



# Ward Development

Presentation to  
Lee's Summit City Council

July 11, 2023

# Overview

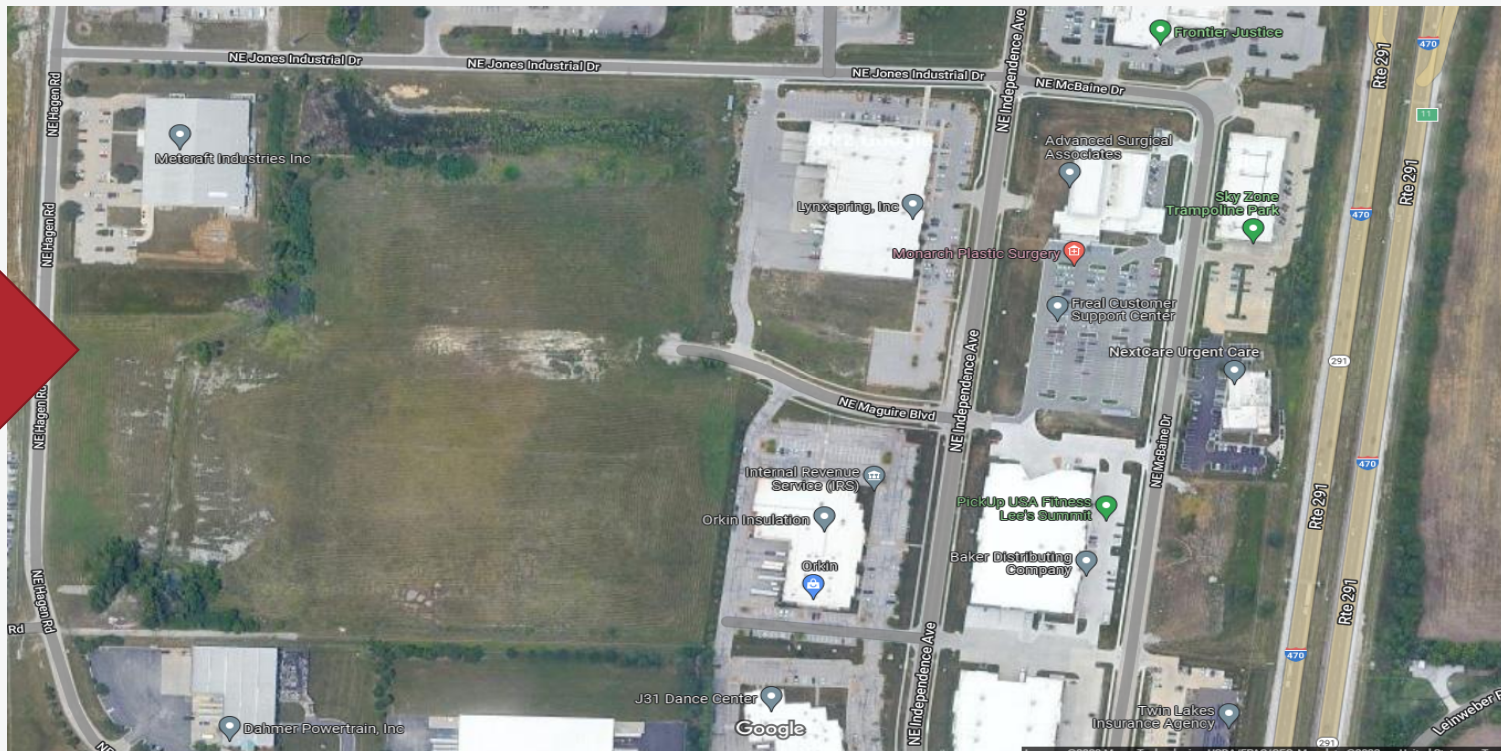
- Proposed Developer
- Proposed Project
- Competition for Tenants
- Proposed Public Incentives
- Value Proposition for City

