

**2<sup>ND</sup> AND DOUGLAS  
LCRA REDEVELOPMENT PLAN**

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**LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY  
OF THE CITY OF LEE'S SUMMIT, MISSOURI**

FEBRUARY 27, 2019

*This 2<sup>nd</sup> and Douglas LCRA Redevelopment Plan (the “LCRA Redevelopment Plan”) has been prepared with references to the 2<sup>nd</sup> and Douglas Tax Increment Financing Plan (the “TIF Plan”) which has been prepared and submitted to the City by DTLs Apartments, LLC (the “Developer”). This LCRA Redevelopment Plan hereby incorporates by reference the entirety of the TIF Plan as an attachment to this LCRA Redevelopment Plan. References and citations are made throughout this LCRA Redevelopment Plan to particular portions of the TIF Plan, with the intention of highlighting certain specific data, information and statements from the TIF Plan and apply such information to this LCRA Redevelopment Plan pursuant to the statutory requirement of the LCRA Act.*

## **1. Purpose Of This Redevelopment Plan**

This Redevelopment Plan has been prepared in accordance with the Land Clearance for Redevelopment Authority Act which is set forth in Sections 99.300 through 99.660 of the Revised Statutes of Missouri (the “LCRA Act”) for the redevelopment of the property (the “Property”) which is legally described in Exhibit 1 of the TIF Plan and which is depicted on Exhibit 2 of the TIF Plan. The purpose of this LCRA Redevelopment Plan is to:

- carry out the policy statement of the LCRA Act which is set forth in Section 99.310, RSMo, and more particularly to clear the Property of certain existing improvements and redevelop the Property to cure the blighted conditions which exist on the Property;
- provide sales tax exemption on construction materials while maintaining property tax benefits for the City and Developer at a level equivalent to what would have been provided under the TIF Plan in the absence of this LCRA Redevelopment Plan, resulting in payments of base rent and additional rent each year during the construction period as negotiated in a Lease Agreement with the City.

The mechanism to achieve these purposes is to establish public ownership during the construction of improvements on the Property and for Developer to receive and use a sales tax exemption certificate for the purchase of construction materials that are used in the construction of the improvements. This LCRA Redevelopment Plan satisfies the requirements of the LCRA Act, and the items set forth below follow and discuss the requirements of a “redevelopment plan” as defined in the LCRA Act.

## **2. Description of the Project**

This LCRA Redevelopment Plan provides for the redevelopment of the Property, which is located at the northwest corner of SE 2<sup>nd</sup> Street and SE Douglas Street in Lee’s Summit, Missouri. The Property is approximately 3.69 acres. The Property is legally described in Exhibit 1 to the TIF Plan.

The Project will consist of land acquisition, engineering, site preparation, construction of public infrastructure improvements, and the design and construction of private improvements consisting of an approximately 274 unit apartment complex along with structured and surface parking and other site improvements, as further described on Exhibit 3 to the TIF Plan and shown on the Preliminary Site Plan on Exhibit 2 to the TIF Plan.

## **3. Description of the Parties**

***The Developer and Affiliated Companies.*** The Developer is a limited liability company organized and existing under the laws of the State of Missouri. The benefitting companies will be the Developer and other affiliates entities of Developer. During the period of City ownership, the developer

will lease the Property from the City pursuant to a Lease Agreement that will be approved by the City Council.

*City of Lee's Summit, Missouri.* The City is a constitutional home rule charter city and municipal corporation organized and existing under the laws of the State of Missouri. The City will lease the property to Developer during the construction period pursuant to the Lease Agreement.

#### **4. Power and Authority Under the LCRA Act**

The LCRA and the City are authorized and empowered pursuant to Section 99.420, RSMo, and other provisions of the LCRA Act, to exercise the following powers which are relevant to this LCRA Redevelopment Plan:

- the LCRA may Prepare redevelopment plans and recommend approval to City Council – “To prepare or cause to be prepared and recommend redevelopment plans and urban renewal plans to the governing body” (99.420(2))
- Build and repair public improvements – “To arrange or contract for the furnishing or repair, by any person or agency, public or private, of services, privileges, works, streets, roads, public utilities or other facilities for or in connection with a land clearance project or urban renewal project” (99.420(3))
- Acquire, buy, sell, mortgage and lease real estate and execute contracts for real estate – (4) “Within its area of operation, to purchase, lease, obtain options upon, acquire by gift, grant, bequest, devise, eminent domain or otherwise, any real or personal property or any interest therein, including fee simple absolute title, together with any improvements thereon, necessary or incidental to a land clearance project or urban renewal project \*\*\* to sell, lease, exchange, transfer, assign, subdivide, retain for its own use, mortgage, pledge, hypothecate or otherwise encumber or dispose of any real or personal property or any interest therein; to enter into contracts with redevelopers of property and with other public agencies containing covenants, restrictions and conditions regarding the use of such property for residential, commercial, industrial, recreational purposes or for public purposes in accordance with the redevelopment or urban renewal plan \*\*\* and to enter into any contracts necessary to effectuate the purposes of this law...” (99.420(4))
- Approve plans for redevelopment of existing structures – “To make plans for carrying out a program of voluntary repair and rehabilitation of buildings and improvements, plans for the enforcement of state and local laws, codes, and regulations relating to the use of land and the use and occupancy of buildings and improvements, and to the compulsory repair, rehabilitation, demolition, or removal of buildings and improvements” (99.420(6))
- Hold public hearings – “Acting through one or more commissioners or other persons designated by the authority, to conduct examinations and investigations and to hear testimony and take proof under oath at public or private hearings on any matter material for its information” (99.420(9))
- Spend public funds – “To make such expenditures as may be necessary to carry out the purposes of this law” (99.420(12))
- City Council can exercise all LCRA powers after delegation by LCRA – “To delegate to a municipality or other public body any of the powers or functions of the authority with respect to the planning or undertaking of a land clearance project or urban renewal project in the area in which the municipality or public body is authorized to act, and the municipality or public body is

hereby authorized to carry out or perform such powers or functions for the authority” (99.420(13))

- Exercise general municipal powers to implement the redevelopment plan – The LCRA has “all the powers necessary or convenient to carry out and effectuate the purposes and provisions of this law” (Section 99.420, introductory clause) and may “exercise all powers or parts or combinations of powers necessary, convenient or appropriate to undertake and carry out land clearance, redevelopment and urban renewal plans and projects and all the powers herein granted.” (99.420(14))

Other grants of power and authority under the LCRA Act may become applicable to the implementation of this LCRA Redevelopment Plan. The LCRA Act defines “redevelopment plans” and “urban renewal plans” and the definition of these terms in Section 99.320, RSMo, each cross-reference the other definition. All of the procedural requirements and legal authority for each type of plan apply to LCRA redevelopment plans.

## **5. Requirements of the LCRA Act**

Section 99.430, RSMo, requires that each LCRA redevelopment plan must contain certain data and information. This section sets forth the several statutory requirements for a redevelopment plan under the LCRA Act along with (1) a reference to the appropriate portion of the TIF Plan that contains the relevant data or information for the requirement or (2) an additional statement or additional data and information to satisfy the requirement.

### ***Relationship to definite local objectives as to appropriate land uses, improved traffic, public transportation, public utilities, recreational and community facilities and other public improvements.***

Appropriate land uses –

*See TIF Plan Section VII.B (page 14)*

Improved traffic, public transportation, public utilities –

At the time that this LCRA Redevelopment Plan was prepared, the City has received and is processing Application #**PL2018-234 – PRELIMINARY DEVELOPMENT PLAN** – DTLS Apartments, 114 SE Douglas St; Cityscapes Properties, LLC, applicant. Consideration and approval of this preliminary development plan for the Property (the “**Preliminary Development Plan**”) will address traffic, transportation issues, utilities and all other public services and improvements that are needed to address the impacts of the project. The Preliminary Development Plan and all related documents for the Planning Commission meeting will be entered into evidence concurrently with consideration of this LCRA Redevelopment Plan.

The Planning Commission’s consideration and recommendation on the Preliminary Development Plan will also satisfy the requirements in Section 99.430 of the LCRA Act which requires the Planning Commission to review and provide a recommendation to the City Council on the conformance of this LCRA Redevelopment Plan with the general plan for the development of the community as a whole. The consideration and approval of the Preliminary Development Plan will also address other requirements of the LCRA Act as discussed below.

### ***Boundaries of the land clearance or urban renewal project area, with a map showing the existing uses and condition of the real property therein***



*See TIF Plan, Exhibits 1 and 2*

***A land use plan showing proposed uses of the area***

The Preliminary Development Plan addresses this requirement.

***Information showing the standards of population densities, land coverage and building intensities in the area after redevelopment or urban renewal***

The Preliminary Development Plan addresses this requirement.

***Statement of the proposed changes, if any, in zoning ordinances or maps, street layouts, street levels or grades, building codes and ordinances***

The Property is zoned CBD (Planned Central Business District) and rezoning of the Property is not necessary for the proposed project. Approval of the Preliminary Development Plan, which becomes part of the zoning district for the Property, will address all other requirements for this item.

***Statement as to the kind and number of additional public facilities or utilities which will be required in the area after redevelopment or urban renewal***

Traffic – The Traffic Impact Study prepared by TranSystems and dated January 2019, which was submitted to the City in connection with consideration of the Preliminary Development Plan addresses all traffic issues. The Traffic Impact Analysis produced by the City’s Traffic Engineer dated February 6, 2019 addresses traffic issues for the City. These documents are part of the City’s Planning Commission meeting packet for consideration of the Preliminary Development Plan, and will entered into evidence at the LCRA public hearing.

Other public facilities – The Development Services Department memorandum to the Planning Commission dated February 8, 2019 addresses issues associated with parking, impervious coverage and stormwater issues, sanitary sewer analysis and other code and ordinance requirements of the City. The Development Services Department memorandum is also part of the City’s Planning Commission meeting packet for consideration of the Preliminary Development Plan, and will entered into evidence at the LCRA public hearing.

***A schedule indicating the estimated length of time needed for completion of each phase of the plan***

The Project will occur in a single phase. The anticipated commencement date for construction of the project is 2019, with a completion target during 2021.

***Submission to the Planning Commission for a determination as to whether the Redevelopment Plan is consistent with the Comprehensive Plan***

This action will occur when the Planning Commission considers the Preliminary Development Plan. The Development Services Department memorandum to the Planning Commission dated February 8, 2019 addresses this issue in more detail.

As set forth in the *TIF Plan* at page 14, the Old Lee’s Summit Development Master Plan (February 2004) (the “Downtown Plan”) is the portion of the City’s comprehensive plan that sets forth land use recommendations and goals for the downtown area including the Redevelopment Area. The Redevelopment Area is designated as part of the “Downtown Core” (see Map III.2) under the Downtown Plan, but the parcel does not have a site-specific land use designation. The Downtown Plan indicates at page 48 that one of the City’s goals for the Downtown Core is to

encourage the market absorption of between 300 and 450 dwelling units, which could occur on several parcels in the Downtown Core. This Plan is therefore in conformity with Downtown Plan as the City's Comprehensive Plan document for the Redevelopment Area.

***A statement of the proposed method and estimated cost of the acquisition and preparation for redevelopment or urban renewal of the land clearance or urban renewal project area***

Method of acquisition –

Developer will purchase the property from the current owner.

Estimated Costs –

*See Exhibit 3 of the TIF Plan*

***The estimated proceeds or revenues from its disposal to redevelopers***

The property will initially be acquired by Developer and then transferred for nominal consideration to the City for the Lease Agreement period. As a result, the LCRA and the City will not be disposing of the Property to other redevelopers.

***A statement of the proposed method of financing the project***

*See Section VIII of the TIF Plan (Financing Plan).*

***A statement of a feasible method proposed for the relocation of families to be displaced from the land clearance or urban renewal project area***

Not applicable to this Project.

***A schedule indicating the estimated length of time needed for completion of each phase of the plan***

The anticipated commencement date for construction of the project is 2019, with a completion target during 2021.

**6. Statement of Financial Benefit**

The total cost of the Project is estimated to be approximately \$50,800,000 (exclusive of permanent financing costs). Building materials purchased for the construction of the Project are expected to be exempt from sales and use tax pursuant to the provisions of Section 144.062, RSMo. The sales tax exemption benefit that would be the result of this is LCRA Redevelopment Plan is set forth as part of the sources and uses budget in *Exhibit 3 of the TIF Plan*. The sales tax exemption benefit is projected to be:

Site Work and Infrastructure	\$47,100
Building Construction	\$1,022,070
Structured Parking	<u>\$260,620</u>
<b>Total</b>	<b>\$1,329,790</b>

This financial benefit is approximately **2.6%** of the total project costs.

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ATTACHMENT TO LCRA REDEVELOPMENT PLAN

2<sup>ND</sup> AND DOUGLAS TAX INCREMENT FINANCING PLAN

**2<sup>ND</sup> AND DOUGLAS TAX INCREMENT FINANCING PLAN**

**DTLS APARTMENTS, LLC**

**A Missouri Limited Liability Company**

**DEVELOPER**

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**PREPARED BY:**

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**SUBMITTED JANUARY 18, 2019**

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EXHIBIT 8 .....Relocation Plan

EXHIBIT 9 .....Developer Affidavit

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EXHIBIT 11 ..... Cost Benefit Analysis

## I. INTRODUCTION

This Plan provides for the redevelopment of the Redevelopment Area, which is located at the northwest corner of SE 2<sup>nd</sup> Street and SE Douglas Street in Lee's Summit, Missouri. The Redevelopment Area contains approximately 3.69 acres. The Redevelopment Area is legally described on Exhibit 1.

