

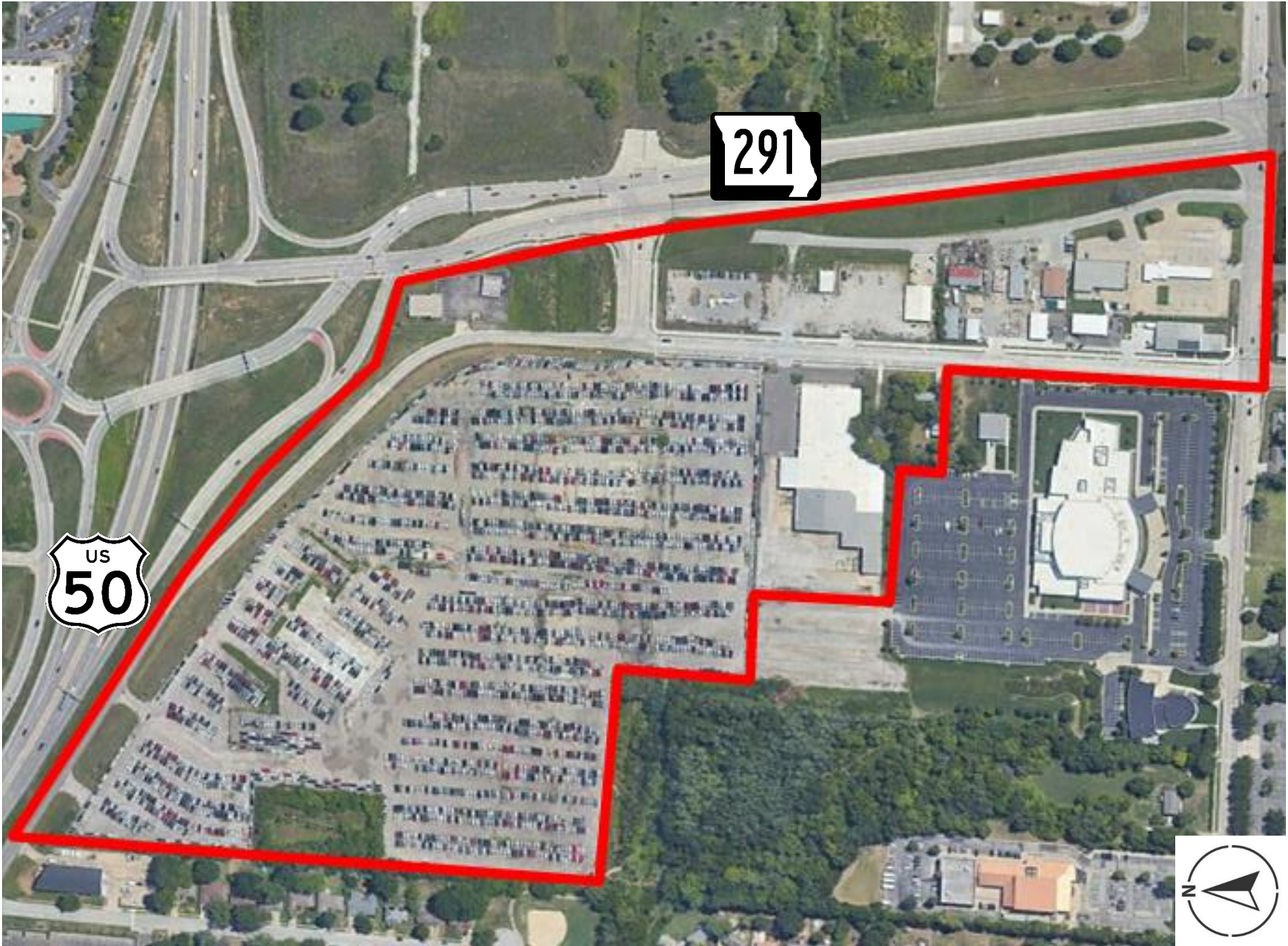
# Oldham Village Redevelopment

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**LEE'S SUMMIT**  
MISSOURI

PROJECT BOUNDARIES +





## PROJECT OPPORTUNITY +



Today: Industrial / Outdoor Storage



Opportunity: Dynamic Mixed-Use Community

\*Looking northwest from southeast corner South M-291 & US 50 Highway interchange\*