# Proposed Developer

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

# Proposed Project

- SWQ of I-470 and NE Strother Road
- 31 +/- acres

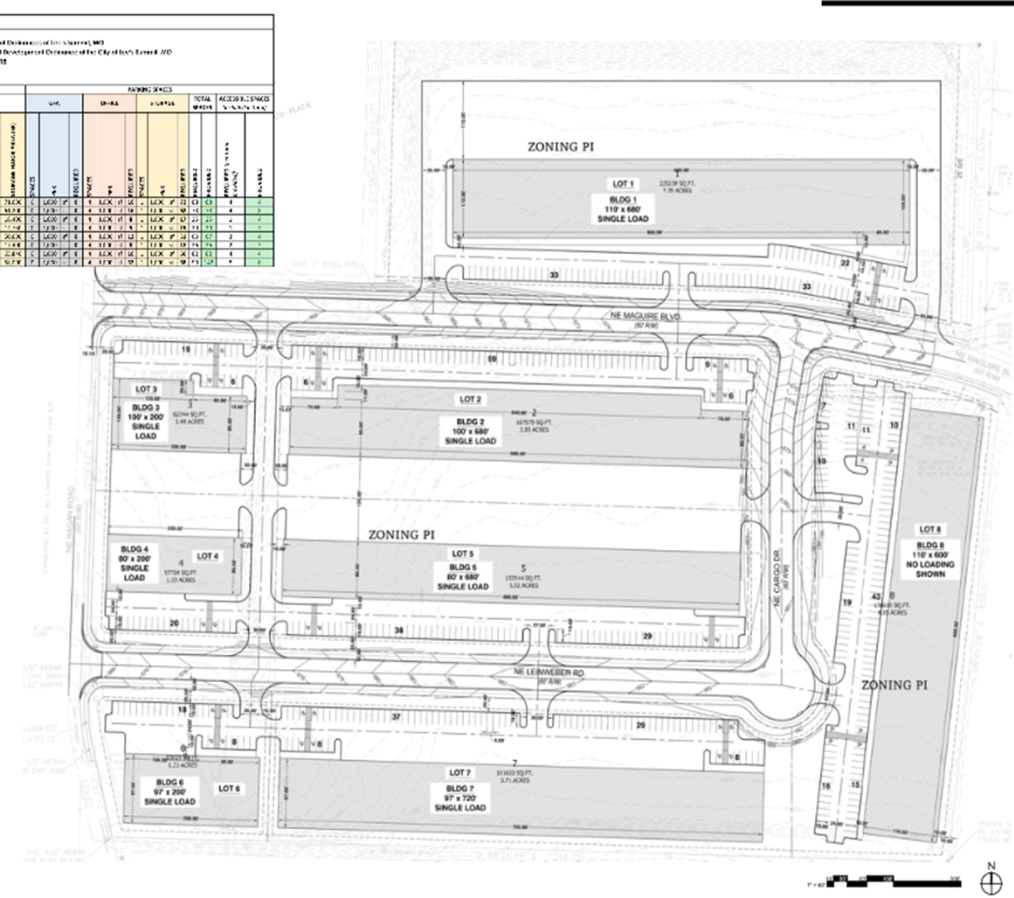


# Proposed Project

- Business Park:
  - 400,000 SF
  - 8 buildings

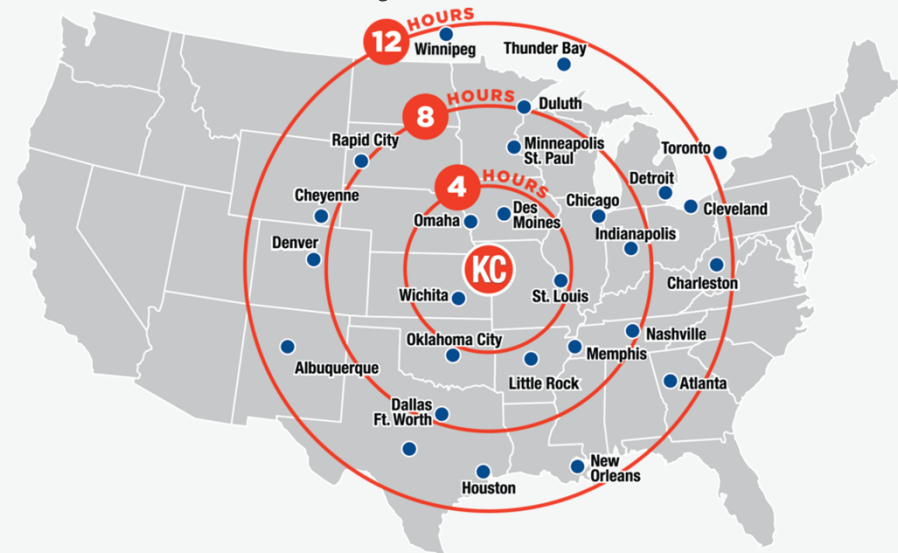
Building 1	77,000
Building 2	68,000
Building 3	20,000
Building 4	20,000
Building 5	54,400
Building 6	20,000
Building 7	72,000
Building 8	68,000

