

Legislation Text

File #: BILL NO. 21-202, **Version:** 1

An Ordinance Authorizing the City of Lee's Summit, Missouri to Issue Taxable Industrial Development Revenue Bonds in a Principal Amount Not to Exceed \$85,000,000 in Connection With the Stag's Field Apartment Project; and Authorizing Certain Documents And Actions in Connection Therewith.

(First read by Council on October 5, 2021.)

Issue/Request:

Ordinance to approve the Chapter 100 transaction for the Stag's Field apartment development.

Key Issues:

This ordinance will authorize the issuance of the Chapter 100 bonds in order to provide the requested incentives for the apartments development, in the form of sales and use tax exemption on the purchase of construction materials for the apartments.

Proposed City Council Motion:

I move for adoption of An Ordinance Authorizing the City of Lee's Summit, Missouri to Issue Taxable Industrial Development Revenue Bonds in a Principal Amount Not to Exceed \$85,000,000 in Connection With the Stag's Field Apartment Project; and Authorizing Certain Documents And Actions in Connection Therewith.

Background:

The City Council approved Ordinance No. 9211 on August 3, 2021, which approved the Plan for an Industrial Development Project for Stag's Field Apartments (the "Plan") for the developer Stag Commercial ("Developer"). As approved, the Plan allows for the Developer to use the City's sales tax exemption certificate for the purchase of construction materials used in the construction of the project improvements. The description of the project the "Project") in the attached Trust Indenture is:

"A multifamily residential development of approximately 356 total units, including one four-story apartment building with approximately 90 units, 23 manor home buildings with approximately 266 units, and a clubhouse. Amenities will include onsite interior and exterior parking, green space, sidewalks, a dog park, irrigated community garden plots, a multi-sport hard court, barbeque pits and outdoor dining areas, a fire pit and outdoor lounge area, outdoor television and entertainment seating, swimming pool, fitness center, and party room. Units will include walk-in closets, internal dedicated garage access, premium finishes including wood flooring and granite/quartz countertops, stainless steel appliances, and in-unit washer and dryer. "

The Project is situated on approximately 27 acres at 1215 NE Bowlin Road in Lee's Summit, Missouri.

The Plan provide sales tax exemption on construction materials that will be purchased for the Project. This ordinance allows for the Chapter 100 transaction to implement the Plan with respect to the apartments in the project.

Impact/Analysis:

This Chapter 100 transaction is expected to provide approximately \$1.85 million in sales and use tax savings for the overall project. The Developer will make payments in lieu of taxes (PILOTs) during the construction period that are expected to be equal to the amount of property taxes that would be imposed on the property during the construction period.

Timeline:

Start: Late 2021 or spring 2022

Finish: 2024

David Bushek, Chief Counsel of Economic Development & Planning

David Martin, Gilmore & Bell, P.C.

Steve Kyle, Seigfried Bingham, attorney for Developer

Recommendation: Staff recommends approval of the ordinance to implement the Plan.

Committee Recommendation: Not applicable; only Council action occurs for Chapter 100 incentives.