The Redevelopment Area is a blighted area, and has not been subject to growth or redevelopment through investment by private enterprise. As evidenced by the Blight Study attached as Exhibit 5, the Redevelopment Area is not developed to its highest and best use. The redevelopment of the Redevelopment Area will positively impact the City's economy. The Redevelopment Project, given its size, location in the City's downtown area, and high quality will also benefit the City financially, reputationally, and otherwise, beyond its direct financial impacts within the Redevelopment Area. However, without tax increment financing ("TIF") to help defray certain redevelopment costs, redevelopment of the Redevelopment Area and eradication of blight conditions is unlikely to occur. (See Blight Study attached as Exhibit 5, Developer Affidavit attached as Exhibit 9, Project Pro Formas attached as Exhibit 10, and "But For" Test Analysis herein at Section IV).

The Redevelopment Project will consist of land acquisition, engineering, site preparation, construction of public infrastructure improvements, and the design and construction of private improvements consisting of an approximately 274 unit apartment complex along with structured and surface parking and other site improvements, as further described on Exhibit 3 and shown on the Preliminary Site Plan on Exhibit 2.

The total cost of the Redevelopment Project ("Total Project Cost") is estimated to be approximately Fifty-One Million Eight Hundred Thousand Dollars (\$51,800,000) (exclusive of

permanent financing costs). This Plan will make Payments in Lieu of Taxes available to reimburse a portion of the Total Project Costs constituting Reimbursable Project Costs. The general categories and estimated amounts of Reimbursable Project Costs are listed on Exhibit 3.

Tax parcels 61-340-18-24-00-0-00-000 and 61-340-18-03-00-0-00-000 consist of a total of approximately 3.69 acres of land. Those tax parcels will be purchased and become the Redevelopment Area. Based on the 2018 assessed valuation of the existing tax parcel provided by the Jackson County Assessor's Office, the current estimated assessed value of the proposed Redevelopment Area is One Million Three Thousand Four Hundred and Thirty-Six Dollars (\$1,003,436).

It is estimated that the total equalized assessed value of real estate within the Redevelopment Area will be approximately Nine Million Three Hundred Seventy Thousand Eight Hundred Dollars (\$9,370,800) in the third (3rd) full year following the year of activation of the Redevelopment Project (as shown on Exhibit 4), which is the first full year following the year in which the Redevelopment Project is anticipated to be completed.

The total Payments in Lieu of Taxes anticipated to be generated by the Redevelopment Project during the first 23 years of operation are shown on Exhibit 4, and are estimated to be approximately Fifteen Million Nine Hundred Fifty-Nine Thousand Six Hundred and Thirty-Four Dollars (\$15,959,634).

As stated above, Total Project Costs are estimated at approximately Fifty-One Million Eight Hundred Thousand Dollars (\$51,800,000) (exclusive of permanent financing costs), including pre-development professional service costs Developer anticipates incurring as initial expenses for the Redevelopment Project. As a subset of Total Project Costs, this Plan uses the

term *Reimbursable Project Costs* to identify those costs that are reimbursable with TIF Revenues, as shown on Exhibit 3.

This Plan does not allow for reimbursement of the cost of acquiring the land constituting the Redevelopment Area, or for any other costs other than the cost of the structured parking for the Project to the full extent permitted under the TIF Act (defined herein as “Reimbursable Project Costs”), as shown on Exhibit 3, which is estimated to be approximately Eight Million and Thirty-Nine Thousand Dollars (\$8,039,000) (plus Financing Costs).

Subject to the limitations of the paragraph immediately above, the cost set forth as a Reimbursable Project Cost on Exhibit 3 will be eligible for reimbursement via TIF proceeds.

Once reimbursement of all Reimbursable Project Costs has occurred and all Obligations, if any, have been retired, tax increment financing shall be terminated according to Section XII below.

It is anticipated that TIF Revenues will be collected and used to reimburse Reimbursable Project Costs on a “pay-as-you-go-basis.” However, the City may determine in its sole discretion to issue Obligations financed with TIF revenues in lieu of, or in combination with, pay-as-you-go financing. Assuming pay-as-you-go is exclusively used to finance the Reimbursable Project Costs, it is anticipated that the Reimbursable Project Costs will be fully reimbursed within approximately twenty (20) years after the activation of the Redevelopment Project, as shown in the pay-as-you-go amortization table on Exhibit 6. After all Obligations, if any, are retired, and reimbursement of the Reimbursable Project Costs is completed, tax increment financing for the Redevelopment Area will be terminated and the Taxing Districts will receive all tax revenues generated by the Redevelopment Projects, leaving significant economic benefits for the taxing jurisdictions.



With this Plan, the Developer requests reimbursement of Reimbursable Project Costs with all available TIF Revenues on a pay-as-you-go basis, through proceeds of Obligations, or a combination of both.

## II. DEFINITIONS

As used in this Plan, the following terms shall mean:

A. Approved Site Plan: The actual site plan as approved by the City for the applicable Redevelopment Area, as amended from time to time.

B. Blighted Area: An area which, by reason of the predominance of defective or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals, or welfare in its present condition and use.

C. City: Lee's Summit, Missouri.

D. City Administrative Fees and Costs: The amount of documented City administrative hard and soft costs and expenses in connection with the preparation, development and implementation of this Plan and the TIF Redevelopment Agreement (including but not limited to staff time, sales tax software, reporting, professional fees) and with the City's performance of its obligations under the TIF Redevelopment Agreement that are not paid or reimbursed by the Developer pursuant to the Funding Agreement, as more specifically set forth in the TIF Redevelopment Agreement.

E. City Council: The governing body of Lee's Summit, Missouri.

F. City Director of Finance: The Chief Financial Officer of Lee's Summit, Missouri.

- G. County Assessor: The Assessor of Jackson County, Missouri.
- H. County Collector: The Collector of Jackson County, Missouri.
- I. Debt Service: The amount required for the payment of interest and principal on Obligations and/or Private Loans as they come due, for the payment of mandatory or optional redemption payments, and for payments to reserve funds required by the terms of Obligations or Private Loans.
- J. Developer: DTLS Apartments, LLC, a Missouri limited liability company, its successors and/or assigns.
- K. Financing Costs: Those costs incurred by the Developer, the TIF Commission, or the City as a result of issuing one or more series of Obligations or Private Loan(s) to pay all or any portion of Reimbursable Project Costs incurred or estimated to be incurred, including but not limited to interest, loan origination fees not to exceed two percent (2%) of the principal amount of the loan and interest payable to banks or similar financing institutions that are in the business of loaning money, capitalized interest, financial advisor fees, legal fees (including the City Attorney, special TIF counsel, bond counsel, and Developer's counsel), broker fees or discounts, original purchaser's discount, printing and other costs related to such financing. Financing Costs shall be Reimbursable Project Costs.
- L. Obligations: Bonds, loans, debentures, notes, special certificates, or other evidences of indebtedness issued by the TIF Commission or the City to pay or reimburse all or any portion of Reimbursable Project Costs incurred or estimated to be incurred, to finance the cost of issuing such Obligations, to establish reserves to refund or secure such Obligations, to finance the interest costs associated with such Obligations or to refund, redeem or defease outstanding Obligations.

- M. Ordinance: An ordinance enacted by the City Council.
- N. Payments in Lieu of Taxes: Revenues from real property taxes in the Redevelopment Area selected for the Redevelopment Project which are to be used to reimburse the Reimbursable Project Costs, which Taxing Districts would have received had the City not adopted TIF financing, and which result from levies made after the time of the adoption of TIF financing within the Redevelopment Area, and during the time the current equalized value of real property in the Redevelopment Area exceeds the Total Initial Equalized Assessed Value of real property in the Redevelopment Area, until the designation is terminated pursuant to this Plan which shall not be later than twenty-three (23) years after the Redevelopment Project for the Redevelopment Area is approved, excluding, however, the blind pension fund tax levied under the authority of Article 111, Section 38(b) of the Missouri Constitution, and the merchant's and manufacturer's inventory replacement tax levied under the authority of Article X, Section 6(2) of the Missouri Constitution.
- O. PILOT Account: The separate segregated account within the Special Allocation Fund into which Payments in Lieu of Taxes are to be deposited.
- P. Plan: This Tax Increment Financing Plan.
- Q. Preliminary Site Plan: The preliminary site plan for the Redevelopment Area attached as Exhibit 2.
- R. Private Loans: Loans made to or for the benefit of the Developer, the proceeds of which are used to finance or refinance Reimbursable Project Costs.
- S. Redevelopment Area: The real property legally described on Exhibit 1.
- T. Redevelopment Project: The project described in this Plan for redevelopment of the Redevelopment Area. The multi-family residential facilities and related infrastructure which

shall include approximately 274 apartment units and a structured parking garage, all as generally depicted on Exhibit 2, to be constructed in the Redevelopment Area in accordance with this Plan and the Approved Site Plan, as amended from time to time, for the Redevelopment Area.

U. Reimbursable Project Costs: The sum total of all reasonable or necessary costs incurred or estimated to be incurred in the design and construction of the Structured Parking Improvements, and Financing Costs related to those costs.

V. Special Allocation Fund: The fund that contains a segregated account, maintained by the City Director of Finance, into which, as required by the TIF Act, all Payments in Lieu of Taxes are to be deposited.

W. Supplemental Redevelopment Plan: A supplemental plan for the redevelopment of the Redevelopment Area which is anticipated to be either (1) a redevelopment plan pursuant to the Land Clearance for Redevelopment Authority Act pursuant to Section 99.300 to 99.715 of the Revised Statutes of Missouri, as amended, or (2) an industrial development project pursuant to the provisions of Sections 100.010 to 100.200 of the Revised Statutes of Missouri, as amended, and Article VI, Section 27(b) of the Missouri Constitution, as amended.

X. Structured Parking Improvements: The multi-level parking structure around which the multi-family building will be constructed.

Y. Taxing District: Any political subdivision of the State of Missouri located wholly or partially within the Redevelopment Area having the power to levy real property taxes.

Z. TIF Act: The Real Property Tax Increment Allocation Redevelopment Act, Section 99.800, *et seq.*, Revised Statutes of Missouri, as amended.

AA. TIF Commission: The Tax Increment Financing Commission of Lee's Summit, Missouri.

BB. TIF Revenues: Payments in Lieu of Taxes.

CC. Total Initial Equalized Assessed Value: That amount certified by the County Assessor which equals the most recently ascertained equalized assessed value of each taxable lot, block, tract, or parcel of real property within the Redevelopment Area immediately after tax increment financing for the Redevelopment Area has been approved by the City Council by an Ordinance.

DD. Total Project Cost: The total cost incurred in furtherance of the Plan and the acquisition, planning, construction and financing of the Redevelopment Project.

### III. TAX INCREMENT FINANCING

This Plan is adopted pursuant to the TIF Act. The TIF Act enables municipalities to finance the Reimbursable Project Costs with the revenue generated from Payments in Lieu of Taxes resulting from increased assessed valuation on new development in the Redevelopment Area. While it is presently anticipated that the Reimbursable Project Costs will be financed on a pay-as-you-go basis, the TIF Commission or the City may, following Developer's request, issue Obligations to finance Reimbursable Project Costs in their sole discretion at any time in lieu of or in conjunction with pay-as-you-go financing.

Immediately after the City Council approves the Redevelopment Project and adopts tax increment financing for the Redevelopment Area, the County Assessor shall certify the Total Initial Equalized Assessed Value of the particular Redevelopment Area. Real estate taxes (including penalties and interest thereon) resulting from: (1) all taxes levied on the Total Initial Equalized Assessed Value for the Redevelopment Area; (2) the blind pension fund tax levied under the authority of Article 111, Section 38(b) of the Missouri Constitution, and (3) the merchant's and manufacturer's inventory replacement tax levied under the authority of Article

X, Section 6(2) of the Missouri Constitution, will be payable to Taxing Districts as if tax increment financing were not adopted. Payments in Lieu of Taxes (including applicable penalties and interest) collected from owners of property within the Redevelopment Area will be paid by the County Collector to the City Director of Finance and deposited in the PILOT Account within the Special Allocation Fund.

IV. EXISTING CONDITIONS IN THE REDEVELOPMENT AREA –

“BUT FOR” TEST ANALYSIS

Blight

A study of the existing conditions in the Redevelopment Area was conducted prior to the adoption of this Plan – the resulting Blight Study is attached as Exhibit 5. The Blight Study and the evidence presented at the public hearing on the Plan support the City Council’s finding that the Redevelopment Area on the whole is a Blighted Area within the meaning of the TIF Act.

But For

Without Tax Increment Financing, revitalization of the Redevelopment Area will not occur due to its blighted condition and other challenges to redevelopment. The Project Proformas, attached as Exhibit 10, detail the Project’s economic performance both with and without public incentives and demonstrate the Project’s financial infeasibility absent public incentives. Also attached as Exhibit 9 is the Developer’s Affidavit attesting to the Project’s inability to proceed but for Tax Increment Financing.

The Total Project Costs are approximately Fifty-One Million Eight Hundred Thousand Dollars (\$51,800,000) (exclusive of permanent financing costs). The Developer will require reimbursement of Reimbursable Project Costs in an estimated amount of Eight Million and Thirty-Nine Thousand Dollars (\$8,039,000) (plus Financing Costs) via reimbursement on a pay-

as-you-go basis, issuance of Obligations, or a combination of both, to bridge the gap between what the Developer is willing to invest in private funds and the total dollars necessary to complete the Redevelopment Project. Reimbursement of Developer in the amount stated above is estimated to provide the Developer with an 8.89% Internal Rate of Return. By contrast, absent any reimbursement of Developer's Reimbursable Project Costs, Developer's Internal Rate of Return would be 1.44%, demonstrating that without Tax Increment Financing the Project is far from financially feasible.

