

Oldham Village Project
Drake Development Incentive Request
 May 14, 2024 Conceptual Presentation

Developer Request						
Source	Incentive Tool	Applicable Rate	Duration	Purpose	*Estimated Financial Benefit	% Project Costs
LCRA	Sales Tax Exemption on Construction Materials	100%	Construction Period	Reduce Development Costs	\$5,200,000	2.5%
LCRA	Real Property Tax Abatement on Apartments	75%	25 years	Reduce Development Cost	\$3,202,000	1.6%
TIF	Payments In Lieu of Taxes (PILOTs)	100%	23 years	Real Property Tax Redirection for Reimbursement	\$3,623,000	1.8%
TIF	Economic Activity Taxes (EATs)	50%	23 years	Sales Tax Redirection for Reimbursement	\$8,839,000	4.3%
TIF	**Sales Tax Rebate (Super-TIF)	50% Uncaptured City Sales Taxes	23 years	Sales Tax Redirection for City Land Purchase	\$4,600,000	2.2%
CID	New Sales Tax	1.0%	27 years	Reimbursement for Public Improvement	\$21,034,000	10.2%
TDD	New Sales Tax	0.5%	30 years	Reimbursement for Public Improvement	\$3,127,000	1.5%
Totals:					\$49,625,000	24.1%

Total Project Costs: \$206,162,000

Notes:

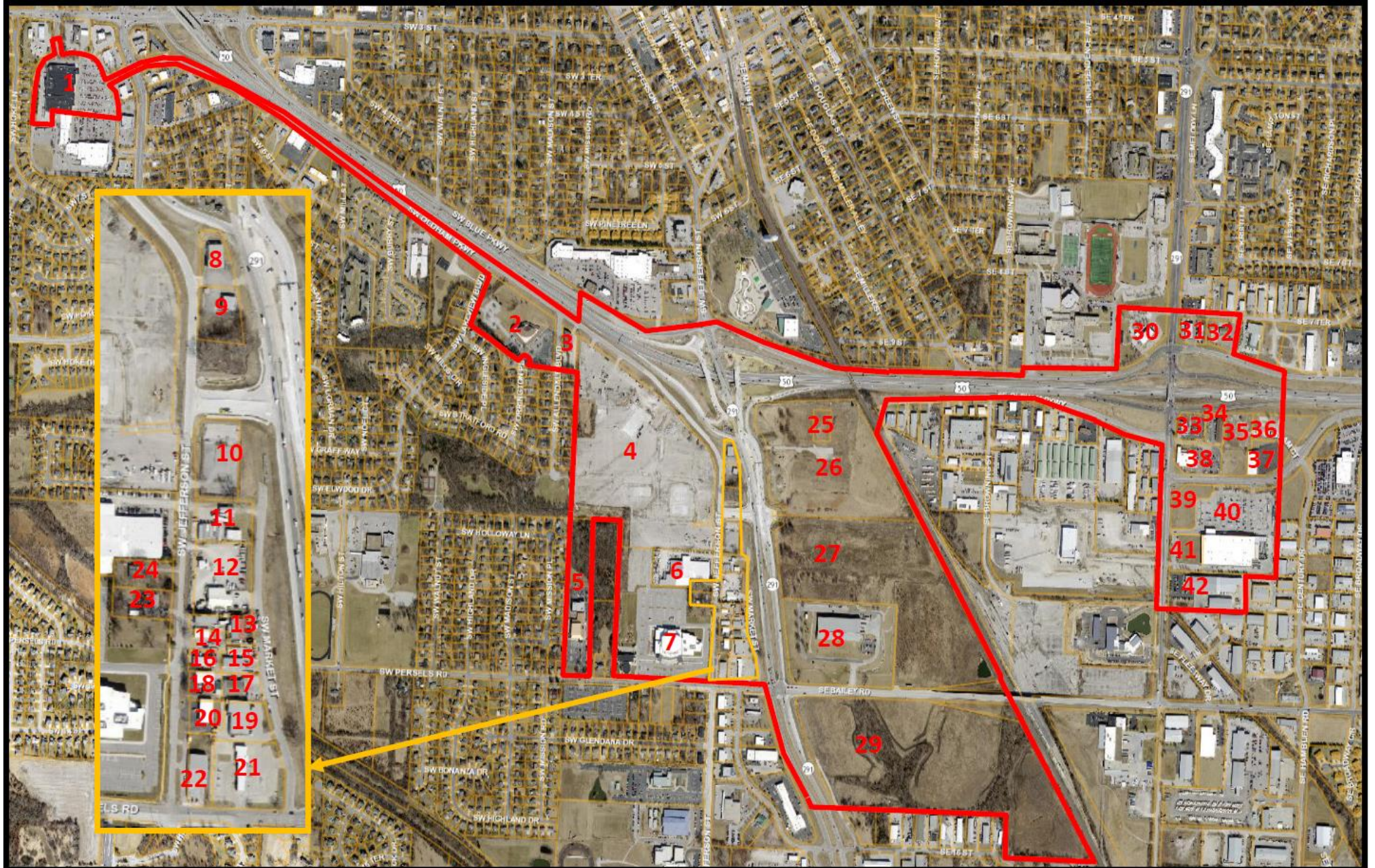
- * Rounded to nearest \$1,000; all net present value calculations except LCRA sales tax exemption during construction period.
- ** Payment for City Land Purchase, which becomes a City asset, capped at \$4.6 million.

