



Discovery Park

Lee's Summit

DISCOVERY PARK LEE'S SUMMIT LLC TEAM MEMBERS

- ▶ **Developer Representatives**
 - Jon Odle, Jack Cardetti, Brian Maenner, Justin Atwood, Michael VanBuskirk
- ▶ **Legal Counsel** **Bryan Cave Leighton Paisner LLP**
- ▶ **Architect** **Rosemann & Associates**
- ▶ **Engineer** **Olsson Inc.**
- ▶ **Real Estate Broker** **Newmark Zimmer**
- ▶ **Blight Consultant** **Valbridge Property Advisors**
- ▶ **Financial Consultant** **JLL Valuation Advisory Services**

RECENT DEVELOPMENT EXPERIENCE OF PRINCIPALS OF DISCOVERY PARK LEE'S SUMMIT LLC

▶ Commercial Development

- Completed - 19 Commercial Buildings/ 390,000 square feet
- Under Construction - 8 Commercial Buildings/90,000 square feet

▶ Multifamily Development

- Completed - 1,845 Residential Units
- Under Construction - 171 Residential Units

▶ Hospitality

- Completed - 1 Hotel Development Project
- Under Construction - 4 Hotel Development Projects

► CONSTRUCTION IN PROGRESS

► PRESENT - 2024





► DISCOVERY BUSINESS CENTER

► OFFICE & RETAIL SPACES PARKING SPACES

BUILDING	TYPE	SQ.FT. AVAILABLE	LOT	CAPACITY	DAYTIME COMMITTED	AVAILABLE
1	MIXED USE	15,000 SQ FT	P1	502 SPACES	100 SPACES	402 SPACES
2	MIXED USE	12,000 SQ FT	P2	268 SPACES	0 SPACES	268 SPACES
3	MIXED USE	12,000 SQ FT				
4	SINGLE STORY	12,000 SQ FT				
5	SINGLE STORY	12,000 SQ FT				
6	MIXED USE	12,000 SQ FT				
7	MIXED USE	12,000 SQ FT				
				770 TOTAL SPACES PROVIDED		670 TOTAL AVAILABLE SPACES
		87,000 TOTAL SQ FT				

Elements of a Tax Increment Financing Plan

- ▶ 1. General Description of the program to be undertaken to accomplish the objectives of the Plan
- ▶ 2. Estimated Redevelopment Project Costs
- ▶ 3. Anticipated Sources of Funds to pay Redevelopment Project Costs
- ▶ 4. Evidence of Commitments to finance Redevelopment Project Costs
- ▶ 5. Anticipated type and term of sources to fund Redevelopment Project Costs

Elements of a Tax Increment Financing Plan

- ▶ 6. Anticipated type and terms of obligations to be issued
- ▶ 7. Most equalized assessed valuation of the property within the Redevelopment Area
- ▶ 8. An estimate as to the equalized assessed valuation after redevelopment
- ▶ 9. General land uses to be applied in the Redevelopment Area

Statutory Findings

- ▶ 1. The Redevelopment Area on the whole is a blighted, a conservation or an economic development area.
- ▶ 2. The Redevelopment Area has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of tax increment financing.
- ▶ 3. The Redevelopment Area conforms to the comprehensive plan for the development of the municipality as a whole.
- ▶ 4. The estimated dates of completion of a redevelopment project, which shall not be more than 23 years from the adoption of an ordinance approving such redevelopment project.

Statutory Findings

- ▶ 5. A plan has been developed for relocation assistance for businesses and residences.
- ▶ 6. A cost-benefit analysis showing the economic impact of the Plan on each taxing district which is at least partially within the boundaries of the redevelopment area and such analysis.
- ▶ 7. The Plan does not include the initial development or redevelopment of any gambling establishment