When the Blight Study on Exhibit 5 is read in conjunction with the Project's preliminary site plan on Exhibit 2 and categories and estimates of Reimbursable Project Costs on Exhibit 3, these Exhibits demonstrate that the TIF Revenues (or, in the event Obligations are issued, proceeds from the Obligations) will be critical to the elimination of blight in, and the redevelopment of, the Redevelopment Area.

Given the risks involved in making the substantial investment necessary to remove the Redevelopment Area's blight and to develop and deliver a high quality multi-family residential development to the City, the Developer would not pursue the Redevelopment Project but for the availability of funds from the TIF (See Developer's Affidavit on Exhibit 9). The same factors suggest that no other developer would bring a residential project of similar quality to the site without substantial public incentives. Without reimbursement of the Reimbursable Project Costs in an estimated amount of Eight Million and Thirty-Nine Thousand Dollars (\$8,039,000) (plus Financing Costs) with TIF Revenues, the Redevelopment Project is not economically viable.

## V. REDEVELOPMENT PLAN OBJECTIVES

The objectives of this Plan are outlined below.

A. General Plan Objectives. The general objectives of this Plan are:

1. To enhance the tax base of the City and other Taxing Districts by development of the Redevelopment Area to its highest and best use and encouraging private investment in the Redevelopment Area and the surrounding areas.

2. To increase the housing stock and employment in the City.

3. To eliminate the blighted condition of the Redevelopment Area.

4. To provide for improved public infrastructure in and around the Redevelopment Area.

5. To enhance the aesthetics of the Redevelopment Area.

B. Specific Plan Objectives. Specific objectives of this Plan are:

1. To cause the Redevelopment Area to be redeveloped through the design and construction of approximately 274 apartment units and structured parking.

2. To construct public infrastructure to serve the Redevelopment Area.

3. To expand the tax base of the City by encouraging private investment in the Redevelopment Area.

4. To increase the employment opportunities for the City's residents.

## VI. DEVELOPER

A. Developer Selection. Following a Request for Proposals ("RFP") submitted to the public under the rules and procedures normally utilized by the City for RFPs, the City has selected the Developer to implement this Plan and the Redevelopment Project discussed herein.

## VII. PLAN IMPLEMENTATION

A. Site Acquisition. Developer has the Redevelopment Area under contract.



B. General Land Use. The Redevelopment Area generally consists of a vacant church property. The general land uses planned in the Redevelopment Area pursuant to this Plan are depicted on Exhibit 2.

The Redevelopment Project shall be subject to the applicable provisions of the City Code. All requirements for landscaping, storm water detention, parking, lighting and off-site traffic improvements, which are imposed pursuant to the zoning process, shall be enforced by the City in a manner consistent with the City Code. All public improvements that are to be dedicated to the City or any other governmental authority shall comply with City or other appropriate governmental street and road construction standards. The Developer shall cause to be provided to the City and any other governmental authority or utility provider all temporary construction easements and other utility easements at no charge or cost as may be necessary for the construction of public improvements and/or the relocation and installation of utilities required for the redevelopment of the Redevelopment Area. In the event that the Developer is unable to acquire for fair market value, as determined by an independent appraiser, any property right necessary for access or utility service, including, but not limited to, sanitary sewer, storm water, or other utility services, the City may utilize its powers of eminent domain to obtain such property right, subject to the City Council's legislative discretion.

C. Conformance with Comprehensive Plan. The Old Lee's Summit Development Master Plan (February 2004) (the "Downtown Plan") is the portion of the City's comprehensive plan that sets forth land use recommendations and goals for the downtown area including the Redevelopment Area. The Redevelopment Area is designated as part of the "Downtown Core" (see Map III.2) under the Downtown Plan, but the parcel does not have a site-specific land use designation. The Downtown Plan indicates at page 48 that one of the City's goals for the

Downtown Core is to encourage the market absorption of between 300 and 450 dwelling units, which could occur on several parcels in the Downtown Core. This Plan is therefore in conformity with Downtown Plan as the City's Comprehensive Plan document for the Redevelopment Area.

D. Schedule of Development. The anticipated commencement date for construction of the Redevelopment Project is 2019, with a completion target during 2021.

The exact commencement and completion date of the Redevelopment Project will be dependent on many factors, including market conditions, weather, availability of materials and other events beyond the control of the Developer, and may be earlier or later than anticipated.

E. Private Development. Subject to execution of a Redevelopment Agreement with the City, the Developer will design and construct the Redevelopment Project substantially in accordance with the applicable Approved Site Plan, as amended from time to time. It is anticipated that the Redevelopment Project will consist of approximately 274 apartment units and structured parking. This Plan and the Redevelopment Project envision a high quality multifamily residential development.

Prior to the commencement of construction of the Redevelopment Project, the Developer shall obtain approval by the City of an Approved Site Plan for the Redevelopment Area.

#### VIII. FINANCING PLAN

A. Projected Total Project Costs. The Total Project Cost for the Redevelopment Project (exclusive of Financing Costs) is estimated to exceed Fifty-One Million Eight Hundred Thousand Dollars (\$51,800,000) (exclusive of permanent financing costs). The estimated amount of Reimbursable Project Costs (exclusive of Financing Costs) payable from TIF Revenues is Eight Million and Thirty-Nine Thousand Dollars (\$8,039,000) or about sixteen

percent (16%) of the Total Project Cost (exclusive of permanent financing costs). Financing for the Total Project Cost is as follows:

B. Source of Funds. It is anticipated that the amounts necessary to pay the Total Project Cost may be derived through TIF Revenues (or Obligations financed therewith), and a combination of private loans and private equity, along with benefits derived from the Supplemental Redevelopment Plan. Some or all of the Reimbursable Project Costs may be paid by TIF Revenues, proceeds of Obligations, or both. Any of the Reimbursable Project Costs not paid directly from TIF Revenues and/or proceeds of Obligations will be paid by Developer, who shall thereafter be reimbursed by TIF Revenues and/or proceeds of Obligations. Where Developer pays for Reimbursable Project Costs using funds obtained through Private Loans, Developer shall be entitled to reimbursement of Financing Costs, including interest, on such funds in an amount representing the actual interest and other financing costs incurred by Developer. Provided in no event shall the interest costs on Private Loans exceed the amount set forth in the TIF Redevelopment Agreement.

If the City chooses, in its sole discretion, to issue Obligations, the City will pledge the TIF Revenues as security for the repayment of the Obligations.

C. Repayment Schedule. It is anticipated that TIF Revenues generated by the completed Redevelopment Project will be sufficient to reimburse Eight Million and Thirty-Nine Thousand Dollars (\$8,039,000) of Reimbursable Project Costs, plus any Financing Costs. The projected pay-as-you-go amortization schedule is attached as Exhibit 6. The amortization schedule projects that the Reimbursable Project Costs, plus all Financing Costs, will be reimbursed within approximately twenty (20) years after commencement of the Redevelopment Project.

D. Evidence of Commitments to Finance. Evidence of commitment to finance the Total Project Cost is attached as Exhibit 7.

E. Issuance, Nature, and Term of Obligations. If Obligations are issued in the sole discretion of the City, the Obligations are expected to be payable solely from TIF Revenues derived from the Redevelopment Project. The proceeds of such Obligations may also be used to fund capitalized interest accounts, debt service reserve funds, and Financing Costs, as may be required to issue such Obligations.

In the City's sole discretion, Obligations may be sold in one or more series in order to implement this Plan. Each Obligation issued, pursuant to the TIF Act, must be retired not later than twenty-three (23) years after the adoption of tax increment financing for the Redevelopment Project.

F. Projected TIF Revenues. The total amount of Payments in Lieu of Taxes projected to be generated by the Redevelopment Project is approximately Fifteen Million Nine Hundred Fifty-Nine Thousand Six Hundred and Thirty-Four Dollars (\$15,959,634) over the first twenty-three (23) years of operation. These projections and the specific assumptions used in such projections are set forth in the TIF Revenue Projections attached as Exhibit 4.

H. Payments in Lieu of Taxes. Calculation of anticipated Payments in Lieu of Taxes are based on current and projected future real property assessed valuations and the best available information concerning future property tax levy rates, both of which are subject to change due to many factors, including statewide reassessment, the effects of real property classification for real property tax purposes, and the rollback in tax levies resulting from reassessment or reclassification.

1. Equalized Assessed Valuations. According to records of the County Assessor regarding 2018 assessed valuations, the Total Initial Equalized Assessed Value of the Redevelopment Area for which tax increment financing is to be adopted is currently approximately One Million Three Thousand Four Hundred and Thirty-Six Dollars (\$1,003,436). The current ad valorem tax levy rates available for the purposes of computing Payments in Lieu of Taxes are set forth in Exhibit 4.

2. Anticipated Assessed Valuation. In the year after the Redevelopment Project is completed, the assessed value of the Redevelopment Area is anticipated to be approximately Nine Million Three Hundred Seventy Thousand Eight Hundred Dollars (\$9,370,800). In that year, it is estimated that the Redevelopment Area will annually yield in excess of Seven Hundred and Twenty-One Thousand Dollars (\$721,000) in Payments in Lieu of Taxes.

I. Special Allocation Fund. The City Director of Finance shall establish and maintain the Special Allocation Fund, which shall contain a segregated account. Payments in Lieu of Taxes shall be deposited into the PILOT Account within the Special Allocation Fund. TIF Revenues so deposited and any interest earned on such deposits will be used for and are pledged for the payment of Reimbursable Project Costs and for the distribution to the Taxing Districts, in the manner set forth in Article IX of this Plan.

J. Supplemental Redevelopment Plan. It is anticipated that a Supplemental Redevelopment Plan will be approved for the property in the Redevelopment Area pursuant to which Developer will be requesting (i) a fixed schedule of payments in lieu of taxes during the construction period and any additional period of time approve by the City, and (ii) a sales tax exemption on construction materials for the property subject to the Supplemental Redevelopment

Plan. It is Developer's intent that the land will be subject to a fixed schedule of payments in lieu of taxes for a period of time as further specified in the Supplemental Redevelopment Plan.

IX. DISBURSEMENTS FROM SPECIAL ALLOCATION FUND

All disbursements from the Special Allocation Fund will be made by the City Director of Finance out of the segregated account maintained within the Special Allocation Fund for Payments in Lieu of Taxes. After deducting the City Administrative Fees and Costs, it is anticipated that the City Director of Finance will make disbursements from the Special Allocation Fund in the following manner and order of preference:

First, to pay Debt Service on Obligations;

Second, to prepay Obligations, to the extent permitted by the terms of such Obligations;

Third, to pay Debt Service on Private Loans;

Fourth, to prepay Private Loans, to the extent permitted by the terms of such Private Loans;

Fifth, to pay Reimbursable Project Costs that were not financed by Obligations and/or Private Loans;

Sixth, following the completion of the Redevelopment Project and the payment of all Debt Service, all Reimbursable Project Costs, and any Financing Costs, funds remaining in the Special Allocation Fund shall be disbursed by the City Director of Finance to the appropriate Taxing Districts in accordance with the TIF Act.

This list of disbursement priorities may be changed or modified in the TIF Redevelopment Agreement or in the agreements executed in connection with the issuance of Obligations, and such changes or modifications shall not be deemed an amendment of this Plan.

X. COST BENEFIT ANALYSIS

The amount of all revenues estimated to be received by the Taxing Districts directly from the Redevelopment Project during the first 23 years of operations of the Redevelopment Project is shown on the cost-benefit analysis attached as Exhibit 11. The cost-benefit analysis shows the impact on the economy if the Redevelopment Project is built and if the Redevelopment Project is not built pursuant to this Plan. The cost-benefit analysis illustrates the fiscal impact on every Taxing District.

XI. PROVISIONS FOR AMENDING THE TAX INCREMENT PLAN

This Plan may be amended only pursuant to the provisions of the Act.

XII. TERMINATION OF TAX INCREMENT FINANCING

Tax increment financing for the Redevelopment Area shall remain in effect until all Reimbursable Project Costs have been reimbursed and any Obligations have been retired (or sooner by agreement), except that tax increment financing shall be terminated no later than twenty-three (23) years after the adoption of tax increment financing for the Redevelopment Area by Ordinance. At that time, tax increment financing shall be terminated by the adoption of an Ordinance of the City Council that terminates the designation of the Redevelopment Area under the Act or by any other method authorized by the Act. It is anticipated that the Reimbursable Project Costs, and any Obligations issued by the City in its sole discretion, will be repaid and that a City Ordinance will terminate the designation of the Redevelopment Areas.

XIII. REQUIRED STATUTORY FINDINGS

With the approval of this Plan, the TIF Commission and the City Council have, as required by the Act, made the findings set forth below, based upon the record of the public hearing on the Plan, including but not limited to the Blight Study attached as Exhibit 5, the affidavit of the Developer attached as Exhibit 9, and the Project Pro Formas attached as Exhibit 10.

A. Blighted Area. The Redevelopment Area on the whole is a Blighted Area.

B. Expectations for Development – “But For Test”. The Redevelopment Area on the whole 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 tax increment financing due to the substantial cost to ameliorate the blighted condition of the Redevelopment Area.

