

double-bed units), with 3 dining rooms with serving kitchens, a village center with various shared amenities, an underground parking garage, community spaces, and ample green space and courtyards, and (2) a memory care facility of approximately 60 units (the “Memory Care Facility”), consisting of approximately five 12-unit households with separate kitchens and living spaces, a clubhouse with a kitchen and varied amenities, an enclosed courtyard with green space, trees, raised gardens, and patio spaces. The Project will be situated on approximately 12.6 acres located north of Missouri 150 Highway, between Arboridge Road and SW Arborlake Drive.

Impact/Analysis:

The Project is expected to cost approximately \$48.4 million. The investment is anticipated to be made in 2023 through 2025 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 \$48,250,000, 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 \$1,257,000 for the Developer, and the projected impact to the City from this exemption is approximately **\$492,000 (39.1%)**.

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 not for City ownership.
- (2) during construction, the amount equal 50% of the estimated taxes otherwise due on the Project (calculated from a starting point of \$2,632 dollars per door, in 2022 dollars, with an inflation adjustment of 5.0% in each odd year after 2022) for units under construction, pro-rated by percentage of completion.
- (3) from and after completion, for a period of 10 years, a fixed PILOT equal to 50% of the estimated taxes otherwise due on the Project, with an inflation adjustment of 5.0% in each odd year after 2022.

If, in any year after completion of the Project, the estimated assessed value for the Project provided by Jackson County, Missouri, applied to the then-current tax rates of all applicable taxing jurisdictions, would produce a lower PILOT payment (equal to 50% of the taxes otherwise due calculated in such fashion) than the fixed PILOT schedule, the lower PILOT payment will be charged.

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: \$3,204,000

City Portion: \$564,000

Total PILOTs: \$3,204,000

City Portion: \$564,000

PILOTs per unit in Year 1: \$2632

The total impact to the City from the two requested incentive mechanisms is about **\$1,056,000**. The total projected PILOTs to be made to the City through the construction period and the 10-year abatement period is **\$564,000**.

Timeline:

If the Chapter 100 incentive is approved, the project is expected to begin in 2023 and the construction will last through 2025.

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