

**The City of Lee's Summit**  
**Action Letter - Final**  
**Tax Increment Financing Commission**

Wednesday, October 30, 2024

4:00 PM

Council Chambers

City Hall

220 SE Green St.

Lee's Summit, MO 64063

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**1. Call to Order**

Chair Freeman called to order the October 30, 2024 Tax Increment Financing meeting to order at 4:04 p.m.

**2. Roll Call**

**Present:** 9 - Chairperson James Freeman  
Secretary Clint Haynes  
Commissioner Keith Asel  
Commissioner Doug Bates  
Commissioner Sarah Carnes  
Commissioner Bill Haley  
Commissioner Joe Hudson  
Commissioner Joe Willerth  
Alternate Kamile Johnson

**Absent:** 2 - Vice Chair Randy Rhoads  
Commissioner Tim Shrout

**3. Approval of Agenda**

**4. Public Comments**

Public Comments were made after the applicant and staff presentations.

**5. Business**

**A. [2024-6566](#)** Approval of the October 17, 2022 TIF Commission Action Letter

A motion was made by Commissioner Hudson, seconded by Commissioner Haynes to approve the October 17, 2022 TIF Commission action letter.

The motion carried unanimously by voice vote.

**B. [2024-6597](#)** Election of Officers: Chair, Vice Chair and Secretary

A motion was made by Commissioner Willerth, seconded by Commissioner Hudson to nominate James Freeman as Chair of the TIF Commission.

A motion was made by Chair Freeman, seconded by Commissioner Hudson to nominate Randy Rhoads as Vice Chair of the TIF Commission.

A motion was made by Commissioner Haynes, seconded by Commissioner Bates to nominate Clint Haynes as Secretary of the TIF Commission.

All nominations were approved unanimously by voice vote.

- C. [2024-6598](#) Public Hearing: Oldham Village Tax Increment Financing Plan; Oldham Investors, LLC, applicant

Prior to the applicant's presentation, David Bushek, Chief Counsel of Economic Development and Planning, provided a quick review of the City's economic incentive tools which included acronyms, definitions, benefits and a description of TIF.

Matt Pennington, President of Drake Development, presented an overview of the Oldham Village development, located at the SW corner of US 50 Highway and 291 South Highway, at the old Adessa Auto Auction site. This heavily blighted property includes 18 properties and consists of approximately 60 acres.

Oldham Village is a \$182 million mixed-use project that consists of four project areas comprising of 50% retail/restaurant area, 20% multi-family units (an important component) area, 18% civic space/field house area (120 sq. ft.) and 14.9% other area.

This redevelopment requires numerous upgrades including 835 acres of sanitary sewer improvements, underground relocation of power lines, improvements to Oldham Parkway (which requires coordination with MoDOT), reconstruction of regional storm water sewers, grading and elevation.

Mr. Pennington stressed this is not a spec project as they have already signed contracts with Chik-fil-a, Q39 BBQ, Starbucks, a grocer, and an entertainment concept entity.

The project's estimated rate of return without incentives is 0.68%, resulting in a gap of financial feasibility. The tools to fill the gap include a TIF - only on the commercial part, a Community Improvement District (CID), two Transportation Development Districts (sales tax) and a Land Clearance Redevelopment Authority request - sales tax exemption on construction materials for the full project and property tax abatement on the apartments. Using these tools, the rate of return would be 7.08%.

Mr. David Bushek, Chief Counsel of Economic Development and Planning, presented the staff report for the Oldham Parkway TIF Plan and compared the benchmarks of this TIF Plan to other TIF plans approved by the City. He explained this plan is 6.5% of total project costs and the total incentive request (TIF plus other incentives) is 25% of the total project costs which is less than some of the other TIF plans approved by the City.

He further explained the applicant is requesting five different types of

incentives for this project through LCRA, TIF, TDD, and CID and he broke down the percentage of each incentive. The TIF Commission is tasked with reviewing only the TIF Plan which is the 6.5% reimbursement.

The developer is seeking the following TIF Incentives:

Payment in Lieu of Taxes (PILOTS) = \$ 4,599,000

Economic Activity Taxes (EATS) = \$ 8,229,000

Total TIF incentive request                \$11,828,000

The TIF incentive request, plus the other incentive requests, total \$44,833,000 (24.6 % of total project costs).

