

Ellis Glen Mixed Use Development Project

102 – 110 SW Market Street

September 2022



Project Developer

Ryan Neighbors, Neighbors Construction

Jennifer Meents & Scott Miles, Smiles Properties

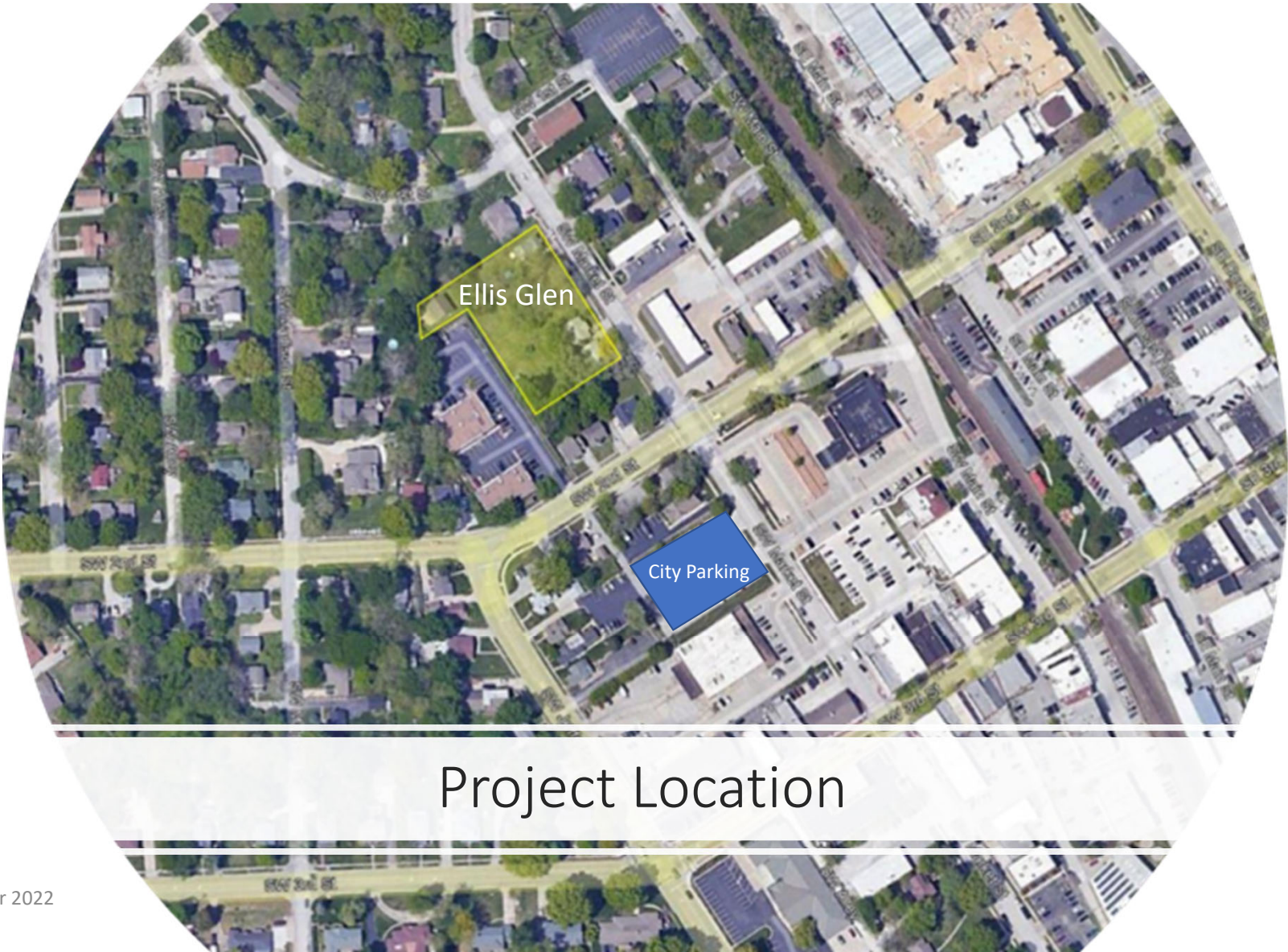
Pam Hatcher, Integrity Group Real Estate

