
CITY OF LEE'S SUMMIT, MISSOURI

**PLAN FOR AN INDUSTRIAL DEVELOPMENT PROJECT
AND
COST-BENEFIT ANALYSIS**

**FOR THE

VICTORY HYUNDAI PROJECT**

SENT: MAY 12, 2025

I. PURPOSE OF THIS PLAN

The City Council of the City of Lee's Summit, Missouri (the "City") will consider ordinances approving this Plan (defined below) and authorizing the issuance by the City of its taxable industrial development revenue bonds in the aggregate principal amount of not to exceed \$13,400,000 (the "Bonds"), to finance costs of an automobile dealership and related improvements (the "Project") for Premier RE of Lees Summit LLC, a Missouri limited liability company, and/or its assignees or designees (altogether, the "Company") as more fully described herein. The Bonds will be issued pursuant to the provisions of Sections 100.010 to 100.200 of the Revised Statutes of Missouri, as amended, and Article VI, Section 27(b) of the Missouri Constitution, as amended (collectively, the "Act").

This Plan for an Industrial Development Project and Cost-Benefit Analysis (the "Plan") has been prepared to satisfy requirements of the Act and to analyze the potential costs and benefits, including the related tax impact on all affected taxing jurisdictions, of using industrial development revenue bonds to finance the Project.

II. GENERAL DESCRIPTION OF CHAPTER 100 FINANCINGS

General. The Act authorizes cities, counties, towns and villages to issue industrial development revenue bonds to finance the purchase, construction, extension and improvement of warehouses, distribution facilities, research and development facilities, office industries, agricultural processing industries, service facilities that provide interstate commerce, industrial plants and other commercial facilities. The operation of an automobile dealership is a commercial undertaking.

Issuance and Sale of Bonds. Revenue bonds issued pursuant to the Act do not require voter approval and are payable solely from revenues received from the project. The municipality issues its bonds and in exchange, the benefited company promises to make payments that are sufficient to pay the principal of and interest on the bonds as they become due. Thus, the municipality merely acts as a conduit for the financing.

Concurrently with the closing of a series of the bonds, the landowner will convey to the municipality title to the property included in the project. At the same time, the municipality will lease the property, including the project, back to the benefited company pursuant to a lease agreement. The lease agreement will require the company, acting on behalf of the municipality, to use the bond proceeds to pay the costs or reimburse the costs of purchasing, constructing and installing the project, as applicable.

Under the lease agreement, the benefitted company typically: (1) will unconditionally agree to make payments sufficient to pay the principal of and interest on the bonds as they become due; (2) will agree, at its own expense, to maintain the project, to pay all un-abated taxes and assessments with respect to the project, and to maintain adequate insurance; (3) has the right, at its own expense, to make certain additions, modifications or improvements to the project; (4) may assign its interests under the lease agreement under certain conditions or may sublease the project while remaining responsible for payments under the lease agreement; (5) will covenant to maintain its corporate existence during the term of the bond issue; and (6) will agree to indemnify the municipality for any liability the municipality might incur as a result of its participation in the transaction.

Property Tax Abatement. Under Article X, Section 6 of the Missouri Constitution and Section 137.100 of the Revised Statutes of Missouri, all property of any political subdivision is exempt from taxation. In a typical transaction, the municipality holds fee title to the project and leases the project to the benefited company. Under this Plan, the Company will agree to make "payments in lieu of taxes" in an amount estimated to equal a portion of the taxes that would be due on the Project were it not for ownership by the City. The payments in lieu of taxes are payable in December of each year, and are distributed to the

municipality and to each political subdivision within the boundaries of the Project in the same manner and in the same proportion as property taxes would otherwise be distributed under Missouri law.