Oldham Village Sources & Uses Summary

	Project	Incentives	Parks	Private
Land Acquisition	\$19,105,018	\$10,500,000		\$8,605,018
Building Costs				
<i>Fieldhouse / Fitness</i>	\$24,000,000	\$0	\$24,000,000	
Private Construction	\$90,425,299	\$5,200,000		\$85,225,299
Tenant Imp & FFE	\$3,341,325			\$3,341,325
Subtotal	\$117,766,624	\$5,200,000	\$24,000,000	\$88,566,624
Sitework & Infrastructure	\$28,948,818	\$16,962,500		\$11,986,318
Soft Costs	\$40,341,449	\$16,962,500		\$23,378,949
Total	\$206,161,909	\$49,625,000	\$24,000,000	\$132,536,909
% Of Total Costs	100.0%	24.1%	11.6%	64.3%

MAP OF COMMUNITY IMPROVEMENT DISTRICT +

Rare opportunity for the City to partner with a large private landowner to create a regional CID



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Developer CID Request					
Years 1-10		%	\$	NPV	Purpose
	Developer	100%	\$18,188,669	\$12,458,012	Public Improvements
	City	0%	\$0	\$0	
		100%	\$18,188,669	\$12,458,012	
Years 11-27		%	\$		Purpose
	Developer	75%	\$30,082,685	\$8,576,028	Public Improvements
	City	25%	\$10,027,562	\$5,225,845	City Public Improvements
		100%	\$40,110,247	\$13,801,873	

City Regional CID Revenue Sharing Approach					
Years 1-10		%	\$	NPV	Purpose
	Developer	50%	\$9,094,335	\$6,229,006	Public Improvements
	City	50%	\$9,094,335	\$6,229,006	City Public Improvements
		100%	\$18,188,669	\$12,458,012	
Years 11-27		%	\$	NPV	Purpose
	Developer	100%	\$40,110,247	\$11,434,704	Public Improvements
	City	0%	\$0	\$0	
		100%	\$40,110,247	\$11,434,704	