BUILDING & SITE DATA											
City of Des Moines, Iowa, Department of Public Works, Engineering Division, Planning & Design Section											
Project: Lakewood Business Park, 14000 SW 14th Street, Des Moines, IA 50310											
Date: 10/20/2018											
Prepared by: [Redacted]											
Checked by: [Redacted]											
Reviewed by: [Redacted]											
Approved by: [Redacted]											
Scale: 1" = 100'-0"											
Drawing No: [Redacted]											
Revision: [Redacted]											
Notes: [Redacted]											
NO.	DESCRIPTION	UNIT	AMOUNT	PERCENT	TOTAL	PERCENT	PERCENT	PERCENT	PERCENT	PERCENT	PERCENT
1	BLDG 1	SF	77,000	19.25%	400,000	19.25%	19.25%	19.25%	19.25%	19.25%	19.25%
2	BLDG 2	SF	68,000	17.00%	400,000	17.00%	17.00%	17.00%	17.00%	17.00%	17.00%
3	BLDG 3	SF	20,000	5.00%	400,000	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
4	BLDG 4	SF	20,000	5.00%	400,000	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
5	BLDG 5	SF	54,400	13.60%	400,000	13.60%	13.60%	13.60%	13.60%	13.60%	13.60%
6	BLDG 6	SF	20,000	5.00%	400,000	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
7	BLDG 7	SF	72,000	18.00%	400,000	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%
8	BLDG 8	SF	68,000	17.00%	400,000	17.00%	17.00%	17.00%	17.00%	17.00%	17.00%
TOTAL			400,000	100.00%	400,000	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%



# Competition for Tenants

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



GOVERNMENTAL ENTITY	PROJECT	SF	ABATEMENT TERM	ABATEMENT LEVEL (Converted to Est. % Abatement, where applicable)	ABATEMENT LEVEL
Kansas City (PortKC)	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)	
Kansas City (PortKC)	Northland Park (HWY 210 & N. Kimball Drive)	1,500,000	20 years	90% (Yrs 1-10); 50% (Yrs 11-20)	
Grandview	Southpointe Business Park	737,000	15 years	58.5% (Yrs 1-15) INCLUDING 20% "Additional Rent" for infrastructure	
Kansas City (PortKC)	Skyport Industrial Park	762,000	22 years	90% (Yrs 1-12); 50% (Yrs 13 - 22) [plus 10-yr personal property abatement on equipment]	
Kansas City (EEZ)	Hunt Midwest Business Center (HMBC I - III)	623,785	25 years	100% (Yrs 1 - 25)	
Belton	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)
Blue Springs	Faurecia	250,000	15 years	100% (Yrs 1-10); 50% (Yrs 11-15) [plus 15-yr personal property abatement on equipment]	
Liberty	Liberty Logistics Center (three buildings)	922,000	10 years	100% (Yrs 1-10)	
Liberty	Heartland Meadows Commerce Center	181,321	10 years	90% (Yrs 1-10)	
Liberty	Broadacres Industrial Park	3,300,000	20 years	90% (Yr 1); Decline from 90% to 18% (Yrs 2 - 20)	
Kansas City	Executive Park Logistics Center (2 buildings)	396,455	15 years	100% (Yrs 1 - 10); 50% (Yrs 11 - 15)	
Kansas City (Port KC)	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)
Kansas City (Port KC)	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	Raymore Commerce Center	564,970	20 years	~97.5% (Yrs 1-20)	\$0.03 psf (Yrs 1 - 20)
Platte City	Van Trust Project	2,000,000	16 years	Fixed PILOTS starting at \$0.04 Years 1-3, \$0.05 Years 4-7, \$0.10 Years 8-10, Sliding from \$0.20 to \$0.90 Years 11-16	
Kansas City (PortKC)	HWY 210 and Brighton	576,400	20 years	90% (Yrs 1-10); 50% (Yrs 11-20)	
Lee's Summit	NE Tudor Road and NW Main Street	798,000	20 years	75% (Yrs 1-10); 50% (Yrs 11-20) [plus public improvements assessment]	
Lee's Summit	HWY 291 and Bailey Road	604,000	20 years	75% (Yrs 1-10); 50% (Yrs 11-20) [plus public improvements assessment]	
Lee's Summit	NE Independence and NE Town Centre Blvd.	250,000	20 years	75% (Yrs 1-10); 50% (Yrs 11-20) [plus public improvements assessment]	

# Proposed Public Incentives – Chapter 100

1. Sales tax exemption on construction materials
2. Property tax abatement\*
  - Years 1 – 10
    - 75% - Net tenant abatement
    - 20% - Public Improvements Assessment imposed to reimburse public improvements
    - 5% - PILOT to taxing jurisdictions
  - Years 11 – 20
    - 50% - Net tenant abatement
    - 25% - Public Improvements Assessment imposed to reimburse public improvements
    - 25% - PILOT to taxing jurisdictions