C. Conforms to Comprehensive Plan of City. The Old Lee’s Summit Development Master Plan (February 2004) (the “Downtown Plan”) is the portion of the City’s comprehensive plan that sets forth land use recommendations and goals for the downtown area including the Redevelopment Area. The Redevelopment Area is designated as part of the “Downtown Core” (see Map III.2) under the Downtown Plan, but the parcel does not have a site-specific land use designation. The Downtown Plan indicates at page 48 that one of the City’s goals for the Downtown Core is to encourage the market absorption of between 300 and 450 dwelling units, which could occur on several parcels in the Downtown Core. This Plan is therefore in conformity with Downtown Plan as the City’s Comprehensive Plan document for the Redevelopment Area.

D. Date to Adopt Redevelopment Project. The Ordinance approving the only Redevelopment Project will not be adopted later than ten years from the adoption of this Plan.



E. Date to Complete Redevelopment. The estimated date to complete the Redevelopment Project has been stated and such date is not more than twenty-three (23) years from the adoption of the Ordinance approving the Redevelopment Project.

F. Date to Retire Obligations. In the event the City determines in its sole discretion to issue Obligations to finance the Reimbursable Project Costs, it is anticipated that such Obligations will be retired in less than Twenty-Three (23) years from the adoption of the Ordinance approving the Redevelopment Project.

G. Relocation Assistance. A Relocation Plan meeting the requirements of Section 523.205, RSMo is attached to this Plan as Exhibit 8, and is being adopted contemporaneously with the approval of this Plan.

H. Gambling Establishment. This Plan does not include the initial development or redevelopment of any gambling establishment as defined in the Act.

I. Reporting Requirements. The City on behalf of the Commission shall report to the Director of the Department of Economic Development for the State of Missouri by the last day of February of each year the name, address, phone number and primary line of business of any business which relocates to the Redevelopment Area. Pursuant to the Act, the Director for the Department of Economic Development is required to compile and report the same to the governor, the speaker of the house and the president pro tempore of the Senate on the last day of April of each year.

J. Redevelopment Area. The Redevelopment Area selected for the Redevelopment Project includes only those parcels of real property and improvements directly and substantially benefited by the proposed Redevelopment Project. Construction activity may take place and improvements may be constructed on land adjacent to, but not included within, the

Redevelopment Area which benefits the Redevelopment Area, and the costs associated therewith will be Reimbursable Project Costs if otherwise reimbursable hereunder.

**EXHIBIT 1**

**LEGAL DESCRIPTION OF REDEVELOPMENT AREA**

TRACT 1:

TRACT A, REPLAT OF LOTS 1 THRU 9 AND 11 THRU 23, INCLUSIVE, BLOCK 4, TOWN OF STROTHER, A SUBDIVISION IN LEE'S SUMMIT, JACKSON COUNTY, MISSOURI.

TRACT 2:

THE WEST 130 FEET OF LOTS 11 AND 12, BLOCK 4, CITY OF LEE'S SUMMIT, FORMERLY THE TOWN OF STROTHER, A SUBDIVISION IN LEE'S SUMMIT, JACKSON COUNTY, MISSOURI.

**EXHIBIT 2**

**PRELIMINARY SITE PLAN**

**See Attached.**



**EXHIBIT 3**

**CATEGORIES AND ESTIMATED AMOUNTS  
OF REIMBURSABLE PROJECT COSTS**

**See Attached.**

## 2ND AND DOUGLAS TIF SOURCES AND USES

### Project Sources and Uses

Project Cost	Total	Projected TIF Reimbursed Costs	Developer Private Costs
Land Acquisition	\$2,800,000	\$0	\$2,800,000
Site Work/Infrastructure	\$1,500,000	\$0	\$1,500,000
less Ch. 100 sales tax exemption savings	-\$47,100		-\$47,100
<i>Adjusted Site Work/Infrastructure Cost</i>	<i>\$1,452,900</i>		<i>\$1,452,900</i>
Building Construction	\$32,550,000	\$0	\$32,550,000
less Ch. 100 sales tax exemption savings	-\$1,022,070		-\$1,022,070
<i>Adjusted Building Construction Cost</i>	<i>\$31,527,930</i>		<i>\$31,527,930</i>
Structured Parking	\$8,300,000	\$8,300,000	\$0
less Ch. 100 sales tax exemption savings	-\$260,620	-\$260,620	
<i>Adjusted Structured Parking Cost</i>	<i>\$8,039,380</i>	<i>\$8,039,380</i>	
Soft Costs/Other	\$8,000,000	\$0	\$8,000,000
<b>TOTAL PROJECT COSTS</b>	<b>\$51,820,210</b>	<b>\$8,039,380</b>	<b>\$43,780,830</b>
	<b>Projected TOTAL PROJECT COSTS</b>	<b>Projected TIF Reimbursed Costs</b>	<b>Developer Private Costs</b>

**EXHIBIT 4**

**PROJECTED TIF AND CID SALES TAX REVENUE**

**See Attached.**





**EXHIBIT 5**

**BLIGHT STUDY**

**See Attached.**

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# **Blight Study**

**for the**  
**2<sup>nd</sup> and Douglas**  
**TIF Redevelopment Area**

**Lee's Summit,  
Missouri**

**January 18, 2018**

**Prepared by:**

**Polsinelli PC,  
Development Analysis Department**

# BLIGHT STUDY

2<sup>nd</sup> and Douglas TIF Redevelopment Area, Lee's Summit, Missouri

## I. Introduction

### *Purpose*

This analysis has been prepared in order to determine whether the property at the northwest corner of SE 2<sup>nd</sup> Street and SE Douglas Street in Lee's Summit, Missouri is "blighted" according to § 99.805(1) of the Missouri Real Property Tax Increment Allocation Redevelopment Act (the "TIF Act"). The property evaluated by this study is generally described as follows: the property generally located west of SE Douglas Street, north of SE 2<sup>nd</sup> Street, East of NE Main Street, and south of SE 1<sup>st</sup> Street, all located in the City of Lee's Summit, Missouri (the "Study Area"), with a small carve-out for a parking lot at the southwest corner of SE 1<sup>st</sup> Street and SE Douglas Street, which is not part of the Study Area.

### *Study Area*

The Study Area is comprised of 2 parcels of land located in the City of Lee's Summit, Jackson County, Missouri. The Study Area contains existing buildings occupied by The Summit Church. The Study Area consists of approximately 3.69 acres. A legal description and map of the Study Area are attached as **Exhibit A** and **Exhibit B**, respectively. The boundaries of the Study Area are generally shown as follows:



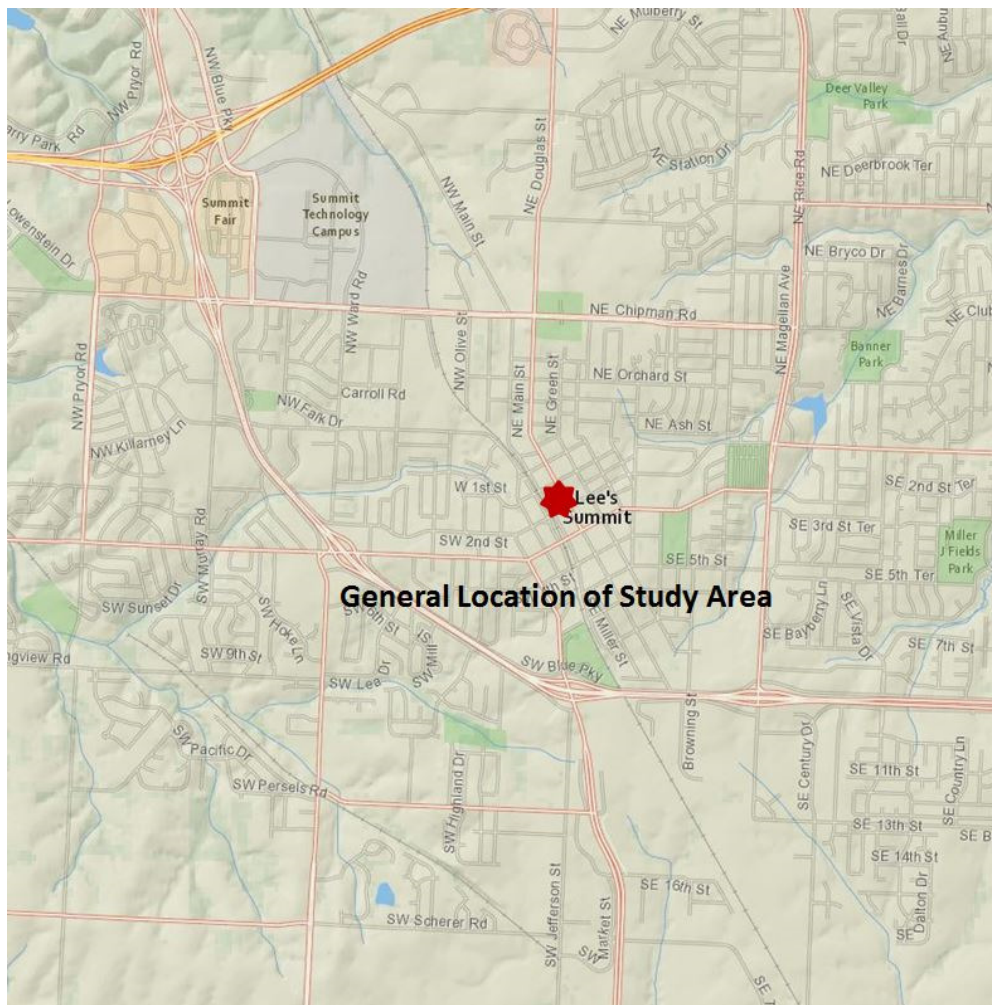
## Statutory Analysis

Section 99.805(1) of the Missouri Revised Statutes defines a “Blighted Area” as “an area which, by reason of the predominance of defective or inadequate street layout, insanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals, or welfare in its present condition and use.”

An exploration of the presence of these factors within the Study Area is included below.

## II. Study Area Data

The Study Area is generally located in the downtown area of Lee’s Summit, Missouri. The Study Area abuts a stretch of Highway 7 approximately 1/4 mile south of Highway 40. The general location of the Study Area is shown below:



## Property Data

### *Land Area*

According to Jackson County records, the 2 parcels that constitute the Study Area are as follows:

Jackson County, MO Parcel #	Acreage
61-340-18-24-00-0-00-000	3.45
61-340-18-03-00-0-00-000	0.24
TOTAL	3.69

### *Ownership and Current Use*

According to Jackson County land records, the land parcels within the Study Area are owned by the following parties and are used in the described manner:

Parcel ID	Owner	Description/Use
61-340-18-24-00-0-00-000	The United Methodist Church of Lee's Summit	Church
61-340-18-03-00-0-00-000	The United Methodist Church of Lee's Summit	Church Playground

### **III. Blight Analysis**

Section 99.805(1) of the Missouri Revised Statutes defines a “Blighted Area” as “an area which, by reason of the predominance of defective or inadequate street layout, insanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals, or welfare in its present condition and use.”

We have prepared the following study pursuant to the statutory factors described above and accordingly determined whether the Study Area as a whole is blighted.

#### ***FACTOR #1: DEFECTIVE OR INADEQUATE STREET LAYOUT***

This factor was not found to be applicable within the Study Area.

#### ***FACTOR #2: INSANITARY OR UNSAFE CONDITIONS***

This factor was not found to be applicable within the Study Area.

#### ***FACTOR #3: DETERIORATION OF SITE IMPROVEMENTS***

Certain site improvements within the Study Area, including building interiors, building exteriors, and other site improvements, are in a deteriorated state.

##### **Building Interiors**

The original church building located in the southeast corner of the Study Area exhibits pervasive deterioration. As shown in the photographs below, the original church building suffers from widespread ceiling, wall, and floor damage, including extensive water penetration; basement flooding; aged HVAC infrastructure and roofing; exposed wiring; deteriorated restroom facilities; and general disrepair.







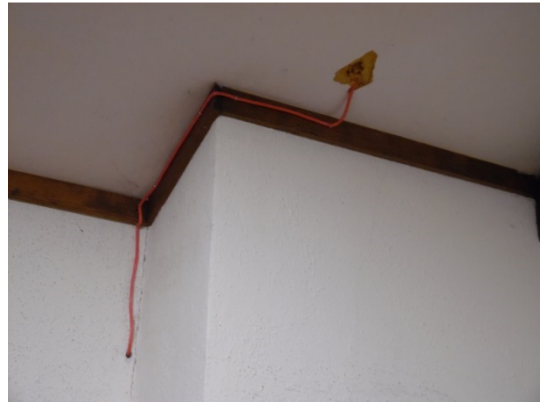
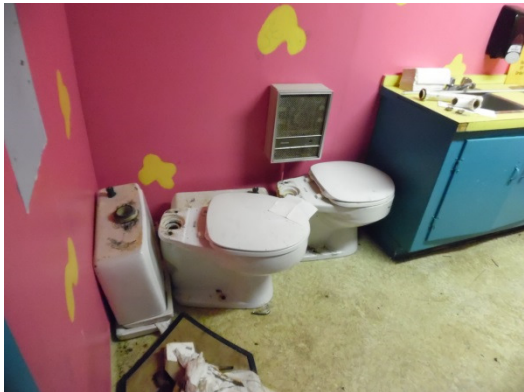


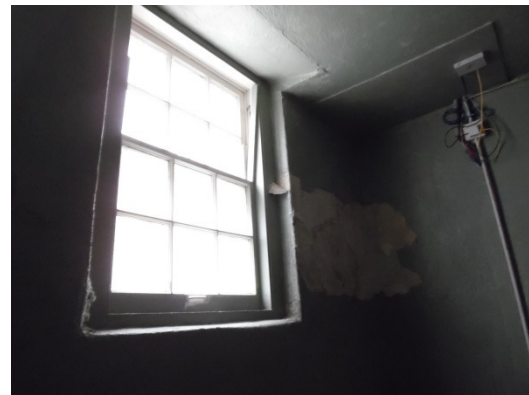














## Building Exteriors

Portions of the building exteriors within the Study Area exhibit deterioration, including cement and brick breaches/breaking/cracking; rusting metal components; and soffit/gutter/siding disrepair, examples of which are depicted in the photographs below.





