PROPERTY CHALLENGES +

## Regional Blight



**DRAKE**  
DEVELOPMENT



Regional Blight





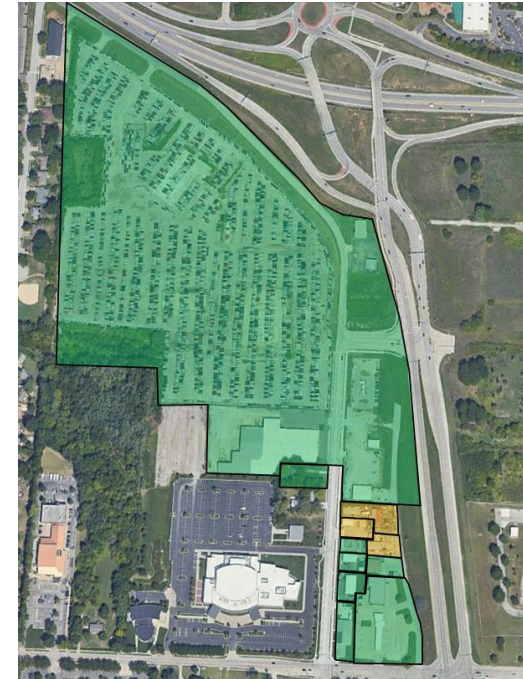
PROPERTY CHALLENGES +

## Regional Blight





## Regional Blight



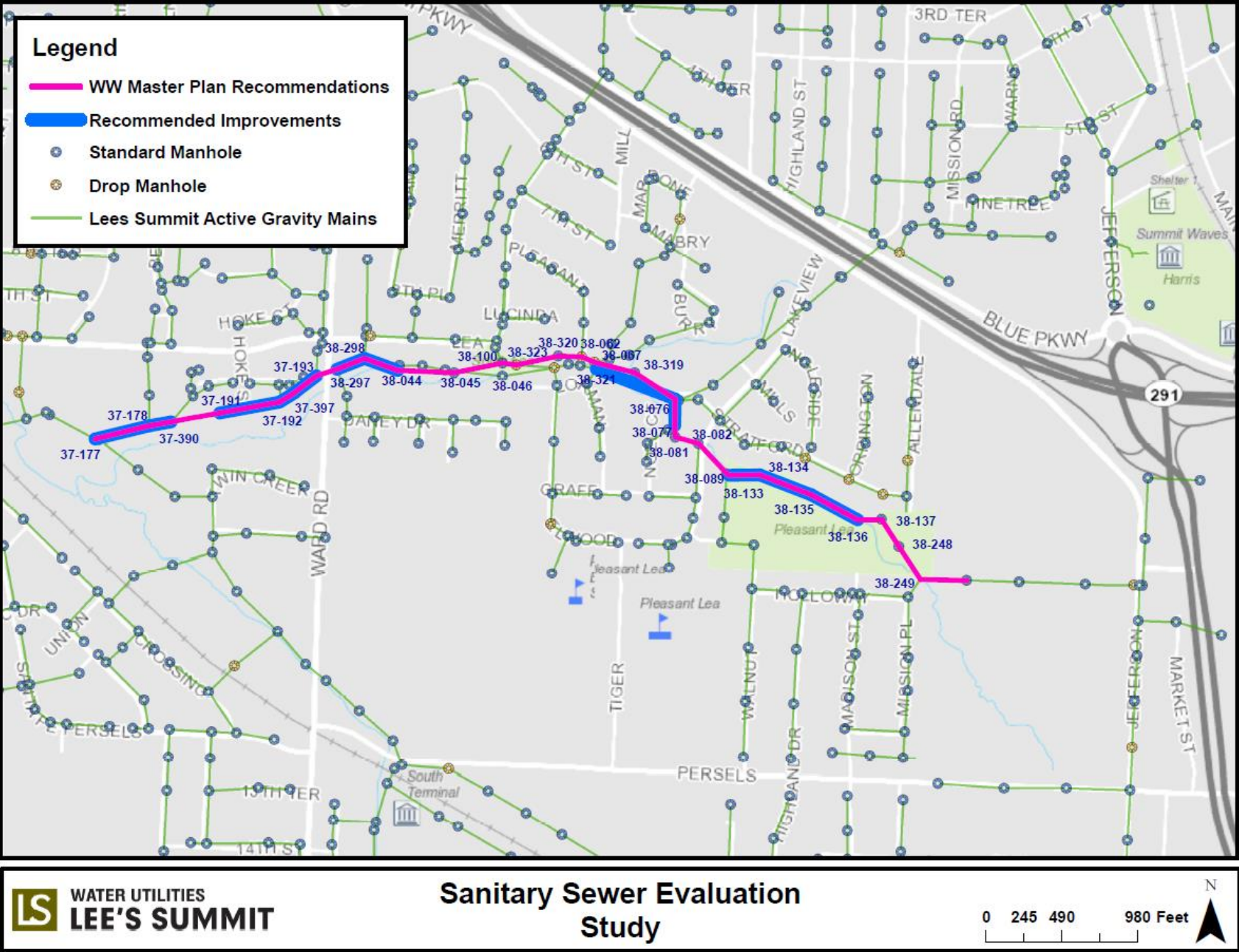
## PROPERTY CHALLENGES +

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- Multiple Blighted Properties
- Complex Property Assemblage of Existing Businesses
- Regional Sanitary Sewer Upgrades
- Roadway Relocation + Improvements per EnVision Lee's Summit Area Development Plan
- MODOT Coordination, Relinquishment, and Acquisition
- Underground Relocation of Power Lines
- Reconstruction of Regional Storm Water Conveyance System
- Grading & Elevation



