



March 22, 2019

City of Lee's Summit
220 SE Green St.
Lee's Summit, Missouri 64063

RE: Notice of Intent - Economic Development Incentives (Ch. 100 Sales Tax Exemption)

Dear Ladies and Gentlemen:

The purpose of this letter is to express the intent of Lee's Summit Senior Community, LLC (the "Applicant") to pursue a development project that will make use of a Chapter 100 sales tax exemption.

I. Description of the Development Project

The development project, commonly known as The Princeton (the "Project"), will be located at S.E. Oldham Parkway and S.E. Princeton Drive in Lee's Summit, Missouri. The Project is located in the US 50 Hwy Corridor Targeted Planning Area, as set forth in the Economic Development Incentive Policy for the City of Lee's Summit (the "City"). The Project, which is conveniently located near Lee's Summit Medical Center, is a planned senior living community which will offer a complete continuum of care for its residents. The Project will contain a total of 153 units, which will be divided as follows: 91 independent living units; 44 assisted living units; and 18 memory care units.

The aging baby boomer population has resulted in an increase of the number of senior citizens looking for modern, innovative, and charming communities. They desire a community that can provide a continuum of care for all stages of senior life; one that meets not only physical needs, but social and emotional needs as well. The Project will be the first modern senior living community of its kind in the southwest Lee's Summit area, which will serve the immediate need of seniors and aging parents of current Jackson County, Missouri residents, as well as the long-term demands of the new baby boomer consumer.

The Project will create approximately 65 new jobs at an average hourly pay rate of \$20.27, including highly skilled and licensed staff. A total of 51 full-time equivalents will be employed at stabilization. The majority of these positions will be full-time with a competitive benefits offering including 401K, health coverage and life insurance benefits. Females and minorities comprise the largest percentage of the senior living job force. While there may be some minimal need to hire outside the area, it is expected that all newly created jobs will benefit the region's employment.

II. Cost of Development

The total development cost for the Projected is estimated to be \$36,305,352; this figure includes the anticipated savings to the Project of the Chapter 100 sales tax exemption.

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As a condition to obtaining the City's approval to construct the Project, the Applicant is being required to construct a number of offsite public improvements. The costs of these improvements (which total \$1,775,825.00) have been calculated as part of the development cost, or total "new investment," set forth above. What follows is a list of the required offsite public improvements and each line item cost:

- Installation of water main to Ransom Road: \$254,825.00.
- Sewer agreement with City (scope limited to the Project): \$321,000.00.
- Extension of Princeton Drive, a public roadway: \$150,000.
- Construction of public sewer improvements (outside scope of the Project): \$1,050,000.00.

These unexpected offsite public improvements resulted in an increase to the Project's total construction cost of nearly 6.9%.

III. Request for Incentives

The lack of development at S.E. Oldham Parkway and S.E. Princeton Drive is largely due to the need for public improvements and infrastructure which are necessary to make development projects, like the Project, viable—which prohibits the underlying land from being utilized for any productive use. This particular site, which is currently bank-owned due to a prior foreclosure, has seen a number of failed sales contracts for this very reason. The Applicant is committed to making these necessary offsite public improvements on behalf of the City, but asks that it be granted a Chapter 100 sales tax exemption to help mitigate these costs.

The Applicant anticipates that the amount of the sales tax exemption benefit will be equal to \$705,000.00, which amount is based on a cost for building construction materials in the amount of \$27,458,142.00.

Included with this letter is (a) a completed copy of the Financial Incentive Pre-Application Worksheet, and (b) a copy of the Project's Preliminary Development Plan. If any additional documentation is needed to better understand the Project and request made herein, please don't hesitate to reach out to us.

We look forward to working with the City of Lee's Summit, Missouri.

Kind Regards,

A handwritten signature in blue ink that reads "Denise Heintz".

Denise Heintz

Enclosure(s)

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