

Legislation Text

File #: BILL NO. 20-164, **Version:** 1

An Ordinance Approving the Amended and Restated Tax Increment Financing Agreement for the Paragon Star Tax Increment Financing Plan.

(Note: First reading by Council on September 1, 2020. Passed by the unanimous vote.)

Issue/Request:

This ordinance will approve the Amended and Restated TIF Agreement for the Paragon Star TIF Plan as amended by the First Amendment. The Amended and Restated TIF Agreement incorporates the following primary items, as compared to the original TIF Agreement dated October 20, 2016:

- Updates the description of the overall project to match the approved Preliminary Development Plans and other land-use approvals that have been provided by the City, and updates the status of the real estate transaction for the purchase of the City property by Developer based on the 2018 real estate agreement.
- Updates the discussion of certain contract items that were previously agreed to be completed by the parties as of 2016, and which have now actually been completed by the parties. This includes formation of the TDD, the issuance of bonds by the TDD, the approval of land-use applications, and similar completed items for the overall project.
- Updates the TIF Project Budget to match the budget approved in the First Amendment to the TIF Plan.
- Updates the legal description of the Redevelopment Project Area to include the land added on the east side of the area which is north of I-470, which will become part of Project 3.
- Increases the maximum reimbursement for TIF-reimbursable project costs, to match the revised Project Budget as approved in the First Amendment.
- Establishes an adjusted closing date for Developer's purchase of the City Land.

Proposed City Council Motion:

I move for adoption of an Ordinance Approving the Amended and Restated Tax Increment Financing Agreement for the Paragon Star Tax Increment Financing Plan.

Background:

The City Council adopted Ordinance No. 7833 on March 10, 2016, designating the Redevelopment Area of the TIF Plan as a blighted area, approving the Redevelopment Plan, designating the Redevelopment Area as a "redevelopment area" as provided in the TIF Act and appointing the Developer as the developer for the Redevelopment Plan.

On June 19, 2020, Developer submitted the proposed First Amendment to the TIF Plan (the “First Amendment”) which proposed to amend certain portions of the TIF Plan to conform to the land use approvals that have been granted by the City Council and to revise the Project Budget and other financial data in the TIF Plan to facilitate a revised finance package for the Sports Complex in the Redevelopment Area

On August 5, 2020 the Tax Increment Financing Commission (“TIF Commission”) conducted a public hearing to consider the First Amendment and thereafter adopted Resolution 2020-2 which recommended that the City Council approve the First Amendment and take other actions associated with implementation of the TIF Plan as amended by the First Amendment

Other details about the history of the project and the approval of other incentives for the project are set forth in the attached Staff memorandum.

Impact/Analysis:

This ordinance will approve an amended contract to implement the First Amendment to the TIF Plan.

Timeline:

The Developer’s timeline provides for the following:

- Land Acquisition complete by December 31, 2020
- Blight Removal complete by November 1, 2025
- Construction complete by November 1, 2025

David Bushek, Chief Counsel of Economic Development & Planning

Recommendation: Staff recommends approval of this ordinance.

Committee Recommendation: On August 5, 2020, the Lee’s Summit Tax Increment Financing Commission approved Resolution 2020-2 by a 8-1 vote, and this resolution included a recommendation to enter into a revised TIF Agreement to implement the amended TIF Plan.