AERIAL PARCEL MAP



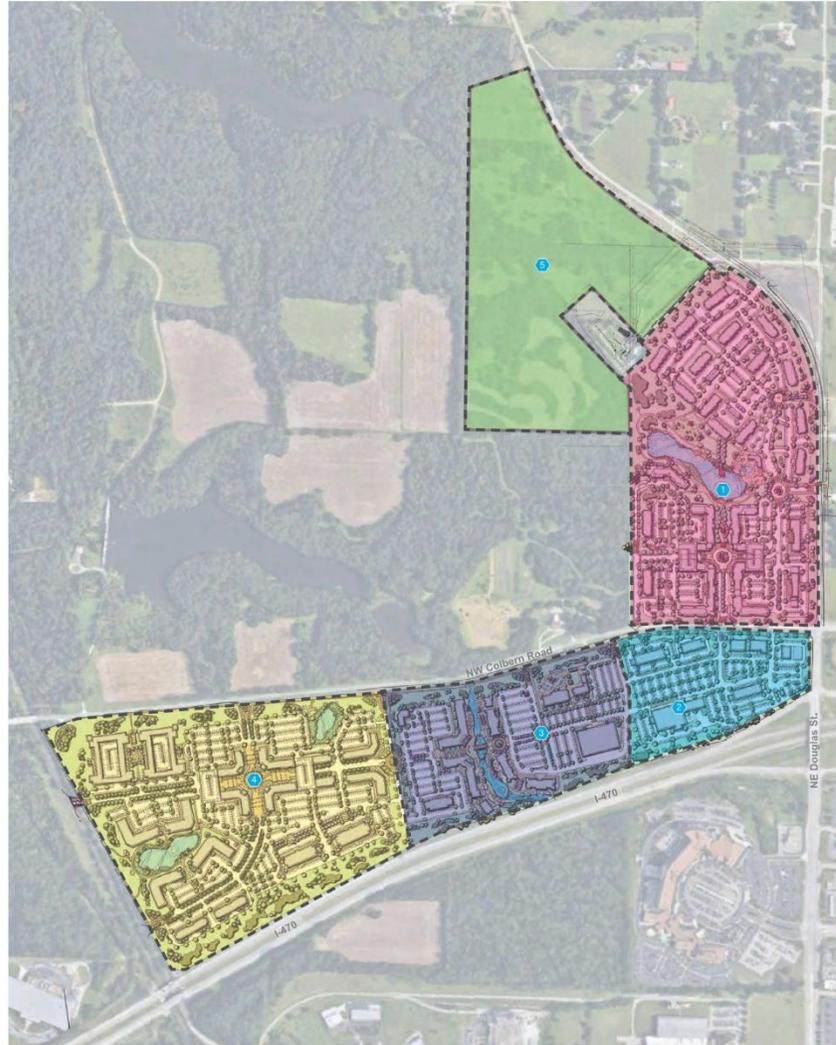
General Description

Site Map of Redevelopment Area



General Description

Site Map of Phased Redevelopment Area



- Legend**
- 1. Discovery Park Redevelopment - Zone 1 (61.9 ac.)
 - 2. Discovery Park Redevelopment - Zone 2 (19.9 ac.)
 - 3. Discovery Park Redevelopment - Zone 3 (38.2 ac.)
 - 4. Discovery Park Redevelopment - Zone 4 (76.9 ac.)
 - 5. Future Development - Zone 5 (68.8 ac.)

General Description - Executive Summary of Four Phased Discovery Park Development

- ▶ **Commercial Development - 660,500 square feet of Retail, Office, Entertainment and Hospitality Space**
- ▶ **Marriott and Hilton Hotel Development - 230 hotel rooms**
- ▶ **Residential Development - 2,791 luxury multi-family units**
- ▶ **Parking Development - 1,520 structured parking stalls**

Proposed Discovery Park Development





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Site Map of Phase 1



Legend

1. Mixed-Use / Multi-Family
2. Leasing office
3. Townplace Marriott
4. Hotel Drop-Off
5. Hilton Home 2 Suite
6. Restaurant / Entertainment
7. Central Green
8. Apartments
9. 5-Story Apartment
10. Walking / Fitness Trail
11. Adjacent Trail System
12. Water Feature / Pond
13. Entertainment Pool
14. Drive Thru
15. Drive Thru ATM
16. First Floor Garage Parking
17. Parking Garage with Vehicular Pass-Thru
18. Retail F&B
19. Dog Park
20. Future Phase

Key Plan

General Description

Summary of Phase 1 Development

- ▶ **Commercial Development - 80,800 square feet**
- ▶ **Residential Development - 1,185 luxury multi-family units**
- ▶ **Parking Development - 690 structured parking stalls**
- ▶ **Hotel Development - 230 rooms**

Phase 1 Development Schedule

May, 2023 through October 2026



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Site Map of Phase 2



- Legend**
- 1, Big Box Retail
 - 2, Retail / Restaurant
 - 3, Rotating Ghost Kitchen
 - 4, Convenience Store
 - 5, Retail
 - 6, Bank

Summary of Phase 2 Development

- ▶ **Commercial Development - 126,500 square feet**
- ▶ **Residential Development - 0 units**

Phase 2 Development Schedule

August 2024 through October 2026

General Description - Site Map of Phase 3



General Description - Summary of Phase 3 Development

- ▶ **Commercial Development - 224,000 square feet**
- ▶ **Residential Development - 332 luxury multi-family units**