# Regional Sanitary Sewer Upgrades





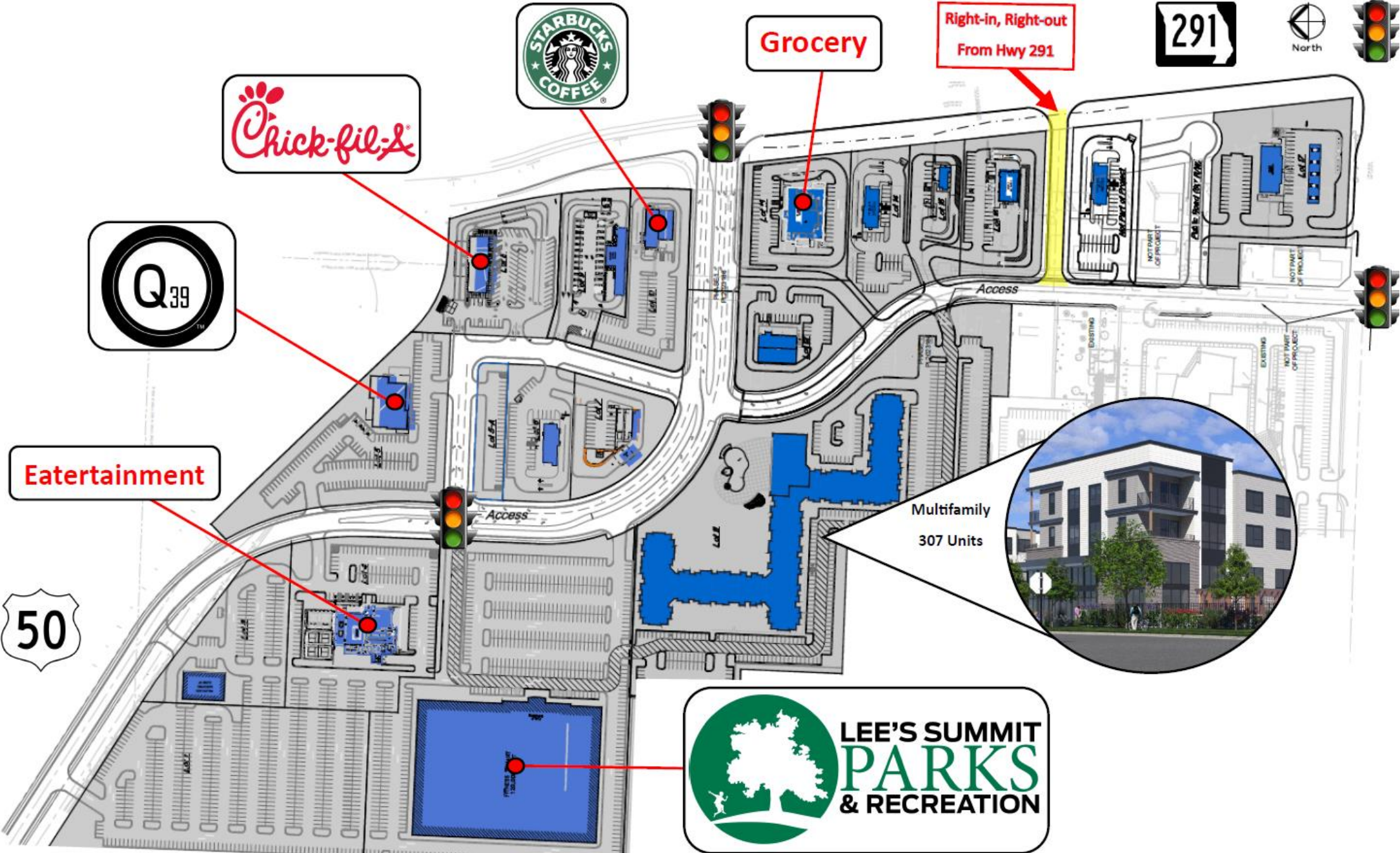




- Catalyst for redevelopment of entire South M-291 & US 50 Highway Interchange
- Establish High Quality Gateway Community at Prime Commercial Location
- Allows development of property that has been largely underutilized and heavily blighted
- Seizes critical window of opportunity allowing development of entire SWC of intersection
- Upgrades Sanitary Sewer benefiting 835+ acres
- Integrates adjacent park connectivity
- Creates new tax revenues for the City, new jobs, & more



SITE PLAN +



Total - Restaurant / Retail	47.64%
Total - Multifamily	19.38%
Total - Civic	18.01%
Total - Other	14.98%
Total - Project	100.00%



## PROJECT RENDERINGS +



\*Looking west from southeast corner South M-291 & US 50 Highway interchange\*



PROJECT RENDERINGS +



\*Looking west from atop Oldham Village\*



PROJECT RENDERINGS +



\*Q39 site specific renderings for Oldham Village\*



