



Greens at Woods Chapel

Ch. 100 Public Hearing Presentation to
Lee's Summit City Council

September 19, 2023

Overview

- Proposed Developer
- Proposed Project
 - The Challenge – Attainability
 - Strategies – “SLA” + “Smart Green”
 - Resident Cost Savings
- Proposed Public Incentives
- Value Proposition for City

Proposed Developer

- Andy Mackey + Brian Mertz
- Extensive Residential Development History
 - High-Quality Apartments, Townhomes, Single Family
 - More than 3,000 residential units
 - Few examples -
 - Sunset Plaza
 - Thrive at Creekside
 - Brighton Crossing

Sunset Plaza



Thrive at Creekside



Brighton Crossing



Proposed Project – *Project Site*

- SWQ of I-470 and Woods Chapel
- 18 +/- acres



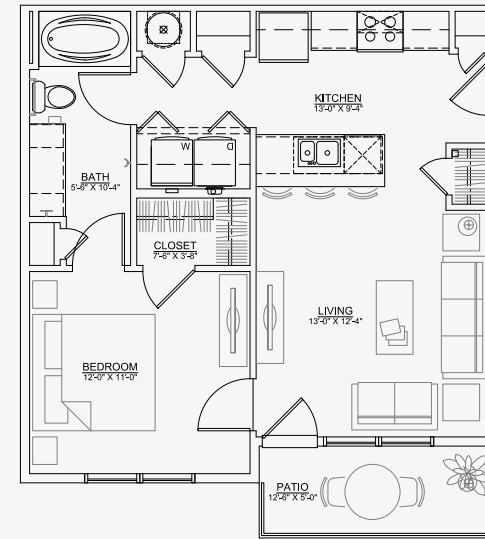
Proposed Project – “*The Challenge*”

- Affordability Challenges in Lee’s Summit
 - “Threading the needle” on quality and affordability
- Lowest listing for new construction:
 - Duplex - \$294,000 (\$188/SF) [MLS #2420750]
 - Split Level - \$389,000 (\$206/SF) [MLS #2401184]
- Average new home: \$572,564
- New apartment projects report costs >\$220,000/unit

SOURCE: HMLS Kansas City

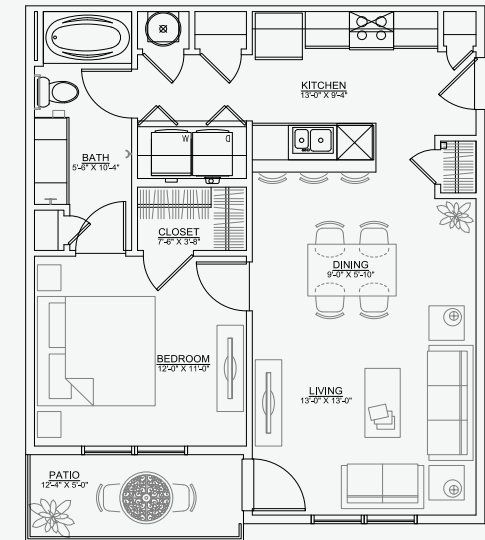
Proposed Project – “Strategy #1 - SLA”

- **SLA**
 - **Small, Livable, More Affordable**
 - Average size of Lee’s Summit “Class A” Apartment: 1,181 SF
 - Bigger Units = Bigger Rents
 - What if we retained the quality but reduced the size (& cost) of units?