Phase 3 Development Schedule

May 2024 through December 2027



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THE KITCHEN

INDOOR COURTS, BAR & MERCHANDISE

The Kitchen



General Description - Site Map of Phase 4



Key Plan

General Description

Summary of Phase 4 Development

- ▶ **Commercial Development - 234,000 square feet**
- ▶ **Residential Development - 1,280 luxury multi-family units**
- ▶ **Parking Development - 830 structured parking stalls**

Phase 4 Development Schedule

March 2028 through April 2031

Estimated Redevelopment Project Costs

Component	Total	Private	TIF Reimbursable	CID Reimbursable	Hotel Tax Reimbursable	Total Reimbursable
Land Acquisition	\$26,189,078	\$26,189,078	-	-	-	-
Grading, retaining walls and site prep	\$17,783,315	-	\$17,783,315	-	-	\$17,783,315
Sanitary Sewer	\$3,539,635	-	\$2,823,600	\$716,035	-	\$3,539,635
Water	\$3,235,767	-	\$2,519,732	\$716,035	-	\$3,235,767
Stormwater	\$8,326,276	-	\$8,326,276	-	-	\$8,326,276
Roadway	\$8,829,125	-	\$7,065,473	-	\$1,763,652	\$8,829,125
Blue Parkway Road Improvements	\$5,000,000	-	-	\$5,000,000	-	\$5,000,000
Surface Parking & Curbs	\$13,568,700	-	\$13,568,700	-	-	\$13,568,700
Site Utilities	\$3,837,300	-	\$3,837,300	-	-	\$3,837,300
Hardscapes/ Landscapes	\$16,384,365	-	\$16,384,365	-	-	\$16,384,365
Signage/ Monumentation	\$702,510	-	\$702,510	-	-	\$702,510
Public Improvements	\$4,450,000	-	-	\$4,450,000	-	\$4,450,000
Transmission lines	\$6,759,160	-	\$6,759,160	-	-	\$6,759,160
Total On-Site Costs	\$92,416,153	-	\$79,770,431	\$10,882,070	\$1,763,652	\$92,416,153
Vertical Improvements	\$697,334,855	\$679,337,288	\$17,997,567	-	-	\$17,997,567
Parking Garage	\$38,278,800	-	\$38,278,800	-	-	\$38,278,800
General Conditions	\$6,057,353	\$4,000,000	\$2,057,353	-	-	\$2,057,353
Total Building Construction	\$741,671,008	\$683,337,288	\$58,333,720	-	-	\$58,333,720
Professional Fees	\$27,598,706	-	\$27,598,706	-	-	\$27,598,706
Financing Costs	\$30,685,575	-	\$30,685,575	-	-	\$30,685,575
Commissions/Marketing	\$4,700,000	\$4,700,000	-	-	-	-
Development Fees	\$6,210,000	\$6,210,000	-	-	-	-
Contingency	\$21,562,171	\$19,562,171	\$2,000,000	-	-	\$2,000,000
Total Professional Costs	\$90,756,452	\$30,472,171	\$60,284,281	-	-	\$60,284,281
Grand Total	\$951,032,692	\$739,998,537	\$198,388,432	\$10,882,070	\$1,763,652	\$211,034,154
Incentives as % of Development Costs	22.19%	(21.78% less Blue Parkway Road Improvements)				

Sources of Funds

Estimated Equity and/or Debt from Developer and Others	\$739,998,537
Estimated Amount from Payments in Lieu of Taxes and Economic Activity Taxes (TIF Revenue)	\$198,388,432
Estimated Amount from CID Revenue (Non EATs)	\$10,882,070
Estimated Amount from Hotel Sales Tax Rebate Revenue (Non EATs)	\$1,763,652
TOTAL	\$951,032,692

Uses

Estimated Redevelopment Project Costs (See Redevelopment Project Costs Budget)	\$951,032,692
TOTAL	\$951,032,692

Evidence of Commitments to Finance

- ▶ UMB Bank Letter
- ▶ First State Community Bank
- ▶ Commerce Bank
- ▶ Mid America Bank
- ▶ The Bank of Missouri
- ▶ Central Bank

Anticipated Type and Terms of Obligations to be Issued

- ▶ No Bonds are anticipated to be issued in connection with this TIF Plan. The Developer is seeking reimbursement on a pay-as you-go basis.

