

40 Highway & Noland Road TIF Plan

SEPTEMBER 16, 2020

Overview

The proposed 40 Highway & Noland Road TIF Plan calls for:

- 1. the renovation of 192,000 sf space for manufacturing and office use;
- 2. the construction of 332,300 sf for manufacturing, office, warehouse and storage use and related improvements;
- 3. other necessary site improvements, including renovation and construction of surface parking lots, lighting, signage and landscaping;
- 4. related public infrastructure improvements.

Bennett Packaging and Displays intends to occupy 524,300 sf of the manufacturing and office space. The company intends to retain 15 jobs, relocate 165 existing jobs and create 24 new jobs.

All improvements are scheduled to be completed by 2029.

40 Highway and Noland Road Redevelopment Area

Generally bound by
US 40 Highway on
the north, railroad
tracks on the west,
Noland Road on the
east, and E 49th
Street on the south



[illegible]



Rendering of Project

Sources and Uses of Revenues

Amount of Costs reimbursable from Economic Activity Taxes	\$ 6,288,513
Amount of costs funded by equity	\$ 16,963,264
Amount of costs funded by private debt	\$ 44,816,149
Amount of costs recovered from Chapter 100	\$ 7,867,224
Total Redevelopment Project Costs	\$ 75,935,150

But-for analysis

SB Friedman concluded that the Project Improvements would not be implemented but-for TIF Assistance. The Industry Benchmark for the unleveraged IRR is between 6.5% and 8%.

Full requested assistance includes capture of 75% PILOTs for 10 years and 37.5% PILOTs for 15 years, Statutory 50% EATs, and a sales tax exemption on construction materials.

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	Undiscounted amount	Internal Rate of Return (unleveraged)
With full requested assistance	\$16,489,000	1.8%
Without assistance	\$0	-3.6%

Cost-benefit analysis

EDC Staff performed an analysis of the impact of the project on the taxing jurisdictions and determined that the implementation of the TIF Plan would have a positive impact upon the taxing jurisdictions.

Statutory findings

A blight study has been completed and the findings of such study satisfy the requirements provided under subdivision (1) of Section 99.805, RSMo. The Redevelopment Area as a whole is a blighted area, evidenced by physical deterioration of building and site improvements, low property values, and high underutilization of the property.

The Redevelopment Area has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of the Redevelopment Plan. The Plan incorporates an analysis prepared by SB Friedman, and such analysis provides sufficient information to satisfy the “but for” test set forth in Section 99.810, RSMo.

Statutory findings

The Redevelopment Plan conforms to the Little Blue Valley Area Plan and FOCUS, the comprehensive plan for the development of the City as a whole;

The areas selected for Redevelopment Projects include only those parcels of real property and improvements thereon which will be directly and substantially benefited by the Redevelopment Project improvements;

The estimated dates of completion of the respective Redevelopment Projects and retirement of obligations incurred to finance Redevelopment Project Costs, have been stated in the Redevelopment Plan and are not more than 23 years from the passage of any ordinance approving a Redevelopment Project within the Redevelopment Area;

The Redevelopment Plan contains a relocation assistance plan.

Statutory findings

A cost-benefit analysis showing the economic impact of the Redevelopment Plan on each taxing district at least partially within the boundaries of the Redevelopment Area has been prepared in accordance with the Act. The analysis provides sufficient information for the Commission and the City to evaluate whether this Plan is financially feasible.

The Redevelopment Plan does not include the initial development or redevelopment of any gambling establishment.

The Redevelopment Plan does not contemplate that any property located within a Redevelopment Project Area will be acquired by eminent domain later than five (5) years from the adoption of the Ordinance approving such Redevelopment Project.

The Plan does not provide for the adoption of an Ordinance approving any Redevelopment Project later than ten (10) years from the adoption of the Redevelopment Plan.

Recommendation

The TIF Commission recommended approval of the 40 Highway & Noland Road TIF Plan.

