



Douglas Station

Ch. 100 Public Hearing Presentation to
Lee's Summit City Council

September 19, 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*



Just North of the Lees Summit Police Station

Previously Approved:

1. All 2 and 3 Bedroom
2. Approved with NO pool
3. Approved with NO exercise facilities
4. The goal for this developer was for this to be a low income tax credit project

Proposed Project – *Project Site*



1. 150 1 & 2 Bedroom Units +/-
2. Added Pool
3. Luxury Finishes
4. Added Garages
5. Added EV Chargers
6. 8 Buildings down to 5
7. Re-Aligned Entrances

Proposed Project – *Project Design*



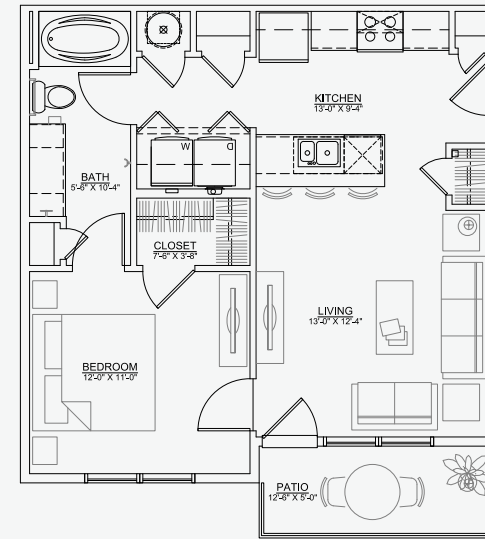
Proposed Project – “*The Challenge*”

- 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

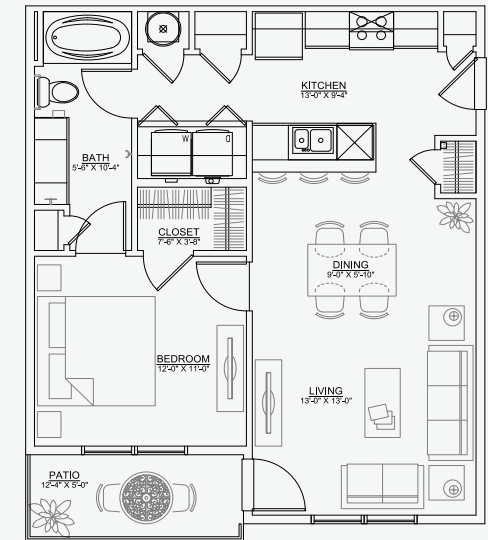
Proposed Project – “Strategy #1 - SLA”

- “**SLA**” – **S**maller, **L**ivable, More **A**ffordable
 - 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

SLA – Whats the difference?



SLA – Whats the difference?



\$1850
1196 SF



\$2885- \$2100
1865 SF

Proposed Project – “Strategy #1 - SLA”

- Douglas Station
 - Two-phase, high-end MF community (~150 units)
 - “SLA” design: average unit size of ~885 SF
 - Avg. size / unit near project area: ~1,082 SF
 - Vanguard Villas/Century/Signature at West Pryor – 1279
 - The Donovan – 965
 - Summit Square - 1002
 - Average rent reduction (assuming \$1.50/SF for SLA and \$1.65/SF avg. rent near project):

\$264 - \$360 / month

Proposed Project – “Strategy #1 - SLA”

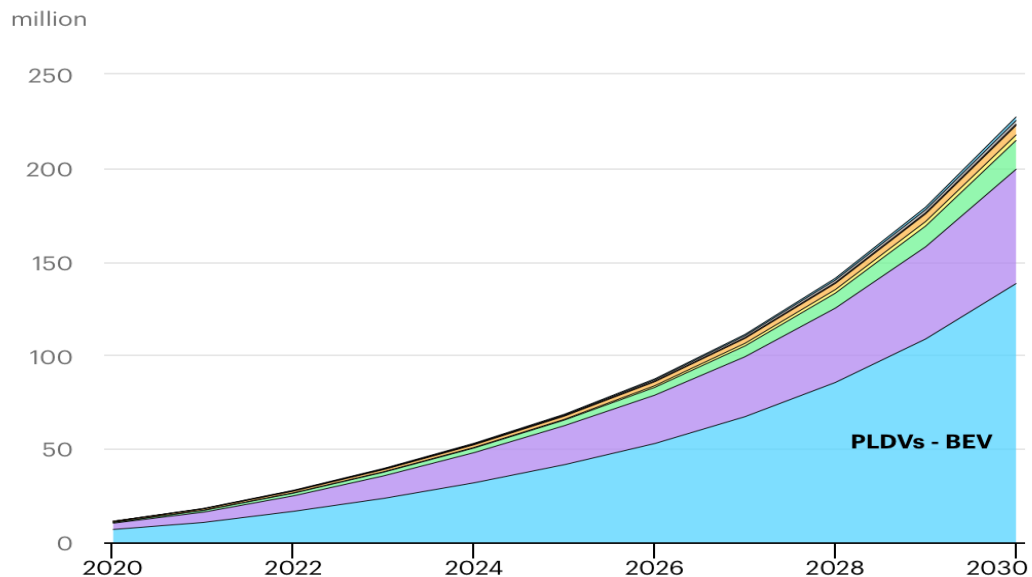
- Why don't more developers build “SLA”?
 - Does not maximize financial return
 - Same fixed costs (e.g., kitchen, bathroom), less rentable SF
 - Additional SF is least expensive to construct, while generating same additional rent per SF
 - Marketing “need” for new product to be “bigger and better”

