



Incentive Request

East Village Investors, LLC

East Village Development

Lee's Summit, Missouri

November 24, 2025

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Project overview

- Five parcels, approximately 125 acres
- Timeline of development: Q1 of 2027 to Q1 of 2033
- Development would add:
 - 160,000 square foot wholesaler facility
 - 790 multi-family units within three developments
 - 100 townhome-style units
 - 85,000 square feet of commercial space divided among 15 commercial developments
- Proposed to be resemble the “Streets of West Pryor”



Incentives

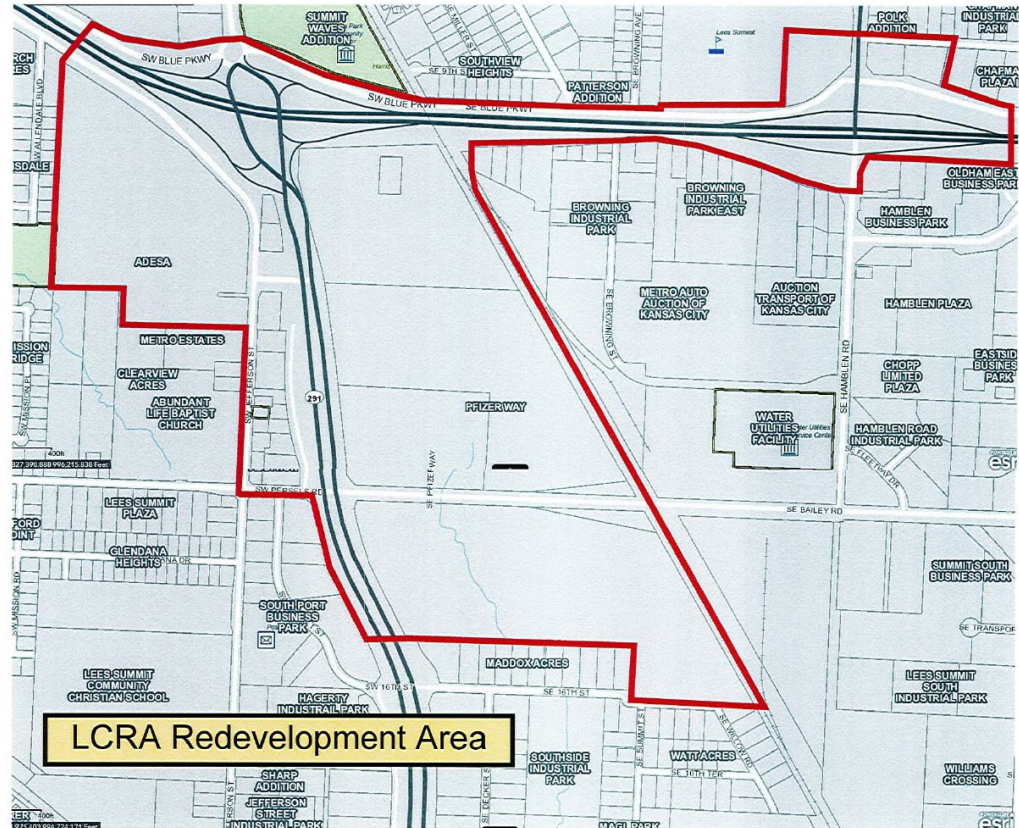
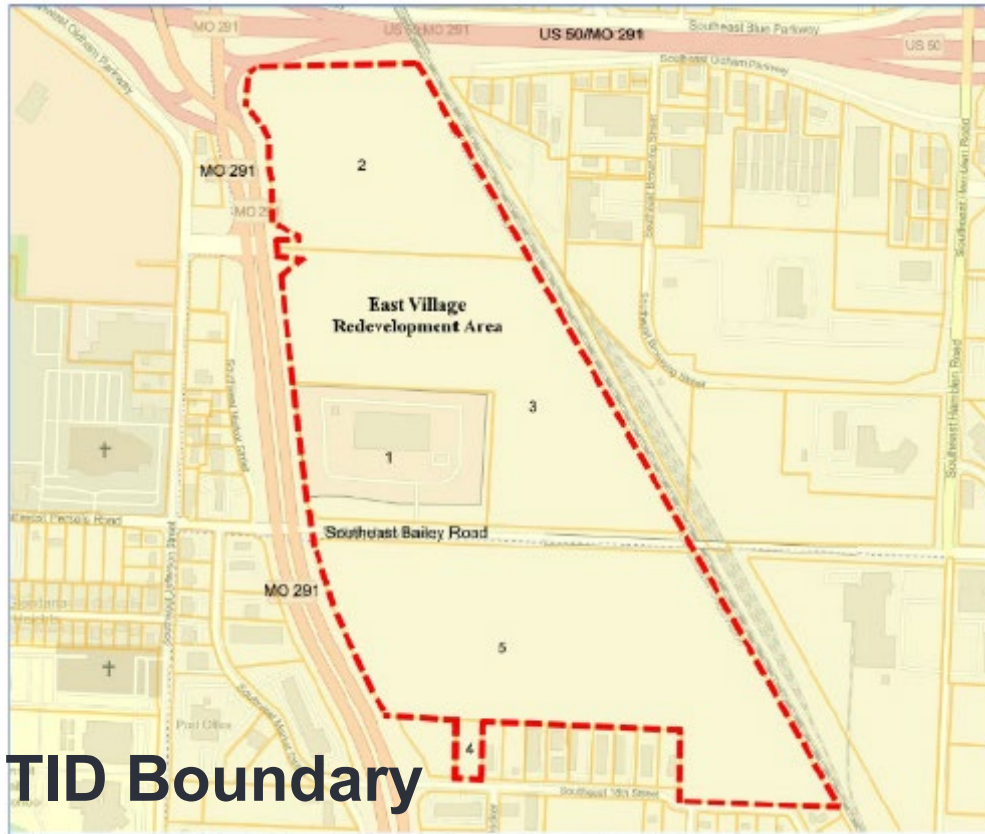
Description

