

**Performance Food Group Expansion
Incentive Request**
April 18, 2023 Conceptual Presentation

Developer Request

Construction Period

Sales & Use Tax Exemption on Construction Materials*

Years 1-10

Real Property Tax Abatement 75% Incremental increase only
Personal Property Tax Abatement 75%

* Company pays sales taxes on personal property purchases (machinery and equipment)

Property Tax Benefit to Taxing Districts

Real Property Taxes

	2022 Taxes	%	First Year Taxes & PILOTs	Taxes & PILOTs Over 10 Years
BOARD OF DISABLED SERVICES	\$1,671	0.8%	\$1,931	\$20,250
CITY - LEES SUMMIT	\$35,689	17.2%	\$41,229	\$432,428
JACKSON COUNTY	\$14,642	7.1%	\$16,915	\$177,413
LEES SUMMIT SCHOOL R-VII	\$137,830	66.6%	\$159,224	\$1,670,009
MENTAL HEALTH	\$2,706	1.3%	\$3,126	\$32,791
METRO JUNIOR COLLEGE	\$5,100	2.5%	\$5,892	\$61,794
MID-CONTINENT LIBRARY	\$8,712	4.2%	\$10,064	\$105,560
STATE BLIND PENSION	\$744	0.4%	\$859	\$9,014
	\$207,095	100.0%	\$239,241	\$2,509,260

Personal Property Taxes

	2022 Taxes	%	First Year PILOTs	PILOTs Over 10 Years
BOARD OF DISABLED SERVICES	\$0	0.8%	\$115	\$446
CITY - LEES SUMMIT	\$0	17.2%	\$2,456	\$9,529
JACKSON COUNTY	\$0	7.1%	\$1,008	\$3,910
LEES SUMMIT SCHOOL R-VII	\$0	66.6%	\$9,485	\$36,802
MENTAL HEALTH	\$0	1.3%	\$186	\$723
METRO JUNIOR COLLEGE	\$0	2.5%	\$351	\$1,362
MID-CONTINENT LIBRARY	\$0	4.2%	\$600	\$2,326
STATE BLIND PENSION	\$0	0.4%	\$51	\$199
	\$0	100.0%	\$14,251	\$55,297

Value of Incentive Request to Developer

Total Project Costs	\$22,027,379	
NPV of Property Tax Abatement		
Real Property	\$989,185	4.5%
Personal Property	\$128,181	0.6%
Subtotal	\$1,117,366	5.1%
Value of Sales Tax Exemption	\$444,447	2.0%
Total Value of Incentive Request	\$1,561,813	7.1%

Impact and Benefit to City

Impact of Abated Taxes

Sales & Use Tax Exemption	\$137,851
Real Property Tax Abatement	\$256,290
Personal Property Tax Abatement	\$28,202
	<u>\$422,343</u>

Benefit of Taxes & PILOTs Received

Real Property Taxes & PILOTs	\$432,428	
Personal Property PILOTs	\$9,529	
Sales Tax Revenues	\$47,451	From personal property purchases
	<u>\$489,409</u>	

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Source	Incentive Tool	Applicable Rate	Purpose	Estimated Financial Benefit	% Project Costs
LCRA or Chapter 100	Sales Tax Exemption on Construction Materials	100%	Reduce Project Costs	\$444,447	2.0%
LCRA or Chapter 100	Real Property Tax Abatement	75%	Reduce Project Costs	\$989,185	4.5%
LCRA or Chapter 100	Personal Property Tax Abatement	75%	Reduce Project Costs	\$128,181	0.6%
				\$1,561,813	7.1%

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

Updated April 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
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	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

