

Date: September 1, 2017

To: File

From: Randall L. Rhoads *RLR*

Reference Bill No. 17-178 (Ordinance No. 8232)

Paraphrasing Article IV Section 4.4 (c) of the Charter for Lee's Summit, the Mayor shall either sign or veto an ordinance within ten days. Further, if not signed or vetoed, it shall be deemed approved as if Mayor had signed it.

I am not signing this Ordinance because I have concerns regarding this TIF plan. My concerns do not rise to the level that would cause me to Veto this ordinance, but are of a nature that I will not sign the ordinance.

I am concerned that the cost distributions shown in Exhibit 7 could be used as a basis for declaring that a precedent has been set regarding TIF funding of non-public improvements which include inclusion of costs for a new private building (i.e., a grocery store). The classic TIF theory allows for costs to be reimbursed for public improvements such as streets, sewers, other infrastructure, and site preparation. It is recognized that the statute has been interpreted to allow for some more, creative applications.

AN ORDINANCE APPROVING THE VILLAGE AT VIEW HIGH TAX INCREMENT FINANCING PLAN, ESTABLISHING A REDEVELOPMENT AREA AND DESIGNATING THE REDEVELOPMENT AREA AS A BLIGHTED AREA.

WHEREAS, the City of Lee's Summit, Missouri (the "City") is a charter city and a political subdivision of the State of Missouri, duly created, organized and existing under and by virtue of the Constitution and laws of the State of Missouri; and,

WHEREAS, pursuant to the Real Property Tax Increment Financing Allocation Redevelopment Act, Sections 99.800 to 99.865 of the Revised Statutes of Missouri (the "TIF Act"), Parrot Properties, LLC (the "Developer") submitted the Village at View High Tax Increment Financing Plan (the "TIF Plan") to the City; and,

WHEREAS, on May 30, 2017, after due notice in accordance with the Act, the Tax Increment Financing Commission ("TIF Commission") opened a public hearing, at which all interested persons and taxing districts affected by the TIF Plan were afforded an opportunity to make comments, file written objections, protests and be heard orally regarding adoption of the TIF Plan, and the TIF Commission continued the hearing to June 26, 2017; and,

WHEREAS, on June 26, 2017, the TIF Commission took additional evidence and testimony and, having heard and considered the objections, protests, comments and other evidence adduced at the public hearing, closed the public hearing and voted 9-1 to adopt Resolution 2017-2 which recommends that the Council make required findings, approve the TIF Plan, designate the proposed property as the Redevelopment Area for the TIF Plan and designate the Parrot Properties, LLC as the developer of record for the Plan and the Redevelopment Projects and enter into a tax increment financing contract to implement the TIF Plan; and,

WHEREAS, on August 10, 2017, at a public meeting of the City Council, after the posting of proper notice of the consideration of this issue and after all parties in interest and citizens were provided the opportunity to be heard, the City Council considered the TIF Plan, the recommendation of the TIF Commission, the recommendations of City staff and consultants and considered the public objections, protests, comments and other evidence; and,

WHEREAS, having heard and considered the objections, protests, comments and other evidence adduced at the meeting, the evidence and testimony submitted at the TIF Commission public hearing, the recommendation of the TIF Commission and the recommendation of City staff, the City Council desires to approve the TIF Plan.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LEE'S SUMMIT, MISSOURI, as follows:

SECTION 1. The TIF Plan, a copy of which is on file in the Office of the City Clerk, is hereby approved and adopted. In the event of any conflict or inconsistency between the TIF Plan and this Ordinance, the provisions of this Ordinance shall control.

SECTION 2. The tract of land legally described in Exhibit A of this Ordinance is hereby designated as the Redevelopment Area.

SECTION 3. The City Council hereby finds that:

A. the TIF Plan sets forth in writing a general description of the program to be undertaken to accomplish its objectives, including the estimated redevelopment project costs, the anticipated sources of funds to pay the costs, evidence of the commitments to finance the project costs, the anticipated type and term of the sources of funds to pay costs, the anticipated type and terms of the obligations to be issued, the most recent equalized assessed valuation of the property within the Redevelopment Area which is to be subjected to payments in lieu of taxes and economic activity taxes pursuant to Section 99.845, RSMo, an estimate as to the equalized assessed valuation after redevelopment, and the general land uses to apply in the Redevelopment Area;

B. the Redevelopment Area is a blighted area, as such term is defined in Section 99.805(1), RSMo, due to the presence of blighting factors as set forth in the Blight Analysis attached as Exhibit 4 to the TIF Plan, including that the Redevelopment Area is characterized by inadequate street layout, unsanitary or unsafe conditions, deteriorating site improvements, existence of conditions which endanger life and property, and which create an economic liability for the City in that the presence of the blighting factors lowers property values, increases public costs, lowers tax revenues, and results in economic underutilization of the Redevelopment Area and fails to generate adequate taxes for the applicable Taxing Districts. The TIF Plan is also accompanied by an affidavit signed by the Developer attesting to the blighting conditions of the Redevelopment Area;