UNIT TYPE - A

1BR / 1BA | 650 G.S.F. | 1/2" = 1'-0" | ANSI TYPE-B



UNIT TYPE - A1

1BR / 1BA | 731 G.S.F. | 1/2" = 1'-0" | ANSI TYPE-B

Proposed Project – “Strategy #1 - SLA”



Proposed Project – “Strategy #1 - SLA”



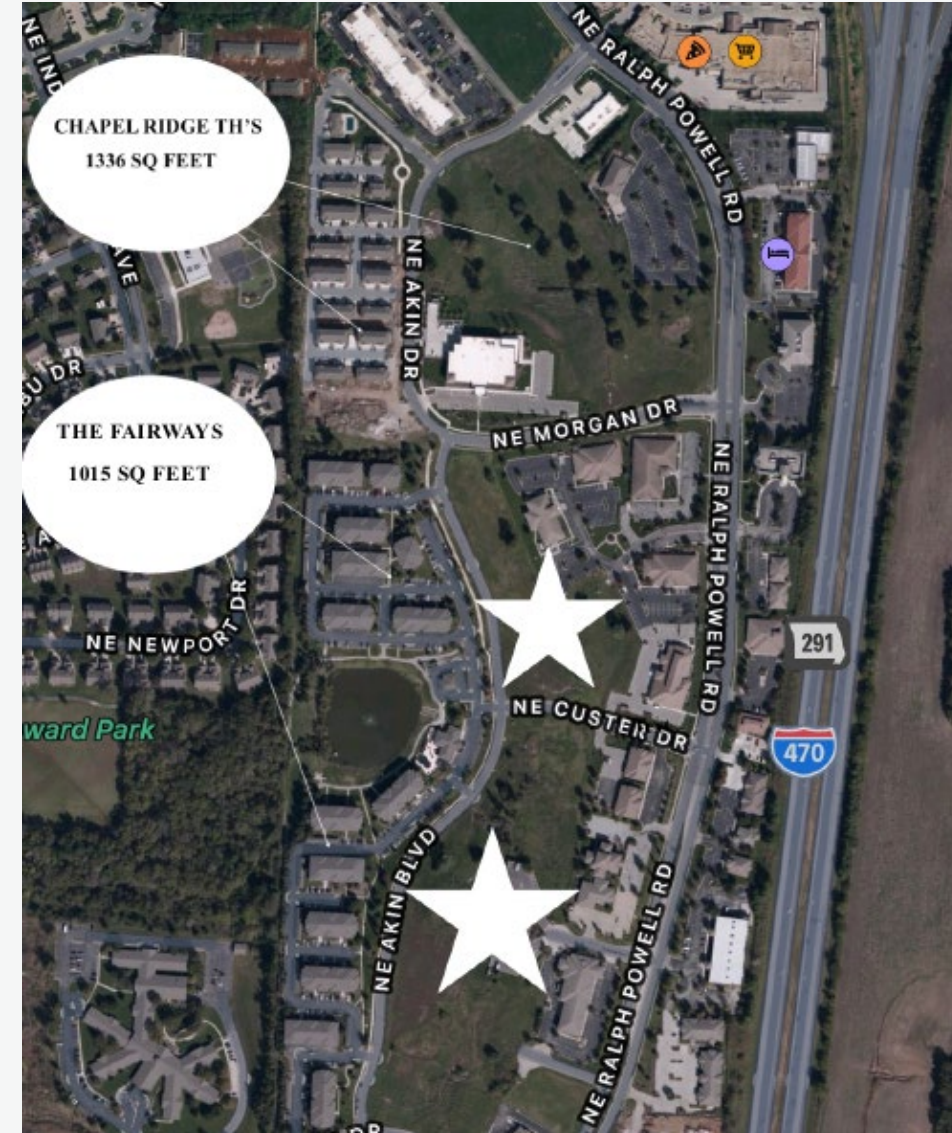
\$1,850



\$2,880

Proposed Project – “Strategy #1 - SLA”

- Greens at Woods Chapel
 - Two-phase, high-end MF community (~396 units)
 - “SLA” design: average unit size of ~885 SF
 - Avg. size / unit near project area: ~1,175 SF
 - Fairways Apartments: 1,015 SF
 - Chapel Ridge Townhomes: 1,336 SF
 - Average rent reduction (assuming \$1.50/SF):
\$195 – \$435 / month



Proposed Project – “Strategy #1 - SLA”

