

Ward Development

Conceptual Presentation to
Lee's Summit City Council

October 18, 2022

Overview

- Proposed Developer
- Proposed Project
- Competition for Tenants
- Proposed Public Incentives
- Value Proposition for City

Proposed Developer

- Ward Development
 - Ward Family
 - 3rd Generation real estate development / holding company
 - Grain Valley, Missouri
- Extensive Development History
 - Commercial and industrial
 - Residential

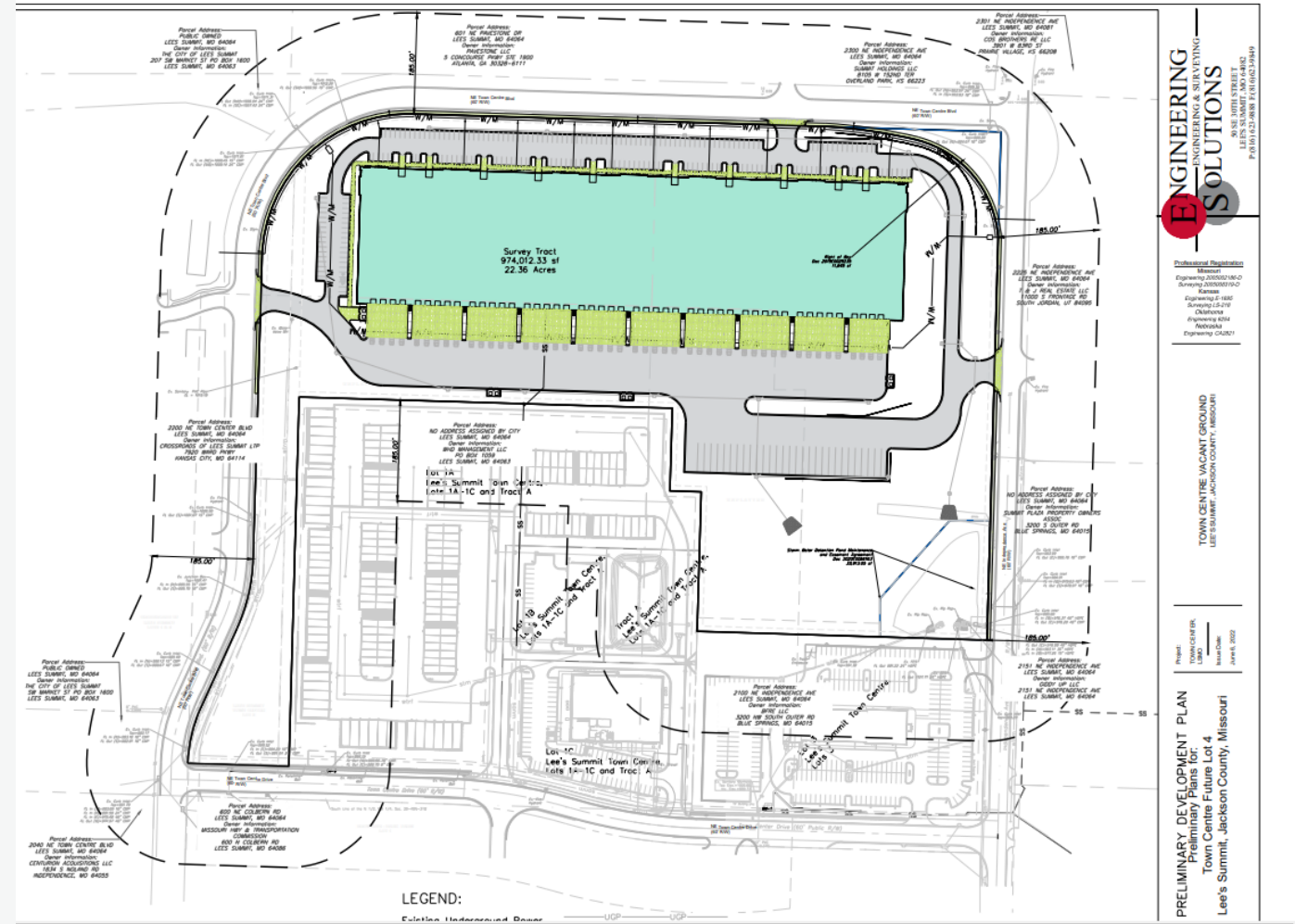
Proposed Project

- SWC of NE Independence Ave. & NE Town Centre Blvd.
- 22 +/- acres



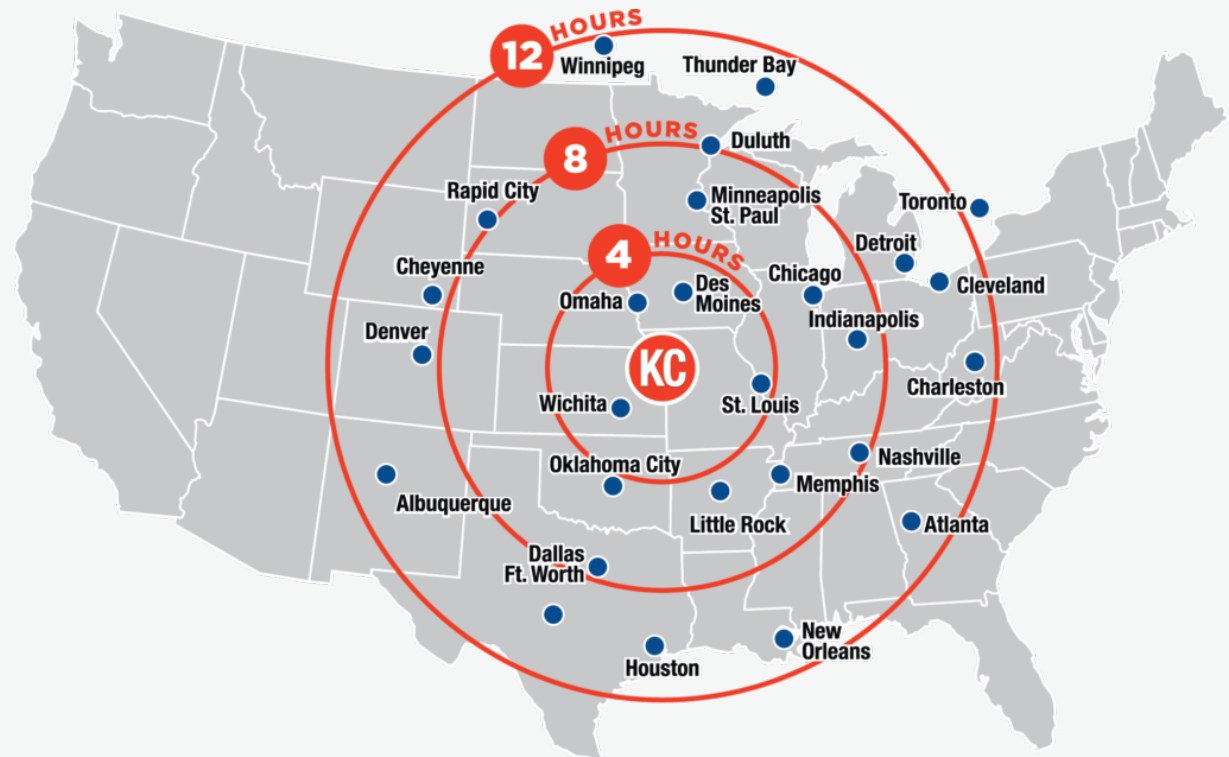
Proposed Project

- Building: 250,000 SF



Competition for Tenants

- Target businesses/users
 - Warehouse/distribution
 - Light industrial
- Extremely competitive market in Kansas City



