

Event Notice
November 3, 2023

Obligated Person: City of Lee’s Summit, Missouri (the “City”)

Issue to which this Notice relates: City of Lee’s Summit, Missouri Special Obligation Tax Increment and Special District Refunding and Improvement Bonds (Summit Fair Project), Series 2017

CUSIP Numbers: 524309 AB7; 524309 AC5

Type of Information: Consent to Amendment of Financing Documents

The City is inviting holders of the above CUSIP numbers to consent to the amendment of financing documents pursuant to the terms and conditions set forth in the attached request.

This filing is not an event filing for a defeasance or bond call.

The City is providing this notice filing with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access (“EMMA”) system.

The information provided herein is accurate as of its date. In addition, nothing contained in this notice, nor the furnishing of this notice with EMMA in and of itself, shall obligate the City to provide additional or updated information to holders of any securities.

For additional information, contact Jeff White, Financial Advisor to the City, Columbia Capital Management, LLC, at jwhite@columbiacapital.com.

CITY OF LEE’S SUMMIT MISSOURI

REQUEST FOR CONSENT TO AMENDMENT OF FINANCING DOCUMENTS
made by
CITY OF LEE’S SUMMIT, MISSOURI

to the Holders described herein of all or any portion of the following Bonds:

City of Lee’s Summit, Missouri Special Obligation Tax Increment and Special District Refunding and Improvement Bonds (Summit Fair Project), Series 2017

CUSIP	Maturity Date	Interest Rate	Principal Amount at Issuance	Outstanding Principal Amount	Price at Issuance
524309 AB7	11/1/2027	4.000%	\$9,250,000	\$6,100,000	99.250%
524309 AC5	11/1/2037	4.875	15,000,000	15,000,000	99.000

THIS REQUEST FOR CONSENT WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON - NOVEMBER 28, 2023, UNLESS THE REQUEST FOR CONSENT IS EARLIER EXTENDED AS DESCRIBED HEREIN. See “TERMS OF THE REQUEST” herein.

This Request to Consent to Amendment of Financing Documents, dated November 3 (as it may be amended or supplemented, this “**Request**”), describes an invitation by the City of Lee’s Summit, Missouri (the “**City**”), to the beneficial owners (the “**Holders**” or “**Bondholders**”) of the above-referenced bonds (collectively, the “**Bonds**”) to amend the herein described Redevelopment Agreement to allow for an increase of service tenants (non-sales tax generating businesses) within the Redevelopment Area (as described below).

Subject to the terms and conditions of this Request, the City and RED Lee’s Summit East, LLC (the “**Developer**”) expects to amend the Redevelopment Agreement on or before December 31, 2023, unless extended by the City and Developer, provided, that such consent has been provided by the Expiration Date set forth below. See “**INTRODUCTION**” herein.

To make an informed decision as to whether, and how, to provide consent to amend the financing documents pursuant to this Request, Bondholders must read this Request carefully, and consult with their broker, account executive, financial advisor, attorney and/or other professionals (the “**Advisors**”). **For more information about risks concerning this Request, see “ADDITIONAL CONSIDERATIONS”** herein.

Any Bondholder wishing to provide consent to the amendment of the financing documents should follow the procedures more specifically described herein. Bondholders and their Advisors with questions about this Request should contact the Information and Tabulation Agent.

Key Dates and Times

All dates and times are subject to change. All times are New York City time. Notices of changes will be sent in the manner provided for in this Request.

Record Date	November 2, 2023
Launch Date	November 3, 2023
Expiration Date	5:00 p.m. on November 28, 2023
Notice of Results	November 29, 2023

The Information and Tabulation Agent for this Request is:

Bondholder Communications Group LLC

30 Broad Street, 46th Floor

New York, New York 10004

Attn: Leslie Sanders

Tel: +1 (212) 809-2663

Fax: +1 (212) 437-9827

Email: lsanders@bondcom.com

Document website: www.bondcom.com/LeesSummit

PROVISIONS APPLICABLE TO THE REQUEST

On or about November 3, the Request will be made available: (i) at the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access website, currently located at <http://emma.msrb.org> (the "**EMMA Website**"), using the CUSIP numbers for the Bonds listed in the "Bonds Subject to Request" table above; (ii) to The Depository Trust Company ("**DTC**") and to the DTC participants holding the Bonds (as shown in a securities position report obtained by the Information and Tabulation Agent); and (iii) by posting electronically on the website of the Information and Tabulation Agent at www.bondcom.com/LeesSummit.

IMPORTANT INFORMATION

This Request and other information with respect to this Request is and will be available from Bondholder Communications Group LLC (the “Information and Tabulation Agent”) at <http://emma.msrb.org> and www.bondcom.com/LeesSummit. Bondholders wishing to provide consent pursuant to this Request should follow the procedures described in this Request. The City reserves the right to modify this Request at any time on or prior to the Expiration Date. The consummation of this Request is subject to certain other conditions.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THIS REQUEST OR PASSED UPON THE FAIRNESS OR MERITS OF THIS REQUEST OR UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS REQUEST. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

In any jurisdictions where the securities, “blue sky” or other laws require this Request to be distributed through a licensed or registered broker or dealer, this Request shall be deemed to be distributed on behalf of the City through one or more registered brokers or dealers licensed under the laws of that jurisdiction.

No dealer, salesperson or other person has been authorized to give any information or to make any representation not contained in this Request and, if given or made, such information or representation may not be relied upon as having been authorized by the City.

The delivery of this Request shall not under any circumstances create any implication that any information contained herein is correct as of any time subsequent to the date hereof or that there has been no change in the information set forth herein or in any attachments hereto or materials delivered herewith or in the affairs of the City or the District (defined herein) or related to the Project (defined herein) since the date hereof. The information contained in this Request is as of the date of this Request only and is subject to change, completion, or amendment without notice.

Certain statements included or incorporated by reference into this Request constitute “forward-looking statements.” Such statements are generally identifiable by the terminology used such as “forecast,” “plan,” “expect,” “may,” “should,” “believe,” “seek,” “estimate,” “anticipate” or similar words or expressions. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties, including those described below under “**ADDITIONAL CONSIDERATIONS**” and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The City does not plan to issue any updates or revisions to those forward-looking statements if or when changes to its expectations, or events, conditions or circumstances on which such statements are based, occur.

This Request contains important information which should be read in its entirety before any decision is made with respect to this Request.

**To The Holders of the
City of Lee’s Summit, Missouri
Special Obligation Tax Increment and Special District
Refunding and Improvement Bonds
(Summit Fair Project)
Series 2017**

INTRODUCTION

General

This Request to Consent to the Amendment of Financing Documents dated November 3, 2023 (as it may be amended or supplemented, including the cover page hereto, this **“Request”**), describes an invitation by the City of Lee’s Summit, Missouri (the **“City”**), to the beneficial owners (the **“Holders”** or **“Bondholders”**) of the above-referenced bonds (the **“Bonds”**) to amend Exhibit I of the Amended and Restated Tax Increment Financing Contract between the City and RED Lee’s Summit East, LLC (the **“Developer”**), as previously amended (the **“Redevelopment Agreement”**), to increase from five percent (5%) up to fifteen percent (15%) of the square footage, but not to exceed 76,000 square feet of space, constructed within the Redevelopment Project Area 1 that may be used by a user whose primary business operation does not result in taxable retail sales for which (i) the retail sales tax is paid at the time such sale is consummated, and (ii) the retail sales tax is paid at the business operation within the Redevelopment Areas. The proposed amendment to the Redevelopment Agreement is available for review upon request from the Information and Tabulation Agent at www.bondcom.com/LeesSummit and at the office of the City Clerk at Lee’s Summit City Hall, 220 SE Green Street, Lee’s Summit, Missouri 64063.

The Bonds are limited obligations of the City, payable solely from certain tax increment financing revenues generated (the **“TIF Revenues”**) within the Summit Fair retail development (the **“Shopping Center”**) and special assessments and sales tax revenues from within the Summit Fair Community Improvement District (the **“CID”**).

Neither the City nor the Information and Tabulation Agent makes any recommendation that any Bondholder consent to this request. Bondholders must make their own decisions and should read this Request carefully and consult with their Advisors in making these decisions.

Subject to the terms and conditions of this Request, the City expects to close this Request by 5:00 p.m., New York City time, on November 28, 2023 (as extended from time to time in accordance with this Request, the **“Expiration Date”**), assuming all conditions to this Request have then been satisfied or waived by the City on or prior to the Expiration Date.

Brokerage Commissions and Solicitation Fees

Bondholders will not be obligated to pay any brokerage commissions or solicitation fees to the City or the Information and Tabulation Agent in connection with this Request. However, Bondholders should check with their Advisors to determine whether they will charge any commissions or fees to review this Request.

Information and Tabulation Agent

Investors with questions about this Request should contact Bondholder Communications Group LLC, which serves as Information and Tabulation Agent (the **“Information and Tabulation Agent”**) for this

Request, at the address and telephone number set forth on the last page of this Request. See “**INFORMATION AND TABULATION AGENT**” herein.

BACKGROUND INFORMATION

General – The City

Incorporated in 1868, the City of Lee’s Summit, Missouri is a home-rule charter city under the laws of the State of Missouri. The City became a charter city under the laws of the State of Missouri on April 2, 1996. The City is approximately 65 square miles in area and is located in southeast Jackson County, Missouri (the “**County**”) and northern Cass County in the southeastern quadrant of the Kansas City, Missouri metropolitan area. The City’s population was listed by the U.S. Census in 2020 at 101,108, and it is estimated by the U.S. Census in 2022 to be 103,465.



Certain additional information relating to the City and the Bonds is set forth in the Official Statement dated December 18, 2017, relating to the Bonds (the “**2017 Official Statement**”) and certain annual reports and semi-annual reports (which include audited financial statements), event notices and other information available on the EMMA Website. See “**INCORPORATION OF CERTAIN INFORMATION BY REFERENCE.**” Capitalized terms used in this “**BACKGROUND INFORMATION**” section and not otherwise defined have the meanings given those terms in “**Appendix B: DEFINITIONS AND SUMMARY OF THE INDENTURE AND FINANCING AGREEMENT**” to the 2017 Official Statement, which is incorporated by reference herein.

General – Tax Increment Financing in Missouri

Tax increment financing (“**TIF**”) is a procedure whereby cities and counties encourage the redevelopment of designated areas. The theory of tax increment financing is that, by encouraging redevelopment projects, the value of real property in a redevelopment area should increase. When tax increment financing is adopted for a redevelopment area, the assessed value of real property in the redevelopment area is frozen for tax purposes at the then current base level prior to the construction of improvements. The owners of the property continue to pay property taxes at the base level. As the property is improved, the assessed value of real property in the redevelopment area should increase above the base level. By applying the tax rate of each political subdivision located within the County which imposes ad valorem taxes (the “**Taxing Districts**”) having taxing power within the redevelopment area to the increase in assessed valuation of the improved property over the base level, a “tax increment” is produced. The tax

increments, referred to as “payments in lieu of taxes” or “PILOTS,” are paid by the owners of property in the same manner as regular property taxes. The payments in lieu of taxes are transferred by the collecting agency to the treasurer of the city or county and deposited in a “special allocation fund.” All or a portion of the moneys in the fund are used to pay directly for redevelopment project costs or to retire bonds or other obligations issued to pay such costs. In addition, 50% of all incremental sales tax revenues from taxes imposed by the City or other Taxing Districts which are generated by economic activities within the Redevelopment Area (defined below) over the amount of such taxes generated by economic activities within the Redevelopment Area in the calendar year prior to the year in which tax increment financing was adopted, but excluding certain specified taxes and reduced by certain other contractually-required payments, are available, subject to annual appropriation by the City, for the repayment of the Bonds (“economic activity taxes” or “EATs”).

Within the Shopping Center, the City has previously (a) approved a plan for redevelopment known as the “Lee’s Summit Amended and Restated Tax Increment Financing Plan” (as amended, the “**Redevelopment Plan**”) for an area designated as the redevelopment area, including “Project Area 1” and “Project Area 5” (together, the “**Redevelopment Area**”) and (b) approved projects and adopted tax increment financing for Project Area 1 and Project Area 5.

General – The CID

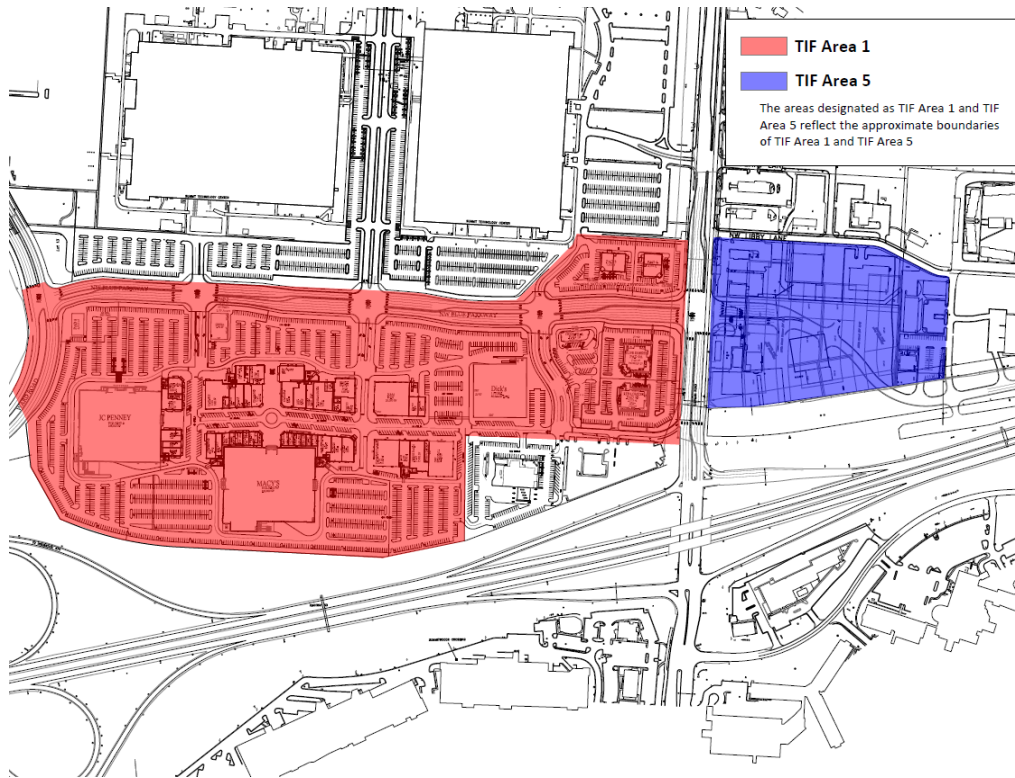
The Shopping Center is located within a “community improvement district” formed pursuant to the Missouri Community Improvement District Act, Sections 67.1401 through 67.1571 of the Revised Statutes of Missouri, as amended (the “**CID Act**”). Fifty percent of the sales taxes imposed by such community improvement district within both CID Area Y and CID Area Z (see the caption “**Sources of Payment and Security for the Bonds**” herein for a description of CID Area Y and CID Area Z) constitute Economic Activity Tax Revenues (defined below).

The CID has an area of approximately 78.78 acres. The CID was formed upon the filing of a Second Amended Petition to Establish District and Authorize a Sales Tax and Special Assessments, which petitioned the City for the establishment of the CID. Additional property was added to the CID pursuant to two separate Petitions to Add Property to the Summit Fair Community Improvement District and to Authorize a Sales Tax and Special Assessments on such Added Property that were filed with the City Clerk of the City and approved by the City in 2010 and in 2012.

A third Petition to Add Property to the Summit Fair Community Improvement District, Provide for Costs Related to the Added Property and Authorize a Sales Tax on such Added Property was filed with and approved by the City in 2014. This newly added parcel (hereinafter referred to as the “Summit Place Property”), contained approximately 61.56 acres. The Summit Place Property is located outside the “Redevelopment Area,” as defined with respect to the Bonds. Development did not occur on the Summit Place Property, and the Summit Place Property was later removed from the boundaries of the CID through the adoption of Ordinance No. 9277 on November 9, 2021, which approved the Petition to Remove Property from the Summit Fair Community Improvement District.

Sources of Payment and Security for the Bonds

The below map shows the approximate boundaries of the Redevelopment Area, which includes Project Area 1 and Project Area 5:



“Pledged Revenues” means all Net Revenues and all moneys held in the Project Fund, the Revenue Fund, the Debt Service Fund and the Debt Service Reserve Fund under the Trust Indenture dated December 1, 2017 (the “*Indenture*”) between the City and UMB Bank, N.A. (the “*Trustee*”), together with investment earnings thereon.

“Net Revenues” (a) all moneys on deposit (including investment earnings thereon) in the PILOTS Account of the Special Allocation Fund that were generated within the Redevelopment Area, (b) subject to annual appropriation, all moneys on deposit (including investment earnings thereon) in the Economic Activity Tax Account of the Special Allocation Fund that were generated within the Redevelopment Area, (c) all Area Z CID Special Assessment Revenues paid by or on behalf of the CID to the Trustee as provided in the Financing Agreement dated December 1, 2017 between the CID and the City (the “*Financing Agreement*”), and (d) all Area Z CID Sales Tax Revenues appropriated and paid by or on behalf of the CID to the Trustee as provided in the Financing Agreement. Net Revenues do not include (i) any amount paid under protest until the protest is withdrawn or resolved against the taxpayer, (ii) any sum received by the City or the CID which is the subject of a suit or other claim communicated to the City or CID, as appropriate, which suit or claim challenges the collection of such sum or (iii) an amount retained by the City from Payments in Lieu of Taxes and/or Economic Activity Tax Revenues sufficient to establish or restore the balance on deposit in the City Administrative Expense Account at \$50,000, provided that the amount retained by the City for deposit in the City Administrative Expense Account shall not exceed \$5,000 during any Fiscal Year.

Moneys on deposit in the PILOTS Account consist of “Payments in Lieu of Taxes” which means those payments in lieu of taxes (as defined in Sections 99.805(10) and 99.845 of the TIF Act), if any, attributable to the increase in the current equalized assessed valuation of all taxable lots, blocks, tracts and parcels of real property in the Redevelopment Area over and above the certified total initial equalized assessed valuation of the real property in the Redevelopment Area, as provided for by Section 99.845 of the TIF Act.

Moneys on deposit in the Economic Activity Tax Account consist of “Economic Activity Tax Revenues” which means 50% of the total additional revenue from taxes imposed by the City or other taxing districts (as that term is defined in Section 99.805 of the TIF Act) which are generated by economic activities within the Redevelopment Area over the amount of such taxes generated by economic activities within the Redevelopment Area in the calendar year ending December 31, 2006, but excluding therefrom (1) any taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant to Section 70.500, RSMo., licenses, fees or special assessments other than payments in lieu of taxes and penalties and interest thereon, personal property taxes, and taxes levied for the purpose of public transportation pursuant to Section 94.660, RSMo., and the sales tax imposed by Jackson County, Missouri to fund improvements to the stadium sports complex, and (2) 1% of the amounts collected as Economic Activity Tax Revenues, which shall be retained by the City as a collection fee.

“Area Z CID Special Assessment Revenues” means the proceeds of the special assessments (the “*Area Z CID Special Assessments*”) levied by the CID on real property within CID Area Z and all proceeds thereof (including without limitation the proceeds of any foreclosure resulting from unpaid special assessments) actually received by or on behalf of the CID. Area Z CID Special Assessment Revenues shall not include (i) the charge of up to 1% to be retained by the Jackson County Collector (the “*Collector*”) in connection with the collection of the Area Z CID Special Assessment Revenues, (ii) any Area Z CID Special Assessment Revenues paid under protest until the protest is withdrawn or resolved against the taxpayer, (iii) any Area Z CID Special Assessment Revenues received by the CID (or the Collector on behalf of the CID) that are the subject of a suit or other claim communicated to the CID, which suit or claim challenges the collection of such Area Z CID Special Assessment Revenues and (iv) amounts retained from the Area Z CID Special Assessment Revenues by the City (not to exceed 1% of the Area Z CID Special Assessment Revenues) for actual expenses incurred by the City to review annual budgets and reports of the CID. With respect to any buildings/businesses that may be constructed across the boundary lines between CID Area Y and CID Area Z, revenues derived from such property shall be allocated as Area Z CID Special Assessment Revenues to the extent of the percentage or fraction of such buildings/businesses located in CID Area Z determined by the City based on a survey of the properties (or if no survey has been provided by the Developer to the City, no revenues from such buildings/businesses shall be allocated as Area Z CID Special Assessment Revenues).

“Area Z CID Sales Tax Revenues” means the receipts by or on behalf of the CID from the sales taxes imposed on retail sales within CID Area Z, and not required to be deposited into the Special Allocation Fund. Area Z CID Sales Tax Revenues shall not include amounts retained from the Area Z CID Sales Tax Revenues by the City (not to exceed 1% of the Area Z CID Sales Tax Revenues) for actual expenses incurred by the City to review annual budgets and reports of the CID. With respect to any buildings/businesses that may be constructed across the boundary lines between CID Area Y and CID Area Z, revenues derived from such property shall be allocated as Area Z CID Sales Tax Revenues to the extent of the percentage or fraction of such buildings/businesses located in CID Area Z determined by the City based on a survey of the properties (or if no survey has been provided by the Developer to the City, no revenues from such buildings/businesses shall be allocated as Area Z CID Sales Tax Revenues).

