

**Ward Development - Lakewood Business Park Industrial Project**

**Chapter 100 Incentive Request**

August 22, 2023 City Council Public Hearing

**Developer Request**

**Construction Period (each building)**

Sales & Use Tax Exemption on Construction Materials

<b>Years 1-10 (each building)</b>	
Abatement	75%
PILOTs	25%

<b>Years 11-20 (each building)</b>	
Abatement	50%
PILOTs	50%

Total 29-year abatement cycle for all 8 buildings.

All data below only counts the 20-year cycle for each building from the Master Plan.

**Tax Benefit to Taxing Districts**

	<b>2023 Taxes</b>	<b>%</b>	<b>First Year PILOTs*</b>	<b>PILOTs Over 29 years</b>
BOARD OF DISABLED SERVICES	\$2	0.8%	\$228	\$44,267
CITY - LEES SUMMIT	\$45	17.2%	\$4,874	\$945,319
JACKSON COUNTY	\$18	7.1%	\$2,000	\$387,838
LEES SUMMIT SCHOOL R-VII	\$174	66.6%	\$18,823	\$3,650,759
MENTAL HEALTH	\$3	1.3%	\$370	\$71,684
METRO JUNIOR COLLEGE	\$6	2.5%	\$696	\$135,086
MID-CONTINENT LIBRARY	\$11	4.2%	\$1,190	\$230,761
STATE BLIND PENSION	\$1	0.4%	\$102	\$19,706
	\$261	100.0%	\$28,282	\$5,485,421

\* 2025, two buildings constructed

**Value of Incentive Request to Developer**

Total Project Costs	\$78,325,000		
Value of Sales & Use Tax Exemption	\$1,262,301	1.6%	
Net Present Value of Tax Abatement	\$4,383,483	5.6%	(NPV at 5.5%)
<b>Total Value of Incentive Request</b>	<b>\$5,645,784</b>	<b>7.2%</b>	

**Impact to City from Abatement & Exemption**

Sales & Use Tax Exemption	\$346,897	
Real Property Tax Abatement	\$1,312,410	17% of abated taxes
	<u>\$1,659,307</u>	

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Source	Incentive Tool	Applicable Rate	Purpose	Estimated Financial Benefit	% Project Costs
Chapter 100	Sales Tax Exemption on Construction Materials	100%	Reduce Development Costs	\$1,262,301	1.6%
Chapter 100	Real Property Tax Abatement	75% Years 1-10 50% Years 11-20	Reduce Development Costs	\$4,383,483	5.6%
				\$5,645,784	7.2%

