East Village TIF Plan

Staff Presentation to TIF Commission

November 24, 2025

LEE'S SUMMIT
MISSOURI

Yours Truly

TIF Commission Proceedings

- TIF Plan Review
- Required Findings
- Public Testimony
- Questions and Issues Raised by Commissioners
- Commission discussion and deliberation
- Resolution: recommendation to City Council

Requested Incentives

East Village
Drake Development Incentive Request
November 24, 2025 TIF Commission

Developer Request

Source	Incentive Tool	Applicable Rate	Duration	Purpose	*Estimated Financial Benefit	% Project Costs
TIF	Payments In Lieu of Taxes (PILOTs)	50%	23 years	Real Property Tax Redirection for Reimbursement	$4,678,000	0.9%
TIF	Economic Activity Taxes (EATs) - All except CID	50%	23 years	Sales Tax Redirection for Reimbursement	$64,491,000	13.1%
TIF	Economic Activity Taxes (EATs) - CID	50%	23 years	Sales Tax Redirection for Reimbursement	$17,976,000	3.6%
LCRA	Sales Tax Exemption on Construction Materials	100%	Construction Period	Reduce Development Costs	$10,719,000	2.2%
LCRA	Real Property Tax Abatement on Apartments**	75%	25 years	Reduce Development Cost	$13,034,000	2.6%
				Totals:	**$110,898,000**	**22.5%**

Total Project Costs: **$492,731,540**

Notes:
* Rounded to nearest $1,000; all net present value calculations except LCRA sales tax exemption during construction period.
** Abatement benefit covers the initial 25-year period of the project. Each multifamily components will have a separate 25-year schedule.

Sources and Uses

Exhibit 5
Sources and Uses of Funds

A. USES OF FUNDS FOR ALL ESTIMATED REDEVELOPMENT COSTS

GRAND TOTAL USES OF FUNDS				
1	Estimated Redevelopment Project Costs (See Redevelopment Project Cost Budget)	$	492,731,540	100% of TOTAL COSTS
2	Estimated cost savings to Redeveloper and Others from sales tax exemptions	$	(10,718,608)	
3	Estimated Total	$	482,012,933	

B. SOURCES OF FUNDS FOR ALL ESTIMATED REDEVELOPMENT COSTS

APPROX. 14% IN REDIRECTED TAXES	REDIRECTED TAXES				
	1	Estimated amount available from the financing of revenues from TIF Revenues (excluding CID EATs)	$	69,168,635	14% of TOTAL SOURCES
APPROX. 86% IN ADD-ONS & PRIVATE INVESTMENT	CID ADD-ON				
	2	Estimated amount available from the financing of revenues from CID Sales Tax (EATs)	$	17,975,832	4% of TOTAL SOURCES
	PRIVATE INVESTMENT				
	3	Estimated Private Investment by Redeveloper and Others	$	394,868,465	82% of TOTAL SOURCES
	GRAND TOTAL				
	4	Estimated Total	$	482,012,933	100%