III. DESCRIPTION OF THE PARTIES

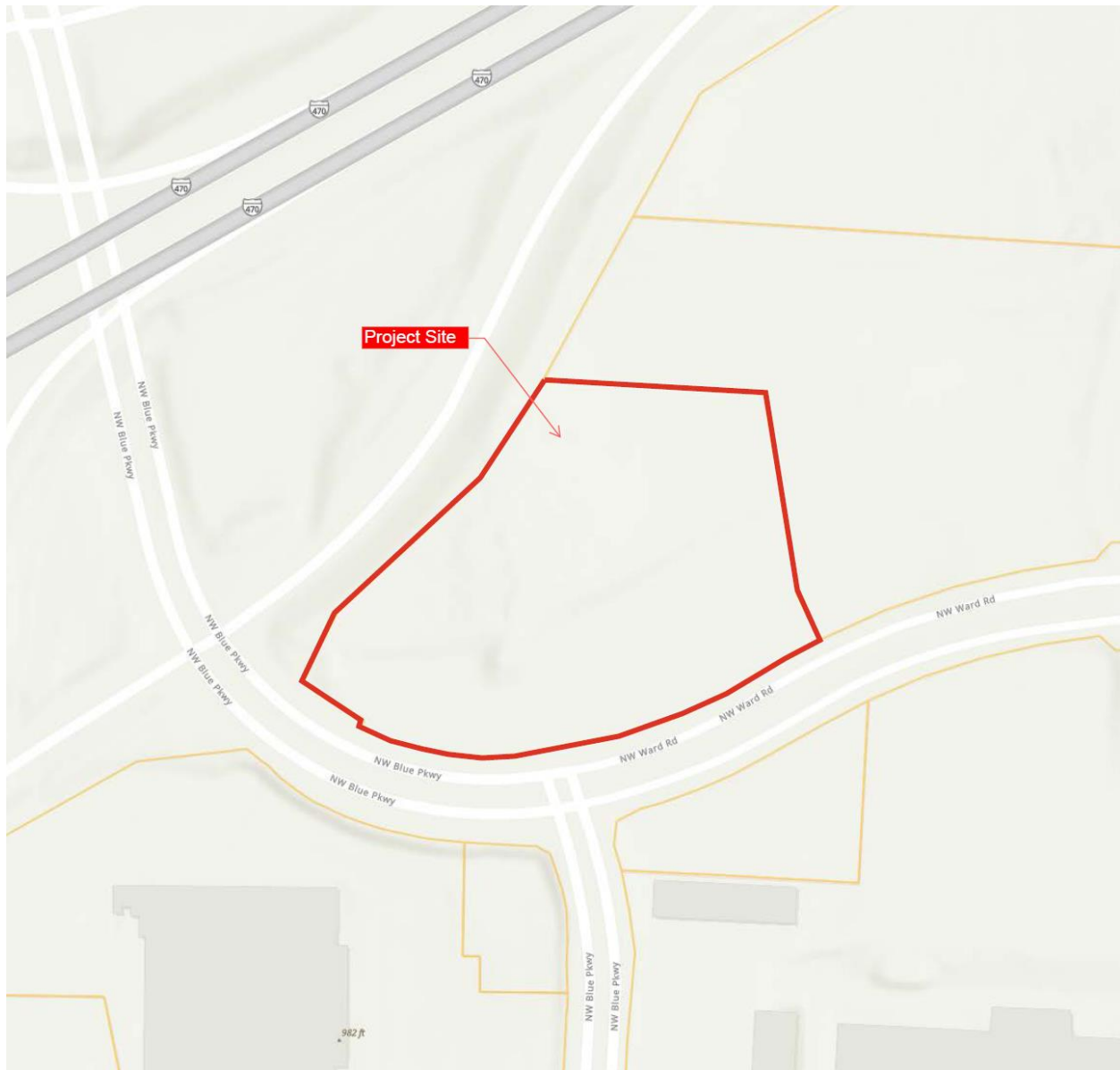
The Company. Premier RE of Lees Summit LLC, a Missouri limited liability company, is a special purpose entity formed to construct and operate the Project, which is affiliated with Victory Auto Group KC, which is itself a member of Premier Automotive. Victory Auto Group KC is a full-service automotive group serving the Kansas City metropolitan area and surrounding areas with a total of 10 dealership locations. Premier Automotive was established in 1995 as a Toyota dealership located in the heart of New Orleans. Since then, Premier Automotive has expanded to over 30 locations across California, Kansas, Louisiana, Texas, Missouri, Virginia, Mississippi, and Georgia.

