



Greens at Woods Chapel

Conceptual Presentation to
Lee's Summit City Council

June 20, 2023

Overview

- Proposed Developer
- Proposed Project
 - The Challenge – Attainability
 - Strategies – “SLA” + “Smart Green”
 - Resident Cost Savings
- Proposed Public Incentives
- Value Proposition for City

Proposed Developer

- Andy Mackey + Brian Mertz
- Extensive Residential Development History
 - High-Quality Apartments, Townhomes, Single Family
 - More than 3,000 residential units
 - Few examples -
 - Sunset Plaza
 - Thrive at Creekside
 - Brighton Crossing

Sunset Plaza



Thrive at Creekside



Brighton Crossing



Proposed Project – *Project Site*

- SWQ of I-470 and Woods Chapel
- 18 +/- acres



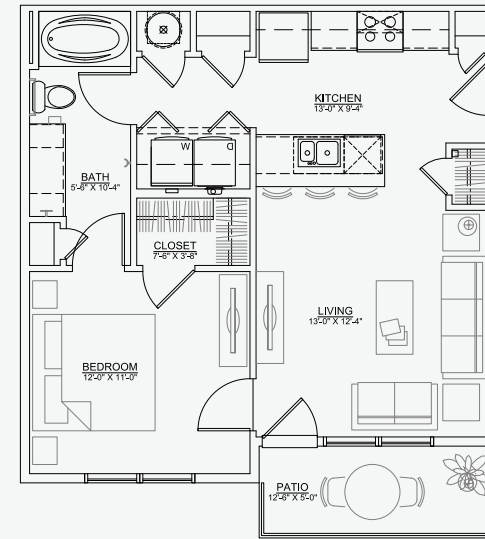
Proposed Project – “*The Challenge*”

- Affordability Challenges in Lee’s Summit
 - “Threading the needle” on quality and affordability
- Lowest listing for new construction:
 - Duplex - \$294,000 (\$188/SF) [MLS #2420750]
 - Split Level - \$389,000 (\$206/SF) [MLS #2401184]
- Average new home: \$572,564
- New apartment projects report costs >\$220,000/unit

SOURCE: HMLS Kansas City

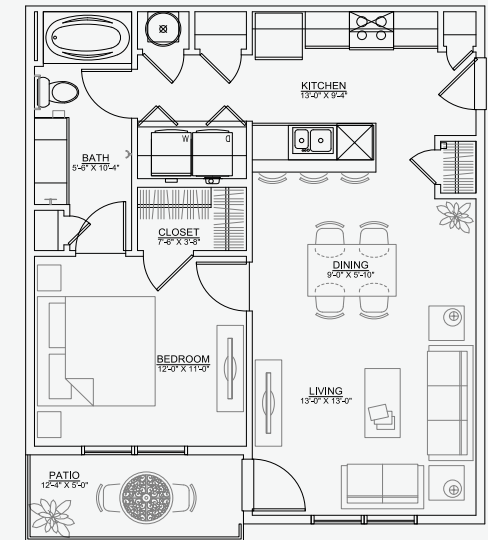
Proposed Project – “Strategy #1 - SLA”

- **SLA**
 - **Small, Livable, More Affordable**
 - Average size of Lee’s Summit “Class A” Apartment: 1,181 SF
 - Bigger Units = Bigger Rents
 - What if we retained the quality but reduced the size (& cost) of units?



UNIT TYPE - A

1BR / 1BA | 650 G.S.F. | 1/2" = 1'-0" | ANSI TYPE-B



UNIT TYPE - A1

1BR / 1BA | 731 G.S.F. | 1/2" = 1'-0" | ANSI TYPE-B

Proposed Project – “Strategy #1 - SLA”



Proposed Project – “Strategy #1 - SLA”



