

**Conceptual
Presentation to
Lee's Summit City
Council**



LEE'S SUMMIT

PROJECT MAC

February 1, 2022

Overview

- Proposed Developer/Company History
- Current Site
- Proposed Project
- Proposed Public Incentives
- Value Proposition for City
- Need for Request

A. Zerega's Sons, Inc.



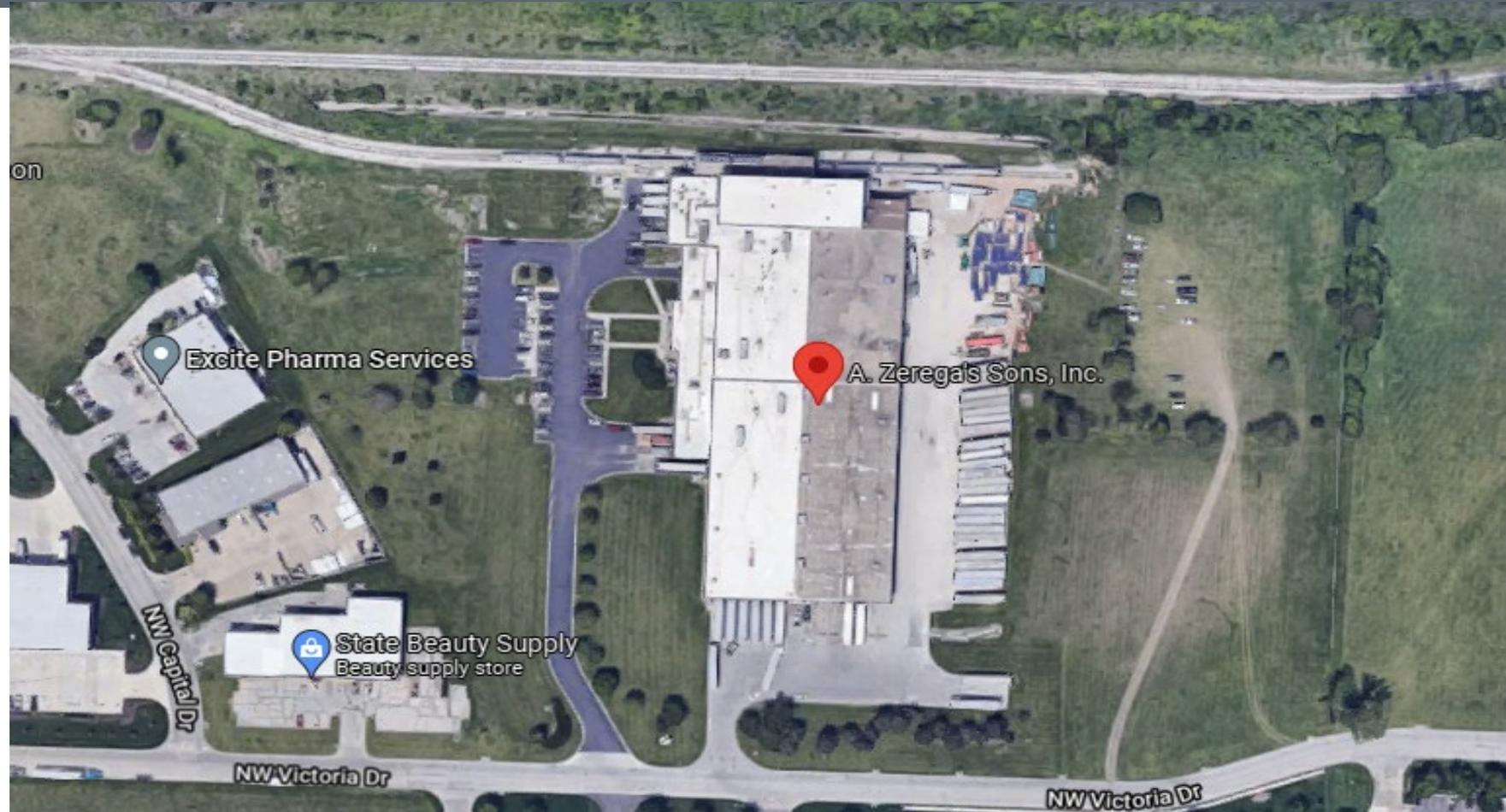
Zerega
Pasta Since 1848

***Custom and
Ready-to-Order
Commercial Pasta***

- Privately owned pasta company
- A leading manufacturer of dry pasta for the foodservice, industrial ingredient and retail channels
- 1995 Expansion in Lee's Summit, MO
 - Original investment: \$60,000,000