C. the Redevelopment Area has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of tax increment financing. The TIF Plan is accompanied by an affidavit signed by the Developer attesting to this statement;

D. the TIF Plan is in conformance with the Comprehensive Plan for the development of the City as a whole;

E. the TIF Plan contains both estimated dates of completion of the redevelopment projects and estimated dates for the retirement of obligations incurred to finance redevelopment project costs, and said dates are not more than twenty-three (23) years from the adoption of an ordinance approving tax increment financing within the Redevelopment Project Area;

F. a Relocation Assistance Plan has been developed for relocation assistance for businesses and residences, and the relocation of any business or residents in the Redevelopment Area, if necessary, will take place in accordance with the Relocation Assistance Plan attached to the TIF Plan as Exhibit 13;

G. the TIF Plan contains a cost-benefit analysis set forth in Exhibit 6 showing the economic impact of the TIF Plan on each taxing district and political subdivision within the Redevelopment Area if the proposed redevelopment projects are built pursuant to

the TIF Plan or are not built, and evidence that the proposed redevelopment projects are financially feasible to undertake with TIF assistance;

H. the TIF Plan does not include the initial development or redevelopment of any gambling establishment; and

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

SECTION 4. Parrot Properties, LLC is hereby designated as a developer of record for the TIF Plan.

SECTION 5. Approval of the TIF Plan by this Ordinance is conditioned upon the developer of record entering into a tax increment financing redevelopment contract with the City upon terms acceptable to the City to carry out the goals and objectives of the TIF Plan. The City Manager is authorized and directed to negotiate a tax increment financing redevelopment contract with the developer of record to implement the TIF Plan. Failure of the developer of record to enter into such contract shall nullify and render void the approvals granted in this ordinance upon such declaration by the City Council.

SECTION 6. City officers and agents of the City are each hereby authorized and directed to take such action and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance.

SECTION 7. This Ordinance shall be in full force and effect from and after its passage, adoption, and approval by the Mayor.

PASSED by the City Council for the City of Lee's Summit, Missouri, this 24th day of August, 2017.

Mayor *Randall L. Rhoads*

ATTEST:

Deputy City Clerk *Trisha Fowler Arcuri*

APPROVED by the Mayor of said city this _____ day of _____, 2017.

Mayor *Randall L. Rhoads*

ATTEST:

Deputy City Clerk *Trisha Fowler Arcuri*

APPROVED AS TO FORM:



City Attorney *Brian W. Head*

EXHIBIT A**LEGAL DESCRIPTION OF REDEVELOPMENT AREA****Project Area 1:**

A tract of land being located in the Southwest Quarter of Section 3, Township 47 North, Range 32 West, being more particularly described as follows:

Commencing at the Northwest corner of said Southwest Quarter; thence South 87° 05' 51" East, a distance of 30.00 feet, to a point on the East right of way line of NW View High Drive; thence South 03° 19' 41" West, along said East right of way line, a distance of 818.21 feet, said point being the Point of Beginning of Lot 1; thence South 86° 28' 37" East, a distance of 271.87 feet; thence along a curve to the right, having a radius of 220.00 feet and an arc length of 345.65 feet; thence South 03° 32' 32" West, a distance of 258.62 feet; thence North 86° 27' 14" West, a distance of 245.40 feet; thence South 03° 32' 46" West, a distance of 211.39 feet; thence North 87° 12' 53" West, a distance of 243.95 feet, to a point on the East right of way line of View High Drive; thence North 03° 19' 41" East, along said East right of way line, a distance of 693.13 feet, returning to the Point of Beginning. Tract contains 276,664.92 square feet or 6.35 acres more or less.

Project Area 2:

A tract of land being located in the Southwest Quarter of Section 3, Township 47 North, Range 32 West, being more particularly described as follows:

