



Corey Walker
Senior Vice President
Platform Ventures
4220 Shawnee Mission Pkwy, #200-B
Fairway, KS 66205

December 14, 2018

Stephen Arbo
City Manager
City of Lee's Summit
220 SE Green Street
Lee's Summit, MO 64063

Re: Request to amend the "Project Budget" attached as Exhibit D to the Tax Increment Financing Contract dated December 1, 2016 for New Longview ("TIF Contract").

Dear Mr. Arbo:

M-III Longview LLC ("Developer") is submitting this letter for the purpose of requesting the City of Lee's Summit (the "City") to implement the process to amend the Project Budget as described in this letter. Generally, the proposed modifications include: (1) to combine the Lake Rehabilitation and Pergola Rehabilitation Historic Preservation Improvement projects into one category and (2) to reallocate a portion of the approved Phase I and Phase II Contingency funds to a new "Lake & Pergola Rehabilitation" Historic Preservation Improvement category.

These modifications are intended to address the coordination issues and additional expenses associated with efforts to rehabilitate the lake and pergola, which additional expenses were unknown at the time of the approval of the TIF Contract; and although considerable contingency funds were identified in both Phase I and Phase II with the Developer being provided a certain amount of flexibility to shift funds in the Project Budget and also being provided a mechanism for larger shifts with the approval of the City Manager, we believe a formal amendment to the Project Budget will better serve all stakeholders and ensure continued success in the implementation of the TIF Contract and Historic Preservation Improvements described therein. The proposed modifications are further outlined below.



I. Combine the lake and pergola improvements into one budget category.

After nearly two years of analysis, review, recommendations and neighborhood feedback on how to best rehabilitate the lake, Developer is on track to have final construction plans completed in the coming weeks. The final construction plans will be significantly more extensive than originally envisioned and now incorporate the land immediately adjacent (and even under) the actual pergola structure. As a result, the two historic improvements have become one, more complex project, as opposed to two separate and distinguishable projects. Combining these two historic improvement categories into one project will allow Developer to move forward in a more cost effective and efficient manner by eliminating any design, material or labor redundancies that would more likely occur by treating the historic improvements as two separate projects. In other words, much of the required scope of work for the two projects actually take place in an overlapping area and it will be difficult to distinguish, so it may be difficult or impossible at times to readily distinguish expenses allocable to each line item. By performing the lake and pergola work in a coordinated manner and ensuring there is a sufficient aggregated total of funds for the lake and pergola described in the Project Budget, it allows Developer to more easily mobilize the development team and achieve a timely and cost-effective completion of the work with added clarity in the funding process.

On the Project Budget, Developer proposes revising the budget by combining the current Historic Preservation Improvement categories “Pergola Rehabilitation” and “Lake Rehabilitation” to form a new “Lake & Pergola Rehabilitation” category for both Phase I and Phase II. This proposed reallocation is reflected on the redlined Project Budget attached to this letter for illustrative purposes. Also enclosed for reference are renderings and site plans of the lake and pergola projects.

II. Reallocate a portion of contingency funds from Phases I and II to the new “Lake & Pergola Rehabilitation” category.

The cost to construct the City and neighborhood-approved lake rehabilitation plan is considerably more than the \$500,000 allocated to Lake Rehabilitation in Phase I and Phase II. The additional cost is now up to \$1,115,000 more than the original allocation for a total cost of \$1,615,000. These additional costs are primarily the result of a breach of the lake spillway and an increase in the dredging scope. The following describes proposed reallocations of the Project Budget:

- In Phase I, combine Lake Rehabilitation and Pergola Rehabilitation for a total amount of \$1,250,000 (\$900,000 + 350,000) TIF dollars for the new “Lake & Pergola Rehabilitation” category and then allocate \$115,000 of contingency to the new category for a new total of \$1,365,000 (\$1,250,000 + \$115,000) in TIF dollars.
- In Phase I, the remaining balance of the Contingency would be \$10,000.
- In Phase I, the category “North Arch” was added and \$75,000 was moved from



Contingency to reflect what occurred as previously approved by the City.

- In Phase II, re-describe the first listed historic improvement “Lake Rehabilitation” to “Lake & Pergola Rehabilitation.”
- In Phase II, create a second “Lake & Pergola Rehabilitation” category following the Mansion Renovation & Temporary Structure Rehab category.*
- In Phase II, reallocate \$250,000 of contingency funds to the first “Lake & Pergola Rehabilitation” category for a new total of \$400,000 (\$150,000 + \$250,000).
- In Phase II, move \$750,000 of contingency funds to the second “Lake & Pergola Rehabilitation” category for a new total of \$750,000.