Blight Study

40 Highway & Noland Road

Tax Increment Financing Plan

Neighborhood Planning and Development Committee

City Council of Kansas City, Missouri

September 16, 2020



Blight – Definition

- Defective or inadequate street layout
- Improper subdivision or obsolete platting
- Insanitary or unsafe conditions
- Deterioration of site improvements
- Conditions which endanger life or property by fire or other causes

Predominance of one or more blighting factors above leads to:

- Retards provision of housing accommodations, OR
- Economic liability, OR
- Social liability, OR
- Menace to public health, safety, morals, or welfare

In present condition and use

Blighting Factors

SUMMARY

- Insanitary or unsafe conditions
 - Vagrant activity
 - Trash/debris
 - Improvements not built to current code
 - Cracked/uneven sidewalks
 - Poor drainage
- Deterioration of site improvements
 - Roofs, walls, downspouts
 - Failure of finishes
 - Surface parking and drive aisles
 - Light pole bases, curbs

Blighting Factors

SUMMARY (continued)

- Defective or Inadequate Street Layout
 - Non-existent pedestrian circulation
 - Improper driving/parking surfaces
 - Poor internal circulation – parking lots & loading areas
- Existence of conditions which endanger life or property...
 - 9ine Ultra Lounge

Blighting Factors – Summary

40 Highway & S. Noland Road Redevelopment Area						
Summary of Blighting Factors						
Study Area		Parcels	Pct.		Area (acres)	Pct.
Total		3	100%		37.6	100%
<u>Blighting Factors</u>						
Defective or inadequate street layout		2	66.7%		32.2	85.7%
Improper subdivision or obsolete platting		0	0.0%		0.0	0.0%
Insanitary or unsafe conditions		3	100.0%		37.6	100.0%
Deterioration of site improvements		2	66.7%		32.2	85.7%
Existence of conditions which endanger						
 life or property by fire and other causes		1	33.3%		11.5	30.7%
Parcels with at least one blighting factor		3	100.0%		37.6	100.0%
Parcels with no blighting factors		0	0.0%		0.0	0.0%
Parcels with Predominance of Blighting Factors		2	66.7%		32.2	85.7%

Blighting Factors – Economic Liability

ECONOMIC LIABILITY

- Reduced, negligible income
- Impaired economic value
- Physical deterioration/unsafe conditions
- Assessed Values
 - Unimproved Commercial Land – Stagnant
 - 4802 S. Noland Road – declined 3.3%
- Underutilized Property –
 - 4800 S. Noland Road & Unimproved Commercial Land

Value per Building Square Foot: \$ 3.97

Comparable Property: \$14.26

Chapter 100

Authorizing \$48m in bonds.

Sales Tax Exemption on Construction Materials (STECM)

Real Property

- 10 years at 75% followed by 15 years at 37.5% for each phase

Personal Property

- 7 years at 75% for each round of purchases.

40 Highway & Noland Road

Bennett Packaging & Displays Corporate Campus



NPD Committee - September 16, 2020

Summary of Request

- Area Plan and Zoning:
 - Resolution 200697
 - Ordinance 200695
- 40 Highway & Noland Road TIF Plan
 - Ordinance 200711
- Chapter 100 – Industrial Development Plan
 - Ordinance 200727
- Request Redevelopment Project Area Ordinances be held off docket
 - Ordinance 200712-200716 designating Project Areas 1-5 of the TIF Plan

BENEFITS - JOBS

- 157 HIGH QUALITY, FULL-TIME JOBS TO KANSAS CITY
- PLUS 50-75 SEASONAL JOBS
- ESTIMATE JOB GROWTH TO REACH 204

BENEFITS – NET NEW TAX REVENUE

Net New Taxes (Cost-Benefit Analysis)	
City of Kansas City	\$7,503,280
Raytown School District	\$3,846,894
State of Missouri	\$38,066,390

View looking Southwest from Highway 40



Bennett Packaging & Display – Who We Are

- ▶ Family business founded in 1987.
 - ▶ 2006 and 2007 Top 25 Woman-Owned Businesses – KC Business Journal.
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Bennett Packaging & Display – What We Do

- ▶ Design, print, and manufacture cardboard packaging and retail displays.
 - ▶ Current headquarters and primary operations are in Lee's Summit, Mo.
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Tank 7 Farmhouse Ale Beer Packaging