Proposed Project – “Strategy #2 – Smart Green”

■ 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 ~ 15 EV charging stations
 - 4 at leading multi-family community in Lee’s Summit (for a fee)
- Charging 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

Proposed Project – Impact on Attainability

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

- Community “X”: $1,023 \text{ SF} \times \$1.65 = \$1,688$

- Douglas Station: $885 \text{ SF} \times \$1.50 = \$1,327$

EV Conversion: *minus* (\$343)

❖ **Total cost savings per year: \$8,448**

Proposed Public Incentives – Chapter 100

Two Ch. 100 Benefits:

1. Predictable Property Taxes

- Protects against County appraisal uncertainty
- Proposed 10-yr PILOT: \$1,600/unit (+ 3% biennial increase)
 - Benchmark: \$1,800/unit
 - 13% adjustment to reflect reduced unit size (885/1,015): \$1,566/unit
 - Round up to \$1,600/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:

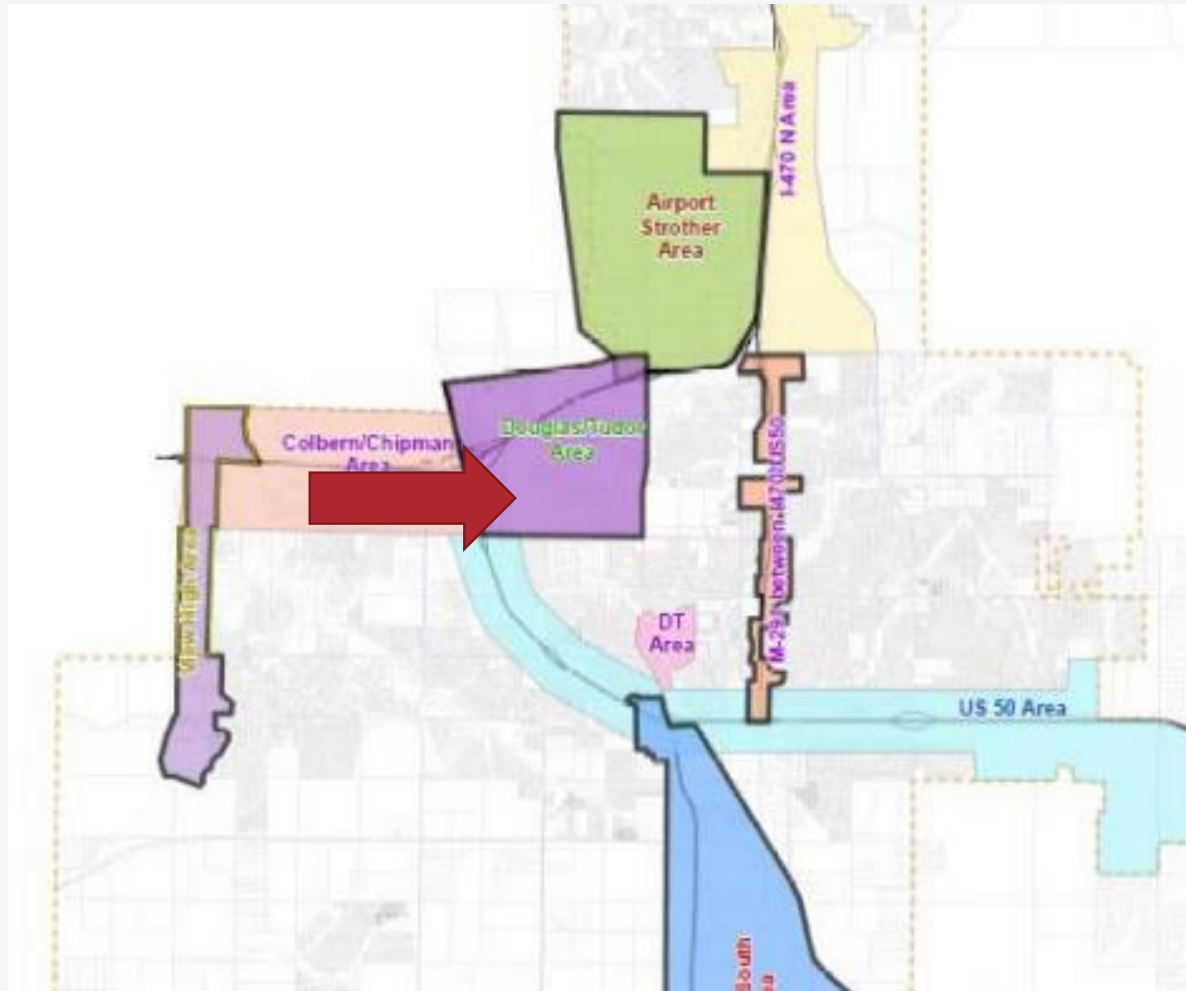
2. Sales Tax Exemption on Construction Materials
 - Reduces construction costs to make “SLA” more viable
 - “Smart Green” capital expenditures

Value Proposition for City

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

Targeted Area for Development

- Douglas/Tudor Targeted Planning Area



City Planning Goals

- Ignite!
 - “diverse housing options”



City Tax Revenues

- Property Tax / Fee Generation

- Today

- Annual real property taxes: ~\$42 (\$7 to City)

- During 10-year Ch. 100 Period

- Real property taxes to City: ~\$378,000
 - Real property taxes to School District: ~\$1,414,000
 - 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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