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<p>Janice Bolin  Kansas City Public Library  14 West 10<sup>th</sup> Street  Kansas City, MO 64105</p>	<p>Everett "Jake" Jacobs  Development Disability Services  8511 Hillcrest Rd, Ste 300  Kansas City, MO 64138</p>
<p>Ruth Peterson  Blind Pension Fund  301 W. High Street, Rm. 330  Jefferson City, MO 65101</p>	<p>Caleb Clifford  Jackson County Courthouse  415 E. 12<sup>th</sup> St., 2<sup>nd</sup> Floor  Kansas City, MO 64106</p>
<p>Kerrie Tyndall  City Hall, 29<sup>th</sup> Floor  414 E. 12<sup>th</sup> Street  Kansas City, MO 64106</p>	<p>Linda Falk  Kansas City Zoo  6800 Zoo Drive  Kansas City, MO 64132</p>
<p>Department of Economic Development  Attn: Rob Dixon  301 W. High St.  Jefferson City, MO 65101</p>	

**NOTICE TO TAXING JURISDICTIONS**  
**Katz Multifamily Project**

On behalf of the City of Kansas City, Missouri ("City"), all affected taxing jurisdictions are invited to attend a meeting where a City Council committee will consider an ordinance to approve an Industrial Development Plan for Lux Living, LLC ("Lux"). The plan will be introduced to City Council on Thursday, June 10, 2021 and assigned to the Neighborhoods, Planning, and Development Committee. The NPD meeting will be held on Wednesday, June 16, 2021 at 1:30 pm on the 26th Floor, City Hall, 414 East 12th Street, Kansas City, Missouri. The plan may be available for full approval by the City Council on Thursday, June 24, 2021.

Lux has proposed to construct an approximately 190-unit multifamily apartment complex at 3948 Main Street in the City of Kansas City, Missouri (the “Project Site”), which includes approximately 20,000 square feet of amenities in the historic Katz building, in addition to the construction of a 175-stall underground parking garage (collectively, the “Project”). Lux has requested 25-year tax abatement with the initial 10 years at 75% abatement and the remaining 15 years at 37.5% abatement. The third-party financial analysis presented by SB Friedman indicates this request does not exceed the level needed to generate the market-appropriate Yield on Cost rate of return and is slightly below the market-appropriate Unleveraged IRR range of returns for this project based on a post construction assessed value of \$4,556,598. SB Friedman has, however, recommended only a 10-year tax abatement at 75% abatement.

The total cost of the Project is expected to be approximately \$37.6 million, including an estimated hard project cost of \$30.2 million. Lux has requested a maximum \$32 million in taxable industrial development revenue bond issuance under the authority of Chapter 100 and the Missouri constitution to fund the acquisition and construction of the Project (the “Bonds”). The real property purchased and constructed with Bond proceeds will be owned by the City and leased back to Lux pursuant to a lease agreement between the City and Lux (the “Lease”). The Bonds will be repaid solely by Lux under the terms of the Lease. The Bonds do not reflect on the City’s credit rating.

The Project will benefit from ad valorem tax abatement and a sales tax exemption on the purchase of construction materials. If Lux’s request is approved by City Council, the Bonds and the Lease will provide for real property tax abatement at 75% for a period of up to 10 years following construction of the Project and 37.5% for an additional period for up to 15 years, as described herein, with a payment in lieu of tax payable by Lux to the City (the “PILOT”) consisting of (i) 25% of the ad valorem taxes that would be assessed on the land and improvements to the Project Site but for the tax exempt status of the Project Site during the first 10 years following the issuance of an occupancy permit for the Project, and (ii) 62.5% of the ad valorem taxes that would be assessed on the land and improvements to the Project Site but for the tax exempt status of the Project Site during next ensuing period of 15 years. SB Friedman estimates total real property tax abatement to be approximately \$3 million during the first 10 years of tax abatement and \$2.4 million in following 15 years of abatement. The City’s portion of this tax abatement is approximately \$611,146 during the first 10 years of abatement and \$506,880 during the following 15 years of abatement. The City will cooperate with Lux and will assist Lux as it seeks approvals and certifications required to cause eligible purchases of certain construction materials being incorporated into the leasehold estate to be purchased and titled in such a fashion as to be exempt from state and local sales taxes, subject in all respects to approval by the State of Missouri, and solely to the extent permitted by State law. The total amount of sales tax exemption for the Project is estimated at \$1,000,000. This estimate is not a guarantee of results, and as noted, a sales tax exemption is only available to the extent permitted by State law and is subject to all required approvals by the State of Missouri. The City’s portion of the total estimated sales tax exemption is approximately \$348,000 in the event the materials were purchased within the city limits.

The Company will be subject to operational/performance standards commensurate with the anticipated investment for this Project, which standards will be incorporated into the Lease.

Taxing jurisdictions are invited to attend the hearing to provide oral testimony and/or submit written comments on the Industrial Development Plan for review and consideration by the Kansas City, Missouri City Council. All comments should be sent to [dmoye@edckc.com](mailto:dmoye@edckc.com) or to the mailing address below. All comments of the taxing districts will be fairly and duly considered by the City.

Dated: June 4, 2021

Economic Development Corporation  
Attention: Dan Moye  
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Kansas City, Missouri 64105  
(816) 691-2134