

Legislation Text

File #: BILL NO. 21-169, **Version:** 1

An Ordinance Approving a Transferee Agreement Among Ritter Plaza, LLC, Benevento Properties, LLC, and the City of Lee's Summit, Missouri, for the Transfer of Property in the Ritter Plaza Tax Increment Financing Redevelopment Area.

(Note: First read by Council on August 17, 2021. Passed by unanimous vote.)

Issue/Request:

Request to approve a Transferee Agreement which will allow for the sale of the property that is occupied by the Party City store in the Ritter Plaza shopping area.

Key Issues:

Sale of property occupied by the Party City store in Ritter Plaza to a new owner.

Proposed City Council Motion:

I move for adoption of An Ordinance Approving a Transferee Agreement Among Ritter Plaza, LLC, Benevento Properties, LLC, and the City of Lee's Summit, Missouri, for the Transfer of Property in the Ritter Plaza Tax Increment Financing Redevelopment Area.

Background:

The City and Ritter Plaza, LLC, a Missouri limited liability company, the developer selected by the City ("Developer") executed the Ritter Plaza Tax Increment Financing Contract on November 12, 2008 (the "TIF Contract") to implement the Ritter Plaza Tax Increment Financing Plan (the "TIF Plan"), for development of the Ritter Plaza shopping area. Section 29 of the TIF Contract provides that no sales of property in the TIF Redevelopment Area may be made to proposed buyers that are not directly affiliated with the Developer, without the prior written approval of the City. Section 29 also provides that these buyers (designated as "transferees" in the TIF Contract) are required to enter into a transferee agreement to confirm the transferees' obligations to comply with certain provisions of the TIF Contract as it relates to the transferred property.

Under Section 29 of the TIF Contract, when the City considers the proposed transfer of property under the TIF Contract, the City may require that the transferee demonstrate to City's reasonable satisfaction that it has sufficient financial, management, property ownership and operation capabilities, and that it is interested in the long-term viability of the subject land use and the Redevelopment Plan as a whole. This provision provide a measure of protection for the City in the process of evaluating proposed transferees while the TIF Plan is in effect and TIF bonds remain outstanding.

The property currently occupied by the Party City store which is located at 950 SE Sam Walton lane and has County tax parcel identification number 52-840-02-38-00-0-00-000 is owned by Developer. The property proposed to be transferred is the single tenant retail building at the Ritter Plaza shopping area that presently has Party City as a tenant.

The Developer has provided the following information to the City about the Buyer:

Ritter Plaza, LLC, a Missouri limited liability company ("Seller"), is in escrow to sell the property, to Benevento Properties, LLC a California limited liability company ("Buyer"), and is requesting that the City approve the sale/transfer as required by the TIF contract.

Benevento Properties LLC is 100% owned and managed by Mr. John Benevento. This will be a 1031 exchange transaction, with Mr. Benevento exchanging from a multi tenant retail property.

Following is a brief outline of Benevento Properties LLC, John Benevento's history, and his extensive experience in the ownership and management of commercial properties:

Family History / Experience:

The Benevento family has been involved in commercial real estate ownership for over 40 years and have been investing in retail commercial properties primarily together with Mr. Benevento's uncle, aunt, and cousin. Together, the two families own over \$37M of retail commercial real estate together for which John Benevento acts as the primary manager, point of contact, and decision maker/asset manager for the overall direction of the real estate portfolio. They pride themselves in owning "A" real estate which they manage and maintain with the utmost attention to detail.

John is a recently retired senior executive for Motorola Communications with senior level experience in the telecommunications / wireless industry and land mobile product services. With over thirty-four (34) years of high-level experience working for Motorola Communications, John developed invaluable skills dealing with high profile regional and national corporations which has translated directly to his current role managing the family's retail real estate portfolio and maintaining successful relationships with their tenants, associations, municipalities, and adjacent property owners.

Properties Owned:

Raising Cane's / 4040 Mill Street, Kansas City, MO | Value: \$4,825,000
Raising Cane's / 7550 Las Vegas Blvd, Las Vegas, NV | Value: \$6,050,000
Pollo Campero / 6905 Hwy 6, Houston, TX | Value: \$2,100,000
Raceway Express / 4426 1st Street, Santa Ana, CA / Value: \$6,000,000

Multi-Tenant Retail | 4441 E Bonanza Rd, Las Vegas, NV | Value: \$3,100,000
Multi-Tenant Retail | 1790 W Carson Street, Torrance, CA | Value: \$4,500,000

Properties Currently In Escrow for Purchase:

Raising Cane 's | St. Cloud, MN | Value: \$3,550,000
Express Car Wash | Phoenix, AZ | Value: \$5,000,000
Party City | Lee' s Summit, MO | Value: \$2,350,000 Total Portfolio Value | \$37,475,000

Impact/Analysis:

This will allow for the sale of the property that is currently occupied by Party City.

Timeline:

Developer has indicated that the real estate transaction will happen this year.

David Bushek, Chief Counsel of Economic Development & Planning

Mike Dodig, Dodig Law Firm

Recommendation: Staff recommends approval of the ordinance.