**Sample Abatement Packages for Large Scale Industrial Projects  
Missouri Side of Kansas City Region, 2015-2023**

Updated July 2023

YEAR APPROVED	GOVERNMENT ENTITY	COMPANY	PROJECT	SQFT	ABATEMENT TERM	ABATEMENT LEVEL
2015	Kansas City (PortKC)	NorthPoint Development	Three Trails Industrial Park (three buildings)	1,300,000	20 years	100% Years 1-13 50% declining to 20% Years 14-17 10% Years 18-20
2016	Kansas City (PortKC)	NorthPoint Development	Northland Park (HWY 210 & N. Kimball Drive)	1,500,000	20 years	90% Years 1-10 50% Years 11-20
2016	Grandview	Bulk Industrial	Southpointe Business Park	737,000	15 years	58.5% Years 1-15, including 20% "Additional Rent" for infrastructure
2017	Kansas City (PortKC)	CVS Distribution Center	Skyport Industrial Park	762,000	22 years	90% Years 1-12 (plus 10-yr personal property abatement on equipment) 50% Years 13-22
2017	Kansas City (EEZ)	Hunt Midwest	Hunt Midwest Business Center (HMBC I - III)	623,785	25 years	100% Years 1-25
2018	Belton	NorthPoint Development	Southview Commerce Center (Building I)	454,489	20 years	96% Years 1-5 93% declining to 88.5% Years 6-12 55% Years 13-20
2018	Blue Springs	Landmark	Faurecia	250,000	15 years	100% Years 1-10 (plus 15-yr personal property abatement on equipment) 50% Years 11-15
2019	Liberty	Lane4	Liberty Logistics Center (three buildings)	922,000	10 years	100% Years 1-10
2019	Blue Springs	Durvet	Durvet Expansion	54,080	10 years	100% Years 1-10
2020	Blue Springs	Blue Springs Logistics	Logistics	585,660	10 years	100% Years 1-10
2020	Liberty	Opus	Heartland Meadows Commerce Center	181,321	10 years	90% Years 1-10
2020	Liberty	NorthPoint Development	Broadacres Industrial Park	3,300,000	20 years	90% Year 1 90% declining to 18% Years 2 - 20
2020	Kansas City	MDC Inc.	Executive Park Logistics Center (2 buildings)	396,455	15 years	100% Years 1-10 50% Years 11-15
2020	Kansas City (Port KC)	NorthPoint Development	Blue River Commerce Center	2,590,000	20 years	94% Years 1-10 50% Years 11-20
2020	Kansas City (Port KC)	Van Trust	Niagra (NWC 112th and North Congress Ave.)	630,000	16 years	~92% Years 1-7 (plus personal property tax abatement) ~83% Years 8-11 ~73% declining to 35% Years 12-16
2020	Raymore	Van Trust	Raymore Commerce Center	564,970	20 years	~97.5% Years 1-20
2022	Liberty	STAR Development	Garrison Industrial	170,700	10 years	90% Years 1-10
2022	Platte City	Van Trust	Industrial / Distribution	2,000,000	16 years	~95% Years 1-10 ~75% Years 11-16
2022	Kansas City (Port KC)	STAR Development	Industrial / Distribution	576,400	20 years	90% Years 1-10 50% Years 11-20
2022	Independence	NorthPoint Development	Eastgate Commerce Center (22 buildings)	10,749,000	20 years	~87% Years 1-12 ~85% declining to 21% Years 13-20
2022	Lee's Summit	Scannell	LS Logistics	783,000	20 years	95% Years 1-10 75% Years 11-20
2022	Lee's Summit	Zerega Pasta	Facility Expansion	160,000	10 years	75% Years 1-10; same for equipment (personal property)
2022	Lee's Summit	LS Industrial, LLC	LS Industrial	595,000	20 years	95% Years 1-10 50% Years 11-20
2022	Lee's Summit	Ward Development	Town Centre Industrial	250,000	20 years	78% Years 1-10 50% Years 11-20
2023	Raymore	URBN LLC	Nuuly (Personal Property Only)	n/a	10 years	Personal property abatement only ~97% Years 1-10
2023	Raymore	Van Trust	Raymore Commerce Center South (2-3 buildings)	3,075,000	20 years	~98% Years 1-5 ~96% declining to 73% Years 6-15 ~60% Years 16-20

**Notes**

The average abatement duration is 19 years.

The average abatement during years 1-10 exceeds 90%.

The average abatement during years 11-20 is roughly 50% with some notable exceptions, and some projects incorporate an annual decline during this period.

Some packages include fixed PILOT per sqft (Belton, Kansas City, Platte City, Raymore).

Some calculations are rounded because the fixed PILOTS produce fractional percentages.