### Other Site Improvements

The parking lot and sidewalks in the Study Area show significant deterioration, evidenced by cracked and missing asphalt and concrete. Additionally, features related to utilities and water drainage within the Study Area show deterioration. The photographs below show examples of such deterioration.





















***FACTOR #4: IMPROPER SUBDIVISION OR OBSOLETE PLATTING***

This factor was not found to be applicable within the Study Area.

***FACTOR #5: EXISTENCE OF CONDITIONS WHICH ENDANGER LIFE OR PROPERTY BY FIRE AND OTHER CAUSES***

This factor was not found to be applicable within the Study Area.



## ***ECONOMIC LIABILITY***

The concept of an economic liability and the economic underutilization of property as a basis for blight has been addressed by the Missouri Supreme Court. The Court has determined that “the concept of urban redevelopment has gone far beyond ‘slum clearance’ and the concept of economic underutilization is a valid one.” *Tierney v. Planned Industrial Expansion Authority of Kansas City*, 742 S.W.2d 146, 151 (Mo. banc 1987). If vacant land “no longer meets the economic and social needs of modern city life and progress,” the land can be considered blighted. *State ex. rel. Atkinson v. Planned Industrial Expansion Authority*, 517 S.W.2d 36, 46 (Mo. banc 1975). Blight may also be found if the redevelopment of an area “could promote a higher level of economic activity, increased employment, and greater services to the public.” *Tierney*, 742 S.W.2d at 151. Further, the Court determined that an otherwise viable use of a property may be considered blighted if it is an economic underutilization of the property. *Cestwood Commons Redevelopment Corporation v. 66 Drive-In. Inc.*, 812 S.W. 2d 903, 910 (MO. App. E.D.1991). The Court determined that blight exists to the extent an area is being utilized for less than its potential from an economic standpoint.

The Study Area is underutilized, does not meet downtown Lee’s Summit’s highest priority economic and social needs, and is being used for less than its potential from an economic standpoint.

### Underutilization

The original building located in the southeast corner of the Study Area is no longer in use. Deterioration of the building has advanced to the point where the owner of the building no longer heats and cools the structure (except to the extent necessary to prevent the pipes from freezing).

The gymnasium building in the southwest corner of the Study Area suffers from roofing and HVAC problems and is not in use due to the current owner’s determination that it would be uneconomical to fix the problems.

The other building located within the Study Area (just north of the original building and northeast of the gymnasium building) is not occupied during the week and is only minimally utilized on Sundays.

The functional abandonment of a portion of the Study Area and the infrequent use by a small number of people of the rest of the Study Area would be considered underutilization of property in nearly any location. When the subject property is nearly 4 acres in size and situated along the boundary of a thriving suburban downtown core, the level of underutilization can be considered extreme.

### Failure to Meet Economic and Social Needs

The City of Lee’s Summit has identified density as a paramount goal to provide for downtown Lee’s Summit’s economic and social future. As noted in the City’s “Old Lee’s Summit

Development Master Plan” completed in 2004, and again in the City’s “Downtown Master Plan Task Force Report” published in 2015 (the “Task Force Report”), downtown density will enhance public welfare through economic and social benefits. The Task Force Report specifically noted: “Density brings better business and vitality to our streets...[d]owntown needs residents...[m]ore housing options will chart the strongest path to density.”

In its present deteriorated, underutilized, and non-dense state, the Study Area is failing to meet the economic and social needs of the City. With almost 4 acres of land situated on the edge of downtown’s core business district, the Study Area is perfectly situated for redevelopment, particularly dense residential redevelopment, to achieve the City’s goals to enhance the economic and social welfare of its citizens.

#### Failure to Achieve Economic Potential

The Study Area has failed to achieve its potential from an economic perspective. In its present deteriorated, underutilized, and non-dense state, the almost 4-acre Study Area’s assessed value for tax purposes is \$1,003,436 – a fraction of the value a dense downtown project would command (additionally, the Study Area is exempt from property taxes due to the current owner’s exempt status). Depressed valuations by the County Assessor due to dilapidated improvements and less than highest-and-best uses, minimizes the property tax revenues available to the public.

By contrast, as prescribed in the Task Force Report, density, as triggered by downtown residential development, will promote thriving businesses and, as a result, sales tax revenues. A successful business environment also ultimately leads to higher commercial demand and rents, followed by higher valuations and property tax revenues. While the Study Area has this economic potential, the Study Area cannot achieve this potential in its current state.

### ***SOCIAL LIABILITY***

A social liability results when one or more blight factors create a disadvantage to the welfare of members of a given community or to interaction among such members. The welfare of the community is substantially based upon economic development, job opportunities, and adequate community services provided by various taxing jurisdictions from tax revenue sources. In its present blighted state, as discussed above, the Study Area does not directly or indirectly generate tax revenue for the community. This missed opportunity, in light of the significant potential of this almost 4-acre site on the edge of the downtown core to generate direct and indirect tax revenues and provide a dense redevelopment project to serve the needs of the public, constitutes a social liability.

### ***RETARDS THE PROVISION OF HOUSING ACCOMMODATIONS***

As discussed above, the City has identified densification, particularly through residential redevelopment, as a critically important goal for downtown’s future. The current state of the Study Area prevents the almost 4-acre site, which is perfectly situated on the boundary of the downtown commercial core for dense, residential use, from being used to help achieve the City’s goal of expanding the downtown residential community.

## **IV. Conclusion**

In its current state, including the predominance of site improvement deterioration, the Study Area as a whole constitutes an economic and social liability and retards the provision of housing accommodations in its present condition and use. Therefore, as of the date of this Study, the Study Area is a “blighted area” according to the definition provided in Section 99.805(1) of the Missouri Revised Statutes.

**EXHIBIT A**

**LEGAL DESCRIPTION OF STUDY AREA**

TRACT 1:

TRACT A, REPLAT OF LOTS 1 THRU 9 AND 11 THRU 23, INCLUSIVE, BLOCK 4, TOWN OF STROTHER, A SUBDIVISION IN LEE'S SUMMIT, JACKSON COUNTY, MISSOURI.

TRACT 2:

THE WEST 130 FEET OF LOTS 11 AND 12, BLOCK 4, CITY OF LEE'S SUMMIT, FORMERLY THE TOWN OF STROTHER, A SUBDIVISION IN LEE'S SUMMIT, JACKSON COUNTY, MISSOURI.

**EXHIBIT B**  
**MAP OF STUDY AREA**



**EXHIBIT 6**

**DEBT SERVICE SCHEDULE / PAY-AS-YOU-GO AMORTIZATION TABLE**

See Attached.

**2ND AND DOUGLAS TIF  
TIF REIMBURSEMENT AMORTIZATION**

ASSUMING PROJECTED REVENUE AT 100%						
CALENDAR YEAR	TIF YEAR	TIF REIMBURSEABLE COST BALANCE BEFORE PMT FROM TIF REVENUE	INTEREST ON BALANCE DURING YEAR	PAYMENT FROM TIF REVENUE*	YEAR END REIMBURSABLE COST BALANCE	EXCESS TIF REVENUE
2019	1	\$ 2,009,845	\$ 90,443	\$ -	\$ 2,100,288	\$ -
2020	2	\$ 8,129,823	\$ 365,842	\$ 115,445	\$ 8,380,221	\$ -
2021	3	\$ 8,380,221	\$ 377,110	\$ 519,326	\$ 8,238,004	\$ -
2022	4	\$ 8,238,004	\$ 453,090	\$ 721,267	\$ 7,969,828	\$ -
2023	5	\$ 7,969,828	\$ 438,341	\$ 721,267	\$ 7,686,902	\$ -
2024	6	\$ 7,686,902	\$ 422,780	\$ 737,422	\$ 7,372,259	\$ -
2025	7	\$ 7,372,259	\$ 405,474	\$ 737,422	\$ 7,040,311	\$ -
2026	8	\$ 7,040,311	\$ 387,217	\$ 753,900	\$ 6,673,628	\$ -
2027	9	\$ 6,673,628	\$ 367,050	\$ 753,900	\$ 6,286,777	\$ -
2028	10	\$ 6,286,777	\$ 345,773	\$ 770,708	\$ 5,861,842	\$ -
2029	11	\$ 5,861,842	\$ 322,401	\$ 770,708	\$ 5,413,535	\$ -
2030	12	\$ 5,413,535	\$ 297,744	\$ 787,852	\$ 4,923,427	\$ -
2031	13	\$ 4,923,427	\$ 270,788	\$ 787,852	\$ 4,406,363	\$ -
2032	14	\$ 4,406,363	\$ 242,350	\$ 805,339	\$ 3,843,373	\$ -
2033	15	\$ 3,843,373	\$ 211,386	\$ 805,339	\$ 3,249,419	\$ -
2034	16	\$ 3,249,419	\$ 178,718	\$ 823,176	\$ 2,604,961	\$ -
2035	17	\$ 2,604,961	\$ 143,273	\$ 823,176	\$ 1,925,058	\$ -
2036	18	\$ 1,925,058	\$ 105,878	\$ 841,370	\$ 1,189,567	\$ -
2037	19	\$ 1,189,567	\$ 65,426	\$ 841,370	\$ 413,623	\$ -
2038	20	\$ 413,623	\$ 22,749	\$ 859,927	\$ (423,554)	\$ 423,554
2039	21	\$ (423,554)	\$ (23,295)	\$ 859,927	\$ (1,306,777)	\$ 1,306,777
2040	22	\$ (1,306,777)	\$ (71,873)	\$ 878,855	\$ (2,257,505)	\$ 2,257,505
2041	23	\$ (2,257,505)	\$ (124,163)	\$ 878,855	\$ (3,260,523)	\$ 3,260,523

\*In 2020 and 2021, the payments shown in the "Payment from TIF Revenue" column are actually payments from "Additional Rent" under the Ch. 100/LCRA structure.

**EXHIBIT 7**

**EVIDENCE OF COMMITMENT TO FINANCE**

**See attached.**





January 23, 2019

**Re: DTLS Apartment, LLC ("Sponsor")  
NWC SE 2<sup>nd</sup> Street & SE Douglas Street, Lee's Summit, Missouri**

Jim:

We understand that the City of Lee's Summit, Missouri has requested that you provide information regarding Associated Bank's interest in financing Sponsor's planned redevelopment of +/-3.69 acres located at the NWC of SE 2<sup>nd</sup> Street & SE Douglas Street in Lee's Summit, Missouri as depicted on the attached Exhibit A (the "Project").

Associated Bank has successfully financed numerous real estate developments that involve various forms of public incentives, including Tax Increment Financing ("TIF"). We understand the Sponsor is requesting TIF assistance to help finance the Project. We are generally familiar with the Project's preliminary site plan, development budget and financial forecasts. Based on our preliminary review of this material it appears that TIF assistance could be an essential component of the Project's overall capital structure.

It is presently our intention to pursue underwriting the construction financing for this Project. We are unable to provide a definitive term sheet at this time as the underwriting and many of the standard terms and conditions will largely be predicated on the final project scope, cost of the project and the final terms of the Project Agreement that we would anticipate being negotiated between Sponsor and the City of Lee's Summit if TIF assistance is provided.

In the process of underwriting prior projects that I have financed for affiliates of the Sponsor I have had the opportunity to see a comprehensive picture of the financial and organizational structure for the principal members. Based on our history and our analysis of certain confidential financial information, we are confident the Sponsor has the depth of management and financial capacity to secure the necessary capital, both debt and equity, that would be necessary to fund the development of the Project.

Sincerely,

Associated Bank, N.A.

A handwritten signature in blue ink, appearing to read "Shawn S. Bullock", is written over a faint circular stamp.

Shawn S. Bullock  
Senior Vice President

## EXHIBIT 8

### RELOCATION PLAN

Section 99.810.1, RSMo, requires that a TIF Plan include a relocation plan for “relocation assistance for businesses and residences” within the Redevelopment Area. The Redevelopment Area contains only one business – a church – and the church is voluntarily relocating its operations to a new facility within the City. As a result, there should be no need for relocation of any occupant or business. However, if relocation assistance is necessary, it will be carried out in accordance with Section 523.205 of the Revised Statutes of Missouri, and pursuant to the following Relocation Assistance Plan:

**1. Definitions.** The following terms shall have the meanings set forth below for purposes of this Relocation Assistance Plan. Capitalized terms not otherwise defined shall have the meaning set forth in the 50 Highway Tax Increment Financing Plan (the “Relocation Assistance Plan”).

**1.1 Business:** Any lawful activity that is conducted: (a) primarily for the purchase, sale or use of personal or real property or for the manufacture, processing or marketing of products or commodities; or (b) primarily for the sale of services to the public; or (c) on a not-for-profit basis by any organization that has obtained an exemption from the payment of federal income taxes as provided in Section 501(c)(3) of Title 26, U.S.C., as amended, and veterans organizations.