The Calling Pale Ale Beer Boxes



Custom Floor Display



Custom Floor Display





Current Facility

Current Facility - Printing



High Graphics 7 Color Printer



Bahmuller Topmatcher



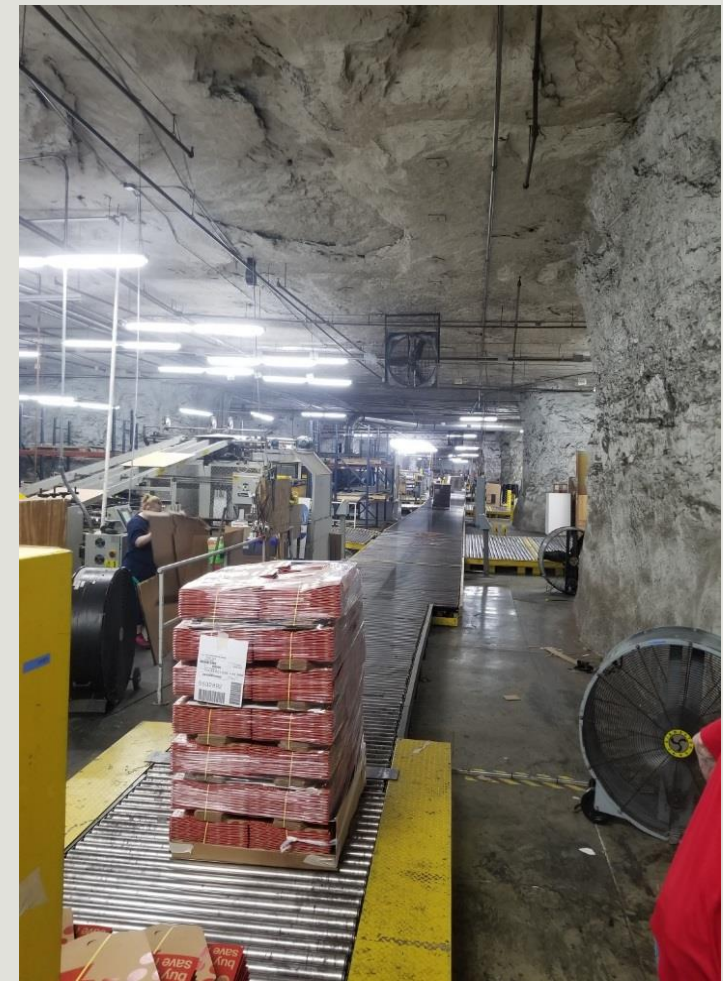
Barberan 6 Logo

Current Facility - Design





Current Facility



Current Facility

Campus Development, Kansas City, MO

- ▶ COMBINE HEADQUARTERS, MANUFACTURING, AND WAREHOUSING OPERATIONS AT ONE LOCATION.
- ▶ ADAPTIVE REUSE OF A BLIGHTED, DETERIORATED, AND UNDERUTILIZED SHOPPING CENTER BY CONVERTING IT INTO A STATE-OF-THE ART CORPORATE CAMPUS.
- ▶ JOBS: 157 HIGH QUALITY, FULL-TIME JOBS TO KANSAS CITY (PLUS 50-75 SEASONAL JOBS), WITH ESTIMATED JOB GROWTH TO REACH 204 WITHIN A FEW YEARS.

Current Tenants



Headlines: 9ine Ultra Lounge



THE KANSAS CITY STAR.

WP ▼

CRIME

2 dead, at least 15 reported wounded in shooting outside Kansas City club, police say

BY LUKE NOZICKA AND KAITLYN SCHWERS

JANUARY 20, 2020 02:32 AM , UPDATED JANUARY 20, 2020 03:55 PM

THE KANSAS CITY STAR.

CRIME

Four people shot Sunday at KC nightclub where mass shooting occurred in January

BY ANNA SPOERRE

AUGUST 30, 2020 08:51 AM , UPDATED AUGUST 30, 2020 05:29 PM

9ine Ultra Lounge's liquor license under review after mass shooting

Drive-by shooting reported at club on Jan. 13



Updated: 10:39 PM CST Jan 21, 2020

THE KANSAS CITY STAR.

CRIME

Order temporarily shuts down Kansas City nightclub where recent shootings unfolded

BY ANNA SPOERRE AND CORTLYNN STARK

SEPTEMBER 06, 2020 01:41 PM

Proposed UR Campus Plan



Requesting 524,000 SF of Manufacturing / Office / Storage
Currently UR Plan allows for 324,500 SF of Manufacturing / Office / Storage

Enhanced Gateway into Little Blue Valley

- ▶ Proposed buffer along Noland Rd. includes large berms and heavy landscaping.
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Summary of Request

Request Advance and Do Pass:

- Area Plan and Zoning:
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THANK YOU





Incentives Request

- Chapter 100
 - Real property tax abatement
 - 10 years at 75% and 15 years at 37.5% (totaling a 25-year term)
 - Personal property tax abatement
 - 7 years at 75% from the date of each purchase
 - Sales tax exemption on construction materials
- TIF
 - EATs – 50% of earnings taxes paid by businesses and employees and utility taxes



View looking Northwest from Noland Rd.