# Lee's Summit Incentive Reimbursement Rates

Updated May 2023

Project	Year	Acres	Total Project Costs*	Total Reimbursement*	Total %	Land Uses							Reimbursement Type and %							Reimbursement as % of Total Project Costs													
						Residential	Senior Residential	Commercial	Office	Industrial	Historic Structures	Public / Civic	TIF	LCRA	CID	TDD	Chapter 353	Chapter 100	Other Govt Funding		Total %												
Chapel Ridge	2000	258.0	\$108.7	\$31.9	29.3%			•	•								22.9%			6.4%						29.3%							
Summit Woods	2000	95.0	\$151.6	\$39.7	26.2%			•									16.3%			9.9%						26.2%							
I-470 Business & Technology	2006	17.8	\$66.2	\$6.8	10.3%			•		•							6.2%			4.1%						10.3%							
Summit Fair	2006	58.7	\$162.8	\$55.3	34.0%			•									19.7%		14.3%							34.0%							
Hartley Block	2006	1.3	\$7.7	\$2.5	32.5%	•		•									32.5%									32.5%							
East 50 Highway Corridor (Project 4)	2007	15.2	\$20.0	\$5.0	25.0%			•									19.0%		6.0%							25.0%							
Ritter Plaza	2007	7.3	\$14.5	\$4.7	32.4%			•									22.8%		9.7%							32.5%							
New Longview	2015	107.0	\$85.4	\$20.6	24.1%	•		•	•		•						24.1%									24.1%							
John Knox Village	2015	170.0	\$48.0	\$11.5	24.0%		•														24.0%					24.0%							
Pine Tree Plaza	2017	12.4	\$9.3	\$2.4	25.9%			•											25.9%							25.9%							
740 Blue Parkway Project	2017	3.5	\$12.5	\$1.3	10.6%			•											10.6%							10.6%							
Village at View High	2017	34.0	\$69.0	\$10.3	14.9%			•									11.6%		3.3%							14.9%							
The Princeton	2019	37.0	\$35.5	\$0.8	2.1%		•											2.1%								2.1%							
Cityscape Downtown Apartments	2019	3.7	\$51.8	\$9.3	18.0%	•					•						15.4%		2.6%							18.0%							
Streets of West Pryor (Commercial & Apts)	2019	73.0	\$178.6	\$36.0	20.2%	•		•									11.0%		4.5%	1.0%		3.4%	0.3%			20.2%							
Southside Plaza Shopping Center	2020	4.5	\$4.8	\$1.4	29.9%			•											29.9%							29.9%							
Cedar Creek Shopping Center	2020	5.2	\$9.4	\$1.5	15.9%			•											15.9%							15.9%							
Paragon Star	2020	332.9	\$245.1	\$74.6	30.4%	•		•	•								13.1%		2.0%	13.1%			2.0%			30.2%							
Streets of West Pryor (Townhomes)	2021	9.3	\$30.5	\$2.9	9.5%	•												9.5%								9.5%							
Chapel Ridge Shopping Center	2021	9.2	\$19.6	\$3.9	20.1%			•											20.1%							20.1%							
LS Logistics - Scannell Industrial	2022	75.8	\$50.6	\$11.1	21.9%					•												21.9%				21.9%							
LS Industrial - O'Dell	2022	49.8	\$46.5	\$9.5	20.4%					•								20.4%								20.4%							
Paragon Star Parking Garage	2022	0.7	\$10.5	\$0.2	2.1%			•										2.1%								2.1%							
Paragon Star Apartments	2022	1.8	\$59.0	\$1.3	1.7%	•													1.7%							1.7%							
Valle Vista Shopping Center	2022	4.4	\$15.0	\$3.9	26.3%			•											26.3%							26.3%							
Blackwell Mixed Residential	2022	56.0	\$103.1	\$4.0	3.9%	•																3.9%				3.9%							
Discovery Park	2022	265.0	\$956.5	\$212.2	22.2%	•		•	•								20.2%		2.0%							22.2%							
Scenic Development - Senior Care	2022	12.6	\$48.4	\$2.7	5.6%		•															5.6%				5.6%							
Summit Square III Apartments	2022	11.4	\$72.2	\$3.6	5.0%	•																5.0%				5.0%							
Cityscape at Douglas & Tudor	2022	13.2	\$65.7	\$3.3	5.0%	•																5.0%				5.0%							
Town Centre Industrial - Ward Development	2022	22.0	\$17.8	\$3.4	19.3%					•												19.3%				19.3%							
Ellis Glen	2023	1.2	\$8.0	\$2.0	24.4%	•			•									24.4%								24.4%							
<b>Grand Totals</b>			<b>1,768.9</b>	<b>\$2,784.3</b>	<b>\$579.7</b>												<b>12</b>	<b>3</b>	<b>19</b>	<b>5</b>	<b>4</b>	<b>2</b>	<b>2</b>		<b>13</b>	<b>7</b>	<b>13</b>	<b>5</b>	<b>1</b>	<b>7</b>	<b>2</b>		<b>Average: 18.5%</b>

\* In Millions. Some reimbursement occurs in the form of abatement value.

Number of Projects: 32

Summary of Data			
Date Range	2000-2023	Project Average %	18.5%
Number of Projects	32	TIF Average	18.1%
Highest Reimbursement %	34.0%	LCRA Average	9.0%
Lowest Reimbursement %	1.7%	CID Average	13.1%
% Range without outliers	2-30%	TDD Average	6.9%
		Ch 100 Average	9.2%