City of Lee's Summit, Missouri. The City is a constitutional home rule charter city and municipal corporation organized and existing under the laws of the State of Missouri. The City is authorized and empowered pursuant to the provisions of the Act to purchase, construct, extend and improve certain projects (as defined in the Act) and to issue industrial development revenue bonds for the purpose of providing funds to pay the costs of such projects and to lease or otherwise dispose of such projects to private persons or corporations for manufacturing, commercial, warehousing and industrial development purposes upon such terms and conditions as the City deems advisable.

IV. REQUIREMENTS OF THE ACT

Description of the Project. The Project to be financed by the Bonds consists of an automobile dealership and related improvements to be located on approximately 7.44 acres of land situated to the southeast of the intersection of Highway 470 and NW Blue Parkway in the City (the "Project Site," as shown in the map below). The Project will consist of a showroom and service building of approximately 21,815 square feet, a parking lot with approximately 470 spaces and charging station for electric vehicles. The Project will also include the completion of certain public improvements, including a new traffic light at the intersection of NW Blue Parkway and NW Ward Road and construction the of a new turn lane, shared access road and extensions of storm and sanitary sewer improvements.

[remainder of page intentionally left blank]



Estimate of the Costs of the Project. The Project is expected to cost approximately \$13,400,000. The investments are anticipated to be made in 2025 and 2026, as shown in the attached Cost-Benefit Analysis, although the actual years of investment may vary based on Project implementation.

Source of Funds to be Expended for the Project. The sources of funds to be expended for the Project will be the proceeds of the Bonds in a principal amount not to exceed \$13,400,000, to be issued by the City and purchased by the Company and, if needed, other available funds of the Company. The Bonds will be payable solely from the revenues derived by the City from the lease or other disposition of the Project. The Bonds will not be an indebtedness or general obligation, debt or liability of the City or the State of Missouri.

Statement of the Terms Upon Which the Project is to be Leased or Otherwise Disposed of by the City. The City will hold title to the Project Site under the Chapter 100 transaction. The City will lease the Project to the Company for lease payments equal to the principal and interest payments on the Bonds. Under the terms of the lease agreement with the City, the Company will have the option to purchase the Project at any time and will have the obligation to purchase the Project at the termination of the lease.

Affected Taxing Districts. The Lee's Summit R-VII School District is the school district, Jackson County, Missouri is the county, the City is the city, and the Junior College District of Metropolitan Kansas City, Missouri is the community college district affected by the Project. There is no fire or ambulance district affected by the Project. The Cost-Benefit Analysis attached hereto for the Project identifies all other taxing districts affected by the Project.

Assessed Valuation. The most recent equalized assessed valuation of the Project Site is \$23,199 (2024). The estimated total equalized assessed valuation of the Project site after development of the Project is \$1,442,000 (2027, including biennial inflation).

Payments in Lieu of Taxes. If this Plan is approved by the City Council, the City intends to issue Bonds for the Project in 2025. The Company will make payments in lieu of taxes ("PILOTS") for the Project as follows: (1) prior to construction, the amount calculated to equal the taxes that would have been due (the "Taxes Otherwise Due") on the unimproved land were it in private ownership, (2) during construction, an amount calculated to equal 25% of the Taxes Otherwise Due on the partially complete Project, and (3) from and after completion, for a period of 10 years, an amount calculated to equal 25% of the Taxes Otherwise Due on the completed Project.

The total PILOT payments are estimated in the Cost-Benefit Analysis attached hereto. The actual Project implementation and abatement timing may vary from what is shown in the Cost-Benefit Analysis. PILOT payments will be distributed to the taxing jurisdictions by or at the direction of the City.

Cost-Benefit Analysis. In compliance with Section 100.050.2(3) of the Revised Statutes of Missouri, this Plan has been prepared to show the costs and benefits to the City and to other taxing jurisdictions affected by the Project. This Plan does not attempt to quantify the overall economic impact of the Project. The tax rates used in this Plan reflect the rates in effect for the tax year 2024. The actual years and PILOT amounts may vary based on Project implementation.