Mr. Bushek stated 80% of the project costs are from private sources and 20% are from public sources (incentives).

He then reviewed the factual findings for a TIF Plan that include the following:

- Blighted
- But for test and financial feasibility (Internal Rate of Return analysis done by Baker Tilley)
- Conforms to City's Comp Plan
- 23-year limit of TIF
- Relocation Plan
- Cost benefit analysis
- No gambling

Other required findings include mandatory plan contents, evidence of commitments to finance project costs and developer affidavit (the blight and but for test).

Mr. Bushek stated this project meets all of these required findings.

He completed his presentation stating the City has already executed a relinquishment agreement with MoDOT for the realignment of Oldham Parkway as designated in the project plan. Also, the City has executed a real estate contract with the developer to purchase the 8.5 acre property for the field house.

He entered into the record Exhibits 1-12.

Following his presentation discussion ensued.

#### **Public Comments**

Ms. Christine Bushyhead, of Bushyhead Law, 315 SE Main Street, Lee's Summit,

MO, 64063 stated she is representing Hy-Vee Corporation, whose address is 5820 Weston Parkway, West Des Moines, Iowa.

In summary, Ms. Bushyhead said Hy-Vee is here because the developer has included the Hy-Vee store located at 3rd and Ward in the boundaries of the CID and TDD even though this Hy-Vee store is located a mile northwest of and outside of the TDD area. Hy-Vee is opposed to being included in the CID and TDD boundaries.

She added, the assumption of including Hy-Vee in the CID and TDD's affects the developers revenue projections in their redevelopment plan feasibility study. The developer needs to pay its own way and not on the backs of other retailers already established in the community.

Ms. Bushyhead's full written comments were admitted into the record as Exhibit 13.

Mr. Steve Shelton, Assoc. Superintendent of the LSR7 school district, stated the school district supports economic development and thinks this is a thoughtful project, but is requesting the developer's abatement request be reduced from 100% to not more than 50%. He explained the school district receives 66% of all property taxes of which 65% are included in the school districts total revenue. Lowering the abatement request would still allow the developer to make money and provide the school district additional revenue funds.

He provided the school district's DCAA policy which was admitted into the record as Exhibit 14.

Following public comments discussion ensued.

During discussion Mr. Bushek explained this TIF plan only collects revenue within the four project areas. Having no other properties included in the CID can impact the feasibility of the incentive package as a whole to the developer. But it doesn't impact the TIF revenue projections, which again, only comes from the four project areas.

He added the City Council will need to review this topic as well. The inclusion of these other properties will affect the CID revenues and are very important to the developer, which is in the City Council's jurisdiction exclusively. The City Council will need to evaluate each economic incentive request which includes the LCRA, CID, TDD and TIF plan. The TIF Commission is being asked to make a recommendation on only the TIF plan.

Mr. Bushek stated the CID and TDD plans have not yet been filed. He then explained the incentive request process whereby the LCRA and TIF Commission

must review those plans respectively prior to advancing to the City Council for review. Whereas, the CID and TDD requests go directly to the City Council for consideration without any prior commission review.

Commissioner Hudson clarified that the TIF Commission is being asked to approve a TIF plan that will also require other financial tools (not reviewed by the TIF Commission) in order to make the TIF plan feasible. Mr. Bushek agreed.

Further discussion ensued.

- D. [2024-6602](#) A Resolution of the Lee's Summit Tax Increment Financing Commission recommending that the City Council approve the Oldham Village Tax Increment Financing Plan and take Other Actions in Connection with Implementation of the Plan.

**A motion was made by Commissioner Hudson, seconded by Commissioner Haynes to recommend City Council approval of Resolution 2024-1 Oldham Village Tax Increment Financing Plan, based on findings A- I.**

**The motion passed 5 ayes and 4 nays by roll call vote.**

**Aye:** 5 - Chairperson Freeman  
Secretary Haynes  
Commissioner Bates  
Commissioner Carnes  
Commissioner Hudson

**Nay:** 4 - Commissioner Asel  
Commissioner Haley  
Commissioner Willerth  
Alternate Johnson

**Absent:** 2 - Vice Chair Rhoads  
Commissioner Shrout

## 6. Roundtable

There was no roundtable discussion.

## 7. Adjournment

There being no further business the meeting adjourned at 6:09 p.m.

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