Further, the Shopping Center is located within the CID, which consists of CID Area Y and CID Area Z, the boundaries of which are shown below:



[Remainder of page left intentionally blank.]

Below is a table that illustrates the structure and security provided by the TIF Revenues and the CID:

	TIF PILOTs (Expires April 25, 2030)	TIF EATs (Expires April 25, 2030)	CID Special Assessment (Expires June 30, 2044)	CID Sales Tax (Expires June 30, 2044)
TIF: RPA 1	PILOTs-eligible tax rate: 8.2096 per \$100 of assessed valuation. PILOTs include 100 percent of the eligible incremental property tax revenues for RPA 1.	EATs include half of the RPA 1 incremental sales taxes generated by the TIF-eligible 3.125 percent sales taxes rate. EATs include half of the 1.0 percent CID sales tax revenues generated by Area Y and Area Z properties located within RPA 1.	NA	NA
TIF: RPA 5	PILOTs-eligible tax rate: 8.2096 per \$100 of assessed valuation. PILOTs include 100 percent of the eligible incremental property tax revenues for RPA 5.	EATs include half of the RPA 1 incremental sales taxes generated by the TIF-eligible 3.125 percent sales taxes rate. EATs include half of the 1.0 percent CID sales tax revenues generated by Area Y and Area Z properties located within RPA 5.	NA	NA
CID: AREA Y	NA	NA	NA	NA
CID: AREA Z	NA	NA	Rate of \$1.24 per SF of building area.	Half of collected 1.0 percent CID sales tax revenues are collected as TIF EATs until the expiration of the TIF on April 30, 2030. The non-captured portion of revenues are available to pay the Bonds, subject to annual appropriation by the CID.

The Bonds are payable solely from Pledged Revenues. The following table provides the actual collection of Pledged Revenues from the TIF and the CID compared to what was initially projected at the time of the issuance of the Bonds, and the actual principal amount that was paid on the Bonds on each respective bond year compared to the principal amount that was initially projected to be paid in each bond year shown:

<u>Year</u>	<u>Projected Pledged Revenues</u>	<u>Collected Pledged Revenues</u>	<u>Projected Principal Payments</u>	<u>Actual Principal Payments</u>
2018	\$3,890,201	\$2,280,618	\$2,480,000	\$2,010,000
2019	4,173,186	3,342,950	2,715,000	1,755,000
2020	4,158,991	3,037,923	3,010,000	2,375,000
2021	4,266,447	3,007,378	3,140,000	1,925,000
2022	4,316,050	3,217,463	3,385,000	2,270,000

The Shopping Center

Currently, the Shopping Center consists of approximately 509,490 square feet of buildings, with approximately 88% occupied (approximately 450,687 square feet). Current tenants include department stores, apparel retailers, home furnishing retailers, restaurants, and other specialty boutiques. See page 14 of **Exhibit A** attached hereto for a list detailing the current businesses within the Shopping Center, square footage and location.

As a result of the changing retail environment over the years, tenants have vacated the Shopping Center leading to a decrease in collected Pledged Revenues. As ecommerce has evolved and continued to

gain market share, clothing and apparel stores have significantly reduced their brick-and-mortar store counts. As a result, successful shopping centers have transitioned to include more fitness, health, and beauty services to backfill vacant shop spaces and draw consumers to the centers. The Developer has requested to amend the Redevelopment Agreement to allow for more service tenants, which is projected to allow for an increase in traffic at the Shopping Center and reduce the risk of declining occupancy related to co-tenancy requirements.

Attached as **Exhibit A** hereto is a TIF and CID market and revenue analysis for the Shopping Center dated September 5, 2023 (the “Revenue Analysis”), which details revenue projections if more non-retail tenants were allowed. The Revenue Analysis provides for four scenarios:

- (1) Scenario 1: Estimates the future TIF and CID revenues of currently operating and readily anticipated businesses.
- (2) Scenario 2: Provides for the possibility that recently opened and new retailers will increase foot-traffic and therefore sales at a higher rate than an inflation rate.
- (3) Scenario 3: Provides that multiple tenants (not including the two 100,000+ square foot anchor tenants, Furniture Mall of Missouri and JCPenney) will close within the next 5 years due to co-tenancy requirements and that the remaining smaller retailers will operate only until the end of their existing leases.
- (4) Scenario 4: Estimates that up to 15% of the Shopping Center’s non-anchor space (approximately 76,000 square feet) will be vacant or occupied by service tenants (non-sales tax generating businesses) as proposed by this Request.

Revenue Analysis Projections

The projections of Pledged Revenues provided in the Revenue Analysis are based on certain assumptions concerning facts and events over which the City and the Developer have no control. ***No representation or warranty is or can be made about the amount or timing of any future income, loss, increased assessment or revenues, or that actual results will approach the projections contained within the Revenue Analysis and this Request.*** The City and the Developer make no representation or warranty (express or implied) as to the accuracy or completeness of any financial, technical or statistical data or any estimates, projections, assumptions, or expressions of opinion set forth in the Revenue Analysis.

The Revenue Analysis was created by Development Strategies. For more information on Development Strategies, see **Exhibit A**.

The following table provides the projections of the total Pledged Revenues for each scenario from the Revenue Analysis:

<u>Year</u>	<u>Scenario 1</u>	<u>Scenario 2</u>	<u>Scenario 3</u>	<u>Scenario 4</u>
2023	\$3,673,405	\$3,676,071	\$3,550,702	\$3,673,405
2024	3,952,566	3,958,322	3,455,211	3,624,844
2025	4,129,511	4,138,187	3,472,557	3,778,807
2026	4,182,881	4,194,390	3,245,593	3,825,997
2027	4,173,736	4,187,620	3,166,571	3,824,669
2028	4,176,154	4,192,641	3,062,177	3,828,136
2029	4,266,515	4,286,016	3,027,136	3,912,373
2030*	1,059,951	1,068,798	497,751	926,260
2031	356,664	359,006	166,140	334,886
2032	361,684	364,326	166,140	340,171
2033	366,805	369,759	166,140	345,561
2034	372,028	375,305	166,140	351,059
2035	377,356	380,968	166,140	356,667
2036	382,790	386,749	166,140	362,387
2037	388,333	392,653	166,140	368,222
2038	393,986	398,680	166,140	374,173
2039	399,753	404,833	166,140	380,243
2040	405,635	411,116	166,140	386,435
2041	411,635	417,531	166,140	392,751
2042	417,755	424,081	166,140	399,192
2043	423,997	430,768	166,140	405,763
2044	<u>163,773</u>	<u>167,423</u>	<u>30,247</u>	<u>137,404</u>
Total:	\$34,836,914	\$34,985,243	\$25,667,768	\$32,329,405

*The TIF terminates on April 25, 2030, which leads to a decrease in projected revenues collected.

The above projections were calculated using certain assumptions for the various scenarios. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur. Actual results achieved will vary from the projections described herein and in the Revenue Analysis. Bondholders are cautioned that this information represents “forward-looking statements.”

Terms of Sources of Payment and Security for the Bonds

Because the TIF Act provides that 23 years is the maximum amount of time for the retirement of obligations incurred to finance redevelopment project costs, the obligation of the City to transfer Net Revenues consisting of Economic Activity Tax Revenues and Payments in Lieu of Taxes to the Trustee for the repayment of the Bonds terminates on April 25, 2030, whether or not the principal amount thereof or interest thereon has been paid in full. The CID sales tax is imposed until June 30, 2044 and, subject to annual appropriation by the District, would continue to be available for the repayment of the Bonds, subject to the limitations imposed by the Indenture on the use of Area Z CID Special Assessment Revenues and Area Z CID Sales Tax Revenues, collectively. Pursuant to a resolution of the CID, adopted on January 13, 2010, the Special Assessment shall be annually assessed, without further action by the CID, until the earlier of (i) the date the CID is terminated in accordance with the petition authorizing its creation and the CID Act or (ii) the

date the CID repeals, amends or changes the amount of the special assessment in accordance with the CID Act; provided, however, that in no event shall the CID take action to repeal, amend or lower the rate of such special assessment if such repeal, amendment or lower rate would impair the CID's ability to pay any liability it has incurred or money it has borrowed.

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

Other than with respect to certain information that is explicitly incorporated by reference, references to website addresses herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not a part of, this Request. Any statement contained in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded for purposes of this Request to the extent that a statement therein or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this Request.

The City makes filings of financial and other information on the EMMA website. The following documents filed on the EMMA website by the City are incorporated herein by reference:

Official Statement dated December 18, 2017, relating to the Bonds, available at <https://emma.msrb.org/ES1078181-ES842019-ES1243050.pdf>, but only with respect to the description of the Bonds and the security for the Bonds, including Appendix B to the 2017 Official Statement.

- Semi-Annual Report from January 1 to June 30, 2023, available at <https://emma.msrb.org/P21720893-P21322764-P21755882.pdf>
- Semi-Annual Report from July 1 to December 31, 2022, available at <https://emma.msrb.org/P21660380-P21277734-P21705921.pdf>.
- Semi-Annual Report from January 1 to June 30, 2022, available at <https://emma.msrb.org/P21604599-P21236097-P21660847.pdf>.
- Semi-Annual Report from July 1 to December 31, 2021, available at <https://emma.msrb.org/P11561992-P11205875-P11625102.pdf>.
- Semi-Annual Report from January 1 to June 30, 2021, available at <https://emma.msrb.org/P21484122-P21150273-P21564071.pdf>.

TERMS OF THE REQUEST

Expiration Date

This Request will expire on the Expiration Date, unless extended, as described in this Request. See “TERMS OF THE REQUEST—Extension or Amendment of the Request; Changes to Terms” below for a discussion of the City's ability to extend the Expiration Date and to amend this Request.

Consent By Written Notice Only

The Bonds are held in book-entry-only form through the facilities of The Depository Trust Company (“*DTC*”). The Information and Tabulation Agent will provide each Bondholder as of November 2, 2023 (the “**Record Date**”) a Master Ballot or a Customer Instruction Form to be completed to provide consent.

FOR DTC PARTICIPANTS, CONSENT MUST BE MADE THROUGH THE MASTER BALLOT. FOR BONDHOLDERS WHO ARE NOT DTC PARTICIPANTS, CONSENT MUST BE MADE THROUGH THE CUSTOMER INSTRUCTION FORM. THE CITY WILL NOT ACCEPT CONSENTS THAT ARE NOT MADE THROUGH THE MASTER BALLOT OR THE CUSTOMER INSTRUCTION FORM.

Any financial institution that is a participant in DTC may respond to this Request by providing DTC with written consent through the Master Ballot relating to this Request. Bondholders who are not DTC participants can only provide consent pursuant to this Request by making arrangements with and instructing their authorized Advisor to provide written consent through the Customer Instruction Form. To ensure a Bondholder’s consent is provided by 5:00 p.m., New York City time, on the Expiration Date, the Bondholder must provide instructions to the Bondholder’s authorized Advisor in sufficient time for the Advisor to do so by this deadline. A Bondholder should contact its authorized Advisor for information as to when the authorized Advisor needs the Bondholder’s instructions in order to provide consent through the Master Ballot by 5:00 p.m., New York City time, on the Expiration Date. See “—**Consent by Financial Institutions.**”

THE CITY AND THE INFORMATION AND TABULATION AGENT ARE NOT RESPONSIBLE FOR PROVIDING CONSENT OR FOR ANY MISTAKES, ERRORS OR OMISSIONS IN THE TRANSFER OF SAID CONSENT.

Information to Bondholders

The City may give information about this Request to the market and Bondholders by posting on the EMMA website. Additionally, the City may give information about this Request to the Information and Tabulation Agent (collectively referred to herein, together with the EMMA website, as the “*Information Services*”). The Information and Tabulation Agent will deliver information provided to it by the City through its website, www.bondcom.com/LeesSummit. Posting by the City of information on the EMMA website will be deemed to constitute delivery of this information to each Bondholder.

The City and the Information and Tabulation Agent have no obligation to ensure that a Bondholder actually receives any information given to the Information Services.

Bondholders who would like to receive information transmitted by or on behalf of the City to the Information Services may receive such information from the Information and Tabulation Agent by contacting them using the contact information on the last page of this Request.

Any updates to this Request, including, without limitation any extension notice, will be distributed through the EMMA website and will additionally be made available to the Information and Tabulation Agent.

Need for Advice

A Bondholder should ask its Advisors for help in determining whether to provide consent pursuant to this Request. A Bondholder also should inquire as to whether its Advisors will charge a fee for submitting consent.

Representations by Bondholders to the City

By providing consent to amend the financing documents pursuant to this Request, each Bondholder will be deemed to have represented and agreed with the City that:

(a) the Bondholder has received this Request, and has had the opportunity to review this Request in its entirety prior to making its decision to provide consent, and agrees if the consent is provided, it shall be on the terms and conditions set forth in this Request;

(b) the Bondholder has made its own independent decision to provide consent pursuant to this Request, and as to the terms thereof, and such decision is based upon the Bondholder's own judgment and upon advice from such advisors with whom the Bondholder has determined to consult;

(c) the Bondholder is not relying on any communication from the City or the Information and Tabulation Agent as investment advice or as a recommendation to provide consent, it being understood that the information from the City and the Information and Tabulation Agent related to the terms and conditions of this Request shall not be considered investment advice or a recommendation to provide consent; and

(d) the Bondholder is capable of assessing the merits of and understanding (on its own and/or through independent professional advice), and does understand, agree and accept, the terms and conditions of this Request.

Consent by a Bondholder shall survive the death or incapacity of the Bondholder.

Bondholders who would like to receive information furnished by the City to the Information Services can review the EMMA website or otherwise must make appropriate arrangements with their Advisor, or the Information and Tabulation Agent.

Consent by Financial Institutions

The Information and Tabulation Agent will provide each Bondholder as of the Record Date a Master Ballot or a Customer Instruction Form for the CUSIP numbers to which this Request relates. Consent pursuant to this Request may only be made by through either the Master Ballot for DTC participants or a Customer Instruction Form for Bondholders who are not DTC participants.

FOR DTC PARTICIPANTS, CONSENT MUST BE MADE THROUGH THE MASTER BALLOT. FOR BONDHOLDERS WHO ARE NOT DTC PARTICIPANTS, CONSENT MUST BE MADE THROUGH THE CUSTOMER INSTRUCTION FORM. THE CITY WILL NOT ACCEPT CONSENTS THAT ARE NOT MADE THROUGH THE MASTER BALLOT OR THE CUSTOMER INSTRUCTION FORM.

Any financial institution that is a participant in DTC may respond to this Request by providing DTC with written consent through the Master Ballot relating to this Request. Bondholders who are not DTC participants can only provide consent pursuant to this Request by making arrangements with and instructing their authorized Advisor to provide written consent through the Customer Instruction Form. To ensure a

Bondholder's consent is provided by 5:00 p.m., New York City time, on the Expiration Date, the Bondholder must provide instructions to the Bondholder's authorized Advisor in sufficient time for the Financial Representative to do so by this deadline. A Bondholder should contact its authorized Advisor for information as to when the authorized Advisor needs the Bondholder's instructions in order to provide consent through the Master Ballot by 5:00 p.m., New York City time, on the Expiration Date.

THE CITY AND THE INFORMATION AND TABULATION AGENT ARE NOT RESPONSIBLE FOR CONVEYING ANY BONDHOLDER CONSENT OR FOR ANY MISTAKES, ERRORS OR OMISSIONS IN THE TRANSFER OF SAID CONSENT.

Withdrawals of Consent Prior to an Expiration Date

Consent may be withdrawn by a Bondholder by causing a withdrawal notice to be received in the same manner consent was provided at or before 5:00 p.m. on the Expiration Date.

A notice of withdrawal must be submitted in substantially the same manner as an offer.

Bondholders who have provided consent will not receive any information from the City or the Information and Tabulation Agent concerning the responses of any Bondholder. Results will be provided as stated below in "ACCEPTANCE OF CONSENT; NOTICE OF RESULTS". All questions as to the validity of a withdrawal will be determined by the City in its sole discretion and will be final, conclusive and binding.

CONSENT SHALL BE IRREVOCABLE ON OR AFTER 5:00 P.M. ON THE EXPIRATION DATE.

Acceptance of Consent; Notice of Results

Acceptance by the City of consent by the Bondholders will constitute an irrevocable agreement between the Bondholder and the City of such consent.

The approval of consent is expected to be made by notification to the Information Services no later than 5:00 p.m., New York City time, on November 29, 2023.

Extension or Amendment of the Request; Changes to Terms

The City has the right to amend or waive the terms of this Request in any respect and at any time by giving notice to the Information Services. This amendment or waiver will be effective at the time specified in such notice.

The City also has the right to extend this Request through and including the Expiration Date, to any date in its sole discretion, provided that a notice of any extension of the Expiration Date is given to the Information Services, including by posting such notice to the EMMA website on or about 9:00 a.m., New York City time, on the first business day after the Expiration Date.

If the City extends this Request, or amends the terms of this Request (including a waiver of any term) in any material respect, the City shall provide notice thereof at such time (notice of which shall not be less than five (5) business days prior to the Expiration Date, as it may be extended) and in such manner to allow reasonable time for dissemination to Bondholders and for Bondholders to review.

The City and the Information and Tabulation Agent have no obligation to ensure that a Bondholder actually receives any information given to the Information Services.

AVAILABLE INFORMATION

Certain information relating to the Bonds and the City may be obtained by contacting the Information and Tabulation Agent at the contact information set forth in this Request. Such information is limited to (i) this Request, and (ii) information about the City available through the EMMA website.

ADDITIONAL CONSIDERATIONS

Neither the City nor Information and Tabulation Agent make any recommendation that any Bondholder provide consent pursuant to this Request. Each Bondholder must make its decision and should read this Request and consult with its Advisors in making such decision.

In deciding whether to participate in this Request, each Bondholder should consider carefully, in addition to the other information contained in this Request, the following:

City Approval Still Required

If consent to amend the Redevelopment Agreement is obtained from the Bondholders, the proposed amendment to the Redevelopment Agreement must still be approved by the City. If the City Council of the City does not ultimately approve the ordinance amending the Redevelopment Agreement, the amendment will not occur.

INFORMATION AND TABULATION AGENT

The City has retained Bondholder Communications Group LLC to serve as Information and Tabulation Agent for this Request. The City has agreed to pay the Information and Tabulation Agent customary fees for its services and to reimburse the Information and Tabulation Agent for its reasonable out-of-pocket costs and expenses relating to this Request.

MISCELLANEOUS

No one has been authorized by the City, the Developer, the City's Financial Advisor, or the Information and Tabulation Agent to recommend to any Bondholder whether to provide consent pursuant to this Request. No one has been authorized to give any information or to make any representation in connection with this Request other than those contained in this Request. Any recommendations, information and representations given or made cannot be relied upon as having been authorized by the City, the Developer, the City's Financial Advisor, or the Information and Tabulation Agent.

None of the City, the Developer, the City's Financial Advisor, or the Information and the Tabulation Agent make any recommendation that any Bondholder provide consent to amend the Redevelopment Agreement. Bondholders must make their own decisions and should read this Request carefully and consult with their Advisors in making these decisions.

CITY OF LEE'S SUMMIT, MISSOURI

November 3, 2023

EXHIBIT A

**A Revised TIF and CID Market & Revenue Analysis
Summit Fair Shopping Center**



A REVISED TIF AND CID MARKET & REVENUE ANALYSIS SUMMIT FAIR SHOPPING CENTER

Lee's Summit, Missouri

September 5, 2023

PREPARED FOR

RED Development, LLC

September 5, 2023

Mr. Andy Mertz
Vice President, Finance
RED Development, LLC
1 East Washington Street
Suite 300
Phoenix, Arizona 85004

Re: Summit Fair Shopping Center TIF and CID Market & Revenues Analysis

Dear Mr. Mertz:

Development Strategies (“DS”) is pleased to submit the following revised study that analyzes the current and projected performance of the Project Area 1 and Project Area 5 within the redevelopment area created under the Lee’s Summit East Amended and Restated Tax Increment Financing Plan (“TIF”) district and the Summit Fair Community Improvement District (“CID”) in the City of Lee’s Summit, Missouri.

Using information and data provided by RED Lee’s Summit East, LLC, and affiliated entities (“RED” or “Developer”), the City of Lee’s Summit, the Bureau of Economic Analysis, and primary research, we calculated the potential future TIF and CID revenues through April 2030 and June 2044, respectively. We also conducted an analysis of the Summit Fair Shopping Center’s market trade area and market capture rate in relation to area competition.

Please let us know if you have further questions about our study.