V. SALES AND USE TAX EXEMPTION

Sales and Use Tax Exemption on Construction Materials. Qualified building materials purchased for the construction of the Project are expected to be exempt from sales and use tax pursuant to the provisions of Section 144.062 of the Revised Statutes of Missouri and the underlying Bond documents upon delivery of a project exemption certificate by the City to the Company. For purposes of determining the impact of the sales and use tax exemptions for the qualified building materials on the affected taxing jurisdictions, it is assumed that the total amount of qualified building materials purchased will be \$4,036,459 and that the situs of sale for the purchases will be as follows: 5.0% within the City, 22.5% within Jackson County but outside the City, 22.5% within Missouri but outside Jackson County, and 50% outside Missouri. Please note that any variance in these assumptions will alter the fiscal impact of the sales and use tax exemptions on the affected taxing jurisdictions.

Based on the assumptions set forth above, the fiscal impact on the affected taxing jurisdictions of the sales and use tax exemptions for qualified building materials is as follows:

	Sales Tax Rate	Estimated Sales Tax Revenues Subject to Exemption	Use Tax Rate	Estimated Use Tax Revenues Subject to Exemption
State of Missouri	4.225%	\$85,270	4.225%	\$85,270
Jackson County				
General	0.500	5,550	n/a	-
Drug Task Force	0.250	2,775	n/a	-
Sports Complex	0.375	4,163	n/a	-
Zoological District	0.125	1,388	n/a	-
City of Lee's Summit				
General	1.000	2,018	1.000	20,182
Parks	0.250	505	0.250	5,046
Capital Projects	0.500	1,009	0.500	10,091
Transportation	0.500	1,009	0.500	10,091
Public Safety	0.500	1,009	0.500	10,091
Children's Services Fund	0.250	2,775	n/a	-
Total	8.475%	\$107,471	6.975%	\$140,772

* * *

**Lee's Summit, Missouri
(Victory Hyundai Project)**

**COST BENEFIT ANALYSIS
PLAN FOR INDUSTRIAL DEVELOPMENT PROJECT**

Table of Contents

Project Assumptions	1
Summary of Cost Benefit Analysis	2
Taxes on Existing Site without Project	3
Projected Taxes on Project without Abatement	4
Projected PILOTS	5
Projected Abatement	6

This information is provided based on the factual information and assumptions provided to Gilmore & Bell, P.C. by a party to or a representative of a party to the proposed transaction. This information is intended to provide factual information only and is provided in conjunction with our legal representation. It is not intended as financial advice or a financial recommendation to any party. Gilmore & Bell, P.C. is not a financial advisor or a “municipal advisor” as defined in the Securities Exchange Act of 1934, as amended.

Project Assumptions

♦ Initial year taxes assessed	2025
♦ Appraised value of existing site (2025 estimate)	\$ 125,763
♦ Assessed value as a percentage of appraised value (real)	32.0%
♦ Assessed value of existing site (2025 estimate, as residential)	\$ 23,895
♦ Assessed value of existing site (2025 estimate, as commercial)	\$ 40,244
♦ Assessed value of project (2026)	\$ 700,000
♦ Assessed value of project (2027)	\$ 1,442,000
♦ Biennial growth rate of appraised value of real property	3.0%
♦ Assessed value as a percentage of appraised value (real)	32.0%
♦ Terms of abatement:	
Real property	
2025	0%
2026-2036	75%

Summary of Cost Benefit Analysis

Taxing Jurisdiction	Tax Rate	Taxes on Existing Site without Project	Projected Taxes on Project without Abatement	Projected PILOTS	Projected Abatement
Board of Disabled Services	0.0732	\$ 226	\$ 11,750	\$ 2,960	\$ 8,790
City - Lees Summit	1.2877	3,981	206,699	52,063	154,636
Jackson County	0.5056	1,563	81,158	20,442	60,716
Lee's Summit R-7 School District	4.7309	14,624	759,394	191,276	568,118
Mental Health	0.0974	301	15,634	3,938	11,696
Metro Junior College	0.1806	558	28,990	7,302	21,688
Mid-Continent Library	0.3152	974	50,595	12,744	37,851
State Blind Pension	0.0300	93	4,816	1,213	3,603
Surtax	1.4370	4,442	230,664	58,100	172,564
	8.6576	\$ 26,763	\$ 1,389,700	\$ 350,038	\$ 1,039,662