Lee's Summit Incentives for Residential Development

Updated May 14, 2024

* Conceptual and Pending Projects are Red

	Acres	Units	Cost (Millions)	Legal Authority				Incentive			Characteristics			
				Chapter 100	LCRA	Chapter 353	TIF	Sales & Use Tax Exemption	Real Prop. Tax Abatement	Real Prop. Tax Redirection	Blighted Area	Greenfield	Redevelopment	Unique Factors
Apartments														
Residents at New Longview (2014)	15.48	309	\$35.0	•				•						•
Summit Square #1 (2016)	15.00	310	\$36.0	•				•						•
Paragon Star (2016)	3.64	390	\$52.7				•			•			•	•
Echelon (2017)	11.15	243	\$27.0	•				•						•
Meridian (2017)	21.43	312	\$39.5	•				•						•
Summit Square #2 (2018)	12.78	326	\$48.5	•				•						•
Cityscape Downtown (2019)	3.69	273	\$51.8		•		•	•				•		•
Streets of West Pryor Phase 1 (2019)	6.17	237	\$48.0	•				•				•		•
Streets of West Pryor Phase 2 (2021)	9.25	184	\$36.5	•				••				•		•
Stag's Field (2021)	27.00	356	\$85.0	•				••						•
Discovery Park (2022)	200.40	2,791	\$951.0				•			•		•	•	•
Summit Square III (2022)	11.40	324	\$72.2	•				••	•					•
Cityscape at Douglas & Tudor (2022)	13.20	358	\$65.7	•				••	•					•
Ellis Glen (2023)	1.20	26	\$8.0		•			••	•					•
Greens at Woods Chapel (2023)	18.00	396	\$70.5	•				••	•					•
Douglas Station (2023)	6.30	150	\$24.9	•				••	•					•
Pryor Mixed Use (2023)	8.00	253	\$64.5	•				••	•					•
Colbern Ridge Apartments (2023)	41.10	136	\$44.5		•			••	•					•
LS Crossing (2024)	70.00	526	\$125.0	•				••	•			•		•
Oldham Village Apartments (2024)	9.70	307	\$42.6		•			••	•			•		•
Subtotal	504.89	8,207	\$1,928.9											
Townhomes														
Streets of West Pryor Villas (2021)	9.34	78	\$30.5		•			••	•			•		•
Mixed Residential (Rental)														
Griffin Riley - Blackwell (2022)	56.22	442	\$103.1	•				••	•				•	
Senior Care														
John Knox Village (2015)	170.00	369	\$90.3			•			•			•		•
The Princeton (2019)	37.00	153	\$35.5		•			•				•		•
Scenic Development (2022)	11.86	186	\$48.4	•				••	•			•		•
Subtotal	218.86	708.00	174.20											
Grand Totals	789.3	9435	\$2,236.7	16	6	1	3	23	13	3	10	19	7	6

**Incentivized Apartment Projects
Taxes vs PILOTS Comparison**

Updated May 2024

Chapter 100 Projects

		Market Value			2023 Taxes			
		2021	2023	% Increase	Assessed Value	Tax Bill*	Units	Tax / Unit
Residences @ New Longview	2014	\$41,453,200	\$55,961,260	35.0%	\$10,632,639	\$902,945	309	\$2,922
Summit Square Apartments	2016	\$41,872,000	\$56,527,300	35.0%	\$10,740,187	\$912,078	310	\$2,942
Residences @ Echelon	2017	\$28,281,000	\$38,179,400	35.0%	\$7,254,086	\$616,031	243	\$2,535
Meridian @ View High	2017	\$37,750,000	\$50,962,500	35.0%	\$9,682,875	\$822,289	312	\$2,636
The Donovan	2018	\$37,490,000	\$50,611,500	35.0%	\$9,616,185	\$816,626	326	\$2,505
Streets of West Pryor Phase 1	2019	\$43,744,000	\$43,744,000	0.0%	\$8,311,360	\$705,817	237	\$2,978
Blackwell Mixed-Use Resid.	2022							
Streets of West Pryor Phase 2	2022							
Northpoint Phase III	2023							
							Average	\$2,753

* 2023 tax rates

All Incentivized Apartments

- with PILOTS or Tax Data

	PILOT per unit	Taxes per unit	Notes
Residences @ New Longview	\$935	\$2,922	
Summit Square Apartments	\$935	\$2,942	
Residences @ Echelon	\$993	\$2,535	
Meridian @ View High	\$1,051	\$2,636	
The Donovan	\$1,350	\$2,505	
Streets of West Pryor Phase I	\$1,350	\$2,978	
Streets of West Pryor Phase II	\$1,350		
Elevate 114 Downtown		\$3,239	TIF Plan
Blackwell Mixed-Use Resid.	\$1,400		Closed 9-7-23
Northpoint Phase III	\$1,800		Construction
Cityscape at Tudor Road	\$1,800		Plan approved
Greens at Woods Chapel	\$1,600		Plan approved
Douglas Station	\$1,600		Plan approved
Pryor Mixed Use	\$1,600		Conceptual
Clover Senior Apartments	\$1,800		Plan approved
Average	\$1,397	\$2,822	