PROJECT	SF	ABATEMENT TERM	ABATEMENT LEVEL (Converted to Est. % Abatement, where applicable)	ABATEMENT LEVEL
Three Trails Industrial Park (three buildings)	1,300,000	20 years	100% (Yrs 1-13); 50% (Yr 14); 40% (Yr 15); 30% (Yr 16); 20% (Yr 17); 10% (Yrs 18-20)	
Northland Park (HWY 210 & N. Kimball Drive)	1,500,000	20 years	90% (Yrs 1-10); 50% (Yrs 11-20)	
Southpointe Business Park	737,000	15 years	58.5% (Yrs 1-15) INCLUDING 20% "Additional Rent" for infrastructure	
Skyport Industrial Park	762,000	22 years	90% (Yrs 1-12); 50% (Yrs 13 - 22) [plus 10-yr personal property abatement on equipment]	
Hunt Midwest Business Center (HMBC I - III)	623,785	25 years	100% (Yrs 1 - 25)	
Southview Commerce Center (Building I)	454,489	20 years	96% (Yrs 1-5); 93% (Yrs 6-8); 90% (Yrs 9-10); 88.5% (Yrs 11-12); 55% (Yrs. 13-20)	\$0.05 psf (Yrs 1-5); \$0.08 psf (Yrs 6-8); \$0.12 psf (Yrs 9-10); \$0.14 psf (Yrs 11-12); \$0.55 psf (Yrs 13-20)
Faurecia	250,000	15 years	100% (Yrs 1-10); 50% (Yrs 11-15) [plus 15-yr personal property abatement on equipment]	
Liberty Logistics Center (three buildings)	922,000	10 years	100% (Yrs 1-10)	
Heartland Meadows Commerce Center	181,321	10 years	90% (Yrs 1-10)	
Broadacres Industrial Park	3,300,000	20 years	90% (Yr 1); Decline from 90% to 18% (Yrs 2 - 20)	
Executive Park Logistics Center (2 buildings)	396,455	15 years	100% (Yrs 1 - 10); 50% (Yrs 11 - 15)	
Blue River Commerce Center	2,590,000	20 years	94% (Yrs 1-10); 50% (Yrs 11-20)	\$0.08 psf (Yrs 1-10); 50% (Yrs 11 - 20)
Niagra (NWC 112th and North Congress Ave.)	630,000	16 years	~92% (Yrs 1-7); ~83% (Yrs 8-11); ~73% - 35% (Yrs 12 -16) [plus personal prop. abatement]	~\$0.11 psf (Yrs 1-7); ~\$0.23 psf (Yrs 8-11); ~\$0.36 psf rising to \$0.88 psf (Yrs 12 - 16)
Raymore Commerce Center	564,970	20 years	~97.5% (Yrs 1-20)	\$0.03 psf (Yrs 1 - 20)
NE Tudor Road and NW Main Street	798,000	20 years	95% (net 75% to tenant) (Yrs 1-10); 75% (net 50% to tenant) (Yrs 11-20)	"Net" to tenant b/c 20% public assessment (Yrs 1-10); 25% public assessment (Yrs 11-20)
291 and Bailey	604,240	20 years	95% (net 75% to tenant) (Yrs 1-10); 75% (net 50% to tenant) (Yrs 11-20)	"Net" to tenant b/c 20% public assessment (Yrs 1-10); 12% public assessment (Yrs 11-20)

Proposed Public Incentives – Chapter 100

1. Sales tax exemption on construction materials
2. Property tax abatement
 - Years 1 – 10
 - 75% - Net tenant abatement
 - 3% - Approximate amount of Public Improvements Assessment imposed to reimburse public improvements
 - 22% - PILOT to taxing jurisdictions
 - Years 11 – 20
 - 50% - Net tenant abatement
 - 50% - PILOT to taxing jurisdictions