**1.2 Decent, Safe and Sanitary Dwelling:** A dwelling which meets applicable housing and occupancy codes. The dwelling shall:

- (a) Be structurally sound, weathertight and in good repair;
- (b) Contain a safe electrical wiring system;
- (c) Contain an adequate heating system;
- (d) Be adequate in size with respect to the number of rooms needed to accommodate the Displaced Person; and
- (e) For a Handicapped Displaced Person, be free of any barriers which would preclude reasonable ingress, egress or use of the dwelling.

**1.3 Displaced Person:** Any Person that moves from the real property which is within the Redevelopment Area or moves such Person’s personal property from real property that is within the Redevelopment Area permanently and voluntarily as a

direct result of the acquisition, rehabilitation or demolition of, or the written notice of intent to acquire, such real property, in whole or in part, for a public purpose.

- 1.4 Eligible Displaced Person:** Any Displaced Person who occupied the real property to be acquired for not less than ninety (90) days prior to the initiation of negotiations and who is required to vacate such real property.
  - 1.5 Handicapped Displaced Person:** Any Displaced Person who is deaf, legally blind or orthopedically disabled to the extent that; (i) acquisition of another residence presents a greater burden than other Persons would encounter, or (ii) modifications to the replacement residence would be necessary.
  - 1.6 Person:** Any individual, family, partnership, corporation or association, that has a legal right to occupy the property, including but not limited to, month-to-month tenants.
  - 1.7 Referral Site Notice:** The written notice of referral sites to be provided to Displaced Persons by the Developer pursuant to Section 5 of this Relocation Assistance Plan.
  - 1.8 Relocation Payment:** The payment to be made from the Special Allocation Fund to an Eligible Displaced Person pursuant to Section 7 of this Relocation Plan.
- 2. Preliminary Notice of Project.** A general information notice shall be issued upon approval and selection of Developer as the redeveloper for the Redevelopment Area which shall inform Eligible Displaced Persons of the Project, including the potential acquisition of the property.
  - 3. Availability of Relocation Assistance.** All Eligible Displaced Persons shall have the right to receive relocation assistance in accordance with the terms of this Relocation Assistance Plan. In no event shall relocation assistance be provided to any Person who purposely resides or locates such Person's Business in the Redevelopment Area solely for the purpose of obtaining relocation benefits.
  - 4. Notice to Vacate.** The Developer shall give to every Displaced Person a written notice to vacate not less than ninety (90) days prior to the date such Displaced Person is required to vacate its premises.

5. **Referrals.** The Developer shall provide each Displaced Person occupying a residence in the Redevelopment Area with written notice of a minimum of three (3) Decent, Safe and Sanitary Dwelling referrals and shall provide each Displaced Person operating a Business in the Redevelopment Area with written notice of a minimum of three (3) suitable referral sites for such Business. The Referral Site Notice shall be provided to all Displaced Persons ninety (90) days prior to the date such Displaced Person is required to vacate its respective premises. The Developer shall make arrangements for transportation for Displaced Persons to inspect referral sites upon receipt of a written request from such Displaced Person for transportation addressed to the Developer in care of Polsinelli PC, 6201 College Blvd, Suite 500, Overland Park, Kansas 66211, Attn: Curtis Petersen, Esq.
6. **Notice of Relocation Plan.** As soon as feasible after the execution of the redevelopment agreement and concurrently with the provision of the notice to vacate, the Developer shall notify Eligible Displaced Persons in writing of the availability of Relocation Payments and assistance under this Relocation Assistance Plan.
7. **Relocation Payments.** Each Eligible Displaced Person shall be entitled to the following Relocation Payment from the Special Allocation Fund.
  - 7.1 **Residential Displaced Persons.** Each Eligible Displaced Person occupying a residence in the Redevelopment Area shall be provided with, at the option of such Eligible Displaced Person, either: (a) a One Thousand Dollar (\$1,000) fixed moving expenses payment; or (b) Actual reasonable costs of relocation including, but not limited to, actual moving costs, utility deposits, key deposits, storage of personal property up to one month, utility transfer and connection fees and other initial rehousing deposits including first and last month's rent and security deposit. Such costs of relocation shall not include the cost of replacement property or any capital improvements thereto. Each such Eligible Displaced Person must elect one of the foregoing payment options and give notice of such election to the Developer not less than thirty (30) days prior to the date such Displaced Person is required to vacate its premises.
  - 7.2 **Displaced Businesses.** Each Eligible Displaced Person operating a Business located in the Redevelopment Area shall be provided with, at the option of such Eligible Displaced Person, either: (a) a Three Thousand dollar (\$3,000) fixed

moving expense payment and up to an additional Ten Thousand dollars (\$10,000) for reestablishment expenses (reestablishment expenses are limited to costs incurred for physical improvements to the replacement property to accommodate the particular business at issue), or (b) actual costs of moving including costs for packing, crating, disconnection, dismantling, reassembling and installing all personal equipment and costs for relettering similar signs and similar replacement stationery, and up to an additional Ten Thousand dollars (\$10,000) for reestablishment expenses. Reestablishment expenses are limited to actual costs incurred for physical improvements to the replacement property to accommodate the particular business at issue. Each such Eligible Displaced Person must elect one of the foregoing payment options and give notice of such election to the Developer not less than thirty (30) days to the date such Displaced person is required to vacate its premises.

- 8. Special Needs.** Any Displaced Person who believes that such Displaced Person has any special needs as the result of such Displaced Person's income, age, size of family, nature of business, availability of suitable replacement facilities and vacancy rates of affordable facilities may advise the Developer of such needs and such needs shall be given specific consideration with respect to the relocation benefits offered to such Displaced Person. To notify the Developer of such special needs, the Displaced Person having such needs must deliver written notice to the Developer in care of Polsinelli PC., 900 W. 48<sup>th</sup> Place, Suite 900, Kansas City, Missouri, 64112, Attn: Curtis Petersen, Esq. Such notice shall identify the special needs and the basis of the special need. The Developer reserves the right to require from any Displaced Person claiming special needs reasonable evidence of the alleged facts upon which a claim for special needs is based (by way of example, copies of income tax returns if income is an issue).
- 9. Deadline for Claims and Payments.** All claims for Relocation Payments shall be filed by the Displaced Person with the Developer within six (6) months after: (a) for tenants, the date of displacement, or (b) for owners, the date of displacement or the final payment for the acquisition of the real property, whichever is later. Payment for a satisfactory claim for Relocation Payments shall be made by the Developer within thirty (30) days following the Developer's receipt of sufficient documentation to support the claim.

- 10. Advance Payment.** If an Eligible Displaced Person demonstrates the need for an advance payment of the Relocation Payment in order to avoid or reduce a hardship, the Developer shall issue the Relocation Payment subject to such safeguards as the Developer may reasonably establish and that are appropriate to ensure that the objective of the Relocation Payment is accomplished.
- 11. Waiver of Payment.** Any Eligible Displaced Person, who is also the owner of the applicable real property, may waive Relocation Payments as part of the negotiations for acquisition of the real property owned by such Eligible Displaced Person. Such waiver shall be in writing, shall disclose the Eligible Displaced Person's knowledge of the provisions of this Relocation Assistance Plan and Section 523.205 of the Revised Statutes of Missouri and knowledge of entitlement to Relocation Payments under this Relocation Assistance Plan, and shall be filed with the Developer. Any such waiver shall not include a waiver of any of the notice provisions contained in this Relocation Assistance Plan.
- 12. Reports.** The Developer shall deliver a report to the City which report shall include, without limitation:

  - (a) The address of all occupied residential buildings and structures within the Redevelopment Area;
  - (b) The name and addresses of all Displaced Persons;
  - (c) Specific relocation payments to be made to each Displaced Person; and
  - (d) A sample form of all notices provided to each Displaced Person.
- 13. Amendment.** In the event that a court of competent jurisdiction determines that this Relocation Assistance Plan does not satisfy the minimum requirements of Section 523.205 of the Revised Statutes of Missouri, then this Relocation Assistance Plan shall be automatically and retroactively amended to the minimum extent necessary to bring this Relocation Assistance Plan in conformity with the minimum requirements of Section 523.205 of the Revised Statutes of Missouri.

**EXHIBIT 9**

**DEVELOPER AFFIDAVIT**

**See Attached.**

**AFFIDAVIT**

STATE OF INDIANA )

) SS

COUNTY OF MARION )

COMES NOW, James E. Thomas, Jr., and being first duly sworn, on his oath states:

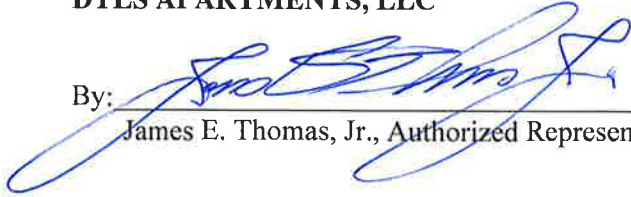
1. I am over the age of eighteen (18) and competent to testify to the following matters of my own knowledge and belief and am duly authorized to testify on behalf of DTLS Apartments, LLC, a Missouri limited liability company.
2. I am an authorized representative of DTLS Apartments, LLC and am providing this Affidavit on behalf of DTLS Apartments, LLC.
3. DTLS Apartments, LLC is the proposed developer for the redevelopment project described in the Tax Increment Financing Plan ("TIF Plan") relating to the development of real property generally located in the northwest quadrant of the intersection of 2<sup>nd</sup> and Douglas in Lee's Summit, Missouri. The conditions, which evidence the Redevelopment Area (as legally described in the TIF Plan) is a blighted area, are detailed in the TIF Plan.
4. In my opinion, the Redevelopment Area on a whole is a "blighted area" as that term is defined in the TIF Plan, and has not been subject to significant growth and development through investment by private enterprise in a way that allows such real property to achieve its highest and best use.
5. The Redevelopment Area would not reasonably be anticipated to be sufficiently developed as proposed without the adoption of tax increment financing due to the substantial cost to ameliorate the conditions which make such real property a blighted area.
6. DTLS Apartments, LLC will not and could not reasonably be expected to develop the subject property as proposed without the adoption of the proposed TIF Plan.
7. To my knowledge the TIF Plan meets the requirements of Section 99.810 of the Real Property Tax Increment Allocation Redevelopment Act, Revised Statutes of Missouri.

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**DTLS APARTMENTS, LLC**

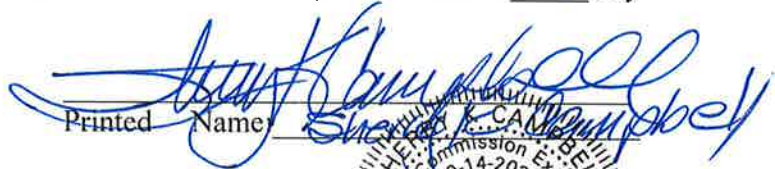
By:



James E. Thomas, Jr., Authorized Representative

Subscribed and sworn to before me, a Notary Public, in and for said County and State this 18<sup>th</sup> day of January, 2019.

My Commission Expires: 10-14-20  
SEAL

  
Printed Name: Shirley K. Campbell



Signature Page  
Developer's Affidavit  
TIF Plan – 2<sup>nd</sup> and Douglas, Lee's Summit, MO

**EXHIBIT 10**

**PROJECT PRO FORMAS (WITH & WITHOUT PUBLIC INCENTIVES)**

**See Attached.**

**2ND AND DOUGLAS TIF  
PROFORMA WITH INCENTIVES**

TIF YEAR	1	2	3	4	5	6	7	8	9	10
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028

PROJECT COSTS										
Project Costs	\$ 9,026,875	\$ 43,914,624	\$ 51,820,210	\$ 51,820,210	\$ 51,820,210	\$ 51,820,210	\$ 51,820,210	\$ 51,820,210	\$ 51,820,210	\$ 51,820,210
Debt Financing	\$ 6,770,156	\$ 32,935,968	\$ 38,865,158	\$ 38,865,158	\$ 38,865,158	\$ 38,865,158	\$ 38,865,158	\$ 38,865,158	\$ 38,865,158	\$ 38,865,158

DEBT AMORTIZATION										
	Construction Loan - interest only									
Debt	\$ 6,770,156	\$ 32,935,968	\$ 38,865,158	\$ 38,865,158	\$ 38,105,369	\$ 37,303,792	\$ 36,458,128	\$ 35,565,953	\$ 34,624,708	\$ 33,631,694
Payment	\$ (128,233)	\$ (942,449)	\$ (1,693,346)	\$ (2,897,372)	\$ (2,897,372)	\$ (2,897,372)	\$ (2,897,372)	\$ (2,897,372)	\$ (2,897,372)	\$ (2,897,372)
Interest	\$ (128,233)	\$ (942,449)	\$ (1,693,346)	\$ (2,137,584)	\$ (2,095,795)	\$ (2,051,709)	\$ (2,005,197)	\$ (1,956,127)	\$ (1,904,359)	\$ (1,849,743)
Principal				\$ (759,789)	\$ (801,577)	\$ (845,664)	\$ (892,175)	\$ (941,245)	\$ (993,013)	\$ (1,047,629)
Cumulative Principal				\$ (759,789)	\$ (1,561,366)	\$ (2,407,030)	\$ (3,299,205)	\$ (4,240,450)	\$ (5,233,463)	\$ (6,281,092)