Taxes on Existing Site without Project

Estimated Assessed Value of Existing Site		\$ 23,895	\$ 23,895	\$ 24,612	\$ 24,612	\$ 25,350	\$ 25,350	\$ 26,111	\$ 26,111	\$ 26,894	\$ 26,894	\$ 27,701	\$ 27,701		
Tax Rate per															
Taxing Jurisdiction	\$100	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	Total	
Board of Disabled Services	0.0732	\$ 17	\$ 17	\$ 18	\$ 18	\$ 19	\$ 19	\$ 19	\$ 19	\$ 20	\$ 20	\$ 20	\$ 20	\$ 226	
City - Lees Summit	1.2877	308	308	317	317	326	326	336	336	346	346	357	357	3,981	
Jackson County	0.5056	121	121	124	124	128	128	132	132	136	136	140	140	1,563	
Lee's Summit R-7 School District	4.7309	1,130	1,130	1,164	1,164	1,199	1,199	1,235	1,235	1,272	1,272	1,311	1,311	14,624	
Mental Health	0.0974	23	23	24	24	25	25	25	25	26	26	27	27	301	
Metro Junior College	0.1806	43	43	44	44	46	46	47	47	49	49	50	50	558	
Mid-Continent Library	0.3152	75	75	78	78	80	80	82	82	85	85	87	87	974	
State Blind Pension	0.0300	7	7	7	7	8	8	8	8	8	8	8	8	93	
Surtax	1.4370	343	343	354	354	364	364	375	375	386	386	398	398	4,442	
	8.6576	\$ 2,069	\$ 2,069	\$ 2,131	\$ 2,131	\$ 2,195	\$ 2,195	\$ 2,261	\$ 2,261	\$ 2,328	\$ 2,328	\$ 2,398	\$ 2,398	\$ 26,763	

Projected Taxes on Project without Abatement

Estimated Assessed Value of Real Property	\$ 40,244	\$ 700,000	\$ 1,442,000	\$ 1,442,000	\$ 1,485,260	\$ 1,485,260	\$ 1,529,818	\$ 1,529,818	\$ 1,575,712	\$ 1,575,712	\$ 1,622,984	\$ 1,622,984		
Taxing Jurisdiction	Tax Rate per \$100	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	Total
Board of Disabled Services	0.0732	\$ 29	\$ 512	\$ 1,056	\$ 1,056	\$ 1,087	\$ 1,087	\$ 1,120	\$ 1,120	\$ 1,153	\$ 1,153	\$ 1,188	\$ 1,188	\$ 11,750
City - Lees Summit	1.2877	518	9,014	18,569	18,569	19,126	19,126	19,699	19,699	20,290	20,290	20,899	20,899	206,699
Jackson County	0.5056	203	3,539	7,291	7,291	7,509	7,509	7,735	7,735	7,967	7,967	8,206	8,206	81,158
Lee's Summit R-7 School District	4.7309	1,904	33,116	68,220	68,220	70,266	70,266	72,374	72,374	74,545	74,545	76,782	76,782	759,394
Mental Health	0.0974	39	682	1,405	1,405	1,447	1,447	1,490	1,490	1,535	1,535	1,581	1,581	15,634
Metro Junior College	0.1806	73	1,264	2,604	2,604	2,682	2,682	2,763	2,763	2,846	2,846	2,931	2,931	28,990
Mid-Continent Library	0.3152	127	2,206	4,545	4,545	4,682	4,682	4,822	4,822	4,967	4,967	5,116	5,116	50,595
State Blind Pension	0.0300	12	210	433	433	446	446	459	459	473	473	487	487	4,816
Surtax	1.4370	578	10,059	20,722	20,722	21,343	21,343	21,983	21,983	22,643	22,643	23,322	23,322	230,664
	8.6576	\$ 3,484	\$ 60,603	\$ 124,843	\$ 124,843	\$ 128,588	\$ 128,588	\$ 132,446	\$ 132,446	\$ 136,419	\$ 136,419	\$ 140,511	\$ 140,511	\$ 1,389,700