Commencing at the Northwest corner of said Southwest Quarter; thence South 87° 05' 51" East, a distance of 30.00 feet, to a point on the East right of way line of NW View High Drive; thence South 03° 19' 41" West, along said East right of way line, a distance of 818.21 feet; thence South 86° 28' 37" East, a distance of 271.87 feet; thence along a curve to the right, having a radius of 220.00 feet and an arc length of 345.65 feet; thence South 03° 32' 32" West, a distance of 258.62 feet; thence South 86° 27' 14" East, a distance of 60.00 feet, said point being the Point of Beginning of said Lot 2; thence continuing South 86° 27' 14" East, a distance of 595.72 feet; thence along a curve to the left, having a radius of 385.00 feet, and an arc length of 154.23 feet; thence South 38° 53' 54" East, a distance of 42.06 feet, to a point on the West line of Winterset Valley 10th Plat, a subdivision as recorded in the Office of the Recorder, Jackson County, Missouri; thence South 51° 06' 06" West, along said West line a distance of 599.08 feet; thence South 03° 29' 20" West, along said West line, a distance of 80.00 feet; thence South 45° 41' 55" West, a distance of 165.12 feet; thence North 44° 18' 05" West, a distance of 223.24 feet; thence along a curve to the right, having a radius of 170.00 feet and an arc length of 141.95 feet; thence North 03° 32' 32" East, a distance of 331.44 feet, returning to the Point of Beginning. Tract contains 263,533.33 square feet or 6.05 acres more or less.

Project Area 3:

A tract of land being located in the Southwest Quarter of Section 3, Township 47 North, Range 32 West, being more particularly described as follows:

Commencing at the Northwest corner of said Southwest Quarter; thence South 87° 05' 51" East, a distance of 30.00 feet, to a point on the East right of way line of NW View High Drive; thence South 03° 19' 41" West, along said East right of way line, a distance of 1511.34 feet; thence South 87° 12' 53" East, a distance of 243.95 feet; thence South 03° 32' 46" West, a distance of 486.04 feet, said point being the Point of Beginning of said Lot 3; thence South 86° 30' 07" East, a distance of 625.85 feet; thence South 44° 18' 05" East, a distance of 120.81 feet, to a point on the West line of Winterset Valley 10th Plat, a subdivision as recorded in the Office of the Recorder, Jackson County, Missouri; thence South 16° 28' 44" East, along said West line a distance of 545.72 feet, to a point on the North right of way line of SW 3rd Street; thence North 87° 11' 19" West, along said North right of way line, a distance of 322.34 feet; thence North 02° 48' 41" East, a distance of 238.65 feet; thence North 87° 10' 59" West, a distance of 268.00 feet; thence North 02° 49' 18" East, a distance of 137.77 feet; thence North 86° 31' 15" West, a distance of 307.19 feet; thence North 03° 32' 46" East, a distance of 224.80 feet, returning to the Point of Beginning. Tract contains 293,084.48 square feet or 6.73 acres more or less.

Project Area 4:

A tract of land being located in the Southwest Quarter of Section 3, Township 47 North, Range 32 West, being more particularly described as follows:

Commencing at the Northwest corner of said Southwest Quarter; thence South 87° 05' 51" East, a distance of 30.00 feet, to a point on the East right of way line of NW View High Drive; thence South 03° 19' 41" West, along said East right of way line, a distance of 1511.34 feet; thence South 87° 12' 53" East, a distance of 243.95 feet, said point being the Point of Beginning of said Lot 4; thence North 03° 32' 46" East, a distance of 211.39 feet; thence South 86° 27' 14" East, a distance of 305.40 feet; thence South 03° 32' 32" West, a distance of 331.44 feet; thence along a curve to the left, having a radius of 170.00 feet, and an arc length of 141.95 feet; thence South 44° 18' 05" East, a distance of 356.79 feet; thence North 86° 30' 07" West, a distance of 625.85 feet; thence North 03° 32' 46" East, a distance of 486.04 feet, returning to the Point of Beginning. Tract contains 260,235.04 square feet or 5.97 acres more or less.

Project Area 5:

A tract of land being located in the Southwest Quarter of Section 3, Township 47 North, Range 32 West, being more particularly described as follows:

Commencing at the Northwest corner of said Southwest Quarter; thence South 87° 05' 51" East, a distance of 30.00 feet, to a point on the East right of way line of NW View High Drive; thence South 03° 19' 41" West, along said East right of way line, a distance of 1511.34 feet, said point being the Point of Beginning of said Lot 5; thence continuing South 03° 19' 41" West along said East right of way line, a distance of 876.23 feet; thence South 87° 11' 19" East, a distance of 272.50 feet; thence South 03° 19' 41" West, a distance of 189.50 feet, to the North right of way line of SW 3rd Street; thence South 87° 11' 19" East along said North right of way line, a distance of 40.82 feet; thence South 73° 09' 08" East, along said North right of way line, a distance of 61.85 feet; thence South 87° 11' 19" East, along said North right of way line, a distance of 265.00 feet; thence South 02° 48' 41" West, along said North right of way line, a distance 10.00 feet; thence South 87° 11' 19" East, along said North right of way line, a distance of 181.27 feet; thence North 02° 48' 41" East, a distance of 238.65 feet; thence North 87° 10' 59" West, a distance of 268.00 feet; thence North 02° 49' 18" East, a distance of 137.77 feet; thence North 86° 31' 15" West, a distance of 307.19 feet; thence North 03° 32' 46" East, a distance of 710.84 feet; thence North 87° 12' 53" West, a distance of 243.95 feet, returning to the Point of Beginning. Tract contains 381,716.11 square feet or 8.76 acres more or less.