TIF Required Findings

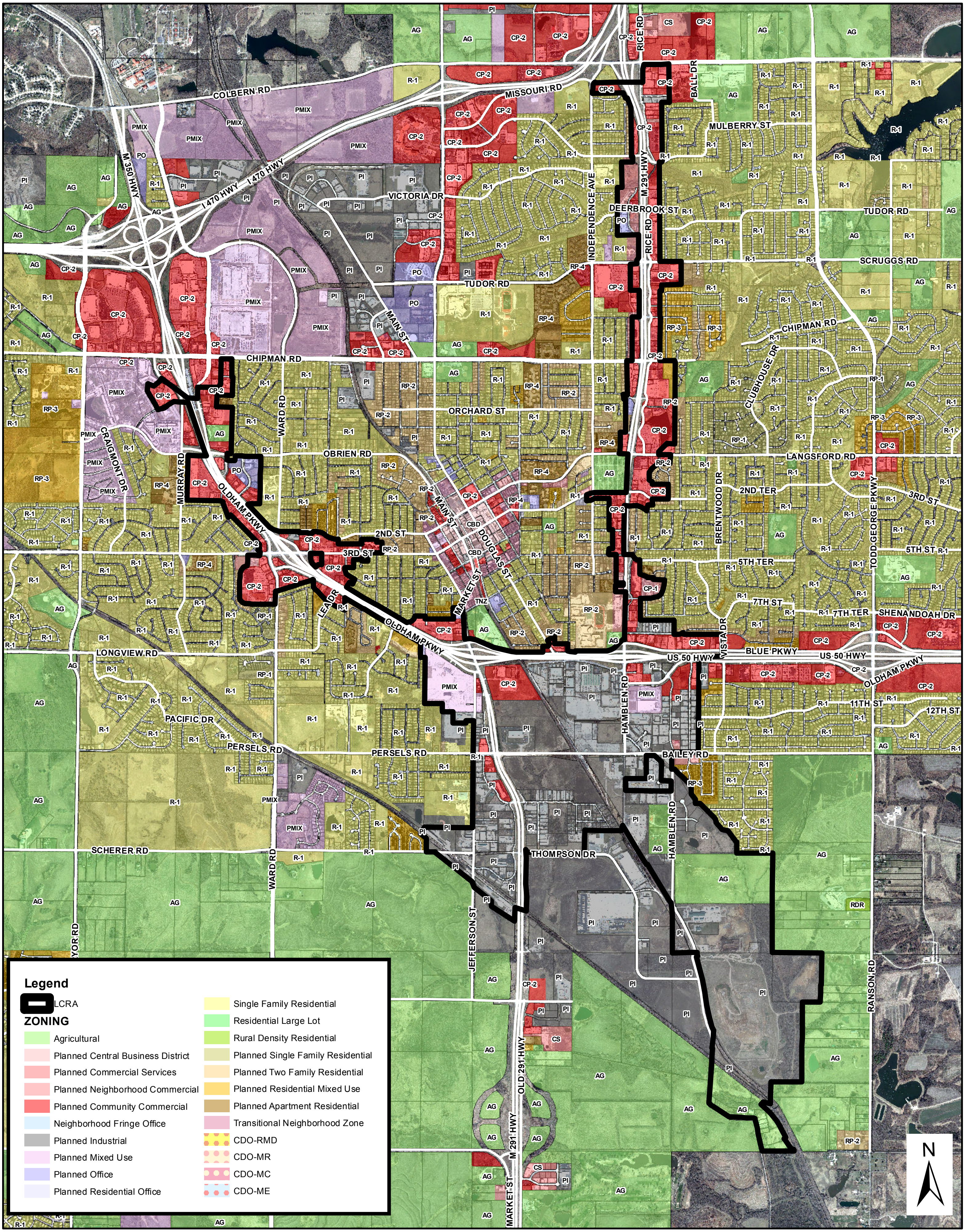
1. Blighted Area
2. But For Test and Financial Feasibility
3. Conforms to Comprehensive Plan
4. Estimated date to terminate TIF has been stated (maximum 23 year limit)
5. Relocation Plan has been prepared
6. Cost Benefit Analysis has been prepared
7. No gambling establishment

1. Blight Finding

- **Area has already been declared blighted by City Council**
  - LCRA Blight Finding in 2014-15
- **Developer Blight Study, Exhibit 6**
  - Component 1 (p.17): Insanitary or Unsafe Conditions
  - Component 2 (p.28): Deterioration of Site Improvements
  - Component 3 (p.32): Conditions which Endanger Life or Property
- **Economic Underutilization**

East Village
Redevelopment Area
Summary of Blighting Factors

Study Area	Parcels	Pct.	Area (acres)	Pct.
Total	5	100%	124.20	100%
Blighting Factors				
Insanitary or unsafe conditions	5	100.0%	124.20	100.0%
Deterioration of site improvements	3	60.0%	108.20	87.1%
Existence of conditions which endanger life or property by fire and other causes	2	20.0%	48.70	39.2%
Parcels with Predominance of Blighting Factors	**4**	**80.0%**	**109.80**	**87.8%**



I:\Planning\...\LCRA 3rd_US50 Area Expanded Dec 2015.mxd

2. But For Test & Financial Feasibility

"<u>But For Test</u>" in Section 99.810(1), RSMo:

(1) The redevelopment area has not been subject to growth and development through investment by private enterprise and

(2) would not reasonably be anticipated to be developed without the adoption of tax increment financing.