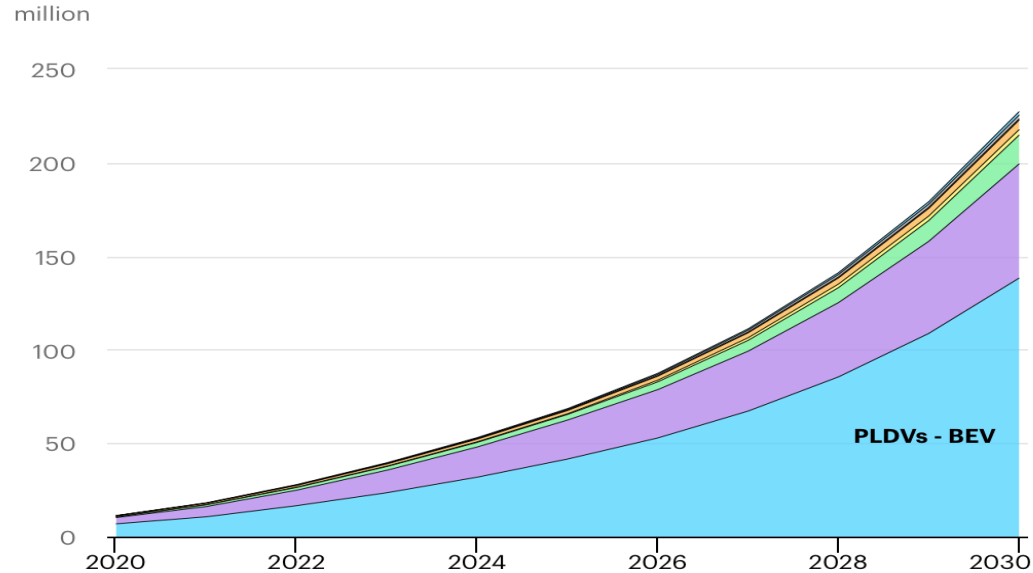
- Why don't more developers build “SLA”?
 - Does not maximize financial return
 - Same fixed costs (e.g., kitchen, bathroom), less rentable SF
 - Additional SF is least expensive to construct, while generating same additional rent per SF
 - Marketing “need” for new product to be “bigger and better”

Proposed Project – “Strategy #2 – Smart Green”

■ EV Demand - Get Ready!

Global EV stock by mode in the Sustainable Development Scenario, 2020-2030

Open ↗



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- PLDVs - BEV
- PLDVs - PHEV
- LCVs - BEV
- LCVs - PHEV
- Buses - BEV
- Buses - PHEV
- Trucks - BEV
- Trucks - PHEV

electrek ▾

Kentucky	2,650	0.26%	4,220	0.29%	+59.30%
Louisiana	1,950	0.19%	3,180	0.22%	+63.10%
Maine	1,920	0.19%	3,040	0.21%	+58.33%
Maryland	17,970	1.8%	25,630	1.76%	+42.63%
Massachusetts	21,010	2.1%	30,470	2.09%	+45.03%
Michigan	10,620	1%	17,460	1.20%	+64.41%
Minnesota	10,380	1%	15,000	1.03%	+44.51%
Mississippi	780	0.08%	1,310	0.09%	+68.00%
Missouri	6,740	0.66%	10,050	0.69%	+49.11%
Montana	940	0.09%	1,650	0.11%	+75.53%
Nebraska	1,810	0.18%	2,710	0.19%	+49.72%
Nevada	11,040	1.1%	17,380	1.19%	+57.43%
New Hampshire	2,690	0.26%	4,000	0.28%	+48.70%
New Jersey	30,420	3%	47,830	3.29%	+57.23%
New Mexico	2,620	0.26%	4,150	0.29%	+58.40%
New York	32,590	3.2%	51,870	3.57%	+59.16%
North Carolina	16,190	1.6%	25,190	1.73%	+55.60%
North Dakota	220	0.02%	380	0.03%	+72.73%