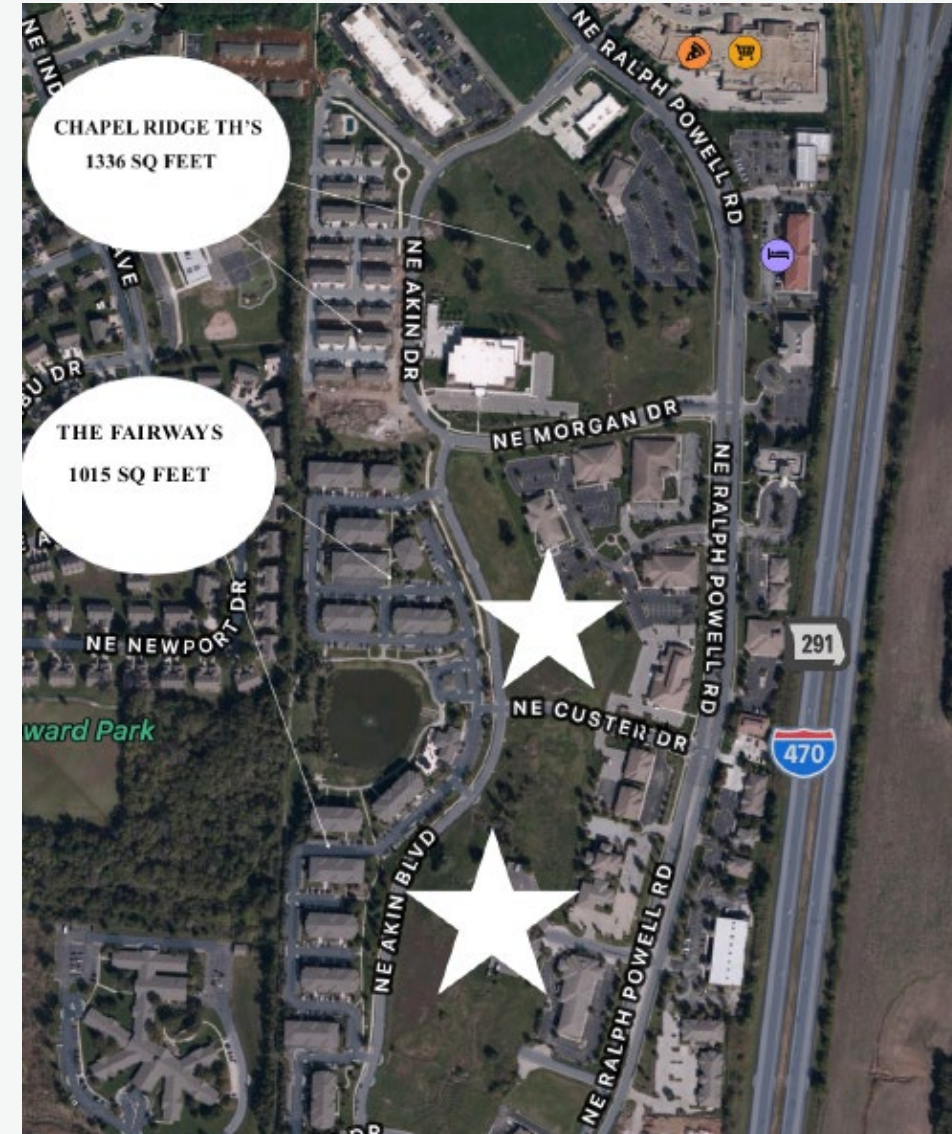
\$1,850



\$2,880

Proposed Project – “Strategy #1 - SLA”

- Greens at Woods Chapel
 - Two-phase, high-end MF community (~396 units)
 - “SLA” design: average unit size of ~885 SF
 - Avg. size / unit near project area: ~1,175 SF
 - Fairways Apartments: 1,015 SF
 - Chapel Ridge Townhomes: 1,336 SF
 - Average rent reduction (assuming \$1.50/SF):
\$195 – \$435 / month



Proposed Project – “Strategy #1 - SLA”

- Why don't more developers build “SLA”?
 - Does not maximize financial return
 - Same fixed costs (e.g., kitchen, bathroom), less rentable SF
 - Additional SF is least expensive to construct, while generating same additional rent per SF
 - Marketing “need” for new product to be “bigger and better”

Proposed Project – “Strategy #2 – Smart Green”

- Three “green” strategies
 - 1. No cost Electric Vehicle (EV) charging
 - 2. “E-Units” – minimal, flat electric bill
 - 3. Rainwater capture for irrigation
- “Smart” green = designed to reduce residents’ costs, not increase rental rates!