Project Area 6:

All of Lot 1, Berbiglia Heights – Lot 1, a subdivision in Lee's Summit, Missouri, as recorded in the Office of the Recorder, Jackson County, Missouri.



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August 2, 2017

TO: Lee's Summit City Council
FROM: Rich Wood
RE: Summary of Village at View High TIF Plan

Property: The Redevelopment Plan land area is comprised of approximately 34 acres with frontage along View High Drive and frontage along 3rd Street, all within Jackson County, Lee's Summit, Missouri. The property owners in the Redevelopment Area are included in Exhibit A to this memorandum.

Developer: Parrot Properties, LLC (the "Developer")

Development: The Developer proposes to construct within the Redevelopment Area the private development listed in Exhibit B to this memorandum. The development is shown on the Site Concept Plan attached to the TIF Plan as *Exhibit 3*. The development includes the construction of Kessler Street and related 3rd Street and View High intersection improvements, construction of a detention pond, and the extension of sanitary sewer and water improvements. The TIF Plan includes potential incidental second floor residential uses within the Redevelopment Area. However, if residential is developed the square footage and related real property taxes will not be captured by the TIF Plan, but will be distributed to the appropriate taxing districts.

Sources and Uses: A detailed budget is included in the TIF Plan as *Exhibit 7*. The Developer indicates that the following sources will fund the development costs:

Developer Debt	\$51,485,650
Developer Equity	\$7,200,000
TIF/Captured CID	\$7,975,797
Community Improvement District	<u>\$2,322,123</u>
	\$68,983,570

A more detailed sources and uses table is provided in *Exhibit 8* to the TIF Plan.

Property Investment and Valuation:

- Current assessed valuation: \$48,532 to \$160,951
- Total Project Costs: \$68,983,570
- Projected assessed valuation after Project is constructed: \$4,744,870 to \$12,920,725

Ownership and Development Structure:

- Developer or related entities own most parcels within the Redevelopment Area. A full list of parcels and property owners is attached as Exhibit A to this Summary.
- The Redevelopment Area includes six redevelopment project areas, but only Redevelopment Projects 1 through 5 are described in the Redevelopment Plan at this time. No data or projections are provided in the Plan for Project 6, as it will be presented to the City as an amendment to the Redevelopment Plan if and when that project is ready to move forward.

TIF Reimbursement and Financing Structure:

- **PILOTS:** 50% of PILOTS will be captured and 50% of PILOTS will be declared surplus and returned to the taxing districts. The Developer projects that in the total time that tax increment financing is in place, the TIF within Redevelopment Project Areas 1 through 5 will generate \$11,800,199 in PILOTS. It is assumed in the Redevelopment Plan that property tax revenues will increase at a rate of 1.5% semi-annually.
- **EATs:** 50% of EATs will be captured. The Developer projects that in the total time that tax increment financing is in place, the TIF within Redevelopment Project Areas 1 through 5 will generate \$26,964,076 in EATs. It is assumed in the Redevelopment Plan that sales tax revenues will increase at a rate of 1.5% a year.
- **Reimbursable Project Costs:** TIF revenue is proposed to reimburse \$7,975,797 of project costs and CID sales tax revenue to reimburse \$2,322,123 of the project costs. The Developer projects that Redevelopment Projects 1 through 5 will each last 23 years to provide full reimbursement for the costs associated with Redevelopment Project Areas 1 through 5. However, the maximum project cost reimbursement from TIF revenues will be \$7,975,797, plus financing costs and advanced funds, and the maximum cost reimbursement from CID revenues will be \$2,322,123.
- **Super TIF:** No City “Super-TIF” contribution has been requested – 50% of all sales tax revenue will flow to the City as normal.
- **Obligations:** Obligations may be issued in the future, at the City’s discretion, to finance certain Redevelopment Project Costs.
- **Sales:** Annual sales after full build-out (year 6) are projected to be \$36.3 million, escalating to \$55.5 million in year 23.

CID:

- The CID is proposed to impose a sales tax not to exceed 1%. The boundaries of the CID will be coterminous with the boundaries of the Redevelopment Area.
- The TIF Plan will capture half of all CID sales tax revenues as EATs, which can then be expended on TIF-eligible Reimbursable Project Costs. The Developer projects that in the total time that tax increment financing is in place, the revenue from the CID sales tax accounted for as EATs will be \$5,456,807. The one-half of CID sales tax revenues that are not captured as EATs, which are projected to be \$5,456,807, will be pledged for the reimbursement of Redevelopment Project Costs which also qualify as eligible for reimbursement in accordance with the CID Act.
- Uncaptured CID sales tax revenue will reimburse a maximum of \$2,322,123 of the project costs.