REVENUE/EXPENSES										
Gross Base Rental Income	\$ -	\$ -	\$ 955,164	\$ 3,820,656	\$ 3,897,069	\$ 3,975,011	\$ 4,054,511	\$ 4,135,601	\$ 4,218,313	\$ 4,302,679
Other Income	\$ -	\$ -	\$ 100,284	\$ 401,136	\$ 409,159	\$ 417,342	\$ 425,689	\$ 434,203	\$ 442,887	\$ 451,744
Less Vacancy	\$ -	\$ -	\$ -	\$ (211,090)	\$ (215,311)	\$ (219,618)	\$ (224,010)	\$ (228,490)	\$ (233,060)	\$ (237,721)
Less Operating Expenses	\$ -	\$ -	\$ (237,476)	\$ (1,055,448)	\$ (1,076,557)	\$ (1,098,088)	\$ (1,120,050)	\$ (1,142,451)	\$ (1,165,300)	\$ (1,188,606)
TIF Revenue*	\$ -	\$ 115,445	\$ 519,326	\$ 721,267	\$ 721,267	\$ 737,422	\$ 737,422	\$ 753,900	\$ 753,900	\$ 770,708
NET OPERATING CASH FLOW	\$ -	\$ 115,445	\$ 1,337,298	\$ 3,676,521	\$ 3,735,626	\$ 3,812,069	\$ 3,873,562	\$ 3,952,763	\$ 4,016,740	\$ 4,098,805
<i>*Includes Ch. 100 "Additional Rent" in 2020-21.</i>										
TOTAL DEBT SERVICE	\$ (128,233)	\$ (942,449)	\$ (1,693,346)	\$ (2,897,372)	\$ (2,897,372)	\$ (2,897,372)	\$ (2,897,372)	\$ (2,897,372)	\$ (2,897,372)	\$ (2,897,372)

CASH FLOW										
Developer Funds/Equity	\$ (2,256,719)	\$ (8,721,937)	\$ (1,976,397)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Cash Flow After Debt Service	\$ (128,233)	\$ (827,004)	\$ (356,048)	\$ 779,149	\$ 838,254	\$ 914,696	\$ 976,189	\$ 1,055,390	\$ 1,119,368	\$ 1,201,432
Hypothetical Sale	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,016,711
Loan Payoff	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (32,584,065)
Total (Cash Flow to Developer)	\$ (2,384,952)	\$ (9,548,941)	\$ (2,332,444)	\$ 779,149	\$ 838,254	\$ 914,696	\$ 976,189	\$ 1,055,390	\$ 1,119,368	\$ 20,634,078

IRR	8.89%
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RETURN ON EQUITY										
Equity Contribution	\$2,256,719	\$11,106,889	\$13,910,290	\$14,266,338	\$14,266,338	\$14,266,338	\$14,266,338	\$14,266,338	\$14,266,338	\$14,266,338
Net Cash Flow After Debt Service	-\$128,233	-\$827,004	-\$356,048	\$779,149	\$838,254	\$914,696	\$976,189	\$1,055,390	\$1,119,368	\$20,634,078
Return on Equity After Debt Service	-5.68%	-7.45%	-2.56%	5.46%	5.88%	6.41%	6.84%	7.40%	7.85%	144.63%

ASSUMPTIONS	
Developer Funded Costs (Equity)	25%
Financed Costs	75%
Loan Interest Rate (construction loan)	4.50%
Loan Interest Rate (permanent debt)	5.50%
Loan Term (years)	25
Net Present Value Discount Rate	5.50%
Avg. MF Unit Base Rent per Month	\$1,162.00
Other Monthly Income	\$122.00
Annual Rent/Other Income Growth	2%
Operating Expenses Percentage	25%
Vacancy	5%
CAP Rate on Hypothetical Sale	7.0%
Discounted NPV TIF revenues Yrs 11-23	\$4,472,476

**2ND AND DOUGLAS TIF  
PRO FORMA WITHOUT INCENTIVES**

TIF YEAR	1	2	3	4	5	6	7	8	9	10
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028

PROJECT COSTS										
Project Costs	\$ 9,026,875	\$ 43,914,624	\$ 51,820,210	\$ 51,820,210	\$ 51,820,210	\$ 51,820,210	\$ 51,820,210	\$ 51,820,210	\$ 51,820,210	\$ 51,820,210
Debt Financing	\$ 6,770,156	\$ 32,935,968	\$ 38,865,158	\$ 38,865,158	\$ 38,865,158	\$ 38,865,158	\$ 38,865,158	\$ 38,865,158	\$ 38,865,158	\$ 38,865,158

DEBT AMORTIZATION										
	Construction Loan - interest only									
Debt	\$ 6,770,156	\$ 32,935,968	\$ 38,865,158	\$ 38,865,158	\$ 38,105,369	\$ 37,303,792	\$ 36,458,128	\$ 35,565,953	\$ 34,624,708	\$ 33,631,694
Payment	\$ (128,233)	\$ (942,449)	\$ (1,693,346)	\$ (2,897,372)	\$ (2,897,372)	\$ (2,897,372)	\$ (2,897,372)	\$ (2,897,372)	\$ (2,897,372)	\$ (2,897,372)
Interest	\$ (128,233)	\$ (942,449)	\$ (1,693,346)	\$ (2,137,584)	\$ (2,095,795)	\$ (2,051,709)	\$ (2,005,197)	\$ (1,956,127)	\$ (1,904,359)	\$ (1,849,743)
Principal				\$ (759,789)	\$ (801,577)	\$ (845,664)	\$ (892,175)	\$ (941,245)	\$ (993,013)	\$ (1,047,629)
Cumulative Principal				\$ (759,789)	\$ (1,561,366)	\$ (2,407,030)	\$ (3,299,205)	\$ (4,240,450)	\$ (5,233,463)	\$ (6,281,092)

REVENUE/EXPENSES										
Gross Base Rental Income			\$ 955,164	\$ 3,820,656	\$ 3,897,069	\$ 3,975,011	\$ 4,054,511	\$ 4,135,601	\$ 4,218,313	\$ 4,302,679
Other Income			\$ 100,284	\$ 401,136	\$ 409,159	\$ 417,342	\$ 425,689	\$ 434,203	\$ 442,887	\$ 451,744
Less Vacancy				\$ (211,090)	\$ (215,311)	\$ (219,618)	\$ (224,010)	\$ (228,490)	\$ (233,060)	\$ (237,721)
Less Operating Expenses			\$ (237,476)	\$ (1,055,448)	\$ (1,076,557)	\$ (1,098,088)	\$ (1,120,050)	\$ (1,142,451)	\$ (1,165,300)	\$ (1,188,606)
NET OPERATING CASH FLOW			\$ 817,972	\$ 2,955,254	\$ 3,014,359	\$ 3,074,647	\$ 3,136,140	\$ 3,198,862	\$ 3,262,840	\$ 3,328,096
TOTAL DEBT SERVICE	\$ (128,233)	\$ (942,449)	\$ (1,693,346)	\$ (2,897,372)	\$ (2,897,372)	\$ (2,897,372)	\$ (2,897,372)	\$ (2,897,372)	\$ (2,897,372)	\$ (2,897,372)

CASH FLOW										
Developer Funds/Equity	\$ (2,256,719)	\$ (8,721,937)	\$ (1,976,397)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Cash Flow After Debt Service	\$ (128,233)	\$ (942,449)	\$ (875,374)	\$ 57,882	\$ 116,987	\$ 177,274	\$ 238,767	\$ 301,490	\$ 365,467	\$ 430,724
Hypothetical Sale	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,544,235
Loan Payoff	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (32,584,065)
Total (Cash Flow to Developer)	\$ (2,384,952)	\$ (9,664,386)	\$ (2,851,770)	\$ 57,882	\$ 116,987	\$ 177,274	\$ 238,767	\$ 301,490	\$ 365,467	\$ 15,390,894

IRR	1.44%
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RETURN ON EQUITY										
Equity Contribution	\$2,256,719	\$11,106,889	\$14,025,734	\$14,901,108	\$14,901,108	\$14,901,108	\$14,901,108	\$14,901,108	\$14,901,108	\$14,901,108
Net Cash Flow After Debt Service	-\$128,233	-\$942,449	-\$875,374	\$57,882	\$116,987	\$177,274	\$238,767	\$301,490	\$365,467	\$15,390,894
Return on Equity After Debt Service	-5.68%	-8.49%	-6.24%	0.39%	0.79%	1.19%	1.60%	2.02%	2.45%	103.29%

ASSUMPTIONS	
Developer Funded Costs (Equity)	25%
Financed Costs	75%
Loan Interest Rate (construction loan)	4.50%
Loan Interest Rate (permanent debt)	5.50%
Loan Term (years)	25
Net Present Value Discount Rate	5.50%
Avg. MF Unit Base Rent per Month	\$1,162
Other Monthly Income	\$122
Annual Rent/Other Income Growth	2%
Operating Expenses Percentage	25%
Vacancy	5%
CAP Rate on Hypothetical Sale	7.0%

**EXHIBIT 11**

**COST BENEFIT ANALYSIS**

**See Attached.**

**2ND AND DOUGLAS TIF  
SUMMARY - COST BENEFIT ANALYSIS**

<b>Taxing Jurisdiction</b>	<b>New Real Property Tax</b>	<b>Net Present Value*</b>
Lee's Summit School District R-VII	\$ 3,430,207	\$ 1,408,261
Lee's Summit	\$ 884,383	\$ 363,081
Mental Health	\$ 67,697	\$ 27,793
Library	\$ 231,279	\$ 94,951
Handicap	\$ 153,715	\$ 79,628
Metro Junior College	\$ 134,052	\$ 55,035
MO Blind Pension	\$ 64,677	\$ 33,504
County	\$ 282,986	\$ 116,179
<b>TOTAL</b>	<b>\$ 5,248,996</b>	<b>\$ 2,178,432</b>

\*Net Present Value discount rate is

6%

**2ND AND DOUGLAS TIF  
COST BENEFIT ANALYSIS (LEE'S SUMMIT R-VII SCHOOL DISTRICT)**

TIF YEAR	CALENDAR YEAR	WITH REDEVELOPMENT	WITH REDEVELOPMENT	WITHOUT REDEVELOPMENT
		ASSESSED	AD VALOREM	AD VALOREM
		VALUE	TAXES	TAXES*
1	2019	1,003,436	\$ 58,979	\$ -
2	2020	2,342,700	\$ 58,979	\$ -
3	2021	7,028,100	\$ 58,979	\$ -
4	2022	9,370,800	\$ 58,979	\$ -
5	2023	9,370,800	\$ 58,979	\$ -
6	2024	9,558,216	\$ 58,979	\$ -
7	2025	9,558,216	\$ 58,979	\$ -
8	2026	9,749,380	\$ 58,979	\$ -
9	2027	9,749,380	\$ 58,979	\$ -
10	2028	9,944,368	\$ 58,979	\$ -
11	2029	9,944,368	\$ 58,979	\$ -
12	2030	10,143,255	\$ 58,979	\$ -
13	2031	10,143,255	\$ 58,979	\$ -
14	2032	10,346,120	\$ 58,979	\$ -
15	2033	10,346,120	\$ 58,979	\$ -
16	2034	10,553,043	\$ 58,979	\$ -
17	2035	10,553,043	\$ 58,979	\$ -
18	2036	10,764,104	\$ 58,979	\$ -
19	2037	10,764,104	\$ 58,979	\$ -
20	2038	10,979,386	\$ 347,787	\$ -
21	2039	10,979,386	\$ 645,335	\$ -
22	2040	11,198,973	\$ 658,242	\$ -
23	2041	11,198,973	\$ 658,242	\$ -
<b>TOTAL</b>			<b>\$ 3,430,207</b>	<b>\$ -</b>
<b>NPV</b>			<b>\$ 1,408,261</b>	<b>\$ -</b>

\*Without redevelopment of property, current property tax exemption is assumed to continue.

**Benefit to Taxing Jurisdiction**

	<b>Real Property Taxes</b>
	<b>\$ 3,430,207</b>
Net Present Value	<b>\$ 1,408,261</b>

**LEVY RATE: 5.8777%**

**2ND AND DOUGLAS TIF  
COST BENEFIT ANALYSIS (CITY OF LEE'S SUMMIT)**

TIF YEAR	CALENDAR YEAR	WITH REDEVELOPMENT	WITH REDEVELOPMENT	WITHOUT REDEVELOPMENT
		WITH REDEVELOP.	AD VALOREM	AD VALOREM
		ASSESSED VALUE	TAXES	TAXES*
2019	1	1,003,436	\$ 15,206	\$ -
2020	2	2,342,700	\$ 15,206	\$ -
2021	3	7,028,100	\$ 15,206	\$ -
2022	4	9,370,800	\$ 15,206	\$ -
2023	5	9,370,800	\$ 15,206	\$ -
2024	6	9,558,216	\$ 15,206	\$ -
2025	7	9,558,216	\$ 15,206	\$ -
2026	8	9,749,380	\$ 15,206	\$ -
2027	9	9,749,380	\$ 15,206	\$ -
2028	10	9,944,368	\$ 15,206	\$ -
2029	11	9,944,368	\$ 15,206	\$ -
2030	12	10,143,255	\$ 15,206	\$ -
2031	13	10,143,255	\$ 15,206	\$ -
2032	14	10,346,120	\$ 15,206	\$ -
2033	15	10,346,120	\$ 15,206	\$ -
2034	16	10,553,043	\$ 15,206	\$ -
2035	17	10,553,043	\$ 15,206	\$ -
2036	18	10,764,104	\$ 15,206	\$ -
2037	19	10,764,104	\$ 15,206	\$ -
2038	20	10,979,386	\$ 89,667	\$ -
2039	21	10,979,386	\$ 166,382	\$ -
2040	22	11,198,973	\$ 169,709	\$ -
2041	23	11,198,973	\$ 169,709	\$ -
<b>TOTAL</b>			<b>\$ 884,383</b>	<b>\$ -</b>
<b>NPV</b>			<b>\$363,081</b>	<b>\$0</b>

\*Without redevelopment of property, current property tax exemption is assumed to continue.