- Land Clearance for Redevelopment Authority (LCRA)
  - 25 Year, 75% real estate tax abatement on multifamily
  - Sales Tax Exemption on Construction Materials



## But-For Analysis

BUDGET SUMMARY	
Acquisition	\$ 19,105,018
Building Construction	\$ 90,425,299
Tenant Improvements & FFE	\$ 3,341,325
Site Construction	\$ 28,948,818
Soft Costs - (Professional Services / Financing / Other)	\$ 40,341,449
<b>TOTAL DEVELOPMENT COSTS</b>	<b>\$ 182,161,911</b>
Less: Sales Tax Exemptions	\$ 5,200,067
<b>TOTAL DEVELOPER COSTS</b>	<b>\$ 176,961,844</b>

STABILIZED OPERATING PROFORMA	
Gross Revenue	
Potential Commercial Net Rent	\$ 2,708,468
Potential Residential Net Rent	\$ 3,857,295
Effective Gross Revenue	\$ 6,565,762
Operating Expenses	
Management Expense	\$ 78,816
Miscellaneous Expenses	\$ 6,588
Vacancies	\$ 81,254
Total Operating Expenses	\$ 166,658
<b>Net Operating Income</b>	<b>\$ 6,399,104</b>

Project **WITHOUT** Incentives  
0.68% Internal Rate of  
Return (IRR)