<u>Financial Feasibility Analysis</u> in Section 99.810(5), RSMo:

Sufficient information from the developer for the Commission to evaluate whether the project as proposed is financially feasible.

2. But For Test & Financial Feasibility

<u>Analysis from Baker Tilly Municipal Advisors as City's Financial Advisor:</u>

- Satisfaction of "But For Test"
- Rate of Return without incentives
- Rate of Return with incentives, reasonableness
- Acceptable range of return to undertake project
- Reasonableness of construction costs
- Reasonableness of revenue assumptions

3. Conforms to Comprehensive Plan

Planning Commission Action in 2025

- November 13, 2025 – Recommended approval of rezoning and preliminary development plan for Phase 1
- Discussion covered entire Redevelopment Area
- Ignite! Comprehensive Plan calls for mixed use development in the Redevelopment Area

3. Conforms to Comprehensive Plan

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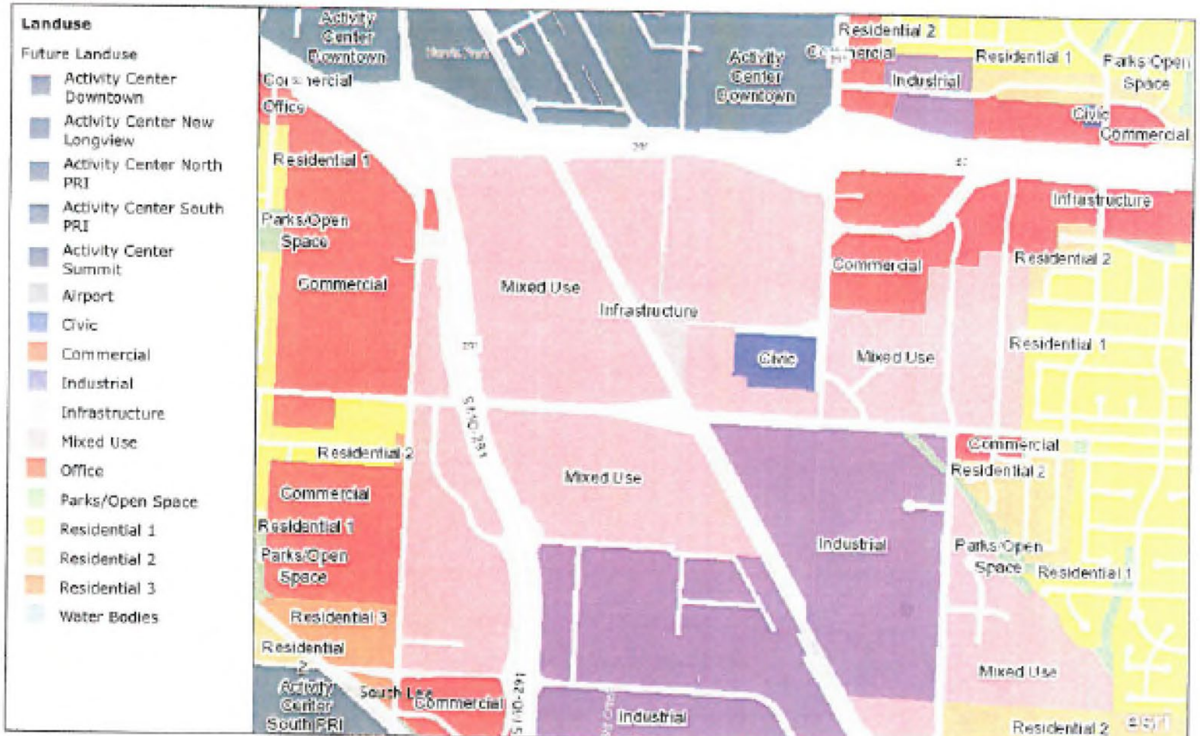
ArcGIS - Landuse

