PATHWAYS AT KENSINGTON FARMS
LEE'S SUMMIT, MISSOURI

PETRA

PATHWAYS AT KENSINGTON FARMS

Site Location

Southwest of E. Cass Jackson Rd. and N. Prairie Ln.

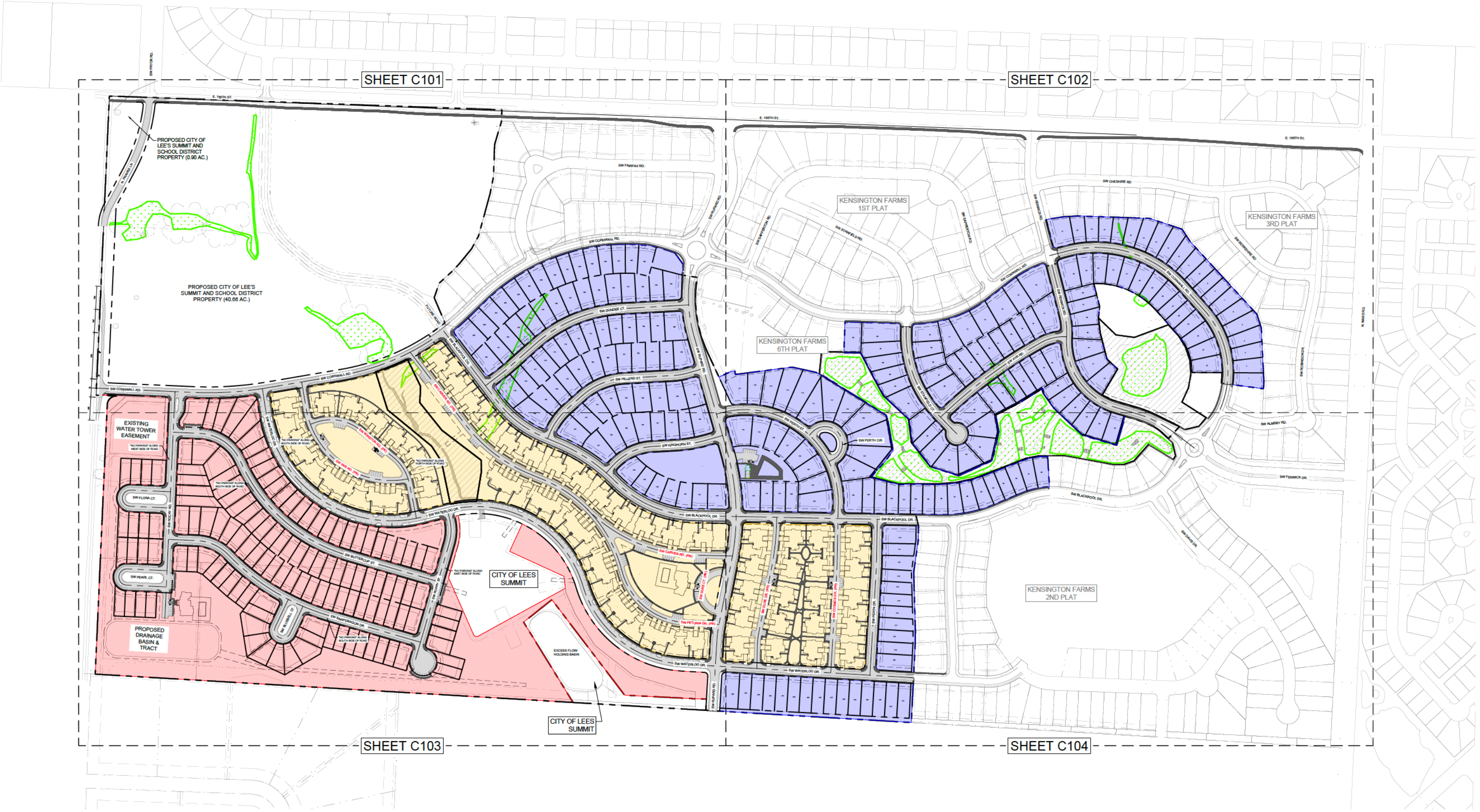
PATHWAYS AT KENSINGTON FARMS

DEVELOPMENT PLAN

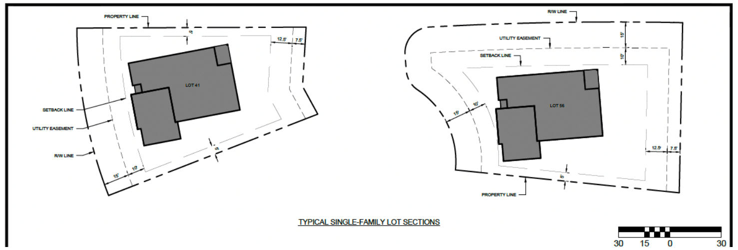
Phase I – 235 Single Family Units for Sale

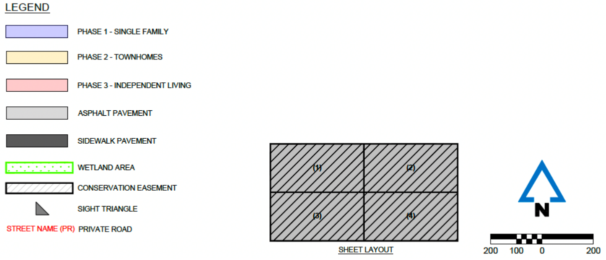
Phase II 177 Townhomes for Rent

Phase III 128 55+ units for rent



UNIT COUNTS		
UNIT TYPE	BUILDING COUNT	UNIT COUNT
SINGLE FAMILY LOTS	235	235
INDEPENDENT LIVING LOTS	64	128
TOWNHOMES		
3 UNITS	41	123
6 UNITS	9	54
TOTAL	349	540