Projected PILOTS

Estimated Assessed Value of Real Property	\$ 40,244	\$ 700,000	\$ 1,442,000	\$ 1,442,000	\$ 1,485,260	\$ 1,485,260	\$ 1,529,818	\$ 1,529,818	\$ 1,575,712	\$ 1,575,712	\$ 1,622,984	\$ 1,622,984		
PILOT Payment	100.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%		
Taxing Jurisdiction	Tax Rate per \$100	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	Total
Board of Disabled Services	0.0732	\$ 29	\$ 128	\$ 264	\$ 264	\$ 272	\$ 272	\$ 280	\$ 280	\$ 288	\$ 288	\$ 297	\$ 297	\$ 2,960
City - Lees Summit	1.2877	518	2,253	4,642	4,642	4,781	4,781	4,925	4,925	5,073	5,073	5,225	5,225	52,063
Jackson County	0.5056	203	885	1,823	1,823	1,877	1,877	1,934	1,934	1,992	1,992	2,051	2,051	20,442
Lee's Summit R-7 School District	4.7309	1,904	8,279	17,055	17,055	17,567	17,567	18,094	18,094	18,636	18,636	19,195	19,195	191,276
Mental Health	0.0974	39	170	351	351	362	362	373	373	384	384	395	395	3,938
Metro Junior College	0.1806	73	316	651	651	671	671	691	691	711	711	733	733	7,302
Mid-Continent Library	0.3152	127	552	1,136	1,136	1,170	1,170	1,205	1,205	1,242	1,242	1,279	1,279	12,744
State Blind Pension	0.0300	12	53	108	108	111	111	115	115	118	118	122	122	1,213
Surtax	1.4370	578	2,515	5,180	5,180	5,336	5,336	5,496	5,496	5,661	5,661	5,831	5,831	58,100
	8.6576	\$ 3,484	\$ 15,151	\$ 31,211	\$ 31,211	\$ 32,147	\$ 32,147	\$ 33,111	\$ 33,111	\$ 34,105	\$ 34,105	\$ 35,128	\$ 35,128	\$ 350,038

Projected Abatement

Estimated Assessed Value of Real Property	\$	40,244	\$	700,000	\$	1,442,000	\$	1,442,000	\$	1,485,260	\$	1,485,260	\$	1,529,818	\$	1,529,818	\$	1,575,712	\$	1,575,712	\$	1,622,984	\$	1,622,984
Abatement Percentage		0.00%		75.00%		75.00%		75.00%		75.00%		75.00%		75.00%		75.00%		75.00%		75.00%		75.00%		75.00%
Tax Rate per																								
Taxing Jurisdiction	\$100	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	Total										
Board of Disabled Services	0.0732	\$ -	\$ 384	\$ 792	\$ 792	\$ 815	\$ 815	\$ 840	\$ 840	\$ 865	\$ 865	\$ 891	\$ 891	\$ 8,790										
City - Lees Summit	1.2877	-	6,760	13,926	13,926	14,344	14,344	14,775	14,775	15,218	15,218	15,674	15,674	154,636										
Jackson County	0.5056	-	2,654	5,468	5,468	5,632	5,632	5,801	5,801	5,975	5,975	6,154	6,154	60,716										
Lee's Summit R-7 School District	4.7309	-	24,837	51,165	51,165	52,700	52,700	54,281	54,281	55,909	55,909	57,586	57,586	568,118										
Mental Health	0.0974	-	511	1,053	1,053	1,085	1,085	1,118	1,118	1,151	1,151	1,186	1,186	11,696										
Metro Junior College	0.1806	-	948	1,953	1,953	2,012	2,012	2,072	2,072	2,134	2,134	2,198	2,198	21,688										
Mid-Continent Library	0.3152	-	1,655	3,409	3,409	3,511	3,511	3,616	3,616	3,725	3,725	3,837	3,837	37,851										
State Blind Pension	0.0300	-	158	324	324	334	334	344	344	355	355	365	365	3,603										
Surtax	1.4370	-	7,544	15,541	15,541	16,007	16,007	16,488	16,488	16,982	16,982	17,492	17,492	172,564										
	8.6576	\$ -	\$ 45,452	\$ 93,632	\$ 93,632	\$ 96,441	\$ 96,441	\$ 99,334	\$ 99,334	\$ 102,314	\$ 102,314	\$ 105,384	\$ 105,384	\$ 1,039,662										