Benefit to Taxing Districts:

- The Cost-Benefit Analysis attached to the TIF Plan as *Exhibit 6* shows the projected tax revenues to be generated by the project for each taxing district if the project does not occur and if the project does occur with the use of TIF.
- 50% of PILOTs will be declared surplus and returned to the taxing districts.

Levels of Incentives:

- The proposed levels of incentives, comparing overall project costs to those line items proposed to be funded by incentives are as follows:
 - TIF assistance would be 11.6%.
 - CID assistance would be 3.4%.
 - Overall assistance would be 15%.
- The City's Economic Incentive Policy provides in the section entitled "Use of Incentives" on page 4, that the value of an incentive is calculated by multiplying the cap amount and the total private development cost. Private development costs are items that will not have public ownership. The cap amount is the maximum reimbursement to be provided from public sources. In this case it is proposed that the TIF cap amount be \$7,975,797 and the CID cap amount be \$2,322,123, for a total cap amount of \$10,297,920.
- The Developer has provided information evidencing what it believes the portion of each budget line item which is attributable to a public or private cost to be. Based on the Developer's information, of the total of \$10,297,920 for which public incentives are sought, \$6,450,840 is attributable to public costs and \$4,935,587 is attributable to private costs. Under the methodology provided in the City's Incentive Policy (essentially backing the public costs out of the overall project cost number), the percentage of public incentives sought would be as follows:
 - TIF assistance would be 12.8%
 - CID assistance would be 3.7%
 - Total public assistance would be 16.5%

Key Staff Issues:

- **Value of Property**

- Real property costs are shown in the Project Budget, *Exhibit 7*, to be \$7,200,000. This equates to a value of \$4.88 per square foot.
- An appraisal was not conducted for purposes of considering this TIF Plan. Without an appraisal, it is difficult to determine the correct value of the real property included in the Redevelopment Area.
- The Developer has provided information confidentially regarding the most recent sale of property within the Redevelopment Area (Senior Living Use Land Sale – Lot 2, *Exhibit 9*) as well as private bank loan appraisals for Lots 7 and 9, as represented in *Exhibit 9*.
- After dialogue between the Developer and City staff, the Developer revised the estimated value for the property as stated in the TIF Plan from \$9,250,000 to \$7,200,000, or \$6.27 per square foot to \$4.88 per square foot.

- **Rate of Return**

- The assumptions upon which the Developer's Rate of Return analysis is based are as follows: (1) property value of \$7,200,000, (2) infrastructure costs of \$12,263,000, (3) a public incentive amount of \$10,297,920, (4) construction interest rate of 5.5% throughout the entire ten year period of the analysis, (5) the sale of one-half of the property in year three, and (6) the sale of the remainder of the property in year ten.
- The Developer's Rate of Return analysis without incentives shows a loss of \$10,247,680.
- The Developer's Rate of Return analysis with incentives shows a gain of \$49,760.

- **Water and Sewer Infrastructure**

- The Project Budget in *Exhibit 7* provides for a split between public and private costs for off-site sanitary sewer improvements of 80% public and 20% private. TIF assistance is requested for 80% of these costs.
- The Budget also provides for a split between public and private costs for off-site water improvements, based on upsize costs only, of 8.8% public and 91.2% private. TIF assistance is requested for 8.8% of these costs.
- The Developer has stated that the Senior Living and Multi-Family developments located outside the Redevelopment Area will benefit from the off-site water and sewer improvements. In addition, there is approximately 80+ acres outside of the Redevelopment Area that will benefit from the off-site water and sewer improvements.

- **Stormwater Infrastructure**

- The Developer has requested that 50% of the regional storm drainage and detention pond improvements be reimbursed from TIF revenues on the basis that 50% of the improvements will serve the Redevelopment Area and 50% of the improvements will serve the Senior Living and Multi-Family developments outside of the Redevelopment Area.

- **Transportation / Roads**

- Kessler Drive, which is primarily an internal road, is proposed to be paid for with CID revenues and not TIF revenues.
- The other road improvements, which provide a regional benefit, are proposed to be funded with a combination of TIF and CID revenues.

- **Site Grading and Material Import**

- The Developer has provided information to City staff which shows that 67% of the costs in the Site Grading and Material Import categories are due to the construction of the public streets (right-of-way).
- The development pad sites abutting 3rd Street and View High Drive represent 33% of the entire Redevelopment Area.
- Based upon these assumptions, the applicant is seeking 67% TIF assistance for Site Grading and Material Import, to be reimbursed by the TIF and CID.
- Portions of land area beyond the right-of-way have been included in the 67% reimbursement request.