**Benefit to Taxing Jurisdiction**

	<b>\$</b>	<b>Real Property Taxes</b>
		<b>884,383</b>
Net Present Value	<b>\$</b>	<b>363,081</b>

**LEVY RATE: 1.5154%**



**2ND AND DOUGLAS TIF  
COST BENEFIT ANALYSIS (MENTAL HEALTH)**

TIF YEAR	CALENDAR YEAR	WITH REDEVELOPMENT	WITH REDEVELOPMENT	WITHOUT REDEVELOPMENT
		ASSESSED	AD VALOREM	AD VALOREM
		VALUE	TAXES	TAXES*
1	2019	1,003,436	\$ 1,164	\$ -
2	2020	2,342,700	\$ 1,164	\$ -
3	2021	7,028,100	\$ 1,164	\$ -
4	2022	9,370,800	\$ 1,164	\$ -
5	2023	9,370,800	\$ 1,164	\$ -
6	2024	9,558,216	\$ 1,164	\$ -
7	2025	9,558,216	\$ 1,164	\$ -
8	2026	9,749,380	\$ 1,164	\$ -
9	2027	9,749,380	\$ 1,164	\$ -
10	2028	9,944,368	\$ 1,164	\$ -
11	2029	9,944,368	\$ 1,164	\$ -
12	2030	10,143,255	\$ 1,164	\$ -
13	2031	10,143,255	\$ 1,164	\$ -
14	2032	10,346,120	\$ 1,164	\$ -
15	2033	10,346,120	\$ 1,164	\$ -
16	2034	10,553,043	\$ 1,164	\$ -
17	2035	10,553,043	\$ 1,164	\$ -
18	2036	10,764,104	\$ 1,164	\$ -
19	2037	10,764,104	\$ 1,164	\$ -
20	2038	10,979,386	\$ 6,864	\$ -
21	2039	10,979,386	\$ 12,736	\$ -
22	2040	11,198,973	\$ 12,991	\$ -
23	2041	11,198,973	\$ 12,991	\$ -
<b>TOTAL</b>			<b>\$ 67,697</b>	<b>\$ -</b>
<b>NPV</b>			<b>\$ 27,793</b>	<b>\$ -</b>

\*Without redevelopment of property, current property tax exemption is assumed to continue.

**Benefit to Taxing Jurisdiction**

	<b>Real Property Taxes</b>
	<b>\$ 67,697</b>
Net Present Value	<b>\$ 27,793</b>

**LEVY RATE: 0.1160%**

**2ND AND DOUGLAS TIF  
COST BENEFIT ANALYSIS (LIBRARY)**

TIF YEAR	CALENDAR YEAR	WITH REDEVELOPMENT	WITH REDEVELOPMENT	WITHOUT REDEVELOPMENT
		ASSESSED	AD VALOREM	AD VALOREM
		VALUE	TAXES	TAXES*
1	2019	1,003,436	\$ 3,977	\$ -
2	2020	2,342,700	\$ 3,977	\$ -
3	2021	7,028,100	\$ 3,977	\$ -
4	2022	9,370,800	\$ 3,977	\$ -
5	2023	9,370,800	\$ 3,977	\$ -
6	2024	9,558,216	\$ 3,977	\$ -
7	2025	9,558,216	\$ 3,977	\$ -
8	2026	9,749,380	\$ 3,977	\$ -
9	2027	9,749,380	\$ 3,977	\$ -
10	2028	9,944,368	\$ 3,977	\$ -
11	2029	9,944,368	\$ 3,977	\$ -
12	2030	10,143,255	\$ 3,977	\$ -
13	2031	10,143,255	\$ 3,977	\$ -
14	2032	10,346,120	\$ 3,977	\$ -
15	2033	10,346,120	\$ 3,977	\$ -
16	2034	10,553,043	\$ 3,977	\$ -
17	2035	10,553,043	\$ 3,977	\$ -
18	2036	10,764,104	\$ 3,977	\$ -
19	2037	10,764,104	\$ 3,977	\$ -
20	2038	10,979,386	\$ 23,449	\$ -
21	2039	10,979,386	\$ 43,511	\$ -
22	2040	11,198,973	\$ 44,382	\$ -
23	2041	11,198,973	\$ 44,382	\$ -
<b>TOTAL</b>			<b>\$ 231,279</b>	<b>\$ -</b>
<b>NPV</b>			<b>\$ 94,951</b>	<b>\$ -</b>

\*Without redevelopment of property, current property tax exemption is assumed to continue.

**Benefit to Taxing Jurisdiction**

**Real Property Taxes**  
**\$ 231,279**  
 Net Present Value      **\$ 94,951**

**LEVY RATE:            0.3963%**

**2ND AND DOUGLAS TIF  
COST BENEFIT ANALYSIS (HANDICAP)**

TIF YEAR	CALENDAR YEAR	WITH REDEVELOPMENT	WITH REDEVELOPMENT	WITHOUT REDEVELOPMENT
		ASSESSED	AD VALOREM	AD VALOREM
		VALUE	TAXES	TAXES*
1	2019	1,003,436	\$ 715	\$ -
2	2020	2,342,700	\$ 1,670	\$ -
3	2021	7,028,100	\$ 5,011	\$ -
4	2022	9,370,800	\$ 6,681	\$ -
5	2023	9,370,800	\$ 6,681	\$ -
6	2024	9,558,216	\$ 6,815	\$ -
7	2025	9,558,216	\$ 6,815	\$ -
8	2026	9,749,380	\$ 6,951	\$ -
9	2027	9,749,380	\$ 6,951	\$ -
10	2028	9,944,368	\$ 7,090	\$ -
11	2029	9,944,368	\$ 7,090	\$ -
12	2030	10,143,255	\$ 7,232	\$ -
13	2031	10,143,255	\$ 7,232	\$ -
14	2032	10,346,120	\$ 7,377	\$ -
15	2033	10,346,120	\$ 7,377	\$ -
16	2034	10,553,043	\$ 7,524	\$ -
17	2035	10,553,043	\$ 7,524	\$ -
18	2036	10,764,104	\$ 7,675	\$ -
19	2037	10,764,104	\$ 7,675	\$ -
20	2038	10,979,386	\$ 7,828	\$ -
21	2039	10,979,386	\$ 7,828	\$ -
22	2040	11,198,973	\$ 7,985	\$ -
23	2041	11,198,973	\$ 7,985	\$ -
<b>TOTAL</b>			<b>\$ 153,715</b>	<b>\$ -</b>
<b>NPV</b>			<b>\$ 79,628</b>	<b>\$ -</b>

\*Without redevelopment of property, current property tax exemption is assumed to continue.

**Benefit to Taxing Jurisdiction**

	<b>Real Property Taxes</b>
	<b>\$ 153,715</b>
Net Present Value	<b>\$ 79,628</b>

**LEVY RATE: 0.0713%**

**2ND AND DOUGLAS TIF  
COST BENEFIT ANALYSIS (COLLEGE)**

TIF YEAR	CALENDAR YEAR	WITH REDEVELOPMENT	WITH REDEVELOPMENT	WITHOUT REDEVELOPMENT
		ASSESSED VALUE	AD VALOREM TAXES	AD VALOREM TAXES*
1	2019	1,003,436	\$ 2,305	\$ -
2	2020	2,342,700	\$ 2,305	\$ -
3	2021	7,028,100	\$ 2,305	\$ -
4	2022	9,370,800	\$ 2,305	\$ -
5	2023	9,370,800	\$ 2,305	\$ -
6	2024	9,558,216	\$ 2,305	\$ -
7	2025	9,558,216	\$ 2,305	\$ -
8	2026	9,749,380	\$ 2,305	\$ -
9	2027	9,749,380	\$ 2,305	\$ -
10	2028	9,944,368	\$ 2,305	\$ -
11	2029	9,944,368	\$ 2,305	\$ -
12	2030	10,143,255	\$ 2,305	\$ -
13	2031	10,143,255	\$ 2,305	\$ -
14	2032	10,346,120	\$ 2,305	\$ -
15	2033	10,346,120	\$ 2,305	\$ -
16	2034	10,553,043	\$ 2,305	\$ -
17	2035	10,553,043	\$ 2,305	\$ -
18	2036	10,764,104	\$ 2,305	\$ -
19	2037	10,764,104	\$ 2,305	\$ -
20	2038	10,979,386	\$ 13,591	\$ -
21	2039	10,979,386	\$ 25,220	\$ -
22	2040	11,198,973	\$ 25,724	\$ -
23	2041	11,198,973	\$ 25,724	\$ -
<b>TOTAL</b>			<b>\$ 134,052</b>	<b>\$ -</b>
<b>NPV</b>			<b>\$ 55,035</b>	<b>\$ -</b>

\*Without redevelopment of property, current property tax exemption is assumed to continue.

**Benefit to Taxing Jurisdiction**

	<b>Real Property Taxes</b>
	<b>\$ 134,052</b>
Net Present Value	<b>\$ 55,035</b>

**LEVY RATE: 0.2297%**

**2ND AND DOUGLAS TIF  
COST BENEFIT ANALYSIS (MO BLIND PENSION)**

TIF YEAR	CALENDAR YEAR	WITH REDEVELOPMENT	WITH REDEVELOPMENT	WITHOUT REDEVELOPMENT
		ASSESSED	AD VALOREM	AD VALOREM
		VALUE	TAXES	TAXES*
1	2019	1,003,436	\$ 301	\$ -
2	2020	2,342,700	\$ 703	\$ -
3	2021	7,028,100	\$ 2,108	\$ -
4	2022	9,370,800	\$ 2,811	\$ -
5	2023	9,370,800	\$ 2,811	\$ -
6	2024	9,558,216	\$ 2,867	\$ -
7	2025	9,558,216	\$ 2,867	\$ -
8	2026	9,749,380	\$ 2,925	\$ -
9	2027	9,749,380	\$ 2,925	\$ -
10	2028	9,944,368	\$ 2,983	\$ -
11	2029	9,944,368	\$ 2,983	\$ -
12	2030	10,143,255	\$ 3,043	\$ -
13	2031	10,143,255	\$ 3,043	\$ -
14	2032	10,346,120	\$ 3,104	\$ -
15	2033	10,346,120	\$ 3,104	\$ -
16	2034	10,553,043	\$ 3,166	\$ -
17	2035	10,553,043	\$ 3,166	\$ -
18	2036	10,764,104	\$ 3,229	\$ -
19	2037	10,764,104	\$ 3,229	\$ -
20	2038	10,979,386	\$ 3,294	\$ -
21	2039	10,979,386	\$ 3,294	\$ -
22	2040	11,198,973	\$ 3,360	\$ -
23	2041	11,198,973	\$ 3,360	\$ -
<b>TOTAL</b>			<b>\$ 64,677</b>	<b>\$ -</b>
<b>NPV</b>			<b>\$ 33,504</b>	<b>\$ -</b>

\*Without redevelopment of property, current property tax exemption is assumed to continue.

**Benefit to Taxing Jurisdiction**

	<b>Real Property Taxes</b>
	<b>\$ 64,677</b>
Net Present Value	<b>\$ 33,504</b>

**LEVY RATE: 0.0300%**

**2ND AND DOUGLAS TIF  
COST BENEFIT ANALYSIS (JACKSON COUNTY)**

TIF YEAR	CALENDAR YEAR	WITH REDEVELOPMENT	WITH REDEVELOPMENT	WITHOUT REDEVELOPMENT
		WITH REDEVELOP.	AD VALOREM	AD VALOREM
		ASSESSED VALUE	TAXES	TAXES*
2019	1	1,003,436	\$ 4,866	\$ -
2020	2	2,342,700	\$ 4,866	\$ -
2021	3	7,028,100	\$ 4,866	\$ -
2022	4	9,370,800	\$ 4,866	\$ -
2023	5	9,370,800	\$ 4,866	\$ -
2024	6	9,558,216	\$ 4,866	\$ -
2025	7	9,558,216	\$ 4,866	\$ -
2026	8	9,749,380	\$ 4,866	\$ -
2027	9	9,749,380	\$ 4,866	\$ -
2028	10	9,944,368	\$ 4,866	\$ -
2029	11	9,944,368	\$ 4,866	\$ -
2030	12	10,143,255	\$ 4,866	\$ -
2031	13	10,143,255	\$ 4,866	\$ -
2032	14	10,346,120	\$ 4,866	\$ -
2033	15	10,346,120	\$ 4,866	\$ -
2034	16	10,553,043	\$ 4,866	\$ -
2035	17	10,553,043	\$ 4,866	\$ -
2036	18	10,764,104	\$ 4,866	\$ -
2037	19	10,764,104	\$ 4,866	\$ -
2038	20	10,979,386	\$ 28,692	\$ -
2039	21	10,979,386	\$ 53,239	\$ -
2040	22	11,198,973	\$ 54,304	\$ -
2041	23	11,198,973	\$ 54,304	\$ -
<b>TOTAL</b>			<b>\$ 282,986</b>	<b>\$ -</b>
<b>NPV</b>			<b>\$116,179</b>	<b>\$0</b>

\*Without redevelopment of property, current property tax exemption is assumed to continue.

	<b>Real Property Taxes</b>	
<b>Benefit to Taxing Jurisdiction</b>	<b>\$ 282,986</b>	
Net Present Value	<b>\$ 116,179</b>	

**LEVY RATE: 0.4849%**