LS Crossing - MF Apartments

\$1,800

Conceptual

LS Crossing - TriStar MF

\$2,776

Conceptual

Oldham Village Apartments*

\$426

Conceptual

* 75% abatement / 25% PILOTS

Lee's Summit Incentive Reimbursement Rates

Updated May 2024

Project	Year	Acres	Total Project Costs*	Total Reimbursement*	Total %	Land Uses							Reimbursement Type and %							Reimbursement as % of Total Project Costs						
						Residential	Senior Residential	Commercial	Office	Industrial	Historic Structures	Public / Civic	TIF	LCRA	CID	TDD	Chapter 353	Chapter 100	Other Gov't Funding		Total %					
Chapel Ridge	2000	258.0	\$108.7	\$31.9	29.3%			•	•								22.9%			6.4%					29.3%	29.3%
Summit Woods	2000	95.0	\$151.6	\$39.7	26.2%			•									16.3%			9.9%					26.2%	26.2%
I-470 Business & Technology	2006	17.8	\$66.2	\$6.8	10.3%			•		•							6.2%			4.1%					10.3%	10.3%
Summit Fair	2006	58.7	\$162.8	\$55.3	34.0%			•									19.7%		14.3%						34.0%	34.0%
Hartley Block	2006	1.3	\$7.7	\$2.5	32.5%	•		•									32.5%								32.5%	32.5%
East 50 Highway Corridor (Project 4)	2007	15.2	\$20.0	\$5.0	25.0%			•									19.0%		6.0%						25.0%	25.0%
Ritter Plaza	2007	7.3	\$14.5	\$4.7	32.4%			•									22.8%		9.7%						32.5%	32.5%
New Longview	2015	107.0	\$85.4	\$20.6	24.1%	•		•	•		•						24.1%								24.1%	24.1%
John Knox Village	2015	170.0	\$48.0	\$11.5	24.0%		•														24.0%				24.0%	24.0%
Pine Tree Plaza	2017	12.4	\$9.3	\$2.4	25.9%			•											25.9%						25.9%	25.9%
740 Blue Parkway Project	2017	3.5	\$12.5	\$1.3	10.6%			•											10.6%						10.6%	10.6%
Village at View High	2017	34.0	\$69.0	\$10.3	14.9%			•									11.6%		3.3%						14.9%	14.9%
The Princeton	2019	37.0	\$35.5	\$0.8	2.1%		•											2.1%							2.1%	2.1%
Cityscape Downtown Apartments	2019	3.7	\$51.8	\$9.3	18.0%	•					•						15.4%	2.6%							18.0%	18.0%
Streets of West Pryor (Commercial & Apts)	2019	73.0	\$178.6	\$36.0	20.2%	•		•									11.0%		4.5%	1.0%		3.4%	0.3%		20.2%	20.2%
Southside Plaza Shopping Center	2020	4.5	\$4.8	\$1.4	29.9%			•											29.9%						29.9%	29.9%
Cedar Creek Shopping Center	2020	5.2	\$9.4	\$1.5	15.9%			•											15.9%						15.9%	15.9%
Paragon Star	2020	332.9	\$245.1	\$74.6	30.4%	•		•	•								13.1%		2.0%	13.1%			2.0%		30.2%	30.2%
Streets of West Pryor (Townhomes)	2021	9.3	\$30.5	\$2.9	9.5%	•												9.5%							9.5%	9.5%
Chapel Ridge Shopping Center	2021	9.2	\$19.6	\$3.9	20.1%			•											20.1%						20.1%	20.1%
LS Logistics - Scannell Industrial	2022	75.8	\$50.6	\$11.1	21.9%					•													21.9%		21.9%	21.9%
LS Industrial - O'Dell	2022	49.8	\$46.5	\$9.5	20.4%					•								20.4%							20.4%	20.4%
Paragon Star Parking Garage	2022	0.7	\$10.5	\$0.2	2.1%			•										2.1%							2.1%	2.1%
Paragon Star Apartments	2022	1.8	\$59.0	\$1.3	1.7%	•												1.7%							1.7%	1.7%
Valle Vista Shopping Center	2022	4.4	\$15.0	\$3.9	26.3%			•											26.3%						26.3%	26.3%
Blackwell Mixed Residential	2022	56.0	\$103.1	\$4.0	3.9%	•																	3.9%		3.9%	3.9%
Discovery Park	2022	265.0	\$956.5	\$212.2	22.2%	•		•	•								20.2%		2.0%						22.2%	22.2%
Scenic Development - Senior Care	2022	12.6	\$48.4	\$2.7	5.6%		•																5.6%		5.6%	5.6%
Summit Square III Apartments	2022	11.4	\$72.2	\$3.6	5.0%	•																	5.0%		5.0%	5.0%
Cityscape at Douglas & Tudor	2022	13.2	\$65.7	\$3.3	5.0%	•																	5.0%		5.0%	5.0%
Town Centre Industrial - Ward Development	2022	22.0	\$17.8	\$3.4	19.3%					•													19.3%		19.3%	19.3%
Colbern Ridge	2023	41.4	\$83.7	\$6.4	7.6%																		7.6%		7.6%	7.6%
Ellis Glen	2023	1.2	\$8.0	\$2.0	24.4%	•			•									24.4%							24.4%	24.4%
Lee's Summit Crossing	2024	177.0	\$407.9	\$52.3	12.8%	•	•	•									8.4%		1.1%	1.1%		2.2%			12.8%	12.8%
Oldham Village	2024	50.0	\$205.5	\$56.7	27.6%												9.3%	4.1%	12.7%	1.5%					27.6%	27.6%
Grand Totals		2,037.3	\$3,481.4	\$695.1		13	4	20	5	4	2	3	15	8	15	7	1	9	2	Average: 18.3%	Number of Projects: 35					