Better for business and the bottom line

LEED-certified buildings are a solid asset for investors, occupiers, and communities. They've proven to be top-performing commercial real estate investments.

Help meet investor's ESG goals

- ➔ Command higher rents
- ➔ Boast lower vacancies post-pandemic
- ➔ Increased occupancy rates
- ➔ Acquire premium pricing

LEED helps investors measure and manage their real estate performance. It allows investors to implement management practices that prioritize building efficiency, decrease operational costs and increase asset value.

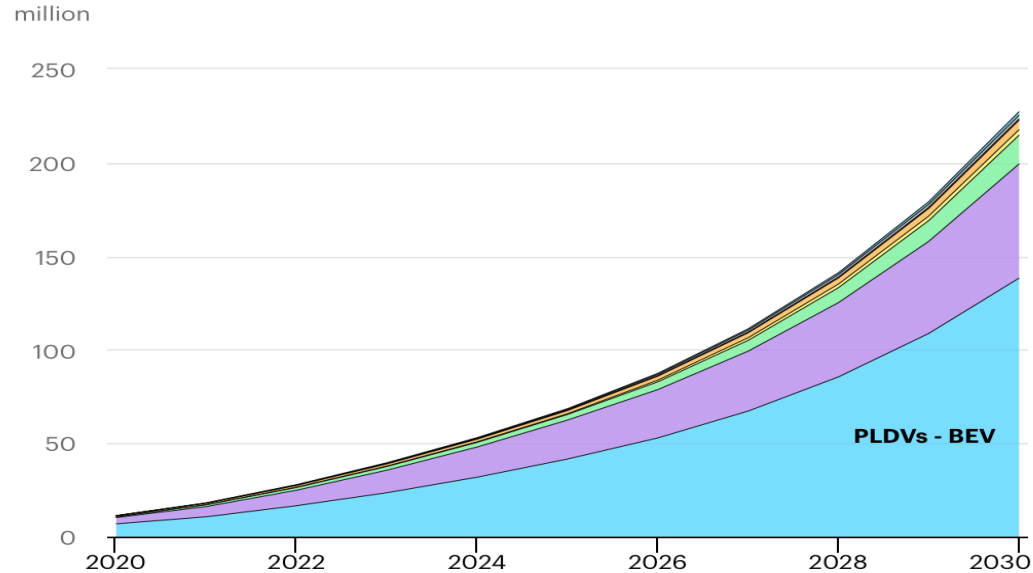
1. No cost Electric Vehicle (EV) charging

Proposed Project – “Strategy #2 – Smart Green”

■ EV Demand - Get Ready!

Global EV stock by mode in the Sustainable Development Scenario, 2020-2030

Open ↗



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- PLDVs - BEV
- PLDVs - PHEV
- LCVs - BEV
- LCVs - PHEV
- Buses - BEV
- Buses - PHEV
- Trucks - BEV
- Trucks - PHEV

electrek ▾

Kentucky	2,650	0.26%	4,220	0.29%	+59.30%
Louisiana	1,950	0.19%	3,180	0.22%	+63.10%
Maine	1,920	0.19%	3,040	0.21%	+58.33%
Maryland	17,970	1.8%	25,630	1.76%	+42.63%
Massachusetts	21,010	2.1%	30,470	2.09%	+45.03%
Michigan	10,620	1%	17,460	1.20%	+64.41%
Minnesota	10,380	1%	15,000	1.03%	+44.51%
Mississippi	780	0.08%	1,310	0.09%	+68.00%
Missouri	6,740	0.66%	10,050	0.69%	+49.11%
Montana	940	0.09%	1,650	0.11%	+75.53%
Nebraska	1,810	0.18%	2,710	0.19%	+49.72%
Nevada	11,040	1.1%	17,380	1.19%	+57.43%
New Hampshire	2,690	0.26%	4,000	0.28%	+48.70%
New Jersey	30,420	3%	47,830	3.29%	+57.23%
New Mexico	2,620	0.26%	4,150	0.29%	+58.40%
New York	32,590	3.2%	51,870	3.57%	+59.16%
North Carolina	16,190	1.6%	25,190	1.73%	+55.60%
North Dakota	220	0.02%	380	0.03%	+72.73%