Yours very truly,

Justin Carney
Principal

Kathryn Medlin
Senior Associate

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EXECUTIVE SUMMARY

GENERAL BACKGROUND

The purpose of this analysis is to ascertain the future performance of the Project Area 1 and Project Area 5 created under the Lee's Summit East Amended and Restated Tax Increment Financing Plan ("TIF") and the Summit Fair Community Improvement District ("CID") in Lee's Summit, Missouri (the "City"). The TIF and CID were formed to help pay for a portion of the costs related to the construction of the retail development known as the Summit Fair Shopping Center and related public improvements. The development (the "Shopping Center") consists of an outdoor lifestyle center near the intersection of Interstate 470 and U.S. Highway 50. A separate redevelopment project area (RPA), RPA 5, within the TIF includes businesses directly south of the Summit Fair Shopping Center that contribute revenues to the TIF obligations.

Summit Fair Shopping Center is a medium-size "lifestyle center" development that features a mix of large anchor tenants, smaller boutique stores, and restaurants in an outdoor setting. The following table shows the break out of square footage of the development broken out by CID area.

Summit Fair TIF and CID			
REDEVELOPMENT PROJECT AREA (RPA) 1	Total	CID Area Y**	CID Area Z
Total Constructed Retail Space	509,490	427,166	82,324
Total Available	58,803	55,763	3,040
<i>Leasing in Progress/Negotiation</i>		<i>34,568</i>	<i>0</i>
<i>Future Confirmed Tenants*</i>		<i>2,557</i>	<i>0</i>
Total Occupied	450,687	371,403	79,284
Mall Office	1,605		
Projected to Be Constructed	4,500		4,500
REDEVELOPMENT PROJECT AREA (RPA) 5	Total		
Square Footage of Eligible Businesses	57,777		
* Summer Moon Coffee			
**Please note, total reported constructed square footage included in the original offering statement differs slightly than current reported numbers, likely due to minor changes in store layouts and measuring techniques. For the purposes of the projections, the current reported square footages for each retailer are used.			

The market area was determined through an analysis of drive times, regional competition market areas, and household disposable income levels. Generally, the primary market area (“PMA”) includes the region to the south and east of the City. The secondary market area (“SMA”) includes the rural areas further to the south and east of the City.



Data provided by Environmental Systems Research Institute (“ESRI”) and the Mid-America Regional Council (“MARC”) show that the City’s population has grown over the past five years, and population projections predict continued growth over the next five years. The PMA boasts around 120,000 households with over 305,000 individuals. Median household incomes in the PMA are higher than those in Jackson County or Missouri, with the City of Lee’s Summit having a higher median household income than all three. Residents enjoy a relatively low cost of living and higher disposable income than the national average.

A City of Lee’s Summit, Missouri Special Obligation Tax Increment and Special District Refunding and Improvement Bonds (Summit Fair Project), Series 2017 (the “Bonds”) is currently in place for the project, and RED Development is seeking to amend the TIF Contract to allow some of their existing vacant space to be leased to non-retail tenants. Over the past few years, an anchor retailer and several in-line retailers have vacated the project. While RED secured the lease of the now-open Furniture Mall of Missouri and some of the vacant in-line space, finding additional retail tenants in the current economic climate has proven difficult. Thus, four separate analyses have been conducted. The first analysis details the size and scope of the development and estimates the future TIF and CID revenues of currently operating and anticipated businesses. The analysis assumes that approximately 34,568 square feet of currently vacant space will be occupied by retailers or businesses, which were identified as confirmed or in negotiations by the developer, in the near future. The analysis assumes any vacant space remaining will be occupied by a non-sales tax generating retailer. No new incremental sales due to increased foot traffic at the new anchor retailer or other in-line businesses is assumed. The analysis will be used to ascertain the funds available to pay the debt service—assuming that some of the existing vacant space is leased to non-sales tax generating tenants—on the Bonds.

A second analysis looks at the possibility that the new anchor retailer, new in-line retailer, and new non-sales tax generating businesses will increase foot traffic—and sales—at a higher rate than the very modest inflation rate applied to the majority of the future revenues.

The third analysis assumes that multiple tenants—not including the anchors—will close due to co-tenancy agreement violations within the next five years. In addition, it is assumed that the remaining smaller retailers will

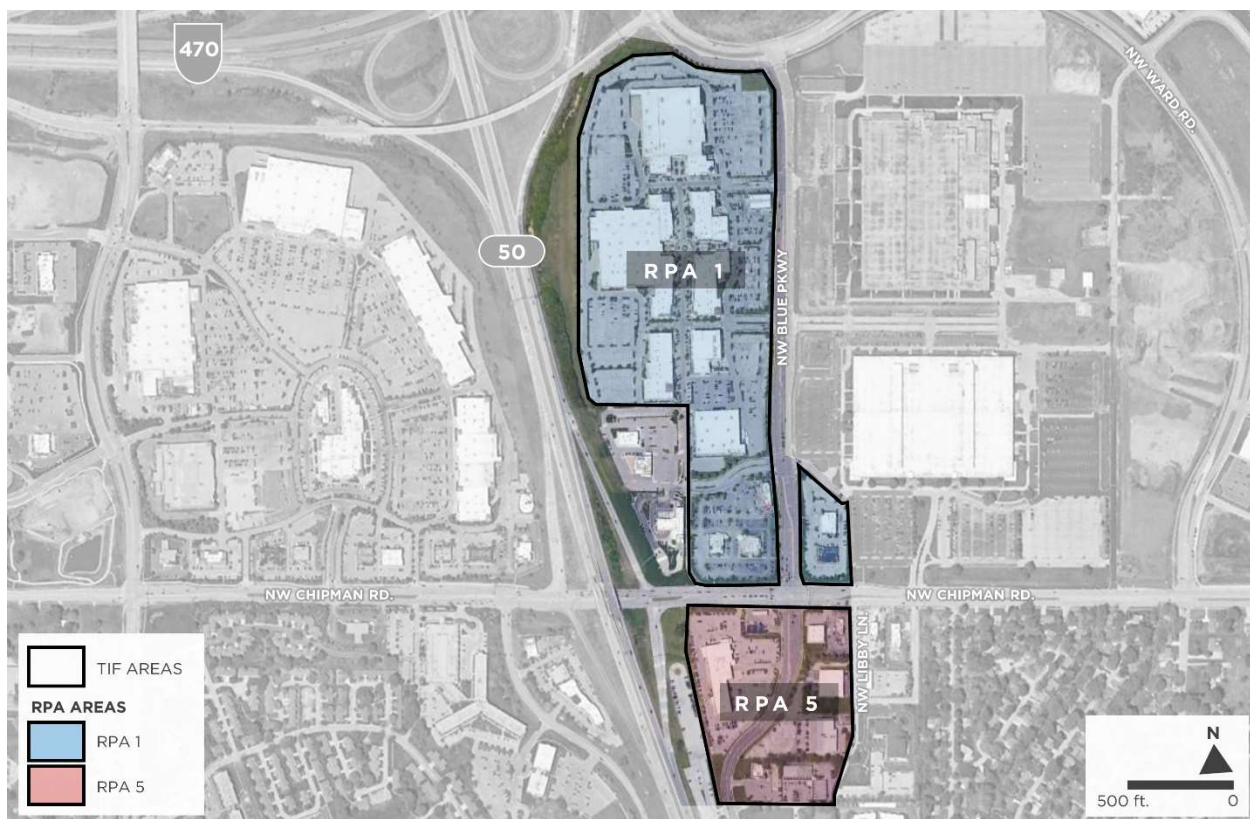
operate only until the end of their existing leases and then vacate the property as well. Sales are assumed to decline after most of the last remaining tenants leave at the end of their leases. Thereafter, it is assumed that sales remain flat.

Finally, a fourth scenario assumes that up to 15 percent of the center will be occupied by non-sales tax generating tenants. No new incremental sales due to increased foot traffic at the new anchor retailer or other in-line businesses is assumed.

TIF AND CID AREAS

The TIF and CID were formed to fund a portion of the costs to develop the Shopping Center and related public improvements.

The TIF was activated on April 26, 2007 and will expire on April 25, 2030. The TIF consists of two separate RPAs, 1 and 5. RPA 1 encompasses the entire Summit Fair Shopping Center and the outparcels to the east of NW Blue Parkway and North of NW Chipman Road. RPA 5 consists of businesses directly south of NW Chipman Road. Payments in Lieu of Taxes (“PILOTs”) and Economic Activity Taxes (“EATs”) generated by eligible property and sales taxes from both areas have been combined for the purposes of this analysis. The following map outlines the two RPA boundaries.



RPA AREAS

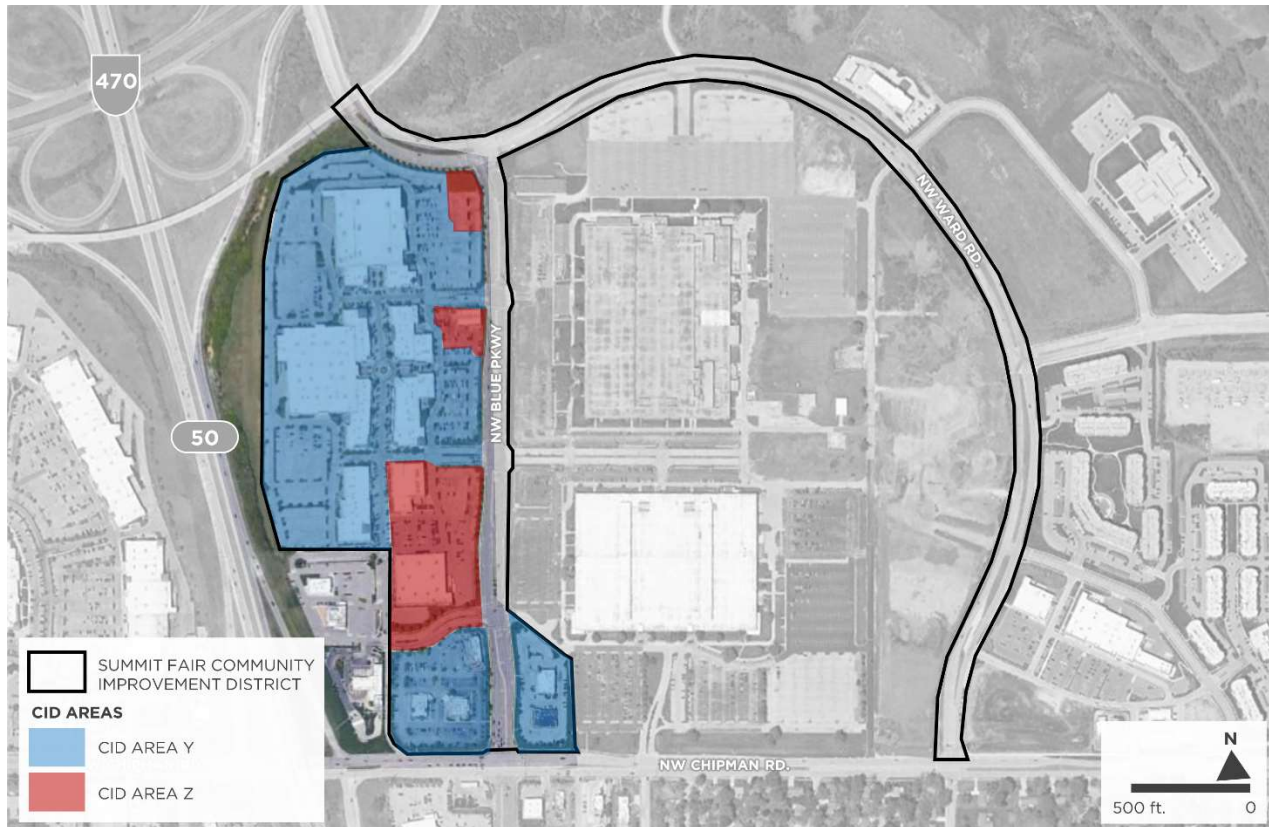
Summit Fair TIF & CID Revenue Analysis
Lee's Summit, Missouri

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August 2022

The CID sales tax became effective on July 1, 2009 and will expire on June 30, 2044. The CID imposes a 1.0 percent tax on all retail sales within its boundaries, which are divided into two areas, Y and Z. Half of the CID sales tax revenue is collected as TIF EATs until the expiration of the TIF on April 25, 2030. The other half of the CID sales tax revenues is collected as CID revenue, and subject to annual appropriation by the CID, is available to pay the Bonds. After the TIF expires, the full one percent CID sales tax will be available, subject to annual appropriations by the CID, to pay the Bonds. According to the Developer, CID sales taxes generated in any given month are generally received by the City two months later. It should be noted that some small retailers are only required to remit on a quarterly or semi-annual basis. Only those CID revenues generated in Area Z and CID sales tax revenue collected as TIF EATs from both Areas Y and Z are included for the purposes of this analysis. One half of the sales tax revenues generated within CID Area Y are captured as EATs, but the remaining half of the CID Area Y sales tax revenues (subject to annual appropriation by the CID) and all of the CID Area Y special assessment revenues are pledged to a separate series of bonds (the “Area Y Bonds”) and will not be available to pay debt service on the Bonds.

The CID also includes land to the northeast of the boundaries of Summit Fair. This includes NW Ward Road to the north and east of the boundaries shown. These additional areas, however, do not produce revenues that are available for repayment of the Bonds. The following graphic outlines boundaries of Area Y, Area Z, and the portion of the CID that includes NW Ward Road. Of note, an expansion in 2014 includes additional areas to the north that are not included in this analysis because revenues from such areas will not be available to pay debt service on the Bonds.



COMMUNITY IMPROVEMENT DISTRICT BOUNDARY

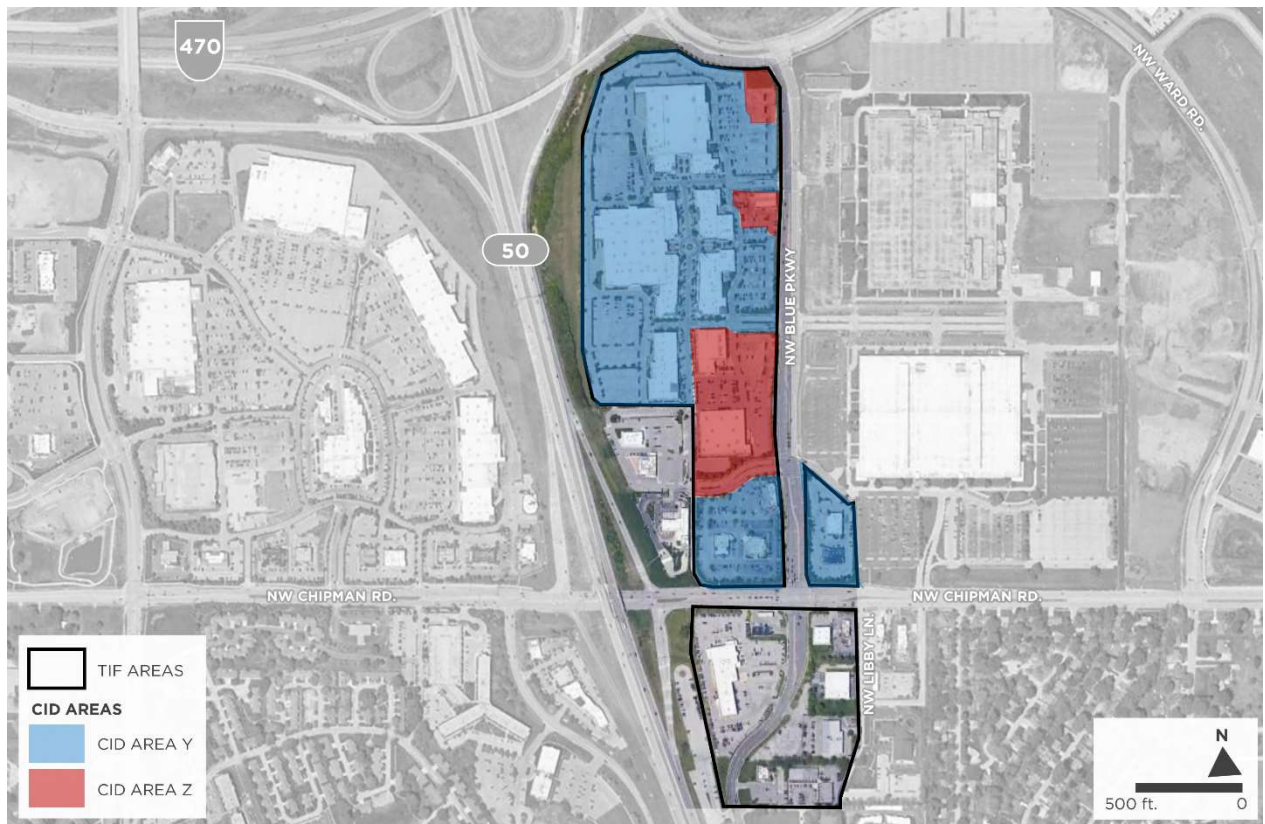
Summit Fair TIF & CID Revenue Analysis
Lee's Summit, Missouri

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August 2022

In addition, the CID levies an annual special assessment of \$1.24 per square foot of building floor area. The special assessment was approved on January 13, 2010 and was levied with real property taxes that are pledged to the bonds commencing in the 2010 calendar year. The special assessment will continue until the expiration of the CID. We have only included special assessment revenues generated in Area Z of the CID for the purposes of this analysis.

Both the TIF and CID boundaries for eligible businesses are shown in the following map.



TAXING DISTRICTS

Summit Fair TIF & CID Revenue Analysis
Lee's Summit, Missouri

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TIF AND CID AREA REVENUE PROJECTIONS

The following sources were used to build the property tax, retail sales tax, and special assessment projections:

- Historic PILOTs, EATs, CID sales tax and special assessment collections since the inception of the TIF and CID;
- Collections provided by the CID;
- Aggregate sales and collections data provided by the City;
- Comparisons to industry average lifestyle centers;
- Local and national demographics including:
 - Population growth projections provided by ESRI and MARC;
 - Projections of disposable household income when compared to the region within the primary and secondary market areas;
 - An expected growth in household income and population within the primary and secondary market areas; and,
 - A return to moderately higher consumer spending.

Our revenue projections take into consideration these sources to estimate an average, annual retail sales growth rate for sales, including the impact of population growth, potential vacancy, and inflation that are derived from other sources. It is expected that sales will grow as a function of population growth and inflation.

Summit Fair is located across U.S. Highway 50 from the Summit Woods Crossing retail development that houses a Target, Lowes, Best Buy, Old Navy, Kohl's, and other big box and in-line retailers. It is assumed that a synergy between the two developments will occur as population growth continues in the region, RED continues marketing efforts, and as new retailers and non-retail businesses lease the remaining vacant space in Summit Fair Shopping Center. Summit Woods Crossing was developed by an affiliate of the Developer of Summit Fair Shopping Center.

FUTURE DEVELOPMENT LEASE UP AND OCCUPANCY

According to RED, the existing space in the Summit Fair Shopping Center is approximately 88 percent occupied, leaving 58,803 square feet currently vacant. The Furniture Mall of Missouri, Daily Thread, and HS Interiors opened in late 2022. Summer Moon Coffee is expected to open in the near future and occupy a total of 2,557 square feet. Approximately 34,568 square feet of the current vacant space is projected to be occupied by new retailers in the near future. This analysis includes revenues from currently operating and anticipated retailers. Approximately 21,678 square feet is constructed, available space, which we have assumed will be occupied with non-sales tax generating businesses. While this is not permitted by the TIF Contract at this time, RED Development is seeking to amend the TIF Contract to allow this change. We believe this to be reasonable due to the recent changes in the brick-and-mortar retail marketplace and the likelihood that non-retail tenants will be attracted to a mixed-use space with ample parking and nearby amenities. The special assessment is paid on all built floor area and is included in the analysis regardless of occupancy.

A 4,500 square foot building to be constructed on Pad 8 is planned for the development within the space labeled "not constructed" on the following map, which provides greater context of the Summit Fair Shopping Center (this map does not include a visual of RPA 5). We have assumed this outparcel will be constructed and open by January 2025 based on the attractiveness of an available outparcel and the overall low vacancy rate for the Summit Fair Shopping Center. Forecasted revenues from these future businesses generally reflect national metrics and are included in this report.



SUMMIT FAIR SHOPPING CENTER SITE PLAN

Summit Fair TIF & CID Revenue Analysis
Lee's Summit, Missouri

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March 2023

PROJECTIONS ARE NOT A GUARANTY

This study is based on information provided by the City, RED, and other industry sources. The original study was completed in September 2022 and revised in September 2023. The September 2023 revision includes only updates to the financial projections based on the current leasing status of the project. The financial information contained herein is based on assumptions and information provided by sources considered reliable. Development Strategies (“DS”) neither verified nor audited the information that was provided by other sources. Information provided by others is assumed to be reliable, but we assume no responsibility for its accuracy or certainty.