Ellis Glen Mixed Use Development

- \$8,000,000 project
- 8,000 sq ft office space
- 26 Class A Residential Residences
- Rooftop Amenity area

Supporting Local Small Businesses







Current Location Blight Condition

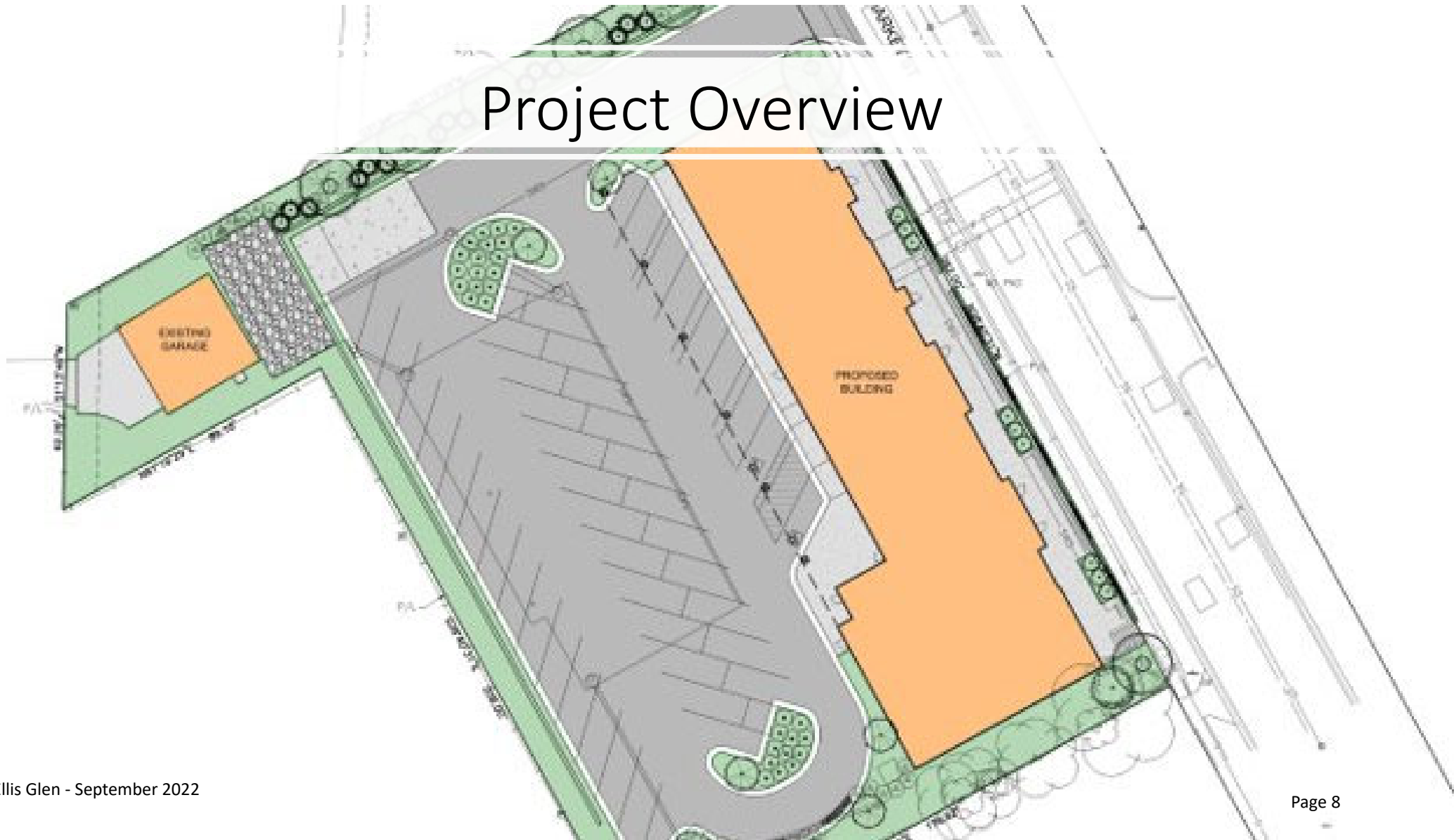


Project Overview

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Project Charter

1

Create a mixed-use, high-end apartment community in the downtown core.