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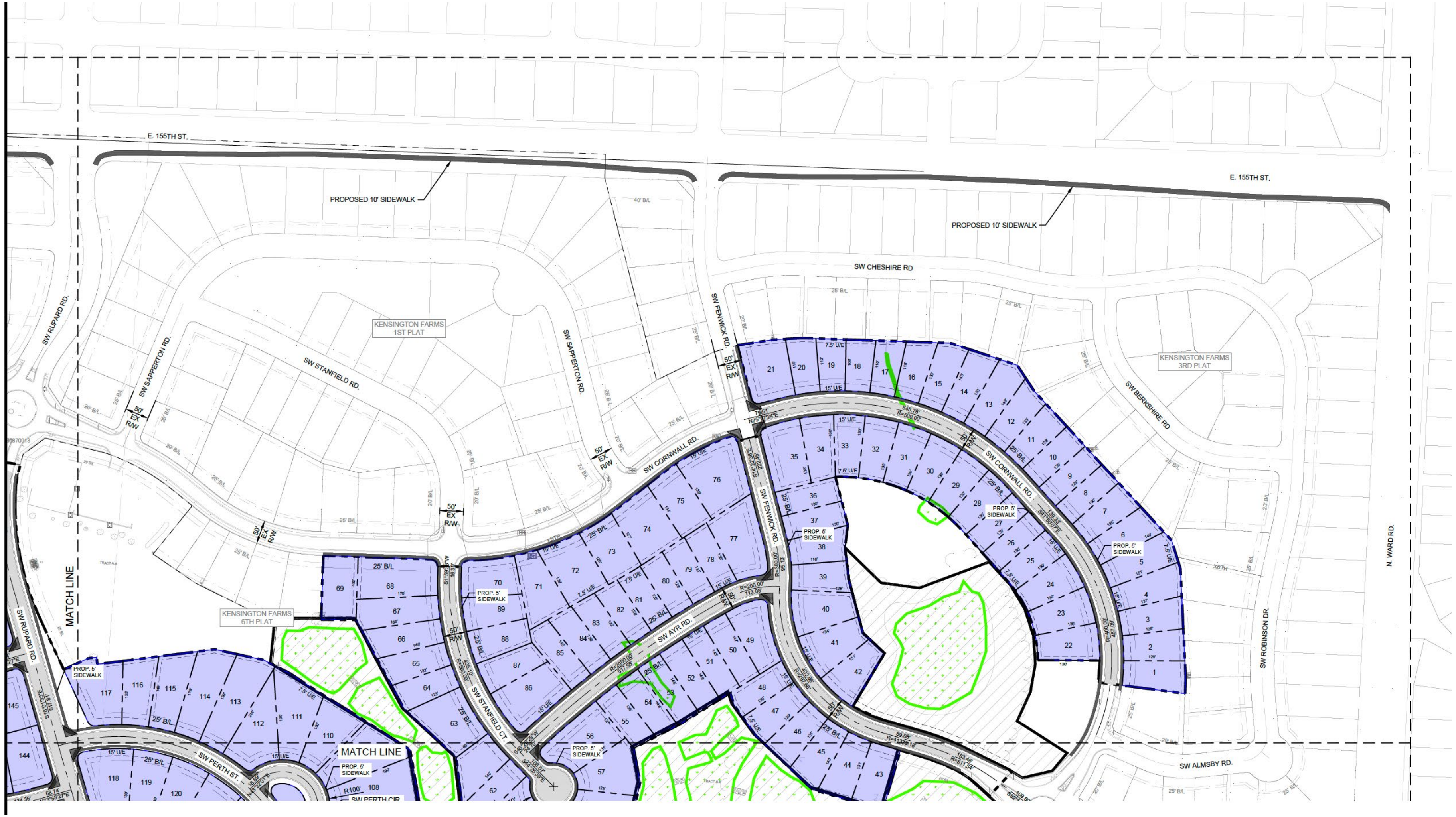
PUBLIC IMPROVEMENTS:

PHASE 1 – 10 FT WALKING TRAIL FROM WARD RD TO SW RUPARD RD, EST. ½ MILE LONG

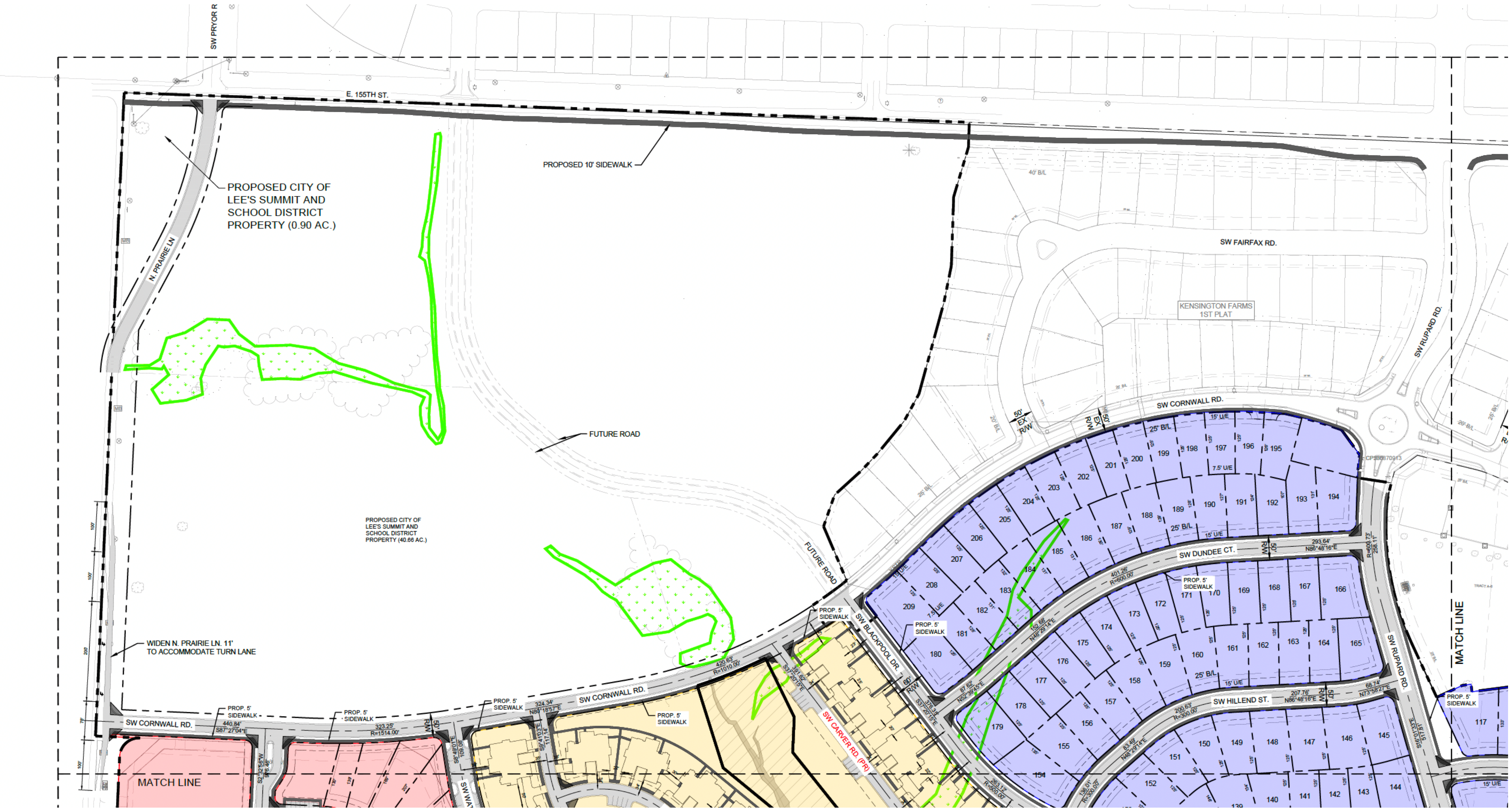


PATHWAYS AT KENSINGTON FARMS

PUBLIC IMPROVEMENTS:

