

BAYBERRY CROSSING LCRA REDEVELOPMENT PLAN

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

February 23, 2024

1. **City's Previous Blight Finding**

In June of 2014, the City Council adopted Ordinance 7472, which determined that certain real property within the Missouri Highway 291 and US Highway 50 corridors was blighted and designated a land clearance for redevelopment authority urban renewal area, to be known as the "US 50 / M-291 Highway Urban Renewal Area." Ordinance 7472 is attached hereto as Exhibit 1.

2. **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 on Exhibit 2 attached hereto and depicted on Exhibit 3 attached hereto. The Property is located within the "US 50 / M-291 Highway Urban Renewal Area." 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 renovate and otherwise improve the Property to cure the blighted conditions which exist on the Property; and
- provide sales tax exemption on construction materials.

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.

3. **Description of the Project**

This LCRA Redevelopment Plan provides for the renovation and improvement of the Property, which is generally located southeast of the intersection of Missouri Route 291 and Southeast 5th Street in Lee's Summit, Missouri. The Property is legally described on Exhibit 2 attached hereto and depicted on Exhibit 3 attached hereto. More specifically, the Project will consist of design, renovation, construction, and financing of site and building improvements to the Bayberry Crossing Shopping Center, which consists of approximately 55,000 square feet of inline commercial space and accompanying site improvements (the "Shopping Center"). Conceptual renderings of portions of the Project are attached hereto as Exhibit 4. A general estimated Project budget is attached hereto as Exhibit 5.

4. **Description of the Parties**

The Developer and Affiliated Companies. Bayberry Crossing Baceline, LLC (the "Developer") is a limited liability company organized and existing under the laws of the State of Colorado. The benefitting company will be the Developer. During the period of City ownership, the Developer will lease the Property from the City pursuant to a lease agreement (the "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.

5. 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.

6. 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 information to satisfy such requirements.

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. The Property will continue to be used as a commercial shopping center, consistent with the City’s Comprehensive Plan.

Public transportation. The Project is not anticipated to have any effect on public transportation.

Public utilities. The replacement of the Shopping Center’s parking lot lighting with LED fixtures will increase the lighting’s energy efficiency and thereby reduce the Property’s electrical consumption.

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 Exhibit 2 and Exhibit 3 attached hereto.

A land use plan showing proposed uses of the area

All land uses within the Property will continue to be restaurant, retail, services, and other commercial uses. An aerial of the Property is attached hereto as Exhibit 3, and renderings are attached hereto as Exhibit 4.

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

The Project does not affect these items.

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

The Project does not propose changes to any of these items.

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

No additional public facilities or utilities will be required in the area after redevelopment or urban renewal.

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 late 2024, with a completion target in mid-2025.

Submission to the City’s planning agency for a determination as to whether the Redevelopment Plan is consistent with the Comprehensive Plan

The City’s Comprehensive Plan identifies the Property as “retail,” which the Project will continue to utilize as the predominant land use, along with restaurant, services, and other commercial uses.

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

Developer has purchased the Property.

The estimated proceeds or revenues from its disposal to redevelopers

The Property will initially be 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

The Project is anticipated to be initially financed with private debt and equity. Over time, CID sales tax revenues will then reimburse Developer for a portion of the Project costs.

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.

7. Statement of Financial Benefit; Estimated Cost to City of Sales/Use Tax Exemption

The total cost of the Project is estimated to be approximately \$3,758,674 (exclusive of land and 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 estimated sales tax exemption benefit that would be the result of this LCRA Redevelopment Plan is set forth below:

Est. Project Hard Costs	\$2,967,885
Est. Materials Portion	\$1,187,154
Est. Sales/Use Tax Savings	\$71,867

This financial benefit is approximately **1.91%** of the total project costs (exclusive of land and permanent financing costs).

The estimated cost to the City of the sales/use tax exemption is \$16,323, the details of which are set forth below.