Proposed Project – “Strategy #2 – Smart Green”

- Access to ~ 27 EV charging stations (phase 1)
 - 4 at leading multi-family community in Lee’s Summit
- Charging at no cost to resident



Proposed Project – “Strategy #2 – Smart Green”

- Tenant Savings
 - Conversion to an EV: ~\$343/month*
 - Existing EV driver: ~\$108/month**

*Assumes 50 miles/day, 16 MPG, and \$3.54 / gallon

**Assumes 50 miles/day and 0.0725 cents/mile for EV charging costs

Proposed Project – Impact on Attainability

- **Estimated resident cost savings from “SLA” + “Smart Green”**

- Community “X”: $1,015 \text{ SF} \times \$1.50 = \$1,523$

- The Greens: $885 \text{ SF} \times \$1.50 = \$1,327$

EV Conversion: *minus* (\$343)

❖ **Total cost savings per year: Approximately \$6500**

Proposed Public Incentives – Chapter 100

Two Ch. 100 Benefits:

1. Predictable Property Taxes

- Protects against County appraisal uncertainty
- Proposed 10-yr PILOT: \$1,600/unit (+ 3% biennial increase)
 - Benchmark: \$1,800/unit
 - 13% adjustment to reflect reduced unit size (885/1,015): \$1,566/unit
 - Round up to \$1,600/unit

New frustrations over property taxes in Jackson County after average rates increase 30 percent



Updated: 5:46 PM CDT Mar 24, 2023



Andy Alcock
KMBC 9 News Reporter

Proposed Public Incentives – Chapter 100

Two Ch. 100 Benefits:

2. Sales Tax Exemption on Construction Materials
 - Reduces construction costs to make “SLA” more viable
 - “Smart Green” capital expenditures

Sales Tax Exemption

Est. Construction Budget	\$	68,340,000
Est. Materials Percentage		40.00%
Est. Materials Cost	\$	27,336,000
Total Sales and Use Tax Rate		8.35%
Est. Sales and Use Tax Savings	\$	1,671,767
City Sales and Use Tax Rate		2.750%
County Sales Tax Rate		1.250%
State Sales and Use Tax Rate		4.225%
Zoo Sales Tax Rate		0.125%
		8.350%
Est. Allocation of Material Purchases:		
Lee's Summit		5.00%
Missouri (outside Lee's Summit)^		45.00%
Outside Missouri		50.00%
Lee's Summit Sales Tax Savings	\$	37,587
Lee's Summit Use Tax Savings	\$	375,870
Total Lee's Summit Sales and Use Tax	\$	413,457
County Sales Tax Savings	\$	93,968
State Sales and Use Tax Savings	\$	1,154,946
Zoo Sales Tax Savings	\$	9,397
Lee's Summit % of Total Savings		24.73%