- **TIF**
 - Redirection of 50% of the incremental increase in ad valorem property tax revenues (“PILOTS”) and 50% of the incremental increase in economic activity (sales) tax revenues (“EATS”)
 - Five redevelopment project areas, each eligible for up to 23 years of tax redirection
- **CID Sales Tax (Existing)**
 - 1%, up to 27-year, CID sales tax, one-half of which will be captured by the TIF district as EATS
- **LCRA**
 - Sales tax exemption on construction materials during the construction period
 - 75%, 25-year property tax abatement for residential components

Overview

Incentive	Estimated Present Value	% of Project Costs
TIF CID	\$17,975,832	3.65%
TIF EATS	64,490,615	13.09%
TIF PILOTS	4,678,020	0.95%
Sales Tax Exemption	10,718,608	2.18%
LCRA Abatement	13,033,786	2.65%
Total	\$110,896,861	22.51%

Incentive Boundaries



But-for analysis

- Analysis considers the likelihood that the project would occur without requested incentives
 - Project as proposed
 - Within current market
- Not a feasibility study
- Actual results likely to vary from forecast



Analysis approach

1. Evaluate applicant's estimated project costs
2. Evaluate estimated project revenues
3. Consider hypothetical sale of the asset
4. Determine internal rate of return without incentive
5. Compare internal rate of return without incentive to investor expectations



Project Costs

Expenditure Type	Total	% of Budget
Land Acquisition	\$ 29,103,682	5.91%
Building Construction Costs	305,338,210	61.97%
Tenant Improvements	4,276,000	0.87%
Site Construction:		
Demolition	501,344	0.10%
Drainage, Grading, Parking	29,999,228	6.09%
Utilities	3,892,200	0.79%
Roadways, Sanitary & Water Mains	16,549,176	3.36%
Greenspace, landscape, hardscape, signage & other	5,825,000	1.18%
Contingency	3,066,756	0.62%
Sitework Subtotal	59,833,704	12.14%
Professional Services	37,823,759	7.68%
Development Fee	9,369,945	1.90%
Commissions and Marketing	2,430,000	0.49%
Financing and Interest Carry	39,464,948	8.01%
Permits and Fees	5,091,293	1.03%
Total	\$ 492,731,541	

Project Costs Comparison

Category	Budget	Basis for Evaluation	Market Costs	Conclusion
Multi-Family	\$357 PSF (Average)	RsMeans	\$259-279 PSF	Potentially high even after accounting for expenses such as parking
Townhomes	\$197 PSF (Average)	RsMeans	\$167	Parking explains most of the variance
Commercial	\$197 PSF (Average)	RsMeans	\$192 (Average)	Reasonable
Sitework	\$59,833,704 (12.14%)	Market Standard	10.00-15.00%	Reasonable
Land Acquisition	\$5.83 PSF	CoStar	\$3.23	No appraisal available. Few comps available for a robust comparison