View looking Southeast from Highway 40



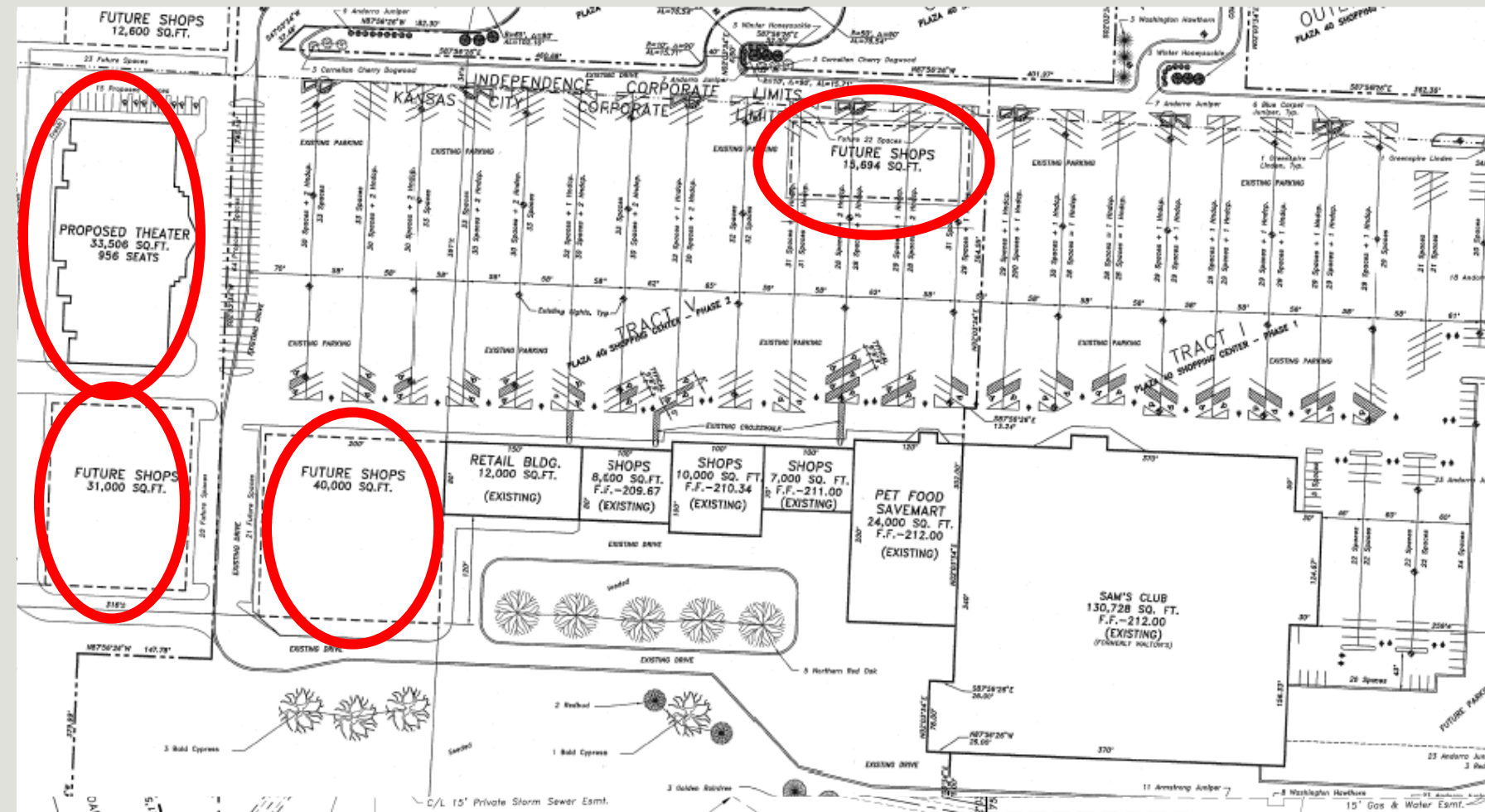
Looking Northeast from Interior Parking Lot