- **Construction Costs for Private Improvements**

- The Developer has provided information to City staff from a construction firm supporting the construction cost estimates for the private building costs for the 264,750 square feet of space (\$185.08 sf).
- The \$49,000,000 construction cost estimate includes tenant finish and soft costs for the private building improvements.
- It is the staff's intention to require a "performance-based" TIF agreement that requires minimum levels of private investment within agreed time frames.

- **Grocery Store Costs**

- The Developer is seeking a 100% development incentive to provide a "pad ready" site for a proposed grocery store.
- These proposed costs total \$3,072,080 in TIF and CID assistance. \$1,674,000 of these costs appear in the *Exhibit 7* Project Budget line item titled "Finish Grading, Utilities, Parking Lot, Landscaping."
- The City has not provided an incentive of this nature to attract a specific user or tenant.
- If the TIF Plan is approved with these costs as TIF reimbursable, the Developer has agreed that the TIF agreement may require that the Developer will not receive reimbursement of the TIF reimbursable grocery store costs until completion of construction of the grocery store.

Required Findings: The following is a list of the findings required to be made by the City Council, along with references to the pages in the TIF Plan where supporting information may be found:

- **Blight:** The Redevelopment Area must be a blighted area, as such term is defined in Section 99.805(1), RSMo, as follows:

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.

The basis presented by the Developer in support of a blight finding is the presence of several blighting factors as set forth in the Blight Study prepared by the Developer (*Exhibit 4*). The Redevelopment Plan is also accompanied by an affidavit, signed by the developer, attesting to the blighting conditions of the Redevelopment Area (*Exhibit 11*). The following is an overview of the blighting factors noted in the Blight Study:

- Inadequate Street Layout
 - Poor vehicular access in and around the Redevelopment Area.
 - Lack of internal circulation.
 - Limited points of ingress and egress for general vehicular access.
 - Limited points of ingress and egress for emergency vehicles.
- Unsanitary or Unsafe Condition
 - Unsecured farm pond.
 - Unsecured septic pond.
 - Unsecured swimming pool.
- Deterioration of Site Improvements
 - Severely deteriorated roofing material.
 - Broken windows.
 - Unmaintained landscaping.
 - Scattered trash and debris.
 - Possible environmental hazards.
- Existence of Conditions which Endanger Life or Property
 - Presence of the aforementioned farm pond which is presently unsecured, unmonitored and unsupervised.
 - Presence of suspect black mold within a vacant single-family residence.
 - Presence of the aforementioned unsecured septic pond and abandoned swimming pool.
- **But-For:** The proposed redevelopment must satisfy the “but for” test set forth in Section 99.810, RSMo, in that the Redevelopment Area has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of tax increment, and the TIF Plan is accompanied by an affidavit, signed by the Developer, attesting to this statement (*Exhibit 11*). The Rate of Return analysis provided by Developer provides additional support for this finding.

- **Cost-Benefit Analysis:** A cost-benefit analysis is required showing the economic impact of the TIF Plan on each taxing district and political subdivision within the Redevelopment Area if the project is built pursuant to the TIF Plan or is not built. A cost-benefit analysis has been provided in *Exhibit 6* to the TIF Plan.
- **Financial Feasibility:** There must be evidence that the proposed project is financially feasible for the Developer to construct with TIF assistance. The cost-benefit analysis included in *Exhibit 6* contains some information supporting this finding. The Rate of Return analysis provided by Developer provides additional support for this finding.
- **TIF Plan Contents:** The TIF Plan must contain the following information, and the page and exhibit references below indicate where the information may be found in the TIF Plan:
 - A general description of the program to be undertaken to accomplish its objectives (*Pages 6-8*).
 - The estimated redevelopment project costs (*Page 8 and Exhibit 7*).
 - The anticipated sources of funds to pay the costs (*Pages 8-10 and Exhibit 8*).
 - Evidence of the commitments to finance the project costs (*Exhibit 12*).
 - The anticipated type and term of the sources of funds to pay costs (*Pages 8-10*).
 - The anticipated type and terms of the obligations to be issued (*Page 10*).
 - The most recent equalized assessed valuation of the property within the Redevelopment Area which is to be subjected to payments in lieu of taxes and economic activity taxes pursuant to Section 99.845, RSMo (*Page 10 and Exhibit 6*).
 - An estimate as to the equalized assessed valuation after redevelopment (*Pages 10-11 and Exhibit 6*).
 - The general land uses to apply in the Redevelopment Area (*Page 11*).
 - Estimated dates for the retirement of obligations incurred to finance redevelopment project costs, and said dates are not more than twenty-three (23) years from the adoption of an ordinance approving a Redevelopment Project within the Redevelopment Area (*Page 12*).
 - Estimated dates of completion of the redevelopment project (*Exhibit 5*).
- **Plan Requirements:** The TIF Plan must also meet the following requirements, and the page and exhibit references below indicate where the information supporting these requirements may be found in the TIF Plan:
 - The TIF Plan is in conformance with the Comprehensive Plan for the development of the City as a whole (*Page 12*).
 - A Relocation Assistance Plan has been developed for relocation assistance for businesses and residences, and the relocation of any business or residents in the Redevelopment

Area, if necessary, will take place in accordance with the Relocation Assistance Plan (*Page 12 and Exhibit 13*).