Total Construction Budget	\$	2,967,885	
Materials Percentage		40%	
Materials Amount	\$	1,187,154	
City		8%	\$ 94,972
Missouri (outside City)		50%	\$ 593,577
Outside Missouri		42%	\$ 498,605
City Sales and Use Tax Rate		2.75%	

City Sales Taxes Exempted	\$ 2,612	\$ 16,323
City Use Taxes Exempted	\$ 13,712	

EXHIBIT 1
ORDINANCE NO. 7472

[SEE ATTACHED]

AN ORDINANCE DECLARING CERTAIN PROPERTY WITHIN THE CITY OF LEE'S SUMMIT, MISSOURI, TO BE BLIGHTED AND DESIGNATED AS A LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY URBAN RENEWAL AREA, TO BE KNOWN AS THE US 50 / M-291 HIGHWAY URBAN RENEWAL AREA, PURSUANT TO THE PROVISIONS OF THE LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY LAW.

WHEREAS, in 1961, City of Lee's Summit held a special election where the qualified voters voted in favor of accepting the provisions of §99.300 through §99.660 RSMo as amended, known and cited as the "Land Clearance for Redevelopment Authority Law" of the State of Missouri ("Law"); and,

WHEREAS, on September 1, 2009, the Mayor of Lee's Summit appointed members to reactivate the Land Clearance for Redevelopment Authority within Lee's Summit; and,

WHEREAS, after mailing invitations to all property owners within the area shown in Exhibit A as attached to this ordinance (the "Area") on November 13, 2013, the Land Clearance for Redevelopment Authority held a public information meeting to obtain feedback from affected property owners, and received positive feedback and interest from those in attendance; and,

WHEREAS, on April 23, 2014, the Land Clearance for Redevelopment Authority held a public meeting to consider the proposal to designate the Area as blighted and designate same as the US 50 / M-291 Highway Urban Renewal Area, and recommended the City Council find the Area blighted in accordance with the Law and approve said Urban Renewal Area; and,

WHEREAS, on May 1, 2014, the City Council held a public hearing at which all interested persons were afforded an opportunity to make comments, file written objections, and be heard orally; and,

WHEREAS, on May 1, 2014, the City Council having heard and considered the objections, protests, comments, and other evidence adduced at the public hearing, closed the public hearing and voted to direct City Staff to present an ordinance approving the designation of the Area as blighted and designating it as the US 50 / M-291 Highway Urban Renewal Area.

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

SECTION 1. That the City Council hereby finds that the Area described in Exhibit A, which is attached hereto and incorporated herein be referenced, is a blighted area under the provisions of the Law and has not been subject to growth and development due to the following factors:

- A. Predominance of defective or inadequate street layout
- B. Insanitary or unsafe conditions
- C. Deterioration of site improvements
- D. Improper subdivision or obsolete platting; and

- E. 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.

SECTION 2. That the Area described in Exhibit A shall be known as the "US 50 / M-291 Highway Urban Renewal Area".

SECTION 3. That this ordinance shall be in full force and effect from and after the date of its passage and adoption, and approval by the Mayor.

PASSED by the City Council of the City of Lee's Summit, Missouri, this 5th day of June, 2014.



Mayor Randall L. Rhoads

ATTEST:



City Clerk Denise R. Chisum

APPROVED by the Mayor of said city this 12th day of June, 2014.




Mayor Randall L. Rhoads

ATTEST:



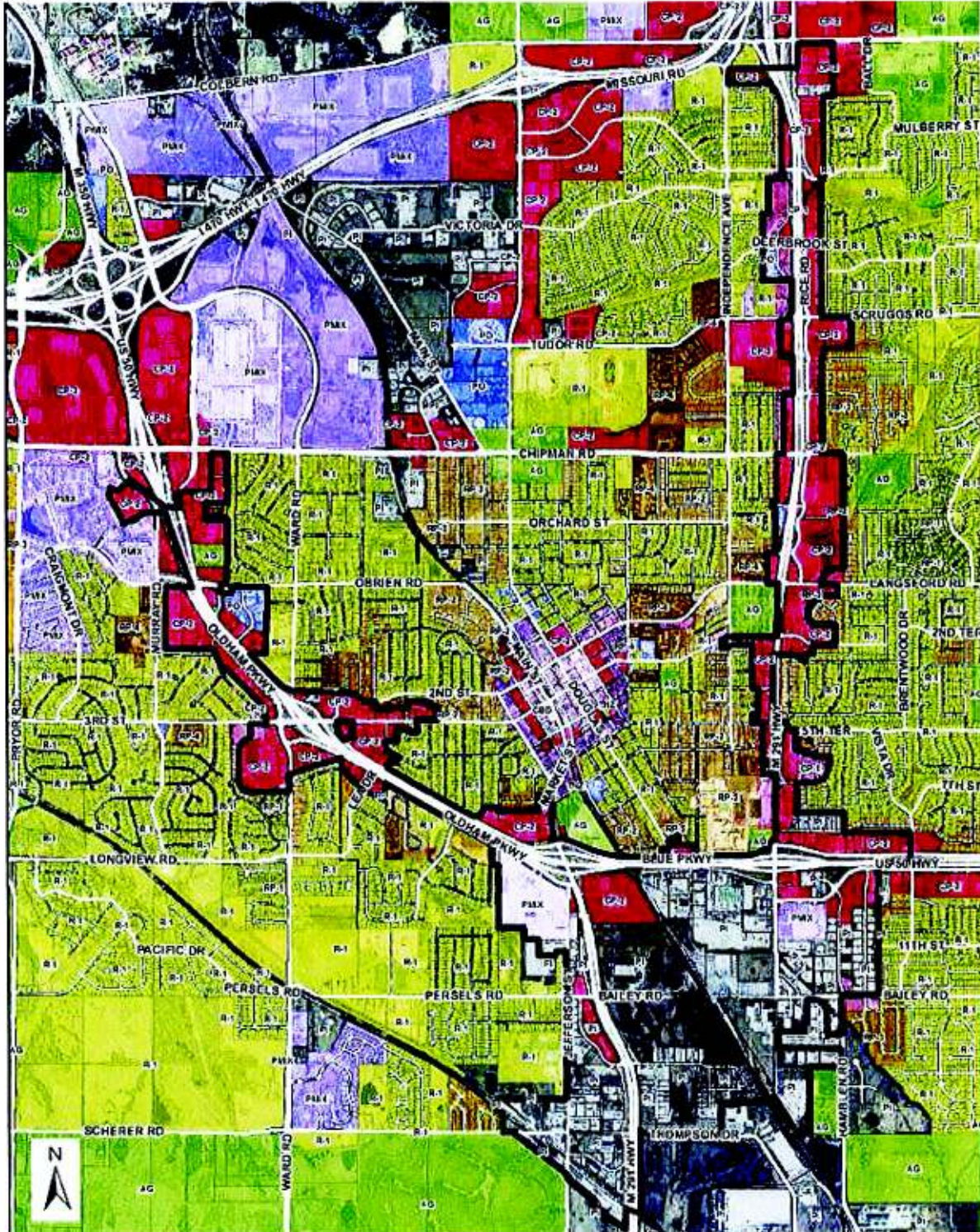
City Clerk Denise R. Chisum

APPROVED AS TO FORM:



Deputy City Attorney John L. Mautino

Attachment A



US 50 / M-291 Highway Urban Renewal Area

EXHIBIT 2
LEGAL DESCRIPTION OF THE PROPERTY

All that part of BAYBERRY CROSSING, a subdivision in Lee's Summit, Jackson County, Missouri described as follows:

A tract of land being part of Tract "E" and part of Tract "B", BAYBERRY, a subdivision in Lee's Summit, Jackson County, Missouri, more particularly described as follows: Beginning at the Northeast corner of said Tract "E", said point also being on the Southerly Right-of-Way Line of 5th Street Terrace; thence South 0 degrees 37 minutes 58 seconds West, along the East line of Tract "E", 340.00 feet; thence South 70 degrees 18 minutes 45 seconds East 52.84 feet; thence South 0 degrees 37 minutes 58 seconds West, 455.84 feet; thence Due West 288.00 feet to a point on the West line of said Tract "E"; thence North 0 degrees 37 minutes 58 seconds East, along the West line of said Tract "E", 673.18 feet; thence North 16 degrees 38 minutes 21 seconds East, 235.73 feet to a point on the Southerly Right-of-way of 5th Street Terrace, (the following three courses are along said Right-of-Way); thence South 35 degrees 47 minutes 31 seconds East, 35.14 feet to a point of curve, said curve having a radius of 137.23 feet; thence Southeasterly along said curve to the left, a distance of 130.07 feet; thence North 89 degrees 54 minutes 06 seconds East, 40.00 feet of the Point of Beginning, EXCEPT that part in Bayberry Lane.

And less and except the following:

A tract of land, being part of BAYBERRY CROSSING, a subdivision in Lee's Summit, Jackson County, Missouri, more particularly described as follows: Beginning at the Southeast corner of said BAYBERRY CROSSING, said point being on the North right-of-way of Bayberry Lane; thence North 89 degrees 22 minutes 02 seconds West, (this course and the following 3 courses are along said right-of-way) 50.00 feet to a point of curve, said curve having a radius of 1280.24 feet; thence Westerly, along said curve to the left, 132.47 feet to a point of tangency; thence South 84 degrees 42 minutes 15 seconds West, 1.54 feet to a point of curve, said curve having a radius of 747.45 feet; thence Westerly along said curve to the right, 26.51 feet to a point on a curve, said curve having a radius of 173.60 feet; thence Northwesterly, along said curve to the left, with an initial tangent bearing of North 09 degrees 43 minutes 08 seconds West (this and the subsequent 3 courses are along the M-291/Melody Lane right-of-way) 102.86 feet; thence North 43 degrees 40 minutes 12 seconds West, 22.16 feet to a point of curve, said curve having a radius of 98.3 feet; thence Northwesterly, along said curve to the right, 26.59 feet; thence North 0 degrees 37 minutes 58 seconds East, 28.89 feet; thence due East, 288.00 feet to a point on the East line of said BAYBERRY CROSSING; thence South 0 degrees 37 minutes 58 seconds West, along said East line, 150.00 feet to the point of beginning.

EXHIBIT 3
DEPICTION OF THE PROPERTY



EXHIBIT 4
INITIAL PROJECT RENDERINGS



BEFORE



AFTER



BEFORE



AFTER



BEFORE



AFTER



EXHIBIT 5
ESTIMATED PROJECT BUDGET

Redevelopment Project Costs	Estimated Costs	CID Reimbursable
Land Acquisition		
Purchase Price	7,000,000	-
Closing Costs	5,439	-
<i>SUBTOTAL</i>	7,005,439	-
Redevelopment Project Costs		
Main Center Facades and Building Envelope Integrity	891,000	891,000
Parking Lot / Common Area Reconfiguration	337,885	
Landscaping (incl. irrigation)	200,000	200,000
Signage	255,000	255,000
LED Lighting	60,000	60,000
Building infrastructure (HVAC, roof, plumbing, etc.)	580,000	
Reposition vacant space (white box, HVAC, etc.)	175,000	
Amenities (benches, planters, etc.)	50,000	50,000
TI Allowances	419,000	-
<i>SUBTOTAL</i>	2,967,885	1,456,000
Soft Costs		
Architectural/Engineering/Surveying	150,000	-
Legal - CID and Leasing	100,000	-
Commissions	140,000	-
<i>SUBTOTAL</i>	390,000	-
Financing Costs		
Bank Charges & Financing Fees	30,000	-
Construction Interest [^]		-
<i>SUBTOTAL</i>	30,000	-
Miscellaneous Costs		
Construction Management/Development Fee	65,000	-
Contingency	335,789	-
<i>SUBTOTAL</i>	400,789	-
TOTAL	\$ 10,794,113	\$ 1,456,000
		13%
[^] Construction and permanent interest on reimbursable costs are reimbursable under the Petition and Cooperative Agreement.		