Proposed Project – “Strategy #2 – Smart Green”

- Access to ~ 27 EV charging stations (phase 1)
 - 4 at leading multi-family community in Lee’s Summit
- Solar + batteries provide charge for 40-70 miles per day at no cost to resident



Proposed Project – “Strategy #2 – Smart Green”

- Tenant Savings
 - Conversion to an EV: ~\$343/month*
 - Existing EV driver: ~\$108/month**

*Assumes 50 miles/day, 16 MPG, and \$3.54 / gallon

**Assumes 50 miles/day and 0.0725 cents/mile for EV charging costs

2. “E-Units” – minimal, flat electric bill

Proposed Project – “Strategy #2 – Smart Green”

- Approximately 36 solar-powered “E-units”
- No Tenant bill from Evergy
- Fixed electric payment to Landlord
 - Initial target: \$25/month
 - Est. savings: \$75/month

*Subject to legal requirements, preference for teachers, 1st responders, other city employees

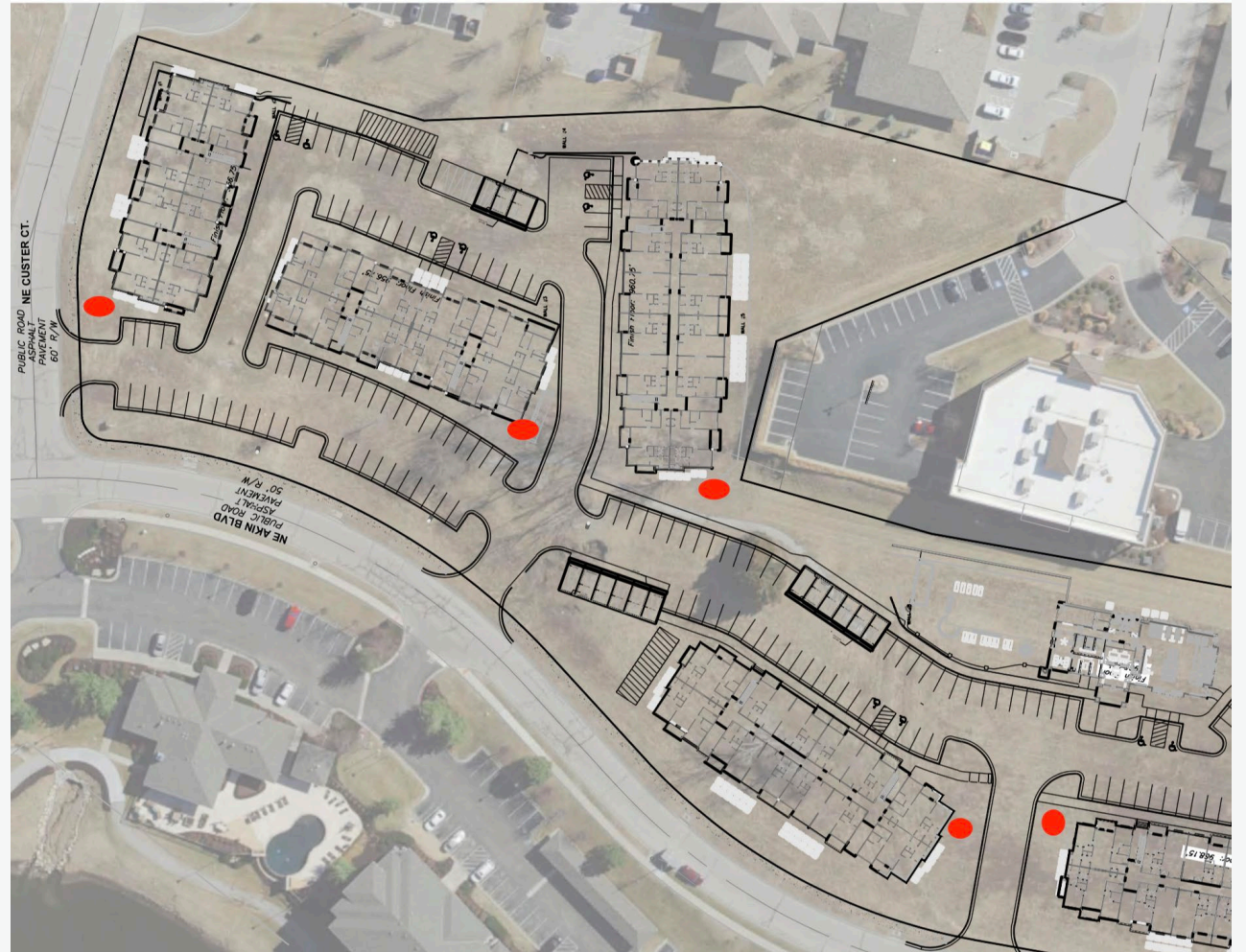


3. Rainwater capture for irrigation

Proposed Project – “Strategy #2 – Smart Green”

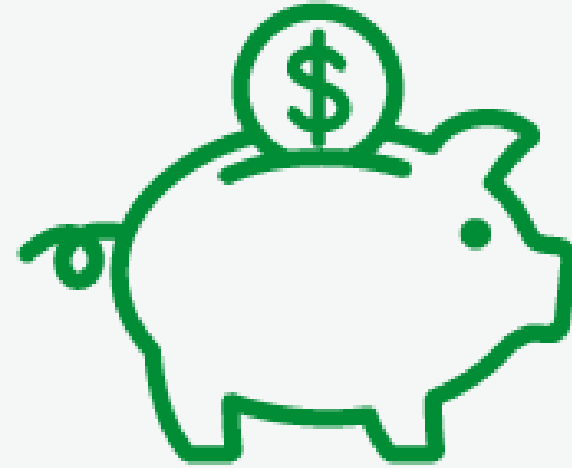
- Capture rooftop water
- Irrigate
- Reduce water costs

PRELIMINARY CISTERN EXHIBIT



Proposed Project – “Strategy #2 – Smart Green”