Current Site

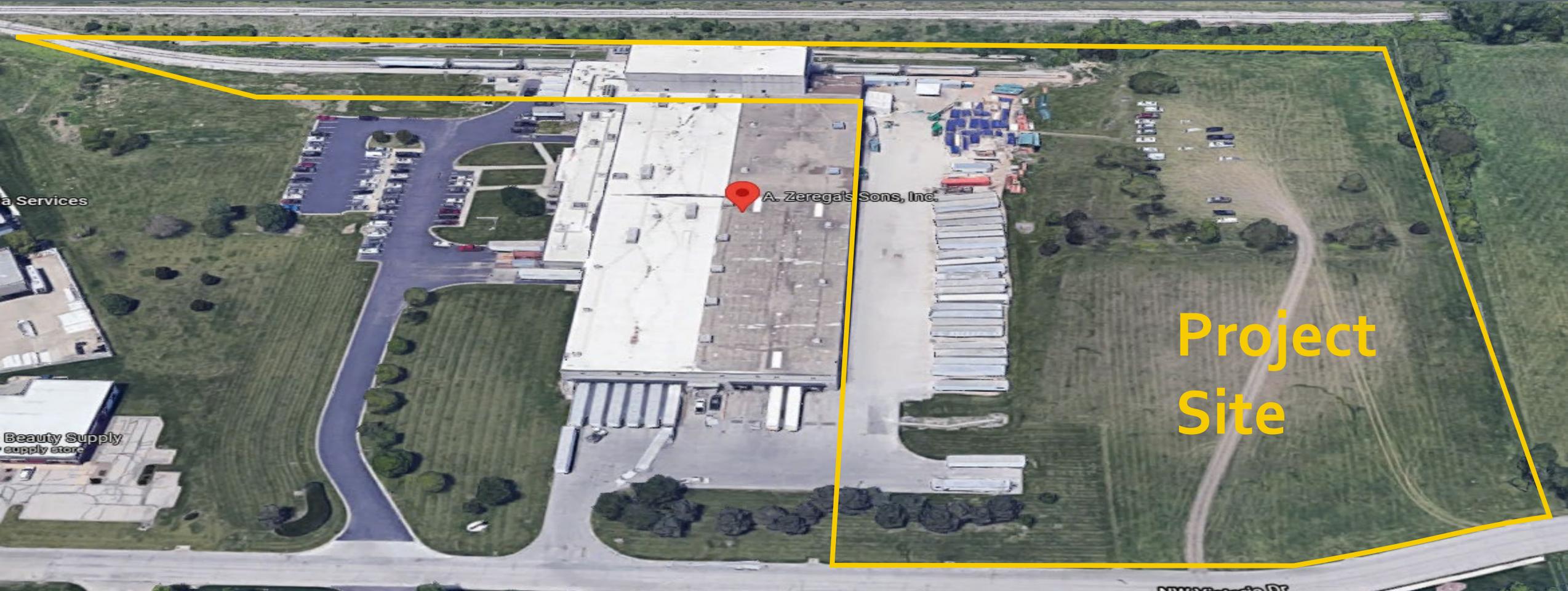
200 NW
Victoria Dr,
Lee's
Summit, MO
64086