- The TIF Plan does not include the initial development or redevelopment of any gambling establishment (*Page 12*).
- The areas selected for the Redevelopment Project include only those parcels of real property and improvements thereon which will be directly and substantially benefited by the Redevelopment Project improvements (*Exhibit 1*).

EXHIBIT A

PROPERTY OWNERSHIP IN TIF REDEVELOPMENT AREA

<u>Property Owner</u>	<u>Parcel Number</u>	<u>Project Area</u>	<u>Square Feet</u>
Parrot Properties, Inc.	62-330-99-98-01-0-00-000	1	1,086,569
Mikes Farm, Inc.	62-330-99-99-01-2-00-000	2	357,903
Mikes Farm, Inc.	62-330-99-98-02-1-00-000	1,2 & 4	485,985
Mikes Farm, Inc.	62-330-99-91-01-0-00-000	2,3,4 & 5	980,653
New Orleans, LLC	62-330-99-97-00-0-00-000	1 & 5	126,194
Mikes Farm, Inc.	62-330-99-96-00-0-00-000	5	44,503
Bondon, John R., Trustee	62-330-99-95-00-0-00-000	5	44,511
Faulkner, Richard H. & Robert G.	62-330-99-94-00-0-00-000	5	44,498
Bondon, John R., Trustee	62-330-99-93-00-0-00-000	5	61,296
Cochran, David Keith	62-330-99-92-00-0-00-000	6	51,399

EXHIBIT B

PROPOSED LAND USES IN REDEVELOPMENT AREA

<u>Use</u>	<u>Square Feet</u>
Medical office	21,600
Grocery	26,850
Bank	7,200
Office	97,840
Retail	59,710
Restaurant	27,550
Residential	24,000

RESOLUTION NO. 2017-2

A RESOLUTION OF THE TAX INCREMENT FINANCING COMMISSION OF LEE'S SUMMIT, MISSOURI, RECOMMENDING THAT THE CITY COUNCIL APPROVE THE VILLAGE AT VIEW HIGH TAX INCREMENT FINANCING PLAN.

WHEREAS, the Tax Increment Financing Commission of Lee's Summit, Missouri ("**TIF Commission**"), has been duly formed by the City Council of the City of Lee's Summit, Missouri ("**City Council**") pursuant to Section 99.820.2 of the Revised Statutes of Missouri ("**RSMo**");

WHEREAS, on April 28, 2017, a proposed Village at View High Tax Increment Financing Plan (the "**TIF Plan**") was submitted to the City of Lee's Summit, Missouri (the "**City**") which calls for the construction of 242,640 square feet of mixed land uses, including approximately 21,600 square feet of medical office, a 26,850 square foot grocery, a 7,200 square foot bank location, 87,490 square feet of office, 49,780 square feet of retail, 25,720 square feet of restaurant, 24,000 square feet of residential, and an addition to the City's street network of a portion of Kessler Drive north of 3rd Street;

WHEREAS, the Redevelopment Area for the TIF Plan, which contains approximately 34 acres, is generally located at the northeast corner of the intersection of 3rd Street and View High Drive in the City, and is legally described in the TIF Plan;

WHEREAS, on April 13, 2017, the City mailed written notices of the scheduled TIF Commission public hearing to consider the TIF Plan to all taxing districts from which taxable property is included in the proposed Redevelopment Area, in compliance with Sections 99.825 and 99.830, RSMo;

WHEREAS, on May 3, 2017, the City published notice in the *Lee's Summit Journal* of the scheduled TIF Commission public hearing to consider the merits of the TIF Plan, in compliance with Section 99.830, RSMo;

WHEREAS, on May 19, 2017, the City mailed written notices of the scheduled TIF Commission public hearing to all persons in whose name the general taxes for the last preceding year were paid on each lot, block, tract, or parcel of land lying within the Redevelopment Area, in compliance with Section 99.830, RSMo;

WHEREAS, on May 24, 2017, the City again published notice in the *Lee's Summit Journal* of the scheduled TIF Commission public hearing to consider the merits of the TIF Plan, in compliance with Section 99.830, RSMo;

