

Legislation Text

File #: 2022-4905, **Version:** 1

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Conceptual Economic Development Incentive Request for Discovery Park - Tax Increment Financing Plan and Community Improvement District; Discovery Park Lee's Summit, LLC, applicant

Issue/Request:

This is a conceptual presentation pursuant to the City's Economic Development Incentive Policy for the request by Discovery Park Lee's Summit, LLC ("Developer"), as the developer of a proposed mixed use residential, office and commercial project to be constructed at the northwest quadrant of I-470 and Douglas Street, on the north and south sides of Colbern Road. The Developer proposes to use a tax increment financing plan and a community improvement district for the requested incentives.

Key Issues:

Evaluation of a request for tax increment financing and a community improvement district to provide reimbursement to Developer for certain qualified redevelopment costs.

Proposed City Council Motion:

No motion requested as this is only a conceptual presentation. The Developer is seeking the City Council's feedback pursuant to the City's Economic Development Incentive Policy.

Background:

Data associated with the proposed project:

Land area: about 265 acres in four phases

Proposed Land Uses:

- 660,500 square feet of retail, office, entertainment and hospitality space
- 220 hotel rooms with Marriott and Hilton hotels
- 2,930 residential units
- 1,520 parking spaces

Project Budget and Incentive Request (dollars rounded to thousands):

<u>Private Sources</u>		
\$245,799,060	Private Investment	25.89%
\$500,000,000	Private Debt	52.66%
\$745,799,060		78.54%
<u>Public Sources</u>		
\$195,119,914	TIF Reimbursement	20.55%
\$6,890,115	CID Reimbursement	0.73%
\$1,738,511	Hotel Revenues	0.18%
\$203,748,540		21.46%
\$949,547,600	Total Project Budget	100.00%

Impact/Analysis:

Developer is proposing to surplus 25% of the captured PILOTs, which means that 25% of the real property taxes that are captured as PILOTs will flow to the taxing districts as normal. This is designed to be equal to the amount of funding that the Lee’s Summit R-7 School District will need on an annual basis to fund the costs associated with the expected new school-aged children that will live in the project. This uses a formula that was provided to the Developer by the LSR7 School District assuming that each residential unit will generate 0.1 students (1 student per 10 residential units) and the average annual costs to the District is about \$12,000 per student.

Timeline:

Developer plans to start with the first phase in 2022, and the project will be built out in four phases through the year 2031.

Other Information/Unique Characteristics:

This is the largest incentive request in the history of Lee’s Summit.

For the Developer

Wesley Fields, Bryan Cave Leighton Paisner LLP
Michael VanBuskirk, Newmark Zimmer
Jack Cardetti, Discovery Park Lee's Summit, LLC, Representative

For City Staff

Mark Dunning, Assistant City Manager
David Bushek, Chief Counsel of Economic Development and Planning

This project will proceed to the TIF Commission if the Council provides favorable feedback to the Developer.

