City of Lee's Summit seeks to be recognized as a community that possesses high quality commercial and residential development that is well planned, meets diverse needs, and exceeds community expectations. This approach has helped identify Lee's Summit as a vibrant city with a dynamic spirit of cooperation among its diverse citizens, businesses, organizations, education systems, and local government.

Proposed City Council Motion:

The applicant and staff are seeking Mayor and City Council feedback/direction on the proposed incentive request prior to committing additional resources necessary to formally prepare and present the incentive request to the Mayor and Council for consideration. If the Mayor and City Council are in favor of formally pursuing the incentive request, the following motion may be proposed:

* I move to direct the applicant and staff to prepare a Chapter 100 incentive request for the Lee's Summit Senior Living Facility project for formal consideration.

Background:

O'Reilly Development LLC has submitted a PDP and SUP for the proposed continuum of care senior living facility consisting of a 3-story independent living facility, 1-story assisted living facility, and 1-story memory care facility. The proposed project would entail the following:

Memory Care (18 beds)	18 studio units
-----------------------	-----------------

Assisted Living (44 beds)	28 studio units
	16 1 bedroom units
Independent living (92 units)	15 studio units
	43 one-bedroom units
	34 two-bedroom units

The Planning Commission considered the PDP and SUP on MArch 14, 2019 and recommended approval of the PDP and SUP for a term of 40 years.

Mark Dunning, Assistant City Manager

Denise Heintz, Director of Operations & Development, O'Reilly Development Company, LLC

Shawn Whitney, Partner, Spencer Fane

Adlai Groves, Associate, Spencer Fane