Most Recent Equalized Assessed Value

▶ RPA 1	-	\$3,220
▶ RPA 2	-	\$1,031
▶ RPA 3	-	\$2,039
▶ RPA 4	-	<u>\$4,000</u>
▶ Total	-	\$10,290

Estimated Equalized Assesed Value after Redevelopment

▶ RPA 1	-	\$84,995,662
▶ RPA 2	-	\$12,539,136
▶ RPA 3	-	\$37,765,400
▶ RPA 4	-	<u>\$92,555,196</u>
▶ Total	-	\$227,855,394

General Land Uses

MIXED USE DEVELOPMENT

- ▶ **Commercial Development - 660,500 square feet of Retail, Office, Entertainment and Hospitality Space**
- ▶ **Marriott and Hilton Hotel Development - 230 hotel rooms**
- ▶ **Residential Development - 2,781 luxury multi-family units**
- ▶ **Parking Development - 1,520 structured parking stalls**

Statutory Finding

The Redevelopment Area on the whole is blighted.

- ▶ The Discovery Park Blight Study was undertaken by Valbridge Property Advisors on September 6, 2022.
- ▶ The TIF Statute defines a blighted area to be one, which, by reason of the predominance of insanitary or unsafe conditions, deterioration of site improvements, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, or welfare in its present condition and use. The Valbridge Blight Study notes the Redevelopment Area contains a predominance of:
 - ▶ *Factor 1: Unsanitary or unsafe conditions; and*
 - ▶ *Factor 2: Deterioration of site improvements*

Statutory Finding

The property within the Redevelopment Area has not been subject to growth and development by private enterprise and would not reasonably be anticipated to be redeveloped without the adoption of the Redevelopment Plan for the Redevelopment Area.

- ▶ Due to the extraordinary costs required to remediate the blighting factors found in the Blight Study and to redevelop the property in the Redevelopment Area to its highest use as a mixed use development, the property within the Redevelopment Area has not been subject to growth or development.
- ▶ The extraordinary costs associated with this blight and the extraordinary costs to redevelop this property make the redevelopment of the property in the Redevelopment Area not economically viable if fully borne by the Developer.
- ▶ An economic Feasibility Analysis was undertaken by JLL Valuation Advisory Services.

But-For and Economic Feasibility Analysis

But For Analysis

Cash Flow

Period	Base	1	2	3	4	5	6	7	8	9	10	11	12
Development Costs													
Total Development Cost		\$137,881,431	\$206,195,835	\$157,011,928	\$55,435,849	\$43,773,464	\$69,750,006	\$72,228,356	\$153,887,631	\$46,322,115	\$8,546,075	\$0	\$0
Total Net Operating Income		\$213,430	\$2,970,226	\$12,335,787	\$24,880,074	\$29,313,364	\$30,923,509	\$35,391,825	\$40,577,023	\$51,919,803	\$55,827,162	\$57,254,121	\$58,409,759
Real Estate Reversion		-	-	-	-	-	-	-	-	-	-	-	\$842,754,781
Cashflow and reversion (w/o incentives)		-\$137,668,001	-\$203,225,609	-\$144,676,141	-\$30,555,775	-\$14,460,099	-\$38,826,497	-\$36,836,532	-\$113,310,608	\$5,597,688	\$47,281,086	\$57,254,121	\$901,164,539
IRR		4.1%											
TIF													
PILOTS		\$692,062	\$2,787,577	\$5,791,000	\$7,399,844	\$7,613,666	\$8,404,455	\$9,469,610	\$11,869,447	\$13,404,441	\$13,874,678	\$13,874,678	\$14,152,285
EATS		\$29,502	\$214,056	\$874,102	\$1,813,521	\$2,121,811	\$2,142,010	\$2,163,904	\$2,199,053	\$2,310,748	\$2,454,364	\$2,478,716	\$2,504,021
Reversion with TIF		-	-	-	-	-	-	-	-	-	-	-	\$149,440,358
Cashflow and Reversion (w/ incentives)		-\$136,946,437	-\$200,223,975	-\$138,011,039	-\$21,342,410	-\$4,724,623	-\$28,280,032	-\$25,203,017	-\$99,242,107	\$21,312,876	\$63,610,128	\$73,607,514	\$1,067,261,203
IRR		7.6%											

Statutory Finding

The Plan conforms to City's Ignite Comprehensive Plan

- ▶ The City's Ignite Comprehensive Plan, designates the Redevelopment Area as mixed-used and is currently zoned in the AG, RP-4, CP-2, R-1 and PMIX Districts.
- ▶ Concurrently with this Plan, Developer will seek rezoning to the PMIX District (Planned Mixed Use District).
- ▶ The City's Economic Development Incentive Policy, adopted in February 2015 and amended from time to time, lays out areas within the City that are targeted areas for development and redevelopment through the use of economic development incentive tools and the Redevelopment Area is located within one of the nine targeted areas identified in the Policy.