External factors may influence these estimates. Changes in the national, regional, and local economic and real estate market conditions and trends may impact the future performance of Summit Fair. Changes may also be caused by legislative, environmental, or physical events or conditions. DS assumes no liability should market conditions change. These estimates are not provided as predictions or assurances that a certain level of performance will be achieved or that certain events will occur. The actual results will vary from the projections described herein and the variations may be material.

DEVELOPMENT OVERVIEW AND ASSUMPTIONS

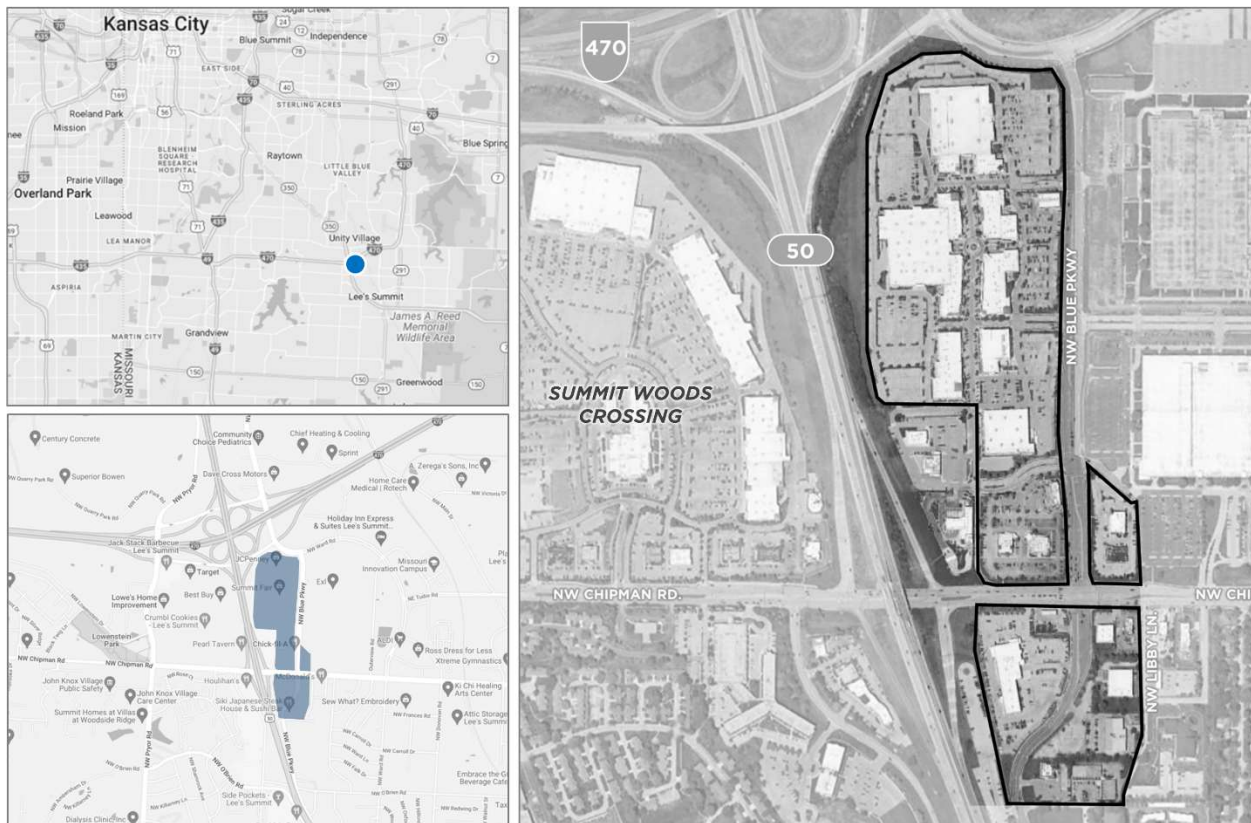
SUMMIT FAIR DEVELOPMENT

Development Location

The Summit Fair Shopping Center is a lifestyle center located at the intersection of Interstate 470 and U.S. Highway 50 in Lee's Summit, Missouri. The City is a suburb of Kansas City, Missouri. The Summit Woods Crossing shopping center is located across U.S. Highway 50 from the Summit Fair Shopping Center and contains a Target, Kohl's, Old Navy, Lowe's, Best Buy, and other big box and in-line retailers (see map on the following page). The Developer has experienced a synergy between the two developments and expects it to grow over time. Together, these two developments constitute over 1.3 million square feet of retail space, and a major attraction for regional customers.

Population projections provided by the MARC show that the City's area and the surroundings are expected to grow by approximately 1.0 to 1.4 percent per year over the next 30 years. Median household income in the primary market area ("PMA") is above the regional average.

The graphics below detail the general location of Summit Fair, the nearby Summit Woods Crossing shopping center, and some of the major tenants at each development.



SITE LOCATION

Summit Fair TIF & CID Revenue Analysis
Lee's Summit, Missouri

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August 2022



AERIAL OVERVIEW

Summit Fair TIF & CID Revenue Analysis
Lee's Summit, Missouri

DEVELOPMENT STRATEGIES®

March 2023

Development Overview

The Summit Fair Shopping Center is a lifestyle shopping center whose design was inspired by old-fashioned train stations. The “Main Street” of the development features ample walkways, landscaping, and public gathering areas. The Summit Fair Shopping Center opened in July 2009, during the height of the recession, with a JC Penney, along with a number of other tenants. Presently, the Summit Fair Shopping Center includes department stores, apparel, accessories, boutiques, and other specialty retailers. Many restaurants, including Olive Garden, Chick-fil-A, and McAllister’s Deli, operate in the development.

Summit Fair currently consists of 509,490 square feet of completed anchor retail, inline



retail, and outparcel space. An additional 1,605 square feet is occupied by the mall office. The Summit Fair Shopping Center estimates total space upon completion at 515,595 square feet. According to RED, 450,687 square feet, excluding the mall office, is currently occupied. The remaining 58,803 square feet of available space is constructed, of which 2,557 square feet has a confirmed tenant (Summer Moon), and tenants for approximately 34,568 square feet are in various stages of negotiations or leasing process. The construction of the development is approximately 99 percent complete. The following chart breaks down the overall square footages and availability within the Shopping Center.

Summit Fair TIF and CID			
REDEVELOPMENT PROJECT AREA (RPA) 1	Total	CID Area Y**	CID Area Z
Total Constructed Retail Space	509,490	427,166	82,324
Total Available	58,803	55,763	3,040
<i>Leasing in Progress/Negotiation</i>		<i>34,568</i>	<i>0</i>
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Total Occupied	450,687	371,403	79,284
Mall Office	1,605		
Projected to Be Constructed	4,500		4,500
REDEVELOPMENT PROJECT AREA (RPA) 5	Total		
Square Footage of Eligible Businesses	57,777		
* Summer Moon Coffee			
**Please note, total reported constructed square footage included in the original offering statement differs slightly than current reported numbers, likely due to minor changes in store layouts and measuring techniques. For the purposes of the projections, the current reported square footages for each retailer are used.			

An additional 4,500 square feet will be constructed on an outparcel (Pad 8) yet to be sold. The Summit Fair Shopping Center has a total of 2,200 surface parking spaces, not including pad sites.

Six businesses located in RPA 5 are also contributing TIF-eligible revenues to the TIF. This area, south of NW Chipman Road, is made up of 10 total parcels and is not located within the CID. The square footage of these eligible businesses is 57,777 square feet. Other service businesses exist in RPA 5, but are not eligible to contribute revenues to either the TIF or CID. Revenues collected from eligible businesses in this area are included in the forecasted projections.

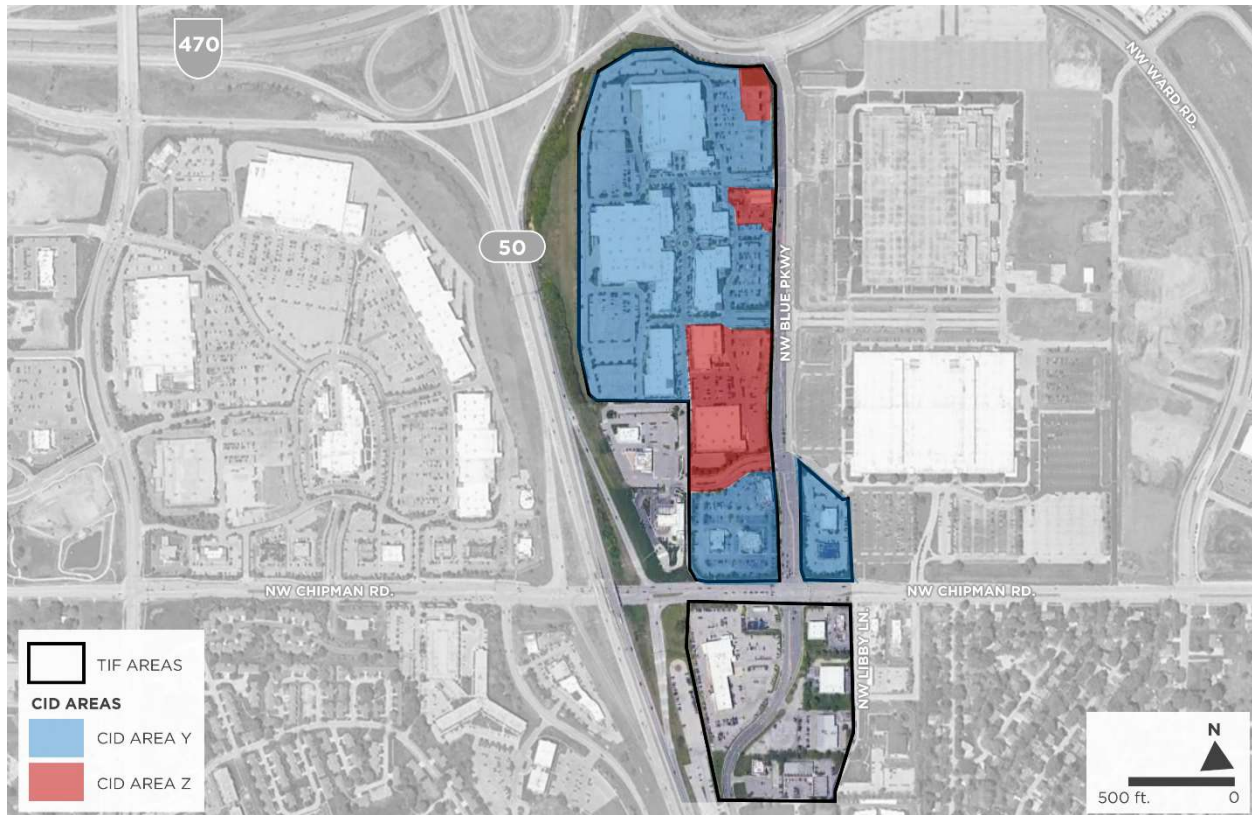
According to the Missouri Department of Transportation, an average 12,500 vehicles traversed the Interstate 470 and U.S. Highway 50 intersection daily during the first quarter of 2022. As the region continues to recover from the recent pandemic, it is likely that the traffic counts will increase to pre-pandemic levels.

TIF and CID Site Overview

The TIF redevelopment area is an irregularly shaped area that is generally bounded by NW Park Lane to the south, U.S. Highway 50 to the west, Ward Road to the north, and the Summit Technology Campus to the east. The CID

area is also an irregular shape that is generally bounded by Chipman Road to the south, U.S. Highway 50 to the west, Ward Road to the north, and the Summit Technology Campus to the east. As mentioned above, the CID also includes land to the northeast of the boundaries of Summit Fair. This includes NW Ward Road to the north and east of the boundaries shown. These additional areas, however, do not produce revenues that are available for repayment of the Bonds.

The following graphic details the TIF and CID area boundaries that produce revenues that are available for repayment of the Bonds.



TAXING DISTRICTS

Summit Fair TIF & CID Revenue Analysis
Lee's Summit, Missouri

DEVELOPMENT STRATEGIES®

August 2022

Ownership Details

RED Lee's Summit East, LLC (the "Developer") is a Missouri limited liability company. RED Development, an affiliate of the Developer, is a successful commercial real estate company founded in 1995 and headquartered in Phoenix, Arizona. Currently, RED Development manages a portfolio of retail, commercial, and mixed-use properties across six states.

In January 2022, RED Development reacquired this interest and is 100% owner of the center. Herein, RED Development is referred to as the "Shopping Center Owner."

The Shopping Center Owner has entered into a property management agreement (the “Management Agreement”) with RED Property Management, LLC, a Delaware limited liability company, and an entity related to the Developer and one of the Shopping Center Owner (the “Manager”).

The businesses located south of NW Chipman Road, as shown in the map labeled “Taxing Districts” above, within RPA 5 are all individually owned and operated separately from the Summit Fair Shopping Center. It should be noted that JC Penney, Chick-fil-A, Olive Garden, and Red Lobster purchased lots from the Developer and are not under a lease. Those retailers listed on pads 3, 4, and 7 are also not under lease with the Developer.

Existing Tenant Mix

Summit Fair Shopping Center estimates total space upon completion at 515,595 square feet, of which 511,095 square feet is currently built. According to RED, 450,687 square feet, excluding the mall office, are currently occupied. Current tenants include department stores, apparel retailers, home furnishings retailers, restaurants, and other specialty boutiques.

The following table details business names, location, square footage, and identifying area, if applicable.

Summit Fair Tenant/Occupant Description (as of 04/24/2023)							
RETAILER	Suite	Square Foot	Area	RETAILER	Suite	Square Foot	Area
JCPenny	A	105,000	Y	Escapist Skateboarding	L-109	1,080	Y
Ellis Clothing Co	B-101	5,030	Y	Tip Top Tux	L-111	1,266	Y
Shear Madness	B-102	1,196	Y	Maurices	L-117	5,000	Y
Visionworks	B-103	3,826	Y	Buckle	L-121	5,000	Y
Nothing Bundt Cakes	C-101	2,111	Y	Furniture Mall of Missouri	M	120,000	Y
CycleBar	C-102A	2,315	Y	Daily Thread	N-101	4,000	Y
Pure Barre	C-102B	1,687	Y	Glo Nail Lounge	N-105	1,538	Y
<i>Leasing in Progress/Negotiation</i>	C-103	1,207	Y	The Drip Bar	N-107	1,249	Y
Three Dog Bakery	C-104	2,061	Y	Healthylooks Med Spa	N-111	1,397	Y
Micah's	C-105	3,332	Y	Amazing Lash Studio	N-113	1,879	Y
Torrid	C-107	3,000	Y	Heavenly Olive Oils & Vinegars	N-117	1,066	Y
<i>Leasing in Progress/Negotiation</i>	C-109	4,010	Y	Massage Heights	O-101	2,348	Y
Brow Threading	C-111	1,027	Y	HS Interiors	O-103	2,020	Y
McAlister's Deli	C-113	3,605	Y	America's Best	Block Pad 4	3,163	Y
Tropical Smoothie	C-114	1,155	Y	<i>Future Confirmed Tenant: Summer Moon</i>	Block Pad 3	2,557	Y
Orangetheory Fitness	C-115	2,967	Y	Red Crab Boil	Block Pad 3	2,000	Y
The Shack	D-101	6,493	Y	Jimmy Johns	Block Pad 3	1,422	Y
Made in Kansas City Marketplace	D-105	5,556	Y	Summit Fair Dental	Block Pad 3	2,641	Y
<i>Leasing in Progress/Negotiation</i>	D-106	5,109	Y	Noodles & Co	Block Pad 4	2,500	Y
White House Black Market	D-109	3,213	Y	Chick Fil A	Pad 10	4,477	Y
Victoria's Secret	D-111	8,000	Y	Jersey Mikes	Pad 7	1,528	Z
Francesca's Collections	D-116	1,248	Y	Pacific Dental - Summit Modern Dental	Pad 7	2,969	Z
Chico's	D-121	3,532	Y	Sleep Number	Pad 7	2,443	Z
Beauty Brands	D-125	6,630	Y	Olive Garden	Pad 9A	7,441	Y
H&M	E-101	20,000	Z	Red Lobster	Pad 9B	7,013	Y
Kay Jewelers	E-107	2,320	Z	Available	C-102C	3,373	Y
Dick's Sporting Goods	F	50,024	Z	Available	D-113	1,286	Y
DSW	I	14,500	Y	Available	E-105	3,040	Z
Mall Office	J-101	1,605		Available	L-113	4,594	Y
<i>Leasing in Progress/Negotiation</i>	J-103, K-103	12,766	Y	Available	N-103	2,467	Y
<i>Leasing in Progress/Negotiation</i>	K-101	11,476	Y	Available	N-109	1,500	Y
Fat Bee Café	L-101	1,600	Y	Available	O-105	4,023	Y
Topsy's Popcorn	L-103	1,183	Y	Available	Block Pad 4	1,395	Y
Radiant Waxing	L-105	1,598	Y	Available/Not Constructed	Pad 8	4,500	Z
Cupcake A La Mode	L-107	1,038	Y				
RPA 5 Businesses							
RETAILER	Address	Square Foot					
Bob Sight Ford	610 NW Blue Pkwy	41,420					
Mattress Firm	905 NW Chipman Rd	3,662					
Presto Gas Station	909 NW Chipman Rd	3,200					
Siki Japanese Steak House	601 NW Blue Pkwy	3,985					
The Vitamin Shoppe	905 NW Chipman Rd	2,500					
Wendy's	903 NW Chipman Rd	3,010					

Future Lease Up and Occupancy

According to RED, the existing space in Summit Fair Shopping Center is 88 percent occupied, not including the mall office, the 2,557 square feet space that will be occupied by Summer Moon Café in the near term, and other inline future retail tenants that would occupy 34,568 square feet as identified by RED. Ellis Clothing, Fat Bee Café, and Maurice's opened in late 2021. The Furniture Mall of Missouri, Daily Thread, and HS Interiors opened in late 2022. We have assumed that the remaining 21,678 square feet of constructed, available space that is not identified

for a prospective retail tenant, will be occupied with service-oriented businesses that do not generate retail sales. We believe this proposed change to be reasonable due to the changing retail landscape as retailers and restaurants have become more selective in when and where to open new locations. Our analysis reflects an additional vacancy factor of five percent beginning in 2024. Note that, while physical occupancy may actually be higher, this is an effective occupancy rate that reflects the fact that tenant turnover can result in service businesses replacing sales-tax-generating stores, as well as relocation or closure of both big and small retailer(s) over the life of the TIF and CID. These can be found below in the “Key Assumptions for Revenue Projections” section.

Future Proposed Development

The planned Summit Fair Shopping Center development includes an additional 4,500 square foot standalone building on a vacant outparcel (Pad 8). This is the last outparcel to be developed, and we estimate this outparcel will be constructed and open by January 2025 based on the attractiveness of an available outparcel and the general location near a major interchange.

TIF AND CID STRUCTURE

The TIF and CID were formed to fund a portion of the costs to develop the Shopping Center and related public improvements.

The CID sales tax became effective on July 1, 2009 and will expire on June 30, 2044. The CID imposes a 1.0 percent tax on all retail sales within its boundaries, which are divided into areas, Y and Z. Half of the CID sales tax revenue is collected as TIF EATs until the expiration of the TIF on April 25, 2030. The other half of the CID sales tax revenues is collected as CID revenue, and subject to annual appropriation by the CID, is available to pay the Bonds. After the TIF expires, the full one percent CID sales tax will be available, subject to annual appropriations by the CID, to pay the Bonds. According to the Developer, CID sales taxes generated in any given month are generally received by the CID two months later. It should be noted that some small retailers are only required to remit on a quarterly or semi-annual basis. We have only included those revenues generated by the CID in Area Z and CID sales tax revenue collected as TIF EATs from both Areas Y and Z for the purposes of this analysis. One half of the sales tax revenues generated within CID Area Y are captured as EATs, but the remaining half of the CID Area Y sales tax revenues (subject to annual appropriation by the CID) and all of the CID Area Y special assessment revenues are pledged to a separate series of bonds (the “Area Y Bonds”) and will not be available to pay debt service on the Bonds.

The CID includes land to the northeast of the boundaries of the Summit Fair Shopping Center. This includes NW Ward Road to the north and east of the boundaries shown. These additional areas, however, do not produce revenues that are available for repayment of the Bonds. The following table highlights the general structure of the TIF and CID. Additional information regarding TIF tax rates can be found in the “Key Assumptions for Revenue Projections” section of this report.

