



LEVY CRAIG
— LAW FIRM —

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June 24, 2025

VIA EMAIL

City of Smithville
107 West Main Street
Smithville, Missouri, 64089
Attn: Assistant City Administrator
GPate@smithvillemo.org

Gilmore & Bell, p.c.
2405 Grand Blvd., Suite 1100
Kansas City, Missouri 64108
Attn: Megan Miller
mmiller@gilmorebell.com

Re: 110 Smithville Tax Increment Financing Plan – Request for City Approval of
Business Relocation.

Dear City Administrator:

Our firm represents 110 Smithville, LLC (“Developer”), the developer of the 110 Smithville Redevelopment Project (the “Project”) approved by the City of Smithville (“City”) by Ordinance No. 3195-23 on August 1, 2023 (the “TIF Plan”).

The Developer is committed to the success of the Project as a catalyst for further development in downtown Smithville. The Project is expected provide more business activity and new sales tax generation in downtown Smithville. The TIF Plan contemplates 7,800 square feet of commercial space, generating approximately \$174,585 in annual sales taxes in the Redevelopment Area (as that term is used in the TIF Plan). As the Project has progressed, the commercial space has grown to 8,682 square feet, and the space needs of the commercial tenant have been identified. The commercial tenant intends to lease 4,582 square feet of commercial space and will generate approximately \$235,690 in annual sales taxes when the project is complete. The Developer would like to lease the remaining 4,100 square feet to Eric Craig Real Estate Team (“ECRE”).

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ECRE is currently located at 104 S. Bridge Street, Smithville, MO 64089. Relocating ECRE to newly constructed office space in the Redevelopment Area would constitute a relocation requiring city approval as described in Section 5.04 of the Tax Increment Financing Redevelopment Agreement dated August 1, 2023 (“TIF Contract”).

ECRE is a real estate business that is not primarily engaged in retail sales subject to state and local sales and use taxes as the primary operations. Relocating ECRE to newly constructed office space in the Redevelopment Area requires City consent, as described in Section 5.08 of the TIF Contract.

The Developer will not derive any revenue from relocating ECRE into the Redevelopment Area. Section 5.04 of the TIF Plan requires any relocated business to use the previous year’s sales tax as the sales tax base when calculating sales tax from the relocated business. The sales tax base for ECRE will be \$0, whether ECRE is in the Redevelopment Area, or in its current location. For this reason, relocating ECRE into the Redevelopment Area will not result in any sale tax revenue being diverted to the Developer.

Leasing part of the commercial space to ECRE will not reduce the anticipated sales tax generated in the Redevelopment Area. Please see the enclosed document entitled “Update to EATS Projections,” for current sales tax projections. As noted above, the commercial tenant only requires 4,582 square feet of commercial space and is expected to generate additional \$61,105 in sales taxes, when compared to the initial TIF plan.

The developer requests approval, as described in sections 5.04 and 5.08 of the Redevelopment Contract, to relocate ECRE to 4,100 square feet of the newly constructed office space within the Redevelopment Area.

Thank you and we would be happy to answer any questions about the relocation.

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Sincerely,

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Enc: Update to EATS Projections

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Main & Mill

Update to EATS Projections

5/20/2025

EATS As Originally Approved in TIF

EATS with Revision to Commercial Space

TENANT	Amount	Taxable Sales Yr 1	Sales per Ft	Amount	Taxable Sales Yr 1	Sales per Ft
Restaurant	7,800	\$2,000,000	\$256.41	4,582	\$2,700,000	\$310.99
Commercial NRSF	0	\$0		4,100	\$0	\$0.00
Co-Working Space NRSF	0	\$0		0	\$0	
Ground Floor Total NRSF	7,800	\$2,000,000		8,682	\$2,700,000	
EATS Assumptions						
Projected Sales Start		4th Qtr 2024			4th Qtr 2026	
Sales Tax Rate		8.4750%			8.4750%	
Captured for TIF		1.8750%			1.8750%	
Sales Growth Rate		3.00%			3.00%	

EATS FORECAST

YEAR	TOTAL SALES	Total EATS	EATS Captured for TIF	TOTAL SALES	Total EATS	EATS Captured for TIF
2023	\$0	\$0	\$0	\$0	\$0	\$0
2024	\$400,000	\$33,900	\$7,500	\$0	\$0	\$0
2025	\$2,060,000	\$174,585	\$38,625	\$0	\$0	\$0
2026	\$2,121,800	\$179,823	\$39,784	\$675,000	\$57,206	\$12,656
2027	\$2,185,454	\$185,217	\$40,977	\$2,781,000	\$235,690	\$52,144
2028	\$2,251,018	\$190,774	\$42,207	\$2,864,430	\$242,760	\$53,708
2029	\$2,318,548	\$196,497	\$43,473	\$2,950,363	\$250,043	\$55,319
2030	\$2,388,105	\$202,392	\$44,777	\$3,038,874	\$257,545	\$56,979
2031	\$2,459,748	\$208,464	\$46,120	\$3,130,040	\$265,271	\$58,688
2032	\$2,533,540	\$214,718	\$47,504	\$3,223,941	\$273,229	\$60,449
2033	\$2,609,546	\$221,159	\$48,929	\$3,320,659	\$281,426	\$62,262
2034	\$2,687,833	\$227,794	\$50,397	\$3,420,279	\$289,869	\$64,130
2035	\$2,768,468	\$234,628	\$51,909	\$3,522,888	\$298,565	\$66,054
2036	\$2,851,522	\$241,666	\$53,466	\$3,628,574	\$307,522	\$68,036
2037	\$2,937,067	\$248,916	\$55,070	\$3,737,431	\$316,747	\$70,077
2038	\$3,025,179	\$256,384	\$56,722	\$3,849,554	\$326,250	\$72,179
2039	\$3,115,935	\$264,075	\$58,424	\$3,965,041	\$336,037	\$74,345
2040	\$3,209,413	\$271,998	\$60,176	\$4,083,992	\$346,118	\$76,575
2041	\$3,305,695	\$280,158	\$61,982	\$4,206,512	\$356,502	\$78,872
2042	\$3,404,866	\$288,562	\$63,841	\$4,332,707	\$367,197	\$81,238
2043	\$3,507,012	\$0	\$0	\$4,462,689	\$378,213	\$83,675
2044	\$3,612,222	\$0	\$0	\$4,596,569	\$389,559	\$86,186
2045	\$3,720,589	\$0	\$0	\$0	\$0	\$0
		\$4,121,709	\$911,883		\$5,575,749	\$1,233,573

Tax District	Sales Tax Rate	Rate Captured by	Pct Captured by	Sales Tax Rate	Rate Captured by
		TIF	TIF		TIF
State	4.2250%	0.0000%	0%	4.2250%	0.0000%
County	1.1250%	0.5625%	50%	1.1250%	0.5625%
City	2.5000%	1.2500%	50%	2.5000%	1.2500%
City Fire	0.5000%	0.0000%	0%	0.5000%	0.0000%
Zoo	0.1250%	0.0625%	50%	0.1250%	0.0625%
Total	8.4750%	1.8750%	22%	8.4750%	1.8750%