



**GRAYSON CAPITAL**

DEVELOPMENT & ADVISORY

# Developer

- Fully integrated real estate company offering:
  - Advisory and Owner's Representation
  - Development Management
  - Project Management
  - Asset and Property Management
- Asset Classes
  - Public, Private Partnerships
  - Multi-Family
  - Healthcare
  - Hospitality



# Prior LCRA Redevelopment Plan

- Approved LCRA Redevelopment Plan – June 8, 2022
  - Gold Crown Properties, Inc.
  - Multifamily - Single Phase ~380 units
- LCRA Redevelopment Plan Factual Findings:
  - Blight finding – 2016 TIF Plan
  - Necessity finding – Council previously found that incentives are necessary for the project to occur as a whole
  - Conformity with comprehensive plan – existing approval for PDP (Ordinance No. 8644) consistent with City’s Ignite! Comprehensive Plan



# Amended & Restated LCRA Redevelopment Plan

- **Not Changing:**
  - Project site & scope
  - Prior factual findings
  - Sales tax exemption benefit
    - Benefit is only for sales tax exemption on construction materials during the construction of each project phase
    - No impact to Real Property Taxing Districts due to existing TIF Plan
  - Zoning
- **Changes with Amended & Restated LCRA Redevelopment Plan:**
  - Developer
  - Delivery; Phased approach – sequencing through three independent phases:
    - Phase 1: ~225 Units – Will commence now
    - Phase 2: ~75 Units – Developer has ROFR
    - Phase 3: ~100 Units – Developer has ROFR

# Phases

## Phase 1: ~225 Units

Est. Construction Budget	\$	44,102,051.00
Est. Materials Percentage		35.00%
Est. Materials Cost	\$	15,435,717.85
Total Sales and Use Tax Rate		10.475%
<b>Est. Sales and Use Tax Savings</b>	<b>\$</b>	<b>1,095,164.18</b>

City Sales and Use Tax Rate		2.750%
County Sales Tax Rate		1.375%
State Sales Tax Rate		4.225%
Zoo Sales Tax Rate		0.125%
CID Sales and Use Tax Rate		1.000%
TDD Sales Tax Rate		1.000%
		10.475%
Est. Allocation of Materials Purchases:		
Lee's Summit		8.00%
Missouri (outside Lee's Summit)		50.00%
Outside Missouri		42.00%

Lee's Summit Sales Tax Savings	\$	33,958.58
Lee's Summit Use Tax Savings	\$	178,282.54
<b>Total Lee's Summit Sales and Use Tax</b>	<b>\$</b>	<b>212,241.12</b>
County Sales Tax Savings	\$	70,039.57
State Sales and Use Tax Savings	\$	652,159.08
Zoo Sales Tax Savings	\$	6,367.23
CID Sales and Use Tax Savings	\$	77,178.59
TDD Sales Tax Savings	\$	77,178.59
<b>Lee's Summit % of Total Savings</b>		<b>19.38%</b>

## Phase 2: ~75 Units

Est. Construction Budget	\$	14,274,900.00
Est. Materials Percentage		35.00%
Est. Materials Cost	\$	4,996,215.00
Total Sales and Use Tax Rate		10.475%
<b>Est. Sales and Use Tax Savings</b>	<b>\$</b>	<b>354,481.45</b>

City Sales and Use Tax Rate		2.750%
County Sales Tax Rate		1.375%
State Sales Tax Rate		4.225%
Zoo Sales Tax Rate		0.125%
CID Sales and Use Tax Rate		1.000%
TDD Sales Tax Rate		1.000%
		10.475%
Est. Allocation of Materials Purchases:		
Lee's Summit		8.00%
Missouri (outside Lee's Summit)		50.00%
Outside Missouri		42.00%

Lee's Summit Sales Tax Savings	\$	10,991.67
Lee's Summit Use Tax Savings	\$	57,706.28
<b>Total Lee's Summit Sales and Use Tax</b>	<b>\$</b>	<b>68,697.96</b>
County Sales Tax Savings	\$	22,670.33
State Sales and Use Tax Savings	\$	211,090.08
Zoo Sales Tax Savings	\$	2,060.94
CID Sales and Use Tax Savings	\$	24,981.08
TDD Sales Tax Savings	\$	24,981.08
<b>Lee's Summit % of Total Savings</b>		<b>19.38%</b>

## Phase 3: ~100 Units

Est. Construction Budget	\$	19,033,200.00
Est. Materials Percentage		35.00%
Est. Materials Cost	\$	6,661,620.00
Total Sales and Use Tax Rate		10.475%
<b>Est. Sales and Use Tax Savings</b>	<b>\$</b>	<b>472,641.94</b>

City Sales and Use Tax Rate		2.750%
County Sales Tax Rate		1.375%
State Sales Tax Rate		4.225%
Zoo Sales Tax Rate		0.125%
CID Sales and Use Tax Rate		1.000%
TDD Sales Tax Rate		1.000%
		10.475%
Est. Allocation of Materials Purchases:		
Lee's Summit		8.00%
Missouri (outside Lee's Summit)		50.00%
Outside Missouri		42.00%

Lee's Summit Sales Tax Savings	\$	14,655.56
Lee's Summit Use Tax Savings	\$	76,941.71
<b>Total Lee's Summit Sales and Use Tax</b>	<b>\$</b>	<b>91,597.28</b>
County Sales Tax Savings	\$	30,227.10
State Sales and Use Tax Savings	\$	281,453.45
Zoo Sales Tax Savings	\$	2,747.92
CID Sales and Use Tax Savings	\$	33,308.10
TDD Sales Tax Savings	\$	33,308.10
<b>Lee's Summit % of Total Savings</b>		<b>19.38%</b>

This financial benefit is approximately **2.48%** of the total project costs (exclusive of land and permanent financing costs)  
 Lee's Summit exemption benefit as a percentage of total project costs = **0.48%**