TIF & CID Structure Matrix

	TIF PILOTS (Expires April 25, 2030)	TIF EATs (Expires April 25, 2030)	CID Special Assessment (Expires June 30, 2044)	CID Sales Tax (Expires June 30, 2044)
TIF: RPA 1	<p>PILOTS-eligible tax rate: 8.2096 per \$100 of assessed valuation.</p> <p>PILOTS include 100 percent of the eligible incremental property tax revenues for RPA 1.</p>	<p>EATs include half of the RPA 1 incremental sales taxes generated by the TIF-eligible 3.125 percent sales taxes rate.</p> <p>EATs include half of the 1.0 percent CID sales tax revenues generated by Area Y and Area Z properties located within RPA 1.</p>	NA	NA
TIF: RPA 5	<p>PILOTS-eligible tax rate: 8.2096 per \$100 of assessed valuation.</p> <p>PILOTS include 100 percent of the eligible incremental property tax revenues for RPA 5.</p>	<p>EATs include half of the RPA 1 incremental sales taxes generated by the TIF-eligible 3.125 percent sales taxes rate.</p> <p>EATs include half of the 1.0 percent CID sales tax revenues generated by Area Y and Area Z properties located within RPA 5.</p>	NA	NA
CID: AREA Y	NA	NA	NA	Half of collected 1.0 percent CID sales tax revenues are collected as TIF EATs until the expiration of the TIF on April 30, 2030. The remaining half of CID revenues are available to pay the Bonds, subject to annual appropriation by the CID.
CID: AREA Z	NA	NA	Rate of \$1.24 per SF of building area.	Half of collected 1.0 percent CID sales tax revenues are collected as TIF EATs until the expiration of the TIF on April 30, 2030. The remaining half of CID revenues are available to pay the Bonds, subject to annual appropriation by the CID.

In addition, the CID levies an annual special assessment of \$1.24 per square foot of building floor area. The special assessment was approved on January 13, 2010 and was initially levied with real property taxes beginning in the 2010 calendar year. The special assessment will continue until the expiration of the CID. We have only included special assessment revenues generated in Area Z of the CID that are available for the repayment of the bonds. The following table details the collection and remittance fees that are charged to the identified revenue streams below. These were the only fees included in our analysis. There may be additional fees or withholdings associated with these revenue streams, but they are outlined further in the Official Statement.

Summit Fair TIF & CID Collection & Remittance Fees		
	Rate	Revenue Source
State of Missouri Collection Fee	1.0%	EATs
State of Missouri Timely Payment Holdback	2.0%	EATs, CID Sales
Jackson County PILOT Fee	1.6%	PILOTS
Jackson County Collection Fee	1.0%	CID Special Assessment
City of Lee's Summit Collection Fee	1.0%	EATs
City of Lee's Summit Administration Fee	1.0%	CID Sales, CID Special Assessment

LOCAL MARKET CONDITIONS

GENERAL TRENDS IN RETAIL SALES

Retail sales trends illustrate mixed performance at brick-and-mortar establishments and growth in e-commerce, especially with the sudden and unprecedented shock to the sector because of the COVID-19 pandemic. The past two years have seen more than a hundred traditional big-name retailers – including Ascena Retail (Lane Bryant, Ann Taylor), GNC, JC Penny, J. Crew, Neiman Marcus, Pier 1, and Tailored Brands (Men’s Wearhouse, Jos. A. Bank) – close, undergo significant reorganization/restructuring or file Chapter 11 bankruptcy¹. The Covid-19 has dramatically accelerated the transformation of big-box stores into e-commerce warehouses. As the pandemic recedes, spending will shift back to dining out, travel and other leisure experiences—putting more pressure on chains to keep making shopping easier to meet these new consumer expectations. The retail industry is betting some of the trends that have ignited this rethinking of space will outlast the pandemic². For example, nearly three-quarters of consumers who tried a different shopping method or brand last year intend to continue with it, according to a survey by McKinsey & Co³. In addition, according to a survey conducted in November 2021 by Digital.com, over half of retailers have increased prices by 20% or more with the automobile, e-commerce and electronics and appliances sectors leading all other industries in raising prices to more than offset costs. The primary factors of increased costs, according to the respondents, the increases were supply chain issues (69.0%), rising inflation (66.0%) and increased demand (57.0%)⁴. With the Consumer Price Index at 40-year highs⁵, we expect businesses to continue to employ tactics such as shrinking discounts, increasing surcharges, using shrinkflation and complementary pricing to increase prices.

Retail trends in the Kansas City MSA are generally positive. According to Newmark Grubb Zimmer, the overall Kansas City retail market tightened year-over-year in the first quarter of 2022, realizing a 60-basis-point decrease in vacancy to 5.3%. Net absorption totaled 993,869 square feet for the past four quarters and 801,385 square feet for the past two years. The average quoted rental rate is \$14.14/SF, up \$0.36/SF from one year ago⁶. Many of the positive retail trends in the MSA can be attributed to activity in submarkets that include Lee’s Summit. According to Newmark Grubb Zimmer, the Southeast Jackson County submarket (which includes the Summit Fair Shopping Center) led the MSA in lowest overall vacancy rates, and highest asking rent. The vacancy rate improved by 70

¹ CBInsights, [Here’s a list of 139 bankruptcies in the retail apocalypse – and why they failed](#), 07/26/2022, CBInsights website accessed 08/03/2022

² Bloomberg, [Pandemic Unleashes New Big-Box Era](#), 03/16/2022, Bloomberg website accessed 08/03/2022

³ McKinsey & Co, [How US consumers are feeling, shopping, and spending—and what it means for companies](#), 05/04/2022, McKinsey website accessed 08/03/2022

⁴ Digital.com, [More than half of retail businesses are using inflation to price gouge](#), 03/28/2022, Digital.com website accessed 08/03/2022

⁵ US Bureau of Labor Statistics, [Consumer prices up 9.1 percent over the year ended June 2022, largest increase in 40 years](#), 07/18/2022, US BLS website accessed 08/03/2022

⁶ Newmark Grubb Zimmer, [Kansas City Retail Report](#), Research 1Q22, Newmark Grubb Zimmer website accessed 08/03/2022

basis points over the past year and it mentions “*Furniture Mall of Missouri will backfill the former Macy’s 125,000-square-foot space at Summit Fair in Lee’s Summit. Macy’s announced in January it would close its store at 900 NW Blue Parkway as part of a company strategy formulated in 2020*”.

Overall, the Summit Fair Shopping Center is well-positioned in the market due to its access to regional transportation, a growing and high-income residential and business population, and recent retail performance indicators. Conversations held with management indicate that the retail concept of, “brick-and-click”, where consumers purchase products online and pick them up in the store, is a growing trend at these locations. Reports indicate this practice is good for traditional retailers as it continues to bring customers into the stores for follow-on purchases.

GENERAL LIFESTYLE CENTER TRENDS

Among products offered in the retail industry, lifestyle center formats have gained increasing popularity, and have been developed in numerous markets, including many in the Kansas City Metropolitan Statistical Area (“MSA”). Developers of lifestyle centers report that they often enjoy competitive advantages over other retail options, including enclosed shopping malls. Research conducted by the International Council of Shopping Centers shows that consumers tend to visit lifestyle centers more often than they visit enclosed local malls at an average of 3.8 times per month compared to 2.5 times per month for enclosed malls. New reports also reveal consumer dissatisfaction with enclosed mall shopping experiences. Shoppers pressed for time generally must park far away from the stores they wish to visit and walk past many stores they aren't interested in to reach their ultimate destination. The average mall trip takes more than 75 minutes, while shopping trips to open-air centers average about 57 minutes, according to ICSC. Also, although they spend less time, lifestyle center shoppers visit more stores and spend more money than those who frequent malls. In a report comparing five lifestyle centers to five malls, the ICSC found that shoppers entered an average of 2.9 stores and spent \$75.70 in the lifestyle centers versus 2.3 stores and \$73.30 in the malls⁷. Further, lifestyle centers have demonstrated an ability to add value to auxiliary uses, often in the form of above-average market rents/lease rates, and occupancies for comparable new products elsewhere in a given region.

MARKET AREAS

Market Area Definitions and Methodology

The primary market area (“PMA”) is briefly defined as the smallest geographic area that is expected to generate between 60 to 80 percent of the support for the Summit Fair Shopping Center. The secondary market area (“SMA”) is briefly defined as the smallest geographic area expected to generate the remaining support of the project.

⁷ Dale Mulartrick, CCIM, David Silver, and Lawrence Anderson, [Lifestyle Centers Capitalize on Shoppers' Need for Speed](#), CCIM website accessed 08/03/2022

The market areas are separated from adjacent market areas by natural and manmade barriers such as rivers, highways, railroads, major arteries, drive-times, or a marked difference in the socioeconomic makeup of the neighborhood or area. We determined the market areas for the Summit Fair Shopping Center by: 1) analysis of area economic boundaries, 2) demographic analysis, and 3) field observations.

The market areas were selected by comparing mapping data on physical, economic, and demographic boundaries of the Kansas City region. In order to understand the market for the Summit Fair Shopping Center, GIS data on disposable incomes, 30 to 60-minute drive times, and existing retail competition were overlaid. These mapping data sets, when overlapped, reveal which geographic areas are likely to produce the most demand for the Summit Fair Shopping Center.

Existing retail locations in the Kansas City region indicate where initial boundaries are likely to occur. Regional shopping centers such as Independence Center (11.1 miles north) and Town Center Plaza (15.9 miles west) are positioned to capture household demand from areas further north and west of the subject site. The Summit Fair Shopping Center, located on the southeast side of the Kansas City region, is positioned to capture more demand from areas further south and east because it is geographically located closer to these locations than other similar area shopping centers.

After understanding the geographic positioning of competition, the market areas are further refined by analyzing the economic and physical boundaries of the region. GIS mapping shows which communities have household incomes and disposable incomes that closely match the profile of retail tenants at the Summit Fair Shopping Center—two factors that affect the strength of retail development. Finally, drive time was mapped to understand which communities are likely to have the shortest commutes to the site. Drive time is important for retail locations because it is a strong factor in attracting demand from similar regional retail developments. Because Lee's Summit is close to rural communities to the south and east, drive times were extended beyond 30 minutes to 60 minutes in these areas because these communities do not have comparable retail tenants nearby.

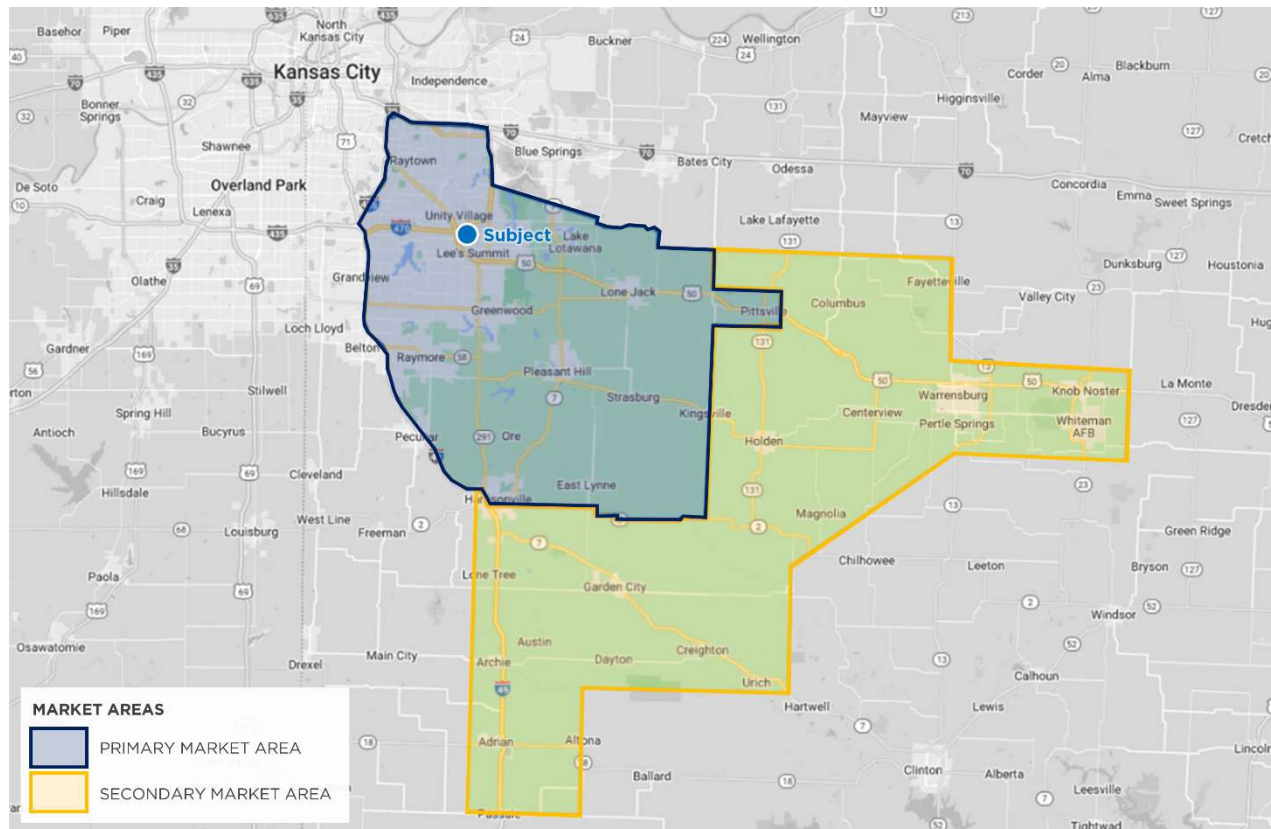
Primary Market Area

Considering the neighborhoods surrounding the Shopping Center, and for the purposes of analyzing the potential retail market for the development, we have defined the primary market area as an area roughly bounded by the cities of Kansas City, Missouri, Raymore, and Peculiar to the west; Harrisonville and Hadsell Township to the south; the border of Cass and Johnson counties to the east; and the cities of Raytown, Blue Springs, and Lake Lotawana to the north. The PMA contains 550 square miles in Cass, Jackson, and Johnson counties.

Secondary Market Area

The SMA is derived from a one-hour drive time analysis of the region, extending further south and east of the PMA into a largely rural part of western Missouri. The SMA contains 766 square miles in Cass, Bates, Henry, and Johnson counties.

The following map outlines the market areas described above.



MARKET AREAS

Summit Fair TIF & CID Revenue Analysis
Lee's Summit, Missouri

DEVELOPMENT STRATEGIES®

August 2022

MARKET AREA COMPETITION

The Summit Fair Shopping Center is an existing lifestyle center located in Lee's Summit, Missouri catering to high income households with a mix of shopping, dining and entertainment. ICSC reports that shoppers who visit lifestyle centers are more affluent and have high median household incomes, typically above \$80,000. Environmental Systems Research Institute (ESRI) reports 2022 median household incomes in Lee's Summit and the PMA of \$100,273 and \$76,649, respectively. The Summit Fair Shopping Center has a 20-minute drive time population of 528,343 with a median family income of \$69,309. These income levels are considerably higher than the rest of Jackson County and Missouri (\$62,091 and \$61,811), which demonstrates that the subject is well-positioned in the market.

The Kansas City MSA offers a variety of retail choices including lifestyle centers, enclosed malls, and retail strip centers. Most of these are located to the north and west of the Summit Fair Shopping Center. Retail options are limited in the rural areas to the south and east of the subject. However, as the Kansas City MSA continues to grow in size and population, a higher demand for goods and services will come from these formerly rural areas. The retail centers highlighted on the following pages are the most competitive retail options near the Summit Fair Shopping Center. Some of these options are outdoor "lifestyle" centers while others are more traditional retail offerings such

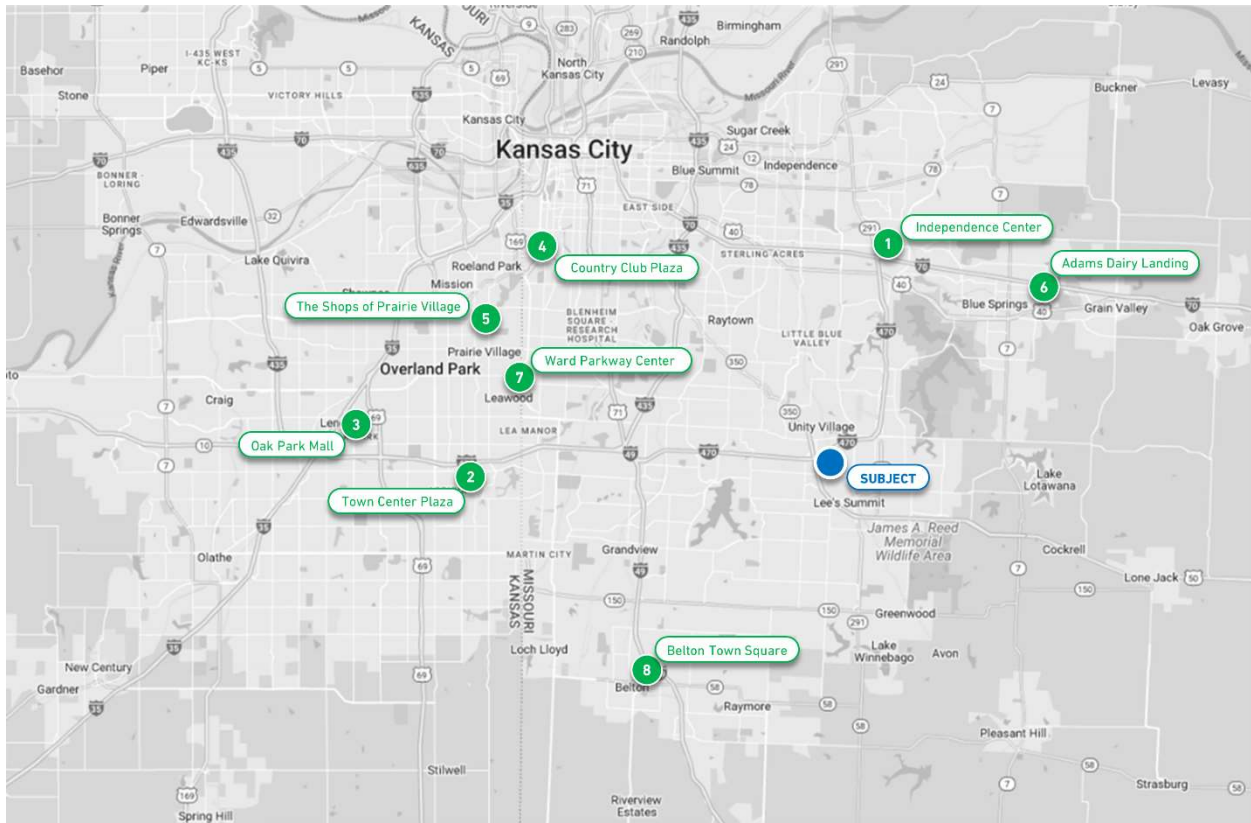
as indoor shopping malls and strip retail centers. All of these comparable properties have similar anchor tenants and offer similar dining and shopping options.

- Independence Center is located 11.1 miles north of the Summit Fair Shopping Center along Interstate 70 and Missouri 291. The shopping mall was built in 1974 (renovated in 2004) and has a gross leasable area of 1,022,767 square feet. Anchor tenants include Dillard's (174,500 square feet), Dick's Sporting Goods (25,800 square feet). However, former anchors Macy's (158,001 square feet), and Sears (139,021 square feet) have permanently closed their stores here, and the spaces remain vacant. The retail center contains over 84 stores, including Forever 21, Bath and Body Works, Helzberg Diamonds, Old Navy and Victoria's Secret. Restaurants include Noodles & Company, and Panda Express. Independence Center has a 20-minute drive time population of 507,120 with a median household income of \$59,930.
- Town Center Plaza is located 15.9 miles west of the Summit Fair Shopping Center in Leawood, Kansas at 117th Street between Nall Avenue and Roe Avenue. The retail center was built in 1996 (renovated in 2011) and contains 626,487 square feet of gross leasable area. The retail center contains 55 stores, 10 restaurants, and four anchor tenants. Macy's (121,233 square feet) and Dick's Sporting Goods (100,000 square feet) are primary anchors while secondary anchors include AMC Theatres (57,825 square feet) and Barnes and Noble (30,000 square feet). Other retail stores include Anthropologie, GNC, Express, and William Sonoma. Town Center Plaza has a 20-minute drive time population of 778,798 with a median household income of \$93,837.
- Oak Park Mall, located at 95th Street and Quivira Road, is 19.9 miles west of the Summit Fair Shopping Center in Overland Park, Kansas. The retail center was built in 1974 (renovated in 2011) and contains 1,570,860 square feet of gross leasable area. Around 140 stores are contained within the mall with anchor stores including Dillard's (357,546 square feet), JC Penney (201,097 square feet), Nordstrom (238,364 square feet), and Macy's (59,591 square feet). Other notable tenants include Barnes and Noble, Sephora, Abercrombie and Fitch, and Express. Oak Park Mall has a 20-minute drive time population of 790,994 with a median household income of \$83,503.
- Country Club Plaza, located at 47th Street and Broadway approximately 17.2 miles from the Summit Fair Shopping Center, was developed in 1922 (renovated in 2002) and is one of the region's premiere retail centers. The open-air, 14-block retail district contains 170 stores within 1.2 million gross leasable square feet of space. Major tenants include Apple, Anthropologie, Urban Outfitters, and lululemon. Country Club Plaza has a 20-minute drive time population of 735,935 with a median household income of \$58,690.
- Prairie Village Shopping Center is located at 4000 West 71st Street in Prairie Village, Kansas. The retail center, built in the 1950s (with additions added later, including in 2018), is 19 miles west of the Summit Fair Shopping Center. It contains around 50 stores, but the major anchor tenant Macy's (152,651 square feet) closed permanently. This space is currently under conversion to mixed-use (office and retail), with an

unknown completion date. The Prairie Village Shopping Center has a 20-minute drive time population of 717,242 with a median household income of \$67,334.