Landuse



Displays future and existing landuse designations for properties in Lee's Summit, MO

0.2mi

Esri Community Maps Contributors, City of Lees Summit, Missouri Dept. of Conservation, Missouri DNR, Esri, HERE, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, US Census Bureau, USDA | City of Lee's Summit, MO | Esri Community Maps Contributors, City of Lees Summit, Missouri Dept. of Conservation, Missouri DNR, Esri, HERE, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, US Census Bureau, USDA

TIF Required Findings

4. Estimated date to terminate TIF has been stated (maximum 23 year limit)
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Other Required Plan Components

- Mandatory Plan Contents
- Evidence of Commitments to Finance Project Costs
- Developer affidavit – Blight and "But For Test"

City Economic Development Incentive Policy

- Preference: less than **25%** TIF reimbursement
- Developer request is **17.7%** TIF reimbursement
- Total incentive request is **22.5%** of total project costs
- TIF Contract control mechanisms
  - Rate of Return limitation
  - Development Cost Savings provision

Historical TIF Data

Lee's Summit TIF Plans

Updated November 2025

Project	Year	Acres	Total Project Cost*	TIF Reimbursement*	TIF %	Total Reimbursement*	Total %	Incentives: TIF	LCRA	CID	TDD	Chapter 100	Characteristics: Blighted Area	Conservation Area	Economic Dev. Area	Public Improvements	Private Improvements
Chapel Ridge	2000	258.0	$108.7	$24.9	22.9%	$31.9	29.3%	•			•				•	•	
Summit Woods	2000	95.0	$151.6	$24.7	16.3%	$39.7	26.2%	•			•		•			•	
I-470 Business & Technology	2006	17.8	$66.2	$4.1	6.2%	$6.8	10.3%	•		•			•			•	
Lee's Summit East (Summit Fair)	2006	58.7	$162.8	$32.0	19.7%	$55.3	34.0%	•		•			•			•	•
Hartley Block	2006	1.3	$7.7	$2.5	32.5%	$2.5	32.5%	•					•			•	•
East 50 Highway Corridor (Project 4)	2007	15.2	$20.0	$3.8	19.0%	$5.0	25.0%	•		•			•			•	
Ritter Plaza	2007	7.3	$14.5	$3.3	22.8%	$4.7	32.4%	•		•			•			•	•
New Longview	2015	107.0	$85.4	$20.6	24.1%	$20.6	24.1%	•		•	•			•			•
Village at View High	2017	34.0	$69.0	$8.0	11.6%	$10.3	14.9%	•		•			•			•	•
Cityscape Downtown (2019)	2019	3.7	$51.8	$8.0	15.4%	$8.0	15.4%	•	•				•				•
Streets of West Pryor (2019)	2019	73.0	$178.6	$20.2	11.3%	$29.9	16.7%	•	•	•	•	•	•			•	•
I-470 & View High (Amended) (Paragon Star)	2020	332.9	$245.1	$32.2	13.1%	$74.6	30.4%	•	•	•	•		•			•	
Discovery Park	2022	265.0	$956.5	$193.2	20.2%	$212.2	22.2%	•		•			•			•	•
Oldham Village	2025	60.0	$182.2	$11.8	6.5%	$44.9	24.6%	•	•	•	•		•			•	•
East Village	2025	125.0	$492.7	$87.1	17.7%	$110.9	22.5%	•	•	•			•			•	•
Grand Totals		**1,453.9**	**$2,792.8**	**$476.4**		**$657.3**		**15**	**5**	**11**	**6**	**1**	**13**	**1**	**1**	**13**	**10**

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