2

Clean up a blighted, five-lot area on Market Street.

3

Bring well paying, professional office jobs .

4

Create a building the developers, community and City can be proud of.

Project Overview

Ellis Glen, a mixed use commercial and Class A rental development will provide new office and housing choices in downtown Lee's Summit to draw new employees and residents.
The project will not be developed without public incentives.

Current:
\$5,057 annual
Real Estate Taxes
(RET)

22.5 New direct
professional
services jobs.

94.1 New
indirect/supply
jobs

Gross RET
increase
\$1,266,018

25 Year
NPV of **\$696,247**

NPV of
add'l personal
property
taxes annually
\$237,757

Annual Spin Off
Sales Benefit
\$743,731

Fill the
financial gap

Bring Cap Rate
from **4.44%** to
5.79%

Project Development Request

Incentive Tools:

- LCRA Tax Abatement at 75% for 25 Years
 - NPV of \$2,088,742
- LCRA Sales and Use Tax Exemption on Construction Materials
 - \$240,210

Project is not within the overall SWP TIF Redevelopment Area, a part of the TIF, TDD or CID Project Areas and is not currently receiving an incentive.



City Economic Investment Vision Statement

Lee's Summit will build upon and promote its **unique downtown**, educational excellence and cultural heritage to create and nurture a **business environment** which fosters entrepreneurship, commercial and **neighborhood redevelopment**, and the attraction and retention of **high-quality** jobs in targeted businesses.

In doing so, **the tax base** will grow ensuring the City's continued ability to deliver an outstanding quality of life and services to both businesses and residents.

Meets all **Five** Lee's Summit Specific Goals and Target Outcomes

1. Development and Maintenance of Infrastructure
2. Attracts or Retains Targeted Businesses
3. Preserves or Enhances Residential Developments (blight clearance)
4. Allows for Business Retention or Expansion
5. Helps Generate a Positive Community Image