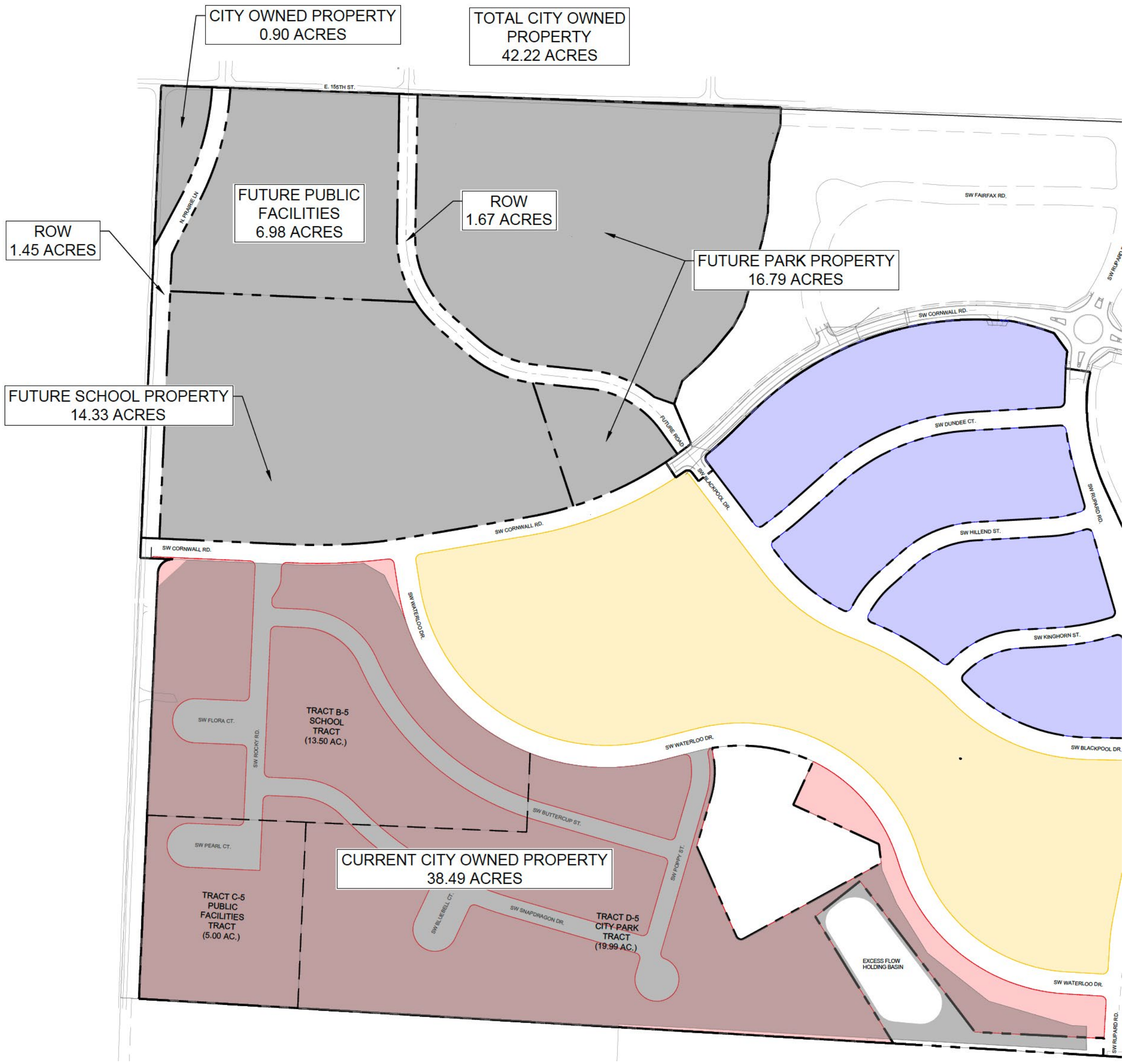
PHASE 2 – 10 FT WALKING TRAIL FROM SW RUPARD RD TO NEW CONNECTION, EST. ½ MILE LONG

PHASE 3 – IMPROVED CONNECTION AND TURNING LANE AT INTERSECTION OF N PRAIRIE LN AND SW PRYOR RD



CITY/SCHOOL DEVELOPMENT

- Through development of the site, the City of Lee's Summit and Raymore-Peculiar Reorganized School District #R-II of Cass County, Missouri have agreed to certain land swaps, which will result in the City and School District acquiring prime real property at the corner of E. Cass Jackson Rd. and N. Prairie Ln. for future development of a new elementary school and city park.
- The Developer has agreed to include construction of improving connection of N Prairie Ln and SW Pryor Rd to serve the City/School District site.



PATHWAYS AT KENSINGTON FARMS

PROJECT BUDGET/CHALLENGES

Category	*Estimated Cost*
Land Acquisition	$ 7,865,000
Existing Infrastructure Removal	$ 450,000
Wetland Remediation	$ 500,000
Utilities	$ 5,186,922
Site Improvements	$ 4,912,636
Earthwork	$ 2,427,828
Prairie Ln & Pryor Rd Extension	$ 530,000
10 Ft Walking Trail	$ 455,000
Vertical Construction (Phase 1 Single Family)	$ 76,375,000
Vertical Construction (Phase 2 Townhomes)	$ 58,263,460
Vertical Construction (Phase 3 Mansions)	$ 38,763,963
Soft Costs	$ 32,589,984
Total	**$ 228,319,793**

