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September 1, 2016

Curtis J. Petersen
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Via Email: mark.dunning@cityofls.net

Mr. Mark Dunning
Development Center Director
City of Lee's Summit, MO
220 SE Green Street
Lee's Summit, MO 64063

Re: Village at View High Apartment Project – NEC of 3rd and View High Drive

Dear Mark,

We represent Cityscape Residential (“Cityscape”) in its efforts to develop an approximately \$39,500,000 312-unit high-end multi-family project at the northeast intersection of 3rd Street and View High Drive.

As you may know, Cityscape is a development firm focused on the development, construction, and ownership of high-end multifamily apartment communities throughout the Midwest. Cityscape recently completed two new communities at the Prairiefire master development in southern Overland Park, a new community on College Boulevard in Olathe, and are deep into construction on three landmark communities in downtown Kansas City on Quality Hill and in the Crossroads area. While Cityscape is officially based in Indianapolis, Cityscape’s co-founder, Jim Thomas, grew up in Kansas City and spends a portion of most weeks in Kansas City managing ongoing projects. Specific to Lee’s Summit, Mr. Thomas with his previous firm developed the first phase of New Longview apartments and the Summit Ridge apartments off Tudor Road, next to the high school.

The project site is owned by Parrot Properties, an entity controlled by John Bondon, and is part of Mr. Bondon’s proposed master development in the northern View High corridor. Cityscape’s proposed apartment community is proposed at the farthest northern stretch of Mr. Bondon’s development, across View High from the golf course. Cityscape’s proposed project would be the first project constructed within Mr. Bondon’s master development, which Mr. Bondon expects will be the necessary first project to activate the overall master development.

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During the due diligence process for the proposed project site, Cityscape has encountered circumstances that have significantly increased the estimated costs to build the project. Soil borings indicate shallow rock ledges burden much of the property, with some areas of the property having only 18 inches of soil cover. In addition, the substantial swale and grade slope of the site will necessitate import of substantial amounts of structural fill. Both of these site conditions together will significantly increase project costs.

Higher than normal project costs require higher rents in order to achieve investors' target rate of return. Cityscape believes moving rent higher than the current "market rate" is not a financially viable approach. To address the situation, Cityscape is requesting the City's issuance of Chapter 100 bonds to provide sales tax exemption on project costs to help offset the project's extraordinary costs, as well as a fixed PILOT schedule for 10 years based on the per dwelling unit PILOT schedules for the most comparable apartment communities in Lee's Summit, Residences at New Longview and the (to be constructed) Summit Square Residences. In support of this request, please find attached a Financial Incentive Pre-Application Worksheet.

We would appreciate the opportunity to talk with you more about the project and schedule a conceptual incentive request presentation to the City Council.

Sincerely,

A handwritten signature in blue ink, appearing to read "C. Petersen".

Curtis J. Petersen

CJP:jlh

Attachment

cc: Rich Wood, Esq. (via e-mail: rwood@gilmorebell.com)
David Bushek, Esq. (via e-mail: dbushek@gilmorebell.com)



Exhibit A

Financial Incentive Pre-Application Worksheet

DATE: 9/1/2016 APPLICANT: Archview Properties, LLC

ADDRESS: 8335 Keystone Crossing, Suite 200, Indianapolis, IN 46240

PHONE #: 317-574-600 EMAIL: jthomas@cityscaperesidential.com

CONTACT PERSON: Curtis Petersen, attorney for applicant. Phone # 913 -234-7458; cpetersen@polsinelli.com

DEVELOPMENT CENTER

PROJECT NAME: Apartments - Village at View High

PROJECT TYPE:

Check all that apply and fill in the SIC/NAICS code, if known.

- Industrial, Manufacturing, Technology
Retail/Restaurant/Hotel
Office
Residential
Downtown
Other

PROPERTY FOR WHICH INCENTIVES ARE BEING SOUGHT

Attach map and legal description of property.

ADDRESS: Vicinity of the northeast corner of 3rd Street and View High Drive

CURRENT PROPERTY OWNER: Parrot Properties, Inc.

WILL APPLICANT BE PURCHASING THE PROPERTY: X YES NO

TOTAL ACRES: Approx. 21.34 Building Sq. Ft. 506,868 sf

INVESTMENT

Total new investment: \$ \$38,000,000

Acquisition of land/existing buildings: \$ _____
 Annual lease of land/existing buildings: \$ _____
 Preparation of plans, studies, surveys: \$ _____
 Site preparation costs: \$ _____
 Building improvements: \$ _____
 Site improvements: \$ _____
 Utilities/Infrastructure Costs: (streets, sewer, etc.): \$ _____

TIMELINE

Calendar year in which applicant plans to begin construction: 2017

Approximate opening date: September 2017 - 1st
building + clubhouse;
October 2018 all bldgs

WAGE & BENEFITS

	Job Category (executive, professional, clerical, general labor, etc.)	# new full-time employees	# new part-time employees	Average hourly wage/employee
Year 1	Permanent workforce	8		\$45,000 / year
Year 2				

% of health care premium paid for by the employer: _____

TYPE OF FINANCIAL INCENTIVE DESIRED

TAX ABATEMENT

- Tax Increment Financing
- Chapter 100 Industrial Revenue Bonds
- Chapter 353 Tax Abatement
- Land Clearance for Redevelopment Authority (LCRA)

Special Assessment, Property Tax, Sales Tax

- Neighborhood Improvement District
- Community Improvement District
- Transportation Development District

Local Incentive Tools

- Sales Tax Sharing Agreements
- Cost-Share Development Agreements