*As a reminder, Phase II is a pay as you go TIF with the historic improvements listed in a waterfall format. For financing reasons, the entire cost to rehabilitate the lake cannot be moved ahead of the mansion in the waterfall. Developer has or will seek the approval of Sunflower Development Group, LLC (or its applicable affiliate) with respect to such modification to the waterfall.

These proposed recategorizations and reallocations of contingency funds are reflected on the redlined Project Budget attached to this letter for illustrative purposes.

We appreciate your continued support of New Longview. We have enjoyed our partnership with the City. I’m available to answer any questions or concerns that you may have with our request. Thank you for your consideration.

Sincerely,

Corey Walker
Senior Vice President
Platform Ventures

Attachment – Redline of Project Budget to reflect proposed recategorizations and reallocations

Enclosures – Renderings and site plans of the lake and pergola projects

cc: Jason Romero, Platform Ventures, LLC
David Bushek, City of Lee’s Summit



PROJECT BUDGET - UPDATED

Phase I Historic Preservation Improvements	Total Project Costs	Private Funding	Historic Tax Credits	TIF
Portion of Mansion Rehabilitation	\$1,100,000	-	-	\$1,100,000
Lake & Pergola Rehabilitation				\$1,365,000
Pergola Rehabilitation	—\$900,000	-	—	—\$900,000
Barn Stabilization	\$650,000	-	-	\$650,000
Lake Rehabilitation	—\$350,000	-	—	—\$350,000
Professional Services	\$300,000	-	-	\$300,000
Farm Office and Dairy Manager House Rehabilitation/ North Arch	\$150,000	-	-	\$150,000
North Arch				\$75,290
Contingency	\$200,000	-	-	—\$200,000 \$9,710
Phase I TIF Subtotal				\$3,650,000
Phase II Historic Preservation Improvements				
Lake Rehabilitation	—\$150,000	-	—	—\$150,000
Lake & Pergola Rehabilitation				\$400,000
Mansion Renovation & Temporary Structure Rehab	\$2,347,700	\$473,571	\$474,129	\$1,400,000
Lake & Pergola Rehabilitation				\$750,000
Farm Office and Dairy Manager House	\$1,743,000	\$543,000	-	\$1,200,000
Barns Redevelopment	\$17,805,285	\$3,361,041	\$4,794,244	\$9,650,000
Mansion Permanent Structure	\$1,704,550	\$204,550	-	\$1,500,000
Interfund Loan Repayment, Restructuring Costs & Contingency	—\$3,039,463	-	—	—\$3,039,463 \$2,039,463
Phase II TIF Subtotal				\$16,939,463



Phase I Historic Preservation Improvements	Total Project Costs	Private Funding	Historic Tax Credits	TIF
Portion of Mansion Rehabilitation	\$1,100,000	-	-	\$1,100,000
Lake & Pergola Rehabilitation				\$1,365,000
Barn Stabilization	\$650,000	-	-	\$650,000
Professional Services	\$300,000	-	-	\$300,000
Farm Office and Dairy Manager House Rehabilitation	\$150,000	-	-	\$150,000
North Arch				\$75,290
Contingency	\$200,000	-	-	\$9,710
Phase I TIF Subtotal				\$3,650,000
Phase II Historic Preservation Improvements				
Lake & Pergola Rehabilitation				\$400,000
Mansion Renovation & Temporary Structure Rehab	\$2,347,700	\$473,571	\$474,129	\$1,400,000
Lake & Pergola Rehabilitation				\$750,000
Farm Office and Dairy Manager House	\$1,743,000	\$543,000	-	\$1,200,000
Barns Redevelopment	\$17,805,285	\$3,361,041	\$4,794,244	\$9,650,000
Mansion Permanent Structure	\$1,704,550	\$204,550	-	\$1,500,000
Interfund Loan Repayment, Restructuring Costs & Contingency				\$2,039,463
Phase II TIF Subtotal				\$16,939,463



CONSENT OF SUNFLOWER DEVELOPMENT GROUP:

The undersigned, Sunflower Development Group, LLC, on behalf of itself and its applicable affiliates, as an assignee under the TIF Contract for certain Historical Preservation Improvements, hereby consents to the adjustments to the Project Budget as proposed in the foregoing letter, including without limitation, the placement of the "Lake & Pergola Rehabilitation" category for \$400,000 ahead of the "Mansion Renovation & Temporary Structure Rehab" category in the Phase II waterfall notwithstanding Section 4.07(b) of the TIF Contract.

SUNFLOWER DEVELOPMENT GROUP, LLC

By: _____

Name: _____

Title: _____

Date Executed: _____