Statutory Finding

Estimated Redevelopment Schedule

Redevelopment Projects	Commencement	Completion
Redevelopment Project 1	May 2023	October 2026
Redevelopment Project 2	August 2024	October 2026
Redevelopment Project 3	May 2024	December 2027
Redevelopment Project 4	March 2028	April 2031

Statutory Finding Cost Benefit Analysis

District	With Development		Without Development	
	Total	NPV	Total	NPV
State Blind Pension	\$1,703,878	\$844,483	\$1,969	\$1,002
Board Of Disabled Services	\$3,946,518	\$1,956,278	\$5,759	\$2,931
Mental Health	\$1,627,503	\$806,892	\$4,922	\$2,505
Metro Junior College	\$3,944,662	\$1,956,944	\$16,034	\$8,160
Mid-Continent Library	\$5,392,489	\$2,673,730	\$17,012	\$8,658
Jackson County	\$29,469,989	\$14,452,792	\$48,194	\$24,526
City - Lee's Summit	\$69,676,658	\$34,087,718	\$54,589	\$27,781
Lee's Summit School R-VII	\$75,663,899	\$37,502,895	\$195,170	\$99,323
Total	\$191,425,596	\$94,281,733	\$343,650	\$174,886

Notes

1. The taxing districts surplus PILOTS at 25% represents an aggerate total of \$107,320,424 of the total benefit with development.

Additional Statutory Findings

- ▶ 1. **Date to Adopt Redevelopment Project.** Any Ordinance approving any Redevelopment Project or any individual Redevelopment Project Area must be adopted not later than ten (10) years from the date that this Plan is approved by Ordinance.
- ▶ 2. **Date to Retire Obligations.** In the event that any Obligations are issued to finance Redevelopment Project Costs, such Obligations will be retired within twenty three (23) years from the date that such Obligations are issued; provided, however, that any Obligations funded by sources other than TIF Revenues may have a longer term than twenty-three (23) years.
- ▶ 3. **Acquisition by Eminent Domain.** It is not anticipated that any property in the Redevelopment Area will need to be acquired by eminent domain. All property within the Redevelopment Area is currently owned or under contract by the Developer. In any event, it is not anticipated that any property for a Redevelopment Project Area shall be acquired by eminent domain later than five (5) years from the adoption of any Ordinance approving any Redevelopment Project Area

Additional Statutory Findings

- ▶ 4. **Relocation Assistance Plan.** No relocation of residents or businesses from the Redevelopment Area as a result of this Plan is expected. In the event that any relocations need to occur, a plan has been developed for relocation assistance and is attached as **Exhibit 4** to the Plan.
- ▶ 5. **Gambling Establishment.** This Plan does not include the initial development or redevelopment of any gambling establishment as defined in the Act.

Policy Considerations in Support of the Discovery Park TIF Plan



Benefits of Development Plan

- ▶ Secure nearly \$750 Million of Private Investment in a Targeted Area for Economic Development
- ▶ Generates approximately 4,400 permanent jobs within the commercial development, approximately 30 permanent jobs related to property management within the residential development and approximately 32 permanent jobs related to the hotel development
- ▶ Generates approximately 2525 construction jobs over the ten year phased development with aggregate salaries of approximately \$183 Million
- ▶ Taxing Districts will receive a 25% Surplus of all Commercial and Residential PILOTS
- ▶ City will receive approximately \$4.1 Million in Hotel Sales Tax to fund Parks, Capital Projects and Public Infrastructure and Services

Benefits of Development Plan

- ▶ Supports the City Comprehensive Plan “Ignite”
 - ▶ Quality of Life
 - ▶ Supports a Live, Work and Play Neighborhood
 - ▶ Supports the Lee’s Summit School District with a 25% Surplus
 - ▶ Strong Neighborhood and Housing Choice
 - ▶ Provides for well-lit shared spaces for gathering
 - ▶ Provides for additional security and safety for the community
 - ▶ Economic Resilience
 - ▶ Provides for a Mixed-Used Development that will support Lee’s Summit’s largest private employer
 - ▶ Provides residential opportunities that will attract Business and “In Commuters” - those that will live and work in Lee’s Summit

Benefits of Development Plan

- ▶ Supports the City Comprehensive Plan “Ignite”
 - ▶ Facilities and Infrastructure
 - ▶ Provides for water and sewer in an area targeted for economic development and growth
 - ▶ Provides for privately maintained infrastructure
 - ▶ Remediates blighted conditions in an area targeted for economic development and growth
 - ▶ Land Use & Community Design
 - ▶ Provides for high-end mixed used and walkable infill development that promotes the vision of Ignite



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