

## SummitWoods Crossing

### Client:

RED Development  
1999-2001

### Project Highlights:

- Assisted developer in bridging initial approvals to project completion
- Project/budget management through public approvals and public financing
- Negotiated with City to yield significant additional public improvements that the city desired
- Evidenced to the City that future desired improvements could be accomplished without additional bonds or developer obligations
- Accomplished placement of financing:
  - \$16,765,000 Tax Increment Financing Bonds
  - \$14,755,009 Transportation Development District Bonds (secured by a NID)



### ***SummitWoods Crossing Shopping Center Opens in Lee's Summit, Creating Infrastructure for New Growth***

The SummitWoods Crossing project, a 718,406 square-foot power shopping center, is located in Lee's Summit, Missouri, a growing community located on the southeastern edge of the Kansas City Metropolitan area. The center consists of tenants such as Target, Kohl's, and Lowe's, bringing proven national retailers to this community for the first time. While the Lee's Summit market could readily support these tenants, existing infrastructure could not. Additionally, the City policy prohibited the use of Tax Increment Financing (TIF) for the direct benefit of the project.

In the end, TIF in the amount of \$16,750,000 was to be used from the project to build extensive public improvements in the area of the development, and a Transportation Development District Bond of \$14,750,000, via a 1% sales tax for developer project improvements was approved by Lee's Summit under the Missouri Transportation Development District Statutes.

In November 2001, the initial opening of the SummitWoods Crossing occurred with great fanfare and economic success. The balance of the center opened in March 2002.

### **The Role of IRR Corporate & Public Finance (IRR C&P):**

IRR C&P was faced with reconciling the originally negotiated and approved public contracts with a continued need for financing to bring the project to a successful completion for both the Developer and the City. On a contingent basis, IRR offered its services to bridge the gap between negotiated policy and completed development financing.

IRR reviewed all documents and contracts, assembled all construction data and developed revenue scenarios under both the proposed TIF and TDD financings. IRR then commenced negotiations with multiple underwriting entities to solicit the appropriate and effective financing team. Throughout this process, IRR coordinated all of its activities on behalf of the developer with the Lee's Summit agencies and their consultant team.



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Corporate & Public Finance, LLC

It was apparent early on that both the Developer and the City had significant financing needs and desires in excess of the initially agreed upon approvals. IRR recalculated the project cost and estimated the TIF and TDD revenues and structured the financing to accomplish both the public and private sector goals. IRR, along with the developer, interviewed investment banking firms and ultimately recommended Stifel Nicholas to underwrite the financing. The bonds closed in July 2001. It is significant that the closing occurred on an “as yet to be completed” project, never before done in Missouri. A letter of credit was provided by the developer, until the project was 80% open and occupied, which was anticipated in March of 2002.

IRR provided the necessary bridge between the planned development and agreements to the actualization of the goals of the Developer and the City of Lee’s Summit. Many projects are proposed, and many are approved, but many never occur. In this case, IRR made the difference in assisting all the parties in successfully completing a most difficult transaction.

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