- Adams Dairy Landing, is a power center development located at Interstate 70 and Adams Dairy Parkway in Blue Springs, Missouri. The development is located approximately 16.9 miles northeast of the Summit Fair Shopping Center. The development is anchored by a Target, Kohl's, and TJ Maxx. A total of 42 retailers and restaurants operate in the development. Adams Dairy Landing has a 20-minute drive time population of 326,120 with a median household income of \$68,174.
- Ward Parkway Center, is located approximately 14.1 miles west of the Summit Fair Shopping Center at 8600 Ward Parkway in Kansas City, Missouri. The development is anchored by a Target, Trader Joe's and AMC Parkway Theaters. Approximately 39 retailers and restaurants operate in the development. Ward Parkway Center has a 20-minute drive time population of 753,261 with a median household income of \$75,640.
- Belton Town Center, operated by a variety of developers, is located approximately 16.9 miles south of the Summit Fair Shopping Center in Belton, Missouri. The area contains a Target, The Home Depot, Kohl's, and other big box and inline retailers. Belton Town Center has a 20-minute drive time population of 324,164 with a median household income of \$75,383.

The following maps highlight the location of the competing retail centers mentioned above, and the competing locations of the four, largest tenants in the Summit Fair Shopping Center in both square footage and total sales.



SELECTED REGIONAL COMPETITION

Summit Fair TIF & CID Revenue Analysis
Lee's Summit, Missouri

DEVELOPMENT STRATEGIES®

August 2022

ESTIMATED DISPOSABLE INCOME AND CAPTURE RATE

According to the tables in the “Demographics” section below, the total 2022 expenditures of residents of the PMA on apparel, home goods, and restaurants is approximately \$8,813 per person.

Estimated Disposable Income Capture: Summit Woods Crossing

The Summit Woods Crossing development, located very near the Summit Fair Shopping Center, is a major nearby competitor of the Summit Fair Shopping Center. Summit Woods Crossing includes many retailers that will likely claim a portion of the total disposable income of individuals residing in the PMA, and it is helpful to understand the overall impact of this major competitor on the future performance of the Summit Fair Shopping Center. The following table details the tenants and respective retail categories at Summit Woods Crossing—including outparcels—that overlap with those at the Summit Fair Shopping Center.

Summit Woods Crossing Tenant Overlap			
APPAREL	HOME GOODS	RESTAURANTS	DEPARTMENT STORES
Famous Footwear	CVS Pharmacy	Jack Stack Barbecue	Target
T. J. Maxx	Lowe's	SPIN! Pizza	Kohl's
Old Navy	Petco	Subway	
Carter's	Best Buy	Buffalo Wild Wings	
Rally House	Crowley Furniture	On the Border	
Men's Wearhouse	Michaels	LongHorn Steakhouse	
Helzberg Diamonds	Office Depot	Pinsa Pizzeria & Kitchen	
Claire's	Bed Bath & Beyond	Pearl Tavern	
	Ulta Beauty	Chili's	
	Kirkland's	Panera Bread	
	Johnson Fitness & Wellness	Panda Express	
	Hallmark	Jason's Deli	
	Verizon	Starbucks	
	Bath & Body Works	Chipotle	
	GNC	PepperJax Grill	
		Crumbl Cookies	
		Stroud's Express	

eMarketer Retail and other databases provide data relating to average store sales across a variety of retailers and restaurants. Using this data, we estimated the total annual sales in categories overlapping with the Summit Fair Shopping Center to be \$336,470,000, rounded to \$336.5 million. The following table details the estimated sales by retailer and category.

Summit Woods Crossing Tenant Overlap - Estimated Annual Sales

Apparel	Sales	Home Goods	Sales	Restaurants	Sales	Department Stores	Sales
Famous Footwear	\$1,195,000	CVS Pharmacy	\$9,240,000	Jack Stack Barbecue	\$10,163,000	Target	\$94,269,000
T. J. Maxx	\$9,120,000	Lowe's	\$29,812,000	SPIN! Pizza	\$1,433,000	Kohl's	\$12,976,000
Old Navy	\$8,048,000	Petco	\$3,359,000	Subway	\$314,000		
Carter's	\$1,115,000	Best Buy	\$38,388,000	Buffalo Wild Wings	\$2,501,000		
Rally House	\$2,525,000	Crowley Furniture	\$12,929,000	On the Border	\$2,087,000		
Men's Wearhouse	\$2,336,000	Michaels	\$9,996,000	LongHorn Steakhouse	\$12,292,000		
Helzberg Diamonds	\$4,769,000	Office Depot	\$5,368,000	Pinsa Pizzeria & Kitchen	\$515,000		
Claire's	\$750,000	Bed Bath & Beyond	\$7,560,000	Pearl Tavern	\$2,347,000		
		Ulta Beauty	\$18,986,000	Chili's	\$2,320,000		
		Kirkland's	\$2,325,000	Panera Bread	\$3,986,000		
		Johnson Fitness & Wellness	\$4,573,000	Panda Express	\$2,591,000		
		Hallmark	\$1,103,000	Jason's Deli	\$1,822,000		
		Verizon	\$3,373,000	Starbucks	\$1,352,000		
		Bath & Body Works	\$2,370,000	Chipotle	\$2,606,000		
		GNC	\$683,000	PepperJax Grill	\$1,073,000		
				Crumbl Cookies	\$1,300,000		
				Stroud's Express	\$600,000		
TOTAL	\$29,858,000		\$150,065,000		\$49,302,000		\$107,245,000

Source: Development Strategies Estimates based on sales data by same or comparable retailers in similar markets.

While the total estimated sales generated at Summit Woods Crossing is considerable, it is unlikely that this development has captured 100 percent of the retail and restaurant spending in the area. This means that there is remaining disposable household income that is captured in part by the Summit Fair Shopping Center. To estimate this remaining household income, the total household spending at brick and mortar stores—per category—in the PMA was divided by the total number of households. Given the total disposable income per household described in the “Demographics” section of this report, the estimated average remaining amount of disposable income per resident was developed. The following table describes the estimated spending per resident at Summit Woods Crossing and the remaining disposable income that could be captured by the Summit Fair Shopping Center.

Estimated Capture of Disposable Income at Summit Woods Crossing

	Apparel	Home Goods ⁴	Restaurants
Total Household Spending in PMA by Category ¹	\$274,165,487	\$295,487,485	\$485,955,834
Adjustment for Online Sales ²	\$234,959,822	\$253,232,775	\$416,464,150
Total Households in PMA	119,776	119,776	119,776
Total Disposable Income for Brick & Mortar Retail per Household	\$1,962	\$2,114	\$3,477
Total Spending at SWC by Category ³	\$83,480,500	\$203,687,500	\$49,302,000
Average Spent at SWC per Household	\$697	\$1,701	\$412
Remaining Disposable Household Income	\$1,265	\$414	\$3,065

¹ Estimate of total household spending by category for 2022. ESRI.

² Based on Q1 2022 US Department of Commerce estimate of online sales as a percentage of total retail sales

³ Estimate of Total Spending at Summit Woods Crossing.

⁴ Department stores sales have been divided evenly between Apparel and Home Goods categories

Given the data above, households in the PMA are spending \$1,172,715,572 on apparel, home goods, personal care products & services, and restaurants. According to the U.S. Department of Commerce, online sales in the first quarter of 2022 accounted for 14.3 percent of all retail sales. Therefore, brick and mortar retail sales of apparel,

home goods, and restaurants in the PMA total approximately \$1,005,017,245 ($\$1,172,715,572 \times 85.7$ percent), rounded to \$1,005.0 million.

Summit Woods Crossing is currently capturing an estimated average of 33.5 percent of the apparel, home goods, and restaurants market at brick-and-mortar retail stores ($\$336.5$ million / $\$1,005$ billion = 33.5 percent). Approximately \$719.1 million is spent at other brick and mortar locations outside of Summit Woods Crossing, which likely includes some spending at the Summit Fair Shopping Center.

Estimated Disposable Income Capture: Summit Fair Shopping Center

Based on weighted averages, we estimate that 2023 sales at the Summit Fair Shopping Center (including those businesses in RPA 5) will total \$115,286,831, rounded to \$115.3 million (See “Overall Retail Sales Projections”). Given the \$719.1 million in remaining household disposable income outlined earlier in this section, the Summit Fair Shopping Center will capture 16.0 percent of the overall apparel, home goods, and restaurant market ($\$115.3 / \719.1 million = 16.0 percent).

MARKET DEMOGRAPHICS

Population, Age and Income Data

According to ESRI 2022 population estimates, all five study areas discussed below have experienced modest population gains since 2010, and are expected to continue to increase in population over the next five years. The PMA's current population is estimated to be 305,287, which represents a nine percent increase since 2010—a lower growth rate than the City which increased 13 percent, and the MSA which increased by 11 percent. The population in the PMA is projected to increase another 1.0 percent by 2027, with an annual growth rate of 0.2 percent—half the rate as in the City. Not unsurprising given its rural character, the SMA has had the slowest population increase of the study areas since 2010 (with a total increase of 2.5 percent), and is projected to continue to have slower population growth over the next five years.

Average household sizes for all areas have decreased slightly since 2010. As of 2022, the City has the highest average household size at 2.60 persons per household—followed closely by the PMA at 2.53 persons per household—and Jackson County has the smallest household size at 2.36 persons per household. Over the next five years, household size is expected to slightly decrease in the PMA, SMA, City, and Jackson County.

The following table compares the demographics in the PMA and SMA to those of the City, Jackson County, MSA and Missouri.

Demographic Trends

Description	Lee's Summit		Kansas City		Missouri	
	PMA	SMA	City	Jackson County		MSA
Population						
2027 Projection	308,383	59,132	106,040	733,683	2,269,147	6,219,856
2022 Estimate	305,287	58,921	103,771	726,135	2,229,421	6,186,582
2010 Census	280,536	57,478	91,796	674,139	2,009,342	5,988,927
Annual Growth 2022-2027	0.2%	0.1%	0.4%	0.2%	0.4%	0.1%
Annual Growth 2010-2022	0.7%	0.2%	1.0%	0.6%	0.9%	0.3%
Households						
2027 Projection	121,370	22,367	40,677	307,061	903,138	2,521,403
2022 Estimate	119,776	22,186	39,647	302,322	884,847	2,498,406
2010 Census	108,386	21,104	34,607	274,799	789,533	2,375,611
Annual Growth 2022-2027	0.3%	0.2%	0.5%	0.3%	0.4%	0.2%
Annual Growth 2010-2022	0.8%	0.4%	1.1%	0.8%	1.0%	0.4%
Average Household Size						
2027 Projection	2.52	2.49	2.59	2.35	2.48	2.40
2022 Estimate	2.53	2.50	2.60	2.36	2.48	2.41
2010 Census	2.56	2.54	2.63	2.41	2.51	2.45

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Households by Income

Lee's Summit has the highest median household income of all study areas (\$100,273), while the SMA has the lowest median household income of all study areas (\$61,714)—roughly \$38,600 lower than the City. The City also has the lowest share of households earning less than \$25,000 at 9 percent—lower than the County (20 percent), and the PMA (14 percent). Over the next five years all areas are expected to see substantial increases in median household income, by a range of 8.3 percent in the City to 20.9 percent in the County.

Lee's Summit has the highest proportion of its population that earns \$75,000 or more (65 percent) followed by the PMA and the MSA, with slightly above half of the population earning more than \$75,000 a year. The share of households earning more than \$75,000 is lowest in the SMA, followed closely by the County at 42 percent.

Income trend and distribution characteristics in the PMA, SMA, the City, Jackson County, MSA and Missouri are displayed in the following table.

Income Trend and Distribution Comparison						
Description	PMA	SMA	Lee's Summit City	Jackson County	Kansas City MSA	Missouri
Median Household Income						
2027 Projection	\$88,280	\$71,225	\$108,563	\$75,091	\$87,049	\$73,496
2022 Estimate	\$76,647	\$61,714	\$100,273	\$62,091	\$76,500	\$61,811
Annual Growth 2022-2027	2.9%	2.9%	1.6%	3.9%	2.6%	3.5%
Households Earning < \$25K	14%	17%	9%	20%	14%	19%
2022 Income Distribution						
Total households:	119,776	22,186	39,647	302,322	884,847	2,498,406
<\$15,000	7%	9%	4%	10%	7%	10%
\$15,000 - \$24,999	7%	8%	5%	9%	7%	9%
\$25,000 - \$34,999	6%	8%	4%	8%	7%	8%
\$35,000 - \$49,999	11%	13%	8%	12%	11%	13%
\$50,000 - \$74,999	18%	21%	15%	18%	17%	18%
\$75,000 - \$99,999	15%	15%	15%	13%	15%	14%
\$100,000 - \$149,999	21%	19%	25%	17%	19%	16%
\$150,000 - \$199,999	9%	4%	13%	7%	9%	6%
\$200,000 +	7%	3%	13%	5%	8%	6%

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Households by Disposable Income

Household disposable income is total income available after taxes. According to ESRI 2022 data on median household disposable income data, the City has the highest disposable incomes in comparison to the other study areas at \$80,415 which is roughly \$19,000 or 30 percent higher than the PMA (\$61,629), 53 percent higher than the SMA (\$52,544), and 32 percent higher than the MSA (\$60,827).

According to ESRI data on retail expenditures for the categories “apparel and services,” “food away from home,” and “household furnishing and equipment”—representative of the services and goods offered at the Summit Fair

Shopping Center—the PMA and City spend more on average, than the SMA, Jackson County, and Missouri. The spending in the PMA is roughly at par with the MSA. Of the four study areas, the SMA had the lowest retail spending in these categories.

Household disposable income characteristics in the PMA, SMA, the City, Jackson County, MSA and Missouri are displayed in the following table.

Household Disposable Income Comparison						
Description	PMA	SMA	Lee's Summit City	Jackson County	Kansas City MSA	Missouri
Income Dedicated to Retail Expenditures						
Apparel and Services	\$2,289	\$1,836	\$2,854	\$2,036	\$2,391	\$2,033
Food Away from Home	\$4,057	\$3,276	\$5,093	\$3,609	\$4,249	\$3,627
Household Furnishings & Equipment	\$2,467	\$1,942	\$3,139	\$2,128	\$2,543	\$2,182
Total Households	119,776	22,186	39,647	302,322	884,847	2,498,406
Average Household Size	2.53	2.50	2.60	2.36	2.48	2.41
Median Household Income	\$76,647	\$61,714	\$100,273	\$62,091	\$76,500	\$61,811
Median Disposable Income	\$61,629	\$52,544	\$80,415	\$52,842	\$60,827	\$52,671

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ECONOMIC TRENDS

Major Employers

The ten largest employers in Jackson County are predominantly within the government and healthcare industries. Of these, four are healthcare related and combined account for about 33,000 workers. The largest employer in Jackson County is the federal government, with 32,600 employees, with the government of Kansas City, Missouri employing an additional 4,067 workers.

Top Employers in Jackson County		
Employer	Description	Employees
Federal Government (excludes military)	Government	28,396
Cerner Corporation	Healthcare/Computer Software	12,778
St. Luke's Health System	Healthcare	9,056
Children's Mercy Hospitals and Clinics	Healthcare	7,398
Hallmark Cards Inc.	Retail	5,400
Honeywell Federal Manufacturing & Technologies	Military/ Manufacturing	4,812
U. S. Postal Service	Government	4,200
City of Kansas City, Missouri	Government	4,067
Truman Medical Center/University Health	Healthcare	3,746
Burns & McDonnell	Engineering	3,649

Source: Jackson County Comprehensive Annual Financial Report (for fiscal year ending December 31, 2021), 2022

Among the largest employers in Jackson County, five are within Lee’s Summit—three are healthcare related businesses: St. Luke’s Health System (John Knox Village is an extension of St. Luke’s), and Truman Medical Center; and collectively healthcare providers account for over 3,200 jobs in the City. Lee’s Summit R-7 School District employs 2,665 workers. Other major employers in the City are within the insurance, government, and customer service industries.

The ten largest employers in the City are listed in the following table.

Top Employers in Lee's Summit		
Employer	Description	Employees
Lee's Summit R-7 School	Education	2,665
National Benefits Center	Government	2,200
Truman Medical Center - Lakewood	Healthcare	1,200
St. Luke's East - Lee's Summit	Healthcare	1,003
John Knox Village	Healthcare	1,000
CVS Caremark Inc	Call Center	750
City of Lee's Summit	Government	660
GEHA Holdings Inc	Insurance	600
Rediscover	Healthcare	600
Viracor-Eurofins	Healthcare	594

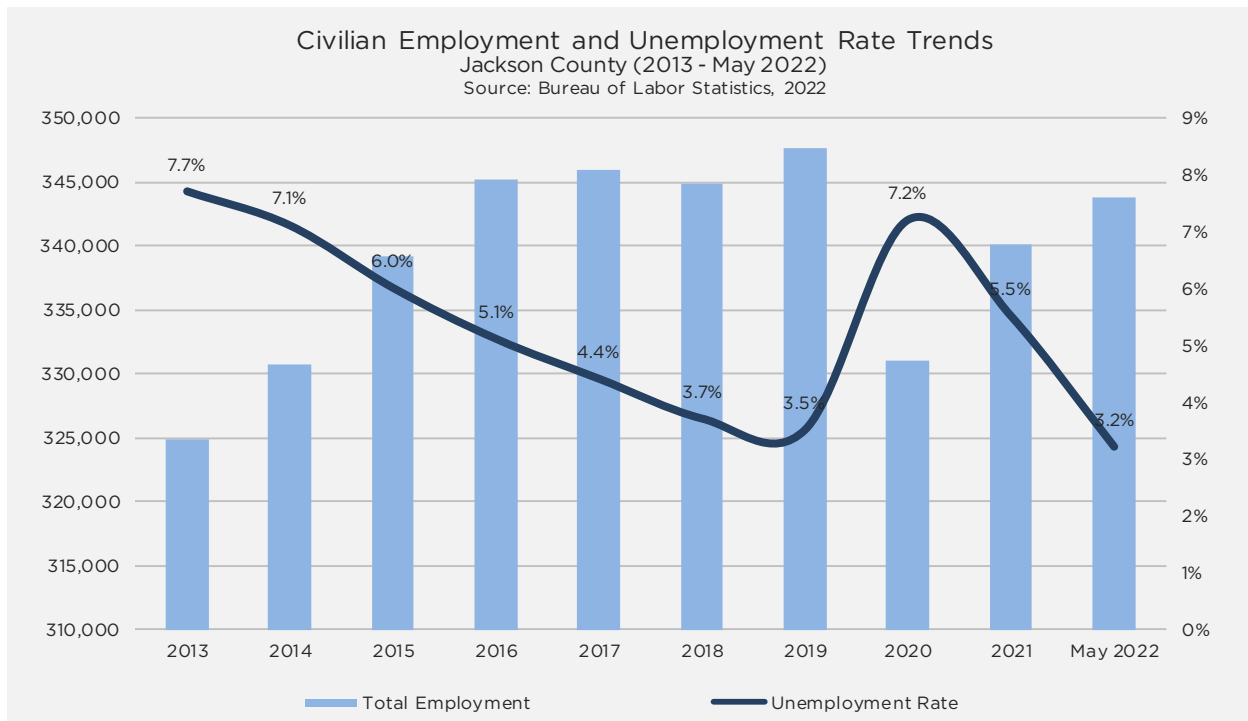
Source: Lee's Summit Comprehensive Annual Financial Report (for fiscal year ending June 30, 2021), 2021

Unemployment and Employment Growth

After reaching a decade high unemployment rate of 10.7 percent in 2010, due to the national recession, the unemployment rate in Jackson County has declined to 3.5 percent in 2019. The COVID-19 pandemic pushed the unemployment rate in the County in 2020 to 7.2 percent, before dropping again once the economy opened up following vaccinations. As of May 2022, the unemployment rate in Jackson County is 3.2 percent, which is lower than pre-pandemic levels.

Total employment in Jackson County has generally increased every year since 2009 till 2019, before dropping drastically in 2020. Recovery was rapid with total employment approaching levels in 2018. Since 2013, the County has added a net of about 18,900 workers. With declining unemployment rates and an overall increasing workforce, the economic outlook for Jackson County appears to be positive.

Employment trends for Jackson County are shown in the following graph and table.