- Challenges - The following extraordinary costs are required to make the site development-ready:
  - Removal of Existing Deteriorated Infrastructure - $450,000
  - Wetland Remediation - $500,000
- These challenges have historically served as barriers to development of the site.
- Walking Trail for access and walkability - $455,000
- School/Park access road - $530,000
- Cost of Capital: 7.75%

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REQUEST

- Chapter 100 Bond
- PILOT of $1,600 per Unit for Phase II Townhome Phase III 55+
  - Estimated Incentive Value = $552,269/year
  - 10 Years
  - NPV Value = $3,942,627
- Sales Tax Exemption
  - Estimated Incentive Value = $3,935,675
- Total Incentives to Project Budget: 3.45%

4 THREE UNIT TOWNHOME - RIGHT
1/8" = 1'-0"

3 THREE UNIT TOWNHOME - REAR
1/8" = 1'-0"

2 THREE UNIT TOWNHOME - LEFT
1/8" = 1'-0"

1 THREE UNIT TOWNHOME - FRONT
1/8" = 1'-0"

PATHWAYS AT KENSINGTON FARMS

PROPERTY TAX AND PILOT IMPACT

Property	Units	Estimated Annual Property Tax/PILOT	Tax/PILOT per Unit
Single Family	235	$822,874	$3,502
Townhomes	177	$283,200	$1,600
55+	128	$204,800	$1,600
Total	**540**	**$1,310,873.83**	

Tax Impact Assumptions:

2024 Tax Rate: 6.9545

Residential Assessment 12%

Estimated Total City Share: $242,722/Year

Value of PILOT: $552,269/Year

NVP Value of PILOT: $3,942,627

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SALES TAX EXEMPTION IMPACT

Sales Tax Impact Assumptions: 2023 Sales/Use Tax Rates

Qualified building materials = $48,513,711

70% of building materials situs within the City of Lee's Summit

Taxing Subdivision	Sales Tax	Exemption	Use Tax	Exemption	Estimated Total Tax Exemption
State of Missouri	4.225%	$1,434,793	4.225%	$614,912	$2,049,704
Cass County	1.500%	$509,394	N/A	N/A	$50,394
City of Lee's Summit	2.750%	$933,889	2.750%	$400,238	$1,334,127
Children's Services Fund	0.125%	$42,450	N/A	0	$42,450
Total	8.600%	$2,920,526	6.975%	$1,015,149	$3,476,675

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BUT FOR ANALYSIS

Existing shortfall of returns on all 3 phases of the project, putting strain on the capital investment capabilities of the overall project.

With the aid of the Chapter 100 Bonds on just Phase 2 and Phase 3, the project now provides the capabilities for capital to fuel the project.

Yield on Costs is the primary metric to turn towards project viability. The project phases each need to hit a 7% Yield on Cost to pass capital threshold.

Phase 2 Townhome But For Analysis		
Yield on Cost - No Chapter 100		6.76%
Sales Tax Savings	$	-
Estimated Tax Expense (10 Years)	$	6,295,390
Yield on Cost - With Chapter 100 ($1,600/unit PILOT)		7.11%
Sales Tax Savings	$	2,363,311
Estimated Tax Expense (10 Years)	$	2,832,000
Estimated Tax Savings	**$**	**5,826,701**

Phase 3 55+ But For Analysis		
Yield on Cost - No Chapter 100		6.44%
Sales Tax Savings	$	-
Estimated Tax Expense (10 Years)	$	4,707,344
Yield on Cost - With Chapter 100 ($1600/unit PILOT)		7.01%
Sales Tax Savings	$	1,166,795
Estimated Tax Expense (10 Years)	$	2,347,802
Estimated Tax Savings	**$**	**3,526,337**
Total Tax Abatement	$	9,353,038

THANK YOU

PETRA