* In Millions. Some reimbursement occurs in the form of abatement value.

Summary of Data			
Date Range	2000-2024	Project Average %	18.3%
Number of Projects	35	TIF Average	16.8%
Highest Reimbursement %	34.0%	LCRA Average	8.4%
Lowest Reimbursement %	1.7%	CID Average	12.3%
% Range without outliers	2-30%	TDD Average	5.3%
		Ch 100 Average	8.2%

Oldham Village Project
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Developer Request for Apartments

307 Units

Construction Period

LCRA Sales & Use Tax Exemption on Construction Materials

Years 1-20

Abatement 75%
 PILOTs to Taxing Districts 25% \$426 Effective Initial PILOT per Unit

Tax Benefit to Taxing Districts

	2023 Taxes	%	First Year PILOTs	PILOTs Over 20 years
BOARD OF DISABLED SERVICES	\$181	0.8%	\$1,054	\$23,297
CITY - LEES SUMMIT	\$3,855	17.2%	\$22,518	\$497,514
JACKSON COUNTY	\$1,582	7.1%	\$9,238	\$204,116
LEES SUMMIT SCHOOL R-VII	\$14,889	66.6%	\$86,961	\$1,921,365
MENTAL HEALTH	\$292	1.3%	\$1,708	\$37,727
METRO JUNIOR COLLEGE	\$551	2.5%	\$3,218	\$71,095
MID-CONTINENT LIBRARY	\$941	4.2%	\$5,497	\$121,447
STATE BLIND PENSION	\$80	0.4%	\$469	\$10,371
	\$22,372	100.0%	\$130,663	\$2,886,933

Value of Apartments Abatement Request to Developer

Total Project Costs	\$42,638,889	
Value of 75% Abatement (NPV)	\$3,202,000	7.5%
Value of Sales Tax Exemption	\$1,065,972	2.5%
Total Value of Incentive Request	\$4,267,972	10.0%

Impact to City

Impact of Abated Taxes

Sales & Use Tax Exemption	\$255,833
Real Property Tax Abatement	\$544,340
	<u>\$800,173</u>