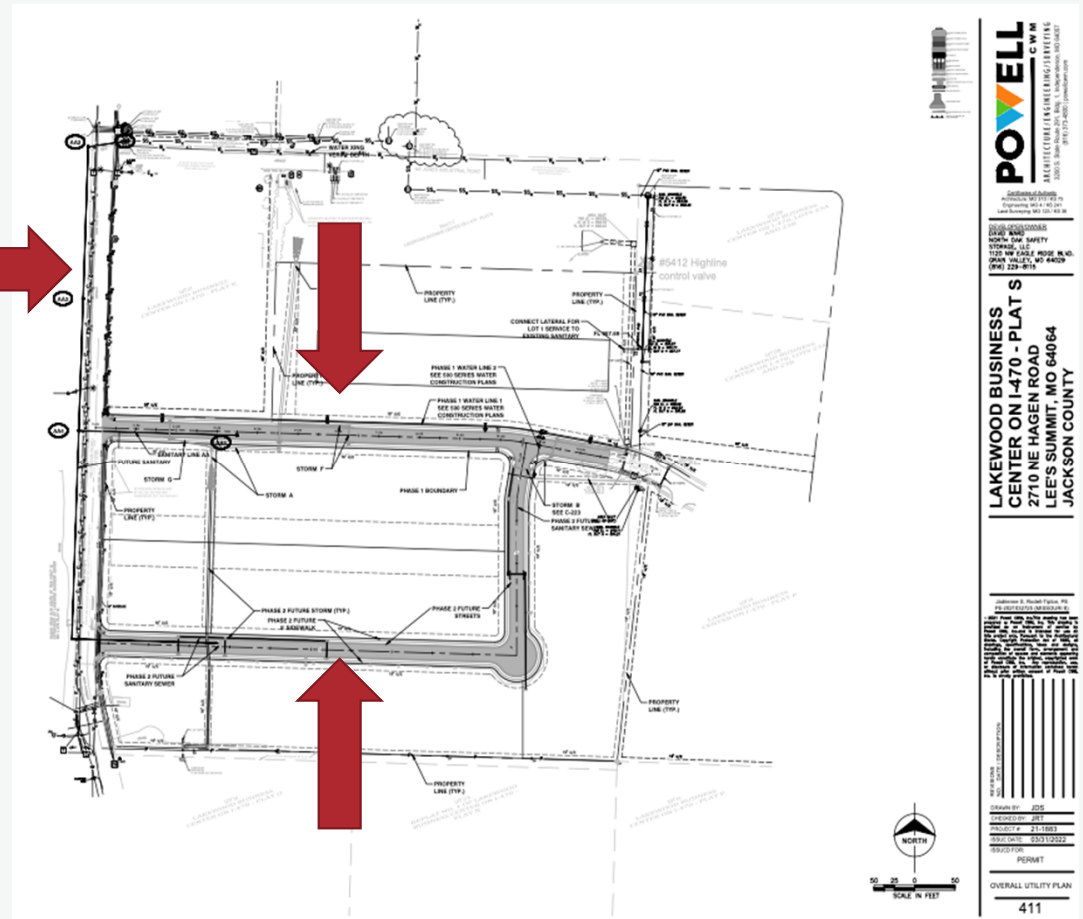
# Sales Tax Exemption

Est. Construction Budget	\$	40,346,708		
Est. Materials Percentage		40.00%		
Est. Materials Cost	\$	16,138,683		
Total Sales and Use Tax Rate		8.35%		
<b>Est. Sales and Use Tax Savings</b>	<b>\$</b>	<b>976,996</b>		
City Sales and Use Tax Rate		2.750%		
County Sales Tax Rate		1.250%		
State Sales and Use Tax Rate		4.225%		
Zoo 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	\$	35,505		
Lee's Summit Use Tax Savings	\$	186,402		
<b>Total Lee's Summit Sales and Use Tax Savings</b>	<b>\$</b>	<b>221,907</b>		
County Sales Tax Savings	\$	66,572		
State Sales and Use Tax Savings	\$	681,859		
Zoo Sales Tax Savings	\$	6,657		
<b>Lee's Summit % of Total Savings</b>		<b>22.71%</b>		

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

# Public Improvements

Sanitary Sewer Main Extension (City requested - does not benefit this project)	
Sewer	\$ 269,300
Contingency	\$ 53,860
<b>Total</b>	<b>\$ 323,160</b>
Public Streets (grading, sidewalks, utilities)	
Public Streets, etc.	\$ 2,122,600
Contingency	\$ 424,520
<b>Total</b>	<b>\$ 2,547,120</b>
<b>Total Reimbursement with Assessments (plus interest):</b>	<b>\$ 1,031,177</b>



# Value Proposition for City

- Property Tax / Fee Generation

- Today

- Annual real property taxes: \$253 (\$38 to City)

- During Ch. 100

- Annual real property taxes: \$5,492 - \$196,417
    - Total real property taxes: \$1,231,000
    - Excise taxes paid to City

- \*\*After Ch. 100 period: \$729,000

# 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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