Looking Southwest at former Sam's Club



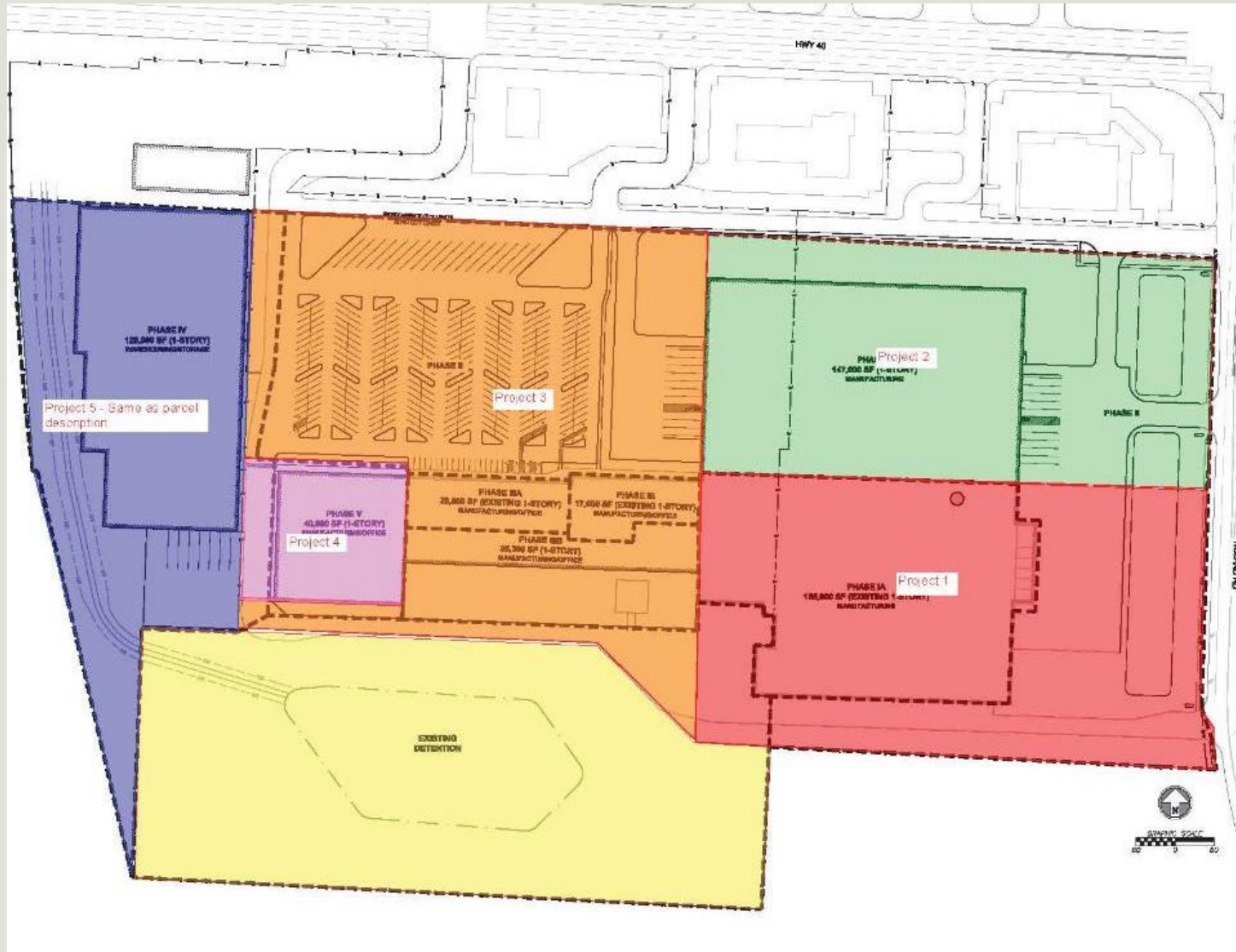
1995 Approved CP2 Plan



Approved for 311,928 SF of Retail / Commercial

- 191,728 SF built
- 120,200 SF of future retail and commercial

TIF Project Areas



- 1: Renovate existing 155,000 SF manufacturing
- 2: Construct new 147,000 SF of manufacturing
- 3: Renovate 17,000 SF of manufacturing / office
Convert existing 20,000 SF retail into manufacturing / office
Construct 25,300 SF of manufacturing / office
- 4: Construct 120,000 SF 3PL warehouse
- 5: Construct 40,000 SF manufacturing / office