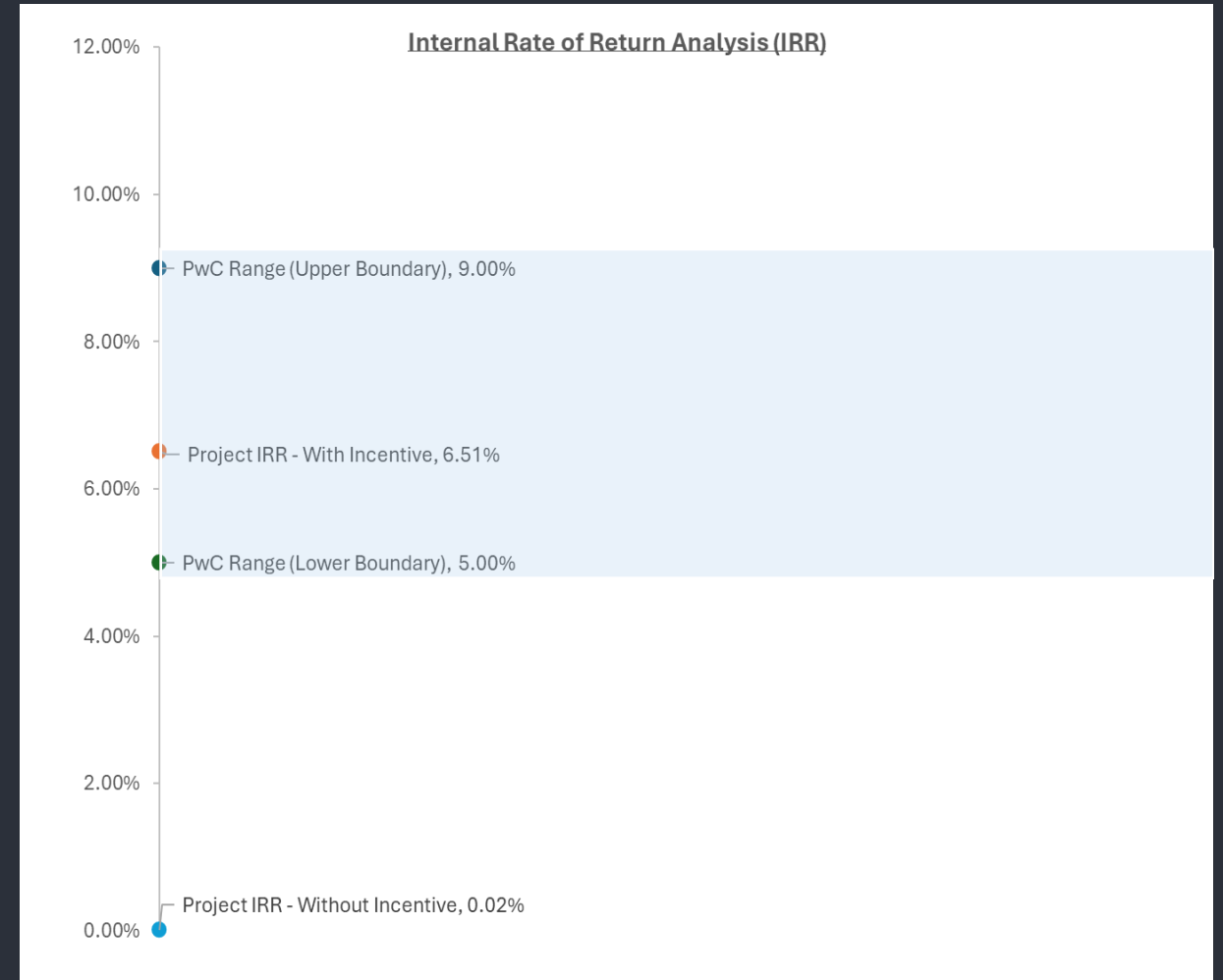
Estimated project revenues & hypothetical sale

Revenue Category	Gross Revenue	Basis for Evaluation	Market Revenue	Conclusion
Residential Rents	\$2.08 PSF	CoStar	\$1.32 - \$1.69 PSF	Potentially high, overstating return
Commercial Rents	Average of \$45.00 PSF	CoStar	\$22.41	Potentially high, overstating return

- Terminal capitalization rate at hypothetical sale increased from 5% to 7% for commercial developments
- Terminal capitalization rate for multi-family unchanged at 5.00%

Project return below market range without Incentive

- Market rate of return expectations from *PwC Real Estate Investor Survey, Third Quarter 2025*
 - *blended rate of return*
- Project is unlikely to proceed “but-for” the requested incentives
- Challenges
 - Extensive sitework
 - Blight Remediation
 - Significant cost of public infrastructure



Sensitivity Analysis

- Cost of constructing multi-family development appears elevated
- Lack of appraisals for land costs and few comps

		Sensitivity to Development Cost (Without Incentive)			
		Land Cost PSF			
		\$5.38	4.50	4.00	3.50
Multi-family Cost	\$357.00	0.02%	0.20%	0.30%	0.40%
	300.00	1.39%	1.59%	1.71%	1.83%
	290.00	1.64%	1.85%	1.97%	2.09%
	280.00	1.90%	2.11%	2.23%	2.36%
	270.00	2.15%	2.37%	2.50%	2.63%
	260.00	2.42%	2.64%	2.77%	2.90%



Contact us with questions



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