Employment Trends and Comparison - Jackson County

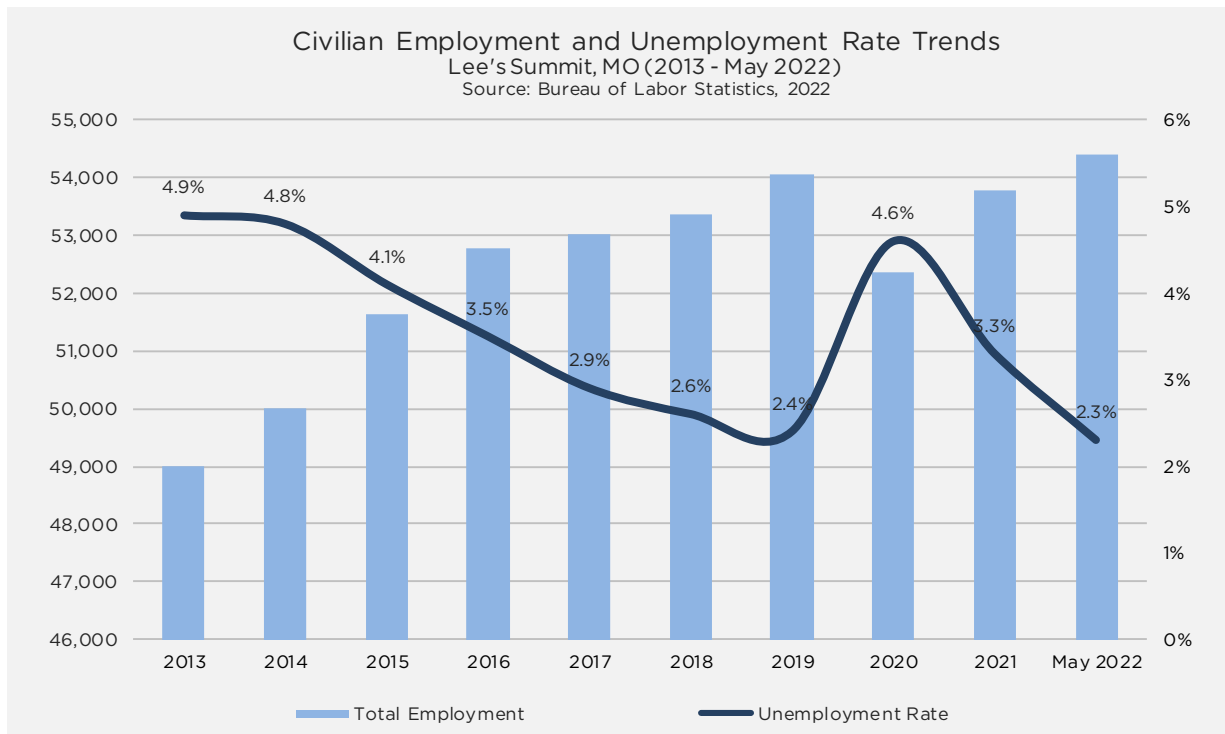
	2013	2014	2015	2016	2017	2018	2019	2020	2021	May 2022
Employment	324,929	330,689	339,191	345,196	345,971	344,820	347,620	331,092	340,103	343,841
Unemployment Rate	7.7%	7.1%	6.0%	5.1%	4.4%	3.7%	3.5%	7.2%	5.5%	3.2%

Source: U.S. Department of Labor, Bureau of Labor Statistics, 2022

The unemployment rate in the City has generally mirrored trends in Jackson County; however, it has historically remained one to three percentage points lower than the rate in Jackson County. The slow-down in the economy induced by the pandemic resulted in the unemployment rate in the City to rise to 4.6 percent, but has since dropped back down. As of May 2022, the unemployment rate in the City is 2.3 percent, the lowest among the study areas.

Total employment in the City has generally increased every year for the past ten years, except for the drop in 2020. In 2013, a decade low of 49,000 workers were employed in Lee's Summit. As of May 2022, total employment in the City is about 54,400 workers, slightly higher than pre-pandemic levels in 2019. The City has added in net about 5,400 jobs in the past ten years.

The employment trends for the City over the past ten years are summarized in the following graph and table.



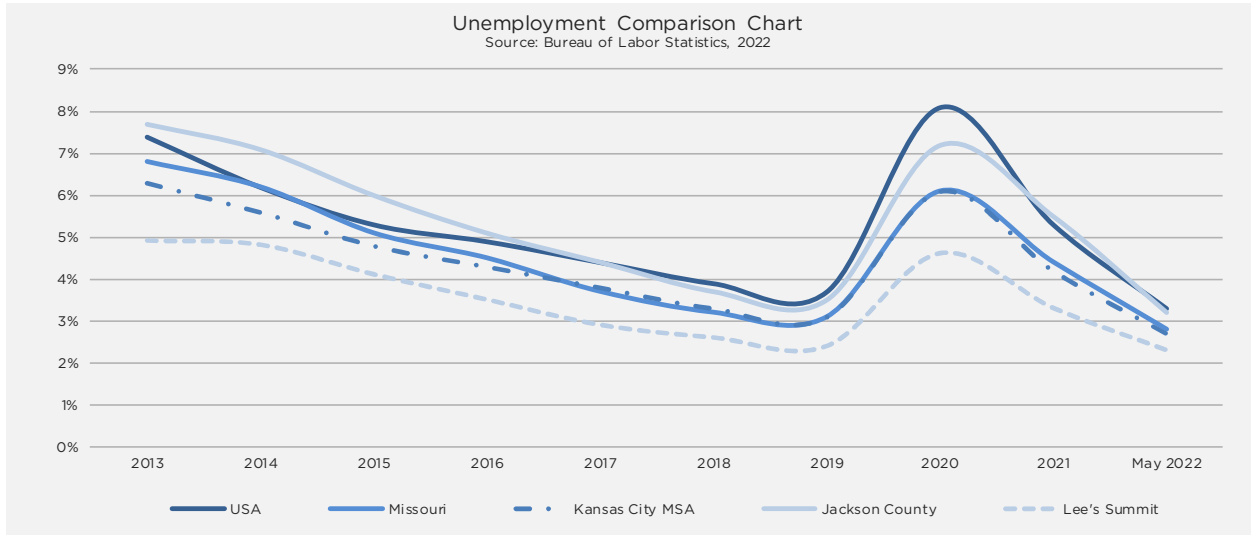
Employment Trends and Comparison - Lee's Summit, MO

	2013	2014	2015	2016	2017	2018	2019	2020	2021	May 2022
Employment	49,000	49,999	51,622	52,759	53,002	53,353	54,066	52,374	53,797	54,389
Unemployment Rate	4.9%	4.8%	4.1%	3.5%	2.9%	2.6%	2.4%	4.6%	3.3%	2.3%

Source: U.S. Department of Labor, Bureau of Labor Statistics, 2022

The unemployment rate in the City and Jackson County have followed similar trends as the metropolitan, state, and national rates, with all areas experiencing increases in unemployment in 2020 as a result of the COVID-19 pandemic, but generally experiencing decline overall since 2013. While following similar unemployment trends as the other study areas, Lee's Summit has enjoyed historically lower unemployment rates—an average of 1.1 percent lower than the state and 1.7 percent lower than the nation over the past ten years.

The historical unemployment rate trends over the last ten years for the City, Jackson County, the Kansas City MSA, Missouri, and the United States are shown in the following graph and table.



Unemployment Comparison

	2013	2014	2015	2016	2017	2018	2019	2020	2021	May 2022
Lee's Summit	4.9%	4.8%	4.1%	3.5%	2.9%	2.6%	2.4%	4.6%	3.3%	2.3%
Jackson County	7.7%	7.1%	6.0%	5.1%	4.4%	3.7%	3.5%	7.2%	5.5%	3.2%
Kansas City MSA	6.3%	5.6%	4.8%	4.3%	3.8%	3.3%	3.1%	6.1%	4.2%	2.7%
Missouri	6.8%	6.2%	5.1%	4.5%	3.7%	3.2%	3.1%	6.1%	4.4%	2.8%
USA	7.4%	6.2%	5.3%	4.9%	4.4%	3.9%	3.7%	8.1%	5.3%	3.3%

Source: Bureau of Labor Statistics, 2022

TIF AND CID REVENUE PROJECTIONS

KEY ASSUMPTIONS FOR REVENUE PROJECTIONS

Ninety-nine percent of the the Summit Fair Shopping Center site has already been developed. It was determined, upon reviewing historical assessed valuations (“AV”) for the parcels that compose the TIF and CID, that a 3.0 percent AV increase during the reassessment year of 2023 is reasonable. It is assumed that AV’s for the TIF and CID parcels will increase at 2.0 percent in 2025 and every reassessment year thereafter.

The CID provided monthly collections for the CID, and the City has provided, in aggregate, monthly sales numbers for those businesses south of Chipman Road that exist in the TIF. Retail sales have shown growth in some business types (i.e. restaurants), and modest decreases in others. Based on this data, and others, it is expected that the Shopping Center will continue to attract new customers and have sales growth.

There are four sales growth scenarios modeled for the purposes of this report, which are outlined in the next few pages.

Scenario 1

Scenario 1 includes sales from the expected 2,557 square feet of space to be occupied by Summer Moon Café in the near future, and full sales from additional expected additional tenants in 2024 and beyond. A sales growth rate of 3.3 percent was modeled for 2023 to account for the current expected Personal Consumption Expenditures (PCE) price index growth rate as forecasted by the Congressional Budget Office (CBO). A modest sales growth bump of 2.4 percent was modeled for 2024 and 2.0 percent was modeled for all years thereafter, which reflects the CBO’s targeted PCE price index growth rate projections. The growth rate for the businesses located in RPA 5 is projected increase by 3.3 percent in 2023, 2.4 percent in 2024, and then remain at 2.0 percent until the expiration of the TIF.

A vacancy factor of 5.0 percent was attributed to all sales in RPA 1 in Scenario 1 from 2024 until the termination of the CID. A vacancy factor of 5.0 percent beginning in 2024 was attributed to all sales in RPA 5. Note that, while physical occupancy may actually be higher, this is an effective occupancy rate that reflects the fact that tenant turnover can result in service businesses replacing sales-tax-generating stores, as well as factors possible relocation or closure of both big and small retailer(s) over the life of the TIF and CID.

Scenario 2

Scenario 2 assumes that the recently opened Furniture Mall of Missouri, Daily Thread, and HS Interiors—along with the confirmed new sales-tax generating tenants—will increase foot traffic at the development and induce additional sales. In Scenario 2, we include full sales from the recently opened furniture store and expected additional tenants in 2023 and beyond. Beginning in 2023, it is assumed that sales will grow at a rate higher than inflation due to increased foot traffic. A sales growth rate of 3.45 percent was modeled for 2023 to account for additional growth beyond the current expected inflation rate as forecasted by the CBO. In 2024, it is assumed that sales will grow by 2.5 percent, and sales will then grow at a rate of 2.1 percent through the expiration of the TIF. Similarly, the growth

rate for the businesses located in RPA 5 is projected increase by 3.45 percent in 2023, 2.5 percent in 2024, and then grow by an annual rate of 2.1 percent until the expiration of the TIF.

A vacancy factor of 5.0 percent was attributed to all sales in RPA 1 in Scenario 2 from 2024 until the termination of the CID. A vacancy factor of 5.0 percent beginning in 2024 was attributed to all sales in RPA 5. Note that, while physical occupancy may actually be higher, this is an effective occupancy rate that reflects the fact that tenant turnover can result in service businesses replacing sales-tax-generating stores, as well as factors possible relocation or closure of both big and small retailer(s) over the life of the TIF and CID.

Scenario 3

The analysis for Scenario 3 assumes that multiple tenants—not including the anchor JC Penney or Furniture Mall of Missouri—will close due to co-tenancy agreement violations within the next five years. In addition, it is assumed that the remaining smaller retailers will operate only until the end of their existing leases and then vacate the property as well. We assume that sales at the existing tenants will continue to grow at modest rates until 2026, when a large portion of tenants will have either let their leases expire or leave due to co-tenancy violations. Thereafter, it is assumed that a decline in remaining sales will escalate by -1.0% in 2027, -2.0% in 2028, -3.0% in 2029, -4.0% in 2030, and -5.0% in 2031. Thereafter, it is assumed that remaining sales remain flat. Other assumptions, such as the sales per square foot per store in 2022, property and sales tax rates, the average bi-annual growth for assessed values, and collection fees, remain the same.

Scenario 4

Scenario 4 includes sales from the expected 2,557 square feet of space to be occupied by Summer Moon Café in the near future, and full sales from additional expected additional tenants in 2024 and beyond. A sales growth rate of 3.3 percent was modeled for 2023 to account for the current expected Personal Consumption Expenditures (PCE) price index growth rate as forecasted by the Congressional Budget Office (CBO). A modest sales growth bump of 2.4 percent was modeled for 2024 and 2.0 percent was modeled for all years thereafter, which reflects the CBO's targeted PCE price index growth rate projections. The growth rate for the businesses located in RPA 5 is projected to increase by 3.3 percent in 2023, 2.4 percent in 2024, and then remain at 2.0 percent until the expiration of the TIF.

Beginning in 2024, a vacancy factor totaling 15 percent—equivalent to roughly 76,000 square feet of space—was attributed to all non-anchor retailer square footage in RPA 1 to account for vacant space or those tenants that do not generate sales taxes.

Please note: In Scenarios 1, 2, 3, and 4, Pad 8 is currently unconstructed and assumed to also be constructed and occupied by January 2025. It is during the estimated timeline that these spaces will begin contributing revenues to the TIF and CID.

TIF-Eligible Property and Sales Tax Rates

Three sales tax levies that were set to sunset and no longer be capturable by the TIF district have been extended. The three include; 0.25 percent County Drug Enforcement Tax (now titled, “Community Backed Anti-Crime Tax”), 0.25 percent Parks Tax (expires 2033), and the 0.5 percent Sports Complex Tax (expires 2033). Jackson County

voters approved the extension of the Community Backed Anti-Crime Tax (“COMBAT”) by a record margin on Nov. 8, 2016 with 77 percent approving it. The quarter-cent sales tax, which generates over \$19 million annually in total sales tax collections. It was renewed by voters for another nine years, and will sunset on March 31, 2027 without another vote to extend. Taxes are subject to change either up or down over the years, but for our analysis, we have assumed that the COMBAT levy will sunset in 2027 with the remaining levies held constant.

The following tables detail the total property and sales tax rates at the property, along with the portion of those total rates eligible for capture by the TIF.

Property and Sales Tax Rates

Property Tax			Sales Tax		
Property Tax	Rate	TIF Eligible	Rate	TIF Eligible	
Board of Disabled Services	0.0663	Y	State of Missouri	4.225%	N
City of Lee's Summit	1.4199	Y	Jackson County General	0.500%	Y
Lee's Summit School (R-7)	5.4837	Y	Jackson County Capital Improvements (Stadium)	0.375%	N
Jackson County	0.5824	Y	Jackson County *COMBAT*	0.250%	Y
Mental Health	0.1077	Y	Jackson County Community Children's Services	0.125%	N
Metro Junior College	0.2028	Y	Lee's Summit General	1.000%	Y
Mid-Continent Library	0.3468	Y	Lee's Summit Local Parks	0.250%	Y
State of Missouri Blind Pension	0.0300	N	Lee's Summit Capital Projects	0.500%	Y
Replacement Tax	1.4370	N	Lee's Summit Transportation	0.500%	Y
TOTAL	9.6766	8.2096	Kansas City Zoological District	0.125%	Y
			TOTAL	7.850%	3.125%

The base assessed value is \$2,875,333. The base sales amount is \$6,207,639.

OVERALL RETAIL SALES PROJECTIONS: SCENARIO 1

The following table outlines the projected retail sales by business type for the first three years of our analysis. This timeline shows our projections for the current year through 2024 when we assume the remaining available, constructed space and unconstructed, planned space will be occupied and operational. We project the three highest earning business types as Department Stores & “Big Box” retailers, Restaurants/Food retailers, and Apparel retailers.

Summit Fair Projected Retail Sales by Business Type

Business Type	Projected Sales PSF (Weighted Average)	Total Square Footage	Total Sales	% Total
Department Stores & Big Box	\$142	155,024	\$22,013,408	18.2%
Health & Beauty	\$169	11,309	\$1,911,221	1.6%
Restaurants/Food	\$513	65,442	\$33,571,746	27.8%
Services	\$16	12,664	\$202,624	0.2%
Specialty Shops	\$222	83,613	\$18,562,086	15.4%
Apparel	\$282	81,131	\$22,878,942	18.9%
Other ³	\$172	126,520	\$21,761,440	18.0%
GRAND TOTAL^{1,2}			120,901,467	

¹ This chart includes projected retail sales from businesses in both RPA 1 and RPA 5.

² Grand totals reflect total projected sales without vacancy factors applied. See Key Assumptions Section for vacancy discussion.

³ The Other category includes constructed space that will soon be occupied by known or prospective new tenants and Pad 8, which has not been constructed at the time of this report. We assume these spaces will be occupied and being operations between Q3 2023 and January 2025.

The analysis for Scenario 1 assumes that sales at the existing retailers continue to grow at modest inflation rates—3.3 percent in 2023, 2.4 percent in 2024, and 2.0 percent thereafter. New retailers—including the recently opened furniture store, clothing store, and home interiors store—are assumed to generate sales at similar rates and effectively replace revenue lost by retailers that vacated the space over the past few years. Furthermore, it is assumed that the vacant space that is not yet slated to be reoccupied will either remain vacant or be occupied by non-sales tax generating businesses. In this scenario, it is assumed that no additional growth would occur due to the presence of additional visitors at these businesses.

SCENARIO 1: PROJECTED TIF REVENUES (PILOTS AND EATS)

PILOT revenues are calculated by subtracting the base assessed value from the projected assessed value. This incremental value is then divided by 100, and multiplied by the TIF-eligible tax rate (\$8.2096) to determine what eligible revenues are available to the TIF. Jackson County charges a 1.6 percent collection fee on PILOTs, which is subtracted from the total each year. A total of \$11,108,664 in PILOTs is projected to be generated during the remaining life of the TIF district. Chart 1 outlines the projected PILOTs each year for the remaining life of the TIF.

Scenario 1, Chart 1: Payment in Lieu of Taxes (PILOTs) Revenues

Year	Projected Assessed Value	Base Assessed Value	Increment Value	TIF-eligible Tax Rate (per \$100 AV)	TIF-eligible Revenue (minus Jackson County Collection Fee of 1.6%)
2023	\$21,949,382	\$2,875,333	\$19,074,049	\$8.2096	\$1,540,849
2024	\$21,949,382	\$2,875,333	\$19,074,049	\$8.2096	\$1,540,849
2025	\$22,388,370	\$2,875,333	\$19,513,037	\$8.2096	\$1,576,311
2026	\$22,388,370	\$2,875,333	\$19,513,037	\$8.2096	\$1,576,311
2027	\$22,836,137	\$2,875,333	\$19,960,804	\$8.2096	\$1,612,483
2028	\$22,836,137	\$2,875,333	\$19,960,804	\$8.2096	\$1,612,483
2029	\$23,292,860	\$2,875,333	\$20,417,527	\$8.2096	\$1,649,378
2030	\$23,292,860	\$2,875,333	\$20,417,527	\$8.2096	\$0
Total PILOTs					\$11,108,664

DS has projected, based on our analysis of the committed and uncommitted tenants for RPAs 1 and 5, total sales. The base sales of \$6,207,639 was subtracted from the total projected sales to determine the incremental sales per year. The TIF-eligible tax rate of 3.125 percent was multiple by this incremental sales amount to determine the sales taxes, of which, only 50 percent is eligible to be captured by the TIF as EATs. A combination of fees and discounts, outlined below, totaling 4.0 percent was subtracted from the TIF-eligible sales taxes each year.

The following chart also includes sales tax revenues generated by the CID in Area Z and Y as 50 percent of those revenues during the life of the TIF are TIF-eligible and captured as EATs. DS has projected, based on those revenues sources, that a total of \$16,698,534 could be captured as EATs. The below chart provides a further breakdown of this analysis.

Scenario 1, Chart 2: Economic Activity Taxes (EATs) Revenues

Year	Projected Sales from Committed Tenants ¹	Projected Sales from Uncommitted Tenants ²	Total Projected Sales	Base Sales	Incremental Sales	TIF-eligible Tax Rate ²	Sales Taxes	TIF-eligible Sales Taxes (minus DOR Collection Fee, City Collection Fee, and Timely Payment Discount)	Total CID EATs (Area Z Only: Chart 3)	Total CID EATs (Area Y Only: Chart 4)	Total
2023	\$105,430,919	\$0	\$105,430,919	\$6,207,639	\$99,223,280	3.125%	\$3,100,728	\$1,488,349	\$95,409	\$353,211	\$1,936,969
2024	\$115,830,710	\$3,736,513	\$119,566,223	\$6,207,639	\$113,358,584	3.125%	\$3,542,456	\$1,700,379	\$92,814	\$425,632	\$2,218,725
2025	\$118,312,304	\$7,269,600	\$125,581,903	\$6,207,639	\$119,374,264	3.125%	\$3,730,446	\$1,790,614	\$111,448	\$434,043	\$2,336,105
2026	\$120,848,974	\$7,414,992	\$128,263,966	\$6,207,639	\$122,056,327	3.125%	\$3,814,260	\$1,830,845	\$113,677	\$442,724	\$2,387,246
2027	\$123,442,001	\$7,563,292	\$131,005,293	\$6,207,639	\$124,797,654	2.958%	\$3,691,930	\$1,772,126	\$115,950	\$451,578	\$2,339,655
2028	\$126,092,699	\$7,714,558	\$133,807,256	\$6,207,639	\$127,599,617	2.875%	\$3,668,489	\$1,760,875	\$118,269	\$460,610	\$2,339,754
2029	\$128,802,411	\$7,868,849	\$136,671,260	\$6,207,639	\$130,463,621	2.875%	\$3,750,829	\$1,800,398	\$120,635	\$469,822	\$2,390,855
2030	\$43,418,931	\$2,648,654	\$46,067,585	\$6,207,639	\$39,859,946	2.875%	\$1,145,973	\$550,067	\$41,016	\$158,142	\$749,225
Total EATs											\$16,698,534

¹ The projected sales includes our vacancy assumptions outlined in the "Key Assumptions for Revenue Projections". These include a 5.0 percent vacancy starting in 2024 until the termination of the CID for all sales generated by businesses in RPA 1. In RPA 5, a vacancy factor of 5.0 percent in 2024 until the expiration of the TIF there is a 5.0 percent annual vacancy rate applied to all sales generated.