Meets all **Five** Key Areas of Focus to be a LCRA Priority Project

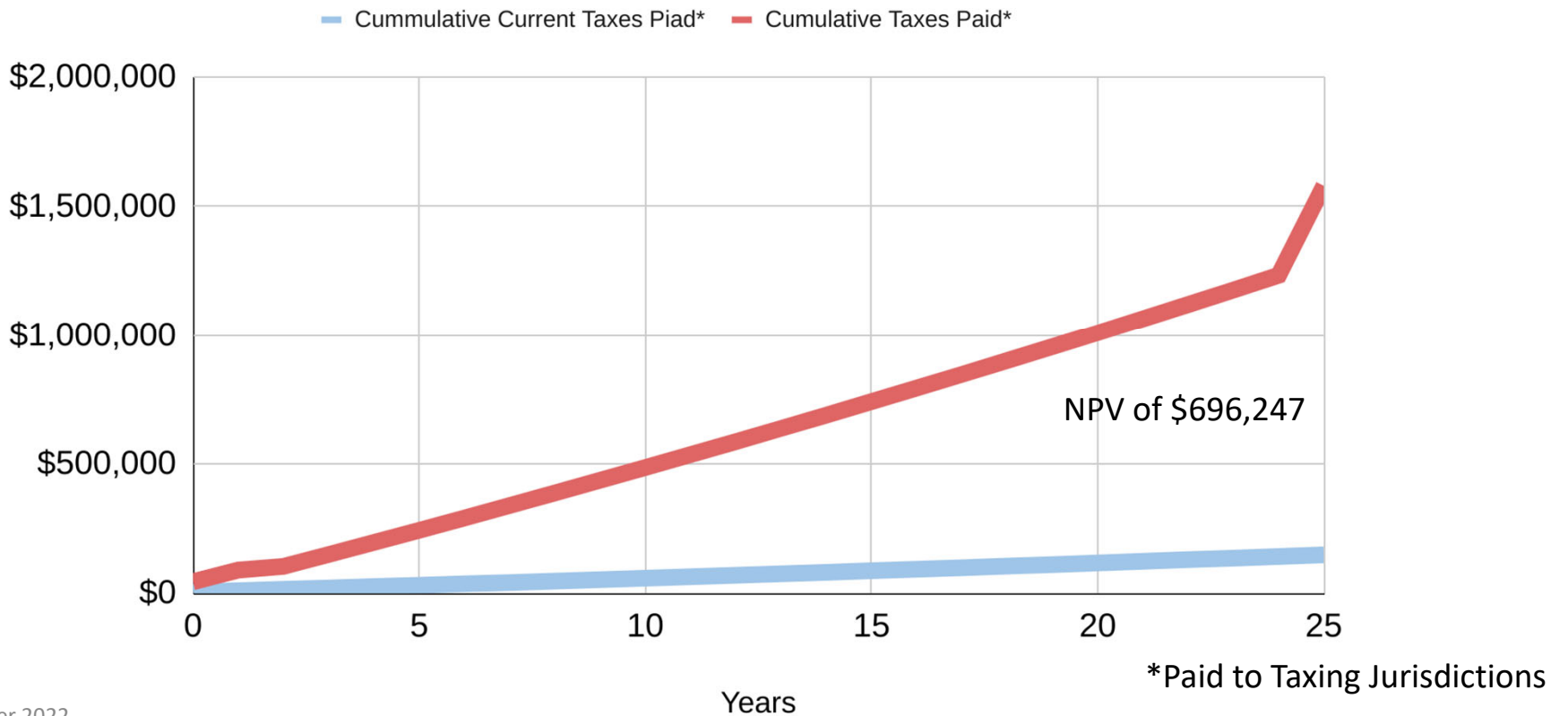
- 1) Targeted Geographic Planning Area
- 2) Project size more than \$5 million
- 3) New jobs above minimum average wage
- 4) Attract and Retain New Businesses
- 5) More than 15% of funding from Company
and not bank loan



Economic Benefits to Lee's Summit – Real Estate Taxes

Current Cummulative Taxes Paid VS Incentivized Cumulative Taxes Paid*

*



Spin Off Economic Benefits

Personal Property Tax
NPV: \$237,757


**Sales Tax from
New Downtown Residents***
NPV: \$743,731

New Direct and Indirect Jobs**
Total New Jobs 116.6
Incremental Annual Wages:
\$5,094,113

*2014 Study by Donovan Rypkema with Place Economics for the North Carolina Department of Commerce and National Main Street Center

**Source: Economic Policy Institute January 23, 2019 <https://www.epi.org/publication/updated-employment-multipliers-for-the-u-s-economy/> Includes materials and capital services supplier jobs. Includes jobs supported by respending of income from direct jobs and supplier jobs, as well as public-sector jobs supported by tax revenue.

Meets Implementation Plan Goals



Strategic Economic Development
Build an adaptable framework for continued growth in a changing environment.

Strategic Economic Development				
Objectives	Strategies	Action Items	City Council	City Administration
3. Implement economic development plans	1. Promote Lee's Summit to targeted businesses & industries identified through data analysis	1. Manage marketing and retention for small to mid-size businesses.	x	x
		2. Manage recruitments for larger, external businesses.	x	x
		3. Be proactive in retaining a robust, diverse retail and business climate downtown.	x	x
		4. Establish regular meetings among partners to review and update economic development priorities and assignments.	x	Facilitate
		5. Foster a welcoming environment for business start-ups.	x	x
	2. Welcome and support investors for projects that align with community goals.	1. Continue to assign, evaluate and market project managers to provide personal assistance to investors through the public process.	x	Lead
		3. Work with owners to create development-ready sites with incentives, zoning and infrastructure.	1. Take full advantage of cutting edge tools to attract development before innovative strategies become industry norms.	x

<https://issuu.com/cityofleessummit/docs/strategicplanimplementation>