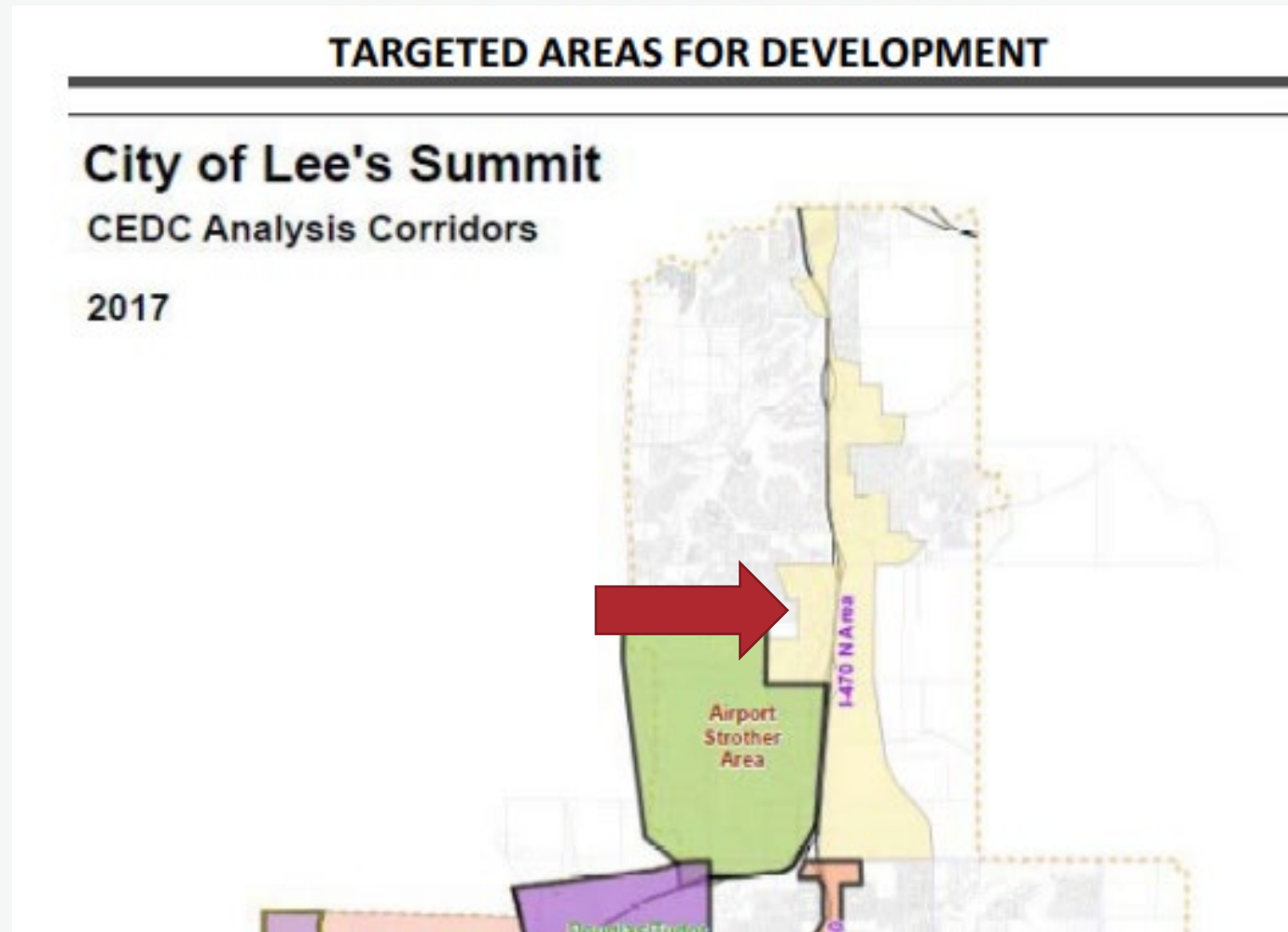
^50% of sales in MO outside City are assumed to be subject to County and Zoo Sales Tax

Value Proposition for City

- Targeted area for development
- City planning goals
- City tax revenues
- Economic and social growth and prosperity

Targeted Area for Development

- I-470 North Targeted Planning Area



City Planning Goals

- Ignite!
 - “diverse housing options”



City Tax Revenues

- Property Tax / Fee Generation

 - Today

 - Annual real property taxes: ~\$392 (\$69 to City)

 - During 10-year Ch. 100 Period

 - Real property taxes to City: ~\$998,000
 - Real property taxes to School District: ~\$3,733,000
 - Excise taxes paid to City

Economic and Social

- Fight the “young adult drain”
 - Bring back our young adult children / college graduates to housing they want (expect) and can afford
 - This generation is the lifeblood of the next chapter in the City’s growth and prosperity
 - Increased likelihood of filling/creating jobs and Lee’s Summit and starting new businesses
- Empty-nester second homes
- Essential Workers
- Value-focused, renters by choice

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