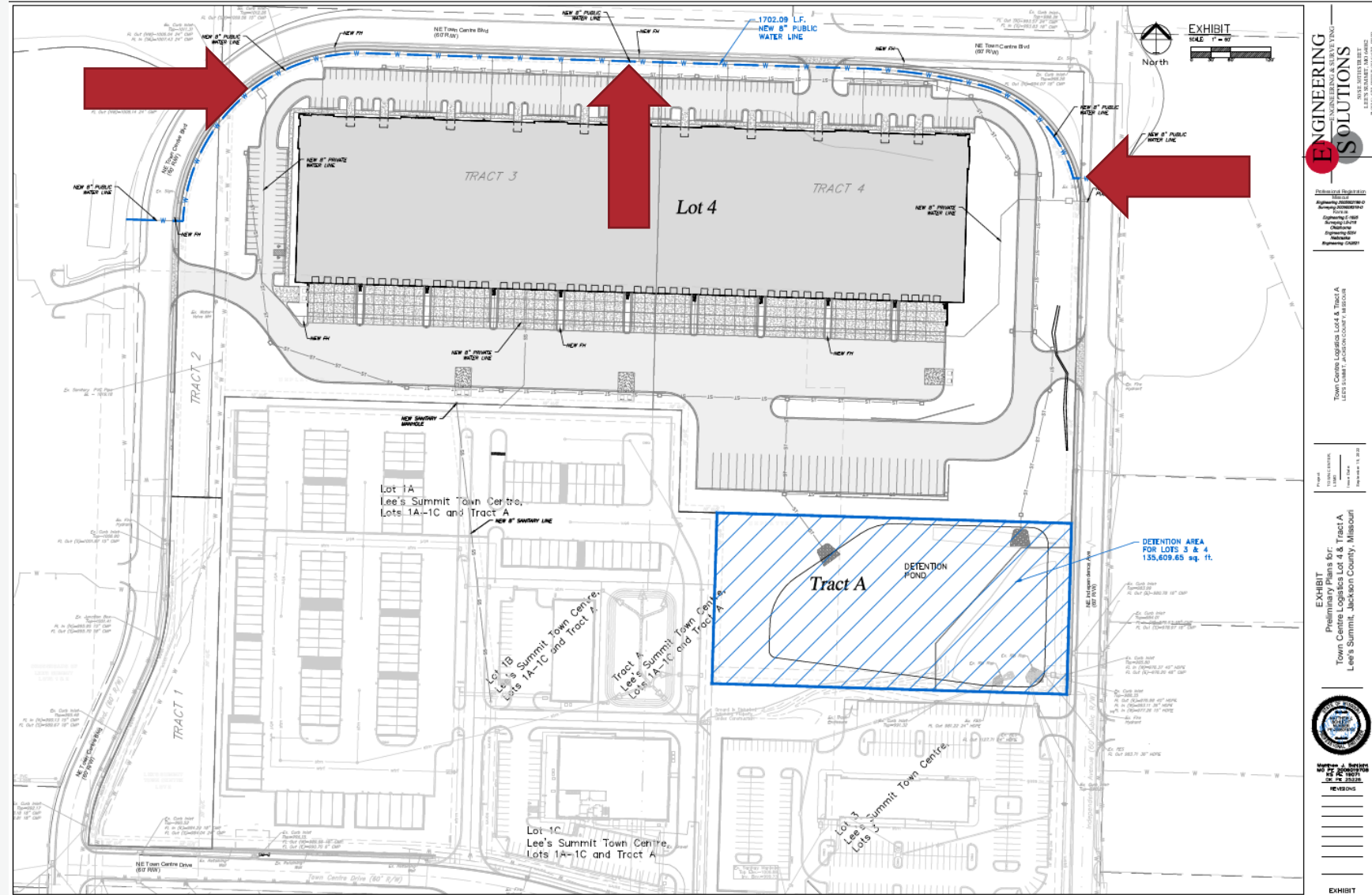
Sales Tax Exemption

Est. Construction Budget	\$	12,745,100				
Est. Materials Percentage		40.00%				
Est. Materials Cost	\$	5,098,040				
Total Sales and Use Tax Rate		8.35%				
Est. Sales and Use Tax Savings	\$	308,623				
City Sales and Use Tax Rate		2.750%	(As of October 1, 2022)			
County Sales Tax Rate		1.250%				
State Sales and Use Tax Rate		4.225%				
Stadium Sales Tax Rate		0.125%				
		8.350%				
Est. Allocation of Material Purchases:						
Lee's Summit		8.00%				
Missouri (outside Lee's Summit)^		50.00%				
Outside Missouri		42.00%				
Lee's Summit Sales Tax Savings	\$	11,216				
Lee's Summit Use Tax Savings	\$	58,882				
Total Lee's Summit Sales and	\$	70,098				
County Sales Tax Savings	\$	21,029				
State Sales and Use Tax Savings	\$	215,392				
Stadium Sales Tax Savings	\$	2,103				
Lee's Summit % of Total Savings		22.71%				

^50% of sales in MO outside City are assumed to be subject to County and Stadium Sales Tax

Public Improvements

- Water Main



Value Proposition for City

- Property Tax / Fee Generation

- Today

- Annual real property taxes: \$62,766 (\$9,415 to City)

- During Ch. 100 (20 years)

- Annual real property taxes: \$79,000 - \$236,000 (\$12,000 - \$35,400 to City)
 - Total real property taxes: \$4,056,000 (\$608,000 to City)
 - Excise taxes paid to City: Est. \$120,000

**After 20-year Ch. 100 period, \$475,000 (\$71,250 to City).

Value Proposition for City

- Job Creation
- Multiplier Effect
- Sales Tax

Scenario	Industry	Additional Jobs Created	Total Economic Output Generated
If 100 new jobs are created in:	Mining, Quarrying, and Oil and Gas Extraction	61	\$30,942,048
	Utilities	66	\$33,225,027
	Construction	61	\$32,747,794
	Manufacturing	73	\$42,552,458
	Wholesale Trade	59	\$33,845,791
	Retail Trade	29	\$13,974,281
	Transportation and Warehousing	47	\$21,028,653
	Information	113	\$52,017,563
	Finance and Insurance	74	\$40,921,393
	Real Estate and Rental and Leasing	296	\$111,369,716
	Professional, Scientific, and Technical Services	58	\$28,137,328
	Management of Companies and Enterprises	59	\$29,399,135
	Administrative & Support, Waste Management, Remediation Services	30	\$12,541,127
	Educational Services	32	\$14,735,516
	Health Care and Social Assistance	43	\$13,908,705
	Arts, Entertainment, and Recreation	55	\$17,986,008
	Accommodation and Food Services	20	\$10,088,176
	Other Services (except Public Administration)	29	\$13,400,135

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