

Summit Fair Shopping Center

IRR's C&P Client:

RED Development, LLC

Project Highlights:

- *Consulted with the client and the city to create a public / private partnership*
- *Worked with the client and city to structure the proposed financing*
- *Assisted the client in all aspects of their negotiations with the city and their consultants regarding the public incentives*
- *Prepared the TIF Plan*

RED Development is planning a 550,000 square foot upscale retail and entertainment shopping center in Lee's Summit, Missouri. The proposed center will be located across the street from Summit Woods Crossing, an 800,000 square foot retail development that RED developed in 2002. Feasibility studies have indicated that there is a strong demand for upscale retail and entertainment in Lee's Summit, and the city's independent consultant even estimated that annually \$291.7 million of retail spending "leaks" into surrounding jurisdictions. Summit Fair is designed to fill the retail voids and to halt the flow of retail spending out of the city.

The proposed site, which is located at the intersection of two major highways, has excellent visibility and access. However, Blue Parkway, an existing four-lane, divided parkway, splits the site in half. Without relocating Blue Parkway, both sides of the road are too narrow to develop. In total, approximately \$20 million of road improvements are necessary to facilitate the development. RED Development concluded that such a large amount of public costs being

added to the budget would make the project economically infeasible.

As they had done with the Summit Woods project a few years earlier, RED Development engaged IRR Corporate & Public Finance (IRR C&P) to assist with establishment of public/private partnership to facilitate the project.

IRR C&P consulted with RED to evaluate the options for economic development programs that could make the project economically feasible. IRR continued to work with RED, the City of Lee's Summit and the Lee's Summit School District to structure the public financing. In addition to the nearly \$94.5 million of private investment, the proposed financing plan includes approximately \$28.9 million in TIF, \$3.1 million in City Super TIF, and \$17.9 million via a Community Improvement District (CID).

IRR C&P prepared the TIF Plan for submission to the city, and assisted RED Development in all aspects of their negotiations with the city and the school district. The TIF Plan and Development Agreement have been approved by the city and construction commenced in Spring 2007.