Current Building/Equipment

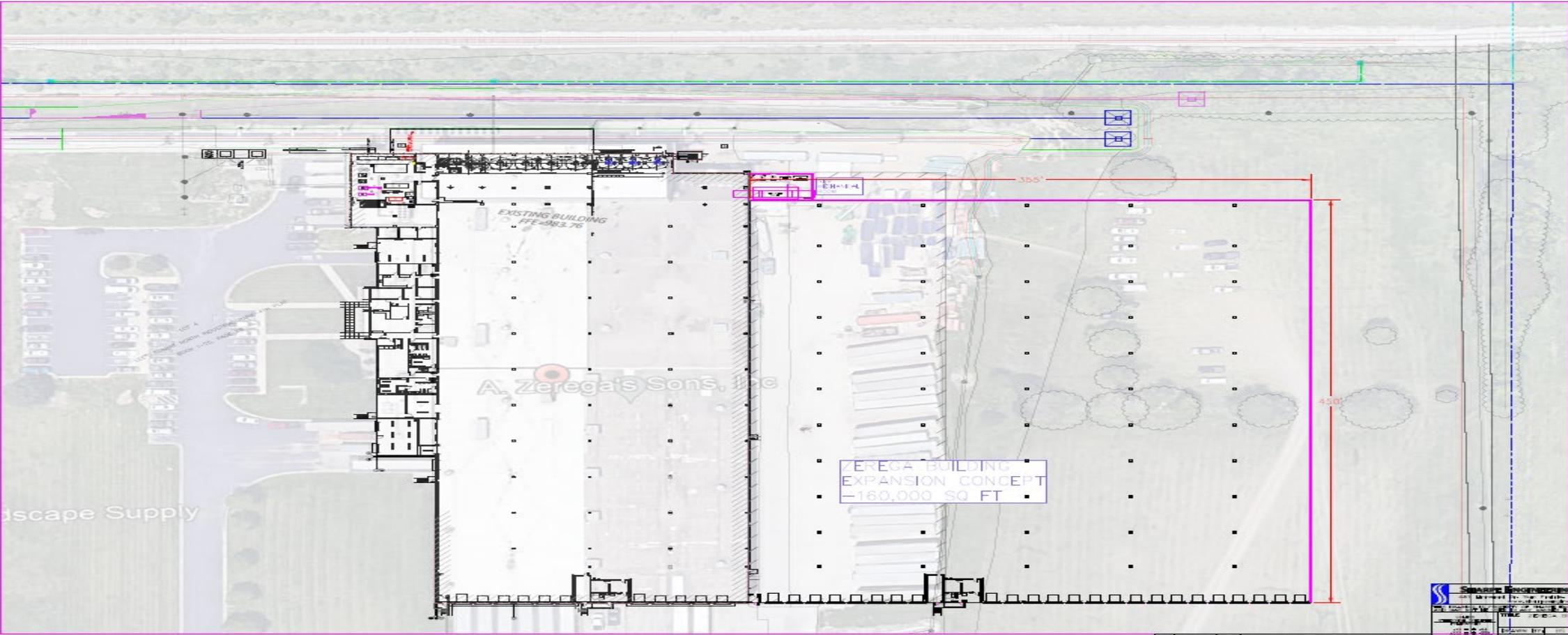


Proposed Project



**Project
Site**

Proposed Project



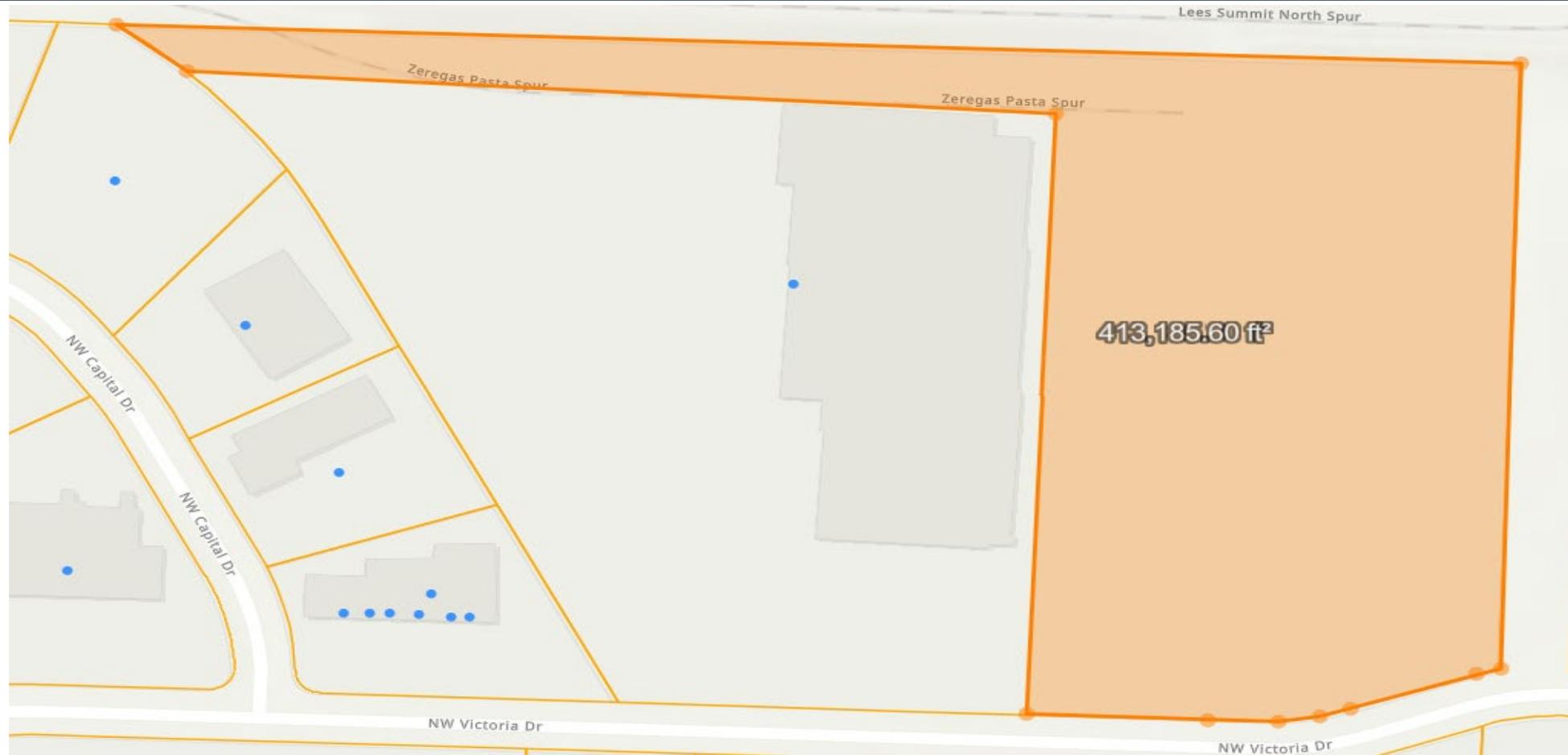
SHEETS		REVISIONS	
1	GENERAL NOTES		
2	FOUNDATION		
3	FLOOR SLAB		
4	ROOF		
5	MECHANICAL		
6	ELECTRICAL		
7	PLUMBING		
8	PAINT		
9	LANDSCAPE		
10	GENERAL CONTRACTOR		