WHEREAS, on May 26, 2017, notice of the TIF Commission meeting at which the public hearing will be held for consideration of the TIF Plan was posted in compliance with the Missouri Sunshine Law, Sections 610.010 to 610.225, RSMo, and the special notice requirements set forth in Section 67.2725, RSMo;

WHEREAS, a copy of the notice of the public hearing has been submitted to the Director of the Department of Economic Development, in compliance with Sections 99.825 and 99.830, RSMo.;

WHEREAS, on May 30, 2017, at 6:00 p.m., the TIF Commission opened the public hearing to consider the proposed TIF Plan, and after hearing testimony moved to continue to the public hearing to a date certain of June 26, 2017, at 6:00 p.m.;

WHEREAS, on June 26, 2017, the TIF Commission closed the public hearing to consider the proposed TIF Plan;

WHEREAS, the public hearing conducted by the TIF Commission to consider the TIF Plan was open to the public, a quorum of the Commissioners was present and acted throughout, and the proper notice of such hearing was given in accordance with all applicable laws including Chapter 610, RSMo; and

WHEREAS, after considering the evidence and testimony received at the public hearing, the TIF Commission now desires to recommend that the City Council make required findings and take certain actions to adopt and implement the TIF Plan.

NOW, THEREFORE, be it resolved by the Tax Increment Financing Commission for the City of Lee's Summit:

1. **Findings.** In accordance with Section 99.810, RSMo, the TIF Commission makes the following findings and recommends that the City Council by ordinance make the following findings regarding the TIF Plan:

A. the TIF Plan sets forth in writing a general description of the program to be undertaken to accomplish its objectives, including the estimated redevelopment project costs, the anticipated sources of funds to pay the costs, evidence of the commitments to finance the initial project costs which are expected to be incurred, the anticipated type and term of the sources of funds to pay costs, the anticipated type and terms of the obligations to be issued, the most recent equalized assessed valuation of the property within the Redevelopment Area which is to be subjected to payments in lieu of taxes and economic activity taxes pursuant to Section 99.845, RSMo, an estimate as to the equalized assessed valuation after redevelopment, and the general land uses to apply in the Redevelopment Area;

B. the Redevelopment Area is a blighted area, as such term is defined in Section 99.805(1), RSMo, due to the presence of several blighting factors as set forth in the Blight Analysis set forth in Exhibit 4 of the TIF Plan. The TIF Plan is also accompanied by an affidavit which is set forth in Exhibit 11, signed by the Developer, attesting to the conditions of the Redevelopment Area which qualify the area as a blighted area;

C. the proposed redevelopment satisfies the "but for" test set forth in Section 99.810, RSMo, in that the Redevelopment Area has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of tax increment financing, and the Plan is accompanied by an affidavit which is set forth in Exhibit 11, signed by the Developer, attesting to this statement;

D. the TIF Plan is in conformance with the Comprehensive Plan for the development of the City as a whole;

E. the TIF Plan contains estimated dates of completion of the redevelopment projects and estimated dates for the retirement of obligations incurred to finance redevelopment project costs, and said dates are not more than twenty-three (23) years from the adoption of an ordinance approving each Redevelopment Project within the Redevelopment Area;

F. there are no businesses existing in the Redevelopment Area that have been or will be required to relocate in order to implement the Plan. However, in the event relocation of any

occupant is necessary, it will be carried out in accordance with Section 523.205 and pursuant to the Relocation Assistance Plan attached as Exhibit 13 to the TIF Plan;

G. the TIF Plan is accompanied by a Cost Benefit Analysis and other evidence and documentation from Developer showing the economic impact of the Plan on each taxing district and political subdivision, and that the proposed projects are financially feasible, but only with TIF assistance, and the Plan and Redevelopment Projects are financially feasible for the developer only if TIF assistance is provided;

H. the TIF Plan does not include the initial development or redevelopment of any gambling establishment; and

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

2. **Recommendations.** The TIF Commission recommends that the City Council take the following actions with respect to the TIF Plan:

A. adopt an ordinance to make the findings recommended in Section 1 above and adopt the Plan;

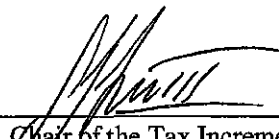
B. approve the TIF Plan;

C. designate the Redevelopment Area as a redevelopment area as provided in Section 99.805(12);

D. designate the Redevelopment Area by ordinance as described in the TIF Plan;

E. designate Parrot Properties, LLC as the developer of record for the Plan and the Redevelopment Projects and enter into a tax increment financing contract with such developer for implementation of the TIF Plan.

APPROVED BY THE TAX INCREMENT FINANCING COMMISSION FOR THE CITY OF LEE'S SUMMIT THIS 26th DAY OF JUNE, 2017.

By: 
Chair of the Tax Increment Financing
Commission