- Example Tenant “Smart Green” Savings
 - Tenant #1: \$900 / year
 - E-unit (no EV)
 - Tenant #2: \$2,196 / year
 - E-unit + EV Tenant
 - Tenant #3: \$5,016 / year
 - E-unit + EV Conversion



Proposed Project – Impact on Attainability

- **Estimated resident cost savings from “SLA” + “Smart Green”**

- Community “X”: $1,015 \text{ SF} \times \$1.50 = \$1,523$

- The Greens: $885 \text{ SF} \times \$1.50 = \$1,327$

E-unit + EV Conversion: *minus* (\$75 + \$343)

❖ **Total cost savings per year: \$2,352 - \$7,368**

Proposed Public Incentives – Chapter 100

Two Ch. 100 Benefits:

1. Predictable Property Taxes

- Protects against County appraisal uncertainty
- Proposed 10-yr PILOT: \$1,350/unit (+ 3% biennial increase)
 - Benchmark: \$1,800/unit
 - 13% adjustment to reflect reduced unit size (885/1,015): \$1,566/unit
 - \$216/unit adjustment to partially assist with “Smart Green” costs: \$1,350/unit

New frustrations over property taxes in Jackson County after average rates increase 30 percent



Updated: 5:46 PM CDT Mar 24, 2023



Andy Alcock  
KMBC 9 News Reporter

Proposed Public Incentives – Chapter 100

Two Ch. 100 Benefits:

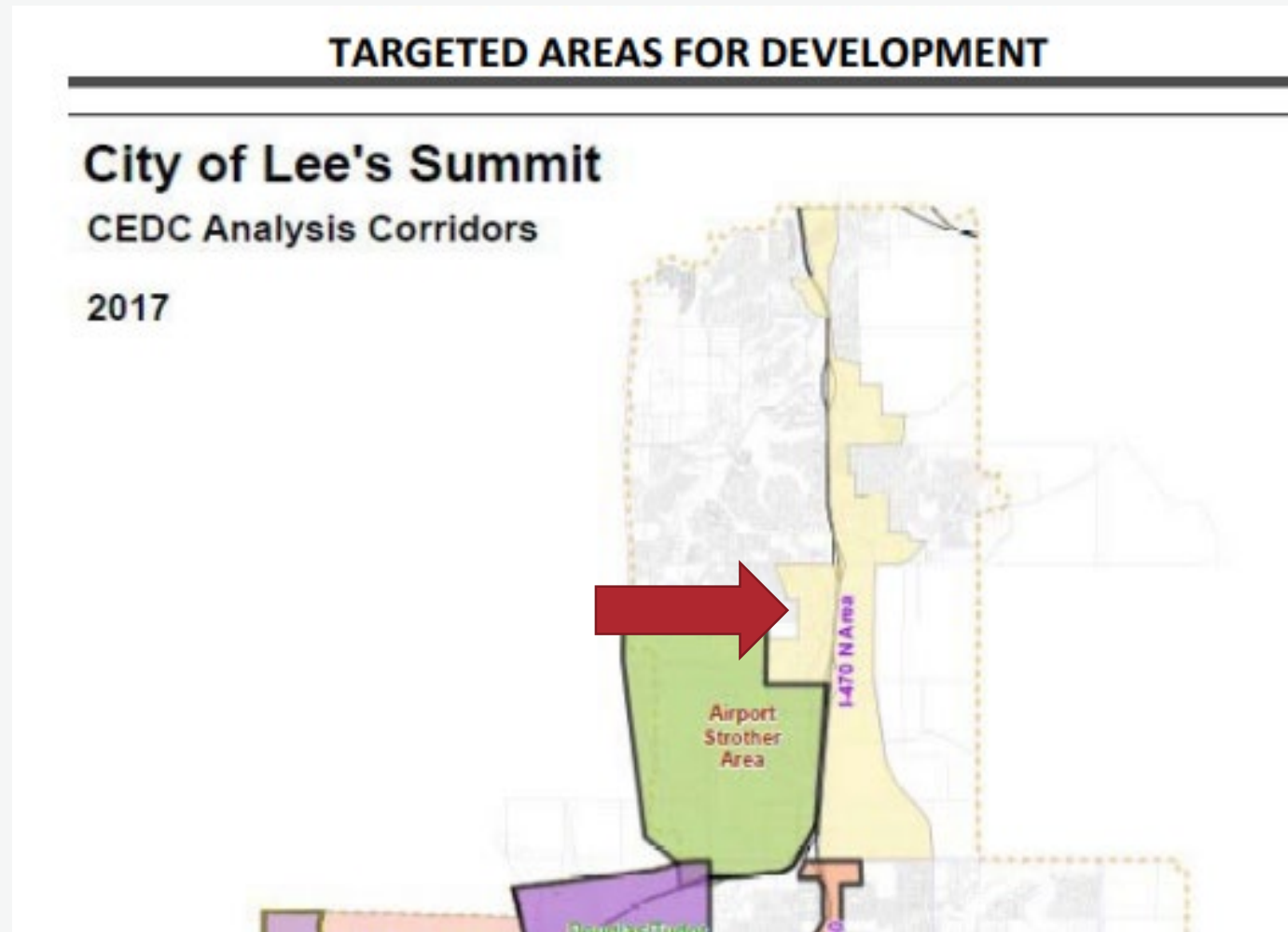
2. Sales Tax Exemption on Construction Materials
 - Reduces construction costs to make “SLA” more viable
 - Assists with extraordinary site costs and “Smart Green” capital expenditures

Value Proposition for City

- Targeted area for development
- City planning goals
- City tax revenues
- Economic and social growth and prosperity

Targeted Area for Development

- I-470 North Targeted Planning Area



City Planning Goals

- Ignite!
 - “diverse housing options”



City Tax Revenues

- Property Tax / Fee Generation

- Today

- Annual real property taxes: ~\$392 (\$69 to City)

- During 10-year Ch. 100 Period

- Real property taxes to City: ~\$998,000
 - Real property taxes to School District: ~\$3,733,000
 - Excise taxes paid to City

Economic and Social

- Fight the “young adult drain”
 - Bring back our young adult children / college graduates to housing they want (expect) and can afford
 - This generation is the lifeblood of the next chapter in the City’s growth and prosperity
 - Increased likelihood of filling/creating jobs and Lee’s Summit and starting new businesses
- Empty-nester second homes
- Essential Workers
- Value-focused, renters by choice

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