CASHFLOW WITH NO ECONOMIC DEVELOPMENT INCENTIVES		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<u>SOURCES</u>												
Net Operating Income (NOI)	5%	\$ -	\$ -	\$ 655,274	\$ 1,789,509	\$ 2,639,719	\$ 3,579,565	\$ 6,399,104	\$ 6,719,060	\$ 6,719,060	\$ 7,055,013	\$ 7,055,013
<u>SOURCES / USES</u>												
<u>Uses</u>												
Total Development Costs		\$ 27,324,287	\$ 10,929,715	\$ 18,216,191	\$ 9,108,096	\$ 58,291,811	\$ 58,291,811	\$ -	\$ -	\$ -	\$ -	\$ -
Releasing Costs	0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Uses		\$ 27,324,287	\$ 10,929,715	\$ 18,216,191	\$ 9,108,096	\$ 58,291,811	\$ 58,291,811	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Sources</u>												
Public Finance Proceeds		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Paid Sale Proceeds		\$ 7,043,241	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Private Capital		\$ 20,281,046	\$ 10,929,715	\$ 18,216,191	\$ 9,108,096	\$ 58,291,811	\$ 58,291,811	\$ -	\$ -	\$ -	\$ -	\$ -
Total Sources		\$ 27,324,287	\$ 10,929,715	\$ 18,216,191	\$ 9,108,096	\$ 58,291,811	\$ 58,291,811	\$ -	\$ -	\$ -	\$ -	\$ -
<u>REVERSION</u>												
Net Reversion Proceeds (x% Net Cap Rate)	5.00%											\$ 141,100,250
Sales Costs	1.00%											\$ (1,411,003)
<u>UNLEVERAGED CASH FLOW ANALYSIS (I.e. Before Debt)</u>												
Cash Flows with No Economic Development Incentives		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Internal Rate of Return (IRR)		\$ (20,281,046)	\$ (10,929,715)	\$ (17,560,917)	\$ (7,318,586)	\$ (55,652,093)	\$ (54,712,246)	\$ 6,399,104	\$ 6,719,060	\$ 6,719,060	\$ 7,055,013	\$ 146,744,260
			0.68%									

Project **WITH** Incentives  
7.08% Internal Rate of  
Return (IRR)

CASHFLOW WITH ECONOMIC DEVELOPMENT INCENTIVES		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
<u>Net Operating Income (NOI)</u>		5%	\$ -	\$ -	\$ 655,274	\$ 1,789,509	\$ 2,639,719	\$ 3,579,565	\$ 6,791,093	\$ 7,118,888	\$ 7,118,888	\$ 7,462,837	\$ 7,462,837
<u>SOURCES / USES</u>													
<u>Uses</u>													
Total Development Costs		\$ 27,324,287	\$ 10,929,715	\$ 18,216,191	\$ 9,108,096	\$ 58,291,811	\$ 58,291,811	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax Exemptions		\$ (780,010)	\$ (312,004)	\$ (520,007)	\$ (260,003)	\$ (1,664,021)	\$ (1,664,021)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Releasing Costs	0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Uses		\$ 26,544,277	\$ 10,617,711	\$ 17,696,184	\$ 8,848,092	\$ 56,627,790	\$ 56,627,790	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Sources</u>													
Public Finance Proceeds		\$ 27,000,000	\$ -	\$ -	\$ -	\$ -	\$ 9,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Paid Sale Proceeds		\$ 7,043,241	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Private Capital		\$ (7,498,964)	\$ 10,617,711	\$ 17,696,184	\$ 8,848,092	\$ 56,627,790	\$ 47,627,790	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Sources		\$ 26,544,277	\$ 10,617,711	\$ 17,696,184	\$ 8,848,092	\$ 56,627,790	\$ 56,627,790	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>REVERSION</u>													
Net Reversion Proceeds (x% Net Cap Rate)	5.00%											\$ 149,256,748	
Sales Costs	1.00%											\$ (1,492,567)	
<u>UNLEVERAGED CASH FLOW ANALYSIS (I.e. Before Debt)</u>													
Cash Flows with Economic Development Incentives		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Internal Rate of Return (IRR)		\$ 7,462,837	\$ (10,617,711)	\$ (17,040,910)	\$ (7,058,583)	\$ (53,988,071)	\$ (44,048,225)	\$ 6,791,093	\$ 7,118,888	\$ 7,118,888	\$ 7,462,837	\$ 155,227,018	
			7.08%										

\*Incentives Include TIF,  
TDD, CID and LCRA