



approximately 13.2 acres located south of NW Tudor Road, between NW Commerce Drive and NE Douglas Street.

Impact/Analysis:

The Project is expected to cost approximately \$65.7 million. The investment is anticipated to be made in 2023 and 2024 as shown in the Cost-Benefit Analysis, although the actual years of investment may vary based on Project implementation. Under Article X, Section 6 of the Missouri Constitution and Section 137.100 of the Revised Statutes of Missouri, all property of any political subdivision is exempt from taxation. Under this Plan, the City intends to issue the Bonds in 2023.

The sources of funds to be expended for the Project will be the proceeds of the Bonds in a principal amount not to exceed \$65,700,000, to be issued by the City and purchased by the Company and, if needed, other available funds of the Company. The Bonds will be payable solely from the revenues derived by the City from the lease or other disposition of the Project. The Bonds will not be an indebtedness or general obligation, debt or liability of the City or the State of Missouri.

The sales and use tax exemption is projected to be a savings of about \$1,319,000 for the Developer, and the projected impact to the City from this exemption is approximately **\$514,000 (38.9%)**.

The Companies will make payments in lieu of taxes (“PILOTS”) for each component of the Project as follows:

- (1) prior to construction, the amount calculated to equal the taxes that would have been due on the unimproved land were it in private ownership.
- (2) During construction, an amount calculated from a starting point of \$1,800 dollars per door, with an inflation adjustment of 3.0% in each odd year starting with 2025, for units under construction, pro-rated by percentage of completion.
- (3) From and after completion, for a period of 10 years, a fixed PILOT calculated from a starting point of \$1,800 dollars per door, with an inflation adjustment of 3.0% in each odd year starting with 2025.

The total PILOT payments are estimated in the Cost-Benefit Analysis. The projected impact to the City for the real property tax exemption is summarized as follows:

Total Abatement Value to Developer: \$2,809,000  
City Portion: \$494,000

Total PILOTS: \$7,415,000  
City Portion: \$1,304,000  
PILOTS per unit in Year 1: \$1800

The total impact to the City from the two requested incentive mechanisms is about **\$1,008,000**. The total projected PILOTS to be made to the City through the construction period and the 10-year abatement period is **\$1,304,000**.

Developer is also proposing to make a voluntary payment to the City in the amount of **\$250,000**, which can be

expended by the City as general fund revenues. This payment will be handled in the implementation documents.

Timeline:

If the Chapter 100 incentive is approved, the project is expected to begin in 2023 and the construction will last through 2024.

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Ryan Elam, Assistant City Manager