² The TIF-eligible Sales Tax rate is reduced to 2.875% after March 31, 2027. We assume the Community Backed Anti-Crime Tax ("COMBAT") will expire on or about that date. The total tax rate for 2027 is an average based on that expected expiration.

SCENARIO 1: PROJECTED CID SALES TAX REVENUES

The CID encompasses the boundaries of RPA 1, and are divided into two, separate areas, Y and Z. The projected sales for each of those areas were separated and multiplied by the 1.0 percent sales tax levy to determine the CID revenues. The total projected revenues for each of the areas were reduced by 3.0 percent to account for applicable fees and discounts each year. Those totals were multiplied by 50 percent, and separated into revenues classified as EATs and revenues for the CID. This was done until the expiration of the TIF district at the end of April 2030. The revenues generated by the CID after the expiration of the TIF are solely allocated to the CID.

Chart 3 outlines the projected CID revenues for Area Z. The second chart, Chart 4, outlines the projected CID revenues for the Area Y businesses however, it only highlights those revenues classified as EATs captured by the TIF during the life of the district. Only those revenues classified as EATs from Area Y in the CID are pledged to the Bonds.

Scenario 1, Chart 3: Community Improvement District (CID) Revenues (Area Z)

Year	Projected Sales from Committed Tenants ¹	Projected Sales from Uncommitted Tenants	Total Sales Applicable to CID (Area Z)	CID Rate (1.0%)	CID Revenues (minus City Collection Fee and Timely Payment; 3.0%)	CID EATs Total 50% ²	CID Total 50% ²
2023	\$19,671,903	\$0	\$19,671,903	1.0%	\$190,817	\$95,409	\$95,409
2024	\$19,136,828	\$0	\$19,136,828	1.0%	\$185,627	\$92,814	\$92,814
2025	\$19,519,564	\$3,459,377	\$22,978,941	1.0%	\$222,896	\$111,448	\$111,448
2026	\$19,909,956	\$3,528,564	\$23,438,520	1.0%	\$227,354	\$113,677	\$113,677
2027	\$20,308,155	\$3,599,135	\$23,907,290	1.0%	\$231,901	\$115,950	\$115,950
2028	\$20,714,318	\$3,671,118	\$24,385,436	1.0%	\$236,539	\$118,269	\$118,269
2029	\$21,128,604	\$3,744,540	\$24,873,144	1.0%	\$241,270	\$120,635	\$120,635
2030	\$21,551,176	\$3,819,431	\$25,370,607	1.0%	\$246,095	\$41,016	\$205,079
2031	\$21,982,200	\$3,895,820	\$25,878,020	1.0%	\$251,017		\$251,017
2032	\$22,421,844	\$3,973,736	\$26,395,580	1.0%	\$256,037		\$256,037
2033	\$22,870,281	\$4,053,211	\$26,923,492	1.0%	\$261,158		\$261,158
2034	\$23,327,686	\$4,134,275	\$27,461,961	1.0%	\$266,381		\$266,381
2035	\$23,794,240	\$4,216,961	\$28,011,201	1.0%	\$271,709		\$271,709
2036	\$24,270,125	\$4,301,300	\$28,571,425	1.0%	\$277,143		\$277,143
2037	\$24,755,527	\$4,387,326	\$29,142,853	1.0%	\$282,686		\$282,686
2038	\$25,250,638	\$4,475,072	\$29,725,710	1.0%	\$288,339		\$288,339
2039	\$25,755,651	\$4,564,574	\$30,320,224	1.0%	\$294,106		\$294,106
2040	\$26,270,764	\$4,655,865	\$30,926,629	1.0%	\$299,988		\$299,988
2041	\$26,796,179	\$4,748,983	\$31,545,161	1.0%	\$305,988		\$305,988
2042	\$27,332,102	\$4,843,962	\$32,176,065	1.0%	\$312,108		\$312,108
2043	\$27,878,744	\$4,940,842	\$32,819,586	1.0%	\$318,350		\$318,350
2044	\$14,364,031	\$2,519,829	\$16,883,860	1.0%	\$163,773		\$163,773
Total CID Revenues						\$809,217	\$4,822,064

¹ The projected sales includes our vacancy assumptions outlined in the "Key Assumptions for Revenue Projections". These include a 5.0 percent vacancy starting in 2024 until the termination of the CID for all sales generated by businesses in RPA 1. In RPA 5, a vacancy factor of 5.0 percent in 2024 until the expiration of the TIF there is a 5.0 percent annual vacancy rate applied to all sales generated.

² Through 2029, half of the total CID revenues are eligible for capture as EATs. Because the TIF expires during 2030, those CID revenues generated after the conclusion of the TIF are solely allocated to the CID.

Scenario 1, Chart 4: Community Improvement District (CID) Revenues (Area Y)

Year	Projected Sales from Committed Tenants ¹	Projected Sales from Uncommitted Tenants	Total Sales Applicable to CID (Area Y)	CID Rate (1.0%)	CID Revenues (minus City Collection Fee and Timely Payment; 3.0%)	CID EATs Total 50% ²	CID Total 50% ²
2023	\$72,423,095	\$404,000	\$72,827,095	1.0%	\$706,423	\$353,211	\$353,211
2024	\$83,610,131	\$4,128,524	\$87,738,655	1.0%	\$851,065	\$425,532	\$425,532
2025	\$85,282,333	\$4,211,095	\$89,493,428	1.0%	\$868,086	\$434,043	\$434,043
2026	\$86,987,980	\$4,295,317	\$91,283,297	1.0%	\$885,448	\$442,724	\$442,724
2027	\$88,727,740	\$4,381,223	\$93,108,963	1.0%	\$903,157	\$451,578	\$451,578
2028	\$90,502,295	\$4,468,847	\$94,971,142	1.0%	\$921,220	\$460,610	\$460,610
2029	\$92,312,340	\$4,558,224	\$96,870,565	1.0%	\$939,644	\$469,822	\$469,822
2030	\$94,158,587	\$4,649,389	\$98,807,976	1.0%	\$958,437	\$158,142	\$800,295
Total CID Revenues						\$3,195,664	\$3,837,817

¹ The projected sales includes our vacancy assumptions outlined in the "Key Assumptions for Revenue Projections". These include a 5.0 percent vacancy starting in 2024 until the termination of the CID for all sales generated by businesses in RPA 1. In RPA 5, a vacancy factor of 5.0 percent in 2024 until the expiration of the TIF there is a 5.0 percent annual vacancy rate applied to all sales generated.

² Through 2029, half of the total CID revenues are eligible for capture as EATs. Because the TIF expires during 2030, those CID revenues generated after the conclusion of the TIF are solely allocated to the CID.

SCENARIO 1: SPECIAL ASSESSMENT PROJECTIONS

The chart below outlines the projected Special Assessment revenues based on Area Z square footages. As footnoted, these square footages reflect the historically collected square footage for Pad 7 at 7,054 square feet, which is the

gross building square footage of the pad site, as opposed to the 6,940 square feet reported through this study, which is the net square footage of the tenants. We did this to remain consistent with those historical collections.

Scenario 1, Chart 5: Community Improvement District (CID) Special Assessment Revenues (Area Z)

Year	Square Footage Complete ^{1,2}	CID Special Assessment Rate (\$1.24 per SF)	Special Assessment Revenues (minus County Collection and City Admin Fees; 2.0%)
2023	82,438	\$1.24	\$100,179
2024	82,438	\$1.24	\$100,179
2025	86,938	\$1.24	\$105,647
2026	86,938	\$1.24	\$105,647
2027	86,938	\$1.24	\$105,647
2028	86,938	\$1.24	\$105,647
2029	86,938	\$1.24	\$105,647
2030	86,938	\$1.24	\$105,647
2031	86,938	\$1.24	\$105,647
2032	86,938	\$1.24	\$105,647
2033	86,938	\$1.24	\$105,647
2034	86,938	\$1.24	\$105,647
2035	86,938	\$1.24	\$105,647
2036	86,938	\$1.24	\$105,647
2037	86,938	\$1.24	\$105,647
2038	86,938	\$1.24	\$105,647
2039	86,938	\$1.24	\$105,647
2040	86,938	\$1.24	\$105,647
2041	86,938	\$1.24	\$105,647
2042	86,938	\$1.24	\$105,647
2043	86,938	\$1.24	\$105,647
2044	86,938	\$1.24	\$0
Total CID Revenues			\$2,207,651

¹ The total square footage column accounts for the historically collected square footage amount of 7,054 for Pad 7, as opposed to the 6,940 square feet discussed throughout the study. This is the only location where there is a discrepancy.

² Assumes construction of a 4,500 square foot building on Pad 8 to be open in 2025.

SCENARIO 1: SUMMARY OF PLEDGED REVENUES

The following chart outlines the total pledged revenues from all of the charts described above for Scenario 1. DS estimates a total of \$34,836,914 will be generated during the remaining life of the TIF and CID.

Scenario 1, Chart 6: Summary of Pledged Revenues¹

Year	EATs (to include CID EATs)	CID Area Z	PILOTs	Special Assessment	Total
2023	\$1,936,969	\$95,409	\$1,540,849	\$100,179	\$3,673,405
2024	\$2,218,725	\$92,814	\$1,540,849	\$100,179	\$3,952,566
2025	\$2,336,105	\$111,448	\$1,576,311	\$105,647	\$4,129,511
2026	\$2,387,246	\$113,677	\$1,576,311	\$105,647	\$4,182,881
2027	\$2,339,655	\$115,950	\$1,612,483	\$105,647	\$4,173,736
2028	\$2,339,754	\$118,269	\$1,612,483	\$105,647	\$4,176,154
2029	\$2,390,855	\$120,635	\$1,649,378	\$105,647	\$4,266,515
2030	\$749,225	\$205,079	\$0	\$105,647	\$1,059,951
2031	\$0	\$251,017	\$0	\$105,647	\$356,664
2032	\$0	\$256,037	\$0	\$105,647	\$361,684
2033	\$0	\$261,158	\$0	\$105,647	\$366,805
2034	\$0	\$266,381	\$0	\$105,647	\$372,028
2035	\$0	\$271,709	\$0	\$105,647	\$377,356
2036	\$0	\$277,143	\$0	\$105,647	\$382,790
2037	\$0	\$282,686	\$0	\$105,647	\$388,333
2038	\$0	\$288,339	\$0	\$105,647	\$393,986
2039	\$0	\$294,106	\$0	\$105,647	\$399,753
2040	\$0	\$299,988	\$0	\$105,647	\$405,635
2041	\$0	\$305,988	\$0	\$105,647	\$411,635
2042	\$0	\$312,108	\$0	\$105,647	\$417,755
2043	\$0	\$318,350	\$0	\$105,647	\$423,997
2044	\$0	\$163,773	\$0	\$0	\$163,773
Total	\$16,698,534	\$4,822,064	\$11,108,664	\$2,207,651	\$34,836,914

¹ All revenue sources are minus relevant fees and disbursements mentioned in previous charts.

SCENARIO 2: SUMMARY OF PLEDGED REVENUES

The analysis for Scenario 2 assumes that sales at the existing retailers continue to grow at modest inflation rates—3.45 percent in 2023, 2.5 percent in 2024, and 2.1 percent thereafter. Scenario 2 assumes this higher growth rate due to the new anchor retailer, in-line retailers, and the non-sales generating businesses causing an increase in foot traffic, and thus higher sales beyond the normal modest inflation rate in Scenario 1. Other assumptions, such as the sales per square foot per store in 2022, the assumed future vacancy rate, property and sales tax rates, the average bi-annual growth for assessed values, and collection fees, remain the same.

The following chart outlines the total pledged revenues for Scenario 2. An estimated total of \$34,985,243 will be generated during the remaining life of the TIF and CID.

Scenario 2: Summary of Pledged Revenues

Year	EATs (to include CID EATs)	CID Area Z	PILOTs	Special Assessment	Total
2023	\$1,939,497	\$95,547	\$1,540,849	\$100,179	\$3,676,071
2024	\$2,224,255	\$93,039	\$1,540,849	\$100,179	\$3,958,322
2025	\$2,344,401	\$111,828	\$1,576,311	\$105,647	\$4,138,187
2026	\$2,398,255	\$114,177	\$1,576,311	\$105,647	\$4,194,390
2027	\$2,352,916	\$116,574	\$1,612,483	\$105,647	\$4,187,620
2028	\$2,355,489	\$119,022	\$1,612,483	\$105,647	\$4,192,641
2029	\$2,409,469	\$121,522	\$1,649,378	\$105,647	\$4,286,016
2030	\$756,361	\$206,790	\$0	\$105,647	\$1,068,798
2031	\$0	\$253,359	\$0	\$105,647	\$359,006
2032	\$0	\$258,679	\$0	\$105,647	\$364,326
2033	\$0	\$264,112	\$0	\$105,647	\$369,759
2034	\$0	\$269,658	\$0	\$105,647	\$375,305
2035	\$0	\$275,321	\$0	\$105,647	\$380,968
2036	\$0	\$281,102	\$0	\$105,647	\$386,749
2037	\$0	\$287,006	\$0	\$105,647	\$392,653
2038	\$0	\$293,033	\$0	\$105,647	\$398,680
2039	\$0	\$299,186	\$0	\$105,647	\$404,833
2040	\$0	\$305,469	\$0	\$105,647	\$411,116
2041	\$0	\$311,884	\$0	\$105,647	\$417,531
2042	\$0	\$318,434	\$0	\$105,647	\$424,081
2043	\$0	\$325,121	\$0	\$105,647	\$430,768
2044	\$0	\$167,423	\$0	\$0	\$167,423
Total	\$16,780,642	\$4,888,286	\$11,108,664	\$2,207,651	\$34,985,243

SCENARIO 3: SUMMARY OF PLEDGED REVENUES

The analysis for Scenario 3 assumes that multiple tenants—not including the anchor JC Penney or Furniture Mall of Missouri—will close due to co-tenancy agreement violations within the next five years. In addition, it is assumed that the remaining smaller retailers will operate only until the end of their existing leases and then vacate the property as well. We assume that sales at the existing tenants will continue to grow at modest rates until 2026, when a large portion of tenants will have either let their leases expire or leave due to co-tenancy violations. Thereafter, it is assumed that a decline in remaining sales will escalate by -1.0% in 2027, -2.0% in 2028, -3.0% in 2029, -4.0% in 2030, and -5.0% in 2031. Thereafter, it is assumed that future sales remain flat. Other assumptions, such as the sales per square foot per store in 2023, property and sales tax rates, the average bi-annual growth for assessed values, and collection fees, remain the same.

The following chart outlines the total pledged revenues for Scenario 3. An estimated total of \$25,667,768 will be generated during the remaining life of the TIF and CID.

Scenario 3: Summary of Pledged Revenues

Year	EATs (to include CID EATs)	CID Area Z	PILOTs	Special Assessment	Total
2023	\$1,838,284	\$71,391	\$1,540,849	\$100,179	\$3,550,702
2024	\$1,787,274	\$26,909	\$1,540,849	\$100,179	\$3,455,211
2025	\$1,754,685	\$35,914	\$1,576,311	\$105,647	\$3,472,557
2026	\$1,528,394	\$35,241	\$1,576,311	\$105,647	\$3,245,593
2027	\$1,413,553	\$34,889	\$1,612,483	\$105,647	\$3,166,571
2028	\$1,309,857	\$34,191	\$1,612,483	\$105,647	\$3,062,177
2029	\$1,238,945	\$33,165	\$1,649,378	\$105,647	\$3,027,136
2030	\$339,040	\$53,064	\$0	\$105,647	\$497,751
2031	\$0	\$60,493	\$0	\$105,647	\$166,140
2032	\$0	\$60,493	\$0	\$105,647	\$166,140
2033	\$0	\$60,493	\$0	\$105,647	\$166,140
2034	\$0	\$60,493	\$0	\$105,647	\$166,140
2035	\$0	\$60,493	\$0	\$105,647	\$166,140
2036	\$0	\$60,493	\$0	\$105,647	\$166,140
2037	\$0	\$60,493	\$0	\$105,647	\$166,140
2038	\$0	\$60,493	\$0	\$105,647	\$166,140
2039	\$0	\$60,493	\$0	\$105,647	\$166,140
2040	\$0	\$60,493	\$0	\$105,647	\$166,140
2041	\$0	\$60,493	\$0	\$105,647	\$166,140
2042	\$0	\$60,493	\$0	\$105,647	\$166,140
2043	\$0	\$60,493	\$0	\$105,647	\$166,140
2044	\$0	\$30,247	\$0	\$0	\$30,247
Total	\$11,210,033	\$1,141,420	\$11,108,664	\$2,207,651	\$25,667,768

SCENARIO 4: SUMMARY OF PLEDGED REVENUES

Scenario 4 includes sales from the expected 2,557 square feet of space to be occupied by Summer Moon Café in the near future, and full sales from expected additional tenants in 2024 and beyond. A sales growth rate of 3.3 percent was modeled for 2023 to account for the current expected Personal Consumption Expenditures (PCE) price index growth rate as forecasted by the Congressional Budget Office (CBO). A modest sales growth bump of 2.4 percent was modeled for 2024 and 2.0 percent was modeled for all years thereafter, which reflects the CBO's targeted PCE price index growth rate projections. The growth rate for the businesses located in RPA 5 is projected increase by 3.3 percent in 2023, 2.4 percent in 2024, and then remain at 2.0 percent until the expiration of the TIF.

Beginning in 2024, a vacancy factor totaling 15 percent—equivalent to roughly 76,000 square feet of space—was attributed to all non-anchor retailer square footage in RPA 1 to account for vacant space or those tenants that do not generate sales taxes.

The following chart outlines the total pledged revenues for Scenario 4. An estimated total of \$32,329,405 will be generated during the remaining life of the TIF and CID.

Scenario 4: Summary of Pledged Revenues¹

Year	EATs (to include CID EATs)	CID Area Z	PILOTs	Special Assessment	Total
2023	\$1,936,969	\$95,409	\$1,540,849	\$100,179	\$3,673,405
2024	\$1,903,613	\$80,204	\$1,540,849	\$100,179	\$3,624,844
2025	\$1,997,030	\$99,819	\$1,576,311	\$105,647	\$3,778,807
2026	\$2,041,874	\$102,165	\$1,576,311	\$105,647	\$3,825,997
2027	\$2,001,980	\$104,558	\$1,612,483	\$105,647	\$3,824,669
2028	\$2,003,006	\$106,999	\$1,612,483	\$105,647	\$3,828,136
2029	\$2,047,858	\$109,489	\$1,649,378	\$105,647	\$3,912,373
2030	\$633,898	\$186,715	\$0	\$105,647	\$926,260
2031	\$0	\$229,239	\$0	\$105,647	\$334,886
2032	\$0	\$234,524	\$0	\$105,647	\$340,171
2033	\$0	\$239,914	\$0	\$105,647	\$345,561
2034	\$0	\$245,412	\$0	\$105,647	\$351,059
2035	\$0	\$251,020	\$0	\$105,647	\$356,667
2036	\$0	\$256,740	\$0	\$105,647	\$362,387
2037	\$0	\$262,575	\$0	\$105,647	\$368,222
2038	\$0	\$268,526	\$0	\$105,647	\$374,173
2039	\$0	\$274,596	\$0	\$105,647	\$380,243
2040	\$0	\$280,788	\$0	\$105,647	\$386,435
2041	\$0	\$287,103	\$0	\$105,647	\$392,751
2042	\$0	\$293,545	\$0	\$105,647	\$399,192
2043	\$0	\$300,116	\$0	\$105,647	\$405,763
2044	\$0	\$137,404	\$0	\$0	\$137,404
Total	\$14,566,229	\$4,446,861	\$11,108,664	\$2,207,651	\$32,329,405

¹ All revenue sources are minus relevant fees and disbursements mentioned in previous charts.