Notes

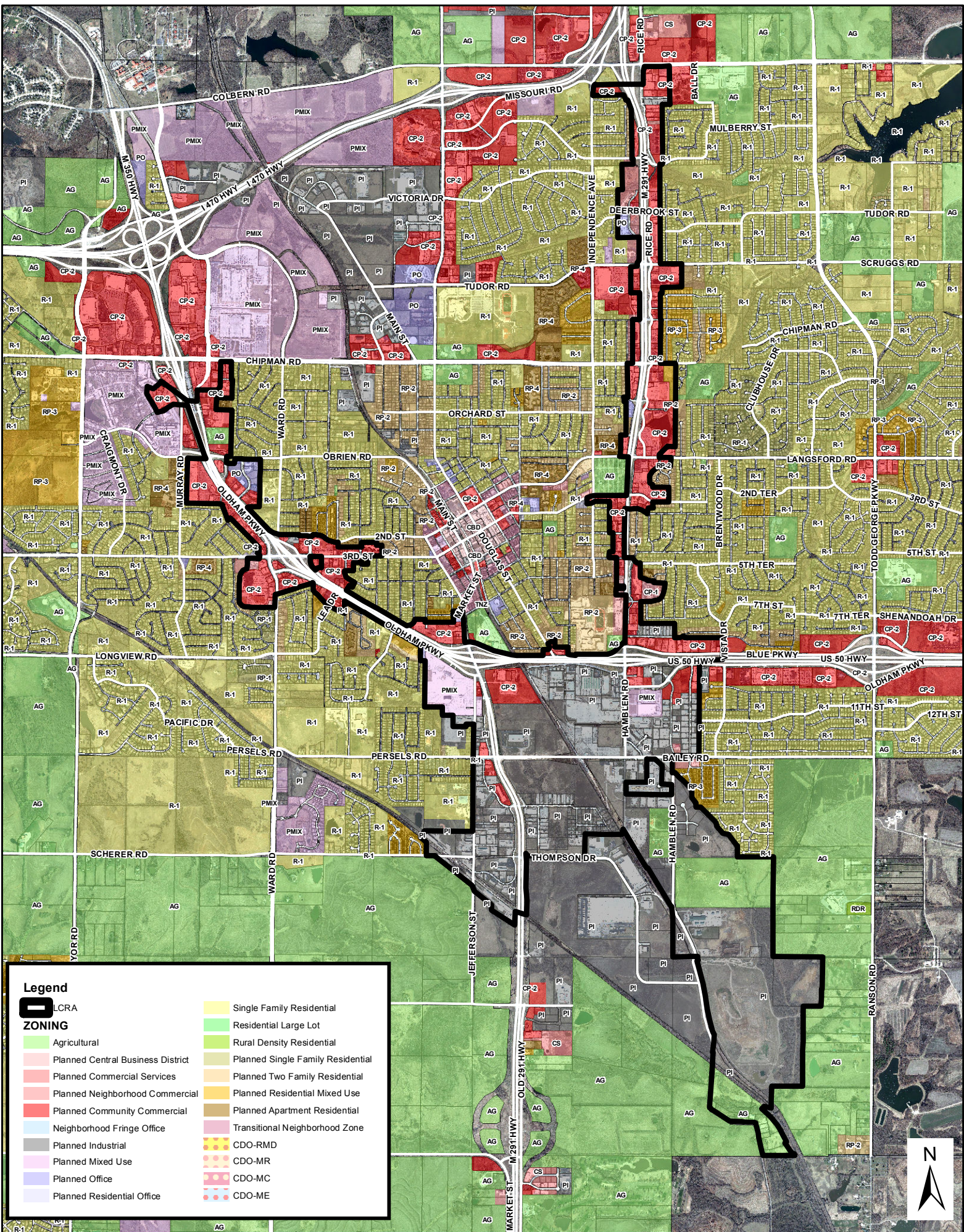
The average abatement duration is 19 years.

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 incentive packages include a fixed PILOT per square foot (Belton, Kansas City, Raymore); this has been incorporated into the abatement percentage calculation to create uniform data.

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



Legend

- | | |
|--|---|
|  LCRA |  Single Family Residential |
| ZONING |  Residential Large Lot |
|  Agricultural |  Rural Density Residential |
|  Planned Central Business District |  Planned Single Family Residential |
|  Planned Commercial Services |  Planned Two Family Residential |
|  Planned Neighborhood Commercial |  Planned Residential Mixed Use |
|  Planned Community Commercial |  Planned Apartment Residential |
|  Neighborhood Fringe Office |  Transitional Neighborhood Zone |
|  Planned Industrial |  CDO-RMD |
|  Planned Mixed Use |  CDO-MR |
|  Planned Office |  CDO-MC |
|  Planned Residential Office |  CDO-ME |