DATE: 12-2022
SCALE: AS SHOWN
PROJECT: ZEREGA BUILDING EXPANSION

Proposed Project

Replat of
Existing
Parcel

9.48±
Acres



Proposed Project

- New Real Estate Investment: \$14,000,000
 - 160,000 SF Warehouse - \$12,000,000
 - New Railroad Line & Switch - \$2,000,000
- New Personal Property Investment: \$27,000,000
 - Manufacturing Line #6: \$10,000,000
 - Distribution/Packing Equipment: \$7,000,000
 - Manufacturing Line #7: \$10,000,000

Proposed Project

- Estimated Real Estate Timeline
 - Commence June 2022 (16 – 18 Months Completion)
 - Opening June 2024
- Estimated Personal Property Timeline
 - Manufacturing Line #6 – Acquire in 2021/2022
 - Distribution/Packing Equipment – Acquire in 2023
 - Manufacturing Line #7 – Acquire in 2025

Proposed Public Incentives



Chapter 100

- Real Estate Tax Abatement
 - 75% for 10 years
- Personal Property Tax Abatement
 - 75% for 10 years
- Sales and Use Tax Exemption on Construction Materials

Proposed Public Incentives



Chapter 100

- Total Incentive Request
 - PP: \$1,494,721 (NPV)
 - RE: \$2,480,964 (NPV)
 - Sales/Use Exemption: \$571,000
- 11.1% Incentive Percentage of the Overall Project Budget

Value Proposition to City



Employment multipliers per 100 direct jobs, by major private-sector industry group

Major industry group	Direct jobs	Supplier jobs*	Induced jobs**	Total indirect jobs
<i>Real estate and rental leasing</i>	100	397	483	880
<i>Durable manufacturing</i>	100	289	455	744
<i>Utilities</i>	100	515	442	958
<i>Nondurable manufacturing</i>	100	185	330	514
<i>Information</i>	100	252	321	573
<i>Professional, scientific, and technical services</i>	100	142	276	418
<i>Management of companies</i>	100	144	255	400
<i>Arts, entertainment, and recreation</i>	100	123	255	379
<i>Finance and insurance</i>	100	150	215	364
<i>Mining</i>	100	224	166	390
<i>Transportation and warehousing</i>	100	113	163	276

Value Proposition to City

Property Tax / Fee Generation

- Additional property tax for all jurisdictions: \$2,131,757
- Additional property tax for Lee's Summit: \$1,614,872

55 New Jobs

Economic Output Generated

Need for Request

- Business Retention & Expansion
- Higher construction costs due to inflation
- Higher borrowing costs / cost of capital
- Other locations in PMC portfolio
 - Washington, North Dakota, Pennsylvania, New Jersey